

Stepping forward

Implementing transport sector reform



Bill signals new approach to transport management

The Land Transport Management Amendment Bill 2007, due to be passed before July, will significantly change the planning and funding of land transport. Specifically, it:

- > brings together and dedicates all fuel tax, road user charges and motor registration fees into one national land transport fund (there is no money returned to the Crown's bank account)
- > introduces three-yearly programmes for the planning of the expenditure from this fund through the National Land Transport Plan
- > increases the importance of regional programming, and abolishes the separate state highway programme
- > places the final decisions of what gets funded with the New Zealand Transport Agency, which is a new Crown entity created by combining Land Transport New Zealand and Transit New Zealand
- > imposes stringent transparency requirements upon this Agency, which will combine a funding role with the delivery of state highway work
- > proposes a regional fuel tax, if regions choose to raise further revenue this way
- > moves regional land transport strategies from a three-year to a six-year cycle, and requires them to be planned for a longer time horizon
- > introduces a Government Policy Statement.

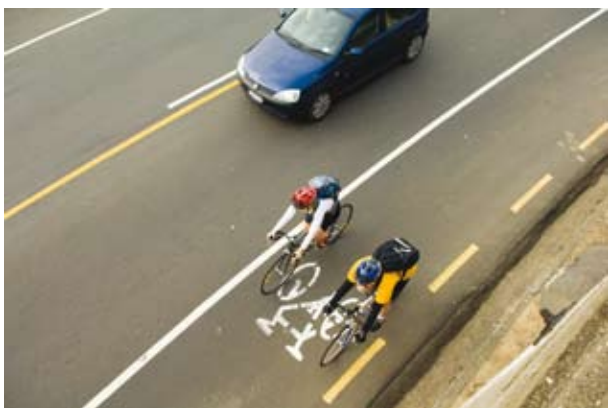
The changes are expected to encourage:

- > longer-term planning and certainty
- > achieving value for money
- > ensuring integrated planning
- > a coordinated approach.



The Government Policy Statement will set out the Government's objectives and funding priorities for the land transport sector for the six-year period from 2009/10 to 2015/16, with further indicative information for the following four years after that period. It will include:

- > the results that the government would like to achieve in the land transport sector
- > how much funding will be provided
- > how funding will be raised
- > the funding ranges available to the new Agency for activity classes, eg maintenance of state highways or public transport services.



The first Government Policy Statement is due to be released in July, to be effective for the new Agency's planning and funding decisions from 1 July 2009. This lead-in time will allow the new Agency, together with the regional and local authorities, to be guided on the government's priorities and overall funding level as council plans and regional and, then, national land transport programmes are developed over the latter part of 2008 and the first six months of 2009.

The Government Policy Statement is being prepared in the knowledge of the longer-term trends and strategic direction as outlined in the New Zealand Transport Strategy Updated, which is also due to be released in July.

The Ministry of Transport, Land Transport NZ, Transit New Zealand and the NZ Transport Agency will be working closely with the transport sector to explain the legislation and its implementation.