

Vote Transport

APPROPRIATION MINISTER(S): Minister of Transport (M72)

APPROPRIATION ADMINISTRATOR: Ministry of Transport

RESPONSIBLE MINISTER FOR MINISTRY OF TRANSPORT: Minister of Transport

Overview of the Vote

Vote Transport encompasses the funding of the road, rail, aviation and maritime transport modes. The major entities involved are the Ministry of Transport, the New Zealand Transport Agency and KiwiRail, as well as the other transport Crown entities, the Civil Aviation Authority (incorporating the Aviation Security Service), Maritime New Zealand and the Transport Accident Investigation Commission.

Road

The largest element of the Vote is the funding for roading (\$3,909 million or 92% of the total Vote). This is primarily the funding for the National Land Transport Programme which is funded from road tax revenue collected by the Crown (\$3,079 million or 72% of the Vote).

\$724 million of the balance (17%) relates to loans from the Crown:

- \$500 million for cash flow management. This appropriation does not take account of any repayments made and the facility may not exceed \$250 million at any one time
- \$114 million to rebuild earthquake damaged roads in Christchurch, and
- \$110 million for projects in the Auckland Transport Package.

The balance of funding for roading is provided by the Crown for specific projects. In 2016/17 this includes \$55 million for Regional State Highways and \$51 million for Urban Cycleways.

Rail

Crown funding for Rail makes up 5% of the Vote - \$223 million, mainly:

- \$190 million ongoing equity investment to support the operation of the national freight network
- \$24 million from property transactions by New Zealand Railways Corporation, reinvested in KiwiRail Holdings Limited. The Crown does not inject funds but an appropriation is required as the transaction increases the equity of KiwiRail Holdings Limited, a state-owned enterprise, and
- \$6 million for metro rail projects in Wellington.

Crown Entity and Other Funding

The balance of the Vote (\$132 million) is mainly split between:

- \$33 million for the Ministry of Transport as departmental funding
- \$36 million for Crown entities for outputs. The transport Crown entities receive most of their funding from third party fees and charges
- \$28 million for SuperGold Card public transport concessions, and
- \$22 million for weather forecasting services from the Meteorological Service of New Zealand.

Details of these appropriations are set out in Parts 2-4.

Details of Appropriations and Capital Injections

Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Departmental Output Expenses			
Fuel Excise Duty Refund Administration (M72) This appropriation is limited to the receipt and processing of applications for, and the refunding of, Fuel Excise Duty.	660	660	918
Milford Sound / Piopiotahi Aerodrome Operation and Administration (M72) This appropriation is limited to the operation of Milford Sound/Piopiotahi aerodrome to provide a safe and efficient airport.	284	284	230
Search and Rescue Activity Coordination PLA (M72) The estimated amount to be spent on the coordination of search and rescue activities as authorised by section 9(1) of Land Transport Management Act 2003.	1,201	1,201	1,201
Total Departmental Output Expenses	2,145	2,145	2,349
Departmental Capital Expenditure			
Ministry of Transport - Capital Expenditure PLA (M72) 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.	650	650	755
Total Departmental Capital Expenditure	650	650	755
Non-Departmental Output Expenses			
Accident or Incident Investigation and Reporting (M72) This appropriation is limited to inquiries, investigations and activities in accordance with the Transport Accident Investigation Commission Act 1990.	5,233	5,233	5,639
Crash Analysis (M72) This appropriation is limited to operating the Crash Analysis System and performing associated crash analysis and research activities.	775	775	775
Licensing Activities (M72) This appropriation is limited to land transport licensing services, including driver licensing, not met by user fees.	2,550	2,550	2,550
Maritime Port Security (M72) This appropriation is limited to standby screening and searching services at ports.	145	145	145
Ministerial Servicing by the New Zealand Transport Agency (M72) This appropriation is limited to Ministerial servicing by the New Zealand Transport Agency.	548	548	548
National Land Transport Programme PLA (M72) The estimated amount to be spent on activities under the National Land Transport Programme, as authorised by section 9 (3) and (4) of the Land Transport Management Act 2003.	2,044,200	2,044,200	2,135,900
Road User Charges Investigation and Enforcement (M72) This appropriation is limited to investigating evasion and enforcing of Road User Charges.	3,779	3,779	3,779
Road User Charges Refunds (M72) This appropriation is limited to the processing of Road User Charge refunds.	450	450	450

Titles and Scopes of Appropriations by Appropriation Type	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Non-Departmental Output Expenses - cont'd			
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.	3,316	3,316	3,316
Search and Rescue and Recreational Boating Safety Activities PLA (M72) The estimated amount to be spent in relation to search and rescue and recreational boating safety activities, as authorised under Section 9 (1) of the Land Transport Management Act 2003.	8,007	8,007	8,167
SuperGold Card - Administration of the Public Transport Concessions Scheme (M72) This appropriation is limited to the administration costs of the scheme to provide enhanced public transport concessions for SuperGold cardholders.	295	295	95
Weather Forecasts and Warnings (M72) This appropriation is limited to severe-weather warnings and a level of weather forecast services for land, coastal waters and oceanic areas for which New Zealand has international responsibility.	21,212	21,212	21,917
Total Non-Departmental Output Expenses	2,090,510	2,090,510	2,183,281
Non-Departmental Other Expenses			
Bad Debt Provision - Motor Vehicle Registration/Licences and Road User Charges (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	4,000
Membership of International Organisations (M72) This appropriation is limited to non-discretionary payments to international transport related organisations.	653	653	743
Rail - Public Policy Projects (M72) This appropriation is limited to public policy rail initiatives.	3,270	3,270	3,270
Rail - Railway Safety (M72) This appropriation is limited to public safety works.	500	500	500
SuperGold Card - public transport concessions for cardholders (M72) This appropriation is limited to providing enhanced public transport concessions for SuperGold cardholders.	28,529	28,529	28,129
Urban Cycleways - Local Routes (M72) This appropriation is limited to expenses incurred on the investigation, design and construction of urban cycleways that will become the responsibility of local authorities.	10,000	10,000	43,630
Tauranga Maritime Incident Response (M72) This appropriation is limited to responding to the MV Rena grounding off Tauranga.	1,036	1,036	-
Total Non-Departmental Other Expenses	48,988	48,988	80,272
Non-Departmental Capital Expenditure			
Auckland Transport Package Loan (M72) This appropriation is limited to a loan to the New Zealand Transport Agency to accelerate projects in the Auckland Transport Package.	149,000	149,000	110,000
Aviation Security Service (M72) This appropriation is limited to the purchase of baggage screening equipment.	-	-	4,500
Joint Venture Airports (M72) This appropriation is limited to enhancements to joint venture airport terminals, facilities and runways and the Crown's share of operating losses.	-	-	500

Titles and Scopes of Appropriations by Appropriation Type	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
National Land Transport Programme - New Infrastructure for and Renewal of State Highways PLA (M72) The estimated amount to be spent on capital works for new infrastructure and renewal of State Highways, as authorised by Section 9 (3) and (4) of the Land Transport Management Act 2003.	902,842	902,842	943,316
NLTF Borrowing Facility for Short-Term Advances (M72) This appropriation is limited to short-term advances to the New Zealand Transport Agency to manage variations between cash outlays from and flows of hypothecated revenue into the National Land Transport Fund, with the maximum amount of such advances at any one time not exceeding \$250 million.	500,000	500,000	500,000
Rail - KiwiRail Equity Injection (M72) This appropriation is limited to equity injections to KiwiRail Holdings Limited offset by property transactions in New Zealand Railways Corporation.	23,010	23,010	23,600
Rail - KiwiRail Holdings Limited (M72) This appropriation is limited to a capital injection to KiwiRail Holdings Limited to finance approved capital expenditure on the New Zealand rail system.	209,800	209,800	190,200
Rail - Wellington Metro Rail Network Upgrade (M72) 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.	16,513	16,513	5,825
Regional State Highways (M72) This appropriation is limited to the investigation, design and construction of regional State highways.	-	-	14,000
Roading - Reinstatement of Earthquake Damaged Roads in Christchurch - Loan (M72) This appropriation is limited to a loan to the New Zealand Transport Agency for the reinstatement of earthquake damaged local roads in Christchurch.	57,420	57,420	114,000
Urban Cycleways - Crown Assets (M72) This appropriation is limited to capital expenditure on the investigation, design and construction of urban cycleways that will become Crown assets.	2,000	2,000	7,600
Maritime New Zealand (M72) This appropriation is limited to capital injection to Maritime New Zealand.	6,618	6,618	-
Total Non-Departmental Capital Expenditure	1,867,203	1,867,203	1,913,541
Multi-Category Expenses and Capital Expenditure			
Policy Advice and Related Outputs MCA (M72) The overarching purpose of this appropriation is to provide policy advice and other support to Ministers in discharging their policy decision-making and other portfolio responsibilities. <i>Departmental Output Expenses</i>	31,325	31,325	31,136
<i>Governance and Performance Advice on Crown Agencies</i> This category is limited to monitoring of and advice on the governance, performance and capability of transport Crown agencies.	1,100	1,100	900
<i>Ministerial Servicing</i> This category is limited to services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities.	2,700	2,700	2,600
<i>Policy Advice</i> This category is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters relating to transport.	27,525	27,525	27,636

Titles and Scopes of Appropriations by Appropriation Type	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Multi-Category Expenses and Capital Expenditure - cont'd			
Policy Advice and Related Outputs - Civil Aviation MCA (M72) The overarching purpose of this appropriation is to regulate civil aviation and enhance aviation safety in New Zealand.	2,687	2,687	3,389
<i>Non-Departmental Output Expenses</i>			
<i>Health and Safety at Work Activities - Civil Aviation</i> This category is limited to health and safety activities, for which there is a designated responsibility.	908	908	1,610
<i>International Relations and International Civil Aviation Organisation Obligations</i> This category is limited to technical information and advice in relation to international matters affecting New Zealand aviation, to ensure the Minister's obligations in relation to international civil aviation agreements are met, and to promote the development of New Zealand aviation in the international context.	685	685	685
<i>Ministerial Servicing - Civil Aviation</i> This category is limited to services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities.	431	431	431
<i>Policy Advice - Civil Aviation</i> This category is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters relating to civil aviation.	663	663	663
Policy Advice and Related Outputs - Maritime MCA (M72) The overarching purpose of this appropriation is to regulate and enhance safety in New Zealand's maritime environment.	7,855	7,855	9,295
<i>Non-Departmental Output Expenses</i>			
<i>Health and Safety at Work Activities - Maritime</i> This category is limited to health and safety activities, for which there is a designated responsibility.	1,466	1,466	2,975
<i>Maritime Incident Response</i> This category is limited to building capability to respond to complex maritime pollution incidents.	833	833	764
<i>Maritime Safety and Marine Protection Services</i> This category is limited to the development and delivery of regulatory services which are the responsibility of Maritime New Zealand under legislation	2,078	2,078	2,078
<i>Policy Advice - Maritime</i> This category is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision making by ministers on government policy matters and Ministerial servicing.	3,478	3,478	3,478
Total Multi-Category Expenses and Capital Expenditure	41,867	41,867	43,820
Total Annual and Permanent Appropriations	4,051,363	4,051,363	4,224,018

Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Non-Departmental Capital Expenditure		
Joint Venture Airports - Crown Contribution (M72) This appropriation is limited to enhancements to joint venture airport terminals and runways and the Crown's share of operating losses. Commences: 01 July 2011 Expires: 30 June 2016	Original Appropriation	2,000
	Adjustments to 2014/15	101
	Adjustments for 2015/16	(300)
	Adjusted Appropriation	1,801
	Actual to 2014/15 Year End	1,051
	Estimated Actual for 2015/16	750
	Estimated Actual for 2016/17	-
	Estimated Appropriation Remaining	-
	Regional State Highways (M72)	
This appropriation is limited to the investigation, design and construction of regional State Highways. Commences: 01 July 2014 Expires: 30 June 2017	Original Appropriation	97,000
	Adjustments to 2014/15	-
	Adjustments for 2015/16	-
	Adjusted Appropriation	97,000
	Actual to 2014/15 Year End	12,000
	Estimated Actual for 2015/16	44,000
	Estimated Actual for 2016/17	41,000
Estimated Appropriation Remaining	-	

Total Annual, Permanent and Multi-Year Appropriations

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Annual and Permanent Appropriations	4,051,363	4,051,363	4,224,018
Total MYA Non-Departmental Capital Expenditure Forecasts	44,750	44,750	41,000
Total Annual and Permanent Appropriations and Multi-Year Appropriation Forecasts	4,096,113	4,096,113	4,265,018

Capital Injection Authorisations

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Ministry of Transport - Capital Injection (M72)	-	-	-

Supporting Information

Part 1 - Vote as a Whole

1.1 - New Policy Initiatives

Policy Initiative	Appropriation	2015/16 Final Budgeted \$000	2016/17 Budget \$000	2017/18 Estimated \$000	2018/19 Estimated \$000	2019/20 Estimated \$000
Funding to assist the Aviation Security Service to purchase baggage screening equipment.	Aviation Security Service	-	4,500	-	-	-
Funding to meet the Crown's obligations as a 50% joint venture partner in six regional airports.	Joint Venture Airports	-	500	500	500	500
Funding to implement provisions in the new Health and Safety at Work Act 2015.	Policy Advice and Related Outputs - Civil Aviation MCA: Health and Safety at Work Activities - Civil Aviation category	468	-	-	-	-
Funding to assist the Civil Aviation Authority to meet increased responsibilities under the new Health and Safety at Work Act 2015.	Policy Advice and Related Outputs - Civil Aviation MCA: Health and Safety at Work Activities - Civil Aviation category	-	1,170	-	-	-
Funding to implement provisions in the new Health and Safety at Work Act 2015.	Policy Advice and Related Outputs - Maritime MCA: Health and Safety at Work Activities - Maritime category	512	-	-	-	-
Funding to assist Maritime New Zealand to meet increased responsibilities under the new Health and Safety at Work Act 2015.	Policy Advice and Related Outputs - Maritime MCA: Health and Safety at Work Activities - Maritime category	-	2,021	-	-	-
Funding to allow Maritime New Zealand to sustain response capability to complex non-oil maritime incidents.	Policy Advice and Related Outputs - Maritime MCA: Maritime Incident Response category	-	764	764	764	-
Funding of four projects as part of tranche two of the Accelerated Regional Road Package.	Regional State Highways	-	14,000	29,000	37,000	25,000
Funding of the agreed capped bulk funding model for the SuperGold Card scheme.	SuperGold Card - public transport concessions for cardholders	400	10,224	10,224	10,224	10,224
Total new policy initiatives		1,380	33,179	40,488	48,488	35,724

1.2 - Trends in the Vote

Summary of Financial Activity

	2011/12	2012/13	2013/14	2014/15	2015/16		2016/17			2017/18	2018/19	2019/20
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Final Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Appropriations												
Output Expenses	1,898,159	1,900,592	1,973,800	2,040,713	2,092,655	2,092,655	2,349	2,183,281	2,185,630	2,203,960	2,252,425	2,316,264
Benefits or Related Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	362,260	180,845	199,145	141,682	48,988	48,988	-	80,272	80,272	66,012	36,642	36,642
Capital Expenditure	1,367,842	1,544,566	1,147,441	1,725,387	1,912,603	1,912,603	755	1,954,541	1,955,296	1,640,238	1,594,623	1,536,873
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	40,070	37,335	41,363	39,578	41,867	41,867	31,136	12,684	43,820	40,277	40,292	39,528
<i>Other Expenses</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Expenditure</i>	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Appropriations	3,668,331	3,663,338	3,361,749	3,947,360	4,096,113	4,096,113	34,240	4,230,778	4,265,018	3,950,487	3,923,982	3,929,307
Crown Revenue and Capital Receipts												
Tax Revenue	1,184,161	1,203,785	1,349,290	1,413,191	1,498,602	1,498,602	N/A	1,537,780	1,537,780	1,597,681	1,660,509	1,713,048
Non-Tax Revenue	76,467	21,817	48,459	13,413	10,060	10,060	N/A	10,060	10,060	10,060	10,060	10,060
Capital Receipts	-	-	-	13,734	23,010	23,010	N/A	23,600	23,600	31,100	8,100	2,200
Total Crown Revenue and Capital Receipts	1,260,628	1,225,602	1,397,749	1,440,338	1,531,672	1,531,672	N/A	1,571,440	1,571,440	1,638,841	1,678,669	1,725,308

Note - where restructuring of the vote has occurred then, to the extent practicable, prior years information has been restated as if the restructuring had occurred before the beginning of the period covered. In this instance Total Appropriations for the Budgeted and Estimated Actual year may not equal Total Appropriations in the Details of Appropriations and Capital Injections.

1.3 - Analysis of Significant Trends

Analysis of Significant Trends

Significant trends in Vote Transport are discussed briefly below. In all of the tables, the 2011/12 to 2014/15 figures are actual and the other years are forecasts.

Tax Revenue

Road tax revenue is hypothecated by legislation to the National Land Transport Fund, the majority of which pays for the national roading network, as detailed in the National Land Transport Programme (NLTP). In 2016/17, the Crown is forecast to collect \$3,422 million of road tax revenue.

There are three types of road tax revenue:

- fuel excise duty paid on fuel by the importer
- road user charges paid by owners of diesel vehicles, and
- motor vehicle registration fees paid by owners of most vehicles.

The first is collected by the New Zealand Customs Service and the others by the New Zealand Transport Agency.

The majority of the revenue is spent within Vote Transport with some in Vote Police for Road Policing activities (\$323 million in 2016/17). Road tax revenue is forecast at least twice a year and the funding to the NLTP is adjusted upwards or downwards in line with revenue.

Revenue Trends

	2011/12 \$m	2012/13 \$m	2013/14 \$m	2014/15 \$m	2015/16 \$m	2016/17 \$m	2017/18 \$m	2018/19 \$m	2019/20 \$m
Road user charges (net)	1,045	1,066	1,204	1,283	1,345	1,361	1,418	1,479	1,529
Motor vehicle registration (net)	175	174	187	181	207	225	228	231	234
Fuel excise duty refunds	(36)	(36)	(42)	(51)	(53)	(49)	(49)	(49)	(49)
Vote Transport tax revenue	1,184	1,204	1,349	1,413	1,499	1,537	1,597	1,661	1,714
Fuel excise duty	1,514	1,565	1,658	1,798	1,878	1,885	1,890	1,899	1,903
Total road tax revenue	2,698	2,769	3,007	3,211	3,377	3,422	3,487	3,560	3,617

Over the years shown above, road user charges and fuel excise duty rates were increased in 2012, 2013, 2014 and 2015.

The road tax revenue is hypothecated to the National Land Transport Fund and therefore can be approved pursuant to a permanent legislative authority. For transparency, the expenditure proposed is shown in the Estimates although no appropriation is required. This disclosure provides a transparent view of the Government's books as the road tax revenue is matched by equal expenditure. If the expenditure was not shown, the revenue would create an apparent surplus.

Appropriations by Purpose within Vote Transport

	2011/12 \$m	2012/13 \$m	2013/14 \$m	2014/15 \$m	2015/16 \$m	2016/17 \$m	2017/18 \$m	2018/19 \$m	2019/20 \$m
National Land Transport Programme PLAs	2,369	2,426	2,656	3,066	2,947	3,079	3,146	3,218	3,274
Loans from the Crown for roading	170	120	60	199	706	724	584	532	500
Other funding from the Crown for roading projects	52	41	173	28	56	106	61	37	25
Rail	877	955	342	531	253	224	35	12	6
Crown entities	21	23	26	30	36	36	28	28	27
Other	130	68	70	63	65	63	63	64	64
Departmental funding	49	30	34	32	33	33	33	33	33
Total appropriations	3,668	3,663	3,361	3,949	4,096	4,265	3,950	3,924	3,929

The figures shown by type of appropriation in the Summary of Financial Activity table (section 1.2) have been reanalysed by purpose, to allow for a more meaningful and straightforward explanation of the trends.

The funding by each purpose is explained in more detail below.

National Land Transport Programme (NLTP)

The key document which explains the current policy on land transport funding is the Government Policy Statement on land transport. The latest document relates to years 2015/16 to 2024/25 and came into force on 1 July 2015. This is a statutory document and a requirement of the Land Transport Management Act 2003. The Policy Statement sets out the Government's priorities for land transport, and sets ranges of expenditure on defined activities. From this, the New Zealand Transport Agency in conjunction with regional local bodies develops the three year NLTP to action these policy intentions. The current NLTP is for the years 2015/16 to 2017/18.

There are two permanent legislative authority appropriations (PLAs) for the NLTP - one operating and one capital in nature. The other sections of this document provide more detail on expenditure by the different activity classes.

In addition to the permanent legislative authority funding, there are some Crown appropriations for specific purposes.

	2011/12 \$m	2012/13 \$m	2013/14 \$m	2014/15 \$m	2015/16 \$m	2016/17 \$m	2017/18 \$m	2018/19 \$m	2019/20 \$m
Appropriated under PLA									
Operating	1,743	1,819	1,880	1,992	2,044	2,136	2,153	2,201	2,265
Capital	626	607	776	1,074	903	943	993	1,017	1,009
Sub total	2,369	2,426	2,656	3,066	2,947	3,079	3,146	3,218	3,274
Crown appropriations									
Capital - cash flow management loan	170	120	60	80	500	500	500	500	500
Capital - project loans	-	-	-	119	206	224	84	32	-
Other	52	41	173	28	56	106	61	37	25
Sub total	222	161	233	227	762	830	645	569	525
Total appropriations	2,591	2,587	2,889	3,293	3,709	3,909	3,791	3,787	3,799

Permanent Legislative Authority Funding

The New Zealand Transport Agency balances the funding available between the operating and capital appropriations to deliver the NLTP. The Agency uses the capital appropriation to fund the delivery of new State highways, which includes the Roads of National Significance programme. For transparency, the Agency manages the funding by allocating sufficient funding to the operating appropriation to deliver the activities planned. Any shortfall is reflected in the capital appropriation and is managed using the loan facilities detailed below.

Crown Appropriations - Loans for the Management of Cash Flow for a Three Year NLTP within the Annual Government Budget Cycle

The NLTP is a three-year programme, with the New Zealand Transport Agency Board required to approve funding for activity over multiple years. Variations in project timing, cost overruns and fluctuations in revenue may result in expenditure in a particular year exceeding the available funds, despite being within the expected range over the three years. Such negative cash flow variations may require adjustments to the land transport programme in the short to medium term.

This has been addressed by approving a borrowing facility to manage short-term cash flow variations between hypothecated revenue inflows and expenditure outflows. The facility allows the New Zealand Transport Agency greater flexibility and efficiency in managing the timing of any required adjustments to the programme. This loan has two components:

- up to \$175 million, for the purpose of managing regular seasonal cash flow cycles (to be repaid during the construction off-season, when revenue inflows exceed expenditure), and
- up to \$75 million, for the purpose of managing unexpected and unavoidable cash flow variations.

The New Zealand Transport Agency is in charge of managing the facility and it draws down the loan and makes repayments as revenue levels permit. The constraint is that the loan balance may not exceed \$250 million at any time. In calculating the size of the appropriation, only draw downs can be taken into account and so the appropriation of \$500 million shown above is not a reflection of the net funding being provided. The size of actual draw downs can be seen in the figures for previous years. The Agency reports quarterly to the Minister of Transport on the ongoing management of the loan against its terms and conditions.

Loans for Specific Projects

The Crown has provided two loan facilities for projects to the New Zealand Transport Agency.

The first loan is for the reinstatement of Canterbury's roads following the earthquakes. The New Zealand Transport Agency has been working with other agencies to assess what expenditure will be required. It has committed \$50 million per annum from the National Land Transport Fund. More than this might put pressure on other projects to be delivered by the National Land Transport Programme.

During 2013/14, a cost sharing agreement for roading was agreed with the Christchurch City Council and the Crown agreed to provide the New Zealand Transport Agency with a loan of \$183.420 million. \$114 million of this is appropriated in 2016/17. The loan will be repaid using the annual commitment of \$50 million from the National Land Transport Fund.

The second loan is to accelerate projects in the Auckland transport package. \$375 million is available over the four years from 2015/16 to 2018/19. \$110 million is available in 2016/17.

Other Roothing Funding from the Crown

Road tax is intended to be the primary source of funding for the NLTP but the Crown can appropriate additional funding if it wishes. The other funding for roading is for specific projects, for example urban cycleways and regional State highways.

Rail Funding

	2011/12 \$m	2012/13 \$m	2013/14 \$m	2014/15 \$m	2015/16 \$m	2016/17 \$m	2017/18 \$m	2018/19 \$m	2019/20 \$m
To KiwiRail Group									
Capital - rail system investment	250	250	94	198	210	190	-	-	-
Capital - Loans and equity	250	430	25	11	-	-	-	-	-
Capital - Property transactions	-	-	-	14	23	24	31	8	2
Other projects	162	159	85	36	20	10	4	4	4
To others	215	116	138	272	-	-	-	-	-
Total	877	955	342	531	253	224	35	12	6

Capital - Investment in the New Zealand rail system (formerly the Turnaround Plan)

This equity funding is provided to support capital expenditure by KiwiRail Holdings Limited for the New Zealand rail system. The Crown appropriated \$1,042 million in capital over 2010/11 to 2014/15 for the KiwiRail Turnaround Plan, and \$400 million to support capital expenditure for 2015/16 and 2016/17.

Capital - Loans and Equity

This balance mainly reflects existing loans being rolled over and so requiring an appropriation. During 2012/13, \$322 million of existing loans were converted to equity which explains the high balance in that year. This conversion will reduce the need for loan rollovers in the future.

Capital - Property Transactions

This balance reflects property transactions by New Zealand Railways Corporation, the proceeds of which must be reinvested in KiwiRail Holdings Limited. An appropriation is required to recognise the increase in equity in KiwiRail Holdings Limited due to the receipt of these proceeds. This appropriation is not additional funding from the Crown.

Other Projects - Operating and Capital Funding

There have been a number of projects over time for the metro rail network in Wellington. At 1 July 2016, the projects are an appropriation of \$95 million over the seven years to 2017/18 to upgrade the Wellington metro network, and \$4 million per annum for public policy and railway safety work.

Rail Funding to Other Parties

The recent rail funding to other parties was to Auckland Council for the Auckland Electric Multiple Unit package. There was a loan of \$490 million over 2012/13 - 2014/15 and a grant of \$90 million in 2014/15.

Funding to Crown Entities

	2011/12 \$m	2012/13 \$m	2013/14 \$m	2014/15 \$m	2015/16 \$m	2016/17 \$m	2017/18 \$m	2018/19 \$m	2019/20 \$m
Output expense	21	23	26	26	29	31	28	28	27
Capital	-	-	-	4	7	5	-	-	-
Total	21	23	26	30	36	36	28	28	27

Most transport Crown entity activity is funded from the NLTP or fees and charges and so the Crown funding is relatively small. The capital funding 2014/15 - 2015/16 is \$11 million is to Maritime NZ, mainly to replace a ground station for the search and rescue system (\$8 million) and develop an information technology system (\$3 million). The 2016/17 funding is \$4.5 million to the Aviation Security Service to fund baggage screening equipment.

Other

	2011/12 \$m	2012/13 \$m	2013/14 \$m	2014/15 \$m	2015/16 \$m	2016/17 \$m	2017/18 \$m	2018/19 \$m	2019/20 \$m
Total	130	68	70	63	65	63	63	64	64

The 'Other' category is mainly funding paid to third parties and one off projects. Key elements in 2016/17 are:

- SuperGold Card public transport concessions (\$28 million), and
- purchase of weather forecasting services from the Meteorological Service of New Zealand (\$22 million).

Departmental Output Expenses

	2011/12 \$m	2012/13 \$m	2013/14 \$m	2014/15 \$m	2015/16 \$m	2016/17 \$m	2017/18 \$m	2018/19 \$m	2019/20 \$m
Funding to the Ministry	31	30	34	32	33	33	33	33	33
Services contracted to New Zealand Transport Agency	18	-	-	-	-	-	-	-	-
Total	49	30	34	32	33	33	33	33	33

The Ministry had been responsible for road user charges administration and it contracted this activity to the New Zealand Transport Agency. From 2012/13, the activity was funded by way of a non-departmental output expense paid directly to the New Zealand Transport Agency.

Otherwise the departmental funding remains relatively stable with minor changes, such as reductions to fund all of government initiatives, increased third party revenue, reprioritisation of funding to cover other cost pressures and transfers of funding between years.

Non-Tax Revenue

	2011/12 \$m	2012/13 \$m	2013/14 \$m	2014/15 \$m	2015/16 \$m	2016/17 \$m	2017/18 \$m	2018/19 \$m	2019/20 \$m
Road tax administration fees	61	11	12	4	-	-	-	-	-
Tolling revenue	7	7	7	8	9	9	9	9	9
MV Rena receipt	-	-	28	-	-	-	-	-	-
Other	8	4	1	1	1	1	1	1	1
Total	76	22	48	13	10	10	10	10	10

The funding of motor vehicle register and road user charges administration activity has been undergoing change and this is reflected in the decrease in line 1 of the table above.

- From 2012/13, the administration fees for motor vehicle register activity became third party revenue of the New Zealand Transport Agency and the related non-departmental output expense appropriation was disestablished.
- From 2014/15, the administration fees for road user charges activity became third party revenue of the New Zealand Transport Agency and the related non-departmental output expense appropriation was disestablished.

Tolling revenue comes from the Northern Gateway road that is the only road in the country tolled by the Crown. Tolling began on the Tauranga Eastern Link road and Takitimu Drive in 2015/16. This revenue is not reflected above as it is not paid to the Crown, but is used by the NZ Transport Agency to repay the costs of these two roads.

During 2012/13, the New Zealand Government received \$27.600 million in settlement from the owners of the MV Rena. This money was held in an interest bearing trust account until the balance including interest was transferred to the Crown during 2013/14.

Other revenue in past years was mainly related to the motor vehicle register and so has decreased due to the changes noted above. Other revenue is now only fines, which are usually around \$1 million per annum.

Capital Receipts

This balance reflects the proceeds of the property transactions by New Zealand Railways Corporation, which must be reinvested in KiwiRail Holdings Limited. The receipts are reflected in the Crown's books and there is an equal appropriation to recognise the increase in equity in KiwiRail Holdings Limited. The appropriation is included in the Rail Funding section earlier in this document as Capital - Property Transactions.

Part 2 - Details of Departmental Appropriations

2.1 - Departmental Output Expenses

Fuel Excise Duty Refund Administration (M72)

Scope of Appropriation

This appropriation is limited to the receipt and processing of applications for, and the refunding of, Fuel Excise Duty.

Expenses and Revenue

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	660	660	918
Revenue from the Crown	545	545	803
Revenue from Others	115	115	115

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve accurate and timely refunds of fuel excise duty to eligible applicants.

How Performance will be Assessed and End of Year Reporting Requirements

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Average number of days taken to audit, process and pay FED refunds	10 days	7-8 days	10 days

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Transport in its annual report.

Reasons for Change in Appropriation

The increase in this appropriation is to fund increased costs and some one off projects.

Milford Sound / Piopiotahi Aerodrome Operation and Administration (M72)

Scope of Appropriation

This appropriation is limited to the operation of Milford Sound/Piopiotahi aerodrome to provide a safe and efficient airport.

Expenses and Revenue

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	284	284	230
Revenue from the Crown	-	-	-
Revenue from Others	284	284	230

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the safe and efficient operation of the Milford Sound/Piopiotaahi aerodrome.

How Performance will be Assessed and End of Year Reporting Requirements

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
The aerodrome operation will conform with appropriate Civil Aviation Authority safety requirements	100%	100%	100%
Operating costs within third-party revenue	Achieved	Not achieved	Achieved

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Transport in its annual report.

Reasons for Change in Appropriation

The appropriation was higher in 2015/16 due to higher revenue from landing fees and also costs that had to be met.

Search and Rescue Activity Coordination PLA (M72)*Scope of Appropriation*

The estimated amount to be spent on the coordination of search and rescue activities as authorised by section 9(1) of Land Transport Management Act 2003.

Expenses and Revenue

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,201	1,201	1,201
Revenue from the Crown	1,201	1,201	1,201
Revenue from Others	-	-	-

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the delivery of effective, well coordinated Search and Rescue capability.

How Performance will be Assessed and End of Year Reporting Requirements

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Survey results show that the New Zealand Search and Rescue Council is satisfied with the provision of effective support services and policy advice for the New Zealand search and rescue sector.	95% or higher	95% or higher	95% or higher
Survey results show that the New Zealand search and rescue sector is satisfied with the delivery of effective leadership and strategic coordination.	95% or higher	95% or higher	95% or higher

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Transport in its annual report.

2.3 - Departmental Capital Expenditure and Capital Injections

Ministry of Transport - Capital Expenditure PLA (M72)

Scope of Appropriation

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.

Capital Expenditure

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	560	560	660
Intangibles	90	90	95
Other	-	-	-
Total Appropriation	650	650	755

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the renewal of assets in support of the delivery of the Ministry of Transport's services.

How Performance will be Assessed and End of Year Reporting Requirements

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Expenditure is in accordance with the Ministry's capital expenditure plan and asset management plan.	100%	100%	100%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Transport in its annual report.

Reasons for Change in Appropriation

The increase in this appropriation in 2016/17 is to match proposed expenditure. The Ministry is moving its Wellington office and investment will be required. The 2015/16 figure is overstated as the move is occurring later than originally planned.

Capital Injections and Movements in Departmental Net Assets

Ministry of Transport

Details of Net Asset Schedule	2015/16 Estimated Actual \$000	2016/17 Projected \$000	Explanation of Projected Movements in 2016/17
Opening Balance	2,810	3,185	
Capital Injections	-	-	
Capital Withdrawals	(505)	-	
Surplus to be Retained (Deficit Incurred)	375	(375)	Savings made in 2015/16 to be used to fund costs of relocating the Ministry's Wellington office in 2016/17.
Other Movements	505	-	
Closing Balance	3,185	2,810	

Part 3 - Details of Non-Departmental Appropriations

3.1 - Non-Departmental Output Expenses

Accident or Incident Investigation and Reporting (M72)

Scope of Appropriation

This appropriation is limited to inquiries, investigations and activities in accordance with the Transport Accident Investigation Commission Act 1990.

Expenses

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	5,233	5,233	5,639

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the conduct and completion of independent inquiries into selected aviation, rail and marine safety occurrences with the intent of helping to prevent recurrences.

How Performance will be Assessed and End of Year Reporting Requirements

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Number of domestic inquiries completed	20-25	14	20-25
12 month rolling average of number of domestic inquiries in progress at each month's end	30	35	30
Number of inquiries by overseas jurisdictions assisted	4-8	7	4-8
Proportion of safety recommendations accepted by recipient upon issue	90%	63%	90%
For domestic inquiries completed, the proportion open for fewer than 440 working days increases	New measure	New measure	50%
For domestic inquiries in progress as at 30 June, the proportion open for fewer than 440 working days increases	New measure	New measure	50%
Average cost of domestic inquiries closed	\$127,000	\$317,000	\$250,000
Judicial reviews of Commission inquiries that overturn decisions or identify process issues	Nil	Nil	Nil

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Transport Accident Investigation Commission in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2015/16 Final Budgeted \$000	2016/17 Budget \$000	2017/18 Estimated \$000	2018/19 Estimated \$000	2019/20 Estimated \$000
More effective delivery of accident investigations	2015/16	1,368	1,774	1,665	1,655	1,655

Reasons for Change in Appropriation

The increase in this appropriation for 2016/17 is due to additional funding for more effective delivery of accident investigations as shown in the Policy Initiatives table above.

Crash Analysis (M72)

Scope of Appropriation

This appropriation is limited to operating the Crash Analysis System and performing associated crash analysis and research activities.

Expenses

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	775	775	775

What is Intended to be Achieved with this Appropriation

This appropriation is intended to provide information to achieve targeted road safety improvement interventions.

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Average number of days taken to enter crash reports (from date of receipt) into the Crash Analysis System	20 days	20 days	20 days

End of Year Performance Reporting

Performance information for this appropriation will be reported by the New Zealand Transport Agency in its annual report.

Licensing Activities (M72)

Scope of Appropriation

This appropriation is limited to land transport licensing services, including driver licensing, not met by user fees.

Expenses

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,550	2,550	2,550

Components of the Appropriation

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Older driver licence holder subsidy	1,445	1,445	1,445
Drug and alcohol assessment costs	1,030	1,030	1,030
Driver licence stop orders	75	75	75
Total	2,550	2,550	2,550

What is Intended to be Achieved with this Appropriation

This appropriation is intended to ensure that specific elements of the licensing system (older driver licence holder subsidy, drug and alcohol assessment costs, and driver licence stop orders) are effectively and efficiently managed.

How Performance will be Assessed and End of Year Reporting Requirements

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Number of drug or alcohol assessments funded	1,800 - 2,000	More than 1,800	1,800 - 2,000

End of Year Performance Reporting

Performance information for this appropriation will be reported by the New Zealand Transport Agency in its annual report.

Maritime Port Security (M72)

Scope of Appropriation

This appropriation is limited to standby screening and searching services at ports.

Expenses

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	145	145	145

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve preparedness to provide a maritime security response role to a high level threat situation affecting cruise ships or their passengers.

How Performance will be Assessed and End of Year Reporting Requirements

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Number of major findings from the annual audit review of the readiness of maritime security support	Nil	Nil	Nil

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Civil Aviation Authority in its annual report.

Ministerial Servicing by the New Zealand Transport Agency (M72)*Scope of Appropriation*

This appropriation is limited to Ministerial servicing by the New Zealand Transport Agency.

Expenses

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	548	548	548

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the effective delivery of support to executive government and parliamentary processes.

How Performance will be Assessed and End of Year Reporting Requirements

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Percentage of ministerial servicing that meets statutory time frames	100%	90%	100%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the New Zealand Transport Agency in its annual report.

National Land Transport Programme PLA (M72)

Scope of Appropriation

The estimated amount to be spent on activities under the National Land Transport Programme, as authorised by section 9 (3) and (4) of the Land Transport Management Act 2003.

Expenses

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,044,200	2,044,200	2,135,900

Components of the Appropriation

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Funding	2,094,200	2,094,200	2,160,900
Made up of expenditure on the following activities			
Investment Management	63,100	63,100	59,200
Road Safety Promotion	35,000	35,000	34,200
Walking and Cycling	40,000	40,000	35,000
Public Transport	329,100	329,100	342,500
Local Road Maintenance	586,000	586,000	573,000
State Highway Maintenance	899,000	899,000	950,000
Local Road Improvements	142,000	142,000	167,000

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve investment in the maintenance and improvement of land transport networks and services, including co-investment with local authorities in local roads and public transport.

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Total cost of management of the funding allocation system as a percentage of the NLTP expenditure	Less than 1%	Less than 1%	Less than 1%
Percentage of activities that are delivered to agreed standards and timeframes	100%	100%	100%
Road Safety Promotion			
Percentage of road safety advertising campaigns that meet or exceed their agreed success criteria	75% or greater	75%	75% or greater
Local Road Network - Improvements			
Proportion of local roads that are made available to high productivity motor vehicles	85% or greater	88%	Increasing
State Highways Road Network - Improvements			
Productivity of the state highway network in major metropolitan areas (Auckland, Wellington and Christchurch - AM peak)	Auckland: 63%, Wellington: 66%, Christchurch: 28%	Auckland: 63%, Wellington: 66%, Christchurch: 28%	Maintaining
Proportion of state highways available to high productivity motor vehicles	41% or greater	41%	Increasing
Local Road Network - Maintenance			
Surface condition of the sealed network (100-CI) (average of index for the whole of the network)	97% or greater	Greater than 97%	Maintaining
Pavement integrity of the sealed network (100-PII) (average of index for the whole of the network)	94% or greater	Greater than 94%	Maintaining
Smooth ride - percentage of travel on smooth roads	86% or greater	Greater than 86%	Maintaining
Local road maintenance cost per lane km expenditure by road classification	\$3,000 or less	Approx \$3,000 (including emergency works)	Maintaining (in real terms)
State Highways Road Network - Maintenance			
Percentage of activities that are delivered to agreed standards and timeframes	Greater than 90%	Greater than 90%	Greater than 90%
Surface condition of the sealed network	93% or greater	Greater than 93%	Maintaining
Smooth ride - percentage of travel on smooth roads	98% or greater	98%	98% or greater
State highway maintenance cost per lane km expenditure by road classification	\$21,400 or less	Approx \$21,400	Maintaining (in real terms)
Public Transport Services			
Number of passengers using urban public transport services (bus, train, ferry)	140 million or greater	Greater than 147 million	Increasing
Fare revenue as a percentage of total expenditure	Greater than 47%	48%	Greater than 47%
Walking and Cycling - Active Modes of Transport			
Network kilometres of cycle lanes	12.3 km or greater	Greater than 12.3 km	Increasing

End of Year Performance Reporting

Performance information for this appropriation will be reported by the New Zealand Transport Agency in its annual report.

Reasons for Change in Appropriation

The appropriation represents the operating expenditure of the National Land Transport Programme (NLTP) and its size varies each year depending on the activities in the Programme and the road tax revenue available.

The Government Policy Statement on land transport identifies ranges of expenditure that the government wishes to commit to different land transport activities. The New Zealand Transport Agency in conjunction with regional bodies then develops the NLTP, detailing how the funding will be spent and what it will deliver within the ranges. The Government Policy Statement is a ten year document which is reviewed every three years. The NLTP is a three year document. The latest documents took effect from 1 July 2015.

The current indicative expenditure for 2015/16 and 2016/17 is shown above in the Components of the Appropriation table. Expenditure may vary year on year for activities depending on the particular work being undertaken. More detail is available from the New Zealand Transport Agency's website.

Conditions on Use of Appropriation

Reference	Conditions
Performance guidelines	All activities are assessed in accordance with the methodology set in the Planning, Programming and Funding Manual and Section 20 of the Land Transport Management Act 2003.

Road User Charges Investigation and Enforcement (M72)

Scope of Appropriation

This appropriation is limited to investigating evasion and enforcing of Road User Charges.

Expenses

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	3,779	3,779	3,779

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the accurate collection of Road User Charges information and, through education and enforcement, intends to achieve low levels of Road User Charges evasion and timely payment by users of Road User Charges.

How Performance will be Assessed and End of Year Reporting Requirements

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Number of products/services delivered or processes (investigations and audits). This includes both light and heavy vehicle Road User Charges investigation and enforcement activities (Road User Charges Act 2012)	23,000 - 26,000	26,000	23,000 - 26,000

End of Year Performance Reporting

Performance information for this appropriation will be reported by the New Zealand Transport Agency in its annual report.

Road User Charges Refunds (M72)

Scope of Appropriation

This appropriation is limited to the processing of Road User Charge refunds.

Expenses

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	450	450	450

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve accurate and timely refunds of Road User Charges to eligible applicants.

How Performance will be Assessed and End of Year Reporting Requirements

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Number of products/services delivered or processes (refunds applications processed)	480,000 - 520,000	500,000	480,000 - 520,000

End of Year Performance Reporting

Performance information for this appropriation will be reported by the New Zealand Transport Agency in its annual report.

Search and Rescue Activities (M72)

Scope of Appropriation

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.

Expenses

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	3,316	3,316	3,316

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve a prompt and well-coordinated search and rescue response, across sea, air and land environments that saves lives and provides assurance for all people in New Zealand's international area of responsibility.

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Percentage of time the 24/7 uninterrupted co-ordination service is provided	100%	100%	100%
Percentage of time a minimum of two fully trained Search and Rescue officers on duty 24/7	100%	100%	100%
Percentage of beacons data verified every two years	65%	49%	65%

End of Year Performance Reporting

Performance information for this appropriation will be reported by Maritime New Zealand in its annual report.

Search and Rescue and Recreational Boating Safety Activities PLA (M72)*Scope of Appropriation*

The estimated amount to be spent in relation to search and rescue and recreational boating safety activities, as authorised under Section 9 (1) of the Land Transport Management Act 2003.

Expenses

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	8,007	8,007	8,167

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve a sustained reduction in the identified systemic risks within the New Zealand Search and Rescue system to reduce the number of preventable Search and Rescue related fatalities in New Zealand.

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Delivery of the national search and rescue support programme agreed by the NZ Search and Rescue Council with the providing bodies	100%	100%	100%
People who recall boating safety messaging (as gauged by survey)	New measure	New measure	60%
Develop and maintain Service Level Agreements with key providers in the Search and Rescue community. Key agreement measures are:			
Provision of expert services to the Coordination Authorities	100%	100%	100%
Provision of Incident Management Team members to the Coordination Authorities on request	100%	100%	100%
Participation in joint Search and Rescue exercises	100%	100%	100%
Provision of Search and Rescue related information	100%	100%	100%
National Search and Rescue training and education to improve interagency cooperation and understanding	90%	90%	90%
Delivery of the national search and rescue support programme agreed by the New Zealand Search and Rescue Council with the providing bodies	100%	100%	100%

End of Year Performance Reporting

Performance information for this appropriation will be reported in the Maritime New Zealand annual report and by the Minister of Transport in a report appended to the Ministry of Transport's annual report.

Service Providers

Provider	2015/16 Final Budgeted \$000	2015/16 Estimated Actual \$000	2016/17 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
Crown Entities					
Maritime New Zealand	4,584	4,584	5,273	See above	-
Non-Government Organisations					
Coastguard New Zealand	2,403	2,403	1,874	See above	-
New Zealand Land Search & Rescue Inc	650	650	650	See above	-
Surf Life Saving New Zealand	200	200	200	See above	-
Amateur Radio Emergency Communications	65	65	65	See above	-
Mountain Safety Council	105	105	105	See above	-
Total	8,007	8,007	8,167		

Reasons for Change in Appropriation

The increase in this appropriation in 2016/17 is the net of:

- \$689,000 additional funding in 2016/17 under section 9(1) of the Land Transport Management Act 2003 to pay for additional services from Maritime New Zealand (increase)
- \$529,000 additional funding in 2015/16 for Coastguard NZ to make changes to its VHF radio and NowCasting transmission services (decrease).

SuperGold Card - Administration of the Public Transport Concessions Scheme (M72)

Scope of Appropriation

This appropriation is limited to the administration costs of the scheme to provide enhanced public transport concessions for SuperGold cardholders.

Expenses

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	295	295	95

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve accurate and timely administration of the SuperGold Card scheme.

How Performance will be Assessed and End of Year Reporting Requirements

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Average number of working days taken to process and pay claims received from local authorities	20 days	18 days	20 days

End of Year Performance Reporting

Performance information for this appropriation will be reported by the New Zealand Transport Agency in its annual report.

Reasons for Change in Appropriation

The decrease in this appropriation for 2016/17 is because additional funding was available in 2015/16 to negotiate bulk funding arrangements for the SuperGold Card scheme from 2016/17.

Weather Forecasts and Warnings (M72)

Scope of Appropriation

This appropriation is limited to severe-weather warnings and a level of weather forecast services for land, coastal waters and oceanic areas for which New Zealand has international responsibility.

Expenses

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	21,212	21,212	21,917

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the procurement of weather services to minimise risk to life and property through public weather forecasts and emergency support.

How Performance will be Assessed and End of Year Reporting Requirements

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Provision of agreed services	As per contract	As per contract	As per contract
Minimum percentage of forecasts of severe-weather events which successfully predicted the event (probability of detection)	90%	92.6%	90%
Maximum percentage of forecasts of severe-weather events which are subsequently found to be false alarms (false alarm ratio)	25%	16.3%	25%
Provision of new services	As agreed between MetService and the Ministry	Forecasts for recreational aviation (as agreed)	As agreed between MetService and the Ministry

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Minister of Transport in a report appended to the Ministry of Transport's annual report.

Service Providers

The Meteorological Service of New Zealand is the service provider for this appropriation.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2015/16 Final Budgeted \$000	2016/17 Budget \$000	2017/18 Estimated \$000	2018/19 Estimated \$000	2019/20 Estimated \$000
Increase for the provision of weather forecasting services	2015/16	2,638	3,343	4,679	5,191	5,191

Reasons for Change in Appropriation

The increase in this appropriation for 2016/17 is due to additional funding for the provision of weather forecasting services as shown in the Policy Initiatives table above.

3.4 - Non-Departmental Other Expenses

Bad Debt Provision - Motor Vehicle Registration/Licences and Road User Charges (M72)

Scope of Appropriation

This appropriation is limited to provision for bad debts that arise from non payment of motor vehicle registrations and road user charges.

Expenses

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	5,000	5,000	4,000

What is Intended to be Achieved with this Appropriation

This appropriation provides for incurring the expense involved in covering bad debt from non-payment of motor vehicle registrations and road user charges.

End of Year Performance Reporting

An exemption was granted under s.15D(2)(b)(iii) of the Public Finance Act because this is a Non-Departmental Other Expense appropriation that is less than \$5 million.

Reasons for Change in Appropriation

The decrease in this appropriation for 2016/17 is because 2015/16 write-offs were higher than usual.

Membership of International Organisations (M72)

Scope of Appropriation

This appropriation is limited to non-discretionary payments to international transport related organisations.

Expenses

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	653	653	743

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve involvement in international communities (International Maritime Organisation, International Civil Aviation Organisation, World Meteorological Organisation) by New Zealand bodies.

End of Year Performance Reporting

An exemption was granted under s.15D(2)(b)(iii) of the Public Finance Act because this is a Non-Departmental Other Expense appropriation that is less than \$5 million.

Service Providers

Provider	2015/16 Final Budgeted \$000	2015/16 Estimated Actual \$000	2016/17 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
International Maritime Organisation	44	44	80	Exempt	-
World Meteorological Organisation	263	263	262	Exempt	-
International Civil Aviation Organisation	346	346	401	Exempt	-
Total	653	653	743		

Reasons for Change in Appropriation

The increase in this appropriation for 2016/17 is because costs in 2015/16 were lower than expected.

Rail - Public Policy Projects (M72)

Scope of Appropriation

This appropriation is limited to public policy rail initiatives.

Expenses

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	3,270	3,270	3,270

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve public policy rail initiatives that do not have a financial benefit, but have positive effects on the community.

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
The public policy projects are carried out in line with the programme	100%	100%	100%

End of Year Performance Reporting

Performance information for this appropriation will be reported by KiwiRail in its annual report.

Rail - Railway Safety (M72)

Scope of Appropriation

This appropriation is limited to public safety works.

Expenses

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	500	500	500

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve improvements in community safety around railway lines and stations.

How Performance will be Assessed and End of Year Reporting Requirements

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
A safer railway system	Achieved	Achieved	Achieved

End of Year Performance Reporting

Performance information for this appropriation will be reported by KiwiRail in its annual report.

SuperGold Card - public transport concessions for cardholders (M72)

Scope of Appropriation

This appropriation is limited to providing enhanced public transport concessions for SuperGold cardholders.

Expenses

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	28,529	28,529	28,129

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve greater access and mobility opportunities to SuperGold cardholders through the off-peak public transport concession.

How Performance will be Assessed and End of Year Reporting Requirements

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Regional councils will implement enhanced public transport concessions for SuperGold Cardholders	100%	100%	100%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the New Zealand Transport Agency in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2015/16 Final Budgeted \$000	2016/17 Budget \$000	2017/18 Estimated \$000	2018/19 Estimated \$000	2019/20 Estimated \$000
Increase to meet demand	2015/16	10,224	-	-	-	-
Agreed capped funding of the concession scheme	2015/16	400	10,224	10,224	10,224	10,224

Reasons for Change in Appropriation

Cabinet has agreed that the 2016/17 appropriation will be at the level of the actual 2015/16 expense, plus an adjustment for CPI.

The 2015/16 appropriation was increased by \$400,000 as part of Budget 2016 as there was a risk of the appropriation being exceeded. The current 2016/17 appropriation of \$28.129 million will be adjusted to the 2015/16 actual cost and for CPI, after the year end.

Urban Cycleways - Local Routes (M72)

Scope of Appropriation

This appropriation is limited to expenses incurred on the investigation, design and construction of urban cycleways that will become the responsibility of local authorities.

Expenses

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	10,000	10,000	43,630

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve increased urban cycleways on local roads.

How Performance will be Assessed and End of Year Reporting Requirements

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Percentage of activities that are delivered to agreed standards and timeframe - % of expenditure to agreed purpose	100%	41%	100%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the New Zealand Transport Agency in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2015/16 Final Budgeted \$000	2016/17 Budget \$000	2017/18 Estimated \$000	2018/19 Estimated \$000	2019/20 Estimated \$000
Increasing Government Cycling Investment	2014/15	20,000	15,000	15,000	-	-

Funding has been rephased and transferred between this appropriation and Urban Cycleways - Crown Assets since this appropriation was created in 2014/15, and so no longer agrees to the figures shown above in the Initiatives table.

Reasons for Change in Appropriation

The increase in this appropriation for 2016/17 is to match proposed expenditure.

3.5 - Non-Departmental Capital Expenditure

Auckland Transport Package Loan (M72)

Scope of Appropriation

This appropriation is limited to a loan to the New Zealand Transport Agency to accelerate projects in the Auckland Transport Package.

Capital Expenditure

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	149,000	149,000	110,000

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the planning and delivery of the acceleration of projects in the Auckland Transport Package.

How Performance will be Assessed and End of Year Reporting Requirements

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
The loan will be drawn down for the purposes and on the terms agreed between New Zealand Transport Agency and the Minister of Transport	100%	100%	100%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the New Zealand Transport Agency in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2015/16 Final Budgeted \$000	2016/17 Budget \$000	2017/18 Estimated \$000	2018/19 Estimated \$000	2019/20 Estimated \$000
Auckland Transport Package	2014/15	90,000	65,000	65,000	100,000	

Funding has been rephased since the appropriation's creation in 2014/15 and so no longer agrees to the figures shown above in the Initiatives table.

Reasons for Change in Appropriation

This appropriation provides a loan facility to accelerate projects in the Auckland Transport package. Funding varies between years to match projected expenditure.

Aviation Security Service (M72)

Scope of Appropriation

This appropriation is limited to the purchase of baggage screening equipment.

Capital Expenditure

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	4,500

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve continued effective baggage screening services in accordance with the Civil Aviation Act 1990.

How Performance will be Assessed and End of Year Reporting Requirements

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
The project is delivered on time and on budget	New measure	New measure	100%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Civil Aviation Authority in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2015/16 Final Budgeted \$000	2016/17 Budget \$000	2017/18 Estimated \$000	2018/19 Estimated \$000	2019/20 Estimated \$000
Funding to assist the Aviation Security Service to purchase baggage screening equipment.	2016/17	-	4,500	-	-	-

Reasons for Change in Appropriation

The increase in this appropriation for 2016/17 is due to new funding to assist the Aviation Security Service to purchase baggage screening equipment.

Joint Venture Airports (M72)

Scope of Appropriation

This appropriation is limited to enhancements to joint venture airport terminals, facilities and runways and the Crown's share of operating losses.

Capital Expenditure

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	500

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve maintenance of the Crown's interest in joint venture airports, making air travel available in centres that would otherwise not have airports.

How Performance will be Assessed and End of Year Reporting Requirements

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Percentage of compliance with the joint venture agreements with the airports	New measure	New measure	100%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Transport in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2015/16 Final Budgeted \$000	2016/17 Budget \$000	2017/18 Estimated \$000	2018/19 Estimated \$000	2019/20 Estimated \$000
Funding to meet the Crown's obligations as a 50% joint venture partner in six regional airports	2016/17	-	500	500	500	500

Reasons for Change in Appropriation

This is a new appropriation, that succeeds the expired multi-year appropriation. The appropriation is to meet the Crown's obligations as a 50% joint venture partner in six regional airports.

National Land Transport Programme - New Infrastructure for and Renewal of State Highways PLA (M72)

Scope of Appropriation

The estimated amount to be spent on capital works for new infrastructure and renewal of State Highways, as authorised by Section 9 (3) and (4) of the Land Transport Management Act 2003.

Capital Expenditure

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	902,842	902,842	943,316

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve a resilient and secure transport network while helping to reduce deaths and serious injuries from road crashes, by ensuring the established State highway network asset condition is sustained by an ongoing capital investment programme.

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Percentage of State Highway programme completed (construction phase)	90%	90%	90%
Percentage of activities that are delivered to agreed standards and timeframes	90%	90%	90%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the New Zealand Transport Agency in its annual report.

Reasons for Change in Appropriation

The appropriation has increased in line with the forecast road tax revenue available and the proposed expenditure on the different elements of the National Land Transport Programme.

The Government Policy Statement on Land Transport 2015/16 to 2024/25 contains an expenditure range of \$1,050 million to \$1,450 million for this activity class in 2016/17. The New Zealand Transport Agency will make use of the loan available to it for cash flow management to cover the shortfall.

NLTF Borrowing Facility for Short-Term Advances (M72)

Scope of Appropriation

This appropriation is limited to short-term advances to the New Zealand Transport Agency to manage variations between cash outlays from and flows of hypothecated revenue into the National Land Transport Fund, with the maximum amount of such advances at any one time not exceeding \$250 million.

Capital Expenditure

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	500,000	500,000	500,000

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve short-term cash flow management for the National Land Transport Fund.

How Performance will be Assessed and End of Year Reporting Requirements

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
The loan will be drawn down for the purposes and on the terms agreed between New Zealand Transport Agency and the Minister of Transport	100%	100%	100%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the New Zealand Transport Agency in its annual report.

Rail - KiwiRail Equity Injection (M72)

Scope of Appropriation

This appropriation is limited to equity injections to KiwiRail Holdings Limited offset by property transactions in New Zealand Railways Corporation.

Capital Expenditure

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	23,010	23,010	23,600

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve equity injections to KiwiRail Holdings Limited resulting from property transactions by New Zealand Railways Corporation.

End of Year Performance Reporting

Performance information for this appropriation will be reported by KiwiRail in its annual report.

Reasons for Change in Appropriation

The increase in this appropriation in 2016/17 is to match expected property transactions.

This appropriation is not cash from the Crown but reflects property sales by the New Zealand Railways Corporation - the proceeds of which must be paid to KiwiRail Holdings Limited. The receipt of these proceeds is an increase in equity for KiwiRail Holdings Limited and so an appropriation is required to recognise this.

Rail - KiwiRail Holdings Limited (M72)

Scope of Appropriation

This appropriation is limited to a capital injection to KiwiRail Holdings Limited to finance approved capital expenditure on the New Zealand rail system.

Capital Expenditure

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	209,800	209,800	190,200

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve capital investment in the New Zealand rail system.

How Performance will be Assessed and End of Year Reporting Requirements

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Capital is invested in the New Zealand rail system as approved by shareholding Ministers	100%	100%	100%

End of Year Performance Reporting

Performance information for this appropriation will be reported by KiwiRail in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2015/16 Final Budgeted \$000	2016/17 Budget \$000	2017/18 Estimated \$000	2018/19 Estimated \$000	2019/20 Estimated \$000
Support of capital expenditure for the New Zealand rail system	2015/16	209,800	190,200	-	-	-

Reasons for Change in Appropriation

Investment in the New Zealand rail system was formerly through the KiwiRail Turnaround Plan. \$1,042 million was appropriated under the Turnaround Plan over 2010/11 to 2014/15 to support capital investment in the New Zealand freight rail system. \$400 million was appropriated for 2015/16 and 2016/17 spread as in the Initiatives table under the renamed appropriation.

Rail - Wellington Metro Rail Network Upgrade (M72)

Scope of Appropriation

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.

Capital Expenditure

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	16,513	16,513	5,825

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve significant improvements to the Wellington metro network, to improve and maintain the reliability of commuter services.

How Performance will be Assessed and End of Year Reporting Requirements

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Work is carried out per the agreed programme	100%	100%	100%

End of Year Performance Reporting

Performance information for this appropriation will be reported by KiwiRail in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2015/16 Final Budgeted \$000	2016/17 Budget \$000	2017/18 Estimated \$000	2018/19 Estimated \$000	2019/20 Estimated \$000
Continuing upgrade of signals on the Wellington metro rail network	2015/16	3,675	2,575	250		

Reasons for Change in Appropriation

The decrease in this appropriation for 2016/17 is to match proposed expenditure.

Regional State Highways (M72)

Scope of Appropriation

This appropriation is limited to the investigation, design and construction of regional State highways.

Capital Expenditure

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	14,000

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the delivery of a package of regionally important State highway projects that address current issues concerning regional safety, resilience, and economic productivity.

How Performance will be Assessed and End of Year Reporting Requirements

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Percentage of activities delivered to standards and timeframes	New measure	New measure	90%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the New Zealand Transport Agency in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2015/16 Final Budgeted \$000	2016/17 Budget \$000	2017/18 Estimated \$000	2018/19 Estimated \$000	2019/20 Estimated \$000
Funding of four projects as part of tranche two of the Accelerated Regional Road Package.	2016/17	-	14,000	29,000	37,000	25,000

Reasons for Change in Appropriation

The increase in this appropriation for 2016/17 is due to funding of four projects as part of tranche two of the Accelerated Regional Road Package. Tranche one projects are funded by the multi-year appropriation also called Regional State Highways (following section). The multi-year appropriation can not be used for tranche 2 projects because it does not have a long enough life.

Regional State Highways (M72)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Regional State Highways (M72)	Original Appropriation	97,000
This appropriation is limited to the investigation, design and construction of regional State Highways.	Adjustments to 2014/15	-
	Adjustments for 2015/16	-
Commences: 01 July 2014	Adjusted Appropriation	97,000
Expires: 30 June 2017	Actual to 2014/15 Year End	12,000
	Estimated Actual for 2015/16	44,000
	Estimated Actual for 2016/17	41,000
	Estimated Appropriation Remaining	-

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the delivery of a package of regionally important State highway projects that address current issues concerning regional safety, resilience, and economic productivity.

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Percentage of activities delivered to standards and timeframes	90%	90%	90%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the New Zealand Transport Agency in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2015/16 Final Budgeted \$000	2016/17 Budget \$000	2017/18 Estimated \$000	2018/19 Estimated \$000	2019/20 Estimated \$000
Accelerated Regional State Highway Package	2014/15	46,500	11,000	-	-	-

Roading - Reinstatement of Earthquake Damaged Roads in Christchurch - Loan (M72)

Scope of Appropriation

This appropriation is limited to a loan to the New Zealand Transport Agency for the reinstatement of earthquake damaged local roads in Christchurch.

Capital Expenditure

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	57,420	57,420	114,000

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the reinstatement of local roads in Canterbury.

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Percentage of activities spent on agreed purpose	100%	100%	100%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the New Zealand Transport Agency in its annual report.

Reasons for Change in Appropriation

The increase in this appropriation for 2016/17 is due to the matching of funding to the projected borrowing.

Urban Cycleways - Crown Assets (M72)

Scope of Appropriation

This appropriation is limited to capital expenditure on the investigation, design and construction of urban cycleways that will become Crown assets.

Capital Expenditure

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,000	2,000	7,600

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve increased urban cycleways on State highways.

How Performance will be Assessed and End of Year Reporting Requirements

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Percentage of activities that are delivered to agreed standards and timeframe - % of expenditure to agreed purpose from the Cycling Investment Panel	100%	112%	100%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the New Zealand Transport Agency in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2015/16 Final Budgeted \$000	2016/17 Budget \$000	2017/18 Estimated \$000	2018/19 Estimated \$000	2019/20 Estimated \$000
Urban cycleways	2015/16	15,000	15,000	10,000	-	-

Funding has been rephased and transferred between this appropriation and Urban Cycleways - Local Routes since this appropriation was created in 2014/15, and so no longer agrees to the figures shown above in the Initiatives table.

Reasons for Change in Appropriation

The increase in this appropriation for 2016/17 is to match proposed expenditure.

Part 4 - Details of Multi-Category Expenses and Capital Expenditure

Multi-Category Expenses and Capital Expenditure

Policy Advice and Related Outputs (M72)

Overarching Purpose Statement

The overarching purpose of this appropriation is to provide policy advice and other support to Ministers in discharging their policy decision-making and other portfolio responsibilities.

Scope of Appropriation

Departmental Output Expenses

Governance and Performance Advice on Crown Agencies

This category is limited to monitoring of and advice on the governance, performance and capability of transport Crown agencies.

Ministerial Servicing

This category is limited to services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities.

Policy Advice

This category is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters relating to transport.

Expenses, Revenue and Capital Expenditure

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	31,325	31,325	31,136
Departmental Output Expenses			
Governance and Performance Advice on Crown Agencies	1,100	1,100	900
Ministerial Servicing	2,700	2,700	2,600
Policy Advice	27,525	27,525	27,636
Funding for Departmental Output Expenses			
Revenue from the Crown	31,062	31,062	30,761
Governance and Performance Advice on Crown Agencies	1,100	1,100	900
Ministerial Servicing	2,700	2,700	2,600
Policy Advice	27,262	27,262	27,261
Revenue from Others	263	263	-
Policy Advice	263	263	-

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve a transport system that maximises economic and social benefits for New Zealand, and minimises harm.

How Performance will be Assessed for this Appropriation

Assessment of Performance	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Transport network congestion in the five largest metropolitan areas will decrease over the medium term	On track	On track	On track
New Zealand trends in port productivity will increase over the medium term	On track	On track	On track
Fewer deaths and serious injuries within the New Zealand transport system over the medium term	On track	On track	On track
There is a reduction in the rate of growth of carbon dioxide emissions from domestic transport per capita in the medium term	On track	On track	On track

What is Intended to be Achieved with each Category and How Performance will be Assessed

Assessment of Performance	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Departmental Output Expenses			
Governance and Performance Advice on Crown Agencies			
This category is intended to achieve high performing transport Crown agencies, the activities of which are transparent and well aligned to Government policy priorities.			
Advice on transport Crown entity board appointments provided to agreed timeframes	Achieved	Achieved	Achieved
Twice yearly Ministry strategic discussions with each Crown entity Chair / Board	Achieved	Achieved	Achieved
The average assessment of the quality of Ministry policy advice is within the range of 7.2 - 7.5 for papers assessed through an annual external review of policy advice by NZIER	Achieved	Achieved	Achieved
Ministerial Servicing			
This category is intended to achieve the effective delivery of support to executive government and parliamentary processes.			
Percentage of draft replies to Ministerial correspondence completed within 10 working days	80%	95%	80%
Percentage of Official Information Act requests to the Ministry replied to within statutory timeframes	100%	91%	100%
Percentage of Ministerial Servicing items that meet quality characteristics (refer conditions on use of Appropriation)	90%	97%	90%

Assessment of Performance	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Policy Advice			
This category is intended to ensure that the government has policy advice available to it on how to maximise the transport sector economic and social benefits, and minimise harm; or for any other policy initiatives it seeks to pursue			
Key initiatives contained in the annual work programme are completed or progressed as agreed, or as subsequently amended by the agreement between the Minister and the Chief Executive	95%	90%	95%
Percentage of policy advice papers that meet the Advice Quality Characteristics (refer conditions on use of Appropriation)	100%	100%	100%
The average assessment of the quality of Ministry policy advice is within the range of 7.2 - 7.5 for papers assessed through an annual external review of policy advice by NZIER	Achieved	Achieved	Achieved
At least twice yearly revenue forecasting provided for use in Crown accounts and Budget forecasts	Achieved	Achieved	Achieved
The agreed rules programme, including variations, is delivered	Achieved	Achieved	Achieved
Satisfaction of the Minister of Transport with the policy advice service, as per the satisfaction survey	75%	75%	75%
The total cost per hour of producing outputs (excluding outsourced costs)	\$175	\$175	\$175
The agreed Funding Review programme, including variations, is delivered	Achieved	Achieved	Achieved
2016 to 2020 Safer Journeys Action Plan developed by 31 December 2015	Achieved	Not Achieved	No longer a measure
Ministry-led second year actions in the Intelligent Transport Systems Action Plan delivered	Achieved	Achieved	No longer a measure
Cabinet paper submitted to Minister for the Civil Aviation Act review by 28 February 2016	Achieved	Not Achieved	No longer a measure

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Transport in its annual report.

Reasons for Change in Appropriation

The decrease of \$189,000 in this appropriation is due to the net of:

- \$400,000 carried forward from 2014/15 to 2015/16 (decrease)
- \$100,000 transferred elsewhere within Vote Transport in 2015/16 (increase)
- \$264,000 of additional revenue from third parties in 2015/16 (decrease)
- \$375,000 for relocation expenses in 2016/17 (increase).

Policy Advice and Related Outputs - Civil Aviation (M72)

Overarching Purpose Statement

The overarching purpose of this appropriation is to regulate civil aviation and enhance aviation safety in New Zealand.

Scope of Appropriation

Non-Departmental Output Expenses

Health and Safety at Work Activities - Civil Aviation

This category is limited to health and safety activities, for which there is a designated responsibility.

International Relations and International Civil Aviation Organisation Obligations

This category is limited to technical information and advice in relation to international matters affecting New Zealand aviation, to ensure the Minister's obligations in relation to international civil aviation agreements are met, and to promote the development of New Zealand aviation in the international context.

Ministerial Servicing - Civil Aviation

This category is limited to services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities.

Policy Advice - Civil Aviation

This category is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters relating to civil aviation.

Expenses, Revenue and Capital Expenditure

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,687	2,687	3,389
Non-Departmental Output Expenses			
Health and Safety at Work Activities - Civil Aviation	908	908	1,610
International Relations and International Civil Aviation Organisation Obligations	685	685	685
Ministerial Servicing - Civil Aviation	431	431	431
Policy Advice - Civil Aviation	663	663	663

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve a safe and secure airspace environment through the implementation and monitoring of rules and regulations and the management of risk for all aviation activities.

How Performance will be Assessed for this Appropriation

Assessment of Performance	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
The 2016/17 survey results indicate an improvement over the 2014 survey results in relation to the perceptions and confidence of the travelling public and other stakeholders in the safety and security of air transport. The June 2014 results are:	New measure	New measure	No impact to the perception and confidence
Percentage of resident travellers that felt extremely or very safe and secure(2014 result - 75%)	New measure	New measure	75% or greater
Percentage of overseas travellers that felt extremely or very safe and secure(2014 result - 92%)	New measure	New measure	92% or greater
Percentage of key stakeholders were satisfied with the safety and security performance of the New Zealand civil aviation system(2014 result - 40%)	New measure	New measure	40% or greater

What is Intended to be Achieved with each Category and How Performance will be Assessed

Assessment of Performance	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Non-Departmental Output Expenses			
Health and Safety at Work Activities - Civil Aviation			
This category is intended to achieve compliance with the provisions of the Health and Safety at Work Act 2015 in the aviation sector, for those who work on board aircraft while the aircraft is operating.			
Number of health and safety in employment investigations, audits, and inspections	35-55	15	20-35
Percentage of audit and inspection reports completed and dispatched within 30 days of the exit meeting date	New measure	New measure	100%
Percentage of Health and Safety at Work follow up actions to be completed within 10 weeks of the exit meeting date	New measure	New measure	100%
<i>Percentage of occurrences investigated or reviewed where:</i>			
<ul style="list-style-type: none"> notifiable injury or illness is as per section 23 of the Health and Safety at Work Act 2015 	New measure	New measure	100%
<ul style="list-style-type: none"> notifiable incident is as per section 24 of the Health and Safety at Work Act 2015 	New measure	New measure	75%
<ul style="list-style-type: none"> an isolated occurrence or deficiency not indicative of a significant system problem, including minor Hazardous Substances and New Organisms incidents. 	New measure	New measure	30%
International Relations and International Civil Aviation Organisation Obligations			
This category is intended to achieve administration of New Zealand's international civil aviation obligations and interests within the delegations of the Minister of Transport.			
The Civil Aviation Authority administers New Zealand's international Civil Aviation obligations and interests as delegated by the Minister			

Assessment of Performance	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
<ul style="list-style-type: none"> International engagement is undertaken that meets the objectives of the Civil Aviation Authority International Engagement Strategy 	95% of objectives met	95% of objectives met	95% of objectives met
<ul style="list-style-type: none"> International Civil Aviation Organization coordinated validation mission carried out as a result of a significant safety concern raised by International Civil Aviation Organization 	Nil	Nil	Nil
Ministerial Servicing - Civil Aviation			
This category is intended to achieve the effective delivery of support to executive government and parliamentary processes			
Reports, correspondence and Parliamentary Questions are acceptable to the Minister (as assessed by annual survey)	95% of papers acceptable	95% of papers acceptable	Met or exceeded
Policy Advice - Civil Aviation			
This category is intended to achieve a high level of safety and security standards within the New Zealand civil aviation system.			
Percentage of policy papers that meet the standards set out in the CAA policy development procedures i.e., quality and timeliness of deliverables (assessed by an annual independent audit)	95%	95%	95%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Transport (as appropriation administrator) in its annual report and in the Civil Aviation Authority annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2015/16 Final Budgeted \$000	2016/17 Budget \$000	2017/18 Estimated \$000	2018/19 Estimated \$000	2019/20 Estimated \$000
Funding to implement provisions in the new Health and Safety at Work Act 2015	2015/16	468	-	-	-	-
Funding to assist the Civil Aviation Authority to meet increased responsibilities under the new Health and Safety at Work Act 2015	2016/17	-	1,170	-	-	-

Reasons for Change in Appropriation

The increase in the appropriation is due to additional funding for new responsibilities under the Health and Safety at Work Act 2015.

Policy Advice and Related Outputs - Maritime (M72)

Overarching Purpose Statement

The overarching purpose of this appropriation is to regulate and enhance safety in New Zealand's maritime environment.

Scope of Appropriation

Non-Departmental Output Expenses

Health and Safety at Work Activities - Maritime

This category is limited to health and safety activities, for which there is a designated responsibility.

Maritime Incident Response

This category is limited to building capability to respond to complex maritime pollution incidents.

Maritime Safety and Marine Protection Services

This category is limited to the development and delivery of regulatory services which are the responsibility of Maritime New Zealand under legislation

Policy Advice - Maritime

This category is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision making by ministers on government policy matters and Ministerial servicing.

Expenses, Revenue and Capital Expenditure

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	7,855	7,855	9,295
Non-Departmental Output Expenses			
Health and Safety at Work Activities - Maritime	1,466	1,466	2,975
Maritime Incident Response	833	833	764
Maritime Safety and Marine Protection Services	2,078	2,078	2,078
Policy Advice - Maritime	3,478	3,478	3,478

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the delivery of robust regulatory advice, risk-focused compliance practices and well-prepared marine pollution response capability.

What is Intended to be Achieved with each Category and How Performance will be Assessed

Assessment of Performance	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Non-Departmental Output Expenses			
Health and Safety at Work Activities - Maritime			
This category is intended to achieve the provision of regulatory services that are established under the Health and Safety at Work Act 2015 as the responsibility of Maritime New Zealand			
Prosecutions brought under the Health and Safety at Work Act and the Maritime Transport Act that are successful	75%	100%	75%
Delivery of a proactive targeted inspection campaign	New measure	New measure	Achieved
Proportion of HSW assessments that are required are conducted	New measure	New measure	100%
Maritime Incident Response			
This category is intended to achieve an increase in the efficiency and effectiveness of Maritime New Zealand's maritime incident response capability.			
Continuing implementation, and integrated strategy and plans are reviewed and updated as required.	New measure	New measure	Achieved
Maritime Safety and Marine Protection Services			
This category is intended to achieve the provision of reliable maritime navigation aids.			
Percentage of time lighthouses are available	99.8%	100%	99.8%
Percentage of time a 24-hour Distress and Safety Radio Service is provided	100%	100%	100%
Policy Advice - Maritime			
This category is intended to achieve the development of fit for purpose policy in relation to maritime safety, security and environmental protection; and the provision of services to Ministers to enable them to discharge their portfolio accountabilities.			
All written advice to the Minister of Transport and the Ministry of Transport meet Maritime New Zealand's quality criteria (content, form and analysis)	100%	100%	100%
All written advice to the Minister of Transport and the Ministry of Transport are completed by the due date	100%	100%	100%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Transport (as appropriation administrator) in its annual report and in the Maritime New Zealand annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2015/16 Final Budgeted \$000	2016/17 Budget \$000	2017/18 Estimated \$000	2018/19 Estimated \$000	2019/20 Estimated \$000
Funding to implement provisions in the new Health and Safety at Work Act 2015.	2015/16	512	-	-	-	-
Funding to assist Maritime New Zealand to meet increased responsibilities under the new Health and Safety at Work Act 2015.	2016/17	-	2,021	-	-	-
Funding to allow Maritime New Zealand to sustain response capability to complex non-oil maritime incidents.	2016/17	-	764	764	764	-

Reasons for Change in Appropriation

The increase in the appropriation is due to the policy initiatives noted in the table above.