

OC240241

5 April 2024



Tēnā koe 

I refer to your email dated 8 March 2024, requesting the following under the Official Information Act 1982 (the Act):

“since the current Government was sworn in:

- *Any briefings provided to a Minister or Ministers to support conversations the Minister(s) has had with representatives of lobbying groups?*
 - *If briefings have been provided, please also provide any related correspondence between or within agencies/departments/ministries and/or with the Minister or their staff.*
- *A copy of any correspondence the Minister's Office forwarded to the Department from representatives of lobbying groups”.*

According to the Ministry of Justice description of ‘lobbying’, this request would cover information relating to all ‘advocacy activities to influence government policies and decisions’. This description is not intended to exclude groups or individuals but is rather intended to assist in the interpretation of the scope of this request.

Where the information relates to matters that are currently under active consideration by Ministers or Cabinet, I note that the Ombudsman has previously ruled that section 9(2)(f)(iv) of the Act does not apply to information from external consultants or lobbyists (see Ombudsman case 174587).”

Twenty-four documents fall within the scope of your request:

- twenty-two are released with some information withheld
- two are refused

Certain information is withheld and or refused under the following sections of the Act:

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

- 7(a) as release would be likely to prejudice the security or defence of the self-governing State of the Cook Islands; or the self-governing State of Niue; or Tokelau; or the Ross Dependency
- 7(c) as release would be likely to prejudice the international relations of the Governments of the self-governing State of the Cook Islands; or the self-governing State of Niue
- 9(2)(a) to protect the privacy of natural persons
- 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
- 18(d) the information requested is or will soon be publicly available

The document schedule at Annex 1 summarises the above information.

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 website. Before publishing we will remove any personal or identifiable information.

Nāku noa, nā



Hilary Penman
Manager, Accountability and Correspondence

Annex 1 Document Schedule

Doc #	Reference number	Date	Title of Document	Decision
1	N/A	27 November 2023	Letter from Mark Gilbert and Kirsten Corson, Drive Electric, to Hon Simeon Brown	Released in full.
2	N/A	November 2023	Briefing to Incoming Ministers from Aviation New Zealand	Released in full.
3	N/A	30 November 2023	Letter from Sir Colin Tukuitonga, New Zealand College of Public Health Medicine, to Hon Simeon Brown	Released in full.
4	N/A	30 November 2023	Briefing to Incoming Ministers Sustainable Business Council and Climate Leaders Coalition	Refused under Section 18(d). The document is published here: https://sbc.org.nz/wp-content/uploads/2023/11/Briefing-for-Incoming-Ministers-November-2023.pdf
5	OC231003	30 November 2023	Ministry Briefing - NZALPA Informal Meeting, 4 December 2023	Released with some information withheld under Sections 6(a), 9(2)(a), 9(2)(f)(iv) and 9(2)(g)(i).
6	N/A	1 December 2023	Letter from Danusia Wypych, ChargeNet, to Hon Simeon Brown	Released with some information withheld under Section 9(2)(a).
7	N/A	December 2023	Briefing Paper from VIA: New Zealand's Transport Future	Refused under Section 18(d). The document is published here: https://www.via.org.nz/assets/pdf/submissions/VIA_Submission_New_Zealands_Transport_Future.pdf
8	N/A	5 December 2023	Email Titled - RE: Speech to NZ Council of Cargo Owners From Matthew Winthrop (Ministry) To Tony Frost (Parliament) Attachment - Getting Transport Back on Track speech	Released with some information withheld under Section 9(2)(a).
9	OC231076	19 December 2023	Ministry Briefing - Meeting with Employers And Manufacturers Association (EMA) and Chamber of Commerce	Released with some information withheld under Section 9(2)(a).
10	N/A	25 January 2024	Letter from Greig Epps, VIA, to Hon Simeon Brown	Released in full
11	N/A	25 January 2024	Email Titled - Speak and attend at the NZAA Annual Conference From Dominic Cowell-Smith (Parliament) To Media Mailbox (the Ministry)	Released with some information withheld under Section 9(2)(a).

Doc #	Reference number	Date	Title of Document	Decision
			Attachments - Simeon Brown Minister of Transport.pdf Letter from AA to Simeon Brown also attached.	
12	N/A	29 January 2024	Email Titled - FW: Briefing please - Minister meeting with NZ Airports From Garrick Wood (the Ministry) To Laurence Tyler (the Ministry) Attachment - NZ Airports to Hon Simeon Brown and Six Actions for Aviation	Released with some information withheld under Section 9(2)(a).
13	N/A	1 February 2024	Letter from Bill Moore, NZ Airports, to Hon Andrew Bayly Copied to Hon Simeon Brown	Released in full.
14	OC240068	5 February 2024	Ministry Briefing - Meeting with New Zealand Airports Association	Released with some information withheld under Sections 9(2)(a) and 9(2)(f)(iv).
15	OC231123	7 February 2024	Ministry Briefing - Meeting with Port Company CEO Group	Released with some information withheld under Sections 6(a), 7(b), 7(c) and 9(2)(a).
16	N/A	8 February 2024	Email Titled - FW: Speed Limits for SH30 through Rotoiti East Lake Side Community From Simeon Brown (Minister) To Transport Portfolio (Parliament)	Released with some information withheld under Section 9(2)(a).
17	N/A	8 February 2024	Email Titled - RE: Introducing BRONZ From Les Mason, BRONZ Auckland To Matthew Doocey (Minister)	Released in full. (Some unrelated information withheld as "out of scope".)
18	N/A	13 February 2024	Letter from Drive Electric, the Motor Industry Association, New Zealand Automobile Association, Motor Trade Association, the Imported Motor Vehicle Industry Association, and the Better New Zealand Trust to Hon Simeon Brown	Released in full.
19	N/A	13 February 2024	Email Titled - FW: INV23-265 FYI - Letter sent to PM reintroducing The Aotearoa Circle From Simeon Brown (Minister) To Transport Portfolio (Parliament) Attachment - The Aotearoa Circle One Pager, Introductory	Released in full.

Doc #	Reference number	Date	Title of Document	Decision
			Letter to Prime Minister Dec 12 2023	
20	OC240133	20 February 2024	Ministry Briefing - Meeting with General Motors on Clean Car Importer Standard	Released with some information withheld under Section 9(2)(a).
21	N/A	26 February 2024	Email Titled - Request for an Inquiry From Niall Robertson (Public Transport Users Association) To Simeon Brown (Minister)	Released with some information withheld under Section 9(2)(a).
22	N/A	27 February 2024	Letter from James Walker and Tim Calder, Drive Electric, to Hon Simeon Brown	Released in full.
23	N/A	4 March 2024	Email Titled - RE: Urgent: Briefing to support Minister's attendance at NZAA Annual Conference From Dominic Cowell-Smith (Parliament) To Ben Goodchild (the Ministry)	Released with some information withheld under Section 9(2)(a).
24	OC240190	5 March 2024	Ministry Briefing - New Zealand Automobile Association Annual Conference – 8 March 2024	Released with some information withheld under Sections 9(2)(a) and 9(2)(f)(iv).



Hon Simeon Brown MP
Minister of Transport and Energy
Parliament Buildings
WELLINGTON

27 November 2023

Dear Minister Brown

On behalf of Drive Electric and its membership, congratulations on your appointment as Minister of Transport and Energy. We very much look forward to working with you on our shared mission to accelerate the uptake of e-mobility in New Zealand

Drive Electric is New Zealand's leading, apolitical, not-for profit organisation focussed on accelerating the uptake of e-mobility in New Zealand.

I have been Chair of Drive Electric for 11 years, and I have decided to stand down at the end of December. Kirsten Corson has just been appointed as Drive Electric Chair, and will take up that appointment from 1 January 2024. This letter is from us both.

Looking ahead to 2030, the opportunity for electrification in transport is immense. It will obviously play a critical role in contributing to emissions reductions, but in doing so will lower costs for business and households and reduce New Zealand's dependence on fossil fuels. The economic and environmental case is clear. The [State of the Nation](#) report we launched in September demonstrates these facts.

We have prepared a Briefing for you as the incoming Minister, where we set out some high level priorities for electrifying transport. As a country we have some momentum, and the opportunity now is to accelerate progress. For Drive Electric we believe the most pressing priorities are:

- Accelerating momentum with incentivising the uptake of light fleet; and
- Rapidly accelerating investment in public charging by removing barriers and catalysing investment.

We welcome your announcement to build 10,000 chargers and we have a Charge Point Operator Subgroup ready to work with you on that objective.

We acknowledge your intent to remove the Clean Car Discount. We are concerned that this is going to significantly disrupt EV sales and stall momentum towards electrification. We are keen to discuss alternative approaches with you. Alongside this, we note the intent to apply RUCs on EVs. Clearly this needs to occur at some point, however the timing of these matters should be considered against the removal of the Discount.

Accordingly, we would like to seek meetings with you at the earliest opportunity to discuss the outcomes you would like to achieve. The CPO subgroup would also like to meet with you specifically on direction relating to public charging. We would be happy to have these meetings in Wellington or in Auckland, depending on what suits you, and can work with your office on the details subject to your agreement.

Additionally, we have two invitations for you. Our membership and the wider sector is very keen to engage with you and hear about your plans.

On 6 December, we will be hosting an end of year member event in central Auckland in the early evening. If your diary permits, we would very much appreciate your attendance. This will be a casual get together, but would warmly welcome some remarks from you. If you cannot attend this, we will set up another member event in the new year.

In February or March 2024, we would like to invite you to our annual premium members dinner as our guest of honour to welcome the incoming Chair, new Directors and Drive Electric's premium members. If you are interested in being our guest, we will liaise with your office on setting the date.

Congratulations again on your appointment. We very much look forward to working with you.

Yours sincerely,



Mark Gilbert
Chair, Drive Electric



Kirsten Corson
Incoming Chair, Drive Electric



Drive Electric Brief for incoming Minister of Transport and Energy – November 2023

Introduction

Drive Electric is New Zealand's leading, apolitical, not-for-profit organisation focussed on accelerating the uptake of e-mobility in New Zealand.

In existence since 2011, we have more than 70 members representing the electric mobility ecosystem. Members represent electricity generators and retailers; network businesses; auto distributors; fleet companies; charging providers; financial services; information technology companies; and other related businesses.

We also facilitate a subgroup of Charge Point Operators (CPOs) comprising Meridian, Tesla, Jolt, ChargeNet, Z Energy and BP.

Earlier in 2023, we released an [Election Manifesto](#). In September 2023, we released the first ever [State of the Nation Report | E-mobility in New Zealand 2023](#). The manifesto and State of the Nation Report provide important context to this Briefing. We have been consistent through these documents in our recommendations.

This brief represents the views of Drive Electric and includes, where noted, specific views of the CPO subgroup.

The opportunity

Electrifying transport presents New Zealand enormous opportunities. First and foremost this opportunity is economic. The State of the Nation Report demonstrates that e-mobility will:

- Create demand for investment into renewable energy
- Save businesses and households money through their energy bills
- Reduce our expenditure and reliance on imported fossil fuels
- Reduced expenditure on health-related concerns from air pollution

Beyond the economic benefits, there are manifold environmental and social benefits, including:

- Reduced greenhouse gas emissions
- Reduced air pollution
- Reduced health and social harms from air pollution

The State of the Nation report also demonstrates that globally electric transport is emerging as the dominant technology. So the fundamental question is no longer whether our future transport system is electric, it is how we best prepare for the electrification of transport so New Zealand

best takes advantage of it. This BIM sets out the headline challenges and our recommendations for the incoming Government.

The challenges

Despite the global and domestic progress with electrification, there remains a number of challenges associated with electrification. These are covered in the State of the Nation report in more depth, but to summarise:

1. The purchase price of light electric vehicles remains higher than an equivalent internal combustion engine (ICE). See page 19 of the State of the Nation report.
2. The cost of petrol is challenging for many New Zealanders, and is only likely to increase through this decade given the role of the Emissions Trading Scheme and other geopolitical factors. At the same time, the upfront cost of electric alternatives can be prohibitive.
3. There is not a global stock of RHD second hand electric vehicles available to meet future demand in New Zealand. See page 20 of the State of the Nation report.
4. Public charging infrastructure has not kept pace with demand, because of the costs and processes associated with connecting to electricity networks. These costs and processes are reflective of the current regulatory settings under which electricity networks operate, which incentivise efficiency over forward investment and decarbonisation.
5. Local councils are generally, with some exceptions, not prioritising the accelerated roll-out of public charging facilities and innovative options, such as on street charging.
6. There are no mandates or incentives encouraging New Zealanders to install 'smart charging' in their homes, to help manage electricity demand. The majority of users (61%) are currently charging using non-smart methods, e.g., standard three pin plug. See page 43 of the State of the Nation report.
7. Commercial and residential buildings have not been built ready to install charging infrastructure. As it stands today, this remains an optional consideration by developers. Retrofitting charging infrastructure in buildings can cost approximately double.
8. The economics of investing in electric commercial and heavy transport do not yet stack up under current settings and prices of available technologies. (However, together these vehicles contribute significantly to road transport emissions, about 50%.)
9. Electric planes and boats are in their infancy, but show promise for New Zealand. Collaboration with the government is necessary to get these technologies in place.

Our recommendations

1. Incentivising electric vehicles

Alongside the emissions standards, there remains a need for an incentive to help consumers overcome the upfront cost of electric vehicles (new or secondhand).

We acknowledge your election commitment to end the Clean Car Discount. We are however concerned this is going to have a negative impact on the uptake of electric vehicles. As such, we encourage you to consider an alternative incentive. Appendix B has some options.

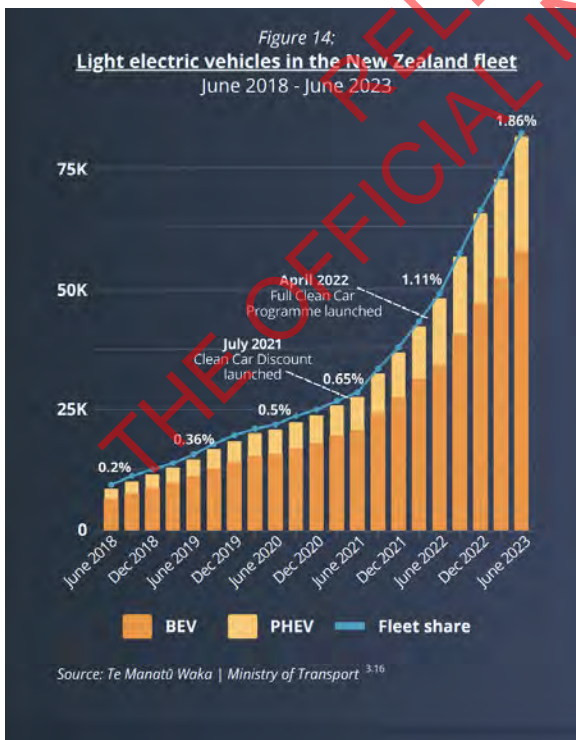
The faster we can get New Zealanders into electric vehicles, the faster the economy and households benefit. EVs are forecast to be deflationary for household energy costs. By 2035 a household with two EVs could half their energy costs (see p.49 of the State of the Nation report).

However, households still need to overcome the upfront capital cost, whether new or used, to take advantage of these cheaper energy bills. In a report, Why The ETS Can't Do It Alone, Massey University Professor Robert McLachlan, says the carbon price would need to be \$235 to reduce New Zealand's emissions in line with targets (transport emissions down 41 percent by 2035). This would have a significant impact on petrol prices.

The cost of an incentive needs to be considered against the cost of fuel to households and the economy (circa \$8-\$9b per year) and the costs of our climate liabilities under the Paris Agreement (estimated at up to \$20b per year).

Incentives are only an interim requirement as the market hits maturity. As prices get closer to parity and more secondhand EVs become available, incentives can be reduced. For example, in the UK, subsidies for electric cars ended in 2022, having exceeded a 20% market share (and being in place for well over five years). At the moment we are on track for about a 12% market share in 2023. This year China has reinstated incentives for consumers to maintain uptake, with an even higher market share.

We support retaining the Clean Car Standard. Critically, the standard must be set at a level that drives industry to import more EVs and encourages them to make those available at competitive prices in the market. Standards that are too weak will have the effect of removing the leveraging power of OEMs to achieve the necessary models to serve the New Zealand market. However, the Standard was designed to be used in conjunction with an incentive. We believe thought needs to be given to the demand side to ensure consumers are encouraged to, and can buy, the EVs OEMs and importers are bringing into the country.



(State of the Nation report, p.17)

2. Accelerate momentum with a National EV Charging Strategy

A National EV Charging Strategy was recently released, which is directionally appropriate, however there are opportunities to enhance and accelerate progress with more rapid removal of barriers to investment (see 3 below). A target of 10,000 chargers by 2030 will require around 100 chargers operational per month from today.

To get moving it is essential:

- That government work is accelerated in line with the target of 10,000 EV chargers by 2030; and
- That a private-public mechanism is established to oversee implementation so that barriers are identified and practical, workable solutions are identified in conjunction with industry.

It is also essential that Councils are engaged in the delivery of the strategy, including to provide available sites for a range of charging solutions.

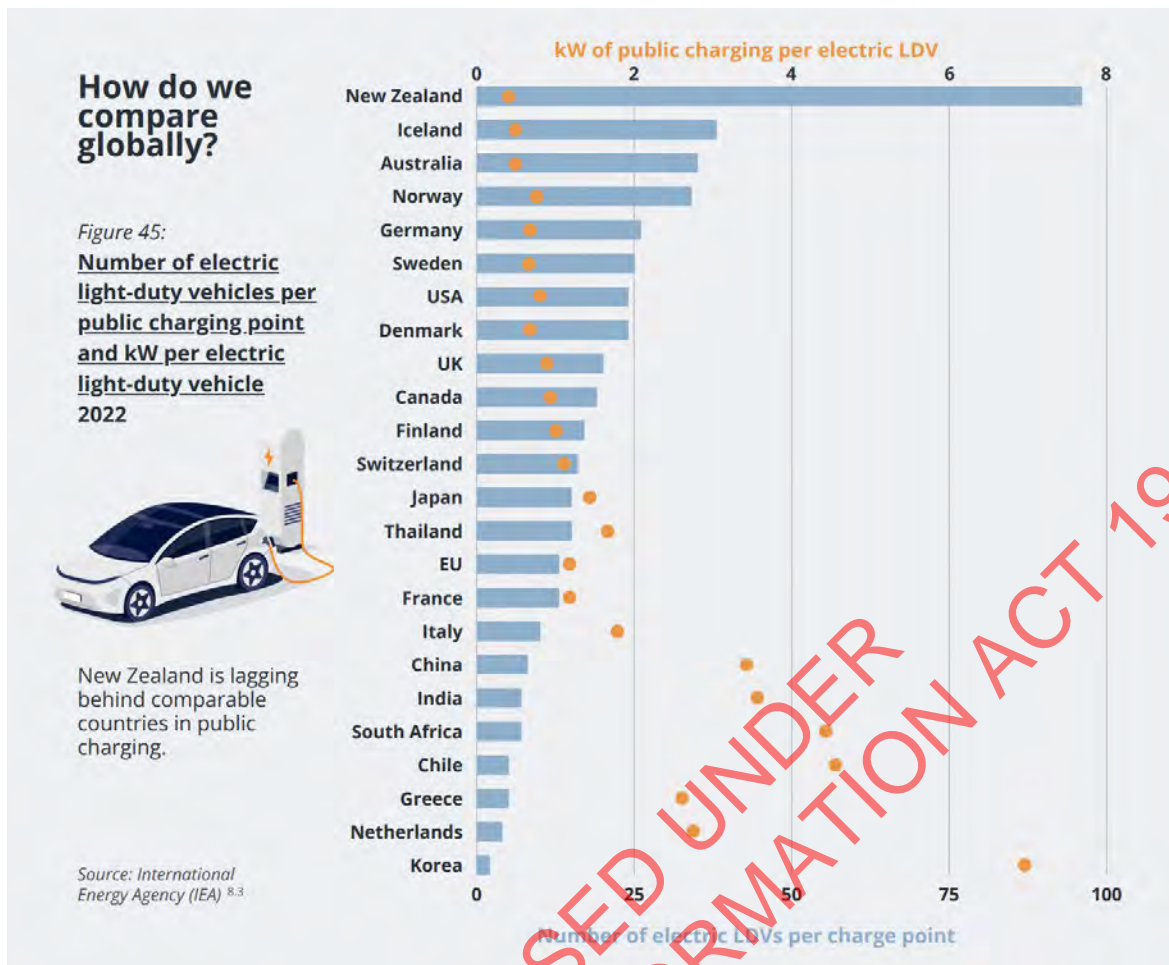
3. Invest in public charging stations, and get the settings right

From the perspective of CPOs, the key barriers to investing in public charging are:

- High network connection costs and ongoing lines charges.
- Significant variation in network connection costs around the country.
- Lack of clarity around network capacity in specific locations.
- Long project timelines from concept development to delivery.
- Low demand in rural areas leads to focus in urban areas.

Currently the cost of connecting to networks, and processes associated with doing so, are barriers to installing public charging facilities at pace and scale. Approaches to pricing and process vary differently between 29 EDBs. This is compounded by the fact that charging operators are needing to invest ahead of driver demand in many cases. Taken together this makes the economics of investment very challenging.

It's important to understand that it is often in cities and towns where there are the biggest gaps in the network right now, compared to demand, because of these barriers. While we address regulatory barriers to making efficient connections, we must also direct public funding towards ensuring charging infrastructure is prioritised where demand is most likely to be.



(State of the Nation, p.42)

Investing in public charging stations

In the immediate term public and private co-investment is required to unlock charging at scale. This funding needs to be used to overcome barriers to investment, first and foremost, and these are predominantly related to network connections. Funding needs to be directed to where there is demand for charging first, particularly in cities and towns. Secondly, public funding can be used to unlock charging solutions for journey charging and remote and rural communities.

Drive Electric has developed some suggested funding guidance in conjunction with the engineering consultancy, DETA, which is covered in Appendix A. We have provided this guidance to EECA. EECA has been developing new funding application criteria, drawing on industry engagement. This has been positively received.

There are current funding application processes in play at EECA and we would like to see these continued.

Get the settings right

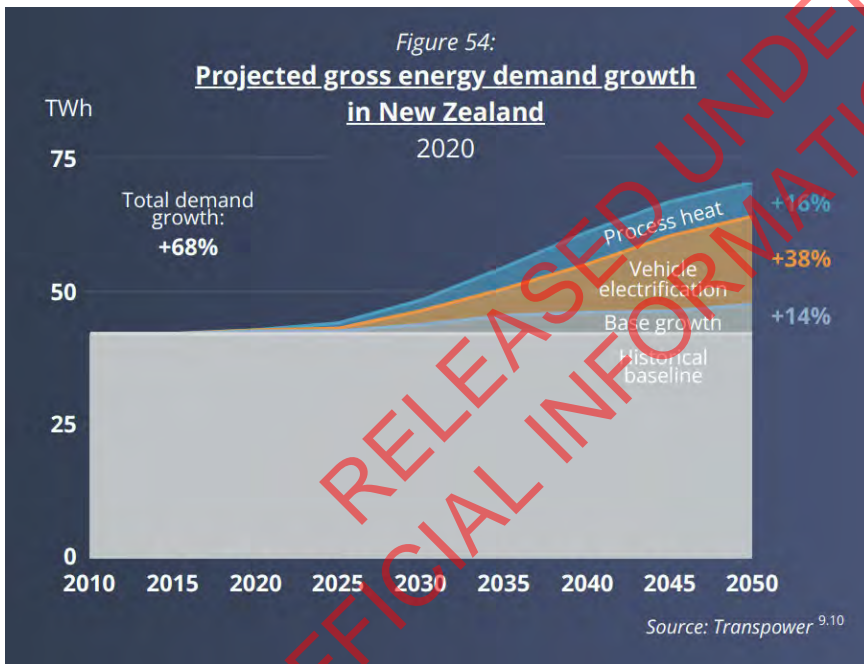
The CPO subgroup has asked the Electricity Authority to consider a mandated access regime under Part 6 of the Electricity Code to achieve consistency around cost and process for connecting to the network. This is essential to unlocking charging infrastructure at pace and scale, and likely the only way to achieve this across 29 EDBs (See Appendix A).

The Electricity Authority has recently announced its Retail and Network work programme for the next two years, which includes scoping a Part 6 amendment for 'load connections'. While not specific to EV charging, this could theoretically improve connection processes (not costs), but any decisions around this are not due until December 2025.

Even with public investment, it is essential to get settings right, particularly around connection processes and timeframes. Without increasing the pace at which connections are made, investment in charging infrastructure cannot accelerate. One CPO reports that the average timeframe for a quote for a connection is 72 days. While CPOs have different models and charging types, making a connection can take between three months and a year.

More generally, we believe that the Government needs to provide electricity networks the mandate to prioritise activities to support the goal of 'electrifying New Zealand', in particular activities that result in decarbonisation such as transport. Current regulatory settings are not fit-for-purpose for this rapid expansion in demand.

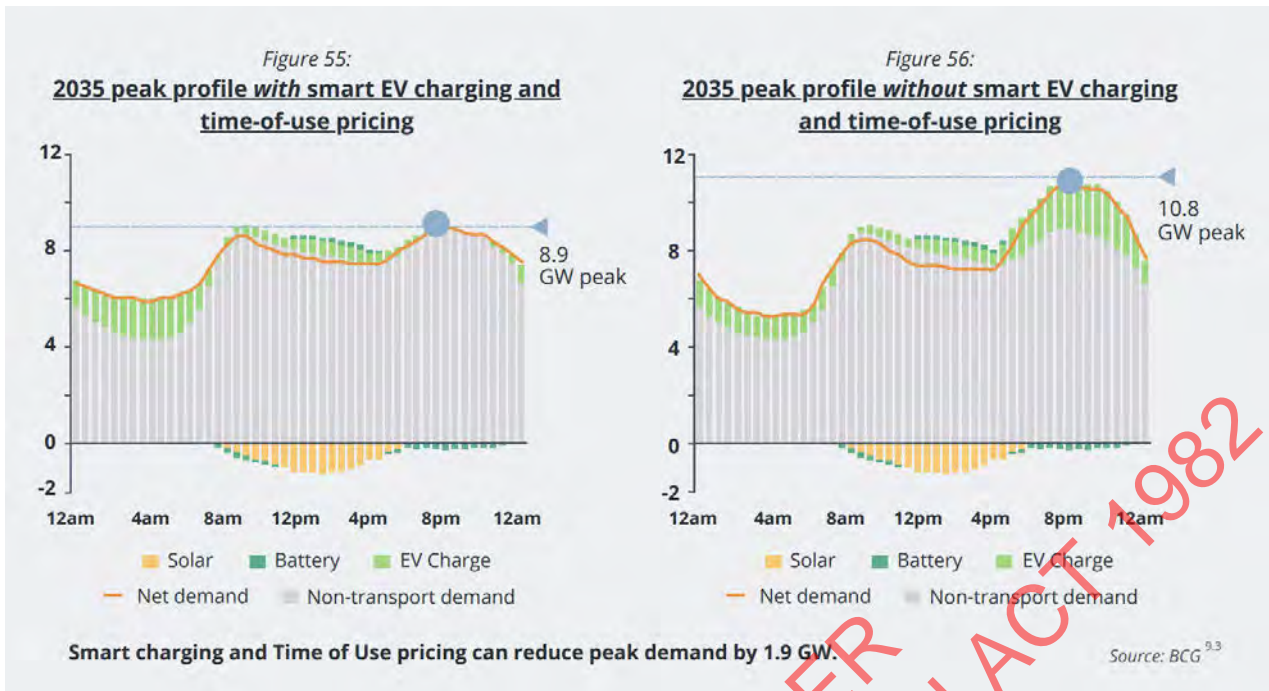
For clarity, the CPO subgroup do not believe that consenting charging sites is a major barrier relative to the above.



(State of the Nation, p.50)

4. Consider how to get consumers choosing 'smart chargers'

We support an appropriately designed mandate for connected smart chargers in residential homes, alongside some form of well designed incentive. This is critical to ensure demand for electricity can be efficiently managed and that there isn't overinvestment in electricity generation and infrastructure. The State of the Nation Report demonstrates the critical role of Smart Charging (see pages 44, 48 and 49).



Charging at home is the cheapest way to travel 100km in New Zealand, costing \$5 versus \$18 for petrol. (See page 39 of State of Nation Report).

5. Set residential and commercial buildings up to support charging

Mandate the installation of private charging infrastructure in new residential and commercial buildings, of a certain size, by amending the Building Code. This is particularly important for apartment buildings. Scope options for encouraging residential and commercial buildings to retrofit charging facilities. This would be an incentive for uptake by fleet owners.

6. Work closely with the heavy and commercial transport sectors, as well as aviation and marine

Charging infrastructure and economic barriers are relevant to each of these modes. There are significant emissions reductions associated with these sectors, and it is imperative to work with these sectors directly on unlocking the potential of each. The use of upfront incentives can play an important role in catalysing uptake, particularly for buses, heavy, and commercial.

Appendix A: Public Charging

Investing in public charging stations

Public sector investment can unlock private sector investment many times over. This form of partnership has been used successfully around the world.

It is imperative that public sector funds are targeted at overcoming barriers to investment, which predominantly relate to:

- a) Costs associated with connecting to the networks across the country, including in cities and towns
- b) Lack of user demand in regional and rural areas

In the immediate term, public funding must be focussed at barriers and prioritised first by user demand.

Currently funding is available for public charging in three funds, administered by EECA. These are: Journey (\$80m); Community (\$15m); and Urban/Infill (\$TBC). Journey and Community are funded through a Budget appropriation. The Urban/Infill fund could be funded from the Low Emissions Transport Fund, as an interim measure. However, this is where new funding could be best channelled in the first instance.

CPOs support the creation of a single fund that is focussed on getting chargers in the ground; overcoming barriers; and prioritising investment by user need. Fundamentally, funding needs to be available to support the entire network, particularly within towns and cities.

Over time as more chargers are installed, it will become apparent where there are gaps in the network.

In conjunction with DETA, we have suggested some high-level funding criteria for any new funding. To summarise we believe effective public funding to unlock private sector investment at scale would have:

- An open-funding approach (as opposed to rounds)
- Support a range of charging types/speeds
- Applicants must demonstrate the type of barrier faced to investment and quantify it
- Applicants must demonstrate the future demand for the site (e.g. low number of chargers in an area v registered vehicles; traffic thoroughfare)
- Applicants can demonstrate the need for public investment through breakeven years and ROI

We understand that the government is considering a National Infrastructure Agency to oversee this investment. Drive Electric would welcome the opportunity to engage with you on this question. We note that the Ultra Fast Broadband model provides a useful analogy in terms of vision and scale, but there are some critical differences between these pieces of infrastructure. It's also important we continue to invest in charging infrastructure at pace.

Getting the settings right

Based on expert advice (Concept Consulting and Link Economics), we are seeking regulatory change to enable CPOs to better connect to the networks. We are:

1. Encouraging the Commerce Commission to reduce the recovery risk associated with forecasting uncertain connection and system growth demand – for example, through dialled-back efficiency incentives or reopener provisions.
2. Asking the Commerce Commission and Electricity Authority to deter the practice of distributors adding general growth charge into capital contributions. This overly deters access seekers and shifts expenditure outside of regulatory oversight.
3. Asking the Electricity Authority to prioritise considering whether public charging infrastructure should have:
 - a. dedicated access regime, similar to distributed generation
 - b. capital contribution policies that improve predictability and avoid overly deterring new connections, for example through standard connection charges (even if only for lower capacity installations)
 - c. dedicated tariff category that rewards load management and efficient connection sizing, and addresses subsidy at a consumer group level (not individual sites).
4. Asking the Electricity Authority and the Commerce Commission to work together on:
 - a. ensuring distributors do not have overly restrictive requirements for who can do connection work (including design) or what equipment can be used
 - b. requiring distributors to make network location information readily available to access seekers, for example through open GIS
 - c. requiring distributors to make network capacity information available proactively, to further assist access seekers to select suitable locations.

There is a fundamental question at play here, which relates to how networks are incentivised to invest in decarbonisation when they are regulated for efficiency. This question is broader than transport, and needs resolution by an incoming Government.

Finally, National's EV policy suggests that one barrier to investing in tape is associated with consents. CPOs do not consider this a barrier relative to the regulatory settings described above.

Appendix B: Incentives

This paper sets out a headline summary of alternative options to incentivise the uptake of electric vehicles to reap the economic and emissions benefits from their rapid adoption. Depending on your feedback, we are able to get the impacts of these options modelled and sketch out the options in more detail.

Option	<i>Better target the feebate scheme</i>	<i>Provide a cash incentive, to support the Clean Car Standard</i>	<i>Remove FBT (use of tax system - business) (Or accelerate depreciation)</i>
Description	<p>A replacement scheme targeting only cars. This could be achieved by:</p> <ul style="list-style-type: none"> - removing certain categories of vehicle from paying fees - tighten the rebate to EVs only (BEV/PHEV) - set out upfront a phasedown of the rebate value over time (i.e. set an end date for the scheme) 	<p>Provide a timebound cash incentive for EVs, which could be designed to phase down from the outset, either based on market uptake or time</p> <p>This could be funded through ETS revenue or other mechanisms.</p>	<p>Similar to the model in Australia, remove FBT from vehicles purchased by companies for employee use for a period of time. This could be done in a similar way to how e-bikes have been exempted.</p> <p>(An alternative would be to accelerate depreciation.)</p>
Pros	<p>Could address perceived equity issues</p> <p>Can be self-funding (fees on emitting cars are now roughly equal to EV and PHEV rebates).</p> <p>Retain emissions and economic benefits of the scheme.</p> <p>Simple to implement</p>	<p>Incentivise EV uptake to support Clean Car Standard at point of sale, avoid directly 'taxing' those consumers who opt petrol/diesel cars.</p>	<p>Private companies purchase 50-60% of new vehicles, and hold onto these for relatively short periods of time (2-5 years). This should increase the secondhand fleet more rapidly.</p> <p>Precedent in Australia.</p>
Cons	<p>Market will need to adjust to revised scheme settings.</p>	<p>Lower relative incentive (rebate but no fee)</p> <p>New scheme needs to be developed.</p>	<p>Consumers ('Mums and Dads') would not be eligible for incentives. (Albeit those who can access company cars would be able to.)</p> <p>FBT revenue forgone.</p> <p>New scheme needs to be developed.</p>

Briefing to Incoming Ministers

November 2023

Minister of Transport

Associate Minister of Transport



THE OFFICIAL INFORMATION ACT 1982

Introduction

This briefing provides an overview of the commercial aviation sector in New Zealand. It includes:

- the current state of the sector.
- details the key priorities that Aviation New Zealand and the wider sector would like an incoming Government to address.
- explains the important role of Aviation New Zealand as the peak membership body for aviation operators.
- details Aviation New Zealand's divisional priorities, and its current work focus.
- explains the role of the regulator, the Civil Aviation Authority (CAA), and its relationship with Aviation New Zealand.

Executive Summary

This briefing document provides a comprehensive overview of New Zealand's commercial aviation sector, underscoring its critical role in the nation's economic and social framework. It addresses the challenges and opportunities facing the industry, with a focus on the impact of recent global and domestic events.

Challenges

- **Economic impact of COVID-19:** The pandemic has significantly affected the tourism and agricultural sectors, leading to reduced demand for aviation services.
- **Environmental pressures:** Emphasis on reducing carbon emissions and adopting sustainable practices in aviation.
- **Regulatory and training constraints:** The need for streamlined regulations and improved training and workforce development to keep pace with industry advancements.
- **Supply chain disruptions:** Ongoing issues related to aircraft part supplies and maintenance due to global supply chain challenges.

Strategic Priorities and Recommendations

1. **Develop a long-term strategic vision:** A holistic approach is needed for system-wide growth and infrastructure development in aviation, considering present and future needs.
2. **Revise the Funding Model:** Immediate review and revamp of the current model to better align with sector requirements that includes involvement with industry stakeholders.
3. **Enhance inter-agency coordination:** Greater collaboration among Government agencies, especially in policy setting and regulatory roles to ensure a unified approach to aviation.
4. **Regulatory reform:** Implement performance and risk-based regulations, drawing best practices from international examples to support safe yet innovative industry growth.
5. **Dynamic training sector:** Overhaul the training framework to address workforce shortages and improve productivity, including a review of funding and training capacity limits.

The briefing stresses the need for a balanced approach that prioritises safety, innovation, and sustainability, ensuring the continued growth and competitiveness of New Zealand's aviation sector in a changing global landscape.

Background

New Zealand as an island nation located a long way from international markets. Because of our distant location, our economy depends on sustainable air connectivity for the movement of people and goods.

Aviation is critical to the country's social well-being. Our unique terrain and land transport limitations combine to make aviation even more vital in times of natural disaster and extreme weather events such as Cyclone Gabrielle when land transport and other communications networks fail.

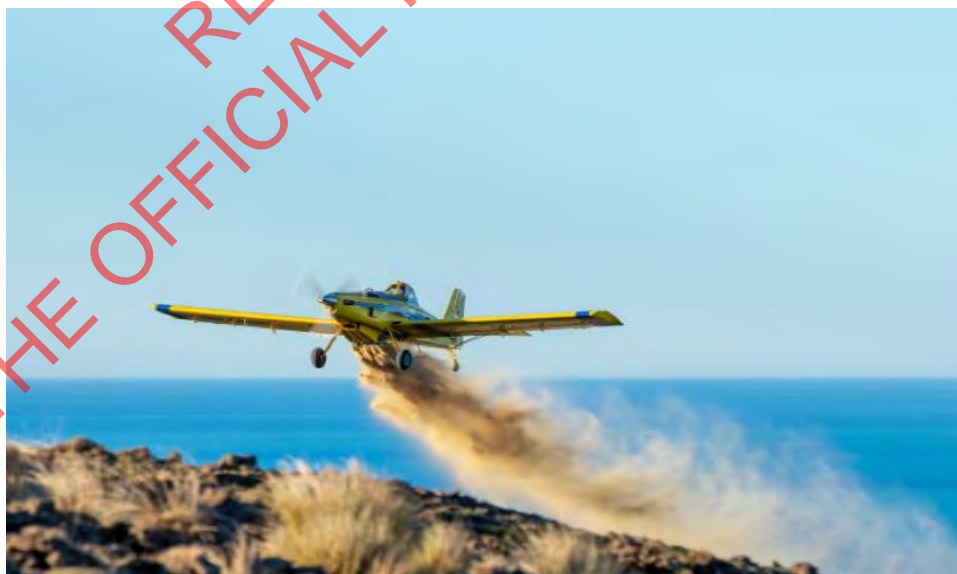
The current challenges should not be underestimated as the aviation industry emerges from a very tough trading period caused by the Covid lockdowns and a general economic downturn. In areas where aviation is dependent such as agriculture and tourism, there has been reduced demand and a slower than expected recovery from recession and the Covid lockdowns.

The closed border during the pandemic affected the international student market and opportunities for New Zealand's flight training schools while the vocational training system for aviation does not provide the right incentives.

There are growing expectations for aviation to reduce its carbon emissions, but this cannot be done without the support of Government through tax relief and subsidies.

Relationships and connections with Government agencies are vital

As the new Minister of Transport, we would like you and other relevant portfolio Ministers to champion a more open and transparent relationship between the industry and Government agencies with responsibility for aviation, specifically the Civil Aviation Authority (CAA) and the Ministry of Transport (MOT). While prioritising safety, it is equally important for these agencies to actively collaborate and contribute to the sector's economic growth. This approach will help in recognising and effectively addressing the evolving challenges of a dynamic aviation industry.



The FIVE (5) aviation priorities for the incoming Government.

In partnership with our members, Aviation New Zealand has identified five top priorities for an incoming Government as follows.

1. Long-term strategic vision.

Update the aviation system with a practical, affordable vision through to 2050, incorporating lessons from the recently completed Air Navigation System Review. At the same time, develop a long-term infrastructure plan.

2. Develop a 'fit for purpose' Funding Model.

The current Funding Model is being reviewed in 2024. We ask that Aviation New Zealand is involved from the outset.

3. Inter-agency coordination.

Improve cooperation across Government bodies, directing the MOT to collaborate more widely for a unified approach to aviation policy.

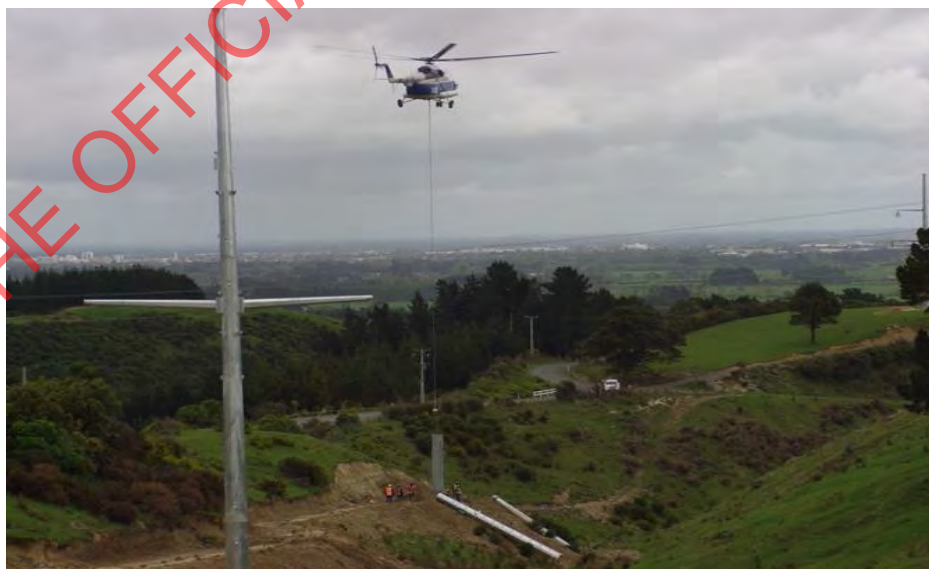
4. Regulatory reform.

Adopt less, but more effective performance and risk-based regulation drawing from US and UK practices, balancing safety with growth and innovation.

5. Training sector overhaul.

Simplify training approaches, address workforce shortages and review funding disparities that disadvantage aviation students, while increasing the cap on pilot training numbers.

(Note: Aviation NZ is providing a separate letter to the Minister of Education given the importance and complexity of training and education issues in the sector).



Why aviation is critical?

Key numbers in New Zealand aviation.

- 4,600 aircraft operating in New Zealand.
- 900 helicopters operating in New Zealand.
- 14,400 full-time equivalents employed in aviation services.
- Average annual income \$87,900 in aviation services (NZ median is \$65,000).
- \$2.1 billion contribution to economy through GDP.

Aviation's vital role

- Essential for connectivity as an isolated island nation, facilitating people movement and global trade.
- High aircraft-to-population ratio, with pioneering roles in agricultural and general aviation.
- Key sectors served include primary industries, forestry, tourism, search and rescue, energy, security and biosecurity.

Government influence

- Influences aviation framework, regulation intensity, infrastructure development and aircraft operations.
- Domestic aviation: Safe, reliable, and varied transport services.
- International reputation: High quality skills, hardware, software, with globally sought-after pilots, engineers, and staff.

Impact of regulations

- Determines aircraft purchases, maintenance needs and supply chain requirements.
- Government decisions shape the current and future aviation chain.



The state of the sector

Economic strain - reduced agricultural incomes lead to less aerial service spending and Government cuts in pest programmes impact revenue.

The demand side outlook for commercial aviation in New Zealand is currently very challenging. For a start, in the primary production sector of which agricultural aviation is a part, returns have been falling which impacts farmers' income and their willingness to spend on aerial applications. As a major customer, the Government has also cut back pest eradication programmes as it battles rising inflation and a weakening economy. In our view, this undoes the significant eradication work already completed.

Covid-19 impact - tourism's slow recovery post-border closure affects aviation operators while training schools struggle due to fewer international students and high training costs.

The closure of the borders for Covid was extremely tough for the commercial air transport sector. While tourism is recovering now, the bounce back has not been as strong as initially projected and so the benefits have not flowed through to aviation operators. Adverse weather in the earlier part of this year also impacted aerial activity, especially in the North Island.

The border shutdown forced the closure of training schools who have since struggled to attract the same number of international students that came to the country before 2020 and immigration settings have not helped this. Just prior to the election, the previous Government added aviation and aeronautical engineers to the immigration Green List, which was welcomed, but these settings need to be stable over the long-term to meet workforce needs. Add to this the high cost of training for aviation students which is a barrier for entry to the sector.

Supply chain issues - import reliance and Covid-related disruptions delay engine servicing and part supplies.

On the supply side, given that most aircraft operated in New Zealand are imported, supply chain problems that built up during the Covid lockdowns continue to present challenges for many of our members in the engineering and supply division. There are extensive delays for servicing of engines and the supply of critical parts.

Fleet maintenance costs - a diverse aircraft fleet incurs high operational and maintenance costs.

New Zealand's diverse fleet of aircraft means it cannot easily benefit from economies of scale because small fleets present maintenance and operational challenges. Parts are expensive, especially if ordered as one-off purchases. At the same time, deficits in training and knowledge retention, in having equipment in the right time at the right place, also present challenges. It is well known in aviation that a diverse fleet adds cost.

Decarbonisation needs - efforts to reduce emissions are underway but require Government grants and tax relief due to high costs of new technologies.

Just as it is globally, the aviation industry is cognisant of the efforts it needs to make to reduce carbon emissions from its activities. Air New Zealand and other operators are making concerted efforts to reduce their carbon footprint. But this is not something the industry can do alone - it needs Government support since the costs of adopting new technologies and moving away from fossil fuels are currently prohibitive for all but a few in the sector. Hydrogen and electric initiatives, like those introduced in the Netherlands, would be welcomed to support industry decarbonisation in a timely way.

Civil Aviation Authority (CAA)

CAA is the regulator for the aviation industry in New Zealand. The sector works under a rules-based system with the Civil Aviation Rules grouping like-minded operators together. Membership of Aviation New Zealand, largely commercial operators, comes mostly under the following parts:

- Part 102 - Unmanned aircraft operators
- Part 115 - Adventure aviation operators.
- Part 121 - Air operations large aeroplanes.
- Part 125 - Air operations medium aeroplanes.
- Part 135 - Air operations helicopters and small aeroplanes.
- Part 137 - Agricultural operators
- Part 141 - Aviation training organisations
- Part 145 - Aircraft maintenance operators

Recreational operators, for example, gliding and parachuting, are not generally part of the Aviation New Zealand membership, but they too operate under a rules-based system.

As noted previously, the relationship between the CAA, Aviation New Zealand and its membership is for the most part amicable, but as is the case between any regulator and the industry it regulates, there will always be tensions and these often surface 'on-the-ground' between the regulator and operators.

Concerns with CAA

There are three recent reports into CAA practice that remain of concern and in our opinion are yet to be fully addressed.

1. CAA Organisational Culture Review, April 2020 (examining the governance and leadership).
2. Heron Report, August 2023 (independent review of investigation and enforcement procedures within CAA by Michael Heron, KC).
3. International Civil Aviation Organisation (ICAO) Safety and Security Audit, September 2022 (the findings are yet to be published).

Last year Aviation New Zealand raised several issues with the Director and Chief Executive of the CAA and while some of these have been addressed, many of them have not. For example, the industry seeks:

- Better engagement with CAA to improve the effectiveness of Safety Management Systems (SMS).
- Faster completion of Operation Specifications (as noted) and improvement of work turnaround times by CAA to reduce costs for operators.
- Appropriate Senior Persons interview length and method to reduce regulatory burden.
- Dedicated helicopter strategy - we believe the Authority's regulatory investigations team have been planning a helicopter safety intervention but to date there has been no consultation with the NZHA. This was published as a critical focus area by CAA in 2017 without any action to date.

Aviation New Zealand is a member of the Aviation Community Advisory Group (ACAG) that meets with CAA and the Ministry of Transport (MOT) on a quarterly basis. This forum is a useful place for information exchange where the industry provides advice and insight to officials and CAA provides updates on current activity. Whilst acknowledging some improvement has been achieved, one of the frustrations the industry has with the forum is the apparent lack of action that follows on from these meetings.

About us

Aviation New Zealand is the peak membership body that represents the interest of the commercial aviation industry in New Zealand. Founded in 1950 as the Aviation Industry Association, its overall goal is to and support a safe, sustainable, and resilient sector in New Zealand. So, while safety is front and centre of everything we do, we also enable our members and the wider aviation sector to grow and innovate.

The membership of the organisation includes more than 300 operators from small to large who operate aircraft in many sectors of the industry. They include flight and ground training, agriculture, scheduled and charter air transport services, freight, helicopter external loads, photography, search and rescue, surveillance, and tourism. Our membership also includes companies that service, maintain, design or manufacture for these sectors. In more recent times, unmanned aerial vehicles (UAVs) or drones have become an important part of Aviation New Zealand's diverse membership.

New Zealand has the most aircraft per capita in the world that are integral to our economy and for traversing NZ's terrain in a short period of time. The high number of helicopters, for example, have been vital to the swift response to Cyclone Gabrielle earlier this year and the Kaikoura earthquake in 2016. As noted in *Why Aviation is so Critical*, there are 4,600 and 900 helicopters operating in New Zealand. This represents one aircraft for every 1,120 people and one helicopter for every 5,700 people.

Our role is primarily a policy one that is supported by evidence-based advocacy and lobbying to Government and their agencies. We support members in regulatory matters, advancing professionalism in all safety matters while being recognised as the voice of the country's commercial aviation industry.

The association itself is organised into six divisions that sit under the umbrella of Aviation New Zealand. These divisions are the:

1. New Zealand Agricultural Aviation Association (NZAAA)
2. New Zealand Helicopter Association (NZHA)
3. Unmanned Aerial Vehicles Association (UAVNZ)
4. Training and Development
5. Aircraft Engineers Association (AEANZ)
6. Operations (including scheduled airlines and tourist flight operators).

See Appendix 1 for a list of Aviation New Zealand's divisional priorities which dovetail with the priorities above. It is expected we would work at a divisional level with relevant departments and officials, but with the support to do so from Ministers.

Current work focus

Heading into 2024, Aviation New Zealand will engage in implementing the 2023 Civil Aviation Act that comes into force on 5 April 2025.

We urge collaboration with CAA and the MOT, emphasising industry input in five key Act areas.

1. Drug and alcohol management.
2. Aviation safety.
3. Aviation security.
4. Legislation and governance.
5. Civil aviation rules alignment.

A major focus will also be the Funding Model Review for CAA and AVSEC. With funding sourced from the commercial aviation sector, it's crucial for Aviation New Zealand to be consulted to balance system integrity with realistic fee structures, avoiding inflationary impacts.

Operation efficiency issues, such as delays in CAA's processing of Operations Specifications (known in the sector as Op Specs) are causing significant financial losses. A three-week maximum timeframe for processing is advocated to prevent contract and income losses.

Addressing the pilot and aviation staff shortage is vital. Flexible immigration settings are needed for New Zealand to attract international talent, with streamlined residency pathways and efficient and timely visa processing.

Lastly, while Aviation New Zealand maintains a positive relationship with the CAA, engagement with the MOT is deemed superficial and needs to be more proactive and supportive of industry challenges.



Our team

A small executive team operates from our office in Wellington and remotely and includes Chief Executive **Simon Wallace** and accounting and administrative services. Executive Officers **Tony Michelle** based in Southland supports our agricultural aviators and **Richard Milner** based in Auckland supports our helicopter and UAVNZ members.



Our Council

President

Ashok Poduval

Chief Executive
Massey University School of Aviation
Based in Palmerston North

Vice President

David Morgan

Chief Operational and Integrity Officer
Air New Zealand
Based in Auckland

Council Members

Qwilton Biel

Chair
Operations Division
Based in Auckland

Isaac Henderson

Chair
Unmanned Aerial Vehicles (UAVNZ)
Based in Palmerston North

Scott McKenzie

Chair
Helicopter Association (NZHA)
Based in the Wairarapa

Past President

Kevin England

Bay Tours and Charters
Based in the Hawke's Bay

Vice President

Gordon Alexander

Aviation Manager
Aspeq Limited
Based in Christchurch

Jeremy Ford

Chair
Training and Development Division
Based in Christchurch

Don McCracken

Chair
Aircraft Engineers Association (AEANZ)
Based in Auckland

Bruce Petersen

Chair
Agricultural Aviation Association (NZAAA)
Based in the Hawke's Bay

Appendix 1

Aviation New Zealand divisional priorities

Some of these priorities dovetail with those above. It is expected we would work at a divisional level with relevant departments and officials, but with the support to do so from Ministers.

Agricultural Aviation Association (NZAAA)

1. **Enable sustainable regulatory frameworks** - Managing up with the regulators with proactive, practical, and planned advice to shape the appropriate regulatory frameworks and the content in them including district and regional plans, environmental regulations, civil aviation policies and rules.
2. **Reduce compliance costs and promote self-regulation** - Operators face increasing costs from compliance from multiple regulators. Promote acceptance of self-regulation through the development of best practice programmes that enable businesses to successfully negotiate regulatory frameworks, primary production, and domestic and international customer demands. Ensure regulator levies and fees are appropriate and equitable.
3. **Encourage continuity of Crown weed and pest control/eradication programmes** - Promote the maintenance and continuation of Crown facilitated programmes such as Wildling Pine control, Battle for our Birds, Zero Invasive Predators, Predator Free 2050 and Crown owned land, weed and pest control.

Helicopter Association (NZHA)

1. **Pilot shortage** - as noted above, the helicopter sector is not alone in experiencing a shortage of pilots. The cap on locally based pilot training needs to be lifted, but the way foreign qualifications and licences are recognised needs to be reviewed so the sector here can recruit from offshore to fill labour gaps.
2. **Local government** - The restrictive policies of territorial local authorities (TLAs) fail to recognise the valuable work helicopters do in supporting maintenance, growth, and development of infrastructure, for example, telecommunications and roading. Helicopters also sustain other sectors of the economy like tourism. Each region has their own rules, with some restricting helicopter take-offs and landings to two in a week.
3. **Helicopter strategy** - A helicopter strategy was a critical focus for CAA (as defined in the CAA Statement of Performance Expectations 2017-18) that has not been progressed and this must be a priority for this critical part of the aviation sector.

Unmanned Aerial Vehicles New Zealand (UAVNZ)

1. **Drone Licensing** - industry and wider public need to have a clear understanding and recognition of drone pilots' safety and training.
2. **Delegated authorities** - while these are approved under the Civil Aviation Act and used in other areas of aviation UAVNZ requires ministerial input to encourage CAA to accept this is needed for industry to self-regulate areas that CAA have been ineffective.
3. **Rule 101 refresh** - this was meant to be completed in 2019 but due to Covid and the CAA Act changes it has not happened. Many parts of the rule are outdated and ineffective and it is imperative that a refresh of this work is recommenced immediately.

Training and Development

1. **Make training more accessible** - Lift the cap on Government funded EFTS places for aviation training organisations and review 2013 student loan borrowing cap.

2. **Review the current structures** - Te Pukenga, TEC, NZQA and Ministry of Education framework is complex and difficult to navigate. These structures need to be reviewed so that training is fit for purpose and relevant to industry needs.
3. **Immigration** - Ensure immigration settings are flexible, nimble and can be adjusted to meet the workforce needs of a changing and dynamic aviation sector.

Aircraft Engineering Association (AEANZ)

1. **Regulation** - The engineering sector has an important enabling role for the aviation sector. The current auditing process is cumbersome, time consuming and lacks transparency, for example, disclosure of issues is advised to operators after audits have been completed rather than on-site. This process needs rapid improvement and a better relationship with the CAA team.
2. **Compliance** - Excessive compliance costs and unwieldy red-tape are placing further restrictions on the operations of both engineering and supply sectors.
3. **Training and development** - The matters for engineering and supply are not dissimilar to those that exist across the whole sector and there is a shortage of both aircraft and aeronautical engineers that require supportive immigration policy settings.

Operations (scheduled airlines and tourist flight operators)

1. **Ensure the future availability of aerodromes and associated infrastructure to support aero plane operations with minimal restrictions** - This ranges from the proposal to close aerodromes totally (e.g., Milford Sound), to the inability to fully utilise some instrument flight procedures because of inconsistent rules and interpretation thereof, to the negative stance taken by some larger airports towards commercial general aviation aircraft operations.
2. **Seek to reduce the government imposed administrative burden and costs on operators, so they can focus on safety-related matters and improve performance** - This includes both CAA levies as well as hourly rate charges (e.g., should the services we are having to pay for, be services at all, or could they be discontinued, automated, or devolved). In addition, there are a plethora of costs that need to be kept in check as we should not be paying increased airport charges to cover the costs of the local council extending a runway to accept international jets or building oversized terminals.
3. **Build a public understanding of the importance of commercial general aviation operations to not only tourism activities but also to national transport requirements both day-to-day and in times of need** - Ensure a balanced position is presented in the contribution to the climate and emissions debate and keep delivering the message that commercial general aviation is a contributor to keeping New Zealand moving.

Simon Wallace
Chief Executive
Aviation New Zealand
www.aviationnz.co.nz
Mobile 0274 607701
November 2023

End.



30 November 2023

Hon Simeon Brown

Via email: s.brown@ministers.govt.nz

Tēnā koe Minister,

Introducing the NZ College of Public Health Medicine

On behalf of the [New Zealand College of Public Health Medicine](http://www.nzcpmh.org.nz) (www.nzcpmh.org.nz) I would like to congratulate you on your appointment as Minister of Transport for the new Government.

The New Zealand College of Public Health Medicine (the College) is the professional body representing the medical specialty of public health medicine in New Zealand. Public health medicine is the branch of medicine concerned with the assessment of population health and health care needs, the development of policy and strategy, health promotion, the control and prevention of disease, and the organisation of services. The College has 251 active members, all of whom are medical doctors, including 183 fully qualified Public Health Medicine Specialists, with most of the remainder being advanced trainees in the speciality of public health medicine.

The College has recently published [Health for Everyone | Ō Tātou Hauora](#) which prioritises and discusses the key public health issues affecting New Zealanders, and outlines the steps needed to address them. The College identified four public health priorities to improve the health of New Zealanders and achieve equity. These are summarised as:

- Stabilise climate changes with decisive mitigation, optimise healthy adaptation and ensure healthy environments.
- Fulfil the purpose of the Pae Ora (Healthy Futures) Act 2022.
- Stop health harm from the commercial determinants of health.
- Increase ongoing investment in the publicly funded health system.

The policy positions and recommendations in this document are all evidence-based and reflect best practice thinking by the country's foremost public health medicine experts. I have attached an [Infographic](#) which summarises the four areas identified by the College as priorities to achieve health and equity for all.

The College also has a policy statement on [Transport](#) and recognises that the choices societies make about transport strongly influence individual transport patterns, which in turn have profound effects on social, economic, environmental, and cultural health and wellness. We hope to meet with you in the new year to discuss this issue further and can be contacted with any queries.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Collin Tukuitonga'.

Sir Collin Tukuitonga
President

Health For Everyone | Ō Tātou Hauora

He Ara ki te Tihi o Pae Ora (a pathway to the pinnacle of healthy futures)

INVESTING IN PUBLIC HEALTH MAKES SENSE

Public health approaches boost the health & well-being of all New Zealanders

- Public health programmes protect natural, social, physical and cultural environments, reduce harm to people and communities and support communities to build their own health-promoting environments.

Investing in public health is value for money

- Spending on public health programmes is an investment, reduces demands on health care services and improves quality of life for individuals and communities.
- Public health interventions are cost-effective and help improve health outcomes over the short to long term. Investing \$1 in public health interventions delivers up to \$14.30 in health benefits.

ADDRESS CLIMATE CHANGE



Climate change is the biggest threat to the health and wellbeing of people and communities in Aotearoa New Zealand, in both the short and long term.

Aotearoa New Zealand's climate actions must accelerate so that we fairly contribute to the global efforts to limit planetary heating to within the humanly adaptable 1.5 degrees Celsius. We must act decisively to rapidly mitigate climate change impacts in our country and ensure health outcomes are prioritised.

THE NZCPHM CALLS FOR ACTION TO

- Stabilise climate changes with decisive rapid mitigation and optimise health adaptation
- Create healthy and health promoting urban environments
 - Ensure safe indoor and outdoor air quality
 - Protect and improve the quality of freshwater
 - Provide for safe, secure and healthy housing
 - Reduce the threat of anti-microbial resistance

ACHIEVE PAE ORA



A future-focussed, long-term governance approach will be needed to fulfil the purpose of the Pae Ora (Healthy Futures) Act 2022. This should:

1. Centre the health system on te Tiriti o Waitangi, including through support for Te Awa Whai Ora
2. Achieve health equity for Māori, Pacific Peoples and other priority populations,
3. Ensure good health for all tamariki and rangatahi, whānau and communities.

THE NZCPHM CALLS FOR ACTION TO

- Optimise the first 1000 days of life
 - Eliminate child poverty
- Ensure high childhood immunisation coverage to protect all communities
- Achieve good mental health and wellbeing
 - Eliminate inequity in Rheumatic Fever
 - Attain good oral health for everyone.

STOP HEALTH HARM



Tobacco, alcohol and unhealthy food environments cause harm to our people. Together they are responsible for the preventable loss of over 370,000 healthy life years in Aotearoa New Zealand, every year. This increases costs in the health care sector and impacts on national productivity and community wellbeing.

THE NZCPHM CALLS FOR ACTION TO

- Make the vision of Smokefree Aotearoa a reality by 2025
 - Change legislation to cut alcohol harm
- Stop the harm from unhealthy food environments.

INVEST IN THE HEALTH SYSTEM



Ongoing investment in the publicly funded health system is needed to deliver better health outcomes for all. This includes investment in workforce planning and development, evidence-based health services planning and implementation, infrastructure and building programmes, equipment upgrades, and funding mechanisms.

THE NZCPHM CALLS FOR ACTION TO

- Invest in the health workforce
- Continue to grow public health infrastructure
 - Address misinformation & disinformation
- Use technology wisely to improve health outcomes.

WHO ARE WE?

The NZCPHM represents the medical speciality of public health medicine in New Zealand.

Public health medicine is defined as the branch of medicine concerned with the epidemiological analysis of the health and health care of populations and population groups. It involves the assessment of population health and health care needs, the development of policy and strategy, health promotion, the control and prevention of disease, and the organisation of services.

Public health is focussed on achieving health equity across ethnic, socioeconomic, age, and cultural groups, and promoting environments in which everyone can be healthy.

For further information, see our Health for Everyone - Ō Tātou Hauora document, as well as the other policies available on our website www.nzcpm.org.nz



30 November 2023

OC231003

Hon Simeon Brown
Minister of Transport

NZALPA INFORMAL MEETING, 4 DECEMBER 2023

Snapshot

New Zealand Air Line Pilots' Association (NZALPA) is a trade union for pilots, air traffic controllers, and flight service operators in New Zealand. It was founded in 1945 and has over 2,000 members. NZALPA's aim is to pursue excellence in professional and technical standards, improve aviation safety and represent their members on aviation issues. See **Appendix** for more background and key people.

NZALPA meet quarterly with senior management at the Ministry of Transport, the Director and management team of the Civil Aviation Authority (CAA) and the Aviation Security Service (Avsec).

NZALPA asked to informally meet with you, as a new Minister. The meeting is part of a small stakeholder function and serves an introductory purpose and opportunity to learn about their main issues for 2024.

Time and date	5.00pm, 4 December 2023
Venue	Rosie's Red-Hot Cantina & Taco Joint
Attendees	First Officer Andrew McKeen (President) Captain Glen Kenny (Industrial Director) Mike Slack (NZALPA Director, Air Traffic Control) Captain Dave Church (Director of Medical and Welfare)
Officials attending	Bronwyn Turley, Deputy Chief Executive Regulatory, Ministry of Transport Tom Forster, Manager, Aviation and Maritime, Ministry of Transport Civil Aviation Authority officials may also be in attendance.
Agenda	There is no formal agenda. In the past NZALPA has been interested in pilot shortages, aviation screening, the newly created Independent Review Function (IRF) in the Civil Aviation Act 2023 and Sustainable Aviation Aotearoa (SAA).

Contacts

Name	Telephone	First contact
Bronwyn Turley, Deputy Chief Executive – Regulatory	s 9(2)(a)	✓
Tom Forster, Manager – Aviation and Maritime		

NZALPA Informal Meeting, 4 December 2023

Key points

- There is a shortage of pilots locally and internationally due to the costs of training and post training employment opportunities. The shortage has worsened as a result of the COVID-19 pandemic.
- s 9(2)(g)(i) [REDACTED] While Singapore, and a few airports in the United States have some exemptions, New Zealand practice conforms to international standards.
- The Civil Aviation Act 2023 creates an Independent Review Function (IRF) to allow expert reviews of CAA decisions as an alternative to court action. The IRF will improve the quality and transparency of regulatory decision-making.
- NZALPA is part of the Sustainable Aviation Aotearoa (SAA) leadership group, which aims to decarbonise aviation and foster innovation in sustainable aviation.

Pilot Shortages

- 1 Prior to COVID-19, it was widely reported that there was a local and international shortage of airline pilots. This was exacerbated by the COVID-19 pandemic which had a severe impact on the aviation sector, resulting in many pilots losing their jobs or being put on hold.
- 2 During the pandemic, NZALPA collaborated with government agencies to ensure the safety and continuity of international cargo flights.
- 3 However, post pandemic, the industry's recovery has faced difficulties, as one of the casualties of the pandemic was the closure of many aviation training schools which affects the flow of trainees into the sector.
- 4 NZALPA would in the future be keen to discuss barriers to training, including post training employment opportunities.

Aviation screening

- 5 s 9(2)(g)(i) [REDACTED]
- 6 s 9(2)(g)(i) [REDACTED] However, we note that many countries do not exempt air crew including Australia. We know that a couple of airports in the United States and Singapore do have some exemptions for air crew.
- 7 s 6(a) [REDACTED]

8

s 9(2)(f)(iv)

9

s 6(a)

Independent Review Function (IRF)

- 10 The Civil Aviation Act 2023 (the Act) establishes an IRF to allow individuals and entities to seek reviews of CAA decisions that affect them, as a faster and cheaper alternative to court action. The IRF is intended to enhance transparency, timeliness, accountability, and quality of regulatory decision-making. It will be operational in April 2025 and its scope will be defined in regulations.
- 11 We have proposed to base the scope on the categories of decisions that are appealable to the District Court, as this would focus on the key decisions that impact sector participants. We carried out early engagement with key stakeholders, including NZALPA, on the development of the regulations, and are currently considering the issues they raised. We will brief you on our proposed approach and seek your agreement for public consultation in 2024.
- 12 The IRF will not cover medical cases as these are reviewable by the medical convenor. NZALPA has expressed concern with the current medical convenor process, including that convenors are unduly influenced by the CAA. The convenor is independent of the CAA, with the Ministry serving as the secretariat.

Sustainable Aviation Aotearoa (SAA)

- 13 NZALPA is a member of the SAA leadership group. SAA is a public-private leadership body that was set up to focus on “decarbonising aviation, including operational efficiencies, infrastructure improvements and frameworks to encourage research, development and innovation in sustainable aviation”. The SAA comprises Chief Executive or Deputy Chief Executive-level representatives to provide governance and strategic direction, and influence actions within their own organisations.
- 14 Other key members include Qantas, Auckland Airport, NZ Airports Association, Te Rūnanga o Ngāi Tahu, Boeing, Airways, Christchurch Airport, Wellington Airport, Civil Aviation Authority, Kea Aerospace, Nelson Airport, Royal New Zealand Air Force, Air New Zealand, Transpower, sounds Air and Airbus.

About NZALPA

New Zealand Air Line Pilots' Association (NZALPA) is a trade union for pilots, air traffic controllers, and flight service operators in New Zealand. It was founded in 1945 and has over 2,000 members.

NZALPA's aim is to pursue excellence in professional and technical standards, improve aviation safety and represent their members on aviation issues.

Its focus areas are aviation safety and security, medical and welfare, representation, advocacy, insurance negotiations, and cover for members and their families. NZALPA is affiliated with international aviation federations, such as the International Federation of Air Line Pilots' Associations (IFALPA) and the International Federation of Air Traffic Controllers' Associations (IFATCA). NZALPA's officers, including the President, are all working commercial pilots and air traffic controllers.

Key People



First Officer Andrew McKeen

NZALPA President. President McKeen is an international pilot with Air New Zealand.



Captain Glen Kenny

NZALPA Industrial Director. Captain Kenny is an international pilot with Air New Zealand.



Mike Slack

NZALPA Director, Air Traffic Control. Mike is a Senior Air Traffic Controller (AKL) with Airways.



Captain Dave Church

NZALPA Director of Medical and Welfare. Captain Church is an international pilot with Air New Zealand.



1 December 2023

Hon Simeon Brown
Minister of Energy and Transport
Parliament
WELLINGTON

via email: s.brown@ministers.govt.nz

Congratulations, request for meeting to discuss electrification of light passenger transport

Tēnā koe Minister

I am writing to offer my congratulations on your appointment as Energy and Transport Minister and to request a meeting to discuss expanding the country's EV charging infrastructure to support the rapid electrification and decarbonisation of transport.

Getting the settings right for sustained investment in the EV charging network, and removing unnecessary barriers and delays, is one of the most important short- to medium-term energy opportunities in the electrification and decarbonisation of transport.

As you know, ChargeNet has pioneered private investment and public partnerships over the last decade to build the country's largest EV charging network with over 300 public EV fast chargers. ChargeNet is the only provider with a nationwide charging network, and has a major investment programme underway.

In 2023 the electrification of the light vehicle fleet passed the tipping point, beyond which uptake is exponential. ChargeNet's own polling shows that approximately one in three adults in Auckland over the age of 18 are considering buying an EV over the next three years.

Enabling New Zealand businesses to participate in this transition is essential for the nationwide success of EV adoption. ChargeNet has enabled over 25 other companies to offer public charging by linking their private charging to the ChargeNet platforms, with access to over 80,000 customers.

As National's policy identified, despite exponential growth in EV ownership, New Zealand's ratio of public EV chargers to EV ownership is among the lowest in the OECD. Urgent, sustained investment in public charging infrastructure is needed to support the transformation of the light vehicle fleet.

ChargeNet welcomed National's commitment to supporting the development of the EV charging network. We would very much like to support you in establishing the process and programmes that will match private and public capital to build out the country's charging networks.

The partnership between government and the private sector will be critically important in the development of charging assets in regions where the economics are currently challenging.

We have some observations that we would like to share with you around current EV funding practices, that we think can be more efficient. We would like to discuss the need for the market to lead investment decisions rather than government agencies looking to exert greater control. We are keen to discuss how to get the balance right between using public and private capital

and how to control escalating costs and regional inconsistencies in efficiently connecting chargers to electricity networks.

Many EV charging investments in urban centres and on major transport routes can now be made with a high level of commercial confidence. However, a partnership approach is critical in ensuring infrastructure is available ahead of demand, and that smaller regions with slower EV ownership rates do not get left behind and find themselves unable to equitably access the advantages of EV uptake.

It is important to ChargeNet that all funding is contestable, transparent and recognises organisations with a track record of investment and delivery.

The electrification of transport is currently the most material impact that the country is having on emissions reduction.

I'd value the opportunity to meet with you, establish lines of communication with you and your office and understand how ChargeNet can support your priorities for the energy portfolio.

Ngā mihi nui

A handwritten signature in blue ink, appearing to read "Danusia Wypych".

Danusia Wypych
Chief Executive Officer
E: danusia.wypych@charge.net.nz
M: 9(2)(a)

The ChargeNet logo, consisting of a red circle with a white plus sign, followed by the word "ChargeNet" in a bold, red, sans-serif font.

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Neha Pawar

From: Matthew Winthrop
Sent: Tuesday, 5 December 2023 6:27 pm
To: Tony Frost (Parliament)
Cc: Media Mailbox
Subject: RE: Speech to NZ Council of Cargo Owners
Attachments: Getting Transport Back on Track speech (002).docx

Hi Tony,

Apologies for the delay – here is the speech as requested.

Cheers,
 Matt

From: Tony Frost <Tony.Frost@parliament.govt.nz>
Sent: Friday, December 1, 2023 10:44 AM
To: Media Mailbox <media@transport.govt.nz>
Cc: Dominic Cowell-Smith <Dominic.Cowell-Smith@parliament.govt.nz>; Helen White <h.white@transport.govt.nz>
Subject: Speech to NZ Council of Cargo Owners

Hello MoT media team

This is a heads-up that the Minister is booked to attend an event for the NZ Council of Cargo Owners at CentrePort on 7 December from 1030-1045am. We have not yet received an Event Information sheet from the NZ Council of Cargo Owners. However, you may be able to guess at the topics they would like covered, and what the Minister is able to say in a 5 to 7-minute slot entitled 'Getting Transport Back on Track'. I will forward the Event Information sheet if or when I receive it. The information I have received from the SPS is copied below.

Can you please begin preparing a speech and have it to me by close of play Tuesday 5 December.

Ngā mihi

Tony Frost (he/him) | Private Secretary (Transport)
tony.frost@parliament.govt.nz | s.9(2)(a)

Office of Hon. Simeon Brown
 MP for Pakuranga, Minister of Transport | Minister for Auckland | Minister for Energy | Minister for Local Government

Awaiting completed Event Information Request Form

From: Joanna Murray jo@sul.co.nz
Sent: Thursday, 30 November 2023 10:22 PM
To: Elena Hood Elena.Hood@parliament.govt.nz
Subject: Re: INV23-006 Invitation to Hon Simeon Brown to speak at 'Getting Transport Back on Track' in Wellington on Monday, 4 December 2023

Hi Elena

So good to hear from you. Our event is on Dec 7.

We'll be @ CentrePort, 5 mins from Parliament. Can work in timing anytime between 9am -4pm.

Let me know if there's any further info you need at this stage,

Many thanks

Jo

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DRAFT

Speech to NZ Council of Cargo Owners

7 December from 10.30am-10.45am

Getting Transport Back on Track

Introduction

- Thanks for the invite, I'm delighted to be here.
- Firstly, being here at Centreport it's appropriate to acknowledge the significant role ports play in our supply chain and the link to productivity. We need to ensure our ports offer an efficient and cost-effective service, and that they are resilient and able to meet increasing demand as the freight task grows.
- You'll be aware I have been very focused on transport issues over recent years, and I am keen to continue to build close linkages to the freight sector as I get underway as the Minister for Transport.
- Over recent months, I've heard about some of the key issues and challenges facing the freight sector, and I'm keen to hear more about these from you today. In particular, I'm aware that good use of data and issues relating to ports and resilience are key topics for the sector. I'd like to touch on those today.

Scene-setting

- Freight owners are the engine room of the New Zealand economy. NZCCO members collectively account for around 70% of New Zealand's containerised exports and a significant amount of bulk export, imports and domestic volume.
- Your businesses comprise a range of industries that are extremely important to the New Zealand economy. You rely on cost-effective, reliable and efficient transport links to customers in New Zealand and overseas.
- In recent years, supply chains here and around the world have faced many headwinds. Challenges include geopolitical tensions, emerging technologies, population growth and densification, and climate change impacts.
- We are also learning from recent disruptions to the supply chain caused by the COVID-19 pandemic and natural disasters.
- Although private businesses are the driving force in the supply chain, there is also a role for government including ensuring regulations are fit-for-purpose, supporting sector-wide initiatives, and investing in critical infrastructure.
- I am aware that work has been done over the last couple of years to better understand the issues, challenges and opportunities in the freight sector, and that NZCCO has been part of that work.

Transport priorities

- The Government's transport programme will see significant investment made into key connections so New Zealanders can get where they want to go faster and safer.
- The Transport for the Future programme will cut congestion, provide more low emission transport options in support of our climate change goals, and create a more productive and resilient transport network that drives economic growth.
- I share the goal of NZCCO and its members of having efficient, reliable, cost-effective movement of freight.
- One of the productivity challenges we have faced relates to the efficiency of our transport networks and supply chains.
- New Zealand has a relatively sparse population across a difficult topography. Many parts of State Highway 1 and other key regional roads are not dual carriageways, and this can make moving freight a challenge.
- Many of the Roads of National Significance the Government wants to build will be able to carry high volumes of freight, and we are focusing on making progress on a new Government Policy Statement on land transport as a key part of our 100-day plan.

Data

- Quality data is a foundation for productivity. At the moment, businesses can only see their part of the puzzle in any detail and I have heard that there is a lack of quality data about what's happening across the wider supply chain, and this is hampering decision-making at all levels – including on how to optimise our road and rail networks.
- Better data assists with investment decision-making, resilience planning to minimise disruption, and more efficient and therefore cost-effective delivery of goods. Data also enables future planning by allowing us to see trends, such as when an asset is reaching capacity and investment in new infrastructure might be needed.
- I am keen to hear more about how improved data could help the freight sector.

Resilience

- The resilience of the supply chain system has been tested through COVID-19 disruptions and natural disasters such as Cyclone Gabrielle. Resilience and productivity can often feel like concepts that are tugging in opposite directions – 'just in time' versus 'just in case'. The reality is that to be productive over the long term, a business must also be resilient and have plans in place for when disruption inevitably occurs.
- Through the Government's investment in Roads of National Significance and strategic parts of our rail network, we will support a more resilient supply chain. And through the National Emergency Management Agency, the Government is ensuring critical infrastructure is prepared for disruption.

Concluding remarks

- It's great to see freight transport issues being discussed at a national level. The state of the supply chain is increasingly of interest to both consumers and businesses. This is a significant change and one I believe will benefit the supply chain sector.
- I look forward to talking with you about your areas of interest and how we can work together to advance priorities for the freight sector.
- Thank you for your time.

Q&As

What is happening with the freight and supply chain strategy?

The focus of this Government will be on supporting businesses to be productive. I look forward to making further announcements in the future about our priorities for the freight and supply chain.

When will a decision be made about the location of POAL?

The location of POAL is a nationally important decision and I'm not going to rush into commenting on this.

What do you think about the idea of leasing operations at POAL?

This is a decision that sits with Auckland Council as owners of the Port.

What are your plans in terms of updating resource management legislation?

We plan to repeal the Natural and Built Environment and the Spatial Planning Acts and introduce legislation for a fast-track consenting regime in our first 100 days.

Will you be changing port ownership models?

My focus is on seeing quality data so we get a better understanding of the strategic role of the various ports and their connections. I'm aware that members of the Council of Cargo Owners have called for a review of port ownership models.

Will the RUC stay off Zero Emission Heavy Vehicles?

The National Land Transport Fund is not sustainable and we need to look at new ways of bringing revenue into the fund. Currently, the exemption for ZEHV ends on 31 December 2025.

What is being done to make freight transport across Cook Strait more reliable?

Minsiters are considering that issue now and I can't say more at this point.



EVENT BRIEFING

19 December 2023

OC231076

Hon Simeon Brown
Minister of Transport

MEETING WITH EMPLOYERS AND MANUFACTURERS ASSOCIATION (EMA) AND CHAMBER OF COMMERCE

Snapshot

You are attending a closed-door meeting with representatives from the Employers and Manufacturers Association (EMA), the Auckland Business Chamber and Chief Executives from infrastructure consultancies. The meeting will be hosted by the EMA. The EMA have indicated they would like to discuss 'Lessons learnt regarding infrastructure to inform the approach for a potential Auckland City deal'.

Time and date	12.30pm, 21 December 2023
Venue	EMA, Floor 1, 145 Kyber Pass Road, Auckland
Attendees	Brett O'Riley, CEO EMA Alan McDonald, Head of Advocacy, Strategy and Finance, EMA Simon Bridges, CEO Auckland Business Chamber William Cox, CEO Aurecon Amelia Linzey, CEO BECA Dr Alan Belfield, Chairman ARUP Group
Officials attending	None
Media	There will be no media attending the event
Talking points	Talking points are attached

Contacts

Name	Telephone	First contact
David Wood, Deputy Chief Executive, Investment and Monitoring	s 9(2)(a)	
Lou Lennane, Auckland Strategic Programme Lead		
Karen Lyons, Director Auckland		✓

MEETING WITH AUCKLAND STAKEHOLDERS - EMA AND CHAMBER

Key points

- Investment and delivery of a significant transport portfolio over recent years provides a number of lessons. These include the importance of factoring in affordability and deliverability considerations, the need to work in partnership with local government and the private sector, planning networks rather than individual projects, the need to drive efficiency through planning and delivery, and keeping value for money at the forefront of decision-making.
- The scale of investment required in infrastructure investment across Auckland, and nationally, means that choices need to be made and investment sequenced. While there is a large programme of transport infrastructure ahead for transport in Auckland, not everything needs to be done at once.
- Making the most of the existing infrastructure is also important, rather than only focussing on building new projects.
- The National Land Transport Fund is under increasing pressure to fund the basic level of maintenance and renewal of assets and is not able to absorb the scale of project investment required.
- The use of a broader set of funding, financing and delivery tools will enable the cost of a project to be spread over time and speed up delivery by leveraging alternative sources of financing, and by allowing for different delivery options.
- Infrastructure is an enabler which needs to contribute to broader outcomes, rather than being seen in isolation.
- There needs to be greater certainty of the infrastructure pipeline, as over time large infrastructure projects have changed direction with political cycles. We also need to plan in an adaptive way, given the uncertain future, with a priority given to “no-regrets” investments.
- In past years, cost-escalations have challenged available funding. We need better ways of predicting and managing cost increases through better forward budgeting for projects and through driving efficiency in delivery.

Background

Commentary from The Infrastructure Commission Te Waihangā

- 1 Work by the Infrastructure Commission has highlighted that New Zealand is less efficient at delivering quality infrastructure than most other high-income countries with cost premiums for motorways, road tunnels, and rail tunnels relative to other high-income countries.

- 2 They note that infrastructure investment, as a proportion of GDP, is similar to the average of other high-income countries. However, New Zealand's infrastructure efficiency lies in the bottom 10% of high-income countries.
- 3 The reason we are less efficient is due partly to factors that we can't easily change such as a dispersed population across long islands, and partly due to factors that are in our control, like the quality of our institutions, planning and regulatory frameworks, investment decisions, and management of cost and delivery pressures.
- 4 The Commission have also commented on the unprecedented scale of the expected Auckland programme and concluded that improving deliverability of the transport portfolio will require a combination of sequencing investments, changing the scope of investments, and coordinated interventions to rapidly grow the capacity of the market.

Commentary from the Auditor General

- 5 The office of the Auditor General released a report in December 2023 'Making Infrastructure Investment Decisions Quickly'. The report focussed on decisions that were made on the New Zealand Upgrade Programme and the Shovel Ready Programme. Lessons learnt from these programmes include ensuring better quality of information from officials, involving local authorities in decision making, ensuring risks are appropriately identified and the need for a more robust value for money process. The following points are made in the report:
 - 5.1 More attention should be given by Ministers to criteria to be used when deciding investments. Criteria should be clear and include enough guidance for people to determine whether the criteria has been met.
 - 5.2 It is critical that Government receives the right information to ensure that decisions support value for money. Decisions have been made in haste, without projects fully scoped or planned. Full business cases have not always been available or updated to reflect more advanced planning.
 - 5.3 Decision makers will need to make trade-off decisions on what is delivered, and when. Trade offs could take the form of scope, scale, or timing (i.e., phasing).
 - 5.4 Risks should be identified early, including risks to investment objectives, supply chain risks, project level risks and the risk of making decisions at pace.
 - 5.5 The Auditor General has recommended that the Treasury ensure that there is regular public reporting of all significant investments that have had or that require Cabinet-level consideration. Consistently and transparently evaluating projects against effective criteria will provide assurance to applicants and the public that the process is fair and transparent.

An Auckland City Deal

- 6 Starting a city deal for Auckland requires careful consideration. Government will need to determine what it wishes to achieve through a city deal. While these deals can support infrastructure delivery, thought also needs to be given to shared outcomes, funding commitments, implementation and monitoring.

- 7 The Mayor has indicated his priorities for a city deal through his Mayoral Manifesto for Auckland. The Mayor is seeking a framework for central and local government strategic alignment, joint governance and investment, new funding and financing tools and a greater share of revenue.
- 8 Transport will be a component of a city deal for Auckland. The Auckland Transport Alignment Project (ATAP) partnership has been active since 2015 supporting alignment of outcomes and agreement of investment priorities. This provides a good basis for the partnership between Auckland Council and government.

Biographies



Brett O'Riley, CEO EMA

Brett has served as the CE of the EMA since January 2019. Over the past decade, he held positions as the founding CE of NZICT (now NZTech), the founding deputy CE of the Ministry of Science and Innovation, and most recently as the CE of Auckland Tourism, Events and Economic Development, Auckland's economic growth agency until September 2017.

Before these roles, Brett accumulated 20 years of experience in the telecommunications and IT sectors in New Zealand and internationally.



Alan McDonald, Head of Advocacy Strategy and Finance EMA

Alan has been the Head of Advocacy and Strategy at EMA since 2019. His role is to set and guide the policy agenda for the EMA and lobby both central and local government on behalf of the organisation. He also oversees ExportNZ in the Upper North Island with oversight of regional operations in Auckland, Hamilton and Tauranga.

Alan currently sits on the boards of Transparency International New Zealand, Australasian Society of Association Executives, and Public Relations Institute of New Zealand.



Simon Bridges, CEO Auckland Business Chamber

In May 2022, Simon, the former National Party Leader, was confirmed as the new CEO of the Auckland Business Chamber.

As a member of Cabinet in the last National-led Government, he held several ministerial portfolios including Energy, Transport, Communications and Economic Development.



William Cox, CEO Aurecon

William became Aurecon's CEO in 2019. He has over 30 years of civil engineering expertise in highway, rail and airport planning, and design and construction projects in Australia and the UK. And has contributed to major infrastructure projects, including the Sydney Cross City Tunnel Project, and the Sydney Rail Clearways programme.

In 2015, William was named one of Engineers Australia's top 100 most influential engineers in Australia and in 2019 he was appointed a Fellow of the Australian Academy of Technology and Engineering.



Amelia Linzey, CEO BECA

Amelia assumed the role of Beca's Group CE in October 2023, succeeding Greg Lowe. Prior to this, she held positions as Beca's Group Director – Advisory, Chief Planner, Chair of the business' Sustainability Steering Group, and Director on both the Beca Group and Beca NZ boards.



Dr Alan Belfield, Chairman ARUP Group

Alan has been the Chairman of the ARUP Group since 2019, and initially joined ARUP in 1992. Prior to his current role, Alan was the Chair of the UK, Middle East and Africa Region at ARUP and, before that, he was Chair of the firm's Global Consulting Practice

He also holds positions as the Business Chair of the UK Government's Professional and Business Services Council and serves on the board of London First.

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Annex 1

Talking Points

Introduction

- Thank you for your time today. My portfolios of Transport and Auckland made it a priority to meet with you early in the term.
- I appreciate the significant role that the EMA and the Chamber play in transport and the scale of operations in Auckland, and I'd like to thank Simon and Brett for bringing together key consultancy leads today.
- I'd like to make a few quick comments, then I would be interested in hearing your collective thoughts on what has worked and what lessons we can learn from delivering transport infrastructure.

Key points

- We, as government, have been clear in our manifesto that we want to see projects delivered and progress made across the transport network, while recognising that maintaining what we already have is an important first step.
- Key to this Government is fiscal responsibility, and with this I am looking to introduce greater rigour in investment decision making.
- Prioritisation of investment is going to be critical as we cannot afford to do everything at once. I will be asking officials to work across the ATAP partners to provide me with options for sequencing and staging the investment and delivery of the 30-year transport programme in Auckland as a key first step.
- The Government Policy Statement is the tool I have to hand to outline our priorities for transport. We will be releasing a new draft GPS early in 2024 which will help shape our focus for transport over the next three years.
- In Auckland we will be looking at sequencing and staging of investment over the longer-term as well as getting on with shorter-term priorities.
- Our key areas of focus are set out in 'Our Infrastructure for the Future' document. We will establish a National Infrastructure Agency, look at innovative funding and financing tools, look to fast-track consents and commit to a 30-year infrastructure pipeline to create certainty in the sector.
- I am interested in hearing from you what you think are learnings we can take early on into our political term and how we can ensure we utilise these to inform our approach going forward.

City Deals

- We as Government are committed to working in partnership with local Government, and I recognise Mayor Brown a Mayoral Manifesto requesting a re-set of the relationship between Auckland Council and government.

- In relation to Transport, we already have the Auckland Transport Alignment Project model of collaboration in Auckland which has been a successful way of aligning political objectives and investment priorities between government and Auckland Council. I appreciate there are ways this could be strengthened but see this as a good model to build from.
- I am interested in hearing from you where you have seen City Deals work well and what made them a success

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25 January 2024

Document 10

Hon Simeon Brown
Minister of Transport
Parliament Buildings
Wellington

By Email: simeon.brown@parliament.govt.nz
CC: brian.anderton@parliament.govt.nz

Dear Minister,

Review of the Clean Car Standard

During the 2023 General Election, the National Party indicated a desire to bring forward a review of the Clean Car Standard. VIA¹ welcomes such an action and we would appreciate the opportunity to provide input into any review of the Clean Car Standard.

We note, first, the wider programme of policy initiatives before providing our views on the Standard.

Clean Car Programme

The **Clean Car Programme** has three planks focused on reducing greenhouse gas emissions (GHG):

- the Clean Car Upgrade (CCU);
- the Clean Car Discount (CCD); and
- the Clean Car Standard (CCS).

The **CCU** was a proposal to introduce a scrappage scheme. This policy work has been discontinued by the government for various reasons. VIA thinks a key reason for the policy failure was the attempted use of the CCU to address inequities created by the CCD and CCS, rather than maintaining a focus on how the scheme could remove high polluting and unsafe vehicles from the fleet. VIA would like to see this work renewed as it may provide a solution to some of the future challenges we face with the CCS, but any renewal needs more emphasis placed on achieving the goal of fleet transformation.

The **CCD** was intended as a cost-neutral programme to provide a rebate on purchases of electrified (and other low emission technology) vehicles to incentivise consumers to make that choice and charges a fee on higher emitting vehicles to discourage that choice. The first iteration of the programme has failed to remain cost neutral even though it succeeded in promoting an increased uptake of low/zero carbon vehicles. Your government has now discontinued the CCD and so this document accommodates that change and focuses on the CCS.

The **CCS** is a policy that allocates credits and imposes penalties on the importer of a vehicle depending on the weight-adjusted carbon emissions per km for that vehicle. Under its implementing legislation, the CCS is due for a review by the middle of 2024. We welcome an earlier review.

¹ VIA is the Imported Motor Vehicle Industry Association Inc, which represent businesses involved in the supply chain and retailing of vehicles that have been independently imported from other jurisdictions.

VIA acknowledges the importance of addressing greenhouse gas (GHG) emissions and supports effective carbon reduction policies in the transportation sector. However, VIA expresses reservations regarding the philosophical foundations and implementation of the Clean Car Programme and suggests modifications to improve its effectiveness and fairness.

Philosophical Reservations:

- **Logic Concerns:** VIA raises concerns about a policy that penalizes light, low-polluting vehicles more per unit of emissions than heavy, high-polluting vehicles. The weight-adjustment put on the price of carbon demonstrably encourages the **importation** of heavier vehicles, leading to unintended consequences and a potential increase in the overall mass of vehicles in the fleet and a resulting requirement for more energy to drive those vehicles (as either fuel burned, or electricity drawn from the grid).
- **Behaviour Targeting:** VIA argues that the primary source of emissions is the act of driving, not the vehicles themselves; owning a vehicle says nothing about the amount that vehicle is used. Instead of targeting vehicles, the focus should be on influencing consumer behaviour at the point of purchasing GHG producing fuels, addressing the root cause of emissions directly.
- **Equity Issues:** The Clean Car Programme might worsen economic disparities. More efficient cars, typically more expensive, benefit those who can afford them, subsidized by those who cannot. This results in inequity within the program.
- **Misleading Terminology:** Contrary to how the programme is conveyed and how the terms within the programme are used, at no point does the Clean Car Programme have anything to do with paying for actual carbon emissions. It is not a carbon trading scheme. It is a programme designed to incentivize weight-adjusted vehicle efficiency in a way that allows relatively higher emissions from heavier vehicles. The programme, and discussion around it, should reflect this to avoid misinformation and misunderstandings.

Implementation Reservations:

- **Focus on the vehicle:** Currently, whether a vehicle receives new or used entry compliance treatment is based on the nature of the importer, not on the vehicle's characteristics. This creates unfair advantages for some organisations and may hamper competition.

Counterproductive Aspects:

- **Poor implementation:** Issues arose early in the implementation of the programme, which have led to a decline in trust from both the industry and the public.
- **Financial Challenges:** Without modification, by the end of this decade, the programme is expected to impose significant financial pressure on all car buyers due to penalties on all vehicles except EVs and extremely low emitting PHEVs. This is how it was designed and intended to apply, but it assumes a supply of vehicles that we can already see cannot be realised. This may lead to increased costs as there will be insufficient Clean Car Standard credits to offset penalties, potentially making the program simply a general tax rather than an incentive.
- **Incentivizing Energy Hungry EVs:** The program's subsidies for heavier EVs might incentivize more energy hungry options, exacerbating infrastructure challenges (charging, general network supply) as the transition to universal electrical electrification occurs.

In summary, VIA recognizes the necessity of reducing emissions but highlights key reservations and proposes adjustments to make the Clean Car Programme more effective and fairer.



This document sets out:

- the issues that VIA has identified with the CCS,
- why these elements are an issue, and
- how VIA thinks that issue should be addressed in any review of the CCS.

This document has been shared with other key industry stakeholders including the Motor Industry Association (MIA) and the Motor Trade Association (MTA) for their information. While there are several revisions that all organisations would agree on, we recognise that our different associations (with differing memberships) will not agree on all the positions set out here. This is why it is important that the Government establish a robust framework for engaging with industry on policy design to understand the myriad viewpoints on the details.

A key concern for VIA is that the original approach to the CCS was not informed by an understanding of the realities of the existing source stock for used vehicle imports, nor the pathway for new vehicles coming into New Zealand. Our country is a "taker" of technology, and it is simply not viable for us to implement policy that seeks to put us ahead of benchmarks in our source markets for vehicles (both new and used).

The VIA approach aims to ensure that the Clean Car Programme achieves its emissions reduction objectives while addressing concerns related to equity, competitiveness, and the practicality of implementation, ultimately working towards a cleaner and more sustainable transportation system.

Pragmatic, realistic

We are attempting to bring pragmatism and realism to the conversation:

- Many New Zealanders cannot afford new vehicles and rely upon the importation of quality used vehicles to update and upgrade their vehicles at an affordable price.
- Current estimates are that the proportion of EVs made globally in 2030 will only reach 36%. This means that over 60% of new vehicles in 2030 will be some form of ICE vehicle (including petrol hybrids) and will be in the fleet for up to 20 years.
- Our main market for used vehicles (Japan) has been slow to introduce EVs to its fleet, and so there is a small future pool of these vehicles for the used market. With many other nations seeking to reduce carbon emissions, that small pool will be a target for many other countries competing in those used vehicle auctions.

Maintaining Ambition:

Even with the changes recommended below, VIA is loath to argue for a reduction in the ambition of efforts to decarbonize transport.

Several of our suggestions, such as removing the weighted average should result in an even greater pressure to reduce GHGs across the fleet.

Other options, such as the introduction of additional pathways to acquire credits, would potentially reduce the burden on importers, but introduce options for the industry to earn credits through GHG reductions. Every credit should be earned by contributing to the overarching goal of emissions reduction and environmental sustainability.

The following table lists VIA's "Key Issues", being those issues that can be quickly and simply addressed in the Clean Car Standard instruments.

Key Issues	Reason	Suggested change	Comments
Trading of Carbon Credits between "new" and "used".	<ul style="list-style-type: none"> It is the vehicle that is assessed for standards and emissions, not the importer. Any legal entity can import new, used, or both categories of vehicles and thus receive clean car credits for qualifying vehicles. Originally, the rate of penalisation was variable between new and used vehicles. In a recent change, the 'value' of credits has been standardised at a 1:2 ratio, so 1 <i>new</i> credit is worth 2 <i>used</i> credits, removing the rationale to preclude trading between new and used. Importers should be allowed to exchange clean car credits between so-called 'new' and 'used' CCS accounts. 	<ul style="list-style-type: none"> Allow the exchange of credits (at a 1:2 ratio) between importers. 	<ul style="list-style-type: none"> A harmonised approach to credit trading like this would allow importers, who gain credits from bringing in predominantly low emission used vehicles, to receive real value for those credits by enabling credit trading with any other importer. This also allows importers who bring in both new and used vehicles to pool their credits across the two categories and simplify trading for them. This change will also benefit the importers of low-to-no emission vehicles as it will broaden potential trading partners.
Imbalance caused by CCS weight adjustment	<ul style="list-style-type: none"> This adjustment is supposed to place equally fair pressure on all market participants and prevent over-penalising heavy vehicles (which emit more CO₂ than lighter vehicles). However, this mechanism simply results in importers of lighter and lower-emitting vehicles subsidising the importation of heavier, higher-emitting vehicles. If we are trying to influence supply and demand, then the target CO₂ for a vehicle should reflect the design and real-world impact of that vehicle. 	<ul style="list-style-type: none"> Eliminate the weight adjustment in determining CCS targets. This allows the target and associated penalties under the CCS to be more accurately calculated with reference to the real-world emissions impact of a vehicle. 	<ul style="list-style-type: none"> The type of car that a consumer chooses is one factor of what this programme should be trying to influence. The weight adjustment nullifies this influence and thus does not encourage buyers to look for vehicles that actually have lower emissions. Helping people realise (through accurate imposition of penalties) that a smaller, lower-emitting car will work for them <i>is</i> the behaviour change the legislation should be trying to achieve.

Key Issues	Reason	Suggested change	Comments
<i>Reasonable exemption for mobility adapted vehicles</i>	<ul style="list-style-type: none"> The importation of near new and used vehicles that are already modified or ready for adaption for disabled New Zealanders provides a massive social benefit. Due to the engineering requirements being focused on the safe installation of special equipment, these vehicles may not always meet the carbon standards being set for New Zealand. The small impact on carbon levels from these vehicles is far outweighed by the social good delivered to Kiwis in providing them with mobility options. 	<ul style="list-style-type: none"> Work with industry to adopt a reasonable exemption for mobility assistance vehicles, like the exemption in the recently updated exhaust emission rules. 	<ul style="list-style-type: none"> This creates alignment across vehicle import standards.
<i>Reasonable exemption for immigrants' and returning expat vehicles</i>	<ul style="list-style-type: none"> Some immigrants to New Zealand bring their own vehicles. The small impact on carbon levels from these vehicles is far outweighed by the social good of allowing immigrants to retain familiar mobility options. 	<ul style="list-style-type: none"> Work with industry to adopt a reasonable exemption for immigrant vehicles, like the exemption that currently exists in most standards for immigrants' vehicles. 	<ul style="list-style-type: none"> This creates alignment across vehicle import standards.
<i>Align border check treatment with Exhaust Emissions Rule.</i>	<ul style="list-style-type: none"> It is confusing to have regulations applying standards and criteria on the same vehicle but at different times in the process. The Exhaust Emissions Rule pragmatically recognises that the import process takes time to deliver vehicles ordered from overseas markets. While in transit, vehicle standards may have transitioned to different levels and by the time the vehicle lands in New Zealand the criteria against which a purchase decision was made may no longer apply. 	<ul style="list-style-type: none"> Align the CCS with the Exhaust Emissions Rule in terms of timing and application of requirements. <ul style="list-style-type: none"> Apply the CCS rules that were in effect at the time of Border Check (if within 4 months). If Entry Certified more than 4 months after Border Check, the vehicle is subject to current rule. 	<ul style="list-style-type: none"> As with the Exhaust Emission Rule, this would give importers 4 months from border check in source jurisdiction to get the vehicle to New Zealand and through entry certification. This change gives importers more certainty that minor shipping delays or grouping vehicles for logistical reasons will not lead to vehicles becoming commercial unviable.

Key Issues	Reason	Suggested change	Comments
Introduction of a discretionary Exemption Process	<ul style="list-style-type: none"> Some shipping delays are outside the ability of goods importers to control. These delays could coincide with an update in the CCS to a tighter set of requirements. If this occurs, the industry should have some ability to petition the regulator to delay the implementation of the rule changes for the vehicles affected. The current implementation of the Clean Car Programme does not provide this capability to the regulator or even to the relevant Minister. 	<ul style="list-style-type: none"> Add a formal process industry can use to request an exemption for various aspects of the Clean Car Programme. 	<ul style="list-style-type: none"> We understand that these exemptions would be done at the discretion of government, either the regulator or the Minister, or both. We also understand that the industry would be required to make the case for and provide sufficient evidence to prove that the exemption is warranted.
Access to “New” and “Used” credits (and penalties).	<ul style="list-style-type: none"> Currently, a vehicle is “used” if it has been registered previously in another jurisdiction regardless of the vehicle characteristics (e.g., kilometres travelled and age). This stifles the opportunity for an importer to purchase vehicles new (i.e., from a brand dealer) in another jurisdiction and ship these to New Zealand. One of the rationales for the CCS credits and penalties regime is to account for the remaining useful life of a vehicle – i.e., a ‘new’ car is assumed to remain in the fleet longer than a ‘used vehicle’². It would be cumbersome to define a gradient or spectrum of “used”, but “like new” is more easily defined. 	<ul style="list-style-type: none"> Work with industry to create a set of vehicle-related criteria that would demonstrate if a vehicle were “new” or “like-new”. For the purposes of CCS, recognise vehicles that are functionally “new” by setting criteria that defines “new” in terms of the condition of the vehicle for: <ul style="list-style-type: none"> vehicle age, low kilometres, “like-new” condition (as certified by an independent inspector). 	<ul style="list-style-type: none"> Consumers will consider a vehicle under a certain age (eg 1 year) and with low kilometres (eg less than 500km) as essentially a “new” (or ‘near new’) vehicle. NZTA rules currently only recognise a vehicle as a “parallel import” if it has been supplied by the OEM through a non-regular channel. This is contrary to general commercial practices where the OEM is generally unaware or agnostic to the import of their product.

² Based on the current trend in NZ for vehicles to be de-registered (i.e., scrapped or removed) from the fleet between 20-22 years old. A used vehicle with an average age of 9-10 years will have less time in the fleet (to provide benefit [credit] or harm [penalty]).

Key Issues	Reason	Suggested change	Comments
<p><i>Alternate paths for earning credits</i></p>	<ul style="list-style-type: none"> • The targets for the CCS do not align with the availability of low emission vehicles. • This supply issue is outside of our control as it is a result of the wider international market. • This will lead to increased penalties with none of the offsets the programme assumes being available, which will be realised as general vehicle price increases. • Thus, we should examine alternative pathways for earning credits that could be used as offsets. 	<ul style="list-style-type: none"> • Work with industry to explore alternate paths for credit acquisition. 	<ul style="list-style-type: none"> • We recognise that simply aligning the target to supply will effectively be reducing the ambition of the programme. • While the lack of supply is the main issue for importers, the biggest problem for New Zealanders will be the knock-on effect caused by the excessive penalties and the lack of credits to offset those penalties. • An alternate solution is to develop additional ways for the industry to acquire credits. • One idea VIA has previously proposed is a scrappage scheme that awards credits based upon the CO₂ emissions of the vehicle scrapped.
<p><i>Alignment of targets with vehicle supply</i></p>	<ul style="list-style-type: none"> • These targets, especially from 2026 onwards are unrealistic and do not align with what is being made at this time in our source markets. • For used vehicles, the Japanese market has been slow to adopt EVs and so there is a very small pool of these vehicles being made available at auctions. 	<ul style="list-style-type: none"> • Align targets to what is being achieved by global markets. • Adjust targets to align with the best of the vehicles expected to be available at volume. 	<ul style="list-style-type: none"> • We recognise that simply aligning the target to supply will effectively reduce the ambition of the CCS. • Lack of supply is the main issue for importers, but the problem for all New Zealanders will be the knock-on cost caused by the excessive penalties (premised on the expectation that there would be a supply of EVs to allow choice). • While EV sales numbers look impressive as percentages ('large' movements from small baselines), the necessary level of EVs have not eventuated. • Thus, we advocate for creating alternate sources of credits.

Key Issues	Reason	Suggested change	Comments
Carbon emission target timeframe	<ul style="list-style-type: none"> As noted above, we are a taker of technology, and the current approach sets a timeframe where emission targets quickly become almost impossible to meet. Our global source markets still lag achieving these same levels of reduction. This means that vehicles to meet those extreme targets will simply not be available (if they exist at all). 	<ul style="list-style-type: none"> Align the timeframe for targets to match what is achieved overseas. Add a realistic buffer timeframe for those benefits to become available in NZ (eg, +3 years or similar). 	<ul style="list-style-type: none"> As above³.
Exclusion for classic and collector vehicles already into the country	<ul style="list-style-type: none"> Classic and collectible vehicles have been imported into New Zealand prior to the implementation of the CCS with the intent of registering them once they are over 20-years of age. 	<ul style="list-style-type: none"> Vehicles that have gone through a border check before the implementation of the programme should be added to the list of exemptions. 	<ul style="list-style-type: none"> A broader general 20-year exemption is inappropriate for the CCS as it will incentivise the import of these often more emitting vehicles, but vehicles already imported should be exempt.

Thank you again for your invitation to contribute to this review. We look forward to working with your officials on this matter.

Yours sincerely,



Greig Epps
 Chief Executive
greig@via.org.nz

³ Thus, our recommendation above to explore alternative ways to acquire credits, which would help mitigate the risks caused by these extreme timeframes.

Neha Pawar

From: Dominic Cowell-Smith
Sent: Thursday, 25 January 2024 5:37 pm
To: Media Mailbox
Cc: Tony Frost (Parliament)
Subject: Speak and attend at the NZAA Annual Conference
Attachments: Simeon Brown Minister of Transport.pdf

Hi team

Could we please commission an event briefing and speech for the Minister at the NZAA Annual Conference? The event is scheduled for 8 March 2024, as such could we please have this content by COP 1 March please?

Please liaise with NZTA as necessary, more info on the event attached and below.

Much appreciated!

Ngā mihi
 Dom

**Dominic Cowell-Smith**

Private Secretary (Transport) | Office of Hon Simeon Brown
 Minister of Transport | Minister for Auckland | Minister for Energy | Minister for Local Government

DDI: 04 817 9802 | [s 9\(2\)\(a\)](#)

Email: dominic.cowell-smith@parliament.govt.nz Website: www.Beehive.govt.nz
 Private Bag 18041, Parliament Buildings, Wellington 6160, New Zealand

RE: Focus is "Building for the Future"
20-minute speech + 10 minutes Q+A scheduled for 3pm

Minister's runsheet:

2.35pm arrive at conference
 3pm Speech
 3.30pm – 4.10pm Meet with Nadine Tereora CEO, Mark Winger President and Simon Douglas Chief Advocacy Officer re: AA's policies etc.
 4.10pm – 5pm Main auditorium for debate between students from a local high school versus three of our AA Councillors
 5pm Conference ends

Sent: Thursday, January 25, 2024 3:31 PM
To: Elena Hood Elena.Hood@parliament.govt.nz
Cc: Simon Douglas SDouglas@aa.co.nz
Subject: AA Meeting with Minister

Good afternoon Elena

Thanks very much for your email.

We have scheduled the Minister to address our AA Conference delegates at 3.00pm until 3.30pm which also allows 10 minutes for question time.

At 3.30pm, Nadine Tereora (Chief Executive), Mark Winger (President) and Simon Douglas (Chief Advocacy Officer) will meet with the Minister to discuss the AA's policies etc in the Conference venue's Board Room.

At the conclusion of this meeting at 4.10pm, the Minister is invited back into the main Auditorium to listen to the last session of the day which will involve a debate between students from a local high school versus three of our AA Councillors. Our Conference concludes at 5.00pm.

Please let me know if you have any further questions.

Kind regards
Patsy Ranchod

From: Patsy Ranchod PRanchod@aa.co.nz
Sent: Tuesday, 5 December 2023 1:11 PM
To: Simeon Brown Simeon.Brown@parliament.govt.nz
Subject: INV23-154 AA Conference and Congratulations

Good afternoon

Please find attached a letter of congratulations and an invitation to attend the NZAA Annual Conference to be held in Napier next year.

Kind regards
Patsy Ranchod

Patsy Ranchod

Executive Assistant | Transport Policy and Advocacy Team
The New Zealand Automobile Association Incorporated
s 9(2)(a) E: pranchod@aa.co.nz W: aa.co.nz
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5 December 2023

Hon Simeon Brown
Minister of Transport
Parliament Buildings
WELLINGTON

Dear Minister

AA Conference 2024

Our congratulations to you on becoming our new Minister of Transport. The AA looks forward to continuing our positive relationship with you.

We would like to extend an invitation to you to address our Annual Conference next year, which will be held at the Napier War Memorial Centre, 48 Marine Parade, Napier, on Friday, 8th March 2024.

The AA Conference brings together around 170 people including members of our Board and National Council, representatives from the 18 AA District Councils throughout New Zealand and our Executive and Senior staff. Also attending will be representatives of the Australian Automobile Association.

We would like you to address our Conference on Friday 8th March immediately following morning tea at 10.35am. We would be most pleased if you could join us for lunch if time permits.

The focus for our conference is "Building for the Future" and we will be talking about initiatives to support this. Your address could focus on your Party's vision for transport, including investment in infrastructure, safety, transport funding and public transport.

You will be aware that in addition to running a successful commercial business spanning tourism, insurance and motoring services the AA represents the interests of 1.8 million Members through a comprehensive advocacy programme. In our advocacy work we are committed to improving road safety in New Zealand and reducing the number of people killed and injured on our roads. We are also increasingly focussed on improving mobility through the investments made in roads, PT and walking & cycling.

We certainly hope that you will be able to accept this invitation and your advice on your availability would be welcomed by the end of this year. Please do not hesitate to contact me if you have any questions.

Yours sincerely

Simon Douglas
Chief Policy and Advocacy Officer

**GUIDING LIFE'S JOURNEYS
FOR OVER 110 YEARS.**

New Zealand Automobile Association



Neha Pawar

From: Garrick Wood
Sent: Monday, 29 January 2024 12:52 pm
To: Laurence Tyler
Cc: Ken Hopper
Subject: FW: Briefing please - Minister meeting with NZ Airports
Attachments: NZ Airports to Hon Simeon Brown.pdf; Six Actions for Aviation.pdf

Hi Laurence

Can you please prepare a meeting briefing.

Ken recently prepared a meeting briefing for the Minister's meeting with Air New Zealand. You should be able to use some of that content as a basis. I would focus on the topics in the letter.

- Alex and Fran can assist on the environmental topics.
- Sonya and I can assist with "*considering airfare and airline performance monitoring as a practical step to lower the cost of living*". I'll provide some draft content for you.
- The Crown Entity and Investment teams should be able to help provide some lines *aviation policy and regulation in forward Budgets*.

Ken can you please peer review given you authored the Air NZ briefing.

Ngā mihi

Garrick Wood (he / him / Mr)

M: s 9(2)(a) E: g.wood@transport.govt.nz | transport.govt.nz

From: Tom Forster <t.forster@transport.govt.nz>
Sent: Monday, January 29, 2024 10:19 AM
To: Garrick Wood <G.Wood@transport.govt.nz>
Subject: Fwd: Briefing please - Minister meeting with NZ Airports

Hi Garrick

I hope all is well with you? Can you please commission?

Thanks
 Tom

Sent by mobile

From: Tony Frost <Tony.Frost@parliament.govt.nz>
Sent: Monday, January 29, 2024 9:01:53 AM
To: Tom Forster <t.forster@transport.govt.nz>
Cc: Karen Lyons <K.Lyons@transport.govt.nz>
Subject: Briefing please - Minister meeting with NZ Airports

Hello Tom

The Minister is meeting Matt Clarke Chair and Billie Moore CEO, NZ Airports on 8 Feb 9 to 9.30am at the APO.

Can we have a meeting briefing by midday 5 Feb please.

I'll put a meeting invitation in your and Karen's diaries for an official to attend.



Tony Frost

Private Secretary | Office of Hon Simeon Brown
Minister of Transport | Minister for Auckland | Minister for Energy | Minister for Local Government

DDI: 04 817 9140 | s 9(2)(a)
Email: tony.frost@parliament.govt.nz Website: www.Beehive.govt.nz
Private Bag 18041, Parliament Buildings, Wellington 6160, New Zealand

From: Billie Moore Billie.Moore@nzairports.co.nz
Sent: Wednesday, November 29, 2023 9:07 AM
To: Simeon Brown Simeon.Brown@parliament.govt.nz
Cc: 'matt.clarke@wellingtonairport.co.nz' matt.clarke@wellingtonairport.co.nz
Subject: INV23-078 and INV23-079 Letter from NZ Airports

Dear Minister

Congratulations on your appointment as Minister of Transport, Energy, Local Government and Auckland!

Please find attached a letter from myself and NZ Airports Chair, Matt Clarke, with some thoughts that we hope are helpful as you work through your first weeks in your portfolio.

Airports are keen to take an active role in the Government's economic growth agenda, and hope we can meet soon to discuss ways we can make this happen.

Please contact me anytime we can be of assistance.

Kind regards

Billie

Billie Moore
Chief Executive

M +64 21 528 597
E billie.moore@nzairports.co.nz | **W** www.nzairports.co.nz

Level 8, Midland Chambers, 45 Johnston Street, Wellington 6011
PO Box 11369, Wellington 6142, New Zealand.



29 November 2023

Hon Simeon Brown
Minister of Transport
Parliament Buildings
WELLINGTON

Dear Minister

Congratulations on your appointment as Minister of Transport, Energy, Local Government and Auckland.

We greatly appreciated your involvement in the NZ Airports Hui in October, and your comments on the importance of airports to the economic and social fabric of New Zealand. We are thrilled to see that airports, as critical regional infrastructure, connect with all of your portfolios. We would like to work with you as a trusted partner to progress your portfolio objectives and the priorities of the National-led Coalition Government. Please draw on us anytime we can support you.

Prior to the election we released a manifesto alongside the Board of Airline Representatives of New Zealand, outlining six areas of work that we believe the Government could focus on over the next term. Now, as you embark on your 100-day plan including the commitments from the coalition agreements, we wanted to share some short-term, practical proposals for you to consider as you review your agency briefings.

Draw on airports and airlines in the government's strategy for economic growth and prosperity

We fully support the Government's priority for New Zealand to become an export powerhouse, restoring New Zealand's reputation as a world economic and social leader. New Zealand must become more outward focused and globally competitive to improve the quality of life of our citizens.

New Zealand's aviation connectivity drives economic growth. As well as enabling our critical \$26 billion tourism industry, aircraft carry 20% of our imports and exports. A single widebody aircraft flying in daily can add \$160m from tourism and \$510m from export cargo to the economy every year. Rebuilding our international air routes and supporting stronger regional connectivity will be key to addressing New Zealand's trade deficit and driving regional productivity. Through strong planning and coordination, aviation and land transport can play complementary roles in the efficient and productive movement of people and goods around the country.

To support the Government's economic agenda, we can develop a set of initiatives with you to drive economic growth from better aviation connectivity both nationally and in the regions, including: increasing efficiency at the border and security through better rostering and new technology; streamlined visas in key markets; supporting high value charter flights into regional airports; and coordinated market interventions offshore including in Australia (which has stalled at 80% visitor recovery) and India (which with the right settings, could generate direct flights by 2025-26).

Continue collaboration between industry and Government on shared goals, particularly decarbonisation

Throughout the pandemic, the aviation industry worked in lockstep to maintain safe and efficient operations, and that close industry cooperation continues. In the aviation sector you will find aligned

and motivated industry partners keen to work more closely with the Government. The Ministry of Transport has been progressing a proposal from the Air Navigation Systems review to establish an Aviation Council to shore up government-industry coordination. If you wish to pursue the establishment of a Council, we will be pleased to participate and make it a success.

The decarbonisation of aviation is a major challenge, and we are delighted that you hold both the Transport and Energy portfolios. As a remote country dependent on air links, aviation decarbonisation has become a national security issue for New Zealand. Airports and airlines are moving as quickly as technology allows, but close government-industry cooperation will be needed to secure New Zealand's access to alternative fuels.

Aviation's transition will involve massive demand on renewable electricity across the country which has not yet been modelled or incorporated into future planning for the energy sector. The Government's Electrify NZ policy is very positive, particularly if we can include aviation's future electricity demand in the generation and transmission pipeline, as well as sufficient renewable energy to support green hydrogen generation.

Whether New Zealand has a plan for Sustainable Aviation Fuel (SAF) for long haul flights has quickly become a top question from international airlines. The global strategic moves on SAF are being made now, with other countries moving at pace to secure global biomass stocks. We need to think about how SAF use can be encouraged and increased, while also ensuring a level playing field between all airlines who fly or wish to fly to New Zealand.

These are complex geostrategic issues involving both government and commercial interests. With this in mind, you may wish to take a more active role in aviation decarbonisation discussions than previous Ministers. Ensuring the Ministry of Transport and Ministry of Business, Innovation and Employment work seamlessly together will be particularly important

Consider airfare and airline performance monitoring as a practical step to lower the cost of living

We commend the Government's focus on lowering the cost of living for all New Zealanders. One clear and achievable step to address the cost of travel would be to generate publicly available airfare data.

In aviation, the major airports are monitored by the Commerce Commission, with static charges set and externally reviewed approximately every five years (making up about 3-5% of airfares on average). In contrast, airlines are free to set airfares using dynamic pricing techniques that optimise yields and volumes (load factor). Since 2019, airfares have increased well above inflation – domestic by an average of 43% and international 57%. There is no way to independently monitor these increases across international and regional routes without access to expensive and complicated data subscriptions.

Unlike in Australia, the UK, US and Europe, there is very little aviation data available to the public in New Zealand. The Australian Government collects and releases data on seat capacity, average airfares and on time performance, alongside other metrics, which provides an independent view of the health, growth and decline of air routes. The Australian Government enhanced this oversight in 2020 by directing the Australian Competition and Consumer Commission to monitor airfares, costs and profits of domestic airlines, due to the highly concentrated nature of Australia's domestic aviation market, where one carrier holds 61% market share.

The market in New Zealand is even more concentrated, with one carrier holding 86% market share. A significant number of routes in New Zealand are monopoly routes with only one airline operating, meaning the performance, connectivity and consumer outcomes of the network are defined by the

commercial decisions of that operator. The lack of competition leaves little opportunity for growth, particularly in the regions.

The new Civil Aviation Act 2023 empowers for the first time the Ministry of Transport to gather airfare, capacity and performance data from airlines and airports. Asking the Ministry to progress this work would go a long way to providing balance for the consumer, particularly when more market competition looks unlikely, while building a much stronger base of knowledge for national and regional transport policy.

Consider aviation policy and regulation needs in forward budgets

Finally, we know that reducing agency budgets is a key priority for the Government and that transport agencies will not be immune to this process. The Government's space policy ringfences funding for space policy and regulation, including in the Civil Aviation Authority and MBIE. We are keen to see these agencies, as well as the Ministry of Transport, increase their focus on developing regulations for alternative fuel aircraft and refuelling infrastructure. We currently have no insight into how agencies plan to prioritise these regulations. We would be grateful if you could keep this in mind when setting your expectations for their budget reviews.

Engaging with the sector

NZ Airports has a schedule of events that bring airports and the wider aviation sector together. The invitation is always open to you to engage with our sector in person or online at any time. In particular, we would like to invite you to a Regional Airport Summit in early 2024, where we could gather airport chief executives from around the country to engage with you and potentially other Ministers on economic development and connectivity growth opportunities.

We hope we can meet soon and discuss these ideas further. All the best for establishing your Ministerial office and your first weeks in the role.

Yours sincerely



Matt Clarke
Chair



Billie Moore
Chief Executive

Cc NZ Airports Board members:

- Matt Clarke, Chief Executive, Wellington International Airport
- Justin Watson, Chief Executive, Christchurch International Airport
- Carrie Hurihanganui, Chief Executive, Auckland International Airport
- Glen Sowry, Chief Executive, Queenstown Airport
- Nicole Brewer, Chief Executive, Rotorua Airport
- David Scott, Chief Executive, New Plymouth Airport
- Mark Morgan, Chief Executive, Hamilton Airport
- David Hayes, Airport Manager, Masterton Airport
- Richard Holyoake, Beca

6

Six Actions to Accelerate Aotearoa's Aviation-enabled Future

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NZ AIRPORTS
ASSOCIATION



BARNZ
VOICE OF THE AIRLINE INDUSTRY

Introduction

Aotearoa's geographic isolation, challenging terrain and highly dispersed population make aviation an indispensable lifeline for all New Zealanders. Ensuring its future success relies on decisive actions from the next government.

We know that aviation delivers vital resilience during national disasters and health crises. As the catalogue of extreme weather events through 2022 and 2023 showed, aviation is critical for fast emergency connectivity when disasters strike and land transport corridors fail.

Aviation allows Kiwis to connect with friends and whānau and to enrich their lives through national and international travel, experiences and opportunities.

The economic and social benefits of staying connected to each other and to the global community are delivered by our airports and airline operators. Air transport underpins our key sectors from tourism to freight and supports our place in the world as a modern, outward-looking and accessible country.

But despite Aotearoa's profound reliance on aviation, government policies often overlook the critical role it plays in keeping us safe, prosperous and connected to each other.

We're heading into a period of unparalleled change for the sector, with the first zero-emission domestic flights planned to take off in just three years' time. We know we can achieve an aviation-enabled future with affordable, accessible, and environmentally sustainable transportation. But without the right funding, regulation, and policy settings from government, this future is at risk.

We've identified six actions needed from the next government to support a safe, sustainable and resilient aviation-enabled future for everyone in Aotearoa.

The next government's actions should:

- 1 Grow New Zealand's economy through greater aviation connectivity.
- 2 Set a path for low and zero-emissions aviation for Aotearoa, considering fuel supply and supporting infrastructure.
- 3 Drive forward the recommendations of the Air Navigation System review.
- 4 Elevate customer service performance through better coordination of all government agencies in the aviation system.
- 5 Future-proof airport infrastructure in the resource management system.
- 6 Boost the resilience of the aviation system through the enhancement of onshore fuel stocks.

1

Grow New Zealand's economy through greater aviation connectivity

The critical role of aviation in Aotearoa's economy was highly visible during the COVID-19 pandemic. With the Government's support, the sector continued to import food, medicines and essential supplies, while carrying our valuable exports to world markets.

This role has continued since the border reopened, with New Zealand's international connections supporting the recovery of tourism, freight, business, international education, the return of skilled workers and by reconnecting New Zealanders with friends and whānau.

Attracting and expanding the number of international airlines and routes serving New Zealand is a key driver of future growth in the economy. A single widebody aircraft flying in daily can add \$160m from tourism and \$510m from export cargo to the New Zealand economy every year. These connections are critical for our export sectors to grow and for Kiwis to have access to international products and services. Almost 20% of our imports and exports by value are now carried by air, and 80% of airfreight is carried in the belly-hold of passenger flights.

We still have some way to go to recover New Zealand's international flight capacity. This summer, we expect to have 80-85% of our pre-COVID capacity back. Amidst the ongoing global aviation recovery, we also face intense international competition for airline capacity and visitors. As a long-haul and ultra-long-haul destination, New Zealand needs to reduce costs, cut through inefficiency, and do all we can to be a destination of choice.

To ensure Aotearoa benefits from the recovery of aviation, the next government should:

- Acknowledge the importance of aviation for New Zealand's economic recovery and productivity and ensure this is reflected in its economic, transport and regional economic development policies.
- Continue to support 'open skies' and foster a regulatory environment that incentivises the development of new air transport routes.
- Recognise the highly competitive environment New Zealand operates in as a destination, and ensure government costs, levies and charges for visitors do not increase.
- Back the building of stronger international connections for New Zealanders, including making practical progress on a seamless and secure trans-Tasman border.
- Foster tourism as a key source of GDP growth to support New Zealand's economic prosperity. Tourism directly contributed 5.6% of GDP prior to COVID-19 and visitor flows underpin the viability of flights for Kiwis and airfreight. Tourism is critical for our regions too, fostering \$24.6 billion in spending all around the country.
- Ensure lessons learned from maintaining connectivity during the pandemic are fully entrenched in response plans for future emergencies, to reduce costs and improve the aviation sector's ability to recover.



Set a path for low and zero-emissions aviation for Aotearoa

Decarbonising air transport for passengers and freight is critical for our future and for our international reputation as a responsible and sustainable global player. It's a challenge for the entire economy and affects every New Zealander.

Our airports and airlines are already working hard to decarbonise their operations and plan for a zero-emissions future.

- Airports around New Zealand are decarbonising their infrastructure. Six airports already have formal accreditation in the global benchmark Airport Carbon Accreditation scheme. Christchurch and Hawke's Bay Airports have already reached the highest levels of global accreditation: 'transformation' and 'transition'.
- Air New Zealand has committed to a 2030 interim emissions reduction target of 28.9% and net zero by 2050, based on flight efficiencies, aircraft upgrades and alternative fuels. It plans to commence zero-emissions test flights from 2026.
- The Hydrogen Consortium of Christchurch International Airport, Air New Zealand, Fortescue, Fabrum, Hiringa and Airbus is exploring on the requirements for a green hydrogen supply chain for aviation in New Zealand.

Positive steps have been taken by the government to support these efforts, particularly with the establishment of the government-industry group Sustainable Aviation Aotearoa. However, the urgency and scale of the aviation decarbonisation challenge are not yet being matched with the right level of policy and regulatory attention or funding.

We need the next government to lead the world in sustainable aviation policy and regulation, including an urgent focus on the infrastructure and fuel supply to enable electric and hydrogen domestic flight.

The next three years are critical. The next government should:

Develop and implement a sustainable aviation fuel strategy for New Zealand

As a remote country, New Zealand's connectivity depends on long haul air routes. Sustainably-produced drop-in biofuel or SAF is the primary method for reducing emissions from long haul air travel and marine transport. SAF can directly replace fossil jet fuel without retrofitting aircraft or requiring new airport infrastructure, and can reduce greenhouse gas emissions by up to 80%.

The challenge for New Zealand is to secure supply for our long haul connectivity in competition with the rest of the world. Globally, SAF production is already being secured by airlines with large-scale, long-term contracts, supported by government strategies and enabling policy, including in the US and EU. Demand for SAF will increase exponentially this decade. New Zealand must respond now.

Building on the feasibility studies underway between the government, Air New Zealand and Fortescue Future Industries, the next government should finalise and deliver a clear strategy and policy package to support a SAF supply chain in New Zealand, including sustainability standards for feedstocks used for SAF.

Enable RNZAF at Ohakea to act as operational alternate

The RNZAF base at Ohakea is the best alternate for large jet aircraft bound for Auckland, Christchurch or Wellington. Long haul airlines who nominate Ohakea as their alternate save 8 tonnes of carbon emissions for every service arriving to New Zealand.

For the last year, Ohakea has had insufficient rescue fire resource to provide this carbon-saving service. Airlines unable to nominate Ohakea carry fewer passengers, carry less freight, and burn more carbon than they need to.

Airlines already meet the costs of nomination - the solution lies in resource allocation. Airlines continue to discuss this with RNZAF. Additional rescue fire resources for the base would enable significant carbon reductions and cost savings for air services to New Zealand.

Boost renewable energy targets to support large-scale zero-emission aviation by the 2030s

While SAF is key for long haul flights, zero emissions aircraft technology will provide solutions for shorter domestic and regional flights within New Zealand. Air New Zealand has concrete plans to procure and test this technology from 2026 and Sounds Air is also actively pursuing aircraft options.

The most promising zero emissions technology options, including hydrogen, battery and hybrid technologies, rely on electricity from renewable energy - and a lot of it. Zero carbon SAF can also be created using green hydrogen from renewable electricity.

For this reason, the ability of our domestic aviation sector to decarbonise will depend on how much renewable energy we can generate and deliver to airports.

Transpower's *Whakamana | Te Mauri Hiko - Empowering our Energy Future* strategy predicts that New Zealand's overall decarbonisation will lead to 68% more electricity demand in 2050. However, the modelling in that strategy doesn't yet account for any demand from aviation.

Further work from Transpower, utilising MBIE hydrogen scenarios, suggests electricity demand from aviation (for green hydrogen aircraft and green hydrogen SAF) could reach 62.7 terawatt hours. That's one and a half times New Zealand's current total energy demand.

While more work needs to be done on modelling and phasing this demand, it's clear that zero emissions aviation will require higher renewable energy generation targets in New Zealand than currently planned. The next government should boost renewable energy generation targets and ensure that all relevant players from the energy sector are mobilised to consider the scale of generation investment needed for a zero-carbon aviation sector in New Zealand, along with the transmission upgrades required at airports in each region.

Invest in a green hydrogen strategy for domestic aviation

New Zealand's geography and large proportion of short-range domestic routes make us the perfect market for zero-emission green hydrogen aircraft technology. This has been recognised by the Hydrogen Consortium, which is exploring the practical requirements of green hydrogen for aviation in New Zealand, including airport infrastructure requirements and the potential for airports to serve as hydrogen hubs for land transport.

Despite this, New Zealand's hydrogen policy is falling behind other developed countries. Billions have been committed by governments in Australia, Europe and North America towards hydrogen innovation and supply chains. Australia has invested A\$2 billion to support the development of a green hydrogen industry.

The next government should accelerate its work on a green hydrogen roadmap and strategy to determine an enabling policy, innovation and funding package for hydrogen in New Zealand. New Zealand is already home to innovative engineering expertise for green hydrogen. The risk is that this expertise is harnessed by other countries moving faster to invest and

incentivise their own hydrogen sectors. The next government should move quickly to evaluate the potential for green hydrogen supporting low emission and zero emission aviation fuels to be harnessed strategically in New Zealand, creating jobs and supporting homegrown technology and industry.

Ensure that regulation does not impede progress

In aviation, safety is paramount. We rely on strong and sound regulations to maintain a safe and reliable aviation system.

The next three years are critical for aviation regulation. While airlines are working hard on plans to commence operations of zero-emissions aircraft from 2026, there is a high risk that the development of appropriate regulations for these aircraft will lag behind their ambition.

Airports are likely to wait for clear regulatory standards from the Civil Aviation Authority (CAA) before confirming investment in alternative fuel infrastructure, to avoid the risk of commissioning infrastructure that does not ultimately meet New Zealand civil aviation rules.

The next government should ensure that the Civil Aviation Authority has the resources it needs to generate rules and guidance for new aircraft and alternative fuel infrastructure as a top priority over the next 24 months. While we have welcomed CAA's recent establishment of an Emerging Technologies Unit, we are concerned that its broad remit will not allow it to apply its full resource to decarbonisation technology.

Recognise the need to continue accommodating fossil fuel aviation within carbon budgets due to its challenging nature and significant economic and social impacts

The challenges ahead are significant, and the transition will take time.

Airports and airlines will continue to do everything we can to decarbonise as quickly as technology, SAF supply and renewable energy capacity allows. However, we will need to continue to provide connectivity for New Zealand and maintain a competitive and commercially viable aviation system while doing so. This will mean the ongoing use of fossil fuels, which should be recognised and accounted for in future carbon budgets.



3

Drive forward the recommendations of the Air Navigation System review

The critical importance of aviation to our economy, connectivity and resilience was highlighted by the 2022-23 independent review into New Zealand's air navigation system. The review also highlighted major challenges our aviation system faces over the coming decades which will require new forms of cooperation, governance and funding.

For a future-ready aviation system, we need to ensure the system is well governed, and invested in for resilience.

The review's proposal for an Aviation Council has been universally welcomed as a necessary governance forum for the sector as it moves into a period where growth and disruption will put the system under new pressures.

It is essential we invest in cutting-edge technology and regulations for drones, urban air mobility, zero-emissions aircraft, and digital air traffic control. International partners like the US, Australia, Canada, and the UK have already made significant investments in new systems and research and development to accommodate evolving airspace requirements.

We also need to improve the resilience of our current air transport network. The public good of regional air connectivity is clear during emergencies like Cyclone Gabrielle – but the system is carrying key vulnerabilities:

“Cyclone Gabrielle highlighted the existing vulnerabilities in the system due to underinvestment in regional resilience and redundancy. The immediate breakdown of air navigation, telecommunications and air traffic control services made the emergency management response incredibly challenging. Air transport was critical in the following recovery as already vulnerable road links were (and continue to be) severed.”

– Air Navigation System review

The review highlights the need for a fresh funding approach to tackle the inherent public benefits associated with a fundamental air network that cannot be sustained solely through user fees. Unlike the national road network, there is currently no comprehensive national framework to support crucial aviation infrastructure. Non-commercial airports catering to smaller communities encounter difficulties in maintaining their infrastructure, putting it at risk of deterioration without assistance from ratepayers. Although the Ministry of Transport has previously made efforts to secure a limited amount of central funding, it has not yet achieved success, despite substantial infrastructure investments being made in other transportation sectors.

The review also notes the importance of establishing a shared understanding between government and industry regarding infrastructure service levels and standards. This clarity is vital to prevent commercial decisions in one sector from leaving regions exposed or at a disadvantage. During Covid, State Owned Enterprise Airways proposed to withdraw air navigation services from seven regional airports to save costs. While this plan did not proceed, it should not be possible for a single agency to critical regional services in this way.

We agree with the conclusions of the independent review. The next government should leverage the review as a base for further policy development and engagement on aviation, including:

- Establishing a Ministerially-appointed and chaired Aviation Council for stronger coordination, strategy and governance of aviation for New Zealand.

- Progressing an aviation policy statement to set the strategic direction, investment requirements and service objectives for the aviation system with a focus on improving the efficiency and productivity of the system for New Zealanders.
- Considering funding options to shore up critical infrastructure for the public good where this will not be sufficiently supported through the user pays system. Aviation should be considered with other transport modes as part of the government's National Resilience Plan and infrastructure strategy.
- Taking proactive steps to address the shortfalls of Airways' SOE model, to avoid future conflicts between its commercial model and essential regional connectivity.

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4

Elevate airport customer service performance through better coordination across all government agencies in the aviation system

The customer experience at airports is delivered by a range of organisations. Airports, airlines, ground handlers, other commercial service providers, and three government agencies - Aviation Security (AvSec), Customs and Biosecurity NZ - all work together to support customers from their origin to their destination.

The 'customer journey' at airports is only as strong as its weakest link. Each part of the process needs to be sufficiently resourced to avoid bottlenecks.

AvSec and Biosecurity NZ have faced particular challenges in recruiting and rostering staff during 2022 and 2023. Both agencies have taken positive steps to engage with industry on their resourcing challenges. However, long queues have been the subject of frequent customer complaints and media coverage.

Airports and airlines want to see real improvements to the travel experience for New Zealanders and visitors, and we are committed to working in partnership with all participants in the system. We want better ways to support all agencies working at the airport to forecast customer demand, match the right level of resourcing at each airport location, and implement strong customer service measuring and reporting.

The next government should:

- Take an active role in supporting, measuring, monitoring and resourcing customer experience improvements by government agencies.
- Ensure the productivity and efficiency of border processes improves over time.
- Explore options for other parts of the aviation system to pick up aviation security functions where these can be managed more efficiently.
- Ensure regional airports receive border processing capacity to support regional economic development outcomes.

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5

Future-proof airport infrastructure in the resource management system

The airport planning process looks 30 years into the future to determine the specific type and capacity of airport infrastructure required to effectively serve growing and changing communities.

Airports cannot remain static as the regions they service grow and change, and aviation technology develops.

Currently, government agencies primarily focus on land transport in their approach to resource management and infrastructure. Within policy agencies we see much less understanding of aviation and how airports work, leading to poor policy and legislative outcomes.

Airports have unique requirements within the resource management system, covering infrastructure development, upgrades, and the management of areas affected by airport operations such as noise buffer zones and flight path lighting and height restrictions. These issues need specific attention when finalising planning standards and rules.

The next government should:

- Ensure that the Infrastructure Commission and Ministries of Transport and Environment acknowledge and address the specific needs of airports within the context of resource management reform. This includes streamlining frequently triggered consent requirements to achieve the efficiency goals of the legislation.
- Uphold the principle of reverse sensitivity in resource management, which recognizes that established activities that generate effects, such as airports, are susceptible to complaints and objections when new activities, particularly residential housing, are located nearby. Good planning practices avoid compromising established activities, particularly for critical infrastructure.
- Acknowledge the pivotal role of infrastructure in achieving New Zealand's environmental goals. Recognize that key infrastructure, including airports, must innovate, invest in new fuel solutions, and adapt to emerging technologies and supply chain requirements in order for New Zealand to get to net zero.
- Maintain a strong focus on policies and standards that accelerate renewable energy generation and transmission, as they are vital for the decarbonization of the aviation sector.
- Give high planning priority to efforts by airports to decarbonize through the development of new alternative fuel infrastructure, including runway and terminal modifications for new aircraft.



6

Boost the resilience of the aviation system through the enhancement of onshore fuel stocks

New Zealand's jet fuel supply is critical to maintaining our air connectivity. Over the past year, there have been three occasions where imported fuel shipments have not met quality standards – resulting in rationing across the network and significant financial and logistical impacts for airlines.

This is a major vulnerability in the New Zealand aviation system. It also puts our reputation with international airlines at risk.

We support the steps the government has taken to introduce Minimum Fuel Stock Holding Obligations for jet fuel suppliers in New Zealand. The next government should ensure this legislation is passed and implemented, and consider further boosting our resilience by:

- increasing the stockholding requirement to 32 days coverage
- ensuring stockholdings are only counted which are onshore and have passed import acceptance testing
- distributing storage requirements across the network including in both the North and South Islands.

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New Zealand's prosperity depends on our connectivity

The six actions in this plan can help unleash New Zealand's prosperity and well-being through greater aviation connectivity, help us become a world leader in sustainable aviation, ensure a future-ready air navigation system, make the experience at airports more efficient, and boost the resilience of our airport infrastructure and aviation fuel stocks.

The next government can support an aviation-enabled future that serves as a catalyst for economic growth, environmental responsibility, and improved connectivity for the country. The industry stands ready to work in partnership.

For more information please contact:

Billie Moore, Chief Executive, NZ Airports Association

Email: billie.moore@nzairports.co.nz

www.nzairports.co.nz

The New Zealand Airports Association is the industry association for New Zealand's airports and related businesses. It is a not-for-profit organisation whose members operate 46 airports that span the country and enable the essential air transport links between each region of New Zealand and between New Zealand and the world.

Cath O'Brien, Executive Director, Board of Airline Representatives of New Zealand

Email: cath@barnz.org.nz

www.barnz.org.nz

The Board of Airline Representatives of New Zealand (BARNZ) is the voice of the airline industry in New Zealand. It is a not-for-profit organisation working closely with Government, regulators, businesses and local communities on behalf of 28 airline members and 5 non-airline members.

1 February 2024

Hon Andrew Bayly
Minister of Commerce
Parliament Buildings
WELLINGTON

Dear Minister

We wanted to inform you personally that Auckland, Wellington and Christchurch Airports, and the NZ Airports Association, have chosen to appeal the Commerce Commission's Cost of Capital Input Methodologies for the airports sector.

The Input Methodologies are significant for all airports. While Auckland, Wellington and Christchurch Airports are subject to the Commission's regulatory regime, in practice the Commission's decisions are also used as a reference point for setting prices to fund investment and operations at regional airports around the country.

Airports provide a network of essential infrastructure that underpins the movement of people and goods around New Zealand and connect us to the world. It is already a significant challenge to maintain and upgrade airport assets. Airport infrastructure involves planning over 30-year cycles to meet the long-term needs of consumers. This includes safety upgrades, capacity increases for connectivity growth and regional development, and infrastructure for decarbonised aviation technology. Input Methodologies need to be consistent, predictable and accurate to market conditions to ensure airports can plan and finance these multi-generation projects.

Over the past two years, airports have engaged constructively in the Commission's Input Methodologies review. We recognise the significant task before the Commission in managing this process.

The fundamentals of the Commission's previous approach to the Cost of Capital Input Methodologies were robust, well accepted and tested by the High Court. In its 2023 review the Commission has unfortunately diverged from past practice in a number of fundamental ways, introducing volatility and subjective judgement to the process that we believe will reduce the stability of the regime and investment environment.

The High Court merits review process is the mechanism provided by the Commerce Act to test this view and ensure any issues in the methodologies can be corrected.

Our concerns have been compounded by the identification of some material technical errors in the Commission's final decisions. We will be writing to the Commission today to indicate that we would like to further engage with Commission officials to address those errors.

We are committed to the information disclosure regulatory regime. We are also extremely supportive of the Government's focus on addressing New Zealand's infrastructure deficit. We want to engage constructively in the merits review to ensure it delivers the regulatory certainty needed for investors and consumers.

We would be pleased to discuss this with you further and provide any clarity that would be helpful.

Yours sincerely



Billie Moore
Chief Executive

Copied to:

Hon Simeon Brown, Minister of Transport

NZ Airports Board:

- Matt Clarke, CEO, Wellington Airport
- Carrie Hurihanganui, CEO, Auckland Airport
- Justin Watson, CEO, Christchurch Airport
- Glen Sowry, CEO, Queenstown Airport
- Nicole Brewer, CEO, Rotorua Airport
- David Hayes, Airport Manager, Hood Aerodrome
- Mark Morgan, CEO, Hamilton Airport
- David Scott, CEO, New Plymouth Airport
- Richard Holyoake, Market Lead Aviation, Beca

Our member airports: Ardmore Airport, Ashburton Airport, Auckland Airport, Bay of Islands Airport, Chatham Islands Airport, Christchurch Airport, Dunedin Airport, Gisborne Airport, Hamilton Airport, Hawkes Bay Airport, Hokitika Airport, Invercargill Airport, Kaikohe Airport, Kaitaia Airport, Kapiti Coast Airport, Marlborough Airport, Masterton Airport, Matamata Aerodrome, Milford Sound Airport, Motueka Airport, Nelson Airport, New Plymouth Airport, North Shore Airport, Oamaru Airport, Ohakea, Palmerston North Airport, Pauanui Airfield, Pukaki Airport, Queenstown Airport, Rangiora Airfield, Rotorua Airport, Takaka Airport, Taupo Airport, Tauranga Airport, Te Kowhai Airport, Thames Aerodrome, Timaru Airport, Wairoa Airport, Wanaka Airport, Wellington Airport, West Auckland Airport, Westport Airport, Whakatane Airport, Whanganui Airport, Whangarei Airport, Whenuapai.

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5 February 2024

OC240068

Hon Simeon Brown
Minister of Transport

MEETING WITH NEW ZEALAND AIRPORTS ASSOCIATION

Snapshot

The New Zealand Airports Association (NZ Airports) requested this meeting, to discuss a range of areas they would like to work with you on.

Given the breadth of topics NZ Airports has signalled it wishes to raise, this briefing is more extensive than normal.

Time and date	9.00am, Thursday 8 February 2024
Venue	MOT Auckland Office
Attendees	Matt Clark (Chair) and Billie Moore (Chief Executive)
Officials attending	Karen Lyons (Director Auckland)
Agenda	No specific agenda
Talking points	Talking points are attached

Contacts

Name	Telephone	First contact
Bronwyn Turley, Deputy Chief Executive – Regulatory Group	s 9(2)(a)	✓
Tom Forster, Manager, Aviation and Maritime		
Laurence Tyler, Senior Adviser, Aviation and Maritime		

MEETING WITH NEW ZEALAND AIRPORTS ASSOCIATION

- 1 NZ Airports is the industry association for 46 New Zealand airports.
- 2 On 29 November 2023, they wrote to you seeking a meeting to discuss a range of areas they would like to work with you on, over the next few years. They attached to their letter a copy of their joint document with the Board of Airline Representatives of New Zealand (BARNZ), entitled *Six Actions for Aviation*, which provides more detail on many of these areas.
- 3 This briefing provides background information on these matters. It also briefs you on several other issues that may be raised at the meeting. Some suggested talking points for the meeting are set out in Annex 1.

Issues signalled by NZ Airports in their letter to you

i) Supporting economic growth and prosperity

NZ Airports is keen to work with you on initiatives to drive economic growth through better aviation connectivity. Their suggested initiatives include increasing efficiency at the border, streamlining visas in key markets, supporting high-value charter flights into regional airports, and promotional initiatives in offshore markets such as Australia and India.

- 4 The Government is already working with the aviation sector on a range of initiatives that will help drive economic growth through better aviation connectivity, as set out below.

Reducing delays at the border

- 5 The Aviation Security Stewardship Group (SSG) – which is led by the Civil Aviation Authority (CAA) and includes NZ Airports and the Ministry of Transport (MOT) – is collaborating on ways to improve the effectiveness of the aviation security system, including by reducing queuing problems. On 19 December 2023, border agencies, including MOT, also met with Ministers responsible for the Border to provide assurances on managing the summer peak demand.
- 6 These initiatives are already yielding positive results. Auckland Airport has advised that over December 2023 and January 2024, the system performed significantly better than in October and November 2023 – e.g. with the 5 percent of travellers who queue the longest being reduced by around 20 percent for arrivals and departures over the peak period.

International charter flights

- 7 MOT authorises flights under the Civil Aviation Act 1990, as a matter of routine, provided these flights meet the safety and security requirements of the Director of Aviation and do not circumvent any bilateral arrangements. Under the Civil Aviation Act 2023, which comes into effect in April 2025, MOT authorisations will no longer be required for single charter flights. This increased flexibility will benefit operators.
- 8 Non scheduled flights into regional airports, not otherwise approved for international flights, require the approval of border agencies. Each agency has its own regulatory

criteria for these decisions and, since its introduction in 2011, the Integrated Targeting and Operations Centre (ITOC) in Auckland has improved capability and process coordination.

- 9 Customs has recently approved two local operators (Air Napier and Skyline Aviation) to offer non scheduled flights from their base at Napier Airport.

International air service agreements

- 10 New Zealand has air services agreements with all its major source markets for tourism. New Zealand promotes 'opens skies agreements' in air services negotiations, which allow airlines to operate without restriction as to number of flights, routes to be operated, and the origin/destination of the passengers carried.

ii) Continuing collaboration on shared goals, particularly decarbonisation

NZ Airports is keen for you to take an active role in aviation decarbonisation initiatives, including planning for the use of Sustainable Aviation Fuels (SAF) for long-haul flights, and supporting the increased use of renewable electricity to support domestic aviation's transition to the use of this energy source.

Government-industry cooperation is needed to secure New Zealand's access to alternative fuels

- 11 Sustainable Aviation Aotearoa (SAA) is the Government's public-private partnership leadership body to promote the decarbonisation of the aviation sector. It was established in 2022, in response to an Emissions Reduction Plan (ERP) action.
- 12 You are one of the endorsing Ministers for SAA (in your capacity as Minister of Transport and Minister for Energy), along with the Minister for Science, Research and Innovation. Billie Moore is on the SAA Leadership Group, and also co-chairs the SAA Strategy Working Group.
- 13 SAA is developing a decarbonising aviation strategy, via an updated State Action Plan for New Zealand. This will include operational efficiencies, infrastructure improvements and frameworks to encourage research, development, and innovation in sustainable aviation.
- 14 MOT will shortly be sending out invitations for the next SAA Leadership Group meeting which will take place late February or early March 2024. The next working group meetings will most likely take place in that same period.

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

Electrify NZ

- 16 The Government's Electrify NZ policies provide certainty to all sectors of the economy that it is focused on ensuring there will be enough renewable electricity to meet the rising demand.

- 17 In particular, Electrify NZ outlines the Government's plan to remove red tape and drive investment in renewable electricity generation. To become a low emissions economy and double the supply of clean, affordable energy, we need more investment in renewable electricity.
- 18 The main barriers to this are the constraints arising from the provisions of the Resource Management Act. By speeding up consenting, it will become easier to get renewable electricity, transmission and distribution underway. The Government is also focussed on ensuring the regulatory settings support the right grid investments by Transpower and the local lines networks.

The aviation sector faces some major challenges regarding electrification

- 19 The specific impacts of electrification and decarbonisation of aviation on airports will depend on their location, and which types of aircraft and flights electrify. Hydrogen is also an option for domestic flights.
- 20 This means airports may require a combination of battery charging infrastructure, and potentially some fuel production on site - where the production of, e.g., hydrogen, could be powered by electricity. Airports will therefore have to make choices about the type of infrastructure they invest in over time to enable decarbonisation.

iii) Monitoring airfares and airline performance to help address cost-of-living pressures

NZ Airports suggests you consider requiring the disclosure of airfare data, to enable closer scrutiny and independent review of airline pricing. They suggest this would help manage consumer costs due to issues such as the market dominance of Air New Zealand. They note that similar information disclosure requirements are in place in other jurisdictions such as Australia, the United Kingdom and the United States.

- 21 Section 410 of the new Civil Aviation Act 2023 will enable the making of regulations to require aviation participants to provide information on their activities, which may include trends in airfares. Regulations could require this information to be made available to the Secretary, the CAA, or other specified person, or to be made publicly available.
- 22 The new Act also provides for imposing conditions when authorising alliance agreements between airlines. Such conditions could include route or airfare reporting. The 1990 Act did not allow for imposing conditions.
- 23 We see merits in requiring information disclosure from airlines. We would need to consult about the types of airfare data, frequency of disclosure and publishing requirements.
- 24 The Ministry is focused 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. Airfare disclosure could be considered as part of a future regulatory work programme but would need to be prioritised against other work.

iv) Addressing aviation policy and regulation needs s 9(2)(f)(iv)

NZ Airports considers it important that future funding be directed to key government agencies, particularly the CAA, so that they can develop regulations to enable the use of alternative fuel aircraft and refuelling infrastructure.

25 s 9(2)(f)(iv)

26 At present temporary Crown funding is being provided to CAA to bridge the shortfall between the revenue raised by levies, fees and charges and agency costs. s 9(2)(f)(iv)

The rates of levies, fees and charges have not increased for regulatory functions since 2017 (and for the Aviation Security Service since 2019). s 9(2)(f)(iv)

v) Establishing an Aviation Council

NZ Airports supports establishing an Aviation Council to shore up government-industry coordination, as advocated in the Air Navigation Systems review.

27 In 2021, the then Minister of Transport commissioned a high-level first principles review of the air navigation system (the Review). The Review was completed in 2023 and identified a lack of system leadership across the aviation sector. It recommended an Aviation Council be established alongside recommendations about the need to identify critical system components, clarify funding, measure the value of the aviation sector, workforce issues, engagement with Māori, and leveraging international relationships. There is very strong support across the sector for the establishment of a Council, including from NZ Airports.

28 The previous Minister of Transport agreed that an Interim Aviation Council, chaired by the Secretary of Transport, be established to support system leadership and advise how to prioritise the recommendations arising from the review. The Interim Council will comprise of key government agencies – MOT, MBIE and CAA – and stakeholder groups. NZ Airports has been invited, and has agreed to participate. We are aiming to hold the first meeting of the Interim Council in March 2024.

Other issues that may be raised

29 Below is some background information on other issues that may be raised at the meeting.

Jet fuel resilience

30 The Ministry of Business, Innovation and Employment (MBIE) is the lead agency for the fuel sector. MBIE led the development of the Fuel Industry (Improving Fuel Resilience) Amendment Act 2023, which provides for the minimum fuel stockholding

obligation (MSO). This month it is consulting the aviation sector and fuel industry on draft regulations on the information disclosure requirements associated with the MSO.

- 31 NZ Airports, in its joint document with BARNZ, *Six Actions for Aviation*, expresses support for the MSO and suggests increasing the minimum stockholding requirement for jet fuel and distributing storage requirements across the North and South Islands.
- 32 On the other hand, fuel importers continue to express concern about the compliance costs associated with the MSO and its information disclosure requirements.

Ohakea

- 33 The RNZAF base at Ohakea is an alternative airport for international airlines if they are unable to land at one of the international airports. However, the number of trained fire fighters at Ohakea is less than what is required to maintain constant attendance. This means Ohakea is not a reliable alternate airport.
- 34 Emirates Airline, in particular, has raised concerns and said that it would need to offload passengers on its Auckland flights if Ohakea is not available and Christchurch had to be used instead. This is due to the need for the aircraft to carry more fuel in case it needs to divert to Christchurch.
- 35 Steps are under way to urgently address the situation, and Emirates is satisfied for the meantime that its Auckland flights will not be impacted.

Airport Regulation

- 36 On 1 February 2024, NZ Airports lodged a notice of appeal with the High Court for a merits review of the Commerce Commission's recent 'Input Methodologies' (IM) decisions. Auckland, Wellington and Christchurch Airports are also seeking a merits review.
- 37 'Input methodologies' are the regulatory rules that underpin the light-handed information disclosure regime that currently applies to airports and guide the way airports set airport charges. A key component of the input methodologies is the setting of the cost of capital and an acceptable rate of return.
- 38 The basis for this appeal is the Commerce Commission's decision to introduce additional filters to exclude some airports from the comparator set used to calculate asset beta (market risk), and hence allowable return. Airports consider that there is little basis in theory, or prior practice, for these 'additional filters', and that it introduces uncertainty to the regime.
- 39 The airport regulatory disclosure regime is already a source of contention between airports and airlines. Airlines contend that Auckland International Airport is imposing excessive costs on airlines and consumers by overinvesting in infrastructure. They are advocating that the Government implement regulatory requirements for negotiation/arbitration. This would require airports to negotiate with airlines on prices and quality, and, if negotiations were to be unsuccessful, enter into binding arbitration.

- 40 We provided you with some additional information about the pros and cons of a negotiate/arbitrate regime for airports following your meeting with Greg Foran, Chief Executive Officer of Air New Zealand on 26 January 2024 (OC240064 refers).

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Biographies

Billie Moore, Chief Executive



Billie has been Chief Executive since December 2022. She has extensive government and stakeholder management experience. Billie is a former diplomat and served as New Zealand's Consul-General to New South Wales and Queensland for four years. She returned to Wellington in 2019 to lead government relations for Tourism New Zealand, including joining its executive team during the response to Covid-19.

Prior to her current role, Billie was chief adviser at the Ministry for the Environment, working with the chief executive and executive team across the Ministry's engagement and key relationships.



Matt Clark (Chair)

Matt has over 20 years' experience in the airport industry having first joined Infratil's airport team in Europe after serving as the Chief Executive of Rotorua Airport. He has been at Wellington Airport since 2010 as Chief Commercial Officer, before taking over as Chief Executive in 2022. He holds a Bachelor of Commerce degree from the University of Canterbury, and has completed post-graduate studies at Melbourne Business School and the New Zealand Institute of Directors.

ANNEX 1: TALKING POINTS

Supporting economic growth and prosperity

- The Government is already working on a range of initiatives to enhance aviation connectivity – including collaborating with the sector to reduce the problem of excessive queuing at international airports.
- I would be interested in hearing your ideas on ways to further enhance aviation connectivity.

Continuing collaboration on shared goals, particularly decarbonisation

- I welcome the important role that NZ Airports has played in supporting the establishment and ongoing work of Sustainable Aviation Aotearoa (SAA).
- Thank you to you, Billie, for the important role you are playing on the SAA Leadership Group, and as co-chair of the SAA Strategy Working Group.
- I would be interested in any specific ideas you may have on initiatives to promote decarbonisation, including in relation to the future operationalisation of the SAA.

Monitoring airfares and airline performance to help address cost-of-living pressures

- The new Civil Aviation Act 2023 includes powers that could require aviation participants to provide information on airfare trends.
- The Ministry is currently focused on implementing the provisions in the Act that must be in place when the Act comes into force, in April 2025. Airfare disclosure could be considered as part of a future work programme after that, but would need to be prioritised against other matters.

Addressing aviation policy and regulation needs s 9(2)(f)(iv)

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

Airport economic regulation

- I understand that, other than the input methodology matters you have asked the courts to review, you consider the airport regulatory regime is working well. How do you respond to the views of airlines that it's not incentivising appropriate levels of investment, and their call for a move to a negotiate/arbitrate regime?

Aviation Council

- I note the key recommendations of the Air Navigation System Review Panel about the need for greater system leadership across the aviation sector.
- The Ministry of Transport have established an Interim Aviation Council to progress work on the recommendations and intend to hold the first meeting of the Interim Council in March 2024.
- I note the contribution NZ Airports made to the Panel's work. I am grateful for your ongoing support for the establishment of Interim Council and your agreement to participate in it.

Jet fuel resilience

- The Government understands that the fuel sector and the aviation sector have different views on the minimum stockholding obligation (MSO).
- MBIE is expected to provide advice on the MSO by the end of February, taking into account recent submissions on the draft MSO regulations that focus on information disclosure requirements.
- Minister Jones will be responsible for the fuel security part of the Energy portfolio.

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7 February 2024

OC231123

Hon Simeon Brown
Minister of Transport

Hon Matt Doocey
Associate Minister of Transport

MEETING WITH PORT COMPANY CEO GROUP

Snapshot

You have been invited by the New Zealand Port Company CEO Group to join one of its regular scheduled meetings. Hon Shane Jones will be attending as well.

The meeting is an opportunity to hear Port CEOs' views on the opportunities and challenges ports face, the role of government, and to share information on relevant government actions.

Time and date	12.00-12.30pm, Wednesday 14 February 2024
Venue	CentrePort Main Office, Wellington
Attendees	Hon Simeon Brown, Minister of Transport Hon Matt Doocey, Associate Minister of Transport Hon Shane Jones, Minister of Regional Development Charles Finny, Forum Independent Chair, Saunders Unsworth Jon Moore, Chief Executive, Northport Roger Gray, Chief Executive, Port of Auckland Leonard Sampson, Chief Executive, Port of Tauranga Andrew Gaddum, Chief Operating Officer, Eastland Port Todd Dawson, Chief Executive, Napier Port Simon Craddock, Chief Executive, Port Taranaki Anthony Delaney, Chief Executive, CentrePort Rhys Welbourn, Chief Executive, Port Marlborough Hugh Morrison, Chief Executive, Port Nelson Graeme Sumner Chief Executive, Lyttelton Port Phil Melhopt, Chief Executive, PrimePort Timaru Kevin Winders, Chief Executive, Port Otago Nigel Gear, Chief Executive, Southport

Officials attending	Marian Willberg, Manager Freight and Supply Chain, Ministry of Transport
Agenda	No specific agenda has been provided.
Talking points	Talking points for Minister Brown are in Appendix One and for Minister Doocey in Appendix Two.

Contacts

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

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MEETING WITH PORT COMPANY CEO GROUP

Key points

- The Port Company CEO Group comprises the CEOs of the main New Zealand port companies. Charles Finny, of government relations firm Saunders-Unsworth, is the independent chair.
- There is no set agenda for the meeting, but the Ministry has been provided with a set of issues which may be raised. Background information on these issues is provided below, and also on others that may come up or you may wish to raise. These issues have been arranged in separate tables for each Minister's area of responsibility. Talking points for Minister Brown are in **Appendix One** and for Minister Doocey in **Appendix Two**.
- Charles Finny is also part of the New Zealand Council of Cargo Owners (NZCCO). You met with the NZCCO on 7 December 2023. As there is a commonality of interests between cargo owners and port companies, there may be some shared views between these groups.
- This meeting is an opportunity to highlight the Government's focus on productive and resilient transport networks, including the new Roads of National Significance in the upcoming Government Policy Statement 2024.
- Resource Management reform will be raised, including the fast-track consenting regime. Though Port CEs will want to understand the position of ports under these reforms, it is too early to comment on ports specifically. The recent Environment Court decision on Port of Tauranga's expansion may be raised, but you should avoid commenting on the specific decision. Northport has also applied for consents to expand operations.
- There are several maritime matters to discuss within Minister Doocey's delegated responsibility, including Maritime New Zealand (Maritime NZ) funding, port health and safety, and workforce issues. Port CEs are highly engaged in these areas and Ministerial recognition and encouragement for this is valuable. Port CEs are also seeking permanent representation at the International Maritime Organisation in London, which would come at a cost.
- Officials expect that Port CEs will support the Government's decision to deploy New Zealand Defence Force personnel to the Red Sea. This is an opportunity to ask what impact ports are seeing from shipping disruptions, and what support the government might provide in response.

s6(a), s7(b), s7(c)

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For Minister Brown: Expected issues for discussion

Ports support the Government's economic, infrastructure and climate change objectives

New Zealand's international trade relies on ports, which move 99 percent of the country's trade by volume and around 80 percent by value. You may wish to highlight the Government's focus on productive and resilient transport networks, including the Roads of National Significance in the new Government Policy Statement.

Briefing OC231041 provided information about the New Zealand Freight and Supply Chain Strategy (the Strategy). The Strategy identified ports and their connections to communities as a priority, with initial actions to improve the availability of freight data and analyse port ownership models.

During engagement on the Strategy, Port CEs noted that they do not have a unified view on the optimal level of local government ownership of ports, but believe this question warrants consideration. Port CEs urged caution on the shape of the national port network, preferring to see this determined by the market.

Officials understand that Port CEs had hoped for the Strategy to be more action-focussed. This is an opportunity for you to hear Port CEs' priorities for government policy in relation to ports.

Permanent fast-track consenting regime

Port CEs may want to understand whether the new fast-track regime will result in different outcomes to previous fast-track regimes.

For example, Port of Tauranga's application to fast-track its planned container wharf extension under the Covid 19 Recovery (Fast-track Consenting) Act 2020 was declined. This was on the basis that standard Resource Management Act 1991 (RMA) processes would better capture the range of views from iwi, hapū and others.

Cabinet agreed a high-level framework for the new regime on 23 January 2024. As Minister of Transport, you are one of several Ministers delegated to make detailed decisions to enable a bill to be introduced by 7 March 2024 (CAB-24-MIN-0008).

You may wish to share that the new regime will have a focus on economic development and that the Government is committed to upholding Treaty of Waitangi settlements as part of the new regime (the latter is relevant to ports – see text on Port of Tauranga below).

Jon Moore from Northport will have an interest in this area given it is seeking consents to expand port activities east, and further consents will be required for the construction of a dry dock to the west.

Resource Management reform is a priority

Port CEs will likely wish to discuss treatment of ports under the government's wider resource management reforms, including extension of coastal permits for ports. The Ministry understands that

	<p>the treatment of ports under the Government's long term resource management reforms has not yet been determined.</p> <p>Section 384A of the RMA enabled ports to apply to the Minister of Transport for 35-year coastal permits as part of the transition to the RMA. These s384A permits are set to expire in September 2026. Port CEs had advocated (unsuccessfully) for these permits to be rolled over for a further 35 years under the Natural and Built Environment Act.</p>
<i>KiwiRail and the Cook Strait</i>	<p>The Ministry has sought your endorsement of our proposed approach to assessing the long-term requirements for a resilient connection across the Cook Strait (OC240031).</p> <p>You may wish to share that as work progresses the Ministry intends to engage with a range of stakeholders such as CentrePort Wellington, Port Marlborough and relevant freight and supply chain industry associations.</p> <p>This is an opportunity to share that until further decisions are made, Ministers expect KiwiRail to continue to provide a safe and reliable ferry service, and have sought information from KiwiRail on how it will ensure this.</p>

For Minister Brown: Other matters	
<i>Avoid commenting on the Environment Court's recent decision on the Port of Tauranga's wharf extension</i>	<p>The Ministry previously informed you that the Environment Court has provisionally granted resource consent to the Port of Tauranga Ltd (POTL) for Stage 1 of its planned container wharf extension. The Court reserved its decision on Stage 2 of the project (OC231041)</p> <p>The application was opposed by several entities representing tangata whenua on cultural value grounds. The Environment Court decision is critical of the Port of Tauranga's efforts in this area.</p> <p>As the matter is still before the courts you should avoid making any specific comment on the decision itself.</p>
<i>Port of Auckland and Manukau harbour</i>	<p>The Ministry has provided you with information about the future of Port of Auckland ahead of your recent meeting with Roger Gray (OC231161). You may wish to share that a report is due shortly on feasibility of the Manukau Harbour as a port location.</p>
<i>The Red Sea and other global shipping disruptions</i>	<p>This is an opportunity for you to ask what impacts ports are experiencing from global shipping disruptions, including in the Red Sea, the Panama Canal drought and Australian labour disputes.</p> <p>New Zealand's trade with Europe, the UK, and North Africa are affected by Red Sea disruptions and are a sizable source of goods trade for New Zealand. In the year to September 2023, 11%</p>

	<p>(\$7.7bn) of New Zealand's goods exports and 20% (\$15.7bn) of goods imports were traded with these regions.</p> <p>Disruption in the Red Sea is anticipated to last up to and include the start of our export peak season (late February/ early March). In addition to causing shipping delays, disruption to the usual networks may result in a container shortage.</p> <p>Panama Canal is also operating at reduced capacity due to drought.</p> <p>Ongoing industrial disruption at terminals in Australian ports is also causing delays. 40% of the Port of Auckland containers arrive in ships transiting through Australia.</p>
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s6(a), s7(b), s7(c)



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For Minister Doocoy: Expected issues for discussion

<p><i>Maritime NZ's funding review proposals</i></p>	<p>Port CEs support Maritime NZ's funding proposals, especially maintaining and strengthening Maritime NZ's maritime inspections capability. Maritime inspections focus on the quality of large vessels and deter poor quality vessels. Poor quality vessels increase risks of major safety and environmental incidents. They can significantly affect supply chains by disrupting traffic or blocking berth space.</p> <p>You could indicate that you expect to take proposals to Cabinet soon, with the intention that decisions can be implemented by 1 July 2024.</p>
<p><i>Port sector health and safety</i></p>	<p>We suggest you signal that you see Port CE's engagement on health and safety as important.</p> <p>Maritime NZ chairs the Port Health and Safety Leadership Group (PHSLG), which includes port chief executives, stevedoring company chief executives, union representatives, the Port Industry Association (PIA) and WorkSafe NZ. Its work was accelerated after fatalities in Lyttelton and Auckland in April 2022.</p> <p>The PHSLG's Port Sector Insights and Action Plan (November 2022) sets out actions to address health and safety risks, including:</p> <ul style="list-style-type: none"> • an Approved Code of Practice (ACOP) to set a baseline standard for managing health and safety risks associated with loading/ unloading of ships • extending Maritime NZ's Health and Safety at Work Act 2015 designation to ports from July 2024. <p>These and other actions are well on their way to implementation. Further actions will be developed over time.</p> <p>Port CEs have supported this work and are likely to highlight it. Ministerial support and encouragement for the work is important for it to succeed. This includes consideration and approval of the work as needed, including the ACOP. Maritime NZ expects to have the ACOP in place for Ministerial approval in the first half of 2024.</p>
<p><i>Workforce issues</i></p>	<p>The port sector struggles to attract and retain experienced, skilled and qualified people. This affects resilience and raises safety risks over time.</p> <p>Maritime NZ and the PIA are working on actions related to sector training, including reviewing the existing ports qualification and the transfer to a new Private Training Establishment (Ports and Cranes Association of NZ). Port CEs may note their interest in understanding how replacing Te Pūkenga will affect plans for the new Private Training Establishment.</p>

	<p>As a next step, the PHSLG has agreed to form a Port Workforce and Skills Working Group made up of port representatives, unions, stevedores, the Workforce Development Councils and Maritime NZ. The group will assist the sector to connect with government on workforce initiatives and will identify short, medium and long term actions to address workforce issues.</p> <p>Port CEs may highlight immigration settings as a barrier to addressing workforce issues. This is an opportunity to highlight that Maritime NZ and the Ministry have worked with Immigration NZ on the inclusion of port and maritime roles in listed skills shortages and will continue to do so.</p>
<p><i>International Maritime Organisation representation</i></p>	<p>Port CEs have called for New Zealand to have a permanent presence in London focused on the International Maritime Organisation (IMO).</p> <p>Many regulatory requirements impacting ports originate at the IMO and are implemented by Maritime NZ. New Zealand's geographic isolation and reliance on shipping for exports means that it is more affected by international maritime regulatory requirements than many other countries.</p> <p>The IMO is based in London and the most influential states have permanent representatives in London who regularly meet and work with the secretariat to progress work.</p> <p>New Zealand does not have a permanent representative at the IMO. Maritime NZ has explored the costs of establishing such a role, as part of the MFAT system. These costs could be met in part, but not in whole, by significant savings in international travel to key IMO meetings.</p>

<p>For Minister Doocoy: Other matters</p>	
<p><i>Low carbon fuels and technologies</i></p>	<p>New Zealand faces risks accessing high value offshore markets due to growing consumer demand for lower emissions products as well as regulatory moves from the EU and IMO. For example, the EU has recently moved to add maritime transport emissions, including from portions of international journeys, to its emissions trading scheme.</p> <p>Current IMO regulations set limited energy efficiency standards which can be achieved by 'slow steaming' (moving more slowly). The IMO is also exploring a price on maritime emissions and a standard for fuel carbon intensity. The Ministry, Maritime NZ and MFAT have been part of these discussions.</p>

	<p>Given our distance to market, lower carbon fuels are likely to be important in the medium to long term. This requires significant work on fuel supply, infrastructure and enabling regulatory frameworks.</p> <p>Port CEs have raised concerns about engagement on the IMO's emissions reductions work. The Ministry and Maritime NZ have increased their engagement with the sector on IMO issues, for example, via the Maritime Industry Forum that Maritime NZ convenes.</p> <p>The Ministry has provided high-level information to Minister Brown about early work on green shipping corridors and research on domestic regulatory barriers to low-emissions shipping (OC231041). You may wish to share that the report on domestic regulatory barriers to low-emissions shipping is due in April this year, and to ask how the government can best support the sector in this area.</p>
<p><i>Northland dry dock</i></p>	<p>Port CEs may ask what decisions have been made to progress the dry dock project.</p> <p>The Ministry provided Minister Brown with high level information on the Ministry's commissioned dry dock and marine maintenance facility business case at Northport (which was completed in July 2023) (OC231041) and some background material for Minister Doocey's visit to Northport.</p> <p>The National Party/NZ First coalition agreement includes agreement to progress the detailed business case for a dry dock at Marsden Point to service domestic and international shipping needs and to support Navy vessels. The agreement includes investigation of funding options including commercial partnerships.</p>

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Appendix One: Talking Points for Minister Brown

Productive and resilient transport networks

- I appreciate the important role ports play in maintaining and growing New Zealand's economy and connections with international markets.
- The Government expects to issue a new draft GPS shortly, before releasing a final GPS by June 2024. It will include 13 new Roads of National Significance, many of which will enable faster and more reliable freight connections.
- **Questions:** What are port companies doing to grow their productivity? What government action is most useful to help you do this?

Resource Management reform

- The new fast-track regime will provide a more efficient consenting pathway for significant infrastructure projects. Some future port projects may be eligible, but I cannot comment on specifics while the criteria are being developed.
- The need to replace consents that expire is not unique to ports but applies to other major New Zealand infrastructure agencies like NZTA, KiwiRail, and Transpower.

KiwiRail and Cook Strait connections

- An expert Ministerial Advisory Group is being established to provide independent advice on KiwiRail's ferry services. The Ministry of Transport will also lead an assessment of the long-term requirements for a resilient Cook Strait connection. I expect both CentrePort and Port Marlborough will be directly involved.
- In the meantime, the Government expects KiwiRail to continue focusing on providing a reliable ferry service and to prioritise existing services appropriately.

Red Sea and other global shipping disruptions

- **Questions:** What impacts are you experiencing from global shipping disruptions? How can this Government best support the sector during these disruptions?
- New Zealand has deployed a six-member Defence Force team to the Middle East region to uphold maritime security in the Red Sea. The deployment is part of an international coalition and continues New Zealand's long history of defending freedom of navigation.
- Outside of this coalition, New Zealand is also supporting Operation Prosperity Guardian – a new multinational security initiative under the umbrella of the Combined Maritime Forces. More than 15 nations militarily contribute to this operation, which is focused on security in the Red Sea.

Ports engagement in the Pacific

- A resilient Pacific is important to New Zealand. The Ministry of Transport has appointed a lead for engagement on transport issues in the Pacific. The Ministry will contact ports to discuss where officials and ports can partner to support Pacific engagement.

Appendix Two: Talking Points for Minister Doocoy

Maritime NZ Funding review

- I expect to take proposals from Maritime NZ's funding review to Cabinet soon, with the aim that decisions can be implemented by 1 July this year.

Port health and safety

- It is great to hear about your support for work on port health and safety. Your support provides a valuable signal to the sector as a whole.
- I am looking forward to receiving more information from Maritime NZ about the Approved Code of Practice.

Workforce issues

- I am aware that the sector faces challenges around recruiting and retaining staff, and also around immigration settings.
- **Question:** I am interested in your views on the future of vocational training for the ports sector.

IMO representation and engagement on low emissions shipping

- Given our distance from offshore markets it's important that New Zealand is not disproportionately disadvantaged by IMO regulations.
- I understand that you would like to see permanent representation at the IMO. I am yet to be fully briefed by officials on this matter. Ministers would need to be satisfied that the extra costs involved are worthwhile.
- Officials have told me they are improving their engagement on IMO matters, via the Maritime Industry Forum.
- I understand the Ministry of Transport has commissioned research on regulatory barriers to zero emissions shipping. This report is due in April this year.
- **Question:** What actions from the Government would most assist the port sector with this issue?

Ministerial delegations

- My delegations as Associate Minister of Transport include maritime matters, including maritime security and oversight of Maritime NZ, but excluding issues relating to the safety and reliability of the Cook Strait connection.
- I will also be contributing to the strategic direction for the transport sector and ensuring alignment between strategy, policy and regulations.

Northland Dry dock

- The National Party and NZ First have agreed to progress a detailed business case for a dry dock at Marsden Point. The dry dock will support domestic and international shipping needs as well as our navy vessels.
- I am yet to be fully briefed by officials on the completed business case or discuss the next steps with my colleagues.

Biographies



Charles Finny, Forum independent chair, Saunders Unsworth

Independent facilitator of the group.



Jon Moore, Chief Executive, Northport

Jon was appointed CE in June 2007. He is also a director of North Tugz Ltd, a company jointly owned by Northport Ltd and Port of Auckland. Prior to Northport, Jon was the Deputy Harbourmaster for the Fremantle Port Authority, WA and the Regional Harbourmaster/Maritime Manager in the Bay of Plenty.



Roger Gray, Chief Executive, Port of Auckland

Roger became Port of Auckland's CE in March 2022. Before joining Port of Auckland, Roger was CE of Lyttelton Port Company for two years. Through his time in Whakaraupō/Lyttelton, Roger oversaw the beginnings of a workplace culture transformation, huge investment in infrastructure including the new eastern development, and record-breaking container volumes through the terminal. Prior to that Roger worked for Air New Zealand for 6.5 years.



Leonard Sampson, Chief Executive, Port of Tauranga

Leonard took over as CE in July 2021. He was Port of Tauranga's Commercial Manager from 2013 to 2019, when he was appointed Chief Operating Officer. Leonard joined the Company from KiwiRail, where he was General Manager – Sales. He also held senior roles at Carter Holt Harvey and Mainfreight.



Andrew Gaddum, Chief Operating Officer, Eastland Port

Andrew was general manager ports for a number of years, before in mid-2019 he was appointed Chief Operating Officer - Regional Infrastructure. This encompasses the ports sector and all non-energy related infrastructure projects and businesses. Andrew has been involved in the local forestry industry from an early age. He worked offshore in project management positions before returning to New Zealand to complete a Masters in Engineering Management. He started with Eastland in 2004.



Todd Dawson, Chief Executive, Napier Port

Todd joined Napier Port in January 2018, bringing broad commercial experience across the transport and logistics sectors. He is Chair of Napier Port's intermodal joint venture at Longburn and director of Total Advantage Group in Auckland. Prior to Napier Port, Todd led strategic partnerships and new ventures at Kotahi Logistics. He has over 20 years' experience behind him, having worked on international projects including the transformation of UK supermarket Sainsbury's supply chain. He has previously held senior roles at IBM, Toll New Zealand and Mainfreight.



Simon Craddock, Chief Executive, Port Taranaki

Simon joined as Port Taranaki CE in October 2021, following a career spanning professional services, engineering, aviation, and governance. He has a background in corporate strategy, operations and performance improvement, having held senior management positions at Air New Zealand, and having worked at Deloitte and Fisher & Paykel Healthcare. Before taking up the role at Port Taranaki, Simon operated consulting practice Orua Strategic Advisory, which worked with boards and senior executives on strategy, transformation, operations, technology development and performance improvement.



Anthony Delaney, Chief Executive, CentrePort

Anthony was appointed CentrePort CE in May 2022, having previously held the roles of General Manager Regeneration, and General Manager Infrastructure and Environment since joining CentrePort in 2016. He has acted as a Project Director on major infrastructure projects in both Australia and New Zealand. Anthony is experienced in the planning and delivery of projects, and the asset management of large-scale infrastructure businesses. He has a civil engineering degree, and a Bachelor of Commerce, from the University of Wollongong.



Rhys Welbourn, Chief Executive, Port Marlborough

Rhys has over 15 years' experience in the port and marine infrastructure sector in NZ. His background in business management and civil engineering means he is well placed to understand the drivers behind investment decisions, the importance of providing quality infrastructure and the need for excellent service delivery for port and marina users.



Hugh Morrison, Chief Executive, Port Nelson

Hugh joined Port Nelson in September 2019. With qualifications in civil engineering (BE) and management (MBA), his career has been in construction, infrastructure, and property. This background has enabled Hugh to work in over ten countries, as well as lead large design, construction, and project management companies in New Zealand and Malaysia. Hugh has had leadership roles in several challenging projects including Forsythe Barr Stadium (Dunedin) and Pan Borneo Highway –

Sabah (Malaysia).



Graeme Sumner, Chief Executive, Lyttelton Port

Graeme became Lyttelton Port Company's CE in September 2023. His executive experience includes CE of Airways New Zealand. Before joining Airways New Zealand in 2017, Graeme held various leadership roles in New Zealand and Australia, including Managing Director of Service Stream, Managing Director of Transfield Services New Zealand and Managing Director of Siemens New Zealand. Earlier, Graeme held General Manager level roles with New Zealand Post, Contact Energy and Telecom.



Phil Melhopt, Chief Executive, PrimePort Timaru

Phil joined PrimePort as CE in December 2014. Phil has held Chief Executive roles in both local government and state-owned enterprise sectors. His background also includes logistics and sales management in both the forestry and FMCG sectors. Phil was the inaugural chairman of the Otago Rural Fire Authority and has an active interest in rural fire management.



Kevin Winders, Chief Executive, Port Otago

Kevin joined Port Otago as CE in February 2017. He has been chief operating officer at Silver Fern Farms and had roles with PGG Wrightson, Contact Energy and KPMG.



Nigel Gear, Chief Executive, Southport

Nigel has 25 years' experience in the port industry and has held positions in commercial, operations and finance at South Port. Nigel is currently an appointed board member of the Southland Chamber of Commerce and represents business interests on the New Zealand Oil and Gas Southern Community Panel. Prior to joining South Port, Nigel worked in the meat and oil sectors.

Neha Pawar

From: Simeon Brown (MIN) <S.Brown@ministers.govt.nz>
Sent: Thursday, 8 February 2024 6:28 pm
To: Transport Portfolio
Subject: FW: Speed Limits for SH30 through Rotoiti East Lake Side Community

Kind regards,



Donna Winter
 Private Secretary (Executive Support) | Office of Hon Simeon Brown
 Minister of Transport, Minister of Local Government, Minister for Energy, Minister for Auckland

Reception: 04 817 6804
 Email: donna.winter@parliament.govt.nz Website: www.Beehive.govt.nz
 Private Bag 18041, Parliament Buildings, Wellington 6160, New Zealand

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From: Tom Macky <temacky@gmail.com>
Sent: Thursday, February 8, 2024 12:43 PM
To: Simeon Brown <Simeon.Brown@parliament.govt.nz>
Cc: Lake Rotoiti Comm. Assn. Lake <lrca@rotoiti.co.nz>
Subject: Fwd: Speed Limits for SH30 through Rotoiti East Lake Side Community

The Office of Simeon Brown,

As we are yet to receive a reply to our Community Associations email below we would appreciate confirmation that our E-mail below "will receive a response in due course" and that the views of our community have been "noted".

Ngā mihi,

Tom Macky.
 Lake Rotoiti Community Association.
temacky@gmail.com +s 9(2)(a)

Begin forwarded message:

From: Tom Macky <temacky@gmail.com>
Subject: Speed Limits for SH30 through Rotoiti East Lake Side Community
Date: 30 November 2023 at 8:36:48 PM NZDT
To: Simeon.Brown@parliament.govt.nz
Cc: "Lake Rotoiti Comm. Assn. Lake" <lrca@rotoiti.co.nz>

Hello Simeon,

Congratulations to you and National on your election results!

Our community association is disturbed to hear that National may have plans to repeal the speed limit reduction rule, "as soon as humanly possible".

After many years of lobbying and two and a half years of submissions our community has finally obtained a reduction in the speeds through it from 80 to 100kph down to 60kph. In the two and a half years the review process took there were 2 fatalities and 4 seriously injured on the section of SH30 through our community. The state highway was also closed for 16hrs whilst a truck & trailer which had rolled on one of the bends in this section was cleared from the road!

We did also hear that the reviewed reduced speeds through communities could remain where there was community support.

We hope that this is the case in our situation.

Brief background notes prepared for our community AGM follow:

Safer Speeds through East Lake Rotoiti Community

After almost two and a half years of public consultations, submissions, internal and external reviews, Waka Kotahi proposals, more consultations and submissions, new government safe speed rules, Waka Kotahi final decision announcement, the government scrapping of the Road to Zero initiative, the decision to proceed with reviews already in place, signage design and adaptation of signage to new bilingual rule requirements etc the new speed limit around the East Rotoiti shoreline and community was implemented.

There were 2 fatalities and 4 people were seriously injured on this stretch of road over this period!

The East Rotoiti lake edge had been the exception in the Rotorua area with speed limits of 80 to 100 kph along our shoreline and through our community instead of the 60 or 70 kph limits which existed in like areas else where.

In their report Whaka Kotahi commented that the decision came after favourable submissions for the 60kph speed limit from Treaty Partners: Ngāti Pikiao Koeke, (70 people attended their hui), Ngāti Pikiao and Te Whaekura o Ngāti Rongomai and key Stake Holders: the Ministry of Education, Whakatane District Council, the Automobile Association, LRCA and the lake side community.

Waka Kotahi NZ Transport Agency Speed Management Programme Lead Andy Burdett: *"thanks the local lakeside communities and mana whenua for their ongoing support for the State Highway 30 speed review and is pleased to hear the benefits already being experienced following the implementation of the safer speeds.*

The comprehensive feedback provided from the community during public engagement and consultation was incorporated into the result. Safe speeds really matter and we appreciate how they can help in creating safe communities. By adopting safe speeds on this route, we're making it safer for everyone who uses it".

It is pleasing to see that most are complying with the new limits. We hope you all enjoy the safer, quieter, area our community has now become.

Unfortunately we will have to wait and see whether this continues under the new government which has signalled that it will repeal the speed limit reduction rule, "as soon as humanly possible". Initially there were also comments that areas where reductions had been heavily supported by local communities could be treated differently.

Background information and our submissions are available on our website at: <https://www.ROTOITI.CO.NZ/state-highway-30-speed-safety>.

We would appreciate your advice on how we best ensure that the new safer and more community friendly speeds are retained under your government.

Ngā mihi,

Tom Macky.
Lake Rotoiti Community Association.
temacky@gmail.com - s 9(2)(a) .

Ngā mihi,

Tom Macky.
Lake Rotoiti Community Association.
temacky@gmail.com - s 9(2)(a)

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Neha Pawar

Out of Scope

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From: Les Mason <les.mason@gmail.com>

Sent: Thursday, February 8, 2024 4:46 PM

To: Matthew Doocey (MIN) <M.Doocey@ministers.govt.nz>
Subject: Introducing BRONZ



Dear Mr Doocey

I write to you on behalf of BRONZ Auckland to let you know how BRONZ can be of assistance to you

BRONZ has been in existence for over forty years as an advocacy group for motorcyclists. For the avoidance of error, I should specify what BRONZ is NOT. We are not a gang, and have no gang associations or affiliations whatsoever; we are not a motorcycle club; nor are we a social group. Our role, which is summarised in our motto “Education, not legislation, saves lives” is to function as an advocacy group for motorcycling interests, and a clearing house for motorcyclist sentiments and opinion.

We have a strong interest, experience and background in rider training (for 40 years we ran the very popular Ride Right Ride Safe training courses for motorcyclists ;free, and without any government financial support), and have been actively involved in input into motorcyclist licensing rules, and other legislative initiatives affecting motorcyclists. We were instrumental in the setting up of the Motorcycle Safety Council.

Our direct membership is small, but our long established connections and affiliations amongst a very wide variety of motorcyclists, both in organised or semi-organised groups and individually, and are able to curate this and provide insights and feedback to many official and governmental groups.

At the present moment, with a change of government, and, we hope, a consequent clearer vision of how road safety and management can work, we are happy to offer our support and assistance in any way which may be useful

I remain,

His Majesty’s most Obedient Servant

Les Mason
President
BRONZ Auckland

Hon. Simeon Brown
Minister of Transport
By email: s.brown@ministers.govt.nz

13 February 2024

RE: Shared industry concern at the RUC rate being applied to electric vehicles

Dear Minister

We are writing to you on behalf of Drive Electric, the Motor Industry Association (MIA), New Zealand Automobile Association (AA), Motor Trade Association (MTA), the Imported Motor Vehicle Industry Association (VIA), and the Better New Zealand Trust regarding the announced RUC rate to be applied to Electric Vehicles (BEVs and PHEVs) from 1 April 2024.

Our memberships each have slightly different positions regarding the timing of the end of this exemption, but we all fundamentally accept that EVs should ultimately pay Road User Charges (RUC) so that they contribute fairly and equitably to the costs of New Zealand's roads. We recognise that equity and fairness were important considerations for the Government in bringing electric vehicles into the RUC scheme.

As such, we are jointly concerned at the rate of the RUC that will be applied to EVs from 1 April 2024, relative to Fuel Excise Duty (FED) being applied on comparable petrol vehicles. Our concern is that RUC for EVs has been linked to the RUC rate for diesel vehicles which has the unintended outcome that EVs will contribute more to the National Land Transport Fund (NLTF) than petrol power vehicles.

The MIA has prepared a comparison (included in Table 2 below) based on eight popular new vehicle models, to illustrate the impact and extent of inequity by motive power between RUC rates and FED.

To summarise, the comparison (in Table 2 below) highlights:

- BEVs will pay approximately 95% more road tax in RUC compared to the rate of FED collected on petrol hybrid vehicles (HEVs).
- PHEVs will pay approximately 70% more road tax collected from RUC and FED combined than that collected on petrol hybrid vehicles (HEVs).
- BEVs will pay approximately 23% more road tax in RUC compared to a similar petrol vehicle contributing road tax through the FED.

Electric vehicle uptake can play a critical role in achieving our climate target; reducing the health impacts on New Zealand from air pollution; and contributing to a more productive economy built on domestic renewable energy which will ultimately bring down household energy costs.

We have seen your comments in [AutoTalk](#) on 23 January, suggesting that you are aware of the "distortion" and this should be seen as temporary in the context of moving all light vehicles to RUCs. We are concerned that moving all light vehicles to RUCs could take some time (we are not

currently aware of the timeline for this), and that this distortion will considerably impact uptake BEV and PHEV vehicles until that unknown point. We expect the transition for all light vehicles to RUCs to take years not months, so the temporary inequity may not actually be temporary and consumer perception may shift toward 'penalty on a plug'. It is for this reason we ask that you reduce the rate of RUCs on electric vehicles from 1 April 2024.

As outlined further in tables 1 and 3 below, we suggest that reducing RUC on BEVs from \$76/1000 km to \$60/1000 km and PHEV's from \$53/1000 km to \$42/1000 km as a more equitable temporary solution.

We would welcome further discussion and constructive collaboration with yourself and your officials toward a more equitable outcome.

Yours sincerely,



Kirsten Corson
Chair, Drive Electric



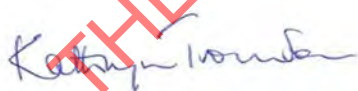
Aimee Wiley
CEO, Motor Industry Association



Simon Douglas
Chief Policy and Advocacy Advisor, NZAA



Lee Marshall, Chief Executive, Motor Trade Association



Kathryn Trounson
Chair, Better NZ Trust



Greig Epps
Chief Executive, VIA - Imported Motor Vehicle Industry Association

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Table 1

Weighted Average Roothing Tax Costs per 1000 km by Motive Power

	Current 1 April EV RUC Rates	Proposed 1 April EV RUC Rates
	Road Tax (FED/RUC) per 1,000 km	Road Tax (FED/RUC) per 1,000 km
Electric - BEV	\$ 76.0	\$ 60.0
Electric - Plug-in Petrol Hybrid	\$ 66.6	\$ 55.6
Petrol Hybrid	\$ 39.0	\$ 39.0
Petrol	\$ 61.7	\$ 61.7
Diesel	\$ 76.0	\$ 76.0

Average Annual Impact of Roothing Tax Costs for Motorists by Motive Power

	Current 1 April EV RUC Rates	Proposed 1 April EV RUC Rates
	Annual Road Tax FED/RUC (14,000 km)	Annual Road Tax FED/RUC (14,000 km)
Electric - BEV	\$ 1,064.0	\$ 840.0
Electric - Plug-in Petrol Hybrid	\$ 933.0	\$ 779.0
Petrol Hybrid	\$ 545.9	\$ 545.9
Petrol	\$ 863.8	\$ 863.8
Diesel	\$ 1,064.0	\$ 1,064.0

Assumptions:

1. RUC Rates @ \$76/1000 km and \$53/1000 km include GST
1. Fuel Excise Duty @ \$0.8052 per Litre Petrol includes GST
2. Regional fuel taxes excluded
3. Annual vehicle kilometres travelled 14,000 km
3. Proposed RUC Rate is calculated based on the weighted average 3 phase WLTP Fuel Consumption of all New Petrol and Petrol Hybrid vehicles registered in NZ in prior 24 months @ 7.58 L/100 km.
5. Average fuel consumption of 7.58L/100 km, translates to \$61.04 FED/1,000 Km (Incl. GST)
6. New reduced BEV RUC rate proposed is \$60/1000 km
7. New PHEV partial RUC rate proposed, assumes the same relativity as current (70% of full rate) \$42/1000 km
8. Other components of NFT (ACC, Petroleum/Engine Fuel Monitoring Levy and Local Authorities Fuel Tax) have been excluded to ensure a direct financial comparison to RUC.

Table 2

Fuel Excise Duty and Road User Charges cost comparison from 1 April 2024 - by make, model and motive power

Cost per 1,000 km	MG ZS	KIA NIRO	HYUNDAI KONA	KIA SORENTO	FORD ESCAPE	HYUNDAI TUCSON	mitsubishi OUTLANDER	MITSUBISHI ECLIPSE CROSS
Electric - BEV	\$ 76.0	\$ 76.0	\$ 76.0					
Electric - Plug-in Petrol Hybrid		\$ 59.4		\$ 61.1	\$ 65.9	\$ 63.5	\$ 65.9	\$ 69.9
Petrol Hybrid		\$ 35.4	\$ 35.4	\$ 47.5	\$ 44.3	\$ 41.9		
Petrol	\$ 62.8		\$ 57.2		\$ 77.3	\$ 59.6	\$ 70.1	\$ 66.8
Diesel				\$ 76.0		\$ 76.0		

Table 3

IMPACT OF PROPOSED EV RUC RATE REDUCTIONS								
Cost per 1,000 km	MG ZS	KIA NIRO	HYUNDAI KONA	KIA SORENTO	FORD ESCAPE	HYUNDAI TUCSON	mitsubishi OUTLANDER	MITSUBISHI ECLIPSE CROSS
Electric - BEV	\$ 60.0	\$ 60.0	\$ 60.0					
Electric - Plug-in Petrol Hybrid		\$ 48.4		\$ 50.1	\$ 54.9	\$ 52.5	\$ 54.9	\$ 58.9
Petrol Hybrid		\$ 35.4	\$ 35.4	\$ 47.5	\$ 44.3	\$ 41.9		
Petrol	\$ 62.8		\$ 57.2		\$ 77.3	\$ 59.6	\$ 70.1	\$ 66.8
Diesel				\$ 76.0		\$ 76.0		

Neha Pawar

From: Transport Portfolio <Transport.Portfolio@parliament.govt.nz>
Sent: Tuesday, 13 February 2024 9:46 am
To: Transport Portfolio
Subject: FW: INV23-265 | FYI - Letter sent to PM reintroducing The Aotearoa Circle
Attachments: The Aotearoa Circle_One Pager.pdf; Introductory Letter to Prime Minister Dec 12 2023.pdf

From: Donna Winter On Behalf Of Simeon Brown
Sent: Monday, February 5, 2024 1:26 PM
To: Vicki Watson <vicki@theaotearoacircle.nz>
Subject: RE: INV23-265 | FYI - Letter sent to PM reintroducing The Aotearoa Circle

Dear Vicki,

On behalf of Hon Simeon Brown, MP for Pakuranga, Minister of Transport, Minister of Local Government, Minister for Energy and Minister for Auckland, thank you for your email.

Unfortunately the Minister is unable to meet. Hon Simeon Brown has asked me to pass on his apology. The Minister will be responding to you in writing.

Thank you again for writing to the Minister.

Kind regards,
 Donna



Office of Hon Simeon Brown
 Minister of Transport, Minister of Local Government, Minister for Energy, Minister for Auckland

Email: s.brown@ministers.govt.nz Website: www.Beehive.govt.nz
 Private Bag 18041, Parliament Buildings, Wellington 6160, New Zealand

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From: Vicki Watson <vicki@theaotearoacircle.nz>
Sent: Thursday, December 14, 2023 9:10 AM
To: Simeon Brown (MIN) <S.Brown@ministers.govt.nz>
Subject: INV23-265 | FYI - Letter sent to PM reintroducing The Aotearoa Circle

Kia ora Minister

Congratulations on your election win and appointment as Minister of Transport, of Energy, and of Auckland among others.

Please find attached the letter we sent to the Prime Minister reintroducing the Aotearoa Circle, and our desire to continue utilising our unique public private partnerships to restore natural capital.

We have also provided some additional background on recent progress including with the Transport and Energy sectors.

We look forward to connecting with you in the New Year and wish you a well-deserved break in the meantime.

Ngā mihi | Kindest regards

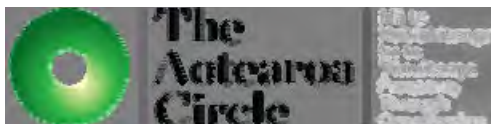
Vicki

Vicki Watson

Chief Executive

Mob: 027 537 6088

Website: theaotearoacircle.nz



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Who we are

We are a group of **leaders** working together, **determined to restore natural capital in New Zealand.**

Our partners realise how critical Aotearoa New Zealand's natural environment and resources are to our current and future economic success.

What we do

We bring together public and private partners to try to ensure prosperity for New Zealand, building resilience and adaptation into our economic growth.

How we do it

We use our convening capability to **tackle difficult and complex** work that is better done together. We aim to work **quickly, efficiently and cost effectively** delivering solutions that will achieve buy-in from all parties at pace.

We work at a **systems level**. Our partnership model lets us design robust and lasting solutions with key stakeholders involved from the start.

Why we do it

- We want New Zealand Inc to do well now, and in the future.
- Thirteen of our top twenty export commodities depend on natural capital, representing more than 70% of New Zealand's entire export earnings.¹
- In 2017, the OECD reported that New Zealand's growth model, which is based largely on exploiting natural capital, is starting to show its environmental limits.²

¹ Stats NZ (2018, updated April 2018). Environmental-economic accounts: 2018 (corrected).

Retrieved from www.stats.govt.nz.

² OECD (2017), New Zealand 2017, OECD Environmental Performance Reviews, OECD Publishing, Paris.

Premium Partner
Jane & Mark Taylor

Leading Partners

ANZ
DoC
Fonterra
Genesis Energy
Mercury
MfE
Silver Fern Farms
Westpac
Zespri

Active Partners

AGMARDT
Ākina Foundation
Alliance Ecology
Air New Zealand
ASB Bank
Aurecon NZ Ltd
BNZ
Beca
BRANZ
Cawthron Institute
Chapman Tripp
Contact Energy
Deloitte
DNA Design
EnviroNZ
EY
FENWICK
HSBC
KPMG
LINZ
LGNZ
Manaaki Whenua
Meridian Energy
MBIE
MFAT
MPI
MoT
Moana New Zealand
New Zealand Post
NZTE
Ngāti Whātua Ōrākei Whai Rawa Ltd
NIWA
Pāmu
PwC
Rabobank
Ravensdown
RealNZ
Sanford
Sealord
T&G Global
Tonkin & Taylor
Te Puni Kōkiri
Tourism Holdings Ltd
Tourism New Zealand
Wellington City Council

What we've done

Recent work by The Aotearoa Circle

Climate Scenarios (what might happen)

Using collective expertise and knowledge to identify how climate change will impact various industries and sectors critical to Aotearoa New Zealand's future.

- [Seafood Sector Climate Scenarios](#)
- [Transport Sector Climate Scenarios](#)
- [Energy Sector Climate Scenarios](#)

Adaptation Roadmaps (what we need to do)

We know change is coming, so how do our industries and sectors adapt? We have brought together experts from the public and private sector to plot how businesses and communities can stay viable in a rapidly changing world.

- [Tourism Climate Scenarios & Adaptation Roadmap](#)
- [Agri-Climate Scenarios & Adaptation Roadmap](#)

Implementation (taking action)

Once we know what adaptation is required, how do we put this into action? We appoint an Implementation Lead to deliver on actions identified in the Roadmaps.

- [Seafood Sector Adaptation Strategy Implementation](#)

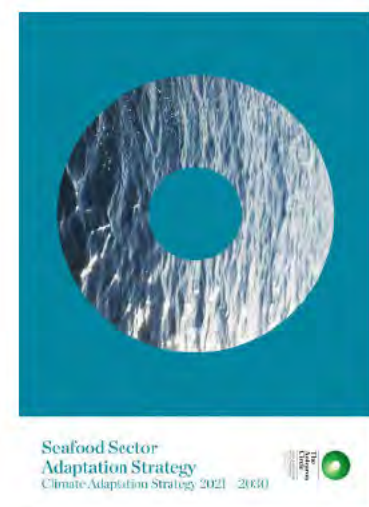
Legal Opinions (charting obligations under current New Zealand law)

In collaboration with Chapman Tripp, The Aotearoa Circle has commissioned a series of legal opinions to clarify the legal obligations of New Zealand Directors and Trustees in considering nature and climate in their governance practices.

- [New Zealand Director Duties to manage nature-related risk and impact on natural capital](#)
- [Legal duties of NZ Trustees to identify and manage climate related investment risk](#)
- [Managing Climate Risk in New Zealand in 2020 - A Toolkit for Directors](#)

TNFD Bootcamps (training our leaders)

Upskilling New Zealand businesses on applying Taskforce for Nature-related Financial Disclosures. This provided the opportunity for participants to take early steps in grasping nature-related impacts, dependencies, risks, and opportunities.



“We know what is happening, we know what we must do – now, we must simply do it.” – Sir Rob Fenwick, March 2020



**The
Aotearoa
Circle**

Mā te
Kaitiakitanga
ko te
Tōnūtanga
Prosperity
Through
Guardianship

December 12, 2023

Vicki Watson
C/O The Aotearoa Circle
33 Broadway
Newmarket 1023
Phone: 027 537 6088

Rt Hon Christopher Luxon

Prime Minister
Parliament Buildings
Wellington

Dear Prime Minister

Congratulations on your election as New Zealand Prime Minister. I'm writing to reintroduce The Aotearoa Circle and offer help to deliver our shared goals for New Zealand's future.

Given both your close relationship with our Co-Founder Sir Rob Fenwick, and that you were a founding partner of the Circle when you were CEO of Air New Zealand, we know you're familiar with our purpose – to **restore Aotearoa's natural capital**, and that we're a leadership organisation bringing public and private sectors together. Our vision, like yours, is to ensure our nation's future prosperity by building resilience and adaptation into our economic growth.

We know Sir Rob enjoyed his many conversations with you about a government with both economic and environmental aspirations. In that same vein, the Circle aims:

- To use our unique private and public partnership model to **tackle difficult and complex work** that is better done together.
- **To work quickly.** We can deliver realistic, robust and high-quality solutions that will achieve buy-in from all parties, and do this faster.
- **To work efficiently and cost effectively;** our partners volunteer their time and expertise.
- To focus on maximum "bang for buck", being mindful of the current fiscal environment, delivering changes that will **give us a stronger future.**

We see our approach aligned with your goals to improve the quality of Government spending and economic efficiency. Our private sector partners are all too aware of the fiscal pressures we currently face as a country. We are determined to progress work in the most efficient way possible.

Our partners include some of Aotearoa's most prominent businesses, all of whom are united by their focus on a resilient future and meeting market demands. Having several ministries involved has enabled significant pieces of work to be completed by the Circle at minimal cost to government, with valuable input from the private sector, science and NGOs. As you'll remember, The Aotearoa Circle is apolitical and driven by concern about New Zealand's long-term future, rather than ideology.

You may already be familiar with several examples of our work to date. Here is a small selection of recent developments.



In 2023:

- We began work on an in-depth analysis of the environmental impacts that various **biotechnology options**, available to New Zealand, may have. We're working alongside industry including Māori businesses, science, and NGOs with the public sector as active observers. We believe this work, due to be completed by April, will be very useful as you consider the best policy settings for New Zealand when it comes to modern biotechnology.
- We initiated work for a feasibility study investigating a **green shipping corridor** between New Zealand and Australia. This is critical for New Zealand exporters as they seek to reduce their scope 3 emissions, reduce European ETS charges and answer the demands of their international markets.
- We have completed scoping a "**regional resilience**" workstream to model the impacts of climate change over valuable natural resources that deliver economic, environmental, social and cultural returns to that region. The pilot region will include a variety of sectors including agriculture, tourism, seafood and energy. The output will enable local businesses and government to decide best actions on adaptation, bringing together interested parties for joint investment. The modelling can then be scaled for other regions.
- We brought together banks and key players to **improve capital access** for New Zealand's agriculture, tourism and seafood sectors with output due in Q2 2024.
- We published a legal opinion in March, with Chapman Tripp, demonstrating that **New Zealand company directors have a duty to manage nature-related risks** when they have an impact on their business. Interestingly, Australia released theirs just a few weeks ago.
- We published **in-depth climate scenarios** as detailed by XRB guidance for TCFDs, for New Zealand's agricultural and tourism sectors, and initiated work for transport, and energy.

As you know, climate and nature policy is also trade policy, as expectations of our international customers shift and we're required to demonstrate authentic climate and nature credentials. New Zealand is uniquely dependent on natural capital for our economic success - some 70% of our entire export earnings depend on the quality of our natural resources.

Finally, we make a request please. We are planning an event at Parliament to announce our 2024 Rangatahi Advisory Panel and workstream outcomes around March 19th (4.00-6.00pm?) and would be honoured if you could host us please and address our partners and other leaders, as our keynote speaker.

As we wait to hear your response, we extend our congratulations again and wish you a well-deserved period of relaxation over the holidays. We look forward to connecting with you in 2024. We attach a one-page introduction to our work and we thank you for taking the time to look at this.

Kindest regards
Ngā mihi

Vicki Watson

Vicki Watson
Chief Executive

CC: Ministers of Finance, Energy, Transport, Environment, Climate Change, Oceans and Fisheries, Regional Development, Land Information, Infrastructure, RMA Reform, Science, Innovation and Technology, Agriculture, Forestry, Conservation, Tourism and Hospitality, Economic Development, Regulation, Statistics, and SoEs.



Sample list of Organisations involved in The Aotearoa Circle 2023 work:

Agricultural Sector Adaptation Roadmap:

A.S. Wilcox
Asure Quality
Carrfields
Chalk'n'Talk
Climate Change Commission
Comvita
Countdown
Craigmore Sustainables
Dairy Trust Taranaki
Environmental Protection Agency
Fenwick Group
Financial Markets Authority
Fonterra
FoodHQ
Foodstuffs
Foundation for Arable Research Inc.
Future Farmers NZ
Horticulture New Zealand
Livestock Improvement Corporation
Manaaki Whenua Landcare Research
Ministry of Business, Innovation and Enterprise
Ministry for the Environment
Ministry for Primary Industries
NIWA
New Zealand Trade and Enterprise
New Zealand Winegrowers
Ngāi Tahu Farming
Ngāi Tahu Holdings
NIWA
Norwood
NZ Food Innovation Network
National Science Challenge - Our Land and Water
Pāmu (Landcorp)
PGG Wrightson
Plant and Food Research
Primary Purpose
Ravensdown
Scales Corporation
Scion Research
Silver Fern Farms
Sona Chosta Ltd
T&G Global
Te Hono
TUR NZ Forest Service
Vantage NZ
Venture Taranaki
Wakatū Incorporation
Zespri

Tourism Sector Adaptation Roadmap:

Air New Zealand
AUT
Beca
Bus and Coach Association
Christchurch Airport
Entrada Travel Group
External Reporting Board
General Travel NZ
Griffith University
Holiday Park Association
Hospitality NZ
Kāpiti Island Nature Tours
Kohutapu Lodge & Tribal Tours Ltd
Lincoln University
MDA Experiences
Ministry for the Environment
Ministry of Business, Innovation and Enterprise
NIWA
New Zealand Tourism Research Institute
Ngāi Tahu Tourism
Otago University
PwC
Queenstown Airport
RealNZ
Regional Tourism New Zealand
Restaurant Association
Rhythm & Vines
SkyCity Entertainment Group
Stats NZ
Sudima Hotels Accommodation
Department of Conservation - Te Papa Atawhai
The Nature Conservancy
Tiwaiwaka
Totally Tourism
Tourism Bay of Plenty
Tourism Holdings Limited
Tourism Industry Aotearoa
Tourism New Zealand
Tourism Central Otago
Whale Watch Kaikōura
Ziptreck Ecotours



Energy Sector Climate Scenarios:

Beca
Bioenergy Association of NZ
BlueFloat Energy/ Elemental Group
Business New Zealand Energy Council
EECA
Energy Resources Aotearoa
External Reporting Board (XRB)
First Gas Limited
Gas Industry Co
Genesis Energy
Mercury
Meridian Energy
NIWA
NZ Geothermal
Orion Group
Powerco
Unison
Vector
Wellington Electricity

Biotechnology Environmental Impact Report:

Those interviewed include:

AgResearch
Beef + Lamb NZ
Biotech NZ
Canterbury University
Dairy NZ
Department of Conservation - Te Papa Atawhai (active observer)
E Oho
Environmental Protection Agency (active observer)
FoodHQ
Genomics Aotearoa
Grasslanz
Horticulture New Zealand
Lincoln University
Livestock Improvement Corporation
Ministry for Primary Industries (active observer)
Ministry for the Environment (active observer)
Organics Aotearoa
Pāmu (Landcorp)
Plant & Food Research
Scion Research
Sir Jonathon Porritt
Summerfruit NZ
Te Kotahi Research Institute
Te Puna Whakaaronui
Zoetis / Apha NZ

Transport Sector Climate Scenarios:

Air New Zealand
Auckland Airport
Auckland Council
Auckland Transport
Aurecon Group
Colonial Motor Group
External Reporting Board
Freightways
Hiringa Energy
IAG
Kāinga Ora
Kiwirail
LGNZ
Mainfreight
Maritime NZ
Masden Maritime Holdings
Ministry of Transport
Mondiale VGL
Move Logistics
New Zealand Post
NZ Airports Association
Otago Regional Council
Port Otago
Ports of Auckland
South Port
Tadpole
Infrastructure Commission
Health New Zealand
The Colonial Motor Company
The Warehouse Group
Tourism Holdings Limited
Turners Auctions
New Zealand Transport Agency
Z Energy

20 February 2024

OC240133

Hon Simeon Brown
Minister of Transport

MEETING WITH GENERAL MOTORS ON CLEAN CAR IMPORTER STANDARD

Snapshot

General Motors has requested a short meeting with you to introduce themselves and to recommend policy positions on the Clean Car Importer Standard.

Time and date	11.45am - 12.00 noon, 22 February 2024
Venue	EW5.1R
Attendees	Ms. Jess Bala, Managing Director, Australia and New Zealand. (based in Melbourne but currently visiting New Zealand).
Officials attending	None attending
Agenda	Introduce General Motors, discuss the New Zealand vehicle industry, and potential changes to the Clean Car Importer Standard.
Talking points	See next page.

Contacts

Name	Telephone	First contact
Nick Paterson, Manager, Environment	9(2)(a)	✓

MEETING WITH GENERAL MOTORS ON CLEAN CAR IMPORTER STANDARD

Key points

- Globally, General Motors is the sixth largest car maker¹. Its Chevrolet brand includes electric hatchbacks, SUVs, and a large electric ute. The company has reasonably strong ambition in the electric vehicle market; in 2023 it returned to the European market after a five year absence, underpinned exclusively by battery electric models.²
- General Motors has a small market presence in New Zealand. Last year it only sold 13 Corvette sports cars, and about 200 Chevrolet Silverado utes. General Motors wrote to you last month (letter attached) that from 2025 the company will begin selling high-end all-electric Cadillac cars to New Zealand. These are currently on sale in the U.S., for NZ\$100,000 or higher.
- General Motors' current New Zealand market offering subjects it to penalties under the Clean Car Importer Standard. Their future electric car sales will offset this, depending on volumes sold.
- Given the existing high emission vehicle portfolio in New Zealand, but the apparent direction to zero emission vehicles in many markets, General Motors' position may be to keep CO₂ targets in New Zealand moderate in the short term but pursue stronger ambition in future years.
- You have commissioned officials to review the Clean Car Importer Standard targets in the first half of the year, with regulatory change to occur in the second half. Officials are currently seeking views from the vehicle industry on the timing of the review and on the ambition level of the targets. Feedback to date is that industry would appreciate as much time as possible to prepare for any revised settings to inform their ordering decisions, and would appreciate Cabinet decisions ideally, before mid 2024.
- General Motors also has New Zealand distribution rights for Japanese-made Isuzu trucks (but not utes). In 2023, Isuzu was the second most popular truck brand in New Zealand, with 1120 diesel and 15 electric registrations. All are small to medium duty; up to 30 tonnes. Isuzu electric trucks are converted from diesel power at a Christchurch workshop, unlike competitors who manufacture them as electric overseas.
- General Motors' recent letter to you supported the previous Government's decision to align the timing of the move to the "Euro VI" noxious emission standard to the same as and not ahead of Australia. Almost every new Isuzu truck sold in 2023 to New Zealand did not meet the new noxious emission standard coming into force from November 2024 to both our markets. The new standard is therefore significant to their brand, however the market alignment makes compliance easier.

¹ <https://www.reuters.com/business/autos-transportation/us-auto-sales-likely-jumped-2023-new-year-be-challenging-2024-01-03/>

² <https://www.wardsauto.com/industry-news/general-motors-officially-return-europe-2023>

Talking points

- 1 What is General Motors' ambition around electrification globally and for New Zealand?
- 2 What are General Motors' views on the Clean Car Importer Standard and its targets?
- 3 Beyond the premium Cadillac electric cars, does General Motors intend to distribute its wider portfolio of electric hatchbacks, SUVs, and utes to New Zealand?
- 4 What transition towards electric or hydrogen is planned for Isuzu trucks in our market, and are there domestic regulation or infrastructure gaps holding back progress?

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Biographies



Ms Jess Bala, Managing Director, General Motors Australia & New Zealand

Jess was appointed late 2023 and was previously Cadillac's Director of Global Product Planning and Product Strategy. Media has reported that she played a central role in Cadillac's transition to an all-EV brand by the end of the decade.³

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³ <https://www.autocar.co.nz/jess-bala-appointed-as-managing-director-of-gm-australia-and-nz/>



January 10, 2024

Hon. Simeon Brown
Minister of Transport
New Zealand Ministry of Transport

Dear Minister Brown,

On behalf of General Motors, I want to congratulate you on your appointment as New Zealand's Minister of Transport. Your focus on improving infrastructure for all types of vehicles is important – it ensures that people can rely on public infrastructure and have access to safer roads that are reliably maintained.

As you may know, we recently announced our launch plans for Cadillac in New Zealand. We will be bringing an all-electric portfolio of Cadillac vehicles to New Zealand, starting with the LYRIQ in 2025.

As we have learned from introducing EVs in markets around the world, infrastructure is a critical part of enabling consumer adoption of these vehicles. We are glad to see your Ministry will focus on adding 10,000 EV chargers across the country – and not just in urban areas. We understand how important it is for consumers outside of cities to be able to access a reliable charging network, ensuring that anyone who wants an EV – no matter where they live – can easily own one.

We also remain committed to our customers that want to own our internal combustion products. GM Specialty Vehicles New Zealand is an important part of our portfolio and allows us to offer trucks, performance vehicles, and SUVs to customers through our network of dealers.

I also want to highlight the importance of our Isuzu Truck business to New Zealand heavy duty truck customers. Isuzu NZ, a division of General Motors New Zealand Ltd, has been the New Zealand distributor for Isuzu Heavy Duty trucks imported from Japan since the mid-1970s. We were encouraged to see the Transport Ministry decide to continue studying implementation of higher-level emissions standards for heavy duty vehicles. Isuzu NZ and General Motors support the goal of improving air quality by way of reducing vehicle exhaust emissions, and we hope that introduction of new emissions standards provides adequate lead times to heavy vehicle manufacturers and remain aligned with Australian regulations for market continuity.

As you settle into your role, please do not hesitate to reach out to me if there are any issues on which my team can provide insight and advice. I firmly believe that the best regulations and policies are created when government and industry work together, and I hope we will get the chance to cooperate as we all work to advance transport in New Zealand.

Sincerely,

Jess Bala
Managing Director
GM Australia and New Zealand

Neha Pawar

From: Niall Robertson <nmrobertson1471@gmail.com>
Sent: Monday, 26 February 2024 9:27 am
To: Simeon Brown
Subject: Request for an Inquiry

ptua public transport users association

IMPROVING THE MOVING

The Honourable Simeon Brown,
Minister of Transport,
Parliament Buildings,
Wellington
25th February 2024

Dear Minister

The Public Transport Users Association (PTUA) is extremely concerned about the dysfunctional nature of transport, and in particular public transport, in Auckland city currently and during the time of AT and the compartmentalisation of transport organisations.

We had considerable bus service shortages due to lack of bus drivers, which was solved over time through government intervention and the improvement of pay and working conditions for drivers. There have been similar problems with shortages of ferry crews as well.

The Auckland railway system has been built and rebuilt continually since the start of the century, but earlier projects appeared to have reached specific goals. In recent years there have been a number of problems ranging from signal failures, overhead traction wire failures, points failures and rail heat speed restrictions which has led to cancellations of services. In 2021 the entire system was restricted to just 40kph due to the problem of rolling contact fatigue which probably has more to do with the type of wheels on the AT trains than it is a problem with the track. There is a significant incompatibility here which really needs to be sorted properly.

People want a reliable regular public transport system on a 24/7 basis and do understand the need for new projects and ongoing maintenance, but most of the work in Auckland seems to be going over work that has seemingly been done before. There are continual weekend and holiday shutdowns at times when local people want to show visitors around by train.

The people of Auckland are very tired of these interruptions and rather than attracting more people onto public transport, the system is driving more people back into their cars, creating more emissions and more congestion.

The PTUA is aware of the fact that during the first decade of this century prior to the creation of the 'super city' and the so called council controlled organisations, Auckland achieved, Britomart, the duplication of the Western Line with the New Lynn trench, the Onehunga Line which was to go to the airport, the entire rebuilding of all but a few railway stations, the agreement for electrification and the Northern Busway. Since the advent of the super city, the achievements seem to have been a few cycle ways, speed bumps, some double decker buses and little else of any

real consequence apart from the current failures to keep everything functional. Even the CRL was born in the first decade.

The Public Transport Users Association, therefore, is asking for a ministerial inquiry into the efficacy of the current complex, multi-organisational approach to Auckland's public transport system and in particular into the efficacy of Auckland Transport and its level of accountability.

Kind regards,

Niall Robertson

Chair of the Public Transport Users Association



MOB ^{s 9(2)(a)}

nmrobertson1471@gmail.com

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THE OFFICIAL INFORMATION ACT 1982



Hon. Simeon Brown
Minister of Transport and Energy
By email: s.brown@ministers.govt.nz

27 February 2024

RE: Considerations for developing public charging policy

Dear Minister

I am writing to you on behalf of Drive Electric's Charge Point Operator (CPO) group. The group comprises Tesla, BP, Z Energy, Meridian, We.EV, ChargeNet, and Jolt. This group supports the Government's ambition around public charging and desires to make significant private sector investment to build New Zealand's public charging infrastructure.

For context to this letter, in the 2023 calendar year the CPOs in this group, plus OpenLoop and Hikotron, have installed the following numbers of chargers (AC and DC) to the nationwide charging network. Together these companies represent the vast majority of public charging in New Zealand. These numbers are:

- 259 Chargers
- 405 Charge Points

To hit the Government's target of 10,000 chargers by 2030, an installation rate of 142 per month is required from today. Over the past year, we have been tracking at an install rate of 21. Unfortunately, there remain barriers to investing in charging infrastructure which are preventing a more rapid roll-out.

Redtape and resource consent

We note the National party policy commitment to, "Cut the red tape holding back EV infrastructure investment by eliminating the need for resource consent for EV charging points to reduce up-front costs." CPOs support the policy to remove the requirement for resource consent for charging points or making it a permitted activity.

We want to emphasize however that for most CPOs this is not the primary barrier, relative to making electricity network connections more efficient. CPOs have different business models, and as such their requirements for consents vary (as do the reasons for consents). Some almost never have to apply for new consents to install EV chargers, others must do so on most occasions. However, this policy is expected to reduce the cost of doing business and reduce the time taken to install chargers (in the cases where a consent is required).

Connecting to networks

We appreciate that the energy transition presents Electricity Distribution Businesses (EDBs) with a huge challenge, noting they work under specific regulatory regimes and face constraints on investment. At the same time, CPOs need efficient connections to accelerate charger roll-out. As you are aware, we have been working with EDBs for over a year on these questions.

The number one priority across all CPOs is addressing the barriers associated with connecting to the electricity network. These barriers come in the form of price (connection cost and ongoing lines charges) and process (time taken to identify a point of connection and have that connection made). Additionally, there is considerable variability across networks, who all have their own pricing and connection processes, which exacerbates the inefficiencies.

We have presented evidence on these points to the Commerce Commission, Electricity Authority (EA), and the Ministry of Business, Innovation, and Employment (MBIE). We understand that MBIE has recently released a review of comparable markets in Australia and the United Kingdom (The 'Baringa' Report), which concludes that, "Higher levels of regulatory invention and distributor consistency apply in AU and the UK, compared to the light-handed NZ approach leading to significantly more industry differences and less regulatory oversight."

We are encouraged that the EA is exploring a potential access regime for more nationally consistent connections and establishing a Network Connections Technical Group. This work appears to have the potential to address some issues around connection processes, and we are engaging with the EA on this work as a priority. We have a subgroup project underway to articulate what a Part 6 access regime would need to do to accelerate EV connections so we can meaningfully engage in that workstream. We aim to have this done as fast as possible. We are looking for an access regime that creates consistency across EDBs and enhances efficiency.

On connection costs, the EA has previously consulted on distribution pricing, with the next update on that review expected in April. We have raised our concerns about connection costs and network charges through this process. While we accept that it is fair and reasonable to incur a cost for connecting to the network, the level of the contributions and the inconsistencies in pricing approaches, can make investments in charging infrastructure uneconomic (at a site level). CPOs observe that EDBs, across regions, have different ways of allocating network costs over time and have a range of approaches for customers' contributions to connections costs, and to use of system charges.

We are looking for outcomes from this consultation that might provide some relief on pricing that supports large connections, including EV public charging connections of all types. In particular, we are seeking more transparency, predictability, and consistency on pricing approaches across EDBs, and caps on excessive contribution charges.

While respecting the independence of the regulator, the CPO subgroup asks that you take an interest in these EA workstreams.

Government investment in EV charging

Whilst regulatory change is critical to unlocking private investment in public charging, we are very concerned that this will take time, potentially two to five years. Additionally, EV penetration is currently at about 2 per cent, and modelling suggests that uptake is set to slow. Taken together, the economics for private investment are challenging.

CPOs are supportive of the Government's election commitment to invest \$257 million into public charging infrastructure over four years to unlock private capital. Government investment is critical in the immediate term to overcome fundamental barriers to investment, including network connection costs, and to deliver capacity in advance of more widespread user demand.

CPOs have previously aligned around some key principles for the best use of Government investment, which can unlock private capital. These are:

- An open-funding approach
- Support a range of charging types/speeds
- Applicants must demonstrate the type of barrier faced to private investment and quantify it
- Applicants must demonstrate the future demand for the site (e.g. low number of chargers in an area v registered vehicles; traffic thoroughfare)
- Applicants can demonstrate the need for public investment through breakeven years and ROI

As you will appreciate, there is uncertainty in the industry about how the Government is thinking about public investment in charging. CPOs are keen to understand the direction of travel and provide appropriate input from the industry.

In the interim, we support the release of funding in the short-term to maintain momentum. Urban charging is where there is greatest need relative to the current shortage of chargers and charge points versus real and anticipated EV uptake.

Looking ahead

CPOs would welcome the opportunity to meet with you collectively to explore some of these issues in depth.

Yours sincerely,



James Walker
CPO Subgroup, Facilitator

A handwritten signature in black ink that reads "Tim Calder". The signature is written in a cursive style with a large, stylized "T" and "C".

Tim Calder
Drive Electric Board Member (CPO Subgroup Lead)

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Neha Pawar

From: Dominic Cowell-Smith
Sent: Monday, 4 March 2024 5:00 pm
To: Ben Goodchild
Cc: Alec Morrison; Anastasia Lagoutaris
Subject: RE: Urgent: Briefing to support Minister's attendance at NZAA Annual Conference

Hi Ben

Thanks for the heads up, happy for it to come a bit later if it will be all shored up with the GPS

Cheers
 Dom

From: Ben Goodchild <B.Goodchild@transport.govt.nz>
Sent: Monday, March 4, 2024 4:03 PM
To: Dominic Cowell-Smith <Dominic.Cowell-Smith@parliament.govt.nz>
Cc: Alec Morrison <a.morrison@transport.govt.nz>; Anastasia Lagoutaris <A.Lagoutaris@transport.govt.nz>
Subject: FW: Urgent: Briefing to support Minister's attendance at NZAA Annual Conference

Hi Dom,

We're currently finalising the NZ Automobile Association Conference briefing for the Minister. We're hoping to have it finished and through to the Minister's office by midday tomorrow. However, I just wanted to flag that there's a chance it will be delayed until later in the day. As you're likely aware, the draft GPS is currently being finalised. The briefing will provide back-pocket information and speaking notes for the Minister on the GPS to discuss at the conference, and we want to make sure that it accurately reflects the content of the draft GPS. We're working with our investment team to finalise the briefing's content as quickly as possible, but there's a chance we won't be able to review the draft GPS until tomorrow morning. This could delay the briefing's final sign-out until later in the day. Please let me know if this will cause any significant issues on your end. Happy to discuss further if you have any questions.

Kind regards,

Benedict Goodchild

Principal Advisor
 Rautaki | Strategy

Te Manatū Waka Ministry of Transport

M: [s 9\(2\)\(a\)](tel:0922222222) | E: B.Goochild@transport.govt.nz | transport.govt.nz



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From: Mitch Macaulay <M.Macaulay@transport.govt.nz>
Sent: Monday, March 4, 2024 3:26 PM
To: Anastasia Lagoutaris <A.Lagoutaris@transport.govt.nz>
Cc: Ben Goodchild <B.Goodchild@transport.govt.nz>
Subject: RE: Urgent: Briefing to support Minister's attendance at NZAA Annual Conference

Hi there Anastasia,

Thanks for following up. We're under significant time pressure on the announcement today so I'm unlikely to get to it until late today or early tomorrow. How long can I have to get back to you? 😊

M

From: Anastasia Lagoutaris <A.Lagoutaris@transport.govt.nz>
Sent: Monday, March 4, 2024 3:19 PM
To: Mitch Macaulay <M.Macaulay@transport.govt.nz>
Cc: Ben Goodchild <B.Goodchild@transport.govt.nz>
Subject: RE: Urgent: Briefing to support Minister's attendance at NZAA Annual Conference

Hi Mitch

We are currently in the process of finalising the NZAA Conference briefing for the Minister, which is due to be sent to the Minister's Office tomorrow.

It would be greatly appreciated if you could update us on the status of the draft GPS, as we will need to review any changes alongside the briefing.

Thanks

Anastasia Lagoutaris (she/ her)
Kaitohutohu | Adviser
Rautaki | Strategy
Te Manatū Waka Ministry of Transport

M: s 9(2)(a) | E: a.lagoutaris@transport.govt.nz | transport.govt.nz



Hāpaitia ana ngā tāngata o Aotearoa kia ora
Enabling New Zealanders to flourish

From: Mitch Macaulay <M.Macaulay@transport.govt.nz>
Sent: Thursday, February 29, 2024 9:38 AM
To: Ben Goodchild <B.Goodchild@transport.govt.nz>
Cc: Tim Herbert <t.herbert@transport.govt.nz>; Peta Baily Gibson <P.BailyGibson@transport.govt.nz>
Subject: FW: Urgent: Briefing to support Minister's attendance at NZAA Annual Conference

Hi Ben,

Nice to meet you – I've just started in Tim's team and I'm helping with the work on the Government Policy Statement on land transport.

Your request below has landed with me. I've just cribbed some content into your briefing from the current draft Press Release on the release of the GPS 2024 (see attached for your info). Please do note that there's highlighted text in here that is still under live consideration by Cabinet on Monday 4 March (including the release date of the draft GPS 2024) so I'll need to provide you with updated content for these parts on Monday post-Cabinet. I've included a note on your briefing to this effect.

Any questions just let me know.

Mitch

From: Tim Herbert <t.herbert@transport.govt.nz>
Sent: Tuesday, February 27, 2024 5:34 PM
To: GPS team <GPSteam@transport.govt.nz>; Emma Belcher <E.Belcher@transport.govt.nz>
Subject: Fwd: Urgent: Briefing to support Minister's attendance at NZAA Annual Conference

Fyi
Emma - one for the list
Ta
Tim

Get [Outlook for Android](#)

From: Ben Goodchild <B.Goodchild@transport.govt.nz>
Sent: Tuesday, February 27, 2024 4:41:53 PM
To: Tim Herbert <t.herbert@transport.govt.nz>; Len Starling <L.Starling@transport.govt.nz>; George Ross <G.Ross@transport.govt.nz>; Marcelo Prates <M.Prates@transport.govt.nz>; Joanna Heard <J.Heard@transport.govt.nz>; Hugh Mazey <H.Mazey@transport.govt.nz>; Jessica Ranger <J.Ranger@transport.govt.nz>; Marieka Curley <M.Curley@transport.govt.nz>; Matthew Skinner <m.skinner@transport.govt.nz>; Andrew de Montalk <a.demontalk@transport.govt.nz>
Cc: Alec Morrison <a.morrison@transport.govt.nz>; Peta Baily Gibson <P.BailyGibson@transport.govt.nz>; Bronwyn Turley <B.Turley@transport.govt.nz>; Anastasia Lagoutaris <A.Lagoutaris@transport.govt.nz>
Subject: Urgent: Briefing to support Minister's attendance at NZAA Annual Conference

Hi everyone,

The Minister will be attending the AA's Annual conference on March 8 (next Friday). The Minister intends to address the conference and announce changes to speed policy and his intentions for a new speed rule, pending this being confirmed at Cabinet tomorrow. Peta's team is currently working on a speech for the conference, and we've been asked to prepare a short briefing providing some additional supporting material. The Minister's office has requested the briefing by midday Tuesday, 5 March.

The theme of the conference is "Building for the Future" and the AA has suggested to the Minister that his address could focus on his vision for "investment in infrastructure, safety, transport funding and public transport". The briefing will therefore need to provide some back pocket pieces of Ministry advice on these topics.

Given the short turnaround for preparing this briefing, the Strategy team has been asked to lead a coordinated approach across the Ministry. We're therefore seeking input in the following areas:

- Investment in infrastructure - particularly any updates we can provide on the draft GPS
- Safety - general content and updates on Speed and info the Minister needs to make any announcement on the subject
- Urban Development and Public Transport – Public Transport work, any other material that may be of interest
- Revenue – updates on work going on particularly around transport funding e.g. what is happening with work in their area

We're not looking for too much, just a brief update on the current state of policy in these areas, with a mind to what the Minister may wish to discuss at the conference (a few paragraphs to a page max). You can find the briefing at the following link: https://tardis.transport.govt.nz/otcs/cs.dll/app/nodes/191612861?order_by=name_asc. If you are able to input your content into the Tardis version by **cop Thursday** that would be hugely appreciated. Apologies for the short turnaround!

Please feel free to get in touch if you have any questions or wish to further discuss what you might want to include in the briefing.

Kind regards,

Benedict Goodchild
Principal Advisor
Rautaki | Strategy

Te Manatū Waka Ministry of Transport

M: s 9(2)(a) | E: B.Goochild@transport.govt.nz | transport.govt.nz



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MINISTRY OF TRANSPORT

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5 March 2024

OC240190

Hon Simeon Brown
Minister of Transport

NEW ZEALAND AUTOMOBILE ASSOCIATION ANNUAL CONFERENCE – 8 MARCH 2024

Snapshot

You are attending the New Zealand Automobile Association's (AA) Annual Conference on Friday, 8 March 2024.

You have agreed to provide a short speech at the conference highlighting key issues and/or pieces of work, including investment in infrastructure, safety, transport funding and public transport. This briefing provides up to date information and advice regarding these issues.

Following your speech there will be a Q&A session and light refreshments.

Time and date	The conference starts at 8.45am, on Friday 8 March You are scheduled to arrive at 2.35pm
Venue	Ballroom, Napier War Memorial Conference & Events Centre, 48 Marine Parade, Napier
Attendees	Attendees include delegates from AA's 18 districts. Representatives of the Australian Automobile Association and a variety of transport organisations will also be present.
Run sheet	Will be provided nearer to time.
Media	The media have been invited.
Speaking notes	Speech notes are attached (Annex 2).

Contacts

Name	Telephone	First contact
Bronwyn Turley, Deputy Chief Executive, Regulatory Group	s 9(2)(a)	✓
Benedict Goodchild, Principal Advisor, Strategy		
Anastasia Lagoutaris, Policy Advisor, Strategy		

Purpose

- 1 This briefing provides you with background information and a draft speech for your attendance at the New Zealand Automobile Association's (AA) annual conference in Napier on 8 March 2024, including:
 - background on the AA and the conference
 - information on the conference's focus "Building for the Future", including investment in infrastructure, safety, transport funding and public transport
 - profiles on key people in the AA (**Appendix 1**)
 - speaking points for the conference (**Appendix 2**).

New Zealand Automobile Association

Membership

- 2 The AA advocates on behalf of its 1.8 million members on motoring matters. The AA's new purpose encompasses caring for its members and the people, spaces and places that are important to them, and places caring for its members at its core.
- 3 The AA also undertakes its own research, conducts extensive surveys of its members, and works with both local and national government to advocate for change. The Ministry of Transport (the Ministry) consults regularly with the AA on a range of policy issues and initiatives. The Association is represented in a number of policy working groups, including those working on speed management and cycling safety.

Governance

- 4 The AA is governed by a National Council, Board and 18 District Councils. The Association's National Council is made up of one elected representative from each district. The Council meets quarterly to consider matters of national policy and receive reports from the Board and Chief Executive.

Overview of the event

- 5 This year's conference will be held at the Napier War Memorial Conference & Events Centre in Napier. The conference theme is "Building for the Future".
- 6 The AA is expecting 170 people including members of its Board and National Council, representatives from the 18 AA District Councils throughout New Zealand and its Executive and Senior staff. Also attending will be representatives of the Australian Automobile Association.
- 7 You will address the conference delegates on Friday 8 March. This is the opening day of the conference, which is dedicated to policy and advocacy issues.
- 8 You are currently scheduled to arrive at the conference by 2:35pm and address AA Conference delegates at 3.00pm until 3.30pm. You have been given 20 minutes to speak and 10 minutes to take questions from the audience.

- 9 The AA has suggested that your address could focus on your Party's vision for transport, including investment in infrastructure, safety, transport funding and public transport. A draft speech is attached in Annex 2.
- 10 At 3.30pm, you will meet with Nadine Tereora, Mark Winger and Simon Douglas to discuss the AA's policies in the Conference venue's Board Room.

The AA's key policies

- 11 The key policies we discuss below are based on some of the key AA election calls¹ for 2023 and interactions we have had with the AA since the General Election last year.
- 12 *Revive essential road maintenance and make the road network resilient*
- The AA believe there should be an increase in road maintenance work, focusing on foundation and resurfacing work. Additionally, they argue road maintenance should get the first call on Fuel Excise Duty (FED) revenue. The AA also believe improving the resilience of our road network needs to become an urgent ongoing priority and suggest having a clear and fully funded plan for improving resilience on major roads or roads where there are significant consequences of blockage.
 - The Draft Government Policy Statement on Land Transport 2024 (GPS) highlights the need for further land transport investment and sets out priorities for maintaining the roading network and improving resilience on our state highways, local and rural roads. The GPS 2024 increases road maintenance funding by \$640 million compared to the draft GPS released by the previous Government in August 2023.²
- 13 *Stop drunk and drugged drivers*
- The AA believe Police need to promptly introduce saliva-based roadside drug testing devices, and alcohol testing numbers need to return to their previous high levels (3 million in 2013). The AA also believe that installing interlock devices are an effective way of stopping drink drivers, and authorities need to monitor and follow up with those sentenced who have not installed one.
 - The Draft GPS outlines the Government's intent to prioritise enacting legislation to rollout roadside oral fluid drug testing and set targets for Police to undertake 50,000 roadside oral fluid tests per year, once the new legislation is in place. Central government's focus on drink driving will increase and targets will be set for Police to undertake at least 3 million roadside alcohol breath tests per year.
 - The timing for drug driving legislation is yet to be confirmed by Cabinet. Police targets for roadside breath screening tests for alcohol will be set out in the Road Policing Investment Programme 2024-27. This is an agreement between the Ministers of Transport and Police, which is due to be implemented from 1 July 2024.

¹ The election calls are based on issues AA Members care deeply about and that the AA thinks will deliver improvement to New Zealand's transport system.

² This difference has been calculated at the midpoint of the funding ranges.

14 *Boost investment in electric vehicle chargers*

- The AA believe the Government must increase its support for electric vehicle charging infrastructure, focusing on locations where installing EV chargers is not commercially viable, to combat concerns around range anxiety.
- The Government announced in the manifesto agreement that they will invest in EV infrastructure to rollout a comprehensive, nationwide network of 10,000 public chargers by 2030.

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

15 *Target cell phone use behind the wheel*

- The AA believe reducing drivers' cell phone use needs to be made an urgent road safety priority, requiring a coordinated plan and package of actions to change behaviours. This would include combining better detection and enforcement, effective penalties, awareness campaigns and technology solutions.
- The Government will introduce a new set of objectives and intended actions for road safety that will focus on safer roads, safer drivers and safer vehicles. As a part of this, the Government will review fines for traffic offences and consider indexing the value of infringements to inflation and invest in road policing and road safety promotion to ensure an appropriate level of enforcement while promoting safer driving.

16 *Fund roads fairly: GST charged on fuel tax (FED/RUC) should go into roads*

- To boost transport funding, the AA wants GST paid on fuel tax, and road user charges to be added into the National Land Transport Fund to be spent on maintaining safe, high-quality roads.
- For years the AA has recommended the removal of Goods and Services Tax (GST) from petrol excise tax, arguing that it is a tax on a tax. The AA argues that this would reduce petrol prices and ease the financial burden on motorists. However, removing GST would create complexity in our tax system, as GST is meant to be a broad-based tax that applies across the board. Removing GST would also reduce government revenue, which would need to be made up by either increasing other taxes or cutting public services. With the Crown contributing substantial sums to land transport from general revenue, there is arguably less justification for GST to be removed.

Other matters that may be of interest to the AA

Parking infringements

- 17 The Ministry of Transport is about to commence a review of infringement fees for parking and road safety offences. Many of these fees have not been updated in two decades and are no longer effective at deterring poor behaviour, nor do they

represent the value of parking today, particularly in our larger cities. There are several factors being considered in this work, including regional variation and a more robust process for future fee updates.

- 18 An increase to regulated towage and storage fees is also being progressed. These fees are out of date and do not cover the costs faced by towage and storage providers carrying out important enforcement work for Police, local councils, and road controlling authorities. Public consultation on this package of proposals will take place later this year.

Speed limits

- 19 Last year the Government amended the Land Transport Rule: Setting of Speed Limits 2022 (the Rule) to remove deadlines set under the Rule and make it discretionary for road controlling authorities (RCAs) to produce speed management plans. The new rule will rebalance the approach taken to speed limits and will consider the public acceptability of the changes.
- 20 In urban areas there will be an expectation that speed limits that have been reduced since 2017 will be reversed, except where the reduced speed limits are:
- approaching school gates
 - on main streets in town centres
 - in targeted areas where there is strong evidence to support the reduced speed.
- 21 For schools that have not yet had speed limits reduced outside them, variable speed limits are to be implemented outside school gates during drop-off and pick-up times using static or electronic signage.
- 22 State highways that have had speed limits reduced since 2017 will be expected to have their speed limits reversed, retaining only targeted reductions where there is strong evidence to support the reduced speed. The new rule that officials have been instructed to develop will enable expressways to have 110km/h speed limits from inception and reviewing existing expressways to ensure they are set at the highest speed limited they are engineered to safely hold (where possible).

Annex 1: Key People

Nadine Tereora, Chief Executive Officer



Nadine has been Chief Executive at the AA since February 2022. Prior to the AA, Nadine was the Chief Operating Officer of Partners life. She became the first female CEO of a Suncorp Group when she was appointed to Asteron Life in 2014. Additionally, Nadine is the AA's first female CEO.

Since joining the AA, Nadine has been working on resetting the strategic plan to include a greater focus on delivering value to their members, through building member loyalty and engagement, sustainable mobility, and establishing diversified revenue.

Mark Winger, Board President



Mark was first appointed a Member of the Board upon its formation in 1993, and appointed President of the Association in March 2023. In addition, Mark is a Member of the Auckland and Northland AA District Councils. He also played a large role in the creation of the Waikato AA District Council in 1991 and the Northland AA District Council in 1997. Outside of the AA, Mark has been a lawyer and Partner at Holmden Horrocks for 42 years.

Simon Douglas, Chief Policy & Advocacy Officer



Simon has been working for the AA since 2012 and is responsible for the AA's research and advocacy work, including managing the AA Research Foundation. Simon's role encompasses everything the Government and its transport agencies do that affects motorists and AA Members, including road safety and infrastructure, transport funding (including fuel excise, road user charges, regional fuel taxes), speed limits, traffic enforcement, environmental issues and petrol prices. Simon is also the AA's representative on the Transport Knowledge Hub's Cross-Agency Governance Group.

Prior to the AA, Simon has worked for the Ministry of Transport and Ministry of Tourism, and served as an Executive of Tourism New Zealand.

Annex 2: Speech – New Zealand Automobile Association Annual Conference – 8 March 2024

- Good morning
- I would like to thank the AA leadership team for inviting me to your conference to talk about the Government's vision for transport.
- The National-led Government has a clear vision for Transport. Our aim is to build and maintain a transport system that grows our economy, is productive, and resilient.
- We have hit the ground running with our 100-day plan which sets out a clear agenda aligned with that ambition. We have completed or nearly completed all 7 transport related actions.
- Today I want to talk in particular about two of these actions: changing the Rule for setting speed limits, and releasing the draft Government Policy Statement for land transport.
- Let's start with speed limits.
- The Government's 100-day plan included stopping blanket speed limit reductions and starting work to replace the Land Transport Rule: Setting of Speed Limits 2022.
- I want to get New Zealanders where they want to go quickly and safely.
- Yes, speed can be a contributing factor in road crashes, but this does not mean taking a blanket "one size fits all" approach to reducing speed limits is warranted.
- In December the Government asked road controlling authorities to consider waiting until the new Rule is in place before finalising any speed limit changes.
- I have chosen this conference as the place to announce my intentions for the new Rule for setting speed limits.
- I have instructed the Ministry of Transport to develop a new Setting of Speed Limits Rule that removes any requirement for blanket speed limit reductions and reverses speed limits that have recently been reduced – but only where it is safe to do so. There will be exceptions to this, including around schools or on the main roads in town centres.
- The new Rule will take a targeted approach to speed limit settings, ensuring those responsible for setting speed limits on our roads consider not only safety impacts, but also economic considerations like travel time impacts, and the views of road users and the community.

- I also want to ensure that there is genuine consultation on any proposed speed limit changes, and that feedback is considered before changes are finalised. Road users views also need to be considered, alongside community views and safety considerations.
- In urban areas I will be expecting speed limits that have been reduced since 2017 to be reversed, except where the reduced speed limits are:
 - approaching school gates during pick up and drop off hours
 - on main streets in town centres
 - in targeted areas where there is strong evidence to support the reduced speed.
- I am clear that we still need to protect our children travelling to and from schools. These speed limit reductions have had broad community support. I do not intend for speed limits that have already been reduced around school gates to be reversed.
- For schools that have not yet had speed limits reduced outside them, I will be requiring variable speed limits to be implemented outside school gates during drop-off and pick-up times using static or electronic signage. I do not want to see continued use of the blanket 30 km/h speed limits being applied in widespread areas surrounding schools. These Rule changes will make that clear.
- I also want to ensure any speed limit reductions on urban arterial and connector roads are appropriate. These are our wider urban roads where New Zealanders expect to be able to travel efficiently and I want to check our approach is aligning with evidence and community expectations.
- I expect that State highways that have had speed limits reduced since 2017 to be reversed, retaining only targeted reductions where there is strong evidence to support the reduced speed.
- I will also be delivering on our commitment to see expressways set at 110 kilometres per hour. Any new expressways will be built to support 110 kilometre per hour speed limits and will have speed limits set at that limit from inception.
- I want to move at pace to avoid prolonged uncertainty and my intention is that the new Rule will be in place in the second half of this year.
- The Ministry of Transport will be consulting on the new draft Rule in the middle of the year and that will be an opportunity for you all to have your say.
- Another document the Ministry is currently consulting on is the draft Government Policy Statement for land transport – or GPS 2024.

- I'm sure many of you are familiar with the role of the GPS in setting out the Government's priorities for land transport over the next ten years. The GPS is where the Government's vision for Transport is clearly stated and it is the guiding document for the Ministry of Transport, the NZTA, and local authorities.
- There are four areas from the GPS I would like to cover today: transport funding, investment in infrastructure, road safety, and public transport.
- First, I want to talk about our work on transport funding.
- In our first 100 days, we introduced legislation to end the 10 cents per litre Regional Fuel Tax in Auckland on petrol and diesel. The unspent revenue will be redirected to fund three high-priority projects: the Eastern Busway, electric trains and stabling, and road corridor improvements.
- The Government's position is that all users of the roading network, regardless of vehicle type, should contribute to the cost of providing our roads. From 1 April this year electric vehicle owners will start paying Road User Charges.
- Eventually we intend to transition all vehicles to road user charges. This will remove variances in how much people pay for travelling on our roads. Transitioning all vehicles to Road User Charges will mean people pay for the actual distance travelled instead of fuel consumption.
- In the draft GPS we are also proposing to increase funding from a range of sources, including:
 - increasing the Motor Vehicle Licencing Fee on 1 July 2024
 - providing a Crown grant of \$3.1 billion
 - providing a Crown loan of \$3.1 billion, and
 - increasing Fuel Excise Duties and Road User Charges by 12 cents per litre on 1 January 2027.
- To ensure better value from each dollar of transport spend, we are proposing in the draft GPS a broader range of financing and delivery models. This will likely include Public Private Partnerships and other opportunities to use private expertise and finance for transport projects.
- Increased funding will support an over \$20 billion investment in land transport of over the next three years.
- The draft GPS guides investment in land transport over the next 10 years. It directs \$7 billion per annum in expenditure from the National Land Transport Fund.
- This GPS realigns the transport spend to better support economic growth, ensuring New Zealanders have a well maintained and reliable transport network.

- It outlines a plan to embark on a significant programme of new and improved land transport infrastructure, including reintroducing the successful Roads of National Significance programme that was started under the previous National Government in 2009.
- The Roads of National Significance programme has 15 projects including:
 - Whangarei to Auckland
 - Tauranga to Auckland
 - Mill Road and the East West Link in Auckland
 - Projects to unlock housing growth in Hamilton, the Hutt Valley and West Auckland
 - And other major routes
 - Takitimu Northern Link Stage 2
 - Hawkes Bay Expressway
 - Second Mt Victoria Tunnel and Basin Reserve upgrade
 - the Hope Bypass
 - The Belfast to Pegasus Motorway and Woodend Bypass
- Re-introducing the Roads of National Significance highlights our commitment to critical infrastructure that supports economic growth and regional development. These investments will reduce congestion on our roads, create a more productive and resilient transport network, drive economic growth, and unlock land for thousands of new houses
- The Roads of National Significance projects the National Government has already built are some of New Zealand's most successful State Highway corridors.
- The New Zealand Institute of Economic Research found significant benefit derived from previous projects, with roads like Warkworth to Wellsford and Cambridge to Piarere generating up to \$500 million a year each in benefits to New Zealand's economy.
- Building a new generation of Roads of National Significance signals our focus on prioritising investments that deliver real value to commuters and businesses, ensuring our cities and regions are well-connected and our economy thrives.
- In addition to building new roads, through the GPS we will increase our investment in road maintenance. Potholes have become more prevalent across our roading network in recent years, causing significant damage and disruption to freight and motorists all over the country.
- To address this, we have established two new activity classes, which prioritise maintaining the roading network and preventing further deterioration in roading quality. We will provide an additional \$640 million into the new State Highway Pothole Prevention and Local Road Pothole Prevention activity classes.

- In total, we will invest an additional 9 percent into the ongoing maintenance of the roading network.
- New roads and well-maintained roads are safer roads, but GPS 2024 also outlines additional ways to reduce death and serious injury on our roads, while enabling people to get to where they need to go.
- Road crashes place a substantial burden on society, costing the economy around \$10 billion per year.
- To address this, the Government has made clear that it will be replacing Road to Zero with its own road safety objectives.
- As well as building safer roads and ensuring our current network is maintained, we will focus on safer road users and safer vehicles. Poor road user choices affect everyone on the road. GPS 2024 directs investment towards road policing and enforcement to improve safety through enforcement and driver behavioural change.
- We will enact effective legislation to enable the rollout of roadside oral fluid drug testing.
- We will review fines for traffic offences and index the value of infringements to inflation.
- We will review the vehicle regulatory system to enable better management of the safety performance of the vehicle fleet.
- GPS 2024 will also guide development of performance expectations set through the Road Policing Investment Programme, with enforcement targets relating to speed, alcohol breath testing, and oral fluid testing for drugs - once a new regime is in place.
- Our expectation is Police will undertake at least 3 million roadside alcohol breath tests per year, and - once the new regime is in place - 50,000 roadside oral fluid drug tests per year.
- Finally today, before I take your questions, I'd like to talk about our investment in public transport.
- This Government is committed to ensuring New Zealand has a functional public transport system – both commuter rail and buses – to help reduce congestion, boost productivity and unlock land for housing growth.
- Under GPS 2024, more than \$2 billion will be allocated towards major public transport projects and services, giving New Zealanders more travel choices and reducing travel times, congestion and emissions in our major cities.

- The Government is prioritising practical, achievable transport projects that deliver real value to commuters, benefits to businesses and support economic growth.
- In Auckland, we are focused on building a rapid transit network, including the completion of the City Rail Link which is expected to begin operating in 2026. We will also ensure the existing rail network is prepared for the City Rail Link through the Better Public Transport projects, such as: the Eastern Busway, Airport to Botany and North-Western Bus Improvements. These projects will unlock economic benefits while also supporting urban development and housing growth in Auckland.
- We are also committed to the Lower North Island Integrated Rail Mobility project, which will deliver greatly improved passenger rail to the Wairarapa and Palmerston North from Wellington.
- New Zealand has a significant infrastructure deficit and needs to improve the way it funds, procures and maintains infrastructure.
- To help address these challenges, the Government will partner with local government, and other stakeholders like iwi mana whenua and the private sector, to create partnerships that support long-term City and Regional deals for an agreed, visible pipeline of priority projects underway across the country.
- Public/Private partnerships, tolls and other funding mechanisms will be considered to speed infrastructure delivery. Government will be looking for opportunities to better utilise the infrastructure we already have, while ensuring that the right incentives are in place for assets to be sustainably managed and maintained.
- We also need to improve the institutional and regulatory settings that can impact development capacity, cause unnecessarily delay projects and create uncertainty for stakeholders. For example, as part of amending the Resource Management Act, the Government will make it easier to consent new infrastructure using fast-track consenting processes for regional and national projects of significance.
- I hope you've found that an informative overview of the draft GPS. You are all key stakeholders in the land transport sector. The draft document is available on the Ministry of Transport website if you want more detail, or if you want to make a submission.
- Thank you for listening and I welcome your questions.