

The Treasury

Budget 2011 Information Release

Release Document

June 2011

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

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- [1] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [2] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [3] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
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- [6] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [7] 6(a) - to prevent prejudice to the security or defence of New Zealand or the international relations of the government
- [8] 9(2)(h) - to maintain legal professional privilege
- [9] 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
- [10] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [11] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice.

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 [8] appearing where information has been withheld in a release document refers to section 9(2)(h).

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 2011: Vote Transport

On 11 April 2011, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2011 Budget package, as listed in the summary below and detailed in the attached initiative documents;

Summary of initiatives included in the attached initiative documents:

Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
6603	Joint Venture Airports - Crown Contribution	-	0.500	0.500	0.500	0.500
6742	New Zealand Railways Corporation Loans	-	-	-	-	-
6843	Kiwirail Turnaround Plan Funding	-	250.000	-	-	-
6844	Rail: Upgrade Of Wellington Metro Rail Network*	-	8.552	17.393	11.203	12.813
Total Capital		-	259.052	17.893	11.703	13.313

*See initiative 6844 for outyear implications.

- 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 **approved** the additional recommendations to give effect to the initiatives, as set out in the attached initiative documents;

- 5 **agreed** that the changes to appropriations and/or projected balances of net assets for 2010/11 above be included in the 2010/11 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
- 6 **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 2010/11 Supplementary Estimates, the 2011/12 Estimates and the fiscal forecasts;
- 7 **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;
- 8 **noted** that all communications relating to the 2011 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: CAB (11) 187; CAB (11) 190

Vote: Transport

Title: Joint Venture Airports - Crown Contribution

Description: To enable the government's ongoing legal obligations to the remaining six joint venture airports to be met. Existing appropriation expires 30 June 2011.

New Appropriation Approval

Type	Period	Name	Multi-class Output Appropriation (MCOA)	Scope
Non-Departmental Capital Expenditure (MYA)	Other Start: 1/07/2011 Finish: 30/06/2015 Amount (\$m): 2.000	Joint Venture Airports - Crown Contribution	N/A	This appropriation is limited to enhancements to joint venture airport terminals and runways and the Crown's share of operating losses.

Appropriation Changes

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	0.500	0.500	0.500	0.500
No Impact	-	-	-	-	-
Total	-	0.500	0.500	0.500	0.500

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Non-Departmental Capital Expenditure:					
Joint Venture Airports - Crown Contribution (MYA)	-	0.500	0.500	0.500	0.500
Total Operating	-	-	-	-	-
Total Capital	-	0.500	0.500	0.500	0.500

Additional recommendations

- 9 **agreed** to transfer any unspent funding in the former capital appropriation Joint Venture Airports - Crown contribution multi-year appropriation (MYA) which expires on 30 June 2011, to the new appropriation as part of the October 2011 Baseline Update process;
- 10 **noted** that amounts shown in the appropriations changes table for the MYA: Joint Venture Airports - Crown Contribution is the indicative annual spending profile;

Initiative No: 6742

Vote: Transport**Title:** New Zealand Railways Corporation Loans**Description:** The rollover of existing Crown loans of \$250 million that mature in November 2011**Appropriation Changes**

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Non-Departmental Capital Expenditure:					
Rail - New Zealand Railways Corporation Loans	-	250.000	-	-	-
Total Operating	-	-	-	-	-
Total Capital	-	250.000	-	-	-

Additional recommendation11 **noted** that this is a technical appropriation and that it does not impact on debt;

Initiative No: 6843

Vote: Transport

Title: Kiwirail Turnaround Plan Funding

Description: The second tranche of the \$750 million committed by the government in Budget 2010 in support of the ten year Kiwirail Turnaround Plan

Appropriation Changes

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	250.000	-	-	-
No Impact	-	-	-	-	-
Total	-	250.000	-	-	-

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Non-Departmental Capital Expenditure:					
Rail - KiwiRail Turnaround Plan Funding	-	250.000	-	-	-
Total Operating	-	-	-	-	-
Total Capital	-	250.000	-	-	-

Initiative No: 6844**Vote:** Transport**Title:** Rail: Upgrade of Wellington Metro Rail Network**Description:** Investment is required in the KiwiRail-owned Wellington Metro Rail Network infrastructure to bring it up to an efficient and reliable standard. Many of the overhead traction, signalling and structure assets are at the end of their useful life due to underinvestment in the network in the past.**New Appropriation Approval**

Type	Period	Name	MCOA Output Class	Scope
Non-Departmental Capital Expenditure	Annual	Wellington Metro Rail Network Upgrade	N/A	The appropriation is limited to catch-up investment in the Wellington Metro Rail Network which will enable sustainable operation of the network through the Metro Rail Operating model.

Appropriation Changes

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15
Non-Departmental Capital Expenditure:					
Wellington Metro Rail Network Upgrade	-	8.552	17.393	11.203	12.813
	2015/16	2016/17	2017/18	2018/19 only	Total
	7.863	10.414	10.732	9.400	88.400

Additional recommendations

12 **noted** that the above capital expenditure will impact on debt;

13 **agreed** to extend the expiry dates for the following two MYAs in Vote Transport:

MYA appropriation	Date commenced	Current expiry dates	Proposed new expiry dates
Auckland Rail Development MYA	1 July 2009	30 June 2013	30 June 2014
Rail Network and Rolling Stock MYA	1 July 2009	30 June 2011	30 June 2012