

# **GOVERNMENT POLICY STATEMENT ON LAND TRANSPORT FUNDING**

2012/13–2021/22

JULY 2011

## Foreword

Economic growth and productivity is a key priority for the government. If we are to realise our full potential as a nation, we will need our land transport system to move people and freight as quickly, efficiently and safely as possible.

The Government Policy Statement on Land Transport Funding (GPS) is one of our key funding tools for achieving this. Through GPS 2009, we brought about a significant change in focus, and good progress has since been made in realigning transport expenditure to better support economic growth. This GPS – GPS 2012 – will continue to build on this work.

Since 2009, we have embarked on a significant programme of improvement in key land transport infrastructure, with an intention to invest nearly \$11 billion in new infrastructure for New Zealand's State highways over the 10 years from 2009 to 2019. The main focus of this funding is the seven Roads of National Significance (RoNS).

These projects will move people and freight between and within New Zealand's five largest population centres more safely and efficiently. They enable economic growth rather than simply responding to it, providing high quality connections to our major ports and airports from our key export production and urban areas.

Work on these routes is going well. The first of the RoNS is nearly complete with the Victoria Park Tunnel project in Auckland set to open in March 2012.

Beyond the GPS, the government has invested heavily in the regeneration of the nation's rail freight business through its support for the \$4.6 billion KiwiRail Turnaround Plan. The long-term plan is to create a rail freight business capable of standing on its own feet financially. In addition, the government has agreed to allocate more than \$2 billion of Crown funding for improvements to metro rail in Auckland and Wellington.

These are just some of the steps taken since I introduced GPS 2009, and I am excited about what more we can achieve over the next 3 years.

Increased funding for State highway construction will bring benefits for national economic growth and productivity, particularly given that State highways carry most inter-regional freight and link major ports, airports and urban areas. Further progress on the RoNS will be made, reflecting the government's commitment to substantially progress the RoNS, to complete the Waikato Expressway within 10 years, and to significantly progress the construction of the Waterview Connection.

We recognise the important role local roads have in connecting our communities and businesses to these key routes, and this GPS continues the investment that will allow existing levels of activity to be maintained.

Similarly, we see the need for public transport to reduce congestion and to help unlock the potential of our cities, particularly in Auckland. This GPS continues to invest in public transport with up to \$690 million available for public transport services over the next 3 years.

To ensure we get the maximum impact from our efforts to drive growth, the GPS strengthens our priority for value for money in the land transport sector. This aim applies as strictly to State highway investment as any other area. It builds on expectations to ensure a strong rationale for projects and activities to require a greater culture of continually seeking better and smarter services and ways of operating.

Road safety is another key transport priority. Every year hundreds of New Zealanders are killed or injured in what are mostly preventable accidents. The government has taken a Safe System approach to this problem through our Safer Journeys road safety strategy. This means looking across the entire road system to aim for safer roads, safer speeds, safer vehicles and safer road users.

Already we have made significant legislative changes to reduce the impact of young drivers and repeat drink drivers. These include raising the driving age, changes to drink drive limits for young drivers and repeat drink drivers, tougher penalties for drivers who cause death and legislation to allow the use of alcohol interlocks to prevent repeat drink driving.

This GPS complements these road user actions through investment in projects that will improve the safety of our roads. Each of the RoNS will be built to a minimum four star safety rating, and this document makes it clearer how much of our investment in roading will deliver safety benefits that will save lives. Other road safety investment will occur in local roads, road policing and in the road safety promotion activity classes.

During the development of this GPS, tragic events in Christchurch have been at the forefront of people's minds. While we know that the Canterbury earthquake and aftershocks will have an impact for a long time to come, it is too soon to know the full cost for land transport. There may be a need to reprioritise projects and funding particularly within the region. However, it remains important that we continue to target our transport investment to where it is needed most to get the best value out of every dollar we spend.

I am confident that this GPS continues the strong direction set by GPS 2009, helping to build and maintain a land transport system that is safe, that moves our goods and people efficiently and supports New Zealand's ability to grow and prosper.



Hon Steven Joyce  
Minister of Transport

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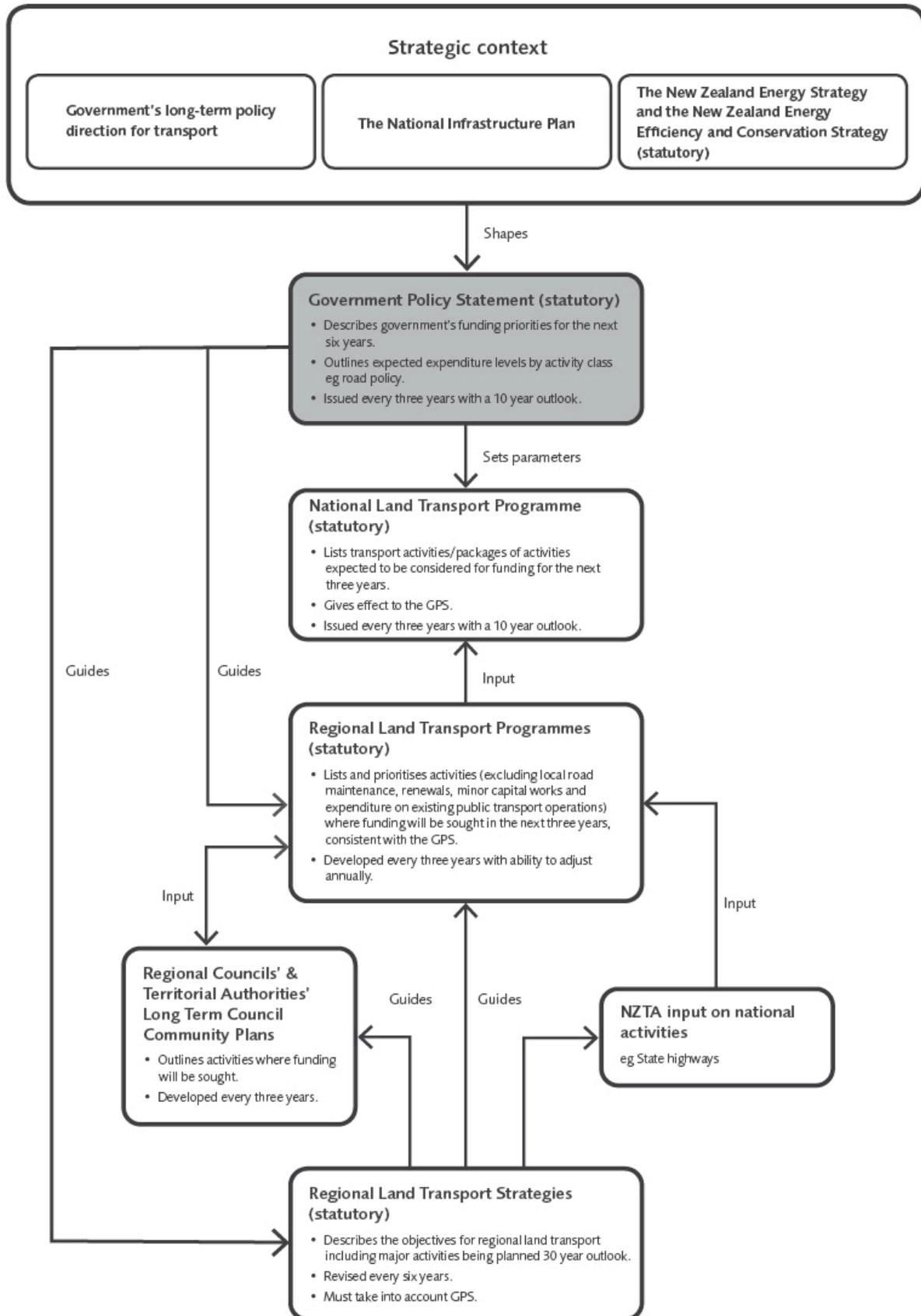
## **A. What this Government Policy Statement does**

1. The Government Policy Statement on Land Transport Funding (GPS) sets out the government's outcomes and priorities for the land transport sector. It describes:
  - what the government expects to be achieved from its investment in land transport through the National Land Transport Fund
  - how it will achieve this through investment in certain areas known as activity classes (for example, the maintenance of State highways, road policing and walking and cycling)
  - how much funding will be provided
  - how the funding will be raised.
2. In this way the GPS influences decisions on how funding from the National Land Transport Fund is invested. It also provides direction to local government and the NZ Transport Agency on the type of activities that should be included in regional land transport programmes and the National Land Transport Programme. This role and the way the GPS links to key transport planning documents is shown in Figure 1.
3. Regional councils, local councils, the New Zealand Transport Agency, the New Zealand Police and other Approved Organisations under the Land Transport Management Act 2003 (the Act)<sup>1</sup> can receive funding from the National Land Transport Fund for the land transport activities they deliver, such as the construction and maintenance of State highways and local roads, road policing, and public transport services.
4. While the GPS provides a national picture of land transport funding, the detail of how funding is allocated to regions and specific activities is the responsibility of the NZ Transport Agency. However, in carrying out this responsibility the NZ Transport Agency must give effect to the GPS while also taking regional land transport strategies and programmes into account.
5. In turn, regional land transport strategies must take account of the GPS, and regional land transport programmes must be consistent with the GPS. This means the direction and aims of the GPS have a direct influence on the funding that goes to regions and activities.
6. This Government Policy Statement on Land Transport Funding 2012/13–2021/22 (GPS 2012) is issued by the Minister of Transport. It has been developed and issued under the Act. The relevant sections of the Act are in Appendix 1.
7. GPS 2012 covers the financial period 2012/13 to 2017/18 and provides indicative figures from 2018/19 to 2021/22. It will be in effect from 1 July 2012 to 30 June 2015. A new GPS must be released before 1 July 2015.

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<sup>1</sup> Approved under section 23 of the Act.

**Figure 1: The role of the GPS in the land transport planning and funding system**



## **B. What the government wishes to achieve**

### **The government's strategic direction for transport**

8. The government's strategic direction for transport is laid out in a number of documents. These include the GPS 2009, Connecting New Zealand (a summary of the government's policy direction for transport), the National Infrastructure Plan, the Safer Journeys Road Safety Strategy, and the New Zealand State Highway Classification System.
9. This Government Policy Statement expands on that strategic direction, and continues the government's strong focus on removing key bottlenecks in the land transport network, encouraging economic growth and productivity, obtaining value for money and improving road safety.
10. This direction will be relevant for the development of the 2012–2015 and future national and regional land transport programmes.

### **Transport Goals**

11. The government's overarching goal for transport is: an effective, efficient, safe, secure, accessible and resilient transport system that supports the growth of our country's economy in order to deliver greater prosperity, security and opportunities for all New Zealanders.
12. The National Infrastructure Plan sets out seven specific goals for transport infrastructure, all of which have relevance for the National Land Transport Fund investment in land transport. These goals are to achieve:
  - A long term strategic approach to transport planning which maximises the potential synergies between regional planning and central government strategies.
  - A flexible and resilient transport system that offers greater accessibility and can respond to changing patterns in demand by maintaining and developing the capacity of the network. Improved operational management practice and the use of demand management tools especially in urban areas experiencing significant growth.
  - A network of priority roads that will improve journey time and reliability, and ease severe congestion, boosting the growth potential of key economic areas and improving transport efficiency, road safety and access to markets.
  - A continued reduction in deaths and serious injuries that occur on the network.
  - A public transport system that is robust and effective and offers a range of user options that will attract a greater percentage of long term users.
  - A rail system that enables the efficient movement of freight and complements other modes of passenger transport and freight movement.
  - Sea and air ports that are linked to the overall transport network to support efficient nationwide movement of passengers, domestic goods and exports and imports and are able to respond to technological changes and changing international safety and security standards.
13. The New Zealand Energy Strategy 2011–2021 and the New Zealand Energy Efficiency and Conservation Strategy 2011–2016 will add a focus on energy efficiency to these goals. New Zealand's per capita energy use for transport is high compared to many other OECD countries. Improving transport energy efficiency offers major opportunities to improve the productivity of the overall economy.

14. To do this these strategies will focus on improving vehicle fuel efficiency, and increasing the uptake of low-carbon fuels and technologies. They will highlight the potential to reduce energy use in urban areas through walking and cycling and greater use of public transport. The strategies will place an expectation on local authorities to ensure integrated travel options through their transport and planning roles. Local authorities will also be expected to improve the efficiency of local transport networks and layouts so that people and freight can move about with greater ease and energy efficiency.

### **What does this strategic direction mean for GPS 2012?**

15. The government has three focus areas that are the priorities for this GPS:

- economic growth and productivity
- value for money
- road safety.

16. These priorities acknowledge that economically strategic investments in land transport, combined with better use of existing infrastructure, can boost New Zealand's long-term growth prospects and make a material difference to our standard of living. A focus on value for money is critical to this, as it will determine the level of benefits realised from land transport investment.

17. The safety priority acknowledges the substantial burden road crashes place on the economy and the health sector each year. The current annual social cost of road deaths and injuries is approximately \$3.8 billion. Reducing this cost is important not only to the economy but in its own right. The majority of road deaths and serious injuries are avoidable tragedies for the people and families involved.

### **The impacts that should be achieved through the allocation of the National Land Transport Fund**

18. The 2012–2015 National Land Transport Programme and corresponding regional land transport programmes are expected to prioritise activities that advance this strategic direction including this GPS's priorities of economic growth and productivity, value for money and road safety. In doing so, the following impacts should be achieved through the allocation of funding from the National Land Transport Fund:

#### **Short to medium term impacts**

- Improvements in the provision of infrastructure and services that enhance transport efficiency and lower the cost of transportation through:
  - improvements in journey time reliability
  - easing of severe congestion
  - more efficient freight supply chains
  - better use of existing transport capacity.
- Better access to markets, employment and areas that contribute to economic growth.
- Reductions in deaths and serious injuries as a result of road crashes.
- More transport choices, particularly for those with limited access to a car.
- A secure and resilient transport network.
- Reductions in adverse environmental effects from land transport.
- Contributions to positive health outcomes.

## **Guidance and expectations for the three GPS priorities**

19. As noted, it is expected that the 2012–2015 National Land Transport Programme and regional land transport programmes will be developed to contribute to the strategic direction, priorities and impacts outlined above. The government's expectations for how these are progressed are outlined below.

## **Economic growth and productivity**

20. This GPS continues and reinforces the focus on increasing economic growth and productivity as the primary objective for land transport expenditure. The expectation is that land transport funding will be directed into high-quality projects and activities that will support improved productivity and economic growth, particularly in the export sector.

## **Investing in the State highway network**

21. The State highway network is key to the efficient movement of people and freight. It provides critical economic links for New Zealand businesses and is essential for the tourism sector. Although the network is only 12 percent of the total roading network, it accounts for around half the vehicle kilometres driven each year, and around two-thirds of the vehicle kilometres driven by heavy vehicles.

22. This GPS places particular importance on investment in the State highway network, which includes the RoNS as well as projects around the country. Maintaining the appropriate levels of service on the network, based on the State highway classification, is an important part of the investment in State highways, as are activities that enhance transport efficiency and lower the cost of transportation on the network.

23. The highest volume highways in and around our major centres, comprise only 6.5 percent of the network (about 0.8 percent of the total roading network) but carry 36 percent of the total vehicle kilometres travelled on State highways (about 17 percent of total vehicle kilometres travelled). They also carry about 28 percent of total heavy vehicle kilometres travelled on the State highway network (about 19 percent of total heavy vehicle kilometres travelled).

24. The RoNS programme is designed to address the major issues on these high-volume highways.

## **Continuing to progress the Roads of National Significance (RoNS)**

25. Continuing to progress the seven RoNS is a critical part of the economic growth and productivity priority and a significant part of the government's National Infrastructure Plan. The RoNS are important to addressing the needs of our key supply chain routes. Investing in these routes will ease the most significant pressure points in the national network, reduce congestion in and around our five largest metropolitan areas, improve road safety and link our major sea and air ports more effectively into the State highway network.

26. The seven current RoNS are:

- Puhoi to Wellsford - State Highway 1
- Completion of Auckland's Western Ring Route - State Highways 20, 16, and 18
- Auckland Victoria Park tunnel - State Highway 1
- Waikato Expressway - State Highway 1
- Tauranga Eastern Link - State Highway 2
- Christchurch motorway projects.
- Wellington Northern Corridor (Levin to Wellington) – State Highway 1.

27. The RoNS programme will be ongoing and an important part of the National Land Transport Programme. As the RoNS projects are completed new ones may be added to the programme if they are needed and as revenue allows.

28. Possible new routes have been identified through the State highway classification system. This system categorises State highways based on the function they perform, such as moving freight to and from ports or linking major population centres. The classification system provides a national consensus on the role and function of different State highways, and thus the levels of service that can be expected over a 20 year timeframe.

29. Routes that may be considered on this basis for future RoNS include:

- Hamilton to Tauranga
- Cambridge to Taupo
- Napier to Hastings
- State Highway 1 north and south of the current Christchurch motorway projects.

30. Based on the State highway classification system these four routes have high volumes of traffic, and are important for freight movements including port access.

### **Rebuilding the land transport system in Canterbury**

31. Rebuilding the land transport system in Canterbury will be an important priority for the 2012–2015 National Land Transport Programme. The scale of reconstruction work is significant and it will take several years to complete. The work is likely to have implications for the allocation of resources throughout the land transport sector.

### **Getting Auckland's transport working well**

32. Auckland is home to a third of the population and will account for 60 percent of New Zealand's population growth over the next 20 years. Getting Auckland's transport working well is crucial to improving the contribution the city can make to national economic growth.

33. Auckland will continue to be an important priority. Future investment will need to contribute to providing a comprehensive approach to land transport in Auckland that is informed by the Auckland Spatial Plan and is fair to all New Zealanders.

### **Making quality investments in public transport**

34. Making quality investments in the area of public transport is also important. Providing public transport services and infrastructure can help manage road congestion and gives people alternatives to private car use. It can also play a significant part in linking people with employment.

35. In addition, the New Zealand Energy Strategy 2011-2021 and the New Zealand Energy Efficiency and Conservation Strategy 2011-2016 highlight reliable and more cost effective public transport systems that offer benefits to attract a greater percentage of long-term users.

36. There are opportunities in the main centres for public transport to make a stronger contribution to economic growth and productivity, primarily by relieving congestion and improving access to economic opportunities.

37. There are also opportunities to improve the value from our public transport spend to ensure that growing sustainable public transport networks does not require increasing levels of subsidy.

### **Improving the local road network**

38. Local roads play a critical part in the land transport system. There are opportunities to ease congestion or capacity constraints, improve journey time reliability and improve safety. This includes improving the condition and/or operation of key routes that are important in providing access to areas of employment or economic growth, and routes that carry significant amounts of freight or are key tourist routes.

### **Investing in walking and cycling**

39. Investment in walking and cycling is also expected to make a contribution to economic growth and productivity. To achieve this, funding should be directed to reducing congestion and/or improving pedestrian and cyclist safety. Consideration should be given to concentrating the investment in fewer more targeted activities, for example in model communities, rather than spreading the funding across a greater number of activities with a lower overall level of return.
40. There are opportunities to support the New Zealand Cycle Trails' Network Expansion Project. Rooding programmes could, where appropriate, include provision for treatments that improve cycling safety on roads that are part of the cycle trails network.

### **Considering networks from a national perspective**

41. To help ensure that investment in land transport boosts New Zealand's long-term growth prospects, the NZ Transport Agency and local authorities need to continue to consider transport networks from a national perspective. Regional transport committees should consider the national aspect of networks, including the contribution local networks can make to achieving significant impacts at a national level.
42. The NZ Transport Agency, in preparing the National Land Transport Programme, should ensure proposed:
- projects and activities will not compromise the functioning of the national State highway and national rail networks
  - improvements on inter-regional links are coordinated across regional boundaries
  - projects and activities elsewhere on the transport network do not compromise the functioning of nationally important networks.

### **Integrated planning continues to be important**

43. Integrated planning is important to ensuring that decisions about land use, transport and urban design contribute to the achievement of the government's goals for transport and energy efficiency. To achieve integration, transport strategies and packages of activities should be developed alongside, and be clearly connected to, land use strategies such as spatial plans and implementation plans. In particular, land use and transport planning processes should ensure:
- opportunities are created for better integration within and between different modes of transport
  - the transport needs of future growth are considered in planning and developing the transport system
  - existing and future transport corridors are safeguarded from other development
  - new commercial and residential developments meet the cost of their infrastructural impact on the wider transport network
  - urban planning principles are applied.
44. Although important for all regions in New Zealand, integrated planning is a particular priority:
- in areas where the land use and transport context is subject to change
  - where solutions are likely to be complex and require substantial integration
  - for the rebuilding of Canterbury's transport networks
  - where there are synergies or economies of scale that can be realised, for example integrated planning done on an inter-regional scale.

## **A sharper and broader focus on value for money**

45. The government invests around \$3 billion of New Zealanders' money through the National Land Transport Fund each year. This is a substantial investment and the strength of the benefits that New Zealanders receive in return depends on where the money is invested, how the activities and projects are delivered, how assets are managed and the extent to which costs are minimised.
46. To gain the most from our land transport investment, GPS 2012 requires a sharpened and broadened focus on value for money. In doing so it raises expectations beyond those set by GPS 2009 which tend to focus on value for money at the level of prioritising projects and activities for funding. In contrast GPS 2012 will also require demonstrable value for money across all aspects of the development, delivery and management of the National Land Transport Programme.
47. Value for money will mean a culture of continually seeking better and smarter services and ways of operating. Getting greater value from land transport investment requires the NZ Transport Agency, local government and other Approved Organisations to continue to:
- make better use of the land transport network. Improved network management and selective development is needed to lift the performance and capacity of the existing network and minimise the need for major investment in new infrastructure. This includes ensuring users' expectations are understood, for example, through dialogue with industry
  - select and fund activities and projects that will make the greatest contribution to the government's goals and priorities outlined in this GPS
  - carefully consider the sequencing and phasing of projects so that, for example, small iterative investments in existing infrastructure do not take place when more significant investment in redeveloping the same infrastructure is shortly planned to commence
  - encourage innovation and be open to new models of delivery that are likely to result in better and smarter services and/or minimise whole of life costs
  - secure delivery of quality infrastructure and services for minimising whole of life cost and improve monitoring and contract management to ensure we are getting the standard of delivery, or outcomes, that are being paid for or better
  - raise the bar on the standard of asset and activity management to boost the performance of the land transport infrastructure and services. This is important as appropriately maintained, renewed and operated networks help minimise the whole of life cost of transport investment
  - improve the operational efficiency of the planning and funding allocation processes. This includes removing any unnecessary duplication particularly in planning.
48. Evidence from industry and local government suggests there are significant opportunities to improve value for money in the procurement of road maintenance and renewals across many regions of the country. The government has therefore decided to establish a Road Maintenance Sector Task Force, chaired by the NZ Transport Agency, to identify efficiencies and encourage their uptake through the country. The scope of the Task Force's work will be wide-ranging, and will include the products, techniques and specifications used for road maintenance and renewals, and the methods by which maintenance and renewals services are procured. The Task Force will be made up of individuals from industry, local government and the NZ Transport Agency, and will provide regular updates on progress to the Minister of Transport.

## **Improving road safety**

49. The Safer Journeys strategy sets out a changed approach to lowering the level of death and serious injury on our roads. This approach, the Safe System, requires effort to be focused across all elements of the road system (roads, speeds, vehicles and road use) and recognises that everybody has a responsibility for road safety.
50. Implementing Safer Journeys is a priority for 2012–2015. Guidance on where the NZ Transport Agency, local authorities, and other Approved Organisations should focus their safety effort is given in the Safer Journeys strategy and its action plans. These plans prioritise actions and outline the key indicators to be used in monitoring progress. These indicators can also be used to inform the scoping, selection and prioritisation of projects and activities.
51. It is expected that the National Land Transport Programme will support action across the four elements of the Safe System - roads, speeds, vehicles and road use. The programme will ensure that the combination of safety projects and activities invested in are likely to have the greatest impact in reducing road deaths and serious injuries.
52. Section C of this GPS draws particular attention to the amount of roading expenditure that is expected to be safety related. This is to make clear the full extent of the investment in road safety, which is achieved through multiple activity classes, including the six roading activity classes as well as the road policing and road safety promotion activity classes.

## C. Level of investment and allocation of funding

53. To support the achievement of the government's strategic direction and the specific impacts, each year around \$3 billion, depending on actual revenue, will be made available for investment in the land transport sector through the National Land Transport Fund.

### Total funding

54. Table 1 shows the expenditure target (the expected level of expenditure) along with the maximum and minimum range for National Land Transport Programme expenditure for the first 3 years of this GPS. The total level of funding represents a balance between achieving the government's expected impacts set out in Section B, and the level of revenue that can be raised.

55. Table 1 also provides indicative expenditure targets for 2015/16–2021/22. For the purposes of section 20 of the Act, from 2015/16, the expenditure target figure for each year is deemed to be the maximum level of National Land Transport Programme expenditure.

**TABLE 1: Target national land transport programme expenditure**

	12/13 \$m	13/14 \$m	14/15 \$m	15/16 \$m	16/17 \$m	17/18 \$m	18/19 \$m	19/20 \$m	20/21 \$m	21/22 \$m
Expenditure target	2,950	3,100	3,250	3,400	3,500	3,650	3,800	3,900	4,050	4,150
Maximum expenditure	3,200	3,300	3,400							
Minimum expenditure	2,500	2,500	2,500							

### Funding ranges for activity classes

56. Funding in the National Land Transport Programme is allocated to activity classes established in the GPS. The allocation of funding to these activity classes reflects the strategic direction the government has set. For each activity class, a funding range is given which sets out how much can be spent.

57. The following activity classes will be used for the 2012 – 2015 National Land Transport Programme<sup>2</sup>:

- New and improved infrastructure for State highways
- Renewal of State highways
- Maintenance and operation of State highways
- New and improved infrastructure for local roads
- Renewal of local roads
- Maintenance and operation of local roads
- Road policing
- Public transport services
- Public transport infrastructure
- Road safety promotion
- Walking and cycling
- Sector research
- Transport planning
- Management of the funding allocation system (including performance monitoring).

<sup>2</sup>In GPS 2009, funding was allocated until 2011/12 to the 'Domestic sea freight development' activity class and the 'Rail and sea freight' activity class. These activity classes have not been included in this GPS as they are no longer allocated funding.

58. A definition of each activity class is provided in Appendix 2.

### Activity class funding ranges

59. Table 2 sets out the funding ranges for each activity class for 2012/13–2017/18 and the forecast funding ranges for 2018/19–2021/22.

**TABLE 2: Activity class funding ranges 2012/13–2021/22**

Activity class	11/12 Alloc- ation <sup>3</sup> \$m	Funding ranges						Forecast funding ranges			
		12/13 \$m	13/14 \$m	14/15 \$m	15/16 \$m	16/17 \$m	17/18 \$m	18/19 \$m	19/20 \$m	20/21 \$m	21/22 \$m
New and improved infrastructure for State highways	1036	875 1150	900 1200	950 1300	1000 1400	1050 1450	1100 1500	1150 1550	1200 1600	1250 1700	1300 1750
Renewal of State highways	202	180 220	180 220	180 220	190 230	190 230	190 230	200 240	200 240	200 240	200 240
Maintenance and operation of State highways	300	255 325	255 325	255 350	255 350	255 350	255 360	255 360	255 360	255 380	255 380
New and improved infrastructure for local roads	132	130 180	130 185	130 190	140 210	140 210	140 210	150 230	150 230	150 230	160 250
Renewal of local roads	236	190 250	190 250	190 250	200 250	200 250	200 270	210 270	210 290	210 290	210 310
Maintenance and operation of local roads	251	205 300	205 300	205 300	205 310	205 310	205 310	205 310	205 310	205 310	205 320
Road policing	302	280 310	280 310	280 310	280 315	280 315	280 315	280 320	280 320	280 320	280 320
Public transport services	220	220 290	230 300	240 330	255 340	270 360	280 370	295 390	295 410	295 420	295 440
Public transport infrastructure	57	20 60	20 60	20 60	20 50	20 40	20 40	20 30	20 30	20 30	20 30
Road safety promotion	38	29 36	29 36	29 36	29 36	29 36	29 36	31 38	31 38	31 38	33 38
Walking and cycling	15	12 30	12 30	12 30	14 32	14 32	14 32	15 34	15 34	15 34	16 36
Sector research	6	3 5	3 5	3 5	3 5	3 5	3 5	3 5	3 5	3 5	3 5
Transport planning	32	14 23	14 23	14 23	15 23	15 23	15 23	15 23	15 23	15 23	15 23
Management of the funding allocation system	32	26 30	26 30	26 30	26 30	26 30	26 30	26 30	26 30	26 30	26 30

<sup>3</sup> These figures are from the National Land Transport Programme snap-shot as at 4 July 2011 that can be found on [www.nzta.govt.nz/planning/what-funding/nltp.html](http://www.nzta.govt.nz/planning/what-funding/nltp.html). These numbers are subject to change.

60. The NZ Transport Agency is required to allocate funding to activity classes within the funding ranges set out in Table 2 and within the overall expenditure targets set out in Table 1. The expenditure targets do not envisage funding being allocated at the top end of every activity class range.
61. By specifying the funding allocations as a range, the NZ Transport Agency has some flexibility in responding to requests for funding set out in regional land transport programmes and actual funding applications received, and in managing overall expenditure under the National Land Transport Programme.

**Making explicit the full extent of infrastructure investment in road safety**

62. Safety is a key priority of this GPS. To reflect this priority, this GPS makes explicit the amount of roading expenditure that is safety related.
63. In GPS 2009 the safety related roading expenditure was included as roading improvements or maintenance with the safety gains tending to be understated. However, roading improvements have contributed significantly to the gains that New Zealand has made over time in reducing deaths and serious injuries from road crashes. Further investment is a key part of the Safer Journeys road safety strategy.
64. Table 3 below indicates how much of the State highway and local road expenditure is expected to be safety related. This expenditure will target safety priorities and will focus on:
- safety improvements such as installing safety barriers, improving line markings, providing better passing opportunities, intersection improvements, rural road realignments, and demonstration projects<sup>4</sup>
  - safety improvements that target high-risk rural roads and high-risk urban intersections
  - maintenance and renewal activity for safety for example providing the appropriate level of skid resistance.

**TABLE 3: Safety related roading expenditure 2012/13 – 2014/15**

Activity class	2012/13 \$ million	2013/14 \$ million	2014/15 \$ million
State highways	150–240	150–240	150–240
Local roads	80–120	80–120	80–120

65. Section E outlines how the NZ Transport Agency is expected to report on the safety related expenditure and the road safety outcomes that have been achieved<sup>5</sup>.

<sup>4</sup> Demonstration projects trial and show-case the safe system approach to improving road safety that is outlined in Safer Journeys. The projects incorporate roading improvements, speed management and road user and vehicle initiatives as appropriate. The intention is to focus the projects on high-risk rural roads and one project is currently underway in Maramarua (Waikato).

<sup>5</sup> Outputs and outcomes will be reported in accordance with Office of the Auditor General/State Services Commission guidelines.

## **D. Revenue for land transport**

66. Central and local government are partners in building, maintaining, improving and funding land transport infrastructure and activities. Some activities, like State highway activities, road policing and sector research, are fully funded by central government, while activities that are delivered by local government are co-funded by central and local government, according to the NZ Transport Agency's funding assistance policy.

### **Revenue sources**

#### **Central government**

67. Central government funding for land transport within this GPS will mainly come from the following transport charges:

- fuel excise duty
- road user charges
- motor vehicle registration and licensing fees.

68. These are all hypothecated charges which means that the revenue from them is paid into the National Land Transport Fund and used for land transport purposes only under a permanent legislative authority. The GPS guides the allocation of the National Land Transport Fund through the National Land Transport Programme.

69. There will also be contributions from sources such as tolling, the rental or sale of State highway land and interest from invested unspent funds.

70. In light of the expenditure targets set in Section C of this GPS and based on current forecasting, the government expects that it will need to increase rates of fuel excise duty and road user charges during the first 3 years of this GPS by at least the rate of inflation. For 2012 the potential increase will be in the order of 2 cents a litre and in 2013 the potential increase will be in the order of 1.5 cents a litre.

71. The rate of contribution from the motor vehicle registration and licensing fees is not assumed to change over the first 3 years of this GPS.

72. For the period 2012–2015 some land transport projects and activities will be funded through annual Crown appropriations rather than through the National Land Transport Fund. This includes the funding for the SuperGold Card scheme, capital investment in Wellington and Auckland commuter rail, and equity and loan funding to assist KiwiRail implement its turnaround plan.

#### **Local government**

73. Many land transport project and activities are funded jointly by central and local government. Sources of the local government funding share for land transport activities include:

- rates
- development contributions
- borrowing
- investments.

74. The local funding share is not included in the GPS funding ranges.

## **Guidance on other revenue sources and procurement mechanisms**

75. There are a number of other funding and procurement mechanisms that could be available to support investment in land transport. The policy considerations that would apply to these mechanisms are outlined below.

### **Borrowing**

76. The government has approved an ongoing, fiscally neutral, borrowing facility for the NZ Transport Agency to manage the cash flows of the National Land Transport Fund. This facility is discussed further down in this Section.

77. Outside of this borrowing facility, the NZ Transport Agency may also propose borrowing to manage any short to medium-term increase in investment where the value of the project is demonstrably greater than other priorities already funded and adds significantly to long-term strategic objectives for the transport sector.

78. Ministers would only consider such applications for a clear and finite need, with the repayments through future reductions in expenditure or an agreed, clearly earmarked, repayment stream.

79. Any borrowing proposal will require a business case that sets out the long-term impact of debt financing on the National Land Transport Fund and the National Land Transport Programme and include a strategic assessment and economic, financial, commercial and management rationale. Details of a clear repayment plan and governance arrangements will also be required. As borrowing impacts on Crown debt, any borrowing proposal will need to be assessed in the context of the government's broader fiscal strategy and be approved by Cabinet.

### **Tolling**

80. Opportunities for tolling schemes on new roads should be explored where:

- they are likely to meet the requirements set out in subpart 2 of the Land Transport Management Act, and
- toll revenues, net of the costs of the tolling scheme itself, will make a positive contribution to the costs of the project.

81. The Act requires that toll revenues be linked to the cost of the road. In some past instances, this requirement has been fulfilled by using toll revenues to repay project-specific borrowing outside the National Land Transport Fund.

### **Public-private partnerships**

82. The National Infrastructure Unit in the Treasury has provided guidance on the potential use of public-private partnerships (PPPs). PPPs are to be considered as a potential procurement option, not a financing tool. Any proposed PPP that would result in a liability on the Crown balance sheet (for example, most potential PPPs involving commitments to repay debt from the National Land Transport Fund) must be considered using the guidance set out by the National Infrastructure Unit.

### **Longer term options that may be investigated**

83. Mechanisms with longer-term potential to contribute to land transport funding, for example pre-funding of major activities and more sophisticated road pricing, may be investigated by the government during the period covered by this GPS.

## **Matching planned expenditure to revenue**

84. The principle underlining land transport expenditure is that the NZ Transport Agency will manage expenditure so that it equals revenue over the 3-year funding period of the GPS and matches the target expenditure.
85. The NZ Transport Agency is expected to plan funding allocations for each activity class and approve funding for activities, so that total planned expenditure in any year aims to achieve the expenditure target set out in Table 1 for that year. It is accepted that the NZ Transport Agency may not achieve the expenditure target in any one year, provided that expenditure is within the range specified in Table 1.
86. The ability to manage expenditure over a 3-year funding period relies on expenditure targets being expressed as a range. This is why Table 1 specifies maximum and minimum levels of expenditure for the National Land Transport Programme for each of the next 3 years. Operation of a 3-year funding system is also reliant on the NZ Transport Agency being able to carry forward funds from the closing balance of the National Land Transport Fund in a financial year to a future financial year.
87. The need to manage planned expenditure against revenue arises because expenditure and revenue are subject to uncertainty and fluctuation. Expenditure can vary from projections due to factors such as unforeseen cost increases in key inputs and/or unexpected changes in project timing.
88. Revenue is dependent on the level of economic and transport activity so will fluctuate according to economic conditions. These conditions are currently very challenging.

## **Allowable variation between expenditure and revenue**

89. The Land Transport Management Act 2003 provides for an allowable variation to be set in a GPS as a way of managing any imbalances that arise between expenditure and revenue. It is partly through this allowable variation that expenditure can be managed across the 3-year funding period of a GPS.
90. For GPS 2012 a short-term borrowing facility for cash flow management, approved by Cabinet in November 2010, provides the capacity for allowable variation as envisaged by the Act. This facility allows for short-term advances with a maximum limit of \$250 million.
91. The facility addresses annual cyclical differences between revenue and expenditure cash flows, and short-term fluctuations arising from circumstances such as required emergency works, fluctuations in input costs, and unexpected changes in project timing such as early completion. Specifically the short-term borrowing facility for cash flow management can be used for two purposes, to manage:
  - regular seasonal cash flow cycles, where borrowing will be fully repaid during the financial year. Up to \$150 million of the facility can be used for this purpose; and
  - unexpected and unavoidable cash flow variations, where the NZ Transport Agency will vary short term programming in order to repay borrowing within the forecast budget period. Up to \$100 million of the facility can be used for this purpose.
92. Although this borrowing facility increases the NZ Transport Agency's flexibility, the government expects the NZ Transport Agency to manage expenditure in a way that it is fiscally neutral at the end of the first 3-year period of this GPS. The facility does not affect the funding ranges specified in Section C, and the NZ Transport Agency is limited to spending no more than available revenue in the National Land Transport Fund.

93. It is a condition of borrowing approval that the NZ Transport Agency must report to the Minister of Transport on the use of the facility in its quarterly reports and to copy the relevant section of the report to the Minister of Finance. The report must include a Board certification that the facility is being used for the purposes of cash flow management only, and that the terms and conditions of borrowing are being met.

**Where revenue levels vary significantly from the expenditure target**

94. Where it is likely that actual revenue levels will vary significantly from expenditure targets, the Ministry of Transport and the NZ Transport Agency will advise the Minister of Transport on the options for aligning expenditure and revenue. This includes providing advice on:

- how the delivery of the National Land Transport Programme could be altered to enable a closer match of expenditure to available revenue
- the options for amending the rates of fuel excise duty and road user charges and the scale of change required
- the impact that any potential change to the content of the National Land Transport Programme, to charges or to expenditure targets will have on the longer term achievement of the government's strategic objectives.

95. Subsequent to this the Minister of Transport will advise Cabinet on whether to revise the expenditure target and/or amend the rates of fuel excise duty and road user charges to meet expenditure targets.

## **E. Key legislative requirements and obligations**

96. This section expands on the guidance and expectations for the implementation of GPS 2012 set out in Section B. It focuses on the key legislative requirements and obligations the NZ Transport Agency has in its role as investor in land transport and deliverer of land transport projects and activities. This includes expectations for monitoring and reporting. The section also highlights Regional Transport Committees' obligations for giving effect to the GPS.

### **Requirements and obligations of the NZ Transport Agency**

97. The Act requires the NZ Transport Agency to give effect to the GPS when performing its functions in respect of land transport planning and funding. In giving effect to the 2012/13 – 2021/22 GPS the NZ Transport Agency shall:

- adopt a National Land Transport Programme:
  - with the intention that the outcomes achieved or supported by the funding allocations within the National Land Transport Programme are consistent with the government's strategic direction, priorities and impacts that are set out in Section B of this GPS. As part of this, the NZ Transport Agency will evaluate regional land transport programmes (submitted under section 13 of the Act) to assess whether the outcomes achieved or supported by activities in these regional land transport programmes are consistent with this GPS
  - so that the funds allocated and spent within each activity class are within the range specified for that activity class in Section C of this GPS
  - so that the available funds allocated and spent are consistent with the expenditure target, the expenditure range, and the allowable variation between actual revenue and expenditure set out in Sections C and D of this GPS
- explain in the National Land Transport Programme how it has complied with the above requirements
- comply with the funding policies set out in this GPS
- work with local government entities to:
  - develop regional transport solutions that will achieve the impacts sought by this GPS
  - develop regional funding allocations
- advise on how Regional Transport Committees comply with the legislative funding and planning requirements.

### **Monitoring and reporting**

98. Monitoring and reporting how the transport sector is performing is an important part of the NZ Transport Agency's role. The government expects the NZ Transport Agency to collect and provide information that enables an assessment of how well the National Land Transport Fund investment has contributed to the government's objectives.

99. The NZ Transport Agency is required to:
- provide a written explanation under section 11 of the Land Transport Management Act 2003 of how the NZ Transport Agency has given effect to the GPS in managing the National Land Transport Programme
  - provide a written explanation of how the NZ Transport Agency has given effect to the government's priorities as set out in Section B of this GPS
  - provide an annual written monitoring report on how the funding of activities have contributed to the impacts set out in this GPS
  - report annually on expenditure under each activity class in a way that allows the administrative costs to be identified separately from expenditure on outputs
  - report annually on expenditure under the relevant activity classes that allows the contribution to road safety related projects to be identified.
100. In fulfilling these obligations, it is expected that the NZ Transport Agency will work with the Ministry of Transport and other partners to refine the quality of monitoring and reporting against the expectations of this GPS. This includes the development of tools for demonstrating the link between the actual investment and its effectiveness in achieving the GPS impacts.
101. This may require the development of additional measures beyond what is in the Transport Monitoring Indicator Framework.

### **Key obligations of regional transport committees in respect of the GPS**

102. The Act also places obligations on regional transport committees to help give effect to the GPS. The key obligations are:
- regional transport committees must take the GPS into account in preparing a regional land transport strategy
  - regional transport committees must be satisfied their regional transport programmes are consistent with the GPS.

## **Appendix 1: Relevant sections of the Land Transport Management Act 2003**

### **84. Overview of the GPS**

- (1) A GPS, which is issued by the Minister [of Transport] every three financial years, enables the Minister to—
- (a) guide the [New Zealand Transport] Agency and land transport sector on the outcomes and objectives, and the short- to medium-term impacts, that the Crown wishes to achieve –
    - (i) through the national land transport programme; and
    - (ii) from the allocation of the national land transport fund; and
  - (b) link the amount of revenue raised from road users with the planned levels of expenditure from the national land transport fund.
- (2) This section is intended by way of explanation only, and if this section is inconsistent with another provision of this Act or any other Act, then the other provision prevails.

### **85. Status of the GPS**

To avoid doubt, a GPS is not—

- (a) a direction for the purposes of Part 3 of the Crown Entities Act 2004; and
- (b) a regulation for the purposes of the Acts and Regulations Publication Act 1989; and
- (c) a regulation for the purposes of the Regulations (Disallowance) Act 1989.

### **86. Minister must issue a GPS before a national land transport programme**

- (1) The Minister must issue a new GPS in advance of the expiry of the current national land transport programme.
- (2) A GPS must be in effect at all times over the same period as the current national land transport programme.

### **87. Preparation of the GPS**

- (1) The Minister must, in preparing the GPS,—
- (a) be satisfied that the GPS—
    - (i) contributes to the aim of achieving an affordable, integrated, safe, responsive, and sustainable land transport system; and
    - (ii) contributes to each of the following:
      - (A) assisting economic development;
      - (B) assisting safety and personal security;
      - (C) improving access and mobility;
      - (D) protecting and promoting public health;
      - (E) ensuring environmental sustainability; and
    - (iii) is consistent with any—
      - (A) national land transport strategy;
      - (B) national energy efficiency and conservation strategy; and
  - (b) take into account any relevant national policy statement that is in force under the Resource Management Act 1991; and
  - (c) have regard to the views of Local Government New Zealand and representative groups of land transport users and providers (including representative groups of coastal shipping users and providers).
- (2) Before issuing a GPS, the Minister must consult with the Agency about the proposed GPS.

## **88. Content of the GPS**

- (1) The GPS sets out how land transport funding is intended to improve the land transport sector in the context of land transport policy.
- (2) The GPS must include the following:
  - (a) the short to medium-term impacts that the Crown wishes to achieve through the allocation of funding from the national land transport fund:
  - (b) the activity classes to be funded from the national land transport fund:
  - (c) likely changes to the duties, fees, and charges paid into the national land transport fund for the first three year period covered by the GPS:
  - (d) an expenditure target for the national land transport programme for each of the first three years and any subsequent years that the Minister considers relevant:
  - (e) a maximum and minimum level of expenditure for the national land transport programme for each of the first three years and any subsequent years that the Minister considers relevant (subject to the ability to carry forward funds from the closing balance of the national land transport fund for a financial year to a future financial year):
  - (f) an allowable variation between expenses and capital expenditure incurred under the national land transport programme and the inflows received in the national land transport fund:
  - (g) funding ranges for each activity class for a period of six financial years:
  - (h) forecast funding ranges for each activity class for the period of four financial years following the first six financial years:
  - (i) overall investment likely to be made in the land transport sector over a period of 10 financial years and the likely or proposed funding sources:
  - (j) allowable reasons for varying the expenditure target identified in paragraph (d) when making funding allocation decisions:
  - (k) a statement of the Minister's expectations of how the Agency gives effect to the GPS.
- (3) The GPS may include the following:
  - (a) background, including any relevant transport outcomes and objectives and any relevant land transport policies:
  - (b) any relevant funding policy:
  - (c) subject to the Public Finance Act 1989, any additional expected funding for land transport activities, including (but not limited to) any money that Parliament may appropriate for the purpose:
  - (d) any other relevant matters.

## **89. Agency to give effect to the GPS in respect of funding of land transport system**

- (1) The Agency must give effect to the GPS when performing its functions under subpart 1 of Part 2 in respect of land transport planning and funding.
- (2) To avoid doubt, the GPS may not impose an obligation on the Agency to approve or decline funding for a particular activity or any combinations of activities under section 20.

## **90. Amending the current GPS**

- (1) The Minister may amend the current GPS at any time.
- (2) The provisions of this Act regarding the preparation and availability of a GPS—
  - (a) apply with the necessary modifications to an amendment to the current GPS; but
  - (b) do not apply if the amendment to the current GPS is not significant.
- (3) An amendment forms part of the GPS it amends.
- (4) For the purposes of this section, current GPS means the GPS that is in effect over the same period as the current national land transport programme.

## **91. Availability of the GPS**

As soon as practicable after issuing a GPS, the Minister must—

- (a) present a copy of the GPS to the House of Representatives; and
- (b) arrange for a copy of the GPS to be given to each of the following:
  - (i) the Secretary [of Transport];
  - (ii) the Agency;
  - (iii) the Commissioner [of Police];
  - (iv) every approved organisation; and
- (c) make a copy of the GPS publicly available in accordance with section 108.

## **Other relevant sections**

### **11. Annual report on national land transport fund**

- (1) After the end of each financial year, the Agency must prepare an annual report on the national land transport fund.
- (2) The annual report required under subsection (1) must be prepared in accordance with generally accepted accounting practice, and must include—
  - (f) an explanation of how the funding of activities or combinations of activities under the national land transport programme has contributed to the achievement of any outcomes, objectives or impacts set out in any national land transport strategy or the relevant GPS

### **14. Core requirements of regional land transport programmes prepared by regional transport committees**

When a regional transport committee prepares a regional land transport programme on behalf of the relevant regional council, the regional transport committee must—

- (a) be satisfied that the regional land transport programme—
  - (iii) is consistent with—
    - (A) the relevant GPS

### **19. Overview of national land transport programme**

- (1) The Agency may include activities and combinations of activities from regional land transport programmes, and research, education, training, and other activities that the Agency is responsible for delivering, in the national land transport programme, so that the national land transport programme contributes to—
  - (a) The aim of achieving an affordable, integrated, safe, responsive, and sustainable land transport system; and
  - (b) The outcomes, objectives and impacts identified by the Crown in any national land transport strategy or the relevant GPS

### **19B. Core requirements for national land transport programme**

The Agency must, in preparing a national land transport programme,—

- (a) Ensure that the national land transport programme—
  - (iii) gives effect to the relevant GPS

### **19E. Variation of national land transport programme**

- (3) If a current GPS is amended under section 90(1), the Agency must vary the national land transport programme as soon as practicable to give effect to that amendment.

## **20. Approval of activities and combinations of activities**

(3) In approving a proposed activity or combination of activities, the Agency must take into account—  
(a) the relevant GPS

(5) When approving an activity or combination of activities as qualifying for payments from the national land transport fund, the Agency must be satisfied that the expenditure on the national land transport programme and any expenses associated with any borrowing undertaken in accordance with section 10(1)(b) in the relevant financial year will not exceed the lesser of—

(a) the maximum level of expenditure for the national land transport programme outlined in the relevant GPS for that financial year and the actual or anticipated amount of the closing balance of the national land transport fund at the end of the previous financial year; or

(b) the sum of—

(i) the anticipated inflows to the national land transport fund in that financial year; and

(ii) the actual or anticipated amount of the closing balance of the national land transport fund at the end of the previous financial year; and

(iii) the allowable variation for that financial year specified in the relevant GPS.

## **75. Core requirements for regional land transport strategies**

A regional transport committee must, when preparing a regional land transport strategy on behalf of a regional council—

(b) take into account—

(i) the relevant GPS.

## Appendix 2: Definition of activity classes

Activity Class	Definition
New and improved infrastructure for State highways	Activities related to managing and delivering a State highway capital improvement programme.
Renewal of State highways	Activities related to managing and delivering a renewal programme for existing State highway assets. Renewal activities are capital expenditure items arising from the deterioration of existing infrastructure assets.
Maintenance and operation of State highways	Activities related to managing and delivering State highway maintenance and operations. Maintenance activities are for managing the physical condition of assets that is appropriate to the level of use. Operation activities are for managing demand and running services to optimise utilisation across networks. Emergency reinstatement for immediate responses to loss of service is included in this activity class.
New and improved infrastructure for local roads	Activities related to managing and delivering capital improvement programmes for local roads.
Renewal of local roads	Activities related to managing and delivering renewal programmes for existing local road infrastructure. Renewal activities are capital expenditure items arising from the deterioration of existing infrastructure assets.
Maintenance and operation of local roads	Activities related to managing and delivering local road maintenance and operations. Maintenance activities are for managing the physical condition of assets that is appropriate to the level of use. Operation activities are for managing demand and running services to optimise utilisation across networks. Emergency reinstatement for immediate responses to loss of service is included in this activity class.
Road policing	Road policing activities delivered by the New Zealand Police.
Public transport services	Activities related to managing and delivering contracted public transport services and total mobility transport services.
Public transport infrastructure	Activities related to managing and delivering the renewal and improvement of infrastructure to support public transport services.
Road safety promotion	Activities that promote, educate, advertise or raise awareness of the safe use of transport networks. This includes road user activities that are required to implement the Safer Journey's Action Plan(s). It also includes reimbursement to towage and storage operators for uncollected impounded vehicles.
Walking and cycling	Activities related to managing and delivering new and improved infrastructure and promotional activities for increasing the use of walking and cycling for transport purposes.
Sector research	Activities related to managing and delivering research into land transport issues. This activity class also includes residual training activities that were agreed as part of the 2009–2012 National Land Transport Programme and previously funded under the Sector training and research activity class.

Transport planning	Activities related to managing and delivering transport planning to improve network, service or asset management plans in response to significant changes in transport demand.
Management of the funding allocation system, including performance monitoring	<p>Activities related to managing the National Land Transport Fund through allocation and expenditure through the National Land Transport Programme. This includes developing, managing and/or monitoring:</p> <ul style="list-style-type: none"> <li>• associated funding and procurement procedures, policies and guidelines</li> <li>• funding agreements with approved organisations</li> <li>• assistance and advice to approved organisations and Regional Land Transport Committees</li> </ul> <p>Land transport inputs, activities and impacts.</p>

## Glossary

<b>Activity</b>	Defined in the Land Transport Management Act 2003 as a land transport output or capital project, or both.
<b>Activity class</b>	Refers to a grouping of similar activities.
<b>Approved organisations</b>	Approved organisations are eligible to receive funding from the NZ Transport Agency for land transport activities. Approved organisations are defined in the Land Transport Management Act 2003 as regional councils, territorial authorities or a public organisation approved by the Governor-General by Order-in-Council.
<b>Connecting New Zealand</b>	This document summarises the government's broad direction for the transport sector over the next decade.
<b>Fuel excise duty (FED)</b>	Fuel excise duty is a tax imposed by the government on fuel and is used to fund land transport activities.
<b>Funding assistance rate (FAR)</b>	Previously referred to as a 'financial assistance rate', this rate defines the central government contribution to activities.
<b>Impact</b>	The contribution made to assist achieving the government's economic, social and environmental objectives. See section 5 of the Land Transport Management Act 2003 for the statutory definition.
<b>Land Transport Management Act 2003</b>	The main Act governing the land transport planning and funding system.
<b>Land Transport Revenue</b>	Revenue paid into the National Land Transport Fund under the Land Transport Management Act 2003.
<b>Local road</b>	Defined in the Land Transport Management Act 2003 as a road (other than a State highway) in the district, and under the control, of a territorial authority.
<b>Long-Term Plans</b>	Each local council in New Zealand is required to produce a plan for its community called the Long-Term Council Community Plan. It describes the activities of the council and provides a long term focus for its decision making. It must cover a period of 10 consecutive financial years though it is prepared every 3 years.
<b>Motor vehicle registration and licensing fees</b>	The Motor Vehicle Register was established under the Transport (Vehicle and Driver Registration and Licensing) Act 1986, and is continued under Part 17 of the Land Transport Act 1998. It records details of vehicles that are registered to operate on the road. Motor vehicle registration and licensing fees are defined as land transport revenue.
<b>Ministry of Transport</b>	The government's principal transport policy adviser that both leads and generates policy, and helps to set the vision and strategic direction for the future of transport in New Zealand.

<b>National Land Transport Programme</b>	The National Land Transport Programme sets out the land transport activities that are likely to receive funding from the National Land Transport Fund. The National Land Transport Programme is a three yearly programme of investment in land transport infrastructure and services from the National Land Transport Fund.
<b>National Land Transport Fund</b>	The set of resources, including land transport revenue, that are available for land transport activities under the National Land Transport Programme.
<b>National Infrastructure Plan</b>	This document sets out the government's 20 year vision for infrastructure. It provides a common direction for how economic and social infrastructure is planned, funded, built and used.
<b>New Zealand Transport Agency</b>	The NZ Transport Agency has the statutory independent role to develop and manage the National Land Transport Programme.
<b>Output</b>	Means goods or services.
<b>Public transport</b>	Passenger transport services provided or subsidised by local and central government.
<b>Regional Land Transport Programmes</b>	The 3-yearly land transport infrastructure and services proposals for funding from the National Land Transport Fund prepared by regional transport committees. In the case of Auckland, the Regional Land Transport Programme is prepared by Auckland Transport.
<b>Regional Land Transport Strategies (RLTS)</b>	Every regional transport committee on behalf of the regional council must prepare, and consult on, a regional land transport strategy to provide guidance on the land transport outcomes sought by the region. The RLTS must be produced every 6 years and cover a period of 30 years, and it must contribute to the vision set out in the strategy. The Auckland Council has this responsibility for the Auckland region.
<b>Regional Transport Committee</b>	Every regional council or unitary authority must establish a transport committee for its region and appoint a range of representatives (including those from the regional council, territorial authorities, the NZ Transport Agency, one representing each of the five transport objectives and one from a cultural perspective). The main functions of the regional transport committee are to prepare a regional land transport strategy and a regional land transport programme.
<b>Road controlling authorities</b>	Authorities and agencies, including the NZ Transport Agency, territorial authorities, the Waitangi Trust and the Department of Conservation, who have control of the road.

**Roads of National Significance**

The Roads of National Significance (RoNS) are routes that are critical to improving economic productivity and growth. Currently there are seven projects on the RoNS programme. The seven RoNS projects are based around New Zealand's five largest population centres. The focus is on moving people and freight between and within these centres more safely and efficiently.

**Road user charges (RUC)**

Charges on diesel and heavy vehicles paid to the government and used to fund land transport activity.

**State highways**

A State highway is a road operated by the NZ Transport Agency, as defined under the Land Transport Management Act 2003.



Ministry of **Transport**  
TE MANATŪ WAKA

