



Cabinet

CAB Min (08) 14/1(51)

Minute of Decision

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2008 Budget Package: Vote Transport

On 14 April 2008, and following further consideration on 21 April 2008, Cabinet:

1. **approved** the Budget initiatives for the above Vote for inclusion in the 2008 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)				
		2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
5172	Strategic Search and Rescue and Recreational Boating Safety Awareness Funding	-	4.169	4.279	-	-
5177	Sustainability and Effectiveness of Transport Accident Investigation Commission	-	1.200	1.200	1.200	1.200
5179	Ensuring regulatory capability and oversight of New Zealand civil aviation	-	0.500	0.500	0.500	0.500
5180	Next Steps Capability Building	-	2.000	2.000	2.000	2.000
5183	MetService – Enhanced Weather Forecasting for Severe Weather Events	-	0.414	1.476	1.477	1.477
5188	Canterbury Transport Project	-	4.500	10.000	14.000	5.000*
5189	Regional Development Transport Funding	-	10.000	10.000	10.000	-
5308	Enhanced Public Transport for SuperGold cardholders	-	18.000	18.000	18.000	18.000
Total Operating		-	40.783	47.455	47.177	28.177

*2011/12 only

Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
5172	Strategic Search and Rescue and Recreational Boating Safety Awareness Funding	-	0.259	-	-	-
5175	Rescue Funding	1.236	-	-	-	-
5177	Sustainability and Effectiveness of Transport Accident Investigation Commission	0.100	0.250	0.635	-	-
5178	Aviation Passenger Safety and Security Infrastructure	-	7.348	7.054	0.283	0.303
5184	Infrastructure at Joint Venture Airports	0.850	-	-	-	-
Total Capital		2.186	7.857	7.689	0.283	0.303

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. **agreed** that the proposed changes to appropriations and/or projected balances of net assets for 2007/08 above be included in the 2007/08 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
5. **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 2007/08 Supplementary Estimates, the 2008/09 Estimates and the fiscal forecasts;
6. **noted** that all communications relating to the 2008 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: 2008 Budget package tabled
by the Minister of Finance**Distribution:**

Prime Minister
 Chief Executive, DPMC
 Director PAG, DPMC
 Minister of Finance
 Secretary to the Treasury
 Hon Jim Anderton
 Minister of Transport
 Secretary for Transport
 Associate Minister of Finance (Hon Trevor Mallard)
 Associate Minister of Transport
 Minister for Transport Safety
 Controller and Auditor-General

Vote: Transport

Title: Strategic Search and Rescue and Recreational Boating Safety Awareness Funding

Description: This initiative addresses identified systemic risks within the New Zealand Search and Rescue (SAR) system and incorporates a safety awareness campaign to reduce the number of preventable SAR and marine related fatalities in New Zealand.

Theme: Economic Transformation

Theme Objective: World class infrastructure: other action

Performance Information

Performance Table

	Unit of Measurement	Performance Specification				
		2007/08	2008/09	2009/10	2010/11	2011/12
Quantity						
Training of on-scene co-ordinators	number	0	15	15	15	15
Refresher training of air observers	number	0	120	120	120	120
Additional air observers trained	number	0	10	10	10	10
Quality						
Develop and maintain service level agreements with core SAR agencies	percentage	0	100	100	100	100

Performance Text

Enhancements to the Rescue Coordination Centre to improve its 24/7 performance, equipment, sustainability and surge capacity. Providing SAR education, training and exercise opportunities throughout the sector. Improving strategic SAR coordination and policy advice. Safety awareness campaign to sustain the reduction in the annual numbers of boating fatalities. Establish Service Level Agreements for the two coordinating agencies to ensure continued service from key SAR providing organisations.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	4.169	4.279	-	-
Debt Impact	-	0.259	-	-	-
No Impact	-	-	-	-	-
Total	-	4.428	4.279	-	-

Initiative No: 5172

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Departmental Output Expenses (General):					
Policy Advice (funded by Revenue Crown)	-	0.365	0.365	-	-
Non-Departmental Output Expenses:					
Search and Rescue Activities	-	3.804	3.914	-	-
Capital Expenditure:					
Maritime NZ	-	0.259	-	-	-
Total Operating	-	4.169	4.279	-	-
Total Capital	-	0.259	-	-	-

Initiative No: 5175

Vote: Transport**Title:** Rescue Funding**Description:** Capital injection to restore the Rescue Coordination Centre of New Zealand's working capital. This follows the use of funds accumulated from depreciation to meet exceptionally high costs incurred from a small number of incidents, for example the Erceg incident.**Theme:** Economic Transformation**Theme Objective:** World class infrastructure: other action**Performance Information****Performance Table**

	Unit of Measurement	Performance Specification				
		2007/08	2008/09	2009/10	2010/11	2011/12
Quality						
Sufficient capital to allow effective response in case of incidents.	Percentage	0	100	100	100	100

New Appropriation Approvals

Type	Period	Name	MCOA Output Class	Scope
Capital Expenditure	Annual	Maritime NZ	N/A	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.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	1.236	-	-	-	-
No Impact	-	-	-	-	-
Total	1.236	-	-	-	-

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Capital Expenditure: Maritime NZ	1.236	-	-	-	-
Total Operating	-	-	-	-	-
Total Capital	1.236	-	-	-	-

Vote: Transport

Title: Sustainability and Effectiveness of Transport Accident Investigation Commission

Description: To restore the Transport Accident Investigation Commission's (TAIC) financial and operational sustainability by strengthening its core capability and expanding its services to enable it to deliver the outcomes intended by its statutory mandate.

Theme: Economic Transformation

Theme Objective: World class infrastructure: other action

Performance Information

Performance Table

	Unit of Measurement	Performance Specification				
		2007/08	2008/09	2009/10	2010/11	2011/12
Quantity						
Inquiry hearings	Number	1	0	1	0	1
Reports released	Number	39	39	45	50	55
New inquiries opened	Number	35	40	45	45	45
Quality						
Contested proceedings against findings	Number	0	0	0	0	0
Timeliness						
Completion of full reports - investigations only	Avg working days	0	220	220	220	220
Completion of full reports - with hearings	Avg working days	0	380	380	380	380
Completion of inquiries - investigations only	Avg working days	<270	200	200	200	200
Completion of inquiries - with hearings	Avg working days	0	360	360	360	360

Performance Text

The strengthening of TAIC's corporate infrastructure (personnel and IT system) and of its working capital position will provide the foundation for ensuring organisational sustainability and the platform for the increase in scope and scale of its activities required to fully align TAIC with its statutory purpose and functions.

Initiative No: 5177

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	1.200	1.200	1.200	1.200
Debt Impact	0.100	0.250	0.635	-	-
No Impact	-	-	-	-	-
Total	0.100	1.450	1.835	1.200	1.200

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Non-Departmental Output Expenses: Reporting on Accident or Incident Investigations	-	1.200	1.200	1.200	1.200
Capital Expenditure: Transport Accident Investigation Commission	0.100	0.250	0.635	-	-
Total Operating	-	1.200	1.200	1.200	1.200
Total Capital	0.100	0.250	0.635	-	-

Vote: Transport

Title: Aviation Passenger Safety and Security Infrastructure

Description: Addresses risk to the integrity of New Zealand's aviation security infrastructure by ensuring the service delivery required under international obligations and domestic legislation. Funds the fit out of new national office & airport bases, replacement infrastructure assets and extra security equipment.

Theme: Economic Transformation

Theme Objective: World class infrastructure: other action

Performance Information

Performance Table

	Unit of Measurement	Performance Specification				
		2007/08	2008/09	2009/10	2010/11	2011/12
Quality						
Compliance with health and safety legislation.	Percentage	0	100	100	100	100
Meets international best practice standards for aviation security practices.	Percentage	0	100	100	100	100

Performance Text

The capital expenditure will ensure that the Aviation Security Service (Avsec) maintains effective aviation security screening to an international best practice standard; supports services currently required by government, industry and the international community; and prevents flight delays due to Avsec screening or search activities. It ensures fit out of offices as safe working environments with sufficient space for all staff, compliant operating systems, and implements New Zealand's international aviation security commitments.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	7.348	7.054	0.283	0.303
No Impact	-	-	-	-	-
Total	-	7.348	7.054	0.283	0.303

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Capital Expenditure: Aviation Security Service	-	7.348	7.054	0.283	0.303
Total Operating	-	-	-	-	-
Total Capital	-	7.348	7.054	0.283	0.303

Initiative No: 5179

Vote: Transport

Title: Ensuring regulatory capability and oversight of New Zealand civil aviation

Description: The resolution of serious capability issues to enable the Civil Aviation Authority to meet and maintain its regulatory and international obligations and contribute appropriately to the economic and sustainability goals of New Zealand.

Theme: Economic Transformation

Theme Objective: World class infrastructure: other action

Performance Information

Performance Table

	Unit of Measurement	Performance Specification				
		2007/08	2008/09	2009/10	2010/11	2011/12
Quality						
Meets international best practice standards and complies with obligations.	Percentage	0	100	100	100	100

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	0.500	0.500	0.500	0.500
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.500	0.500	0.500	0.500

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Non-Departmental Output Expenses: Civil Aviation Policy Advice	-	0.500	0.500	0.500	0.500
Total Operating	-	0.500	0.500	0.500	0.500
Total Capital	-	-	-	-	-

Initiative No: 5180

Vote: Transport

Title: Next Steps Capability Building

Description: To allow the Ministry to manage its major new responsibilities under Next Steps, for example the triennial Government Policy Statement, by recruiting additional high level staff ; upskilling existing staff and assisting with remuneration imbalances that are hindering retention and recruitment.

Theme: Economic Transformation

Theme Objective: World class infrastructure: other action

Performance Information

Performance Table

	Unit of Measurement	Performance Specification				
		2007/08	2008/09	2009/10	2010/11	2011/12
Quantity						
Provision of Government Policy Statement to Government.	Number	1	0	0	1	0
Quality						
Advice provided to a standard acceptable to the Minister of Transport.	Percentage	0	100	100	100	100
Timeliness						
In line with agreed timeframe.	Percentage	0	100	100	100	100

Performance Text

Without this funding, the Ministry will not be able to deliver the following outputs: the Ministry delivers its new responsibilities to a high standard acceptable to the Minister and within statutory timeframes; the Ministry is able to provide high quality policy advice based on sound economic and statistical analysis.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	2.000	2.000	2.000	2.000
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	2.000	2.000	2.000	2.000

Initiative No: 5180

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Departmental Output Expenses (General):					
Next Steps Review Implementation (funded by Revenue Crown)	-	0.400	-	-	-
Policy Advice (funded by Revenue Crown)	-	1.200	1.400	1.400	1.400
Sector Leadership and Support (funded by Revenue Crown)	-	0.400	0.600	0.600	0.600
Total Operating	-	2.000	2.000	2.000	2.000
Total Capital	-	-	-	-	-

Vote: Transport

Title: MetService – Enhanced Weather Forecasting for Severe Weather Events

Description: Additional weather radar sites in Northland and West Coast; Severe Convection Warning Services for all areas; Recreational Marine Forecast for the Hawke’s Bay; and Extended Range Brief Mountain Forecasts.

Theme: Economic Transformation

Theme Objective: World class infrastructure: other action

Performance Information

Performance Table

	Unit of Measurement	Performance Specification				
		2007/08	2008/09	2009/10	2010/11	2011/12
Quantity						
Recreational Marine Forecast for Hawke’s Bay.	Number	0	1	1	1	1
Provision of Extended Range Brief Mountain Forecast for mountain areas above 800 metres.	Percentage	0	100	100	100	100
Additional weather radar sites.	Number	0	0	0	1	1
Severe Convection Warning Services for all areas within 150km of a weather radar site.	Percentage	0	0	100	100	100
Timeliness						
Frequency of daily updates: Extended Range Brief Mountain Forecasts.	Number	0	2	2	2	2
Frequency of daily updates: Recreational Marine Forecast for Hawke’s Bay.	Number	0	4	4	4	4

Initiative No: 5183

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	0.414	1.476	1.477	1.477
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.414	1.476	1.477	1.477

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Non-Departmental Output Expenses: Weather Forecasts and Warnings	-	0.414	1.476	1.477	1.477
Total Operating	-	0.414	1.476	1.477	1.477
Total Capital	-	-	-	-	-

Initiative No: 5184

Vote: Transport

Title: Infrastructure at Joint Venture Airports

Description: Initiative to address critical safety requirements at two joint venture airports. Extend the runway end safety area at Whangarei Airport; and develop waste water and sewerage management systems and extend the runway apron at Wanganui Airport.

Theme: Economic Transformation

Theme Objective: World class infrastructure: other action

Performance Information

Performance Table

	Unit of Measurement	Performance Specification				
		2007/08	2008/09	2009/10	2010/11	2011/12
Quality						
Crown complies with its obligation as a joint venture partner.	Percentage	100	100	100	100	100
Joint Venture Airports comply with legislation.	Percentage	100	100	100	100	100

Performance Text

Funding these projects ensures that the Crown meets its legal responsibilities as a joint venture airport partner, and the airports retain commercial viability and legislative compliance.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	0.850	-	-	-	-
No Impact	-	-	-	-	-
Total	0.850	-	-	-	-

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Capital Expenditure: Crown Contribution to Joint Venture Airports	0.850	-	-	-	-
Total Operating	-	-	-	-	-
Total Capital	0.850	-	-	-	-

Initiative No: 5188

Vote: Transport

Title: Canterbury Transport Project

Description: To provide a central government contribution to the funding gap for Canterbury transport.

Theme: Economic Transformation

Theme Objective: World class infrastructure: other action

Performance Information

Performance Table

	Unit of Measurement	Performance Specification				
		2007/08	2008/09	2009/10	2010/11	2011/12
Timeliness						
Project progressed in timely manner in line with plan.	Percentage	0	100	100	100	100

Performance Text

The funding will enable the completion of a transport programme that is derived from the Canterbury Transport Regional Implementation Plan. A consolidated 10-year programme has been constructed and costings and cash flows determined. The final consolidated programme will be submitted to Cabinet.

New Appropriation Approvals

Type	Period	Name	MCOA Output Class	Scope
Non-Departmental Output Expenses	Annual	Canterbury Transport Project	N/A	This appropriation is limited to assisting the Canterbury region to implement a land transport package.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12
Operating Balance Impact	-	4.500	10.000	14.000	5.000
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	4.500	10.000	14.000	5.000

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12
Non-Departmental Output Expenses: Canterbury Transport Project	-	4.500	10.000	14.000	5.000
Total Operating	-	4.500	10.000	14.000	5.000
Total Capital	-	-	-	-	-

Initiative No: 5189

Vote: Transport

Title: Regional Development Transport Funding

Description: To continue transport funding for regional development initiatives approved by Cabinet in 2002.

Theme: Economic Transformation

Theme Objective: World class infrastructure: other action

Performance Information

Performance Table

	Unit of Measurement	Performance Specification				
		2007/08	2008/09	2009/10	2010/11	2011/12
Timeliness						
Projects within programme completed in timely manner.	Percentage	0	100	100	100	0

Performance Text

The funding will enable the completion of a programme of forestry roading in Northland and Tairāwhiti (Gisborne/Wairoa) commenced in 2002. Since then, approximately \$20 million per annum has been available to fund projects that provide more reliable, all weather access to plantation forestry harvest areas with the goal of encouraging new private sector investment in wood processing.

New Appropriation Approvals

Type	Period	Name	MCOA Output Class	Scope
Non-Departmental Output Expenses	Annual	Regional Development Transport Funding	N/A	This appropriation is limited to regional development initiatives to develop the forestry roading infrastructure in Northland and Tairāwhiti

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	10.000	10.000	10.000	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	10.000	10.000	10.000	-

Initiative No: 5189

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Non-Departmental Output Expenses: Regional Development Transport Funding	-	10.000	10.000	10.000	-
Total Operating	-	10.000	10.000	10.000	-
Total Capital	-	-	-	-	-

Vote: Transport

Title: Enhanced Public Transport for SuperGold cardholders

Description: To provide enhanced public transport concessions for SuperGold cardholders.

Theme: Other

Theme Objective: Other

Performance Information

Performance Table

	Unit of Measurement	Performance Specification				
		2007/08	2008/09	2009/10	2010/11	2011/12
Quantity						
Regional Councils which implement enhanced public transport concessions for SuperGold Cardholders	Percentage	0	50	80	90	100

New Appropriation Approvals

Type	Period	Name	MCOA Output Class	Scope
Other Expenses to be Incurred by the Crown	Annual	Enhanced public transport concessions for SuperGold cardholders	N/A	This appropriation is limited to providing enhanced public transport concessions for SuperGold cardholders.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	18.000	18.000	18.000	18.000
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	18.000	18.000	18.000	18.000

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Other Expenses to be Incurred by the Crown: Enhanced public transport concessions for SuperGold cardholders	-	18.000	18.000	18.000	18.000
Total Operating	-	18.000	18.000	18.000	18.000
Total Capital	-	-	-	-	-

Initiative No: 5308

Additional Recommendations

agreed that the Ministry of Transport and Land Transport New Zealand consult with regional councils as required, to progress the implementation of enhanced public transport for SuperGold cardholders prior to formal Budget announcements;

directed officials to report by 15 May 2008, following consultation with regional councils, to the Minister of Finance, the Minister of Transport, the Minister for Senior Citizens and the Associate Minister for Senior Citizens (joint Ministers), with implementation details of this initiative;

authorised joint Ministers to take implementation decisions following the report from officials referred to above.