

Transport Sector Briefing to the Incoming Associate Minister

Introduction to Transport

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Overview of this Briefing to the Incoming Associate Minister of Transport

Overview

The Government transport agencies have prepared this joint introductory briefing on the transport system. This briefing focuses on the:

- role and activities of the Government transport agencies
- role and responsibilities of the Ministers of Transport
- key levers for the Ministers to influence the operation of the transport system.

References to the role and powers of the Minister of Transport in this document include matters delegated to the Associate Minister where applicable.

Why transport is important to the economy and society

The Government is one part of the transport system

Government plays an important role in the transport sector. In addition to providing regulation for the sector, it is a major investor in land transport infrastructure and services.

The Government is one part of New Zealand's domestic and international transport system. Stakeholders in the transport sector are wide ranging, including private companies and individuals using transport for social and economic purposes, within New Zealand and internationally.

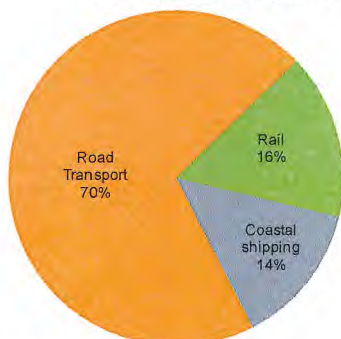
The transport system makes an important contribution to a thriving New Zealand and improving the welfare of its people. The goal of the Government transport agencies is for *the transport system to maximise economic and social benefits for New Zealand while minimising harm*. Each transport agency contributes to this goal in ways that are consistent with its purpose and statutory mandate.

Transport facilitates business activity

Transport is a critical component of daily life for all businesses and citizens. The transport system connects us, supporting New Zealand's \$34 billion per year tourism industry and linking businesses to their markets. Safe aviation and maritime systems provide the confidence necessary for international aviation and maritime lines to operate in New Zealand. The aviation sector is responsible for the movement of \$8 billion of exports annually, while more than \$43 billion of exports are moved annually by sea.

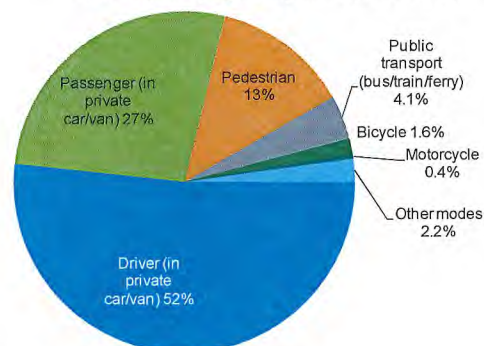
On the roading network, 23 billion tonne-kilometres of freight is moved each year, with a further 4.5 billion tonne-kilometres moved by rail. Light passenger vehicles travelled an estimated 33 billion kilometres in 2015, with cars accounting for 96 percent of all vehicle trips (motorcycle, car or public transport). Public transport (bus, train, ferry) provides 144 million trips annually.

Freight: Billion tonne-kms



Source: National Freight Demand Study - data 2012

Million hours per year by mode (2011–2014)



Source: Household Travel Survey

Transport facilitates social activity

In addition to its economic role, transport contributes to social connectivity and the leisure pursuits of New Zealanders. New Zealand has nearly 1 million recreational vessels, while 100 commercial jet boats and 270 whitewater rafts carry around 390,000 passengers on our inland waterways annually. New Zealand has around 5,000 registered aircraft and more than 10,000 pilots. Domestic aviation, private vehicle ownership, and public transport also play an important role in our social connectivity.

Investment in land transport

The Government has over \$60 billion of land transport assets, and will invest almost \$40 billion in the system over the next 10 years. Local government will spend \$10 billion in local road infrastructure and services over this period (with central government contributing \$10 billion to this). The land transport sector includes state highways, local roads, public transport, walking and cycling, and road policing.

The Ministers of Transport, the Ministry of Transport (the Ministry), and the New Zealand Transport Agency (NZTA) have responsibility to ensure that transport investment decisions support a thriving New Zealand. To do this, our focus needs to be on building a transport system that will not only serve New Zealand well in the short term, but also over the next 10, 20 and 30 years.

Transport impacts on the environment

Transport has negative environmental impacts that we must seek to minimise. Domestic transport is responsible for 17 percent of New Zealand's greenhouse gas emissions, as well as generating noise and air pollution. Transport sector agencies have a key role in preparing for and responding to significant emergencies, such as the Kaikoura earthquake and tsunami of 2016.

Transport has key links to health and safety

Transport activity is inherently risky to workers in the sector. Transport Crown entities have responsibilities for regulating health and safety in their respective sectors.

Despite substantial progress over the last 30 years, New Zealand still lags behind many other countries in road safety. Every year, about 300 people are killed on our roads and nearly 3,000 people are seriously injured. Annually, approximately 10,000 New Zealanders suffer minor injuries as a result of road crashes.

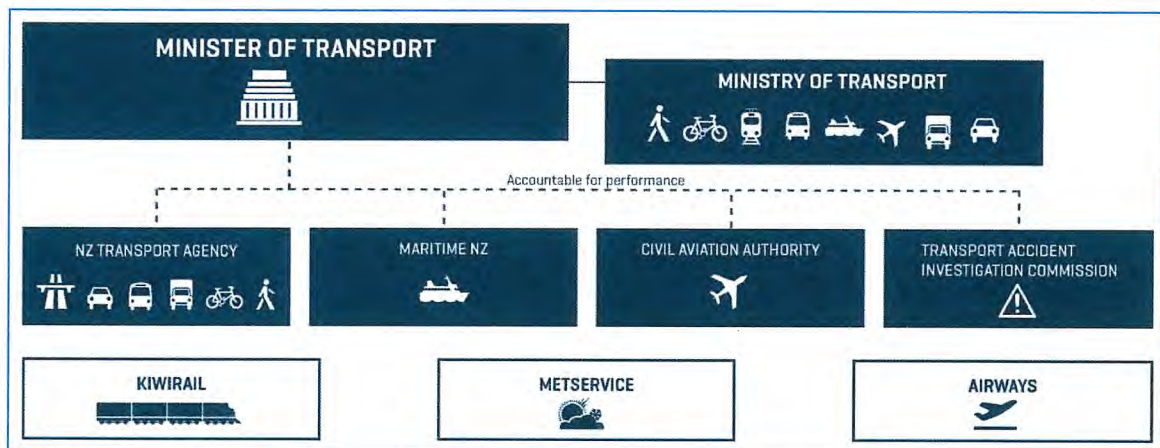
These numbers reflect lives lost and affected in what are mostly preventable crashes, but they do not show the effect of these crashes on families, the wider community and the health system.

Road crashes also have an economic impact – the total social cost of crashes in 2016 is estimated to be \$3.79 billion.

How the Government transport sector supports Ministers

To support Ministers to deliver their transport portfolio responsibilities, the sector has five specialist transport agencies - the Ministry and the four Crown entities: the Civil Aviation Authority (CAA), Maritime New Zealand (MNZ), the NZTA and the Transport Accident Investigation Commission (TAIC). In addition, there are three transport related State Owned Enterprises (KiwiRail, Airways Corporation of New Zealand Limited (Airways), and Metereological Service of New Zealand Limited (MetService)). Vote Transport provides Crown funding for KiwiRail and funding for services provided by MetService under contract to the Government.

Figure 1 – The Government transport sector



The Ministry is the principal adviser on transport policy and provides specialist transport policy advice and support. The Ministry will respond to the Minister's transport policy agenda, which will inform its work programme. The policy agenda may include both specific issues and more general approaches that Ministers want the sector to adopt.

The Ministry will also provide advice on the Crown entity Boards to assist in ensuring the Boards are accountable for their performance and deliver on the priorities of the Minister and Associate Minister. This supports Ministers to utilise the combined capabilities of the transport agencies to achieve their transport priorities.