



Cabinet

Minute of Decision

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Government Policy Statement on Land Transport 2018: Public Engagement

Portfolio **Transport**

On 3 April 2018, following reference from the Cabinet Economic Development Committee, Cabinet:

- 1 **noted** that the Government Policy Statement on Land Transport (the GPS) guides around \$5.5 billion of central and local government expenditure on land transport each year, and that a new GPS should be issued by 1 July 2018;
- 2 **noted** that a second stage GPS is likely to be developed to ensure policy direction is fully realised;
- 3 **noted** that the new GPS represents a shift in focus from the previous GPS, including a stronger focus on safety, access (key strategic priorities), the environment, and value for money (supporting strategic priorities);
- 4 **noted** that as a result in the shift in priorities, a rebalancing of investment in the transport portfolio is also proposed;
- 5 **noted** the contents of the draft GPS 2018, attached to the paper under CAB-18-SUB-0115, which includes the following key features that will guide land transport investment over 2018/19 to 2028/29:
 - 5.1 an overall strategic direction that carries four priorities of safety, access, environment, and value for money;
 - 5.2 national land transport objectives for a land transport system that:
 - 5.2.1 provides increased access to economic and social opportunities;
 - 5.2.2 enables transport choice and access;
 - 5.2.3 is resilient;
 - 5.2.4 is a safe system free of death and serious injury;
 - 5.2.5 increasingly minimises adverse effects on the climate, local environment, and public health;

- 5.2.6 delivers the right infrastructure and services to the right level at the best cost;
- 5.3 longer term results that the Crown expects to achieve through investment from the National Land Transport Fund, as set out in Table 1 of the paper under CAB-18-SUB-0115;
- 5.4 total funding currently available for allocation from the National Land Transport Fund (before any changes to fuel excise duty (FED) and road user charges (RUC) are considered), is projected to increase from around \$3.7 billion in 2018/19 to \$4.2 billion in 2027/28 based on forecasted levels of FED and RUC rates;
- 5.5 funding allocations to activity classes, that will enable:
- 5.5.1 delivery of priority projects including mass transit, improved public transport and increased focus on walking and cycling;
- 5.5.2 a renewed focus on road safety, regional improvements and local roads/maintenance;
- 5.5.3 a rebalanced focus on State highway improvements;
- 5.6 draft Ministerial expectations as to how the New Zealand Transport Agency gives effect to the GPS;
- 6 **noted** that the Minister of Transport is proposing FED and RUC increases to provide the level of revenue to support delivery of the government's priorities;
- 7 **invited** the Minister of Transport to report back to the Cabinet Economic Development Committee (DEV) on proposed increases in FED and RUC equivalent to 3-4 cents per litre per annum for three years (a total increase of the equivalent to 9-12 cents per litre), from 1 September 2018;
- 8 **agreed** that the proposed FED/RUC increases of 3-4 cents (or equivalent) per annum for three years be reflected in the draft GPS for engagement;
- 9 **noted** that in order for KiwiRail to receive National Land Transport Fund funding, it will need to be made an approved public organisation under the Land Transport Management Act 2003;
- 10 **agreed** to the release of the draft GPS 2018 for formal engagement;
- 11 **invited** the Minister of Transport to report back to DEV in June 2018, following stakeholder engagement, on the final form of GPS 2018.

Michael Webster
Secretary of the Cabinet

Hard-copy distribution:

Prime Minister
Deputy Prime Minister
Minister of Transport
Associate Minister of Transport (Hon Julie Anne Genter)