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FOREWORD: MINISTER OF TRANSPORT

As the lead agency in the transport sector the Ministry of Transport must set the vision and strategic direction for the future of transport in New Zealand.

Five years ago the government put in place the *New Zealand Transport Strategy* that described how an integrated transport sector should contribute to New Zealand's broader social, economic and environmental needs. It recognised that transport decisions impact every dimension of our lives – the economy, the way society functions and our environment – and stated, as an aspiration, that New Zealand should have 'an affordable, integrated, safe, responsive and sustainable transport system'.

In response to the government's growing concerns about climate change and focus on sustainability, it was important to re-examine this strategy and the transport sector to ensure a secure future for transport in New Zealand.

This year (2007/08) we will launch the updated *New Zealand Transport Strategy*. This revised strategy sets specific transport targets that align with those already decided by the government in the areas of sustainability, energy and climate change, as outlined in the *New Zealand Energy Strategy*.

Our vision for future transport is for it to be dynamic, sustainable and represent value for money for New Zealanders. Over time there will be more hybrid and electric vehicles. More people walking, cycling and using public transport. More freight will be carried, and increasingly by rail and sea. There will be lower CO₂ emissions owing to modal shifts, as well as increased fuel efficiency and new technology – including the widespread use of electric vehicles.

The 2007 *Next Steps Review of the Land Transport Sector* will mean a number of changes to the government land transport sector. These changes will improve the performance of the sector, by changing the land transport planning and funding system and creating a new transport Crown entity, to replace two existing ones.

As part of the *Next Steps* recommendations, the first *Government Policy Statement* (GPS) is being developed. The GPS, due for release in July 2008, is a three-yearly statement that will provide clearer direction from the government about the funding policy and priorities for the government land transport sector. Each new GPS will be informed through the development of a regular trends, issues and options paper.

Subject to the passage of the *Next Steps* legislation, the new Crown entity, the New Zealand Transport Agency, will be operational from 1 July 2008 and will be responsible for putting the GPS priorities into effect. The Ministry will lead this transition and ensure that the GPS principles are understood and put into action appropriately.

Positive changes are afoot in the area of coastal shipping with the release this year of the final domestic sea freight strategy *Sea Change*. Coastal shipping allows both cost savings and environmental benefits. The objective of this strategy is to promote a level playing field for coastal shipping in competing with other transport modes.

The government has recently ramped up investment in Auckland's transport infrastructure to ensure more effective movement of both people and freight. Since 1999, the government has invested more than \$3.2 billion in Auckland transport, with another \$1 billion of investment in 2007/08. Government investment has already led to improved state highways, and, in conjunction with local government, local roads and public transport. The current high levels of investment in Auckland's transport infrastructure are set to continue with a large programme of works planned and underway. The Ministry is continuing its involvement in the implementation of the Rail Development Plan in Auckland. A major area of work for the Ministry has been the design of regional fuel tax which will enable the Rail Development Plan to proceed.

The government is investigating the merit of Public Private Partnerships for major infrastructural projects. The first infrastructural project being considered is the section of the Western Ring Route in Waterview in Auckland. The investigation is being undertaken through a committee with an independent Chair and representatives of the business sector. The Ministry is making a significant contribution to the study.

Finally, on a topic close to my heart, the Ministry will continue work to ensure our roads are safer with a view to meeting a target of no more than 200 road deaths by 2040. A considerable part of our investment in land transport will deliver much safer roads, and work will also continue on initiatives that deal with drunk and drugged drivers, tougher rules for reckless drivers, strategies to combat fatigue, an improved driver licensing and driver education system and the introduction of reduced speed zones around schools.

In accordance with section 39 of the Public Finance Act 1989, I confirm that the information in this Statement of Intent is consistent with the policies and performance expectations of the government.



Hon Annette King
Minister of Transport

INTRODUCTION FROM THE CHIEF EXECUTIVE

The government is setting a clear direction for transport through the updated *New Zealand Transport Strategy* (NZTS), due out July this year. The Ministry must ensure that it achieves this vision through innovation and strong collaboration across the sector.

This Statement of Intent outlines how we will begin our journey toward this vision by focusing efforts not only on meeting our medium-term intentions but also on our broader transport targets.

The updated NZTS will operate within and recognise the government's key goals of economic transformation, national identity and families – young and old, under the wider sustainability agenda. It will inform both new strategies and the implementation and revision of existing transport strategies, such as those covering railways, state highways, walking and cycling and road safety. It will also influence regional strategic planning documents such as regional land transport strategies and regional growth strategies.

Critical to our economic well-being is the need to be able to move freight efficiently and economically. Freight in this country is predicted to double by 2020. It is essential therefore that we explore options now about how to reduce the adverse impacts of this growth. The government acknowledges that there are gaps in understanding of the freight sector in New Zealand and so the Ministry is undertaking a major nationwide freight study to help fill data gaps on the current and future movement of freight flows. The study is being undertaken jointly by us, the Ministry of Economic Development and Land Transport New Zealand. The collaboration on this study reflects the importance of freight to the government's transport and broader economic growth objectives.

The updated NZTS will set several freight targets in order to significantly lift coastal shipping and rail's share of longer distance domestic freight. *Sea Change* – the recently released domestic sea freight strategy – further develops the shipping target and proposes actions to remove the current barriers to industry growth.

Transport's contribution to greenhouse gas emissions is currently growing unsustainably. As part of its response to climate change, the government has introduced targets that will require far-reaching changes in transport choices. Key targets to combat this trend include that by 2040, we want:

- + to halve per capita domestic greenhouse gas transport emissions from 2007 levels
- + New Zealand to be one of the first countries in the world to widely deploy electric vehicles.

Strengthening the existing vehicle emission standards is one of a package of measures the government is introducing to improve the environment. The Land Transport Vehicle Exhaust Emissions Rule 2007 came into effect on 3 January 2008. The rule aims to improve air quality and therefore public health.

The *Next Steps Review of the Land Transport Sector* will mean major change in the sector, subject to the passage of legislation (the Land Transport Management Amendment Bill). We are drawing near to the inauguration of the new transport Crown entity, the New Zealand Transport Agency. This proposed agency would be fully operational in July and would work toward implementing the government land transport goals consistent with the updated NZTS and the first *Government Policy Statement*.

The passage of the *Next Steps* legislation would also include provisions to enable regional fuel tax. This tax would be used to provide new public transport infrastructure and new roading projects in regions. In the case of Auckland, where there has been considerable work on priorities, a regional fuel tax will most likely fund the electrification of the Auckland rail network, as well as fund a number of other projects that benefit the entire Auckland region.

In December 2007, the government released a package of new road safety measures. The changes introduced will target recidivist offenders and include more demerit points, but lower fines. The package also introduced measures to reduce the high number of young and novice drivers dying on our roads. This includes extending the minimum period that under 25-year-olds spend on a learner licence from six months to 12 months to allow for more supervised practise. We will be working through 2008/09 to implement this package, which will complement legislation already introduced to tackle the issues of drugged driving.

Development has begun on the new Road Safety Strategy to 2020. Our aim is to have the strategy in place by 2010. Preliminary work will begin around identifying the current nature of the road safety problem in New Zealand. An initial analysis shows that continual improvements to the three areas of vehicle safety, driver behaviour and road infrastructure are crucial to our success.

In accordance with section 39 of the Public Finance Act 1989, I confirm that the information in this Statement of Intent is consistent with the policies and performance expectations of the government.



Alan Thompson
Chief Executive
Ministry of Transport

NATURE AND SCOPE OF FUNCTIONS

The Ministry of Transport is the government's principal transport policy adviser. We provide strategic transport leadership, including overall direction and leadership for transport Crown entities and other relevant agencies. The Ministry works collaboratively across the sector, and in particular with Crown entities, to develop and deliver an integrated programme of action that will fulfil the vision and objectives of the updated *New Zealand Transport Strategy*.

The Ministry's vision is:
'Leading transport solutions for New Zealand'.

WHAT WE ARE PART OF

The New Zealand government transport sector includes: the Minister of Transport; the Minister for Transport Safety; the Associate Minister of Transport; the Ministry of Transport; six Crown agencies; three state-owned enterprises; and one Crown established trust. These agencies and their functions are explained in Table 2. Legislation to merge two of the Crown entities (Land Transport New Zealand and Transit New Zealand) into a new Crown entity (New Zealand Transport Agency) by 1 July 2008 is currently before Parliament.

OUR ROLE

The Ministry assists the Transport Ministers by developing legislation to be enacted by Parliament; drafting regulations and rules in association with the transport Crown entities; undertaking direction setting, for example the update of the *New Zealand Transport Strategy and the Government Policy Statement*; and representing New Zealand's transport interests internationally. It also works closely with ONTRACK, the agency responsible for the national rail network.

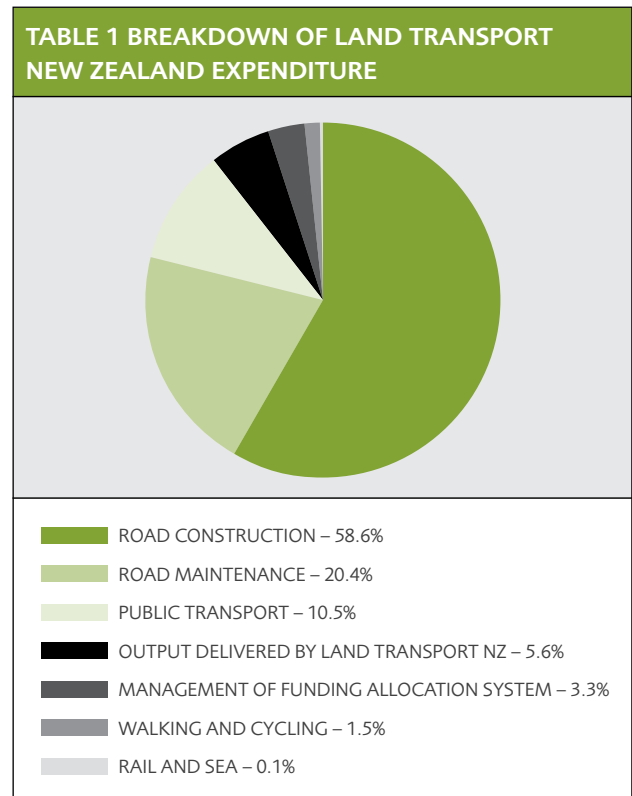
The Ministry acts as the agent for the Ministers of Transport in the government's relationship with the transport Crown entities. This includes recommending appointments to the entities' governing bodies; commenting on the entities' statement of intent documents; negotiating annual output agreements; monitoring the entities' performance; and advising the Ministers.

While the Ministry is primarily a policy and monitoring agency, it is responsible for some operational functions including:

- + contracting Land Transport New Zealand to operate the Motor Vehicle Register (MVR) and collect motor vehicle registration and licensing fees, road user charges and fuel excise duty
- + licensing all international airlines operating to and from New Zealand
- + managing the Milford Sound/Piopiotaahi Aerodrome
- + overseeing the Crown's interest in joint venture airports¹
- + administering a contract with the Meteorological Service of New Zealand Limited (MetService) for the provision of a public weather warning and forecast service.

TRANSPORT INVESTMENT

In 2008/09 nearly \$3 billion of funding is projected to be administered by the government transport sector. Table 3 (page 6) provides a summary of the revenue inflows by source and expenditure outflows for each entity. Land Transport New Zealand (Land Transport NZ) accounts for approximately 83 percent of this activity (2006/07). Table 1 shows a breakdown of this expenditure for a typical year.



1. Joint Venture Airports (JVAs) are airports operated by local authorities in partnership with the government.

TABLE 2

THE NEW ZEALAND GOVERNMENT TRANSPORT SECTOR

MINISTER OF TRANSPORT

MINISTER FOR TRANSPORT SAFETY / ASSOCIATE MINISTER OF TRANSPORT

MINISTRY OF TRANSPORT

Develops and provides transport policy advice for the government, develops legislation for Parliament to enact, drafts regulations and rules in association with the transport Crown entities, and represents New Zealand's transport interests internationally.

The Ministry also coordinates the work of the Crown entities, acting as an agent for the Minister of Transport.

BOARD		BOARD		BOARD		BOARD		BOARD	
AVIATION SECURITY SERVICE	CIVIL AVIATION AUTHORITY	TRANSPORT ACCIDENT INVESTIGATION COMMISSION	MARITIME NEW ZEALAND	TRANSIT NEW ZEALAND*	LAND TRANSPORT NEW ZEALAND*				
Provides aviation security services for international and domestic air operations, including airport security, passenger and baggage screening.	Establishes and monitors civil aviation safety and security standards, carries out air accident and incident investigations, and promotes aviation safety and personal security.	(Independent Crown entity) Investigates significant air, maritime and rail accidents and incidents to determine their cause and circumstances with a view to avoiding similar occurrences in future.	Promotes maritime safety, environmental protection and security through standard-setting, monitoring, education, compliance, safety services (navaids, radio) and oil pollution response.	Operates New Zealand's state highway network, including maintenance, construction, safety and traffic management. It has responsibility for state highway strategies and design guidelines, economic and environmental planning for state highways, technical standards and quality assurance systems.	Allocates and manages funding for land transport infrastructure and services through the National Land Transport Programme, including assistance to approved organisations. Manages access to the land transport system through driver and vehicle licensing, vehicle inspections, and rules development. Provides land transport safety and sustainability information and education. Supports tolling and charging policies and operations.				

THREE STATE-OWNED ENTERPRISES WITH TRANSPORT FUNCTIONS	CROWN ESTABLISHED TRUST	LOCAL GOVERNMENT	NEW ZEALAND POLICE
<p>Airways Corporation of New Zealand Limited – Provides air traffic management services and provides the Ministry with Milford Sound/Piopiotahi Aerodrome landing and take-off data.</p> <p>Meteorological Service of New Zealand Limited (MetService) – Provides public weather forecasting services and provides meteorological information for international air navigation under contract to the Civil Aviation Authority.</p> <p>ONTRACK – Manages Crown railway land and the national rail network. Legislation is currently before Parliament to transform ONTRACK into a Crown entity, similar to Transit New Zealand.</p>	<p>Road Safety Trust – Provides funding for road safety projects and research with revenue received from the sale of personalised vehicle registration plates.</p>	<p>The transport sector works closely with local government. Local authorities own, maintain and develop New Zealand's local road network and perform important regulatory transport functions. Regional councils (and unitary authorities) are required to develop regional land transport strategies that guide the transport decision-making of local councils, and also fund public transport and 'total mobility' schemes, in conjunction with Land Transport New Zealand. In the Auckland region, the Auckland Regional Transport Authority (ARTA) carries out these functions. Some local authorities own seaports and airports, or share ownership with the Crown.</p>	<p>Provides road policing (including speed enforcement, enforcement of alcohol laws, seatbelt enforcement, community roadwatch, commercial vehicle investigation and highway patrols) and maritime patrol units.</p>

* These two Crown entities are to merge into one, the New Zealand Transport Agency, pending legislation.

TABLE 3

TRANSPORT SECTOR REVENUE AND EXPENDITURE 2007/08 (see note 1)

CROWN REVENUE \$000	NATIONAL LAND TRANSPORT FUND \$000	OTHER REVENUE \$000	TOTAL REVENUE \$000	ENTITY	OUTFLOWS \$000	ALLOCATION
145	0	68,224	68,369	Aviation Security Service	74,747	100% Aviation Security Services
1,760	0	26,074	27,834	Civil Aviation Authority	28,048	10% Policy Advice, 90% Aviation Safety and Security Oversight and Enforcement
430,603	1,776,153	138,488	2,345,244	Land Transport New Zealand	2,335,800	Refer to separate pie chart (Table 1)
8,461	0	16,062	24,523	Maritime New Zealand	24,446	83% Maritime Regulation/Monitoring, 3% Marine Environment, 14% Search and Rescue
87,071	0	12,749	99,820	Ministry of Transport	99,820	65% Motor Vehicle Registration and Revenue, 34% Policy Advice, 1% Other
0	255,840	1,891	257,731	New Zealand Police	257,731	100% Road Safety
2,722	0	31	2,753	Transport Accident Investigation Commission	2,751	100% Transport Safety
530,762	2,031,993	263,519	2,826,274		2,823,343	
	1,171,900	38,240	1,210,140	Transit New Zealand*	1,507,390	30% Road Maintenance, 47% Road Construction, 7% Property Purchase, 2% Public Transport, 14% Other

* Transit is funded primarily by Land Transport NZ, so values have been excluded from the table to ensure no duplication.

Note 1: Figures are from published Statements of Intent for 2007-2010. Detailed figures for 2008/09 for each agency are yet to be finalised at time of print (May 2008).

MINISTERIAL PURCHASES FROM OTHER PARTIES

Appropriations in Vote Transport are also used to purchase a range of services and advice provided by the transport Crown entities and the MetService. These services and advice contribute to:

- + the development and maintenance of New Zealand's roading infrastructure
- + safe transport operations in the maritime, aviation and land sectors
- + public information on the weather
- + search and rescue services.

STRATEGIC DIRECTION

THE GOVERNMENT'S STRATEGIC DIRECTION

The government's broad vision is for a fairer, more prosperous, inclusive and sustainable New Zealand.² To support that vision the government has identified three priorities:

- + economic transformation
- + families – young and old
- + national identity.

In addition, measures to address the effects of climate change and make New Zealand a truly sustainable nation are a major focus. The New Zealand Energy Strategy (NZES), and the New Zealand Energy Efficiency and Conservation Strategy (NZECCS) include a number of targets for the reduction of greenhouse gas emissions from the transport sector.

The purpose of our transport system is to move people and freight into and out of New Zealand, around New Zealand, and within our cities and towns. This purpose, along with the government's vision and objectives for the transport system, are established in the updated *New Zealand Transport Strategy* (NZTS), and underpin the broad contribution that transport makes to all of the government's priorities.

THE NEW ZEALAND TRANSPORT STRATEGY – VISION AND OBJECTIVES

Vision: "By 2010 New Zealand will have an affordable, integrated, safe, responsive and sustainable transport system".³

Objectives for the transport system:

- + assisting economic development
- + improving access and mobility
- + assisting safety and personal security
- + protecting and promoting public health
- + ensuring environmental sustainability.

STRATEGIC ENVIRONMENT

There continues to be a number of significant challenges facing the transport sector. These include addressing sustainability and specifically climate change issues, Auckland's transport challenges, meeting the transport needs of an aging population, enhancing the movement of freight, transport funding, lowering the road toll and minimising aviation security risks.

The Ministry is leading a number of initiatives within the government's priority for 'economic transformation', through the sub-theme of 'world-class infrastructure – transport'. Expanding public transport in conjunction with demand management and completing the strategic roading network is important to reducing travel delays, especially in Auckland. Other work, including the Auckland Transport Strategic Alignment Project and Auckland Road Pricing Project will also contribute to Auckland becoming a truly world-class region, and the broader economic transformation agenda.

The Ministry contributes to 'Families – young and old' through increasing access and mobility through transport services. For example the *Getting there – on foot, by cycle Strategic Implementation Plan 2006-2009* outlines a plan to increase walking and cycling. We also contribute to the 'National identity' priority through our work to reduce the climate change effects of transport. The update of the NZTS includes actions that will give effect to the greenhouse gas emission reduction targets for transport contained in the NZES and the NZECCS.

2. Prime Minister's speech to Parliament 2008.

3. Vision stated in the 2002 *New Zealand Transport Strategy*. The updated Strategy is due for release in July 2008.

MINISTRY'S OUTCOMES AND IMPACTS

In 2006/07 an independent review of the land transport sector, *The Next Steps Review of the Land Transport Sector*, was undertaken under the leadership of the State Services Commission. This resulted in the development and introduction of the Land Transport Management Amendment Bill in 2007/08. This Bill was referred to the Transport and Industrial Relations Select Committee for consideration. This amendment to the Land Transport Management Act 2003 is aimed at making fundamental improvements to the way land transport investment is managed in New Zealand. The major changes (if the Bill is passed) are outlined below.

GOVERNMENT POLICY STATEMENT

The introduction of a *Government Policy Statement (GPS)*, will provide additional strategic guidance to the land transport sector. The GPS will ensure that national priorities such as preserving the state highway network and enhancing public transport services are maintained.

Under the new system there will be: a clear link between the updated *New Zealand Transport Strategy* and the National Land Transport Programme; funding allocations specified for each activity class; and specific funding policies.

ESTABLISHMENT OF THE NEW ZEALAND TRANSPORT AGENCY

The establishment of a new agency (New Zealand Transport Agency) will replace the existing Crown entities Land Transport New Zealand (Land Transport NZ) and Transit New Zealand (Transit). As this agency develops and manages each new three-yearly National Land Transport Programme it will give effect to the GPS. The new entity will be a Crown Agent as defined under the Crown Entities Act 2004. It will have all the functions that Land Transport NZ and Transit currently have, except for the power to declare and revoke state highways, which will become the responsibility of the Ministry of Transport Chief Executive.

REGIONAL LAND TRANSPORT PROGRAMMES

The formulation of new Regional Land Transport Programmes will be put together by Regional Land Transport Committees and the Auckland Regional Transport Authority. The Committees will need to prioritise land transport activities for their regions, including state highways, but excluding activities like local road maintenance and other non-strategic projects.

NATIONAL LAND TRANSPORT STRATEGY AND REGIONAL LAND TRANSPORT STRATEGIES

The Bill will consolidate all land transport planning provisions into one Act. There will also be an extension to the planning horizon of land transport strategies to 30 years to reflect the long-term nature of transport planning. The strategies will be reviewed every six years, as opposed to the current three-yearly cycle.

RESERVING FUEL EXCISE DUTY FOR LAND TRANSPORT

All fuel excise duty obtained from motorists will be reserved for land transport purposes. This will ensure the public see what they are getting from the petrol excise duty and road user charges they pay.

The Bill also allows the Minister of Transport and the Minister of Finance to allocate part of the fuel excise revenue received from pleasure boat users to activities such as search and rescue, boating safety education, and maritime safety services.

REGIONAL FUEL TAX

The Bill will allow regions to levy regional fuel taxes, thus allowing regions to bring forward capital projects should they wish to. The Bill limits the use of regional fuel taxes to capital assets and will ensure that the public understands the purpose of the tax and provides an end date for the tax.

OPERATING INTENTIONS

OBJECTIVE 1: ASSISTING ECONOMIC DEVELOPMENT

WHAT ARE WE SEEKING TO ACHIEVE?

The objective is to achieve a transport system that supports and assists long-term economic growth and improves the economic and social well-being of New Zealanders through more productive use of resources.

Outcomes relating to this objective are:

- + growth and development are increasingly integrated with transport
- + transport users increasingly understand and meet the costs they create
- + New Zealand's transport system is improving its international and domestic linkages including inter-modal transfers
- + the efficiency of the transport system is continuing to improve
- + the effectiveness of the transport system is being maintained or improved
- + the negative impacts of land-use developments on the transport system are reducing.

WHAT WILL WE DO TO ACHIEVE THIS?

Summary of activities

INTERVENTION	ACTIONS
Implement the <i>Next Steps Review</i>	<p>Actions undertaken: 2008-2009</p> <ul style="list-style-type: none"> + Ensure a smooth transition to the New Zealand Transport Agency (NZTA) and to the new funding and planning system. + Establish and implement monitoring and review processes, as set out in the legislation for the National Land Transport Programme (NLTP) and its expenditure. + Implement the accountability regime for the NZTA.
Implement <i>Sea Change</i> – the domestic sea freight strategy	<p>Actions undertaken: 2008-2011</p> <ul style="list-style-type: none"> + Work with industry and government stakeholders toward achieving major growth in domestic sea freight by 2040, by: <ul style="list-style-type: none"> • gathering and disseminating information through the Maritime Liaison Unit to assist government's policy making and industry business decisions • improving industry access to government's sea freight developmental funding • assisting the industry to ensure workforce needs are met in terms of recruitment, training and retention of staff • gathering base-line data on national freight movement and associated costs and charges • addressing required policy issues, particularly matters related to ports.
Implement the updated <i>New Zealand Transport Strategy</i> (NZTS)	<p>Actions undertaken: 2008-2011</p> <ul style="list-style-type: none"> + Support and monitor progress of the implementation of the updated NZTS by: <ul style="list-style-type: none"> • ensuring that the direction of the updated NZTS is known and understood by key stakeholders • undertaking Ministry specific actions from the strategy.

Summary of activities (cont.)

INTERVENTION	ACTIONS
Land Transport Government Policy Statement (GPS) development	<p>Actions undertaken: 2008-2011</p> <ul style="list-style-type: none"> + Support and monitor the implementation of the first GPS. + Ensure that the direction of the GPS is known, understood and actioned. + Begin preparation for the second GPS.
Heavy Vehicle Productivity	<p>Actions undertaken: 2008-2009</p> <ul style="list-style-type: none"> + Undertake consultation and case studies/trials. + Design framework for trials of heavier or longer vehicles on selected routes. + Develop a discussion document and undertake consultation. + Design and implement an agreed system.
Future Revenue Charging	<p>Actions undertaken: 2008-2011</p> <ul style="list-style-type: none"> + Explore a range of future charging systems that would provide for the effective collection of land transport revenue and, where possible, furthers social, economic and environmental objectives. This work includes: <ul style="list-style-type: none"> • assessing the feasibility and desirability of road pricing with a focus on Auckland • assessing the feasibility of introducing the electronic collection of road user charges • regional fuel tax (as outlined below).
Regional Fuel Tax (RFT) Implementation	<p>Actions undertaken: 2008-2011</p> <ul style="list-style-type: none"> + Implement the regional fuel tax provisions of the Land Transport Management Amendment Act (LTMA) 2008, if passed. + Undertake assessment of regional fuel tax schemes submitted under the LTMA.
Private Public Partnerships (PPPs) ⁴	<p>Actions undertaken: 2008-2009</p> <ul style="list-style-type: none"> + Advise on the feasibility and viability of a PPP for the Auckland Waterview State Highway Connection. + Apply the findings of the above work to assess the appropriateness of the PPP model for future projects.

4. Public Private Partnerships (PPPs) are long-term contracts between the public sector and the private sector covering planning, construction, operation and/or financing of public infrastructure and services. At the end of the contract, the facility is usually returned to the government or a local authority.

The *Next Steps Review* released in May 2007, identified a number of concerns about the land transport sector, including that the sector is not achieving value for money and is not fully delivering on the *New Zealand Transport Strategy 2002* or the government's wider economic agenda. The Land Transport Management Amendment Bill, introduced into Parliament in October 2007, proposes significant changes to enhance the planning and funding system for New Zealand's land transport system to address these concerns.

A fully hypothecated (dedicated) fund will be created to fund the National Land Transport Programme. This will mean there is a much greater matching of the revenue raised (from road user charges, excise duties and motor vehicle registration) and the expenditure on land transport by central government. This should lead to more efficient outcomes. For instance, if the expenditure needs to increase then it will be necessary to examine whether the revenue flows should change to fund these needs.

Every three years a *Government Policy Statement (GPS)* will be issued that will be based on a trends, issues and options paper with which stakeholders will have the opportunity to contribute. Through the GPS the government will be able to signal what it considers are the most important transport outcomes to be achieved in the medium term. This improved guidance for both the national and regional funding and planning systems should ensure that they contribute to the government's wider economic agenda and strategic objectives of efficiency.

The Bill makes provision for the establishment of a single statutory Crown entity, through a merger of Land Transport New Zealand and Transit New Zealand. It also sets out some operating principles to guide the newly formed New Zealand Transport Agency. One of these principles is that it must use its revenue in a manner that seeks value for money.

The Ministry of Transport will also enhance its monitoring and policy evaluation capability and capacity. Over the next two years the Ministry will undertake an ongoing evaluation of the outcomes of the *Next Steps Review* changes.

HOW WILL WE DEMONSTRATE SUCCESS IN ACHIEVING THIS?

To demonstrate success in achieving the outcomes relating to the objective of assisting economic development, we will:

- + Contribute to all outcomes related to this objective by working towards a safe, responsive, integrated and sustainable transport network. A programme will be developed to support implementation of the updated NZTS by 31 July 2008. Following the release of the updated NZTS the programme will be implemented.
- + Contribute to the outcome 'transport users increasingly understand and meet the costs they create' by ensuring efficient and equitable revenue collection that achieves both revenue needs and wider policy objectives. A revenue and charging strategy will be developed to inform more detailed policy development.
- + Contribute to all outcomes related to this objective by enabling better strategic investments which will lead to an improved transport system in New Zealand. Support will be provided to the New Zealand Transport Agency and local authorities to implement *Next Steps*, in accordance with the legislation.

Policy advice will be delivered in accordance with the agreed policy quality criteria listed in 'Policy Advice Quality Characteristics' in the Appendix, as determined through delivery recorded against the project plan.

OBJECTIVE 2: IMPROVING ACCESS AND MOBILITY

WHAT ARE WE SEEKING TO ACHIEVE?

This objective seeks to achieve improved, reliable access to the facilities and activities that enable us to be part of our society and economy.

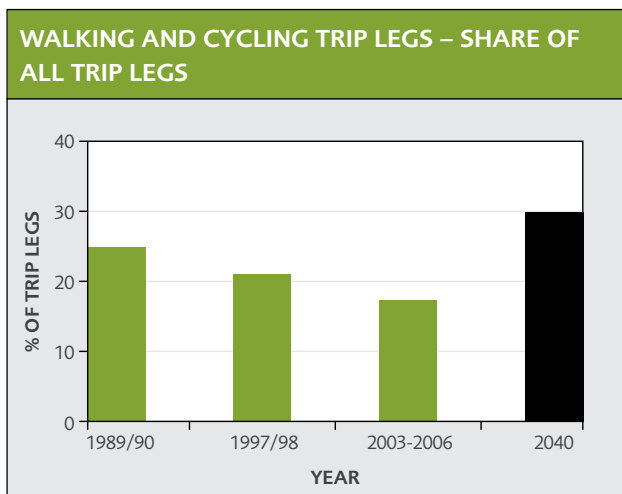
The outcome related to this objective is:

- + the transport system is increasingly providing affordable and reliable community access.

WHAT WILL WE DO TO ACHIEVE THIS?

Summary of activities

INTERVENTION	ACTIONS
<i>Getting there – on foot, by cycle Strategic Implementation Plan 2006-2009</i>	<p>Actions undertaken: 2008-2009</p> <ul style="list-style-type: none"> + Oversee the delivery of the <i>Getting there – on foot, by cycle Strategic Implementation Plan 2006-2009</i> initiatives to contribute to the uptake of fundamentally sustainable modes of transport. + Development of Monitoring and Evaluation Action Plan. + Undertake Transport Sector Alignment Review.
Getting there – on foot, by cycle (2009-2012)	<p>Actions undertaken: 2008-2011</p> <ul style="list-style-type: none"> + Ensure the development and implementation of the next three-year plan for Getting there – on foot, by cycle (2009-2012).
Implement the updated <i>New Zealand Transport Strategy</i> (NZTS)	<p>Actions undertaken: 2008-2011</p> <ul style="list-style-type: none"> + Support and monitor progress of the updated NZTS. + Undertake actions set in the strategy specifically as they relate to improving access and mobility. + Ensure that the direction of the updated NZTS is known, understood and accepted by key stakeholders.
Improved public transport and walking and cycling infrastructure funded by regional fuel tax (enabled by the Land Transport Management Amendment Bill)	<p>Actions undertaken: 2008-2011</p> <ul style="list-style-type: none"> + Oversee implementation of regional fuel tax provisions in the Land Transport Management Amendment Bill (LTMA), if passed. + Assess proposed regional fuel tax schemes, including those designed to enable funding of regional priorities for public transport and walking and cycling infrastructure development.
Improved public transport services (enabled by Public Transport Management Bill)	<p>Actions undertaken: 2008-2011</p> <ul style="list-style-type: none"> + Oversee implementation of the Public Transport Management Act (if passed) including the development of guidelines by Land Transport NZ.
Accessible public transport information	<p>Actions undertaken: 2009</p> <ul style="list-style-type: none"> + Ensure the development and implementation of national guidelines for accessible public transport information.



SOURCE: NEW ZEALAND HOUSEHOLD TRAVEL SURVEY

The Ministry of Transport actively encourages people to walk and cycle for work and play. Over the next 20 years it aims to increase usage of these two modes of sustainable transport through overseeing the delivery of the *Getting there – on foot, by cycle Strategic Implementation Plan 2006-2009*.

HOW WILL WE DEMONSTRATE SUCCESS IN ACHIEVING THIS?

To demonstrate success in achieving the outcome relating to the objective of improving access and mobility, we will:

- + Contribute to the transport system by ensuring effective delivery of the initiatives included in the *Getting there – on foot, by cycle Strategic Implementation Plan 2006-2009*. Systems will be established for monitoring progress toward the desired outcomes of the Plan.

The Transport Sector Alignment Review will be undertaken to support alignment of national transport policy and practice by identifying and reviewing significant policies, funding allocation and evaluation mechanisms that impact on walking and cycling.

- + Help to meet the needs of local government in providing a transport system that is reliable and affordable. Following evaluation of *Getting there – on foot, by cycle Strategic Implementation Plan 2006-2009*, *Getting there – on foot, by cycle (2009-2012)* will be developed and implemented within the appropriate timeframes.
- + Following the implementation of the Public Transport Management Bill, a monitoring and evaluation system will be established. This will assess whether the policy objectives have been achieved to provide increasingly affordable and reliable community access.

Policy advice will be delivered in accordance with the agreed policy quality criteria listed in 'Policy Advice Quality Characteristics' in the Appendix, as determined through delivery recorded against the project plan.

OBJECTIVE 3: ASSISTING SAFETY AND PERSONAL SECURITY

WHAT ARE WE SEEKING TO ACHIEVE?

This objective seeks to achieve an increasingly safe and secure transport system across all modes.

Outcomes relating to this objective are:

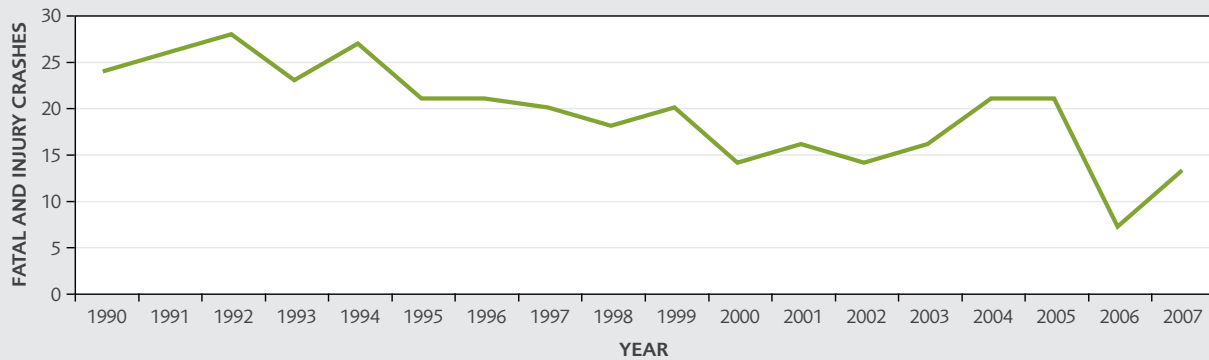
- + the transport system is improving its ability to recover quickly and effectively from adverse events
- + New Zealand's transport system is increasingly safe and secure.

WHAT WILL WE DO TO ACHIEVE THIS?

Summary of activities

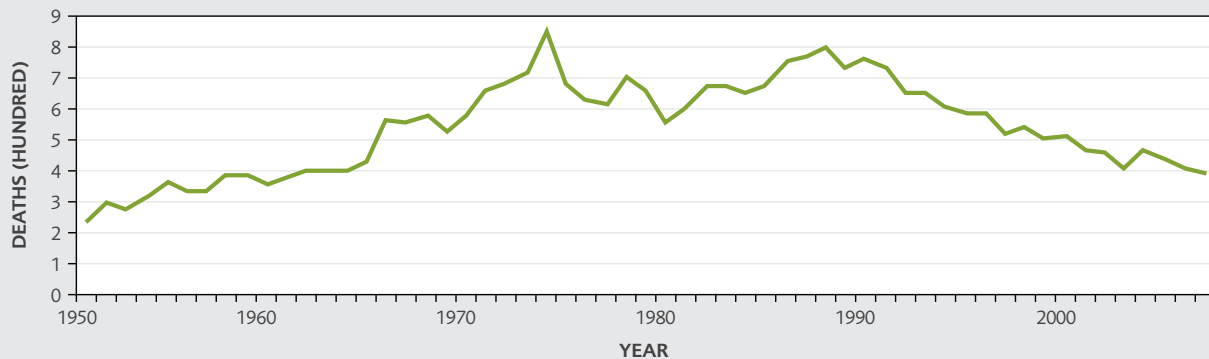
INTERVENTION	ACTIONS
Rail Safety Strategy	<p>Actions undertaken: 2008-2011</p> <ul style="list-style-type: none"> + Finalise the New Zealand Rail Safety Strategy which will identify initiatives to improve safety on New Zealand's railways. + Identify and implement rail safety improvements.
Commuter rail security	<p>Actions undertaken: 2008-2009</p> <ul style="list-style-type: none"> + Develop standards and guidelines to improve commuter rail security in Auckland and Wellington.
<i>Road Safety to 2010 Strategy</i>	<p>Actions undertaken: 2008-2010</p> <ul style="list-style-type: none"> + Complete implementation of the <i>Road Safety to 2010 Strategy</i>.
Road Safety to 2020 Strategy	<p>Actions undertaken: 2008-2010</p> <ul style="list-style-type: none"> + Develop a new strategy to replace the existing <i>Road Safety to 2010 Strategy</i>, setting out the government's vision and long-term policy direction for road safety for the period 2010 to 2020.
International cargo security requirements	<p>Actions undertaken: 2008-2011</p> <ul style="list-style-type: none"> + Ensure New Zealand is able to meet new United States air cargo security requirements that come into effect in 2011.
Implement the updated <i>New Zealand Transport Strategy (NZTS)</i>	<p>Actions undertaken: 2008-2011</p> <ul style="list-style-type: none"> + Support and monitor progress of the updated NZTS. + Undertake actions set out in the strategy. + Ensure that the direction of the updated NZTS is known, understood and accepted by key stakeholders.
Border Governance	<p>Actions undertaken: 2008-2011</p> <ul style="list-style-type: none"> + Improve passage of people and freight across our borders, whilst ensuring an adequate level of protection – delivered through the Border Sector Governance Group (BSGG). + Participate in the BSGG.

FATAL AND INJURY RAIL LEVEL CROSSING COLLISIONS



A major campaign to reduce collisions at rail crossings was launched by the Chris Cairns Foundation and Toll Holdings in 2006. In 1999 there were 43 rail crossing collisions; in 2007 the figure was 24. While there has been a reduction in collisions and fatalities, increasing the awareness of taking care around crossings, and improving safety of New Zealand railways generally, is a priority for the Ministry.

ROAD DEATHS



New Zealand has an unacceptable level of road deaths and crashes. In total, over the past 20 years substantial progress has been made toward reducing the road toll, however in the past five years only minimal progress has been made. By 2010 we aim to address this issue and to see the toll lowered to no more than 300 deaths per annum.

HOW WILL WE DEMONSTRATE SUCCESS IN ACHIEVING THIS?

To demonstrate success in achieving the outcomes relating to the objective of assisting safety and personal security, we will:

- + Contribute to ensuring the transport system is increasingly safe and secure by releasing and implementing the Rail Safety Strategy. The first stage of initiatives, including evaluation measures, will be in place by 30 June 2009.
- + Contribute to ensuring the transport system is increasingly safe and secure by completing consultation on the Road Safety to 2020 discussion document by 30 June 2009. The consultation

will aim to raise public expectations about the level of road safety that New Zealand can achieve. The consultation will be designed to build support for the road safety measures needed to achieve improvement. A new 2020 Strategy will be released by the end of September 2009.

Policy advice will be delivered in accordance with the agreed policy quality criteria listed in 'Policy Advice Quality Characteristics' in the Appendix, as determined through delivery recorded against the project plan.

OBJECTIVE 4: PROTECTING AND PROMOTING PUBLIC HEALTH

WHAT ARE WE SEEKING TO ACHIEVE?

This objective seeks to achieve a nation whose transport habits are low contributors to negative impacts and contribute positively to the health of all.

The outcome related to this objective is:

- + negative impacts of transport are reducing in terms of fatalities, injuries and harm to health.

WHAT WILL WE DO TO ACHIEVE THIS?

Summary of activities

INTERVENTION	ACTIONS
Improve transport sustainability	<p>Actions undertaken: 2008-2011</p> <ul style="list-style-type: none"> + Develop further policy to reduce noise levels from modified vehicle exhaust systems. + Investigate options for testing in-service emissions, particularly for diesel vehicles.
Protecting and promoting public health	<p>Actions undertaken: 2008-2009</p> <ul style="list-style-type: none"> + Evaluate, and where possible, quantify the benefits of increasing walking and cycling activity using a health impact assessment methodology. Benefits to be assessed include health, social, safety, economic and environmental impacts.
Getting there – on foot, by cycle (2009-2012)	<p>Actions undertaken: 2008-2011</p> <ul style="list-style-type: none"> + Ensure the development and implementation of the next three-year plan for Getting there – on foot, by cycle (2009-2012).
Implement the updated <i>New Zealand Transport Strategy</i> (NZTS)	<p>Actions undertaken: 2008-2009</p> <ul style="list-style-type: none"> + Support and monitor progress of the updated NZTS. + Undertake actions set out in the strategy. + Ensure that the direction of the updated NZTS is known, understood and accepted by key stakeholders.

HOW WILL WE DEMONSTRATE SUCCESS IN ACHIEVING THIS?

To demonstrate success in achieving the outcome relating to the objective of protecting and promoting public health, we will:

- + Progress the different policy initiatives which help reduce the negative impacts of transport in terms of fatalities, injuries and harm to health, that relate to 'Improve Transport Sustainability', including relevant report backs, according to agreed time-frames.
- + Contribute to the outcome by producing a health impact assessment of walking and cycling in 2009.
- + Contribute to the outcome by ensuring that initiatives to

improve the safety and enjoyment of the environments that walkers and cyclists use are developed and implemented. These will be included in Getting there – on foot, by cycle (2009-2012), which will be developed and implemented within the appropriate timeframes.

Policy advice will be delivered in accordance with the agreed policy quality criteria listed in 'Policy Advice Quality Characteristics' in the Appendix, as determined through delivery recorded against the project plan.

OBJECTIVE 5: ENSURING ENVIRONMENTAL SUSTAINABILITY

WHAT ARE WE SEEKING TO ACHIEVE?

The objective seeks to achieve a New Zealand transport system that places manageable pressure on the environment, including reduced greenhouse gas emissions and their associated negative impacts.

Outcomes relating to this objective are:

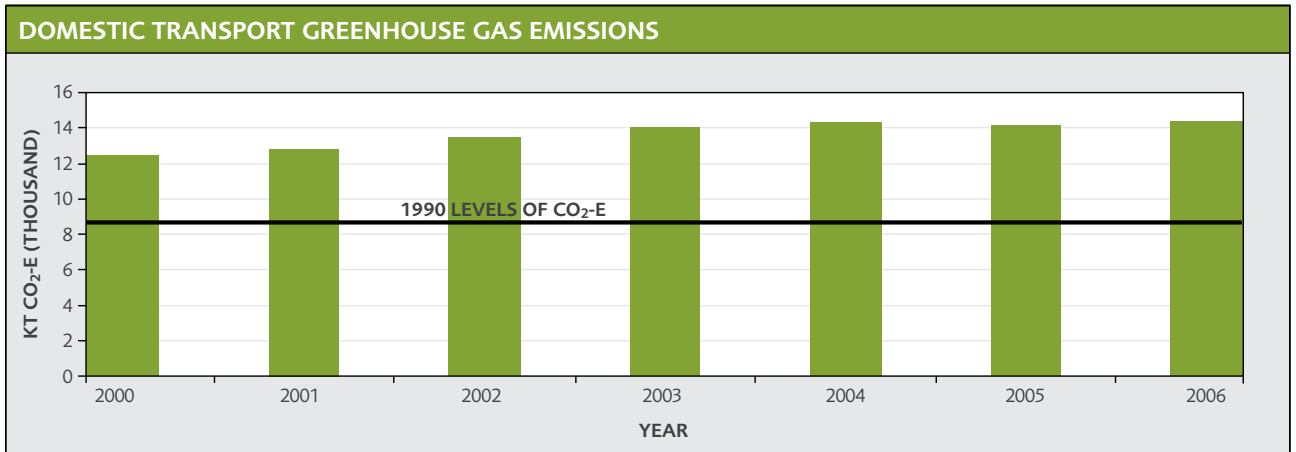
- + negative impacts of transport are reducing in terms of the human and natural environments
- + the transport system is actively moving towards reducing the use of non-renewable resources and their replacement with renewable resources.

WHAT WILL WE DO TO ACHIEVE THIS?

Summary of activities

INTERVENTION	ACTIONS
Cross-government climate change policy development	<p>Actions undertaken: 2008-2011</p> <ul style="list-style-type: none"> + Contribute to the development of national policy on climate change and international negotiating positions.
Improve transport sustainability	<p>Actions undertaken: 2008-2011</p> <ul style="list-style-type: none"> + Develop policy to promote the reduction in CO₂ emissions and improve fuel economy. + Develop alternative vehicle fleet options. + Promote alternative fuel and technology options.
Electric Vehicle Strategy	<p>Actions undertaken: 2008-2011</p> <ul style="list-style-type: none"> + Position New Zealand to be one of the first countries in the world to widely deploy electric vehicles and support the newly established Vehicle, Energy and Renewable Group (VERG).
Vehicle Fuel Economy Standard	<p>Actions undertaken: 2008-2011</p> <ul style="list-style-type: none"> + Develop a standard or average fuel economy, based on grams of CO₂/km, for new and used light vehicles entering the New Zealand fleet out to 2015.
Corporate sustainability	<p>Actions undertaken: 2008-2011</p> <ul style="list-style-type: none"> + Provision of transport methodologies, for example travel plans to support other agencies. + Ensure the Ministry meets its requirement under the Carbon Neutral Public Service programme.⁵ + Monitor and minimise the impact of the operations of the Ministry and its staff on the environment.
Implement the updated <i>New Zealand Transport Strategy</i> (NZTS)	<p>Actions undertaken: 2008-2011</p> <ul style="list-style-type: none"> + Support and monitor progress of the updated NZTS. + Undertake actions set out in the strategy. + Ensure that the direction of the updated NZTS is known, understood and accepted by key stakeholders.

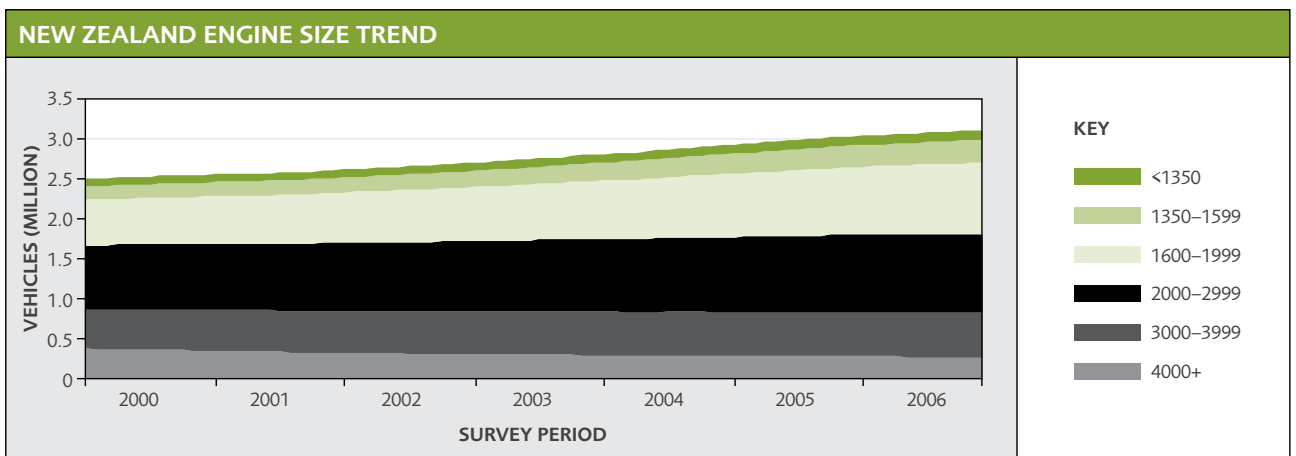
5. The Carbon Neutral Public Service programme aims to demonstrate government leadership on sustainability by reducing government's environmental impact. It aims for the six lead agencies (Ministry for the Environment, the Department of Conservation, the Ministry of Health, The Treasury, Inland Revenue, and the Ministry of Economic Development) to be carbon neutral by 2012 with the other 28 agencies being on the path to carbon neutrality by 2012.



SOURCE: MINISTRY OF TRANSPORT

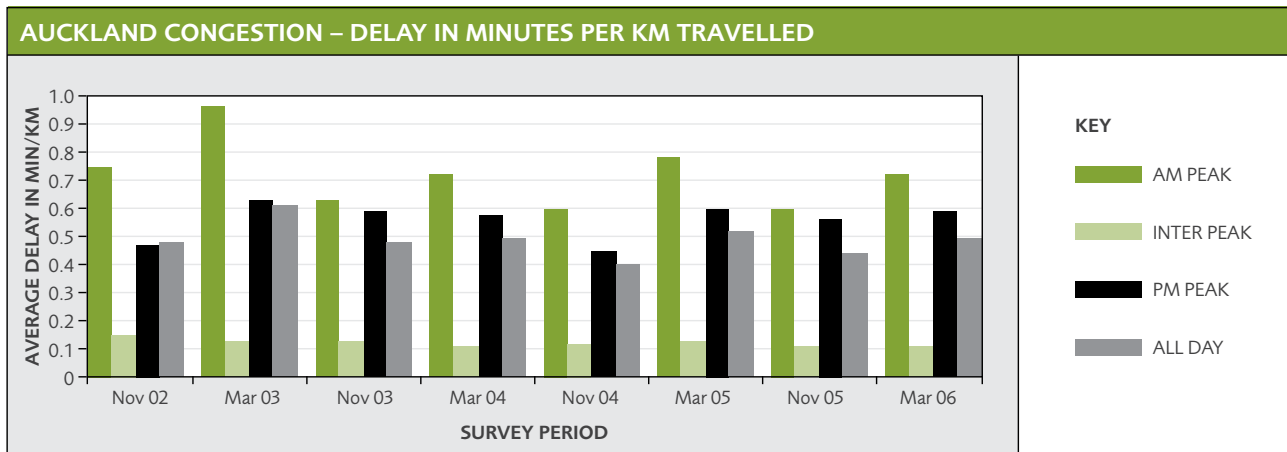
KT: Kilo tonnes

CO₂-E: Carbon dioxide equivalent is a method of combining the global warming effect of carbon dioxide, methane and nitrous oxide. The quantity of methane and nitrous oxide is converted to the amount of carbon dioxide which would have the same effect, and the three amounts are then totalled.



SOURCE: MINISTRY OF TRANSPORT

Reducing the size of engine that vehicle owners choose will substantially reduce CO₂ emissions and improve fuel economy. One of our aims is to improve transport sustainability through promoting alternative fuel and technology options.



SOURCE: TRANSIT NEW ZEALAND

Congestion is a major issue in Auckland. It causes delays for people trying to get to work, school and play, and also causes health issues and environmental damage. One of our aims is to reduce CO₂ emissions, which is directly related to reducing congestion.

HOW WILL WE DEMONSTRATE SUCCESS IN ACHIEVING THIS?

To demonstrate success in achieving the outcomes relating to the objective of ensuring environmental sustainability, we will:

- + Report quarterly to the responsible Minister on the electric vehicle and the Vehicle, Energy and Renewable Group work programmes.
- + Progress the different policy initiatives which relate to 'Improve Transport Sustainability', including relevant report backs, according to agreed time-frames.

Policy advice will be delivered in accordance with the agreed policy quality criteria listed in 'Policy Advice Quality Characteristics' in the Appendix, as determined through delivery recorded against the project plan.

MANAGING IN A CHANGEABLE OPERATING ENVIRONMENT

The New Zealand transport sector continues to be an area of rapid change, influenced by the level of domestic and international economic activity.

Global changes in currency and capital flows, as well as the price of resources, can carry substantial physical consequences in terms of the flow of goods and people to, from and within New Zealand.

It is clear that we can expect significant and ongoing changes in transport demand over the next decade.

Furthermore climate change is having a major impact on our decision-making. In export and tourism markets New Zealand trades on its reputation of being 'clean and green'.

'Clean and green' are not absolute measures and as environmental concerns become mainstream, consumers and tourists may change their attitudes about what they eat and where they travel. This in turn will have a major impact on the way the transport sector operates. In anticipation of this the Ministry is actively pursuing alternative policies that address climate change and improve sustainability, while ensuring a productive economy.

It is in New Zealand's interest to actively respond. Establishing a reputation as a global leader in tackling climate change has the potential to offer economic benefits that may outweigh the associated costs.

THE RISKS WE FACE

New Zealand's transport system is crucial to the functioning of the country. With a high level of investment going into the transport system, there is always pressure for money to be spent effectively to ensure best value for money.

The transport sector will need to be highly innovative and cost-effective to deal with both global and national economic trends. As well as environmental pressures, changes in management structures and technologies will continue at a rapid pace. There will be a continuing need for the transport sector to deliver the right services at the right price to transport users.

This is particularly the case in the land transport sector, where the government has identified the need for significant action to remedy problems such as traffic congestion in our major cities; the need to provide urban and rural infrastructure to support national and regional growth; and the need to improve the safety and environmental performance of the land transport network.

Globalisation is likely to lead to a greater emphasis on removing the economic restrictions that apply to international transport services and on developing international standards, particularly in the safety and environment area. Many of these changes involve issues of considerable public interest.

Communities and individuals are increasingly concerned at the social impact of transport systems on our communities; the impact of transport decisions on our land, water and air resources; the relationship between transport corridors and the shape of our cities; and the impact of transport safety on users and those near transport systems.

In the transport sector, these issues are increasingly being addressed through a greater focus on a sustainable transport system. Sustainable transport is about achieving balance between social and economic goals and environmental well-being in an integrated manner. In this context, developing a sustainable transport system requires rethinking how we view transport. It will require the Ministry to focus increasingly on outcomes, such as quality of access and mobility, as well as the more traditional outcomes such as safety activities and network capacity.

The Ministry's risk management framework includes mechanisms to identify, assess, monitor and mitigate risks that cover all areas of the Ministry's activities. This framework helps to develop specific strategies, plans and actions to mitigate risk.

While there are low risks in the delivery of many of our services, we have identified two main external risks and four important internal risks that may hold us back from achieving our goals.

EXTERNAL RISKS

NATIONAL EMERGENCY AFFECTING THE TRANSPORT SECTOR

Following a natural or man-made disaster that threatens our national security, the government transport sector will be called on to provide assistance and advice. While the Ministry of Transport does not have an operational role, it will play a coordination role to provide strategic leadership to the sector during this time. It is the Ministry's responsibility to ensure the sector can respond quickly and effectively in an emergency.

The Ministry is managing this risk by leading the development and maintenance of the Transport National Emergency Response Plan. This plan provides a framework for transport agencies to participate in a whole-of-government response to a national emergency. In 2008/09 the Ministry will continue to develop and test this plan and incorporate lessons learned.

FAILURE TO ANTICIPATE

The Ministry is expected to be able to anticipate changes that may have a harmful effect on the sector's ability to perform their roles well. Examples of such changes could include a significant drop in National Land Transport Fund revenue caused by motorists moving more quickly than anticipated to more fuel-efficient cars, or stronger than expected price increases in land transport construction.

Managing the introduction of new security regimes, to ensure continued international compliance, is also an important consideration. The Ministry manages these risks by having a robust monitoring and research function and strong links with the wider sector, including overseas administrations.

Over the next financial year, in order to mitigate these risks, the Ministry will actively scan the external environment to identify emerging risks. It will also share its transport knowledge and expertise, including information about external trends, via our website to better inform the wider transport sector of current and developing issues.

INTERNAL RISKS

INEFFECTIVE MONITORING OF THE PERFORMANCE OF CROWN ENTITIES

The Ministry risks failing to effectively monitor whether the transport sector Crown entities are performing to the levels agreed with the Minister. Inadequate monitoring could result in entities failing to deliver on agreed plans, which would compromise the entire transport system. To mitigate this, in 2006/07 the Ministry contributed to a series of reviews and embarked on initiatives to bring Crown entity monitoring and governance up to 'best practice' standards. We intend to build on this work over the next year by responding to recent government reviews, including the Cabinet Committee on Government Expenditure and Administration's (EXG) 'Review of Crown Entity Monitoring'. We will also implement a monitoring and governance work-plan so we are recognised as following 'best practice' in relation to Crown entity monitoring and governance.

THE MINISTRY NOT PERFORMING ITS LEADERSHIP FUNCTION WELL

The Ministry must be seen to be providing strong leadership to the sector. The Ministry's success depends on it being a recognised authority on, and primary source of, quality policy advice to government on transport matters. It will effectively

manage its relationships with other government departments, transport agencies, local government and the wider transport sector. It requires fostering a consultative and partnership approach with stakeholders in the development of transport policy.

Failure to build credibility will place the Ministry's ability to deliver a coordinated, effective transport system at risk. It will also affect the Ministry's ability to attract and retain the quality of staff it needs. The Ministry and the sector have been subject to a number of reviews, each looking at how its capability to lead could be improved.

In 2008/09 the Ministry will:

- + implement, within budget constraints, changes recommended in an independent 2007/08 review of the Ministry's capability
- + implement any aspects of the *Next Steps Review* that are agreed by the government
- + implement the updated *New Zealand Transport Strategy*, which sets the overall long-term direction for transport in New Zealand.

INEFFECTIVE RELATIONSHIP MANAGEMENT

There is a risk that transport sector relationships with external stakeholders are damaged to the extent that the sector does not function in a cohesive, efficient, and coordinated manner.

The Ministry will take steps to mitigate this over the next year by developing and implementing a Ministry Stakeholder Engagement and Communications Strategy. As part of this strategy the Chief Executive and senior managers will engage with local government and other third parties. A stakeholder relationship team has recently been established to further enhance this work. A stakeholder survey will also be undertaken this year.

PROVIDING INAPPROPRIATE POLICY ADVICE

The risk is that the Ministry provides inappropriate policy advice resulting in an adverse impact on New Zealand's transport sector and consequently the public. While this has traditionally been a low risk, there are emerging challenges that require a more holistic approach to policy analysis. During 2008/09 we will continue to roll out our new policy adviser training programme across grades and improve our capability in areas such as economic analysis, funding, and transport planning.

ASSESSING ORGANISATIONAL HEALTH AND CAPABILITY

The Ministry has been through a substantial amount of organisational change in the past year. These changes were prompted by a comprehensive Stakeholder Survey undertaken in 2006/07. Feedback suggested we needed to strengthen our leadership role and have more effective engagement with transport sector stakeholders.

The Ministry has focussed on building the leadership team but recognises there is still a need to attract and retain senior strategists, transport planners and policy advisers. We remain concerned about the relatively high staff turnover and are working to reverse this trend through providing a supportive work place, innovative work-life balance policies and job satisfaction.

One of the issues we face in retaining or attracting staff is that the environment we operate in is very competitive and, as such, recruiting and retaining highly qualified policy advisers at any level, especially those with transport sector knowledge, is a challenge.

Training and development opportunities go some way to retaining staff, but a range of initiatives including competitive salaries, career opportunities and varied and challenging work are also factors. We intend to better leverage opportunities for graduate recruitment, and participate on joint initiatives where possible with other transport and government departments. We are also reviewing our remuneration framework and will conduct an internal culture survey.

Performance measures and targets related to these initiatives include:

- + undertake a culture survey, to be completed in 2009
- + develop a comprehensive training programme for advisers, to be completed in 2008
- + reduce turnover to be less than 20 percent within next 12 months
- + undertake a Stakeholder Survey in 2008, 2010 and 2012.

The Ministry has made enormous progress over the last two years in the areas of information management and information technology. This year we will be concentrating on further enhancing our intranet and website, and the new Electronic Document and Records Management System.

Our performance target for 2008/09 is to be 100 percent compliant with the technical requirements of the Government Standards for Websites.

In the year ahead we will focus on providing an interface between our performance software and our human resource management information system. This will enable streamlining of our process online, provide real-time information to managers and remove double-handling of information and data. It will also allow the Ministry to leverage skills quickly for projects or key initiatives, and to focus on developing staff to meet the challenges ahead. At the same time it will provide comprehensive and real-time reporting for business decision-making.

EQUAL EMPLOYMENT OPPORTUNITIES

As part of the government's five-year plan to reduce the gender pay gap, the Ministry, in partnership with the PSA, conducted a gender-based pay and employment equity review (PEER). PEER focussed on assessing whether women and men within the Ministry:

- + have a fair share of the rewards
- + participate at all levels of the organisation
- + are treated with respect and fairness.

As a result of this work we have developed a Response Plan which is being progressively implemented.

DEPARTMENTAL CAPITAL INTENTIONS

Each year the Ministry prepares a capital programme. The aim of this is to ensure that the Ministry has the infrastructure required to fulfil its functions. The draft programme is subject to approval by management. The assets of the Ministry and their requirements are detailed briefly below.

PROPERTY, PLANT AND EQUIPMENT

The Ministry of Transport operates from three offices, with the main site, and the majority of the staff, being located in Wellington. All of its premises are leased, so the majority of the assets are leasehold improvements, computer equipment, fixtures and fittings.

Leasehold Improvements

The Ministry has no plans to incur significant leasehold improvement expenditure in the next four years. The Ministry moved into its Wellington office in April 2006, its Auckland office in July 2005 and has just relocated its Christchurch staff in May 2008.

Computer Equipment

The Ministry has a three-year rolling replacement programme for computer equipment.

Milford Sound/Piopiotaahi Aerodrome

The Ministry also owns Milford Sound/Piopiotaahi Aerodrome.

Fixtures and Fittings

All of the Ministry's offices are fully equipped, but there is an ongoing need to make small purchases of replacement or additional equipment.

INTANGIBLE ASSETS

The Ministry has a significant investment in software. The major component of this is the LANDATA asset which represents the Motor Vehicle Registry System. The asset is managed by Land Transport New Zealand on the Ministry's behalf. Every year there is investment in the system to ensure that it can meet the changing demands of its functions.

The Ministry also has an investment in its own operational systems. In the last two years the Ministry has implemented both a Relationship Management System and an Electronic Document and Records Management System. There will be further system implementations in the future but none have been confirmed at this time.

PROPOSED CAPITAL PROGRAMME				
	2008/09 \$000	2009/10 \$000	2010/11 \$000	2011/12 \$000
Property, plant and equipment	500	500	500	500
Intangible Assets – Motor Vehicle Registry System and other software	2,500	2,500	2,500	2,500
Total	3,000	3,000	3,000	3,000

APPENDIX

POLICY ADVICE QUALITY CHARACTERISTICS

Purpose: the aim of the papers will be clearly stated and will answer the question set.

Logic: the assumptions behind the advice will be explicit and the argument will be logical and supported by facts.

Accuracy: the facts in the papers will be accurate and all material facts included.

Options: an adequate range of options will be presented and each assessed for benefits, costs and consequences to the government and community.

Consultation: there will be consultation with principal parties and this will be stated along with any objections to the proposal.

Practicality: problems of implementation, technical feasibility, timing and consistency with other policies will be identified.

Presentation: the format will meet requirements specified by the Cabinet Office and the Minister; material will be concise and effectively summarised; correct grammar and spelling will be used; and readability will be ensured through the use of short sentences in plain English.

GLOSSARY OF TERMS

Activities

Individual tasks usually with a short time frame.

Objective

Statement of aim or purpose. (This includes the NZTS objectives).

Initiative

Statements describing the types of actions required to achieve the interventions.

Intervention: This is not specifically defined in the Public Finance Act. Interventions include legislation, policies, transfers, programmes and service delivery arrangements.

Outcome

A state or condition of society, the economy or the environment and includes a change in that state or condition.

Risk Management

The culture, processes and structures that are directed towards the continuous management of both opportunities and adverse effects impacting on the business.

Strategy

Long-term direction and scope of the organisation. A high level statement expressing in broad terms the direction the organisation should be taking in order to achieve the results sought.

National Land Transport Programme (NLTP)

The mechanism through which Land Transport New Zealand allocates funds to approved organisations for land transport infrastructure and services.

National Land Transport Fund (NLTF)

The primary source of funding for state highway improvement and management projects, allocated by Land Transport New Zealand through the National Land Transport Programme (NLTP).

Sustainability

Sustainability is defined as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." (The Brundtland Report, Our Common Future, 1987)

DIRECTORY

WELLINGTON

Level 6 Novell House
89 The Terrace, Wellington 6011
PO Box 3175, Wellington 6140
TELEPHONE: 04 439 9000
FAX: 04 439 9001
EMAIL: info@transport.govt.nz
WEBSITE: www.transport.govt.nz

Alan Thompson

Chief Executive
TELEPHONE: 04 439 9364
EMAIL: chiefexecutive@transport.govt.nz

Brigid Wills

Personal Assistant to the Chief Executive
TELEPHONE: 04 439 9363
FAX: 04 439 9006
EMAIL: b.wills@transport.govt.nz

AUCKLAND

Level 6 Tower Centre
45 Queen Street, Auckland 1010
PO Box 106 238, Auckland City
Auckland 1143
TELEPHONE: 09 379 0070
FAX: 09 985 4849

Martin Glynn

Director Auckland
TELEPHONE: 09 985 4829
EMAIL: m.glynn@transport.govt.nz

CHRISTCHURCH

Level 5, 96 Hereford Street
Christchurch 8011
PO Box 3014, Christchurch Mail Centre
Christchurch 8140
TELEPHONE: 03 366 9304
FAX: 03 366 9317

David Corlett

Manager Stakeholder Engagement
Christchurch
TELEPHONE: 03 366 9307
EMAIL: d.corlett@transport.govt.nz

