

## **Funding is critical to enable effective organisational capability and performance in the transport entities**

- 18 The transport entities are primarily funded through either Crown funding or fees, levies, and charges. The Ministry is responsible for providing the Minister of Transport with advice on organisational funding issues. However, you will play an influential role in many of these funding decisions.
- 19 A large component of the Ministry's advice supports the regular review of cost recovery regimes that inform the collection of revenue for the delivery of regulatory functions (funding reviews). These funding reviews are particularly important for MNZ and CAA as they will determine the bulk of their operational funding.
- 20 Transport sector entities have typically operated on a three or six-year cycle for funding reviews, with a review taking approximately two years to complete. However, recent funding reviews have taken longer due to increasing complexities. Reviews of cost recovery regimes are critical to ensure that the transport entities are appropriately resourced to deliver their core regulatory functions.
- 21 Successful delivery of the funding reviews requires close working relationships between the entity, its Board, the Ministry, Treasury and Ministers. This will provide clarity on what participants are purchasing through each fee, levy, or charge, including expected benefits and outcomes. You can expect to be involved at the following points of a funding review:
  - 21.1 **at the start of the process to approve the Terms of Reference for the review:** we consider that it is best for Ministers to have an opportunity to provide feedback on the high-level settings being approved by the Board for the review;
  - 21.2 **any updates on key decisions made by the Board on the direction of the review:** we would expect you and the Minister of Transport to be consulted on any matters with significant policy implications for the entity, including changes to the way they conduct their operations or decisions that may draw lots of public comment;
  - 21.3 **to approve the draft consultation document for public consultation:** this will ultimately be completed through a Cabinet paper that the Minister of Transport will lead given the potential financial implications. The Minister of Transport may authorise you to take the paper on his behalf;
  - 21.4 **following public consultation:** you can expect a written briefing providing an update on any feedback and more informal summaries as the public consultation process unfolds;
  - 21.5 **to approve the final policy decision:** this will ultimately be completed through a Cabinet paper that the Minister of Transport will lead. He may authorise you to take the paper on his behalf; and
  - 21.6 **to lead any necessary legislative or regulatory change:** once final policy decisions have been made by Cabinet, any necessary changes will need to be made through either new legislation or a change to the regulations that the fee,

levy or charge is listed under. You will be responsible for giving effect to any changes that are necessary through an Order in Council, or legislation through the House.

- 22 We have indicated to CAA and MNZ that we expect them to complete or implement the changes from their reviews (including Aviation Security Services (Avsec) and the Oil Pollution Fund respectively) by 30 June 2024. Ministerial approval will be sought throughout this process including prior to sector consultation, changing the relevant regulations, or making changes to non-user pays funding.
- 23 Through these processes, our role is to support the Minister of Transport and you to ensure that cost recovery regimes deliver effective and efficient regulatory outcomes. Any changes to these regimes are generally progressed through public consultation and require Ministerial and Cabinet approval.

*COVID-19 has presented significant funding challenges for the transport entities*

- 24 COVID-19 significantly impacted the funding sustainability of the transport Crown entities. This is because the majority of the entities' revenue base is volume and activity driven, and there are high fixed costs associated with delivering regulation. Avsec was the most affected as 99 percent of its revenue came from levies collected from passengers at the border. CAA and MNZ were also affected with 89 percent and 87 percent of their operations sustained through charges, fees, and levies.
- 25 A liquidity facility has been in place since mid-2020 to provide additional Crown financial support that enables CAA and MNZ to deliver core services. This liquidity facility has funded most of CAA's operational activities since borders were closed in 2020, and a large proportion of MNZ's since the start of 2021.
- 26 In 2020, Cabinet placed a moratorium on funding reviews due to uncertainties from the pandemic. At the time, CAA had completed a mid-point funding review which could not be implemented and MNZ was scheduled to begin its own mid-point review. The moratorium was lifted in October 2021 enabling MNZ and CAA to commence the preliminary work required to undertake funding reviews. These reviews will be complex as the need to transition back to financial sustainability will be impacted by factors including cost increases (COVID-19 related and otherwise), uncertainty about "the new normal" for border agencies, and the ability of industry to absorb any cost increases.

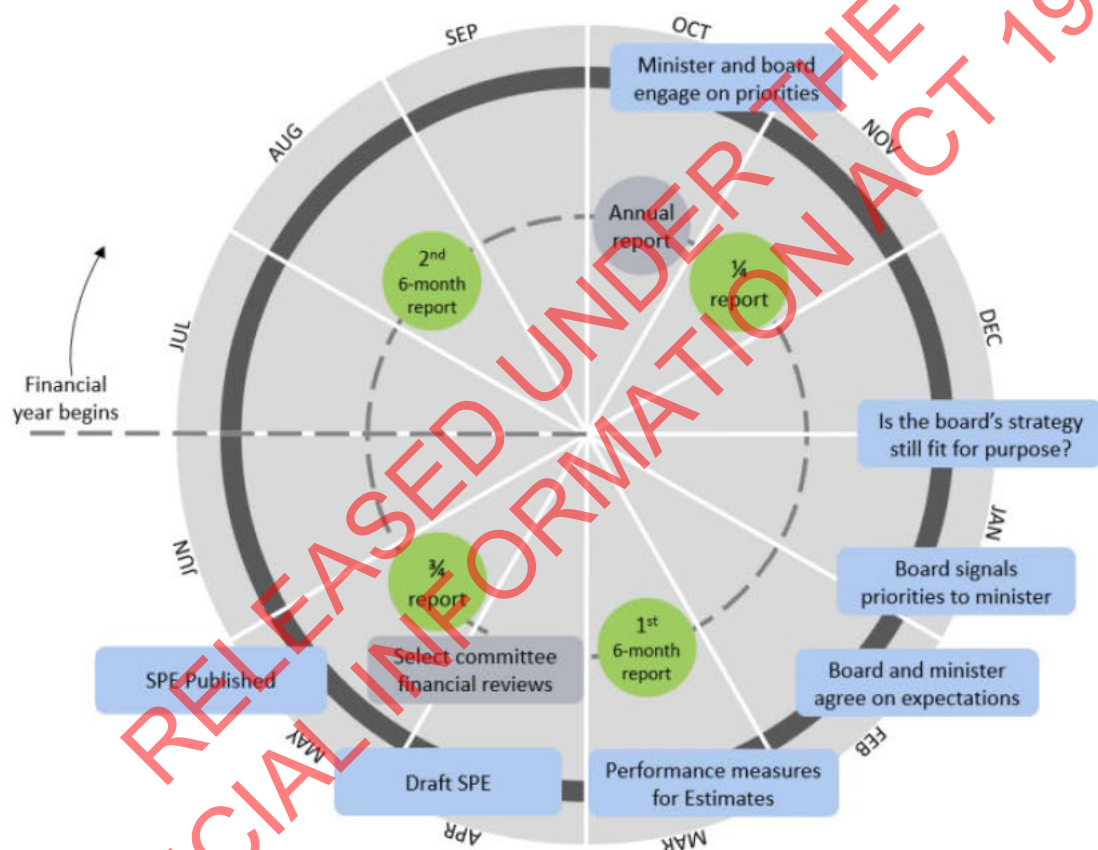
*The links between the funding reviews and upcoming legislative change will also be an important consideration*

- 27 In parallel to the funding reviews, the Civil Aviation Bill (which is making significant changes to the Civil Aviation Act) is also being progressed through the House and early work is underway to review the Maritime Transport Act 1994. These Acts are the core legislation for all MNZ and CAA activities and the settings determined through funding reviews will affect the functions outlined in those Acts. It will be important to consider these legislative reviews alongside the funding review process, although judgement will be required to determine whether a matter should be considered in this funding review round or in the future.

## The Ministry will provide you with regular advice to assist in your oversight role of the transport Crown entities

- 28 In the next few months, the Ministry will provide you with advice on key matters relating to governance, delivery, and funding issues across the transport Crown entities. Some of these issues are regular accountability matters and others are more specific.
- 29 **The below table** also provides a high-level overview of these issues, and the approximate times you will receive advice throughout the year. A summary diagram of the planning and reporting cycle for Crown entities is also provided for reference.

*Crown Entity Planning and Reporting cycle*



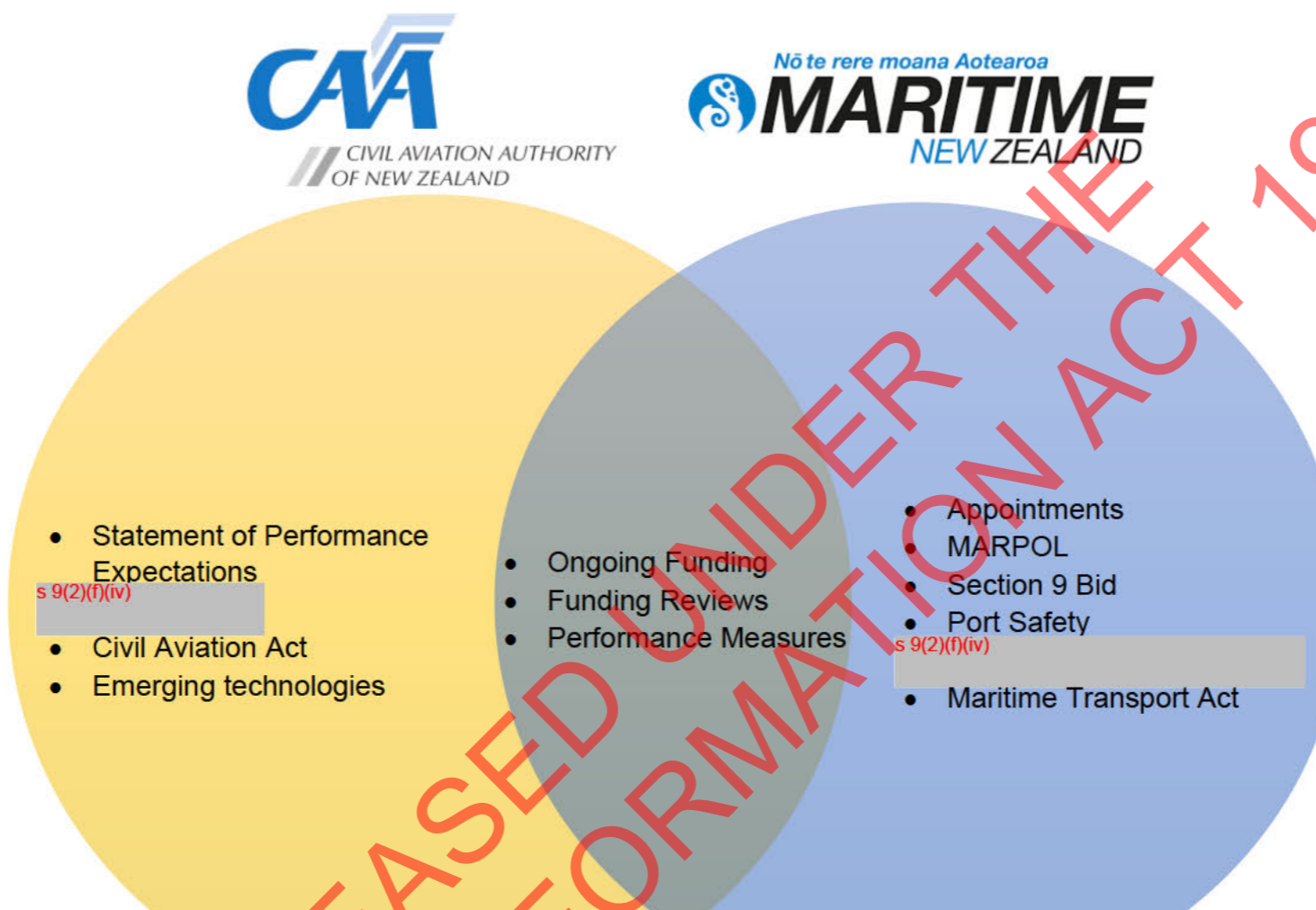
**Diagram keys:** Green indicates reporting information provided to you. Grey indicates reporting information provided to Parliament.

### *Upcoming matters requiring your direction for the transport Crown entities*

Matter	Overview	Your role	Further information	Date advice expected
<b>Quarterly reporting</b>	You will receive quarterly reports from the entities on their performance against the Government's expectations and priorities.	Review and provide feedback on entity performance (through the Board Chair)		MNZ and CAA do not prepare a quarter four report, but instead feed the final information into

Matter	Overview	Your role	Further information	Date advice expected
	The Ministry will generally provide its advice within seven weeks from the end of a financial quarter, subject to when it receives a draft of the entity's report.			their Annual Reports (see row below).
<b>Annual reports</b>	Entity annual reports will be submitted to you for review. They will then be scrutinised by Parliament once they have been tabled in the House of Representatives.	Table Annual Reports in the House of Representatives.  In its advice, the Ministry may include a letter for you to send to the Board Chair in response to the Annual Report.		Generally late October/early November. However, there have been delays in recent years due to COVID-19 uncertainties and staff shortages at Audit NZ.
<b>Letters of Expectation – 2023/24</b>	Your key instrument for setting entity expectations. The Ministry will draft this letter on your behalf, and will provide it to you for your review in the final quarter of 2022.	Provide feedback to the Ministry to ensure the letters align with the expectations you wish to signal to the entities.	Entities provided draft Statements of Performance Expectations in April 2022 outlining how they will deliver on your expectations.  To inform this process, it is important that the Letters of Expectations are provided to boards before the end of 2022.	November 2022.
<b>Crown Board appointments</b>	There are six (re)appointments for CAA and MNZ boards in the second half of 2022, as well as four committee related appointments.  Appointments are a critical lever for influencing the performance of the entities.	Provide feedback to the Ministry on proposed reappointments and appointments to the transport Crown entity boards.	It is important that the appointments process is progressed in a timely manner. This includes receiving your preferred direction on (re)appointments.	Separate briefing – OC220536.
<b>Transport agency Budget bids (Budget 2023)</b>	s 9(2)(f)(iv)	Responsibility for Vote Transport has been retained by the Minister of Transport; however, we expect you will provide a supporting role for matters relating to your delegations.	The process for Budget 2023 has not yet started.  s 9(2)(f)(iv)	Late 2022 / early 2023

## Appendix One: Summary of Key Monitoring Matters for both CAA and MNZ

<p><b>Statement of Performance Expectations (SPE)</b></p> <p>s 9(2)(f)(iv)</p> <p>Advice to the Minister of Transport is due on the week ending 27 July 2022. You will receive a copy of this advice.</p> <p>s 9(2)(f)(iv)</p>	<div style="text-align: center;">  </div>	<p><b>Appointments</b></p> <p>Refer to Appendix Three in OC220536.</p> <p><b>MARPOL</b></p> <p>MNZ has been funded to give effect to Aotearoa's accession to Annex VI of the International Convention for the Prevention of Pollution from Ships (MARPOL) for one year. s 9(2)(f)(iv)</p> <p><b>Section 9 bid</b></p> <p>Because MNZ was unsuccessful in its 2022 Budget bid for a temporary increase in funding for its rules programme, it is seeking funding to complete improvements to the Maritime rules for recreational boating under section 9(1) of the Land Transport Management Act 2003.</p> <p>The Ministry is meeting to consider this bid in late-July as funding is required for summer 2022.</p> <p><b>Port Safety</b></p> <p>The Minister of Transport announced an investigation into health and safety practices at NZ ports in April 2022, following two fatalities that month.</p> <p>MNZ is working with WorkSafe (separate to two Transport Accident Investigation Commission investigations). MNZ will aim to have advice to the Minister of Transport by around October.</p>
<p><b>Civil Aviation Bill</b></p> <p>The Ministry continues to work CAA on the refreshment of the Civil Aviation Act 1990, with a new Civil Aviation Bill working its way through the legislative process.</p> <p>Once the Bill is enacted, CAA and the Ministry will have 18 months to implement changes.</p> <p><b>Emerging technologies</b></p> <p>There is considerable growth of new technology and innovation in the aviation and aerospace sectors. s 9(2)(g)(i)</p>	<p><b>Ongoing Funding and Funding Reviews</b></p> <p>COVID travel restrictions significantly disrupted the funding of both entities which were heavily reliant of fees, charges, and levies to maintain their operations. A liquidity facility has been established to help fund core services in the interim, and both MNZ and CAA draw funding down from this regularly. Until the sector recovers and/or changes from the funding reviews are implemented, the entities will be reliant on Crown funding. s 9(2)(f)(iv)</p> <p><b>Performance Measures</b></p> <p>In his feedback on MNZ and CAA's SPEs, the Minister of Transport encouraged them to engage with the Ministry on continuous improvements for performance measures.</p> <p>In the coming months, the Ministry and entities will be collaborating on measures that more accurately reflect their progress on important pieces of work and incorporate public sector guidance on effective measures.</p>	<p>s 9(2)(f)(iv)</p> <p><b>Maritime Transport Act Review</b></p> <p>A Ministry reference group has been meeting regularly to shape the direction and focus of the review of the Maritime Transport Act 1994, which is out of date. This is being undertaken in collaboration with MNZ and incorporating lessons learnt from the Civil Aviation Act review.</p>

20 July 2022

OC220590

**Hon Michael Wood****Action required by:****Minister of Transport**

Friday, 12 August 2022

cc Hon Kieran McAnulty

Associate Minister of Transport

## TRANSPORT REGULATORY WORK PROGRAMME UPDATE JUNE 2022

### Purpose

Updates you on the Transport Regulatory Work Programme for land, maritime, and aviation.

### Key points

- This briefing continues the series of quarterly progress updates to you about the Regulatory Work Programme (the Programme).
- We have reprioritised resource to respond to new Government priorities, including the reforms to temporarily reduce petrol excise duty and road user charges, as well as recent policy work to address issues relating to gang convoys.
- We have also progressed work aimed at reducing transport emissions across multiple modes. On 26 May 2022, New Zealand acceded to the International Convention for the Prevention of Pollution from Ships (MARPOL) Annex VI, following the development of a variety of regulations and rules to bring our domestic legislation into alignment with the Annex. We have also undertaken policy development work on the Land Transport (Congestion Charging) Amendment Bill, the Public Transport Operating Model (PTOM), and the Clean Vehicle Standard Regulations.
- Reprioritising resource has resulted in delays for some projects. s 9(2)(g)(i) there has been a delay in progressing the Regulatory Systems (Transport) Amendment Bill, s 9(2)(f)(iv)
- We will publish the A3s attached to this briefing (with appropriate redactions) on Te Manatū Waka – Ministry of Transport's (Te Manatū Waka's) website, following your agreement.

## Recommendations

We recommend you:

- 1 **agree** that Te Manatū Waka publishes the attached A3 summaries of the Regulatory Work Programme with the appropriate redactions on the Te Manatū Waka website. Yes / No

  
 \_\_\_\_\_  
 Megan Moffet  
 Manager, Regulatory Policy  
 20 / 07 / 2022

\_\_\_\_\_  
 Hon Michael Wood  
 Minister of Transport  
 ..... / ..... / .....

Minister's office to complete:

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

Comments

## Contacts

Name	Telephone	First contact
Megan Moffet, Manager, Regulatory Policy	s 9(2)(a)	✓
Rebecca Ellery, Portfolio Manager, Regulatory Policy	s 9(2)(a)	

## TRANSPORT REGULATORY WORK PROGRAMME UPDATE JUNE 2022

### Overview of the Regulatory Work Programme's current state

- 1 Te Manatū Waka – Ministry of Transport (Te Manatū Waka) and the transport regulatory agencies (Waka Kotahi – New Zealand Transport Agency (Waka Kotahi), Civil Aviation Authority (CAA), and Maritime New Zealand (MNZ)) are responsible for the regular maintenance and renewal of the transport legislative framework to ensure it is fit-for-purpose and up-to-date to allow for the delivery of Government priorities.
- 2 The Programme encompasses the collective work of Te Manatū Waka and transport agencies' that includes, or may result in, legislative changes. The Programme is set out in detail in the attached A3 summaries grouped according to the three transport modes: land, aviation, and maritime.
- 3 We last briefed you about the Programme's progress on 31 March 2022 (OC220074 refers) at the end of the first quarter of the 2022 calendar year. Since the previous update, Minister McAnulty has been appointed as Associate Minister of Transport and has been delegated responsibly for MNZ and the CAA, including their regulatory work. Therefore, this briefing and the attached A3s cover a range of work falling within your or Minister McAnulty's portfolios

### From a programme management perspective

- 4 As you are aware, on 9 May 2022, Cabinet noted that Te Manatū Waka would no longer submit an annual secondary legislation change work programme to Cabinet (Cab Min DEV-22-MIN-0110 refers). Instead, Cabinet noted that Te Manatū Waka will publish quarterly work programmes on its website.
- 5 The attached A3s provide updated summaries of workstreams on the land, aviation, and maritime work programmes as at the end of June 2022 (the second quarter of this calendar year).
- 6 Note that, as per the previous update in March 2022, these A3s no longer include reference to proposed future workstreams. This is intended to improve the readability of the documents and to focus on where significant changes have occurred across the programme.
- 7 Te Manatū Waka is now considering how best to work together with the agencies to develop a more formal process for adding, removing, and adjusting projects on the work programme. We will provide you with an update on programme management progress in our next quarterly update.

## In the land programme...

*We have reprioritised resource to focus on new Government priorities.*

- 8 On 14 March 2022, Cabinet agreed to temporarily reduce fuel excise duty (FED) and road user charges (RUC) due to a significant and sudden increase in fuel prices. 25 cents per litre was cut from petrol excise duty, and 36 percent of RUC were cut for three months. We worked closely with Waka Kotahi, Customs, and the Parliamentary Counsel Office to enable these changes through the development of an Order in Council, amendments to Regulations, and the progression and passage of the RUC (Temporary RUC Reduction Scheme) Amendment Act 2022.
- 9 On 11 April, Cabinet agreed to extend these FED and RUC reductions for two additional months (from the original expiry dates). These were enabled through Orders in Council made in June, which extended the FED reduction period to 15 August 2022 and the RUC reduction period to 31 January 2023.
- 10 Following Cabinet Priorities Committee on 8 June 2022, Ministry of Transport officials have been working alongside the Ministry of Justice and New Zealand Police to s 9(2)(f)(iv)  
[REDACTED]  
 Authorised Ministers with Power to Act met on 10 July 2022 to discuss final policy decisions. Officials are now working with Parliamentary Counsel Office (PCO) s 9(2)(f)(iv)  
[REDACTED]

*We continue to progress work to reduce transport emissions across modes...*

- 11 Te Manatū Waka is currently developing the policy framework for the Land Transport (Congestion Charging) Amendment Bill to enable congestion charging in New Zealand. We recently briefed you on potential options for reform that primarily focused on the impacts of a devolved model (OC220505 refers). Following your feedback, we will now develop more detailed policy proposals for consideration by Cabinet.
- 12 Te Manatū Waka has continued to develop policy proposals relating to the Public Transport Operating Model (PTOM). In April 2022, we advised you on outstanding policy issues for the PTOM Review (OC220015 refers), s 9(2)(g)(i)  
[REDACTED]  
[REDACTED]  
 We provided further advice and a draft Cabinet paper on 8 June 2022 (OC220364 refers) with the aim of having Cabinet Committee consideration on 27 July 2022. s 9(2)(g)(i)  
[REDACTED]  
[REDACTED]  
[REDACTED]
- 13 The Sustainable Biofuels Obligation (the Obligation - previously referred to as the Sustainable Biofuels Mandate) progresses development of a biofuels obligation to reduce greenhouse gas emissions from New Zealand's liquid transport fossil fuels through deployment of sustainable liquid transport biofuels. This is a key deliverable under the Government's first emissions reduction plan. Te Manatū Waka is supporting the Ministry of Business, Innovation, and Employment who are the lead agency for this package of legislative reform. Public consultation on the discussion document outlining the Obligation's proposed regulations ended on 1 July 2022. The

s 9(2)(f)(iv)

- 14 Work to develop the Clean Vehicle Standard Regulations to reduce the emissions profile of New Zealand's light vehicle fleet is progressing well. s 9(2)(f)(iv)

- 15 In June 2022, you sent a letter to engage with industry on potential dates to phase in the implementation of Euro 6/VI vehicle emissions standards. Officials have since received responses and considered feedback from most parties engaged with and drafting instructions to update the Land Transport Rule: Vehicle Exhaust Emissions 2007 have been issued. Officials are now preparing a Cabinet paper seeking agreement to a six-week public consultation period on a draft amendment rule in late August 2022.

*...while delivering a range of other priority and regulatory stewardship work.*

- 16 Consultation on policy proposals for the second Regulatory Systems (Transport) Amendment Bill (RSTA) concluded on 1 July 2022. Feedback from consultation highlighted the need for proposed changes in the land and maritime sectors and feedback included useful policy and implementation considerations. As part of planned engagement, Te Manatū Waka will meet with RCAs in late July 2022 to discuss the RSTA proposals in greater detail. Prioritisation of the vehicle forfeiture work (noted above) has led to delays in the progression of this work. We will provide Associate Minister McAnulty with advice by the end of July 2022 updating him on progress and expected timelines given these delays.
- 17 The Cabinet paper and draft consultation material for the Road Safety Penalties Review is out for Ministerial consultation. The road safety penalties package will go to the Cabinet Economic Development Committee (DEV) in August 2022. s 9(2)(f)(iv)
- 18 Te Manatū Waka has developed initial advice on the raising of vehicle fleet safety standards. This went up to you in the first week of July 2022 and is the first step in a series of papers reviewing the framework for how we regulate vehicles. The objective is to streamline our processes so that vehicle standards can respond to disruption and advances in the vehicle market more effectively.
- 19 Te Manatū Waka and Waka Kotahi are ready to proceed with the Accessible Streets package, a work programme designed to improve safety for footpath users, encourage active modes of transport, and support the creation of more liveable, vibrant urban areas. s 9(2)(f)(iv)
- 20 Under the Tackling Unsafe Speeds programme, you signed the new Land Transport Rule: Setting of Speed Limits 2022 on 19 May 2022. Waka Kotahi is now working with local government RCA's to implement the new regime.

- 21 Te Manatū Waka is currently finalising its Long-Term Insights Briefing (LTIB), which draws attention to a number of regulatory issues related to Automated Vehicles. The main recommendation is to undertake further policy development of the liability regime of highly automated vehicles starting in August 2022.

### In the maritime programme...

*We continue to progress primary legislative reform...*

- 22 As noted above, work has continued on both the land and maritime-related reforms proposed to be progressed through the RSTA Bill. Consultation on these proposals concluded on 1 July 2022.
- 23 Work has commenced on scoping a Maritime Transport Act 1994 Review. The review will provide the opportunity to modernise the legislation and ensure the regulatory framework is fit-for-purpose for MNZ to effectively perform its role as the national maritime regulatory, compliance, and response agency. We will provide an introductory briefing to Minister McAnulty in August 2022.

*...and prioritise emissions-related reforms...*

- 24 On 26 May 2022, New Zealand acceded to the International Convention for the Prevention of Pollution from Ships (MARPOL) Annex VI, following the development of a variety of regulations and rules to bring our domestic legislation into alignment with the Annex. While most of these legislative amendments were Gazetted on 8 July 2022 to come into force on 26 August 2022, one part of the rules has been suspended to allow time to address an error identified in section C3 of Part 199<sup>1</sup>. This amendment rule will instead be gazetted by the end November 2022.

*...while we continue with a range of other priority and regulatory stewardship work.*

- 25 s 9(2)(f)(iv)
- 26 Work has continued on Part 53 (Pilot Transfer Arrangements and Ship - Helicopter Pilot Transfers). Part 23 (Operating Procedures and Training) has been added to this package as both amendment rules are important but minor changes to improve safety and international alignment. The changes will also provide greater certainty than is currently provided by the general exemption that was issued for Maritime Rule 53.4(2)(a) and examined by the Regulations Review Committee in 2021. We are planning to provide a briefing to you to confirm consultation on the proposed reforms in August 2022, with signature on the Rule expected by the end of the year. The delay from the previous briefing (September to December 2022) is due to additional work added to the programme across the quarter impacting the ability to deliver.

<sup>1</sup> The suspension of section C3 does not affect New Zealand's compliance with MARPOL Annex VI.e  
s 9(2)(g)(i)

- 27 MNZ is near to finalising the proposed package of rules to implement the Cape Town Agreement, which relates to fishing vessel safety. These rules are expected to include a number of transport instruments, for which the enabling provisions and instruments still need to be consulted on. We will soon be seeking your agreement to this consultation on the enabling provisions in the rule.
- 28 MNZ had good engagement with surveyors and the wider maritime sector on the 40 Series project, which is a multi-year project to reform the rules that set design, construction, and equipment standards for New Zealand domestic commercial ships. Engagement has included presentations during June 2022 at the Federation of Commercial Fishermen Conference and the annual MNZ surveyor seminar. Engagement has been constructive and has challenged MNZ to consider costs and benefits of the proposals early in the process. Early drafts of the Life-saving Appliances rules and transport instrument have been provided to Te Manatū Waka for comment. Technical working drafts were also provided to the surveyors at the MNZ surveyor seminar for their feedback.

### In the aviation programme...

*The Civil Aviation Bill has made good progress.*

- 29 The Civil Aviation Bill (CAB) has been reported back from Select Committee and is awaiting second reading. We are preparing to brief Minister McAnulty on the CAB and our planning for the implementation programme that will follow its enactment and will copy you in on this advice. The implementation plan is significant, given it will require the making or revision of several sets of regulations, the re-making of the entire Rules set, the establishment of a number of new functions, as well as supporting CAA to operationalise under the new Act.

*Policy work continues...*

- 30 Policy work continues on the Air Navigation Services and Regulatory Framework at CAA. This work reviews a range of rule parts relating to the provision of air navigation services. It aims to implement a framework that is fit for purpose for modern day operations, maintains an appropriate level of safety and security and is flexible enough to keep pace with technological developments that continue to occur in the sector.
- 31 The drone regulatory programme, Enabling Drone Integration (EDI) is intended to update the regulatory framework that applies to drones. The aim is to foster a safe and sustainable environment for drone use to enable the sector to thrive and develop. In Budget 2022, Cabinet agreed to tagged contingency budget of \$8.867 million for EDI subject to its approval of the proposals in the Cabinet paper.

§ 9(2)(g)(i)

The first phase consists of updating the Civil Aviation Rules, mandatory basic pilot qualification and registration of drones 250g or over. § 9(2)(g)(i)

Policy work continues on the second phase of the proposals which include remote ID and Geo-awareness.

*...although resourcing constraints continue to affect prioritisation and delay some projects.*

- 32 The CAA are still finalising the 13 additional draft notices relating to Performance Based Navigation. This has taken longer than expected and continues to cause delays in the Runway Condition Reporting work, which we now expect to be completed by November this year, a further delay since last reported as September. Drafting of the proposed rule has now begun alongside development of consultation materials.
- 33 Progress on the Assorted Issues Amendment Rule has also remained on hold while the project awaits Runway Condition Reporting work to be completed and resource for drafting.

### **We continue to support a number of other agencies with their reform work**

- 34 Te Manatū Waka continues to work closely with a number of other agencies who are developing reforms which have a direct connection to the transport regulatory system:
- 34.1 The Ministry for the Environment continue to develop RMA reforms which will result in reform legislation through the Natural and Built Environment Bill, and the Strategic Planning Bill. We are working closely to ensure a workable connection between land planning and the new resource planning arrangements.
- 34.2 The Department of Internal Affairs is progressing Three Waters reforms through the Water Services Entities Bill, and during a later phase the Water Services Delivery Bill. Te Manatū Waka will engage as work on these two Bills progresses.

### **Publication of the Programme A3s**

- 35 The A3s from this update (see attached) will be published with appropriate redactions following your agreement.

## **ANNEXES 1 TO 3**

- 1 Land Regulatory Work Programme A3 June 2022
- 2 Maritime Regulatory Work Programme A3 June 2022
- 3 Aviation Regulatory Work Programme A3 June 2022 [RESTRICTED]

RELEASED UNDER THE  
OFFICIAL INFORMATION ACT 1982

## Sustainable Biofuels Obligation

This project progresses development of a biofuels obligation to reduce greenhouse gas emissions from New Zealand's liquid transport fossil fuels through the deployment of sustainable liquid transport biofuels. Note: although this is a joint initiative between MBIE and Te Manatū Waka, MBIE is leading the Regulations and legislative drafting process.

**Changes since last update:** Provided the Minister with a draft Regulations discussion document in late March 2022, approved for release on 3 June 2022.

**Current Stage:** Discussion document outlining Obligation's proposed Regulations undergoing public consultation, ending 1 July 2022.

**Next Steps:** § 9(2)(f)(iv)

**Indicative Completion:** Obligation expected to be in force from 1 April 2023.

## Review of Road User Charges (RUC)

A review of the RUC regime that could, among other things: enable the extension of the end date of road user charges (RUC), exemptions for heavy electric vehicles (EVs), enable exemption of low-emissions vehicles from RUC, and create the ability to set partial RUC rates for certain types of low emission vehicles.

Other amendments seek to reduce compliance costs, improve RUC enforcement capability, simplify the RUC system, and improve the regulatory functions of Waka Kotahi in relation to the RUC Act.

**Changes since last update:** Preparing to provide advice to the Minister.

**Current Stage:** Analysis of submissions received. Consultation will inform what policy proposals are suggested to Cabinet. Some proposals could be progressed separately from others.

**Next Steps:** Report back to the Minister with advice and recommendations in August 2022.

**Indicative Completion:** TBC.

## Bilingual Signage

Amending the Traffic Control Devices Rule to allow for bilingual signage where appropriate.

**Changes since last update:** The Kura School Signs Rule came into force on 5 April 2022.

**Current Stage:** Waka Kotahi has finalised a prioritised list of signs (phase two) for consultation.

§ 9(2)(f)(iv)

**Next Steps:** § 9(2)(f)(iv)

**Indicative Completion:** Phase 1 is complete.

§ 9(2)(f)(iv)

## United Nations Type Approvals

As a signatory to the 1958 Agreement, New Zealand complies with Regulations developed through UN working parties to harmonise vehicle standards globally. New Zealand does not however provide for automatic recognition of UN type approvals. Accepting type approvals which meet our specific safety and compliance standards would reduce regulatory barriers, and administrative overheads.

**Change since last update:** Linkages have been identified between this work and the Vehicle Fleet Safety and Standards Package.

**Current Stage:** Policy development.

**Next steps:** Consideration of UN Type Approvals will take place as part of the wider Vehicle Standards work. Therefore, these two items will be merged together in the next update.

## Digital Identity Licensing

Assess the impact of the Digital Identity work, being led out of DIA on driver licences.

**Changes since last update:** Te Manatū Waka provided feedback on the draft Cabinet paper and consultation document. Waka Kotahi working to identify opportunities, and barriers to DDL.

**Current Stage:** Finalisation of policy and funding bid to establish cross-government Digital Identity Trust Framework (DITF) services.

**Next Steps:** § 9(2)(f)(iv)

**Indicative Completion:** TBC.

## Vehicle Lighting Rule – Transport Instrument Pilot

This project will put in place the first transport instrument in the land regulatory regime. The Vehicle Lighting Rule has been identified as a suitable candidate.

**Changes since last update:** Planning continues, led by Operational Policy.

**Current Stage:** Policy development. Developing an amendment for the VL Rule to allow for the making of transport instruments (TIs), and identifying those components of the current VL Rule that could become TIs.

**Next Steps:** Policy development continues.

§ 9(2)(f)(iv)

§ 9(2)(f)(iv)

**Indicative Completion:** § 9(2)(f)(iv)

## Regulatory Systems (Transport) Amendment Bill Two

Short-term legislative maintenance to enable RCAs to review the cost-recovery limitation on residential parking charges, enable the e-service of documents, and provide modern enforcement tools.

**Changes since last update:** Consultation closed 1 July 2022.

**Current Stage:** Analysis of submissions.

**Next Steps:** Provide the Minister with update once submissions' analysis is completed.

**Indicative Completion:** § 9(2)(f)(iv)

## Clean Vehicles Programme

Reducing the emissions profile of New Zealand's light vehicle fleet by introducing a Clean Car Standard and Discount.

**Changes since last update:** The Land Transport (Clean Vehicles) Amendment Bill 2022 passed in February 2022 and at the same time the Clean Vehicle Discount Regulations were passed.

**Current Stage:** Developing the Clean Vehicle Standard Regulations.

**Next Steps:** § 9(2)(f)(iv)

**Indicative Completion:** § 9(2)(f)(iv)

## Automated Vehicles: liability for level 3+ vehicles

Te Manatū Waka is currently finalising its Long Term Insights Briefing, which draws attention to a number of regulatory issues related to AVs.

**Changes since last update:** Long term insights briefing released on Te Manatū Waka website.

**Current Stage:** Scoping.

**Next Steps:** § 9(2)(f)(iv)

**Indicative Completion:** TBC.

## Rail

### Auckland Light Rail (ALR)

The public service delivery of Light Rail in Auckland connecting Māngere to Auckland CBD.

**Change since last update:** The Board Chair and core members have been appointed, and delegations to the Board agreed, and sent. Cabinet has agreed Heads of Terms for the Sponsor's Agreement, and Ministers agreed an approach to the Detailed Planning Delivery Entity (DPDE).

**Current stage:** Te Manatū Waka is focused on finalising the governance arrangements for the Detailed Planning phase. A recruitment process for the full Board is underway. Te Manatū Waka is also progressing work on the statutory and contractual arrangements needed to establish the DPDE.

**Next steps:** § 9(2)(f)(iv) with further policy work in progress in relation to ultimate delivery entity, ownership and operations; consenting, land acquisition and early works; funding, finance and value capture; and rail standards. Beyond (but informed by) ALR, Te Manatū Waka is standing up full programme of wider policy work, to enable a consistent approach to the planning, funding, delivery and operation of rapid transit projects in New Zealand.

**Indicative completion:** § 9(2)(f)(iv)

### Railway Rules Identification

The National Rail Industry Advisory Forum has identified 24 safety focused initiatives to progress. The focus of these initiatives include, among other things, the promotion of safety systems, standards, and interoperability.

**Changes since last update:** Meeting with Te Manatū Waka to align rail with changes to other licensing systems in terms of powers and license expiry. Discussions with Te Manatū Waka on investigative powers part of RSTA 2.

**Current Stage:** Scoping – assessing issues.

**Next Steps:** § 9(2)(f)(iv)

§ 9(2)(f)(iv)

**Indicative Completion:** § 9(2)(f)(iv)

## Updating the Vehicle Exhaust Emissions Rule 2007 to more stringent emissions standards

This project seeks to require more stringent harmful emissions standards through amendment to the Vehicle Exhaust Emissions Rule. Stringent emissions standards will substantially reduce the economic health and social burden of rising harmful emissions in New Zealand.

**Changes since last update:** Officials have received feedback from industry about potential dates to phase in the implementation of Euro 6/VI. Drafting of proposed Amendment Rule is now underway.

**Current Stage:** Drafting of proposed Amendment Rule is currently underway, and officials are preparing a Cabinet paper seeking approval to consult on proposed Amendment Rule.

**Next Steps:** § 9(2)(f)(iv)

**Indicative Completion:** § 9(2)(f)(iv)

## Key

New item

Updated

No significant update

Placed on hold

Complete

Removed

## Land Transport (Congestion Charging) Amendment Bill

This bill will amend the LTMA to enable congestion charging in New Zealand.

**Current Stage:** Te Manatū Waka is currently developing the policy framework for congestion charging and will be seeking Cabinet approval of this shortly.

**Next Steps:** Departmental consultation and Cabinet consideration.

**Indicative Completion:** Mid-late 2023.

## Waka Kotahi Funding Review (Waka Kotahi-led)

A funding review of Waka Kotahi to develop funding proposals that sustain the strengthened regulatory function.

**Changes since last update:** Consultation ended in May 2022.

**Current Stage:** Waka Kotahi and Te Manatū Waka are working jointly as part of a policy development rōpu to undertake submission analysis and adapt funding proposals to account for public consultation.

**Next Steps:** Ministerial engagement in August and September on post-submission analysis and to update proposals.

**Indicative Completion:** Review is expected to be implemented by October 2023 (TBC).

### Key

New item

Placed on hold

Updated

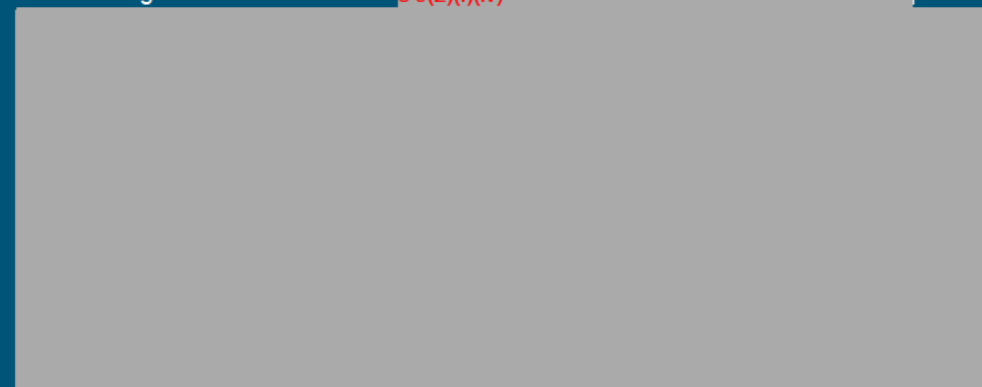
Complete

No significant update

Removed

## Road Safety Penalties Review

A review of road safety penalties (RSP) will prioritise high-risk offences where the penalty does not align with the risk of harm. [§ 9\(2\)\(f\)\(iv\)](#)



## Designating Waka Kotahi as a Health and Safety at Work Act 2015 (HSWA) regulator

A project to determine the scope and appropriateness of Waka Kotahi being potentially designated as a HSWA regulator, including determining the "defined industry, sector or type of work or circumstance" as per section 91 of HSWA and assessing cost implications.

**Changes since last update:** Worked with MBIE to determine policy analysis components including problem definition, objective, criteria, designation options, and sector engagement approach. Completed Rail financial case.

**Current Stage:** Waka Kotahi has completed designation investigation, including draft scope, and financial impacts. Ministry has re-engaged with MBIE to progress designation discussions with wider government.

**Next Steps:** Workshop with MBIE, Waka Kotahi, WorkSafe, NZ Police to determine policy process steps in Q3 2022.

**Indicative Completion:** TBC Q2 2023.

## Access to Driver Licensing

A regulatory review of the graduated driver licensing system (GDLS), which aims to reduce barriers to entry and progression through the system while maintaining road safety outcomes. This work also includes the Land Transport (Driver Licensing) Amendment Rule 2019 to improve licensing for the commercial sector and reduce the frequency of eyesight testing.

**Changes since last update:** Supporting Waka Kotahi in development of the Driver Licensing Improvement Programme. Working with MSD to establish ongoing monitoring of access to driver licensing. Drafting briefing to the Minister on the Land Transport (Driver Licensing) Amendment Rule 2019 - currently working through agency feedback.

**Current Stage:** Drafting a joint Cabinet paper that will include advice on improving access to driver licences based on the work done by the Ministry of Social Development (MSD), Waka Kotahi, and Te Manatū Waka.

**Next Steps:** [§ 9\(2\)\(f\)\(iv\)](#)



**Indicative Completion:** The full GDLS regulatory review process is expected to take 12-24 months. (Noting that work by MSD and Waka Kotahi may be on a longer timeline).

## Commercial driver work-time and logbooks requirements review

Reviewing work-time limits and logbook requirements for commercial drivers (under the Land Transport Act 1998 and associated Rules), with a view to reducing fatigue and associated deaths, and serious injuries. Advising on other possible solutions including monitoring systems and telematics technology.

**Changes since last update:** Scoping complete

**Current Stage:** Advice provided seeking Minister's agreement to engage with industry and Unions to better understand the issues, and to Waka Kotahi establishing a partnership between government agencies (ACC, Te Manatū Waka, NZ Police and WorkSafe), drivers' unions and private sector organisations, to support best practice for work-related road safety.

**Next Steps:** Pending Ministers' approval, engage with industry and Unions. Socialise the partnership concept at the Road to Zero Chief Executive Governance Group in [§ 9\(2\)\(f\)\(iv\)](#) and support Ministerial discussion at the Ministerial Oversight Group meeting in [§ 9\(2\)\(f\)\(iv\)](#)

**Indicative Completion:** TBC Q1 2023.

## Accessible Streets

Improve safety for footpath users, encourage active modes of transport (such as walking or cycling), and support the creation of more liveable and vibrant towns and cities. It clarifies types of vehicles allowed on footpaths, enables e-scooters to be used in cycle lanes and paths, bus egress, and improves the safety of vulnerable users at intersections.

**Current Stage:** [§ 9\(2\)\(f\)\(iv\)](#)



**Next Steps:** Ministerial consultation and Cabinet consideration.

**Indicative Completion:** TBC.

## Vehicle Fleet Safety and Standards Package

This work programme aims to improve the safety of New Zealand's vehicle fleet. Many unsafe vehicles are also poor emissions performers.

**Changes since last update:** Te Manatū Waka developed initial advice which went to the Minister early July 2022. That advice will be the first step in a series of papers reviewing the framework for how Te Manatū Waka regulate vehicles. Noted linkages with UN Type Approvals.

**Current Stage:** Policy development.

**Next Steps:** [§ 9\(2\)\(f\)\(iv\)](#) and environmental performance. [§ 9\(2\)\(f\)\(iv\)](#) advice on next steps for a review of the framework.

**Indicative Completion:** Working to complete Road to Zero (RtZ) actions by end 2022. Overall project could take 18-24 months or more, depending on consultation and extent of regulatory proposals.

## Motorcycle Licensing

A review of the motorcycle licensing system intended to improve road safety outcomes for motorcyclists.

**Changes since last update:** Draft scope of review being refined.

**Current Stage:** Scoping and early policy development. Initial discussions held between Te Manatū Waka, Waka Kotahi, and ACC. Research to look into motorcycle safety and licensing interventions has been commissioned.

**Next Steps:** Review of whether the current graduated motorcycle licensing system is fit for purpose being undertaken. Following this review a briefing to be provided to the Minister with recommendations.

**Indicative Completion:** June 2023.

## Tackling Unsafe Speeds

A new regulatory framework to create a more streamlined, transparent and coordinated approach to speed management, transition to safer speed limits around schools, and implement a more effective approach to safety camera use.

**Changes since last update:** Rule came into force in May 2022.

**Next Steps:** Waka Kotahi is finalising the Speed Management Guide: Road to Zero Edition and engaging with road controlling authorities to implement new Speed Rule. Te Manatū Waka is progressing appointment of the Speed Management Committee.

## Parking Regulation Workstreams

### Parking Penalties and Offences Review

A review and potential amendment of on-street parking offences and their associated penalties (infringement fees and fines).

**Changes since last update:** Gathering data from local government road controlling authorities (RCA) to support final proposals.

**Current Stage:** Following the Minister's approval in May 2022, working through final policy development including data gathering and early engagement with key stakeholders to test draft proposals. Drafting of Cabinet paper, consultation document, and RIS.

**Next Steps:** § 9(2)(f)(iv)

**Indicative Completion:** § 9(2)(f)(iv)

### Carshare Regulatory Framework Review

Reviewing the regulatory framework for car-sharing including international examples and best practice models. This work will investigate whether a regulatory intervention would be appropriate to address any barriers to the uptake of car-sharing, in order to support mode shift and emissions targets.

**Changes since last update:** Literature review nearing completion.

**Current Stage:** Policy development.

**Next Steps:** § 9(2)(f)(iv)

**Indicative Completion:** TBC.

### Towage and Storage (RCAs and Police)

Reviewing and revising the framework for road controlling authority (RCA) and Police ordered towage and storage.

For RCAs, this includes considering the appropriate authority for the setting of fee limits and re-setting penalty levels to enable cost recovery.

For Police, this includes considering the role of the Court in fee allocation and conviction, and re-setting penalty levels to enable cost recovery.

**Changes since last update:** Project restarted and in scoping stage.

**Current Stage:** Scoping.

**Next Steps:** § 9(2)(f)(iv)

**Indicative Completion:** TBC.

### Legislative tools for RCA decision-making

Assessment of the legislative grounds, processes, form, and consultation requirements associated with the bylaws change-process, as well as the requirements for the enforcement of bylaws.

**Current stage:** On hold until resource allows. Some scoping has been undertaken through the systems assessment.

### Parking Categories Review

A review to consider whether the current regulatory framework for parking types and associated requirements are sufficiently flexible to allow road controlling authorities (RCAs) to best manage roadside space.

**Current Stage:** On hold due to resource constraints.

### Public Transport Operating Model Review Phase Two

Policy & legislative review, including an assessment of how barriers to the decarbonisation of the bus fleet can be minimised.

**Current stage:** Progressing towards Cabinet policy decisions in late-July/early August 2022. Working with Waka Kotahi and key sector stakeholder to progress development of operational policy to support reforms.

**Change since last update:** Te Manatū Waka has provided a draft Cabinet paper based on policy decisions to date and has undertaken departmental consultation on the paper.

**Next steps:** The Cabinet paper will be finalised following Ministerial consultation and lodged for consideration by Cabinet.

**Indicative completion:** Likely to take 12-18 months.

### TSL Review Preparation

Preparing for a review of the regulatory framework associated with land transport service licensing.

**Changes since last update:** Continued work on Problem Exploration Paper, including data collection, and overseas comparisons.

**Current Stage:** Waka Kotahi is currently scoping this work, prior to Te Manatū Waka leading a first principles review when resource allows.

**Next Steps:** Provide Te Manatū Waka with data and analysis to inform proposed options.

**Indicative Completion:** Scoping complete June 2023, following review likely to take 24 months.

### Regulatory System Transport Amendment Rules

As part of our ongoing regulatory stewardship work, this project will contain a range of Amendment Rules to support an effective and efficient land transport system.

**Changes since last update:** Work has resumed on this project.

**Current Stage:** Waka Kotahi Te Manatū Waka and New Zealand Police are preparing submissions for inclusion in the Amendment Rules.

**Next Steps:** Consideration of submissions for inclusion.

**Indicative Completion:** § 9(2)(f)(iv)

### Reshaping Streets

Regulatory changes to make it simpler and quicker for road controlling authorities (RCAs) to make street changes that support public transport, active modes, and placemaking.

**Changes since last update:** Provided a draft Cabinet paper, consultation document, and RIS on 3 June 2023.

**Current Stage:** Awaiting Cabinet agreement to consult.

**Next Steps:** Seeking Cabinet agreement to consult on the proposed changes, followed by public consultation.

**Indicative Completion:** TBC.

### Traffic Control Devices (TCD) Rule Review

This highly detailed Rule would benefit from a content and structural review. This review could include the use of transport instruments and alignment with the work under Reshaping Streets (eg enable trials of TCDs as part of street pilots of experimental traffic orders). This is also the Rule that would need changing to allow for signs in Te Reo Māori.

**Current stage:** Exploring options about how to progress this work most effectively.

**Next steps:** Explore options for new structure and how to enable trials of new and innovative street markings, and layouts (mode shift initiative).

**Indicative completion:** TBC. Likely to take 12-18 months.

### Vehicle Repair Rule

Review and potential re-design of the Vehicle Repair Rule.

**Current stage:** Scoping paused due to resource constraints.

### Entry to and exit from the Land Transport System

Review entry and exit provisions in the land transport regulatory system, including fit and proper person test and vehicle classification work.

**Current stage:** Scoping paused due to resource constraints.

### Key

New item

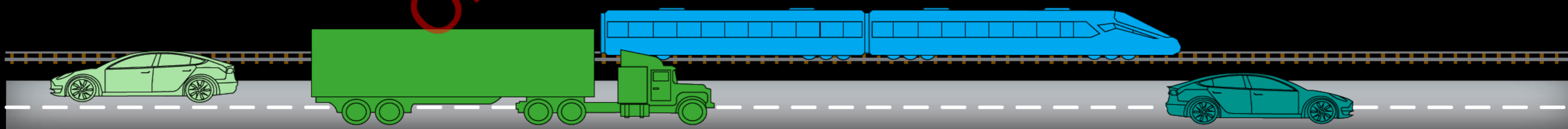
Updated

No significant update

Placed on hold

Complete

Removed



# Maritime Transport Regulatory Work Programme



## Amendments to Rule Parts 53 and 23 to improve safety and international alignment

These Rules are being amended to align with international safety requirements. The change will also provide greater certainty than is currently provided by the general exemption that was issued for Maritime Rule 53.4(2)(a). The Amendment Rule will replace the exemption.

**Changes since last update:** Policy development and Rule drafting is complete. Part 23 added to package.

**Current Stage:** Invitation to comment document and a draft Rule are being prepared. Focused on Maritime Rule 53.4(2)(a) and minor proposals for improving Part 23 (lifeboat drill safety), and Part 53.

**Next Steps:** Development of Invitation to Comment document for agreement to consult in August 2022.

**Indicative Completion:** s 9(2)(f)(iv)

## Maritime Drug and Alcohol Regime for Commercial Operators

This project will enable the Director of MNZ to conduct drug and/or alcohol testing of safety-sensitive workers.

**Current Stage:** Policy Development - initial work on implementation options has begun.

**Next Steps:** s 9(2)(f)(iv)

**Indicative Completion:** s 9(2)(f)(iv)

## MARPOL Annex VI Rules and Regulations

New Marine Protection Rules, and amendments to the Marine Protection (Offences) Regulations to implement obligations arising from accession to MARPOL Annex VI.

**Changes since last update:** Work underway on Amendment Rule to make section C3 of the Part 199 Rules workable. Gazettal of commencement date for Tranche 1 of Rules.

**Current Stage:** Acceded.

**Next Steps:** s 9(2)(f)(iv)

**Indicative Completion:** New Zealand acceded on 26 May 2022 to MARPOL Annex VI, and most of the Rules and Regulations will come into force on 26 August 2022, three months after the date of deposit.

s 9(2)(f)(iv)

## 40 Series Reform Project

Reform the Rules that set design, construction, and equipment standards for New Zealand domestic commercial ships, implementing a performance-based approach to setting standards.

**Changes since last update:** Sought comment from the sector on electrical, survey, and fire.

**Current Stage:** Policy development and early drafting of Rules, and transport instruments.

**Next Steps:** Continuing to explore change in the remaining topic areas and will engage with surveyors, owners, and operators.

**Indicative Completion:** s 9(2)(f)(iv)

## MNZ Funding Review (including Oil Pollution Levy)

MNZ usually undertakes a review of its funding every six years (with a mid-point review every three years).

**Current Stage:** Scoping and information gathering.

**Next Steps:** s 9(2)(f)(iv)

**Indicative Completion:** s 9(2)(f)(iv)

## Omnibus (Various Amendments)

Implementing IMO obligations that were adopted from 2018 to 2022, amending minor technical issues in Rules, and implementing MLC amendments.

**Current Stage:** Policy development.

**Next Steps:** s 9(2)(f)(iv)

**Indicative Completion:** s 9(2)(f)(iv)

## Maritime/Marine Offences Regulations

The Maritime/Marine Offences Regulations need to be reviewed and updated to ensure the enforcement system is fit for purpose.

**Changes since last update:** Consultation has closed.

**Current Stage:** Policy development.

**Next Steps:** s 9(2)(f)(iv)

**Indicative Completion:** s 9(2)(f)(iv)

## Cape Town Agreement Rules

New Rule to support New Zealand's accession to Cape Town Agreement which sets minimum safety standards for fishing vessels.

**Changes since last update:** Transport Instruments are now available and Te Manatū Waka propose a targeted consultation to include these in the Cape Town Rules. A briefing will be provided in July 2022 seeking to consult in August 2022.

**Current Stage:** Maritime Rules being finalised and implementation planning continuing in second half of 2022.

**Next Steps:** Te Manatū Waka will soon be seeking your agreement to this consultation on the enabling provisions in the Rule.

**Indicative Completion:** s 9(2)(f)(iv)

## Maritime Transport Act Review

This review will provide the opportunity to modernise the legislation and ensure the regulatory framework is fit-for-purpose for MNZ to effectively perform its role as the national maritime regulatory, compliance, and response agency.

**Changes since last update:** Scoping.

**Current Stage:** Te Manatū Waka scoping and then sharing with MNZ.

**Next Steps:** s 9(2)(f)(iv)

**Indicative Completion:** TBC.

## Maritime Rule Part 91 - Navigation Safety Rules

Issues have been identified with the workability of the Navigation Safety Rules; includes consideration of changes to the Rules regarding personal flotation devices.

**Changes since last update:** Cabinet paper, draft consultation document and draft Rules completed.

**Current Stage:** A decision sought from Cabinet on whether to release a public discussion document. An exposure draft of the proposed new Rules for public release with the consultation document has been completed.

**Next Steps:** s 9(2)(f)(iv)

**Indicative Completion:** s 9(2)(f)(iv)

## Regulatory Systems (Transport) Amendment Bill Two

Seeks to amend the Maritime Transport Act 1994 to improve the effectiveness of the monitoring and enforcement regime for maritime transport.

**Changes since last update:** Consultation on policy proposals concluded on 1 July 2022.

**Current Stage:** Analysis of submissions.

**Next Steps:** s 9(2)(f)(iv)

**Indicative Completion:** s 9(2)(f)(iv)

## Small Craft Identification

Investigating voluntary and mandatory measures to increase use of Automatic Identification Systems (AIS) by small craft (New Zealand registered craft under 300 gross tonnes not currently required to carry and operate AIS equipment).

**Current stage:** On hold.

**Indicative completion:** s 9(2)(f)(iv)

## Key

New item

Placed on hold

Updated

Complete

No significant update

Removed



# Aviation Regulatory Work Programme [RESTRICTED]



s 6(a), s 9(2)(f)(iv)

## Drone Regulatory Programme

Project to update current drone Rules and introduce new requirements to ensure the regulatory framework is fit for purpose. This is Budget dependent.

**Changes since last update:** A tagged contingency (on the basis it is approved by Cabinet) budget of \$8.867 million has been approved for Enabling Drone Integration.

**Current Stage:** Post-consultation.

**Next Steps:** Cabinet approval of final policy recommendations expected by 6 July 2022.

**Indicative Completion:** TBC s 9(2)(f)(iv)

## AVSEC & CAA Funding Review

Cabinet has lifted the moratorium on funding reviews set in 2020 during the COVID-19 pandemic border closures and directed CAA to undertake a funding review to return to a financial sustainable position.

**Changes since last update:** The Terms of Reference was developed in consultation with Te Manatū Waka.

**Current Stage:** The Terms of Reference covers the scope of the review and timeframes.

**Next Steps:** s 9(2)(f)(iv)

**Indicative Completion:** s 9(2)(f)(iv)

## Air Navigation Services Regulatory Framework

A review of Rule Parts regarding provision of air navigation services and associated information, with the aim of putting in place a more modern and performance-based Rules framework.

**Changes since last update:** CAA have begun developing performance-based Rules and incorporating a risk-based approach. CAA are currently exploring what form these could take within the regulatory framework. s 9(2)(g)(i)

**Current Stage:** Policy development – Drafting of proposed Rule and development of consultation materials.

**Next Steps:** s 9(2)(g)(i)

**Indicative Completion:** TBC.

## ICAO Alignment (including Part 139)

Amendments to New Zealand Civil Aviation Rules to align them with ICAO Standards and Recommended Practices (SARPs).

**Changes since last update:** RIA is underway.

**Current Stage:** Developing a RIA-Lite.

**Next Steps:** s 9(2)(f)(iv)

**Indicative Completion:** TBC. s 9(2)(f)(iv)

## Performance Based Navigation (PBN) Rule

Rule change to modernise regulatory framework and encourage uptake of PBN, especially by smaller aircraft operators.

**Current Stage:** In the process of finalising the 13 additional draft Notices. Aiming to have these drafts completed in July 2022.

**Next Steps:** s 9(2)(f)(iv)

**Indicative Completion:** TBC.

s 6(a), s 9(2)(f)(iv)

## Runway condition reporting

Rule change to require aerodromes (when specified) to provide standardised runway condition reporting.

**Changes since last update:** Drafting of the proposed Rule has begun, alongside development of consultation materials. Seeking approval to consult in July/August 2022.

**Current Stage:** Drafting Notice of Proposed Rule Making (NPRM).

**Next Steps:** s 9(2)(g)(i)

**Indicative Completion:** s 9(2)(g)(i)

## Assorted Issues Rule Amendment

Necessary minor updates to Rules framework to ensure the system is fit for purpose (Omnibus and Small Issues).

**Current Stage:** In the queue for drafting.

**Next Steps:** Drafting.

**Indicative Completion:** s 9(2)(g)(i)

## Civil Aviation Bill and Implementation

### Civil Aviation Bill (CAB)

A complete rewrite of the Civil Aviation Act 1990 and Airport Authorities Act 1966.

**Changes since last update:** The Bill was reported back from Select Committee on 2 June 2022.

**Current Stage:** The Bill is awaiting second reading.

**Next Steps:** s 9(2)(f)(iv)

**Indicative Completion:** s 9(2)(f)(iv)

### Remaking the Civil Aviation Rules

The Civil Aviation Bill requires that all Civil Aviation Rules must be remade. New Rules will also be required to give effect to new policy in the Bill.

**Changes since last update:** Draft implementation programme overview has been developed and presented to the Civil Aviation Interagency Steering Group.

**Current Stage:** Early scoping size, timing, and resourcing needs for the project.

**Next Steps:** s 9(2)(f)(iv)

**Indicative Completion:** s 9(2)(f)(iv)

### Civil Aviation Regulations

All secondary legislation, unless specified, needs to be remade under the new Act. There will also be new Regulations required to give effect to new policy.

**Changes since last update:** Draft implementation programme overview has been developed and presented to the Civil Aviation Interagency Steering Group.

**Current Stage:** Early scoping of size, timing, and resourcing needs for the project.

**Next Steps:** s 9(2)(f)(iv)

**Indicative Completion:** s 9(2)(f)(iv)

## Key

New item

Placed on hold

Updated

Complete

No significant update

Removed



19 July 2022

OC220594

**Hon Michael Wood**  
**Minister of Transport**

## MEETING WITH BARNEY KONEFERENISI ON TOTAL MOBILITY ISSUES

### Snapshot

Barney Koneferenisi has requested to meet with you, to discuss his proposal for a rideshare company focused on serving the disabled community, elderly, women, and people with pets.

<b>Time and date</b>	22 July 2022
<b>Venue</b>	Your electorate office
<b>Attendees</b>	Barney Koneferenisi
<b>Officials attending</b>	Not required
<b>Talking points</b>	Talking points are provided at Annex 1.

### Contacts

Name	Telephone	First contact
Matt Skinner, Acting Manager, Mobility and Safety	s 9(2)(a)	✓
Olivia Kitson, Senior Adviser, Mobility and Safety	s 9(2)(a)	

## MEETING WITH BARNEY KONEFERENISI ON TOTAL MOBILITY ISSUES

### Key points

- Barney Koneferenisi wants to discuss with you a business venture he is developing called Safe Rides Auckland, a rideshare app focused on serving the disabled community, elderly, women, and people with pets.
- Last year, Te Manatū Waka was made aware of a request to the Office for Disability Issues (ODI) for funding for his initiative. At that time, there were no funding sources available in the transport sector.
- Since then, Waka Kotahi has established Hoe ki angitū Innovation Fund (the Fund). The Fund is intended to support the private sector to develop and accelerate innovative solutions which help solve transport challenges. Barney has made an application to this Fund, which is currently being assessed. Applications have closed, and Waka Kotahi expects to announce the successful applicants in September 2022.
- Officials are aware of limited accessibility to transport services and other negative transport experiences for the disabled community. We understand there is considerable regional variability in the availability of services. These issues have come through in research commissioned by Waka Kotahi and are expected to be investigated through the review of Total Mobility. The review is also expected to consider ways to take advantage of new and emerging transport services.
- s 9(2)(f)(iv)

### Barney is developing a rideshare service for vulnerable passengers

- 1 Barney has identified the need for a rideshare service that serves those people that are vulnerable to discrimination from existing taxi and rideshare services. His email to you details instances of discrimination and denial of service, affecting the disabled community, elderly, women and passengers with pets.
- 2 Officials were made aware of Barney's venture (Safe Rides Auckland), and his research into transport experiences, in August 2021. At the time, there were no funding sources available in the transport sector, and we recommended Barney contact Callaghan Innovation about grants that may be available.
- 3 Since that time, Waka Kotahi has established Hoe ki angitū Innovation Fund (the Fund). The Fund is intended to support the private sector to develop and accelerate innovative solutions to help solve transport challenges.
- 4 Barney has submitted an application to the Fund. As the Fund is challenge based, his application is in response to the following challenge:

*How might we provide under-served communities (including rural communities and those travelling outside normal commuting times) with greater access to*

*safe, low emission and reliable modes of transport other than the private motor vehicle?*

- 5 Applications to the Fund closed on 4 July 2022. Waka Kotahi expects to announce the successful applicants in September 2022.

**The review of the Total Mobility Scheme is expected to consider many of the issues Barney raises**

- 6 The review of the Total Mobility Scheme (the Scheme) will be informed by research that was commissioned by Waka Kotahi, identifying transport experiences of disabled people. The research found identified issues with the Scheme, leading to feelings of loneliness and isolation, and passengers being unable to make essential trips. Many disabled people surveyed as part of the research reported hours-long waits for taxis, inflexibility of services or a lack of night-time services.
- 7 In our advice to you on the draft terms of reference for the review of Total Mobility (OC220220 refers), we identified accessibility and improving passenger experience among the areas of focus. This includes issues such as:
- 7.1 affordability for passengers – this may be raised with you more once half price public transport fares ends, as Total Mobility is not included in Community Connect;
  - 7.2 the supply of services, particularly wheelchair accessible vehicles;
  - 7.3 operator training; and
  - 7.4 the Scheme's complaints mechanism.
- 8 Barney may raise concerns about the limited availability of Total Mobility services. We have had indications from Total Mobility coordinators in the public transport authorities that service providers are struggling in some areas and are leaving the market. This is reducing the availability of Total Mobility services in many regions. Officials will keep you updated on any further issues with availability of services.
- 9 We also consider the review provides a good opportunity to look at how the Scheme could take advantage of new and emerging transport services, such as on-demand services. Barney's proposal is a good example of the new and emerging services that could help improve the Scheme. It provides an opportunity to disrupt discriminatory practices with existing services and offer a safe alternative for vulnerable passengers.

s 9(2)(f)(iv)

s 9(2)(f)(iv)

## Biography



### Barney Koneferenisi

Age:27

Barney was born in Samoa, and lives in Auckland. He devised Safe Rides Auckland after experiencing barriers with existing taxi and rideshare services.

As a baby, he lost his right hand and part of his left hand due to complications from meningitis. He had both legs amputated by the time he reached the age of 10.

Barney has represented New Zealand in wheelchair rugby at the Tokyo 2020 Paralympics. He has degrees in law and commerce.

Please note Barney was born in New Zealand and not Samoa as stated above

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## **Annex 1: Talking Points**

### **MEETING WITH BARNEY KONEFERENISI ON TOTAL MOBILITY ISSUES**

- Congratulations on your business venture, it is great to see the interest it is getting from the media and the general public. When are you aiming to launch Safe Rides Auckland? Do you have any plans to expand the business beyond Auckland?
- The findings of your research clearly demonstrate the need for transport to better serve all members of society, particularly our most vulnerable. I understand Waka Kotahi intends to publish research it commissioned into transport experiences of disabled people in the next few months, and its findings reflect a lot of the issues you've identified.
- Transport officials are planning to undertake a review of the Total Mobility Scheme, informed by Waka Kotahi's research findings. I understand they have been made aware of your research, as well as your venture.
- I am very supportive of the review. I anticipate it will look at many of the issues you have identified, as well as opportunities to improve accessibility and passengers' experience. Officials advise me that they have been scoping up the review but need to find the resource for it.
- I understand you have made an application to Waka Kotahi's Innovation Fund. Decisions on successful applications sit with Waka Kotahi, but it is great to see this Fund being set up to help fund innovative solutions to the transport challenges we need to address.



27 July 2022

OC220595

**Hon Kieran McAnulty****Action required by:****Associate Minister of Transport**

Friday, 5 August 2022

cc Hon Michael Wood

Minister of Transport

## THE CIVIL AVIATION BILL - BACKGROUND AND PREPARATION FOR SECOND READING

### Purpose

Provide background on the Civil Aviation Bill (the Bill) and draft material to support you at the Bill's Second Reading.

### Key points

- Work on this Bill has been underway since initial Cabinet decisions in 2016. The Bill repeals and replaces the Civil Aviation Act 1990 and the Airport Authorities Act 1966. It modernises the legislation and reflects new policy.
- The Bill modernises the legislation and reflects new policy but maintains the existing system under which the Civil Aviation Authority is the safety and security regulator. Primary legislation sets out high level responsibilities, and standards are set through rules made by the Minister of Transport.
- The Bill was reported back from the Transport and Infrastructure Committee on 2 June 2022 and awaits its Second Reading. You have been given the delegation to take this Bill through Second Reading and the remaining parliamentary process.
- We have prepared draft material to support you at Second Reading and welcome further discussion with you to ensure you are well supported in the upcoming stages.
- We are developing a Supplementary Order Paper to address minor and technical matters we and the Parliamentary Counsel Office have identified since the Select Committee's report back.
- A further briefing will be provided to you in August 2022 to outline our intended approach to implement the new legislation, and your role in this.

## Recommendations

We recommend you:

- 1 **discuss** this briefing and appended material with officials at a time that suits you ahead of the Bill's Second Reading Yes / No
- 2 **agree** it would be desirable to allow sufficient time for work on the Supplementary Order Paper to be complete before the Bill reaches Committee of the whole House Yes / No



Tom Forster  
**Manager, Economic Regulation**  
 27 July 2022

Hon Kieran McAnulty  
**Associate Minister of Transport**  
 .... / .... / .....

Minister's office to complete:

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

## Comments

## Contacts

Name	Telephone	First contact
Tom Forster, Manager Economic Regulation	s 9(2)(a)	✓
Eve Tucker, Senior Adviser Economic Regulation	s 9(2)(a)	

## The Civil Aviation Bill - Background and preparation for Second Reading

- 1 Aviation connects New Zealanders to the world, provides access to global markets, and enables trade and tourism.
- 2 There are currently two Acts administered by Te Manatū Waka Ministry of Transport (the Ministry) that set the legislative framework for civil aviation in New Zealand:
  - the Civil Aviation Act 1990, and
  - the Airport Authorities Act 1966.
- 3 **The Civil Aviation Act:**
  - establishes the Civil Aviation Authority of New Zealand (the CAA)
  - confers functions, duties, and powers on those operating within the civil aviation system, including the CAA and the Aviation Security Service (AvSec)
  - empowers the Minister of Transport (the Minister) to make Civil Aviation Rules for a range of matters
  - empowers the Director of Civil Aviation (the Director) to regulate entry into the civil aviation system and monitor and enforce compliance with the Civil Aviation Act and Rules
  - empowers the Minister to establish, maintain and operate aerodromes
  - ensures New Zealand's obligations under international civil aviation agreements are implemented
  - provides for the licensing of international air services and international and domestic carriage by air
  - provides a framework for authorising commercial cooperation between international airlines.
- 4 **The Airport Authorities Act** provides for the authorisation of a local authority (or any other person or association) to exercise the powers of an airport authority in order to establish and operate an airport. It also provides airport authorities with a range of functions, powers, and responsibilities required to establish and operate airports.
- 5 The Civil Aviation Act is now over 30 years old, and the Airport Authorities Act is over 55 years old. For the most part, they remain fit for purpose and continue to support aviation in New Zealand. However, there have been significant legislative and technological landscape changes since their enactment.
- 6 Examples of significant sector changes in the past 30-50 years include:
  - the decreasing role of government in ownership and operation of the aviation system, including airlines and airports
  - rapid growth in emerging technologies such as remotely piloted and autonomous aircraft
  - enactment of other legislative frameworks such as the Health and Safety at Work Act 2015, for which the CAA has responsibility as the designated regulator for the aviation sector, and the Legislation Act 2019, and
  - regulators (across states and sectors) moving towards a more proactive, risk-based approach to regulation, which requires the support of primary legislation.

## **The Bill amalgamates and modernises these two Acts**

- 7 The Civil Aviation Bill (the Bill) repeals and replaces the Civil Aviation Act and the Airport Authorities Act.
- 8 The objective of the Bill is to create a single, modern statute that will provide a platform for safety and security within, and economic regulation of, the civil aviation system, now and well into the future.
- 9 The Bill retains key provisions in the current Acts, and omits unnecessary, outdated, or unclear provisions. Further to this, there is new policy reflected in the Bill, outlined in this briefing.
- 10 This is a very large Bill, comprising almost 500 clauses and 11 Schedules.

## **The Bill has been developed over a number of years**

- 11 The Bill has been in development since initial decisions were made by Cabinet in 2016 [CAB-16-MIN-0568 refers]. Those initial decisions followed from consultation undertaken in 2014.
- 12 The Bill has undergone further consultation by way of an exposure draft published in 2019, targeted consultation on changes to the airports' regulatory regime, and submissions to the Transport and Infrastructure Committee (the Committee). The Committee's report back was published on 2 June 2022. The Bill now awaits its Second Reading.
- 13 We have worked closely with the CAA and counterparts in other departments as appropriate, to advise Ministers and the Committee on this Bill.

## **The legislation applies to many different activities and people**

- 14 In general terms, civil aviation legislation applies to every:
  - person, aircraft, aerodrome, aeronautical product, and aviation-related service, in New Zealand.
  - New Zealand registered aircraft, whether within or outside New Zealand.
  - holder of an aviation document while outside New Zealand and exercising or purporting to exercise privileges accorded by that document.
  - foreign registered aircraft operating in New Zealand.
- 15 The government's role in civil aviation is predominantly as a policy maker and regulator, although it also has some ownership and operational functions. To ensure government fulfils these roles, it is important to ensure regulatory frameworks are kept up to date and reflect modern legislative practice.
- 16 The public's main interface with civil aviation is as travelling passengers. Increasingly, members of the public also engage in aviation activities such as flying drones, which are regulated by the Civil Aviation Rules and captured by the Bill, but which do not necessarily require an aviation document.

**The Bill reflects a range of policy changes to improve safety requirements and enhance safety culture ...**

- 17 To improve safety requirements and enhance safety culture the Bill will:
- reflect that a safe and secure aviation system is the main purpose of the legislative framework
  - strengthen the management of the risk of drug and alcohol impairment in the commercial aviation sector (this responds to the recommendations made by the Transport Accident Investigation Commission after the Carterton balloon incident in 2012)
  - set out protections provided to people giving accident and incident notifications, implementing a policy approach known as just culture, and
  - make adjustments to reflect new and emerging technologies and provide new intervention powers to respond to the serious misuse of remotely piloted aircraft.

**... reflect international obligations on emissions reporting and respond to wider environmental concerns ...**

- 18 The Bill will enable New Zealand to meet its obligations under the International Civil Aviation Organization's Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA).
- 19 The Bill's additional purposes further clarify that decisions can be made within the civil aviation framework to:
- contribute to environmental sustainability and
  - take into account the adverse effects of civil aviation on the interests of people, property, and the environment

**... clarify and strengthen aviation security arrangements ...**

- 20 To clarify and strengthen aviation security arrangements the Bill will:
- empower the Minister to consider national security within the aviation system and make rules when national security considerations apply
  - clarify the powers, protections and tools that are available to aviation security officers at security designated aerodromes, and
  - expand the aviation security regime to enable short-term additional security measures in temporary "landside security areas" at airports when needed to respond to a heightened threat environment.

**... modernise decision-making processes ...**

- 21 To modernise decision-making processes, the Bill will:
- introduce a modern registration regime for airports,
  - introduce, for some airports, a requirement called a regulatory airport spatial undertaking (RASU)<sup>1</sup>, and

<sup>1</sup> RASUs will require government agencies to collaboratively agree their requirements for space and infrastructure, and airports to present a binding plan to the Secretary for Transport as to how they will meet those requirements

- provide for a more transparent process, and improved decision-making criteria, when considering authorisation of airline alliances and code-share arrangements.

### **... and reflect recommendations made by the Transport and Infrastructure Committee**

- 22 The reported back Bill sets out a new independent review process for people affected by decisions made by or on behalf of the Director. The scope of decisions that may be reviewed is to be set out in regulations.
- 23 The Select Committee has also recommended a range of technical amendments, including to:
- allow employees of a government agency or an airline to seize and detain dangerous goods both before take-off **and** after landing in New Zealand
  - clarify when an airport is not required to operate commercially
  - clarify the application of the Public Works Act 1981 in respect of the disposal of surplus land at airports,
  - provide that an airport operator can set charges for identified aerodrome activities provided, operated, or managed by the airport operator,
  - clarifying that the Minister cannot direct Ai ways to provide services it does not already provide, and
  - removing the initial offence for contravening a RASU, to make way for a more consultative regime.

### **The Bill has been generally well supported, noting there is continued desire for amendment from a range of stakeholders with differing interests**

#### *Submitters' views*

- 24 During the Select Committee process, the Committee received submissions from 89 submitters, including individuals, community groups, industry associations and aviation businesses.
- 25 Submitters have been generally supportive. However, some have made suggestions that we did not support in our advice to the Committee. In particular, there have been calls for:
- stronger environmental powers and commitments (including climate change and noise), which we consider are appropriately enabled (albeit not required) through the Bill and other legislation
  - an independent review function that is also able to overturn the Director's decisions (e.g., a tribunal or appeals authority)
  - greater consumer protection in civil aviation legislation, which we consider would require significant further policy work, and
  - a lighter touch approach to regulating airports, for example by removing Regulatory Airport Spatial Undertakings (RASUs) or retaining them as a backstop, should collaboration between airports and government agencies fail.

*Differing views at Select Committee*

- 26 This Bill has been developed over a number of years under successive governments. For the most part, it has enjoyed cross-party support as a necessary modernisation to the existing frameworks. Understandably, however, there are different views as to how much more the Bill could do to explicitly address emerging priorities and particular policies of interest.
- 27 The Committee examined the Bill and recommended, by majority, that it be passed. The Committee unanimously supports the amendments made since introduction. However, the Green Party voted against the Bill at Select Committee and both the Greens and ACT have recorded differing views in the Committee's report.
- 28 The ACT Party is not satisfied the Bill fully achieves one of its policy objectives, which is to remove the conflict of interest inherent in the Aviation Security Service being part of, and regulated by, the CAA. The ACT Party has suggested this could be addressed by an annual independent performance audit by the Office of the Auditor-General. We do not recommend further amendment to the Bill on this point.
- 29 The Green Party included a statement that "[t]he Green Party will be voting against this bill in its current form, as we do not consider the committee's suggested amendments to the bill sufficiently respond to the concerns of submitters." In particular, they noted climate change, noise control, (sub)urban use of helicopters, consumer protection, sign language requirements, and warrantless search and seizure powers as the key areas they consider have not been adequately addressed.

**Preparations for Second Reading and Committee of the whole House are advancing**

- 30 Appended to this briefing we provide initial copies of some material for you to refer to as you prepare for Second Reading and later stages of the Bill –

**Annex 1:** Draft speaking points for the Bill's upcoming Second Reading.

**Annex 2:** A legislative statement for you to present for the Second Reading.

**Annex 3:** A working draft of supplementary material that is being developed to support you now and through Committee of the whole House.

- 31 We intend to further refine the material in Annex 3 up until the Bill goes to Committee of the whole House. We are interested in any preferences you may have on how this material is presented to you in its final form.

**Next steps and upcoming decisions**

- 32 We are developing a Supplementary Order Paper (SOP) in collaboration with the Parliamentary Counsel Office. At this stage, that paper comprises minor and technical amendments identified since the Select Committee's report back. We consider the SOP, in its current form, would not require Cabinet approval.

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

s 9(2)(f)(iv)

- 34 We consider it is likely any necessary amendments could be delivered within existing Cabinet directions but will inform you as soon as practicable if this is not the case.

*As part of implementation planning, we are exploring whether some amendment to when certain provisions come into force would be desirable*

- 35 The Bill, as reported back from Select Committee, will come into force no later than 18 months after enactment. That said, specified matters will have an additional transitional period – for example, the Bill specifies affected operators will have up to two years following the relevant provisions' commencement to implement drug and alcohol management plans.

s 9(2)(f)(iv)


- 38 If amendment to the Bill is required, we will tailor our recommendations to balance this timing alignment with Ministers' and aviation sector expectations of efficient, timely implementation.
- 39 We are developing an implementation programme, in partnership with the CAA and overseen by a Steering Group of senior Ministry and CAA officials.
- 40 The implementation programme is focused on delivering the Bill's statutory requirements for implementation and associated work necessary to transition to the new framework in an efficient, ordered, and collaborative manner.
- 41 We will separately brief you on this programme in more detail. When we do, we will seek your initial agreement to how we intend to progress this work, particularly on matters for which you are responsible under your current delegations.

s 9(2)(f)(iv)

- 43 Our initial briefing on plans for the implementation programme will be delivered in August 2022. s 9(2)(f)(iv)

**ANNEX 1. DRAFT SPEAKING POINTS FOR THE BILL'S UPCOMING  
SECOND READING**


s 9(2)(f)(iv), s 9(2)(g)(i)



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**ANNEX 2. LEGISLATIVE STATEMENT – CIVIL AVIATION BILL:  
SECOND READING**


s 9(2)(f)(iv), s 9(2)(g)(i)



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**ANNEX 3. DRAFT MATERIAL TO SUPPORT YOU IN THE  
COMMITTEE OF THE WHOLE HOUSE STAGE**

s 9(2)(f)(iv), s 9(2)(g)(i)



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**BRIEFING**

27 July 2022

OC220597

**Hon Michael Wood**  
**Minister of Transport**

Action required by:  
Friday 5 August 2022

**PROACTIVE RELEASE OF THE LET'S GET WELLINGTON MOVING -  
TRANSFORMATIONAL PROGRAMME: PREFERRED OPTION PROGRESS AND  
MASS RAPID TRANSIT FUNDING PRINCIPLES CABINET PAPER AND  
ASSOCIATED CABINET MINUTE**

**Purpose**

Seek your approval to proactively publish the Let's Get Wellington Moving Cabinet paper, Climate Implications of Policy Assessment and associated minute on the Ministry of Transport's website.

<b>Number of papers</b>	Three papers including the Cabinet paper, it's Climate Implications of Policy Assessment, and associated minute
<b>Deadline</b>	Friday 5 August 2022
<b>Risks</b>	Risks associated with publishing the proposed documents are outlined in the briefing

## Recommendations

We recommend you:

- 1 **approve** the Ministry to publish the three documents with the proposed redaction made to the Cabinet paper on the Ministry's website Yes / No
- 2 **note** that in order to meet the timeliness required by Cabinet Office circular 18(4), the documents must be published by Monday 8 August 2022. Yes / No

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 Marian Willberg  
**Manager Demand Management and  
 Revenue**

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

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 Hon Michael Wood  
**Minister of Transport**

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

Minister's office to complete:

☐ Approved

☐ Declined

☐ Seen by Minister

☐ Not seen by Minister

☐ Overtaken by events

## Comments

## Contacts

Name	Telephone	First contact
Marian Willberg, Manager Demand Management and Revenue	s 9(2)(a)	✓
Rory Leonard, Senior Adviser		

# PROACTIVE RELEASE OF THE LET'S GET WELLINGTON MOVING - TRANSFORMATIONAL PROGRAMME: PREFERRED OPTION PROGRESS AND MASS RAPID TRANSIT FUNDING PRINCIPLES CABINET PAPER AND ASSOCIATED CABINET MINUTE

## Background

- 1 On 27 June 2022 Cabinet considered and made decisions on the paper titled Let's Get Wellington Moving -Transformational Programme: Preferred Option Progress and Mass Rapid Transit Funding Principles.
- 2 Cabinet Office circular CO 18(4) states that all Cabinet and Cabinet Committee papers and minutes be proactively released and published online within 30 business days of final decisions being taken by Cabinet. This is the case "unless there is good reason not to publish".
- 3 We propose to publish the following documents on the Ministry's website on Monday 8 August 2022:
  - Let's Get Wellington Moving - Transformational Programme: Preferred Option Progress and Mass Rapid Transit Funding Principles
  - Cabinet Economic Development Committee Minute of Decision DEV-22-MIN-0140
  - Climate Implications of Policy Assessment: Let's Get Wellington Moving – Transformational Programme: Preferred Option Progress and Mass Rapid Transit Funding Principles.

## Review

- 4 The Ministry has reviewed the three documents and has determined they can be released.

5

s 9(2)(g)(i)

## Consultations undertaken

- 6 The following agencies were consulted on the release of these documents, and agreed with the proposed approach:
  - Waka Kotahi New Zealand Transport Agency
  - Te Tūāpapa Kura Kāinga Ministry of Housing and Urban Development

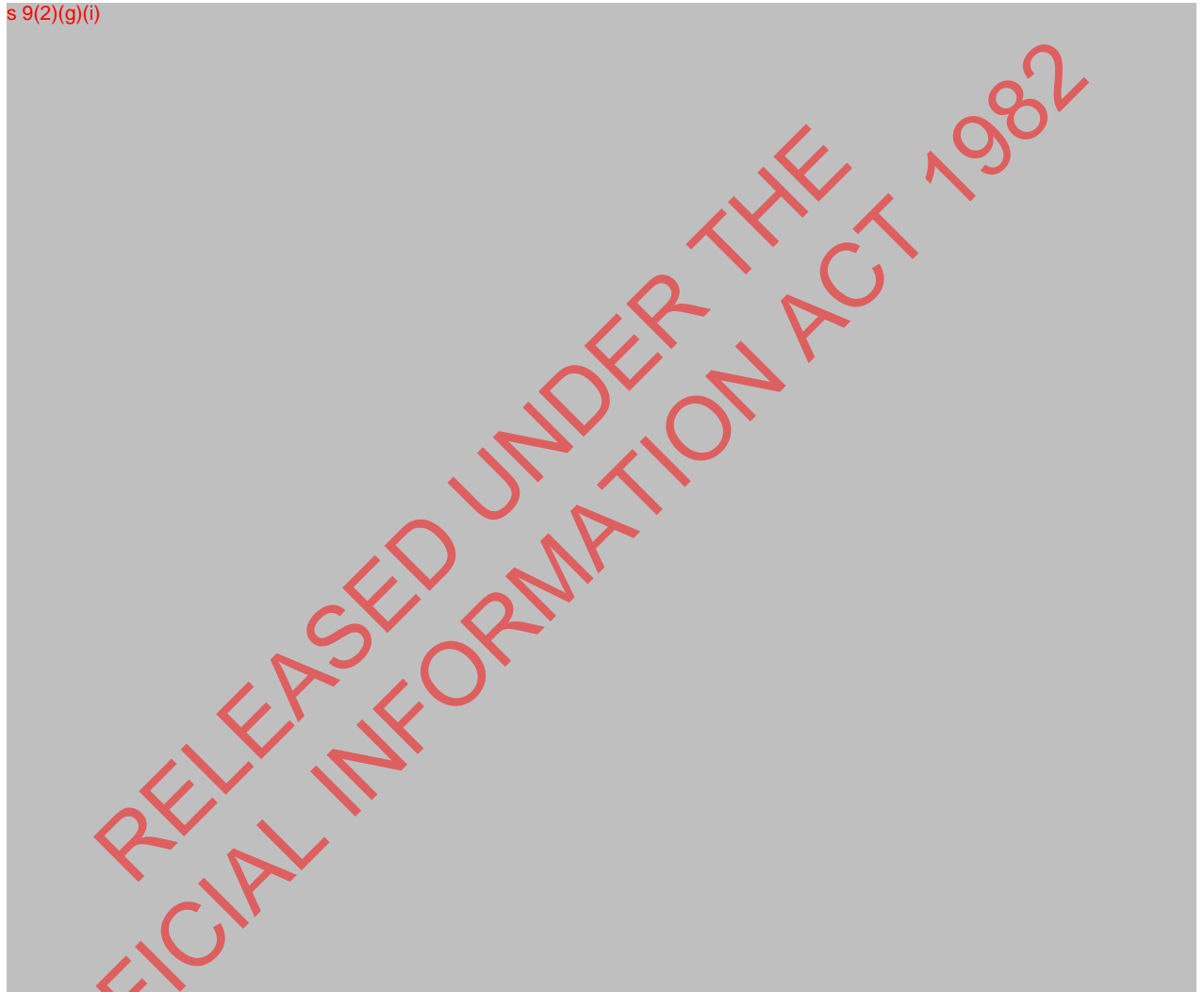
- Te Tai Ōhanga the Treasury.

7 Let's Get Wellington Moving has been informed of the proposed release and were consulted on the Climate Implications of Policy Assessment.

### Risks and mitigations

8 The following are risks to consider when publishing the Let's Get Wellington Moving Cabinet paper:

s 9(2)(g)(i)



9 We do not foresee any additional risks in publishing the Cabinet Economic Development Committee Minute of Decision DEV-22-MIN-0140.

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



## Next steps

- 11 Once you have approved the release of the three documents, we will publish them on the Ministry's website.

## Annex 1 Document schedule

Doc #	Document title	Details
1	Let's Get Wellington Moving - Transformational Programme: Preferred Option Progress and Mass Rapid Transit Funding Principles	<p>s 9(2)(g)(i)</p> <p><u>Consultations</u> Waka Kotahi New Zealand Transport Agency Te Tūāpapa Kura Kāinga Ministry of Housing and Urban Development, and Te Tai Ōhanga the Treasury.</p> <p><u>Risks and mitigations</u> s 9(2)(g)(i)</p> <p>The Ministry can support the Office in answering any queries that arise from publishing these papers.</p>
2	Cabinet Economic Development Committee Minute of Decision DEV-22-MIN-0140	<p>This document will be released in full.</p> <p><u>Consultations</u> No external consultation was undertaken</p> <p><u>Risks and mitigations</u> No additional risk than those outlined for the Cabinet paper.</p>

3	Climate Implications of Policy Assessment: Let's Get Wellington Moving - Transformational Programme: Preferred Option Progress and Mass Rapid Transit Funding Principles	<p>This document will be released in full.</p> <p><u>Consultations</u> Waka Kotahi and the Let's Get Wellington Moving Programme.</p> <p><u>Risks and mitigations</u> s 9(2)(g)(i)</p>
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The release papers are refused under Section 18(d) as they will soon be publicly available on the Ministry's website

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20 July 2022

OC220604

**Hon Kieran McAnulty**  
**Associate Minister of Transport**

cc Hon Michael Wood  
Minister of Transport

## MEETING WITH DEBBIE FRANCIS, CHAIR, AIR NAVIGATION SYSTEM REVIEW PANEL

### Snapshot

Debbie Francis, Chair of the Air Navigation System Review Panel, has asked to meet with you to discuss the review's scope, work to date, and next steps.

<b>Time and date</b>	5:00 – 5:50pm 27 July 2022
<b>Venue</b>	Your office
<b>Attendees</b>	Debbie Francis, Chair, Air Navigation System Review Panel
<b>Officials attending</b>	None
<b>Agenda</b>	<ul style="list-style-type: none"><li>• The review's scope, approach and work to date</li><li>• The Panel's initial thinking and insights</li><li>• Next steps</li></ul>
<b>Talking points</b>	Attached at Annex 1

### Contacts

Name	Telephone	First contact
Brigid Borlase, Head of Secretariat, Air Navigation System Review	s 9(2)(a)	✓
Eve Tucker, Acting Manager, Economic Regulation		

## Meeting with Debbie Francis, Chair, Air Navigation System Review Panel

### Key points

- You are meeting with Debbie Francis, Chair of the Air Navigation System Review Panel, on Wednesday 27 July 2022 from 5:00 – 5:30pm.
- Suggested talking points and questions are attached at **Annex 1**.
- The review has a high-level, first principles approach, aiming to address persistent questions about the policy and regulatory, institutional, and funding settings.
- The Panel is independent and was appointed by Minister Wood in May 2022. Panel members' bios are attached at **Annex 2**.
- The Review terms of reference are attached at **Annex 3**.
- The Panel is on track to provide you with a report in September on the current state assessment, ahead of providing its final recommendations to you in April 2023.

### The Air Navigation System Review

#### *Purpose of the meeting*

- 1 You will meet the Chair of the Air Navigation System Review Panel for the first time since you took on oversight of the review from Minister Wood. The Chair and Minister Wood have not met since the start of the review.
- 2 The meeting is an opportunity for you and the Chair to discuss the review's scope, approach and work to date. You may also like to discuss your desired level of involvement and next steps with the Chair.
- 3 The Chair will provide you with a letter on 26 July 2022 that sets out the Panel's initial observations and next steps.

#### *Background information*

- 4 The air navigation system is a critical part of New Zealand's national infrastructure. It enables safe, sustainable, resilient, and efficient aviation operations that in turn deliver services and benefits across a range of sectors and to wider society. It enables regional and global connectivity, security and resilience, jobs and economic development, and helps to deliver civil defence and emergency responses, and access to healthcare services.
- 5 The air navigation system comprises core components that provide for the safe operation of aircraft from take-off to landing. These include the equipment, services, and information to enable flight planning, navigation, safe separation of aircraft, and system-wide communication. Not all flights need all parts of the system; however, we need a comprehensive system to provide for the full range of airborne operations.

- 6 The system includes air traffic control; communications between aircraft, and aircraft and the ground; radars and other systems to track aircraft; navigation systems on the ground and in aircraft; specialist aviation weather services; airspace design (who can fly where); airports, and information management.
- 7 The diagram below is a concept of operations (CONOPS) for the air navigation system for 2023. It was developed by system stakeholders for the Civil Aviation Authority. It shows the system's core components and demonstrates the complexity of the system. The system spans both conventional commercial and recreational aircraft, and increasingly, non-conventional aircraft such as drones.



#### *Purpose of the review*

- 8 In February 2021 Minister Wood agreed to a high-level, first principles review of the air navigation system focused on its future strategic direction and its underlying policy, regulatory, institutional and funding settings.
- 9 The review responds to several issues identified by stakeholders, including:
- the lack of an overarching strategy or vision for the system
  - lack of the regulation keeping pace with technology (e.g. drones)

- the role of the system to meet wider national objectives, for example regional development and connectivity and delivery of essential services (e.g. emergency response)
  - the effectiveness of the user-pays funding and commercial operating models for maintaining an essential safety critical system
  - the economic impact of “black swan” events, such as COVID-19
  - climate change and the drive to decarbonise aviation.
- 10 Minister Wood appointed an independent panel to conduct the review: Debbie Francis (Chair), and members Howard Fancy, Ed Sims, and Danny Tuato'o. Panel biographies are available at **Annex 2**. The panel will make recommendations that are subject to Cabinet agreement.
- 11 A secretariat, hosted by Te Manatū Waka Ministry of Transport, supports the Panel.
- 12 Stakeholder support for the review is high. Sixteen major organisations<sup>1</sup> reviewed the review's terms of reference. The terms of reference are attached at **Annex 3**.

#### *Approach*

- 13 The review is split into two phases:
- Phase 1: define the **principles and objectives** that describe what New Zealand needs and wants from the system now and 30-50 years into the future; and
  - Phase 2: assess the current system against the principles and objectives and make **recommendations** on options for strengthening the system to meet the objectives established in phase 1.
- 14 The panel's approach is strategic and system-focused with high levels of targeted stakeholder engagement:
- a sector Reference Group provides expert input and advice to the panel (see member list at **Annex 4**)
  - the Panel will demonstrate partnership with iwi/Māori in good faith and in accordance with the principles of Te Tiriti o Waitangi. A Māori Advisory Group is being established to ensure the review appropriately engages with Māori and weaves in te ao Māori views.

#### *Work to date*

- 15 The Panel has met twice. It has heard a range of perspectives from domestic and international stakeholders, focusing on building a picture of the current state.

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<sup>1</sup> Stakeholders include Air New Zealand (customer), Airways (air navigation services provider), Civil Aviation Authority (regulator), MetService (meteorological services provider), and airports.

- 16 The Panel is working closely with its Reference Group. It will meet this group on a 4-6 weekly basis to bring sector views and to test its thinking.
- 17 The Panel is now working to solidify its current state assessment to deliver its phase one report to you in late September.

#### *Risks*

- 18 The scope of the review is broad; however, the Panel's findings are likely to focus on priorities within the three high level settings (policy/regulation, institutional, funding). Some stakeholders may feel their specific concerns or views are not reflected in the Panel's recommendations.
- 19 Recommendations on technical matters are out of scope for the review. Some stakeholders may feel that the review is too high level and does not deal with issues affecting their immediate operating environment.
- 20 The Panel will work closely and openly with stakeholders. It will take the time to understand the issues from their perspective before it proposes recommendations. However, it will need to remain focused on a strategic, first principles approach and achieve what it can in the timeframe. It may, as part of its recommendations, pinpoint areas that warrant further consideration.

#### *Next steps*

- 21 The Panel intends to deliver its Phase 1 report to you in late September to allow you to present it to Cabinet in mid October 2022.
- 22 You may wish to meet with the Chair on a regular basis.

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## **Annex 1: Suggested Talking Points**

- You may wish to discuss the Panel's initial impressions of the characteristics and culture of the air navigation system and its stakeholders.
- The Panel's Reference Group will have met for the second time on 22 July 2022. You may wish to ask how the meeting went, and what issues were front of mind for the participants.
- The Panel is due to deliver its Phase 1 report to you in late September 2022. You may wish to discuss the likely direction of that report, and how it will lead into Phase 2.
- You may wish to ask the Chair, Ms Francis, about her observations of how the air navigation system is similar (and different) to other systems.
- You may wish to ask if there are any issues or risks the Panel is concerned about at this early stage.

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## Annex 2: Air Navigation System Review Panel - biographies

*You are meeting Debbie Francis, Panel Chair*



Debbie Francis (Chair) is an independent consultant specialising in strategy development, organisational culture and change management. She was previously head of PwC New Zealand's Government and People and Change consulting practices where she worked with public and private sector clients on culture and organisational change. She was a lead reviewer for the State Services Commission and undertook many performance improvement reviews of public agencies.

Debbie has undertaken similar reviews in a wide variety of private sector companies, from small start-ups to large multinationals. Debbie has also spent time in a range of executive roles, including as Chief Executive for the New Zealand Correspondence School and a two-star General equivalent in the New Zealand Defence Force. More recently, Debbie undertook a review of culture within New Zealand Police and led an independent review of the culture in the New Zealand Parliamentary workplace. She lives on a truffle farm in Waipara, has six children, six grandchildren and three cats. Her passions are military history, detective novels, fast cars and growing roses.

### *Other Review Panel members*



Howard Fancy has extensive experience at the centre of government in the formulation, delivery, and operation of policy. He has led a wide range of major system reforms and reviews that have redesigned institutional arrangements, capabilities and relationships. He served as the Chief Executive of the Ministries of Commerce, Education, and Environment. He is currently a member of several public sector audit and risk committees. Howard has extensive experience in stakeholder engagement, including partnering with iwi/Māori. He has worked across diverse sectors on agency establishment, system performance improvements, agency reviews, strategic relationships and positioning agencies for future change and opportunities. He brings a strong strategic and systems focus. Howard holds an MCom (Economics) from the University of Canterbury. He is a member of the Institute of Directors, an Honorary Fellow, School of Government (Victoria University), and is Companion of the New Zealand Order of Merit. Howard lives in Wellington with his family.



Ed Sims has an extensive background in air navigation service provision and airline management operations. He was CEO of Airways New Zealand (2011–2017), an executive committee member and then Chair of the global air traffic control governing body CANSO (2012–2017), a member of the Air New Zealand executive team (2006–2010) and has recently returned from running Canada's second largest airline WestJet for the last five years. Ed has held governance roles in the New Zealand tourism sector, has sat on public sector agency audit and risk committees, and is a member of the Business Council of Canada. Ed brings a depth of knowledge about the challenges of operating in the rapidly evolving, highly competitive aviation sector, and leading

organisations that provide and use air navigation system services and working with aviation regulators and policy agencies in New Zealand and internationally. Ed holds an MA from Oxford and is a member of the Institute of Strategic Leadership. He lives in Auckland with his family.



Danny Tuato'o was admitted as a barrister and solicitor of the High Court of New Zealand in 2005. Along with his legal experience, he has significant leadership experience as a business owner in New Zealand, as a director in public and private sectors, and senior manager in law and education. As a Partner in a Northland provincial law practice, Danny works with a wide range of clients. He holds several governance positions, including being a member of the boards of Fire and Emergency New Zealand and Maritime New Zealand.

Proficient in te reo Māori, Danny understands the cultural dynamic of te ao Māori and Crown/Māori relations and can bring cultural competence and diversity of thought to the panel. In addition to his legal qualification, Danny holds an MA in Māori Students from the University of Otago. Danny lives with his wife and four children in Whangārei. Danny is actively involved in Kiwi recovery and pest control projects in Northland in a volunteer capacity. He is also a volunteer for the Coastguard New Zealand Board and a trustee for the Wairau Māori Art Gallery.

# REVIEW OF NEW ZEALAND'S AIR NAVIGATION SYSTEM

## Terms of reference

### Purpose

New Zealand does not have a current high-level statement of the principles and national level objectives for the air navigation system. Without that foundation, it is difficult to determine if the systems meet our current and future needs.

The purpose of the review is to take a high-level, first principles approach to establishing agreed objectives for the air navigation system, assess the current policy and regulatory, institutional and funding settings against those objectives, and recommend options for strengthening the system now and thirty to fifty years to the future.

### Background

The air navigation system exists to enable aircraft operations. The system works as an integrated whole, providing the information and infrastructure for aircraft from the start to the end of a flight.

The air navigation system is a key part of New Zealand's transport infrastructure. The system contributes to New Zealand's economic growth and prosperity, social connectivity, resilience, and our role as a participant in regional and global fora. As a remote island nation, we rely almost exclusively on air transport to connect our people to the world.

We have international obligations and opportunities. We are a member state of the International Civil Aviation Organization. New Zealand is responsible for the world's largest search and rescue region which stretches from the Pacific Islands to the Antarctic and provides aviation safety and security support to our Pacific neighbours. This country is also home to innovators in aviation and space activities, with significant potential for growth. We export our aviation knowledge and expertise around the world.

### Context for the review

The most recent national policy statement on aviation is the *National Airspace Policy of New Zealand*, published in 2012.

In the intervening decade the demands on and expectations of the air navigation system have continued to change, presenting challenges and opportunities, such as:

- new technologies: airframe materials, autonomous and remotely piloted aircraft, artificial intelligence, digitalisation, alternative fuels, and new propulsion systems
- drives for the decarbonisation of aviation

- demands for different design and use of airspace, including low altitude and urban airspace, and providing for aircraft and launch vehicles transiting to and from space
- emergence of new business models and alternative providers for some components of the air navigation system
- emerging threats and risks around cyber security and security of physical infrastructure
- ongoing globalisation of system components
- new international standards and regulations
- movement to performance-based regulation and other regulatory responses to rapidly changing technology.

Stakeholders have raised questions about the current settings for the air navigation system, including:

- clarifying and addressing the expectations on the system from aviation participants, and a range of other sectors such as civil defence and emergency management, health, economic development, and defence
- the effectiveness of the user pays model for funding air navigation services and system components
- identification of and funding for air navigation services and system components provided as a public good
- the characteristics and performance of the market for the air navigation services and system components
- the role of the aviation system in regional development, connectivity, and resilience
- the cost of air navigation services and system components
- planning for and the flexibility to enable timely investment in new air navigation system technologies
- the impacts of COVID-19 including reliance on passenger volume as the primary funding source for air navigation service provision.

## Method of work

The review will be conducted in accordance with these terms of reference, and in a way that demonstrates:

- transparency
- independence and impartiality
- timely and open engagement
- consideration of the full range of stakeholders' views
- a systems-based approach
- partnership with iwi and Māori in good faith and in accordance with the principles of Te Tiriti o Waitangi (CO(19)5, Te Tiriti o Waitangi / Treaty of Waitangi guidance
- commitment to an enduring approach to continuous improvement of the air navigation system, taking a multi-generational view.

## Assumptions

The review includes the following working assumptions:

- Safety is the primary objective.
- The current system is safe.
- The air navigation system is an essential part of New Zealand's national infrastructure.
- A safe, efficient, sustainable, innovative, and responsive air navigation system helps New Zealand flourish.
- New Zealand supports and participates in the global rules-based system governing civil aviation
- The system is resource limited and there will be competing demands and tensions
- The system is challenged by new and emerging technologies.

## Scope

### *Description of the air navigation system and the scope of the review*

For the purposes of this review, the air navigation system comprises the system components, the providers and users of the system components and air navigation services, and the authorising environment in which they operate.

Appendix 1 illustrates the system and its connections to and influence on the wider economy and society.

### *Air navigation system components and characteristics*

The review will consider the air navigation system components: those elements that are essential for the aviation system to operate and to deliver on user and national expectations. The scope will include consideration of how the settings influence the provision and maintenance of the system components.

In the context of the review, characteristics refers to how the system should operate, for example it should be safe, efficient, secure, integrative, future-focussed, resilient, and responsive to emerging opportunities, threats, and risks.

### *Air navigation system providers, users, and authorising environment*

The review will consider the roles, obligations, and needs of air navigation system providers, users and authorisers, and how the settings facilitate or inhibit their work.

### *Dependents and beneficiaries of the air navigation system*

Several sectors and agencies depend on and/or benefit from the provision of the air navigation system, though they are not providers or direct users of the air navigation system components.

### *Matters for consideration*

The review may consider the following:

- policy settings that influence the air navigation system
- roles, functions, obligations and duties of the agencies and organisations involved in the provision, use, regulation, and monitoring of the components of the air navigation system
- the relationships between those roles, functions, and duties
- the monitoring and evaluation of the performance of those roles and functions
- revenue, funding, and pricing mechanisms in the system
- mechanisms for identifying, providing, funding, and overseeing air navigation system components and services that are provided wholly or partly as a public good, within aviation and/or as part of other systems
- the impact that the air navigation system (and any recommended changes to the applicable settings) has on the wider ambitions for New Zealand society, economy, environment, resilience and security, and our global profile and participation
- the system and its objectives and outcomes in the context of Te Tiriti o Waitangi and a te ao Māori view
- the influence of the system on regional connectivity
- integration of new technologies into the air navigation system
- alignment with international standards and practices, and interconnectivity between systems operated by different states
- the operation of the air navigation system in the New Zealand Flight Information Region and the Auckland Oceanic Flight Information Region<sup>2</sup>, and the delivery of other regional aviation-related services such as meteorological information for aviation, and the Volcanic Ash Advisory Centre - Wellington.

The review will give due consideration to:

- international models of policy and regulatory, institutional, and funding settings for air navigation system planning, delivery, and assessment of system performance
- other work relevant to this review, including but not limited to the Civil Aviation Bill, the review of the Outer Space and High Altitude Activities Act 2017, the New Zealand Aerospace Strategy, Airways' pricing round, the Civil Aviation Authority funding review, New Southern Sky, and relevant government initiatives such as the Emissions Reduction Plan and the biofuels mandate.
- the impact of COVID-19 on the aviation sector.

## Matters out of scope

The following are generally out of scope of the review:

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<sup>2</sup> The New Zealand Flight Information Region is our domestic airspace. The Oceanic Flight Information Region is airspace over the high seas that New Zealand manages under an International Civil Aviation Organization Regional Air Navigation Agreement.

- technical and operational matters, for example technical standards for air navigation system components; operational procedures and rules; or application of operational policies or methodologies in particular instances or locations<sup>3</sup>
- detailed examination of specific commercial agreements between parties, though the review may consider the influence the system settings have on how commercial agreements are generally developed and applied, and the results of those methods
- COVID-19 response and recovery support measures.

The review will not make recommendations that:

- directly create obligations on sectors that depend on or benefit from the air navigation system (see Appendix 1)
- relate directly to operational, tactical, or procedural matters or specific commercial arrangements regarding the operation of the air navigation system components, provision of services, or use of the system by aviation participants
- refer to amending or creating specific Civil Aviation Rules, notices, or guidance, though it may consider the regulatory system settings with respect to the agreed system objectives.

The review will, however, consider how its recommendations would impact on matters and sectors outside its scope.

## Process and outputs

The review will focus on the policy and regulatory, institutional, and funding settings for the air navigation system and conduct its work in two phases.

### Phase 1

In its first phase the review will:

- identify the base principles and objectives for the air navigation system
- identify the components and characteristics of an optimally performing air navigation system for New Zealand now, and 30-50 years into the future, considering:
  - national objectives
  - current providers and users of the air navigation system
  - future use cases
  - those sectors dependent or and/or benefiting from the operation of the system
  - international standards, guidance, and obligations.

### Phase 1 output:

Recommendations to the Minister of Transport and Government on a set of principles and objectives, components and characteristics for the air navigation system now and 30 to 50 years into the future.

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<sup>3</sup> The review may use case studies but will focus its recommendations on system-wide matters.

## Phase 2

The second phase of work will focus on assessing the current system, including all parties and how they operate, against the principles and outcomes identified in Phase 1.

### *Phase 2 output:*

Recommendations to the Minister of Transport and Government on options to strengthen the air navigation system's ability to meet the agreed principles and objectives.

The recommendations will focus on the policy and regulatory, institutional, and/or funding settings, and consider current and future needs.

Recommendations will consider possible impacts on aviation safety.

Given its high-level nature, the review may make recommendations for further detailed examination of specific aspects or issues.

The methodology and the findings and recommendations from both phases will be subject to review by international experts in air navigation system policy, design, regulation, funding, and delivery.

## Structure

The review will be conducted by a Ministerially appointed independent advisory panel.

### Independent advisory panel membership

Debbie Francis (Chair)

Howard Fancy

Ed Sims

Danny Tauto'o

### *Term of appointment*

The panel will be appointed for the duration of the review.

### *Secretariat*

Secretariat services will be hosted by the Ministry of Transport. The Secretariat will provide research, analytical, project coordination, communications, and technical subject matter expert input as required.

### *Stakeholder engagement*

The review will establish a reference group including (but not limited to) agencies with an interest in the air navigation system, and industry and sector stakeholders. Sub-groups may be established if required.

The Panel will seek stakeholder review of its findings and recommendations during the process of the review.

An engagement plan will ensure all relevant stakeholders are included and can present their views.

## Timeframe

The review will begin in June 2022 and will be completed by May 2023.

Timeframes for the implementation of recommendations from the review will form part of the advice to the Minister of Transport and Government at the end of Phase 2.

## Engagement

The Panel Chair will report to the Minister on a regular basis. The Panel will report to the Minister and the Government at the end of each phase.

The Minister of Transport may consult with colleagues responsible for portfolios that are involved in and/or potentially affected by the review.

The Panel will engage with stakeholders to inform its work.

The Panel will provide regular updates to stakeholders and their constituents through the reference group and direct communications.

A web page will provide information and updates on the review and provide a point of contact point for stakeholders.

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System



#### **Annex 4: Air Navigation System Review: Reference group membership**

- Airways
- Air New Zealand
- Civil Aviation Authority
- Aviation New Zealand
- New Zealand Aviation Federation
- Christchurch Aerospace
- UAVNZ
- New Zealand Airports Association
- The Treasury
- Ministry of Business Innovation and Employment
- MetService
- New Zealand Defence Force
- Land Information New Zealand
- National Emergency Management Agency
- Te Manatū Waka Ministry of Transport
- Auckland Rescue Helicopter Trust
- New Zealand Airline Pilots Association

As per the terms of reference, sub-groups can be established. The membership may change over the course of the review, and the Panel will seek views in addition to those from the reference group.



21 July 2022

OC220610

Hon Michael Wood

Action required by:

Minister of Transport

Tuesday, 26 July 2022

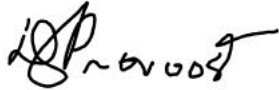
## DRAFT GOVERNMENT RESPONSE TO RAUTAKI HANGANGA O AOTEAROA, THE NEW ZEALAND INFRASTRUCTURE STRATEGY

### Purpose

Advise you on whether you should provide comments to the Minister for Infrastructure on the draft Government Response to Rautaki Hanganga o Aotearoa, the New Zealand Infrastructure Strategy, which you received on 18 July 2022. The Minister of Infrastructure's Office has asked for any comments to be returned by the end of 26 July 2022.

### Key points

- We have been consulted on the draft Government Response (the Response) to Rautaki Hanganga o Aotearoa the New Zealand Infrastructure Strategy (the Strategy). Our comments are well reflected in the draft and we do not think you need to comment on this version of the draft
- Treasury's covering report notes several high-level issues with the Strategy and we agree with these. This includes the broadness of Strategy, how it overlaps with many existing reform programmes (including Transport's), it does not acknowledge capacity constraints facing the government in delivering more work, or that many stakeholders, including Māori, may have limited capacity to engage on new programmes of reform, and the Strategy does not indicate the scale of work that is needed to implement its recommendations
- When preparing the Response, the Treasury asked the Ministry for specific comment on seven recommendations. We supported them all but qualified our support in some cases. The reasons for our position are discussed in the body of this report.
- You will have another opportunity to comment when the Minister for Infrastructure prepares a draft Cabinet paper to confirm the Government's Response. The Ministerial consultation process will take place from 8 – 22 August 2022. The final Response is due to be presented to the House of Representatives on, or before, 10 September 2022.



Donna Provoost  
**Acting Manager, Strategic Policy and  
 Innovation**

21 / 07 / 2022

Hon Michael Wood  
**Minister of Transport**

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

**Minister's office to complete:**

☐ Approved

☐ Declined

☐ Seen by Minister

☐ Not seen by Minister

☐ Overtaken by events

**Comments**

**Contacts**

Name	Telephone	First contact
Donna Provoost, Acting Manager, Strategic Policy and Innovation	s 9(2)(a)	✓
John Edwards, Principal Adviser, Strategic Policy and Innovation	s 9(2)(a)	

## DRAFT GOVERNMENT RESPONSE TO RAUTAKI HANGANGA O AOTEAROA, THE NEW ZEALAND INFRASTRUCTURE STRATEGY

**The Minister for Infrastructure has requested initial comments from you on the draft Government Response to the Infrastructure Strategy**

- 1 Treasury has prepared a draft of the Government Response (the Response) to Rautaki Hanganga o Aotearoa, the New Zealand Infrastructure Strategy (the Strategy) for the Minister for Infrastructure, Hon Grant Robertson. The Minister for Infrastructure has referred you a copy of the draft response in case you wanted to make initial comments on it.

### **The Ministry has commented on the draft Response**

- 2 The Treasury asked for feedback from many agencies affected by the Strategy's recommendations. It used this feedback to put together the draft Response that has been forwarded to you. Waka Kotahi also provided feedback on many of the transport recommendations.
- 3 The Treasury took on board our feedback and it is fairly reflected in the draft Response. As a result, we are not recommending that you provide any comments back to Hon Grant Robertson.

### **There are many overlaps between the Strategy's recommendations and existing transport work programmes**

- 4 The Treasury asked for our views on seven specific recommendations. Given many overlaps between current transport work programmes and those recommendations, we supported them all. However, in some cases, we offered qualified support. The table below includes a brief discussion of each of the transport recommendations and why we took the position we did:

*Table 1: Discussion on Specific Recommendations*

Strategy Recommendations	Discussion
8 Improve efficiency and security of freight and the national supply chain	We supported this in full, and this is noted in the draft Response. The recommendation dovetails very well with the development of the National Freight and Supply Chain strategy that will address the entirety of this recommendation.

<p>11 Prepare for zero-emissions commercial electric flights and unmanned aircraft</p>	<p>This recommendation covers training for electric aircraft, charging infrastructure, and infrastructure for unmanned aircraft. We supported this recommendation in part, because some elements of the recommendation are not ready to progress (or will be progressed as needed, such as developing training for the pilots of electric aircraft and the maintenance of these craft). Otherwise, there are good synergies with work already underway, including updating the regulatory framework for drones and developing a national EV-charging infrastructure strategy.</p>
<p>15 Increase the supply and use of low-emissions transport modes</p>	<p>We supported this recommendation in full. As you are aware, a wide range of work is already underway in the transport sector to reduce emissions and this is high priority work.</p>
<p>19 Improve delivery of transit-orientated development (TOD)</p>	<p>We supported this recommendation in principle. There is a variety of work underway to explore how TOD opportunities can be delivered.</p>
<p>21 Reduce congestion and improve urban mobility</p>	<p>We supported this recommendation in part. While acknowledging congestion pricing has the potential to reduce congestion, the recommendation goes too far, especially in recommending the immediate removal of legislative barriers to implementing congestion charging and road tolling. Further policy work is underway on making such a change.</p>
<p>22 Target transport investment to areas of highest need using signals from congestion pricing</p>	<p>We supported this recommendation in principle. However, congestion pricing may be only one way of revealing where investment is needed. Further, using such data would depend on the development of congestion charging systems.</p>
<p>48 Reform the transport funding system</p>	<p>We supported this recommendation in principle given its strong connection to work already underway (the Future of the Transport Revenue system). However, the recommendation went too far especially in recommending underlying principles to base charging systems on, including user pays, before the work is undertaken. Such principles may feature but the policy work needs to be undertaken first.</p>

**The Minister for Infrastructure will prepare a draft Cabinet paper**

- 5 The formal requirements for the Government Response are set out in the New Zealand Infrastructure Commission/ Te Waihanga Act 2019. The next step in the process for finalising the Response will be for the Minister for Infrastructure to take the draft to Cabinet. Ministerial consultation on the draft Cabinet paper will take place from 8 – 22 August 2022. This would be another opportunity to comment. The final Response is due to be presented to the House of Representatives on, or before, 10 September 2022.

**There are no risks**

- 6 Given the stage of this process, we have not identified any risks. Should the Response be tabled in a form that is close to the current draft, we think the position on each of the Strategy's transport recommendations is easily justified.

**Waka Kotahi has been involved in the work on the draft Response**

- 7 Waka Kotahi has been involved in the work on the draft Response and provided feedback. The CAA was involved in the work on recommendation 11 (zero-emissions flights and unmanned aircraft).

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## Meeting with the Waka Kotahi NZ Transport Agency

Minister of Transport, Hon Michael Wood  
Meeting at 5pm on Tuesday, 2 August 2022

27 July 2022

OC220612

### Purpose

This aide memoire supports your meeting with Waka Kotahi NZ Transport Agency (Waka Kotahi) on Tuesday 2 August at 5pm.

### Attendance and agenda

<b>Attendees</b>	Nicole Rosie, Chief Executive, Waka Kotahi NZ Transport Agency
<b>Officials attending</b>	Allan Prangnell, Deputy Chief Executive, System Performance & Governance, Ministry of Transport
<b>Agenda</b>	<ol style="list-style-type: none"> <li>1. Cost management and understanding pressures on delivery</li> <li>2. Road to Zero infrastructure</li> <li>3. Waka Kotahi's remuneration approach</li> <li>4. Security resilience in the transport sector.</li> </ol>

### Appendices

Talking points are available for your meeting in **Appendix One**.

You will receive talking points for agenda item four separately on a restricted classification to support your meeting in **Appendix Two**.

### Contacts

Name	Telephone	First contact
Sarah Polaschek, Manager, Governance	s 9(2)(a)	✓
Brett Thomson, Principal Adviser, Governance		

## **Agenda item one: Cost management and understanding pressures on delivery**

**Waka Kotahi is facing immediate and significant delivery challenges across several programmes of work**

- 1 Waka Kotahi is currently working within an environment of inflationary pressures, revenue pressures, capacity constraints and lingering impacts (indirect and direct) of COVID-19, such as staff availability. In some areas, Waka Kotahi's delivery partners (such as local government or other Crown agents) are also facing pressures exacerbating Waka Kotahi's own delivery challenges. The New Zealand Upgrade Programme (NZUP) and the National Land Transport Plan (NLTP) have been particularly impacted.
- 2 The impact of these challenges on NZUP have been communicated to you (BRI-2472). You will also receive a joint Waka Kotahi, KiwiRail, the Treasury and Ministry of Transport briefing on the cost pressures facing NZUP and the potential choices around the programme, to support a workshop with Joint Ministers on 10 August 2022.
- 3 s 9(2)(f)(iv)  

Waka Kotahi has indicated it is facing financial risks within the current NLTP.
- 4 Waka Kotahi is also playing an important role in decarbonising transport. As well as progressing existing work, Waka Kotahi is about to begin implementing several Climate Emergency Response Fund (CERF) initiatives that will require sourcing resources from a constrained resource pool as well as requiring the attention of existing capability within Waka Kotahi.
- 5 Waka Kotahi has drawn down \$200 million of the \$2 billion loan facility and \$150 million from the seasonal loan facility. It is anticipating that it will fully draw down all facilities to support delivery expectations by June 2024. The Ministry understands that a significant portion of \$2 billion facility is likely to be used to service cost escalation, pressures, and reduced revenue.

**Waka Kotahi's Board is responsible for making decisions around the effective use of resources to deliver a range of programmes and services**

- 6 The Ministry notes the challenging global and domestic environment with which Waka Kotahi is currently operating within. Waka Kotahi has indicated through its advice to you, significant cost escalation across several infrastructure projects.
- 7 The Ministry would like to see more evidence from Waka Kotahi demonstrating how the Board is considering its cost management, including scaling of projects, consideration of trade-offs within programmes, identifying efficiencies, and leveraging its significant resources to achieve better value for money.

- 8 The Ministry's has noted the reliability of costing information has declined given several projects where the cost 95% confidence levels have been revised upwards by amounts that significantly exceed the rate of inflation. The Ministry recommends you seek further information around the methodology for calculating costs and how the Board is considering cost management across its programmes of work to allow investigation of those concerns. If directed, the Ministry can prepare an information request along these lines and update you in August.
- 9 The Board is currently considering options to manage the investment targets of the activity classes. The options being considered focus on managing financial risk, achieving outcomes, and balancing both financial and outcomes risks.
- 10 Waka Kotahi has indicated it will prepare a briefing to you in early August outlining financial pressures within the NLTF. This may include options relating to additional Crown financing as a back-stop and the rephasing or repurposing of Crown funding. The Ministry will provide you with advice to consider these options.
- 11 The Ministry recommends you communicate your expectations around the Board's role to manage costs before consideration of further funding.

## **Agenda item two: Road to Zero infrastructure**

- 12 Within the 2020/21 annual report briefing (OC210850), the Ministry noted that delivery of the Safe Network Programme outputs was below expected levels. The Ministry also noted some of the challenges to deliver this programme including the complexity of retrofitting safety infrastructure onto existing roads. You requested a 'lessons learnt' exercise on the Safe Network Programme within your response letter to the Annual Report as it transitioned to the Speed and Infrastructure Programme (SIP).
- 13 An independent review into Road Safety Investment recommended stronger governance on the Road to Zero implementation programme including the development of a Ministerial Oversight Group.
- 14 Reporting for this Oversight Group has shown that pressure on the delivery of Road Safety Infrastructure has continued. It has also highlighted that long-term delivery of key interventions, such as median barriers, are significantly below target levels.
- 15 In February 2022 the Ministry sent an information request to Waka Kotahi seeking some programme documents, including a risk register, assurance plan and prioritisation framework. It also asked some key questions including 'What lessons did the Board learn from the underachievement of the Safe Network Programme?' and 'What actions has the Board undertaken to reset interventions that are not expected to meet Road to Zero targets? (i.e. median barriers)'. The Ministry has not received a formal response from Waka Kotahi.
- 16 The Ministry recommends you ask the Chair if the Board is confident that medium-term targets will be achieved and what interventions are in place to ensure delivery.

### **Agenda item three: Waka Kotahi's remuneration approach**

- 17 Waka Kotahi has recently consulted with the Public Service Commission (the PSC) around planned remuneration increases for its people under the Public Service Pay Restraint Guidance.

s 9(2)(j)

- 21 Waka Kotahi is expected to send a letter to the Ministry outlining its remuneration approach.

### **Agenda item four: Security resilience in the transport sector**

s 6(a)

## Appendix One – Talking points to support your meeting with Waka Kotahi

Item	Talking Points
Cost management and understanding pressures on delivery	<p>The Minister of Finance wrote to me earlier this year emphasising a need to actively manage scope to ensure projects are doing the least they need to for a successful outcome. It has never been more important for government to manage its projects well than now.</p> <p>Is Waka Kotahi confident that it can continue to deliver its existing programmes of work within the scope and resources available?</p> <p>I expect the Board and management to be prioritising cost management within the current context and leverage your resources to achieve better value for money.</p> <p>I would like you to work with the Ministry of Transport to brief me on how you have considered cost management, including:</p> <ul style="list-style-type: none"> <li>• how is project scope being managed tightly across your programmes of work?</li> <li>• how is Waka Kotahi considering scaling of projects to achieve the outcome?</li> <li>• what processes and delegations are in place for escalating requests for additional scope, are these appropriate?</li> <li>• what efficiencies have you identified to improve value for money?</li> </ul>
Road to Zero infrastructure	<p>Are you confident that the total Speed and Infrastructure Program (SIP) is going to deliver its forecast Death and Serious Injury (DSI) reduction?</p> <p>What is Waka Kotahi doing to ensure the median barrier target can be reached?</p> <p>What has Waka Kotahi considered around the optimal delivery of SIP to provide some over delivery of DSI reduction outcomes that will offset under delivery in other parts of Road to Zero?</p>
Waka Kotahi's remuneration approach	<p>How will a general pay increase across all staff retain key people?</p> <p>What is Waka Kotahi looking to do to retain and attract people other than your remuneration approach?</p> <p>How does your remuneration approach cover long-term challenges and risks around people?</p>

Item	Talking Points
Security resilience in the transport sector	Refer to <b>Appendix Two</b> for talking points to support this item.

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**Appendix Two – Talking points to support communicating your expectations around security resilience in the transport sector**

The appendix is withheld under Section 6(a)

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28 July 2022

OC220613

**Hon Michael Wood**  
**Minister of Transport**

## QUANTITY OF PETROL AND DIESEL DISTRIBUTED SINCE 2018

### Your questions on Waka Kotahi New Zealand Transport Agency's regional fuel tax quarterly report

- 1 Following your review of Waka Kotahi's regional fuel tax quarterly report (third quarter January to March 2022), you asked the Ministry of Transport why:
  - 1.1 diesel volumes have overtaken petrol volumes in Auckland
  - 1.2 the total fuel volume (both petrol and diesel) increased in Auckland but decreased in the rest of the country.

### The changes are likely due to increases in the diesel fleet, changes in travel due to COVID-19 and economic activity

- 2 **Graphs one and two** (over the page) compare the amount of petrol and diesel supplied in Auckland and the rest of New Zealand, using the data in Waka Kotahi's quarterly report. The overall trend is likely more important than quarter-by-quarter changes, so trendlines have been added to the graphs. The trendlines show the quantity of:
  - 2.1 petrol distributed in Auckland has decreased whilst the amount distributed in the rest of New Zealand has remained almost unchanged
  - 2.2 diesel distributed has slightly increased both within Auckland and the rest of New Zealand.
- 3 How can we explain the changes in fuel volumes?
  - 3.1 Petrol – the changes in petrol volumes are more likely to reflect changes in private vehicle travel, rather than improvements in the efficiency of the petrol fleet. One impact of COVID-19 is that more people are working from home. A greater proportion of the Auckland population (compared to the rest of New Zealand) could be working from home, resulting in reduced petrol use.<sup>1</sup> Those

<sup>1</sup> Google COVID-19 Community Mobility Report (15 July 2022), which is based on cell phone place/location data, shows that compared to baseline data (3 Jan to 6 Feb 2020), for Auckland, a 24 percent decline in the location 'workplace' being detected on Android phones. This differs for other regions: Bay of Plenty (-0 percent), Gisborne (+5 percent), Hawke's Bay (-2 percent), Manawatu-Wanganui (+12 percent), Marlborough (-9 percent), Nelson (-6 percent), Northland (-1 percent), Otago (-4 percent), Southland (-7 percent), Taranaki (-6 percent), Tasman (+2 percent), Waikato (-9 percent), Wellington (-19 percent) and the West Coast (-3 percent).

who live outside Auckland may need to use their vehicles more for work purposes, explaining the consistent amounts of petrol supplied outside Auckland.

- 3.2 Diesel – increases in diesel volumes is more likely the result of increases to the size of the diesel fleet and increased economic activity. Diesel is mainly used in the commercial sector where workers are more reliant on using their vehicle for their trade. The top selling vehicles in New Zealand for many years have been utes, and diesel vehicles tend to travel 25 percent further than petrol vehicles. We also note that oil consumption (especially diesel) is strongly correlated with economic activity and that the increase in diesel usage could suggest economic activity has been strong.

- 4 **Overall, we think lock downs in Auckland have suppressed petrol use slightly more than diesel.** We note there are some limitations when reviewing Waka Kotahi's quarterly reports and comparing quarters:

- 4.1 Timing – In Waka Kotahi's quarterly report, Auckland's fuel volume data is one quarter ahead of the data available for the rest of New Zealand. The most recent data on Auckland presented in the report is for quarter three of 2021/22 (1 Jan - 31 Mar), while data for the rest of New Zealand is for quarter two of 2021/22 (1 Oct – 31 Dec).

- 4.2 Data sources – Over the last few years there have been two different data sources for Auckland's fuel volumes. Before the regional fuel tax was implemented on 1 July 2018, Auckland Council's Local Authorities Fuel Tax returns provided the data for fuel distribution in Auckland. Data for subsequent quarters is from the regional fuel tax returns. For this reason, Q4 data has been excluded from the graphs below. The baseline data is intended to show the quantity of fuel distributed prior to the Auckland regional fuel tax.

- 5 **Graphs one and two** correct the limitations by excluding pre-regional fuel tax data and not including Q3 2021/22 due to the lag in the rest of New Zealand's data. **Graph three** shows the quantity of petrol and diesel supplied in New Zealand since March 2018 (from Ministry of Business Innovation and Employment's data) as a point of comparison, which also shows an increase in diesel and a slight decline in petrol. **Graph four** shows indicative regional fuel tax revenue.

- 6 Waka Kotahi has been consulted on this advice. Waka Kotahi advises it has no comments.



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Marian Willberg  
**Manager, Demand Management and Revenue**

...28/07/2022....

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Hon Michael Wood  
**Minister of Transport**

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

Minister's office to complete:

☐ Approved

☐ Declined

☐ Seen by Minister

☐ Not seen by Minister

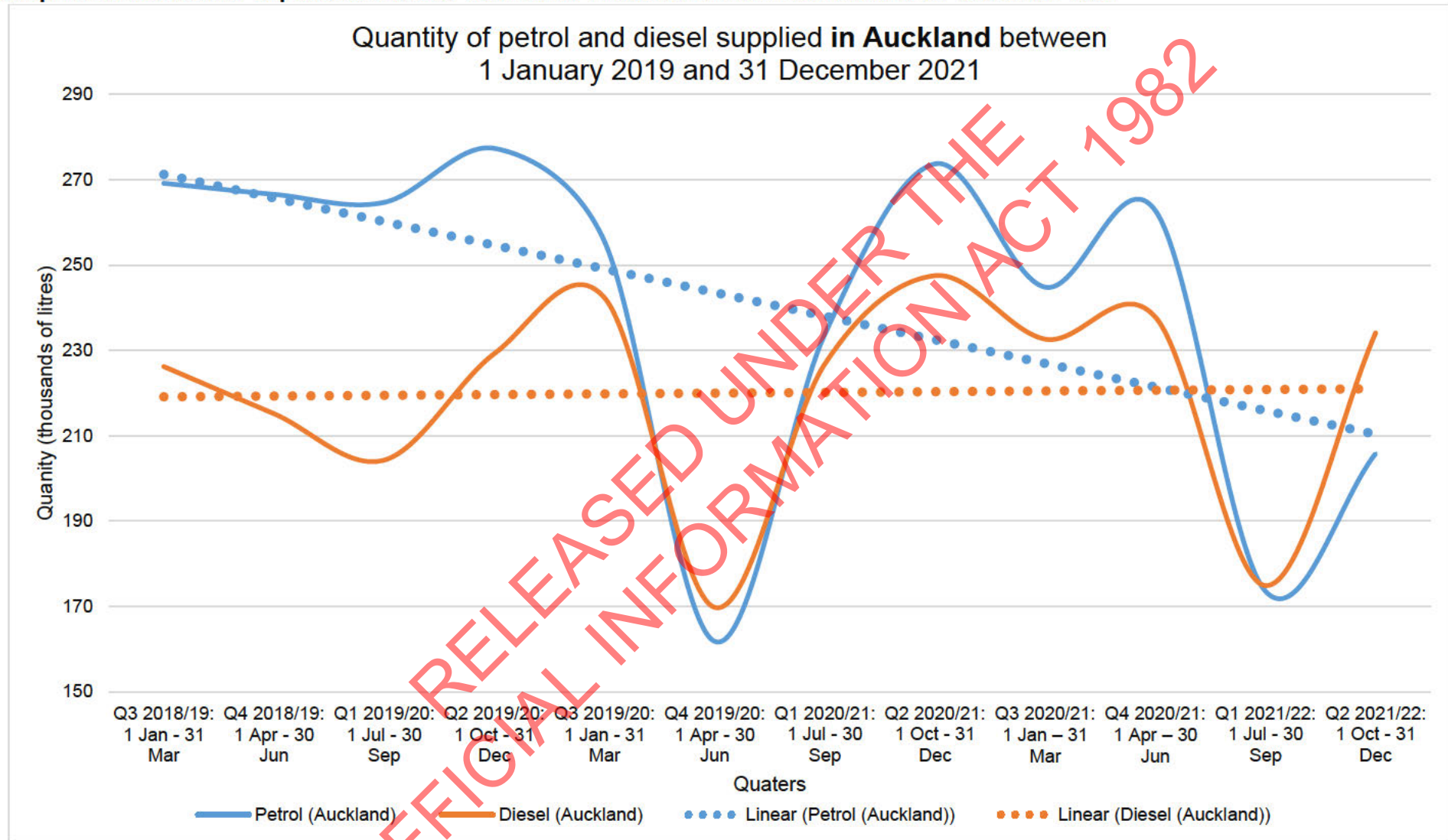
☐ Overtaken by events

Comments

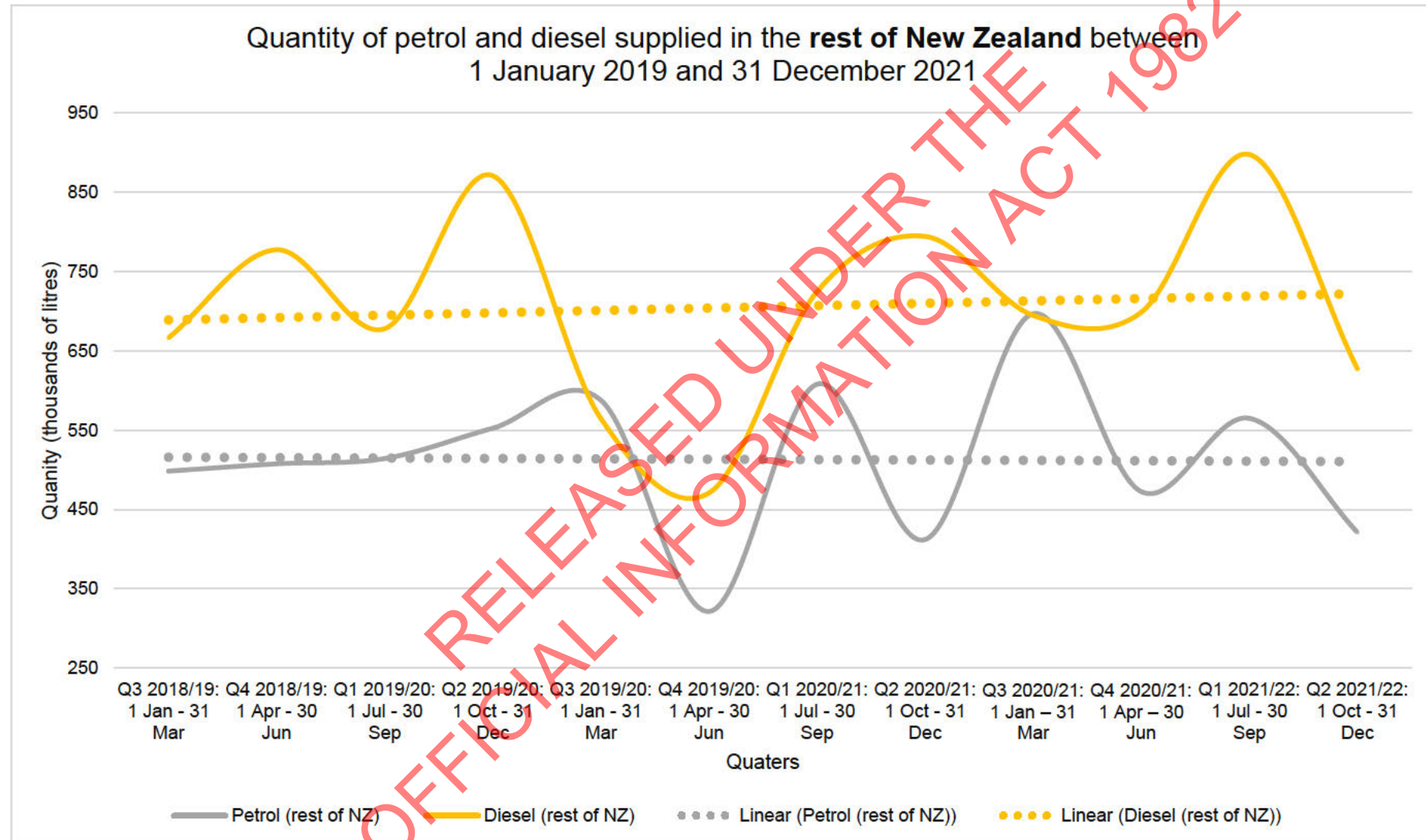
#### Contacts

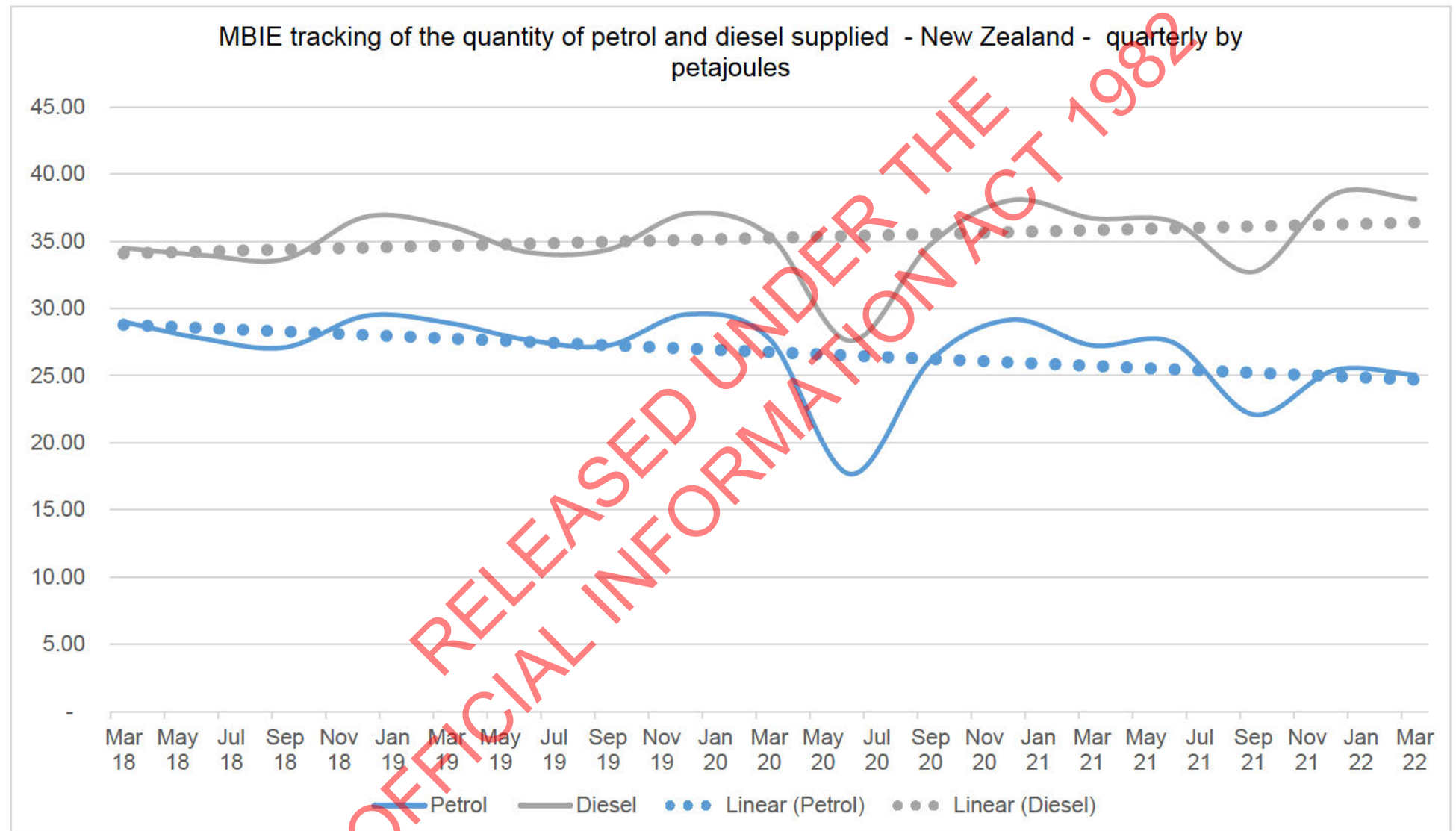
Name	Telephone	First contact
Marian Willberg, Manager, Demand Management & Revenue	s 9(2)(a)	✓
Andrew de Montalk, Adviser, Demand Management & Revenue		

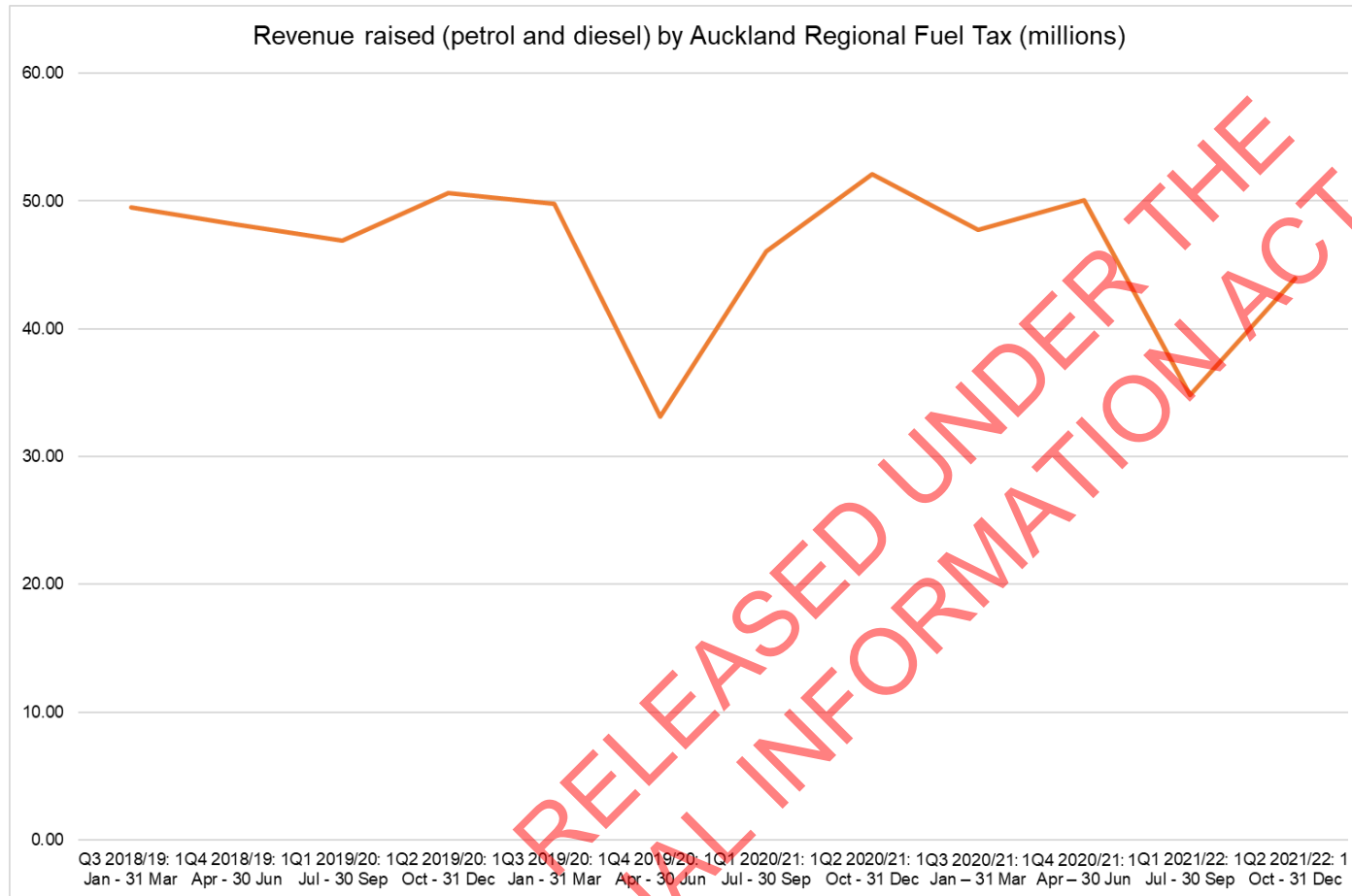
Graph one: the volume of petrol and diesel distributed in Auckland from 1 Jan 2019 to 31 December 2021



**Graph two: the volume of petrol and diesel distributed in the rest of New Zealand (excluding Auckland) from 1 Jan 2019 to 31 December 2021**



**Graph three: MBIE monthly tracking of the quantity of petrol and diesel supplied in New Zealand March 2018 to March 2022**

**Graph four: the amount of revenue raised by Auckland Regional Fuel Tax****Total Auckland RFT revenue (million)**

Q3 2018/19: 1 Jan - 31 Mar	\$49
Q4 2018/19: 1 Apr - 30 Jun	\$48
Q1 2019/20: 1 Jul - 30 Sep	\$46
Q2 2019/20: 1 Oct - 31 Dec	\$50
Q3 2019/20: 1 Jan - 31 Mar	\$49
Q4 2019/20: 1 Apr - 30 Jun	\$33
Q1 2020/21: 1 Jul - 30 Sep	\$46
Q2 2020/21: 1 Oct - 31 Dec	\$52
Q3 2020/21: 1 Jan - 31 Mar	\$47
Q4 2020/21: 1 Apr - 30 Jun	\$50
Q1 2021/22: 1 Jul - 30 Sep	\$34
Q2 2021/22: 1 Oct - 31 Dec	\$43
<b>TOTAL REVENUE (\$m)</b>	<b>\$553</b>

The table above represents the Ministry's estimate of the amount of revenue from the regional fuel tax collected by Waka Kotahi. Prior to transferring the revenue to Auckland Council, Waka Kotahi makes deductions for off-road rebates and administration costs.

25 July 2022

OC220616

Hon Michael Wood  
 Minister of Transport

## MEETING WITH THE AOTEAROA COLLECTIVE FOR PUBLIC TRANSPORT EQUITY

### Snapshot

Mika Hervel has requested a meeting with you, on behalf of the Aotearoa Collective for Public Transport Equity (the Collective), to discuss the potential for free public transport fares and the petition the Collective presented to you in March 2022.

<b>Time and date</b>	10.00am, 27 July 2022
<b>Venue</b>	via Zoom
<b>Attendees</b>	Mika Hervel
<b>Officials attending</b>	Olivia Kitson, Senior Adviser, Mobility and Safety
<b>Agenda</b>	<p>The Collective wants to discuss:</p> <ul style="list-style-type: none"> <li>• The 2022 Budget and the Emissions Reduction Plan</li> <li>• What avenues exist for funding free fares for students, community services card holders, under 25s, and Total Mobility card holders and their support people</li> <li>• The petitions process regarding the petition the Collective presented to you in March 2022</li> <li>• The possibility for free fares to be realised through Budget 2023</li> <li>• Questions around Total Mobility cardholders and what public transport might look like for them in the future.</li> </ul>
<b>Talking points</b>	Talking points are provided at Annex 1.

### Contacts

Name	Telephone	First contact
Olivia Kitson, Senior Adviser, Mobility and Safety	s 9(2)(a)	✓
Matt Skinner, Acting Manager, Mobility and Safety	s 9(2)(a)	

## MEETING WITH THE AOTEAROA COLLECTIVE FOR PUBLIC TRANSPORT EQUITY

### Key points

- Mika Havel wants to meet with you on behalf of the Aotearoa Collective for Public Transport Equity (the Collective). He wants to discuss their petition, and other avenues available to fund free public transport fares for Community Services Card (CSC) holders, tertiary students, and all other people under the age of 25.
- The Petitions Committee is currently considering the Free Fares petition. Te Manatū Waka and Waka Kotahi have both given evidence to the Petitions Committee regarding this petition.
- The Government is committed to improving public transport accessibility. Budget 2022 extended funding for half price public transport fares until August 2022; Ministers have since agreed to extend this until 31 January 2023. The Government has also agreed to fund Community Connect through Budget 2022. This will provide 50 percent public transport concessions for CSC holders nationwide from 1 February 2023.
- Further Crown funding could be an option for funding free fares in the future. However, officials recommend focusing efforts first on implementing Community Connect and maintaining public transport services, before considering free fares. International research into the impact of free fares elsewhere suggests that such a policy may not achieve the mode shift outcomes we might expect.
- Te Manatū Waka further advises that free fares would reduce the revenue available to make investments in public transport which may degrade the level of service over time. It could put greater demand on other funding sources, requiring trade-offs to be made. An element of user-pays is valuable for the long-term sustainability of the service.

### The Collective advocates for *Free Fares*

- 1 The *Aotearoa Collective for Public Transport Equity* (the Collective) comprises over 60 student associations, churches, community organisations, climate advocacy groups, unions, academics, and local government authorities. It campaigns for free public transport for Community Services Card (CSC) holders, tertiary students, and all other people under the age of 25.
- 2 In September 2021 you met with the *Pōneke Collective for Public Transport Equity* which is an overlapping group with the Collective. On 17 March 2022, you met with Collective representatives to discuss and receive its *Free Fares* petition.<sup>1</sup>

<sup>1</sup> The Free Fares petition is formally named "Petition of Hana Pilkinton-Ching: Free public transport for CSC holders, students, and young people"

## The Petitions Committee is considering the *Free Fares* petition

- 3 The Petitions Committee is currently considering the contents of the *Free Fares* petition. Following an invitation from the Committee, Te Manatū Waka provided a response to the petition (see Appendix 2). In its response, Te Manatū Waka identified a range of challenges associated with providing free public transport. Waka Kotahi also prepared a response to the petition for the Committee (Appendix 3).
- 4 The Committee will require more time to consider the petition as well as the information provided by transport agencies. Once it has formed a view the Committee will either directly (or through you as Minister of Transport) submit a report to Parliament outlining recommended steps in response to the petition.

## The Government is committed to improving public transport accessibility

*The Emissions Reductions Plan and Budget 2022 demonstrate the Government's commitment to public transport accessibility*

- 5 The Government published the Emissions Reduction Plan (ERP) in May 2022. Encouraging mode-shift away from private motor vehicle use towards public and active transport is a core ERP goal. To achieve this goal, the ERP includes actions to improve the reach, frequency, and quality of public transport, and to improve public transport accessibility for the disadvantaged.
- 6 Budget 2022 also funded two initiatives which support public transport accessibility:
  - Half price public transport fares for all – Extended this programme for two months (from the initial end date of 30 June 2022 to 31 August 2022).
  - Community Connect – Discussed further below.
- 7 The Government recently announced a further extension to half price fares for all, until 31 January 2023. As part of that, Ministers agreed to defer Community Connect until 1 February 2023.

*Community Connect will help improve public transport affordability for disadvantaged New Zealanders*

- 8 Community Connect will provide a 50 percent public transport concession for Community Services Card (CSC) holders. The concession will be available at all times of day.
- 9 Community Connect is expected to improve transport equity, lowering public transport costs and improving access to social and economic opportunities. The concession is fully funded by the Crown, with over \$98 million being provided over four years. Targeting reduced fares towards those less able to afford them will encourage greater mode shift, reduce emissions, and support a just transition.
- 10 The concession will apply to public transport services that are contracted by local councils, which will include most bus, train and ferry services. Public transport services not contracted by local councils, such as the Waiheke Ferry, will not be eligible for the concession. The concession will not apply to the Total Mobility Scheme.

*Possible avenues for funding Free Fares*

- 11 While officials do not recommend advancing Free Fares at this time, if it were to be implemented, alternative funding mechanisms could include:
  - 11.1 the Budget process or the Climate Emergency Response Fund — the Treasury processes for these will commence across Government in the coming months
  - 11.2 the National Land Transport Fund (NLTF) via the Government Policy Statement on land transport (GPS) — GPS 2024 will be developed over the coming year
  - 11.3 local government funding — as a co-funder, councils can choose to increase their share with or without central government support.

**The Total Mobility scheme may change as a result of a Review**

- 12 Eligible people with long-term impairments can currently access the Total Mobility scheme which provides a 50 percent fare subsidy (up to a maximum set by the relevant local authority). There are issues with the Scheme, with users reporting:
  - 12.1 hours-long waits for taxis
  - 12.2 inflexibility of services
  - 12.3 a lack of night-time services.
- 13 This has led to feelings of loneliness and isolation, and passengers being unable to make essential trips.
- 14 Te Manatū Waka has committed to a review of the Total Mobility scheme, which will consider the Scheme in its entirety and informed by the experiences of disabled people using the Scheme.

15 s 9(2)(f)(iv)

**There are challenges with making public transport free**

- 16 Making fares free would reduce the revenue available to improve public transport. Fare revenue provided around \$300 million a year pre-COVID and around \$250 million per year during the COVID pandemic to meet the cost of public transport nationally. This revenue is vital for maintaining public transport services.
- 17 The lost fare revenue would undermine investment into public transport, which will lead to reductions in service quality and frequency. It will also create funding pressures for the NLTF, and local government funding which will force trade-offs between public transport and other important initiatives.
- 18 Providing free travel at peak times may overwhelm the capacity of peak services, without any financial return to fund extra capacity. This would place further pressure on the NLTF and local government funding to meet extra capacity costs.

*International evidence suggests that removing fares may result in unintended negative consequences for the public transport system*

- 19 There is some research from overseas that suggests removing fares altogether can encourage people who might otherwise have walked or cycled short distances to take the bus, instead of encouraging people out of private vehicles.<sup>2</sup> We need to weigh up this evidence when considering how to address transport disadvantage most effectively, particularly as the Government has also committed to encouraging more active travel.
- 20 For instance, free fare initiatives in Europe found most patronage growth comes from existing public transport users making more trips. In Germany, an initiative in Templin saw 30-40 percent of new public transport journeys come from what were previously cycling trips, and 10-20 percent were from car trips.
- 21 Research also indicates that service reliability and punctuality suffer when public transport is free. Longer travel times occur as more passengers on board leads to longer boarding and disembarking times. There is also a greater likelihood of crowding on board.
- 22 There is also research indicating price alone will not encourage greater public transport patronage, particularly for low-income households. Public transport also needs to be convenient and frequent, to be more attractive to potential users. Research indicates that areas of higher deprivation or lower incomes are not as well served by existing public transport services, limiting their access to employment opportunities.<sup>3</sup>
- 23 Improvements to availability of services, at times and locations that are more convenient to low-income households is therefore also crucial for achieving mode shift and transport equity. This is area officials are looking to investigate further through an evaluation of Community Connect.

<sup>2</sup> Cats et al (2017) The prospects of fare-free public transport: evidence from Tallinn <http://www.diva-portal.org/smash/get/diva2:839330/FULLTEXT01.pdf>; N Fearnley (2013) Free Fares policies: Impact on Public Transport Mode share and Other Transport Policy Goals [https://www.researchgate.net/publication/269079753\\_Free\\_Fares\\_Policies\\_Impact\\_on\\_Public\\_Transport\\_Mode\\_Share\\_and\\_Other\\_Transport\\_Policy\\_Goals](https://www.researchgate.net/publication/269079753_Free_Fares_Policies_Impact_on_Public_Transport_Mode_Share_and_Other_Transport_Policy_Goals).

<sup>3</sup> S Adli et al (2019) Justice in public transport systems: A comparative study of Auckland, Brisbane, Perth and Vancouver. *Cities* 90 88-99.

## Biographies



### **Mika Havel**

Mika Havel is an organiser for the Free Fares Campaign. He is a student at Victoria University of Wellington.

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OFFICIAL INFORMATION ACT 1982

## Annex 1: Talking Points

- The Petitions Committee is considering your Free Fares petition and I look forward to seeing the recommendations that come out of that process.
- I note that Te Manatū Waka and Waka Kotahi have presented some evidence to the Committee to support its consideration.
- Once the Committee has considered your petition it will be presented to Parliament.

### *The 2022 Budget and the Emissions Reduction Plan (ERP)*

- Through the Budget and Climate Emergency Response Fund (CERF) process, the Government has already demonstrated commitment to improving public transport:
  - The ERP commits us to improve public transport accessibility for the disadvantaged.
  - Budget 2022 extended the half-price public transport fares for all New Zealanders for an additional two months. It also funded Community Connect.
  - As you know, the Government has recently announced a further extension to half price fares.

### *The possibility for free fares to be realised through Budget 2023*

- The priorities for investment through the CERF, which would be the most likely funding source for free fares, are primarily to deliver commitments from the ERP.

### *Other avenues for funding free fares*

- Beyond the Budget process, the National Land Transport Fund (NLTF) and councils could also support reduced or free fares.
- You may wish to talk with councils to see if funding is available to adopt some version of free fares at a regional level.
- I also invite you to engage with Te Manatū Waka Ministry of Transport over the coming year when they begin public engagement on the next Government Policy Statement on land transport. This document sets out the priorities for investment from the NLTF.

### *Questions around Total Mobility cardholders and what public transport might look like for them in the future.*

- Transport officials recognise that the Total Mobility Scheme has some challenges, and they are planning to undertake a review.
- I am very supportive of the review and anticipate it will investigate opportunities to improve accessibility and affordability.

**Annex 2: Te Manatū Waka submission to the Petitions Committee**

**Annex 3: Waka Kotahi submission to the Petitions Committee**

These annexes are refused under Section 18(d) and are publicly available at:

- Waka Kotahi submission:  
[www.parliament.nz/resource/en-NZ/53SCPET\\_EVI\\_121162\\_PET2942/113e7436e24a5683bdff5a9f4deae28ee8d3fc8](http://www.parliament.nz/resource/en-NZ/53SCPET_EVI_121162_PET2942/113e7436e24a5683bdff5a9f4deae28ee8d3fc8)
- Te Manatū Waka submission:  
[www.parliament.nz/resource/en-NZ/53SCPET\\_EVI\\_121162\\_PET2855/95a0a457ca8822b4fc5a1b3a6bace9e373918ae8](http://www.parliament.nz/resource/en-NZ/53SCPET_EVI_121162_PET2855/95a0a457ca8822b4fc5a1b3a6bace9e373918ae8)

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