

# The Treasury

## Budget 2013 Information Release

### Release Document

July 2013

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

Certain information in this document has been withheld under one or more of the following sections of the Official Information Act, as applicable:

- [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
- [3] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [4] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [5] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [6] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [7] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [8] 9(2)(h) - to maintain legal professional privilege
- [9] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [10] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [11] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [12] Not in scope
- [13] 7(b) - to prevent prejudice to relations between any of the Governments of New Zealand, the Cook Islands or Niue
- [14] 9(2)(ba)(i) - to prevent prejudice to the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied.

Where information has been withheld, a numbered reference to the applicable section of the Official Information Act has been made, as listed above. For example, an [4] appearing where information has been withheld in a release document refers to section 9(2)(b)(ii).

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 2013 Package: Vote Transport

Portfolio: Transport

On 15 April 2013, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2013 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)				
		2012/13	2013/14	2014/15	2015/16	2016/17 & Outyears
7671	Meteorological Service New Zealand - Weather Forecasting	-	1.443	-	-	-
7666	SuperGold Card - Public Transport Concessions for Cardholders	-	6.000	8.000	-	-
<b>Total Operating</b>		-	<b>7.443</b>	<b>8.000</b>	-	-

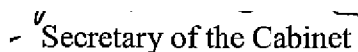
##### Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2012/13	2013/14	2014/15	2015/16	2016/17 & Outyears
7669	KiwiRail Turnaround Plan	-	93.849	-	-	-
7673	Replacement Ground Station for Search and Rescue Satellite System.	-	1.100	3.000	3.100	-
<b>Total Capital</b>		-	<b>94.949</b>	<b>3.000</b>	<b>3.100</b>	-

- 2 **approved** the changes to appropriations 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 2012/13 Supplementary Estimates, the 2013/14 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 2013 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 **agreed** that the following initiatives be set aside as contingency items, that corresponding funding for them be set aside in the between-Budget spending contingency, and that they be submitted to the appropriate Cabinet committee for consideration at a later stage:

[4], [9]

  
Secretary of the Cabinet

Reference: CAB (13) 203

Initiative No: 7669

Vote: Transport

Title: KiwiRail Turnaround Plan

**Description:** The KiwiRail Turnaround Plan is a ten year plan to put the freight business on a commercially viable footing. \$750 million has been appropriated over 2010/11 - 2012/13 and this request is a further investment in the Turnaround Plan.

**Appropriation changes**

	\$m - increase/(decrease)				
	2012/13	2013/14	2014/15	2015/16	2016/17 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	93.849	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>93.849</b>	-	-	-

	\$m - increase/(decrease)				
	2012/13	2013/14	2014/15	2015/16	2016/17 & Outyears
<b>Non-Departmental Capital Expenditure:</b>					
Rail - KiwiRail Turnaround Plan Funding	-	93.849	-	-	-
<b>Total Operating</b>	-	-	-	-	-
<b>Total Capital</b>	-	<b>93.849</b>	-	-	-

**Additional recommendation**

8 **agreed** that the drawdown of this funding by KiwiRail in 2013/14 is subject to approval by shareholding Ministers;

Initiative No: 7671

Vote: Transport

Title: Meteorological Service of New Zealand - Weather Forecasting

Description: Increase for the provision of weather forecasting services.

**Appropriation changes**

	\$m - increase/(decrease)				
	2012/13	2013/14	2014/15	2015/16	2016/17 & Outyears
Operating Balance Impact	-	1,443	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>1,443</b>	-	-	-

	\$m - increase/(decrease)				
	2012/13	2013/14	2014/15	2015/16	2016/17 & Outyears
<b>Non-Departmental Output Expense:</b>					
Weather Forecasts and Warnings	-	1,443	-	-	-
<b>Total Operating</b>	-	<b>1,443</b>	-	-	-
<b>Total Capital</b>	-	-	-	-	-

**Additional recommendation**

- 9 **noted** that the Ministry of Transport will undertake a price and services review of this contract to determine an appropriate level of price and service for 2014/15 and outyears;

Initiative No: 7670

Vote: Transport

Title: New Zealand Railways Corporation Loans

Description: This initiative rolls over a New Zealand Railways Corporation loan which matures in April 2015.

## Appropriation changes

	\$m - increase/(decrease)				
	2012/13	2013/14	2014/15	2015/16	2016/17 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	10.750	-	-
<b>Total</b>	-	-	<b>10.750</b>	-	-

	\$m - increase/(decrease)				
	2012/13	2013/14	2014/15	2015/16	2016/17 & Outyears
<b>Non-Departmental Capital Expenditure:</b>					
Rail - New Zealand Railways Corporation Loans	-	-	10.750	-	-
<b>Total Operating</b>	-	-	-	-	-
<b>Total Capital</b>	-	-	<b>10.750</b>	-	-

Initiative No: 7673

**Vote:** Transport

**Title:** Replacement Ground Station for Search and Rescue Satellite System.

**Description:** To build a replacement ground station for New Zealand's search and rescue distress beacon system. The existing ground station will become obsolete when the international search and rescue satellite is upgraded.

### Appropriation changes

	\$m - increase/(decrease)				
	2012/13	2013/14	2014/15	2015/16	2016/17 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	1.100	3.000	3.100	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>1.100</b>	<b>3.000</b>	<b>3.100</b>	-

	\$m - increase/(decrease)				
	2012/13	2013/14	2014/15	2015/16	2016/17 & Outyears
<b>Non-Departmental Capital Expenditure:</b>					
Maritime New Zealand	-	1.100	3.000	3.100	-
<b>Total Operating</b>	-	-	-	-	-
<b>Total Capital</b>	-	<b>1.100</b>	<b>3.000</b>	<b>3.100</b>	-

Initiative No: 7666

**Vote:** Transport**Title:** SuperGold Card - Public Transport Concessions for Cardholders**Description:** Additional funding for this scheme which provides free off peak travel for cardholders.**Appropriation changes**

	\$m - increase/(decrease)				
	2012/13	2013/14	2014/15	2015/16	2016/17 & Outyears
Operating Balance Impact	-	6,000	8,000	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>6,000</b>	<b>8,000</b>	-	-

	\$m - increase/(decrease)				
	2012/13	2013/14	2014/15	2015/16	2016/17 & Outyears
<b>Non-Departmental Other Expense:</b>					
SuperGold Card - public transport concessions for cardholders	-	6,000	8,000	-	-
<b>Total Operating</b>	-	<b>6,000</b>	<b>8,000</b>	-	-
<b>Total Capital</b>	-	-	-	-	-

**Additional recommendations**

- 10 **noted** that the Ministry of Transport will review the operating mechanisms of the SuperGold Card public transport concession scheme in 2013/14;
- 11 **invited** the Minister of Transport to report to the Cabinet Economic Growth and Infrastructure Committee in 2014 on options for cost efficient sustainable funding, excluding eligibility and entitlement considerations, and long-term operation of the SuperGold Card public transport concession scheme.