

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 land, air and water transport infrastructure investments, services, and regulatory activities. The appropriations under the Vote support the purpose of the transport system, which is to improve people's wellbeing, and the liveability of places. It does this by contributing to 5 key outcomes: inclusive access, healthy and safe people, environmental sustainability, resilience and security, and economic prosperity.

The major entities involved in the Vote are the Ministry of Transport; the transport Crown entities New Zealand Transport Agency, Civil Aviation Authority (incorporating the Aviation Security Service), Maritime New Zealand, and Transport Accident Investigation Commission; State owned enterprise KiwiRail Holdings Limited; and City Rail Link Limited, a schedule 4A company under the Public Finance Act.

National Land Transport Programme

In 2019/20, the largest element of the Vote is the funding of the National Land Transport Programme (NLTP) (\$3,743 million or 65% of the Vote). The NLTP is funded out of the national land transport fund, which is made up of the net inflows of land transport and certain other revenue (eg, tolls) and associated borrowing. The NLTP comprises a number of operating activities classes:

- Local road maintenance \$666 million
- State highway improvements \$549 million
- Public transport \$510 million
- State highway maintenance \$400 million
- Local road improvements \$272 million
- Transitional rail \$157 million
- Investment management \$71 million
- Road safety promotion \$54 million
- Walking and cycling \$55 million
- Regional improvements \$49 million.

There is also capital expenditure on State highways (\$780 million) and rapid transit (\$180 million).

A \$500 million loan facility for cash flow management (9% of the Vote) is in place. This appropriation does not take account of any repayments made and the facility may not exceed \$250 million at any one time.

Rail

In addition to rail funding through the NLTP, in 2019/20 additional Crown funding for Rail makes up 21% of the Vote - \$1,225 million, mainly:

- \$473 million equity investment in KiwiRail Holdings Limited to finance capital expenditure on the national freight network
- \$468 million for the Crown's 50% share of investment in the Auckland City Rail Link, matched by Auckland Council
- \$174 million to roll over an existing loan from the Crown to KiwiRail. An appropriation is required for this transaction
- \$44 million for metro rail projects in Wellington
- \$34 million to finance approved rail-related projects that contribute to the outcome of a lift in the productivity potential of the regions from the Provincial Growth Fund
- \$15 million from property transactions by New Zealand Railways Corporation, reinvested in KiwiRail Holdings Limited
- \$13 million to maintain the operation of the existing electric locomotive fleet, and
- \$4 million for public policy projects and rail safety.

Road

In addition to the funding for roading through the NLTP, additional Crown and loan funding is provided for specific roading projects. In 2019/20 this equates to 2% of the Vote (\$129 million).

- \$42 million in loans from the Housing Infrastructure Fund
- \$29 million for reinstatement of State Highway 1 between Picton and Christchurch
- \$46 million for Regional State Highways
- \$8 million for Provincial Growth Fund infrastructure projects
- \$3 million for urban cycleways, and
- \$1 million for Provincial Growth Fund regional projects and capability.

Crown Entity and Other Funding

The balance of the Vote (\$195 million) is mainly split between:

- \$49 million for services provided by and capital expenditure incurred by the Ministry of Transport
- \$41 million for aviation security service loans
- \$46 million for Crown entities for outputs. The transport Crown entities receive most of their funding from third party levies, fees and charges. Crown funding is split between the Crown entities as follows:
 - Maritime New Zealand \$24 million
 - New Zealand Transport Agency \$12 million
 - Transport Accident Investigation Authority \$6 million
 - Civil Aviation Authority (including Aviation Security Service) \$4 million
- \$30 million for SuperGold Card public transport concessions
- \$25 million for weather forecasting services from the Meteorological Service of New Zealand, and
- \$4 million to other third parties.

In accordance with the transport funding principles, transport regulator functions are funded through a mix of targeted taxes, levies, and fees, with a relatively small share of Crown funding. The principles use the concepts of club, private and public goods to guide the allocation of costs of providing policy and regulatory functions in the transport regulatory system. There is an ongoing programme of regulator fee and funding reviews to assess the appropriate regulatory costs and funding streams. Further, some Vote funding for CAA and Maritime NZ is provided from the Working Safer levy collected under the Health and Safety at Work Act 2015.

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

Details of Appropriations and Capital Injections

Annual Appropriations and Forecast Permanent Appropriations

| Titles and Scopes of Appropriations by Appropriation Type | 2018/19 | | 2019/20 |
|--|----------------------|------------------------|--------------|
| | 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. | 799 | 799 | 738 |
| 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. | 388 | 388 | 325 |
| 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. | 2,706 | 2,706 | 2,240 |
| Search and Rescue Training and Training Coordination (M72) This appropriation is limited to search and rescue training and training coordination. | 800 | 800 | 1,300 |
| Total Departmental Output Expenses | 4,693 | 4,693 | 4,603 |
| 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. | 920 | 920 | 270 |
| Total Departmental Capital Expenditure | 920 | 920 | 270 |
| 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. | 5,520 | 5,520 | 5,520 |
| Crash Analysis (M72) This appropriation is limited to operating the Crash Analysis System and performing associated crash analysis and research activities. | 775 | 775 | 775 |
| Health and Safety at Work Activities - Civil Aviation (M72) This appropriation is limited to health and safety activities for the civil aviation sector, for which the Civil Aviation Authority has designated responsibility. | 1,156 | 1,156 | 1,174 |
| Health and Safety at Work Activities - Maritime (M72) This appropriation is limited to health and safety activities for the maritime sector, for which Maritime New Zealand has designated responsibility. | 6,346 | 6,346 | 6,191 |
| Licensing Activities (M72) This appropriation is limited to land transport licensing services, including driver licensing, not met by user fees. | 5,236 | 5,236 | 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 |

| | 2018/19 | | 2019/20 |
|---|----------------------|------------------------|---------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Titles and Scopes of Appropriations by Appropriation Type | | | |
| 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. | 2,839,900 | 2,839,900 | 2,782,120 |
| Rail - Maintaining an Electric Locomotive Fleet (M72) This appropriation is limited to maintaining the operation of the existing electric locomotive fleet. | 8,500 | 8,500 | 13,000 |
| 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 |
| 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. | 3,231 | 3,231 | 3,231 |
| 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. | 10,301 | 10,301 | 11,632 |
| 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. | 95 | 95 | 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. | 23,949 | 23,949 | 24,565 |
| Total Non-Departmental Output Expenses | 2,909,931 | 2,909,931 | 2,855,775 |
| 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. | 7,500 | 7,500 | 4,000 |
| Membership of International Organisations (M72) This appropriation is limited to non-discretionary payments to international transport related organisations. | 743 | 743 | 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. | 29,579 | 29,579 | 29,579 |
| 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. | 19,090 | 19,090 | 1,783 |
| Total Non-Departmental Other Expenses | 60,682 | 60,682 | 39,875 |

| Titles and Scopes of Appropriations by Appropriation Type | 2018/19 | | 2019/20 |
|--|----------------------|------------------------|------------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Non-Departmental Capital Expenditure | | | |
| Auckland City Rail Link (M72) This appropriation is limited to the Crown's share of the total project costs of the Auckland City Rail Link. | 81,000 | 65,000 | 468,407 |
| Aviation Security Service Loans (M72) This appropriation is limited to providing loans to the Civil Aviation Authority for the purpose of investing in Aviation Security Service security screening equipment. | - | - | 41,000 |
| Maritime New Zealand Capital Expenditure PLA (M72) The estimated amount to be spent in relation to Maritime New Zealand costs, as authorised by Section 9 (1) of the Land Transport Management Act 2003. | - | - | 450 |
| National Land Transport Programme Capital PLA (M72) The estimated amount to be spent on capital works under the National Land Transport Programme, as authorised by section 9 (3) and (4) of the Land Transport Management Act 2003. | 1,070,000 | 1,070,000 | 960,480 |
| 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. | 28,200 | 28,200 | 15,000 |
| 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. | 230,000 | 230,000 | 473,000 |
| Rail - KiwiRail Holdings Limited Loans (M72) This appropriation is limited to loans to KiwiRail Holdings Limited to fund capital projects and provide working capital. | 163,500 | 163,500 | 174,250 |
| 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. | 42,896 | 42,896 | 44,056 |
| Regional State Highways (M72) This appropriation is limited to the investigation, design and construction of regional State highways. | 33,400 | 33,400 | 46,256 |
| 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. | 530 | 530 | 1,334 |
| 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. | 36,800 | 36,800 | - |
| Reinstatement of South Island Main North Line (M72) This appropriation is limited to the reinstatement of the earthquake-damaged Picton to Christchurch rail corridor. | 205,000 | 85,000 | - |
| Total Non-Departmental Capital Expenditure | 2,391,326 | 2,255,326 | 2,724,233 |

| | 2018/19 | | 2019/20 |
|---|----------------------|------------------------|---------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Multi-Category Expenses and Capital Expenditure | | | |
| Policy Advice and Related Outputs MCA (M72) | 38,881 | 38,881 | 44,138 |
| The single 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> | | | |
| <i>Governance and Performance Advice on Crown Agencies</i> | 3,431 | 3,431 | 3,000 |
| This category is limited to monitoring of and advice on the governance, performance and capability of transport Crown agencies. | | | |
| <i>Ministerial Servicing</i> | 2,000 | 2,000 | 2,000 |
| This category is limited to services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities. | | | |
| <i>Policy Advice</i> | 33,450 | 33,450 | 39,138 |
| 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. | | | |
| Policy Advice and Related Outputs - Civil Aviation MCA (M72) | 2,579 | 2,579 | 2,549 |
| The single overarching purpose of this appropriation is to regulate civil aviation and enhance aviation safety in New Zealand. | | | |
| <i>Non-Departmental Output Expenses</i> | | | |
| <i>International Relations and International Civil Aviation Organization Obligations</i> | 685 | 685 | 685 |
| 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. | | | |
| <i>Ministerial Servicing - Civil Aviation</i> | 431 | 431 | 431 |
| This category is limited to services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities. | | | |
| <i>Policy Advice - Civil Aviation</i> | 663 | 663 | 663 |
| 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. | | | |
| <i>Non-Departmental Other Expenses</i> | | | |
| <i>Improving Safety in the Aviation Sector</i> | 800 | 800 | 770 |
| This category is limited to the investigation, determining compliance, and enforcement of safety in the aviation sector. | | | |
| Policy Advice and Related Outputs - Maritime MCA (M72) | 6,265 | 6,265 | 6,191 |
| The single overarching purpose of this appropriation is to regulate and enhance safety in New Zealand's maritime environment. | | | |
| <i>Non-Departmental Output Expenses</i> | | | |
| <i>Maritime Incident Response</i> | 838 | 838 | 764 |
| This category is limited to building capability to respond to complex maritime pollution incidents. | | | |
| <i>Maritime Safety and Marine Protection Services</i> | 2,078 | 2,078 | 2,078 |
| This category is limited to the development and delivery of regulatory services which are the responsibility of Maritime New Zealand under legislation | | | |
| <i>Policy Advice - Maritime</i> | 3,349 | 3,349 | 3,349 |
| 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. | | | |

| | 2018/19 | | 2019/20 |
|--|----------------------|------------------------|---------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Titles and Scopes of Appropriations by Appropriation Type | | | |
| Reinstatement of the South Island Transport Corridors MCA (M72) The single overarching purpose of this appropriation is to deliver the outcome of reinstated transport corridors between Picton and Christchurch. | 159,712 | 159,712 | 29,300 |
| Non-Departmental Output Expenses | | | |
| <i>Restoration of State Highway 1 between Picton and Christchurch</i> This category is limited to the restoration of State Highway 1 between Picton and Christchurch. | 33,460 | 33,460 | 8,790 |
| Non-Departmental Capital Expenditure | | | |
| <i>Rebuild of State Highway 1 between Picton and Christchurch</i> This category is limited to the rebuild and improvement of State Highway 1 between Picton and Christchurch. | 126,252 | 126,252 | 20,510 |
| Tuawhenua Provincial Growth Fund - Transport Projects MCA (M72) The single overarching purpose of this appropriation is to achieve the outcome of a lift in the productivity potential in the regions through transport-related projects and studies that enable regions to be well connected from an economic and social perspective. | 58,187 | 58,187 | 42,918 |
| Non-Departmental Output Expenses | | | |
| <i>Supporting Regional and Infrastructure Projects</i> This category is limited to supporting transport-related regional economic development initiatives. | 4,357 | 4,357 | - |
| Non-Departmental Other Expenses | | | |
| <i>Enabling Infrastructure Projects</i> This category is limited to expenses incurred on local transport-related infrastructure projects that contribute to the outcome of a lift in the productivity potential in the regions. | 25,880 | 25,880 | 8,100 |
| <i>Regional Projects and Capability</i> This category is limited to supporting regional development through transport-related projects, capability building, and feasibility studies for potential transport-related projects. | 9,550 | 9,550 | 1,000 |
| Non-Departmental Capital Expenditure | | | |
| <i>Infrastructure Projects</i> This category is limited to capital expenditure for transport-related infrastructure projects that contribute to the outcome of a lift in the productivity potential in the regions. | 11,000 | 11,000 | 218 |
| <i>Rail Projects</i> This category is limited to a capital injection to KiwiRail Holdings Limited to finance approved rail-related projects that contribute to the outcome of a lift in the productivity potential in the regions. | 7,400 | 7,400 | 33,600 |
| Total Multi-Category Expenses and Capital Expenditure | 265,624 | 265,624 | 125,096 |
| Total Annual Appropriations and Forecast Permanent Appropriations | 5,633,176 | 5,497,176 | 5,749,852 |

Multi-Year Appropriations

| Type, Title, Scope and Period of Appropriations | Appropriations, Adjustments and Use | \$000 |
|---|---|------------------------|
| Non-Departmental Other Expenses | | |
| Housing Infrastructure Fund - Fair Value Write Down (M72) This appropriation is limited to the expense incurred in the fair-value write down of interest-free loans from the Housing Infrastructure Fund to the New Zealand Transport Agency. Commences: 01 July 2018 Expires: 30 June 2020 | Original Appropriation | 122,230 |
| | Adjustments to 2017/18 | - |
| | Adjustments for 2018/19 | - |
| | Adjusted Appropriation | 122,230 |
| | Actual to 2017/18 Year End | - |
| | Estimated Actual for 2018/19 | 122,230 |
| | Estimate for 2019/20 | - |
| | Estimated Appropriation Remaining | - |
| | Non-Departmental Capital Expenditure | |
| Housing Infrastructure Fund Loans (M72) This appropriation is limited to interest-free loans from the Housing Infrastructure Fund of a duration of ten years or under to New Zealand Transport Agency to finance the transport infrastructure needed to unlock residential development. Commences: 01 July 2018 Expires: 30 June 2023 | Original Appropriation | 357,000 |
| | Adjustments to 2017/18 | - |
| | Adjustments for 2018/19 | - |
| | Adjusted Appropriation | 357,000 |
| | Actual to 2017/18 Year End | - |
| | Estimated Actual for 2018/19 | 19,686 |
| | Estimate for 2019/20 | 41,536 |
| | Estimated Appropriation Remaining | 295,778 |
| | 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 2018 Expires: 30 June 2023 | Original Appropriation |
| Adjustments to 2017/18 | | - |
| Adjustments for 2018/19 | | - |
| Adjusted Appropriation | | 2,500 |
| Actual to 2017/18 Year End | | - |
| Estimated Actual for 2018/19 | | 500 |
| Estimate for 2019/20 | | 500 |
| Estimated Appropriation Remaining | | 1,500 |

Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations

| | 2018/19 | | 2019/20 |
|--|----------------------|------------------------|------------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Annual Appropriations and Forecast Permanent Appropriations | 5,633,176 | 5,497,176 | 5,749,852 |
| Total Forecast MYA Non-Departmental Other Expenses | 122,230 | 122,230 | - |
| Total Forecast MYA Non-Departmental Capital Expenditure | 20,186 | 20,186 | 42,036 |
| Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations | 5,775,592 | 5,639,592 | 5,791,888 |

Capital Injection Authorisations

| | 2018/19 | | 2019/20 |
|---|----------------------|------------------------|--------------|
| | 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 | 2018/19 Final Budgeted \$000 | 2019/20 Budget \$000 | 2020/21 Estimated \$000 | 2021/22 Estimated \$000 | 2022/23 Estimated \$000 |
|--|---|---------------------------------------|----------------------------|-------------------------------|-------------------------------|-------------------------------|
| Aviation Security Service loans for Security Screening Equipment | Aviation Security Service Loans Non-Departmental Capital Expenditure | - | 41,000 | - | 56,000 | - |
| Auckland City Rail Link Change of Scope to Futureproof for Forecast Patronage Growth | Auckland City Rail Link Non-Departmental Capital Expenditure | - | - | - | - | - |
| Auckland City Rail Link Cost Reforecast - to Benefit Auckland's Communities Through an Enhanced Rail Network | Auckland City Rail Link Non-Departmental Capital Expenditure | - | - | - | 70,000 | 245,000 |
| Establishing a Green Transport Card to Make Public Transport More Affordable for Low-Income Households | Policy Advice and Related Outputs (MCA) - Policy Advice Departmental Output Expense | - | 4,640 | - | - | - |
| Future of Rail - New Interisland Ferries to Support a Resilient and Reliable Rail Freight System | Rail - KiwiRail Holdings Limited Non-Departmental Capital Expenditure | - | 35,000 | - | - | - |
| Future of Rail - Rolling Stock Investment to Support a Resilient and Reliable Rail Freight System | Rail - KiwiRail Holdings Limited Non-Departmental Capital Expenditure | - | 138,000 | 237,000 | - | - |
| Future of Rail - Working Capital to Support a Resilient and Reliable Rail Freight Network | Rail - KiwiRail Holdings Limited Non-Departmental Capital Expenditure | - | 65,000 | 266,000 | - | - |
| Future of Rail - Implement the Future of Rail Review Recommendations | Policy Advice and Related Outputs (MCA) - Policy Advice Departmental Output Expense | - | 500 | 500 | - | - |
| KiwiRail - Maintain the Operation of the Existing Electric Locomotive Fleet | Rail - Maintaining an Electric Locomotive Fleet Non-Departmental Output Expense | 8,500 | 13,000 | 9,500 | 4,000 | - |
| KiwiRail - Rollover of Existing Loans | Rail - KiwiRail Holdings Limited Loans Non-Departmental Capital Expenditure | - | 163,500 | - | - | - |

| Policy Initiative | Appropriation | 2018/19 Final Budgeted \$000 | 2019/20 Budget \$000 | 2020/21 Estimated \$000 | 2021/22 Estimated \$000 | 2022/23 Estimated \$000 |
|--|---|---------------------------------------|----------------------------|-------------------------------|-------------------------------|-------------------------------|
| Maritime Non-Oil Incident Response - Enabling New Zealand to Effectively Respond to Non-Oil Pollution Incidents at Sea | Policy Advice and Related Outputs - Maritime (MCA) - Maritime Incident Response Non-Departmental Output Expense | - | 764 | 764 | 764 | 764 |
| Public Safety Weather Forecasting - Making New Zealand Households and Businesses Safer During Severe Weather Events | Weather Forecasts and Warnings Non-Departmental Output Expense | - | 616 | 638 | 901 | 914 |
| Weather Radar Upgrades - Improving the Accuracy and Resilience of New Zealand's Weather Forecasting Services | Weather Forecasts and Warnings Non-Departmental Output Expense | - | - | 121 | 773 | 861 |
| Total Initiatives | | 8,500 | 462,020 | 514,523 | 132,438 | 247,539 |

1.2 - Trends in the Vote

Summary of Financial Activity

| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | | 2019/20 | | | 2020/21 | 2021/22 | 2022/23 |
|--|-----------------|-----------------|-----------------|-----------------|----------------------------|------------------------------|---|---|--------------------------|--------------------|--------------------|--------------------|
| | 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 | 2,040,713 | 2,030,008 | 2,010,705 | 2,075,392 | 2,918,981 | 2,782,981 | 4,603 | 2,855,775 | 2,860,378 | 3,734,030 | 3,248,250 | 3,325,295 |
| Benefits or Related Expenses | - | - | - | - | - | - | N/A | - | - | - | - | - |
| Borrowing Expenses | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Expenses | 141,682 | 44,939 | 58,832 | 85,292 | 182,912 | 182,912 | - | 39,875 | 39,875 | 38,509 | 38,092 | 38,092 |
| Capital Expenditure | 1,725,387 | 1,398,383 | 1,553,893 | 2,130,032 | 2,419,832 | 2,419,832 | 270 | 2,766,269 | 2,766,539 | 1,753,812 | 1,883,960 | 1,878,712 |
| Intelligence and Security Department Expenses and Capital Expenditure | - | - | - | - | - | - | - | N/A | - | - | - | - |
| Multi-Category Expenses and Capital Expenditure (MCA) | | | | | | | | | | | | |
| <i>Output Expenses</i> | 39,578 | 40,916 | 44,461 | 390,690 | 80,385 | 80,385 | 44,138 | 16,760 | 60,898 | 46,704 | 45,368 | 45,368 |
| <i>Other Expenses</i> | - | - | - | - | 36,230 | 36,230 | - | 9,870 | 9,870 | 1,000 | - | - |
| <i>Capital Expenditure</i> | - | - | - | 350,017 | 137,252 | 137,252 | N/A | 54,328 | 54,328 | 42,084 | 34,000 | - |
| Total Appropriations | 3,947,360 | 3,514,246 | 3,667,891 | 5,031,423 | 5,775,592 | 5,639,592 | 49,011 | 5,742,877 | 5,791,888 | 5,616,139 | 5,249,670 | 5,287,467 |
| Crown Revenue and Capital Receipts | | | | | | | | | | | | |
| Tax Revenue | 1,413,191 | 1,536,566 | 1,636,154 | 1,713,383 | 1,835,732 | 1,835,732 | N/A | 1,964,026 | 1,964,026 | 2,070,775 | 2,141,914 | 2,192,176 |
| Non-Tax Revenue | 13,413 | 10,606 | 10,551 | 11,103 | 10,060 | 10,060 | N/A | 10,060 | 10,060 | 10,060 | 10,060 | 10,060 |
| Capital Receipts | 13,734 | 18,108 | 14,959 | 3,026 | 28,200 | 28,200 | N/A | 15,000 | 15,000 | 2,200 | 2,200 | 2,200 |
| Total Crown Revenue and Capital Receipts | 1,440,338 | 1,565,280 | 1,661,664 | 1,727,512 | 1,873,992 | 1,873,992 | N/A | 1,989,086 | 1,989,086 | 2,083,035 | 2,154,174 | 2,204,436 |

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 Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations in the Details of Appropriations and Capital Injections.

Adjustments to the Summary of Financial Activity Table Due to Vote Restructuring

There have been no restructuring adjustments to prior year information reported in last year's Summary of Financial Activity table.

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 2014/15 to 2017/18 figures are actual and the other years are forecasts.

Tax Revenue

Land transport revenue is hypothecated by legislation to the National Land Transport Fund, the majority of which pays for the National Land Transport Programme (NLTP). In 2019/20, the Crown is forecast to collect \$4,110 million of land transport revenue.

There are three types of land transport revenue:

- fuel excise duty paid on petroleum-based fuels by the importer
- road user charges paid by owners of diesel and, in future, other non-petroleum based 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 (\$352 million in 2019/20). Land transport revenue is forecast at least twice a year and the funding to the NLTP is adjusted upwards or downwards in line with revenue.

Regional Fuel Tax is not revenue for the Crown and is therefore not included within Vote Transport.

Revenue Trends

| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m |
| Road user charges (net) | 1,283 | 1,381 | 1,469 | 1,551 | 1,655 | 1,799 | 1,904 | 1,971 | 2,019 |
| Motor vehicle registration (net) | 181 | 214 | 223 | 227 | 236 | 228 | 232 | 236 | 240 |
| Fuel excise duty refunds | (51) | (59) | (56) | (65) | (56) | (63) | (66) | (66) | (67) |
| Vote Transport tax revenue | 1,413 | 1,536 | 1,636 | 1,713 | 1,835 | 1,964 | 2,070 | 2,141 | 2,192 |
| Fuel excise duty | 1,798 | 1,941 | 1,969 | 1,969 | 2,032 | 2,146 | 2,245 | 2,259 | 2,274 |
| Total land transport tax revenue | 3,211 | 3,477 | 3,605 | 3,682 | 3,867 | 4,110 | 4,315 | 4,400 | 4,466 |

Over the years shown above, road user charges and fuel excise duty rates were increased in 2014, 2015 and 2018. There has been an increase in fuel excise duty of 3.5 cents per litre effective 30 September 2018 with equivalent increases in road user charges rates effective from 1 October 2018. Further increases are intended to take effect on 1 July 2019 and 1 July 2020. This is reflected in the table above.

The land transport 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 annual appropriation is required. This disclosure provides a transparent view of the Government's books as the land transport 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

| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m |
| National Land Transport Programme PLAs | 3,066 | 2,839 | 3,002 | 3,371 | 3,910 | 3,743 | 3,932 | 4,021 | 4,086 |
| Loans from the Crown for roading | 199 | 262 | 127 | 100 | 556 | 542 | 566 | 584 | 645 |
| Other funding from the Crown for roading projects | 36 | 44 | 168 | 518 | 259 | 88 | 2 | - | - |
| Rail | 530 | 244 | 243 | 908 | 770 | 1,225 | 975 | 449 | 416 |
| Crown entities | 30 | 33 | 34 | 36 | 47 | 82 | 35 | 91 | 36 |
| Other | 54 | 59 | 58 | 62 | 188 | 63 | 63 | 64 | 64 |
| Departmental funding | 32 | 33 | 35 | 36 | 44 | 49 | 43 | 41 | 41 |
| Total appropriations | 3,947 | 3,514 | 3,667 | 5,031 | 5,774 | 5,792 | 5,616 | 5,250 | 5,288 |

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.

Government Policy Statement and the National Land Transport Programme (NLTP)

The Government Policy Statement on land transport (GPS) sets out the Government's priorities for land transport investment for 10 years. The GPS is a statutory document required by the Land Transport Management Act 2003. It also sets ranges of expenditure on defined activities.

The GPS is central to transport planning processes. Local authorities develop their regional land transport plans (RLTPs) using the signals provided in the GPS. The New Zealand Transport Agency selects projects from within the RLTPs to develop the three-year National Land Transport Programme, which gives effect to the GPS.

The GPS that is currently in force is the GPS 2018. The GPS 2018 came into force on 1 July 2018.

The current NLTP was adopted on 1 September 2018 and is effective for the years 2018/19 to 2020/21.

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 annual appropriations for specific purposes.

| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m |
| Appropriated under PLA for NLTP | | | | | | | | | |
| Operating | 1,992 | 1,982 | 1,888 | 2,280 | 2,840 | 2,782 | 3,666 | 3,185 | 3,265 |
| Capital | 1,074 | 857 | 1,114 | 1,091 | 1,070 | 960 | 266 | 836 | 820 |
| Sub total | 3,066 | 2,839 | 3,002 | 3,371 | 3,910 | 3,742 | 3,932 | 4,021 | 4,085 |
| Annual appropriations | | | | | | | | | |
| Capital - cash flow management loan | 80 | 125 | - | - | 500 | 500 | 500 | 500 | 500 |
| Capital - project loan | 119 | 137 | 127 | 100 | 56 | 42 | 66 | 84 | 145 |
| Other | 36 | 44 | 168 | 518 | 259 | 88 | 2 | - | - |
| Sub total | 235 | 306 | 295 | 618 | 815 | 630 | 568 | 584 | 645 |
| Total appropriations | 3,301 | 3,145 | 3,297 | 3,989 | 4,725 | 4,372 | 4,500 | 4,605 | 4,730 |

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 infrastructure. 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.

Annual 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 drawdowns 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 drawdowns 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 a loan facility to the New Zealand Transport Agency from the Housing Infrastructure Fund. \$357 million is available over the five years from 2018/19 to 2022/23. Previously, loans have been provided to the New Zealand Transport Agency to accelerate projects in the Auckland transport package and for the reinstatement of earthquake-damaged roads in Christchurch.

Other Roothing Funding from the Crown

Land transport revenue is intended to be the primary source of funding for the roading activities within the NLTP but the Crown can appropriate additional funding if it wishes. The other funding for roading is for specific projects such as the reinstatement of State Highway 1 between Picton and Christchurch, urban cycleways, regional State highways, and Provincial Growth Fund infrastructure projects.

Rail Funding

| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|---------------------------------|------------|------------|------------|------------|------------|--------------|------------|------------|------------|
| | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m |
| To KiwiRail Group | | | | | | | | | |
| Capital - additional investment | 198 | 210 | 190 | 260 | 230 | 473 | 503 | - | - |
| Capital - loans and equity | 11 | - | - | 164 | 164 | 174 | - | - | - |
| Capital - property transactions | 14 | 18 | 15 | 3 | 28 | 15 | 2 | 2 | 2 |
| Other projects | 35 | 16 | 38 | 156 | 268 | 95 | 60 | 42 | 4 |
| To Others | | | | | | | | | |
| Loans | 182 | - | - | - | - | - | - | - | - |
| Other | 90 | - | - | - | - | - | - | - | - |
| Auckland City Rail Link | - | - | - | 326 | 81 | 468 | 410 | 405 | 410 |
| Total | 530 | 244 | 243 | 909 | 771 | 1,225 | 975 | 449 | 416 |

Capital - Investment in the New Zealand rail system

This equity funding is provided to support capital expenditure by KiwiRail Holdings Limited for the New Zealand rail system. The Crown appropriated \$400 million to support capital expenditure for 2015/16 and 2016/17, \$490 million to support capital expenditure for 2017/18 and 2018/19, and \$235 million to support capital expenditure for 2019/20 of which \$50 million has been provided from the Provincial Growth Fund. As part of the Future of Rail review, the Crown has appropriated an additional \$741 million to support working capital (\$331 million), rolling stock investment (\$375 million), and procurement of new ferries (\$35 million). This investment is to support a resilient and reliable freight rail system and network, and interisland connection.

Capital - Loans and Equity

This balance mainly reflects existing loans being rolled over and so requiring an appropriation.

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

For 2019/20 and outyears, the projects include the upgrade of the Wellington metro rail network (\$44 million), maintenance of the existing electric locomotive fleet (\$13 million), and public policy and railway safety work (\$4 million). This also includes funding for rail-related projects that contribute to the outcome of a lift in the productivity potential of the regions from the Provincial Growth Fund (\$34 million).

Auckland City Rail Link

This funding is for the Crown's 50% share of costs (\$468 million for 2019/20) for the Auckland City Rail Link which is being delivered by City Rail Link Limited. The Crown is a co-sponsor of the project along with the Auckland Council. The Auckland City Rail Link is expected to be complete by 2024/25.

Rail Funding to Other Parties

In 2014/15 and earlier funding was mainly 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

| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m |
| Output expense | 26 | 28 | 33 | 36 | 47 | 41 | 35 | 35 | 36 |
| Capital | 4 | 5 | 1 | - | - | 41 | - | 56 | - |
| Total | 30 | 33 | 34 | 36 | 47 | 82 | 35 | 91 | 36 |

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 - 2016/17 was \$10 million 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), and \$3 million to the Aviation Security Service to fund baggage screening equipment. A loan facility is in place for \$97 million over 2019/20 and 2021/22 to provide loans to the Civil Aviation Authority for the purpose of investing in Aviation Security Service security screening equipment.

Other

| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|-------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m |
| Total | 54 | 59 | 58 | 62 | 189 | 64 | 63 | 64 | 64 |

The 'Other' category is mainly funding paid to third parties and one off projects. Key elements in 2019/20 are:

- SuperGold Card public transport concessions (\$30 million), and
- purchase of weather forecasting services from the Meteorological Service of New Zealand (\$25 million).

Departmental Output Expenses

| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|-------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m |
| Funding to the Ministry | 32 | 33 | 35 | 36 | 44 | 49 | 43 | 41 | 41 |
| Total | 32 | 33 | 35 | 36 | 44 | 49 | 43 | 41 | 41 |

The Departmental funding remains relatively stable with minor changes, such as one-off funding for specific projects, increased third party revenue, and transfers of funding between years.

Non-Tax Revenue

| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m |
| Road tax administration fees | 4 | - | - | - | - | - | - | - | - |
| Tolling revenue | 8 | 9 | 10 | 11 | 8 | 8 | 8 | 8 | 8 |
| Other | 1 | 1 | - | - | 1 | 1 | 1 | 1 | 1 |
| Total | 13 | 10 | 10 | 11 | 9 | 9 | 9 | 9 | 9 |

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 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 tolled by the Crown to repay the costs of the road.

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

| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|-------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m |
| Total | 14 | 18 | 15 | 3 | 28 | 15 | 2 | 2 | 2 |

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

| | 2018/19 | | 2019/20 |
|------------------------|-------------------------|---------------------------|-----------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | 799 | 799 | 738 |
| Revenue from the Crown | 679 | 679 | 618 |
| Revenue from Others | 120 | 120 | 120 |

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

| | 2018/19 | | 2019/20 |
|---|----------------------------|---------------------|-------------------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Assessment of Performance | | | |
| Average number of days taken to process refunds of fuel excise duty | Within 20 working days | 19 days | 20 working days or less |

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 in this appropriation for 2019/20 is to align with forecast expenditure.

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

| | 2018/19 | | 2019/20 |
|------------------------|-------------------------|---------------------------|-----------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | 388 | 388 | 325 |
| Revenue from the Crown | - | - | - |
| Revenue from Others | 388 | 388 | 325 |

What is Intended to be Achieved with this Appropriation

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

How Performance will be Assessed and End of Year Reporting Requirements

| | 2018/19 | | 2019/20 |
|--|----------------------------|---------------------|--------------------|
| | 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 | 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 decrease in this appropriation for 2019/20 is due to lower forecast revenue from decreased volume of landings, and associated costs. This will be reforecast during 2019/20.

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

| | 2018/19 | | 2019/20 |
|------------------------|-------------------------|---------------------------|-----------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | 2,706 | 2,706 | 2,240 |
| Revenue from the Crown | 2,706 | 2,706 | 2,240 |
| 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

| | 2018/19 | | 2019/20 |
|---|----------------------------|---------------------|--------------------|
| | 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.

Reasons for Change in Appropriation

The decrease in this appropriation for 2019/20 is due to:

- a carry forward of \$356,000 from 2017/18 to 2018/19, and
- additional funding in 2018/19 for a new IT system for a multi-agency data store.

Search and Rescue Training and Training Coordination (M72)

Scope of Appropriation

This appropriation is limited to search and rescue training and training coordination.

Expenses and Revenue

| | 2018/19 | | 2019/20 |
|------------------------|-------------------------|---------------------------|-----------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | 800 | 800 | 1,300 |
| Revenue from the Crown | - | - | - |
| Revenue from Others | 800 | 800 | 1,300 |

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve effective management and purchase of the delivery of search and rescue skill acquisition training for people operating in the search and rescue sector.

How Performance will be Assessed and End of Year Reporting Requirements

| | 2018/19 | | 2019/20 |
|---|----------------------------|---------------------|--------------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Assessment of Performance | | | |
| Percentage of planned search and rescue training courses that are delivered | 80% | 80% | 80% |

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 for 2019/20 aligns with the funding agreed to in the Memorandum of Understanding with the Tertiary Education Commission for the delivery of search and rescue training.

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

| | 2018/19 | | 2019/20 |
|-------------------------------|-------------------------|---------------------------|-----------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Forests/Agricultural | - | - | - |
| Land | - | - | - |
| Property, Plant and Equipment | 905 | 905 | 5 |
| Intangibles | 15 | 15 | 265 |
| Other | - | - | - |
| Total Appropriation | 920 | 920 | 270 |

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

| | 2018/19 | | 2019/20 |
|---|----------------------------|---------------------|--------------------|
| | 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

This appropriation reflects the Ministry of Transport's forecast capital expenditure. Capital purchases are often one off in nature, which accounts for variations in this appropriation between years. The fit-out of a new office space for the Ministry of Transport is reflected in the 2018/19 capital expenditure. The Ministry has been in temporary accommodation since the November 2016 Kaikōura earthquake. Software upgrades and licence purchases are reflected in the 2019/20 forecast capital expenditure.

*Capital Injections and Movements in Departmental Net Assets***Ministry of Transport**

| Details of Net Asset Schedule | 2018/19 Estimated Actual \$000 | 2019/20 Projected \$000 | Explanation of Projected Movements in 2019/20 |
|---|---|-------------------------------|---|
| Opening Balance | 2,810 | 2,810 | |
| Capital Injections | - | - | |
| Capital Withdrawals | - | - | |
| Surplus to be Retained (Deficit Incurred) | - | - | |
| Other Movements | - | - | |
| Closing Balance | 2,810 | 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

| | 2018/19 | | 2019/20 |
|---------------------|----------------------|------------------------|--------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | 5,520 | 5,520 | 5,520 |

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 avoid recurrences.

How Performance will be Assessed and End of Year Reporting Requirements

| | 2018/19 | | 2019/20 |
|---|-------------------------|------------------|---------------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Assessment of Performance | | | |
| Number of domestic inquiries completed | 20-25 | 18 | 15-25 |
| Number of inquiries by overseas jurisdictions assisted | 4-8 | 11 | 4-8 |
| Proportion of closed domestic inquiries completed within 440 working days | 70% | 63% | 70% |
| Average cost of domestic inquiries closed | \$300,000 | \$385,000 | \$300,000-\$350,000 |
| 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 | 2018/19 Final Budgeted \$000 | 2019/20 Budget \$000 | 2020/21 Estimated \$000 | 2021/22 Estimated \$000 | 2022/23 Estimated \$000 |
|--|----------------------|------------------------------|----------------------|-------------------------|-------------------------|-------------------------|
| Previous Government | | | | | | |
| More effective delivery of accident investigations | 2015/16 | 1,655 | 1,655 | 1,655 | 1,655 | 1,655 |

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

| | 2018/19 | | 2019/20 |
|---------------------|----------------------|------------------------|--------------|
| | 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 | 2018/19 | | 2019/20 |
|---|-------------------------|------------------|-----------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Average number of days taken to enter fatal crash reports (from date of receipt) into the Crash Analysis System | 10 days | 10 days | 10 days |

End of Year Performance Reporting

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

Health and Safety at Work Activities - Civil Aviation (M72)

Scope of Appropriation

This appropriation is limited to health and safety activities for the civil aviation sector, for which the Civil Aviation Authority has designated responsibility.

Expenses

| | 2018/19 | | 2019/20 |
|---------------------|-------------------------|---------------------------|-----------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | 1,156 | 1,156 | 1,174 |

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve a high level of safety and security standards within the New Zealand civil aviation system.

How Performance will be Assessed and End of Year Reporting Requirements

| | 2018/19 | | 2019/20 |
|---|----------------------------|---------------------|--------------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Assessment of Performance | | | |
| Number of aviation-specific good practice guides and guidance material developed and maintained | 2-5 | 2 | 2-5 |
| Number of scheduled activities (audits and outreach) | New measure | New measure | 24 |
| Number of non-scheduled activities (assessments, investigations) | New measure | New measure | 30-50 |
| Percentage of all health and safety work types completed within 180 days (see Note 1) | New measure | New measure | 60% |
| Percentage of all health and safety work types completed within 12 months (see Note 1) | 100% | 50% | 100% |

Note 1 - All work types includes assessment and audits as well as investigations. A completed work type is when the recommendations/findings are made.

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 | 2018/19 Final Budgeted \$000 | 2019/20 Budget \$000 | 2020/21 Estimated \$000 | 2021/22 Estimated \$000 | 2022/23 Estimated \$000 |
|---|----------------------|------------------------------|----------------------|-------------------------|-------------------------|-------------------------|
| Previous Government | | | | | | |
| Civil Aviation Authority - Health and Safety at Work Act 2015 | 2017/18 | 1,156 | 1,174 | 1,201 | 1,201 | 1,201 |

Reasons for Change in Appropriation

The increase in this appropriation for 2019/20 is due to variable amounts of funding as noted in the initiatives table above.

Health and Safety at Work Activities - Maritime (M72)

Scope of Appropriation

This appropriation is limited to health and safety activities for the maritime sector, for which Maritime New Zealand has designated responsibility.

Expenses

| | 2018/19 | | 2019/20 |
|---------------------|-------------------------|---------------------------|-----------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | 6,346 | 6,346 | 6,191 |

What is Intended to be Achieved with this Appropriation

This appropriation 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.

How Performance will be Assessed and End of Year Reporting Requirements

| | 2018/19 | | 2019/20 |
|--|----------------------------|---------------------|--------------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Assessment of Performance | | | |
| All of the HSW assessments that are required are conducted | Achieved | Achieved | Achieved |
| The percentage of prosecutions brought under the Health and Safety at Work Act and/or the Maritime Transport Act that result in the relevant parties being held to account | 75% or greater | 75% or greater | 75% or greater |
| The number of proactive, targeted HSWA inspection campaigns delivered | 2 | 2 | 2 |

End of Year Performance Reporting

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

Current and Past Policy Initiatives

| Policy Initiative | Year of First Impact | 2018/19 Final Budgeted \$000 | 2019/20 Budget \$000 | 2020/21 Estimated \$000 | 2021/22 Estimated \$000 | 2022/23 Estimated \$000 |
|---|----------------------------|---------------------------------------|----------------------------|-------------------------------|-------------------------------|-------------------------------|
| Previous Government | | | | | | |
| Maritime New Zealand - Health and Safety at Work Act 2015 | 2017/18 | 6,191 | 6,191 | 954 | 954 | 954 |

Reasons for Change in Appropriation

The decrease in this appropriation for 2019/20 is due to a carry forward of \$155,000 from 2017/18 to 2018/19.

Licensing Activities (M72)

Scope of Appropriation

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

Expenses

| | 2018/19 | | 2019/20 |
|---------------------|-------------------------|---------------------------|-----------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | 5,236 | 5,236 | 2,550 |

Components of the Appropriation

| | 2018/19 | | 2019/20 |
|-------------------------------------|-------------------------|---------------------------|-----------------|
| | 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 |
| Better Public Services seed funding | 2,686 | 2,686 | - |
| Total | 5,236 | 5,236 | 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

| | 2018/19 | | 2019/20 |
|---|----------------------------|---------------------|--------------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Assessment of Performance | | | |
| Number of drug or alcohol assessments funded (see Note 1) | 1,800 - 2,000 | 1300 | 1,200 - 1,400 |
| Number of older driver licences subsidised | New measure | New measure | Baseline to be set |

Note 1 - The target was adjusted to reflect the lower number of assessments funded last year (998 in 2017/18) and the estimate for year-end.

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 2019/20 is due to a carry forward of \$2.686 million from 2017/18 to 2018/19 only relating to one-off additional funding in 2017/18 allocated from the Better Public Services seed fund.

Maritime Port Security (M72)

Scope of Appropriation

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

Expenses

| | 2018/19 | | 2019/20 |
|---------------------|-------------------------|---------------------------|-----------------|
| | 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

| | 2018/19 | | 2019/20 |
|---|----------------------------|---------------------|--------------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Assessment of Performance | | | |
| Number of major findings from the annual audit review of the readiness/provision 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

| | 2018/19 | | 2019/20 |
|---------------------|-------------------------|---------------------------|-----------------|
| | 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

| | 2018/19 | | 2019/20 |
|--|----------------------------|---------------------|--------------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Assessment of Performance | | | |
| Percentage of requests completed within specified timeframes - Ministerial correspondence | 100% | 95% | 100% |
| Percentage of requests completed within specified timeframes - Parliamentary questions | 100% | 99% | 100% |
| Percentage of requests completed within statutory timeframes - Official Information Act requests | 100% | 99% | 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

| | 2018/19 | | 2019/20 |
|---------------------|-------------------------|---------------------------|-----------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | 2,839,900 | 2,839,900 | 2,782,120 |

Components of the Appropriation

| | 2018/19 | | 2019/20 |
|---|-------------------------|---------------------------|-----------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Funding | 2,839,900 | 2,839,900 | 2,782,120 |
| Made up of expenditure on the following activities | | | |
| Local Road Maintenance | 722,000 | 722,000 | 666,000 |
| State Highway Improvements | 734,000 | 734,000 | 549,000 |
| Public Transport | 495,000 | 495,000 | 510,000 |
| State Highway Maintenance | 414,400 | 414,400 | 399,760 |
| Local Road Improvements | 245,000 | 245,000 | 272,000 |
| Walking and Cycling | 55,000 | 55,000 | 54,500 |
| Investment Management | 62,600 | 62,600 | 70,500 |
| Road Safety Promotion | 47,900 | 47,900 | 54,360 |
| Regional Improvements | 39,000 | 39,000 | 49,000 |
| Transitional Rail | 25,000 | 25,000 | 157,000 |

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 | 2018/19 | | 2019/20 |
|--|-------------------------|--|-------------------------------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Investment Management | | | |
| Total cost of managing the funding allocation system as a percentage of the National Land Transport Programme expenditure | 1.1 % or less | 1.1 % | 1.1 % or less |
| Road Safety Promotion | | | |
| Percentage of road safety advertising campaigns that meet or exceed their agreed success criteria | 80% or greater | 80% | 75% or greater |
| Local Road Improvements | | | |
| Percentage of the local road network modified to align with safe and appropriate speed | New measure | New measure | See Note 1 |
| State Highway Improvements | | | |
| Percentage of state highway network modified to align with safe and appropriate speed | New measure | New measure | See Note 1 |
| Local Road Maintenance | | | |
| Percentage of the sealed local road network that meets surface condition targets | 97% or greater | 98% (see Note 2) | 98% or greater |
| Percentage of the sealed local road network that meets pavement integrity targets | 94% or greater | 94% (see Note 2) | 94% or greater |
| Smooth ride: percentage of travel on smooth roads | 86% or greater | 87% (see Note 2) | 86% or greater |
| Local road maintenance cost per local road lane kilometre delivered | \$3,000 or less | \$3,095 (see Note 2) | \$3,000 or less |
| State Highway Maintenance | | | |
| Percentage of state highway maintenance activities that are delivered to agreed standards and timeframes | Greater than 90% | 90% (see Note 2) | 90% or greater |
| Smooth ride: percentage of travel on network classed as smooth | New measure | 99% (see Note 2) | 97% or greater |
| State highway maintenance cost per lane kilometre delivered | \$21,500-\$24,000 | \$24,110 | \$24,000-\$28,000 |
| Public Transport | | | |
| Number of boardings on urban public transport services (bus, train, ferry) | 164 million or greater | 165 million | 165 million or greater (see Note 3) |
| Number of boardings on urban public transport services (bus, train, ferry) per capita | New measure | New measure | Baseline setting |
| Percentage of people with access to frequent public transport services at peak times in Auckland, Wellington and Christchurch. | New measure | New measure | Increasing |
| Walking and Cycling | | | |
| Network kilometres of walking and cycling facilities delivered | Increasing | 37.2 km (including 26.2km UCP project) | Increasing |

Note 1 - The target will be based on 2018/19 Statement of performance expectations year-end results.

Note 2 - Estimates for 2018/19 are based on reported 2017/18 performance because these measures are calculated annually.

Note 3 - Demand projections for 2019/20 from local authorities are not yet available. This target was based on the 2018/19 year-end estimate of the measure.

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 land transport 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. A revised Government Policy Statement was in force from 1 July 2018 relating to the years 2018/19 to 2027/28 and a new NLTP in force from 1 September 2018 relating to the years 2018/19 to 2020/21.

The current indicative expenditure for 2018/19 and 2019/20 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. |

Rail - Maintaining an Electric Locomotive Fleet (M72)

Scope of Appropriation

This appropriation is limited to maintaining the operation of the existing electric locomotive fleet.

Expenses

| | 2018/19 | | 2019/20 |
|---------------------|-------------------------|---------------------------|-----------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | 8,500 | 8,500 | 13,000 |

What is Intended to be Achieved with this Appropriation

This appropriation is intended to upgrade and refurbish EF Class electric locomotives for use on the North Island Main Trunk line.

How Performance will be Assessed and End of Year Reporting Requirements

| | 2018/19 | | 2019/20 |
|--|-------------------------|------------------|-----------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Assessment of Performance | | | |
| Work is carried out in line with the agreed outcomes | 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 | 2018/19 Final Budgeted \$000 | 2019/20 Budget \$000 | 2020/21 Estimated \$000 | 2021/22 Estimated \$000 | 2022/23 Estimated \$000 |
|--|----------------------|------------------------------|----------------------|-------------------------|-------------------------|-------------------------|
| Current Government | | | | | | |
| Maintain the operation of the existing electric locomotive fleet | 2018/19 | 8,500 | 13,000 | 9,500 | 4,000 | - |

Reasons for Change in Appropriation

The increase in this appropriation for 2019/20 is due to variable amounts of funding as noted in the initiatives table above.

Road User Charges Investigation and Enforcement (M72)

Scope of Appropriation

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

Expenses

| | 2018/19 | | 2019/20 |
|---------------------|----------------------|------------------------|--------------|
| | 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

| | 2018/19 | | 2019/20 |
|---|-------------------------|------------------|------------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Assessment of Performance | | | |
| Percentage of Road User Charge operators who are identified as high risk that are investigated or audited | New measure | New measure | Baseline setting |

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

| | 2018/19 | | 2019/20 |
|---------------------|----------------------|------------------------|--------------|
| | 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

| | 2018/19 | | 2019/20 |
|--|-------------------------|------------------|------------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Assessment of Performance | | | |
| Percentage of Road User Charges refund claims processed within 20 working days | New measure | New measure | Baseline setting |

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

| | 2018/19 | | 2019/20 |
|---------------------|-------------------------|---------------------------|-----------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | 3,231 | 3,231 | 3,231 |

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

| | 2018/19 | | 2019/20 |
|---|----------------------------|---------------------|--------------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Assessment of Performance | | | |
| The percentage of time the Rescue Coordination Centre NZ is operational | New measure | New measure | 100% |
| The percentage of beacons' data verified within the last two years (at 30 June) | 65% or greater | 50% | 65% or greater |

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

| | 2018/19 | | 2019/20 |
|---------------------|-------------------------|---------------------------|-----------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | 10,301 | 10,301 | 11,632 |

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

| | 2018/19 | | 2019/20 |
|--|-------------------------|------------------|-----------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Assessment of Performance | | | |
| 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% |
| The percentage of New Zealanders who practice safer recreational boating behaviours (as gauged by survey) | New measure | New measure | 60% or greater |
| 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% |
| Coordinate National Search and Rescue training and education to improve interagency cooperation and understanding | 90% | 90% | 90% |

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

| Provider | 2018/19 Final Budgeted \$000 | 2018/19 Estimated Actual \$000 | 2019/20 Budget \$000 | Expiry of Resourcing Commitment |
|--|------------------------------------|--------------------------------------|----------------------------|---------------------------------------|
| Crown Entities | | | | |
| Maritime New Zealand | 6,361 | 6,361 | 7,702 | - |
| Non-Government Organisations | | | | |
| Coastguard New Zealand | 2,440 | 2,440 | 2,440 | - |
| New Zealand Land Search & Rescue Inc. | 1,085 | 1,085 | 1,075 | - |
| Surf Life Saving New Zealand | 200 | 200 | 200 | - |
| Mountain Safety Council | 150 | 150 | 150 | - |
| Amateur Radio Emergency Communications | 65 | 65 | 65 | - |
| Total | 10,301 | 10,301 | 11,632 | |

Reasons for Change in Appropriation

The increase in this appropriation for 2019/20 is due to the net of:

- \$2.068 million additional search and rescue funding to meet cost pressures in 2019/20 (increase)
- \$554,000 for additional search and rescue costs anticipated in 2018/19 (decrease), and
- \$183,000 carried forward from 2017/18 to 2018/19 (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

| | 2018/19 | | 2019/20 |
|---------------------|-------------------------|---------------------------|-----------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | 95 | 95 | 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

| | 2018/19 | | 2019/20 |
|---|----------------------------|---------------------|--------------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Assessment of Performance | | | |
| Percentage of 'on time' payment of Crown SuperGold allocation to Authorised Organisations | 100% | 64% | 100% |

End of Year Performance Reporting

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

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

| | 2018/19 | | 2019/20 |
|---------------------|-------------------------|---------------------------|-----------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | 23,949 | 23,949 | 24,565 |

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

| | 2018/19 | | 2019/20 |
|--|---|---|---|
| | 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) | Greater than 90% | 93% | Greater than 90% |
| Maximum percentage of forecasts of severe-weather events which are subsequently found to be false alarms (false alarm ratio) | 25% | 12% | Less than 25% |
| Provision of new services | As agreed between MetService and the Ministry | As agreed between MetService and the Ministry | 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 | 2018/19 Final Budgeted \$000 | 2019/20 Budget \$000 | 2020/21 Estimated \$000 | 2021/22 Estimated \$000 | 2022/23 Estimated \$000 |
|---|----------------------|------------------------------|----------------------|-------------------------|-------------------------|-------------------------|
| Current Government | | | | | | |
| Public Safety Weather Forecasting - Making New Zealand Households and Businesses Safer During Severe Weather Events | 2019/20 | - | 616 | 638 | 901 | 914 |
| Weather Radar Upgrades - Improving the Accuracy and Resilience of New Zealand's Weather Forecasting Services | 2019/20 | - | - | 121 | 773 | 861 |
| Previous Government | | | | | | |
| Increase for the provision of weather forecasting services | 2015/16 | 5,191 | 5,191 | 5,191 | 5,191 | 5,191 |

Reasons for Change in Appropriation

The increase in this appropriation for 2019/20 is due to the additional variable amounts of funding as noted in the 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

| | 2018/19 | | 2019/20 |
|---------------------|-------------------------|---------------------------|-----------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | 7,500 | 7,500 | 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.

How Performance will be Assessed and End of Year Reporting Requirements

| | 2018/19 | | 2019/20 |
|---|----------------------------|---------------------|--------------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Assessment of Performance | | | |
| Proportion of bad debt for motor vehicle registrations and road user charges against forecast revenue | 0.47% or less | 0.47% or less | 0.47% or less |

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 2019/20 is due to a one off increase of \$3.5 million in 2018/19 due to the New Zealand Transport Agency processing higher value bad debt write-offs due to higher motor vehicle registration and road user charges revenue. The higher revenue is partly due to road user charges rate increases from 1 October 2018.

Housing Infrastructure Fund - Fair Value Write Down (M72)

Scope of Appropriation and Expenses

| Type, Title, Scope and Period of Appropriations | Appropriations, Adjustments and Use | \$000 |
|---|-------------------------------------|---------|
| Housing Infrastructure Fund - Fair Value Write Down (M72) This appropriation is limited to the expense incurred in the fair-value write down of interest-free loans from the Housing Infrastructure Fund to the New Zealand Transport Agency. Commences: 01 July 2018 Expires: 30 June 2020 | Original Appropriation | 122,230 |
| | Adjustments to 2017/18 | - |
| | Adjustments for 2018/19 | - |
| | Adjusted Appropriation | 122,230 |
| | Actual to 2017/18 Year End | - |
| | Estimated Actual for 2018/19 | 122,230 |
| | Estimate for 2019/20 | - |
| | Estimated Appropriation Remaining | - |

What is Intended to be Achieved with this Appropriation

This appropriation is intended to recognise the fair-value write down of interest-free loans from the Housing Infrastructure Fund to the New Zealand Transport Agency.

How Performance will be Assessed and End of Year Reporting Requirements

| Assessment of Performance | 2018/19 | | 2019/20 |
|--|-------------------------|------------------|-----------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Fair-value write down of interest-free loans is recognised in accordance with accounting standards for every interest free loan from the Housing Infrastructure Fund to the New Zealand Transport Agency | Achieved | Achieved | Achieved |

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.

Membership of International Organisations (M72)

Scope of Appropriation

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

Expenses

| | 2018/19 | | 2019/20 |
|---------------------|-------------------------|---------------------------|-----------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | 743 | 743 | 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 | 2018/19 Final Budgeted \$000 | 2018/19 Estimated Actual \$000 | 2019/20 Budget \$000 | Expiry of Resourcing Commitment |
|---|------------------------------------|--------------------------------------|----------------------------|---------------------------------------|
| International Maritime Organisation | 80 | 80 | 80 | - |
| World Meteorological Organisation | 262 | 262 | 262 | - |
| International Civil Aviation Organisation | 401 | 401 | 401 | - |
| Total | 743 | 743 | 743 | |

Rail - Public Policy Projects (M72)

Scope of Appropriation

This appropriation is limited to public policy rail initiatives.

Expenses

| | 2018/19 | | 2019/20 |
|---------------------|-------------------------|---------------------------|-----------------|
| | 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

| | 2018/19 | | 2019/20 |
|---|----------------------------|---------------------|--------------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Assessment of Performance | | | |
| 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

| | 2018/19 | | 2019/20 |
|---------------------|-------------------------|---------------------------|-----------------|
| | 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

| | 2018/19 | | 2019/20 |
|---------------------------|-------------------------|------------------|-----------------|
| | 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

| | 2018/19 | | 2019/20 |
|---------------------|----------------------|------------------------|--------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | 29,579 | 29,579 | 29,579 |

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

| | 2018/19 | | 2019/20 |
|---|-------------------------|------------------|--------------------------------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Assessment of Performance | | | |
| Number of boardings using SuperGold concessions | 14 million | 15.2 million | 15.2 million or greater (see Note 1) |

Note 1 - Demand projections for 2019/20 from local authorities are not yet available. This target was based on the 2018/19 year-end estimate of the measure.

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 | 2018/19 Final Budgeted \$000 | 2019/20 Budget \$000 | 2020/21 Estimated \$000 | 2021/22 Estimated \$000 | 2022/23 Estimated \$000 |
|--|----------------------|------------------------------|----------------------|-------------------------|-------------------------|-------------------------|
| Previous Government | | | | | | |
| Agreed capped funding of the concession scheme | 2015/16 | 10,224 | 10,224 | 10,224 | 10,224 | 10,224 |

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

| | 2018/19 | | 2019/20 |
|---------------------|----------------------|------------------------|--------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | 19,090 | 19,090 | 1,783 |

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

| | 2018/19 | | 2019/20 |
|---|-------------------------|------------------|-----------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Assessment of Performance | | | |
| Percentage of expenditure to agreed purpose | New measure | New measure | 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 decrease in this appropriation for 2019/20 is due to this initiative originally being planned to end in 2017/18. The initiative has now been extended to 2020/21 and \$1.783 million has been transferred from 2018/19 to 2019/20 to allow for this.

3.5 - Non-Departmental Capital Expenditure

Auckland City Rail Link (M72)

Scope of Appropriation

This appropriation is limited to the Crown's share of the total project costs of the Auckland City Rail Link.

Capital Expenditure

| | 2018/19 | | 2019/20 |
|---------------------|-------------------------|---------------------------|-----------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | 81,000 | 65,000 | 468,407 |

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the construction and operational readiness of the Auckland City Rail Link.

How Performance will be Assessed and End of Year Reporting Requirements

| | 2018/19 | | 2019/20 |
|---|-------------------------------------|-------------------------------------|-------------------------------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Assessment of Performance | | | |
| Deliver the Auckland City Rail Link project by 2024 | Project delivery targets are met | Project delivery targets are met | Project delivery targets are met |

End of Year Performance Reporting

Performance information for this appropriation will be reported by City Rail Link Limited in its annual report.

Current and Past Policy Initiatives

| Policy Initiative | Year of First Impact | 2018/19 Final Budgeted \$000 | 2019/20 Budget \$000 | 2020/21 Estimated \$000 | 2021/22 Estimated \$000 | 2022/23 Estimated \$000 |
|--|----------------------------|---------------------------------------|----------------------------|-------------------------------|-------------------------------|-------------------------------|
| Current Government | | | | | | |
| Auckland City Rail Link Cost Reforecast - to Benefit Auckland's Communities Through an Enhanced Rail Network | 2019/20 | - | - | - | 70,000 | 245,000 |
| Funding for 50% share of costs of the Auckland City Rail Link | 2018/19 | 234,000 | 255,000 | 360,000 | 335,000 | 165,000 |

Funding has been rephased since the approval of this initiative and so no longer agrees to the figures shown in the initiatives table above.

Reasons for Change in Appropriation

The increase in this appropriation for 2019/20 is to match forecast expenditure by City Rail Link Limited.

Aviation Security Service Loans (M72)

Scope of Appropriation

This appropriation is limited to providing loans to the Civil Aviation Authority for the purpose of investing in Aviation Security Service security screening equipment.

Capital Expenditure

| | 2018/19 | | 2019/20 |
|---------------------|-------------------------|---------------------------|-----------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | - | - | 41,000 |

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve investment in aviation security screening technology and related infrastructure upgrades.

How Performance will be Assessed and End of Year Reporting Requirements

| | 2018/19 | | 2019/20 |
|---|----------------------------|---------------------|--------------------|
| | 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 the Civil Aviation Authority and the Minister of Transport | 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 | 2018/19 Final Budgeted \$000 | 2019/20 Budget \$000 | 2020/21 Estimated \$000 | 2021/22 Estimated \$000 | 2022/23 Estimated \$000 |
|--|----------------------------|---------------------------------------|----------------------------|-------------------------------|-------------------------------|-------------------------------|
| Current Government | | | | | | |
| Aviation Security Service loans for security screening equipment | 2019/20 | - | 41,000 | - | 56,000 | - |

Reasons for Change in Appropriation

The increase in this appropriation for 2019/20 is due to 2019/20 being the first year the loan will be drawn on as shown in the initiatives table above.

Housing Infrastructure Fund Loans (M72)

Scope of Appropriation and Expenses

| Type, Title, Scope and Period of Appropriations | Appropriations, Adjustments and Use | \$000 |
|---|-------------------------------------|---------|
| Housing Infrastructure Fund Loans (M72) This appropriation is limited to interest-free loans from the Housing Infrastructure Fund of a duration of ten years or under to New Zealand Transport Agency to finance the transport infrastructure needed to unlock residential development. | Original Appropriation | 357,000 |
| | Adjustments to 2017/18 | - |
| | Adjustments for 2018/19 | - |
| | Adjusted Appropriation | 357,000 |
| Commences: 01 July 2018 | Actual to 2017/18 Year End | - |
| Expires: 30 June 2023 | Estimated Actual for 2018/19 | 19,686 |
| | Estimate for 2019/20 | 41,536 |
| | Estimated Appropriation Remaining | 295,778 |

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve additional transport infrastructure needed to unlock residential development.

How Performance will be Assessed and End of Year Reporting Requirements

| Assessment of Performance | 2018/19 | | 2019/20 |
|---|-------------------------|------------------|-----------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| 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.

Joint Venture Airports - Crown Contribution (M72)

Scope of Appropriation and Expenses

| Type, Title, Scope and Period of Appropriations | Appropriations, Adjustments and Use | \$000 |
|---|-------------------------------------|-------|
| 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. | Original Appropriation | 2,500 |
| | Adjustments to 2017/18 | - |
| | Adjustments for 2018/19 | - |
| | Adjusted Appropriation | 2,500 |
| Commences: 01 July 2018 | Actual to 2017/18 Year End | - |
| Expires: 30 June 2023 | Estimated Actual for 2018/19 | 500 |
| | Estimate for 2019/20 | 500 |
| | Estimated Appropriation Remaining | 1,500 |

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

| | 2018/19 | | 2019/20 |
|---|-------------------------|------------------|-----------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Assessment of Performance | | | |
| Percentage of compliance with the joint venture | 100% | 100% | 100% |

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.

Maritime New Zealand Capital Expenditure PLA (M72)*Scope of Appropriation*

The estimated amount to be spent in relation to Maritime New Zealand costs, as authorised by Section 9 (1) of the Land Transport Management Act 2003.

Capital Expenditure

| | 2018/19 | | 2019/20 |
|---------------------|----------------------|------------------------|--------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | - | - | 450 |

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve critical capital improvements to support effective and efficient search and rescue operations.

How Performance will be Assessed and End of Year Reporting Requirements

| | 2018/19 | | 2019/20 |
|--|-------------------------|------------------|-----------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Assessment of Performance | | | |
| Successful implementation of planned systems capability improvements | New measure | New measure | Achieved |

End of Year Performance Reporting

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

Reasons for Change in Appropriation

The increase in this appropriation for 2019/20 is due to additional funding provided to upgrade search and rescue systems.

National Land Transport Programme Capital PLA (M72)

Scope of Appropriation

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

Capital Expenditure

| | 2018/19 | | 2019/20 |
|---------------------|-------------------------|---------------------------|-----------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | 1,070,000 | 1,070,000 | 960,480 |

Components of the Appropriation

| | 2018/19 | | 2019/20 |
|---|-------------------------|---------------------------|-----------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| New infrastructure and renewal of State highway | 1,051,000 | 1,051,000 | 780,480 |
| Rapid transit | 19,000 | 19,000 | 180,000 |
| Total | 1,070,000 | 1,070,000 | 960,480 |

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, along with rapid transit investment.

How Performance will be Assessed and End of Year Reporting Requirements

| | 2018/19 | | 2019/20 |
|--|----------------------------|---------------------|--------------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Assessment of Performance | | | |
| Proportion of rapid transit activities delivered to investment requirements | New measure | New measure | 90% or greater |
| Percentage of state highway activities that are delivered to agreed standards and timeframes | 90% or greater | 86% | 90% or greater |

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 for 2019/20 has decreased in line with the 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 2018/19 to 2027/28 outlines the expenditure expectations for this activity class. The New Zealand Transport Agency will make use of the loan available to it for cash flow management to cover any 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

| | 2018/19 | | 2019/20 |
|---------------------|-------------------------|---------------------------|-----------------|
| | 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

| | 2018/19 | | 2019/20 |
|---|----------------------------|---------------------|--------------------|
| | 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

| | 2018/19 | | 2019/20 |
|---------------------|-------------------------|---------------------------|-----------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | 28,200 | 28,200 | 15,000 |

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.

How Performance will be Assessed and End of Year Reporting Requirements

| | 2018/19 | | 2019/20 |
|--|----------------------------|---------------------|--------------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Assessment of Performance | | | |
| Property transactions are carried out in line with agreed outcomes | 100% | 100% | 100% |

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 decrease in this appropriation for 2019/20 is due to this appropriation being forecast 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

| | 2018/19 | | 2019/20 |
|---------------------|-------------------------|---------------------------|-----------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | 230,000 | 230,000 | 473,000 |

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

| | 2018/19 | | 2019/20 |
|--|----------------------------|---------------------|--------------------|
| | 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 | 2018/19 Final Budgeted \$000 | 2019/20 Budget \$000 | 2020/21 Estimated \$000 | 2021/22 Estimated \$000 | 2022/23 Estimated \$000 |
|---|----------------------|---------------------------------------|----------------------------|-------------------------------|-------------------------------|-------------------------------|
| Current Government | | | | | | |
| Future of Rail - New Interisland Ferries to Support a Resilient and Reliable Rail Freight System | 2019/20 | - | 35,000 | - | - | - |
| Future of Rail - Rolling Stock Investment to Support a Resilient and Reliable Rail Freight System | 2019/20 | - | 138,000 | 237,000 | - | - |
| Future of Rail - Working Capital to Support a Resilient and Reliable Rail Freight Network | 2019/20 | - | 65,000 | 266,000 | - | - |
| KiwiRail - Provincial Growth Fund Investment | 2019/20 | - | 50,000 | - | - | - |
| KiwiRail - Additional Investment | 2019/20 | - | 185,000 | - | - | - |
| Previous Government | | | | | | |
| KiwiRail - Additional Investment | 2017/18 | 230,000 | - | - | - | - |

Reasons for Change in Appropriation

The increase in this appropriation for 2019/20 is due to increased investment in the New Zealand rail system to support a resilient and reliable rail freight system and network, and interisland connection, as indicated in the initiatives table above.

Rail - KiwiRail Holdings Limited Loans (M72)

Scope of Appropriation

This appropriation is limited to loans to KiwiRail Holdings Limited to fund capital projects and provide working capital.

Capital Expenditure

| | 2018/19 | | 2019/20 |
|---------------------|-------------------------|---------------------------|-----------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | 163,500 | 163,500 | 174,250 |

What is Intended to be Achieved with this Appropriation

This appropriation is intended to maintain existing capital funding arrangements for KiwiRail.

How Performance will be Assessed and End of Year Reporting Requirements

| | 2018/19 | | 2019/20 |
|--|----------------------------|---------------------|--------------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Assessment of Performance | | | |
| All documentation and transactional requirements are met | 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 | 2018/19 Final Budgeted \$000 | 2019/20 Budget \$000 | 2020/21 Estimated \$000 | 2021/22 Estimated \$000 | 2022/23 Estimated \$000 |
|---------------------------------------|----------------------------|---------------------------------------|----------------------------|-------------------------------|-------------------------------|-------------------------------|
| Current Government | | | | | | |
| KiwiRail - Rollover of Existing Loans | 2019/20 | - | 163,500 | - | - | - |
| KiwiRail - Rollover of Existing Loans | 2018/19 | 163,500 | - | - | - | - |
| Previous Government | | | | | | |
| KiwiRail - Rollover of Existing Loans | 2017/18 | - | 10,750 | - | - | - |

Reasons for Change in Appropriation

The increase in this appropriations for 2019/20 is due to two loans to KiwiRail Holdings Limited maturing in 2019/20 and therefore requiring rollover as shown in the initiatives table above.

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

| | 2018/19 | | 2019/20 |
|---------------------|-------------------------|---------------------------|-----------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | 42,896 | 42,896 | 44,056 |

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

| | 2018/19 | | 2019/20 |
|--|----------------------------|---------------------|--------------------|
| | 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 | 2018/19 Final Budgeted \$000 | 2019/20 Budget \$000 | 2020/21 Estimated \$000 | 2021/22 Estimated \$000 | 2022/23 Estimated \$000 |
|--|----------------------------|---------------------------------------|----------------------------|-------------------------------|-------------------------------|-------------------------------|
| Previous Government | | | | | | |
| KiwiRail - Wellington Metro Rail Network | 2017/18 | 41,000 | 28,000 | 4,800 | - | - |

Funding has been rephased since this initiative was approved and so no longer agrees to the figures shown in the initiative table above.

Reasons for Change in Appropriation

The increase in this appropriation for 2019/20 is to align with forecast expenditure by KiwiRail.

Regional State Highways (M72)

Scope of Appropriation

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

Capital Expenditure

| | 2018/19 | | 2019/20 |
|---------------------|-------------------------|---------------------------|-----------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | 33,400 | 33,400 | 46,256 |

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

| | 2018/19 | | 2019/20 |
|--|----------------------------|---------------------|--------------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Assessment of Performance | | | |
| Percentage of regional state highway activities delivered to agreed standards and timeframes | 90% | 83% | 90% or greater |

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 | 2018/19 Final Budgeted \$000 | 2019/20 Budget \$000 | 2020/21 Estimated \$000 | 2021/22 Estimated \$000 | 2022/23 Estimated \$000 |
|--|----------------------------|---------------------------------------|----------------------------|-------------------------------|-------------------------------|-------------------------------|
| Previous Government | | | | | | |
| Funding of four projects as part of tranche two of the Accelerated Regional Road Package | 2016/17 | 37,000 | 25,000 | 10,000 | - | - |

Funding has been rephased since this initiative was approved and so no longer agrees to the figures shown in the initiative table above.

Reasons for Change in Appropriation

The increase in this appropriation for 2019/20 is to align with forecast expenditure by the New Zealand Transport Agency.

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

| | 2018/19 | | 2019/20 |
|---------------------|-------------------------|---------------------------|-----------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | 530 | 530 | 1,334 |

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

| | 2018/19 | | 2019/20 |
|---|----------------------------|---------------------|--------------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Assessment of Performance | | | |
| Percentage of expenditure to agreed purpose | New measure | New measure | 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 2019/20 is due to spending originally planned for earlier years being transferred from 2019/20 to 2020/21.

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

4 - Multi-Category Expenses and Capital Expenditure

Policy Advice and Related Outputs (M72)

Overarching Purpose Statement

The single 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

| | 2018/19 | | 2019/20 |
|---|-------------------------|---------------------------|-----------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | 38,881 | 38,881 | 44,138 |
| Departmental Output Expenses | | | |
| Governance and Performance Advice on Crown Agencies | 3,431 | 3,431 | 3,000 |
| Ministerial Servicing | 2,000 | 2,000 | 2,000 |
| Policy Advice | 33,450 | 33,450 | 39,138 |
| Funding for Departmental Output Expenses | | | |
| Revenue from the Crown | 37,934 | 37,934 | 44,138 |
| Governance and Performance Advice on Crown Agencies | 3,431 | 3,431 | 3,000 |
| Ministerial Servicing | 2,000 | 2,000 | 2,000 |
| Policy Advice | 32,503 | 32,503 | 39,138 |
| Revenue from Others | 947 | 947 | - |
| Policy Advice | 947 | 947 | - |

What is Intended to be Achieved with this Appropriation

This appropriation is intended to enable and facilitate ministerial decision-making that supports the transport system to improve people's wellbeing, and the liveability of places. It does this by contributing to five key outcomes: inclusive access, healthy and safe people, environmental sustainability, resilience and security, and economic prosperity.

How Performance will be Assessed for this Appropriation

| Assessment of Performance | 2018/19 | | 2019/20 |
|---|-------------------------|------------------|-----------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Reduction in the number of deaths and serious injuries in the transport system over the medium term | New measure | New measure | Achieved |
| Increase in the use of active modes and public transport in the major urban areas over the medium term | New measure | New measure | Achieved |
| Increase the amount of export and import freight moved by the transport system over the medium term | New measure | New measure | Achieved |
| Key risks to the resilience and security of the transport system are identified and system mitigations to address these are being implemented and managed appropriately | New measure | New measure | Achieved |
| Reduction in the level of greenhouse gases emitted from domestic transport (carbon dioxide equivalence emissions/kt of CO ₂ -e) economy over the medium term | New measure | New measure | Achieved |

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

| Assessment of Performance | 2018/19 | | 2019/20 |
|--|-------------------------|------------------|-----------------|
| | 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 and schedule 4A companies, 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 |
| Assessment of the quality of a sample of the Ministry governance advice papers | New measure | New measure | See Note 1 |
| 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% | 60% | 80% |
| Percentage of Official Information Act requests to the Ministry replied to within statutory timeframes | 100% | 87% | 100% |
| Percentage of Ministerial Servicing items that meet quality characteristics (refer conditions on use of Appropriation) | 90% | 100% | 100% |

| Assessment of Performance | 2018/19 | | 2019/20 |
|--|-------------------------|------------------|-----------------|
| | 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. | | | |
| Milestones contained in the output plan are completed as agreed, or as subsequently amended by the agreement between the Minister and the Chief Executive | 95% | 75% | 95% |
| Percentage of policy advice papers that meet the Advice Quality Characteristics (refer conditions on use of Appropriation) | 100% | 100% | 100% |
| 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 |
| The agreed Funding Review programme, including variations, is delivered | Achieved | Achieved | Achieved |
| Assessment of the quality of a sample of the Ministry policy advice papers | New measure | New measure | See Note 1 |
| Satisfaction of the portfolio Minister with the policy advice service | New measure | New measure | See Note 2 |

Note 1 - Standard will be identified based on the refreshed policy quality framework and updated in the supplementary estimates.

Note 2 - Standard will be identified based on the revised ministerial satisfaction survey and updated in the supplementary estimates.

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 | 2018/19 Final Budgeted \$000 | 2019/20 Budget \$000 | 2020/21 Estimated \$000 | 2021/22 Estimated \$000 | 2022/23 Estimated \$000 |
|--|----------------------|------------------------------|----------------------|-------------------------|-------------------------|-------------------------|
| Current Government | | | | | | |
| Establishing a Green Transport Card to Make Public Transport More Affordable for Low-Income Households | 2019/20 | - | 4,640 | - | - | - |
| Future of Rail - Implement the Future of Rail Review Recommendations | 2019/20 | - | 500 | 500 | - | - |
| Previous Government | | | | | | |
| Ministry of Transport - Capacity and Capability | 2017/18 | 3,700 | 4,000 | 4,000 | 4,000 | 4,000 |
| Auckland City Rail Link | 2017/18 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |

Reasons for Change in Appropriation

The increase of \$5.257 million in this appropriation for 2019/20 is due to the net of:

- \$5.140 million for the new initiatives as indicated in the initiatives table above (increase)
- \$3.250 million additional funding to develop and maintain a comprehensive system approach to revenue policy (increase)
- \$1.686 million carried forward from 2017/18 to 2018/19 only (decrease)
- \$947,000 additional revenue from third parties in 2018/19 with associated costs (decrease)
- \$500,000 funding from the Provincial Growth Fund for a Northland rail business case in 2018/19 only (decrease)
- \$300,000 additional funding for an indicative business case for transformational rapid rail in 2018/19 only (decrease), and
- \$300,000 variable amounts of funding as noted in the initiatives table above (increase).

Policy Advice and Related Outputs - Civil Aviation (M72)

Overarching Purpose Statement

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

Scope of Appropriation

Non-Departmental Output Expenses

International Relations and International Civil Aviation Organization 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.

Non-Departmental Other Expenses

Improving Safety in the Aviation Sector

This category is limited to the investigation, determining compliance, and enforcement of safety in the aviation sector.

Expenses, Revenue and Capital Expenditure

| | 2018/19 | | 2019/20 |
|---|-------------------------|---------------------------|-----------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | 2,579 | 2,579 | 2,549 |
| Non-Departmental Output Expenses | | | |
| International Relations and International Civil Aviation Organization Obligations | 685 | 685 | 685 |
| Ministerial Servicing - Civil Aviation | 431 | 431 | 431 |
| Policy Advice - Civil Aviation | 663 | 663 | 663 |
| Non-Departmental Other Expenses | | | |
| Improving Safety in the Aviation Sector | 800 | 800 | 770 |

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

| | 2018/19 | | 2019/20 |
|---|----------------------------|---------------------|--------------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Assessment of Performance | | | |
| People have confidence in the safety and security of air transport in New Zealand airspace as shown by improvements demonstrated in a confidence survey (survey conducted biennially) | Maintained | Maintained | Maintained |
| Percentage of resident travellers that felt extremely or very safe and secure (2017 result - 76%) | 75% or greater | Maintained | 75% or greater |
| Percentage of overseas travellers that felt extremely or very safe and secure (2017 result - 90%) | 92% or greater | Maintained | 92% or greater |

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

| Assessment of Performance | 2018/19 | | 2019/20 |
|--|------------------------------|------------------|------------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Non-Departmental Output Expenses | | | |
| International Relations and International Civil Aviation Organization 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. | | | |
| We will ensure New Zealand's obligations as a signatory State to the Chicago convention are met. (The Convention on International Civil Aviation, also known as the Chicago Convention, established the International Civil Aviation Organization, a specialized agency of the UN charged with coordinating and regulating international air travel.) By: <ul style="list-style-type: none"> Maintained alignment with existing Standards and Recommended Practices (SARPs) where appropriate Alignment with new Standards and Recommended Practices (SARPs) where appropriate for New Zealand Filing of Differences within required timeframes | New measure | New measure | Achieved |
| 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 acceptable to the Minister (assessed by biannual survey) based on a scale of "exceeded expectations", "met expectations" or "requires improvement" | Met or exceeded expectations | Met expectations | Met expectations |
| Percentage of reports and responses that will be delivered in accordance with prescribed standards and timeframes established by the Ministry of Transport in their correspondence tracking system | 100% | 95% | 100% |
| 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. | | | |
| Policy advice provided to Ministers, other government departments and agencies meets Treasury and DPMC guidelines (as per section 3.2 of "Reorganisation of Appropriations for Policy Advice - Guide for Departments (Treasury 2011) and DPMC policy guidance | 100% | 100% | Achieved |
| All policy advice provided to other government departments and agencies is delivered within the timeframes requested by those departments and agencies | 100% | 100% | 100% |
| Non-Departmental Other Expenses | | | |
| Improving Safety in the Aviation Sector | | | |
| This category is intended to achieve a high level of safety and security standards within the New Zealand civil aviation system. | | | |
| Percentage of all hazardous substances and new organisms Act work types completed within 180 days (see Note 1) | New measure | New measure | 60% |
| Percentage of all hazardous substances and new organisms Act work types completed within 12 months (see Note 1) | 100% | 50% | 100% |

Note 1 - All work types include assessment and audits as well as investigations. A completed work type is when the recommendations/findings are made.

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 | 2018/19 Final Budgeted \$000 | 2019/20 Budget \$000 | 2020/21 Estimated \$000 | 2021/22 Estimated \$000 | 2022/23 Estimated \$000 |
|---|----------------------|------------------------------|----------------------|-------------------------|-------------------------|-------------------------|
| Current Government | | | | | | |
| Hazardous Substances and New Organisms Act Implementation | 2018/19 | 550 | 520 | - | - | - |
| Innovative Aviation Certification | 2018/19 | 250 | 250 | - | - | - |

Reasons for Change in Appropriation

The decrease in this appropriation for 2019/20 is due variable amounts of funding as indicated in the initiatives table above.

Policy Advice and Related Outputs - Maritime (M72)

Overarching Purpose Statement

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

Scope of Appropriation

Non-Departmental Output Expenses

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

| | 2018/19 | | 2019/20 |
|--|-------------------------|---------------------------|-----------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | 6,265 | 6,265 | 6,191 |
| Non-Departmental Output Expenses | | | |
| Maritime Incident Response | 838 | 838 | 764 |
| Maritime Safety and Marine Protection Services | 2,078 | 2,078 | 2,078 |
| Policy Advice - Maritime | 3,349 | 3,349 | 3,349 |

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

| | 2018/19 | | 2019/20 |
|--|----------------------------|---------------------|--------------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Assessment of Performance | | | |
| Non-Departmental Output Expenses | | | |
| 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. | | | |
| The number of Maritime Incident Response Team (MIRT) exercises / workshops completed | 4 | 4 | 4 |
| An annual readiness and response training plan is developed and all planned training completed | Achieved | Achieved | Achieved |
| Maritime Safety and Marine Protection Services | | | |
| This category is intended to achieve the provision of reliable maritime navigation aids. | | | |
| The percentage of time lighthouses are operational (per IALA category 1) | 99.8% or greater | 99.8% or greater | 99.8% or greater |
| The percentage of time the Maritime Operations Centre is operational | New measure | New measure | 99.8% or greater |
| 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. | | | |
| The percentage of written advice to the Ministry of Transport and the Ministry of Transport that meets Maritime New Zealand's quality criteria | 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 | 2018/19 Final Budgeted \$000 | 2019/20 Budget \$000 | 2020/21 Estimated \$000 | 2021/22 Estimated \$000 | 2022/23 Estimated \$000 |
|--|----------------------|------------------------------|----------------------|-------------------------|-------------------------|-------------------------|
| Current Government | | | | | | |
| Maritime Non-Oil Incident Response - Enabling New Zealand to Effectively Respond to Non-Oil Pollution Incidents at Sea | 2019/20 | - | 764 | 764 | 764 | 764 |
| Previous Government | | | | | | |
| Funding to allow Maritime New Zealand to sustain response capability to complex non-oil maritime incidents | 2016/17 | 764 | - | - | - | - |

Reasons for Change in Appropriation

The decrease in this appropriation for 2019/20 is due a carry forward of \$74,000 from 2017/18 to 2018/19.

Reinstatement of the South Island Transport Corridors (M72)

Overarching Purpose Statement

The single overarching purpose of this appropriation is to deliver the outcome of reinstated transport corridors between Picton and Christchurch.

Scope of Appropriation

Non-Departmental Output Expenses

Restoration of State Highway 1 between Picton and Christchurch

This category is limited to the restoration of State Highway 1 between Picton and Christchurch.

Non-Departmental Capital Expenditure

Rebuild of State Highway 1 between Picton and Christchurch

This category is limited to the rebuild and improvement of State Highway 1 between Picton and Christchurch.

Expenses, Revenue and Capital Expenditure

| | 2018/19 | | 2019/20 |
|--|-------------------------|---------------------------|-----------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | 159,712 | 159,712 | 29,300 |
| Non-Departmental Output Expenses | | | |
| Restoration of State Highway 1 between Picton and Christchurch | 33,460 | 33,460 | 8,790 |
| Non-Departmental Capital Expenditure | | | |
| Rebuild of State Highway 1 between Picton and Christchurch | 126,252 | 126,252 | 20,510 |

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the reinstatement of State Highway 1 between Picton and Christchurch.

How Performance will be Assessed for this Appropriation

| | 2018/19 | | 2019/20 |
|---|----------------------------|---------------------|--------------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Assessment of Performance | | | |
| Restoration and rebuild of State Highway 1 between Picton and Christchurch - Percentage of activities that are delivered to agreed standards and timeframes | 90% or greater | 90% | 90% or greater |

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

| | 2018/19 | | 2019/20 |
|--|----------------------------|---------------------|--------------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Assessment of Performance | | | |
| Non-Departmental Output Expenses | | | |
| Restoration of State Highway 1 between Picton and Christchurch | | | |
| This category is intended to achieve the reinstatement of State Highway 1 between Picton and Christchurch. | | | |
| Percentage of activities that are delivered to agreed standards and timeframes | 90% | 90% | 90% |
| Non-Departmental Capital Expenditure | | | |
| Rebuild of State Highway 1 between Picton and Christchurch | | | |
| This category is intended to achieve the reinstatement of State Highway 1 between Picton and Christchurch. | | | |
| 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 Ministry of Transport (as appropriation administrator) in its annual report and in the New Zealand Transport Agency annual report.

Reasons for Change in Appropriation

The decrease in this appropriation is to align with forecast expenditure by the New Zealand Transport Agency.

Tuawhenua Provincial Growth Fund - Transport Projects (M72)

Overarching Purpose Statement

The single overarching purpose of this appropriation is to achieve the outcome of a lift in the productivity potential in the regions through transport-related projects and studies that enable regions to be well connected from an economic and social perspective.

Scope of Appropriation

Non-Departmental Output Expenses

Supporting Regional and Infrastructure Projects

This category is limited to supporting transport-related regional economic development initiatives.

Non-Departmental Other Expenses

Enabling Infrastructure Projects

This category is limited to expenses incurred on local transport-related infrastructure projects that contribute to the outcome of a lift in the productivity potential in the regions.

Regional Projects and Capability

This category is limited to supporting regional development through transport-related projects, capability building, and feasibility studies for potential transport-related projects.

Non-Departmental Capital Expenditure

Infrastructure Projects

This category is limited to capital expenditure for transport-related infrastructure projects that contribute to the outcome of a lift in the productivity potential in the regions.

Rail Projects

This category is limited to a capital injection to KiwiRail Holdings Limited to finance approved rail-related projects that contribute to the outcome of a lift in the productivity potential in the regions.

Expenses, Revenue and Capital Expenditure

| | 2018/19 | | 2019/20 |
|---|-------------------------|---------------------------|-----------------|
| | Final Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | 58,187 | 58,187 | 42,918 |
| Non-Departmental Output Expenses | | | |
| Supporting Regional and Infrastructure Projects | 4,357 | 4,357 | - |
| Non-Departmental Other Expenses | | | |
| Enabling Infrastructure Projects | 25,880 | 25,880 | 8,100 |
| Regional Projects and Capability | 9,550 | 9,550 | 1,000 |
| Non-Departmental Capital Expenditure | | | |
| Infrastructure Projects | 11,000 | 11,000 | 218 |
| Rail Projects | 7,400 | 7,400 | 33,600 |

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve a lift in productivity potential in the regions through transport related projects that enable regions to be well connected from an economic and social perspective.

How Performance will be Assessed for this Appropriation

| | 2018/19 | | 2019/20 |
|--|----------------------------|---------------------|--------------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Assessment of Performance | | | |
| Provincial Growth Fund funding is distributed by the Ministry in accordance with the terms and conditions of its memorandum of understanding | Achieved | Achieved | Achieved |

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

| | 2018/19 | | 2019/20 |
|---|----------------------------|---------------------|-------------------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Assessment of Performance | | | |
| Non-Departmental Output Expenses | | | |
| Supporting Regional and Infrastructure Projects | | | |
| Average number of days to provide feedback on Provincial Growth Fund funding applications | 20 working days | 20 working days | 20 working days or less |
| Non-Departmental Other Expenses | | | |
| Enabling Infrastructure Projects | | | |
| Average number of days to release Provincial Growth Fund infrastructure funding once approved | 20 working days | 20 working days | 20 working days or less |
| Regional Projects and Capability | | | |
| Percentage of regional project business cases completed to standard (Approved Organisations and Transport Agency) | 90% | 100% | 90% or greater |
| Percentage of Transport Agency regional project business cases completed to timelines | 90% | 100% | 90% or greater |

| | 2018/19 | | 2019/20 |
|--|-------------------------|------------------|-----------------|
| | Final Budgeted Standard | Estimated Actual | Budget Standard |
| Assessment of Performance | | | |
| Non-Departmental Capital Expenditure | | | |
| Infrastructure Projects | | | |
| Percentage of Transport Agency projects funded by the Provincial Growth Fund delivered to standards and timeframes | 90% | 90% | 90% |
| Rail Projects | | | |
| Work is carried out as per the agreed programme | 100% | 100% | 100% |

Service Providers for the Multi-Category Appropriation

| Provider | 2018/19 Final Budgeted \$000 | 2018/19 Estimated Actual \$000 | 2019/20 Budget \$000 | Expiry of Resourcing Commitment |
|------------------------------|------------------------------|--------------------------------|----------------------|---------------------------------|
| New Zealand Transport Agency | 49,787 | 49,787 | 8,318 | - |
| KiwiRail | 8,400 | 8,400 | 34,600 | - |
| Total | 58,187 | 58,187 | 42,918 | |

The table above shows the main service providers for this appropriation.

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 New Zealand Transport Agency and KiwiRail annual reports.

Current and Past Policy Initiatives

| Policy Initiative | Year of First Impact | 2018/19 Final Budgeted \$000 | 2019/20 Budget \$000 | 2020/21 Estimated \$000 | 2021/22 Estimated \$000 | 2022/23 Estimated \$000 |
|---|----------------------|------------------------------|----------------------|-------------------------|-------------------------|-------------------------|
| Current Government | | | | | | |
| Provincial Rail Growth Project | 2018/19 | 7,000 | 17,000 | 22,000 | 34,000 | - |
| Palmerston North Regional Economic Growth Hub | 2018/19 | 1,400 | 17,600 | 21,000 | - | - |
| Tairāwhiti Rooding Package | 2018/19 | 20,200 | 8,100 | - | - | - |
| Waipapa Intersection Improvements | 2018/19 | 9,000 | - | - | - | - |
| Twin Coast Discovery Route Business Case | 2018/19 | 6,250 | - | - | - | - |
| Kaipara Rooding Package | 2018/19 | 6,080 | - | - | - | - |
| Croesus Road | 2018/19 | 3,500 | - | - | - | - |
| Gisborne Inner Harbour Project | 2018/19 | 2,300 | - | - | - | - |
| New Zealand Transport Agency Resourcing | 2018/19 | 2,057 | - | - | - | - |
| State Highway 43 Business Case | 2018/19 | 400 | - | - | - | - |
| SH1 - Rosebank Industrial Estate Slip Lane | 2019/20 | - | 218 | - | - | - |

Reasons for Change in Appropriation

The decrease in this appropriation for 2019/20 is due to the variable amounts of funding as shown in the initiatives table above.