



# Cabinet

CAB Min (07) 12/1(49)

## Minute of Decision

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Minister of Transport

**Copies to:**

Prime Minister  
Deputy Prime Minister  
Minister of Finance  
Hon Jim Anderton  
Associate Minister of Finance  
(Hon Trevor Mallard)  
Associate Minister of Transport  
(Hon Judith Tizard)  
Minister for Transport Safety  
Controller and Auditor-General

### 2007 Budget Package: Vote Transport

On 19 April 2007, Cabinet:

1. **approved** the Budget initiatives for the above Vote for inclusion in the 2007 Budget package, as listed in the summary below and detailed in the attached initiative documents;

#### Summary of initiatives included in the attached initiative documents:

##### Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
3957	Develop Coastal Shipping Strategy and Related Policies	-	0.400	0.400	0.400	-
3958	Heavy Vehicles - Policy Development	-	0.300	0.250	0.250	-
3974	"Public Good" Weather Forecasting - Renegotiate Service Level Agreement	-	2.301	2.301	2.301	2.301
3980	Drug and Alcohol Driver Assessment - Increase in Crown-Funded Regulated Fee	-	1.400	0.820	0.820	0.820
3981	Ensuring Transport Accident and Investigation Commission's Viability.	-	0.106	0.121	0.121	0.121
3983	Adaptation and Acceleration: Alternative Fuels, Technology and Fuel Economy	(1.320)	1.320	-	-	-
4126	Strengthening Auckland Transport Leadership	-	0.500	0.500	0.500	-
4127	New Zealand Transport Strategy - Next 30 Years	-	1.500	0.400	0.100	-
4128	State Highways - Cost Guarantee	-	-	-	-	-
<b>Total Operating</b>		<b>(1.320)</b>	<b>7.827</b>	<b>4.792</b>	<b>4.492</b>	<b>3.242</b>

**Capital Initiatives (Impact on Debt)**

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
3962	Protecting Personal Information on the Motor Vehicle Register	-	1.300	-	-	-
4128	State Highways - Cost Guarantee	60.000	85.000	-	-	-
4596	Realignment of Buckle Street	-	8.000	-	-	-
<b>Total Capital</b>		<b>60.000</b>	<b>94.300</b>	-	-	-

2. **agreed** to establish new appropriations where required to implement these initiatives, as described in the attached initiative documents;
3. **approved** the changes to appropriations and/or projected balances of net assets of the administering department (where applicable) to implement the initiatives, as set out in the attached initiative documents;
4. **approved** the additional recommendations (where applicable) to give effect to the initiatives, as set out in the attached initiative documents;
5. **agreed** that the proposed changes to appropriations and/or projected balances of net assets for 2006/07 above be included in the 2006/07 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
6. **authorised** the Minister of Finance and the Vote Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2006/07 Supplementary Estimates, the 2007/08 Estimates and the fiscal forecasts;
7. **noted** that all communications relating to the 2007 Budget are co-ordinated by a Budget communications committee, and that any requests for early announcement will need to have both the written approval of the Minister of Finance and sign-off from the Prime Minister's office.

Secretary of the Cabinet

Reference: CAB (07) 135, CAB (07) 135A

**Vote:** Transport

**Title:** Develop Coastal Shipping Strategy and Related Policies

**Description:** Additional resources (FTEs and contractors) to support the development of a coastal shipping strategy and related policies, as recommended in the report of the NZ Shipping Federation 'Roadways to Waterways'. The aim is greater use of coastal shipping in NZ transport.

**Theme:** Economic Transformation

**Theme Objective:** Improving security of energy supply and efficiency

## Performance Information

### Performance Text

The outputs will be a shipping strategy discussion document and a shipping strategy for approval by the Government, plus associated policies involving land transport funding for coastal shipping, the investigation and creation of a maritime promotions unit on a 3-year fixed-term contract, a national ports policy focusing on ports facilities and services for coastal shipping, and maritime training initiatives.

## Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	0.400	0.400	0.400	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>0.400</b>	<b>0.400</b>	<b>0.400</b>	-

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Departmental Output Expenses (General): Policy Advice (funded by Revenue Crown)	-	0.400	0.400	0.400	-
<b>Total Operating</b>	-	<b>0.400</b>	<b>0.400</b>	<b>0.400</b>	-
<b>Total Capital</b>	-	-	-	-	-

## Additional Recommendations

**noted** that funding for this initiative has been made available from the contingency established in Budget 2006 for Auckland Road Pricing;

**noted** that a review of the effectiveness of the maritime promotions unit will be conducted in 2009/10 before committing to ongoing funding.

**Vote:** Transport

**Title:** Heavy Vehicles - Policy Development

**Description:** This project will develop a new regulatory framework to allow larger/heavier vehicles to operate under controlled conditions on a regular basis. It comprises three phases: industry consultation including a case study; policy framework developed; and systems design and implementation.

**Theme:** Economic Transformation

**Theme Objective:** Improving security of energy supply and efficiency

## Performance Information

### Performance Text

A new regulatory framework will be developed to enable heavier/larger vehicles to regularly operate under controlled conditions in order to ensure all the following outcomes are achieved: overall productivity gains are maximised; safety and environment outcomes are maintained; access to the roading infrastructure is managed; infrastructure costs are equitably shared; and the impact on other modes is managed.

## Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	0.300	0.250	0.250	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>0.300</b>	<b>0.250</b>	<b>0.250</b>	-

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Departmental Output Expenses (General): Policy Advice (funded by Revenue Crown)	-	0.300	0.250	0.250	-
<b>Total Operating</b>	-	<b>0.300</b>	<b>0.250</b>	<b>0.250</b>	-
<b>Total Capital</b>	-	-	-	-	-

## Additional Recommendation

**noted** that funding for this initiative has been made available from the contingency established in Budget 2006 for Auckland Road Pricing.

**Vote:** Transport

**Title:** Protecting Personal Information on the Motor Vehicle Register

**Description:** To provide enhancements to the Motor Vehicle Register (MVR) so that personal information on the MVR receives protection under the Official Information Act 1982 and Privacy Act 1993.

**Theme:** Economic Transformation

**Theme Objective:** Improving security of energy supply and efficiency

## Performance Information

### Performance Text

A more restrictive disclosure regime is proposed for MVR data. In recognition of the reasonably informal uses of that information that have evolved it is also proposed to develop a flexible disclosure regime, that empowers the Minister of Transport to authorise the Registrar, subject to safeguards, to disclose information where disclosure would otherwise be prevented or hampered by privacy considerations.

## Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	1.300	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>1.300</b>	-	-	-

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Net Asset Schedule:					
Capital Investment	-	1.300	-	-	-
<b>Total Operating</b>	-	-	-	-	-
<b>Total Capital</b>	-	<b>1.300</b>	-	-	-

## Additional Recommendation

**noted** that the operating funding for this initiative will be met from within the existing appropriation.

**Vote:** Transport

**Title:** "Public Good" Weather Forecasting - Renegotiate Service Level Agreement

**Description:** Renegotiation of the Service Level Agreement with MetService covering the cost increase for existing services and extension of forecasts to the Ross Sea ice shelf (international obligation).

**Theme:** Economic Transformation

**Theme Objective:** Improving security of energy supply and efficiency

## Performance Information

### Performance Text

To cover severe-weather warnings and a level of weather forecast services for land, coastal waters and oceanic areas for which New Zealand has international responsibility. This includes the provision of a weather observation data network in and around New Zealand sufficient to allow a sustainable level of accuracy in weather forecasting and sufficient to fulfil New Zealand's agreed responsibilities to the international community.

## Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Operating Balance Impact	-	2.301	2.301	2.301	2.301
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>2.301</b>	<b>2.301</b>	<b>2.301</b>	<b>2.301</b>

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Non-Departmental Output Expenses: Weather Forecasts and Warnings	-	2.301	2.301	2.301	2.301
<b>Total Operating</b>	-	<b>2.301</b>	<b>2.301</b>	<b>2.301</b>	<b>2.301</b>
<b>Total Capital</b>	-	-	-	-	-

**Vote:** Transport

**Title:** Drug and Alcohol Driver Assessment - Increase in Crown-Funded Regulated Fee

**Description:** To increase the Crown-funded regulated fee paid by Land Transport NZ for better quality and increased numbers of drug and alcohol assessments to reduce recidivism rates of repeat drink-drivers who are sentenced under section 65 of the Land Transport Act 1998.

**Theme:** Economic Transformation

**Theme Objective:** Improving security of energy supply and efficiency

## Performance Information

### Performance Table

	Unit of Measurement	Performance Specification				
		2006/07	2007/08	2008/09	2009/10	2010/11
<b>Quantity</b>						
Drug and alcohol assessment reports	Number	0	2650	1650	1650	1650
<b>Quality</b>						
Assessments are carried out according to Ministry of Health guidelines	%	0	100	100	100	100

## Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Operating Balance Impact	-	1.400	0.820	0.820	0.820
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>1.400</b>	<b>0.820</b>	<b>0.820</b>	<b>0.820</b>

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Non-Departmental Output Expenses:					
Licensing Activities	-	1.400	0.820	0.820	0.820
<b>Total Operating</b>	-	<b>1.400</b>	<b>0.820</b>	<b>0.820</b>	<b>0.820</b>
<b>Total Capital</b>	-	-	-	-	-

## Additional Recommendation

**invited** the Minister of Transport to issue drafting instructions to the Parliamentary Council Office to amend the Land Transport (Assessment Centre and Accident Report Fees) Regulations 1998 to increase the Assessment Centre fee to \$710.00 (inclusive of GST) with effect from 1 July 2007.

**Vote:** Transport

**Title:** Ensuring the Transport Accident and Investigation Commission's Viability.

**Description:** To restore a sufficient level of baseline funding and working capital to ensure the Commission's viability and to enable it to respond to increased demand for its services.

**Theme:** Economic Transformation

**Theme Objective:** Improving security of energy supply and efficiency

## Performance Information

### Performance Text

For the Commission to fulfil its role as a Commission of Inquiry and maintain workforce capability.

### Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Operating Balance Impact	-	0.106	0.121	0.121	0.121
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>0.106</b>	<b>0.121</b>	<b>0.121</b>	<b>0.121</b>

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Non-Departmental Output Expenses: Reporting on Accident or Incident Investigations	-	0.106	0.121	0.121	0.121
<b>Total Operating</b>	-	<b>0.106</b>	<b>0.121</b>	<b>0.121</b>	<b>0.121</b>
<b>Total Capital</b>	-	-	-	-	-



**Vote:** Transport

**Title:** Adaptation and Acceleration: Alternative Fuels, Technology and Fuel Economy

**Description:** Develop and implement transport policies and initiatives as set out in the 2006 transport climate change work programme, draft New Zealand Energy Strategy and draft National Energy Efficiency and Conservation Strategy.

**Theme:** Economic Transformation

**Theme Objective:** Sustainable, natural resources

## Performance Information

### Performance Text

Development of a sales weighted fuel economy standard, implementation of a Rule to apply emission standards to imported vehicles, development of a transport Rule to require collection of fuel economy data, completion of the transport sections of the draft NZ Energy Strategy and NZ Energy Efficiency and Conservation Strategy, investigation of options to give incentives to owners of vehicles that can take higher blends of biofuels and incrementally improving the modelling capability to base policy analysis on.

## Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Operating Balance Impact	(1.320)	1.320	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>(1.320)</b>	<b>1.320</b>	<b>-</b>	<b>-</b>	<b>-</b>

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Departmental Output Expenses (General): Policy Advice (funded by Revenue Crown)	(1.320)	1.320	-	-	-
<b>Total Operating</b>	<b>(1.320)</b>	<b>1.320</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Additional Recommendations

**noted** that the Ministry of Transport has identified savings of \$1.320m in 2006/07, including \$0.800m of funding allocated for Auckland Road Pricing, which will allow the Ministry to fund this initiative from within baselines in 2007/08;

**noted** that the projects in this initiative will be completed in 2007/08 with no ongoing funding required.

**Vote:** Transport

**Title:** Strengthening Auckland Transport Leadership

**Description:** Auckland is a key focus for Transport. Its many initiatives require a strong integrated approach to produce the outcomes desired. This bid would provide the capacity for Ministry of Transport to give the desired lead to such an approach.

**Theme:** Economic Transformation

**Theme Objective:** World-class Auckland

## Performance Information

### Performance Text

Quality - The Ministry effectively engages with key players in Auckland linking all the transport initiatives in a coherent way. Additional staff/contractors will provide the capacity to work effectively with Auckland local politicians and with business leaders.

## Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	0.500	0.500	0.500	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>0.500</b>	<b>0.500</b>	<b>0.500</b>	-

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Departmental Output Expenses (General): Sector Leadership and Support (funded by Revenue Crown)	-	0.500	0.500	0.500	-
<b>Total Operating</b>	-	<b>0.500</b>	<b>0.500</b>	<b>0.500</b>	-
<b>Total Capital</b>	-	-	-	-	-

## Additional Recommendation

**noted** that funding for this initiative has been made available from the contingency established in Budget 2006 for Auckland Road Pricing.

**Vote:** Transport

**Title:** New Zealand Transport Strategy (NZTS) - Next 30 Years

**Description:** A new more detailed 30 year NZTS is required to provide guidance to the sector on priorities and policies, particularly relating to sustainability and value for money and to address uncertainties.

**Theme:** Economic Transformation

**Theme Objective:** Improving security of energy supply and efficiency

## Performance Information

### Performance Text

A new NZTS will be developed by March 2008 that will provide the context for more detailed transport planning decisions. The current NZTS has a time horizon of 2010 and needs to be replaced. The new NZTS will cover all modes and will provide the context for more specific strategies.

## Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	1.500	0.400	0.100	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>1.500</b>	<b>0.400</b>	<b>0.100</b>	-

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Departmental Output Expenses (General): Sector Leadership and Support (funded by Revenue Crown)	-	1.500	0.400	0.100	-
<b>Total Operating</b>	-	<b>1.500</b>	<b>0.400</b>	<b>0.100</b>	-
<b>Total Capital</b>	-	-	-	-	-

## Additional Recommendation

**noted** that funding for this initiative has been made available from the contingency established in Budget 2006 for Auckland Road Pricing.

**Vote:** Transport

**Title:** State Highways - Cost Guarantee

**Description:** Funding for the cost escalation guarantee for the five-year State Highway Construction Plan (subject to decisions by the Ministers of Finance and Transport) as part of the government's commitments in 2006 to increase certainty and investment in State highway construction.

**Theme:** Economic Transformation

**Theme Objective:** Improving security of energy supply and efficiency

## Performance Information

### Performance Text

The funding will be used to ensure delivery of the five-year State Highway Construction Programme in the case of unforeseen cost escalation. The amount of cost escalation provided each year will be determined by Ministers based on a set of parameters which will be designed to achieve both delivery of the Programme and value for money.

## New Appropriation Approvals

Type	Period	Name	MCOA Output Class	Scope
Capital Expenditure	Annual	State Highway Construction Programme Guarantee	N/A	To ensure that the State Highway Construction Programme can be delivered in the event that the input cost escalation is higher than provided for in the 2006/07 National Land Transport Programme.

## Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	60.000	85.000	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>60.000</b>	<b>85.000</b>	-	-	-

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Capital Expenditure: State Highway Construction Programme Guarantee	60.000	85.000	-	-	-
<b>Total Operating</b>	-	-	-	-	-
<b>Total Capital</b>	<b>60.000</b>	<b>85.000</b>	-	-	-

**Additional Recommendations**

**Initiative No: 4128**

**noted** that the costings for this initiative are indicative only.

**agreed** that any drawdown of this appropriation must be approved jointly by the Minister of Finance and the Minister of Transport.

**Vote:** Transport

**Title:** Realignment of Buckle Street

**Description:** A government contribution towards the cost of realigning Buckle Street, which currently separates the National War Memorial from the area of the planned National Memorial Park, northwards.

**Theme:** National Identity

**Theme Objective:** Non-specific

## Performance Information

### Performance Text

Realign Buckle Street to enable development of the planned National War Memorial Park.

## New Appropriation Approvals

Type	Period	Name	MCOA Output Class	Scope
Capital Expenditure	Annual	Realignment of Buckle Street	N/A	A government contribution towards the cost of realigning Buckle Street, which currently separates the National War Memorial from the area of the planned National Memorial Park, northwards.

## Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	8.000	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>8.000</b>	-	-	-

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Capital Expenditure: Realignment of Buckle Street	-	8.000	-	-	-
<b>Total Operating</b>	-	-	-	-	-
<b>Total Capital</b>	-	<b>8.000</b>	-	-	-