

OC230618

18 August 2023

Tēnā koe

I refer to your email dated 3 July 2023 requesting the following under the Official Information Act 1982 (the Act):

“a copy of all reports, briefings and advice but excluding OIA requests and proactive release briefings, that the Ministry provided to the Minister of Transport in June 2023, excluding Weekly Reports.”

On 31 July 2023 we advised you of an extension to the time period for responding to your request. The extension was due to consultations necessary to make a decision on your request being such that a proper response could not reasonably be made within the original time limit. We have now completed the necessary consultations.

There were 26 documents in scope of your request:

- 12 are released with some information withheld or refused
- 11 are withheld (five of which also have their titles withheld)
- three are refused.

As noted above, I am withholding the titles of five briefings. Both the titles and the contents of these briefings remain under active consideration, therefore no further detail about them has been provided to you in this response.

Certain information is withheld and documents are 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
9(2)(a)	to protect the privacy of natural persons
9(2)(b)(ii)	to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person
9(2)(f)(iv)	to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials
9(2)(g)(i)	to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any public service agency or organisation in the course of their duty
9(2)(h)	to maintain legal professional privilege
9(2)(j)	to enable a Minister of the Crown or any public service agency or organisation holding the information to carry on, without prejudice or

	disadvantage, negotiations (including commercial and industrial negotiations)
9(2)(k)	to prevent the disclosure or use of official information for improper gain or improper advantage
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, Ministerial Services

Annex 1 - Document Schedule

Doc #	Reference	Document	Decision on release
1	OC230473	Supporting the Ongoing Financial Sustainability of Maritime New Zealand and Civil Aviation Authority - Supporting Information for Cabinet Paper	Refused under Section 18(d). When published, it will be available on the Ministry's website: https://www.transport.govt.nz/about-us/what-we-do/proactive-releases/SearchForm
2	OC230487	In-Principle Expense Transfer Requests From 2022/23 to 2023/24 for Vote Transport	Withheld in full under Section 9(2)(f)(iv).
3	OC230339	Approach to Upcoming International Maritime Organization (IMO) Greenhouse Gas (GHG) Negotiations	Released with some information withheld under Sections 6(a), 9(2)(a) and 9(2)(g)(i).
4	OC230514	Estimates Examination 2023/24 Supplementary Questionnaire Draft Response	Released with some information withheld under Section 9(2)(a). The attachment is refused under Section 18(d) as the Standard Estimates 2023/24 responses will soon be available on Parliament's website: https://www.parliament.nz/en/pb/sc/scl/finance-and-expenditure/tab/submissionsandadvice
5	OC230468	Maritime New Zealand Liquidity Funding in 2023/24	Released with some information withheld under Sections 9(2)(a) and 9(2)(f)(iv).
6	OC230515	Waka Kotahi NZ Transport Agency Board: Paperwork for Cabinet's Appointment and Honours Committee	Withheld in full under Section 9(2)(f)(iv).
7	OC230520	Key Issues Briefing	Released with some information withheld under Section 9(2)(a). The annex is refused under Section 18(d) as it will soon be available on the Ministry's website: https://www.transport.govt.nz/about-us/what-we-do/proactive-releases/SearchForm
8	OC230534	2023/24 Estimates Post Budget Questions 166 - 331	Released with some information withheld under Section 9(2)(a). The attachments 1 and 2 are refused under Section 18(d) as the Standard Estimates 2023/24 responses will soon be available on Parliament's website: https://www.parliament.nz/en/pb/sc/scl/finance-and-expenditure/tab/submissionsandadvice
9	OC230467	Ports of Auckland Limited - Constitution Amendments	Released with some information withheld under Section 9(2)(a).
10	OC230536	Seeking Direction on GPS 2024 Release	Refused under Section 18(d). The GPS will be published in August 2023. All background material, including this briefing,

Doc #	Reference	Document	Decision on release
			will be published shortly thereafter on the Ministry's website: https://www.transport.govt.nz/about-us/what-we-do/proactive-releases/SearchForm
11	OC230541	Proposed Orders in Council under the Severe Weather Emergency Recovery Legislation Act 2023 – KiwiRail and Waka Kotahi Repair and Recovery Works, and Land Transport Management Act 2003 Amendments	Released with some information withheld under Sections 9(2)(a), 9(2)(f)(iv) and 9(2)(h).
12	OC230402	City Rail Link Crown Sponsors' Approval for the Maungawhau and Karanga-a-Hape Development Precinct Programme	Released with some information withheld under Sections 9(2)(a), 9(2)(b)(ii), 9(2)(f)(iv) and 9(2)(j).
13	OC230542	Maritime NZ Authority - Recommended Appointments	Withheld in full under Section 9(2)(f)(iv).
14	OC230511	Regional Considerations for Implementing Community Connect Extensions	Released with some information withheld under Sections 9(2)(a), 9(2)(f)(iv), 9(2)(j) and 9(2)(k).
15	OC230554	The Rapid Review into KiwiRail's Handling of Recent Disruptions – Progress Update	Withheld in full under Section 9(2)(f)(iv).
16	OC230564	Land Transport (Road Safety) Amendment Bill Implementation - Approved Vehicle Surveillance Equipment Notices	Released with some information withheld under Sections 9(2)(a).
17	OC230451	Changes to Ministerial Directions for Clean Car Upgrade, Social Leasing, and Clean Car Discount Programmes	Released with some information withheld under Section 9(2)(a).
18	OC230525	Transport Infrastructure Rebuild Following the Severe Weather Events	Withheld in full under Section 9(2)(f)(iv).
19	OC230573	Briefing to the Incoming Minister	Released with some information withheld under Section 9(2)(a). The attachment is refused under Section 18(d) as it will soon be published on the Ministry's website: https://www.transport.govt.nz/about-us/what-we-do/proactive-releases/SearchForm
20	OC230581	Information on Let's Get Wellington Moving	Withheld in full under Section 9(2)(f)(iv).
21	OC230574	Draft GPS 2024: Revised Draft for Review	Refused under Section 18(d). The GPS will be published in August 2023. All background material, including this briefing, will be published shortly thereafter on the Ministry's website:

Doc #	Reference	Document	Decision on release
			https://www.transport.govt.nz/about-us/what-we-do/proactive-releases/SearchForm

7 June 2023

OC230339

Hon Kiri Allan
Associate Minister of Transport**Action required by:**
Monday, 12 June 2023cc Hon Kieran McAnulty
Acting Minister of Transport

APPROACH TO UPCOMING INTERNATIONAL MARITIME ORGANIZATION (IMO) GREENHOUSE GAS (GHG) NEGOTIATIONS

Purpose

Update you on the New Zealand delegation's approach to the upcoming IMO GHG negotiations in June and July 2023.

Key points

- Under the Kyoto Protocol New Zealand is required to pursue the international limitation or reduction of maritime GHG emissions through the IMO. Shipping is critical to New Zealand's supply chains and trade.
- The upcoming IMO negotiations will see the adoption of a revised IMO GHG reduction Strategy. Many member States, including New Zealand and some Pacific countries, support a goal of zero GHG emissions by no later than 2050, in line with the 1.5°C Paris Agreement temperature limit. However, we suspect that it may be difficult to secure agreement to this goal at the negotiations.
- Our approach to these negotiations will be informed by our current Cabinet 'International Maritime Organization - Climate Change Negotiation Mandate'. This mandate provides the necessary flexibility to actively and constructively participate in the June/July negotiations, and support the adoption of an ambitious, 1.5°C Paris-aligned GHG Strategy.
- These negotiations will also include discussion on mid- and long-term measures to decarbonise the maritime sector. New Zealand is supportive of the development of a 'basket of measures' to: a) make zero carbon fuels price competitive with fossil fuels; and b) reduce the GHG intensity of fuels.
- As discussions evolve on the development of measures (beyond July 2023), our Cabinet negotiating mandate may need to be revised to ensure we can negotiate at the required level of granularity. If this occurs, we will flag it in advance.
- Te Manatū Waka Ministry of Transport and Maritime New Zealand are also pursuing work to decarbonise shipping outside of the IMO (namely exploring the establishment of green shipping corridors). Progressing this work will be important given that the Climate Change Commission will provide the Government advice (by the end of 2024) on whether and how

to include international maritime emissions in New Zealand's domestic emissions reduction targets.

- Later this year, officials plan to broaden our engagement with industry (including exporters) to inform New Zealand's position on international shipping decarbonisation efforts, including the IMO negotiations. We also plan to commission research to fully understand the impacts on New Zealand of the proposed IMO measures.

Recommendations

We recommend you:

- 1 **note** the upcoming IMO negotiations in June/July will see the adoption of a revised IMO GHG reduction Strategy and our approach to these negotiations will be informed by our current Cabinet 'International Maritime Organization - Climate Change Negotiation Mandate [CAB-21-MIN-0199];
- 2 **note** we anticipate that the ongoing negotiations at the IMO (on the development of mid- and long-term measures) may require a revised Cabinet Mandate and officials will provide you future advice on this as appropriate;
- 3 **note** that, later this year, we plan to broaden our industry engagement to inform New Zealand's international approach to maritime decarbonisation efforts; and
- 4 **refer** this briefing to the following Ministers for their information: Hon Damien O'Connor Minister for Trade and Export Growth; Hon David Parker Minister for the Environment; Hon Nanaia Mahuta Minister of Foreign Affairs; Hon Rachel Brooking Minister for Oceans and Fisheries; and Hon James Shaw Minister of Climate Change.

Yes / No

Holly Walker

Holly Walker
Manager, Environment, Emissions and Strategy
 7 / 6 / 2023

Hon Kiri Allan
Associate Minister of Transport
 / /

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

Comments

Contacts

Name	Telephone	First contact
Holly Walker, Manger, Environment and Emissions Strategy	s 9(2)(a)	✓
Bryn Gandy, Deputy Chief Executive, System Strategy and Investment		

APPROACH TO UPCOMING INTERNATIONAL MARITIME ORGANIZATION (IMO) GREENHOUSE GAS (GHG) NEGOTIATIONS

Background

- 1 The IMO regulates GHG emissions from shipping. General background information on the IMO and its key treaties can be found in Annex 1. In 2018, the IMO adopted the Initial IMO Strategy on the Reduction of GHG Emissions from Ships.¹ The provisions in the Initial Strategy are not consistent with the commitment in the Paris Agreement for States to pursue efforts to limit temperature rise to 1.5°C.
- 2 IMO member States will continue to negotiate towards a revised GHG Strategy setting out key next steps for decarbonising shipping at the 15th session of the Intersessional Working Group on Reduction of GHG Emissions from Ships (ISWG-GHG 15) in June 2023. This will then be adopted at the Marine Environment Protection Committee (MEPC) in July 2023 (note these negotiations are back-to-back). This includes an opportunity to set a 2050 goal aligned with the Paris Agreement. Negotiations will also include how the revised Strategy accounts for an equitable transition and progress on mid- and long-term practical measures to achieve the targets.
- 3 These negotiations, including the key meetings in June and July, are important for New Zealand in relation to:
 - 3.1 **The economy.** Shipping is fundamental to New Zealand's economy, with 99 percent of the volume of goods New Zealand trades moved by ships. Like other island nations far from markets, New Zealand relies on supply chains maintained by a highly globalised shipping industry.
 - 3.2 **Domestic emissions reductions.** Reducing shipping GHG emissions is a key part of the New Zealand's response to climate change. Domestic shipping accounts for 2.3 percent of New Zealand's transport emissions. This would at least quadruple if international shipping emissions were also included.² Consistent with the United Nations Framework Convention for Climate Change (UNFCCC), New Zealand does not currently account for international shipping emissions in our domestic 2050 target. The Climate Change Commission has a legislated requirement to provide advice to the Minister of Climate Change by the end of 2024 on whether and how this could be done.
 - 3.3 **Global emissions reductions.** In 2020, the IMO reported that, in 2018, global GHG emissions from shipping (international, domestic and fishing) were 1,076 million tonnes (around 3 percent of global emissions). This was a 9.6 percent increase on 2012 shipping emission levels. By way of comparison, this is slightly more than Japan's 2019 emissions - the fifth highest of all nations. Shipping

¹ Key commitments in the Initial Strategy include reducing CO₂ emissions by at least 40 percent by 2030, pursuing efforts towards 70 percent by 2050, compared to 2008 and peaking emissions as soon as possible and reducing the total annual emissions from international shipping by at least 50 percent by 2050 compared to 2008.

² This is calculated using shipping fuel uplifted in New Zealand for international voyages, and does not reflect that many ships carrying New Zealand goods do not re-fuel in New Zealand. Therefore, the amount of international shipping emissions attributable to New Zealand is likely higher than this.

emissions are expected to grow significantly in the coming decades, with a 4.7 percent increase in 2020 alone.

- 3.4 **Other international commitments.** Under the Kyoto Protocol New Zealand is required to pursue the international limitation or reduction of maritime greenhouse emissions through the IMO. New Zealand is also party to Annex VI of the International Convention for the Prevention of Pollution from Ships (MARPOL) - the main IMO international agreement preventing air pollution and emissions from ships. Future IMO GHG regulations will probably be incorporated into MARPOL VI and be binding for New Zealand unless we reserve our position. At COP26, New Zealand also signed up to the Zero Emissions by 2050 Declaration and the Clydebank Declaration on Green Shipping Corridors. While non-binding, these declarations underline increasing calls for urgent action by the international shipping sector to reduce GHG emissions.
- 3.5 **Promoting international rule-setting and avoiding the risks of unilateral actions.** It is essential that the IMO demonstrates strong leadership to deliver an ambitious and credible GHG reduction strategy. Time is of the essence to avoid unilateral actions by individual states or blocs frustrated with a lack of progress, such as the recent EU announcement that from 2024 it plans to include international maritime emissions in the EU ETS, independently of the IMO. Unilateral actions do not consider the impacts on other states in the same way the IMO does and could significantly disadvantage New Zealand and other countries in our region and increase inequalities across the international maritime sector. It is unclear whether or how the EU might re-evaluate its decision to include shipping emissions in the EU ETS, s 6(a)

Our approach to the June/July negotiations will be informed by our current Cabinet mandate

- 4 Our current Cabinet Mandate '*International Maritime Organization - Climate Change Negotiation Mandate*' gives us the necessary flexibility to actively and constructively participate in the June/July meetings and support the adoption of an ambitious, 1.5°C Paris-aligned GHG Strategy.
- 5 In line with our current Cabinet Mandate [CAB-21-MIN-0199], New Zealand (along with our other key negotiating principles) will:
- 5.1 Support the revision of the Strategy in 2023, with the objective of accelerating decarbonisation of the international shipping sector;
- 5.2 Continue to advocate for the Strategy's vision, ambition, and timeframe for implementation aligning with the collective commitment in the Paris Agreement to pursue efforts to limit the global temperature increase to 1.5°C; and

5.3 Advocate for the interests of Pacific Island countries consistent with New Zealand's national interest.³

6 If an issue emerges that meets some but not all of the provisions above, officials will seek further direction from Ministers as necessary on the New Zealand position.

IMO negotiations in June/July are key to pursuing a 2050 decarbonisation target

7 We updated you on the last round of IMO negotiations via the 'Weekly Report to the Minister of Transport' for the week ending 31 March 2023. Divergence on key issues remains as we head into the upcoming negotiations, where a revised GHG Strategy must be delivered.

8 We expect the major negotiating challenges for the revised GHG Strategy to centre around reaching agreement on the levels of ambition (including 2030, 2040 and 2050 targets).

Achieving a common position in the IMO on a zero by 2050 goal, and intermediate 2030 and 2040 targets, will require compromise

9 Officials will continue to work through the Shipping High Ambition Coalition (SHAC)⁴ and bilaterally to narrow differences and find common ground that may achieve a collective IMO commitment to at least keeping the Paris Agreement commitment to limit temperature rise to 1.5°C alive.

10 It is unlikely that any element of the Strategy will come to an official vote as the IMO strives for consensus on decisions. Reaching consensus may mean that States which disagree with the majority position may make a statement to that effect but do not formally oppose the decision.

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

Agreeing to zero emissions by no later than 2050 is still a point of contention

12 A core part of the Strategy is agreeing to shipping decarbonisation goals. High ambition Member States, including New Zealand and some Pacific countries⁵ support a zero GHG emissions by no later than 2050 goal, in line with the 1.5°C Paris Agreement temperature limit.⁶

³ Note through the New Zealand Aid Programme, funding has been allocated to support the attendance of Pacific negotiators to the upcoming IMO meetings. This supports continuity in Pacific engagement in the development of the revised strategy and the measures that will support decarbonisation of the maritime sector.

⁴ SHAC is led by the Republic of the Marshall Islands and includes members from the Pacific, Europe and other States such as the US and Canada.

⁵ This includes the Cook Islands, Vanuatu, and the Pacific High Ambition Coalition known as 6PAC (Fiji, Kiribati, Marshall Islands, Solomon Islands, Tonga and Tuvalu).

⁶ In the UNFCCC, there are no specific target dates by which countries must reach zero emissions. The Paris Agreement calls for countries to pursue efforts to limit temperature increase to 1.5C above pre-industrial levels.

- 13 Certain States (including some major emitters) continue to favour a less defined aim of “net zero GHG emissions preferably around mid-century and before the end of this century”, despite recent scientific literature showing that achieving Paris-aligned levels of ambition for the shipping sector, including the zero by 2050 goal, is feasible if urgent action is commenced now. ^{s 9(2)(g)(i)}
- including China, Saudi Arabia and Russia have 2060 national zero-emission targets. India has committed to a net-zero target by 2070.
- 14 Despite this, we are seeing convergence on a 2050 goal with many other countries. Following the March negotiations, we have worked with SHAC members to pool resources to strengthen consensus for an ambitious outcome. For instance, through EU states, the SHAC has strengthened alliances with progressive developing countries including Ghana, Namibia, and Kenya to encourage their voices to be heard. More engagement by these and other developing countries who support a 2050 goal would demonstrate that raising ambition in the revised strategy would not necessarily divide member States along developed / developing country lines.

Realistic, science-based 2030 and 2040 targets are essential for the success of 2050 targets

- 15 New Zealand has also supported proposals put forward by some Pacific countries, as well as Canada, the United Kingdom (UK) and the United States (US), for science-based 2030 and 2040 reduction-target ‘check points’ in the Revised GHG Strategy. Both proposals call for a 37 percent GHG reduction by 2030 and a 96 percent reduction by 2040 (compared to 2008 levels).⁷
- 16 These targets are aligned with an overall 1.5°C-compatible pathway that reduces GHG emissions to zero no later than 2050 while also providing time for industry to meet the transition through the adoption of new fuels and technologies.
- 17 However, these efforts have also encountered resistance from some member States. Several were not in favour of an intermediate reduction target for 2030, arguing that the IMO had recently agreed to targets for the Carbon Intensity Indicator mechanism and any additional targets could negatively impact on economic growth. Others expressed concern that a 2040 target was premature due to a lack of sufficient underlying data. They proposed this be reconsidered in the next revision of the Strategy, taking into account global fuel availability and potential future impacts on States and the industry.

An equitable transition will support the Pacific to reach carbon neutrality

- 18 In the negotiations to date, there has been no substantive discussion of a proposal submitted by some Pacific countries calling for equitable transition to be incorporated as a key principle in the revised strategy. Addressing inequity in the maritime sector and sustainable development are a priority for the Pacific.
- 19 New Zealand has stood in solidarity with the Pacific on this and underlined our readiness for a discussion to define what equitable transition means in an IMO context. This is part of our efforts to ensure equity between States and that ‘no country is left behind’ in the IMO’s collective approach. At the upcoming negotiations, we will continue to reinforce this position, including by supporting a reference to an equitable transition

⁷ These targets are proposed by the Science Based Targets initiative (SBTi) – a respected climate science organisation.

in the text of the Strategy. At minimum, we would like to see a commitment to an equitable transition in the revised GHG Strategy's 'Vision'.

- 20 In these discussions, the New Zealand delegation will be guided by the five objectives set out in the equitable transition chapter of New Zealand's first Emissions Reduction Plan. This includes seizing transition opportunities; supporting proactive transition planning; enabling an affordable and inclusive transition; building the evidence base and tools to monitor and assess impacts; and encouraging informed public participation.
- 21 The Pacific proposal is for a carbon levy on maritime emissions, revenue from which would be distributed to those States disproportionately negatively impacted, is framed around the concept of common but differentiated responsibilities and respective capabilities (CBDR/RC), one of the principles of the Paris Agreement.⁸ We are concerned that this principle is open to being interpreted in ways that could see major developing country emitters entitled to revenue streams from this levy. Our preference is for targeted support for developing countries who need it the most, especially Small Island Developing States (SIDS) and Least Developed Countries (LDCs), to enable their full participation in the maritime transition.
- 22 There have also been calls from other member States for a 'just transition' consistent with International Labour Organisation guidelines to support labour-force transition (such as capacity building and training for handling new fuels and technologies). Other member States have called for a 'just and equitable transition' which has not yet been defined.

Mid- and long-term measures will also be negotiated in June/July

- 23 Transitioning the maritime sector will require rapid uptake of zero-carbon fuels and technologies, as well as changes to maritime infrastructure to support a low-emissions operating environment. This will require scaling up investment in research and development, production of low carbon fuels and technologies, new infrastructure support, and capacity building.
- 24 The IMO has committed to develop mid- and long-term measures to reduce emissions. New Zealand supports the development of a 'basket of measures' to:
- 24.1 make zero carbon fuels price competitive with fossil fuels; and
- 24.2 reduce the GHG intensity of fuels.
- 25 These measures also need to provide for an equitable transition for all, particularly for SIDS' and LDCs'.⁹
- 26 Presently, the IMO is in the second (of three) phases of developing mid- and long-term measures. Phase II involves assessment and selection of measures for further

⁸ CBDR/RC usually refers to lesser requirements for developing countries on account of their economic status. It is a highly devise concept in the IMO setting and there is no consensus that it should be operationalized through the GHG Strategy.

⁹ All of the economic measures currently proposed (flat levy, feebate, fund and reward scheme) will generate revenue which could be used to support the maritime transition. There is significant debate about the use of revenues and how it should be applied i.e. "in-sector" vs "out-of-sector".

development, while Phase III will involve refining, finalising and adopting the measures. Determining which measures are 'on and off the table' will be a focus for the upcoming IMO meetings.

- 27 Following the June/July negotiations, these discussions may evolve beyond what is covered by our current negotiating mandate. We may need to revisit the Cabinet Mandate to allow us to participate in negotiations at the necessary level of granularity – for example to take a position on an acceptable cost per tonne of CO₂ emitted. At the earliest, the measures could be finalised and agreed to in early-to-mid 2024, with adoption occurring in late 2024. However, this timeline is considered ambitious by some States.
- 28 As noted in paragraph 3.4, New Zealand is a trading nation, distant from markets and reliant on foreign ships to carry our goods. We are arguably disproportionately impacted by changes in international conditions including GHG emission reduction measures for international shipping. ^{s 9(2)(g)(i)}
- 29 We will need to engage with the maritime industry and exporters to better understand how New Zealand could be impacted by the proposed IMO measures and to inform any updates to the negotiating mandate. We intend to commence this engagement following the June/July negotiations.
- 30 The current negotiating mandate includes the authority to commission research into the proposed measures and their potential impacts. We commissioned preliminary research on the measures in mid-2022¹⁰, but more detailed research considering the finer details and settings of the measures will be beneficial once we have a fuller picture of what they are likely to be. This would also help to inform any updates to the negotiating mandate. However, there is currently no current tagged resource for this.

Increasing political and media interest is anticipated for these negotiations

- 31 We are aware that, following the Pacific Regional Energy and Transport Meeting in May, some Pacific states are planning to send Ministerial delegations to the June/July IMO negotiations to demonstrate the importance the Pacific attaches to the revised Strategy.
- 32 Noting the strong Pacific interest in decarbonising the Blue Pacific, including a Vanuatu-led Port Vila Call for a Just Transition to a Fossil Fuel free Pacific, we can anticipate there will be strong media interest in the IMO meetings from the Pacific as well as New Zealand.

¹⁰ Key conclusions of this research included that the proposed measures and the criteria used to assess these measures have trade-offs inherent to them (e.g., price certainty versus emissions reduction certainty). Therefore, no measure will meet all criteria perfectly. The effectiveness of a measure also relies on the stringency of the settings, and the implementation, enforcement and review mechanisms. Ultimately, New Zealand's preferred measure will be determined by which criteria officials and Ministers place the greatest weight on.

- 33 We are also aware from our interactions with the UK, that they will be intensifying their outreach, including potential Ministerial engagement, as part of their broader efforts to preserve the legacy of Glasgow COP26 outcomes.
- 34 Officials will be available to help with media queries if your office should receive any.

Reducing shipping emissions outside of the IMO

- 35 In addition to continuing IMO engagement, officials intend to commence work on the domestic actions to reduce maritime emissions committed to in the first Emissions Reduction Plan following the June/July negotiations. This includes developing a maritime national action plan to reduce GHG emissions from ships. The current negotiating mandate also authorises this action with the support of a cross agency team. Responsibility to establish this team rests with Te Manatū Waka Ministry of Transport.
- 36 New Zealand is also pursuing bilateral efforts to reduce emissions from international shipping via green shipping corridors. At COP26, New Zealand signed the Clydebank Declaration, which seeks to establish zero-emissions shipping on 6 key trade routes by 2025, with more to follow by 2030. We are working with like-minded countries like Australia and Singapore with a view to potentially establishing green shipping corridors, with participation from ports, operators, and others along the value chain.
- 37 While this work aligns with the Government's high ambition agenda on climate change matters and complements work at the IMO to reduce emissions from shipping by creating a platform for demonstration of emissions reduction by early movers, it is challenging to pursue at pace within current resources. We see an opportunity to combine engagement with New Zealand industry on both green shipping corridors and GHG emission reduction measures at the IMO.

Next steps, including future updating our Cabinet Mandate in future

- 38 We will update you on the outcomes of the June/July negotiations following their conclusion, including where the revised GHG Strategy has landed.
- 39 Negotiations at the IMO on the development of mid- and long-term measures to reduce emissions from shipping will be ongoing. If these negotiations require a revised Cabinet Mandate, we will provide you with further advice, as needed.
- 40 In late-2023 we propose to engage with representatives from the maritime and export industries to discuss international developments in maritime emissions reduction, including how the possible impacts of potential IMO measures and how green shipping corridors could work in practice. This engagement may inform the New Zealand delegation's approach to future IMO negotiations, future advice to you and other Ministers, and the development of maritime initiatives in the second Emissions Reduction Plan.

ANNEX 1 – BACKGROUND INFORMATION ON THE INTERNATIONAL CONVENTION FOR THE PREVENTION OF POLLUTION FROM SHIPS (MARPOL) AND THE INTERNATIONAL MARITIME ORGANISATION (IMO)

The IMO is responsible for the safety and security of shipping, and the prevention of pollution (including GHG emissions) by ships

- 1 The IMO is a specialised agency of the United Nations and is the global standard-setting authority for the safety, security and environmental performance of international shipping. The IMO's main role is to create a regulatory framework for the shipping industry that is fair and effective, universally adopted and universally implemented.
- 2 Key treaties of the IMO (which New Zealand has adopted) include:
 - International Convention for the Safety of Life at Sea;
 - International Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter;
 - International Convention for the Prevention of Pollution from Ships (MARPOL); and
 - International Convention on Standards of Training, Certification and Watchkeeping for Seafarers.
- 3 Through implementing this multilateral approach, New Zealand gains effective controls over ships to ensure secure supply chains, and minimise risks to the environment, passengers, crew and cargo.

Annex VI of MARPOL is the main international convention preventing air pollution and emissions from ships

- 4 The IMO adopted MARPOL in 1973 and modified it by a Protocol in 1978. MARPOL came into force in 1983 and applies to ships registered ('flagged') to States party to it, wherever they operate. It aims to prevent and minimise operational and accidental pollution of the marine environment by ships.
- 5 MARPOL has six annexes categorised by pollution type which are:
 - Annex I Regulations for the Prevention of Pollution by Oil;
 - Annex II Regulations for the Control of Pollution by Noxious Liquid Substances in Bulk;
 - Annex III Prevention of Pollution by Harmful Substances Carried by Sea in Packaged Form;
 - Annex IV Prevention of Pollution by Sewage from Ships;

- Annex V Prevention of Pollution by Garbage from Ships; and
 - Annex VI Prevention of Air Pollution from Ships.
- 6 Two annexes are compulsory for all states party to MARPOL. New Zealand acceded to MARPOL and the compulsory annexes in 1998 and is now party to four of the six annexes.¹¹
- 7 In November 2019, Cabinet [CAB-19-MIN-0593] agreed to New Zealand's accession to MARPOL Annex VI. MARPOL Annex VI seeks to address the impact of shipping emissions on human health and environments in and around port communities, as well as on climate change and ozone layer depletion.

GHG emissions from international shipping are not covered under the Paris Agreement

- 8 The share of shipping emissions in global anthropogenic emissions has increased from 2.76 percent in 2012 to 2.89 percent in 2018. Emissions are projected to increase from about 90 percent of 2008 emissions in 2018 to 90 to 130 percent of 2008 emissions by 2050.
- 9 Emissions from international shipping and aviation are not covered by the Paris Agreement and not included in national targets. Instead, efforts to reduce GHG emissions from international shipping are coordinated through an IMO sub-committee – the Marine Environment Protection Committee (MEPC).
- 10 Intersessional Working Groups may be convened between meetings of the MEPC. This includes the Intersessional Working Group on the Reduction of Greenhouse Gas Emissions (ISWG-GHG), which meets to discuss technical matters and coalesce views outside of the committee meetings.

In 2011 MEPC adopted a package of technical measures for new ships and energy efficiency measures to reduce emissions from existing ships

- 11 This added a new chapter to MARPOL Annex VI entitled “Regulations on energy efficiency for ships”. The two measures included are:
- 11.1 the Energy Efficiency Design Index (EEDI), which requires new ships to comply with minimum mandatory energy efficiency performance levels, increasing over time through different phases; and
 - 11.2 the Ship Energy Efficiency Plan (SEEMP), which establishes a mechanism for ship owners to improve the energy efficiency of both new and existing ships using operational measures.
- 12 These measures were the first ever mandatory global GHG reduction regime for an entire industry sector.

¹¹ Aside from MARPOL Annex VI, New Zealand has also not acceded to MARPOL Annex IV, which sets out international standards for sewage discharges from certain vessels on international voyages. Although New Zealand has not signed up to MARPOL Annex IV, components of our domestic legislation meet the same objectives, specifically through the Resource Management (Marine Pollution) Regulations 1998.

In 2018 MEPC adopted the Initial IMO Strategy on reduction of GHG emissions from ships

- 13 The Initial Strategy sets out a clear vision for international shipping, the levels of ambition to reduce GHG emissions, guiding principles, as well as short-, mid- and long-term measures. The levels of ambition agreed to in the Initial Strategy include:
 - 13.1 reducing CO₂ emissions by at least 40 percent by 2030, pursuing efforts towards 70 percent by 2050, compared to 2008; and
 - 13.2 peaking GHG emissions as soon as possible and reducing the total annual GHG emissions by at least 50 percent by 2050 compared to 2008.

In June 2021, the IMO adopted two short-term measures which came into effect this year

- 14 The Carbon Intensity Indicator (CII) aims to reduce the carbon intensity of a ship's operational emissions year-on-year. The Energy Efficiency Existing Ship Index (EEXI) aims to reduce emissions by setting a requirement on the technical design of individual ships. Ships must attain approval once in a lifetime.
- 15 As noted in the main body of this briefing the IMO has also committed to develop mid- and long-term measures to reduce emissions from shipping.

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OFFICIAL INFORMATION ACT 1982

8 June 2023

OC230514

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

Monday, 12 June 2023

ESTIMATES EXAMINATION 2023/24 SUPPLEMENTARY QUESTIONNAIRE DRAFT RESPONSE

Purpose

To provide you with draft responses to the supplementary Estimates questionnaire you received from the Transport and Infrastructure Committee.

Key points

- The Ministry has previously provided you with responses to the standard Estimates questions.
- Draft responses are now attached for supplementary questions 1 - 166 you received from the Transport and Infrastructure Committee.
- Please review the responses and provide feedback to the Ministry if changes are needed.
- The Ministry will work with your Office to make any amendments in response to your feedback. We will also finalise the formatting of the response once we have your feedback and make any other minor amendments, if required.
- Once you are satisfied with the responses, please sign the attached letter and send it, along with the responses, to the Transport and Infrastructure Committee.

Recommendations

We recommend you:

- 1 **provide feedback**, if any, on the draft responses to the supplementary Estimates questionnaire by Monday 12 June 2023 Yes / No
- 2 **sign** the attached letter to the Transport and Infrastructure Committee and submit the responses by 19 June 2023. Yes / No



Robyn Smith
Deputy Chief Executive
 8 / 06 / 2023

Hon Kieran McAnulty
Acting Minister of Transport
 / /

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

Comments

Contacts

Name	Telephone	First contact
Robyn Smith, DCE Corporate Services	s 9(2)(a)	
Hilary Penman, Manager, Ministerial Services		✓
Prashila Dayal, Senior Adviser, Corporate Accountability		

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ESTIMATES EXAMINATION 2023/24 SUPPLEMENTARY QUESTIONS DRAFT RESPONSES

This briefing provides you with draft responses to select committee questions

1. You answered the standard Estimates questions for Vote Transport on 19 May 2023 and you have also received 166 supplementary questions. Your responses to the supplementary questions are due to the Transport and Infrastructure Committee by 4:00pm on Monday 19 June 2023.
2. You are also likely to receive around 10 post-hearing questions based on the discussion at the hearing.
3. Draft responses to questions 1 - 166 are attached to this briefing (attachment 1 and Appendices). We have also prepared a draft cover letter (attachment 2) for you to send in electronic form to the Chair of the Transport and Infrastructure Select Committee at Transport.Infrastructure@parliament.govt.nz.

We have approached the response to the supplementary questions in the same way as previous years

4. The supplementary questions are substantially the same as previous years and they have generally been answered in the same way.
5. We have provided information from Crown entities in cases where the question asks for information about entities funded under Vote Transport. This includes City Rail Link Limited (CRL). If the question does not refer to entities funded by Vote Transport, answers are about the Ministry of Transport.
6. In the introduction to the responses (page 2) we explain that KiwiRail and MetService, although funded under Vote Transport, are the responsibility of the Minister for State-Owned Enterprises and we do not include them in this response.
7. Please review the responses and provide feedback to the Ministry if changes are needed. The Ministry will work with your office to make any amendments.
8. We will finalise the formatting of the response to the supplementary questions once we have addressed any issues that you may raise.

Hearing before the Transport and Infrastructure Committee

9. The hearing for Vote Transport is scheduled for Thursday 22 June 2023. We are working with your Office to provide you with support material for the hearing.

Attachment 1 is refused under Section 18(d)

RELEASED UNDER THE
OFFICIAL INFORMATION ACT 1982

Attachment 2

Jayden Blake
Clerk of Committee
Transport and Infrastructure Committee
Parliament Buildings
WELLINGTON

TI@parliament.govt.nz

Kia ora Jayden

Response to the Supplementary Questions to the Estimates for Vote Transport 2023/24

Attached are my responses to the Supplementary Questionnaire in response to the Chairperson's letter of 30 April 2023.

The departmental liaison officer for Committee staff to contact is Prashila Dayal, Senior Adviser Corporate Accountability, phone ^{s 9(2)(a)} [REDACTED] or email: P.dayal@transport.govt.nz.

Ngā mihi

Hon Kieran McAnulty
Acting Minister of Transport

RELEASED UNDER THE
OFFICIAL INFORMATION ACT 1982

9 June 2023

OC230468

Hon Kiri Allan
Associate Minister of Transport

Hon Kieran McAnulty
Acting Minister of Transport

Action required by:
Friday, 16 June 2023

MARITIME NEW ZEALAND LIQUIDITY FUNDING IN 2023/24

Purpose

To seek your joint approval of the maximum amount of funding for core functions that Maritime New Zealand (MNZ) is eligible for in 2023/24, including the amount it can receive from its *Protection of Transport Sector Agency Core Functions* appropriation (the 'liquidity facility').

Key points

- The financial recommendations for Budget 2023 require Transport Ministers to agree a 'specified amount' for MNZ in 2023/24, prior to the finalisation of its 2023/24 Statement of Performance Expectations (SPE), i.e., the maximum amount of funding for core functions that MNZ should be eligible for in 2023/24, including the amount it can receive from its liquidity facility appropriation.
- Officials have worked closely with MNZ to determine a 'specified amount' for 2023/24 and seek your joint agreement to set the amount at s 9(2)(f)(iv). This level of funding is consistent with the total expenditure on core functions set out in MNZ's draft 2023/24 SPE and its Budget 2023 bid. It includes the New Zealand Oil Pollution Fund which is a separate entity managed by MNZ.
- Most of this amount s 9(2)(f)(iv) would be funded by MNZ's revenue from the Maritime Levy and Oil Pollution Levy leaving s 9(2)(f)(iv) to be funded by the liquidity facility appropriation. This will fund the difference between MNZ's forecast expenditure for core functions and non-Crown revenue forecast to be received in 2023/24. Based on current expectations of MNZ's revenue, the appropriation has sufficient funds to absorb the difference.

s 9(2)(f)(iv)

-
-

- The proposed 'specified amount' would enable MNZ to deliver its core functions in the coming financial year, and the activities outlined in its draft 2023/24 SPE. However, any unexpected shocks, or unforeseen changes in operational activity would require further funding from the liquidity facility and are subject to approval from the Ministers of Transport and Finance.

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

- You received a copy of MNZ's draft SPE on 24 May 2023. A new version has been attached as **Appendix One** with slight changes to the financial statements to reflect the change in Health and Safety at Work Act designation and the amount of liquidity funding required. This has changed the Output statements and financial statements.

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Recommendations

We recommend you:

	Minister McAnulty	Minister Allan
1 note that the financial recommendations for Budget 2023 require Transport Ministers to determine a ' <u>specified amount</u> ' for Maritime New Zealand in 2023/24 i.e., the maximum amount of funding for core functions that the entity is eligible for in 2023/24, including the amount it can receive from its Protection of Transport Sector Agency Core Functions appropriation	N/A	N/A
2 agree that the ' <u>specified amount</u> ' for Maritime New Zealand in 2023/24 should be s 9(2)(f)(iv)	Yes / No	Yes / No

If you agree to the proposed specified amount in recommendation 2:

3 note that most of the specified amount will be funded by the Authority's non-Crown revenue, with s 9(2)(f)(iv) funded by the liquidity facility appropriation	N/A	N/A
4 note that Transport Ministers, and the Minister of Finance, may agree to increase the 'specified amount' you set for Maritime New Zealand in 2023/24 to cover the cost of a shock, and/or the emergence of other unforeseen costs (should they arise)	N/A	N/A
5 note that officials will confirm the outcome of your decision in this paper to Maritime New Zealand, so it can finalise its 2023/24 Statement of Performance Expectations before the statutory deadline of 30 June 2023	N/A	N/A



Harriet Shelton
Manager – Governance

8 / 06 / 2023

Hon Kiri Allan
Associate Minister of Transport

..... / /

Hon Kieran McAnulty
Acting Minister of Transport

..... / /

Minister's office to complete:

Approved

Declined

Seen by Minister

Not seen by Minister

Overtaken by events

Comments

Contacts

Name	Telephone	First contact
Brent Johnston, Acting Deputy Chief Executive – System Performance & Governance	s 9(2)(a)	
Harriet Shelton, Manager, Governance		✓

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MARITIME NEW ZEALAND LIQUIDITY FUNDING IN 2023/24

1. On 17 April 2023, the Ministers of Transport and Finance agreed detailed financial recommendations for Budget 2023 initiatives. These included conditions on how Maritime New Zealand (MNZ) and the Civil Aviation Authority can use the funds from the *Protection of Transport Sector Agency Core Functions* appropriation ('liquidity facility') in 2023/24 i.e.,

“that the actual funding provided to the Maritime New Zealand from the Multi Year Appropriation ‘Protection of Transport Sector Agency Core Functions’ will be the difference between forecast expenditure for agreed core functions for Maritime New Zealand, and revenue forecast to be received in 2023/24, up to a ‘specified amount’ agreed by the Minister of Transport and the Associate Minister of Transport (which will be no more than the total amount of the appropriation available for Maritime New Zealand);

that the specified amount described in the recommendation above will be set by the Minister of Transport and the Associate Minister of Transport prior to the finalisation of Maritime New Zealand’s Statement of Performance Expectations 2023/24, and the setting of the specified amount will take into account the latest available information on actual expenditure and revenue for 2022/23 and forecast expenditure and revenue for 2023/24.”

2. In line with these financial recommendations, we have worked with MNZ to determine what the ‘specified amount’ should be in 2023/24 i.e., the maximum amount of funding for core functions that MNZ should be eligible for in 2023/24, including the amount it can receive from its liquidity facility appropriation.
3. A ‘specified amount’ is required for two reasons: to enable Te Manatū Waka, as the administrator of the liquidity facility appropriation, to assess if MNZ is using Crown funding appropriately; and to limit MNZ’s expenditure to a prudent level. This is important because:
 - 3.1. Budget 2023 provided MNZ with a marginal financial buffer in the event of a revenue shock and because its reserves are relatively low, this buffer should not be exceeded;
 - 3.2. The result of the ongoing funding review will be a move to a new baseline of staffing levels i.e., the capability and capacity required by MNZ to undertake its functions; and
 - 3.3. any sustained increases to staffing and expenditure approved by Cabinet before the completion of the funding review, will be included in the new funding model for cost recovery from the sector.

Te Manatū Waka and MNZ recommend that the ‘specified amount’ for 2023/24 is set at

s 9(2)(f)(iv)

4. We seek your joint agreement to set the ‘specified amount’ at s 9(2)(f)(iv) Most of this amount s 9(2)(f)(iv) would be funded by MNZ’s revenue from the Maritime Levy and Oil Pollution Levy, with s 9(2)(f)(iv) funded by the liquidity facility appropriation. This amount would cover the difference between MNZ’s forecast expenditure for core functions (including managing the New Zealand Oil Pollution

Fund (OPF)), revenue forecast to be received in 2023/24 and other Crown funding. It includes s 9(2)(f)(iv) to fund the OPF capital programme.

5. Officials have assessed the proposed 'specified amount', taking into consideration the latest available information on actual expenditure and revenue for 2022/23, forecast expenditure and revenue for 2023/24, and the total amount of the appropriation available for MNZ. We note that:

There is sufficient funding in the Protection of Transport Sector Agency Core Functions appropriation in 2023/24:

- 5.1. Based on current expectations of MNZ's revenue this will be sufficient to fund the s 9(2)(f)(iv) difference (including s 9(2)(f)(iv) for the OPF capital programme) between forecast expenditure and revenue for 2023/24.

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

The overall funding level of s 9(2)(f)(iv) is consistent with MNZ's draft 2023/24 Statement of Performance Expectations (SPE) and its Budget 2023 bid

- 5.3. We note that Te Manatū Waka officials have assessed MNZ's draft SPE, and that Minister Allan has provided feedback on the document for MNZ to consider ahead of its finalisation. The SPE laid out the areas of core business that would be funded with the 'specified amount': Regulation, Compliance, Response, Safety Infrastructure and Engagement.
- 5.4. The Budget 2023 bid was also assessed by Te Manatū Waka officials, as well as Treasury officials and joint Ministers

There are a few noteworthy factors affecting expenditure in 2023/24

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

- 5.6.

- 5.7.

s 9(2)(f)(iv)

5.8.

The proposed amount will enable MNZ to deliver its core functions in the coming financial year, and the activities outlined in its draft 2023/24 SPE:

- 5.9. MNZ has made commitments in its draft SPE to continue to be an effective regulator, reduce emissions in line with the Carbon Neutral Government Programme, deliver its Te Tiriti o Waitangi obligations and achieve its Safe, Secure, Clean and Sustainable outcomes.

There is a risk that an unexpected shock, and/or the emergence of other unforeseen costs could arise:

- 5.10. In this instance, the financial recommendations for Budget 2023 enable unexpected shocks and/or unforeseen costs to be covered by the liquidity facility i.e., the 'specified amount' you both agree to in this paper may subsequently be adjusted subject to the joint agreement of the Ministers of Transport and Finance.

Next steps

6. Officials will confirm the outcome of your decision in this paper to MNZ, so it can finalise its 2023/24 SPE before the statutory deadline of 30 June 2023.
7. As noted above, Joint Ministers are also required to agree on the maximum amount of funding that MNZ is eligible for, from the liquidity facility, in 2023/24. This advice will be provided to you separately - and in accordance with the financial recommendations for Budget 2023 - prior to the finalisation of MNZ's SPE 2023/24.

Appendix One: Updated Maritime New Zealand Draft Statement of Performance Expectations

The appendix is withheld under Section 9(2)(f)(iv)

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14 June 2023

OC230520

Acting Minister of Transport

KEY ISSUES BRIEFING

Purpose

This paper provides you with a Key Issues Briefing on transport portfolio matters that you will need to consider while Acting Minister of Transport.

Key points

- At your request, Te Manatū Waka Ministry of Transport (the Ministry) and Waka Kotahi New Zealand Transport Agency (Waka Kotahi) have prepared a Key Issues Briefing (attached as Annex 1).
- The Key Issues Briefing should be read in conjunction with other briefing material you receive and your Weekly Report.
- The Key Issues Briefing contains brief information on key issues where you might be expected to make decisions over the next month.
- In addition to matters raised in the Key Issues Briefing, you may receive papers of a procedural and technical nature for your action. An example is approving regulations to implement decisions taken by Cabinet Economic Development Committee on 29 March 2023 to set new land transport fees and charges. Papers of this nature will be provided to your office as required, but are not discussed in the Key Issues Briefing.
- Information that sits in the delegated portfolio of Associate Minister of Transport, Hon Kiritapu Allan is not covered in this Key Issues Briefing. A copy of her delegations' letter is attached as Annex 2 for reference.

- Officials from the Ministry and Waka Kotahi are available to meet with you to discuss the Key Issues Briefing and how you would like to work with us while in your acting role.



Brent Johnston
Chief of Staff

..... / /

Hon Kieran McNulty
Acting Minister of Transport

..... / /

Minister's office to complete:

Approved

Declined

Seen by Minister

Not seen by Minister

Overtaken by events

Comments

Contacts

Name	Telephone	First contact
Brent Johnston, Chief of Staff	s 9(2)(a)	✓
Alec Morrison, Policy Delivery Lead, Strategy		
John Edwards, Principal Adviser, Strategy		

Annex 1 "Key Issues Briefing" is refused under Section 18(d)

Hon Michael Wood

MP for Mt Roskill

Minister of Immigration

Minister of Transport

Minister for Auckland

Minister for Workplace Relations and Safety

Associate Minister of Finance



23 February 2023

Hon Kiritapu Allan

Associate Minister of Transport

Delegated functions and responsibilities

1 Congratulations on your appointment as Associate Minister of Transport

Role and responsibilities

2 In your capacity as Associate Minister of Transport, I delegate to you the following functions and responsibilities of the Transport portfolio:

Delegated functions and responsibilities

1 Congratulations on your appointment as Associate Minister of Transport

Role and responsibilities

2 In your capacity as Associate Minister of Transport, I delegate to you the following functions and responsibilities of the Transport portfolio:

- 2.1 All matters relating to:
- 2.1.1 The Land Transport (Road Safety) Amendment Bill and any matters concerning fleeing drivers;
 - 2.1.2 Roadside drug testing and the drug driving regime;
 - 2.1.3 The maritime sector, including oversight of Maritime New Zealand;
 - 2.1.4 The aviation sector, including oversight of the Civil Aviation Authority of New Zealand and Aviation Security Service;
 - 2.1.5 The Milford Opportunities Project, including matters relating to the Milford Aerodrome;
 - 2.1.6 The Essential Transport Connectivity Scheme;
 - 2.1.7 Oversight of Search and Rescue (SAR);
 - 2.1.8 Initiatives and policy concerning the Chatham Islands;
 - 2.1.9 Management of the Regulatory Systems (Transport) Amendment Bill No. 2, and responsibility for its implementation;
 - 2.1.10 Initiatives relating to bilingual signage;
 - 2.1.11 The towage and storage policy review.

2.2 You will also have a particular role in helping to develop and communicate the government's transport policy for and to regional communities and councils. This will specifically include:

- 2.2.1 Working with me on plans to make the regional roading network more resilient.
- 2.2.2 Working with me to ensure that there is a strong regional perspective in GPS 2024-27, noting that I will retain overall responsibility for the content of the GPS.
- 2.2.3 Engaging with regional Councils and communities about the government's transport policies and projects, both to communicate our policies and hear their views.
- 2.3 Replying to Ministerial correspondence and Parliamentary Questions on issues relating to the above;
- 2.4 Attending transport sector events on my behalf and/or at my request;
- 2.5 Engaging with officials and me on Budget initiatives that are relevant to your areas of delegation.
- 2.6 Other initiatives as agreed from time to time by us.
- 3 The above delegations are subject to the conditions set out in this letter. Please also refer to paragraphs 2.35 to 2.40 of the Cabinet Manual, which deal with the relationship between Ministers and Associate Ministers.

Financial and statutory responsibilities

- 4 As portfolio Minister, I have final responsibility for, and overall control of the Ministry of Transport and over all Crown entities within the portfolio. I am also responsible for Vote Transport and for any relevant statutory functions of the Minister.
- 5 Where it is required for the purpose of the delegated functions, or whenever I am absent, you may sign documents or authorisations on my behalf. You should show clearly that you are signing on my behalf, by signing "for the Minister of Transport".

Policy

- 6 Although you will have responsibility for matters of policy in relation to the above, any significant policy decisions should be discussed with me.

Public statements

- 7 I expect you to take responsibility for all communications regarding your areas of responsibility, including Ministerial correspondence, press statements and public announcements.
- 8 Ministerial correspondence concerning significant policy issues should be prepared by the Ministry of Transport and/or Waka Kotahi for my signature, where appropriate. Any significant public announcements should be discussed with me prior to release and, in some cases, may be made either by me or the Prime Minister.

- 9 My office can provide assistance with media, communication strategies or speech notes, if you require.

Relations with the Department/Ministry

- 10 You may contact the Ministry of Transport and/or Waka Kotahi on all matters for which you have delegated responsibility. All such inquiries should be made via the relevant Chief Executive or a designated contact person.
- 11 I expect to be kept fully informed of all significant issues and the relevant Chief Executive is, of course, free to raise any matter concerning your delegated functions with me.
- 12 You are welcome to attend regular briefing sessions with departmental officials that are held in my office. You may arrange, through my office, to have your own regular briefing sessions or ad hoc meetings with departmental officials to discuss matters relating to your areas of responsibility. A designated member of my office may attend any such meeting.

Communications between us

- 13 You should ensure that I am fully briefed on the actions that you think are necessary to undertake in relation to your delegated responsibilities. All significant papers, letters and directions to the Department should be copied to me for my information. In particular, you need to ensure I receive the earliest warning of any issues that have the potential to become controversial. In turn, I will keep you informed of my actions in relation to your areas of responsibility.
- 14 I will also consult with you on policy issues, and on matters related to the implementation of policy initiatives within the Transport portfolio where relevant to your delegation.
- 15 To ensure maximum co-operation and co-ordination, I propose that we meet regularly to coordinate our actions, and to share views and ideas.

Cabinet and Cabinet committee papers

- 16 The rules on the submission of papers to Cabinet and Cabinet committees are set out in Chapter 5 of the Cabinet Manual. In particular, in terms of paragraph 5.42, you may submit papers to Cabinet and Cabinet committees within your designated areas of responsibility, provided that the submission clearly indicates that I have been consulted and have agreed that the paper may be lodged.
- 17 You will have access (for example, via CabNet) to all submissions and minutes, of those Cabinet committees of which you are a member. You will also have access to those submissions relating to your delegated responsibilities that are dealt with at any other Cabinet committee.

Information held by you as Associate Minister

- 18 Under the Official Information Act 1982, all papers held by you in relation to your Associate Minister responsibilities within this portfolio are deemed to be held on my

behalf. Similarly, you will be treated as my agent, where necessary, for the purposes of the Privacy Act 1993.

- 19 You will be responsible for all Official Information Act requests in the areas of your delegated responsibility.


Parliamentary responsibilities

- 20 Parliamentary questions relating to your delegated areas of responsibility will be addressed to you. In my absence, you may also be required to answer oral Parliamentary questions on my behalf.

Next steps

- 21 A summary of the above delegations will be published on the Department of the Prime Minister and Cabinet's website, and included in a *Schedule of Responsibilities Delegated to Associate Ministers and Parliamentary Under-Secretaries*. The Schedule will be presented to the House of Representatives to clarify Ministerial accountability so that, for example, Parliamentary questions can be directed to the appropriate Ministers for answer.
- 22 I look forward to working with you in the Transport portfolio. Please do not hesitate to discuss these delegations with me at any time.

Yours sincerely



Hon Michael Wood
Minister of Transport

cc Secretary of the Cabinet
Chief Executive, Ministry of Transport
Chief Executive, New Zealand Transport Agency Waka Kotahi

14 June 2023

OC230534

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

Monday, 19 June 2023

2023/24 ESTIMATES POST BUDGET QUESTIONS 166 - 331

To provide you with draft responses to the post budget Estimates questions sent to the Minister of Transport from the Transport and Infrastructure Committee.

Key points

- The Ministry has previously provided the Minister with responses to the standard and supplementary Estimates questions (1-166).
- Draft responses are now attached for the post budget questions you received from the Transport and Infrastructure Committee.
- Please review the responses and provide feedback to the Ministry if changes are needed.
- The Ministry will work with your Office to make any amendments.
- Once you are satisfied with the responses, please sign the attached letter, and send it by 19 June, along with the responses, to the Transport and Infrastructure Committee.

RELEASED UNDER THE OFFICIAL INFORMATION ACT 1982

Recommendations

We recommend you:

- 1 **Provide feedback** if any, on the draft responses to the post budget Estimates questionnaire by Monday 19 June 2023 Yes / No
- 2 **Sign** the attached letter to the Transport and Infrastructure Committee and submit the responses by Monday 19 June 2023. Yes / No



Robyn Smith
Deputy Chief Executive
 14 / 06 / 2023.

Hon Kieran McAnulty
Acting Minister of Transport
 / /

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

Comments

Contacts

Name	Telephone	First contact
Robyn Smith, DCE Corporate Services	s 9(2)(a)	
Hilary Penman, Manager, Ministerial Services		✓
Prashila Dayal, Senior Adviser, Corporate Accountability		

OFFICIAL INFORMATION ACT 1982

2023/24 ESTIMATES POST BUDGET QUESTIONS 166 - 331

This briefing provides you with draft responses to Select Committee questions.

- 1 The Minister of Transport answered standard and supplementary Estimates questions for Vote Transport.
- 2 The Minister of Transport received post budget questions (167-331) on 25 May 2023. Responses to the post-budget questions are due to the Transport and Infrastructure Committee by Monday 19 June 2023.
- 3 Draft responses to questions 167-331 are attached to this briefing (attachment 1), As well as the accompanying Appendices (attachment 2). We have also prepared a draft cover letter (attachment 3) for you to email to the Committee.
- 4 These are new questions. We have approached the response to the post-budget questions in the same way as the first tranche of Supplementary questions (1-166).
- 5 The Ministry considers the responses to be low risk.
- 6 We have provided information from Crown entities in cases where the question asks for information about entities funded under Vote Transport. This includes City Rail Link Limited (CRL) and Auckland Light Rail Limited (ALRL). If the question does not refer to entities funded by Vote Transport, answers are about the Ministry of Transport.
- 7 In the introduction to the responses (page 2) we explain that KiwiRail and MetService, although funded under Vote Transport, are the responsibility of the Minister for State-Owned Enterprises and we do not include them in this response.
- 8 Please review the responses and provide feedback to the Ministry if changes are needed. The Ministry will work with your office to make any amendments.
- 9 We will finalise the formatting of the response to the post budget questions once we have addressed any issues that you may raise.

Hearing before the Transport and Infrastructure Committee

- 10 The hearing for Vote Transport is scheduled for Thursday 29 June 2023. We have provided you with support material for your review prior to the hearing.

Attachments 1 and 2 are refused under Section 18(d)

Attachment 3

Jayden Blake
Clerk of Committee
Transport and Infrastructure Committee
Parliament Buildings
WELLINGTON

TI@parliament.govt.nz

Kia ora Jayden

Response to the Post Budget to the Estimates for Vote Transport 2023/24

Attached are my responses to the post budget questionnaire in response to the Chairperson's letter of 30 April 2023.

The departmental liaison officer for Committee staff to contact is Prashila Dayal, Senior Adviser Corporate Accountability, phone ^{s 9(2)(a)} or email: P.dayal@transport.govt.nz.

Ngā mihi

Hon Kieran McAnulty
Acting Minister of Transport

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OFFICIAL INFORMATION ACT 1982



15 June 2023

OC230467

Hon Kiri Allan
Associate Minister of Transport

Action required by:
Thursday, 22 June 2023

cc Hon Kieran McAnulty
Acting Minister of Transport

PORTS OF AUCKLAND LIMITED - CONSTITUTION AMENDMENTS

Purpose

Seeks your approval to proposed changes to the Ports of Auckland Limited (POAL) constitution and provides you with a letter and a consent form to the Mayor of Auckland for your signature.

Key points

- On 23 May 2023, the Mayor of Auckland wrote to Hon Michael Wood, in his capacity as Minister of Transport, seeking approval for changes to the POAL constitution.
- Under section 4 of the Port Companies Act 1988 (the Act), no amendment may be made to the constitution of a port company without the prior written approval of the Minister of Transport. Auckland Council is the sole shareholder of POAL.
- As Associate Minister of Transport, you have been delegated decision-making powers relating to the maritime sector. You can consent to the proposed changes if they are consistent with the purpose of the Act, which is to promote and improve efficiency, economy, and performance in the management and operation of the commercial aspects of ports.
- The Ministry recommends that you approve these proposed amendments, which are summarised in **Appendix One**, together with the Ministry's advice on each of the proposed changes. A copy of POAL's existing constitution showing the proposed changes is also attached as **Appendix Two**.
- We consider the changes to be technical in nature and consistent with the Act. They will simplify, in a positive way, the appointment process for directors, the Chairperson and Deputy Chairperson of POAL. The Ministry of Transport's governance and legal teams have reviewed the proposed amendments and do not have any concerns.
- If you agree to approve the proposed changes to POAL's existing constitution, attached for your signature is a letter to the Mayor of Auckland (**Appendix Three**) and accompanying consent form (**Appendix Four**).

Recommendations

We recommend you:

- 1 **agree** to the proposed amendments to the Ports of Auckland Limited constitution Yes / No
- 2 **sign** the attached letter to the Mayor of Auckland and accompanying consent form approving the proposed amendments. Yes / No



Harriet Shelton
Manager, Governance
14 / 06 / 2023

Hon Kiri Allan
For the Minister of Transport
..... / /

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

Comments

Contacts

Name	Telephone	First contact
Harriet Shelton, Manager, Governance	s 9(2)(a)	✓
Wayne Church, Governance		
Kayla Herbert, Senior Solicitor		

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APPENDIX ONE: PORTS OF AUCKLAND LTD PROPOSED NEW CONSTITUTION

Provision	Wording in current Constitution	Wording in proposed new Constitution	Explanation of / Rationale for change as provided by Auckland Council	Ministry advice
<p>Term of Appointment</p>	<p>“Rotation of Directors: At the annual meeting of the Company in each year one third of the Directors, or if their number is not a multiple of three then the number nearest to one third, shall retire from office. The Directors to retire shall be those who have been the longest in office since their last election. If two or more of those Directors were last elected on the same day, the Directors to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director is eligible for re-election.” (clause 26.7)</p>	<p>“Term of Appointment: No person shall be appointed as a Director for a term greater than three years. Any Director may be reappointed at the expiry of his or her term of appointment, provided that no Director may be appointed for more than three consecutive terms.” (clause 26.7)</p>	<p>Simplifies the term length of directors by including a straightforward three-year maximum term, as is the case with the Council Controlled Organisations (CCOs). On expiry of the three-year term, a director will be eligible for reappointment. No director will be appointed for more than three consecutive terms of three years.</p> <p>This will replace the current complicated rotation system whereby a third of directors retire at each Annual General Meeting.</p>	<p>There are advantages and disadvantages to rotational or non-rotational systems. However, the impacts/benefits/detriments of either system on the governance or operational performance of the company is a commercial decision for the shareholder.</p> <p>The Ministry considers the change acceptable and consistent with the Act.</p>
<p>Replacing Exceptions to rotation with new clause Appointment of Chairperson and Deputy Chairperson (clause 26.8)</p>	<p>“Exceptions to rotation: In determining the Directors who are to retire by rotation at a meeting:</p> <p>a Director who is retiring pursuant to clause 26.5 shall not be liable to retire by rotation at the meeting or be taken into account in calculating the number of Directors to retire;</p> <p>a Managing Director, even though not liable to retire by rotation by virtue of clause 28.2, shall be taken into account in calculating the number of Directors to retire.”</p>	<p>“The Shareholder must appoint the chairperson and deputy chairperson of the Board.”</p>	<p>This change will improve shareholder control of the company.</p>	<p>The clause relating to exceptions to rotation is now redundant given the changes to the non-rotational system, discussed above. The new provision allows the shareholder to nominate the chairperson and deputy chairperson of the board.</p> <p>Under the Companies Act 1993 the directors may elect one of their number as the chairperson of the board, but this can be changed by the constitution of the company.</p>

IN CONFIDENCE

Provision	Wording in current Constitution	Wording in proposed new Constitution	Explanation of / Rationale for change as provided by Auckland Council	Ministry advice
<p>Election of Chairperson</p>	<p>“Election of chairperson: The Directors may from time to time elect a chairperson and (if they think fit) a deputy chairperson, of their meetings, and determine the period for which they respectively are to hold office. The chairperson, or failing the chairperson the deputy chairperson (if any), shall preside at all meetings of the Directors but if no such chairperson or deputy chairperson is elected, or if at any meeting the chairperson or deputy chairperson is not present within 15 minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairperson of the meeting.” (clause 33.9)</p>	<p>“Chairperson: If at any meetings of the Board:</p> <p>a) no chairperson is appointed, the Directors present may choose one of their number to be chairperson of the meeting;</p> <p>b) a chairperson has been appointed, but that chairperson is not present within 15 minutes after the time determined for the commencement of the meeting, the deputy chairperson will be the chairperson of the meeting; or</p> <p>c) both the chairperson and deputy chairperson are not present within 15 minutes after the time determined for the commencement of the meeting, the Directors present may choose one of their number to be chairperson of the meeting.” (clause 33.9)</p>	<p>Replacing the current election of a chair and deputy chair by the board members with the shareholder appointing the chair and deputy chair of the board aligns with the constitutions of the substantive CCOs.</p> <p>Under the constitution of the CCOs, it is the council who appoints the chairperson and deputy chairperson of the board.</p>	<p>The Ministry considers the change acceptable and consistent with the Act.</p> <p>The clause relating to the election of chairperson is redundant given the changes to the appointment process for the chairperson and deputy chairperson, discussed above.</p> <p>The Ministry considers the change acceptable and consistent with the Act.</p>
<p>Vacation of office (clause 26.11)</p>	<p>“A Director ceases to be a Director if he or she...”</p>	<p>“A Director ceases to be a Director when his or her term expires pursuant to clause 26.7, or if he or she...”</p>	<p>Aligns with the new clause 26.7 of appointing directors for a three-year maximum term.</p>	<p>This clause lists the circumstances which a director ceases to be a director. The change now includes as an additional ground the vacation of a director’s office on expiry of their term. This is consistent with the change to a rotational system in clause 26.7.</p>

IN CONFIDENCE

Provision	Wording in current Constitution	Wording in proposed new Constitution	Explanation of / Rationale for change as provided by Auckland Council	Ministry advice
<p>Timing of retirement and appointment (clause 26.12 (a))</p>	<p>“If a Director retires at a meeting of Shareholders and is not re-elected or deemed to be re-elected at that meeting, the Director shall remain in office until, and his or her retirement shall take effect at, the conclusion of the meeting;”</p>	<p>Clause deleted.</p>	<p>Not required with the new appointment arrangement.</p>	<p>Under the proposed changes it is not possible for a director to stay in office beyond the three-year term unless they have been specifically reappointed for a further term.</p> <p>This is consistent with the Act.</p>

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APPENDIX 2

CONSTITUTION
OF
PORTS OF AUCKLAND LIMITED

Certificate

I certify that this document was adopted as the Constitution of the
Company by Special Resolution on 20 March 2007



Director

RUSSELL McVEAGH

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**CONSTITUTION
OF
PORTS OF AUCKLAND LIMITED**

1. DEFINITIONS AND INTERPRETATION

1.1 **Definitions:** In this Constitution, unless the context otherwise requires:

“**Act**” means the Companies Act 1993.

“**Alternate Director**” means a person appointed by a Director as his or her alternate under section 27.

“**Board**” means Directors who number not less than the required quorum acting together as the board of directors of the Company.

“**Class**” means a class of Shares having attached to them identical rights, privileges, limitations and conditions.

“**Company**” means Ports of Auckland Limited.

“**Constitution**” means this constitution, as altered from time to time.

“**Director**” means a person appointed as a director of the Company in accordance with this Constitution.

“**Distribution**” has the meaning set out in section 2(1) of the Act.

“**Interest Group**” has the meaning set out in section 116 of the Act.

“**Interested**”, in relation to a Director, has the meaning set out in section 139 of the Act.

“**Managing Director**” means a person appointed as a managing director of the Company under clause 28.1.

“**month**” means calendar month.

“**New Equity Securities**” has the meaning given in clause 4.1 of this Constitution.

“**Ordinary Resolution**” means a resolution that is approved by a simple majority of the votes of those Shareholders entitled to vote and voting on the question.

“**person**” includes an individual, partnership, firm, company, body corporate, corporation, association, organisation, trust, a state or government or any agency thereof, a municipal, local or regional authority, and any other entity or organisation, whether incorporated or not (in each case whether or not having a separate legal personality).

“**Records**” means the documents required to be kept by the Company under section 189(1) of the Act.

“Representative” means:

- (a) a person appointed as a proxy under section 23; or
- (b) a representative appointed by a corporation under section 24.

“Share” means a share issued, or to be issued, by the Company, as the case may require.

“Shareholder” means:

- (a) a person whose name is entered in the Share Register as the holder for the time being of one or more Shares; and
- (b) until the person's name is entered in the Share Register, a person who is entitled to have that person's name entered in the Share Register as a Shareholder under a registered amalgamation proposal in respect of which the Company is the amalgamated company.

“Shareholding Local Authority” means any harbour board (as defined in the Port Companies Act 1988), any territorial authority or regional council (as defined in the Local Government Act 2002) and includes Auckland Regional Holdings as defined in the Local Government (Auckland) Amendment Act 2004 or any united council that holds any Shares of any Class that confers rights to vote at any meeting of the Company.

“Share Register” means the share register for the Company kept in accordance with the Act.

“Special Resolution” means a resolution approved by a majority of 75% or more of the votes of those Shareholders entitled to vote and voting on the question.

“Working Day” has the meaning set out in section 2 of the Act.

1.2 **Interpretation:** In this Constitution, unless the context otherwise requires:

- (a) the table of contents, headings, and descriptions relating to sections of the Act, are inserted for convenience only and shall be ignored in construing this Constitution;
- (b) the singular includes the plural and vice versa;
- (c) one gender includes the other genders;
- (d) reference to any legislation or to any provision of any legislation (including regulations and orders) includes:
 - (i) that legislation or provision as from time to time amended, re-enacted or substituted;
 - (ii) any statutory instruments, regulations, rules and orders issued under that legislation or provision;
- (e) “written” and “in writing” include any means of reproducing words, figures and symbols in a tangible and visible form;

- (f) references to clauses and sections (other than sections of the Act) are references to clauses and sections in this Constitution, unless stated otherwise;
- (g) where any word or expression is defined in this Constitution, any other grammatical form of that word or expression has a corresponding meaning;

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- (h) words and expressions defined or explained in the Act have the same meaning in this Constitution.

1.3 Constitution to prevail over Act: If there is any conflict between:

- (a) a provision in this Constitution and a provision in the Act which is expressly permitted to be altered by this Constitution; or
- (b) a word or expression defined or explained in the Act and a word or expression defined or explained in this Constitution,

the provision, word or expression in this Constitution prevails.

2. GENERAL

2.1 Companies Act 1993: The Company, the Board, each Director and each Shareholder have the rights, powers, duties and obligations set out in the Act except to the extent that they are negated or modified by this Constitution.

3. SHARES

3.1 Existing Shares: At the time of adoption of this Constitution, the Company has 106,005,192 issued Shares.

3.2 Classes of Shares: Different Classes of Shares may be issued by the Company in accordance with the provisions of this Constitution. Without limiting the Classes which may be issued, any Share may be issued upon the basis that it:

- (a) confers preferential rights to distributions of capital or income;
- (b) confers special, limited or conditional voting rights;
- (c) does not confer voting rights; or
- (d) is redeemable in accordance with section 68 of the Act.

3.3 Consolidation and subdivision of Shares: The Board may with the approval of Shareholders by Special Resolution:

- (a) consolidate and divide the Shares or any Class; and
- (b) subdivide the Shares or any Class,

in each case in proportion to those Shares or the Shares in that Class, as the case may be.

4. ISSUE OF NEW EQUITY SECURITIES

4.1 Board may issue Shares and other securities: Notwithstanding anything in clause 4.2, the Board may issue Shares, securities that are convertible into or exchangeable for Shares, or options to acquire Shares (together referred to in this clause as "**New Equity Securities**") to such persons and on such terms as the Shareholders may by Special Resolution approve.

4.2 Procedure for issue of new Shares and other securities: The Board may, with the approval of Shareholders by Special Resolution, issue New Equity Securities in accordance with the following provisions:

- (a) Subject to the provisions of the resolution of Shareholders and to any special rights or restrictions attaching to any existing Shares, all New Equity Securities must be offered to the Shareholders in proportion to the number of existing Shares held by them.
- (b) The offer must be made by written notice to each Shareholder stating:
 - (i) the number of New Equity Securities to which that Shareholder is entitled;
 - (ii) the consideration for which the New Equity Securities will be issued and the terms on which they will be issued;
 - (iii) the time (not being less than 14 days nor more than 28 days) within which the offer, if not accepted, will be deemed to be declined;
 - (iv) that any Shareholder who wishes to acquire New Equity Securities in excess of that Shareholder's entitlement must, when accepting the offer, state the number of excess New Equity Securities which that Shareholder wishes to acquire;
 - (v) that any unclaimed New Equity Securities will be used for satisfying the requests for excess New Equity Securities, upon the basis that the unclaimed New Equity Securities will be allocated to the Shareholders requesting excess New Equity Securities in proportion to their existing shareholdings in the Company, but no Shareholder shall be allocated more excess New Equity Securities than the number which that Shareholder has requested; and
 - (vi) that if, thereafter, any New Equity Securities remain unallocated, the Board may offer them to any person whom the Board is prepared to register as a Shareholder provided that the consideration and terms of issue are no more advantageous to that person than those offered to the Shareholders.
- (c) If any holders of securities other than Shares are entitled by the terms of issue of those securities to participate in any issue of New Equity Securities, the provisions of this clause shall be appropriately modified to take account of such entitlement.

4.3 Bonus issues: The Board may resolve to apply any amount which is available for Distribution either:

- (a) in paying up in full Shares or other securities of the Company to be issued credited as fully paid to:
 - (i) the Shareholders who would be entitled to that amount if it were distributed by way of dividend, and in the same proportions; and
 - (ii) if applicable, the holders of any other securities of the Company who are entitled by the terms of issue of such securities to participate in bonus issues by the Company, whether at the time the bonus issue is

made to the Shareholders, or at some later time, in accordance with their respective entitlements; or

- (b) in paying up any amount which is unpaid on any Shares held by the Shareholders referred to in clause 4.3(a)(i),

or partly in one way and partly in the other.

4.4 **Shares in lieu of dividends:** The Board may exercise the right conferred by section 54 of the Act to issue Shares to any Shareholders who have agreed to accept the issue of Shares, wholly or partly, in lieu of proposed dividends or proposed future dividends.

4.5 **Fractional entitlements:** The Board may, in exercising any powers pursuant to this section, deal with fractional entitlements to Shares or other securities in such manner as the Board considers equitable and in the interests of the Company.

5. ALTERATION OF SHAREHOLDER RIGHTS

5.1 **Procedure in respect of Shares:** The Company shall, before taking action affecting the rights attached to any Shares, comply with the provisions of sections 116 and 117 of the Act.

5.2 **Issue of further Shares:** For the purposes of clause 5.1, the issue of further Shares which rank equally with, or in priority to, any existing Shares, whether as to voting rights, Distributions or otherwise, is deemed not to be action affecting the rights attaching to those existing Shares.

6. ACQUISITION OF COMPANY'S OWN SHARES

6.1 **Powers to acquire, redeem and hold Securities:** The Company may purchase or otherwise acquire Shares from one or more Shareholders in accordance with the provisions of the Act and may, subject to any requirements or restrictions imposed by law, hold any Shares so purchased or acquired. A transfer by the Company of any Shares so held by it is deemed to be an issue of new Shares to which the provisions of clause 4.2 apply.

7. SHARE CERTIFICATES

7.1 **Issue of Share certificates:** The Company may issue Share certificates in respect of all or any Shares and must, within 20 Working Days after receiving an application by a Shareholder, send to that Shareholder a Share certificate, in accordance with section 95 of the Act.

7.2 **Replacement Share certificates:** The Company:

- (a) may issue a replacement certificate for any Share certificate that is worn out or defaced; and
- (b) shall issue a replacement Share certificate for one that has been lost or destroyed,

subject to satisfactory proof of that fact, payment of the reasonable expenses of the Company and, if so required by the Board, an appropriate indemnity being given to the Company.

8. EQUITABLE INTERESTS IN SHARES

8.1 **No notice of trusts:** No notice of a trust, whether express, implied, or constructive, may be entered on the Share Register.

8.2 **No recognition of equitable interests:** Except as required by law or by this Constitution, no person shall be recognised by the Company as holding any Share upon trust and the Company shall not be bound by, nor be compelled to recognise (even after notice), any equitable, contingent, future or partial interest in any Share, or any interest in any fraction or part of a Share or (except as provided by this Constitution or by law) any other rights in respect of any Share, except an absolute right of the registered holder to the entire Share.

9. CALLS ON SHARES

9.1 **Board may make calls:** The Board may, from time to time, make such calls as it thinks fit upon the Shareholders in respect of any amounts unpaid on any Shares held by them which are not made payable at fixed times by the terms of issue of those Shares. A call may be made payable by instalments. The Board may revoke or postpone any call.

9.2 **Time of call:** A call is deemed to be made at the time when the resolution of the Board making the call is passed.

9.3 **Fixed instalments deemed calls:** An amount which, by the terms of issue of a Share, is payable on allotment or at a fixed date is deemed for the purposes of this Constitution to be a call duly made and payable on the date on which the amount is payable.

9.4 **Notice of call:** At least 14 days' notice of any call shall be given to the holder of the Share in respect of which the call is made, specifying the time and place of payment.

9.5 **Differential calls:** The Board may, on the issue of Shares, differentiate between the Shareholders as to the amounts to be paid in respect of the Shares and the times of payment of such amounts.

9.6 **Manner of payment:** A Shareholder by whom a call is payable shall pay the amount of the call to the Company at the time and place specified by the Board.

9.7 **Joint Shareholders:** Joint Shareholders are jointly and severally liable to pay all calls in respect of Shares registered in their names.

9.8 **Default interest:** If a call in respect of a Share is not paid on or before the due date, the Shareholder by whom the call is payable shall pay interest on the call from the due date to the date of actual payment at such rate as the Board determines, unless the Board waives payment of interest wholly or in part.

9.9 **Proceedings for recovery of call:** In any proceedings for recovery of a call:

- (a) it is sufficient to prove that:
 - (i) the name of the relevant Shareholder is entered in the Share Register as the holder, or one of the holders, of the Shares to which the call relates; and
 - (ii) except in relation to any amount which, by the terms of issue of a Share, is payable on allotment or at a fixed date, the resolution making

the call is entered in the Records and notice of the call has been duly given,

and proof of the matters mentioned in this clause is conclusive evidence of the debt; and

- (b) it is not necessary to prove the appointment or qualification of any member of the Board which made the call nor any other matter.

9.10 **Payment in advance of calls:** The Company may receive from any Shareholder in advance any amount uncalled and unpaid upon any Shares held by that Shareholder and may, until the date on which the amount becomes payable pursuant to a call, pay interest on the amount at such rate as the Board and the Shareholder agree.

9.11 **Cancellation of unpaid amounts:** No obligation to pay any amount which is unpaid on any Shares shall be cancelled, reduced or deferred without the authority of an Ordinary Resolution.

10. FORFEITURE OF SHARES

10.1 **Notice requiring payment of call:** If a Shareholder fails to pay any call or instalment of a call on the due date, the Company may at any time thereafter by written notice to that Shareholder require payment of the amount unpaid together with any accrued interest and all expenses incurred by the Company by reason of such non-payment.

10.2 **Contents of notice:** The notice shall specify a further date (not earlier than 14 days after the date of service of the notice) on or before which the payment is to be made, and shall state that, if payment is not made by the specified date, the Share in respect of which the call or instalment of a call is due, is liable to be forfeited.

10.3 **Forfeiture for non-payment:** If payment is not made by the date specified in the notice then, at any time thereafter before the payment required by the notice has been made, any Share in respect of which the notice has been given may be forfeited by a resolution of the Board to that effect. The forfeiture shall include all Distributions declared in respect of the forfeited Share and not paid before the forfeiture.

10.4 **Notice of forfeiture:** When a Share has been forfeited, the Company shall give notice of the resolution to the Shareholder in whose name the Share stood immediately prior to the forfeiture, and shall enter in the Share Register details of the forfeiture.

10.5 **Cancellation of forfeiture:** A forfeiture may be cancelled at any time before the sale of the forfeited Share, on such terms as the Board thinks fit.

10.6 **Effect of forfeiture:** The holder of a Share which has been forfeited ceases to be a Shareholder in respect of the forfeited Share, but remains liable to the Company for all money payable in respect of the forfeited Share.

11. LIEN ON SHARES

11.1 **Lien on Shares:** The Company has a first and paramount lien upon each Share, the proceeds of sale of the Share, and all Distributions made in respect of the Share, for:

- (a) all unpaid calls owing in respect of the Share and interest thereon (if any); and

- (b) any amount which the Company may be called upon to pay under any legislation in respect of the Share, whether or not the due date for payment thereof has arrived; and
- (c) all liabilities and obligations of the Shareholder to the Company, whether solely or jointly with any other person, whether incurred or arising before or after notice to the Company of any equitable interest in any person other than the Shareholder, and whether or not the date for payment, fulfilment or discharge thereof has arrived.

11.2 **Waiver of lien:** Unless otherwise agreed between the Company and the relevant Shareholder, the registration of a transfer of a Share shall operate as a waiver of any lien which the Company may have on that Share.

12. SALE OF SHARES SUBJECT TO FORFEITURE OR LIEN

12.1 **Company may sell Shares:** The Company may sell any forfeited Share, or any Share on which the Company has a lien, in such manner as the Board thinks fit, provided that:

- (a) the amount in respect of which a lien exists is due and payable;
- (b) 14 days have expired since written notice demanding payment of the amount owing has been given to the person entitled to receive notice of meetings of Shareholders in respect of the Share; and
- (c) before exercising the power of sale, the Board first offers the Share for sale to the holders of the remaining Shares as though it is a new Share to which the provisions of clause 4.2 apply.

12.2 **Proceeds of sale:** The net proceeds (after deduction of any expenses) of the sale of a forfeited Share or of any Share sold for the purpose of enforcing a lien shall be applied in or towards satisfaction of any unpaid calls, interest or other amount in respect of which any lien exists (as the case may require). The residue, if any, shall be paid to the holder of the Share at the time of its forfeiture or, in the case of a Share sold for the purpose of enforcing a lien, the holder immediately prior to the sale.

12.3 **Evidence:** A certificate by a Director that any power of sale has arisen and is exercisable by the Company under this Constitution, or that a Share has been forfeited on the date stated in the certificate, shall be conclusive evidence of those facts.

12.4 **Sale procedure:** For giving effect to any sale after forfeiture of any Share or for enforcing a lien over any Share, the Board may authorise any person to transfer any Share to the purchaser. The purchaser shall be registered as the holder of the Share and shall not be bound to see to the application of the purchase money, and the title of the purchaser shall not be affected by any irregularity or invalidity in relation to the sale. The remedy of any person having a cause of action in relation to the sale is in damages only and solely against the Company.

13. TRANSFER OF SHARES

13.1 **Right to transfer:** Subject to any restrictions contained in this Constitution, a Shareholder may transfer any Share:

- (a) by an instrument of transfer which complies with this Constitution; or
- (b) under a system of transfer approved under section 7 of the Securities Transfer Act 1991 which is applicable to the Company.

13.2 **Securities Transfer Act:** A Share which is disposed of in a transaction to which the provisions of the Securities Transfer Act 1991 apply may be transferred in accordance with the provisions of that Act. Where an instrument of transfer executed by a transferor outside New Zealand would have complied with the provisions of that Act if it had been executed in New Zealand, it may nevertheless be registered by the Company if it is executed in a manner acceptable to the Company.

13.3 **Other forms of transfer:** An instrument of transfer of Shares to which the provisions of clause 13.2 are not applicable shall:

- (a) be in any common form or any other form approved by the Company;
- (b) be signed or executed by or on behalf of the transferor; and
- (c) if registration as holder of the Share imposes a liability on the transferee, be signed or executed by or on behalf of the transferee.

13.4 **Delivery to Company:** An instrument transferring Shares must be delivered to the Company or to the agent of the Company who maintains the Share Register, together with such evidence (if any) as the Company reasonably requires to prove the title of the transferor to, or right of the transferor to transfer, the Shares.

13.5 **Board may refuse to register:** Subject to section 84 of the Act (which imposes certain procedural requirements on a board), the Board may refuse to register a transfer of any Share if:

- (a) the Company has a lien on the Share;
- (b) the transferor fails to produce such evidence as the Company reasonably requires to prove the title of the transferor to, or right of the transferor to transfer, the Share;
- (c) the Board has notice of any agreement by the Shareholder to transfer only to some specified person or subject to some specified condition; or
- (d) the Board, in its absolute discretion, believes that registration of the transfer would not be in the best interests of the Company, but this provision shall not apply in respect of a transfer to an existing Shareholder,

provided that the Board resolves to exercise its power under this clause within 30 Working Days after receipt of the relevant transfer and notice of the resolution is sent to the transferor and to the transferee within five Working Days of the resolution being passed by the Board.

13.6 **When transfer effective:** A transferor of a Share is deemed to remain the holder of the Share until the name of the transferee is entered in the Share Register in respect of the Share.

13.7 **Company to retain transfer:** If the Company registers an instrument of transfer it shall retain the instrument.

- 13.8 **Multiple registers:** The Share Register may, by resolution of the Board, be divided into two or more registers, which may be kept in different places.
- 13.9 **Securities other than Shares:** The provisions of this section 13 shall apply, with any necessary modifications, to securities of the Company other than Shares except to the extent (if any) provided otherwise by the terms of issue of such securities or by law.

14. DISTRIBUTIONS

14.1 **Power to authorise:** The Board, if satisfied on reasonable grounds that the Company will immediately after the Distribution satisfy the solvency test may, subject to the Act and this Constitution, authorise Distributions by the Company at times, and of amounts, and to any Shareholders, as it thinks fit and may do everything which is necessary or expedient to give effect to any such Distribution.

14.2 **Form of Distribution:** Subject to the rights of holders of any Shares in a Class, the Board may make a Distribution in such form as it thinks fit and shall not differentiate between Shareholders as to the form in which a Distribution is made without the prior approval of the Shareholders.

14.3 **Entitlement to dividends:** The Board shall not authorise a dividend:

- (a) in respect of some but not all the Shares in a Class; or
- (b) that is of a greater value per Share in respect of some Shares of a Class than it is in respect of other Shares of that Class,

unless the amount of the dividend in respect of a Share of that Class is in proportion to the amount paid to the Company in satisfaction of the liability of the Shareholder under this Constitution or under the terms of issue of the Share, but a Shareholder may waive that Shareholder's entitlement to receive a dividend or any part thereof by written notice to the Company signed by or on behalf of that Shareholder.

14.4 **Deduction of money:** The Board may deduct from a Distribution payable to a Shareholder any amount which is due and payable by the Shareholder to the Company on account of calls or otherwise in relation to any Shares held by that Shareholder.

14.5 **Method of payment:** A Distribution payable in cash may be paid in such manner as the Board thinks fit to the entitled Shareholders or, in the case of joint Shareholders, to the Shareholder named first in the Share Register, or to such other person and in such manner as the Shareholder or joint Shareholders may in writing direct. Any one of two or more joint Shareholders may give a receipt for any payment in respect of the Shares held by them as joint Shareholders.

14.6 **No interest on Distributions:** The Company is not liable to pay interest in respect of any Distribution.

15. EXERCISE OF POWERS OF SHAREHOLDERS

15.1 **Alternative forms of meeting:** A meeting of Shareholders may be held either:

- (a) by a number of Shareholders, who constitute a quorum, being assembled together at the place, date and time appointed for the meeting; or

- (b) if determined by the Board, by means of audio, or audio and visual, communication by which all Shareholders participating and constituting a quorum, can reasonably be expected to be able to hear each other simultaneously throughout the meeting.

15.2 Exercise of power by meeting or written resolution: A power reserved to the Shareholders by the Act or by this Constitution may be exercised either:

- (a) at a meeting of Shareholders; or
- (b) by a resolution in writing signed in accordance with section 122 of the Act.

15.3 Powers exercisable by Ordinary Resolution: Unless otherwise specified in the Act or this Constitution, a power or right of approval reserved to Shareholders may be exercised by an Ordinary Resolution.

16. MEETINGS OF SHAREHOLDERS

16.1 Annual meetings: The Company shall hold annual meetings of Shareholders in accordance with section 120 of the Act.

16.2 Special meetings: All meetings of Shareholders, other than annual meetings, shall be called special meetings.

16.3 Calling of special meetings: A special meeting of Shareholders entitled to vote on an issue:

- (a) may be called by the Board at any time;
- (b) shall be called by the Board on the written request of Shareholders holding Shares carrying together not less than 5% of the voting rights entitled to be exercised on any of the questions to be considered at the meeting.

16.4 Time and place of meetings: Each meeting of Shareholders shall be held at such time and place as the Board appoints.

16.5 Meetings of Interest Groups: A meeting of the Shareholders constituting an Interest Group may be called by the Board at any time. All the provisions of this Constitution relating to meetings of Shareholders shall apply, with all necessary modifications, to meetings of Interest Groups, except that:

- (a) the necessary quorum for a meeting is one Shareholder having the right to vote at the meeting, present in person or by Representative;
- (b) any Shareholder in the relevant Interest Group, present in person or by Representative, may demand a poll; and
- (c) if the Board so elects, one meeting may be held of Shareholders constituting more than one Interest Group, so long as voting at that meeting is by way of a poll, and proper arrangements are made to distinguish between the votes of the Shareholders in each Interest Group.

16.6 Resolution in lieu of annual meeting: It is not necessary for the Company to hold an annual meeting in any calendar year if everything required to be done at the meeting (by resolution or otherwise) is done by resolution in writing signed in accordance with section 122 of the Act.

17. NOTICE OF MEETINGS OF SHAREHOLDERS

17.1 **Written notice:** Written notice of the time and place of a meeting of Shareholders shall be sent to every Shareholder entitled to receive notice of the meeting, to every Director, and to the auditor of the Company, not less than 10 Working Days before the meeting, but with the consent of all Shareholders entitled to attend and vote at a meeting, it may be convened by such shorter notice, and in such manner, as those Shareholders agree.

17.2 **Contents of notice:** A notice of meeting shall state:

- (a) the nature of the business to be transacted at the meeting in sufficient detail to enable a Shareholder to form a reasoned judgment in relation to it;
- (b) the text of any Special Resolution to be submitted to the meeting; and
- (c) that a Shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of the Shareholder and that a proxy need not be a Shareholder;

17.3 **Form of resolutions:** So far as reasonably practicable, the resolutions to be proposed at a meeting shall be framed in a way which facilitates the giving of two way voting instructions to proxies.

17.4 **Waiver of notice irregularity:** An irregularity in a notice of a meeting is waived if all the Shareholders entitled to attend and vote at the meeting attend the meeting without protest as to the irregularity, or if all such Shareholders agree to the waiver.

17.5 **Accidental omission of notice:** The accidental omission to give notice of a meeting to, or the non-receipt or late receipt of notice of a meeting by, any person entitled to receive notice, does not invalidate the proceedings at the meeting.

17.6 **Notice of adjourned meeting:** If a meeting of Shareholders is adjourned for less than 30 days it is not necessary to give notice of the time and place of the adjourned meeting other than by announcement at the meeting which is adjourned. In any other case, notice of the adjourned meeting shall be given in accordance with clause 17.1.

18. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

18.1 **Requirement for quorum:** Subject to clause 18.3, no business may be transacted at a meeting of Shareholders if a quorum is not present.

18.2 **Quorum:** Subject to clause 18.3, a quorum for a meeting of Shareholders is that number of Shareholders, present in person or by Representative and holding, or representing the holder or holders of, not less than 75% of the Shares.

18.3 **Lack of quorum:** If a quorum is not present within 30 minutes after the time appointed for the meeting:

- (a) in the case of a meeting called by the Board on the written request of Shareholders entitled to exercise that right, the meeting is dissolved;
- (b) in the case of any other meeting, the meeting is adjourned to the same day in the following week at the same time and place, or to such other date, time and place as the Board may appoint and, if at the adjourned meeting a quorum is not

present within 30 minutes after the time appointed for the meeting, the Shareholders or their Representatives present are a quorum.

- 18.4 **Regulation of procedure:** Subject to the provisions of the Act, and except as otherwise provided in this Constitution, the chairperson may regulate the procedure at meetings of Shareholders.
- 18.5 **Adjournment of meeting:** The chairperson may, with the consent of a meeting at which a quorum is present (and shall, if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business may be transacted at an adjourned meeting other than the business left unfinished at the relevant meeting.
- 18.6 **Adjournment or dissolution of disorderly meeting:** If a meeting becomes so unruly, disorderly or inordinately protracted, that in the opinion of the chairperson the business of the meeting cannot be conducted in a proper and orderly manner, the chairperson, notwithstanding any provision to the contrary contained in this Constitution and without the consent of the meeting, may, in his or her sole and absolute discretion and without giving any reason therefor, either adjourn or dissolve the meeting.
- 18.7 **Completion of unfinished business if meeting dissolved:** If a meeting is dissolved by the chairperson pursuant to clause 18.6, the unfinished business of the meeting shall be dealt with as follows:
- (a) in respect of a resolution concerning the approval or authorisation of a Distribution, the Board may, in the exercise of the powers conferred on it by the Act or this Constitution, authorise such Distribution;
 - (b) in respect of a resolution concerning the remuneration of the auditors, the meeting shall be deemed to have resolved that the Board be authorised to fix the remuneration of the auditors;
 - (c) the chairperson may direct that any other item of uncompleted business, which in his or her opinion requires to be voted upon, prior to the dissolution of the meeting, be put to the vote by a poll without further discussion, in accordance with clause 22.4.

19. CHAIRPERSON OF MEETINGS OF SHAREHOLDERS

- 19.1 **Chairperson:** If the Directors have elected a chairperson of the Board and he or she is present at a meeting of Shareholders, he or she shall chair the meeting, unless or except to the extent that the chairperson considers it not proper or desirable to act as chairperson, either in relation to the entire meeting or in relation to any particular business to be considered at the meeting.
- 19.2 **Directors may appoint chairperson:** If no chairperson of the Board has been elected or if, at any meeting of Shareholders, the chairperson of the Board is not present within 15 minutes after the time appointed for the commencement of the meeting, or considers it not proper or desirable to act as chairperson, either in relation to the entire meeting or in relation to any particular business to be considered at the meeting, the Directors present may elect one of their number to chair the meeting or that part of the meeting which relates to the particular business, as the case may require.
- 19.3 **Shareholders may appoint chairperson:** If at any meeting of Shareholders no Director is willing to act as chairperson or no Director is present within 15 minutes after the time

appointed for the commencement of the meeting, the Shareholders present may choose one of their number to chair the meeting.

20. VOTING AT MEETINGS OF SHAREHOLDERS

20.1 Voting at meeting in one place: In the case of a meeting of Shareholders held under clause 15.1(a), unless a poll is demanded in accordance with clause 22.1, the chairperson of the meeting shall determine whether voting will be by voice or by show of hands.

20.2 Voting at audio/visual meeting: In the case of a meeting of Shareholders held under clause 15.1(b), unless a poll is demanded in accordance with clause 22.1, voting at the meeting shall be by the Shareholders signifying individually their assent or dissent by voice.

20.3 Postal votes: Unless the Board determines otherwise, Shareholders may not exercise the right to vote at a meeting by casting postal votes. If the Board determines that postal voting will be permitted at a meeting, the provisions of clause 7 of the first schedule to the Act shall apply, with such modifications (if any) as the Board thinks fit.

20.4 Entitlement to vote: A Shareholder may exercise the right to vote either in person or by Representative.

20.5 Number of votes: Subject to clause 21.1 and to any rights or restrictions for the time being attached to any Share:

- (a) where voting is by show of hands or by voice every Shareholder present in person or by Representative has one vote;
- (b) on a poll every Shareholder present in person or by Representative has:
 - (i) in respect of each fully paid Share held by that Shareholder, one vote;
 - (ii) in respect of each Share held by that Shareholder which is not fully paid, a fraction of the vote or votes which would be exercisable if that Share were fully paid equivalent to the proportion which the amount paid (excluding amounts credited as paid) on that Share bears to the total amount paid and payable thereon (excluding amounts credited as paid and amounts paid in advance of calls).

20.6 Declaration by chairperson: A declaration by the chairperson of a meeting that a resolution is carried by the requisite majority is conclusive evidence of that fact unless a poll is demanded in accordance with clause 22.1.

20.7 Chairperson's casting vote: The chairperson of a meeting of Shareholders is not entitled to a casting vote.

20.8 Joint Shareholders: Where two or more persons are registered as joint Shareholders, the vote of the person named first in the Share Register and voting on a matter must be accepted to the exclusion of the votes of the other joint holders.

21. RESTRICTIONS ON VOTING

21.1 No vote when amount owing on Share: A Shareholder is not entitled to vote at any meeting of Shareholders (including a meeting of an Interest Group) in respect of any Share if any amount is due and payable on that Share by the Shareholder to the Company.

22. POLLS

22.1 **Right to demand poll:** At a meeting of Shareholders a poll may be demanded by:

- (a) the chairperson; or
- (b) not less than five Shareholders having the right to vote at the meeting; or
- (c) a Shareholder or Shareholders representing not less than 10% of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) a Shareholder or Shareholders holding Shares that confer a right to vote at the meeting and on which the aggregate amount paid up is not less than 10% of the total amount paid up on all Shares that confer that right.

22.2 **When poll may be demanded:** A poll may be demanded either before or after the vote is taken on a resolution. The demand for a poll may be withdrawn.

22.3 **When poll taken:** A poll demanded on the election of a chairperson of a meeting or on a question of adjournment shall be taken immediately. A poll demanded on any other question shall be taken at such time as the chairperson directs and any business, other than that upon which a poll is demanded, may proceed pending the taking of the poll.

22.4 **Poll procedure:** A poll shall be taken in such manner as the chairperson directs and the result of the poll is deemed to be a resolution of the meeting at which the poll is demanded.

22.5 **Votes:** On a poll:

- (a) votes may be given either personally or by Representative;
- (b) votes shall be counted according to the votes attached to the Shares of each Shareholder present in person or by Representative and voting in respect of those Shares;
- (c) a Shareholder need not cast all the votes to which the Shareholder is entitled and need not exercise in the same way all of the votes which the Shareholder casts.

22.6 **Scrutineers:** The auditors shall be scrutineers unless they are unable or unwilling to act, or the chairperson of the meeting directs otherwise, in which case the scrutineers shall be appointed by the chairperson.

22.7 **Declaration of result:** The chairperson is entitled to declare the result of a poll upon receipt of a certificate from the scrutineers stating that sufficient votes to determine the result of the resolution have been counted and setting out the basis of that determination.

23. PROXIES

23.1 **Right to appoint:** A Shareholder may appoint a proxy to vote on behalf of the Shareholder at a meeting of Shareholders. The proxy is entitled to attend and be heard at the meeting, and to demand or join in demanding a poll, as if the proxy were the Shareholder.

23.2 Notice of appointment: A proxy shall be appointed by written notice signed by the appointing Shareholder and the notice shall state whether the appointment is for a

particular meeting or for a specified term. The notice shall (so far as the subject matter and form of the resolutions to be proposed at the relevant meeting reasonably permit) provide for two way voting on all resolutions, enabling the appointor to instruct the proxy as to the casting of the vote.

23.3 Proxy form to be sent with notice of meeting: The Company shall send a form of notice of appointment of proxy to every Shareholder entitled to attend and vote at a meeting, with the notice convening the meeting.

23.4 Proxy form must not name proxy: The Company shall not issue any form of notice of appointment with a proxy named in it, either by name or by reference to an office which that proxy holds, but the Company may indicate in a footnote that certain persons or officers are willing to act as a proxy if a Shareholder desires to appoint them or any of them.

23.5 Production of notice: No appointment of a proxy is effective in relation to a meeting unless a copy of the notice of appointment is received by the Company at its registered office not later than 48 hours before the start of the meeting.

23.6 Validity of proxy vote: A vote given in accordance with the terms of a notice of appointment of a proxy is valid notwithstanding the previous death or mental disorder of the principal, or the revocation of the appointment or of the authority under which the notice of appointment was executed, or the transfer of the Share in respect of which the proxy is appointed, if no written notification of such death, mental disorder, revocation, or transfer is received by the Company at its registered office before the commencement of the meeting or adjourned meeting for which the proxy is appointed.

24. CORPORATE REPRESENTATIVE

24.1 Appointment of representative: A corporation which is a Shareholder may appoint a person to attend a meeting of Shareholders on its behalf in the same manner as that in which it could appoint a proxy.

25. SHAREHOLDER PROPOSALS AND MANAGEMENT REVIEW

25.1 Shareholder proposals: A Shareholder may give written notice to the Board of a matter which the Shareholder proposes to raise for discussion or resolution at the next meeting of Shareholders at which the Shareholder is entitled to vote. The provisions of clause 9 of the first schedule to the Act apply to any notice given pursuant to this clause.

25.2 Shareholder resolutions: Where the notice to the Board referred to in clause 25.1 is given in terms of clause 9(2) of the first schedule to the Act or accompanies a request made pursuant clause 16.3(b), and, in either case, states that the Shareholder wishes to propose a resolution at the relevant meeting, then the chairperson of the meeting shall allow Shareholders to consider and vote on the resolution at the meeting. Such resolution shall not be binding on the Board but if the resolution is passed, the Board shall:

- (a) consider the resolution at the next regular Board meeting following the Shareholders' meeting; and
- (b) no later than one month following that Board meeting circulate a report to Shareholders on the outcome of its deliberations on the resolution.

25.3 Management review by Shareholders: The chairperson of a meeting of Shareholders shall allow a reasonable opportunity for Shareholders at the meeting to question, discuss, or comment on the management of the Company. The Shareholders may pass a resolution relating to the management of the Company at that meeting but no such resolution is binding on the Board.

26. DIRECTORS

26.1 Number of Directors: The number of Directors shall not at any time be more than nine nor less than six.

26.2 Shareholding Local Authority: Not more than a total of two members or employees of the Shareholding Local Authority may hold office as Directors of the Company at the same time.

26.3 Office to be vacated: The office of Director shall be vacated if the Director becomes a member or employee of the Shareholding Local Authority and there are already two Directors who are members or employees of the Shareholding Local Authority. Where two or more Directors are elected as members of the Shareholding Local Authority at the same election and the effect of that is there would be more than two Directors who are also members or employees of the Shareholding Local Authority, the Directors so elected to the Shareholding Local Authority shall determine which of them is or are not to hold office as Directors or is or are to vacate membership of the Shareholding Local Authority. In the absence of agreement the matter shall be determined by lot with the losing Director or Directors having the option to relinquish either the directorship of the Company or the membership of the Shareholding Local Authority.

26.4 Appointment by Shareholders: Subject to clauses 26.1, 26.2 and 26.3 a person may be appointed as a Director at any time by an Ordinary Resolution or by written notice to the Company signed by the holders of a majority of the Shares which confer the right to vote at meetings of Shareholders. Two or more persons may be appointed as Directors by a single resolution or notice.

26.5 Appointment by Board: Subject to clauses 26.1, 26.2 and 26.3 the Board may at any time appoint a person to be a Director. A Director so appointed holds office only until the next annual meeting of the Company but is eligible for re-election at that meeting.

26.6 Existing Directors to continue: The persons holding office as Directors on the date of adoption of this Constitution continue in office and are deemed to have been appointed as Directors pursuant to this Constitution.

26.7 ~~Rotation of Directors~~Term of Appointment: ~~No person may be appointed as a Director for a term greater than three years. Any Director may be reappointed at the expiry of his or her term of appointment, provided that no Director may be appointed for more than three consecutive terms. At the annual meeting of the Company in each year one third of the Directors, or if their number is not a multiple of three then the number nearest to one third, shall retire from office. The Directors to retire shall be those who have been longest in office since their last election. If two or more of those Directors were last elected on the same day, the Directors to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director is eligible for re-election.~~

26.8 Appointment of Chairperson and Deputy Chairperson: The Shareholder must appoint the chairperson and deputy chairperson of the Board. ~~Exceptions to rotation:~~ In determining the Directors who are to retire by rotation at a meeting:

~~a Director who is retiring pursuant to clause 26.5 shall not be liable to retire by rotation at the meeting or be taken into account in calculating the number of Directors to retire;~~

~~a Managing Director, even though not liable to retire by rotation by virtue of clause 28.2, shall be taken into account in calculating the number of Directors to retire.~~

26.9 **Removal:** A Director may at any time be removed from office by Ordinary Resolution or by written notice to the Company signed as provided in clause 26.4.

26.10 **Notice of appointment and removal:** Any notice to the Company pursuant to this section appointing or removing a Director must:

- (a) be signed, or purport to be signed, by the person exercising such right;
- (b) in the case of joint Shareholders, be signed, or purport to be signed, by all of those Shareholders;
- (c) if given by a Shareholder which is a corporation, be signed, or purport to be signed, on behalf of the corporation by any director or other person holding equivalent office; and
- (d) be given to the Company by delivering the notice, or by sending the notice through the post or by facsimile or other electronic means of communication, to its registered office,

and may be comprised in one or more separate notices, each signed or purporting to be signed by one or more persons. A notice shall be effective from the time of receipt of the notice by the Company at its registered office.

26.11 **Vacation of office:** A Director ceases to be a Director when his or her term expires pursuant to clause 26.7, or if he or she:

- (a) is removed from office by an Ordinary Resolution; or
- (b) dies, or becomes mentally disordered or subject to a property order or personal order made under the Protection of Personal and Property Rights Act 1988; or
- (c) resigns by written notice delivered to the Company at its address for service or at its registered office (such notice to be effective at the time when it is so received unless a later time is specified in the notice); or
- (d) becomes disqualified from being a Director pursuant to the Act; or
- (e) becomes bankrupt or makes an arrangement or composition with his or her creditors generally; or
- (f) has for more than six months been absent without approval of the Board from meetings of the Board held during that period; or
- (g) vacates office pursuant to clause 26.3.

26.12 **Timing of retirement and appointment:** If:

- (a) ~~a Director retires at a meeting of Shareholders and is not re-elected or deemed to be re-elected at that meeting, the Director shall remain in office until, and his or her retirement shall take effect at, the conclusion of the meeting;~~

- (b) a Director is removed from office at a meeting of Shareholders by Ordinary Resolution, the Director shall remain in office until, and his or her removal shall take effect at, the conclusion of the meeting;
- (c) a person who is not already a Director is appointed or elected as a Director at a meeting of Shareholders, that person shall take office as a Director immediately after the conclusion of the meeting.

27. ALTERNATE DIRECTORS

27.1 Power to appoint: A Director may from time to time by written notice to the Company appoint any person, who is not already a Director and who is approved by a majority of the other Directors, to be that Director's alternate. No Director may appoint a deputy or agent except by way of appointment of an Alternate Director under this section 27.

27.2 Rights of Alternate Director: Unless otherwise specified by the terms of his or her appointment, an Alternate Director:

- (a) is entitled, in the absence or unavailability of the Director who appointed him or her (the "**Appointor**"), to exercise the same rights, powers and privileges (other than the power to appoint an Alternate Director) as the Appointor;
- (b) when acting as an Alternate Director is subject to the same duties and obligations as the Appointor;
- (c) is not entitled to be given notice of a meeting of the Directors unless the Appointor has given written notice to the Company requesting that notice be given to the Alternate Director.

27.3 Remuneration and expenses: An Alternate Director is not entitled to any remuneration from the Company in his or her capacity as an Alternate Director but is entitled to be reimbursed by the Company for all expenses incurred in attending meetings of the Directors and in the discharge of his or her duties, to the same extent as if he or she were a Director.

27.4 Cessation of appointment: An Alternate Director ceases to be an Alternate Director:

- (a) if the Appointor ceases to be a Director, or revokes the appointment by written notice to the Company; or
- (b) on the occurrence of any event which would disqualify the Alternate Director if he or she were a Director; or
- (c) if a majority of the other Directors resolve to revoke the Alternate Director's appointment.

28. MANAGING DIRECTORS

28.1 Appointment: The Board may from time to time appoint one or more Directors to the office of Managing Director for such period not exceeding five years, and on such terms, as the Board thinks fit and, subject to the terms of any agreement entered into in any particular case, may at any time revoke such appointment.

28.2 Resignation: A Managing Director is subject to the same provisions as regards resignation, removal, and disqualification as the other Directors, and if a Managing Director ceases to

hold the office of Director from any cause he or she automatically ceases to be a Managing Director.

28.3 Remuneration: A Managing Director is entitled to receive such remuneration for his or her services as an employee (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Board may determine.

29. REMUNERATION AND OTHER BENEFITS OF DIRECTORS

29.1 Power to authorise: The Board may not exercise the power conferred by section 161 of the Act to authorise any payment or other benefit of the kind referred to in that section to or in respect of a Director in his or her capacity as such, without the prior approval of an Ordinary Resolution, except as provided in this section 29. Each such resolution shall express the Directors' remuneration as either:

- (a) a monetary sum per annum payable to all Directors taken together; or
- (b) a monetary sum per annum payable to each person from time to time holding office as a Director.

29.2 Power to increase: If at any time while the approved remuneration of the Directors is expressed in accordance with clause 29.1(a), the total number of Directors holding office is increased, the amount of remuneration then payable in accordance with that clause may be increased by the Board by such amount as is necessary to enable the Company to pay the additional Director or Directors by way of remuneration a fee not exceeding the average amount then being paid to each of the other non-executive Directors (other than the chairperson).

29.3 Notice of proposed increase: No resolution which increases the amount of the Director's remuneration shall be moved at a meeting of Shareholders unless notice of the amount of increase has been given in the notice of meeting.

29.4 Payment of expenses: Directors are entitled to be paid for all travelling, accommodation and other expenses properly incurred by them in attending meetings of the Board, or any committee of the Board, or meetings of Shareholders, or in connection with the business of the Company.

29.5 Special remuneration: Without limiting clause 29.1, the Board may authorise the Company to pay special remuneration to any non-executive Director who is, or has been, engaged by the Company to carry out work in a capacity other than that of Director.

30. INDEMNITY AND INSURANCE

30.1 Indemnity of Directors: Subject to clause 30.3, every Director shall be indemnified by the Company:

- (a) for any costs incurred by him or her in any proceeding that relates to liability for any act or omission in his or her capacity as a Director or a director of a subsidiary of the Company and in which judgment is given in his or her favour, or in which he or she is acquitted, or which is discontinued; and
- (b) in respect of liability to any person other than the Company or a related company for any act or omission by him or her in his or her capacity as a Director or a

director of a subsidiary of the Company, and costs incurred by him or her in defending or settling any claim or proceeding relating to any such liability,

and this indemnity shall continue in force, despite any subsequent revocation or amendment of this clause, in relation to any liability which arises out of any act or omission by a Director prior to the date of such revocation or amendment.

30.2 Other indemnities: Subject to clause 30.3, the Company may, with the prior approval of the Board, indemnify a director of a related company, or an employee of the Company or a related company:

- (a) for any costs incurred by him or her in any proceeding that relates to liability for any act or omission by him or her in such capacity and in which judgment is given in his or her favour, or in which he or she is acquitted, or which is discontinued; and
- (b) in respect of liability to any person other than the Company or a related company for any act or omission by him or her in such capacity, and costs incurred by him or her in defending or settling any claim or proceeding relating to any such liability.

30.3 Exceptions: An indemnity conferred by clause 30.1(b), or given pursuant to clause 30.2(b), shall not apply in respect of:

- (a) any criminal liability; or
- (b) in the case of an employee of the Company or a related company, any liability in respect of a breach of any fiduciary duty owed to the Company or related company; or
- (c) in the case of a Director or a director of a related company, any liability in respect of a breach of the duty specified in section 131 of the Act.

30.4 Insurance: The Company may, with the prior approval of the Board, effect insurance for a Director or employee of the Company or a director or employee of a related company, in respect of:

- (a) liability, not being criminal liability, for any act or omission by him or her in such capacity; or
- (b) costs incurred by him or her in defending or settling any claim or proceeding relating to any such liability; or
- (c) costs incurred by him or her in defending any criminal proceedings that have been brought against the Director or employee in relation to any act or omission in his or her capacity as a Director or employee and in which he or she is acquitted.

30.5 Definitions: In this section 30:

- (a) "Director" includes a former Director and "director" includes a former director; and
- (b) other words given extended meanings in section 162(9) of the Act have those extended meanings.

31. POWERS OF DIRECTORS

31.1 **Management of Company:** The business and affairs of the Company shall be managed by, or under the direction or supervision of, the Board.

31.2 **Exercise of powers by Board:** The Board may exercise all the powers of the Company which are not required, either by the Act or this Constitution, to be exercised by the Shareholders.

31.3 **Delegation of powers:** The Board may delegate to a committee of Directors, a Director, an employee of the Company, or to any other person, any one or more of its powers, other than a power set out in the second schedule to the Act.

31.4 **Appointment of attorney:** The Company may exercise the power conferred by section 181 of the Act to appoint a person as its attorney, either generally or in relation to a specified matter. Any such power of attorney may contain such provisions for the protection of persons dealing with the attorney as the Board thinks fit, and may also authorise any attorney to delegate all or any of the powers, authorities and discretions vested in the attorney.

31.5 **Ratification by Shareholders:** Subject to the provisions of section 177 of the Act (relating to ratification of directors' actions) the Shareholders, or any other person in whom a power is vested by this Constitution or the Act, may ratify the purported exercise of that power by a Director or the Board in the same manner as the power may be exercised. The purported exercise of a power that is ratified under this clause is deemed to be, and always to have been, a proper and valid exercise of that power.

32. INTERESTS OF DIRECTORS

32.1 **Disclosure of Interests:** A Director shall comply with the provisions of section 140 of the Act (relating to disclosure of interest of directors) but failure to comply with that section does not affect the operation of clause 32.2.

32.2 **Personal involvement of Directors:** Notwithstanding any rule of law or equity to the contrary, but subject to sections 107(3) and 141 of the Act (relating to avoidance of transactions in which a Director is Interested) and section 199(2) of the Act (prohibiting a director from acting as auditor of a company), a Director may: (a) contract with the Company in any capacity;

- (b) be a party to any transaction with the Company;
- (c) have any direct or indirect personal involvement or Interest in any transaction or arrangement to which the Company is a party or in which it is otherwise directly or indirectly interested or involved;
- (d) become a director or other officer of, or otherwise Interested in, any corporation promoted by the Company or in which the Company may be directly or indirectly interested as a shareholder or otherwise; and
- (e) retain any remuneration, profit or benefits in relation to any of the foregoing,

and no contract or arrangement of any kind referred to in this clause may be avoided by reason of a Director's Interest.

32.3 **Interested Directors may not vote:** A Director who is Interested in a transaction entered into, or to be entered into, by the Company may:

- (a) attend a meeting of the Board at which any matter relating to the transaction arises but shall not be included among the Directors present at the meeting for the purposes of a quorum and may not vote on any matter relating to the transaction except as provided in clause 32.4;
- (b) sign a document relating to the transaction on behalf of the Company, and may do any other thing in his or her capacity as a Director in relation to the transaction, as if the Director were not interested in the transaction.

32.4 Exception to voting prohibition: A Director may vote in respect of, and be counted in the quorum for the purposes of, a matter in which he or she is Interested if that matter is one in respect of which, pursuant to an express provision of the Act, Directors are required to sign a certificate or one which relates to the grant of an indemnity pursuant to section 162 of the Act.

33. PROCEEDINGS OF BOARD

33.1 Third schedule of Act not to apply: The provisions of the third schedule to the Act (relating to proceedings of a board) do not apply to the Company, except to the extent expressly incorporated in this Constitution.

33.2 Alternative forms of meeting: A meeting of the Board may be held either:

- (a) by a number of the Directors who constitute a quorum, being assembled together at the place, date and time appointed for the meeting; or
- (b) by means of audio, or audio and visual, communication by which all Directors participating and constituting a quorum can simultaneously hear each other throughout the meeting.

33.3 Procedure: Except as provided in this Constitution, the Board may regulate its own procedure.

33.4 Notice of meeting: The following provisions apply in relation to meetings of the Board (except where otherwise agreed by all Directors in relation to any particular meeting or meetings or as provided in clause 33.5):

- (a) Not less than two clear days' notice of a meeting of the Board shall be sent to each Director, unless:
 - (i) the Director waives that right; or
 - (ii) the issue which is to be the subject of the meeting is, in the reasonable opinion of a majority of the Directors, a matter of urgency, in which event such notice as is practicable in the circumstances shall be given.
- (b) Notice to a Director of a meeting of the Board may be:
 - (i) given to the Director in person by telephone or other oral communication;
 - (ii) delivered to the Director;
 - (iii) posted to the address given by the Director to the Company for such purpose;

- (iv) sent by facsimile transmission to the facsimile telephone number given by the Director to the Company for such purpose; or
 - (v) sent by electronic means in accordance with any request made by the Director from time to time for such purpose.
- (c) It is not necessary to give notices of meetings to an alternate Director, unless the Director who appointed that person has given written notice to the Company requiring that such notices be given.
- (d) A notice of meeting shall specify the date, time and place of the meeting and, in the case of a meeting by means of audio, or audio and visual, communication, the manner in which each Director may participate in the proceedings of the meeting.
- (e) A notice of meeting given to a Director pursuant to this clause is deemed to be given:
- (i) in the case of oral communication, at the time of notification;
 - (ii) in the case of delivery, by handing the notice to the Director or by delivery of the notice to the address of the Director;
 - (iii) in the case of posting, three days after it is posted;
 - (iv) in the case of facsimile transmission, when the Company receives a transmission report by the sending machine which indicates that the facsimile was sent in its entirety to the facsimile telephone number given by the Director;
 - (v) in the case of electronic means, at the time of transmission.

33.5 **Director may convene meeting:** Without limiting the provisions of clauses 33.3 or 33.4, a Director has the right at any time to convene a meeting of the Board, or to require an employee of the Company to convene a meeting of the Board, at the registered office of the Company or at the place where the meetings of the Board for the time being are customarily held, by giving not less than seven days' written notice signed by or on behalf of the Director to each of the other Directors stating the date, time and place of the meeting and the matters to be discussed.

33.6 **Waiver of notice irregularity:** An irregularity in the giving of notice of a meeting is waived if each of the Directors either attends the meeting without protest as to the irregularity or agrees (whether before, during, or after the meeting) to the waiver.

33.7 **Quorum:** A quorum for a meeting of the Board is the greater of four Directors and such number of Directors as represents a majority of the Directors. No business may be transacted at a meeting of Directors if a quorum is not present.

33.8 **Insufficient number of Directors:** The Directors may act notwithstanding any vacancy in their body, but if and so long as the number of Directors holding office is less than the minimum number fixed by clause 26.1 only for the purpose of increasing the number of Directors to that number or of summoning a meeting of the Shareholders.

33.9 **Chairperson:** If at any meetings of the Board:

a) no chairperson is appointed, the Directors present may choose one of their number to be chairperson of the meeting;

b) a chairperson has been appointed, but that chairperson is not present within 15 minutes after the time determined for the commencement of the meeting, the deputy chairperson will be the chairperson of the meeting; or

a)c) both the chairperson and deputy chairperson are not present within 15 minutes after the time determined for the commencement of the meeting, the Directors present may choose one of their number to be chairperson of the meeting. ~~**Election of chairperson:** The Directors may from time to time elect a chairperson and (if they think fit) a deputy chairperson, of their meetings, and determine the period for which they respectively are to hold office. The chairperson, or failing the chairperson the deputy chairperson (if any), shall preside at all meetings of the Directors but if no such chairperson or deputy chairperson is elected, or if at any meeting the chairperson or deputy chairperson is not present within 15 minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairperson of the meeting.~~

~~33.933.10~~ **Voting:** Every Director has one vote. Subject to clause 33.11, the chairperson has a casting vote provided that a quorum is present and entitled to vote at the meeting. A resolution of the Board is passed if it is agreed to by all Directors present without dissent, or if a majority of the votes cast on it are in favour of the resolution. A Director present at a meeting of the Board is presumed to have agreed to, and to have voted in favour of, a resolution of the Board unless he or she expressly dissents from or votes against, or expressly abstains from voting on, the resolution at the meeting.

~~33.1033.11~~ **Chairperson to have a casting vote:** The Chairperson has a casting vote at a meeting of the Board unless the quorum consists only of:

- (a) two Directors who are members or employees of a Shareholding Local Authority; and
- (b) two Directors who are not members or employees of a Shareholding Local Authority; and

the Chairperson is a Director who is a member or employee of a Shareholding Local Authority.

33.12 **Written resolution:** A resolution in writing, signed or assented to by a majority of two thirds or more of the Directors, or if the number of Directors is not a multiple of three then by the number nearest to two thirds, is as valid and effective as if passed at a meeting of the Board duly convened and held. Any such resolution may consist of several documents (including facsimile or other similar means of communication) in similar form, each signed or assented to by one or more Directors. A copy of any such resolution shall be entered in the Records. The Company shall, within seven days after any resolution is passed in accordance with this clause, send a copy of the resolution to each Director who has not signed or assented to the resolution.

33.13 **Committees:** A committee of Directors shall, in the exercise of the powers delegated to it, comply with any procedural or other requirements imposed on it by the Board. Subject to any such requirements, the provisions of this Constitution

relating to proceedings of Directors apply, with appropriate modification, to meetings of a committee of Directors.

- 33.14 **Validity of actions:** The acts of a person as a Director are valid even though the person's appointment was defective or the person is not qualified for appointment.
- 33.15 **Minutes:** The Board shall ensure that minutes are kept of all proceedings at meetings of the Shareholders and of the Board. Minutes which have been signed correct by the chairperson of the meeting are prima facie evidence of the proceedings.

34. METHOD OF CONTRACTING

34.1 **Deeds:** A deed which is to be entered into by the Company may be signed on behalf of the Company, by:

- (a) two or more Directors; or
- (b) any one Director, together with the chief executive or the secretary of the Company whose signature must be witnessed.

34.2 **Other written contracts:** An obligation or contract which is required by law to be in writing, and any other written obligation or contract which is to be entered into by the Company, may be signed on behalf of the Company by a person acting under the express or implied authority of the Company.

34.3 **Other obligations:** Any other obligation or contract may be entered into on behalf of the Company in writing or orally by a person acting under the express or implied authority of the Company.

35. INSPECTION OF RECORDS

35.1 **Inspection by Directors:** Subject to section 191(2) of the Act (which relates to the power of a court to limit inspection), all accounting and other records of the Company shall be open to the inspection of any Director.

35.2 **Inspection by Shareholders:** No Shareholder who is not also a Director is entitled to inspect any accounting or other records of the Company except as expressly authorised by law or permitted by the Board. Subject to the provisions of section 216 of the Act (which permits inspection of certain records by Shareholders) the Board may from time to time determine whether, to what extent, at what times and places, and under what conditions, the accounting or other records of the Company or any of them are open to the inspection of Shareholders (who are not also Directors).

36. NOTICES

36.1 **Method of service:** All notices, reports, accounts and other documents required to be sent to a Shareholder, shall be sent in the manner provided in section 391 of the Act.

36.2 **Service of notices overseas:** If the holder of a Share has not given to the Company an address within New Zealand for the giving of notices, but has supplied an address outside New Zealand, then notices shall be posted to that holder at such international address and shall be deemed to have been received by that holder 24 hours after the time of posting.

36.3 Accidental omissions: The failure to send an annual report, notice, or other document to a Shareholder in accordance with the Act or this Constitution does not invalidate the proceedings at a meeting of Shareholders if the failure to do so was accidental.

36.4 Joint Shareholders: A notice may be given by the Company to joint Shareholders by giving the notice to the joint Shareholder named first in the Share Register in respect of the Share.

36.5 Waiver by Shareholders: Subject to section 210 of the Act (which requires financial statements to be sent to Shareholders who elect not to receive annual reports), a Shareholder may from time to time, by written notice to the Company, waive the right to receive all or any documents from the Company and may at any time thereafter revoke the waiver in the same manner. While any waiver is in effect, the Company need not send to the Shareholder the documents to which the waiver relates.

37. AUDIT

37.1 The auditors of the Company shall be the Auditor-General as provided in section 19 of the Port Companies Act 1988.

38. LIQUIDATION

38.1 Distribution of assets: If the Company is liquidated the liquidator may, with the approval of Shareholders and any other sanction required by the Act:

- (a) divide among the Shareholders in kind the whole or any part of the assets of the Company (whether they consist of property of the same kind or not) and may for that purpose fix such value as the liquidator deems fair in respect of any property to be so divided, and may determine how the division shall be carried out as between Shareholders or between different Classes; and
- (b) vest the whole or any part of any such assets in trustees upon such trusts for the benefit of the persons so entitled as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities on which there is any liability.

Hon Kiri Allan

MP for East Coast
Minister of Justice
Minister for Regional Development
Associate Minister of Transport

APPENDIX 3



Wayne Brown
Mayor of Auckland
Private Bag 92300
Auckland 1142

Dear Wayne

Ports of Auckland Limited Constitution Amendments

Thank you for your letter to Hon Michael Wood dated 23 May 2023, seeking approval for changes to the Ports of Auckland Limited constitution. I am responding as I have been delegated decision-making powers from the Minister of Transport relating to the maritime sector in my role as Associate Minister of Transport.

I consider the changes you have proposed are consistent with the purpose of the Port Companies Act 1988, which is to promote and improve efficiency, economy, and performance in the management and operation of the commercial aspects of ports.

In accordance with section 4 of the Port Companies Act 1988 and for the Minister of Transport, I agree to the requested changes to the constitution. Please find attached a consent notice for the amendments.

Kind regards,

Hon Kiri Allan
Associate Minister of Transport

APPENDIX 4

To: Ports of Auckland Limited

Background:

Auckland Council, as the sole shareholder of Ports of Auckland Ltd, has requested that the Minister of Transport agree to changes to the Ports of Auckland Limited constitution.

In accordance with section 4 of the Port Companies Act 1988, the Minister of Transport must give prior written approval for any amendments to a port company's constitution.

THE MINISTER:

APPROVES, in accordance with section 4 of the Port Companies Act 1988, the changes to the constitution of the company as shown in the attached copy of the amended constitution.

Dated

2023

SIGNED BY the Associate Minister of Transport:
Hon Kiri Allan
for the Minister of Transport

16 June 2023

OC230541

Hon Kieran McNulty**Action required by:****Acting Minister of Transport**

Wednesday, 21 June 2023

PROPOSED ORDERS IN COUNCIL UNDER THE SEVERE WEATHER EMERGENCY RECOVERY LEGISLATION ACT 2023 – KIWI RAIL AND WAKA KOTAHI REPAIR AND RECOVERY WORKS, AND LAND TRANSPORT MANAGEMENT ACT 2003 AMENDMENTS

Purpose

Provide you with background information on three proposed Orders-in-Council (OiCs) to support Waka Kotahi New Zealand Transport Agency (Waka Kotahi) and KiwiRail to progress their repair and recovery works. These OiCs will be considered by the Cabinet Extreme Weather Recovery Committee (EWR) on 21 June 2023.

Key points

- There has been extensive damage to transport infrastructure following the recent severe weather events. Immediate works are already underway by Waka Kotahi and KiwiRail to reconnect communities and restore the supply chain. More significant works will be required by these two agencies over the coming months and years to reinstate and rebuild their land transport networks across the affected regions and ensure ongoing safety and resilience.
- The OiC mechanism enabled by the Severe Weather Emergency Recovery Legislation Act 2023 (SWERL) Act will make it possible for design, consenting and construction of state highway and rail infrastructure to be done in a timely and well-coordinated way. This will help to reconnect communities and restore the supply chain. It will also reduce disruption, complexity, duplication of effort and cost.
- Te Manatū Waka Ministry of Transport (the Ministry) has worked closely with Waka Kotahi, KiwiRail, the agencies responsible for the relevant legislation, Te Puni Kōkiri and Te Arawhiti to develop three OiCs that will enable Waka Kotahi and KiwiRail to carry out repair and recovery works at pace and scale across the affected regions.
- While the processes are streamlined, existing rights and protections are not removed. An example of this is shortening rather than removing engagement requirements. Careful consideration has been given to upholding Māori rights and interests and protecting private property rights.

- The Ministers responsible ¹for the relevant legislation agreed to the proposed modifications. They also agreed the Minister of Transport would take the lead on progressing the OiCs through the Cabinet approval process.
- The Ministry is working with the relevant agencies on the scope and application of a further OiC for more significant state highway recovery works. This is because the current OiC for Waka Kotahi is aimed at enabling it to get started on recovery works and is not designed for major works, such as realigning road corridors. This is due to the limited information available on the location and full extent of the recovery works required beyond 50 metres from the legal road boundaries.
- If Cabinet agrees to progress the OiCs, the Ministry will undertake statutory engagement on the proposals from Tuesday 27 June 2023 to Monday 10 July 2023. Draft OiCs will be reviewed by the Severe Weather Events Review Panel and the Regulations Review Committee. The intention is for the finalised OiCs to be submitted for Cabinet approval for enactment on 8 August 2023.
- The Ministry has provided your Office with speaking points to support you at EWR on 21 June, and officials will be on standby outside EWR to support you if required.

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¹ The Ministers of Transport, Land Information, Environment, Conservation and State Owned Enterprises

Recommendations

- 1 **note** the three Orders-in-Council relating to transport repair and recovery works will be considered by the Cabinet Extreme Weather Recovery Committee (EWR) on 21 June 2023.

Noted



Jessica Ranger
Manager, Placemaking and Urban Development

16 / 6 / 23

Hon Kieran McAnulty
Acting Minister of Transport

..... / /

Minister's office to complete:

Approved

Declined

Seen by Minister

Not seen by Minister

Overtaken by events

Comments

Contacts

Name	Telephone	First contact
Jessica Ranger, Manager, Placemaking and Urban Development	s 9(2)(a)	✓
Rebecca Beals, RMA Reform Adviser, Placemaking and Urban Development		

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PROPOSED ORDERS IN COUNCIL UNDER THE SEVERE WEATHER EMERGENCY RECOVERY LEGISLATION ACT 2023 – KIWI RAIL AND WAKA KOTAHI REPAIR AND RECOVERY WORKS, AND LAND TRANSPORT MANAGEMENT ACT 2003 AMENDMENTS

There has been substantial damage to the land transport network across the North Island

- 1 There has been extensive damage to Waka Kotahi NZ Transport Agency (Waka Kotahi) and KiwiRail's land transport networks following the recent severe weather events. While immediate works are underway, there is a clear need for more significant works over the coming months and years to restore, reinstate, and rebuild state highways and rail lines across the affected regions and ensure their ongoing safety and resilience.
- 2 The slow recovery of these land transport networks will have ongoing social and economic impacts for affected communities and regions, and New Zealand more broadly. This is because of the critical role transport plays in moving people, goods and services and in enabling other sectors to flourish. This includes forestry, agriculture, and horticulture.

The OiC mechanism can help to better coordinate the approval processes needed for repair and recovery works

- 3 When undertaking transport infrastructure works, Waka Kotahi and KiwiRail rely on a range of regulatory frameworks to get the necessary planning, funding, and delivery approvals. However, these standard approval processes are not well coordinated and can take several years to complete. They have different steps, different requirements, and different decision-makers. Each approval must be obtained separately before works can start, even if they are for the same project.
- 4 To reconnect communities and restore the supply chain as soon as possible, it is important Waka Kotahi and KiwiRail can carry out the design, consenting and construction of repair and recovery works in a timely, streamlined, and integrated way. This will help to reduce disruption, complexity, duplication of effort, and cost.
- 5 The SWERL Act enables OiCs to be put in place to temporarily amend certain legislation to exempt, modify or extend existing statutory obligations where necessary to support recovery in areas affected by the severe weather events.
- 6 An OiC mechanism was used after the Kaikōura earthquake for the successful rebuild of the Coastal Route by Waka Kotahi and KiwiRail. Those involved in this work have highlighted the coordinated approach the OiC enabled on the ground, as well as the benefits of more streamlined approvals. Officials have drawn on lessons from the Coastal Route when considering using the OiC mechanism in response to the severe weather events.

A package of temporary modifications has been developed to streamline approval processes

- 7 Te Manatū Waka Ministry of Transport (the Ministry) has worked closely with Waka Kotahi, KiwiRail, the agencies responsible for the relevant legislation, Te Puni Kōkiri and Te Arawhiti to develop a package of temporary modifications to progress repair and recovery works at pace and scale.
- 8 The result of this work is three initial OiCs that will:
 - 8.1 streamline certain requirements in the Land Transport Management Act 2003 that could make it difficult for recovery activities to get funding from the National Land Transport Fund
 - 8.2 support repair and recovery works by Waka Kotahi within the legal road boundaries and within 50m of those boundaries
 - 8.3 support repair and recovery works by KiwiRail within legal rail boundaries and outside those boundaries when realigning rail lines at Awatoto and Esk Valley in the Hawke's Bay.
- 9 The OiCs supporting repair and recovery works by the two agencies cover the following regulatory frameworks:
 - 9.1 Modifications to the **Resource Management Act** to simplify and expedite the resource consent and alteration to designation processes.
 - 9.2 Modifications to the **Public Works Act** to streamline land acquisition processes and make changes to survey plan requirements, the proclamation process, and other administrative changes.
 - 9.3 Modifications to **a suite of conservation legislation** to streamline the Conservation Act concessions process and Wildlife Act authorisation process and modify the Reserves Act.
 - 9.4 Modifications to **Freshwater Fisheries Regulations** to exempt Waka Kotahi and KiwiRail from the setback requirement for taking fish near fish traps.
 - 9.5 Modifications to the **Railways Act** to make it easier for KiwiRail to trim or remove trees and hedges, lower fences and/or walls, and implement measures to protect land where rail infrastructure is located, and to broaden the right of entry for existing rail infrastructure.
 - 9.6 Modifications to the **New Zealand Railways Corporation Act** to make it easier for KiwiRail to cease, withdraw or reduce services on a railway line when doing repair and recovery works, and to get owners to trim or remove trees and hedges, and close branch lines and sidings.
- 10 Relevant Ministers² agreed to the proposed modifications to the legislation they are responsible for. They also agreed the Minister of Transport would take the lead on progressing the OiCs through the Cabinet approval process.

² The Ministers of Transport, Land Information, Environment, Conservation and State Owned Enterprises

There has been a focus on balancing speed and certainty with existing rights and protections

- 11 A key consideration has been striking the appropriate balance between the need for speed, certainty and efficiency of transport infrastructure works, and the rights and protections provided by each piece of legislation (such as Māori rights and interests, private property rights, conservation, and environmental protection).
- 12 Upholding Māori rights and interests was an important consideration when developing the proposed modifications:
 - 12.1 Waka Kotahi, KiwiRail, the Department of Conservation and councils will still need to engage with Māori in relation to any potential impacts on public, private and Māori owned land, Treaty settlements and cultural values.
 - 12.2 There will be express requirements for engagement in the OiCs to ensure the Crown continues to meet its obligations when implementing the works the OiCs relate to. This includes obligations in section 4 of the Conservation Act relating to the principles of the Treaty of Waitangi.
 - 12.3 Treaty settlement commitments and rights are maintained – and there will be no consequential amendments to, or override of, Treaty settlement legislation or Te Ture Whenua Māori Act.
- 13 The other important consideration was the need to protect private property rights as part of the streamlined land acquisition processes:
 - 13.1 KiwiRail can only use the streamlined land acquisition processes for compulsory acquisition for freehold title in Awatoto and the Esk Valley. It needs to realign rail lines in these locations as the current routes are no longer viable, as well as when taking climate change considerations for rebuild into account. The intention is for agreement to be reached with owners where possible to avoid the need for compulsory acquisition.
 - 13.2 Waka Kotahi can only use the streamlined land acquisition processes to temporarily access or occupy land while undertaking recovery works. It will need to rely on the standard Public Works Act processes if it wants to compulsorily acquire freehold title for the works covered by its OiC. This is because of the limited information about where compulsory acquisition of freehold title may be required at this time.
- 14 Officials are confident the proposed OiCs are necessary and are in line with the purposes of the SWERL Act.

s 9(2)(h)

- 16 There has been no pre-engagement with Māori or councils on the proposed OiCs. This is largely due to the challenges in identifying the locations where the OiCs will apply, particularly the streamlined land acquisition process, and the need to protect constitutional conventions around sharing information before Cabinet consideration.

s 9(2)(f)(iv)

The next step is formal engagement and independent review

- 22 If Cabinet agrees to progress with the initial OiCs, the Ministry will undertake statutory engagement on the proposals from Tuesday 27 June 2023 to Monday 10 July 2023. A longer period of ten working days (noting the SWERL Act only requires a minimum of three working days) is being proposed due to the complex nature of these OiCs and the rights and protections they involve.
- 23 Draft OiCs will be reviewed by the Severe Weather Events Review Panel and the Regulations Review Committee in mid-July 2023.
- 24 The intention is for the finalised OiCs to be lodged for consideration by the Cabinet Legislation Committee (LEG) on 3 August 2023 and Cabinet and Executive Council on 7 August 2023. The OiCs would then be enacted on 8 August 2023.

21 June 2023

BRIEFING

OC230402

Hon Kieran McAnulty
Acting Minister of Transport

Action required by: 4 July 2023

Hon Grant Robertson
Minister of Finance

City Rail Link Crown Sponsors' approval for the Maungawhau and Karanga-a-Hape development precinct programme

Purpose


To seek Ministers' approval, as Crown Sponsors, to a joint proposal from Eke Panuku and Kāinga Ora for the development programme for the Maungawhau and Karanga-a-Hape precinct, and options for the development of land made available in relation to the City Rail Link (CRL) project. The proposal includes setting the minimum land value to be achieved ^{s 9(2)(b)(ii), s 9(2)(j)}

Should Ministers support the proposal, approval in principle is also sought to ^{s 9(2)(f)(iv), s 9(2)(j)}

Key points

- Eke Panuku and Kāinga Ora presented a paper and Business Case to Auckland Council's Governing Body in April 2023 regarding the Maungawhau and Karanga-a-Hape development precinct programme. This included an agreed set of foundation outcomes, the delegation of Eke Panuku as the lead agency, and other aspects of the sale and development process.
- The recommendations from Eke Panuku and Kāinga Ora also sought approval to set the minimum land value to be achieved for several parcels of land made available by the CRL project at ^{s 9(2)(b)(ii), s 9(2)(j)}
- Auckland Council has approved the proposal, including the ^{s 9(2)(b)(ii), s 9(2)(j)} value, subject to approval by Ministers. Eke Panuku and Kāinga Ora now seek Ministers' approval for their proposal, including setting the minimum land value to be achieved ^{s 9(2)(f)(iv), s 9(2)(j)}



COMMERCIAL IN CONFIDENCE

- This cover briefing from the Ministry of Transport and the Treasury provides officials' advice on the proposal. The full proposal from Eke Panuku and Kāinga Ora, including their recommendations, is attached as Annex 1. Ministers are asked to review the proposal and approve their recommendations.
- To support the revised minimum land value, we seek Ministers' approval that, in principle, ^{s 9(2)(f)(iv), s 9(2)(j)}

- Should Ministers' approvals differ from those made by Council, Eke Panuku will be required to report-back to Auckland Council, and subsequently Ministers, with a revised proposal

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Recommendations

We recommend you:

	Minister of Finance	Minister of Transport
1. note Auckland Council Governing Body approved the development proposal from Eke Panuku and Kāinga Ora on 27 April 2023		
2. review the proposal in the joint advice letter from Eke Panuku and Kāinga Ora (attached as Annex 1) and approve their recommendations	Yes / No	Yes / No
3. note the proposal includes a set of foundation outcomes that reflect the vision for the precinct agreed in 2020 via a range of social, community, environmental, economic and well-being benefits.		
4. s 9(2)(b)(ii), s 9(2)(j) 		
5. 	Yes / No	Yes / No

Hon Grant Robertson
Minister of Finance
..... / /



Hon Kieran McAnulty
Acting Minister of Transport
..... / /



Juston Anderson
Acting Manager, Commercial and Institutional Performance, The Treasury
20 / 6 / 2023

Richard Cross
Director, System Performance and Governance, Ministry of Transport
21 / 06 / 2023

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

Comments:

Contacts

Name	Telephone	First contact
Richard Cross, Director, System Performance and Governance	s 9(2)(a)	<input checked="" type="checkbox"/> (MoT)
Stephen Moore, Principal Advisor, Programme Assurance and Commercial		<input type="checkbox"/> (MoT)
Daniel Madley, Senior Analyst, Commercial and Institutional Performance, The Treasury		<input type="checkbox"/> (TSY)

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CITY RAIL LINK CROWN SPONSORS' APPROVAL FOR THE MAUNGAWHAU AND KARANGA-A-HAPE DEVELOPMENT PRECINCT PROGRAMME

Background to the request

- 1 In 2020 and 2021 the CRL Sponsors asked Eke Panuku and Kāinga Ora to work in consultation with City Rail Link Limited (CRL) to deliver advice and be accountable to CRL Sponsors for the development programme delivery for station sites and precincts at Maungawhau (Mt Eden) and Karanga-a-Hape.
- 2 The foundation outcomes, delivery options, governance structure, land sale and development partner selection process, and public realm infrastructure improvements are detailed in the attached joint advice to Ministers from Eke Panuku and Kāinga Ora (attached as Annex 1), which separately seeks approval for their detailed recommendations.

Analysis of the proposal and recommendations

- 3 Eke Panuku and Kāinga Ora recently presented a paper and Business Case to Auckland Council Governing Body for the development.
- 4 The proposal includes a set of foundation outcomes that reflect the vision for the precinct agreed in 2020 through a range of social, community, environmental, economic and well-being benefits. It also proposes the delegation of Eke Panuku as the lead agency, and seeks to confirm other aspects of the sale and development process.

5 s 9(2)(b)(ii), s 9(2)(j)

- 6 The proposal seeks approval to set the minimum land value able to be accepted to

7 Setting a minimum land value of s 9(2)(b)(ii), s 9(2)(j)

- 8 Officials agree the foundation outcomes are desirable and are of the view that the flexibility provided by s 9(2)(b)(ii), s 9(2)(j)

This flexibility is likely to increase the achievement of the outcomes set out in the business case, and reinforce the wider benefits for Auckland that the CRL project is intended to deliver.

- 9 To enable this approach requires Ministers to agree, in principle, that s 9(2)(f)(iv), s 9(2)(j)

- 10 s 9(2)(b)(ii), s 9(2)(j) Marketing of the property is expected to start this year, but the sale is unlikely to be completed until 2025. CRL can receive the funds at any stage prior to the end of 2025.

- 11 Auckland Council's Governing Body has approved the proposal, including the revised minimum value, subject to approval by Ministers.

- 12 If Ministers do not agree to the recommendations, Eke Panuku will be asked to report back to Auckland Council with an updated set of recommendations and subsequent advice would be provided to Ministers following this consideration.
- 13 Having the project led by Eke Panuku means Auckland Council will have a key role in providing assurance and monitoring of the work. The Council's role as co-funder of CRL strongly incentivises them to fulfil this role. Kāinga Ora's presence in the governance of the project, and the use of an independent reviewer, provide an additional level of protection of the Crown's interest in the project.
- 14 Officials therefore recommend Ministers support the proposal.
- 15 Land development proposal evaluation criteria are attached as Annex 2. Details of the foundation outcomes, and analysis of the business case are appended as Annexes 3 and 4 respectively.

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Annex 1: Eke Pānuku-Kāinga Ora joint advice letter to Ministers



5 May 2023

*Hon Michael Wood
Minister of Transport*

*Hon Grant Robertson
Minister of Finance*

Cc: Wayne Brown, Mayor of Auckland

Cc: Councillor Desley Simpson, Deputy Mayor of Auckland

CITY RAIL LINK (CRL) MAUNGAWHAU AND KARANGA A HAPE DEVELOPMENT PROGRAMME ADVICE TO SPONSORS

Purpose

1. This letter of advice records Kāinga Ora and Eke Panuku Development Auckland's recommendations to City Rail Link (CRL) Sponsors on progressing the City Rail Link Development Programme for the station sites and the wider precincts surrounding the Maungawhau and Karanga a Hape stations.
2. It describes and seeks your approval of:
 - a. a set of foundation outcomes that are formed from the vision and objectives of the City Rail Link Limited (CRL) Blueprint masterplan and will guide the delivery of the development programme; and
 - b. the steps we have identified as necessary to progress with the preferred delivery option.
3. It outlines recommended approaches for timing, staging, and quality to deliver on the preferred delivery option for Maungawhau and Karanga a Hape. The programme business case includes a precinct development plan which will be the key document to guide development partners to deliver on CRL Sponsor's agreed vision and strategic choices.
4. We note that any decisions concerning implementation require agreement from CRL Sponsors.

Key points

5. On 14 July 2021 Hon Michael Wood, Minister of Transport, representing CRL Sponsors, the Minister of Finance, the Mayor and Deputy Mayor, asked Eke Panuku and Kāinga Ora work in consultation with CRL to deliver advice and be accountable to CRL Sponsors for the development programme delivery for station sites and precincts at Maungawhau (Mt Eden) and Karanga a Hape.

6. The programme business case recommends Eke Panuku Board be the lead agency to take the programme development sites to market. This would include negotiating, managing and concluding a development agreement(s) on behalf of CRLL and receipt of sale payment back to CRLL shareholders. This would be subject to the parameters agreed in advance with the shareholders. This requires formal delegations be provided to the Eke Panuku Board.
7. A Joint Executive Steering Group representing Eke Panuku, CRLL, Auckland Council, and Kāinga Ora is proposed to manage this programme delivery as it moves to the implementation phase. The Joint Executive Steering Group will ensure alignment with the foundation outcomes which give effect to Sponsors' vision and strategic objectives.
8. We note that CRLL has been represented on the Executive Steering Group which oversaw the development of the Programme Business Case and Precinct Development Plan. CRLL has had full visibility of these documents. We understand that CRLL is comfortable with the advice we provide in this letter but for clarity we note that we have not requested or received written endorsement of our final recommendations. We have worked closely with CRL Sponsor representatives to finalise our advice to ensure it is aligned with related advice regarding CRLL's budget and programme.

9. s 9(2)(b)(ii), s 9(2)(j)

10

11. The table below outlines the recommendations that require approval from the CRL Sponsors.
12. The Auckland Council Governing Body approved the recommendations set out below at its meeting on 27th April 2023 as a confidential item.

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Recommendations

We recommend you:

	Minister of Transport	Minister of Finance
<p>1 Agree the foundation outcomes for the Maungawhau (Mt Eden) and Karanga a Hape station development sites that will guide delivery of the development programme:</p> <ul style="list-style-type: none"> a. Environmental vitality and climate action: An exemplar net zero carbon urban regeneration development that is resilient to climate change and focuses on the prioritisation of sustainable modes of transport and environmental vitality. b. Mana whenua partnership: Partner with mana whenua to integrate their mātauranga and reflect their identity in the precinct. c. Homes: Provide healthy homes with a mix of typologies and accessible homes to cater for a diverse community. d. Affordable homes: Provide an adequate supply of quality, affordable homes in the precinct to make the most of the location being adjacent to a significant transport connection. e. Accessibility: Create an accessible precinct that encourages the use of public transport and provides a safe and connected neighbourhood. f. Economic & social well-being ('Community well-being'): Provide amenities that enhances the existing community and enables people to thrive. g. Value realisation: Creating enduring investments for the community and realise value over time. 	Yes / No	Yes / No
<p>2 Agree that Eke Panuku Board be delegated decision-making governance as the lead agency to take the programme development sites to market. This would include negotiating an agreement on behalf of City Rail Link Limited to concluding development agreements and receipt of sale payment back to City Rail Link Limited shareholders. This would be subject to the parameters agreed with the shareholders in advance of the process.</p>	Yes / No	Yes / No

We recommend you:		Minister of Transport	Minister of Finance
3	s 9(2)(j)	Yes / No	Yes / No
4		Yes / No	Yes / No
5		Yes / No	Yes / No
6	Agree City Rail Link Limited owned land be subdivided with Auckland Council owned land at 21 Ruru Street that is surplus to any rail station or roading need. The subdivision is in line with City Rail Link Limited's Blueprint masterplan and would create three development blocks that includes Auckland Council land.	Yes / No	Yes / No
7	s 9(2)(b)(ii), s 9(2)(j)	Yes / No	Yes / No
8	Agree to Kāinga Ora being given the opportunity to deliver approximately 100 state units within the Maungawhau and Karanga a Hape development programme via land purchase at the unencumbered market value, noting that this will be subject to due diligence and decision process by Kāinga Ora.	Yes / No	Yes / No
9	Agree that the Joint Executive Steering Group be retained between Eke Panuku, City Rail Link Limited, Auckland Council, and Kāinga Ora to provide urban development programme delivery executive oversight for the implementation phase and to ensure alignment with the foundation outcomes.	Yes / No	Yes / No
10	Agree for the foundation outcome affordable homes being addressed through the planning provision of state units by Kāinga Ora and with the ability to accept good quality offers from parties which may include additional affordability outcomes within the lower part of the valuation advice range.	Yes / No	Yes / No

We recommend you:

		Minister of Transport	Minister of Finance
11	Agree a two-stage land sale process to select a preferred development partner(s). ^{s 9(2)(i)}	Yes / No	Yes / No
12	Agree that the Eke Panuku Board will appoint an independent reviewer to shadow the land sale process to have oversight of the key process decisions and approvals to provide assurance to City Rail Link Sponsors.	Yes / No	Yes / No
13	^{s 9(2)(b)(ii), s 9(2)(j)}	Yes / No	Yes / No
14	Note that City Rail Link Limited in its funding request sought the funding gap of \$9 million required to complete the streetscape and park requirements as set out in the Blueprint masterplan that was approved by City Rail Link Sponsors in 2021. Eke Panuku and Kāinga Ora support the Blueprint masterplan being delivered.	Yes / No	Yes / No

Hon Michael Wood
Minister of Transport

..... / /

Hon Grant Robertson
Minister of Finance

..... / /

CITY RAIL LINK (CRL) MAUNGAWHAU AND KARANGA A HAPE DEVELOPMENT PROGRAMME ADVICE TO SPONSORS

Background

1. On 14 July 2021 Hon Michael Wood, Minister of Transport, representing CRL Sponsors, the Minister of Finance, the Mayor and Deputy Mayor, asked Eke Panuku and Kāinga Ora work in consultation with CRL to deliver advice and be accountable to CRL Sponsors for the development programme delivery for station sites and precincts at Maungawhau (Mt Eden) and Karanga a Hape.
2. This report presents the Eke Panuku and Kāinga Ora Joint Board Committee's recommendations and seeks approval of the attached Programme Business Case, and decisions on key issues affecting delivery of the Programme. It records recommended approaches to timing, staging, and quality to deliver on the preferred delivery option for Maungawhau and Karanga a Hape. It includes a precinct development plan which will be the key document to guide development partners to deliver on CRL Sponsor's agreed Vision and Strategic Choices.
3. We note that any decisions concerning implementation require agreement from CRL Sponsors.

Foundation Outcomes

4. In 2022 we sought feedback from CRL Sponsors on a set of draft foundation outcomes. The foundation outcomes translate the CRL Sponsors' agreed vision and strategic choices drawn from the CRL Blueprint masterplan, and working with mana whenua and local boards, translate those into a set of outcomes that will guide the delivery of the development programme to regenerate the precinct. Your feedback on including affordable housing and the need to realise the value of investments over time has now been reflected in the outcomes.
5. We now seek your approval of the following seven foundation outcomes:
 - Environmental vitality and climate action: An exemplar net zero carbon urban regeneration development that is resilient to climate change and focuses on the prioritisation of sustainable modes of transport and environmental vitality.
 - Mana whenua partnership: Partner with mana whenua to integrate their mātauranga and reflect their identity in the precinct.
 - Homes: Provide healthy homes with a mix of typologies and accessible homes to cater for a diverse community.
 - Affordable homes: Provide an adequate supply of quality, affordable homes in the precinct to make the most of the location being adjacent to a significant transport connection.
 - Accessibility: Create an accessible precinct that encourages the use of public transport and provides a safe and connected neighbourhood.

- Economic & social well-being ('Community well-being'): Provide amenities that enhances the existing community and enables people to thrive.
- Value realisation: Creating enduring investments for the community and realise value over time.

Preferred Delivery Option

6. We have identified a set of steps that we consider are needed to give effect to accelerating delivery of the Maungawhau and Karanga a Hape urban development programme and seek your approval of those as described below.

Decision-making Governance

7. It is assumed that the current governance structure for the partnership of Eke Panuku and Kāinga Ora is concluded by providing this programme business case to CRL Sponsor officials.
8. We would like to ensure clarity and certainty for market participants to engage and for the delivery process to progress.
9. We recommend the Eke Panuku Board being the lead agency to take the programme development sites to market. This would include negotiating an agreement on behalf of CRLL, concluding development agreements and receipt of sale proceeds back to CRLL shareholders. This would be subject to the parameters agreed with the shareholders. The Eke Panuku Board requires formal delegations from the CRL Sponsors for this governance structure.
10. If approval is not given for the Eke Panuku Board to be the lead agency for the development programme then CRLL would need to manage the development process.
11. We recommend the Joint Executive Steering Group continue between Eke Panuku, CRLL, Auckland Council, and Kāinga Ora to provide urban development programme executive oversight for the implementation phase and to ensure alignment with the foundation outcomes.
12. We recommend the Eke Panuku Board appoint an independent reviewer to shadow the land sale process to have oversight of the key process decisions and approvals. This would provide assurance to the CRL Sponsors that an appropriate market approach and decision-making process is followed.

Right of First Refusal

13. The majority of the Maungawhau land proposed for development is owned by CRLL. The exception to this is the former Mount Eden Station site of 21 Ruru Street, which is owned by Auckland Council. Part of the 21 Ruru Street title has a right of first refusal (RFR) noted on it under the Ngā Mana Whenua o Tāmaki Collective Redress Act 2014.

14 s 9(2)(j)

15. s 9(2)(j)

16. Eke Panuku will require a delegation from Auckland Council Governing Body to transact the Auckland Council owned land of 21 Ruru Street.

Property Valuation

17. s 9(2)(b)(ii), s 9(2)(j)

18.

19. Construction is expected to be staged over a period from 2027-2035. The first development blocks could be completed in 2030.

Land Sale and Development Partner Selection Process

20. To select development partners a two-stage process would be followed.

21. s 9(2)(b)(ii), s 9(2)(j)

22.

23.

State housing

24. Kāinga Ora has determined a requirement for 100 state housing units in the area. The preferred delivery option is 50 units at Karanga a Hape and 50 units at Maungawhau on the Fenton Street site.

25. We recommend that Kāinga Ora deliver in the order of 100 state units within the Maungawhau and Karanga-a-Hape urban development programme via land purchase at

the unencumbered market value, noting that this will be subject to due diligence and future decisions by Kāinga Ora.

Affordable housing

26. s 9(2)(b)(ii), s 9(2)(j)

27. This business case recommends option 1 consistent with the Maungawhau and Karanga a Hape Precinct Development Plan. We would seek a sale to a developer(s) within the unencumbered market valuation as at November 2022 s 9(2)(b)(ii), s 9(2)(j)

Public realm infrastructure improvements

28. The blueprint masterplan for Maungawhau significantly improved the development potential surrounding the Maungawhau Station. CRL has confirmed that there is a funding gap of \$9 million required to complete the streetscape and park requirements as set out in the blueprint masterplan that was approved by Sponsors in 2021. This is being addressed in the CRL funding request to CRL Sponsors.

29. In 2022 the infrastructure analysis undertaken by Auckland Council's Development Programme Office, CRL, Eke Panuku, Auckland Transport, Auckland Council and Kāinga Ora identified specific transport and public realm improvements of s 9(2)(b)(ii), s 9(2)(j) which would improve the transport and public realm network of the CRL stations into the wider precincts.

30. For the Karanga a Hape station area there is s 9(2)(b)(ii), s 9(2)(j) required in the CRL development area and to complete the transport network in the surrounding streets. Auckland Transport has a business case underway to seek the funding for these streetscape and transport network improvements.


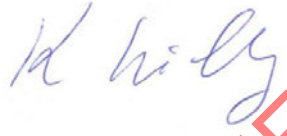
31. For the Maungawhau station area there is s 9(2)(b)(ii), s 9(2)(j) required for streetscape and park improvements in the CRL development area and to complete the transport network in the surrounding streets.

32. We consider further proposed streetscape and transport network changes to the Maungawhau area would significantly improve the transport network across the area. However, we are aware that there is not the financial capacity to make the changes to the Maungawhau area due to CRL budget issues and the additional funding that would be

required. This funding issue will become part of Auckland Council's 2024 Long Term Plan process.

Conclusion

33. We look forward to your views on our recommendation and the attached Programme Business Case.

 <p>David Rankin Chief Executive Eke Panuku</p>	 <p>Katja Lietz General Manager Urban Planning and Design Kāinga Ora</p>
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Annex 2: Land development proposal evaluation criteria

s 9(2)(b)(ii), s 9(2)(j)

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¹ The Joint Board Committee was established in September 2020 to govern the programme. It is assumed that the current governance structure for the Eke Panuku and Kāinga Ora Joint Board Committee is concluded by providing this programme business case to Sponsors.

Annex 3: Foundation outcomes

1 The masterplan ('Blueprint Report') for the Maungawhau and Karanga-a-Hape development programme was approved by the project sponsors in 2020. It set out the vision and key strategic choices for the programme.

2 The vision for the programme set out in this masterplan was:

"Our vision is for each precinct to become one of the best-quality, high density urban villages in the country, which is highly accessible to all parts of the Auckland region. It will be a highly sought after, contemporary, sustainable, residential-led, mixed-use urban village"

3 The strategic choices for the programme were housing affordability, employment diversity and a sustainable future.

4 The foundation outcomes for the Maungawhau (Mt Eden) and Karanga-a-Hape station development sites that the Eke Pānuku and Kāinga Ora propose will guide delivery of the development programme and achieve the vision and choices are:

- Environmental vitality and climate action: An exemplar net zero carbon urban regeneration development that is resilient to climate change and focuses on the prioritisation of sustainable modes of transport and environmental vitality.
- Mana whenua partnership: Partner with mana whenua to integrate their mātauranga and reflect their identity in the precinct.
- Homes: Provide healthy homes with a mix of typologies and accessible homes to cater for a diverse community.
- Affordable homes: Provide an adequate supply of quality, affordable homes in the precinct to make the most of the location being adjacent to a significant transport connection.
- Accessibility: Create an accessible precinct that encourages the use of public transport and provides a safe and connected neighbourhood.
- Economic & social well-being ('Community well-being'): Provide amenities that enhances the existing community and enables people to thrive.
- Value realisation: Creating enduring investments for the community and realise value over time.

5 As well as achieving the stated vision and choices for the work, and progressing the Government's Urban Growth Agenda and General Policy Statement – Housing and Urban Development, and Auckland Council's Development Strategy, these outcomes closely align with Eke Panuku's focus on urban regeneration and Kāinga Ora's goal to deliver quality urban developments that connect homes with jobs, transport, open spaces and the facilities that communities need.

6 The foundation outcomes also support the investment objectives for the development programme agreed by stakeholders in 2021, namely:

- Transforming Maungawhau and Karanga-a-Hape station precinct into exemplar net zero transit-oriented urban neighbourhoods

- Delivering quality residential choices that are affordable and secure to accommodate future growth, and
- Creating enduring infrastructure and local amenities to match community needs and enable low carbon urban living.

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Annex 4: Business case evaluation

- 1 The business case has detailed strategic, economic, commercial, financial and management cases. Key aspects are summarised below.
- 2 A wide range of options were considered for the regeneration of Maungawhau and Karangahape.
- 3 Under the Auckland Unitary Plan, the development sites have a capacity for approximately 730 homes. Maximising development to the view shaft height controls would increase this capacity to 810. It is recommended that this be undertaken through resource consents by developers.
- 4 The wider precinct has a capacity for 7,800 homes to be developed under the Auckland Unitary Plan. Maximising development to the view shaft height controls increases this capacity to 8,200.
- 5 Eke Panuku and Kāinga Ora have been working alongside CRL, Auckland Council's Development Programme Office (DPO), Auckland Transport and utilities providers to better understand the infrastructure requirements around the CRL sites. They note that much of the local infrastructure for the development sites will be funded and delivered by CRL as part of its scope which de-risks the short-term development. Some of the larger precinct projects are already underway such as Watercare's trunk sewer connection to Western Springs.
- 6 The development aligns with the Auckland Plan (2050), the Newtown and Eden Terrace Plan 2016-2046, and the Karangahape Road Plan 2014-2044
- 7 The Karangahape Road Plan notes that "the new CRL station on Karangahape Road ridge will be a significant catalyst for revitalising the area, opening opportunities for private development, encouraging new business and residential growth, and providing a high level of public transport access for all. The opportunity to accommodate high-quality growth and integrate the CRL station, while protecting and enhancing Karangahape Road's heritage and keeping the edge and 'grit', which the area is known for, is the key challenge for Karangahape Road in the future".
- 8 Benefits from the wider precinct programme are described, and will be used to inform phase 2 of the CRL Benefits Realisation Plan (BRP), which is currently being developed. A formal Benefits Realisation Plan for the Maungawhau and Karangahape development precinct programme will also be developed
- 9 The benefits analysis in the proposal looks at benefits out to 2036, and highlights a range of financial and non-financial benefits including economic development (including commercial and retail sites), urban renewal, social, sustainability and climate change benefits.
- 10 Risks result from uncertain events that improve or undermine the achievement of benefits. The main risks that might create, enhance, prevent, degrade, accelerate or delay the achievement of the Foundation Outcomes are reflected in the project schedule and it is proposed they will be reported monthly to the Executive Steering Group to ensure that the assigned risk owners take the necessary steps to implement the mitigation response at the appropriate time during the schedule.
- 11 The proposal notes that it is important to recognise that development projects will be subject to market and economic forces that will govern investment decisions. Any adverse market conditions will limit both public sector and private sector ability to invest. The current economic climate already presents a number of challenges in the next three years; the impact of Covid-19 and the pace of the recovery and return to "normal" presents a number of uncertainties that will need to be proactively managed.

Project governance

- 12 The proposal recommends Eke Panuku Board be the lead agency to take the programme development sites to market. This would include negotiating, managing and concluding a development agreement(s) on behalf of CRLL and receipt of sale payment back to CRLL shareholders. This would be subject to the parameters agreed in advance with the shareholders. This requires formal delegations be provided to the Eke Panuku Board.
- 13 A Joint Executive Steering Group representing Eke Panuku, CRLL, Auckland Council, and Kāinga Ora is proposed to manage this programme delivery as it moves to the implementation phase. The Joint Executive Steering Group will ensure alignment with the foundation outcomes which give effect to Sponsors' vision and strategic objectives.
- 14 As an extra layer of assurance the proposal recommends an independent reviewer shadow the development process to have oversight of the key process decisions and approvals. This would provide assurance to the CRL Sponsors around the market approach and decision making.
- 15 The alignment of the programme with Eke Panuku's strategic focus and the Council's wider strategy, and the leadership it has demonstrated in the development of the programme business, suggest Eke Panuku are well placed to lead the project.
- 16 The business case also outlines the process for property where a right of first refusal (RFR) exists under the Ngā Mana Whenua o Tāmaki Collective Redress Act 2014. Programme activities will align with the requirements of the Act where RFR areas overlap with proposed development blocks.

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23 June 2023

OC230511

Hon David Parker

Action required by:

Minister of Transport

Wednesday, 28 June 2023

REGIONAL CONSIDERATIONS FOR IMPLEMENTING COMMUNITY CONNECT EXTENSIONS

Purpose

Seek your agreement to proposed regional transitional arrangements and broader implementation matters to enable delivery of the Community Connect extensions from 1 July 2023.

Key points

- Cabinet agreed to establish Community Connect (a half price subsidy on adult public transport fares) for Community Service Card (CSC) holders through Budget 2022. Through Budget 2023, the Government agreed to extend the Community Connect scheme. Appropriation details are attached as **Annex Two**. The extension will make \$327 million available to deliver:
 - half price fares for 13 – 24-year-olds (under 25s)
 - half price Total Mobility fares for Total Mobility card holders
 - free public transport fares for 5 – 12-year-olds (under 13s).
- Implementation of Community Connect extensions may differ regionally. Public transport authorities (PTAs) are responsible for setting public transport fares and adopting fare concessions. This means fare products and ticketing systems differ regionally. PTAs are aiming to deliver the Community Connect extensions as fast as possible to meet Government's desire to see concession in effect quickly.
- We seek your comfort with the interim options as, although they align with the intent of Community Connect, there are some differences. Given these differences, you may wish to consult with the Minister of Finance on the proposed arrangements and funding sought.
- Subject to council agreement on Friday 23 June 2023, Auckland Transport (AT) has indicated that it can deliver the concessions in July 2023. ^{s 9(2)(f)(iv)}

IN CONFIDENCE

- PTAs using the Regional Integrated Ticketing Scheme (RITS)¹ can implement the Community Connect concessions by 1 July 2023. PTAs are encouraging the use of smartcards for under 13s but note their policy to not leave children behind. If a child boards without a smartcard, drivers will manually record the boardings. We recommend funding is provided for boardings without a smartcard, and we will work with PTAs to monitor usage and develop a transition to a permanent solution (which may limit funding to smartcard boardings).
- Greater Wellington Regional Council (GWRC) needs to update its ticketing system to enable delivery of Community Connect. GWRC passed a motion on 22 June 2023 whether to extend universal half price fares or extend half price fares for child, tertiary, and accessibility concessionaires until 1 August 2023 while work on the ticketing system is completed. *Note: half price fares have since been extended until 1 September 2023
- GWRC has sought Government funding to extend universal half price fares while the technical work is underway. If Crown funding is provided to support this interim solution, we recommend it be limited to costs associated with half-price fares for existing child and a proportion of tertiary concessions (to reflect under 25 patronage) until 31 July 2023. This better aligns with the intent of Community Connect and the scope of the appropriation.
- Environment Canterbury (ECAN) is implementing a fare trial (with a \$2 flat fare) from 1 July 2023. ECAN proposes to deliver Community Connect by implementing a 50 percent discount to the flat fare for 5 - 24-year-olds from 1 July 2023. Due to technical challenges in changing their ticketing system, free fares for under 13s will be delivered from August 2023. We recommend ECAN's interim proposal be eligible for Crown funding.
- ECAN's fare trial will result in cheaper fares for most users. However, children (13 -18 years old) who travel in zone 1 (which covers most of the metro area) will see a small fare increase. These users paid \$0.75 throughout the universal half price fares period and their fares will increase to \$1.00 under this approach.
- ECAN has also confirmed it will not deliver free fares for under 13s or half price fares for 13-18-year-olds on the on-demand service in Timaru (MyWay). It is seeking Government confirmation that funding can be provided to deliver a 40 percent fare reduction for 19 – 24-year-olds using these services. Although Government has not signalled whether Community Connect funding is limited to provision of a 50 percent discount, we have assumed this is the preferred permanent approach.
- We consider this an acceptable interim solution as ECAN works to find a ticketing system solution that enables the 50 percent fare reduction. We do not have an expected timeframe for this solution but expect this interim proposal could be in place for six months to one year.²
- Government agreed to fund the first smartcard for Community Services Cardholders. PTAs have asked for clarification on whether free smartcards will be available for under 13s and under 25s. We recommend the Crown does not meet the cost of smartcards for the Community Connect extensions § 9(2)(j)

¹ This includes Gisborne, Northland, Waikato, Bay of Plenty, Taranaki, Hawkes Bay, Nelson City, Otago, Invercargill City, and Horizons.

² ECAN will transition to the National Ticketing Solution from 1 July 2024.

s 9(2)(j)

Recommendations

We recommend you:

- 1 **note** Auckland Transport and public transport authorities (PTAs) using the Regional Integrated Ticketing Scheme (RITS) can implement the full Community Connect concessions on 1 July 2023
- 2 **agree** to the proposed regional interim transitional arrangements, specifically:
 - 2.1. **agree** that (for RITS councils) Crown funding will be available for under 13s (5–12-year-olds) who board services without a smartcard but are recorded by a driver Yes / No
 - 2.2. **agree** to fund an extension to universal half price fares for all eligible Greater Wellington Regional Council (GWRC) services until 31 July 2023 [not recommended] Yes / No

OR

 - 2.3. **agree** to fund half price fares for existing GWRC child concessions and a proportion of tertiary verified users (to reflect under 25-year-old patronage) until 31 July 2023 [recommended] Yes / No

OR

 - 2.4. **agree** to not provide Crown funding to GWRC for its interim proposal Yes / No
 - 2.5. **agree** to fund Environment Canterbury's (ECAN) interim proposal to provide half price fares for 5–24-year-(half price from the \$2 base fare), until 1 August 2023 [recommended] Yes / No
 - 2.6. **note** that the interim arrangements (2.1, 2.3 and 2.5) are within the scope of the existing appropriation
- 3 **agree** to fund ECAN's interim proposal to provide a 40 percent concession for 19–24-year-olds using the on-demand service in Timaru [recommended] Yes / No
- 4 **agree** that the Community Connect appropriation will not fund smartcards for under 13s and under 25s at this time Yes / No
- 5 **refer** this briefing to the Minister of Finance Yes / No
- 6 **note** that subject to decisions taken above, Te Manatū Waka will draft letters for you to send to PTAs outlining Crown funding expectations

7 s 9(2)(i)



Helen White
Manager Mobility and Safety
23 / 06 / 2023

Hon David Parker
Minister of Transport
..... / /

Minister's office to complete:

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

Comments

Contacts

Name	Telephone	First contact
Helen White, Manager, Mobility and Safety	s 9(2)(a)	✓
Emily Ward, Advisor, Mobility and Safety		
Dominic Cowell-Smith, Advisor, Mobility and Safety		

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REGIONAL CONSIDERATIONS FOR IMPLEMENTING COMMUNITY CONNECT EXTENSIONS


Government has provided initial direction on the intent of the Community Connect funding

- 1 Cabinet agreed to establish Community Connect (a half price subsidy on adult public transport fares) for Community Service Card (CSC) holders through Budget 2022. Community Connect for CSC holders is on track to start on 1 July 2023 at the end of universal half price fares. Many public transport authorities (PTAs) have opened digital portals to enable concession registrations.
- 2 Through Budget 2023, the Community Connect programme was expanded to make funding available from 1 July 2023 to deliver:
 - 2.1 half price fares for 13 – 24-year-olds (under 25s)
 - 2.2 half price Total Mobility fares for Total Mobility card holders
 - 2.3 free public transport fares for 5 – 12-year-olds (under 13s).
- 3 This briefing focuses on the Community Connect extension as noted in paras 2.1 and 2.3.
- 4 In advance of Budget 2023 announcements, we provided initial implementation advice [OC230373 refers]. Through this advice and subsequent weekly reports, Minister Wood confirmed that:
 - 4.1 half-price fares for under 25s should result in a passenger paying half the price of any age-based fare they are currently eligible for (e.g., a child and/or youth fares, and adult fares), and noted the subsidy will not apply to existing Tertiary fares.
 - 4.2 smartcard implementation is preferable but interim options, s 9(2)(k) can be explored.
 - 4.3 Crown funding can contribute towards the establishment of age verification processes and PTA administrative costs (including customer support, scheme set up, and application programming interface or portal maintenance).
 - 4.4 Crown funding be provided on the basis of existing fare products and fare levels as of 17 May 2023 (i.e., in advance of Budget 23 announcements)
- 5 This advice also noted that some decisions may need to be revisited following engagement with PTAs to understand regional feasibility.

PTAs have developed interim options to enable delivery of Community Connect in July 2023

- 6 PTAs are responsible for setting public transport fares and adopting fare concessions. There is regional variability in fare products and ticketing systems used. Following

Budget 23 announcements, we discussed implementation with PTAs and confirmed Government expectations (noting an interest in understanding what interim options could be delivered in July 2023).

- 7 All PTAs have been quick to respond to the Community Connect announcement and have confirmed what could be achieved from July 2023. **Annex One** below summarises proposed interim approaches. We seek your comfort with these options as, although they align with the intent of Community Connect, there are some differences. We consider providing funding for concessions that relate to groups targeted by Community Connect would fall within the scope of the appropriation. Given these differences, you may wish to consult with the Minister of Finance on the proposed interim arrangements.
- 8 We have highlighted some of the more complex interim arrangements below and seek your direction on these. In addition to the information provided in the table:
- 8.1 There are some routes and regions (i.e., Marlborough) that use cash fares only. In these areas Community Connect will be applied to cash fares and boardings recorded.
- 8.2 s 9(2)(k)  We are working to develop a nationally consistent age verification system to support permanent implementation on Community Connect.

The proposed interim arrangements are pragmatic and largely align with policy intent while PTAs work to achieve full implementation

Greater Wellington Regional Council has extended universal half price fares until Community Connect can be fully implemented

- 9 At an extraordinary meeting on Thursday 22 June 2023, Greater Wellington Regional Council (GWRC) passed a motion to extend universal half price fares until 1 August 2023 to give effect to Community Connect from 1 July 2023. This will be an interim measure until the GWRC's ticketing system can be upgraded to enable age verification. The Council paper notes GWRC is able to the full extension from within its transport reserves.³
- 10 GWRC has written to Government requesting \$2 million per month to cover costs associated with the one-month extension of half price fares (letter attached as **Annex Three**). We do not recommend providing funding for an extension of universal half price fares and note this would be outside of the scope of the Community Connect appropriation (as it would cover all adult fares).
- 11 If Government wants to contribute to interim costs for GWRC, we recommend limiting funding to subsidising child concessions and a proportion of the tertiary concession (likely around 50% to reflect the proportion of tertiary students under 25 in Wellington). As GWRC does not collect passenger ages, we are unable to establish

³ Order Paper for GWRC meeting of 22 June 2023, <https://www.gw.govt.nz/assets/Documents/2023/06/Extraordinary-Council-22-June-2023-order-paper-v2.pdf>

an accurate proxy to determine the number of under 25-year-old boardings. By funding a proportion of tertiary concessionaires, we are able to capture some of this cohort.

12

s 9(2)(j)

Environment Canterbury has proposed to provide half price fares for under 13s until free fares can be implemented

13 Given limitations of its ticketing system, Environment Canterbury (ECAN) can only implement one age-related concession. ECAN officers have advised it proposes to apply half-price fares to 5 – 24-year-olds until changes to the ticketing system are implemented in August 2023. This approach means under 13s will pay half-price fares in July 2023, with free fares implemented in August 2023.

14 As this interim solution is time bound (i.e., one month) and aligns with the policy intent of Community Connect (to provide reduced fares for targeted groups), we recommend Crown funding is provided.

15

s 9(2)(j)

ECAN also seeks confirmation that a reduced Crown reimbursement is available for on-demand services

16 On-demand services are provided in Auckland, Wellington, Timaru, Waikato and Hawkes Bay. We have advised PTAs that they have discretion to apply the Community Connect concessions to on-demand services (providing flexibility for implementation that works best for their networks).

17 MyWay is the sole public transport service in Timaru. ECAN has informed officials that:

17.1 For under 13s: it will not implement free fares

17.2 For 13–18-year-olds: it will not implement half price fares

17.3 For under 19–25-year-olds (existing adult fares): it can implement a 40 percent fare reduction given ticketing system limitations.

18 ECAN is seeking confirmation that the Crown will fund the 40 percent fare reduction. While Government has not signalled whether Community Connect funding is limited to provision of a 50 percent discount, we have assumed this is the preferred approach for permanent implementation options. We consider this is an acceptable interim solution as ECAN works to find a permanent ticketing system solution that offers the 50 percent discount. We do not have an expected timeframe for this solution but anticipate this interim proposal could be in place for six months to one year.⁴ Officials will engage with ECAN as the work progresses and can keep you updated.

⁴ ECAN will transition to the National Ticketing Solution from 1 July 2024.

- 19 ECAN has also signalled that applying the Community Connect concessions may increase demand beyond current capacity, which would increase operating costs. Minister Wood had previously confirmed that Crown funding would not be available to fund additional services and drivers. This funding should be sought through existing cost sharing processes through the National Land Transport Fund (NLTF).

We recommend providing interim funding to GWRC and ECAN, but note this may impact other PTAs

- 20 We note Nelson City Council (NCC) has proposed to self-fund an extension of universal half price fares until 1 August 2023. Although NCC is technically able to implement Community Connect from 1 July 2023, they are implementing a new bus route and fare changes on 1 August 2023. To minimise disruption and potential customer confusion, NCC is combining these changes and the implementation of Community Connect. ^{s 9(2)(j)}

PTAs seek confirmation on whether the Crown will fund the cost of smartcards

- 21 Government agreed to fund the cost of the first smartcard for CSC holders. This was intended to remove barriers to uptake of the concessions and public transport use in general, and to reduce the risk of conflict surrounding concession eligibility.
- 22 PTAs have sought clarification on whether the Crown funding will extend to providing free smartcards for under-25s and under-13s. The benefits of funding this are aligned with funding smartcards for CSC holders, but the Community Connect extensions pose some additional challenges.

23 ^{s 9(2)(k)}

- 24 We have estimated the cost of funding smartcards for under 25s at \$7.6m over four years, with the majority (\$4.5m) of this falling in 2023/24. Although Crown funding could be used to cover this cost, it would reduce total funding available to support implementation and reimbursement of fare revenue foregone for PTAs.

- 25 On balance, we recommend the Crown does not meet the cost of smartcards for the Community Connect extensions ^{s 9(2)(j)}

Table 1: Proposed interim arrangements to deliver Community Connect

	Free under 13	Half price under 25	Interim start date	Smartcard use	Age verification	Comment
<p>Auckland Transport (AT)</p> <p>Note: this proposal will be considered by the council on Friday 23 June. We will advise of any changes.</p>	✓	✓	July 2023 Exact date TBC	<p>✓ Will require a smartcard. Community Connect will not apply to cash fares.</p>	<p>✓ AT will utilise established processes for students and are developing a broader approach to record date of birth. s 9(2)(k)</p>	<p>AT is proposing to use its existing age categories to deliver Community Connect in line with Government intentions. It will see:</p> <ul style="list-style-type: none"> Under 13s receiving free fares (AT currently fund free weekend travel for 5-12-year-olds. The Crown will now meet this cost, but we will recommend AT reinvests any savings into its public transport network) 13–15-year-olds receiving half price weekday travel and free weekend travel (the additional cost to deliver free weekend fares will be met by the council). 16–18-year-olds receiving half price child fares 19–24-year-olds receiving half adult fares. <p>AT's fallback position is to default to full price fares for under 25s and under 13s on 1 July 2023 if ticketing system changes cannot be made in time. s 9(2)(i)(v)</p>
<p>Regional Integrated Ticketing Scheme (RITS) councils</p>	✓	✓	1 July 2023	<p>Under 13s: smartcard use encouraged. When children board without a smartcard drivers will manually record boardings (aligned with PTA policy to not leave children behind).</p> <p>✓ 13 – 24-year-olds: smartcard required; discount will not apply to cash fares.</p>	<p>Passengers will be required to register their date of birth when applying for an age-based concession. s 9(2)(k)</p>	<p>The interim RITS approach aligns with Government intentions for Community Connect. The key difference is for under 13s – while smartcard use is encouraged, they may not used by all children.</p> <p>To encourage smartcard use, you could consider only funding boardings made with a smartcard. We recommend endorsing the RITS interim approach, as journeys will still be recorded (to support funding allocation). We will monitor trip numbers and can review this position if required. We will also continue to work with PTAs to explore a transition to permanent solution with enhanced age verification and mandated smartcard use.</p>
<p>Greater Wellington Regional Council (GWRC)</p>	<p>✗ Pay half price child fares</p> <p>✓</p>	<p>✓ Half price for all passengers</p> <p>✓</p>	<p>1 July 2023</p> <p>1 August 2023</p>	<p>✓ Will require a smartcard. Community Connect will not apply to cash fares.</p>	<p>Existing students eligible.</p> <p>Passengers will be required to register their date of birth when applying for an age-based concession. s 9(2)(k)</p>	<p>Paragraphs 9 – 12 covered the GWRC interim solution, which is summarised again. Councillors passed a motion to extend universal half price fares on 22 June 2023. This would be an interim measure until the end of July to enable sufficient time to progress the required IT system changes to implement Community Connect.</p> <p>GWRC has requested \$2 million Government funding to extend half price fares until the end of July. We do not recommend Crown funds this request as it does not align with the intent of Community Connect (to provide targeted assistance), would create regional variation that may be considered inequitable by PTAs and public transport users, and falls outside the scope of the appropriation (as adult fares would be funded). If Government funding is not provided, GWRC has indicated it is able to self-fund this proposal.</p> <p>Government could consider providing some Crown funding to meet costs associated with half price fares for existing child concessions and a proportion of tertiary verified users (approximately 50% of tertiary students under 25).</p>
<p>Environment Canterbury (ECAN)</p> <p>Note: this proposal will be considered by the council on Wednesday 21 June. We will advise of any changes.</p>	<p>✗ Half price fares until August 2023.</p> <p>✓</p>	<p>✓ Half price fares but there will be variability in discount level the user experiences.</p>	<p>1 July 2023</p> <p>August 2023, exact date TBC</p>	<p>Will require a smartcard. Community Connect will not apply to cash fares.</p>	<p>Passengers will be required to register their date of birth when applying for an age-based concession. s 9(2)(k)</p>	<p>The ECAN interim solution broadly aligns with the intention underpinning Community Connect. There are two key differences: the fare structure has changed following Budget announcements and it cannot implement free fares until August 2023.</p> <p>On 8 June 2023 ECAN announced a fare trial to simplify all fares to \$2. The interim solution would see CSC holders, and 5– 24-year-olds receive a 50% discount off the new fare (\$1). This approach will result in cheaper fares for most users when compared to the fares from 17 May 2023. However, children (13 -18 years old) who travel in zone 1 (which covers most of the metro area) will see a small fare increase. As of 17 May 2023 (pre-Budget announcements and not inclusive of universal half price fares), these users paid \$1:50 under the old fare structure. Their fares would have reduced to \$0.75 cents (50 percent reduction). Under the new fare structure, single zone travel will cost \$1.00. Although this is a small increase of \$0.25 cents, children who travel more than one zone will experience higher savings. ECAN's proposed fare changes are broadly in line with Government's desires for public transport (simplifying and reducing fares) and intent of Community Connect.</p> <p>As noted in paragraphs 13-15, ECAN has proposed to offer half-price fares for 5 – 24-year-olds until August 2023, when free fares for under 13s can be introduced. ECAN is seeking Crown funding for this interim solution. As it is time bound (i.e., one month) and aligns with the policy intent of Community Connect (to provide reduced fares for targeted groups), we recommend Crown funding is provided.</p>

ANNEX TWO – COMMUNITY CONNECT APPROPRIATION BREAKDOWN

1. **Table Two** outlines the overall appropriation for Community Connect extensions in Budget 2023. The appropriation for the under 25- and under 13-year-old-users scheme includes reasonable PTA administration costs, as indicated below. Officials initially budgeted for additional smart card distribution. As discussed at paragraphs 21-25, we no longer recommend this approach.

Table 2: Budget 2023 appropriation breakdown (extensions only)

Appropriation (\$million)	2022/23	2023/24	2024/25	2025/26	2026/27 and outyears	Total
Under-25-year-old Users Scheme and Under 13-year-old Users Scheme (Total)		\$57.00	\$60.00	\$60.00	\$62.00	\$239.00
Fare revenue foregone for free fares for 5-12		\$20.000	\$21.000	\$21.000	\$22.000	\$84.000
Fare revenue foregone for half price fares 13-17		\$19.000	\$20.000	\$20.000	\$20.000	\$79.000
Fare revenue foregone for half price fares 18-24		\$18.000	\$19.000	\$19.000	\$20.000	\$76.000
PTA Administration Costs		\$12.72	\$5.30	\$5.30	\$5.30	\$28.63
PTA Administration Cost -Ticketing system changes and ongoing maintenance		\$3.866	\$0.568	\$0.568	\$0.568	\$5.570
PTA Administration Cost -Card distribution		\$4.560	\$1.011	\$1.011	\$1.011	\$7.593
PTA Administration Cost - Communications and marketing		\$0.525	\$0.525	\$0.525	\$0.525	\$2.100
PTA Administration Cost -Resourcing and customer support		\$2.750	\$3.199	\$3.199	\$3.199	\$12.347
PTA Administration Cost -Project management		\$1.020				\$1.020
Waka Kotahi administration costs		\$1.660	\$1.680	\$1.720	\$1.720	\$6.780
Total Mobility Scheme (fare revenue foregone)		\$12.000	\$12.000	\$12.000	\$12.000	\$48.00
Total Mobility Scheme Local Share Funding Shortfall	\$1.000	\$1.000				\$2.00
Total	\$1.000	\$84.38	\$78.98	\$79.02	\$81.02	\$324.41

IN CONFIDENCE

ANNEX THREE – GWRC LETTER TO MINISTER MCANULTY

RELEASED UNDER THE
OFFICIAL INFORMATION ACT 1982

15 June 2023

File Ref: EXTREL-893300156-5492

Hon Kieran McAnulty
Acting Minister of Transport
Parliament Buildings
Wellington

Tēna koe Minister

Budget 2023 - Expanding the Community Connect Initiative

Greater Wellington Regional Council fully supports the recent announcement regarding expanding the Community Connect Initiative.

As you may be aware, Greater Wellington faces a significant challenge in the implementation of this initiative; specifically in respect of the age-registration/identity verification associated with two groups: 17–25-year-olds who are not in secondary or tertiary education; and 5 to 12 year-olds. This was signalled to Waka Kotahi well in advance of Budget 2023.

To enable Greater Wellington to provide fare subsidies from 1 July 2023, we ask that you consider a flexible approach to the use of implementation funding to support interim fare arrangements ahead of our full deployment of the initiative from later in Q3 2023.

Between 1 July 2023 and the completion of an age verification portal, Greater Wellington will look to continue half price fares until mechanisms are in place to offer free fares for under-13s, and half-price fares for 17–25-year-olds who are not in secondary or tertiary education. We seek a Crown contribution of \$2million per month to support these transitional arrangements.

Greater Wellington will use best endeavours to implement the new fares concessions as soon as possible.

Ngā mihi



Daran Ponter

Chair
Greater Wellington

CC:
Rt Hon Chris Hipkins, Prime Minister

Hon Grant Robertson, Minister of Finance

Hon Ginny Andersen, MP Hutt South

RELEASED UNDER THE
OFFICIAL INFORMATION ACT 1982

26 June 2023

OC230564

Hon David Parker
Minister of Transport

Action required by:
Wednesday, 5 July 2023

LAND TRANSPORT (ROAD SAFETY) AMENDMENT BILL IMPLEMENTATION – APPROVED VEHICLE SURVEILLANCE EQUIPMENT NOTICES

Purpose

- To seek your agreement to the use of three new camera systems as Approved Vehicle Surveillance Equipment (AVSE), on the condition that the Land Transport (Road Safety) Amendment Bill 2023 (Road Safety Bill) receives Royal Assent and enables the use of average speed cameras.

Key points

- The Road to Zero strategy provides for the expansion of the camera network through the introduction of new safety camera technology, including average speed cameras, and the transfer of the network from New Zealand Police (NZ Police) to Waka Kotahi New Zealand Transport Agency (Waka Kotahi).
- The Road Safety Bill will amend the *Land Transport Act 1998* (LTA) to allow for the use of average speed cameras.
- International evidence demonstrates that average speed cameras, which calculate average speed based on two points, rather than speed at a single point, are one of the most effective and cost-efficient means of reducing excessive speeds.
- However, for the new camera systems (including the new average speed cameras) to be used, approval must be gazetted by the Minister of Transport or the Minister of Police in the form of an AVSE notice. There are currently seven of these notices for other types of camera systems in effect. This process does not require Cabinet agreement.
- Waka Kotahi, with the support of NZ Police, has tested three types of camera systems. Waka Kotahi has determined that they are sufficiently reliable and accurate for your approval. The testing reports are attached at **Annex One**.
- In addition, Waka Kotahi seeks amendments to two existing notices to take over the camera network from NZ Police and to enable the use of auxiliary cameras with an existing system. NZ Police have notified us that a further four notices are obsolete

and can be revoked. The other remaining notice will continue in effect without amendment.

- If you agree, the Parliamentary Counsel Office (PCO) will draft notices for your signature. We will provide these notices to you in a subsequent briefing, once the Road Safety Bill has received Royal Assent. Once signed, the notices will come into force 28 days later.

Recommendations

We recommend you:

- 1 **approve** the following as new vehicle surveillance equipment, on the condition that the Land Transport (Road Safety) Amendment Bill 2023 receives Royal Assent and enables the use of average speed cameras:
 - Redflex Halo 2 red light and speed camera system Yes / No
 - Redflex Halo 2 speed and average speed camera system
 - Redflex Halo Distributed speed and average speed camera system
- 2 **agree** to amend the Land Transport (Approved Vehicle Surveillance Equipment) Notice 2015 and the Land Transport (Approved Vehicle Surveillance Equipment) Notice 2021 to enable the handover of the network to Waka Kotahi Yes / No
- 3 **agree** to amend the Land Transport (Approved Vehicle Surveillance Equipment) Notice 2021 to allow the addition of an auxiliary camera to allow capture of the rear of vehicles, such as trailers and motorcycles Yes / No
- 4 **agree** to revoke the following obsolete notices:
 - Transport (Approved Vehicle Surveillance Equipment) Notice 1994
 - Land Transport (Approved Vehicle Surveillance Equipment) Notice (No 2) 2008 Yes / No
 - Land Transport (Approved Vehicle Surveillance Equipment) Notice 2008
 - Land Transport (Approved Vehicle Surveillance Equipment) Notice 2013
- 5 **instruct** the Parliamentary Counsel Office to draft Approved Vehicle Surveillance Equipment notices to give effect to the above policy. Yes / No



Megan Moffet
Manager, Regulatory Policy

26 / 06 / 23

Hon David Parker
Minister of Transport

..... / /

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

Comments

Contacts

Name	Telephone	First contact
Megan Moffet, Manager, Regulatory Policy, Ministry of Transport	s 9(2)(a)	
Amber McGovern-Wilson, Principal Advisor, Regulatory Policy		
Andrew Challis, Senior Solicitor		For any legal queries

RELEASED UNDER THE OFFICIAL INFORMATION ACT 1982

LAND TRANSPORT (ROAD SAFETY) AMENDMENT BILL IMPLEMENTATION – APPROVED VEHICLE SURVEILLANCE EQUIPMENT

Background

- 1 Safety camera systems, namely speed and redlight safety camera systems, have been in use in New Zealand for over 20 years. These have largely been operated by NZ Police, although camera systems are in use by some local authorities, with infringements issued by NZ Police.
- 2 In order to be used, vehicle surveillance equipment must first be approved by the Minister of Transport or the Minister of Police by notice in the *New Zealand Gazette*. This is authorised through the definition of approved vehicle surveillance equipment (AVSE) in section 2(1) of the *Land Transport Act 1998* (LTA). There are currently seven AVSE notices in effect.
- 3 The Road to Zero, the Government's road safety strategy 2020-2030 provided for the expansion of the camera network through the introduction of average speed cameras, and the transfer of the current camera network from NZ Police to Waka Kotahi.
- 4 The Land Transport (Road Safety) Amendment Bill (Road Safety Bill) will make changes to the LTA to allow for average speed cameras. However, an AVSE notice is still necessary to authorise the use of specific types of camera systems.

The Road Safety Bill will allow for the use of average speed cameras...

- 5 Average speed cameras rely on two images, each with a time stamp, and a formula for calculating speed travelled over the distance between the two points, typically at least two kilometres apart. This contrasts with traditional speed and red-light safety cameras, which capture an image and record speed at a single location.
- 6 International evidence demonstrates that average speed cameras are one of the most effective and cost-efficient means of reducing speeds as well as reducing emissions. Recent trials undertaken by Auckland Transport detected an average of 1,500 offences per day. The introduction of this technology will be an effective tool in reducing travel speeds on New Zealand roads.
- 7 The Road Safety Bill incorporates average speed camera offence detection and evidentiary requirements to support the current safety camera network. It does this by creating new provisions in the LTA to clarify the enforcement of average speed camera offences.
- 8 These provisions are complementary to those for speed offences captured by fixed safety cameras but focus on the new issues raised by the introduction of average speed safety cameras. In particular, the Road Safety Bill:
 - 8.1 amends section 145(1) of the LTA to clarify, for the purposes of a moving vehicle offence, multiple images will be used to enforce average speed

offences, and for the way the evidence is collected, to cater for how the new cameras will operate

- 8.2 introduces a clear definition of 'average speed' as it pertains to a corridor with a single or multiple speed limits
 - 8.3 introduces limits on challenging evidence from average speed cameras in relation to speed, distance and elapsed time. These limits are justified by provisions that require accurate and assured measurement, calibration, or certification of the key functions of the cameras and associated systems.
- 9 Further to this, the LTA clarifies that a licensed surveyor's certificate will be admissible as evidence to confirm the distance between the two cameras.
- 10 Members of the public will have the same options available to them to raise complaints or challenge offences detected by average speed cameras as they do for fixed safety cameras currently, including submitting information for the enforcement authority to consider, challenging the offence in court or making written submissions to the judge. However, the enforcement authority will be Waka Kotahi NZ Transport Agency (Waka Kotahi), rather than NZ Police.

...but an AVSE notice is necessary to approve new camera systems

- 11 The Minister of Transport or Minister of Police must issue an AVSE notice under s2(1) of the LTA before a new camera system can be operated.
- 12 As part of the Road to Zero, Waka Kotahi is seeking to use several new camera systems, including one average speed system. With the support of NZ Police, Waka Kotahi has conducted comprehensive field testing on the Redflex Halo 2 and Halo Distributed camera systems to establish their reliability and accuracy prior to your approval via the *New Zealand Gazette* as AVSE.
- 13 The testing programme undertaken included extensive functional, environmental and accuracy tests, to cover the proposed camera deployment situations. Hundreds of field tests were conducted on these camera systems. During these tests the camera systems operated correctly and did not produce any erroneous readings or exposures that did not relate to valid, actual or simulated offences. The testing report is attached at **Annex One**.
- 14 In addition, the independent verification organisation, the Measurement Standards Laboratory (MSL) reviewed the Gazette testing plan and also attended and observed the testing at Masterton. MSL was satisfied that the process followed captured the necessary variables providing reliable results to verify vehicle speeds delivered by the camera system.
- 15 Testing demonstrates that these systems are suitable for use in New Zealand as they are both reliable and accurate. During testing, the camera unit and associated equipment performed accurately and did not produce any false readings.
- 16 On this basis, Waka Kotahi recommends that you approve, by notice in the *New Zealand Gazette*, the following Redflex safety camera systems as a type of AVSE.

- 16.1 Redflex Halo 2 red light and speed camera system
- 16.2 Redflex Halo 2 speed and average speed camera system
- 16.3 Redflex Halo Distributed speed and average speed camera system

We also seek several other changes to AVSE notices

Several existing camera systems can only be used by NZ Police

- 17 The *Land Transport (Approved Vehicle Surveillance Equipment) Notice 2015*, which authorises the use of the REDFLEX red-radar NK7 red light/speed camera system, includes references which limit access to the data to NZ Police only. This means that only NZ Police can issue infringement notices. The *Land Transport (Approved Vehicle Surveillance Equipment) Notice 2021* (the 2021 notice), which authorises the REDFLEX speed radar NK7 speed camera system (NK 7 camera system) has the same issue.
- 18 These two notices need to be amended so that Waka Kotahi can also access the data produced by these cameras to issue infringement notices, after these have been transferred to Waka Kotahi.

Waka Kotahi seeks to use auxiliary cameras with one camera system to improve effectiveness

- 19 In addition, Waka Kotahi seeks an amendment to the 2021 notice that would allow for an auxiliary camera to be used as an attachment to the NK7 camera system. This would improve the utility of the NK7 camera system until such a time as they are replaced by the modern Halo cameras in the future. Waka Kotahi has sought Crown law advice to support the drafting of these notices.
- 20 The NK7 system currently captures only the front of the vehicle, meaning that motorcycles (which only have rear-facing registration plates) cannot be identified by the system. Inclusion of an auxiliary camera would allow for the capture of the rear of the vehicle, enabling enforcement action against motorcycles and trailers that exceed the speed limit.
- 21 Waka Kotahi has also tested these auxiliary cameras to ensure that they capture the images correctly and do not interfere with the normal operation of the main camera or create any anomalous readings. Waka Kotahi considers them to be suitable for use.

Additional changes

- 22 NZ Police have also notified us that three of the existing seven notices authorise the use of camera systems that are no longer in use. These notices can therefore be revoked. A fourth notice has been replaced, and is also no longer in use.
- 23 The below table sets out the various notices and the proposed action with regard to each.

Notice	Comment
Transport (Approved Vehicle Surveillance Equipment) Notice 1994	No longer in use – can be revoked
Land Transport (Approved Vehicle Surveillance Equipment) Notice (No 2) 2008	No longer in use – can be revoked
Land Transport (Approved Vehicle Surveillance Equipment) Notice 2008	No longer in use – can be revoked
Land Transport (Approved Vehicle Surveillance Equipment) Notice 2013	Replaced by the Land Transport (Approved Vehicle Surveillance Equipment) Notice 2021 – can be revoked
Land Transport (Approved Vehicle Surveillance Equipment) Notice 2015	Requires amendment
Land Transport (Approved Vehicle Surveillance Equipment) Notice 2017	Will remain in force
Land Transport (Approved Vehicle Surveillance Equipment) Notice 2021	Requires amendment
New 2023 notice authorising the use of HALO camera systems	To be drafted

Next steps

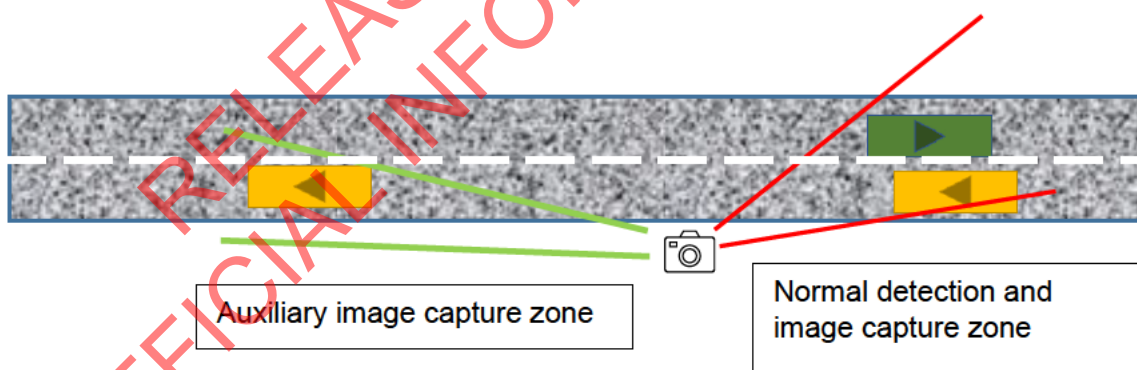
- 24 As Minister of Transport, you are able to approve the use of these camera systems. The approval of new camera systems is an operational function, not a significant policy issue, and does not need Cabinet agreement.¹
- 25 If you agree to the recommendations in this briefing, Parliamentary Counsel Office will draft the AVSE notices for your signature. We will provide these to you in a separate briefing once the Road Safety Bill has received Royal Assent. Once you sign the notices, they will be published in the *New Zealand Gazette*. The notices will then come into force 28 days after gazettal.
- 26 This will allow Waka Kotahi to begin using the new Halo cameras, including the average speed cameras, from late 2023 and start the transfer of existing NZ Police cameras from June 2024.

¹ See Cabinet Manual paragraphs 5.11 – 5.13.

Annex One: Redflex Halo Safety Camera Gazette Testing Report

Redflex NK7 Sidefire Spot Speed camera – Auxiliary Camera Testing

- 1 The Redflex NK7 static safety camera system has been deployed in New Zealand for nearly ten years.
- 2 This camera system comprises a dual radar and camera that allows monitoring of traffic travelling both towards and away from the camera, taking images of vehicles exceeding prescribed speed thresholds.
- 3 The camera faces the same way as the radar, as per the zone between the red lines in the image below.
- 4 When motorcycles approach the camera travelling above the threshold speed, the camera only captures the front of the vehicle, which does not have a registration plate attached.
- 5 This allows impunity from camera-based detection in this circumstance.
- 6 To allow enforcement of offences committed by approaching motorcyclists a photograph of the rear of the vehicle, capturing the registration plate, is required.
- 7 Redflex have developed an auxiliary camera system which allows capture of the rear of a vehicle as it passes the camera. (green lines in the diagram below).
- 8 The auxiliary camera is triggered based on the measured speed of the motorcycle as captured as it approaches the camera. The usual approach image is taken, along with the auxiliary image once the vehicle is in the position determined by the camera system.



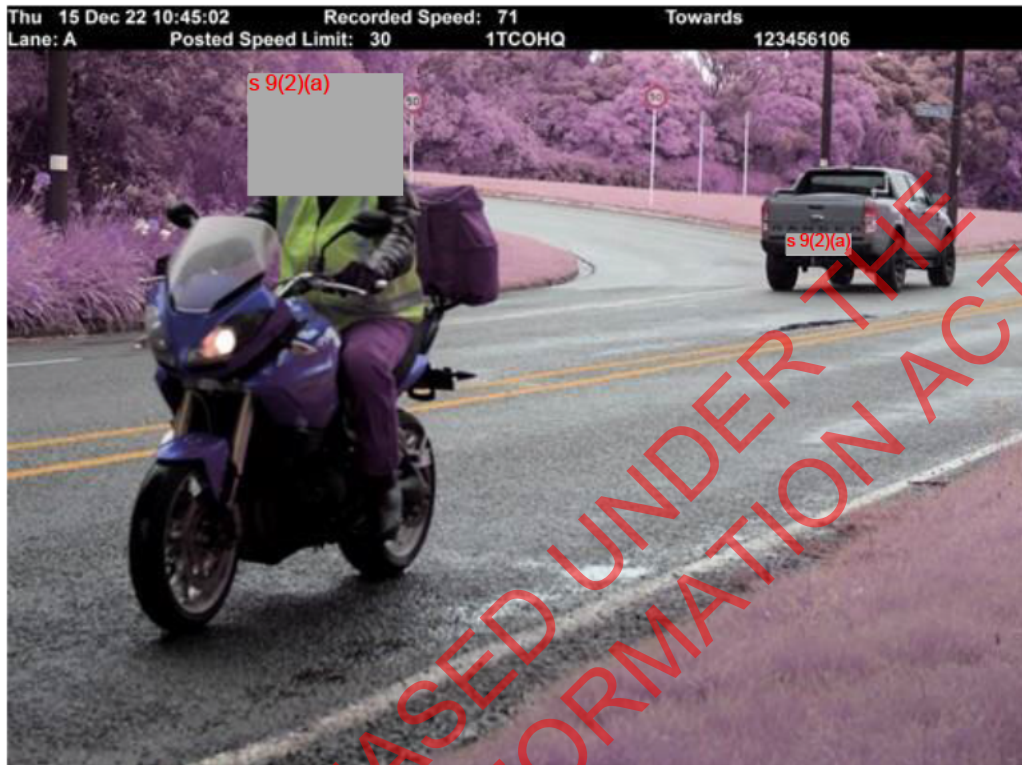
- 9 The auxiliary camera allows registration plate capture of vehicles not fitted with front registration plates.

Testing of the auxiliary camera system

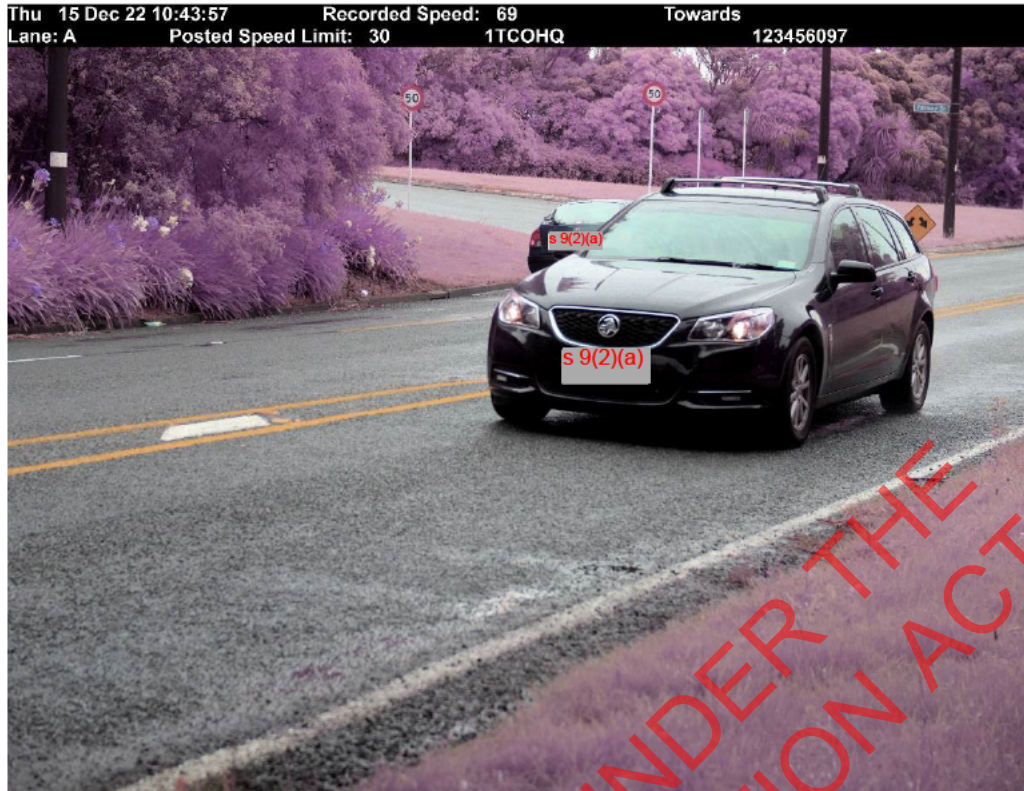
- 10 Physical testing of the auxiliary camera system was carried out on 15 December 2022.
- 11 The camera system was set up as per normal roadside deployment requirements, and the auxiliary camera aligned to capture images of vehicles that had travelled past the camera system.

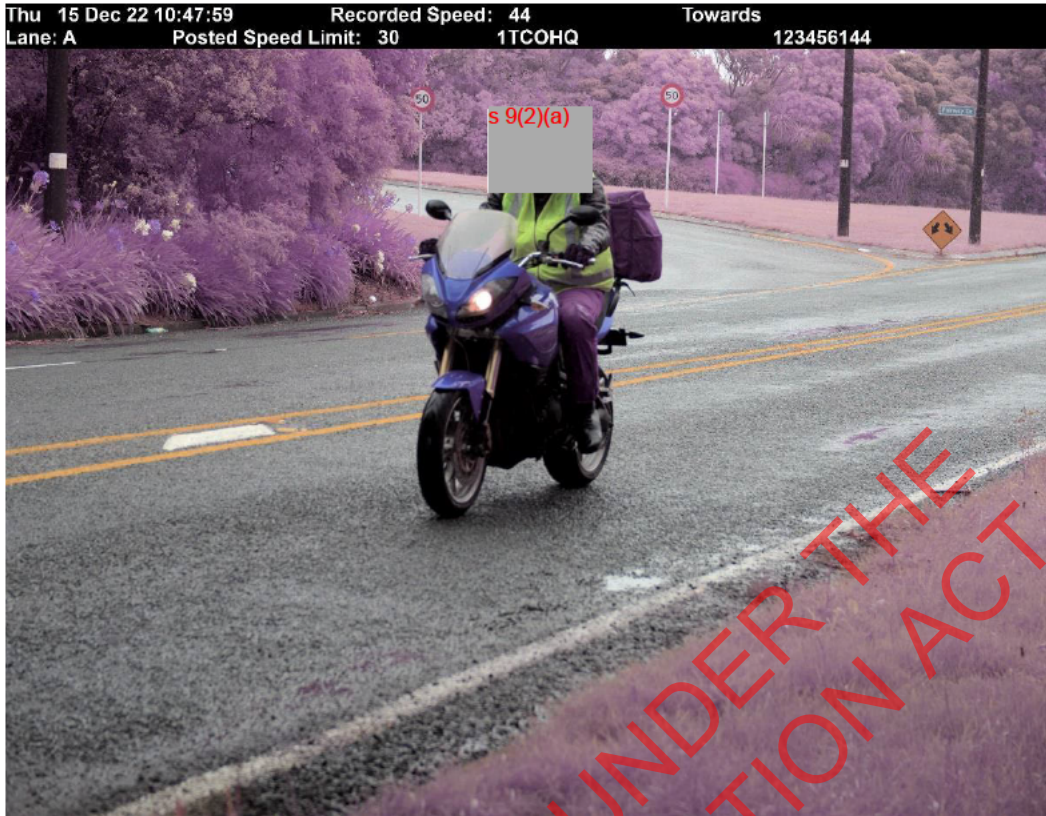
- 12 Control vehicles were driven towards the camera system and images captured as per the samples below. All receding vehicles generated the auxiliary image correctly.
- 13 The auxiliary system performed as required capturing rearward images of vehicles approaching the camera system. Vehicles travelling away from the camera system were ignored by the auxiliary camera – noting that receding vehicles are captured from behind, so an auxiliary image is not required.

Sample images from testing



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OFFICIAL INFORMATION ACT 1982

27 June 2023

OC230451

Hon David Parker**Minister of Transport**

CHANGES TO MINISTERIAL DIRECTIONS FOR CLEAN CAR UPGRADE, SOCIAL LEASING, AND CLEAN CAR DISCOUNT PROGRAMMES

Purpose

Seeking your agreement to:

- amend a Ministerial Direction to allow Waka Kotahi to give effect to recent Cabinet decisions on the Clean Vehicle Discount Scheme (the Discount)
- revoke Ministerial Directions to Waka Kotahi regarding the Trial Clean Car Upgrade and Trial Social Leasing Scheme as these Directions are no longer needed
- write to Waka Kotahi to inform them of the proposed changes.

Key points

- On 11 April 2023, Cabinet agreed to adjust rebates and charges for the Discount in response to the high uptake. Budget 2023 also provided \$100 million additional funding for 2022/23 to enable rebates to continue without funding running out.
- As the Discount is subject to the Clean Vehicle Discount Scheme – Funding Deed (the Funding Deed), we have attached a letter for you to send to Waka Kotahi that confirms the additional funding is provided within the terms of the Funding Deed.
- The *Direction to New Zealand Transport Agency: Administration of Clean Vehicle Discount Scheme Rebates (Section 103 of the Crown Entities Act) 2022* (the Direction) sets out Ministerial expectations on Waka Kotahi in its administration of the Discount. The attached letter informs Waka Kotahi of the new rebate amounts.
- A section 115(3) Crown Entities Act 2004 amendment to the Direction is also needed, as the eligibility criteria for the Discount's rebates was changed by Cabinet. We have attached a draft Amendment to the Direction for your consideration.
- On 13 March 2023, Cabinet agreed to stop work on the trials for the Clean Car Upgrade and the Social Leasing Scheme. This means that two relevant Directions to Waka Kotahi are no longer needed. We have attached draft Revocation Notices for these Directions for your consideration.

- The attached letter to Waka Kotahi Chair, Dr Paul Reynolds, informs him of the issuance of the Amendment to the Direction, the revocation of the Clean Car Upgrade and Social Leasing Scheme directions, the regulatory changes to the levels and charges of the Discount, and the increased Maximum Grant Amount defined in the Funding Deed.

Recommendations

We recommend you:

- | | | |
|---|---|----------|
| 1 | agree to issue an Amendment to the Direction to New Zealand Transport Agency: Administration of Clean Vehicle Discount Scheme Rebates (Section 103 of the Crown Entities Act) 2022 (Amendment to the Direction) under section 115(3) of the Crown Entities Act 2004 | Yes / No |
| 2 | note that the Amendment to the Direction will give effect to the government policy agreed by Cabinet on 11 April 2023 (CAB-23-MIN-0126 refers) | |
| 3 | sign the enclosed Amendment to the Direction | Yes / No |
| 4 | agree to revoke the existing New Zealand Transport Agency (Trial Clean Car Upgrade) Direction 2022 (Trial Clean Car Upgrade Direction) to give effect to Cabinet's decision on 13 March 2023 | Yes / No |
| 5 | sign the enclosed Revocation Notice for the New Zealand Transport Agency (Trial Clean Car Upgrade) Direction 2022 | Yes / No |
| 6 | agree to revoke the existing New Zealand Transport Agency (Trial Social Leasing Scheme) Direction 2022 (Trial Social Leasing Scheme Direction) to give effect to Cabinet's decision on 13 March 2023 | Yes / No |
| 7 | sign the enclosed Revocation Notice for the New Zealand Transport Agency (Trial Social Leasing Scheme) Direction 2022 | Yes / No |
| 8 | sign the enclosed letter to the Chair of Waka Kotahi informing Waka Kotahi of the issuance of the Amendment to the Direction, the revocation of the Trial Clean Car Upgrade and Trial Social Leasing Scheme Directions, the regulatory changes to the levels and charges of the Discount, and written agreement of the changes to the Maximum Grant Amount in the Clean Vehicle Discount Scheme – Funding Deed | Yes / No |

- 9 **authorise** the Ministry of Transport to publish a copy of the Amendment to the Direction in *the New Zealand Gazette* and arrange presentation of a copy of the Amendment to the Direction to the House of Representatives on your behalf, and to publish a copy of the Revocation Notice for the Trial Clean Car Upgrade Direction and Trial Social Leasing Scheme Direction 2022 in the *New Zealand Gazette* Yes / No



Matt Skinner
**Manager Environment and Emissions
 Policy Design**
 27 / 06 / 2023

Hon David Parker
Minister of Transport
 / /

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

Comments

Contacts

Name	Telephone	First contact
Matt Skinner, Manager Environment and Emissions Policy Design	s 9(2)(a)	✓
Sydney Van Nortwick, Advisor Environment and Emissions Strategy		
Phoebe Moir, Legal Advisor		

CHANGES TO MINISTERIAL DIRECTIONS FOR CLEAN CAR UPGRADE, SOCIAL LEASING, AND CLEAN CAR DISCOUNT PROGRAMMES

The Ministerial Direction to Waka Kotahi to administer the Clean Vehicle Discount requires updating

Background

- 1 The Clean Vehicle Discount (the Discount) aims to be a financially neutral programme, where people who buy low-emitting vehicles are eligible for a rebate, funded by charges imposed on those who buy high-emitting vehicles. This encourages the demand for low- and zero-emission vehicles in New Zealand and discourages the purchase of high-emission vehicles.
- 2 The Discount came into effect in two stages. Electric vehicles and plug-in hybrid vehicles received rebates from 1 July 2021. From 1 April 2022 charges came into place for high-emissions vehicles, along with rebates for a broader selection of low-emission vehicles (i.e. hybrids and very low emission petrol and diesel vehicles).
- 3 The Crown provided \$301.8 million to support the payment of rebates through the first stage of the Discount, and to act as a buffer in future if charges were not sufficient to fund the rebates claimed.
- 4 Waka Kotahi uses funding available through the Discount in accordance with the process recorded in the Clean Vehicle Discount Scheme – Funding Deed (the Funding Deed), between the Crown and Waka Kotahi. The Funding Deed sets Maximum Grant Amount, which is the amount agreed in writing between the Crown and Waka Kotahi.
- 5 Waka Kotahi is required to administer the Discount in accordance with the [Direction to New Zealand Transport Agency: Administration of Clean Vehicle Discount Scheme Rebates \(Section 103 of the Crown Entities Act\) 2022](#) (the Direction).

The Discount outperformed expectations and adjustments are needed

- 6 Uptake of zero and low emission vehicles eligible for rebates has exceeded expectations, reaching levels not forecast until 2027. This meant that the funding from high emission vehicles was insufficient to pay for the expense of issuing rebates. As a result, the initial funding for the policy was expected to be exhausted during 2023.
- 7 On 5 April 2023, the Cabinet Economic Development Committee (DEV) agreed to adjust rebates and charges in response to the high uptake of the Discount (DEV-23-MIN-0051 refers). This was affirmed by Cabinet on 11 April 2023 (CAB-23-MIN-0126 refers). Budget 2023 included \$100 million for 2022/23 for the Discount, to cover the forecast shortfall, while changes to the balance of rebates and charges take effect.
- 8 We and Waka Kotahi consider that the Funding Deed does not require updating to give effect to the changes. However, we have attached a letter for you to send to Dr Paul Reynolds, Chair of Waka Kotahi, outlining the addition of \$100 million to the Maximum Grant Amount as defined in the Funding Deed (Appendix One).

- 9 In addition, using the power to amend directions under section 115(3) of the Crown Entities Act 2004 (CEA), we propose you amend the Direction so that Waka Kotahi can administer the Discount in accordance with the latest agreed changes.

The proposed Amendment to the Direction includes core government policy decided by Cabinet

- 10 The proposed Amendment to the Direction includes the core government policy relating to issuing rebates as decided by Cabinet. This consists of:
- 10.1 focusing the Clean Car Discount's rebates on the lowest emission vehicles (all figures include GST), by:
- 10.1.1 lowering the emissions threshold for rebate eligibility from 146 grams of CO₂ per kilometre to 100 grams.
- 11 The amounts of each rebate were also amended as part of the recent changes. However, the Direction notes that the rebate for each eligible vehicle is the amount agreed by Cabinet from time to time, but does not include specific rebate amounts. Therefore, the Direction does not need to be amended to give effect to these.
- 12 Waka Kotahi has been successfully implementing this scheme since 1 July 2021 and we do not expect the amended direction to change how it administers rebates.
- 13 Appendix Two, which we recommend you sign and provide to Waka Kotahi, is notice of the proposed section 115(3) Amendment to the Direction.
- 14 Detail of the agreed changes to rebate amounts for eligible vehicles, and notification of the Amendment to the Direction is included in the attached letter (Appendix One).

Additional changes to the Discount have been made through regulatory changes

- 15 Cabinet also agreed on 11 April 2023 to reduce the need for additional Crown funding by increasing the level and coverage of high emission vehicle charges. This has been done through the Land Transport (Clean Vehicle Discount Scheme Charges) Amendment Regulations 2023, coming into force from 1 July 2023. This is therefore not included in the Amendment to the Direction, however the changes to charges are also noted in the attached letter (Appendix One).

Legislative authority

- 16 Section 103 of the CEA provides for a Minister to direct a Crown entity to give effect to government policy that relates to the entity's functions and objectives. Section 115(3) of the CEA allows a Minister to amend a direction in the same way that it may be given.
- 17 The objective of Waka Kotahi under section 94 of the Land Transport Management Act 2003 (LTMA) is to undertake its functions in a way that contributes to an effective, efficient, and safe land transport system in the public interest.

The Clean Vehicles Act assigns Waka Kotahi the function of administering the Discount

18 The Clean Vehicles Act received Royal Assent on 22 February 2022 and came into force on 23 February 2022. The Act inserted section 95(1)(ma) into the LTMA which gave Waka Kotahi the following function:

18.1 To administer the clean vehicle discount scheme funded under section 9(1E) and (1F) in accordance with this Act, the regulations made under section 167(1)(j) of the Land Transport Act 1998 for the purpose of section 167A of that Act, and any direction under section 103 of the CEA 2004.

The government policy in the amended direction relates to the administration of rebates under the Discount scheme and Waka Kotahi's objectives.

19 The Amendment to the Direction remains consistent with Waka Kotahi's objectives under section 94 of the LTMA because it increases the efficiency of light vehicles in the fleet, and serves the public interest by reducing greenhouse gas emissions.

20 It remains consistent with Waka Kotahi's functions under section 95, because it enables it to administer the Discount in accordance with the LTMA. In particular, the Amended Direction should enable Waka Kotahi to meet its requirements under section 95(1)(ma) and section 9(1)(E), which requires it to not incur expenses beyond revenue collected through charges under the Discount. The high uptake of low emission vehicles had meant the expenses of rebates issued to vehicle purchases was significantly greater than the revenue collected. The changes agreed by Cabinet and that would be in the Amendment to the Direction are expected to correct this, by reducing costs and increasing revenue.

21 Section 113 of the CEA states that you may not direct a Crown entity in relation to a statutorily independent function or require the performance or non-performance of a particular act in respect of a particular person or persons. The proposed Amendment to the Direction does not conflict with this section.

22 Waka Kotahi has been consulted on this Amendment to the Direction, which fulfils the requirement for you to consult the relevant entity under section 115(1) of the CEA.

23 Section 115 of the CEA requires you, as soon as practicable after giving this Amendment to the Direction, to publish it in the *Gazette* and present a copy of it to the House of Representatives. This will be arranged by officials following your signature of the Amendment to the Direction.

The Ministerial Directions for the trial Clean Car Upgrade and Social Leasing schemes should be revoked

24 The trial Clean Car Upgrade and Social Leasing Scheme programmes were aimed at helping an equitable transition to low-emissions vehicles and low-emission transport alternatives by providing New Zealanders on low- and moderate incomes with access to low- and zero-emission forms of transport.

25 On 14 October 2021 the Minister of Transport signed the New Zealand Transport Agency (Trial Clean Car Upgrade) Direction 2022 (Trial Clean Car Upgrade Direction)

pursuant to section 95(1)(t) of the LTMA and sections 112 and 115 of the CEA to give Waka Kotahi the function of establishing and administering the Clean Car Upgrade.

- 26 On 14 October 2021 the Minister of Transport signed the New Zealand Transport Agency (Trial Social Leasing Scheme) Direction 2022 (Trial Social Leasing Scheme Direction) pursuant to section 95(1)(t) of the LTMA and sections 112 and 115 of the CEA to give Waka Kotahi the function of establishing and administering the Social Leasing Scheme.
- 27 On 13 March 2023 Cabinet agreed to stop work on the Trial Clean Car Upgrade and Trial Social Leasing Scheme.
- 28 Section 115(3A) of the CEA allows you to revoke a Direction by Notice in writing to the entity and by publishing that Notice in the *Gazette*.
- 29 Two proposed Revocation Notices, which revoke the Trial Clean Car Upgrade Direction and Trial Social Leasing Scheme Direction are attached (Appendix Three), which we recommend you sign and provide to Waka Kotahi.
- 30 The attached letter informs Waka Kotahi of the Revocation of the Directions (Appendix One).

Next steps

- 31 The changes to the Discount are due to come into effect from 1 July 2023. While it would be best practice for you to sign the Amendment to the Direction by 30 June 2023 in order to formalise the decisions, Waka Kotahi is still able to progress with the changes to the Discount if that timing is not possible.
- 32 Subject to your approval, the Ministry will arrange for the publication of the notices in the *Gazette* on your behalf.
- 33 We will also continue to monitor the performance and funding position of the Discount, and will advise you in due course of the impact of the changes.

APPENDIX 1: DRAFT LETTER TO WAKA KOTAHI CHAIR

Dr Paul Reynolds
Chair
Waka Kotahi New Zealand Transport Agency

Dear Dr Paul Reynolds,

Funding for the Clean Vehicle Discount Scheme

As part of Budget 2023, Cabinet agreed to provide \$100 million additional funding in 2022/23 for the Clean Car Discount Scheme (the Discount).

Under the *Clean Vehicle Discount Scheme – Funding Deed* the Maximum Grant Amount for the Discount can be updated to “(b) such other amount agreed between Waka Kotahi and the Crown in writing from time to time”.

I request that you provide a response in writing to this letter agreeing to update the Maximum Grant Amount to \$401 800 000, which is updated to add the \$100 million agreed by Cabinet.

Amending Direction to New Zealand Transport Agency: Administration of Clean Vehicle Discount Scheme Rebates (Section 103 of the Crown Entities Act) 2022

This letter further informs you that I have amended the *Direction to New Zealand Transport Agency: Administration of Clean Vehicle Discount Scheme Rebates (Section 103 of the Crown Entities Act) 2022*¹ (the Direction) to give effect to recent changes in eligibility criteria as decided by Cabinet (DEV-23-MIN-0051 refers). Cabinet agreed that:

the emissions threshold for rebate eligibility would be lowered from 146 grams of CO₂ per kilometre to 100 grams.

Please find a copy of the amended Direction attached and note that officials from Waka Kotahi were consulted during the development of the policy and the drafting of the Amendment.

As required by the Crown Entities Act 2004, a copy of the amended section 103 Direction will be published in the *New Zealand Gazette* and presented to the House of Representatives as soon as practicable.

Notice of changes to rebate amounts under the Discount, as agreed by Cabinet

The Direction further allows for changes to the amount of Rebate for each eligible vehicle as agreed by Cabinet from time to time. I wish to inform you that on 5 April 2023, Cabinet agreed to the following (figures below include GST):

- reduce the rebate for new battery electric vehicles (BEVs) from \$8,625 to \$7,015;
- increase the rebate for used-import BEVs from \$3,450 to \$3,507.50;
- reduce the rebate for low-emission vehicles, including plug-in hybrid electric vehicles, by amending the existing rebate formula for:

¹ <https://gazette.govt.nz/notice/id/2022-go743>

- new vehicles to \$1,725 plus \$57.50 for every gram of CO₂ per kilometre below 100 grams, with a maximum rebate of \$4,025;
- used-imports to \$862.50 plus \$28.75 per gram of CO₂ per kilometre below 100 grams, with a maximum rebate of \$2,012.50;
- fix the rebate for a new or used-import disability vehicle, as defined by the Land Transport (Clean Vehicle Discount) Regulations 2022, at \$11,500 if it is a BEV, and \$5,750 if it is a plug-in electric vehicle (PHEV) or hybrid.

I request that Waka Kotahi implement the above changes to rebate amounts on vehicles registered from 1 July 2023. I note that Waka Kotahi has been successfully providing rebates since 1 July 2021, and this is contributing to New Zealand moving to a low carbon economy. I do not expect these changes to affect how Waka Kotahi administers rebates under the Discount.

Changes to the level and coverage of charges under the Discount have been made through regulatory changes

Accompanying the adjustments to rebates above, from 1 July 2023 the Land Transport (Clean Vehicle Discount Scheme Charges) Amendment Regulations 2023 will come into effect and will (prices include GST):

- widen the pool of vehicles subject to charges by lowering the emissions threshold from 192 grams of CO₂ per kilometre to 150 grams,
- increase the level of charges by amending the formulae:
 - for new vehicles, \$575 plus \$57.50 per gram above 150 grams;
 - for used-imports, \$287.50 plus \$28.75 per gram above 150 grams;
- increase the maximum cap on charges for vehicles with very high emissions from \$5,175 to \$6,900 for new and from \$2,875 to \$3,450 for used-imports.

I request that Waka Kotahi implement these changes to charge amounts on vehicles registered from 1 July 2023. I likewise note that Waka Kotahi has been successfully collecting charges since 1 April 2022 and I do not expect these changes to affect how Waka Kotahi administers charges under the Discount.

Revocation notices for the Clean Car Upgrade and Social Leasing Scheme trials.

I also attach Notices of Revocation of the *New Zealand Transport Agency (Clean Car Upgrade) Direction 2022* and the *New Zealand Transport Agency (Social Leasing Scheme) Direction 2022*. These Directions, which the Minister of Transport signed on 14 October 2022, assigned Waka Kotahi with the additional function of administering trials of the Clean Car Upgrade and Social Leasing Scheme. On 13 March 2023 Cabinet agreed to stop work on the trial Clean Car Upgrade and Social Leasing Scheme. Accordingly, these Directions are no longer required.

In accordance with section 115(3A) of the Crown Entities Act 2004, I will publish the attached Notices of Revocation in the *Gazette* as soon as practicable.

Yours sincerely

Hon David Parker
Minister of Transport

APPENDIX 2

Amendment to Direction to New Zealand Transport Agency: Administration of Clean Vehicle Discount Scheme Rebates (Section 103 of the Crown Entities Act)

Pursuant to section 115(3) of the Crown Entities Act 2004:

1. The [Direction dated 3 March 2022](#) (the Direction) is amended by inserting the red and underlined text into the definition of **Eligible vehicle**:

c. from 1 April 2022 to 30 June 2023, a vehicle with between 0 and 146 grams of CO₂ emissions (inclusive) (based on grams CO₂/km WLTP-3P).

d. from 1 July 2023, a vehicle with between 0 and 100 grams of CO₂ emissions (inclusive) (based on grams CO₂/km WLTP-3P).

2. All other parts of the Direction are unchanged and remain in effect.

Dated this XXth day of June 2023

Hon DAVID PARKER, Minister of Transport

RELEASED UNDER THE
OFFICIAL INFORMATION ACT 1982

APPENDIX 3

Revocation Notice: New Zealand Transport Agency (Trial Clean Car Upgrade Scheme) Direction 2022

In accordance with section 115(3A) of the Crown Entities Act 2004, this is notice of revocation of the [New Zealand Transport Agency \(Trial Clean Car Upgrade Scheme\) Direction 2022](#). This Direction, dated 14 October 2022, directed the New Zealand Transport Agency to carry out the additional function of establishing and administering the Trial Clean Car Upgrade.

Dated this XXth day of June 2023

Hon DAVID PARKER, Minister of Transport

RELEASED UNDER THE
OFFICIAL INFORMATION ACT 1982

Revocation Notice: New Zealand Transport Agency (Trial Social Leasing Scheme) Direction 2022

In accordance with section 115(3A) of the Crown Entities Act 2004, this is notice of revocation of the [New Zealand Transport Agency \(Trial Social Leasing Scheme\) Direction 2022](#). This Direction, dated 14 October 2022, directed the New Zealand Transport Agency to carry out the additional function of establishing and administering the Trial Social Leasing Scheme.

Dated this XXth day of June 2023

Hon DAVID PARKER, Minister of Transport

RELEASED UNDER THE
OFFICIAL INFORMATION ACT 1982

27 June 2023

OC230573

Hon David Parker**Minister of Transport****BRIEFING TO THE INCOMING MINISTER****Purpose**

This briefing provides you with the Briefing to the Incoming Minister (BIM) prepared by Te Manatū Waka, the Ministry of Transport (the Ministry).

Key points

- Congratulations on your appointment as the Minister of Transport. The Ministry has prepared a BIM to guide you through your transport portfolio.
- The BIM introduces you to the transport system and relevant transport agencies, and state-owned enterprises with interests in the system. The BIM also describes immediate and strategic issues facing the transport system.
- Further advice can be provided in accordance with your priority areas and any emerging issues that require advice.
- Officials are available to meet with you to discuss the work programme in more detail at your convenience.



Brent Johnson
Chief of Staff

27 / 06. / 2023.

Hon David Parker
Minister of Transport

..... / /

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

Comments

Contacts

Name	Telephone	First contact
Audrey Sonerson, Secretary for Transport	s 9(2)(a)	✓
Brent Johnston, Chief of Staff		
Donna Provoost, Manager, Strategy		
John Edwards, Principal Adviser, Strategy		

The attachment is refused under Section 18(d)

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OFFICIAL INFORMATION ACT 1982