

The Treasury

Budget 2018 Information Release

Release Document August 2018

<https://treasury.govt.nz/publications/information-release/budget-2018-information-release>

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

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

[1]	to prevent prejudice to the security or defence of New Zealand or the international relations of the government	6(a)
[2]	to avoid prejudice the entrusting of information to the Government of New Zealand on a basis of confidence by the Government of any other country or any agency of such a Government	6(b)(i)
[4]	to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial	6(c)
[11]	to damage seriously the economy of New Zealand by disclosing prematurely decisions to change or continue government economic or financial policies relating to the entering into of overseas trade agreements.	6(e)(vi)
[23]	to protect the privacy of natural persons, including deceased people	9(2)(a)
[25]	to protect the commercial position of the person who supplied the information or who is the subject of the information	9(2)(b)(ii)
[26]	to prevent prejudice to the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied	9(2)(ba)(i)
[27]	to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information - would be likely otherwise to damage the public interest	9(2)(ba)(ii)
[29]	to avoid prejudice to the substantial economic interests of New Zealand	9(2)(d)
[31]	to maintain the current constitutional conventions protecting collective and individual ministerial responsibility	9(2)(f)(ii)
[33]	to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials	9(2)(f)(iv)
[34]	to maintain the effective conduct of public affairs through the free and frank expression of opinions	9(2)(g)(i)
[36]	to maintain legal professional privilege	9(2)(h)
[37]	to enable the Crown to carry out commercial activities without disadvantages or prejudice	9(2)(i)
[38]	to enable the Crown to negotiate without disadvantage or prejudice	9(2)(j)
[39]	to prevent the disclosure of official information for improper gain or improper advantage	9(2)(k)
[40]	not in scope	
[41]	that the making available of the information requested would be contrary to the provisions of a specified enactment	18(c)(i)
[42]	information is already publicly available or will be publicly available soon	18(d)

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) and section 18 of the Official Information Act.



Minute of Decision

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

2018 Budget Package: Vote Transport

On 9 April 2018, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2018 Budget package, as listed in the summary below and detailed in the attached initiative documents;

Summary of initiatives included in the attached initiative documents:

Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2017/18	2018/19	2019/20	2020/21	2021/22
10243	Civil Aviation Authority - Hazardous Substances and New Organisms Act Implementation	-	0.550	0.520	-	-
10227	Civil Aviation Authority - Innovative Aviation Certification	-	0.250	0.250	-	-
Total Operating		-	0.800	0.770	-	-

Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2017/18	2018/19	2019/20	2020/21	2021/22
10339	Auckland City Rail Link	-	234.000	255.000	360.000	335.000
10341	Rail - KiwiRail Holdings Limited	-	-	185.000	-	-
Total Capital		-	234.000	440.000	360.000	335.000

- 2 **agreed** to establish a new category where required to implement these initiatives, as described in the attached initiative documents;
- 3 **approved** changes to appropriations to implement the initiatives, as set out in the attached initiative documents;
- 4 **approved** the additional recommendations to give effect to the initiatives, as set out in the

attached initiative documents;

- 5 **noted** that funding for initiative 10339 is time limited to 2023/24;
- 6 **noted** that Cabinet previously agreed to pre-commit the \$1.282 billion remainder of the Crown's share of total project costs of the Auckland City Rail Link project against Budgets 2018 to 2020 [CAB-17-MIN-0185.29];
- 7 **authorised** the Minister of Finance and the Appropriation Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2017/18 Supplementary Estimates, the 2018/19 Estimates and the fiscal forecasts;
- 8 **authorised** the chief executives of departments that monitor Crown entities directly affected by decisions in this minute to inform the chair and chief executive of a Crown entity, on a budget-in-confidence-until-budget-day basis, of decisions that directly affect that Crown entity for the purpose of planning and preparation of their Statement of Intent;
- 9 **noted** that all communications relating to the 2018 Budget are co-ordinated by a Budget communications committee, and that any requests for early announcement will need to have both the written approval of the Minister of Finance and sign-off from the Prime Minister's office.

Michael Webster
Secretary of the Cabinet

Hard-copy distribution:

Prime Minister
Deputy Prime Minister
Minister of Finance
Minister of Transport

Vote: Transport

Title: Auckland City Rail Link

Description: This funding will meet the Crown’s 50 percent share of the cost of the Auckland City Rail Link (CRL). The CRL is an underground rail line from Britomart station to the existing western line at Mt Eden. The project will double the capacity of the Auckland Metro Rail network and provide significant travel time savings for commuters.

Appropriation changes

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	234.000	255.000	360.000	335.000
No Impact	-	-	-	-	-
	2022/23	2023/24	2024/25	2025/24 & Outyears	
Operating Balance Impact	-	-	-	-	
Debt Impact	165.000	41.000	(108.000)	-	
No Impact	-	-	-	-	

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22
Non-Departmental Capital Expenditure:					
Auckland City Rail Link	-	234.000	255.000	360.000	335.000
	2022/23	2023/24	2024/25 & Outyears		
	165.000	41.000	-		

Additional recommendations

- 10 **noted** that Cabinet has previously agreed to fund 50 percent of the total costs for the Auckland City Rail Link project [CAB-16-MIN-0462];
- 11 **noted** that Cabinet has previously agreed to fund \$1.718 billion of the Crown’s share of the total project costs for the Auckland City Rail Link project [CAB-17-MIN-0185.29];
- 12 **noted** that Cabinet previously agreed to pre-commit the \$1.282 billion remainder of the Crown’s share of the total costs of the Auckland City Rail Link project against Budgets 2018 to 2020 [CAB-17-MIN-0185.29];

Initiative No: 10339

- 13 **noted** that an estimated receipt by the Crown from City Rail Link Limited of \$108 million in 2024/25 for property sales will bring the total Crown funding for the Auckland City Rail Link initiative to a net \$1.718 billion;
- 14 **authorised** the Minister of Finance and Minister of Transport, acting jointly, to make changes to the annual appropriation 'Auckland City Rail Link' as required by the timing of payments to City Rail Link Limited;
- 15 **invited** the Minister of Finance and Minister of Transport to report back to Cabinet seeking agreement to any changes to key terms of the Project Delivery and Sponsors' Agreements and to the final amount of the Crown's contribution to the City Rail Link project;

Vote: Transport

Title: Civil Aviation Authority - Hazardous Substances and New Organisms Act Implementation

Description: This funding supports the Civil Aviation Authority's widened responsibilities under the Hazardous Substances and New Organisms Amendment Act 2015 which include the discharge of hazardous substances from an aircraft.

Approval of new category in multi-category appropriation

Name	Period	Type	Category Name	Scope
Policy Advice and Related Outputs - Civil Aviation	Annual	Multi-Category Expenses and Capital Expenditure	Improving Safety in the Aviation Sector	This category is limited to the investigation, determining compliance, and enforcement of safety in the aviation sector.

Appropriation changes

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	-	0.550	0.520	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.550	0.520	-	-

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Policy Advice and Related Outputs - Civil Aviation (MCA)					
<i>Non-Departmental Other Expense:</i>					
Improving Safety in the Aviation Sector	-	0.550	0.520	-	-
Total Multi-Category Expenses and Capital Expenditure: Policy Advice and Related Outputs - Civil Aviation (MCA)	-	0.550	0.520	-	-
Total Operating	-	0.550	0.520	-	-

Additional recommendation

16 **noted** that the ongoing funding for enforcing the aviation functions of the Hazardous Substances and New Organisms Act 2015 will be addressed through the next Civil Aviation Authority funding review which is expected to be implemented from 1 July 2020;

Vote: Transport

Title: Civil Aviation Authority - Innovative Aviation Certification

Description: This funding will enable the Civil Aviation Authority to employ the aviation professionals required to meet the technical and regulatory challenges associated with facilitating innovation within the New Zealand aviation sector.

Appropriation changes

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	-	0.250	0.250	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.250	0.250	-	-

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Policy Advice and Related Outputs - Civil Aviation (MCA)					
<i>Non-Departmental Other Expense:</i>					
Improving Safety in the Aviation Sector	-	0.250	0.250	-	-
Total Multi-Category Expenses and Capital Expenditure: Policy Advice and Related Outputs - Civil Aviation (MCA)	-	0.250	0.250	-	-
Total Operating	-	0.250	0.250	-	-

Additional recommendation

- 17 **noted** that the ongoing funding for facilitating innovation within the New Zealand aviation sector will be addressed through the next Civil Aviation Authority funding review which is expected to be implemented from 1 July 2020;

Vote: Transport

Title: Rail - KiwiRail Holdings Limited

Description: This funding will support KiwiRail's capital requirements for the national rail network.

Appropriation changes

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	185.000	-	-
No Impact	-	-	-	-	-
Total	-	-	185.000	-	-

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Non-Departmental Capital Expenditure:					
Rail - KiwiRail Holdings Limited	-	-	185.000	-	-
Total Capital	-	-	185.000	-	-

Additional recommendations

- 18 **authorised** the Minister of Finance and the Minister of Transport acting jointly, to make changes to the existing baseline profile if required by the timing of KiwiRail Holding Limited's capital works programme;
- 19 **noted** that the Minister for State Owned Enterprises and the Minister of Finance, as shareholding Ministers, will, acting jointly with the Minister of Transport and relevant Ministers, consider a review of rail in 2018/19 which will inform structure and funding decisions for KiwiRail and the rail network beyond 2019/20.