

The Treasury

Budget 2022 Information Release

August 2022

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- [34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
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- [36] 9(2)(h) - to maintain legal professional privilege
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- [38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
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- [40] Out of Scope
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2022 Budget Package: Vote Transport (Technical Initiatives)

Appropriation Administrator: Ministry of Transport

It is recommended that the relevant Appropriation Minister and the Minister of Finance jointly:

- note** that Cabinet has approved the Budget initiative(s) for the above Vote for inclusion in the 2022 Budget package, as detailed in the summary table(s) below:

Summary of technical initiative(s) agreed by Cabinet:

Operating Initiative(s) (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
14368	Auckland City Rail Link – Transferring Be Ready Capital Costs to KiwiRail Appropriation	-	-	-	-	-
14366	Bad debts – Increasing the Appropriation for Bad Debt Write-Offs	22.000	-	-	-	-
14362	Capital Investment Package – Establishing Capital Multi-Year and Operating Multi-Category Appropriations	33.000	-	-	-	-
14367	Civil Aviation and Maritime Security Services – Transferring Other Expenses into Output Expense Appropriation	-	-	-	-	-
14363	Clean Vehicle Discount – Establishing Two New Multi-Year Appropriations and a Capital Annual Appropriation	(3.800)	-	-	-	-
14370	Increasing the Ministry of Transport's Departmental Appropriation for Third-Party Funded Activities	-	-	-	-	-
14365	KiwiRail – Consolidating Appropriations for Non-Commercial Rail Activities	-	-	-	-	-
14369	Recreational Aviation Safety Activities PLA – Changing Appropriation to an Other Expense Appropriation	-	-	-	-	-
14433	Re-establishing the Fair Value Write-down Appropriation for the Housing Infrastructure Loan	22.419	-	-	-	-
Total Operating		73.619	-	-	-	-

Capital Initiative(s) (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
14368	Auckland City Rail Link – Transferring Be Ready Capital Costs to KiwiRail Appropriation	-	-	-	-	-
14366	Bad debts – Increasing the Appropriation for Bad Debt Write-Offs	(22.000)	-	-	-	-
14362	Capital Investment Package – Establishing Capital Multi-Year and Operating Multi-Category Appropriations	(33.000)	-	-	-	-
14367	Civil Aviation and Maritime Security Services – Transferring Other Expenses into Output Expense Appropriation	-	-	-	-	-
14363	Clean Vehicle Discount – Establishing Two New Multi-Year Appropriations and a Capital Annual Appropriation	3.800	-	-	-	-
14370	Increasing the Ministry of Transport's Departmental Appropriation for Third-Party Funded Activities	-	-	-	-	-
14365	KiwiRail – Consolidating Appropriations for Non-Commercial Rail Activities	-	-	-	-	-
14369	Recreational Aviation Safety Activities PLA – Changing Appropriation to an Other Expense Appropriation	-	-	-	-	-
14433	Re-establishing the Fair Value Write-down Appropriation for the Housing Infrastructure Loan	-	-	-	-	-
Total Capital		(51.200)	-	-	-	-

2 **note** that Cabinet has:

- i. **authorised** the relevant Appropriation Minister and the Minister of Finance (Joint Ministers) jointly to agree to the changes to appropriations (including establishment of new appropriations if necessary) and/or capital injections and related recommendations necessary to give effect to the initiative(s) included in the 2022 Budget package for the above Vote, as detailed in the summary table(s) above;
- ii. **authorised** Joint Ministers jointly to agree that the proposed changes to appropriations and/or capital injections for 2021/22 approved by Joint Ministers as authorised above be included in the 2021/22 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;

- iii. **agreed** that expenses or capital expenditure against appropriations and capital injection authorisations set out in the 2022/23 Estimates and being sought in the Appropriation (2022/23 Estimates) Bill may be met from Imprest Supply until that Bill is enacted and comes into force;
 - iv. **authorised** Joint Ministers to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2021/22 Supplementary Estimates, the 2022/23 Estimates and the fiscal forecasts;
 - v. **authorised** the chief executives of departments that monitor Crown entities directly affected by Budget decisions taken by Cabinet or taken by Joint Ministers as authorised by Cabinet to inform the chair and/or chief executive of a Crown entity, on a Budget-in-confidence-until-Budget-day basis, of decisions that directly affect that Crown entity for the purpose of planning and preparation of their Statement of Intent and/or Statement of Performance Expectations;
 - vi. **noted** that all communications relating to the 2022 Budget are co-ordinated by a Budget communications committee, and that any requests for early announcement will need to have both the written approval of the Minister of Finance and sign-off from the Prime Minister's office;
- 3 **agree** to establish new appropriations where required to implement the initiative(s) included in the summary table(s) above, as detailed in the attached initiative document(s);
- 4 **approve** changes to appropriations and/or the capital injections to the administering department (where applicable) to implement the initiative(s) included in the summary table(s) above, as set out in the attached initiative document(s);
- 5 **approve** the additional recommendation(s) to give effect to the initiative(s), as set out in the attached initiative document(s);
- 6 **agree** that the proposed change(s) to appropriations and/or capital injections for 2021/22 detailed in the attached initiative document(s) be included in the 2021/22 Supplementary Estimates and that, in the interim, the increase(s) be met from Imprest Supply;

Vote: Transport

Appropriation Administrator: Ministry of Transport

Title: Auckland City Rail Link – Transferring Be Ready Capital Costs to KiwiRail Appropriation

Description: This initiative will transfer \$2.540 million from the Auckland City Rail Link capital appropriation to the Rail - KiwiRail Holdings Limited appropriation to cover capital costs for KiwiRail as part of the “Be Ready” programme for the delivery of the City Rail Link. This transfer is fiscally neutral.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	-	-	-

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Non-Departmental Capital Expenditure:					
Auckland City Rail Link (MYA)	(0.211)	(1.380)	(0.949)	-	-
Rail - KiwiRail Holdings Limited	0.211	1.380	0.949	-	-
Total Operating	-	-	-	-	-
Total Capital	-	-	-	-	-

Additional Recommendations

- 7 **authorise** the Minister of Finance and the Minister of Transport, acting jointly, to make changes to the funding profile if required by the timing of KiwiRail Holding Limited's capital costs for the Auckland City Rail Link;
- 8 **agree** the Multi Year Appropriation: "Auckland City Rail Link" is adjusted by \$(2.540) million;
- 9 **note** that the amounts shown in the appropriation changes table for the Multi Year Appropriation: "Auckland City Rail Link" reflect the change to the indicative annual spending profile;

Vote: Transport

Appropriation Administrator: Ministry of Transport

Title: Bad Debts – Increasing the Appropriation for Bad Debt Write-Offs

Description: This initiative will increase the authority available for 2021/22 under the appropriation for motor vehicle registration and road user charges bad debt write-offs from \$4.000 million to \$26.000 million. The provision for bad debts has significantly increased in the past three years due to the economic impact of COVID-19 and the ability for taxpayers to pay. This increase is fiscally neutral as the increase is offset by a decrease in the National Land Transport Programme capital appropriation.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	22.000	-	-	-	-
Net Core Crown Debt Impact Only	(22.000)	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	-	-	-

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Non-Departmental Other Expenses:					
Bad Debt Provision - Motor Vehicle Registration/Licences and Road User Charges	22.000	-	-	-	-
Non-Departmental Capital Expenditure:					
National Land Transport Programme Capital (PLA)	(22.000)	-	-	-	-
Total Operating	22.000	-	-	-	-
Total Capital	(22.000)	-	-	-	-

Additional Recommendations

- 10 **note** that the current baseline appropriation for the bad debt provision is \$4.000 million, but bad debt write-offs in prior years have been significantly higher than this, with one-off increases of the appropriation to around \$8.000 million over the past three financial years;
- 11 **note** that the provision for bad debts has also significantly increased in the past three years due to the economic impact of COVID-19 and the ability for taxpayers to pay, and that once the effects of COVID-19 settle, the Ministry of Transport will review the long-term baseline

for the bad debt provision;

Vote: Transport

Appropriation Administrator: Ministry of Transport

Title: Capital Investment Package – Establishing Capital Multi-Year and Operating Multi-Category Appropriations

Description: This initiative will change the structure of the Capital Investment Package – Roads, Walking and Cycling appropriation from an annual capital appropriation to a capital multi-year appropriation (MYA). It will also establish an operating multi-category appropriation (with output and other expense categories). Recent decisions on the New Zealand Upgrade Programme and costs associated with COVID-19 will result in operating funding being required, while establishing a multi-year appropriation for capital expenditure allows the funding to be managed across multiple years.

New Appropriation Approvals

Name	Appropriation Minister	Period	Type	Category Name	Scope
Capital Investment Package - Funding for Crown assets	Minister of Transport	Other Start: 1/07/2022 Finish: 30/06/2027 Amount (\$m): 3,782.380	Non-Departmental Capital Expenditure	N/A	This appropriation is limited to investment in specified roading, walking, and cycling projects that support the announced objectives of the Capital Investment Package and that will result in assets owned by the Crown.
Capital Investment Package - Operating	Minister of Transport	Annual	Multi-Category Expenses and Capital Expenditure	N/A	The single overarching purpose of this appropriation is to advance specified roading, walking, and cycling projects that support the announced objectives of the Capital Investment Package.
				Operating costs	This category is limited to operating expenses incurred by Waka Kotahi NZ Transport Agency in association with the Capital Investment Package including cost pressures associated with COVID-19.
				Third party projects	This category is limited to Capital Investment Package projects that will result in assets owned by third parties.

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Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	33.000	-	-	-	-
Net Core Crown Debt Impact Only	(33.000)	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	-	-	-

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Non-Departmental Capital Expenditure:					
Capital Investment Package - Funding for Crown assets (MYA)	-	790.510	978.630	795.990	566.370
Capital Investment Package - Roads, Walking and Cycling	(33.000)	(790.510)	(978.630)	(795.990)	(566.370)
Multi-Category Expenses and Capital Expenditure:					
Capital Investment Package - Operating (MCA)					
<i>Non-Departmental Output Expenses:</i>					
Funding for operating costs	33.000	-	-	-	-
<i>Non-Departmental Other Expenses:</i>					
Funding for local packages	-	-	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Capital Investment Package - Operating (MCA)	33.000	-	-	-	-
Total Operating	33.000	-	-	-	-
Total Capital	(33.000)	-	-	-	-

Additional Recommendations

- 12 **note** that the Minister of Finance has approved the establishment of the multi-category appropriation: "Capital Investment Package - Operating";
- 13 **note** that there are business cases being prepared for the ongoing projects as required after the rebaselining of the New Zealand Upgrade Programme along with briefings on the reprioritisation of the Northern Pathway project;
- 14 **note** that once this work is completed, there will be more certainty on the split between the Multi Year capital appropriation and the above two categories of the Multi-Category Appropriation;
- 15 **note** that the New Zealand Upgrade Programme is a long-term capital investment programme that goes beyond the five-year maximum period of a Multi Year Appropriation,

with \$445.530 million in the 2027/28 to 2029/30 outyears;

- 16 **authorise** the Minister of Finance and the Minister of Transport, acting jointly, to make changes to the funding profile between the Multi-Year Appropriation and the outyears baseline if required by the timing of costs for the Capital Investment Package;
- 17 **note** that the amounts shown in the appropriations changes table for the Multi Year Appropriation: "Capital Investment Package - Funding for Crown assets" is the indicative annual spending profile;

Vote: Transport

Appropriation Administrator: Ministry of Transport

Title: Civil Aviation and Maritime Security Services – Transferring Other Expenses into Output Expense Appropriation

Description: This initiative will transfer funding from the other expense category of the Civil Aviation and Maritime Security Services multi-category appropriation into the output expense category and change the appropriation to an annual non-departmental output expense appropriation. The costs being incurred under the other expense category relate to the Civil Aviation Authority’s drone integration work, which is an output expense. This change is fiscally neutral.

New Appropriation Approval

Name	Appropriation Minister	Period	Type	Category Name	Scope
Civil Aviation and Maritime Security Services	Minister of Transport	Annual	Non-Departmental Output Expenses	N/A	This appropriation is limited to technical information and advice in relation to international matters affecting New Zealand aviation, standby screening and searching services at ports, the investigation, determining compliance, and enforcement of safety in the aviation sector, and the provision of advice and services by the Civil Aviation Authority to support Ministers to discharge their portfolio responsibilities relating to transport.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	-	-	-

* Unless non-cash, will also impact net core Crown debt.

\$m - increase/(decrease)

	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Non-Departmental Output Expenses:					
Civil Aviation and Maritime Security Services	-	2.624	2.142	1.924	1.924
Multi-Category Expenses and Capital Expenditure:					
Civil Aviation and Maritime Security Services (MCA)					
<i>Non-Departmental Output Expenses:</i>					
Civil Aviation and Maritime Security Services	-	(1.924)	(1.924)	(1.924)	(1.924)
<i>Non-Departmental Other Expenses:</i>					
Improving Safety in the Aviation Sector	-	(0.700)	(0.218)	-	-
Total Multi-Category Expenses and Capital Expenditure: Civil Aviation and Maritime Security Services (MCA)	-	(2.624)	(2.142)	(1.924)	(1.924)
Total Operating	-	-	-	-	-
Total Capital	-	-	-	-	-

Vote: Transport

Appropriation Administrator: Ministry of Transport

Title: Clean Vehicle Discount – Establishing Two New Multi-Year Appropriations and a Capital Annual Appropriation

Description: This initiative will transfer funding from the Clean Car Discount – Administration appropriation into two new operating multi-year appropriations and a new capital annual appropriation. The Clean Vehicle Discount was originally established as an “other expense” multi-year appropriation (MYA) as the purpose of the scheme is to pay rebates. However, the appropriation also provides funding for the administration costs for Waka Kotahi and there are capital costs associated with establishing systems for the scheme.

New Appropriation Approvals

Name	Appropriation Minister	Period	Type	Category Name	Scope
Clean Vehicle Discount Scheme – capital investment in Waka Kotahi NZ Transport Agency	Minister of Transport	Annual	Non-Departmental Capital Expenditure	N/A	This appropriation is limited to capital investment in Waka Kotahi NZ Transport Agency for capital costs associated with setting up the Clean Vehicle Discount scheme and incurred on the scheme.
Clean Vehicle Discount Scheme – Rebates	Minister of Transport	Other Start: 1/07/2022 Finish: 30/06/2027 Amount (\$m): 121.800	Non-Departmental Other Expenses	N/A	This appropriation is limited to the payment of rebates under the Clean Vehicle Discount scheme.
Clean Vehicle Discount Scheme – Administration	Minister of Transport	Other Start: 1/07/2022 Finish: 30/06/2027 Amount (\$m): 40.000	Non-Departmental Output Expenses	N/A	This appropriation is limited to providing operating funding to Waka Kotahi NZ Transport Agency to meet operating costs associated with the Clean Vehicle Discount.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 &

					Outyears
Operating Balance Impact*	(3.800)	-	-	-	-
Net Core Crown Debt Impact Only	3.800	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	-	-	-

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Non-Departmental Output Expenses:					
Clean Vehicle Discount Scheme – Administration (MYA)	-	8.000	8.000	8.000	8.000
Non-Departmental Other Expenses:					
Clean Car Discount - Administration (MYA)	(3.800)	(18.000)	(18.000)	(18.000)	(18.000)
Clean Vehicle Discount Scheme – Rebates (MYA)	-	10.000	10.000	10.000	10.000
Non-Departmental Capital Expenditure:					
Clean Vehicle Discount Scheme – Capital costs and equity injection into Waka Kotahi NZ Transport Agency	3.800	-	-	-	-
Total Operating	(3.800)	-	-	-	-
Total Capital	3.800	-	-	-	-

Additional Recommendations

- 18 **note** that with the passing of the Land Transport (Clean Vehicles) Amendment Act 2022, permanent legislative authority (PLA) has been established to allow expenses and capital expenditure to be incurred up to the amount of revenue received from charges on high emitting vehicles to fund the Clean Vehicle Discount scheme;
- 19 **note** that the following two PLAs will be included in the Estimates of Appropriations to give effect to the legislation;
- 19.1 Clean Vehicle Discount Administration Costs PLA (Non Departmental Output Expenses) for the estimated amount to be spent on funding to Waka Kotahi NZ Transport Agency to meet operating costs associated with the Clean Vehicle Discount
- 19.2 Clean Vehicle Discount Rebates PLA (Non Departmental Other Expenses) for the estimated amount for the payment of rebates under the Clean Vehicle Discount scheme.
- 20 **note** that Cabinet approval is not required to establish these appropriations as they are permanent legislative authorities;
- 21 **note** that the amounts shown in the Appropriations Changes table for the Multi Year Appropriation: "Clean Vehicle Discount Scheme – Rebates" is the indicative annual spending profile;

- 22 **note** that the amounts shown in the Appropriations Changes table for the Multi Year Appropriation: "Clean Vehicle Discount Scheme – Administration" is the indicative annual spending profile;
- 23 **agree** the Multi Year Appropriation: "Clean Car Discount - Administration" is adjusted by \$(75.800) million;

Vote: Transport

Appropriation Administrator: Ministry of Transport

Title: Increasing the Ministry of Transport's Departmental Appropriation for Third-Party Funded Activities

Description: This initiative will increase the Transport – Policy Advice, Ministerial Servicing, Governance, and Other Functions appropriation for activities that will be funded by third party revenue. These activities have been identified after the March Baseline Update process. This increase is fiscally neutral because the increase in the appropriation is funded by an increase in third party revenue

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	1.000	-	-	-	-
Total	1.000	-	-	-	-

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Departmental Output Expenses:					
Transport - Policy advice, ministerial servicing, governance, and other functions (funded by revenue Other)	1.000	-	-	-	-
Total Operating	1.000	-	-	-	-
Total Capital	-	-	-	-	-

Additional Recommendation

24 **note** that the increase in the appropriation is fiscally neutral as the increase in expenditure is funded by third party revenue, and that the increase in appropriation will be spent only if the revenue is received;

Vote: Transport

Appropriation Administrator: Ministry of Transport

Title: KiwiRail – Consolidating Appropriations for Non-Commercial Rail Activities

Description: This initiative will consolidate the Rail – Maintaining an Electric Locomotive Fleet MYA and the Rail – Railway Safety and Public Policy Projects appropriations into one appropriation, Rail – Grants. These three appropriations relate to funding for KiwiRail to undertake non-commercial activities. Consolidating these appropriations supports the simplification of appropriations across the public sector. This consolidation is fiscally neutral.

New Appropriation Approval

Name	Appropriation Minister	Period	Type	Category Name	Scope
Rail – Grants	Minister of Transport	Other Start: 1/07/2022 Finish: 30/06/2027 Amount (\$m): 109.156	Non- Departmental Output Expenses	N/A	This appropriation is limited to funding for KiwiRail Holdings Limited to undertake non-commercial activities, including public safety works and public policy rail initiatives.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	-	-	-

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Non-Departmental Output Expenses:					
Rail – Grants (MYA)	-	56.749	18.045	12.234	12.438
Rail – Grants	-	(44.764)	(8.226)	(8.464)	(8.668)
Rail - Maintaining an Electric Locomotive Fleet (MYA)	-	(8.215)	(6.049)	-	-
Non-Departmental Other Expenses:					

Rail – Railway Safety and Public Policy Projects	-	(3.770)	(3.770)	(3.770)	(3.770)
Total Operating	-	-	-	-	-
Total Capital	-	-	-	-	-

Additional Recommendations

- 25 **note** that the “Railway Safety and Public Policy Projects” funding is ongoing baseline funding, and will continue at \$3.770 million after the expiry of the Multi Year Appropriation in 2026/27;
- 26 **note** that the amounts shown in the Appropriations Changes table for the Multi Year Appropriation: "Rail – Grants" is the indicative annual spending profile;
- 27 **agree** the Multi Year Appropriation: "Rail - Maintaining an Electric Locomotive Fleet" is adjusted by \$(14.264) million;
- 28 **note** that the amounts shown in the appropriation changes table for the Multi Year Appropriation: "Rail - Maintaining an Electric Locomotive Fleet" reflect the change to the indicative annual spending profile;

Vote: Transport

Appropriation Administrator: Ministry of Transport

Title: Recreational Aviation Safety Activities PLA – Changing Appropriation to an Other Expense Appropriation

Description: This initiative will change the Recreational Aviation Safety Activities PLA (created under section 9 of the Land Transport Management Act 2003) from an “output expense” to an “other expense” appropriation as the funding is intended to support third parties to meet regulatory requirements. This change is fiscally neutral.

New Appropriation Approval

Name	Appropriation Minister	Period	Type	Category Name	Scope
Recreational Aviation Safety Activities	Minister of Transport	Annual	Non-Departmental Other Expenses	N/A	The estimated amount to be spent in relation to recreational aviation safety activities as authorised under section 9(1) of the Land Transport Management Act 2003.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	-	-	-

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Non-Departmental Output Expenses:					
Recreational Aviation Safety Activities (PLA)	(0.230)	(0.320)	-	-	-
Non-Departmental Other Expenses:					
Recreational Aviation Safety Activities (PLA)	0.230	0.320	-	-	-
Total Operating	-	-	-	-	-
Total Capital	-	-	-	-	-

Vote: Transport

Appropriation Administrator: Ministry of Transport

Title: Re-establishing the Fair Value Write-down Appropriation for the Housing Infrastructure Loan

Description: This initiative will re-establish the Housing Infrastructure Fund - Fair Value Write Down appropriation, which expired on 30 June 2021, as an annual appropriation in 2021/22. There are further loan agreements to be signed under the Housing Infrastructure Loan programme this year, which has an existing multi-year appropriation that expires on 30 June 2023. A fair value write-down appropriation is required as the loans are provided on concessionary terms.

New Appropriation Approval

Name	Appropriation Minister	Period	Type	Category Name	Scope
Housing Infrastructure Fund - Fair Value Write Down	Minister of Transport	Annual	Non-Departmental Other Expenses	N/A	This appropriation is limited to the expense incurred in the fair-value write down of interest-free loans from the Housing Infrastructure Fund to Waka Kotahi NZ Transport Agency.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	22.419	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	22.419	-	-	-	-

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Non-Departmental Other Expenses:					
Housing Infrastructure Fund - Fair Value Write Down	22.419	-	-	-	-
Total Operating	22.419	-	-	-	-
Total Capital	-	-	-	-	-

Additional Recommendations

- 29 **note** that this appropriation is non-cash therefore there are no funding implications; and
- 30 **note** that this expense was expected to be incurred in previous years but has been pushed out, in line with the extension to the Housing Infrastructure Loan programme to June 2023.