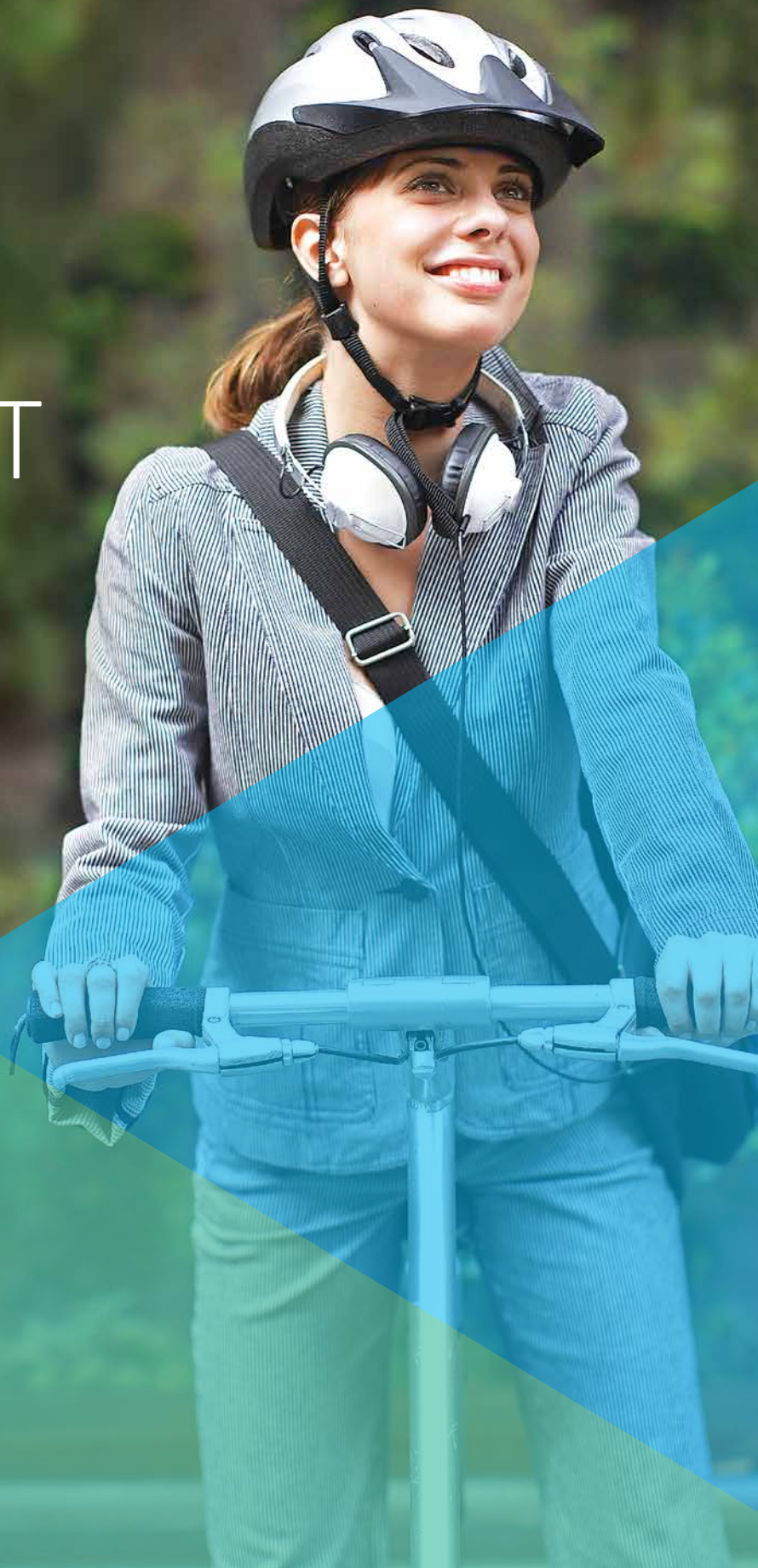




STATEMENT OF INTENT

2018 – 2022










TRANSPORT FOR EVERYBODY



New Zealanders spend
just under an hour a day
travelling, on average



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There are 7,660 registered electric vehicles in New Zealand



Minister of Transport's Foreword

The New Zealand transport system plays a pivotal role in providing more liveable cities and thriving regions. It underpins how New Zealanders get to their places of work and study, how they access leisure activities and how businesses move their goods and services.

I am committed to delivering a transport system that works for all New Zealanders, a system that links us together and recognises the pivotal role transport has in the quality of our lives.

Particular areas of focus

I have two guiding principles for the transport sector. Firstly, transport planning and investing should be mode neutral. Secondly, our urban transport systems should be modern and efficient. These guiding principles underpin each of my seven priorities for the transport sector over the next three years. These are:



Delivering a mode neutral transport system to provide a more sustainable New Zealand

This means considering all transport modes when planning and investing, and basing our decisions on the merits of each mode to deliver positive and sustainable outcomes. The Government Policy Statement on land transport [GPS] will be a key lever to set the frame for investment and funding decisions that are mode neutral.



Delivering liveable cities

Liveable cities are connected cities. The transport sector will work with urban centres to ensure transport enables good urban design and allows for integrated and connected transport choices. This includes rapid public transit, walking and cycling.



Ensuring that transport supports regional development outcomes

Transport enables real economic opportunities for regions, as long as there is appropriate investment and planning to make this happen. All regions must be able to take advantage of their unique strengths. I am looking to invest in beneficial, cost-efficient and sustainable outcomes, including making investments in regional rail and roads, progressing inter-regional passenger rail, and investing in initiatives that support the growth of industry in the regions.



Transport plays a key role in transitioning New Zealand to a low carbon future

It is vital to reduce carbon and harmful pollutant emissions from transport and improve public health outcomes by substantially increasing the use of lower emission modes. These include walking and cycling, electric vehicles and e-bikes, providing frequent and affordable public transport, promoting integrated land use and transport planning, and supporting rail and sea freight. The transport sector is working with international organisations to reduce the impact of international air and maritime emissions.



Enabling affordable and easy access to allow all New Zealanders to make the most of opportunities

Transport must be affordable for all users. I am prioritising work that ensures New Zealanders have affordable and easy access to economic and social opportunities. This includes work on improving the safety of public transport, walking and cycling, to make these activities more accessible.



Delivering a transport system which is resilient, safe to use, and manages and promotes health and other social benefits

I am committed to putting safety at the heart of all decision making in transport so that our city streets, rural roads and State highways are more forgiving. As part of the development of a new road safety strategy I have tasked the sector to investigate adopting Vision Zero, and the ambitious long-term target of zero deaths on our roads.

In the meantime, I am committed to taking immediate actions to improve our road safety. These include improving the safety of our vehicle fleet, tackling unsafe speeds, and implementing mandatory alcohol interlock device systems for repeat and highly impaired first-time drink drivers.

I am also focused on delivering a transport system that is designed to manage the risks of natural and human-made disruptive events, can cope with shocks and stresses, and can swiftly recover from disruption.



Ensuring investment and regulatory settings further government priorities

I have tasked the Ministry of Transport to ensure that investment, regulatory and international settings further the Government's transport and wider priorities. The regulatory environment will be sufficiently flexible to quickly respond to emerging business models. This includes delivering a transport regulatory strategy and rules programme which promotes safety, resilience, environmental and economic outcomes, and supports the uptake of technology that delivers transport outcomes.

We have a big task ahead of us

There is much work underway towards the system-wide changes necessary to achieve our priorities. This Statement of Intent sets out high-level intentions for the transport sector, with work remaining to develop these intentions into a comprehensive, system-wide plan. I look forward to the more detailed framing of the Ministry's strategy and performance in the next Statement of Intent in 2019.

Ministerial statement of responsibility

I am satisfied that the information on future operating intentions provided by my department in this Statement of Intent and the Information Supporting the Estimates is in accordance with sections 38, 40 and 41 of the Public Finance Act 1989 and is consistent with the policies and performance expectations of the Government.

Hon Phil Twyford
Minister of Transport



Chief Executive's Introduction

Kia ora koutou. Transport is essential for the lives of every New Zealander – it allows us to access economic and social opportunities within New Zealand and to connect globally. For New Zealanders to flourish we need an effective, healthy and safe domestic transport system with strong links to the rest of the world. New Zealand has a vibrant transport sector, which provides around 4.5 percent of New Zealand's employment and 5 percent of our gross domestic product.

It's an exciting time at the Ministry of Transport. We are entrusted with a range of responsibilities which are both complex and challenging.

Following a significant rethink of, and reset to, the way we work in 2017, I believe the Ministry is well positioned to lead the sector in achieving the best outcomes for the Government and for New Zealanders. The Ministry's newly-established senior leadership team is responsible for taking the organisation forward as we transition to be our best. Early progress is evident but there is more to do.

This Statement of Intent acknowledges the Ministry's stage of rebuild and a large focus for the 2018 calendar year is on developing strategic intentions and a framework for measuring our progress towards these.

The Performance Improvement Framework (PIF) Review released in January 2018 closely mirrored findings of our own operating model review. Over the next four years, the Ministry will bring:

- ▶ A stronger systems focus to the development of policy and regulation in the transport sector, and working collaboratively across government;
- ▶ A greater leadership role to the transport sector, including providing greater clarity of direction and a stronger research and evidence base for decision making; and
- ▶ A more consistent approach to engaging across the transport and government sectors to strengthen the way we develop and implement transport policy.

The Ministry is focusing on seeing transport as a whole system and understanding the complex interactions and relationships that occur both within that system, and in the broader social, economic, and environmental context. We have a full policy work programme that presents a number of challenges; our work is interdependent with that of other sectors and addresses a range of complex issues, with much to be done.

We know that our work is critical to the daily lives of people throughout New Zealand and the success of New Zealand businesses. We are committed to fulfilling our role and providing the advice that the Government needs.

Chief Executive statement of responsibility

In signing this statement, I acknowledge that I am responsible for the information contained in the Statement of Intent for the Ministry of Transport. This information has been prepared in accordance with the Public Finance Act 1989. It is also consistent with the proposed appropriations set out in the Appropriations (2018/19 Estimates) Bill, as presented to the House of Representatives in accordance with section 13 of the Public Finance Act 1989, and with existing appropriations and financial authorities.



Peter Mersi
Chief Executive, Ministry of Transport



What the Ministry of Transport does

In 2017, the Ministry identified a new purpose – ‘enabling New Zealanders to flourish’. A flourishing New Zealand requires a transport system that provides for healthy and safe people, resilience, inclusive access, economic prosperity and environmental sustainability.

The Ministry sets the long-term strategies to enable this to happen. We assess the trends occurring within New Zealand and overseas, we model key outcomes, we research and evaluate, and we work to understand the use of new technologies for transport. We work closely with a range of agencies across Government where we have common outcomes – for example, work on economic development, and climate change.

Informed by this, we advise ministers and develop policies to advance the broad set of outcomes that transport can shape and influence.

To achieve our purpose, the Ministry works in three ways:

Providing clear leadership and influence

The Ministry provides leadership across the transport system and in the wider government sector, making connections and influencing across the network of transport users, providers and regulators. We assist the Government to set and explain the strategic direction for the transport system and its inter-relationship with other systems. We also engage with our international counterparts, and with international regulatory bodies, to ensure that New Zealanders and their export goods can travel freely, and we can influence the development of key international standards that impact on New Zealand’s transport system.

Signalling investment and revenue priorities

The Ministry advises the Government on the appropriate mechanisms for raising revenue for the transport system, and how that revenue should be spent to maximise value from investments in the transport system. We do this through the investment signals set out in the Government Policy Statement on land transport, through providing advice on appropriate funding mechanisms to deliver outcomes, and through providing advice on funding across all transport sectors, including maritime, aviation, and search and rescue.

Undertaking our stewardship responsibilities

The Ministry has a responsibility under the State Sector Act to provide long-term stewardship of the transport system. To do this, we work closely with the transport Crown entities on a regulatory stewardship work programme, which is aimed at ensuring the transport regulatory system is fit for purpose and forward leaning.

As part of our stewardship responsibilities we also monitor the transport Crown entities [see next page] and a variety of other Government owned transport assets including the Joint Venture Airports to ensure they are meeting system objectives. The role is set out in section 27A of the Crown Entities Act. In its monitoring role, the Ministry aims to support the entities to improve performance while not prejudicing its primary role as agent and trusted adviser to the Minister.

In addition to performance monitoring, the Ministry provides advice and assists the Minister with appointments to the Crown entity boards, setting and clarifying expectations for each entity, and reviewing the performance of the board overall.








24% of people’s travel time out and about is to work, or on work business







The New Zealand Government Transport Sector

Minister of Transport and Associate Ministers of Transport

The Ministry of Transport provides impartial, expert advice to the Government to help it meet its objectives for transport. This includes advice on legislative, regulatory and policy settings, funding levels and priorities, and Crown agency governance, performance and accountability. The Ministry also represents the Government's transport interests internationally.

 <p>(including the Aviation Security Service)</p>			 <p>(independent Crown agency)</p>	
<p>Civil Aviation Authority Establishes and monitors civil aviation safety and security standards, carries out air accident and incident investigations, and promotes aviation safety and personal security.</p> <p>Aviation Security Service Provides aviation security services for international and domestic air operations, including airport security, and passenger and baggage screening.</p>	<p>Maritime New Zealand Promotes commercial and recreational vessel safety, marine environment protection standards, and monitors port and ship security.</p> <p>Controls entry to the maritime system, through granting of maritime documents and inspection of ships, and advises on international conventions.</p> <p>Investigates maritime accidents and coordinates category II search and rescue.</p> <p>Provides oil spill preparedness and response, navigation aids and the distress and safety radio communications system.</p>	<p>NZ Transport Agency Allocates funding for land transport infrastructure and services through the National Land Transport Programme.</p> <p>Manages access to the transport system through driver and vehicle licensing, vehicle inspections and rules development.</p> <p>Provides land transport safety and sustainability information and education.</p> <p>Manages the State highway network, including maintenance, improvements and operations activities.</p>	<p>Transport Accident Investigation Commission Investigates significant air, maritime and rail accidents and incidents, to determine their cause and circumstances, so that similar occurrences are avoided in future.</p>	<p>City Rail Link Limited Full governance, operational and financial responsibility for the Auckland City Rail Link, with clear delivery targets and performance expectations.</p> <p>Established on 1 July 2017 as a Schedule 4A company under the Public Finance Act. It is jointly owned by the Crown and the Auckland Council.</p>

<p>Three State-owned enterprises with transport functions</p> <p> Airways Corporation of New Zealand Limited Provides air navigation and air traffic management services on a commercial basis. It is also responsible for air traffic services in 28.8 million square kilometres of international airspace managed by New Zealand.</p> <p> Meteorological Service of New Zealand Limited [MetService] Provides public weather forecasting services and meteorological information for international air navigation under contract to the Civil Aviation Authority.</p> <p> KiwiRail Holdings Limited [trading as KiwiRail Group] Manages the rail and ferry businesses owned by the New Zealand Government</p>	<p>Local government</p> <p>Local authorities own, maintain and develop New Zealand's local road network and perform important regulatory transport functions. Local government funds land transport infrastructure and public transport services alongside central government, and is responsible for transport planning and land use planning. Some local authorities own seaports and airports, or share ownership with the Crown.</p>	<p> NEW ZEALAND POLICE Ngā Pirihimana o Aotearoa</p> <p>Provides road policing services, including speed management, drink/drugged driving enforcement, seatbelt enforcement, a visible road safety presence and commercial vehicle investigation. Also provides maritime patrol units.</p>
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The Ministry of Transport's strategic intentions

This Statement of Intent sets out the Ministry's current outcomes

A Statement of Intent sets out an organisation's strategic intentions for the next four years. We are working with transport sector agencies and stakeholders to confirm five core outcomes that Government is seeking from the transport system (shown below). The Government has also identified seven priority areas that we will focus on over the next four years. Those priorities and the work programmes that will support them are set out in the following sections.

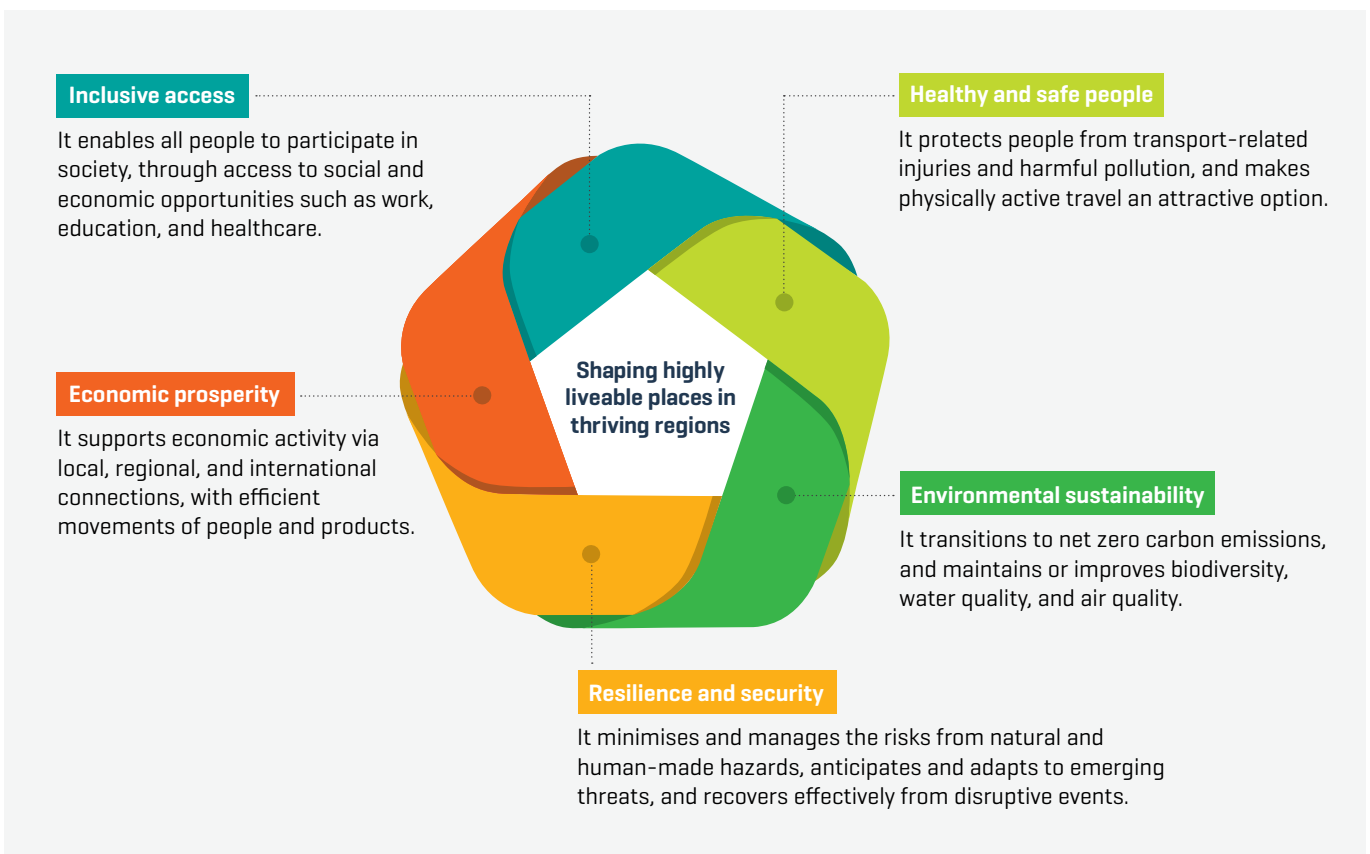
The Ministry has further work to do – collaborating across the transport sector to develop this set of outcomes into a framework that links the outcomes we seek with measureable deliverables.

The Ministry will develop a revised set of performance measures through which its impact and the performance of the transport system can be understood. The Ministry has already commenced this work and expects that it will be completed in late 2018.

A consequence of this work is that this Statement of Intent is likely to be superseded in 2019. The Ministry will present a new Statement of Intent in 2019, based on the draft outcomes framework below, and including new performance measures.

A draft outcomes framework

The transport system shapes highly liveable places in thriving regions, by contributing to:



How the outcomes fit with the Living Standards Framework

The Living Standards Framework is being developed by Treasury to consider the collective impact of policies on current and intergenerational wellbeing. It aims to supplement current

income-based measures used in economic policy analysis, like per capita GDP, with indicators of current and long-term wellbeing.

Priorities

1. Delivering a mode neutral transport system to provide a more sustainable New Zealand



We will work to ensure that decisions made for the transport system, particularly for freight, do not favour one mode over another. We will promote a sustainable transport system across all modes. The Government Policy Statement on land transport [GPS] will be a key lever to set the frame for investment and funding decisions to be mode neutral.

Mode neutrality means considering all transport modes when planning and investing, and basing decisions on the merits of each mode to deliver positive social, economic, and environmental outcomes.

Government Policy Statement on land transport



The Government Policy Statement on land transport [GPS] sets out the Government's priorities for expenditure from the National Land Transport Fund over the next 10 years. It sets out how funding is allocated between activities such as road safety policing, State highways, local roads and public transport.

A new GPS will take effect in July 2018. The Ministry will continue to develop the mode-neutral approach through the GPS, with the aim of publishing another GPS in 2019.

Coastal shipping



The Ministry of Transport is seeking to better understand the challenges, barriers and opportunities facing New Zealand's coastal shipping sector. To ensure that we gather a wide range of perspectives and ideas we are engaging with a range of coastal shipping stakeholders including freight and logistics companies, coastal shipping operators, port operators and shipping agents. The engagement processes we have designed will help us identify what is working well in the sector, what barriers are hindering the further success of the sector and what opportunities are likely to present themselves in the future.

The information we gather through our stakeholder engagement will help inform the advice we develop for the Minister of Transport on how coastal shipping can contribute to the Government's objectives for New Zealand's transport system.

Rail



The Future of Rail Programme is being led by the Ministry of Transport with support from the Treasury, the NZ Transport Agency and KiwiRail. A joint working group has been established to deliver advice to Ministers in August with a concluding report provided in December 2018.

The Programme involves a package of work to:

- describe the purpose and value of rail within a multi-modal transport system
- identify the structure and mix of rail assets that KiwiRail will need; and
- confirm what funding mechanisms are required in order to fulfil that purpose.

Public Transport Operating Model



The Public Transport Operating Model [PTOM] is being implemented through a combination of operational and legislative changes.

The Ministry will undertake research to look at the effects of PTOM on employment conditions as an input into a substantive evaluation of PTOM in 2019.

2. Delivering liveable cities



We will work across government to ensure transport supports the broader housing and urban development agenda. This includes ensuring that revenue, planning and investment settings in transport are aligned with other agendas and contribute to broader Government priorities.

We will work with our urban centres to ensure transport is an enabler of good urban design and allows for greater, mode neutral, integrated and connected transport choices. We will support the movement of more people to public transport (including rail and rapid public transit), walking and cycling, and integration with urban planning to shape highly liveable cities.

Although the examples below relate mainly to Auckland, we are working to develop good policy across all of our major urban areas.

Auckland Transport Alignment Project



The Ministry co-chairs the Auckland Transport Alignment Project (ATAP) along with Auckland Council, a collaborative process to agree strategic priorities for Auckland's transport system. We are currently updating the ATAP indicative package of investments to better reflect Government priorities, including accelerating delivery of Auckland's rapid transit network; encouraging walking and cycling; and delivering improvements in health, safety and the environment.

The focus has been on prioritising investment in capital projects over the next ten years. Work on operational issues such as service levels and fares as well as supporting work on land-use planning, the continued work on congestion pricing and looking at the longer term will need to be progressed over the next year. In addition, funding issues will need to be progressed with Auckland Council, and the funding and financing work as part of the Urban Growth Agenda.

Rapid Transit Network



Accelerating the development of Auckland's rapid transport system is a priority for the Government. It is about unlocking housing and urban development opportunities as well as encouraging people to shift to public transport. Light rail proposals form part of Auckland's strategic public transport network (bus, rail and light rail) agreed through ATAP.

The Ministry is working to provide advice around implementation considerations and funding.

The Congestion Question Project



The Ministry is leading a cross-agency project with Auckland Council to investigate whether to introduce congestion pricing in Auckland and, if so, what it should look like. As part of this, we will need to carefully consider the social and equity impacts of pricing and whether mitigations are needed to address these.

The Government has agreed to progress the work to the next phase, which involves developing and shortlisting pricing options. We are in the process of planning our public and stakeholder engagement during this phase.

The key focus over the 2018/19 year is to develop and evaluate a range of options in order to provide recommendations to the Minister. Public engagement will be part of this work.

Regional fuel tax



A regional fuel tax is intended to provide a way for a regional council to raise funds for transport infrastructure that it otherwise would not be able to fund. Auckland is currently the focus. The revenue raised from a regional fuel tax will be used to fund a programme of transport work in Auckland.

The ATAP process will inform programmes that will be funded in this way. Legislation has been introduced to enable the regional fuel tax to commence, a process whereby a regional council must consult its community on the tax and projects to be funded, and then put a proposal to Ministers.

3. Ensuring that transport supports regional development outcomes



We will work to ensure that people living in the regions get access to real economic opportunities, enabled by appropriate investment in transport. Sometimes these investments may be to create the conditions for the private sector to justify their own investment in a region. The intention is to see beneficial, cost-efficient and sustainable investments to achieve our priority outcomes.

The transport system enables all regions to take advantage of their unique strengths, by connecting people and businesses with domestic and international markets.

Tuawhenua Provincial Growth Fund



The Tuawhenua Provincial Growth Fund (PGF) aims to lift productivity potential in the provinces. Its priorities are to enhance economic development opportunities, create sustainable jobs, enable Māori to reach their full potential, boost social inclusion and participation, build resilient communities, and help meet New Zealand's climate change targets.

The Ministry contributed to launching the fund in February 2018, with a set of projects. Key amongst these were two rail projects, including reopening the Napier-Wairoa line, and two road projects.

Over the next 12 months, the PGF will focus particularly on building a pipeline of projects led by regional shareholders, with significant investment decisions expected in 19/20 and 20/21.

Upper North Island Supply Chain Study



An independent Working Group will be established, supported by the Ministry of Transport, to review New Zealand's freight and logistics sector for the Upper North Island, including ports, and to develop an understanding of the Upper North Island supply chain.

This will: guide the development and delivery of a freight and logistics (supply chain) strategy for the Upper North Island, including ports; advise on the priorities for investment in rail, roads and other supporting infrastructure; and advise on the feasibility of options for moving the location of the Ports of Auckland, including giving Northport serious consideration.

The Working Group will deliver the Upper North Island Supply Chain Strategy by the end of December 2018.

International Engagement Strategy



The aviation and maritime sectors are heavily regulated by international bodies such as the International Civil Aviation Organization and the International Maritime Organization. It is important that the Ministry and transport agencies engage strategically with these organisations to advance New Zealand's key interests and ensure that New Zealand is not disadvantaged by regulations agreed to by these organisations.

To address this, the Ministry is developing an International Engagement Strategy in conjunction with the Civil Aviation Authority and Maritime New Zealand, and in consultation with the Ministry of Foreign Affairs and Trade. This Strategy will look at, among other things, where to engage, when to engage and how to engage.

4. Transitioning New Zealand to a low carbon future



We will work to reduce carbon emissions from transport by substantially increasing the use of lower emission modes, such as walking and cycling, frequent and affordable public transport, rail and sea freight. We will also encourage uptake of low emissions options, like electric vehicles and bio-fuels, and participate in international negotiations to reduce the impact of international air and maritime emissions. The transport system is positioned to meet the target for New Zealand to be carbon neutral by 2050, through ongoing reductions in greenhouse gases.

Moving to a low emissions vehicle fleet



The Government has progressively introduced measures to reduce the health and environmental impacts of vehicle emissions in New Zealand.

The Ministry is providing input into zero-carbon legislation that establishes an independent climate change commission.

It will lead the transition in transport by releasing a discussion document on a fuel efficiency standard and a feebates scheme.

Electric vehicles



The Electric Vehicles Programme aims to increase the uptake of electric vehicles in New Zealand. The programme also aims to develop the electric vehicle market in New Zealand, and the supporting infrastructure for that market. High renewable energy levels mean that the emission reduction benefits of electric vehicles in New Zealand are greater than in most other countries, producing 80 percent fewer greenhouse gas emissions.

The Ministry is leading work on the enhancement of an Electric Vehicles programme, including e-bike initiatives.

Marine Pollution (MARPOL Annex VI)



MARPOL Annex VI addresses two main issues with respect to shipping emissions:

1. human health and local environments (including limits of sulphur oxide and nitrogen oxide emissions); and
2. greenhouse gas emissions (primarily carbon dioxide [CO₂]).

Annex VI will serve as the platform for an IMO greenhouse gas (GHG) Strategy, which will frame international shipping's climate change response for the foreseeable future.

The Ministry is publically consulting on possible accession to Annex VI in mid-2018. The outcomes of the consultation, will inform advice to Cabinet on possible accession. This will include a National Interest Analysis which would outline the costs and benefits of accession.

IMO Intersessional meeting on greenhouse gases and marine environment protection



The International Maritime Organization (IMO) is the global standard-setting authority for the safety, security and environmental performance of international shipping.

The Ministry is responsible for coordinating New Zealand's position on the IMO Emissions Strategy.

In April 2018, the Marine Environment Protection Committee finalised a draft initial IMO GHG strategy on reduction of GHG emissions from ships.

Carbon Offsetting and Reduction Scheme



Under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), aircraft operators will be required to purchase offsets, or "emission units", for the growth in CO₂ emissions covered by the scheme. CORSIA aims to address any annual increase in total CO₂ emissions from international civil aviation above 2020 levels.

New Zealand agreed to participate in CORSIA from 2021.

In the next 12 months we will have established the legislative vehicle through a Cabinet decision and will have agreed a Memorandum of Understanding with operators registered in New Zealand regarding data needs for CORSIA from 1 Jan 2019 – 31 December 2020.

5. Enabling affordable and easy access to allow all New Zealanders to make the most of opportunities



We will work to ensure that our transport system provides all New Zealanders with affordable and easy access to economic and social opportunities, and integrate with other priorities including urban planning and cleaner modes of transport, to create healthier, safer and more equitable living choices.

Urban Growth Agenda - transport infrastructure funding & financing



The purpose of the Urban Growth Agenda is to achieve competitive urban land markets, where supply meets demand and prices cover the cost of growth.

The Ministry is providing advice on the Urban Growth Agenda, including transport and infrastructure funding and financing, as part of cross-agency work with the Ministry for the Environment and the Ministry of Business, Innovation and Employment.

In the next 12 months the Ministry will also continue contributing to the Treasury's work on options for new tools and methods of infrastructure funding and financing.

Enhancing transport accessibility



Accessibility to transport supports social cohesion, mobility and wellbeing. There is a broad programme of work to enhance accessibility, particularly for the transport disadvantaged. In 2018/19, the Ministry will:

- ▶ investigate the development of a transport green card to support more affordable access to transport options
- ▶ support the Government's consideration of a new 'smart' SuperGold card, including reviewing the transport concessions and entitlements
- ▶ contribute to the United Nation's review of New Zealand's implementation of the Convention of the Rights of Persons with Disabilities
- ▶ work with Disabled Persons Organisations, the NZ Transport Agency and regional councils to scope and commence a review of the total mobility scheme.

6. Delivering a transport system which is resilient, safe to use, and manages and promotes health and other social benefits



We will focus on delivering a transport system that is resilient, secure, safe to use, and promotes health and other social benefits.

The transport system must manage the risks of natural and human-made disruptive events, cope with shocks and stresses, and swiftly recover from disruption.

The increasing number of road deaths in New Zealand reinforces that we need to continue our focus on improving road safety. The Government wants to encourage physically active travel and protect people from transport-related injuries, harmful pollution and deaths.

Road Safety Strategy – medium-long term



The Ministry is working across the sector to lead the development of a new road safety strategy. This addresses a commitment to putting safety at the heart of all decision-making in transport so that our city streets, rural roads and State highways are more forgiving.

Developing a new strategy for road safety is a significant piece of work. We aim to produce a new strategy and action plan by September 2019. We will engage extensively with our road safety partners, local government and the New Zealand public.

Short-medium term actions



While we are developing a new medium-long term strategy and action plan for road safety, there are immediate actions we are taking to improve road safety outcomes in the short-medium term. These include:

Draft Government Policy Statement on land transport to have a stronger focus on safety for all road users

The new Government Policy Statement on land transport signals a step change in the Government's expectations around investment in safety, in order to create a land transport system free of death and serious injury.

Implementing a mandatory alcohol interlock system from 1 July 2018

On 1 July 2018, legislation mandating alcohol interlocks for repeat and high-alcohol first-time offenders will come into force. This initiative will target the offenders that present the biggest danger to themselves and others on the roads.

NZ Road Safety Partnership

The NZ Police, NZ Transport Agency and the Ministry are collaborating to develop a Road Safety Partnership that will focus on ensuring we have the best model for delivering road policing to support road safety outcomes.

Enhancing the safety of vulnerable users and the accessibility of pathways

The Ministry is progressing work on a regulatory package to enhance the safety of vulnerable road users and improve the accessibility of pathways.

Considering options to improve vehicle safety standards

There is scope to improve the standard of vehicles entering our fleet and so improve safety outcomes for all road users. This could involve amending Land Transport Rules to mandate further minimum standards, including those that take advantage of new safety technologies.

Undertaking a comprehensive evaluation of the graduated driver licensing system

We are undertaking work with a number of agencies to evaluate the graduated driver licensing system. We are also looking at the expansion of access to driver testing and licensing in smaller towns, and investigating the introduction of rural driver training programmes.

Strategic resilience and security



The Ministry is working across the sector on a Strategic Resilience project, focused on the resilience of the New Zealand transport system. The project covers all transport modes, and is designed to provide a high level outcomes framework which sets out clear objectives, key focus areas and actions that the Ministry and transport agencies need to take.

The framework itself is scheduled to be finalised by June 2018, with a more detailed work programme to commence from July 2018. This will include details of how the work will be evaluated and measured, and when this will be available.

7. Ensuring investment and regulatory settings further government priorities



The Ministry will ensure that investment, regulatory and international settings further the Government's transport and wider priorities. The regulatory environment will be sufficiently flexible to quickly respond to emerging business models.

Performance of transport entities



The Ministry seeks to engage with Crown entities as a 'critical friend' (at times acting as an adviser or sector leader), but at the same time it must not undermine the boards' direct line of accountability to the Minister, and must not prejudice its primary role as agent and trusted adviser to the Minister.

In its monitoring role, the Ministry advises and assists the Minister with appointments to each board, helping to set and clarify expectations for each entity, and reviewing the performance of the board and the Crown entity overall.

Evaluation Strategy



The Ministry's Evaluation Strategy coordinates with other related planning documents, to ensure it is well equipped to prioritise its resource for key projects and support those with robust and appropriate evaluation. The ultimate aim is to provide best quality advice on the effectiveness of interventions to decision-makers.

Guidance will be provided through knowledge hubs and engagement with the transport sector, and structures are in place to help shape the nature and forms of evaluation.

Regulatory stewardship



One of the Ministry's key leadership roles is to take responsibility for the stewardship of the transport regulatory system, in close conjunction with the transport agencies. To deliver on regulatory stewardship we take a whole of system view, take a proactive, collaborative approach to monitoring, reviewing and maintaining the system, and treat our regulatory system as an asset that requires long-term investment.

One way the Ministry meets its stewardship role is by managing the transport rules programme. The transport rules programme is a rolling programme of new principal rules, revocations and amendments that is managed by the Ministry.

Technology and innovation work programme



The Ministry has developed a work programme to understand the role that future technologies could play in our transport system, and what may be required from a policy and regulatory perspective to enable technologies that make a positive contribution towards the outcomes that Government is seeking to achieve.

Key projects under this work programme include contributing to the development of a business case for a Satellite-Based Augmentation System, and developing roadmaps to identify what may be required to prepare New Zealand for driverless vehicles and unmanned and autonomous aircraft.

Transport Sector Funding Review Programme



The Ministry is responsible for completing fees and funding reviews across the transport sector, including for:

- the NZ Transport Agency Rail Safety Regulator
- Aviation Security Service (Avsec)
- Maritime New Zealand
- the NZ Transport Agency Motor Vehicle Licensing.

And a funding review only for:

- Transport Accident Investigation Commission.

The Ministry of Transport's purpose, vision and values

Our purpose

Enabling New Zealanders to flourish

Our vision

How the transport system is viewed both globally and locally

New Zealanders are proud of their safe, green, and accessible transport system. We are sought after as innovators and seen as a great place to test and develop technologies and new approaches.

Our contribution to that system

The Ministry of Transport is valued as a great contributor, maintaining positive, strong and productive relationships across government and the sector. We are called on to solve problems and interpret trends. Our truly connected and 'whole-of-system' outlook provides the leadership to achieve a world-leading, integrated transport system that provides easy access to education, employment, and a flourishing life for all New Zealanders. We are focused on the future and you can clearly see the impact of our influence.

What will be different about working at the Ministry of Transport

To work at the Ministry of Transport is to experience a real buzz, where every person makes a difference to New Zealand. We have a positive, value-centred culture, clear priorities and purpose, and diversity at all levels.

Our values

Invested

We are committed and responsible.

Bold

We are courageous, shaping our place in the world.

Collaborative

We are connected and journey with others.

The Ministry of Transport's health and capability

In 2017, the Ministry carried out an organisational review, assessing our operating model and our capability to meet the requirements on our sector. In 2017, the Ministry also invited the State Services Commission to carry out a Performance Improvement Framework (PIF) review. The Ministry has responded positively to these reviews; we have reshaped our workforce and our key areas of focus.

Following the organisational review, the Ministry embarked on a recruitment and implementation strategy for 46 new roles in the leadership, technical and administrative areas. The recruitment and selection strategy was mindful of seeking to appoint a gender balanced cohort and ensuring that wherever possible gender pay gaps were reduced or closed. The Ministry also increased its capacity through a successful budget bid last year.

In 2018/19 we will continue to develop and update our business systems and processes, in addition to bringing a large number of new staff up to speed, and working to fill vacancies as there is a continued general market shortage of capability in the policy and specialist workforce areas.

Performance Improvement Framework actions

Our 2017 PIF review set out four performance challenges for the Ministry over the next four years. These are:

Achieving clarity of purpose
Developing a medium-term strategy underpinned by strong analytics
Growing our capability for collaboration
Rebooting the organisation.

Achieving clarity of purpose

The organisational review refreshed the Ministry's purpose, vision and values. Over the next 18 months, a range of mechanisms will be used to embed these as the foundation for the Ministry. A key focus over the next 6 months will be to embed its unique leadership role in the sector.

This will involve the Ministry taking a system-wide focus and a strategic, long-term view. It will lead the collaborative development of policy on both investment and regulatory settings, including working across the State sector where transport has shared outcomes with other agencies.

Developing a medium-term strategy underpinned by strong analytics

The Ministry will work collaboratively alongside our stakeholders to identify the challenges that lie ahead for the transport system and the medium-term choices for the Government. This work will provide a clearer understanding of emerging transport needs and opportunities, and the contribution each mode can make. It will provide a framework to enable tracking towards longer-term goals.

The Ministry has strengthened its modelling, economics, evaluation and analytical capability by creating new teams specifically focused on these areas. These teams are a resource for all aspects of Ministry policy advice and strategic planning.

Growing our capability for collaboration

The Ministry wants to transform its engagement with stakeholders, so it is moving from consulting on particular policies to having a more collaborative culture, working in partnership with key stakeholders on some of our critical issues. We know that achieving this change will take time.

The Ministry has increased the focus it is placing on stakeholder engagement, including the creation of a specific Governance and Engagement group within the Ministry, and the development of a comprehensive stakeholder engagement strategy. The Ministry will continue its efforts to engage and collaborate within the Public Service, with the transport Crown entities and with transport system stakeholders.

Rebooting the organisation

The Ministry has made good progress down the path of organisational transformation following the organisation review. Now it is embedding these changes; ensuring corporate systems support a high performing Ministry, continuing to focus on improving the quality of advice, and strengthening the capability of its staff.

Equal employment opportunities

The Ministry is committed to inclusive work practices and culture. It has a robust recruitment approach and bases appointments on merit, while supporting the employment aspirations of Māori, diverse ethnic and minority groups, women, and people with disabilities.

Gender pay is and will remain one of the key principles of the Ministry's selection, recruitment and retention, and remuneration strategies over the next five years. A diversity strategy and action plan is in development.

Wellbeing

The Ministry recognises that wellbeing is good for work and good work is good for wellbeing. It aims to create a culture that maintains healthy work and promotes wellbeing enhancing behaviours, through activities and offerings such as the promotion of wellbeing events, annual health checks, eye tests, wellness days, Employee Assistance Programme, and access to discounted health insurance. The Ministry is currently reviewing its health, safety and wellbeing system and strategy, and will be developing an integrated plan to build on and expand upon its wellbeing focus.

Assessing organisational health and capability

The Ministry uses a range of measures to assess its capability and health, and to measure progress towards its goals. The headline measures on which it provides year-by-year comparative data and information in its annual reports are shown below.

Core capability

- ▶ The total number of person-years applied, including permanent and contract staff, in the Ministry's three broad activity areas of policy advice, specialist support, and business support.
- ▶ The results of any external reviews conducted on the quality or efficiency of the Ministry's core operating and information systems.

The Ministry will report on these measures annually

The Ministry will publish these indicators in its annual report each year to assess its organisational capability and health.

Organisational health

- ▶ Trends in staff survey results.
- ▶ Other measures of health, such as turnover, will be reported if warranted by trends.



About 38 million passengers went through our airports in 2016



Managing functions and operations

As noted throughout this document, the 2017 organisational review undertook a thorough assessment of the Ministry's ability to deliver on the requirements of the transport sector and the government of the day. We revised our operating model to reflect these requirements – moving from a structure that grouped expertise by mode, to a structure that clusters expertise across modes.

Risk management

Risk management is integrated into the Ministry's internal policies, procedures and business plans. As the government's principal transport adviser, risk management is also an integral consideration in the Ministry's policy advice and support to the Minister. Overseeing the management of the Ministry's risks, and the risks within its policy advice, is the responsibility of the Senior Leadership Team. An independent Risk and Assurance Committee provides advice to the Chief Executive.

Managing our costs

The Ministry's operating model enables us to focus our resources on the highest priority issues for the Government, and helps to ensure we can manage within our appropriations from Parliament. We also participate in Government benchmarking exercises to benefit by comparing our cost structures with others. We will continue to seek innovative ways of working to enable us to deliver value for money.

Resilience

The Ministry has emergency management plans in place and is developing business continuity plans which can be activated if there is a loss of the Ministry building, or a local, regional or national emergency.

The Ministry along with the other transport sector agencies, has a role to play in managing nationally significant hazards. The Ministry:

- ▶ Is the lead for major transport accidents and other major transport incidents [e.g. a critical infrastructure failure of a transport asset]
- ▶ Supports the lead for major incidents that affect the transport sector, or where transport assets are required in the response and recovery but where another agency provides the overall lead [e.g. a major earthquake].

Following our organisational review, a new Resilience and Security team was established at the Ministry. The Ministry has placed particular emphasis on hazard event response activities to date, for example our responses to the recent earthquake sequences in Christchurch and Kaikōura.

However, the Ministry is now looking to develop a longer-term programme of work around resilience. In particular, we are focused on:

- ▶ Building capability and capacity across all of the '4Rs' –



- ▶ Improving transport system resilience, as opposed to just a mode specific approach.

The Ministry will be working closely with transport agencies and key stakeholders as we develop our work programme. This will include approaches to identifying, managing and monitoring risks of hazard events, clarifying roles and responsibilities for transport agencies, providing advice on the right approach to investment in transport resilience as well as identifying the type of data and analysis needed to achieve the outcomes sought.

Departmental capital and asset management intentions

Each year the Ministry prepares a capital programme to ensure 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 the capital programme are detailed briefly below.

Property, plant and equipment

The Ministry of Transport operates from two offices, with most staff at the main site in Wellington. All of its premises are leased, and the majority of the assets owned are computer equipment.

Leasehold improvements

The existing lease on the Ministry's Wellington premises expires in November 2018. The capital programme includes an allowance of \$300,000 in 2018/19 for costs of relocation. This is an estimate, as actual costs will depend on whether the Ministry relocates, and if so what work is needed on new premises.

Computer equipment

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

Milford Sound/Piopiotaahi Aerodrome

The Ministry owns the infrastructure at Milford Sound/Piopiotaahi Aerodrome. It has taken steps to ensure this infrastructure is safe and fit for purpose.

Fixtures and fittings

Both of the Ministry's offices are now fully equipped, following the loss of our premises in the 2016 earthquakes. We continue to make small ongoing purchases of replacement or additional equipment.

Intangible assets

The Ministry has an investment in its own operational systems. A programme is in place to ensure systems continue to be fit-for-purpose. The capital programme includes \$1,500,000 for a replacement Finance and Business system in 2018/19.

Proposed capital programme

	2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000
Property, plant and equipment*	305	55	55	55
Intangible assets – software	1,800**	845	845	845
Total	2,105	900	900	900

* This line includes all the categories itemised on this page, except for intangible assets.

** There is a one-off investment in 2018/19 to replace key business systems.

Key Ministry performance management measures

The Ministry is committed to increasing its overall effectiveness and ensuring that we are doing the best job we can with the resources available to us. The key performance management measures that the Ministry will use in 2018/19 are set out below.

Input management

The Ministry measures the quality and subsequent cost of our advice using policy advice benchmarks set by the Treasury.

To maximise the value of staff skills, experience and knowledge, we apply project management disciplines to our policy projects, including explicit timeframes and milestones.

We are looking to develop new performance management measures to enable us to benchmark our performance and improve productivity. In the meantime, we can measure how well we deliver our projects on time and to budget.

Our targets are:

- ▶ To maintain a total cost of an hour of professional staff time devoted to policy advice and other policy unit outputs at or below \$158 (not including outsourced costs)
- ▶ To have 75 percent of policy project milestones delivered each quarter.

Quality management

Each year the Ministry has a sample of policy advice papers externally audited. This audit provides an independent view of the quality of advice and areas that could be improved, and compares the quality with that of other government agencies.

Our targets are:

- ▶ At least 90 percent of regulatory impact statements are assessed as 'meets' or 'partially meets' the required standards
- ▶ At least 75 percent of policy advice briefings are accepted first time by the Minister
- ▶ An external audit of policy advice papers assesses that our papers meet the quality criteria sufficiently.

Work programme management

The annual output plan is a statement of the results that the Minister wants from the Ministry. In our annual reports, we record the percentage of the whole output plan that has been delivered.

- ▶ The target is to have 95 percent or more of the output plan delivered as agreed with the Minister.

Outcomes management

The Ministry monitors the progress that the whole transport sector is making. The Ministry will publish new outcome measures and indicators in 2019, based on our refreshed outcomes framework. Published outcome indicators are used as a measure of the overall progress being made, and to help identify further opportunities for the Ministry to contribute.

We will report on these measures annually

The Ministry will publish these indicators in its annual report each year to assess its cost-effectiveness and identify areas for improvement.

TRANSPORT FOR EVERYBODY



People travelling by train in Auckland has increased by over 230% in the last ten years





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