

OC241056

8 October 2024



I refer to your email dated 9 September 2024, requesting the following briefing papers under the Official Information Act 1982 (the Act):

- "Brown OC240675 2/07/2024 Meeting with Christchurch International Airport Limited (CIAL)
- Doocey OC240578 3/07/2024 Update on the New Zealand Recreational Safety and Search and Rescue Review
- Brown cc Doocey OC240704 10/07/2024 Green Shipping in the 2+2 Climate and Finance Ministers Meeting
- Brown OC240698 10/07/2024 Meeting with Kea Aerospace and Dawn Aerospace to tour their Facilities
- Brown, Willis, Van Velden cc Doocey OC240765 12/07/2024 Chatham Islands Replacement Shipping Solution - Drawdown Authorisation for Repairs to the Southern Tiare
- Doocey OC240766 17/07/2024 Visit to the Transport Accident Investigation Commission and Meeting with the Commissioners on 25 July 2024
- Brown OC240539 17/07/2024 Drug and Alcohol Management Plans Rule Approval 29 Brown OC240795 18/07/2024 Passenger Safety on Public Transport Buses in New Zealand
- Brown OC240819 19/07/2024 Meeting with Brad Boakes (Smart Start Interlocks)
- Brown OC240794 23/07/2024 Meeting with the Bus and Coach Association, 25 July 2024
- Brown OC240597 24/07/2024 Road Policing Investment Programme 2024- 2027
- Doocey OC240623 31/07/2024 Air New Zealand and Virgin Australia Codeshare Agreement Authorisation – Final Advice
- Brown OC240793 24/07/2024 Meeting with Foodstuffs' Chris Quin and Jonathan Box
- Brown OC240825 24/07/2024 Meeting with Lee Marshall, Chief Executive of the Motor Trade Association
- Brown OC240736 25/07/2024 Confirming Funding Arrangements for Recruiting and Retaining Bus Drivers Initiative"

On 7 October 2024, we advised you of an extension to the time period for responding to your request. The extension was due to consultations necessary to make a decision on your

request being such that a proper response could not reasonably be made within the original time limit. We have now completed the necessary consultations.

Of the 14 briefings you requested, 13 are released with some information withheld and one is refused.

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

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

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

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

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

Nāku noa, nā

Hilary Penman

4 AS -

Manager, Accountability & Correspondence

Annex 1 - Document Schedule

Doc#	Reference	Document	Decision on release
1	OC240675	Meeting with Christchurch International Airport Limited (CIAL)	Released with some information withheld under section 9(2)(a).
2	OC240578	Update on the New Zealand Recreational Safety and Search and Rescue Review	Released with some information withheld under section 9(2)(a).
3	OC240704	Green Shipping in the 2+2 Climate and Finance Ministers meeting	Released with some information withheld under sections 9(2)(a), 9(2)(f)(iv) and 9(2)(g)(i).
4	OC240698	Meeting with Kea Aerospace and Dawn Aerospace to Tour their Facilities	Released with some information withheld under section 9(2)(a).
5	OC240765	Chatham Islands Replacement Shipping Solution - Drawdown Authorisation for Repairs to the Southern Tiare	Released with some information withheld under sections 9(2)(a) and 9(2)(b)(ii).
6	OC240766	Visit to the Transport Accident Investigation Commission and meeting with the Commissioners on 25 July 2024	Released with some information withheld under sections 9(2)(a) and 9(2)(f)(iv).
7	OC240539	Drug and Alcohol Management Plans Rule Approval	Released with some information withheld under sections 9(2)(a) and 9(2)(h).
8	OC240819	Meeting with Brad Boakes (Smart Start Interlocks)	Released with some information withheld under sections 9(2)(a), 9(2)(ba)(i) and 9(2)(f)(iv).
9	OC240794	Meeting with the Bus and Coach Association, 25 July 2024	Released with some information withheld under sections 9(2)(a), 9(2)(ba)(i) and 9(2)(f)(iv).
10	OC240597	Road Policing Investment Programme 2024- 2027	Released with some information withheld under sections 9(2)(a) and 9(2)(f)(iv).
11	OC240623	Air New Zealand and Virgin Australia Codeshare Agreement Authorisation – Final Advice	Refused under section 18(d). When published, the briefing will be available here: https://www.transport.govt.nz/about-us/what-we-do/proactive-releases/SearchForm
12	OC240793	Meeting with Foodstuffs' Chris Quin and Jonathan Box	Released with some information withheld under sections 9(2)(a) and 9(2)(ba)(i).
13	OC240825	Meeting with Lee Marshall, Chief Executive of the Motor Trade Association	Released with some information withheld under sections 9(2)(a) and 9(2)(f)(iv).
14	OC240736	Confirming Funding Arrangements for Recruiting and Retaining Bus Drivers Initiative	Released with some information withheld under sections 9(2)(a) and 9(2)(j).





1 July 2024 OC240675

Hon Simeon Brown Minister of Transport

MEETING WITH CHRISTCHURCH INTERNATIONAL AIRPORT LIMITED (CIAL)

Snapshot

You are meeting with Justin Watson, Chief Executive, and Michael Singleton, Chief Strategy and Stakeholder Officer of Christchurch International Airport Limited (CIAL). This briefing provides you with background information to support your meeting.

Time and date	9:30-10:00am, Friday 5 July 2024
Venue	Christchurch International Airport.
Attendees	Justin Watson, Chief Executive Michael Singleton, Chief Strategy and Stakeholder Officer
Officials attending	No officials are attending.
Agenda	Meet and greet.
Talking points	Attached in Annex 1.

Contacts

Name	Telephone	First contact
Siobhan Routledge, Acting Deputy Chief Executive,	s 9(2)(a)	
Policy		
Tom Forster, Manager, Aviation & Maritime		✓
Shereen Faraj, Policy Advisor, Aviation & Maritime		

MEETING WITH CHRISTCHURCH INTERNATIONAL AIRPORT LIMITED (CIAL)

Key points

- Christchurch International Airport Limited (CIAL) is New Zealand's second largest airport serving as an international gateway for Christchurch and the South Island.
- CIAL's investment in Tarras aims to enhance South Island connectivity. However, the
 project has encountered opposition from locals as well as environmentalists. CIAL has
 slowed down the project to further assess its impacts and consult stakeholders.
- CIAL is taking steps towards decarbonisation, aiming for net zero emissions by 2030 and absolute zero by 2050. CIAL is building Kōwhai Park, a solar farm with over 300,000 solar panels on its campus. It is expected to generate 150MW of energy per year.
- Christchurch Airport, like Auckland and Wellington airports, is subject to information
 disclosure regulation under Part 4 of the Commerce Act 1986. Airlines have indicated
 that they do not currently have any concerns with at Christchurch Airport's pricing.
- Airports are calling for information disclosure on the setting of domestic airfares and airline performance to provide greater transparency for consumers, amid record-high domestic fares. From August 2024, the Ministry will publish on time performance at major airports on domestic and international routes, using publicly available information.

Background

- 1 CIAL is New Zealand's second largest airport serving as an international gateway for Christchurch and the South Island.
- The airport is 75 percent owned by Christchurch City Council and 25 percent by the Government.
- During the 2023 financial year, the total number of passengers through CIAL was 5.69 million. That compares to 3.26 million the prior year and just under 7 million annually pre-pandemic. Strong demand has led to growth of 48 percent for domestic passengers and international passengers grew by 592 percent as borders were open the whole year.
- To enhance visitor experience and accommodate projected increasing passenger numbers, CIAL is undergoing its first significant terminal renovation since 2013. The terminal revamp will modernise facilities such as providing more self-service kiosks. The upgrade is expected to generate additional revenue for the airport and create economic opportunities for local entrepreneurs.
- 5 CIAL is part of the Independent Aviation Council (IAC) via the NZ Airports Association. The IAC allows government agencies and the aviation sector to work together on a collective goal, while fostering a more adaptive, flexible, and agile environment.

The Central Otago (Tarras) Airport

- In July 2020, CIAL purchased 750 hectares of land near Tarras in the Upper Clutha Valley, for a proposed international airport with a 2.2km jet capable runway.
- The \$45 million investment aims to enhance South Island connectivity as it is likely that from 2032 or sooner, Queenstown airport will not be able to accommodate any further growth as this will be capped because of the Queenstown Lakes District Council noise boundaries.
- Tarras is opposed by some local residents (some of whom claim to have been misled during the property purchase process) as well as environmentalists. Other lower South Island airports dispute the projections underlying the project.
- 9 Until recently, the project was in the validation and planning phase which focussed on discovery, exploring the proposed site and its feasibility. This phase was expected to run to the end of 2024 when CIAL expected to commence seeking the required approvals (planning approval for land use; air, water noise and building consents; and aeronautical authorisations).
- 10 Construction was not expected to commence before 2028. However, CIAL has decided to slow down the project for now to further assess its impacts and consult stakeholders.
- The Government has not yet needed to make any formal decisions on Tarras airport, as the investigations and activities to date fall within the scope of independent commercial decisions that can be made by CIAL.
- There are a number of checks and balances later in the process, should CIAL continue in their application. These include:
 - 12.1 The airport proposal would undergo the appropriate scrutiny as required under resource management approvals and consenting regime, including community input.
 - 12.2 The Ministry of Transport's involvement would be to review any application made by CIAL for airport registration.
 - 12.3 CIAL will need to apply to the Civil Aviation Authority to become a certified aerodrome. This is a safety related requirement.

Decarbonisation

- Domestic aviation accounts for approximately six percent of New Zealand's CO₂ emissions.
- Several different new technologies are being explored by the industry to reduce emissions. It is likely that a combination of technologies will be needed. This includes sustainable and synthetic aviation fuels (most likely targeting long haul flights), liquid hydrogen (most likely targeting main domestic and potential trans-Tasman routes), battery-electric (only likely to be appropriate for short haul/regional flights due to power to weight limits of batteries), and hybrid approaches.

- The transition to renewable energy is forecast to increase New Zealand's electricity demand by 68 percent by 2050.
- 16 CIAL aims for net zero emissions by 2030, and absolute zero emissions by 2050, and is developing Kōwhai park on the airport site. With around 300,000 solar panels, Kōwhai Park's solar farm will be among the largest in New Zealand. It is expected to generate 150MW of energy per year, which is the equivalent needed to power around 36,000 homes or around 50 percent of Christchurch's domestic flights when converted to low-emission technologies.

Airport Regulation

- 17 Since 2010, Auckland, Wellington and Christchurch airports have been subject to information disclosure regulation under Part 4 of the Commerce Act 1986 (which regulates markets where there is little or no competition).
- The Commerce Commission undertakes reporting and monitoring under the Commerce Act, and the Minister of Commerce is the responsible Minister.
- Information disclosure is the lightest form of regulation under Part 4. Airports must disclose a range of information annually and at each five-yearly price-setting event. The Commission reports on the disclosed information but it does not have the power to compel airports to change their prices.
- This regulatory approach requires CIAL to annually disclose performance data, including profitability, expenditure, and quality measures.
- In June 2022, CIAL reset its prices for the 2022-2027 period after consulting with major customers, including airlines. The Commerce Commission concluded that CIAL's estimated 6.65 percent weighted average cost of capital was reasonable and compliant with the Commerce Act.
- Airlines have long argued for a move to negotiate/arbitrate regulation, which is the next step up the regulatory ladder under the Commerce Act. Airports would be required to negotiate with airlines on prices and quality, and, if negotiation was unsuccessful, to enter binding arbitration.
- As a result of Auckland's \$3.9 billion development plan, which includes an integrated terminal for domestic jet and international services, airlines have again been calling for a revisit of the regulatory settings for airports.
- Air New Zealand has lodged an official request with the Minister of Commerce seeking an urgent inquiry into the regulation of airports under the Commerce Act, as it believes the current regulation is failing to constrain overspending by Auckland Airport.
- The Board of Airline Representatives New Zealand (BARNZ) is calling for Auckland Airport to be subjected to an Individual Price-Quality Path (IPP) regulation such as applies to electricity lines businesses.
- The Ministry has been informed by Air New Zealand and BARNZ that they do not have any concerns with pricing at Wellington or Christchurch airports. However, without a change in legislation, any changes made to airport regulation would capture

- Christchurch and Wellington airports as the current regulatory regime applies to all three major airports.
- The Minister of Commerce has indicated he would wait for the conclusion of the Commerce Commission's process before deciding whether to request an inquiry into whether airports should be subject to further forms of regulation.

Lack of domestic competition

- The airports, through NZ Airports Association, note that the greatest growth constraint on domestic connectivity is the domination of Air New Zealand, with 86 percent of the market. Although smaller airlines operate on niche routes, the airports contend that the commercial practices and sheer scale of Air New Zealand's domestic operations makes it difficult for them to grow beyond these.
- The airports argue this lack of competition in the domestic market has contributed to increasing airfares (up an average of 34 percent compared to last year)¹ which has a dampening effect on demand, particularly in the regions.
- The airports are calling for domestic airfares and airline performance to be disclosed to provide greater transparency for consumers, amid record-high domestic fares.
- From August 2024, the Ministry will publish on time performance at major airports on domestic and international routes using publicly available information.
- The Civil Aviation Act 2023 enables regulations to be made requiring information disclosure by aviation sector participants, including passenger rights and performance data.
- Regulations could require this information to be made available to the Secretary for Transport, the Civil Aviation Authority, or other specified person, or to be made publicly available. Disclosing information could help increase transparency to aid consumer choice.
- The Ministry sees merits in requiring information disclosure from airlines. To proceed with this, we would need to consult about the types of airfare data, frequency of disclosure and publishing requirements, if we were to develop regulations. Airlines, including Air New Zealand, have previously raised concerns about disclosure of this type of information as they view it as commercially sensitive.
- Airfare disclosure could be considered as part of a future regulatory work programme. At present, the Ministry's aviation regulatory focus is on implementing the core elements of the Civil Aviation Act 2023 that must be in place when it comes into force on 5 April 2025.

¹ Air New Zealand dispute this figure as not including online and Grabaseat airfares.

Biographies



Justin Watson, Chief Executive

Prior to becoming Chief Executive, Justin was Chief Aeronautical and Commercial Officer at Christchurch Airport, overseeing initiatives to increase aircraft and passenger traffic. He also managed terminal operations, and supervised retail operations. Justin is originally from Canada, but now considers Christchurch home.



Michael Singleton, Chief Strategy & Stakeholder Officer

Michael is responsible for CIAL's regulatory strategy and compliance, government relations, insurance and the CIAL Digital Development and Aspects
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As IT team. He also performs the role of General Counsel and Company Secretary where he oversees all legal aspects of CIAL's activities as well as advising on governance matters and wider industry issues.

Annex 1: Talking Points

The Central Otago (Tarras) Airport

- What are the plans for Tarras going forward?
- How do you plan to address the concerns raised about the project?

Kowhai Park Project

- When do you expect to complete and deliver the Kōwhai Park project?
- Would all the energy generated from the Park be used for aviation purposes?

Airport Regulation

Airlines are calling for stricter airport regulation in light of Auckland Airport's development plans. Does Christchurch Airport have any views on airport regulation?



Document 2

3 July 2024 OC540578

Action required by: **Hon Matt Doocey**

Associate Minister of Transport

Wednesday, 10 July 2024

cc Hon Simeon Brown Minister of Transport

UPDATE ON THE NEW ZEALAND RECREATIONAL SAFETY A SEARCH AND RESCUE REVIEW

Purpose

To update you on the New Zealand Recreational Safety and Search and Rescue Review and key next steps.

Key points

- The Ministry of Transport initiated the Recreational Safety and Search and Rescue Review (the Review) in September 2021 to assess the effectiveness and sustainability of the recreational safety and search and rescue systems. The Review was completed in mid 2023.
- The key recommendations from the Review included developing a common set of strategic outcomes for the two systems, and changing current government oversight and accountability for coordination of the systems.
- In September 2023, the then Associate Minister of Transport agreed to finalise and implement the strategy for the wider system, and agreed to officials undertaking further work on how the proposed governance and leadership arrangements for the system could be implemented, and the resource that would be required to do so.
- The Ministry has since reconsidered the Review findings in light of the government's priorities to ensure efficient delivery of public services and that resource is focussed on the frontline, and has sought to find options which would address issues with the system in a less costly way than that that was proposed by the review.
- The Ministry has also had a further discussion with the New Zealand Seach and Rescue (NZSAR) Council, the governing body for the search and rescue system.
- Our view, supported by the NZSAR Council, is that it is not clear that the significant investment required to implement the recommendations relating to structural changes relating to search and rescue would be justified.

- However, we believe a review and reset of the purpose and responsibilities of the NZSAR Council, would address many of the outcomes the Review was seeking to achieve. This reset would in turn have implications for the role and functions of the NZSAR Secretariat, which is located within the Ministry.
- This paper updates you on the direction of travel in relation to the NZSAR Council's purpose and responsibilities, and key next steps.
- In addition, in relation to the Review recommendations on recreational water safety, we have developed a potential alternative approach which is less costly that would address the issues in the system. We are proposing to engage further with Sports NZ (who has oversight of Water Safety NZ) and Maritime NZ, and then with other parties involved in recreational safety. We will brief you further after these discussions.

Recommendations

We recommend you:

- note that officials have reconsidered the key recommendations of the Recreational Safety and Search and Rescue Review (the Review) completed in mid 2023, as they relate to search and rescue, in conjunction with the New Zealand Seach and Rescue (NZSAR) Council.
- 2 **note** that we propose not to implement the key recommendations given the significant investment that would be required to do so, and other options could be put in place to achieve the outcomes sought.
- note that we propose that it would be timely to reset the purpose and responsibilities of the NZSAR Council to deliver the outcomes the review was seeking to achieve.
- 4 **note** that the NZSAR Council intends to develop a new strategy and plan in the coming months.
- 5 **note** that a change in the role and responsibilities of the NZSAR Council would have implications for the role and functions of the NZSAR Secretariat.
- note that we are developing a proposal that would better address the issues with recreational water safety, but this requires further consultation with Sports NZ and Maritime NZ, and we will report back on this to you a later date.
- 7 **note** that officials will engage informally with key sector NGOs to update them on our intentions on the proposed changes to the NZSAR Council role and functions and that we plan to engage on a different model for recreational water safety.

Carmen Mak Hon Matt Doocey **Deputy Chief Executive, Corporate Associate Minister of Transport** Services / / 3 / 7 / 2024 Minister's office to complete: □ Approved ☐ Declined ☐ Seen by Minister ☐ Not seen by Minis ☐ Overtaken by events Comments Contacts SELENSE ORMI SEELENSE ORMINATION OF THE COMMENT OF Name First contact Carmen Mak, DCE Corporate Services

UPDATE ON THE NEW ZEALAND RECREATIONAL SAFETY AND SEARCH AND RESCUE REVIEW

Review of the system initiated in 2021 and a reconsideration of its findings

The report from a system review was published in September 2023

- We recently briefed you on the New Zealand search and rescue system (briefing dated 11 April 2024), given your delegated responsibility for the system. The Civil Aviation Act 2023 and the Maritime Transport Act 1994, assigns responsibility to the Minister of Transport for the establishment, maintenance and operation of a rescue coordination centre to coordinate and conduct aviation and maritime SAR operations and any other SAR operations the Minister considers appropriate.
- In September 2021, the Ministry of Transport initiated the Recreational Safety and Search and Rescue Review (the Review) to assess the effectiveness and sustainability of the two systems, and how to achieve greater alignment, focus and efficiency through delivering joined up search and rescue services and recreational safety activity.
- The final report from the Review and the Volunteer Plan, a companion document, are available <u>here</u>.
- The Review resulted in a range of recommendations to strengthen the alignment between the search and rescue and recreational safety systems.
- In September 2023, the then Associate Minister of Transport agreed to finalise and implement the strategy for the wider system, and agreed to officials undertaking further work on how the proposed governance and leadership arrangements for the system could be implemented, and the resource that would be required to do so.

We have since reconsidered the Review findings in conjunction with the NZSAR Council

- The Ministry has since reconsidered the Review findings in light of the government's priorities to ensure efficient delivery of public services and that resource is focussed on the frontline, and has had further discussion with the New Zealand Seach and Rescue (NZSAR) Council, the governing body for the search and rescue system.
- We do not recommend proceeding with the key system strategy, and governance and leadership recommendations of the Review, including establishing a system steward and associated sector governance, given that this work will require considerable resource and effort and that there are other options which would still achieve the Review outcomes.
- For example, the recommendations anticipated work on the design of a new System Steward function within the Ministry, the development of an approach to implement a strategy that would integrate the two systems, and the revision of governance and leadership arrangements, including the establishment of a Ministerial Oversight Group, an Advisory Board, and Māori Kahui Advisory Board.
- 9 It is also not clear that the investment required for the sort of system proposed can be justified given the nature of the sector coordination required. We note that the

recreational safety sector in particular is diffuse. Bringing that sector into a coherent search and rescue and recreational safety system in any structural way risks undermining other connections that it has.

A reset of the role and functions of the NZSAR Council is necessary

- We do, however, consider it is timely to review the purpose and responsibilities of the NZSAR Council, given the range of findings in the Review.
- The current Council was established in 2003, under Cabinet minute CBC Min (03) 2/14, in response to the government commissioned Maritime Search and Rescue Review which highlighted an absence of a system for overall strategic governance of SAR efforts in New Zealand. The maturity of Maritime NZ and NZ Police operations (as Coordinating Authorities) has significantly increased over that time. Other agencies with connected responsibilities (such as the National Emergency Management Agency (NEMA), Fire and Emergency New Zealand (FENZ), and the New Zealand Defence Force) have also significantly evolved their systems and processes over time. The connections between the search and rescue and some recreational safety systems have also strengthened.
- In addition, the demand for SAR activity has increased over time. For example, the number of SAR incidents has increased by about 37% since 2014/15 (from 2558 to a projected 3550 incidents in 2023/24). This increase has been driven by an increased number of people participating in recreational activities, climate-related events, and the uptake of new technology such as personal locator beacons.
- Our view, supported by the NZSAR Council, is that a reset of the purpose and functions of the NZSAR Council is required in light of the above changes. This reset will be a more efficient means of achieving the intended outcomes of the Review. This reset will in turn have implications for the role and functions of the NZSAR Secretariat, which is located within the Ministry.
- In 2003 Cabinet established the NZSAR Council, the NZSAR Secretariat and the NZSAR Consultative Committee to provide a national cross-sector view on the SAR system (see Diagram 1 below).

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NSS: National Security System

Diagram 1: Governance and leadership arrangements for SAR

SAROPs: Search and Rescue Operations Cabinet Ministers of Transport, Conservation, Defence & Police **NZSAR Council:** MoT (Chair), CAA, DOC, FENZ, Independent, MNZ, NZDF, NZ Police Strategic Strategic coordination Coordination NZSAR Secretariat **NZ Police** (RCCNZ) **NZSAR** Category I Category | Consultative Committee SAROP SAROPS

- The NZSAR Council is intended to provide strategic direction, governance and leadership to the SAR sector. Its membership comprises of the Chief Executives or senior representatives of the Ministry (who is also chair), Maritime NZ, the Civil Aviation Authority, the NZ Police, FENZ, the Department of Conservation, the New Zealand Defence Force, and an independent member who represents the voice of SAR NGOs.
- The Council's assessment is that its role and focus have become blurred over time as agency roles have evolved. In particular the following issues have emerged:

- 16.1 The Council has strayed away from its core focus into prevention. While prevention is important it is carried out by a number of other agencies and groups, and should not be the focus of the Council.
- 16.2 In some areas where an issue has occurred, the Council has not provided sufficient guidance to the Secretariat. This has led to the Secretariat leading work to address the issue itself, rather than the Council encouraging the agency with the operational mandate, and holding the risk, to lead the response. This has resulted in an expansion of the Secretariat's role, and risks for agencies involved that they are held to account for issues they cannot control. This work should instead be clearly owned and commissioned by accountable agencies, who have the sector expertise, and can draw on the full resources of their organisations.
- 16.3 In recent years, the Council has become administrative and operational rather than strategic and focussed on system coordination, which has led to variable attendance both at leadership level and in terms of who attends. It has also meant there are not clear long-term strategic plans for system capabilities, assets and investment, sustainable funding, and how well the system is prepared for surge capacity, as well as business as usual activity.
- 16.4 There has been evolution in relation to different government groups and arrangements and it is important the Council understands clearly the role of the SAR system and how it relates to other parts of systems and where it needs to lead, align or does not have a role to play.
- The Council has therefore agreed that its role and functions need to be reset so that it is substantively much more aligned to the core purpose that Cabinet had agreed for the Council in 2003.
- The renewed purpose of the Council would be to provide strong strategic coordination of the SAR system, such that the system is able to operate efficiently and effectively in responding to a range of events, now and into the future.
- A system approach is required given that SAR activity covers operations on land, sea and air and includes operations at the local, national and international level.
- The Council's renewed role would require them to develop a new NZSAR strategy and plan in the coming months, that is cognisant of gaps and overlaps in the system. This work will help to ensure that the various agencies are able to support business-as-usual SAR activity as well as be ready for more significant events such as an emergency situation. As part of this strategy the Council could consider other outcomes the Review was seeking like how to ensure there is long term capability planning for SAR, and ensuring efficient tasking of aviation.
- The Council's initial discussions have indicated that it would be useful to retain current the current chair membership, and that there should be an annual meeting of Chief Executives to agree the plan, along with three other quarterly meetings.
- The Council will also be considering how best to maximise the value and contribution of sector NGOs to the strategic coordination of the SAR system, including through the existing NZSAR Consultative Committee. One option would be to reconsider the role of the independent member; another option would be to more deliberately include key

- NGOs in the development of the NZSAR strategy and invite them to selected Council meetings.
- In addition, the Review makes some recommendations in relation to recreational water safety. We have developed a potential alternative approach which is less costly but addresses the issues in that part of the system. We are proposing to engage further with Sports NZ who has oversight of Water Safety NZ and with Maritime NZ, and then with other parties involved in recreational safety. We propose to brief you further after these discussions.

A repurposed NZSAR Council would need to be supported by a repurposed Secretariat

- The NZSAR Secretariat is responsible for supporting the Council to achieve its purpose and objectives. A repurposed NZSAR Council would require the Ministry to assess the current role and functions of the Secretariat, in collaboration with the Council. As noted above, as the role and focus of the Council have become blurred over time, the Secretariat has effectively been undertaking functions which should be undertaken by agencies themselves or others.
- The Ministry's assessment will be informed by the NZSAR Council's views on what will be required from the Secretariat to support a Council with a reset purpose and responsibilities.

Consultation and engagement with key sector NGOs

- The NZSAR Council has been consulted on the contents of this briefing.
- While we have not consulted key sector NGOs on the proposed changes to the role and functions of the NZSAR Council, we understand that the NGOs' primary focus is on ensuring that their organisations are able to continue to receive funding into the future. Changes to the role of the NZSAR Council would not have an impact on this, given that current processes in terms of the sector being able to access funding through the Land Transport Management Act section 9(1) Triennial Review would remain unchanged.

Proposed next steps

- We would be happy to discuss this briefing with you. If you are comfortable with the direction of travel communicated in this briefing, we propose to engage informally with key sector NGOs (including Coastguard NZ, Surf Lifesaving NZ, Land Search and Rescue, and Amateur Radio Emergency Communications), to update them on our intentions with the Review findings, and discuss the suggested changes to the NZSAR Council role and functions. This could be done in conjunction with the Council.
- We will look to ensure that the responsible portfolio Ministers for the different NZSAR Council members are kept updated as part of next steps.

As the purpose of the NZSAR Council is to be reset, with consequential implications for the purpose and functions of the Secretariat, the Ministry will undertake further work on what this would mean for the current structure of and the roles within the Secretariat. We will update you on this as required.



10 July 2024 OC240704

Hon Simeon Brown Action required by:

Minister of Transport Tuesday, 23 July 2024

cc Hon Matt Doocey

Associate Minister of Transport

GREEN SHIPPING IN THE 2+2 CLIMATE AND FINANCE MINISTERS MEETING

Purpose

This briefing provides you with advice on the inclusion of green shipping as a commitment in the 2+2 Climate and Finance Ministers Meeting on 30-31 July 2024.

Key points

- The Ministers of Finance and Climate Change have agreed to support a mandate for collaboration with Australia on green shipping as part of the 2+2 Climate and Finance Ministers Meeting (2+2): \$9(2)(9)(v)
 - which would involve convening a sector-based action group.
- International developments and customer demand are largely driving efforts to decarbonise the maritime sector. This includes the inclusion of international shipping emissions within the European Union (EU) Emissions Trading System and the Clydebank Declaration to establish green shipping routes. The International Maritime Organization (IMO) is also developing measures for a global-based approach to reduce international shipping emissions in line with the Paris Agreement.
- Parts of the private sector, including shipping lines and some exporters, are investing in maritime decarbonisation, with a focus on vessels using low carbon fuels. Regarding green shipping, New Zealand has a strong interest in how developments will impact New Zealand's trade. We also have an interest in the emissions abatement potential, although maritime emissions are around three percent of the global total. There is a role for government to ensure that New Zealand can receive and take advantage of low emission vessels. In anticipation of the arrival of these types of vessels, the Ministry is identifying potential barriers in the regulatory system that may require further assessment.
- Ministry officials have previously engaged Australian officials on supply chain and maritime decarbonisation issues. The 2+2 announcement can build on this dialogue to support greater information sharing with Australia.

•	The key opportunity \$9(2)(f)(i sector-based action group. carbon fuel options and sig action group could provide These include ammonia, lichydrogen).	Given there is no cle nificant uncertainties useful insights on po	aro tent	winner" among the und future costs, t ial roadmaps for le	the sector-bas ow carbon fue	ed ls.
•	Following the announceme government agencies on the	e next steps for gree	en sk		nclude ^{s 9(2)(f)(i)}	v) k
	as it develops.					
Reco	ommendations			1.	90	レ
We re	ecommend you:					
1	note that the 2+2 will take pl Change, and their Australian				Climate	Yes / No
2	note that the Ministers of Fir announcement on green ship				make an	Yes / No
3	note that officials will work w to establish	rith relevant governm a sector-based action				Yes / No
4	indicate to officials if you wo after the announcement has			r advice on green	shipping	Yes / No
82	Katholax	COK				
	han Routledge ng Deputy Chief Executive	Policy		n Simeon Brown nister of Transpo	rt	
10 / .	July / 2024			. / /		
Minis	ster's office to complete:	☐ Approved		□ Declined	I	
		☐ Seen by Ministe	er	☐ Not seer	n by Minister	
Com	ments	□ Overtaken by e	vent	S		
Cont				Talanhana	First sentent	_
	han Routledge, Acting Deput	ty Chief Executive,		Telephone s 9(2)(a)	First contact	
Polic	cy ian Willberg, Manager, Freigh	at and Supply Chain	\dashv		✓	-
WIGH	an Trinborg, Mariagor, i Tolgi	it and Supply Chair			1	

Robert Parker, Adviser, Freight and Supply Chain

GREEN SHIPPING IN THE 2+2 CLIMATE AND FINANCE MINISTERS MEETING

The Ministers of Finance and Climate Change are attending the 2+2 in July

- The 2+2 is scheduled to take place on 30-31 July 2024 in Brisbane. The meeting takes place on the back of several Australian net zero transition funding and policy announcements as part of its *Future made in Australia* policy.¹
- The overall objective of the 2+2 is to leverage the combined size and regulatory coherence of the Australian and New Zealand economies to deliver climate goals. There may be economic benefits from increased regulatory alignment such as reduced compliance costs, improved competitiveness, and increases in the scale of market opportunities.
- The Ministry for the Environment (MfE) and Treasury sought direction from the Ministers of Finance and Climate Change in June on a proposal to prioritise promoting four commitments. We understand that Ministers have agreed the four commitments, one of which is "collaboration on green shipping".

Interest is growing in green shipping and decarbonising the maritime sector

- International shipping makes up around three percent of total global carbon emissions (approximately 700 million tonnes), with more than 50,000 vessels carrying goods around the world. Though a relatively small share of global emissions, this is expected to increase over time. International shipping also carries around 99 percent of New Zealand's imports and exports by volume and 84 percent by value.
- Green shipping is a broad term that encompasses a range of strategies and technologies aimed at minimising the environmental impact of maritime operations including carbon emissions, and air and water pollution. Green shipping corridors are shipping routes on which commercially operating ships use low carbon fuels.
- There are a broad range of opportunities across supply chains that could enable green shipping. These include the supply of low carbon fuels, port bunkering and fuel infrastructure, low emission vessels, and regulations that enable investment and operations.
- International developments and customer demand are largely driving efforts to decarbonise the maritime sector. In 2023 the IMO adopted a "Strategy on Reduction of GHG Emissions from Ships", with the aim that international shipping emissions will peak as soon as possible and reach net zero by 2050. IMO negotiations to agree a global-based approach to reduce international shipping emissions, in line with the Paris Agreement, will continue from September and enter into force in 2027. Both

³ Maersk McKinney Moller Centre for Zero Emission Shipping, 2023.

¹ The goal of this policy is to make the most of Australia's competitive advantages and increase investment in technologies and industries that will assist in the transition to net zero and increase economic resilience.

² The other three commitments are: harmonisation of sustainable finance settings; signing New Zealand up to the Climate Club; and a trans-Tasman regulatory review of low-emissions technology.

New Zealand and Australia are also signatories to the Clydebank Declaration. Signatories aim to support the establishment of green shipping corridors on at least six key shipping routes by 2025, with an aspiration for more corridors by 2030.

New Zealand has a key interest in green shipping as it affects our ability to trade

- The extension of the EU Emissions Trading System to cover international shipping emissions has resulted in New Zealand exporters facing emissions charges for cargo shipped to the EU, which has increased shipping costs. Costs for international shipping may also increase further if the IMO agrees to implement an economic measure to reduce shipping emissions.
- The private sector is making investment decisions to decarbonise maritime transport, with a focus on vessels using low carbon fuels and energy sources. Global shipping lines CMA CGM and Maersk are investing in LNG and methanol options respectively. Zespri is also working with CMA CGM on options to reduce its emissions and is investigating a potential green shipping corridor from Tauranga to Zeebrugge (Belgium). In addition, some ports are making decisions around the infrastructure required to support visits from low emission vessels, including shore power.

Both government and the private sector have roles in enabling green shipping

- The government has limited levers to influence private sector decisions around low emission vessels and port infrastructure. In addition, opportunities for emissions abatement in maritime are relatively small (in comparison to road transport). Our focus should therefore be to ensure that regulators have flexibility to deal with low emission vessels carrying goods to and from New Zealand.
- To this end, we are identifying potential barriers in the regulatory system that might create issues when low emission vessels arrive on our shores. We are working through the findings of a report completed by Concept Consulting in June 2024. The initial focus could be health and safety and environmental considerations, such as the potential impact of a marine spill from low carbon fuels. We will provide advice on potential regulatory changes after we have done further work.

MfE and Treasury sought a mandate for collaboration on green shipping and to set up a sector-based action group as part of the 2+2

- Australia previously signalled that the 2+2 could provide an opportunity to support a mandate for Australia and New Zealand to work more closely on trans-Tasman maritime decarbonisation and green shipping.
- In early June MfE and Treasury recommended that the Ministers of Finance and Climate Change support such a mandate. § 9(2)(f)(iv)
- We understand that the Ministers of Finance and Climate Change have since agreed to make an announcement on green shipping at the 2+2. This will likely be a statement about exploring the establishment of green shipping corridors across the

Tasman. We are comfortable with this statement, given the emphasis is on exploring further opportunities.

Collaboration with Australia can support trans-Tasman maritime trade

- There are several drivers to collaborate with Australia on green shipping issues. Australia is, like New Zealand, a signatory to the Clydebank Declaration. In addition, Australia is investing in maritime decarbonisation and has a focus on fuel resilience. Given that Australia is a major link in our international supply chain (in 2021 around two thirds of New Zealand's shipping trade travelled via Australia), the majority of low emission vessels visiting New Zealand will travel on trade routes involving Australia. From this perspective, there is merit in supporting collaboration to ensure such ships can easily cross the Tasman. The extent of this collaboration will depend on the regulatory issues and the fuels options in each country.
- Ministry officials have previously engaged Australian officials on supply chain and maritime decarbonisation issues. In effect, the 2+2 announcement can build on what has already been taking place.



Key to \$9(2)(f)(iv) is the establishment of a sector-based action group \$9(2)(f)(iv) this would include cargo owners, energy companies, the finance sector, and government. We have also heard from parts of the private sector that a significant concern is uncertainty around low carbon fuels and energy sources. There is no clear "winner" among the various low carbon fuels and there are uncertainties around future costs. \$9(2)(f)(iv) an opportunity to identify roadmaps for prominent low carbon fuels such as ammonia, LNG, and methanol (and potentially hydrogen).

o 0/0\/f\/;;,/\			
s 9(2)(f)(iv)			

- 20 s 9(2)(g)(i)
 . That said, it provides an opportunity for the private sector to play a leadership role in green shipping and to identify potential actions that will be sector-led. The value of its work will depend on the level of private sector input and buy-in.
- We are keen that officials help s 9(2)(f)(iv) to ensure the role for government is appropriate, build on the Ministry's current work on regulatory barriers, and incorporate collaboration with Australia.

Next steps

- Following the announcement at the 2+2, the Ministry will work with relevant government agencies including Maritime NZ, Ministry of Business Innovation and Employment (MBIE), MfE and Treasury, on the next steps \$ 9(2)(f)(iv)

 . Officials can provide further advice on this work as it develops.
- The Ministry will also continue to work through potential barriers in the regulatory system that might impact New Zealand's ability to receive low emission vessels, as identified in the Concept Consulting report. This will involve engaging relevant government agencies, such as Maritime NZ and MBIE, who will also be involved in discussions on \$9(2)(f)(iv)



10 July 2024 OC240698

Hon Simeon Brown Minister of Transport

MEETING WITH KEA AEROSPACE AND DAWN AEROSPACE TO TOUR THEIR FACILITIES

Snapshot

You are scheduled to visit Kea Aerospace and Dawn Aerospace. The purpose of the visits are to gain firsthand knowledge of their operations, projects, challenges, and look around the site. A successful outcome would be gaining a comprehensive understanding of their work and its significance in the aerospace sector and the economy.

Time and date	11:15am-12:00pm, 12 July 12.15-1.00pm, 12 July 2024 2024
Venue	Kea Aerospace offices Dawn Aerospace headquarters
	11 Iversen Terrace, Waltham, 14 Birmingham Drive, Middleton, Christchurch
Attendees	We have listed key people from each company you can expect to meet during your visits. Hamish Cambell, MP for Ilam, will be accompanying you.
Officials attending	Officials are not expected
Agenda	Meet and greet. There is no set agenda for the visits, but you will be guided through respective facilities.
Talking points	See Annex 1 – Kea Aerospace
	See Annex 2 – Dawn Aerospace

Contacts

Name	Telephone	First contact
Siobhan Routledge, Acting Deputy Chief Executive – Policy	s 9(2)(a)	
Tom Forster, Manager – Aviation and Maritime		✓
Isabel Avery, Advisor – Aviation and Maritime		
Shereen Faraj, Policy Advisor – Aviation and Maritime		

MEETING WITH KEA AEROSPACE AND DAWN AEROSPACE TO TOUR THEIR FACILITIES

Key points

- The Mayor of Christchurch, Phil Mauger, has invited you to see the aerospace developments in Christchurch. Your first meeting is with Kea Aerospace, and your meeting with Dawn Aerospace immediately follows.
- Kea Aerospace, established in 2018, is known for its innovative drone technology.
 Powered by the sun, Kea's remotely-piloted aircraft will fly continuously in the stratosphere for months at a time to collect aerial imagery.
- Dawn Aerospace is a space company and a leading supplier of turnkey, green-propulsion systems for various classes of satellites.
- Kea and Dawn Aerospace, as part of their operations, leverage the Tāwhaki National Aerospace Centre for testing. Tāwhaki is a joint venture between the Government and local rūnangas, aimed at propelling New Zealand's aerospace industry forward.
- The sector has been facing challenges in terms of regulatory approvals and funding. Kea
 and Dawn Aerospace have suggested that the Director of Civil Aviation delegate
 authority to approved parties to undertake some certification processes.
- The CAA must balance efficiency and aviation safety in any delegation decision, and we
 will soon provide you information on how New Zealand could potentially align with the
 Australian civil aviation regulator's delegation practices.
- Both Dawn and Kea Aerospace are part of the Airspace Integration Trials Programme
 which will soon end, but will continue to receive support on their regulatory pathways
 from the CAA's Emerging Technology Programme. Both programmes have been key
 enablers for the aerospace sector.

Kea and Dawn Aerospace

1 Kea and Dawn Aerospace are leading innovative firms in the aerospace industry, pioneering the development of uncrewed aircraft technology for transportation. Both companies were established in Christchurch, New Zealand, and they utilise the Tāwhaki National Aerospace Centre as their primary testing site.

Kea Aerospace: Revolutionising High-Altitude Flight

- 2 Kea Aerospace, established in 2018, is focused on developing outstanding aerospace technology while growing and supporting a local aerospace ecosystem. It is the only high-altitude flight company based in the Southern Hemisphere.
- The company uses solar-powered, remotely piloted stratospheric aircraft, provides high-resolution aerial imagery at an increased frequency for applications such as environmental monitoring, precision agriculture, disaster management and maritime domain awareness. The company's vision is to be a world leader in stratospheric flight operation and data collection.

- In April 2024, Kea Aerospace began a collaboration with NASA, backed by the New Zealand government, to advance high-altitude airborne earth observation techniques using their solar-powered stratospheric plane. This partnership aims to monitor coastal water quality.
- The company is planning to relocate its flight test operations from Springfield aerodrome to the Tāwhaki National Aerospace Centre located at Kaitorete Spit.

Dawn Aerospace: Propelling Space Exploration

- Dawn Aerospace was founded in 2017 and has over 130 staff across the Netherlands, New Zealand, and the USA.
- Dawn Aerospace was founded with a mission to provide sustainable, scalable, space transport. The company's technology is used to deliver hardware to space, positioning satellites in orbit, and returning products to earth.
- The company is a leading supplier of turnkey, green-propulsion systems for various classes of satellites. The company's systems utilise safe, accessible propellants and have flown on Falcon 9, Vega, and Soyuz rockets.
- Beyond the company's well-established commercial offering of satellite-space propulsion, they continuously work on R&D programmes. The Civil Aviation Authority (CAA) has recently granted an amendment to the Dawn Aerospace Part 102 (Unmanned Aircraft) certificate allowing their experimental aircraft to operate up to 80,000 feet.

Tāwhaki is helping advance the activities of Dawn and Kea Aerospace

- The Tāwhaki National Aerospace Centre is a key asset in New Zealand's aerospace sector. Tāwhaki is a joint venture between the Crown and Wairewa and Te Taumutu Rūnangas located on the Kaitorete spit near Christchurch. It features a sealed runway, enabling aerospace innovators to do test flights.
- 11 Tāwhaki provides crucial multi-use infrastructure for companies like Kea and Dawn Aerospace to conduct space launches and stratospheric flights.
- The role and impact Tāwhaki Centre have had on Kea and Dawn Aerospace may come up in discussion during your meetings. Both companies have leveraged the centre's facilities to accelerate their contributions to the aerospace industry.
- The discussion may also extend to conversation on exploring potential enhancements to the centre's infrastructure and supporting mechanisms to further boost the sector's growth.

Regulatory challenges and proposed solutions in the emerging aviation sector

14 Concerns have previously been raised about the risks that delays to approvals from the CAA pose to the sector. Kea and Dawn Aerospace both operate their aircraft under a Part 102 unmanned aircraft operator certificate before transitioning to high altitude and space. Kea has expressed interest in understanding the time it takes for the CAA to issue Part 102 certification.

- The sector has been seeking a solution to these delays, with some, including Kea and Dawn Aerospace, suggesting that the Director of Civil Aviation delegate authority to approved parties to undertake the certification process. Both have expressed a desire for a designated organisation that can approve aircraft designs.
- While delegation is an option, and could make things more efficient, the CAA must ensure it doesn't compromise aviation safety. Any decision to delegate must, therefore, strike a balance between increasing efficiency and maintaining wider aviation system safety outcomes.
- We will shortly be providing you with information about how the Australian civil aviation regulator delegates functions to people outside the organisation, and how New Zealand could potentially align with the Australian regime.

Key Enablers

The CAA's Emerging Technology Programme (ETP)

- 18 Emerging aviation technologies are regarded by the CAA as capabilities that have not been certified before, are novel and are not routine. The technologies employed by both Dawn and Kea Aerospace fall within this category.
- The ETP, which was set up in 2022, is intended to act as a bridge between aviation innovators, such as Dawn and Kea and the CAA.
- To drive the programme, the CAA created the Emerging Technologies Unit (ETU), which is intended to provide the most effective ongoing regulatory interface possible, while enabling the safe and effective integration of emerging technologies into the civil aviation system.
- The unit, which was supported by initial funding of \$3.7 million reprioritised from the MBIE baseline, has 6 FTEs and works with stakeholders, such as Dawn and Kea, to streamline regulatory approvals of novel technologies in the aviation sector. Despite some progress on approvals, both the Chair and Director of the CAA have acknowledged the need for improvement and will develop a business case in 2024/25 for further ETU expansion.

The Airspace Integration Trials Programme (AITP)

- In 2019, the Ministry of Business Innovation and Employment (MBIE) established the AITP as a five-year programme to enable safe testing and trialling of emerging aviation technology, supporting the commercialisation and deployment of these technologies. The programme includes industry partners such as Kea and Dawn Aerospace and other companies. The Ministry, CAA, and Airways actively support the programme. The AITP will wind down this month (July) when funding allocated by Cabinet comes to an end.
- The wind down of the AITP may be viewed negatively by both Kea and Dawn Aerospace, given the support they have received from the programme. However, the ETU will continue to support existing AITP partners along their regulatory approval pathways. As part of the CAA funding review, the resources of the ETU will be doubled from 6 to 12 FTEs.

- You have also asked the CAA to lead work in 2024/25 to develop a business case to support further expansion of the ETU, which will consider the services provided and the optimal mix of funding from different sources.
- Potential services that could be offered by the ETU include offering regulatory sandbox¹ capabilities for broader experimentation and implementing a robust framework to conduct industry trials. These services could provide significant opportunities for Kea and Dawn Aerospace to continue innovating and testing their technologies in a supportive regulatory environment.
- 26 As Kea and Dawn Aerospace know the AITP programme is coming to an end, they may ask you questions about future government support for emerging technologies. You may let them know that you have asked for a business case for the ETU and that the Ministry of Transport and the CAA will work together with the sector to determine A AND THE SECOND TO SECOND what support can be provided to these innovative companies.

¹ A regulatory sandbox is a framework set up by a regulator to allow small-scale, live testing of innovations in a controlled environment under the regulator's supervision.

Key Persons for Kea Aerospace



Mark Rocket Chief Executive Officer& Co-founder, Kea Aerospace Head of Aerospace New Zealand

Mark Rocket was the seed investor and Co-Director of Rocket Lab from 2007 to 2011. Rocket Lab went from start-up phase to New Zealand's first space launch and then went on to win contracts with international aerospace agencies. This established an entirely new space industry in New Zealand. He has also been operating internet and data companies for over 22 years and was a Founder of New Zealand Tourism Online, which became New Zealand's leading commercial tourism directory, before being sold to Telecom Yellow pages in 2006.



Dr. Phillipp Sueltrop
Chief Technology Officer & Company Director, Kea Aerospace

Dr. Phillipp Sueltrop worked for over three and a half years at the German Aerospace Center in the department for unmanned aircraft. Phillipp is a rocket scientist and leads Kea's technical team in designing and operating their stratospheric aircraft. Philipp is an Edmund Hillary Fellow.



Phillip Stott
Chief Operating Officer, Kea Aerospace

For the last two years Philipp has been part of the Kea Aerospace team developing the High Altitude Pseudo Satellite and High Altitude Platform Station.

Phillip is an experienced safety specialist, engineer and consultant. He has worked for Air New Zealand and Airwork and provided consultancy services in support of Emirates Airlines, easyJet, All Nippon Airways, Macquarie Aircraft Leasing and Boeing Capital. He has held CAA, FAA and EASA Senior Person / Post Holder positions for safety and quality in a diverse range of organisations.

Key Persons for Dawn Aerospace



Stefan Powell
Chief Executive Officer & Chief Technology Officer, Dawn Aerospace

Stefan has a background in aerospace engineering and has been building rockets since his early student years. Stefan spent his entire career in both rocket and satellite start-ups that push the envelope, including being on the Rocket Lab team testing the first firings of the electron rocket. CTO of Dawn Aerospace, Stefan now heads various technical teams building reusable launch vehicles and new space transportation technologies.



James Powell
General Manager & Co-founder, Dawn Aerospace

James is passionate about building systems and epic machines. As the General Manager of Dawn, James looks after finance and manages spaceplane certification. Prior to that, James spent 10 years in aircraft design, manufacture and certification for a range of global customers. James started engineering life with Lego and garage-based projects before studying Mechanical Engineering at the University of Canterbury.

Annex 1: Talking Points

MEETING WITH KEA AEROSPACE

- What is Kea Aerospace's perspective on its collaboration with NASA, and how does it impact coastal water quality monitoring?
- What opportunities are out there for Kea Aerospace?
- What are the challenges that Kea Aerospace face?
- Can you share your experience leveraging the Tāwhaki Centre's facilities for your space launches and stratospheric flights? How do you see the centre's role in the future growth of New Zealand's aerospace sector and your company's contributions to it?

If Kea Aerospace asks about the government's measures to address regulatory challenges

You could respond: "We're actively exploring various solutions to these challenges. I am seeking advice on potential changes to regulatory frameworks such as delegating low-risk approvals to third party providers as a potential solution. We are keen to understand your perspective and interests with regard to this."

Annex 2: Talking Points

MEETING WITH DAWN AEROSPACE

- What opportunities are out there for Kea Aerospace?
- What are the challenges that Kea Aerospace face?
- How has the Tāwhaki National Aerospace Centre's infrastructure and facilities contributed to the advancement of your aerospace activities, and what potential enhancements to the centre's infrastructure do you believe could further boost your operations?

If Dawn Aerospace asks about the government's measures to address regulatory challenges,

You could respond: "We're actively exploring various solutions to these challenges. I am seeking advice on potential changes to regulatory frameworks such as delegating low-risk approvals to third party providers as a potential solution. We are keen to understand your perspective and interests with regard to this."

Document 5



12 July 2024 OC240765

Hon Nicola Willis Action required by:

Minister of Finance 26 July 2024

Hon Brooke van Velden

Minister of Internal Affairs

Hon Simeon Brown

Minister of Transport

CC Hon Matt Doocey

Associate Minister of Transport

CHATHAM ISLANDS REPLACEMENT SHIPPING SOLUTION - DRAWDOWN AUTHORISATION FOR REPAIRS TO SOUTHERN TIARE

Purpose

This briefing seeks Joint Ministers authorisation to drawdown an additional \$1 million from the *Supporting a Chatham Islands Replacement Ship* tagged contingency, in order to meet additional costs associated with the ongoing permanent repairs for the *Southern Tiare*.

Key points

- The Chatham Islands are currently served by the *Southern Tiare* (the vessel), with services operated by Chatham Islands Shipping Limited (CISL). The vessel is nearing the end of its service life, and Crown support has been required to keep it in a seaworthy state. It is unlikely that the vessel will be able to continue operating beyond 2026 without significant structural repairs.
- The vessel is currently in Auckland for its annual survey and to complete urgent repair work. This repair work began in March 2024 and was expected be completed in May 2024. However, significant issues with the vessel have been discovered during repair work causing delays that are expected to last until mid July 2024.
- In Budget 2022, Cabinet approved \$35.1 million in tagged contingency funding to support the Chatham Islands to replace the vessel, and to support its maintenance until a replacement vessel is delivered. The funding draw down is subject to Joint Ministers agreement – Minister of Finance, Minister of Internal Affairs and Minister of Transport.

s 9(2)(b)(ii)

The Ministry does not have funding available for any work completed from 1 July 2024.

s 9(2)(b)(ii)

The Ministry is

requesting that Joint Ministers approve a drawdown of \$1 million from the tagged contingency Supporting a Chatham Islands Replacement Ship to Enable Critical Transportation Services to meet the estimated costs \$\frac{s \ 9(2)(b)(ii)}{}\$

s 9(2)(f)(iv)

s 9(2)(b)(ii)

Recommendations

We recommend you:

- note that as part of the Budget 2022 financial recommendations agreed by the Minister of Transport and the Minister of Finance on 14 April 2022, Cabinet and the Ministers of Finance and Transport:
 - 1.1. agreed to support the Chatham Islands to replace its current vessel, the Southern Tiare, as it reaches the end of its life, including funding to support short-term maintenance of the Southern Tiare until a replacement vessel is delivered.

1.2. agreed to establish a tagged operating contingency of up to the following amounts to provide for recommendation 1.1:

	\$m - increase/(decrease)				
	21/22	22/23	23/24	24/25	25/26
Supporting a	-	11.020	24.080	-	-
Chatham Islands					
Replacement Ship to					
Enable Critical					
Transportation					
Services – Tagged					
Operating					
Contingency					

Minister of Transport Finance Minister of Internal Affairs

- 1.3. agreed that the contingency may be drawn down by the Minister of Transport, the Minister of Internal Affairs, and the Minister of Finance (establishing any new appropriations as necessary), upon their joint satisfaction with further work to confirm the ownership model, business operating model and governance arrangements for the future shipping solution.
- **1.4. noted** that the contingency may be drawn down into Vote Transport or Vote Internal Affairs as required.
- 2. **note** that the following draw downs of the tagged contingency have occurred:
 - \$6 million in July 2022 to undertake critical maintenance of the Southern Tiare (OC220467 refers);
 - 2.2. \$2.8 million in September 2023 to cover emergency works and repairs in March 2024 on the Southern Tiare (OC230745 refers);
 - 2.3. \$1 million to cover additional costs identified for the March 2024 repairs (OC231001 refers).
- 3. note that in April 2024, Joint Ministers agreed that purchasing a new, bespoke vessel to replace the Southern Tiare was no longer viable, and officials have since been working to identify a replacement shipping service however, completion of repair works on the Southern Tiare is still required in the interim to ensure it passes its annual survey and returns to service as soon as possible.
- 4. s 9(2)(b)(ii)
- 5. **agree** to providing additional funding of up to \$1 million in 2024/25 to complete repair work on the *Southern Tiare* to ensure it passes its annual survey \$9(2)(b)(ii)
- 6. **approve** the following changes to appropriations to provide for the decision in recommendation 5 above, with a corresponding impact on the operating balance:

Yes / No Yes / No Yes / No

Yes / No Yes / No Yes / No

		\$m - increase/(decrease)							
Vote	24/25	24/25 25/26 26/27 27/28 28/29 &							
Transport					outyears				
Minister of									
Transport									
Non-	1.000	-		-	-				
Departmental									
Other									
Expense:									
Supporting a									
Chatham									
Islands									
Replacement									
Ship									
Total	1.000	-	-	-	-				
Operating									

- agree that the proposed changes to appropriations for 2024/25 above be included in the 2024/25 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply.
- agree that the expenses incurred under recommendation 6
 above, be charged against the Supporting a Chatham Islands
 Replacement Ship to Enable Critical Transportation Services Tagged Operating Contingency.
- note that, following the adjustment detailed in recommendation 8 above as well as previous adjustments summarised in recommendation 2, the remaining balance of the tagged operating contingency described in recommendation 1 above, will be \$24.3 million.
- note that the tagged operating contingency described in recommendation 1 will expire on 30 June 2025.
- 11. note the Ministry of Transport will seek to extend the expiry date of the tagged operating contingency described in recommendation 1 once decisions on the service to replace the Southern Tiare are made, if required.

Yes / No Yes / No Yes / No

Yes / No Yes / No Yes / No

Qamu				
David Wood Deputy Chief Executive, Investmen and Monitoring	t M	on Simeon Brown inister of Transpo	rt	
			087	•
Hon Nicola Willis Minister of Finance		on Brooke van Veld inister of Internal		
/ /		.//	Anairs	
Minister's office to complete:	Approved	☐ Declined	l	
	Seen by Minister	□ Not seer	by Minister	
5	Overtaken by even	ts		
Comments	Now			
Contacts				
Name		Telephone	First contact	
David Wood, Deputy Chief Executive Monitoring	Investment and	s 9(2)(a)	✓	

Name	reiepnone	First contact
David Wood, Deputy Chief Executive, Investment and Monitoring	s 9(2)(a)	✓
Penelope Leith, Chief Financial Officer		
Cameron Elliott, Senior Adviser, Programme Monitoring & Investment Management		

CHATHAM ISLANDS REPLACEMENT SHIPPING SOLUTION - DRAWDOWN AUTHORISATION FOR REPAIRS TO SOUTHERN TIARE

Background

Shipping is a critical lifeline for the Chatham Islands

- As a small and geographically isolated community, the Chatham Islands community are reliant on shipping services for the movement of transport fuel, livestock, machinery, and general goods to and from the mainland. Livestock farming is particularly reliant on the shipping service, as there is no abattoir on the island.
- Diesel, which is a critical input for industry on the island, can only be carried via ships, and needs to be regularly replenished. Many Islanders also have their groceries and household supplies delivered by shipping, as it comes at significantly lower cost than air freight. Without a reliable shipping service, many industries on the islands would no longer be viable.

The Southern Tiare has reached the end of its service life

The typical service life for a vessel of this nature is around 20-25 years. The vessel is nearing 38 years in service. It has suffered significant reliability issues and is becoming increasingly difficult and expensive to maintain. The vessel will need to undertake a maritime intermediate survey in 2025 and a special survey in 2028. However, CISL have been advised by shipyards that they would be unlikely to undertake repair work beyond 2026 due to the vessel's age and the risks involved.¹

Budget 2022 provided funding to support repairs and maintenance of the Southern Tiare

- In Budget 2022, Cabinet approved \$35.1 million in tagged contingency funding to support the Chatham Islands to replace the vessel, and to support its maintenance until a replacement vessel is delivered. Drawdown of the tagged contingency requires Joint Ministers agreement Minister of Finance, Minister of Internal Affairs and Minister of Transport.
- In April 2024, Joint Ministers agreed that purchasing a new, bespoke vessel to replace the vessel was no longer viable. Since then, officials have been working to identify a replacement shipping service, either via purchase of a second-hand vessel or procuring a commercial charter.

The Southern Tiare is undergoing significant repairs

The vessel has been in dry dock in Auckland since late March 2024 to complete its annual survey and other emergency repairs. Originally scheduled to be completed by May 2024, significant structural issues have been uncovered that have delayed repairs. Repairs on the vessel are now expected to be completed by 12 July 2024.

¹ A shipping survey is an independent detailed assessment of a vessel and its equipment to confirm they are serviceable, fit for their intended use and operating limits. There are three types of survey: special survey – required every three years; immediate survey – occurs between every special survey; and annual surveys.

A lack of shipping service has resulted in severe economic hardship on the Chatham Islands

- With the vessel in Auckland for repairs, the Chatham Islands Community has been without a regular shipping service since March 2024. This has resulted in shortages of fuel and food deliveries to the island and no freight imports or exports.
- Furthermore, there is a significant backlog of livestock on the island waiting to be shipped to the mainland for processing, estimated to be approximately 28,000 sheep and 7,000 cattle. This backlog has created a significant animal welfare risk on the Chatham Islands, with farmers not being able to feed the extra animals on the Chatham Islands over the winter months.
- Officials from the Ministry, Ministry for Primary Industries, Chatham Islands Council and Chatham Islands Enterprise Trust have been working to find alternative shipping solutions for livestock since April 2024, but have not found a suitable supplier. The current preferred option is to use the vessel to exclusively ship livestock from the Chatham Islands when it returns to service, supported by a secondary vessel to move freight.

Funding for the current repairs is now exhausted

- In September 2023, Joint Ministers approved a drawdown of \$2.8 million to meet the costs for the March 2024 repair work (OC230745 refers), and the Minister of Finance and Minister of Transport agreed to transfer \$0.529 million from 2022/23 to 2023/24 (OC230908 refers). Joint Ministers approved an additional drawdown of \$1 million in December 2023, as new quotes revealed added costs to the repair work (OC 231001 refers) for appropriation of \$4.329 million in 2023/24.
- Based on estimates from the shipyard, the Ministry and CISL put in place an MoU outlining terms for Crown funding to be provided for the repairs through to 30 June 2024. The repair work required has been more extensive than expected and is now continuing into July 2024. There is currently no funding available for work completed past 30 June 2024.

	s 9/2)/h)/ii)
12	3 3(2)(3)(11)

A further drawdown of the tagged contingency is required to complete the survey begun in March 2024

The Ministry is seeking to drawdown a further \$1 million from the Supporting a Chatham Islands Replacement Ship to Enable Critical Transportation Services – Tagged Operating Contingency tagged contingency.

14	s 9(2)(b)(ii)

Key risks associated with no funding being available

15 s 9(2)(b)(ii)

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18 July 2024 OC240766

Hon Matt Doocey Associate Minister of Transport

VISIT TO THE TRANSPORT ACCIDENT INVESTIGATION COMMISSION AND MEETING WITH THE COMMISSIONERS ON 25 JULY 2024

Snapshot

This Briefing provides you with supporting information for your meeting with the Transport Accident Investigation Commission (TAIC) at its head office in Wellington on 25 July 2024.

Time and date	9.00am to 10.30am, 25 July 2024
Venue	TAIC, Level 7, 10 Brandon Street, Wellington
Attendees	Board and Commissioners:
	Jane Meares, Chief Commissioner, Stephen Davies Howard, Deputy Chief Commissioner, Paula Rose QSO, Commissioner, David Clarke, Commissioner, Bernadette Roka Arapere, Commissioner
	Executive leadership and Specialists
	Martin Sawyers, Chief Executive; Cathryn Bridge, General Manager of Business Services; Louise Cook, Acting Chief Investigator of
	Accidents; Dr Tahlia Fisher, Manager Specialist Services; Penglin (Lin) Song, Senior Forensic Data Recovery Specialist
Officials attending	N/A
Agenda	The agenda for your visit is attached.
Talking points	Suggested talking points are attached.

Contacts

Name	Telephone	First contact
Harriet Shelton, Manager, Crown Entity Monitoring	s 9(2)(a)	
Alan Collins, Senior Advisor, Crown Entity & Monitoring		✓

VISIT TO THE TRANSPORT ACCIDENT INVESTIGATION COMMISSION AND MEETING WITH THE COMMISSIONERS ON 25 JULY 2024

Key points

- You last met with Jane Meares (Chief Commissioner), Martin Sawyers (Chief Executive) and Naveen Mathew Kozhuppakalam (Chief Investigator of Accidents) from TAIC on 2 May 2024 in your office.
- On this occasion you will meet all the Commissioners and members of the Executive Leadership team.
- Your visit will include a tour of the office, a meet-and-greet with the staff, some
 presentations providing an overview of human factors and data forensics, and an inquiry
 case study that will look at the approach to an investigation and the resulting safety
 outcomes.
- During your conversation with the Commissioners, you may wish to enquire about:
 - o The status of the inquiries into the Kaitaki and Aratere Interislander incidents
 - How the recruitment for additional investigators is progressing and the type of specialists TAIC now requires.
- As part of their discussions with you, the Commissioners will likely raise their desire for a review of the Transport Accident Investigation Commission Act 1990 and TAIC's mandate to:
 - o undertake inquiries on behalf of other nations, particularly Pacific nations
 - o include investigations of heavy road, infrastructure and space incidents.



 You may want to invite TAIC to write to you and the Minister of Transport outlining these proposals for consideration.

Purpose of visit to TAIC

- As part of your visit, you will receive a tour of TAIC's offices and have the opportunity to meet-and-greet the staff.
- The visit will provide you with a good opportunity to learn more about how TAIC operates and the type of work it does. TAIC will give some presentations about human factors and data forensics and provide an inquiry case study that will look at the approach to an investigation and the resulting safety outcomes.
- 3 You will be the first Minister to visit the Commission since Hon Simon Bridges in 2016 and the first to visit its new offices.

Information about the TAIC office and organisation

- TAIC moved its offices to 10 Brandon Street from 80 The Terrace in September 2022. The move has resulted in a \$42,000 annual savings for TAIC.
- The Commission is required by legislation to employ a chief executive and staff to support the Commission. On 30 June 2024, the chief executive had an establishment of 31 permanent staff.
- 6 TAIC staff numbers are made up of:
 - 17 investigators, specialist staff and investigation support staff (including the Chief Investigator of Accidents/General Manager Investigation Services)
 - 11 corporate staff (including the Commission General Counsel/General Manager Business Services) to support the Commission's investigations and Crown entity accountability and governance functions
 - Three Executive Services staff providing secretariat support to the Board and Commission, and executive and administrative support to the broader organisation.

You will be meeting with the Commissioners and the Executive Leadership

- Your visit to TAIC head office is an opportunity to meet with all current Commissioners, who also perform the functions of Board members for TAIC under the Crown Entities Act 2004, as the Commission is scheduled to meet on that day.
- 8 The Commissioners are:
 - Jane Meares, Chief Commissioner
 - Stephen Davies Howard, Deputy Chief Commissioner
 - Paula Rose QSO, Commissioner
 - David Clarke, Commissioner
 - Bernadette Roka Arapere, Commissioner.

- 9 Executive leadership and specialists
 - Martin Sawyers, Chief Executive
 - Cathryn Bridge, General Manager of Business Services
 - Louise Cook, Acting Chief Investigator of Accidents
 - Dr Tahlia Fisher, Manager Specialist Services
 - Penglin (Lin) Song, Senior Forensic Data Recovery Specialist.
- Biographies of the Commissioners and Executive leadership are attached to this briefing in Annex One.

TAIC budget and resourcing

- 11 TAIC was not required to achieve savings under the Fiscal Sustainability Programme. Its budget was increased in Budget 2023, which included funding to recruit five additional FTEs to respond to increased rail related activities.
- You may want to ask about how recruitment is going and whether rail remains an area of increased activity.
- You may also wish to refer to the comments you sent to TAIC about its Statement of Performance Expectations (SPE) and Statement of Intent (SOI) in May 2024 that you would like to see TAIC review and update its future performance measures as it builds its capabilities.

Status of inquiries into Interislander ferry incidents

- There have been two incidents involving the Interislander ferry service that have generated a lot of public interest in the last 18 months:
 - The loss of power aboard the Kaitaki on 28 January 2023 for which a preliminary report was published in May 2023; and
 - The grounding of the Aratere, near Picton on 21 June 2024.
- You may wish to ask for an update on these inquiries, including when the final report on the Kaitaki incident can be expected, and progress on the Aratere inquiry.

Topics that TAIC may discuss with you

The agenda includes 30 minutes for discussion with the Commissioners and Executive Leadership team. While the agenda is not specific about what TAIC will discuss with you, officials note TAIC is interested in a review of their legislation and mandate as detailed below and may ask for your opinion on these issues.

Legislative review

- The Transport Accident Investigation Commission Act 1990 (TAIC Act) has been in place for almost 35 years and TAIC would like a review of the provisions in the Act to ensure its powers remain current and in accordance with best international practice. In particular, TAIC would like provisions relating to the following reviewed at some stage:
 - <u>Jurisdiction to undertake inquiries on behalf of other nations</u> the recent LATAM
 Airlines incident over the Tasman Sea has highlighted this issue. Chile had asked
 TAIC to investigate the accident, but TAIC was unable to lead the investigation as
 the incident occurred outside New Zealand's jurisdiction. The TAIC Act allows
 TAIC to only co-operate and co-ordinate with other accident investigation
 organisations overseas.
 - Clarification of powers including ability to follow-up on implementation of TAIC recommendations currently only TAIC has the ability to make recommendations.
 TAIC would like authority to monitor and follow up on whether its recommendations on incidents are implemented.

Jurisdiction to undertake inquires on behalf of Pacific nations

TAIC is also interested in securing a specific mandate for carrying out investigations on behalf of our Pacific nation neighbours and could see TAIC staff based longer term in Pacific nations. The objective would be to help these Pacific nations comply with international obligations and make travel in the Pacific islands safer overall. This initiative would likely require substantial additional resourcing and funding.

Mandate expansion to cover heavy road accidents, infrastructure and space

- The Chief Commissioner is interested in increasing the scope of its mandate to encompass inquiries into accidents or incidents relating to heavy road vehicles and possibly pipelines, or other infrastructure. TAIC would also be interested in investigating whether its mandate should cover space launches and vehicles given New Zealand's growing space industry.
- A number of TAIC's international counterparts have functions and responsibilities for heavy road vehicles and certain infrastructure, and the Chief Commissioner would like to utilise TAIC's expertise more widely for the benefit of New Zealanders.

Ministry comments on TAIC's proposals

21	s <mark>9(2)(</mark> f)(iv)
22	



Annex One: Biographies

Jane Meares (Chief Commissioner)



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

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

Jane was first appointed as a Commissioner in February 2015, and was then appointed as the Chief Commissioner in November 2016. Her term expires in November 2026.

Stephen Davies Howard (Deputy Chief Commissioner)



Stephen Davies Howard is a Wellington-based company director. He flew fighter aircraft for the Royal Air Force and served in the Royal New Zealand Air Force as the Training Group Commander. He attained the rank of Group Captain in both services. His strategic international experience includes being an accredited attaché to the British Embassy to the United States. He retains a commercial pilot licence and a commercially endorsed Ocean Yachtmaster's certificate.

Stephen was first appointed to the Commission in August 2015 and then was appointed as the Deputy Chief Commissioner in October 2018. His term expires in June 2028.

Paula Rose QSO (Commissioner)



Paula is a Canterbury based director. Her career has seen her in roles which focus on reducing harm. She was formerly National Manager, Road Policing with NZ Police, and deputy Chair of the Independent Taskforce on Workplace Health and Safety. Paula holds a number of governance roles including Deputy Chief Commissioner Te Kāhui Tātari Ture | Criminal Cases Review Commission and Authority Member, Electricity Authority. Previous roles include board positions on WorkSafe NZ, Social Workers Registration Board and the Broadcasting Standards Authority.

Paula is a Hato Hone St John volunteer and is currently a member of the Hato Hone St John Priory Trust Board.

Paula was appointed to the Commission in May 2017. She was recently reappointed as a Commissioner until June 2027.

David Clarke (Commissioner)



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

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

Bernadette Roka Arapere (Commissioner)



He uri tēnei o Ngāti Raukawa te au ki te Tonga, o Ngāti Tūwharetoa, o Ngāti Maniapoto hoki.

Bernadette is a barrister specialising in public and administrative law litigation and Māori legal issues. She is Deputy Chair of the Teachers' Disciplinary Tribunal, a Trustee of the NZ Law Foundation and Raukawa ki te Tonga Trust, and an active member of Te Hunga Rōia Māori o Aotearoa (the Māori Law Society). Bernadette lives in Whanganui with her whānau.

Prior to joining the independent bar, Bernadette was Crown Counsel at the Crown Law Office in Wellington and a Director of Wackrow Williams & Davies Ltd in Auckland.

Bernadette was appointed to the Commission in December 2022. Her term expires in November 2025.

TAIC Executive Leadership Team

The Executive Leadership Team comprises a Chief Executive and two general managers.

Martin Sawyers (Chief Executive)



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

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

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

Naveen provides his apologies for your visit. He will be away attending the International Marine Organisation 10th session on the implementation of IMO Instruments III.



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

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

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

Cathryn Bridge (Commission General Counsel, General Manager Business Services)



Cathryn is General Counsel to the Commission and General Manager Business Services. She joined TAIC in 2014. She provides legal, constitutional, and risk advice to the Commission on inquiry matters and leads all business services and governance functions.

Cathryn has more than 20 years public management experience in legal, operational, policy, and regulatory roles in Crown entities and public service departments in social services, environmental and primary industry sectors. She managed the nationally significant proposals process at the Environmental Protection Authority and has led legal, regulatory policy, and project teams at the Ministry of Fisheries.

She has an Executive Master of Public Administration from the Australia and NZ School of Government and an LLB and BA from Victoria University of Wellington.

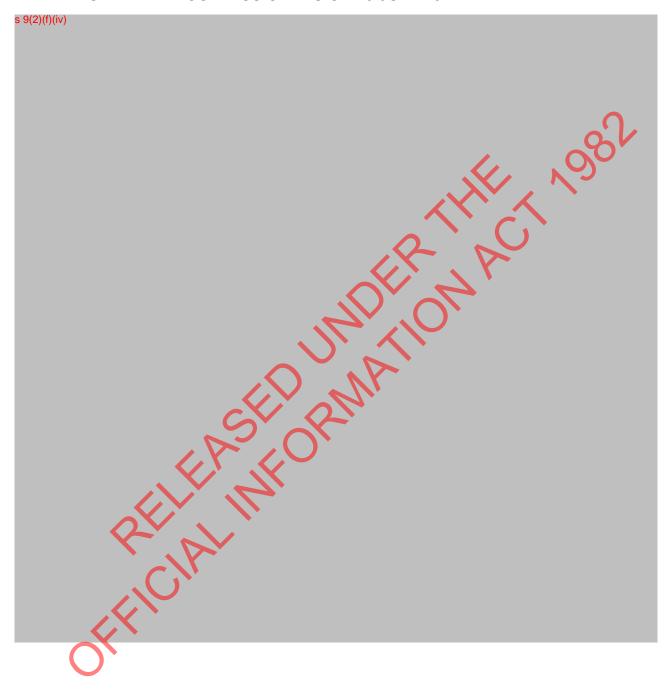
Agenda

Location	Level 7, 10 Brandon Street, Wellington
Board	Jane Meares, Chief Commissioner; Stephen Davies Howard, Deputy Chief Commissioner; Paula Rose QSO, Commissioner; David Clarke, Commissioner; Bernadette Roka Arapere, Commissioner
Attendees	Martin Sawyers, Chief Executive; Cathryn Bridge, General Manager of Business Services; Louise Cook, Acting Chief Investigator of Accidents; Dr Tahlia Fisher, Manager Specialist Services; Penglin (Lin) Song, Serior Forensic Data Recovery Specialist
Apologies	Naveen Mathew Kozhuppakalam, Chief Investigator of Accidents

Items	Owner	Timing
Welcome – Introduction to the Commissioners and an outline of the visit	Chief Commissioner and Chief Executive	10-Minutes
Tour of the TAIC offices to meet the team	Chief Executive	10-15 Minutes
2-minute video presentation - who we are and what we do	Played on Screen	2-Minutes
Presentation on a TAIC Inquiry 1.1 MO-2016-202 Passenger ship, Azamara Quest, contact with Wheki Rock, Tory Channel, 27 January 2016	Louise Cook	10-15 Minutes
Human factors briefing	Dr Tahlia Fisher	5-Minutes
Data forensics briefing	Penglin (Lin) Song	5-Minutes
Discussion with Commissioners and the Executive Leadership Team	Chief Commissioner	30-Minutes

Suggested Talking Points

VISIT TO THE TRANSPORT ACCIDENT INVESTIGATION COMMISSION AND MEETING WITH THE COMMISSIONERS ON 25 JULY 2024





17 July 2024 OC240539

Hon Simeon Brown

Action required by:

Minister of Transport

Wednesday, 31 July 2024

DRUG AND ALCOHOL MANAGEMENT PLANS - RULE APPROVAL

Purpose

This briefing asks you to give effect to the provisions in the Civil Aviation Act 2023 (2023 Act) for drug and alcohol management plans and testing, by authorising new civil aviation rules.

Key points

- The 2023 Act, which comes fully into force on 5 April 2025, introduces provisions to strengthen the management of the risk of drug and alcohol impairment in the commercial aviation sector.
- Civil aviation rules (the Rules) are required to support and give effect to these provisions.
 The Civil Aviation Authority (the CAA) has worked with the Ministry of Transport (the
 Ministry) to develop the Rules that specify who needs to develop a Drug and Alcohol
 Management Plan (DAMP) and a range of other operational matters.
- In March 2024 you were notified of consultation on the rules [briefing OC240170 refers].
 Consultation with the sector took place between March May 2024, with 14 submissions received.
- Submissions were generally supportive of the proposed DAMP rules. A minor amendment was made to reflect sector feedback - there were no significant issues raised.
- The Rules need to come into force on 5 April 2025 but have been developed well in advance of this date to give certainty to aviation participants who may be affected by the new drug and alcohol management regime.¹
- We ask that you sign the Rules and authorise their notification in the New Zealand Gazette.

¹ The ability to make the drug and alcohol rules, in anticipation of the 2023 Act, is discussed in paragraph 18, as legal advice].

Recommendations

We recommend you:

1	sign the attached Civil Aviation Rules Part 99, <i>Drug Plans</i> , to give effect to Civil Aviation Act 2023 require management plans and testing.			Yes / No
2	authorise the notification of the signed Rules by you	in the <i>New Zeala</i>	nd Gazette.	Yes / No
3	authorise the presentation of the Rules signed by yo Representatives.	ou to the House of		Yes / No
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	ng Deputy Chief Executive, Policy	n Simeon Brown hister of Transpo	ort	
	July / 2024			
Mini	ster's office to complete:		d n by Minister	
Com	iments			
Cont Nam	tacts	Telephone	First contact	
Siobl	han Routledge, Acting Deputy Chief Executive, y Group, Ministry of Transport	s 9(2)(a)		
	Kay, Deputy Chief Executive, System and Practice gn, Civil Aviation Authority		✓	
-	Tonkin, Manager CAA Implementation, Ministry of sport			

DRUG AND ALCOHOL MANAGEMENT PLANS - RULE APPROVAL

Background

The Civil Aviation Act 2003 introduces a Drug and Alcohol Management Plan regime

- The 2023 Act comes fully into force on 5 April 2025. The 2023 Act introduces provisions to strengthen the management of the risk of drug and alcohol impairment in the commercial aviation sector. It sets the framework for DAMPs for some operators (persons who hold aviation documents) involved in safety sensitive activities.
- The core statutory requirements for a DAMP are that it must provide for random testing of safety-sensitive workers² and include a response plan for a safety-sensitive worker who refuses to consent to a test, or whose test returns a result other than a negative result. The 2023 Act also empowers the Director of Civil Aviation (the Director) to carry out testing of any safety-sensitive worker in relation to alcohol and testable drugs in the relevant operator's DAMP.
- The DAMP regime will have a two-year transition period for operators to develop and prepare to implement their plans, from 5 April 2025 to 5 April 2027 ³. Existing document holders who meet the criteria for needing to develop a DAMP must submit it to the Director for approval.
- Under the 2023 Act, the scope of operators subject to DAMP requirements is potentially very wide any class of persons with an aviation document, undertaking safety-sensitive activities and specified in the rules. Rules are necessary to specify which classes of person will be subject to DAMP requirements.
- Work to develop the Rules has been led by the CAA, working with the Ministry and sector stakeholders to ensure the changes being made are practical and effective.

Consultation on the proposed rules has been undertaken

- In March 2024 you were notified of consultation on the proposed Rules (OC240170 refers)⁴. This was undertaken between 26 March 10 May 2024. The Notice of Proposed Rule Making was published on the Authority's website and relevant industry stakeholders advised.
- 7 Key features of the proposed Rules that were consulted on are:
 - 7.1 all commercial operators with safety management system requirements will be subject to DAMP requirements.
 - 7.2 persons not included as being subject to DAMP requirements are:

² A safety-sensitive worker is an individual employed or engaged by a DAMP operator in a role that involves the individual performing a safety-sensitive activity, including the DAMP operator, if the DAMP operator is an individual.

³ This is provided for under Schedule 1 of the 2023 Act.

⁴ In accordance with the requirements of section 61(1) of the Civil Aviation Act 2023.

- 7.2.1 the recreation/private use sector, because existing provisions already adequately mitigate the risk of drug and alcohol use in this part of the sector
- 7.2.2 the Aviation Security Service (AvSec) because, under the 2023 Act, AvSec will no longer hold an aviation document (which is a prerequisite to being a DAMP operator)⁵
- 7.2.3 operators of uncrewed aircraft, because further work is required on rules for unmanned aircraft generally, which will take place over time
- 7.3 Other provisions covering:
 - 7.3.1 not allowing for exemptions from DAMP requirements, ability to specify testable drugs (should that become necessary in the future), detail about notifying the Director of non-negative results and refusal to consent and tampering
 - 7.3.2 administrative and process requirements covering renewals, amendments, record-keeping, reporting to the CAA and clarifying the accountabilities of DAMP operator chief executives
 - 7.3.3 transitional requirements.

The majority of submissions supported the provisions, or recognised that drug and alcohol testing is a necessary part of aviation safety

- A total of 14 submissions were received (11 from organisations and 3 from individuals). Most submissions were supportive. Submitter feedback on specific aspects of the proposed rules falls into the following themes:
 - 8.1 support, opposition or queries on the scope of certificate holders
 - 8.2 scope of those considered "safety-sensitive workers"
 - 8.3 costs to operators
 - 8.4 ability of small operators to ensure real random testing and the risk of sanctions if non-compliant
 - 8.5 DAMP approval process time frames and resource constraints
 - 8.6 use of a transport instrument to set out testable drugs
 - 8.7 the information required by CAA (and related keeping of records) when a DAMP operator notifies the Director of non-negative results, refusal to test and suspicion of tampering
 - 8.8 annual reporting and the draft transport instrument
 - 8.9 ongoing renewal/amendment processes, and associated costs

⁵ The CAA will work on how AvSec can meet equivalent requirements to DAMP operators, by 5 April 2027 when DAMPs come into effect.

- 8.10 comments about the Advisory Circular, which is released along with the Rules when they are Gazetted.
- 9 The Summary of Public Submissions (that includes the response from CAA) will be published on the CAA website once the proposed Rules are approved and Gazetted (refer Annex 1).
- The following minor changes have been made to the draft final rules:
 - 10.1 amend 99.17 following submitter feedback, to remove the requirements to keep a record of the exact time of the test leaving just the need to keep a record of the test date
 - 10.2 two technical changes to improve workability of the rules.6
- 11 The draft Part 99 DAMP rules are attached in Annex Two.
- As a result of consultation feedback, the Advisory Circular will be updated. Advisory Circulars provide guidance about standards, practices, and procedures resulting from rules promulgated by the CAA.

Compliance

The rules are consistent with the principles of the Treaty of Waitangi. They comply with both the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993, the principles and guidelines set out in the Privacy Act 2020, and the relevant international standards. They are consistent with the Legislation Design and Advisory Committee's guidelines.

Matters and criteria for your specific consideration

- You are required to consider a number of matters when deciding to make a rule.

 These are set out in sections 61(2) and 72 of the 2023 Act. You must consider these matters yourself and cannot delegate this obligation to anyone else. They are set out in Annex 1, together with our advice on each and consist of:
 - 14.1 matters that you must be satisfied about
 - 14.2 criteria that you must have regard to and give the weight that you consider appropriate in each case.
- 15 You should also have regard to the legal advice in the next section of this briefing.

Legal Advice

16 This section is legal advice.

⁶ Move the definition of DAMP from Part 99 (draft rule 99.3) to rule Part 1; and move the transport instrument definition to Part 1 and consequently amend rule 99.21.

17	s 9(2)(n)			
18				

Matters for your consideration

s 9(2)(h)

Consultation

- Before making a rule, you are required by section 61(1) of the 2023 Act to, as you in each case consider appropriate:
 - 20.1 publish a notice of your intention to make the rule and a statement specifying the objective of the rule; and
 - 20.2 consult representative groups within the aviation industry or elsewhere, and any other persons.

s 9(2)(h)

Regulations Review Committee

Ordinary rules are disallowable instruments for the purpose of the Legislation Act 2019 and in accordance with section 114 of that Act and Standing Order 325A must be presented to the House of Representatives within 20 working days after the day on which they are made.

Next steps

Commencement and notification

- We propose that these Rules come into force on 5 April 2025, alongside the 2023 Act and its DAMP requirements. To achieve this, the Rules need to be signed and notified in the Gazette by no later than 6 March 2025.
- However, to give those operators who will be required to implement a DAMP legal certainty and time to prepare, if you agree to give effect to the proposed Rules, we ask that you sign the Rules no later than 31 July 2024 to enable the CAA to lodge the Gazette notice by 9 August 2024.

Publicity and tabling

The CAA will notify the making of the Rule in the New Zealand Gazette and will also publicise the Rule in its publications and on its website.

26 Subject to your approval, the CAA will work with officials from your office to arrange the laying of the signed Rules before the House.

Communications

27 The CAA will work with the relevant stakeholders to ensure the changes are understood and complied with.

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ANNEX 1: MATTERS FOR SPECIFIC CONSIDERATION

Matter to be satisfied about	Advice
Section 61(2)(a) That the rule will, to the extent that is practicable, facilitate conformity with the applicable standards of ICAO relating to aviation safety and security	The proposed rules are not inconsistent with the standards of ICAO relating to aviation safety and security, to the extent adopted by New Zealand.
Matter to be satisfied about	Advice
Section 66(2)(b) That the rule is not inconsistent with New Zealand's international obligations relating to aviation safety and security	The proposed rules are not inconsistent with New Zealand's international obligations relating to aviation safety and security.
Matter to have regard and give the weight you consider appropriate to	Advice
Section 72(a)	The proposed rules are consistent with the main and additional purposes of the Act.
The main and additional purposes of the Act	OPIN
Matter to have regard and give the weight you consider appropriate to	Advice
Section 72(b) The recommended practices of	The proposed rules are consistent with the ICAO (SARPs) as applicable:
ICAO relating to aviation safety and security	 ICAO Annex 1 Personnel Licensing ICAO Annex 19 Safety Management
Matter to have regard and give the weight you consider appropriate to	Advice
Section 72(c) The level of risk existing to aviation safety in each proposed activity or service	The proposed rules reduce the level of risk to aviation safety by strengthening the management of drug and alcohol-related risks in the commercial aviation sector.

Matter to have regard and give the weight you consider appropriate to	Advice
Section 72(d) The nature of the activity or service for which the rule is being established	The proposed rules introduce drug and alcohol management plans (DAMPs) for certain organisations and allows the Director of Civil Aviation to conduct drug and alcohol testing.
Matter to have regard and give the weight you consider appropriate to	Advice
Section 72(e) The level of risk existing to	Safety is a key driver for this proposal. It is envisaged that the level of risk to the New Zealand
aviation safety and security in New Zealand in general	aviation safety from this proposal is low and if anything, decreased.
Matter to have regard and give the weight you consider appropriate to	Advice
Section 72(f) The need to maintain and improve	The proposed rules will strengthen the management of drug and alcohol-related risks in the commercial aviation sector.
aviation safety and security, including (but not limited to) personal security	It is envisaged this will bring greater safety assurance for users of commercial aviation services.
Matter to have regard and give the weight you consider appropriate to	Advice
Section 72(g) The costs of implementing the	Costs will vary depending on factors such as the size of the operator and whether they already have drug and alcohol policies in place. DAMP regime costs for a
measures for which the rule is being proposed	medium sized operator have been estimated at \$1,965 for establishment, with ongoing annual costs of \$2, 285.7
Matter to have regard and give the weight you consider appropriate to	Advice
Section 72(h)(i) The international circumstances in	The proposed rules will not affect, or be affected by, international circumstances in respect of aviation safety and security. Most other jurisdictions have similar
respect of aviation safety and security	requirements.

 $^{^{7}}$ The relevant regulatory impact statement is available here <u>RIS Clear heads (transport.govt.nz)</u>.

Matter to have regard and give the weight you consider appropriate to	Advice
Section 72(h)(ii)	The proposed rules will have no effect on the mutual recognition of safety certifications.
The international circumstances in respect of mutual recognition of safety certifications in accordance with the ANZA mutual recognition agreements	
Matter to have regard and give the weight you consider appropriate to	Advice
Section 72(i)	There are no other matters that need to be considered in the making of these proposed rules
Such other matters as the Minister considers appropriate in the circumstances	in the making of these proposed rules.
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ANNEX 2: DRAFT PART 99 DAMP RULES

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OFFICIAL INFORMATION ACT 1982



PURSUANT to Section 52 of the Civil Aviation Act 2023, and:

- (a) being satisfied of the matters specified in section 61(2)(a) and (b) of that Act; and
- (b) having had regard to the criteria specified in section 72 in accordance with section 61(2)(c) of that Act.

I, Hon SIMEON BROWN, Minister of Transport,

HEREBY MAKE the following rules

SIGNED AT

This day of 2024

by Hon Simeon Brown

Minister of Transport

Civil Aviation Rules

Part 99, Initial Issue

Drug and Alcohol Management Plans (DAMPs)

Docket 24/CAR/02

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Rule objective

The objective of the initial issue of Part 99 is to give effect to provisions in the Civil Aviation Act 2023 (the 2023 Act) for drug and alcohol management plans and testing – specifically subpart 6 of Part 4, and clauses 24-31 in Schedule 1.

Specifically, the rules are required to:

- identify DAMP (Drug and Alcohol Management Plan) operators for the purposes of section 113 of the 2023 Act
- prescribe notification, reporting and administrative matters, and provide for some matters to be dealt with in transport instruments made separately by the Director of Civil Aviation
- manage the two-year transition period (from 5 April 2025 to 4 April 2027) so that CAA is able to efficiently consider DAMPs submitted to it for approval, and
- make amendments to existing rule parts so that Drug and Alcohol Management Plans (DAMPs) become part of operator expositions after the transition period and can be updated.

Extent of consultation

A Notice of Proposed Rulemaking, NPRM 24-02, containing the proposed draft Civil Aviation Rule Part 99 was issued for public consultation under Docket 24/CAR/02 on 26 March 2024.

The NPRM was published on the CAA web site and the industry was notified by automatic email alerts.

A period of 30 working days was allowed for comment on the proposed rule.

Summary of submissions

Fourteen written submissions were received on the NPRM. A summary of submissions for this NPRM is available on the CAA website along with CAA's response and documentation of all the changes made to the final rule. As a result of submissions and comments the only significant amendment was:

 removal from rule 99.17(a) the requirement for a DAMP operator to keep records of the precise time of random testing.

There were also technical and editorial changes, including to where definitions are set out and use of rule Part 1 Definitions and Abbreviations.

Examination of submissions

Submissions may be examined, by application to the Docket Clerk at the Civil Aviation Authority, between 8:30 am and 4:30 pm on weekdays, except statutory holidays.

Insertion of Amendments to other rule Parts

Sixteen existing rule parts are amended by new rule Part 99, specifically by rule 99.23. These amendments take effect on 5 April 2025, the same day as Part 99 has effect.

Effective date of rule

Initial issue of Part 99 comes into force on 5 April 2025 immediately after the commencement of Section 489 of the Civil Aviation Act 2023.

Availability of rules

Civil Aviation Rules are available from-

CAA web site: http://www.aviation.govt.nz/ Freephone: 0800 GET RULES (0800 438 785)

Part 99: Drug and Alcohol Management Plans (DAMPs)

99.1 Purpose

This Part gives effect to the provisions of the Act relating to drug and alcohol management plans by identifying DAMP operators, by influencing the scope of DAMPs, and by prescribing notification and reporting obligations and other administrative and transitional matters.

99.3 Definitions

In this Part -

DAMP operator has the meaning given in rule 99.53

current DAMP operator means a person who is a DAMP operator on 5 April 2025. This definition expires on 6 April 2028:

licence holder has the meaning given in clause 1 of Schedule 2 of the Act:

negative result has the meaning given in section 113 of the Act:

random testing has the meaning given in section 113 of the Act:

safety-sensitive activity has the meaning given in section 113 of the Act:

safety-sensitive worker has the meaning given in section 113 of the Act:

testable drug has the meaning given in section 113 of the Act.

99.5 Who is a DAMP operator

- (a) A person who holds any of these certificates and meets the other conditions in section 113 of the Act is a DAMP operator:
 - (1) an adventure aviation operator certificate issued under rule 115.9:
 - (2) an airline air operator certificate issued under rule 119.11(a);
 - (3) a general aviation air operator certificate issued under rule 119.11(b):
 - (4) an agricultural aircraft operator certificate issued under rule 137.153:
 - (5) an aerodrome operator certificate granted under rule 139.9:
 - (6) a qualifying aerodrome operator certificate granted under rule 139.9:
 - (7) an aviation security service certificate issued under rule 140.9:
 - (8) a standard aviation training organisation certificate granted under rule 141.5(a):
 - (9) a maintenance organisation certificate issued under rule 145.9:
 - (10) an aircraft design organisation certificate granted under rule 146.9:
 - (11) a maintenance training organisation certificate granted under rule 147.35:
 - (12) a manufacturing organisation certificate granted under rule 148.9:
 - (13) an aeronautical telecommunication service certificate issued under rule 171.9:
 - (14) an air traffic service certificate granted under rule 172.9:

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- (15) an instrument flight procedure service certificate granted under rule 173.9:
- (16) a meteorological service certificate granted under rule 174.9:
- (17) an aeronautical information service certificate issued under rule 175.7.
- (b) The Director may not grant an exemption under section 322(1) of the Act to exclude a person entirely from the requirements that result from them being a DAMP operator.
- (c) Despite rule 99.5 (a) a person who is:
 - (1) not a current DAMP operator; and
 - (2) between 5 April 2025 and 4 April 2027 receives a certificate listed in rule 99.5 (a),

does not become a DAMP operator until 5 April 2027.

(d) Rule 99.5 (c) and this rule expire on 5 April 2027.

99.7 Specified testable drugs to be included in a DAMP

In addition to the requirements in section 114 of the Act, a DAMP operator must ensure that the testable drugs include any drugs specified in a transport instrument.

99.9 Deadline for current DAMP operators to submit a DAMP for approval

- (a) The date before which a current DAMP operator must submit a DAMP to the Director for approval (see clause 26 of Schedule 1 of the Act) is:
 - (1) for an operator who holds a certificate in the first column in the table, 1 October 2025:
 - (2) for an operator who holds a certificate in the second column in the table, 1 July 2026:

(3) for an operator who holds a certificate in both columns, 1 October 2025.

DAMP to be submitted before 1 October 2025	DAMP to be submitted before 1 July 2026
an adventure aviation operator certificate (Part 115)	
an airline air operator certificate to conduct operations in accordance with Part 121 or 125 (Part 119)	an airline air operator certificate to conduct operations in accordance with Part 135 (Part 119)
	a general aviation air operator certificate (Part 119)
	an agricultural aircraft operator certificate (Part 137)
an aerodrome operator certificate for an aerodrome designated as a Tier-1 security designated aerodrome under section 120(1)(a) of the Act (Part 139)	an aerodrome operator certificate for an aerodrome that is not designated as a Tier 1 security designated aerodrome (Part 139)
PELLI	a qualifying aerodrome operator certificate (Part 139)
CEICIF	a standard aviation training organisation certificate (Part 141)
a maintenance organisation certificate to maintain any aircraft carrying out operations specified in rule 121.1 or 125.1, or to maintain any component of those aircraft (Part 145)	any other maintenance organisation certificate (Part 145)

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DAMP to be submitted before 1 October 2025	DAMP to be submitted before 1 July 2026
	an aircraft design organisation certificate (Part 146)
	a maintenance training organisation certificate (Part 147)
	a manufacturing organisation certificate (Part 148)
an aeronautical telecommunication service certificate (Part 171)	CR RC
an air traffic service certificate (Part 172)	10, OL
an instrument flight procedure service certificate (Part 173)	NA
LAS OF	a meteorological service certificate (Part 174)
an aeronautical information service certificate (Part 175)	

- (b) A DAMP that the Director has approved becomes part of the relevant exposition on the implementation date specified in the Director's approval (see clause 27(2) of Schedule 1 of the Act).
- (c) This rule expires on 6 April 2028.

99.11 How a DAMP can be amended before becoming part of an exposition

- (a) A current DAMP operator may amend an approved DAMP before it becomes part of the relevant exposition by following the procedure for amending their system for safety management.
- (b) This rule expires on 6 April 2028.

99.13 Chief executive is responsible for meeting all DAMP obligations

The person identified as the chief executive in the relevant exposition or other documentation must ensure that the DAMP operator complies with all obligations under this Part and under the Act.

99.15 Notification if a test result is not negative, or of refusal to consent to testing or suspected tampering

- (a) This rule applies where a DAMP operator makes a notification to the Director under section 117(3) of the Act, including a notification of suspected tampering (see section 118).
- (b) The notification must state:
 - (1) whether the notification concerns a result which was not negative, refusal to consent to testing, or suspected tampering;
 - (2) the date of the test, refusal or suspected tampering;
 - (3) the date the DAMP operator became aware of the result of the test, the refusal or the suspected tampering;
 - (4) whether alcohol or a drug was detected and, if a drug, which drug,
 - (5) the safety-sensitive activity which the individual performs;
 - (6) a contact person at the DAMP operator, and their contact details, if different from the person and contact details in the exposition or other relevant documentation; and
 - if the individual is a licence holder, the individual's name and individual client number.
- (c) The DAMP operator must make the notification using the approved CAA form.
- (d) The DAMP operator must supply to the Director any clarification or further detail that the Director reasonably requests.

99.17 DAMP operator to keep records

- (a) A DAMP operator must ensure that a record is kept of all random testing, specifying:
 - (1) the name of the worker;
 - (2) the relevant safety-sensitive activity;
 - (3) the date of the test, and when the DAMP operator received the results;
 - (4) the results of the test (or that the worker refused to consent);and
 - (5) whether tampering was suspected and if so why
- (b) The DAMP operator must ensure that the record is kept in a secure location and retained for at least 5 years from the date of testing.
- (c) The DAMP operator must also comply with the requirements in a transport instrument specifying what records a DAMP operator must ensure are kept, and how records must be kept.

99.19 Routine reporting to the Director on random testing

A DAMP operator must comply with the requirements in a transport instrument specifying depersonalised information on random testing that a DAMP operator must report to the Director, and the time and form of that reporting.

99.21 Transport instruments made for the purposes of this Part

- (a) A transport instrument made for the purposes of this Part may impose different obligations on different classes, including by reference to categories of certificate holder, size of DAMP operator, safety-sensitive activity or safety-sensitive worker.
- (b) In accordance with section 431 of the Act a transport instrument made for the purposes of this Part may be made by the Director.
- (c) Before making a transport instrument the Director must have regard to relevant international standards, guidance and practice.

- (d) The transport instrument must specify dates for compliance.
- (e) The Director may amend or replace a transport instrument from time to time.
- (f) A transport instrument is secondary legislation (see Part 3 of the Legislation Act 2019 for publication requirements).

99.23 Amendments to other Parts

- (a) Other rule Parts are amended as set out in the Annex.
- (b) This Rule and the Annex expire on 6 April 2025

Annex to Rule 99.23

The following new sub-paragraph is inserted in the places set out in clause 2 below:
 "(X) if a DAMP is required (see rule 99.5 and section 114 of the

Act) a DAMP meeting the requirements of Part 99 and of the Act."

2. The sub-paragraph is inserted immediately after the following rules, and numbered as the next available number in the sequence in accordance with Table 1:

Table 1

Inserted immediately after rule	Numbered as rule (X =)
115.79(a)(1A)	115.79(a)(1B)
119.81(a)(1A)	119.81(a)(1B)
119.125 (a)(1A)	119.125 (a)(1B)
139.77(a)(1A)	139.77(a)(1B)
139.417(a)(1A)	139.417(a)(1B)

Inserted immediately after rule	Numbered as rule (X =)
140.61(a)(1)	140.61(a)(1A)
141.63(a)(1A)	141.63(a)(1B)
145.67(a)(1A)	145.67(a)(1B)
146.67(a)(1A)	146.67(a)(1B)
147.23(a)(2)	147.23(a)(2A)
148.67(a)(1A)	148.67(a)(1B)
171.77(a)(1A)	171.77(a)(1B)
172.125(a)(1A)	172.125(a)(1B)
173.71(a)(1A)	173.71(a)(1B)
174.79(a)(1A)	174.79(a)(1B)
175.69(a)(1A)	175.69(a)(1B)

3. The following rule is inserted after rule 137.160:

"137,161 Agricultural Aircraft Operator DAMP

If a DAMP is required (see rule 99.5 and section 114 of the Act) an applicant for an agricultural aircraft operator certificate must provide the Director with a document meeting the requirements of Part 99 and of the Act."

- The following new sub-paragraph is inserted in the places set in clause 5 below:
 - "(X) any DAMP, if the change is a material change."

5. The sub-paragraph is inserted immediately after the following rules, and numbered as the next available number in the sequence in accordance with Table 2:

Table 2

Inserted immediately after rule	Numbered as rule (X =)
115.109(b)(5)	115.109(b)(5A)
119.165(b)(5)	119.165(b)(6) (replacing "[revoked]")
137.209(2)(ii)	137.209(2)(iii)
139.127(d)(3)	139.127(d)(4)
139.455(d)(3)	139.455(d)(4)
140.103(b)(5)	140.103(b)(6)
141.103(d)(5)	141.103(d)(6)
145.105(d)(7)	145.105(d)(8)
146.105(d)(5)	146.105(d)(6)
147,25(b)(6)	147.25(b)(7)
148.105(d)(8)	148.105(d)(9)
171.115(b)(5)	171.115(b)(6)
172.161(d)(4)	172.161(d)(5)
173.103(b)(4)	173.103(b)(5)
174.109(d)(5)	174.109(d)(6)

Inserted immediately after rule	Numbered as rule (X =)
175.109(d)(5)	175.109(d)(6)

Rule 115.62 is replaced with:

"115.62 Drug and alcohol programme

- (a) An applicant for an adventure aviation operator certificate must establish a drug and alcohol programme for monitoring and managing the risks relating to the use of any drug, or consumption of alcohol by—(1) any crew member: (2) a tandem master: (3) a ground crew member: (4) any other person whose work directly affects the safety of an adventure aviation operation.
- (b) This programme may be combined with the operator's DAMP (see rule 99.5 and section 114)."
- 7. The following new sub-paragraph is added to rule 1.3 Abbreviations:
 - **"DAMP** has the meaning given in section 113 of the Act:"
- The following new sub-paragraph is added to rule 1.1 General definitions:
 - **"transport instrument** means an instrument made by a specified person under Part 10 subpart 3 of the Act, and includes an instrument yet to be made, and any instrument as amended or replaced from time to time:"



19 July 2024 OC240819

Hon Simeon Brown Minister of Transport

MEETING WITH BRAD BOAKES (SMART START INTERLOCKS)

Snapshot

You are meeting with Brad Boakes, business owner of Smart Start Interlocks. He requested a meeting to discuss \$ 9(2)(f)(iv)

Time and date	11.30am – 12.00pm, 25 July 2024
Venue	EW5.1
Attendees	Brad Boakes, Smart Start Interlocks
Officials attending	Jessica Maynard, Senior Adviser, Safety
Agenda	s 9(2)(f)(iv)
Talking points	Talking points are attached as Annex 1

Contacts

Name	K (0	Telephone	First contact
Chris Nees, Acting Deputy	Chief Executive, Strategy	s 9(2)(a)	✓
Jessica Maynard, Senior A	Adviser, Safety		

MEETING WITH BRAD BOAKES (SMART START INTERLOCKS) ON THE

9(2)(f)(iv)

Background

- 1 Smart Start Interlocks is an NZTA-approved provider of alcohol ignition interlock devices (interlock devices). Smart Start Interlocks has a nationwide network of service centres for installing and servicing interlock devices and has installed over 10,000 interlocks in vehicles since 2013.
- Interlock devices are intended to help prevent drink-driving by stopping a vehicle from starting until a satisfactory breath sample, free of alcohol, has been given.
- In 2018, mandatory alcohol interlock orders for serious and repeat drink-driving offenders were introduced. Under these orders driving is only permitted with an alcohol interlock licence and use of an interlock device.

Mr Boakes would like to discuss the \$ 9(2)(f)(iv)



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

7 s 9(2)(ba)(i)



Annex 1: Talking Points

I am looking forward to hearing your views on the s 9(2)(f)(iv)

Government Policy Statement on Land Transport (GPS)

- As outlined in the GPS, the Government is looking at interventions that target the leading contributors to fatal crashes, including interventions that will tackle impaired driving.
- An example is the introduction of a new roadside oral fluid testing regime to better detect and deter drug-impaired driving.

New Zealand Road Safety Objectives document

- The Government is developing a New Zealand Road Safety Objectives document that sets out the action we are taking to improve road safety.
- I intend to rebalance road safety actions to be cost-effective, clear, and targeted, with a focus on safer roads, safer drivers, safer vehicles, and resetting speed.
- The GPS, and its direction on road safety has guided the development of the objectives document.



I intend to publish the final New Zealand Road Safety Objectives document by the end of this year.



23 July 2024 OC240794

Hon Simeon Brown Minister of Transport

MEETING WITH THE BUS AND COACH ASSOCIATION, 25 JULY 2024

Snapshot

You are meeting with the Bus and Coach Association (**BCA**) to discuss its priority policy issues. This will primarily be an opportunity to hear the BCA's perspectives. It also offers a good opportunity for you to discuss areas of concern for you such as passenger safety and value for money in public transport.

Time and date	3.30 – 4.00pm, 25 July 2024
Venue	Parliament EW5.1
Attendees	Delaney Myers, Chief Executive, Bus and Coach Association
	Grant Lilly, Independent Chair, Bus and Coach Association
Officials attending	Jessica Ranger, Manager, Urban Development and Public Transport, Ministry of Transport
	David Shepherd, Acting National Manager – Multimodal & Integration, NZ Transport Agency
Agenda	Delaney and Grant specifically wish to discuss:
2	safety on buses
No.	sustainable public transport provision
.(bus driver workforce shortages

Contacts

Name	Telephone	First contact
Jessica Ranger, Manager, Urban Development and Public Transport	s 9(2)(a)	✓
Liam Fechney, Adviser, Urban Development and Public Transport		

Meeting with the Bus and Coach Association, 25 July 2024

Key points

- The Bus and Coach Association (BCA) is concerned about the safety of drivers on board buses. The Government has committed to providing \$15 million of refocused funding to enable improvements to bus driver safety and work environments through Budget 2024. You have also asked the Ministry of Transport (the Ministry) and NZ Transport Agency (NZTA) to undertake a review of passenger safety on public transport buses and have s 9(2)(f)(iv)
- The BCA has the view that Public Transport Authorities (PTAs) overly focus on price over quality when tendering bus contracts, which may deliver lower value for money and contribute to workforce sustainability issues.
- In the procurement space, the BCA does not want PTAs or councils to own strategic public transport assets such as bus depots.
- The BCA is concerned that national bus driver shortage is only temporarily fixed as, in its
 view, the underlying recruitment and retention issues have not been resolved. You are
 closely monitoring the bus driver workforce, with officials providing monthly updates. In
 s 9(2)(ba)(i)

Average bus cancellation rates across Auckland, Wellington, and Christchurch (at aggregate level, most determined by availability of drivers), were 2.6 percent in April 2024. This cancellation rate reached as high as 12.2 percent in October 2022.

- The BCA may ask about refocusing Budget 2022 and 2023 funding for bus driver working conditions. It issued statements to its members after Budget 2024 that we understand caused some concern in the sector, as the BCA stated allocated funding was being returned, and there would be no funding for bus driver recruitment and retention. We suggest making it clear you have refocused the funding to deliver practical improvements to driver working conditions, rather than addressing further remuneration issues that you (and the BCA in its 'Briefing to the Incoming Minister') consider should be addressed through contract negotiations over time.
- The BCA may ask for an update on the status of the 2025 zero emissions bus
 procurement mandate, which it supports, and the 2035 zero emissions bus fleet target,
 which it does not support. You could ask for more detail on its views to help inform your
 decision on whether to maintain the mandate and target [OC240426 refers].

The BCA is the peak industry body for Public Transport Operators

The BCA is the industry representative and advocacy group for all bus Public Transport Operators (**PTOs**) along with 98 percent of school bus operators. It also represents most charter, tour, and long-distance operators and domestic bus manufacturers.

Bus driver safety is important to the BCA

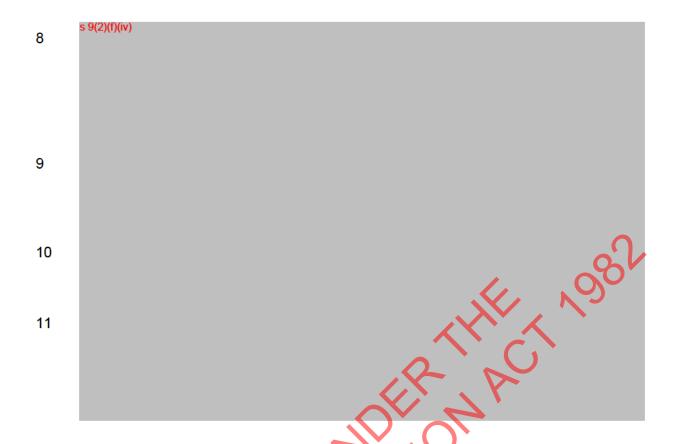
- The BCA is concerned about increasing anti-social behaviour on buses and at bus stops and exchanges as well as the impact this behaviour has on bus driver recruitment and retention and on public transport use.
- The BCA recently travelled to Australia to discuss driver recruitment and retention with the Bus Industry Confederation, as this is also an issue across the Tasman. It has noted many similarities between the two countries in terms of challenges in this space. It is currently exploring whether research commissioned in Australia could be applied to the New Zealand context and may present this to you in the meeting.



The Government is providing \$15 million through Budget 2024 to provide practical improvements to bus driver working conditions (including both safety and comfort). The Ministry is due to present you with advice this week on finalising the settings of this funding.

The BCA wants to ensure competition is enabled by the framework for planning and procuring public transport services

- The BCA supports competition in the public transport sector and wants to ensure it is enabled by the current regulatory framework for planning and procuring public transport services, which was called the Sustainable Public Transport Framework (SPTF) by the previous Government. The BCA also wants to see more of a focus on smarter and bundled procurement, where procurement practices are focused on outcomes rather than inputs and may include longer contract lengths (the current standard is nine years).
- The BCA is concerned about amendments to the Land Transport Management Act 2003 (LTMA) in 2023 that make it easier for PTAs or councils to own public transport assets (e.g. bus depots or vehicles) if they want to control how these assets are used and deployed. Prior to these legislative changes, PTAs were required to establish a Council Controlled Trading Organisation (CCTO) to own these public transport assets. Most councils found the requirements for setting up a CCTO onerous, and the LTMA was amended to remove this requirement. The BCA has requested that you repeal the changes to the LTMA.



Bus driver wages

- The BCA has the view PTA bus contract procurement has been overly focused on price instead of taking a holistic view of cost. The largest variable cost a PTO faces is staff. To compete on cost, there is significant pressure to reduce or at least maintain driver wages even if that threatens the long-term sustainability of the workforce.
- BCA's 'Briefing to the Incoming Minister' considers wage increases beyond the current levels should happen through contract negotiations, rather than through Crown funding. The BCA also may want to see further action to guarantee PTAs will not revert to the previous practice of awarding contracts completely on price, particularly in the current fiscal environment.

Bus driver workforce

The BCA considers the bus driver shortage has only eased temporarily, and that addressing this relied heavily on overseas recruitment, which means it is likely to reemerge. In the BCA's view, permanent resolution would require fixing issues in the way bus services are procured (such as the focus on cost instead of quality mentioned in the wages section above).

15 s 9(2)(ba)(i)

We will continue communicating these reported shortages to you monthly.

Average bus cancellation rates across Auckland, Wellington, and Christchurch (at aggregate level, most determined by availability of drivers) were at a record low of 2.6

17

s 9(2)(f)(iv)

The BCA support uptake of zero emissions buses, but are concerned that the speed of uptake may have unintended consequences

- The BCA supports the 2025 zero emissions bus procurement mandate. However, it has advocated for removing the 2035 target to completely decarbonise bus fleets. The BCA states that the target will lead to the premature retirement of diesel buses with negative economic and environmental consequences.
- We provided you with advice on the mandate and target [OC240426 refers] and are currently reviewing the cost-effectiveness and achievability of each of these.
- In April 2024, NZTA released commissioned research and a modelling tool of the economics of zero emission buses. This tool will help the BCA, PTAs and PTOs assess economics and the lifecycle emissions impact of replacing a diesel bus ahead of the end of its working lifespan.

IN CONFIDENCE

Biographies



Delaney Meyers, Chief Executive, Bus and Coach Association

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

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



Grant Lilly, Independent Chair, Bus and Coach Association

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



24 July 2024 OC240597

Hon Simeon Brown Minister of Transport Action required by: Monday, 29 July 2024

ROAD POLICING INVESTMENT PROGRAMME 2024–2027

Purpose

This briefing supports your consideration of whether to approve the Road Policing Investment Programme (RPIP) 2024–2027, as recommended by the New Zealand Transport Agency Board.

Key points

- The RPIP funds the costs of road policing activities which support transport sector outcomes. This contribution is agreed every three years through a process regulated by the Land Transport Management Act 2003.
- In line with that statutory process, the Board of the New Zealand Transport Agency (NZTA) has recommended you approve the proposed RPIP 2024–27, which outlines the road policing activities New Zealand Police (Police) will deliver over the next three years. This briefing is written to be read alongside the Board's recommendations.
- The RPIP requests a total of \$1.335 billion over the 2024–27 period. This figure includes \$72 million intended to be performance-dependent funding, as signalled in the Government Policy Statement on land transport. It also includes \$20 million to support implementation of the oral fluid testing regime.
- As Minister of Transport, you may approve the RPIP after consulting with the Minister
 of Police. The Ministry of Transport is comfortable with the proposed RPIP and
 recommends you approve it. The RPIP will begin once you notify the Board of your
 approval.



 If you approve the RPIP after 31 July 2024, interim funding arrangements may need to be put in place to ensure that Police are able to continue to deliver road policing activities.

IN CONFIDENCE

Recommendations

We recommend you

1	agree to forward this briefing to the Minister of Police to consult him on the Road	Yes / No
	Policing Investment Programme 2024–2027	

- 2 approve, following consultation with the Minister of Police, the recommended Yes / No Road Policing Investment Programme 2024–2027
- 3 sign, following consultation with the Minister of Police, the attached letters outlining your decisions to the New Zealand Transport Agency Board and the Commissioner of Police (Annexes 1 and 2 refer)

Commissioner of Police (Annexes 1 and 2 refer)

s 9(2)(f)(iv)

note that, should the RPIP be approved after 31 July, interim funding arrangements may need to be put in place to ensure that Police are able to continue to deliver road policing activities

Chris Nees
Acting Deputy Chief Executive,
Sector Strategy

24 / 07 / 2024

Minister's office to complete:

Approved

☐ Seen by Minister

☐ Overtaken by events

Hon Simeon Brown Minister of Transport

..... / /

□ Declined

☐ Not seen by Minister

Yes / No

Contacts

Comments

Name	Telephone	First contact
Chris Nees, Acting Deputy Chief Executive, Sector Strategy	s 9(2)(a)	
Joanna Heard, Manager, Safety		✓

ROAD POLICING INVESTMENT PROGRAMME 2024–2027

- 1 Road policing in New Zealand is funded through the National Land Transport Fund (NLTF), under the Land Transport Management Act 2003 (LTMA).
- 2 Under the LTMA, the New Zealand Transport Agency (NZTA) must recommend to the Minister of Transport police activities to be funded for the following three financial years. The 2021–24 period ended in June 2024 and the NZTA Board (the Board) have recommended a new Road Policing Investment Programme (RPIP) 2024–27. This briefing is intended to be read alongside the Board's recommendation to you.
- The RPIP requests a total of \$1.335 billion over the 2024–27 period. Of this, \$72 million (\$24 million per year) is dependent on agreed speed and impairment measures being met. A further \$20 million is provided for implementation of the oral fluid testing (OFT) regime and one year of activity.

The Road Policing Investment Programme proposes a new operating model managing Police road safety activities

- Formerly known as the Road Safety Partnership Programme (RSPP), the proposed RPIP 2024–27 builds on recent strong delivery of road policing by (among other things):
 - 4.1 introducing an outcomes framework linking road policing activities to intermediate and long-term outcomes; and
 - 4.2 introducing new performance measures where road policing activities were not previously reported (e.g., commercial vehicles) or where supported by evidence (e.g., targeting breath testing to high alcohol-risk times).

Procedural requirements have been met

- Before recommending Police activities that are to be funded from the NLTF, NZTA must consult the Secretary of Transport and Police Commissioner. This has occurred and the programme has been supported by both parties.
- Before recommending the RPIP, the Board must be satisfied it contributes to an effective, efficient, and safe land transport system in the public interest. The RPIP contributes to making our roads safer (and more efficient) by funding evidence-based activities targeting key risks on our roads.
- As required under the LTMA, this strategic refocus is consistent with the Government Policy Statement on land transport (GPS) 2024, which emphasises the role of enforcement in road safety alongside a strong focus on delivery and value for money. In particular:
 - 7.1 \$72 million of the total funding envelope is intended to be dependent on delivery of speed and impairment measures, in line with the GPS expectation that an element of funding for police activity is dependent on performance; and
 - 7.2 the proposed programme sets an initial target of 3.3 million roadside alcohol breath tests per year, in line with minimum targets outlined in the Safety strategic priority.

The GPS includes an expectation that road policing will eventually target 3.5 million tests per year, over the medium term. The RPIP does not explicitly outline a pathway to 3.5 million tests per year. Given this, we recommend you reiterate your expectation that NZTA is expected to identify an intended pathway to delivering 3.5 million tests. We have drafted the letter to the Board accordingly.

Some risks remain and will require management

- The funding envelope for implementation of the OFT regime does not include ongoing operating costs, but NZTA and Police will be better placed to have an informed negotiation about operating costs after the first year of operation. A variation to the RPIP (either its performance outcomes or funding levels) may be needed to support ongoing operation.
- Aside from \$20 million for implementation of the OFT regime, there is no additional funding for programmes or projects. This means new Ministerial priorities arising during the term of the RPIP may require reprioritisation or additional funding.
- Operational settings supporting delivery dependant funding will be addressed in a memorandum of understanding between NZTA and Police, which is under development. NZTA is forming a Monitoring and Assurance Group (MAG) which will assess delivery against the targets specified in the RPIP. NZTA anticipates appropriate senior officials would be delegated authority to approve Police to access funds which are delivery dependent.

Next steps

- We recommend you approve the RPIP 2024–2027. Provided you approve the RPIP, the programme will begin following notification of your approval.
- We have drafted a letter to the NZTA Board (Annex 1) which notifies them of your approval. This draft letter also notes:
 - 13.1 while transparency has been improving, there is still room for improvement on reporting how the funding is being used by Police.
 - 13.2 you are looking forward to hearing from the NZTA Board their plan to reach the target of 3.5 million alcohol breath tests per year.
- 14 A similar letter has been drafted for the Commissioner of Police (Annex 2).

15 **S^{9(2)(f)(iv)}

Should approval of the RPIP occur after 31 July, interim funding arrangements may need to be put in place to ensure that Police are able to continue to deliver road policing activities.

Hon Simeon Brown

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



Hon Simon Bridges Chair New Zealand Transport Agency Board Private Bag 6995 WELLINGTON

Dear Simon,

Thank you for your letter of 17 July 2024 where you provided me with the Road Policing Investment Programme 2024–2027 (RPIP) for my consideration and approval in accordance with the Land Transport Management Act 2003 (LTMA).

I acknowledge that financial transparency in relation to road policing has been improving, however, I consider there remains room for improvement on reporting how transport funding is being used by New Zealand Police. I expect transparency and reporting, as per section 102 of the LTMA will, continue to improve during the RPIP 2024–2027 term.

I also note the Government Policy Statement on land transport (GPS) 2024 includes an expectation that targets will be set such that Police undertake at least 3.3 million roadside alcohol breath tests per year, towards a target of 3.5 million tests per year. I would like to reiterate my expectation that over the medium term Police reach the target of 3.5 million alcohol breath tests per year. I would like to see a plan for reaching this target in due course.

I have consulted the Minister of Police who supports the RPIP. Considering that the RPIP meets the requirements set out under the LTMA and is aligned with my objectives set out in the GPS, I agree to approve the RPIP 2024–27.

Thank you again for writing.

Yours sincerely

Hon Simeon Brown
Minister of Transport

Copies to: Secretary of Transport Police Commissioner

Hon Simeon Brown

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



Andrew Coster
Commissioner of Police
c/o ministerial.services@police.govt.nz

Dear Commissioner,

On 17 July 2024, Hon Simon Bridges, Chair of the New Zealand Transport Agency (NZTA) Board provided me with the Road Policing Investment Programme 2024-2027 (RPIP) for my consideration and approval.

I have considered the RPIP in consultation with the Minister of Police. As the proposal meets the requirements set out under the Land Transport Management Act 2003 and is aligned with my objectives set out in the GPS, I have agreed to approve the RPIP 2024–27.

In my response to Hon Simon Bridges, I have outlined my expectation that transparency and reporting will continue to improve during the RPIP 2024-2027 term. I have also indicated that I expect to receive, in due course, a plan to reach the target of 3.5 million alcohol breath tests per year. I appreciate your support with these Government priorities.

Yours sincerely

Hon Simeon Brown
Minister of Transport

Copies to: Secretary of Transport NZTA Board Chair



24 July 2024 OC240793

Hon Simeon Brown Minister of Transport

MEETING WITH FOODSTUFFS' CHRIS QUIN AND JONATHAN BOX

Snapshot

Foodstuffs North Island Ltd (FSNI) has invited you to tour its Auckland campus and meet with CEO Chris Quin and General Manager Supply Chain Jonathan Box to discuss matters related to your transport portfolio.

Time and date	1.00 – 2.30pm, 26 July 2024		
Venue	35 Landing Drive, Māngere (Auckland Airport precinct)		
Attendees	Chris Quin, CEO Jonathan Box, General Manager Supply Chain		
Officials attending	None		
Agenda	genda FSNI has provided a list of potential topics for discussion. These are included in the key points below.		
Talking points	Talking points are provided as Annex 1.		

Contacts

Name	Telephone	First contact
Siobhan Routledge, Acting Deputy Chief Executive	s 9(2)(a)	
Marian Willberg, Manager Maritime and Freight		✓

MEETING WITH FOODSTUFFS' CHRIS QUIN AND JONATHAN BOX

Key points

- Foodstuffs North Island Ltd (FSNI) has invited you to tour its Auckland campus, following a meeting with its senior leaders.
- FSNI has set out a range of potential topics for discussion, as follows:
 - Priorities for government investment in roading and rail infrastructure from an essential service perspective.
 - Congestion charging and other opportunities to enhance transport sector efficiency.
 - Opportunities to strengthen driver safety across the sector.
 - Foodstuffs' progress in decarbonising its transport operations.
 - Other matters you may wish to raise.
- Talking points have been provided as Annex 1

Background

- Foodstuffs was established in 1922 (the name Foodstuffs was adopted in 1935) and now comprises two co-operatives, FSNI and Foodstuffs South Island (FSSI). Each co-op operates independently and autonomously, with its own Board of Directors, Chief Executive Officer and management structure. It remains 100 percent New Zealand owned and operated, employing over 30,000 people nationwide.
- 2 FSNI brands consist of New World, PAK'nSAVE, Four Square, Gilmours and Liquorland.
- FSNI provides logistics services to over 300 member stores via its fleet of over 300 trucks, contracted owner drivers, and network of five distribution centres. You have been invited to tour the 77,000 square metre Auckland distribution centre following your meeting with FSNI senior leaders.

FSNI is interested in your priorities for government investment in roading and rail infrastructure

- FSNI has flagged its interest in these topics 'from an essential services perspective'. We interpret this to mean the distribution and supply of food.
- Investments in Roads of National Significance and Roads of Regional Significance will increase the efficiency of how people and freight move around. Increased spending on pothole prevention is also expected to improve safety and resilience for the movement of freight.

- The Government Policy Statement on land transport (GPS) 2024 focuses rail investment on the highest value parts of the network to support the efficient movement of freight, notably on the connections between Auckland, Hamilton, and Tauranga. This will complement investment in the state highway network to deliver a productive and efficient supply chain.
- FSNI has not mentioned specific road and rail investment, so you may wish to ask FSNI what it sees as the priorities.

FSNI is likely to support time of use charging

- FSNI is likely to be interested in time of use charging, which Cabinet approved on Monday 22 July. For the last 25 years the supermarket companies have raised concerns about the rising cost of getting goods to their supermarkets. They have told us that the number of supermarkets a truck can service in a day has been declining, which in turn is increasing food costs.
- The meeting will be an opportunity to take FSNI through the productivity gains you want to achieve with time of use charging and check on its response to the initiative.

FSNI may have ideas for strengthening driver safety across the sector

As per the GPS, the Government will focus on improving road safety through ensuring we have sufficient road policing and enforcement and investment in new and safe roading infrastructure. We are also introducing a new roadside oral fluid testing regime to deter drug impaired driving.



Officials are currently working through all the submissions and will provide advice in due course.

FSNI has taken steps to decarbonise its operations

FSNI has introduced several electric vans and three electric trucks to its fleet

- In 2020, FSNI introduced New Zealand's first electric-powered refrigerated truck with co-funding from the Energy Efficiency and Conservation Authority's (EECA) Low Emissions Transport Fund (LETF). The truck operates out of FSNI's distribution centre in Hawke's Bay.
- This project was an extension of FSNI's electric van rollout to stores in 2016. 28 PAK'nSAVE, New World and Four Square stores received Nissan electric vans as part of another EECA co-funded project.

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The Low Emission Heavy Vehicle Fund (LEHVF) has been designed to support early adopters to overcome market barriers to accelerate the uptake of zero emissions heavy vehicles

- The LEHVF will be administered by EECA and is intended to be launched in 2024, running to mid-2028. There is \$27.75 million available in grant funding.
- 17 Following your recent approval of some design changes for the programme (EECA 2024 BRF 007 refers), the LEHVF will provide funding support for zero emission heavy vehicles (excluding 3.5 5.9 tonne vans). The Fund also includes support for hybrid vehicles with proven technologies.
- The exclusion of light vans and the inclusion of hybrid vehicles were not included in the original design of the LEHVF that was consulted on with industry in 2023. We suggest that these specific details are not mentioned to FSNI (as the rest of the industry is not yet aware). You could instead mention to FSNI that further updates will be communicated in the following weeks.

The Supercharging EV Infrastructure work programme will support public charging

- Through working with ChargeNet and EECA, FSNI and FSSI have installed a number of fast EV chargers at its stores, helping to further expand coverage of the EV public charging network to key centres in the North and South Islands.
- In May 2024, Foodstuffs (co-operatives) and ChargeNet announced plans to build at least 80 new charging sites at Foodstuffs supermarkets across the country over the next four years. ChargeNet expects that this formal partnership will speed up the installation of new chargers. Customers should be able to get up to 80 percent charge in around half an hour.
- You may like to mention this government's commitment to enabling delivery of a network of 10,000 public EV charge points by 2030, and your initial priorities for this work.

Biographies

Chris Quin

Chris joined Foodstuffs as CEO in 2015, with over 28 years' experience in leadership roles. His most recent position was CEO of the Home, Business, and Mobile division of Spark NZ.



Jonathan Box

Jonathan was appointed General Manager Supply Chain in June 2018. Prior to this, he spent almost 30 years with Nestlé around the world before Fonterra brought him to New Zealand.



Annex 1: Talking Points

MEETING WITH FOODSTUFFS' CHRIS QUIN AND JONATHAN BOX

Time of use charging

- The focus will be on improving network productivity through keeping traffic flowing.
- Schemes will identify a charging area that can be progressively expanded, subject to a
 public consultation process.
- Heavy vehicles will pay more per trip than light vehicles, but the time savings due to improved traffic flow should well and truly offset these costs.
- I'm interested in Foodstuffs' views on these proposals.

Opportunities to strengthen driver safety

- I am interested in hearing Foodstuffs' views on how to improve road safety in the sector.
- I am aware that you made a submission on the draft Speed Rule. Officials are currently working through all the submissions and will provide me advice in due course.

Transport decarbonisation

- Further updates on the Low Emissions Heavy Vehicle Fund will be communicated in the following weeks, with my expectation that the programme will be launched to market this quarter (July-September).
- I am encouraged by Foodstuffs' efforts to plug some of the gaps in the public charging network with fast charging available at many stores.
- The Government is focused on increasing public charging infrastructure, with a commitment to enable delivery of a network of 10,000 public EV chargers by 2030.



24 July 2024 OC240825

Hon Simeon Brown Minister of Transport

MEETING WITH LEE MARSHALL, CHIEF EXECUTIVE OF THE MOTOR TRADE ASSOCIATION

Snapshot

You will meet with Lee Marshall, Chief Executive of the Motor Trade Association for a general catch up.

Time and date	me and date 9.30am – 10.00am, 26 July 2024				
Venue	Auckland Policy Office				
Attendees	Lee Marshall, Chief Executive				
Officials attending	None				
Agenda An agenda has not been provided					
Talking points Talking points have been provided throughout, where relevant					

Contacts

Name	(), 7 ₁	Telephone	First contact
Siobhan Routledge	Acting Deputy Chief Executive	s 9(2)(a)	
Marian Willberg, Ma	nager Maritime and Freight		✓

MEETING WITH LEE MARSHALL, CHIEF EXECUTIVE OF THE MOTOR TRADE ASSOCIATION

Key points

- You will meet with Lee Marshall, Chief Executive of the Motor Trade Association (MTA) at the Auckland Policy Office on 26 July 2024.
- You previously met Lee Marshall when he attended your three-monthly catch up with key road transport industry bodies on 20 June 2024.
- MTA has not provided an agenda ahead of this meeting. Lee may raise:
 - the disestablishment of Te Pūkenga and vocational training
 - o the review of the Clean Vehicle Standard targets
 - shifting the Clean Vehicle Standard to a user pays model
 - the Supercharging EV Infrastructure work programme
 - vehicle systems reform.

Background

- 1 MTA was founded in 1917 and currently represents over 4,000 businesses within the New Zealand automotive industry and its allied services.
- 2 MTA members operate businesses including automotive repairers (both heavy and light vehicle), collision repair, service stations, vehicle importers and distributors and vehicle sales.

MTA will likely raise the disestablishment of Te Pūkenga and vocational training

- We understand that a consultation document is expected to be released in the next few weeks, outlining the change proposals.
- MTA's position is that if changes are unsatisfactory, employers will seek to train their staff (formally or informally) elsewhere. Additionally, MTA is of the view that the industry's qualifications have not kept up with technological changes in the automotive sector and need to keep pace. If the new arrangements do not address these concerns, MTA has said the result will be a fragmented system.
- MTA is calling for an independent industry training organisation for the sector, with the power to set standards and qualifications and deliver training. You may like to ask for more details on how this would work and what would be needed from the government.

We expect the transport sector would want to ensure it has a role in the decisionmaking around educational requirements and industry standards for their respective industries. It will appreciate the ability to provide feedback through consultation.

MTA may raise Clean Vehicle Standard (the Standard) targets and fees

Review of the Standard's targets

- 7 MTA supports the decisions the Government took on the review of the Standard.
- The MTA's position was that targets need to achieve a compromise that reduces average CO2 emissions from vehicles entering the light vehicle fleet, while not leading the world in our reduction levels. The MTA emphasised the importance of achieving this goal without imposing excessive costs on vehicle importers. Its primary concern is that such costs would ultimately be passed on to consumers, potentially delaying the replacement of older vehicles and limiting safer options with lower CO2 emissions.
- The MTA may raise the issue that 2026 is too late for the new flexibility measures, agreed as part of the Standard review, to be operational. These measures are the:
 - 9.1 extension of the lifespan of emission credits (existing and future) from three to four years
 - 9.2 extension of the use of borrowing of future target overachievement (i.e. payment obligation deferral) beyond 2025
 - 9.3 removal of the legislative restriction on credit transfers between the new and used-import sectors, with a 2026 start date for transfers.



Shifting the Standard to a user pays model

- As flagged in the Weekly Report, work is underway to transition the Standard to a user pays model. \$\frac{s 9(2)(f)(iv)}{}}
- 12 You will be briefed on outcomes and next steps in early August.

MTA may be interested in the Supercharging EV Infrastructure work programme

MTA made a submission on the previous government's Charging Our Future: a draft long-term electric vehicle charging strategy for Aotearoa New Zealand last year. At the time, the MTA recommended that the strategy would need to incorporate EV charging technology as it evolves and best practices as they are established. MTA

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also recommended utilising the existing service station network for EV charging infrastructure to minimise stress on the electricity network and address geographic variations, and that the protection of consumers' data should be made clear.

The Supercharging EV Infrastructure work programme will support public charging

- 14 The initial priorities for the Supercharging EV Infrastructure work programme are to:
 - 14.1 continue regulatory work to reduce barriers to investment in EV charging infrastructure. The Electricity Authority is progressing work to address connection costs and processes. Work is also underway by MBIE and the Ministry for the Environment to address consenting barriers as part of Electrify NZ.
 - 14.2 revise the government's co-investment model for public EV charging infrastructure to ensure maximum value from government investment.

Vehicle system reform

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

Although officials anticipate working closely with MTA on all matters raised in OC230895 | BRI 3088, there is likely to be sensitivity around some of the proposals solution of the purpose of this meeting we recommend keeping the discussion broad, though you may wish to note your strong desire to align with the sector as we progress this work – \$9(2)(f)(iv)

Biographies

Lee Marshall, Motor Trade Association (MTA)

Lee Marshall has been Chief Executive of the MTA since April 2023. He previously held management roles in the car rental industry.



Annex 1: Talking Points

MEETING WITH LEE MARSHALL, CHIEF EXECUTIVE OF THE MOTOR TRADE ASSOCIATION

The disestablishment of Te Pūkenga and vocational training

- I encourage you to provide feedback on the proposed changes through consultation.
- Question What do you think is needed to improve vocational training for this sector?

Shifting the Clean Vehicle Standard (the Standard) to a user pays model

- It is my intention that the Standard moves to a user pays model. It is appropriate that
 those who benefit from the Standard should contribute to its costs.
- This is not uncommon in the transport sector for example, electric vehicles are now required to pay Road User Charges.
- I understand that you have been asked for your views on how the Standard's costs should be recovered.
- Thank you for your involvement and I look forward to sharing further details on cost recovery at a later date once decisions are finalised.

Supercharging EV Infrastructure

 The Government is focused on increasing public charging infrastructure, with a commitment to enable delivery of a network of 10,000 public EV chargers by 2030.

Vehicle system reform





Document 14

25 July 2024 OC240736

Hon Simeon Brown

Action required by:

Minister of Transport

Friday, 9 August 2024

CONFIRMING FUNDING ARRANGEMENTS FOR RECRUITING AND RETAINING BUS DRIVERS INITIATIVE

Purpose

This briefing seeks your agreement to a proposed co-funding model for improvements to bus driver safety and work environments funded through Budget 2024.

Key points

- Budget 2024 included a commitment to refocus \$15 million of existing funding over two years to improve safety and work environments for bus drivers.
- We propose a co-funding model with funding criteria that will ensure additionality, value for money, innovation, and competition. So, the funding can be allocated efficiently and effectively, we propose using the following grant process:
 - NZTA invites all PTAs to submit a request for a Crown contribution to safety and work environment improvements that are not already committed to or funded.
 - NZTA assesses the requests against the funding criteria and allocates funding. The Crown's maximum contribution will be up to 51 percent for safety improvements, and between 60 and 75 percent for the one-off establishment costs of work environment improvements, reflecting significant differences in scale, cost, and economic life.
- The intention is for NZTA to complete the initial grant process by the end of 2024. If there is funding remaining, we propose NZTA runs an additional round in 2025.
- Having PTAs submit requests for funding at the same time enables opportunities for bulk procurement to be identified. Bulk procurement will enable economies of scale, reduced costs and improved value for money, particularly for smaller PTAs.
- We propose NZTA and the Ministry engage with the National Public Transport
 Workforce Steering Group to build a picture of need across the country, help develop
 bulk procurement approaches, and encourage and support PTAs to complete their
 requests for funding.
- Subject to your agreement, we will formalise the co-funding model in a funding agreement between the Ministry and NZTA, and a letter for you to send to NZTA's

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Board Chair outlining your expectations for how the fund will be managed and administered.

Recommendations

We recommend you	We	recommend	vou:
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1	agree the co-funding model mo	ust align with the fol	lowing fun	ding criteria:	
	additionality; value for money; i	nnovation; and com	petition		Yes / No
2	agree to a co-funding model th Crown contribution towards imp work environments and that are	provements that will	improve b	ous driver safety and/or	Yes / No
3	agree the Crown's maximum c	ontribution will be:			
	up to 51 percent for safety impl	rovements		$\langle X_{i} X_{i} \rangle$	Yes / No
	between 60 and 75 percent for improvements	the one-off establis	hment cos	sts of work environment	Yes / No
4	agree the co-funding will be alle Transport Authorities will be invenvironment improvements that	ited to submit a req	uest for fu	inding for safety and work	Yes / No
5	agree an additional round will be initial grant process	pe run in 2025 if the	funding is	not fully allocated via the	Yes / No
6	note the Ministry and NZTA pla Workforce Steering Group to				Noted
8	natuolax	COST			
	bhan Routledge E – Policy Group (Acting)	7,		eon Brown of Transport	
	/ .07 / 2024		/	<i>1</i>	
Min	ister's office to complete:	☐ Approved		□ Declined	
		☐ Seen by Ministe	r	☐ Not seen by Minister	
	O_{X}	☐ Overtaken by ev	/ents		
Cor	nments				

Contacts

Name	Telephone	First contact
Jessica Ranger, Manager, Urban Development and Public Transport	s 9(2)(a)	✓
Liam Fechney, Adviser, Urban Development and Public Transport		

CONFIRMING FUNDING ARRANGEMENTS FOR RECRUITING AND RETAINING BUS DRIVERS INITIATIVE

Government funding will support bus driver recruitment and retention by delivering practical improvements to bus driver safety and work environments

- Budget 2024 included a commitment to refocus \$15 million of existing funding over two years for practical improvements to working conditions for bus drivers to increase driver retention and recruitment. We advised the funding could be used for a range of improvements including driver safety screen retrofits, new driver toilet facilities, and new driver rest and break rooms [OC240571 refers].
- At your request, the Ministry of Transport (**Ministry**) and the NZ Transport Agency (**NZTA**) undertook a review of passenger safety on buses following an incident in Auckland in June 2024 [OC240795 refers]. The review highlighted there are some safety improvements that benefit the driver and their passengers such as real-time CCTV monitoring. These improvements can also be funded via this Budget 2024 funding provided they meet the proposed funding criteria.

We propose a co-funding model to help deliver these improvements

- A co-funding model will enable Public Transport Authorities (**PTAs**) to request a funding contribution from the Crown towards improvements that will enhance the safety and work environments of bus drivers.
- 4 We propose the following funding criteria for the co-funding model:

Additionality

- 4.1 Co-funding will not be provided for improvements that are already funded, or where there is an existing commitment to fund.
- 4.2 Co-funding will be prioritised to deliver new improvements.

Value for money

- 4.3 Co-funding will only be provided where there is a clearly demonstrated need for an improvement.
- For work environment improvements, co-funding will only support the one-off establishment costs with PTAs responsible for managing any cost escalations.
- 4.5 For safety improvements, co-funding should only be provided where there is good asset life (i.e. buses that are not close to replacement) and there is a contribution from the Public Transport Operator (**PTO**) who owns the asset.
- 4.6 Co-funding should encourage PTOs to contribute their fair share to working environment improvements in key network locations controlled by PTAs.

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4.7 Co-funding will require requests for funding to align with NZTA's public transport procurement policies and guidelines, including NZTA's general directive that investments need to achieve value for money.

Innovation

4.8 Co-funding should consider opportunities to enhance innovation such as bulk procurement of similar improvements across PTAs to deliver greater value for money and efficiency.

Competition

- 4.9 Co-funding should support fair competition between PTOs.
- 4.10 Co-funding will only be provided for work environment improvements in key network locations controlled by PTAs or local authorities.

The local funding component will vary due to the scale and cost of delivering different types of improvements

- We propose setting a maximum amount for the Crown contribution that differs between safety and work environment improvements. This is because the funding has a wide variety and scale of uses, with delivery costs differing significantly. For example, while driver safety screens are relatively cheap to provide in large numbers, capital works are required to improve toilet and meal break facilities.
- 6 Our proposed Crown contribution is:
 - 6.1 up to 51 percent for safety improvements
 - 6.2 between 60 and 75 percent for the one-off upfront cost of the capital component of work environment improvements, reflecting the high impact and long life of these improvements against the capital outlay required.
- 7 NZTA will be required to consider the appropriate level of local funding for each improvement and allocate Crown funding accordingly. The local funding contribution will come from RTAs, local authorities, and PTOs.

A grant process will allow funding to be allocated effectively and efficiently...

- We recommend funding is allocated to PTAs via a grant process that comprises the following steps:
 - 8.1 NZTA will use the funding criteria to develop a request for funding template that will be sent to all PTAs to submit for consideration. The template will ensure PTAs are clear on the requirements for accessing the funding and enable NZTA to have the information it needs to make funding decisions.
 - 8.2 NZTA will assess the requests according to the funding criteria and take into consideration the scale of need and proposed co-funding required.

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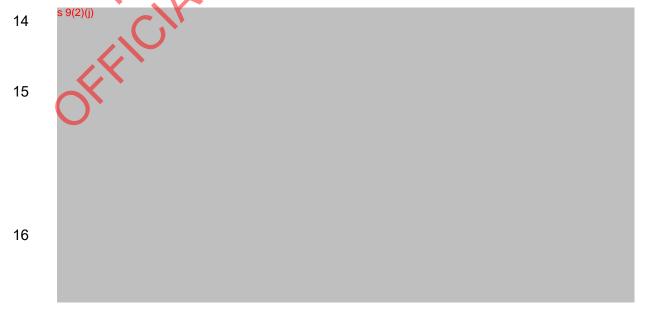
- 8.3 NZTA will approve or decline requests. There may also be a third category of requests, which are those that are granted provisional approval but require further information from the PTA to finalise. NZTA has found having this third category to be a pragmatic approach to give the sector certainty as part of similar funding processes.
- 9 NZTA considers this grant process can be up and running quickly. The intention would be to have it completed by the end of 2024. If there is funding remaining, we propose NZTA runs an additional round in 2025.
- After the funding is fully allocated, the expectation is PTAs will need to incorporate any further improvements to bus driver safety and working environments into contract negotiations with PTOs or seek funding via standard processes such as the National Land Transport Fund or a local authority's Long Term Plan (LTP).

...and make the most of bulk procurement opportunities

One of the benefits of inviting all PTAs to submit requests for funding at the same time is that it enables NZTA to identify opportunities to consolidate orders across PTAs and bulk purchase improvements. Bulk purchasing can lead to cost savings through a lower per-unit price and reduced administration costs. It also means smaller PTAs can leverage economies of scale they would not otherwise be able to do so.

Auckland Council has recently announced funding for driver safety screen retrofits

- Auckland Council has provided \$6.5 million to Auckland Transport through its recently adopted 2024-2034 LTP. The intention is to install driver safety screens in 80% of buses within two years, instead of taking 10 years to do all of them under business-as-usual funding.
- Auckland Transport already requires new buses being introduced into its fleet to be fitted with safety screens before entry into service, so this funding is exclusively to retrofit the existing fleet.



Engaging with the National Public Transport Workforce Steering Group will help ensure a successful roll out

- The previous Government used the National Public Transport Workforce Steering Group (**the Steering Group**) to help develop the funding settings for bus driver wages and conditions initiatives funded via Budgets 2022 and 2023. The Steering Group evolved from previous sector working groups and is only advisory. None of its recommendations are binding on any party.
- The Steering Group is chaired by NZTA and includes the Ministry, representatives from several PTAs and unions, and the Bus and Coach Association. While the Steering Group is currently inactive, NZTA intends to stand it up to help inform work on developing national guidance on good practice for managing passenger safety.
- The Ministry and NZTA plan to engage with the Steering Group to inform the roll out of this funding. Its members have expertise and experience that can help to build a national picture of where there would be the most benefit from improvements to safety and work environments. They can also help to develop the most effective approach to bulk procurement.
- The Steering Group can also play a role in encouraging and supporting PTAs to complete their funding requests.

Next steps

Once you have agreed to an approach for allocating the bus driver safety and work environments funding, Ministry officials will draft a letter from you to the NZTA Board Chair setting out your expectations regarding how the funding will be allocated to PTAs. The Ministry will then work with NZTA to put in place the funding agreement.