

The Treasury

Budget 2012 Information Release

Release Document

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Key to sections of the Official Information Act 1982 under which information has been withheld.

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- [1] 6(a) - to prevent prejudice to the security or defence of New Zealand or the international relations of the government
- [2] 6(c) - to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
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- [7] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
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In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.



Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Budget 2012: Vote Transport

On 23 April 2012, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2012 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)				
		2011/12	2012/13	2013/14	2014/15	2015/16 & Outyears
7354	SuperGold Card Travel Concessions	-	3.700	-	-	-
Total Operating		-	3.700	-	-	-

Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2011/12	2012/13	2013/14	2014/15	2015/16 & Outyears
7215	KiwiRail Turnaround Plan Year 3	-	250.000	-	-	-
Total Capital		-	250.000	-	-	-

- 2 **approved** the changes to appropriations and projected balances of net assets of the administering department to implement the initiatives, as set out in the attached initiative documents;
- 3 **approved** the additional recommendations to give effect to the initiatives, as set out in the attached initiative documents;
- 4 **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 2011/12 Supplementary Estimates, the 2012/13 Estimates and the fiscal forecasts;

- 5 **authorised** the chief executives of departments that monitor Crown entities directly affected by decisions in this minute to inform the chair and/or chief executive of a Crown entity, on a budget-in-confidence-until-budget-day basis, of decisions that directly affect that Crown entity for the purpose of planning and preparation of their Statement of Intent;
- 6 **noted** that all communications relating to the 2012 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;
- 7 [6]

[6]

Secretary of the Cabinet

References: CAB (12) 154; CAB (12) 155

Vote: Transport

Title: Maritime Health and Safety in Employment Act Activities

Description: Maritime New Zealand will deliver Health and Safety in Employment activities in the maritime sector.

Appropriation Changes

	\$m - increase/(decrease)				
	2011/12	2012/13	2013/14	2014/15	2015/16 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	0.528	0.528	0.528	0.528
Total	-	0.528	0.528	0.528	0.528

	\$m - increase/(decrease)				
	2011/12	2012/13	2013/14	2014/15	2015/16 & Outyears
Non-Departmental Output Expense:					
Policy Advice and Related Outputs - Maritime (MCOA)					
Health and Safety in Employment Activities - Maritime	-	0.528	0.528	0.528	0.528
Total Operating	-	0.528	0.528	0.528	0.528
Total Capital	-	-	-	-	-

Additional Recommendation

8 **noted** that this initiative is a charge on the Health and Safety in Employment levy and that this does not impact on the operating balance.

Initiative No: 7215

Vote: Transport

Title: KiwiRail Turnaround Plan Year 3

Description: Funding for the KiwiRail Turnaround Plan, (third year of three-year commitment).

Appropriation Changes

	\$m - increase/(decrease)				
	2011/12	2012/13	2013/14	2014/15	2015/16 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	250.000	-	-	-
No Impact	-	-	-	-	-
Total	-	250.000	-	-	-

	\$m - increase/(decrease)				
	2011/12	2012/13	2013/14	2014/15	2015/16 & Outyears
Non-Departmental Capital Expenditure:					
Rail - KiwiRail Turnaround Plan Funding	-	250.000	-	-	-
Total Operating	-	-	-	-	-
Total Capital	-	250.000	-	-	-

Additional Recommendation

- 9 **agreed** that the drawdown of capital injections into KiwiRail Group is contingent on joint Ministerial approval following Cabinet consideration of specific business cases.

Initiative No: 7354

Vote: Transport

Title: SuperGold Card Travel Concessions

Description: Funding for 2012/13 and outyears to recognise demand.

Appropriation Changes

	\$m - increase/(decrease)				
	2011/12	2012/13	2013/14	2014/15	2015/16 & Outyears
Operating Balance Impact	-	3.700	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	3.700	-	-	-

	\$m - increase/(decrease)				
	2011/12	2012/13	2013/14	2014/15	2015/16 & Outyears
Non-Departmental Output Expense:					
SuperGold Card - Administration of the Public Transport Concessions Scheme	-	(0.605)	(0.605)	(0.605)	(0.605)
Non-Departmental Other Expense:					
SuperGold Card - public transport concessions for cardholders	-	4.305	0.605	0.605	0.605
Total Operating	-	3.700	-	-	-
Total Capital	-	-	-	-	-

Additional Recommendations

- 10 **agreed** that the SuperGold Card travel concession scheme retain the following current operational criteria in 2012/13:
- 10.1 the 65 per cent reimbursement rate to operators;
 - 10.2 the moratorium on major new services;
 - 10.3 the cap on reimbursing the Fullers Ferry service to Waiheke Island;
 - 10.4 all services that are currently eligible under the scheme will remain eligible;
- 11 **noted** that in September 2010, the Cabinet Economic Growth and Infrastructure Committee authorised the Minister of Transport, in consultation with relevant Ministers, to make decisions on additional operational changes to the scheme as required, including on the hardship clause and the moratorium on new services [EGI Min (10) 23/11];

- 12 **noted** that the delegated authority referred to above is still in place;
- 13 **invited** the Minister of Transport to include options for the long-term funding and operation of the SuperGold Card travel concession scheme through the Budget 2013 process;

Additional Technical Recommendations

Transfer of Crash Analysis System to New Zealand Transport Agency

- 14 **agreed** to transfer ownership of the Crash Analysis System to the New Zealand Transport Agency as set out in the table below with a corresponding impact on debt:

Vote Transport Minister of Transport	\$m – increase/(decrease)				
	2011/12	2012/13	2013/14	2014/15	2015/16 & Outyears
Departmental Output Expense: Policy Advice (funded by revenue Crown)	-	(0.775)	(0.775)	(0.775)	(0.775)
Non-Departmental Output Expense: Crash Analysis System	-	0.775	0.775	0.775	0.775
Net Asset Schedule of the Ministry of Transport Capital Injection	-	(0.408)	-	-	-
Total Operating	-	-	-	-	-
Total Capital	-	(0.408)	-	-	-

Wellington Metro Rail Upgrade Network

- 15 **agreed** to the following changes to appropriations to reflect the fact that KiwiRail are advancing work on the Wellington Metro Rail Upgrade Network ahead of schedule, with no impact on the operating balance:

Vote Transport Minister of Transport	\$m – increase/(decrease)				
	2011/12	2012/13	2013/14	2014/15	2015/16 & Outyears
Non-Departmental Other Expense: Rail – Metro Rail Rolling Stock and Infrastructure (Wellington)	3.161	(3.161)	0.314	(0.314)	-

- 16 **authorised** the Minister of Finance and the Minister of Transport jointly to approve future changes to the appropriation profile during the life of the Wellington Metro Rail Upgrade Network programme to allow for changes in the construction programme.