

Vote Transport

MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister of Transport (M72)

ADMINISTERING DEPARTMENT: Ministry of Transport

MINISTER RESPONSIBLE FOR MINISTRY OF TRANSPORT: Minister of Transport

Overview of the Vote

The Minister of Transport is responsible for appropriations in Vote Transport for the 2009/10 financial year covering the following funding.

Expenditure

- A total of \$52 million for Departmental Output Expense Appropriations. The majority of this is spent on policy advice (\$31 million) and Road User Charges collection and enforcement and Fuel Excise Duty refund management (\$17 million).
- \$800,000 for a Departmental Capital Appropriation for the purchase of assets owned by the Ministry.
- A total of \$1,514 million for Non-Departmental Output Expense Appropriations.
 - \$1,322 million is budgeted to be spent on the purchase of regional and local road network construction, maintenance of State Highways and local roads and passenger transport services. This activity is funded from fees and charges paid by road users.
 - \$90 million is budgeted for the New Zealand Railways Corporation to support the existing non-commercial network and operations of KiwiRail.
 - \$102 million is spent on purchasing transport (maritime, aviation, rail and road) safety advice from transport Crown entities, weather forecasting services from MetService, motor vehicle registry services from the New Zealand Transport Agency and contributing toward the cost of the Canterbury and Northland regional land transport strategies and Waikato rail network.
- A total of \$1,248 million for Capital Expenditure to be incurred by the Crown.
 - \$1,009 million is budgeted to be spent on the development of the State highway network.
 - \$231 million is budgeted for investment in rail stock and infrastructure in Wellington.
 - \$8 million will be spent on capital injections to the Transport Accident Investigation Commission and Aviation Security Service.
- A total of \$27 million for Non-Departmental Other Expense Appropriations to be spent on enhanced transport concessions for SuperGold cardholders, memberships of international organisations and funding for public policy rail initiatives.
- Four multi-year appropriations totalling \$441 million in 2009/10 for costs relating to investments in the rail network and joint venture airports.

Revenue

The Ministry expects to collect \$1,036 million of Crown revenue in 2009/10, most of which is fees and charges paid by road users. Vote Transport is also funded by the Fuel Excise Duty collected by the New Zealand Customs Service - this is estimated at \$1,340 million.

Details of these appropriations are set out in Parts 2-6 for Vote Transport in the Information Supporting the Estimates of Appropriations.

Details of Appropriations

Details of Annual and Permanent Appropriations

| Titles and Scopes of Appropriations by Appropriation Type | 2008/09 | | 2009/10 |
|---|-------------------|------------------------------|-----------------|
| | Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Departmental Output Expenses | | | |
| Airport Operation and Administration (M72) Operation of Milford Sound/Piopirotahi aerodrome to provide a safe and efficient airport operation that contributes to the achievement of NZTS objectives. | 160 | 160 | 200 |
| Land Transport Revenue Forecasting and Strategy (M72) This appropriation is limited to land transport revenue forecasting and strategy. | 1,716 | 1,716 | 1,000 |
| Policy Advice (M72) Purchase of strategic, objective and evidence based policy advice relating to all modes of transport to progress the achievement of NZTS objectives. | 31,080 | 31,080 | 31,366 |
| Refund of Fuel Excise Duty (M72) This appropriation is limited to the receipt and processing of applications for, and the refunding of, Fuel Excise Duty. | 392 | 392 | 429 |
| Road User Charges Collection, Investigation and Enforcement (M72) This appropriation is limited to the collection and refund of Road User Charges, and the investigation and enforcement of evasion of Road User Charges. | 17,688 | 17,688 | 17,344 |
| Sector Leadership and Support (M72) Co-ordinating planning across the government transport sector to align government transport agency work programmes with the objectives of the NZTS. | 4,100 | 4,100 | 1,950 |
| Motor Vehicle Registry and Revenue Management (M72) Management of the Motor Vehicle Registry and Revenue Management business to maximise the collection of Crown revenue that is properly due and take a proactive approach to debt management. | 5,197 | 5,197 | - |
| Next Steps Review Implementation (M72) To fund the implementation of the Next Steps in the Transport Sector Review. | 440 | 440 | - |
| Total Departmental Output Expenses | 60,773 | 60,773 | 52,289 |
| Non-Departmental Output Expenses | | | |
| Administration of the Public Transport Concessions for SuperGold Cardholders Scheme (M72) This appropriation is limited to the administration costs of the scheme to provide enhanced public transport concessions for SuperGold cardholders | 1,100 | 1,100 | 700 |
| Canterbury Transport Project (M72) This appropriation is limited to assisting the Canterbury region to implement a land transport package. | 4,500 | 4,500 | 10,000 |
| Civil Aviation Policy Advice (M72) Provision of policy advice on civil aviation safety, development of safety standards, promotion and auditing of aviation security, review of legislation, and administration of New Zealand's participation in ICAO and other safety related agreements. | 2,261 | 2,261 | 2,261 |
| Licensing Activities (M72) Purchase of land transport licensing services, including driver licensing, not met by user fees. | 3,275 | 3,275 | 2,475 |

| Titles and Scopes of Appropriations by Appropriation Type | 2008/09 | | 2009/10 |
|--|-------------------|------------------------------|-----------------|
| | Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Non-Departmental Output Expenses - cont'd | | | |
| Maritime Safety Regulation and Monitoring (M72) Provision of policy advice on maritime safety, development of safety standards, promotion and auditing of maritime safety, and the review of legislation. | 5,689 | 5,689 | 5,689 |
| Maritime Security (M72) Provision of standby screening and searching services at ports. | 145 | 145 | 145 |
| Motor Vehicle Registry (M72) This appropriation is limited to the registration and licensing of motor vehicles, the collection and refund of motor vehicle registration and licensing revenue, and the operation of the Motor Vehicle Register. | 37,078 | 37,078 | 35,991 |
| National Land Transport Programme - Demand Management and Community Programmes PLA (M72) This appropriation is limited to activities which promote safe and economical use of land transport networks and services, pursuant to Section 9 of the Land Transport Management Act 2003. | - | - | 47,000 |
| National Land Transport Programme - Maintenance and Operation of Local Roads PLA (M72) This appropriation is limited to the management and operation of existing local road infrastructure pursuant to Section 9 of the Land Transport Management Act 2003. | - | - | 245,000 |
| National Land Transport Programme - Maintenance and Operation of State Highways PLA (M72) This appropriation is limited to activities which manage, maintain and operate State highway infrastructure pursuant to Section 9 of the Land Transport Management Act 2003. | - | - | 287,000 |
| National Land Transport Programme - Management of the Funding Allocation System PLA (M72) This appropriation is limited to managing, monitoring and advising transport sector stakeholders on the allocation of National Land Transport Funds pursuant to Section 9 of the Land Transport Management Act 2003. | - | - | 36,000 |
| National Land Transport Programme - New and Improved Infrastructure for Local Roads PLA (M72) This appropriation is limited to the management and delivery of improvement of local roads pursuant to Section 9 of the Land Transport Management Act 2003. | - | - | 196,000 |
| National Land Transport Programme - Public Transport Infrastructure PLA (M72) This appropriation is limited to renewal and improvement of infrastructure to support public transport services pursuant to Section 9 of the Land Transport Management Act 2003. | - | - | 27,000 |
| National Land Transport Programme - Public Transport Services PLA (M72) This appropriation is limited to non- commercial public transport services pursuant to Section 9 of the Land Transport Management Act 2003. | - | - | 201,000 |
| National Land Transport Programme - Rail and Coastal Freight PLA (M72) This appropriation is limited to activities that encourage the economical movement of freight by modes other than road pursuant to Section 9 of the Land Transport Management Act 2003. | - | - | 2,000 |
| National Land Transport Programme - Renewal of Local Roads PLA (M72) This appropriation is limited to the management and delivery of renewals to the existing local road infrastructure pursuant to Section 9 of the Land Transport Management Act 2003. | - | - | 222,000 |
| National Land Transport Programme - Sector Training and Research PLA (M72) This appropriation is limited to research and transport sector capability development pursuant to Section 9 of the Land Transport Management Act 2003. | - | - | 6,000 |
| National Land Transport Programme - Transport Planning PLA (M72) This appropriation is limited to developing plans for improving the transport network and systems pursuant to Section 9 of the Land Transport Management Act 2003. | - | - | 37,000 |

| | 2008/09 | | 2009/10 |
|---|-------------------|------------------------------|-----------------|
| | Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Titles and Scopes of Appropriations by Appropriation Type | | | |
| National Land Transport Programme - Walking and Cycling Facilities PLA (M72) This appropriation is limited to new and improved walking and cycling infrastructure for transport purposes pursuant to Section 9 of the Land Transport Management Act 2003. | - | - | 16,000 |
| New Zealand Railways Corporation Operating Support (M72) This appropriation is limited to the purchase of non-commercial rail services from New Zealand Railways Corporation. | - | - | 90,000 |
| Regional Development Transport Funding (M72) This appropriation is limited to regional development initiatives to develop the forestry roading infrastructure in Northland and Tairāwhiti | 10,000 | 4,000 | 10,000 |
| Regulatory Implementation and Enforcement (M72) Purchase of land transport regulatory implementation services and specialist land transport enforcement for services not met by user fees. | 548 | 548 | 548 |
| Reporting on Accident or Incident Investigations (M72) Investigation and reporting on aviation, rail and marine accidents and incidents in New Zealand and the waters over which it has jurisdiction. | 3,938 | 3,938 | 3,938 |
| Search and Rescue Activities (M72) This appropriation is limited to the purchase of search and rescue activities and a search and rescue coordination service, including follow-up inquiries and reporting, associated with the searches and rescues undertaken. | 7,078 | 7,078 | 7,188 |
| Waikato Rail Funding (M72) Contribution to increase the investment in the Waikato rail network. | 5,000 | 5,000 | 5,000 |
| Weather Forecasts and Warnings (M72) Purchase of severe-weather warnings and a level of weather forecast services for land, coastal waters and oceanic areas for which New Zealand has international responsibility. | 17,511 | 17,511 | 18,573 |
| Implementation of Regional Fuel Tax (M72) This appropriation is limited to the development of systems associated with Land Transport New Zealand's regional fuel tax functions including a refund system. | 300 | 300 | - |
| Maintenance of Local Roads PLA (M72) This appropriation is limited to the purchase of the maintenance of local roads. This expense is incurred pursuant to section 9 of the Land Transport Management Act 2003. | 240,622 | 234,533 | - |
| Maintenance of State Highways PLA (M72) This appropriation is limited to the purchase of the maintenance of State highways as specified in the NLTP, including the expensed rehabilitation and construction of State highways with local authorities. This expense is incurred pursuant to section 9 of the Land Transport Management Act 2003. | 298,524 | 298,524 | - |
| Management of Funding Allocation System PLA (M72) This appropriation is limited to the purchase of the management of the NLTP funding allocation system, including preparation of the NLTP. This expense is incurred pursuant to section 9 of the Land Transport Management Act 2003. | 74,156 | 74,156 | - |
| New and Improved Infrastructure for Local Roads PLA (M72) This appropriation is limited to the purchase of improved and new local roads as specified in the NLTP. This expense is incurred pursuant to section 9 of the Land Transport Management Act 2003. | 353,064 | 299,219 | - |
| Passenger Transport Services PLA (M72) This appropriation is limited to the purchase of non-commercial road, rail and ferry passenger services. This expense is incurred pursuant to section 9 of the Land Transport Management Act 2003. | 313,800 | 295,700 | - |

| Titles and Scopes of Appropriations by Appropriation Type | 2008/09 | | 2009/10 |
|--|-------------------|------------------------------|------------------|
| | Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Non-Departmental Output Expenses - cont'd | | | |
| Promotion, Information and Education PLA (M72) This appropriation is limited to the promotion of land transport safety, including publications and educational resource materials, and the promotion of land transport safety by the use of advertising and publicity. This expense is incurred pursuant to section 9 of the Land Transport Management Act 2003. | 30,545 | 30,545 | - |
| Rail and Sea Freight PLA (M72) This appropriation is limited to the purchase of rail and sea freight solutions, including infrastructure as specified in the NLTP. This expense is incurred pursuant to section 9 of the Land Transport Management Act 2003. | 8,000 | 2,500 | - |
| Regional Land Transport PLA (M72) This appropriation is limited to the regional allocation of a dedicated increase in FED and light vehicle RUC. This expense is incurred pursuant to section 9 of the Land Transport Management Act 2003. | 319,120 | 303,065 | - |
| Regulatory Enforcement PLA (M72) This appropriation is limited to the purchase of land transport regulatory implementation services and specialist land transport enforcement for services not met by user fees. Expenses are incurred pursuant to Section 9 of Land Transport Management Act 2003. | 5,821 | 5,821 | - |
| Research and Performance Monitoring PLA (M72) This appropriation is limited to the purchase of specialist research on land transport, and monitoring of service delivery by approved organisations. This expense is incurred pursuant to section 9 of the Land Transport Management Act 2003. | 11,776 | 11,776 | - |
| Transport Demand Management, and Walking and Cycling PLA (M72) This appropriation is limited to the purchase of transport demand management, and improved access for walking and cycling. This expense is incurred pursuant to section 9 of the Land Transport Management Act 2003. | 33,748 | 33,748 | - |
| Total Non-Departmental Output Expenses | 1,787,599 | 1,682,010 | 1,514,508 |
| Non-Departmental Other Expenses | | | |
| Enhanced public transport concessions for SuperGold cardholders (M72) This appropriation is limited to providing enhanced public transport concessions for SuperGold cardholders. | 16,900 | 16,900 | 17,300 |
| International Memberships (M72) Membership subscription to: International Civil Aviation Organisation, International Maritime Organisation, and World Meteorological Organisation. | 743 | 743 | 743 |
| Motor Vehicle Registration/Licenses and Road User Charges Bad Debt Provision (M72) This appropriation is limited to provision for bad debts that arise from non payment of motor vehicle registrations and road user charges | 5,000 | 5,000 | 5,000 |
| New Zealand Railways Corporation- Public Policy Projects (M72) Expenditure is for public policy rail initiatives. | 3,270 | 3,270 | 3,270 |
| Railway Safety (M72) To undertake public safety works. | 500 | 500 | 500 |
| Total Non-Departmental Other Expenses | 26,413 | 26,413 | 26,813 |

| Titles and Scopes of Appropriations by Appropriation Type | 2008/09 | | 2009/10 |
|---|-------------------|------------------------------|-----------------|
| | Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Departmental Capital Expenditure | | | |
| Ministry of Transport - Capital Expenditure PLA (M72) | 1,667 | 1,667 | 800 |
| This appropriation is limited to the purchase or development of assets by and for the use of the Ministry of Transport, as authorised by section 24(1) of the Public Finance Act 1989. | | | |
| Total Departmental Capital Expenditure | 1,667 | 1,667 | 800 |
| Non-Departmental Capital Expenditure | | | |
| Accelerated State Highway Construction (M72) | 35,000 | 35,000 | 73,700 |
| This appropriation is limited to State Highway improvements and pavement renewal projects agreed between the New Zealand Transport Agency and the Minister of Transport. | | | |
| Aviation Security Service (M72) | 7,348 | 7,348 | 7,054 |
| This appropriation is limited to meeting the ongoing capital costs of the security measures under international and domestic obligations, including accommodation and IT systems. | | | |
| Metro Rail Rolling Stock and Infrastructure (Wellington) (M72) | - | - | 146,000 |
| This appropriation is limited to metro rail rolling stock and infrastructure projects in Wellington. | | | |
| New & Improved Infrastructure for State Highways - Crown Contribution (M72) | 727,065 | 727,065 | 5,065 |
| This appropriation is limited to contributing towards the purchase of State highway improvements as outlined in the 2006/07 State Highway Forecast | | | |
| New Infrastructure for and Renewal of State Highways PLA (M72) | - | - | 930,299 |
| This appropriation is limited to capital works for new infrastructure and renewal of State Highways pursuant to Section 9 of the Land Transport Management Act 2003. | | | |
| New Zealand Railways Corporation Loans (M72) | - | - | 85,000 |
| This appropriation is limited to loans to the New Zealand Railways Corporation to fund capital projects and provide working capital. | | | |
| Transport Accident Investigation Commission (M72) | 250 | 250 | 635 |
| This appropriation is limited to the increase of working capital and purchase of fixed assets. | | | |
| ALPURT B2 (M72) | 24,948 | 24,948 | - |
| Contribution to support the construction of the Albany to Puhoi Northern Motorway Extension (ALPURT B2). | | | |
| Maritime New Zealand (M72) | 1,000 | 1,000 | - |
| Capital injection to fund the capital component of an information technology upgrade and the asset management costs of Maritime New Zealand. | | | |
| Maritime NZ (M72) | 259 | 259 | - |
| This appropriation is limited to restoring working capital after several high cost events and making physical changes to the Rescue Coordination Centre layout and the update and purchase of IT equipment. | | | |
| New and Improved State Highway Infrastructure PLA (M72) | 70,425 | 70,425 | - |
| To ensure the Purchase of State Highway improvements as specified in the NLTP. These expenses are incurred pursuant to Section 9 of the Land Transport Management Act 2003. | | | |
| New Zealand Transport Agency (M72) | 20,547,270 | 20,345,525 | - |
| This appropriation is limited to the value of the net assets of Land Transport NZ and Transit as at 30 June 2008 being transferred to the new Crown Entity to be established. | | | |

| Titles and Scopes of Appropriations by Appropriation Type | 2008/09 | | 2009/10 |
|---|-------------------|------------------------------|-----------------|
| | Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Non-Departmental Capital Expenditure - cont'd | | | |
| State Highway Construction Programme Guarantee (M72) 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. | 77,900 | 77,900 | - |
| Total Non-Departmental Capital Expenditure | 21,491,465 | 21,289,720 | 1,247,753 |
| Total Annual and Permanent Appropriations | 23,367,917 | 23,060,583 | 2,842,163 |

Details of Multi-Year Appropriations

| Type, Title, Scope and Period of Appropriations | Appropriations, Adjustments and Use | \$000 |
|---|-------------------------------------|---------|
| Departmental Output Expenses | | |
| Distress Radio Beacons National Education Campaign (M72) | Original Appropriation | 888 |
| Funding for a national education campaign informing owners and users of distress radio beacons of the need to upgrade transmission frequency before 1 February 2009. | Adjustments to 2007/08 | - |
| | Adjustments for 2008/09 | - |
| Commences: 1 July 2005 | Adjusted Appropriation | 888 |
| | Actual to 2007/08 Year End | 645 |
| Expires: 30 June 2009 | Estimated Actual for 2008/09 | 243 |
| | Estimated Actual for 2009/10 | - |
| | Estimated Appropriation Remaining | - |
| Non-Departmental Other Expenses | | |
| Auckland Rail Development (M72) | Original Appropriation | 663,875 |
| This appropriation is limited to the renewal, upgrade, and electrification of the Auckland metropolitan rail network. | Adjustments to 2007/08 | - |
| | Adjustments for 2008/09 | - |
| Commences: 1 July 2009 | Adjusted Appropriation | 663,875 |
| | Actual to 2007/08 Year End | - |
| Expires: 30 June 2013 | Estimated Actual for 2008/09 | - |
| | Estimated Actual for 2009/10 | 297,132 |
| | Estimated Appropriation Remaining | 366,743 |
| Rail Network and Rolling Stock Upgrade (M72) | Original Appropriation | 104,851 |
| This appropriation is limited to the renewal, upgrade and maintenance of the national rail network, and the New Zealand Railway Corporation's rolling stock, terminals and systems. | Adjustments to 2007/08 | - |
| | Adjustments for 2008/09 | - |
| Commences: 1 July 2009 | Adjusted Appropriation | 104,851 |
| | Actual to 2007/08 Year End | - |
| Expires: 30 June 2011 | Estimated Actual for 2008/09 | - |
| | Estimated Actual for 2009/10 | 84,725 |
| | Estimated Appropriation Remaining | 20,126 |
| Wellington Rail Development (M72) | Original Appropriation | 91,478 |
| This appropriation is limited to the renewal and upgrade of the Wellington regional rail network. | Adjustments to 2007/08 | - |
| | Adjustments for 2008/09 | - |
| Commences: 1 July 2009 | Adjusted Appropriation | 91,478 |
| | Actual to 2007/08 Year End | - |
| Expires: 30 June 2011 | Estimated Actual for 2008/09 | - |
| | Estimated Actual for 2009/10 | 59,339 |
| | Estimated Appropriation Remaining | 32,139 |

| Type, Title, Scope and Period of Appropriations | Appropriations, Adjustments and Use | \$000 |
|--|-------------------------------------|-----------|
| Non-Departmental Capital Expenditure | | |
| Crown Contribution to Joint Venture Airports (M72) | Original Appropriation | 3,598 |
| To provide capital for enhancements to airport terminals and runways and to cover the Crown's share of operating losses for the year ended June 2005 and an estimate of the losses for the year ended June 2006. | Adjustments to 2007/08 | 850 |
| | Adjustments for 2008/09 | (1,773) |
| Commences: 1 July 2005 | Adjusted Appropriation | 2,675 |
| | Actual to 2007/08 Year End | 2,675 |
| Expires: 30 June 2010 | Estimated Actual for 2008/09 | - |
| | Estimated Actual for 2009/10 | - |
| | Estimated Appropriation Remaining | - |
| Joint Venture Airports - Crown Contribution (M72) | Original Appropriation | 1,773 |
| This appropriation is limited to providing capital for enhancements to joint venture airport terminals and runways and to cover the Crown's share of operating losses for the years up to 30 June 2011. | Adjustments to 2007/08 | - |
| | Adjustments for 2008/09 | - |
| Commences: 1 July 2008 | Adjusted Appropriation | 1,773 |
| | Actual to 2007/08 Year End | - |
| Expires: 30 June 2011 | Estimated Actual for 2008/09 | 1,284 |
| | Estimated Actual for 2009/10 | 489 |
| | Estimated Appropriation Remaining | - |
| New and Improved Infrastructure for State Highways (M72) | Original Appropriation | 862,000 |
| To ensure the Purchase of State Highway improvements as specified in the NLTP. | Adjustments to 2007/08 | (368,000) |
| | Adjustments for 2008/09 | - |
| Commences: 1 July 2006 | Adjusted Appropriation | 494,000 |
| | Actual to 2007/08 Year End | 494,000 |
| Expires: 30 June 2011 | Estimated Actual for 2008/09 | - |
| | Estimated Actual for 2009/10 | - |
| | Estimated Appropriation Remaining | - |

Details of Projected Movements in Departmental Net Assets

Ministry of Transport

| Details of Net Asset Schedule | 2008/09 Estimated Actual \$000 | 2009/10 Projected \$000 | Explanation of Projected Movements in 2009/10 |
|--|---|-------------------------------|---|
| Opening Balance | 9,974 | 2,984 | |
| Capital Injections | - | - | |
| Capital Withdrawals | (6,990) | - | |
| Surplus to be Retained (Deficit Incurred) | - | - | |
| Other Movements | - | - | |
| Closing Balance | 2,984 | 2,984 | |