

The Treasury

Budget 2022 Information Release

August 2022

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- [33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [35] 9(2)(g)(ii) - to maintain the effective conduct of public affairs through protecting ministers, members of government organisations, officers and employees from improper pressure or harassment;
- [36] 9(2)(h) - to maintain legal professional privilege
- [37] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [39] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [40] Out of Scope
- [41] 18(c)(i) - that the making available of the information requested would be contrary to the provisions of a specified enactment
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Treasury Report: Budget 2022 Bilateral: Hon Michael Wood (Minister of Transport)

Date:	24 February 2022	Report No:	T2022/369
		File Number:	BM-2-14-2022

Action sought

	Action sought	Deadline
Associate Minister of Finance Hon Dr Megan Woods	Discuss the contents of this report at your meeting with Hon Michael Wood (Minister of Transport) on 28 February 2022.	28 February 2022

Contact for telephone discussion (if required)

Name	Position	Telephone	1st Contact
Olivia Maxwell	Graduate Analyst, National Infrastructure Unit	N/A [35]	✓
Mark Hodge	Senior Analyst, National Infrastructure Unit	N/A	
David Taylor	Manager, National Infrastructure Unit	[39]	

Minister's Office actions (if required)

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Note any feedback on the quality of the report

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Enclosure: Yes (attached)

Treasury Report: Budget 2022 Bilateral: Hon Michael Wood (Minister of Transport)

Executive Summary

This report provides you with advice ahead of your meeting with Hon Michael Wood (Minister of Transport) at 11.45am on 28 February to discuss his Budget 2022 initiatives.

At this meeting you may wish to raise:

- The large number of initiatives Minister Wood is seeking to progress through Budget 2022, and how these could be prioritised or phased to ensure strong value and deliverability within the context of the broader Budget package. The draft package required substantive scaling back from the [33] in new operating funding over the forecast period, and [33] in capital funding.
- How the Transport package accounts for market capacity constraints in the infrastructure sector, a constrained labour market, and the risk of Crown funding crowding out private or local government investment.
- How the Minister of Transport is considering the impact of the proposed interventions on the sustainability of an already constrained National Land Transport Fund and ambitious transport delivery programme.
- The expectation that COVID-19 interventions should transition over time to a 'new normal', as New Zealand progressively lifts measures put in place to mitigate health risks.

Key points of discussion are likely to be:

- The substantially scaled Climate Emergency Response Fund (CERF) draft package for Transport, in particular:
 - the scaling out of the majority of [33] sought to be set aside for future implementation of mode shift plans, in recognition of the multi-year nature of the CERF and the need to prioritise initiatives with high emissions reduction potential and implementation readiness.
 - the exclusion of initiatives such as a vehicle scrappage scheme, [33] on the basis of the low value or emissions impact of these initiatives relative to cost.

Recommended Action

We recommend that you **discuss** the contents of this report with Hon Michael Wood (Minister of Transport) on 28 February 2022.

David Taylor
Manager, National Infrastructure Unit

Hon Megan Woods
Associate Minister of Finance

Treasury Report: Budget 2022 Bilateral: Hon Michael Wood (Minister of Transport)

Purpose

1. You are meeting with the Minister of Transport, Hon Michael Wood, at 11.45am on 28 February 2022 regarding the initiatives he has submitted for consideration through Budget 2022. This report provides you with advice and talking points to support your discussion.
2. Three annexes are attached to this report to support your discussion:
 - a **Annex A** provides a baseline summary for the Ministry of Transport (MoT).
 - b **Annex B** provides talking points for your bilateral discussion with the Minister of Transport.
 - c **Annex C** provides a full list of initiatives submitted in the Transport portfolio, the funding sought, the Treasury Vote team assessment and recommendation, and how this is reflected in the draft Budget 2022 package.

Context for Transport portfolio

3. As at Budget 2021, the following funding was provided to key programmes and initiatives within Vote Transport for 2021/22:
 - a a total of \$3,967 million (50% of the vote) for the National Land Transport Programme (NLTP) funded out of the National Land Transport Fund (NLTF), comprised of land transport and other revenue, and associated borrowing. The NLTP comprises
 - i significant capital expenditure across state highways (\$301 million), public transport (\$171 million), walking and cycling (\$38 million) and road to zero (\$263 million)
 - ii a number of operating activities classes including: state highway maintenance and improvements (\$1,139 million operating for 21/22), local road maintenance and improvements (\$750 million), public transport services and infrastructure (\$669 million), road safety promotion and road to zero infrastructure (\$164 million), rail network (\$120 million) and walking and cycling improvements (\$57 million)
 - b a total of \$1,770 million (22% of the vote) for Rail in addition to funding through the NLTP, including equity investment in KiwiRail (\$753 million) and funding for the Crown share of investment in the Auckland City Rail Link (\$585 million)
 - c a total of \$900 million (12% of the vote) Crown and loan funding for specific roading projects in addition to funding through the NLTP

- d a total of \$302 million for outputs and capital expenditure of the Ministry of Transport, the Civil Aviation Authority (CAA), Maritime New Zealand (MNZ), Waka Kotahi NZ Transport Agency and the Transport Accident Investigation Commission
 - e a total of \$120 million for maintaining air services as part of the response to COVID-19.
4. An overview of key features of the Vote Transport baseline is attached in Annex A. Of note is the significant quantum of underspends carried forward in recent years.
5. Budget 2021 saw a moderate level of new investment in Transport. This investment focused on:
- a **Future of Rail initiatives**, including for rolling stock and mechanical depots, core asset management, and the rail network investment programme (\$810 million), as well as funding for the Hillside wagon assembly plant (\$85 million)
 - b progressing a **Clean Car Standard and Clean Car Scheme** (\$318 million)
 - c **support for the CAA, Aviation Security and MNZ** following the impacts of COVID-19 on passenger numbers (\$20.7 million), as well as a capital injection to the CAA to continue with planned upgrades to aviation security infrastructure and regulatory systems (\$113 million).
6. For comparison, the following table shows Budget funding agreed in 2021, relative to what is being sought in 2022.

	Budget 2021	Budget 2022	
	Funded	Sought	Recommended (Package)
<i>Operating (\$bn)</i>	0.596	6.081	1.633
<i>Capital (\$bn)</i>	1.241	[33,37,38]	

7. In late-2021, a \$2 billion loan was provided to Waka Kotahi to support the delivery of the NLTP. The loan was required as there is insufficient funding in the NLTF to deliver on the level of ambition identified in the Government Policy Statement 2021-24. [33]

Strategic priorities

8. Supporting the transition to a climate-resilient, sustainable and low-emissions economy is a key wellbeing objective for Budget 2022. We understand that Minister Wood has ambitious aims for this Budget, particularly in relation to actions in the Transport chapter of the draft Emissions Reduction Plan. However, we have had to consider this in the context of achievability and value for money.
9. There is a substantive pipeline of transport and infrastructure investment planned or underway, prior to any new commitments through this Budget. A tight labour

market, including for policy FTEs, is also a constraining factor in delivering new investments. It is therefore important to be realistic about what scale of investment can feasibly be delivered through this Budget, and to focus on the highest priority areas for investment in terms of urgency, implementation readiness, and value for money. This should include careful consideration of how to best draw on and enable private sector and local government investment to support outcomes.

10. Accelerating recovery from the impacts of COVID-19 is also an overarching goal for this Budget. The Transport sector depends heavily on funding-recovery models such as levies, fees and fare collection, and will continue to be vulnerable to changes in border settings and domestic COVID-19 restrictions. A key strategic decision for this Budget is how to balance transitioning to financial sustainability in the 'new normal' environment, with preserving sector capacity, capability and confidence.
11. The key outputs from the proposed Budget 2022 package for Transport will be to:
 - a lay the foundations for future investment in emissions reduction and sector transformation by focusing on urgent, 'enabling' actions; and
 - b manage critical cost pressures and preserve sector capability while a series of funding reviews and resets can be completed.

Initiatives submitted for Budget 2022

12. The Minister of Transport submitted [33] operating funding over the forecast period, and [33] funding. in new
in capital
13. Noting the substantial demands on Budget allowances, the Minister of Transport was asked at the invite stage to give serious consideration to how Transport initiatives could be prioritised in order to reduce both the number of initiatives submitted, and the quantum of funding sought. The Minister was asked to aim to submit fewer than 20 initiatives.
14. Whilst the set of initiatives eventually submitted to the Budget process was smaller than what was proposed at the invite stage, it was still not clear which initiatives were the highest priorities for investment from the Minister of Transport's perspective.
15. Given the highly constrained sector and funding environment, our focus was on initiatives that were urgent, implementation ready, and with strong value for money or emissions reduction potential. The significantly scaled Transport package supported by both Vote and Budget teams reflects this.

Climate Emergency Response Fund (CERF) initiatives

16. Approximately two thirds of the total funding being sought for Vote Transport is through the Climate Emergency Response Fund (CERF).

17. Nine initiatives were submitted through the CERF, seeking a total of [33] in new operating funding over the forecast period, and [33] in capital.
18. In the context of the CERF as a multi-year commitment, we have targeted our support towards high value-for-money initiatives that support emissions reductions now or are likely to help unlock future reductions. The multi-year design of the CERF is such that there is not a need to commit all funding now if initiatives are not yet ready or policy work is yet to occur. Rather, time can be taken to ensure that funding is spent in a way that maximises contribution to our emissions reduction goals.

We consider initiative 13827 (Delivering mode-shift and reducing VKT in New Zealand's main urban areas) to be the highest priority

19. In particular, we support funding for the delivery of mode shift plans for each of thirteen tier one and two urban centres. Funding mode shift plans in the first instance is a priority, as these will lay the groundwork for a carefully targeted, high value-for-money programme of Crown investment going forward through:
 - a informing which projects are the highest strategic priority,
 - b identifying how those projects can best be phased to accelerate emissions reductions while mitigating the risk of further overheating the sector, and
 - c confirming what the residual funding gap is where Crown investment will be required to supplement private or local government investment.
20. This initiative also proposes setting aside [33] towards implementing the mode shift plans.
21. Our view is that contestable or contingency funding is not the best mechanism at this point, as it would be inappropriate to settle on or commit funding to a pipeline of projects until the mode shift plans have been developed, and the (Crown) funding gap to achieve these plans can be clearly identified.

We support a significantly scaled version of \$350 million; the amount required to complete currently unfunded mode-shift projects in the NLTP 2021.

22. This represents the set of pipeline projects for which we have currently confidence of good strategic alignment and deliverability.
23. We understand Climate CE's preference was for [33] to demonstrate to councils and industry that the Crown is committed to seeing mode shift plans put into action. Our view is that the CERF itself has been designed to act as a credible Crown commitment to / 'contingency' for Emissions Reduction Plan actions, and there is no need to create a specific mode shift contingency within this to the same end. Moreover, setting aside funding for future, unknown, transport projects whose value and alignment has not yet been determined creates an opportunity cost where there are initiatives in other areas with high emissions reductions potential that may be ready to go now.

Initiative 13841 (Accelerating the decarbonisation of freight transport) is also a high priority and scored strongly on value and delivery.

24. In line with our approach to the mode shift bid above, we consider the development of decarbonisation aspects of the National Freight and Supply

Chain Strategy to be the priority in the first instance, in order to meaningfully inform a strategic programme of future investment in future years.

25. The contestable fund component of this initiative, to support industry-led demonstration of low emissions freight solutions, is attractive from a delivery perspective, as it is a straightforward extension of an existing, successful Energy Efficiency and Conservation Authority scheme. To date, that scheme has attracted around \$2 of private investment for every \$1 of Crown funding.

Initiative 13840 (Accelerating the decarbonisation of the public transport bus fleet) offers a clear opportunity to incentivise and accelerate voluntary emissions reduction actions.

26. We see this as being a short-term bridging measure to kick start behaviour change and build industry confidence ahead of expected regulatory change and/or mandates being implemented.
27. We have supported a scaled version of this initiative, to cover the marginal additional cost of zero-emissions buses over diesel buses for all new contracted buses expected to come on line until 2025, when regulations are likely to come into force requiring all new buses to be zero emissions. We would expect value for money of Crown support to diminish beyond that point.
28. You may wish to ask the Minister of Transport what opportunities he sees for a similar approach to other aspects of decarbonisation, with short term incentives used to accelerate long term gains that will be achieved through regulatory or non-spending measures.

We have recommended scaling or excluding four CERF initiatives due to phasing or outcomes concerns.

29. There are a number of initiatives that are notably absent or scaled in the draft package, but that the Minister of Transport may consider to be a high priority:

- a [33]

- b

- c **13839 (Assisting low-income New Zealanders to shift to cleaner vehicles** - [33] We have supported a trial social leasing scheme, but not a trial vehicle scrappage scheme. The proposed vehicle scrappage scheme would have made, on average, only a marginal difference to how early vehicles were scrapped. The emissions reduction impact is limited relative to the quantum of funding required.

This initiative did not adequately address key distributional barriers to mode shift such as lack of access to public transport and the high cost of low

emissions vehicles. We consider that until further work has been done to ensure alternative forms of transport are available, a vehicle scrappage scheme is unlikely to create a genuine pathway to mode shift for low income New Zealanders. This highlights the importance of phasing interdependent ERP actions in a way that maximises their emissions reduction potential.

We also did not support substantial contingency funding for wider rollout of the social leasing scheme, as we would want to see deliverability and value for money proven through the trial first. Pre-emptively setting aside funding before this is proven presents an opportunity cost to other initiatives that may have higher value for money and emissions reduction potential, and be more implementation ready.

d **13837 (Making public transport more affordable for low-income New Zealanders - \$61.62 million operating, \$2.28 million capital).** This initiative was for a nationwide rollout of the Community Connect public transport subsidy scheme for Community Services Card holders. A trial of this scheme is only just beginning in Auckland. We do not support funding of a wider rollout until the value for money of this initiative can be demonstrated through this trial.

30. We expect that the Minister of Transport may want to raise the exclusion of these initiatives with you at the meeting. We recommend that you emphasise the above concerns during your discussion.
31. A key theme here is the importance of not committing to ad-hoc actions in advance of mode shift plans being developed. Such investments may not make a sizable impact towards our climate goals and may crowd out future investments with substantively larger emissions reduction potential. You may wish to ask which initiatives the Minister would scale down or swap out if he still wishes to fund the above through this Budget.

We have recommended excluding two CERF initiatives due to the case for Crown funding being unclear.

32. We have not supported funding through this Budget for initiatives 13828 (*Building a sustainable skilled workforce to support upscaling of bus networks* [33] and 13961 [33])
33. These initiatives are not without merit from a value perspective, but a clear case has not been made as to why Crown support is the most appropriate source of funding for these initiatives. It is important that Crown investment be carefully designed to enable and encourage, rather than crowd out, private sector and local government investment. In future, we would want to see clear analysis of what steps could be taken at the local authority level first, and what the residual gap is, before any Crown funding was provided.

Key Manifesto Commitments

34. Ministers have indicated clear appetite and direction of travel for initiative 13845 (*Auckland Light Rail: Progressing the next phase of project delivery* - [33,37,38])
In light of this strong alignment, we have supported this initiative's

inclusion in the draft Budget package despite some outstanding concerns around delivery risk and value for money. Given the direction of travel, our focus for this initiative is on ensuring that costings are appropriately scoped and phased, and implementation and governance are well designed.

35. [33]

36. A further initiative 13859 (*Extension of the Maintaining International Air Connectivity (MIAC) Scheme - \$383.5 million for preferred option*) was initially submitted to Budget 2022 but is now being progressed in a separate Cabinet paper as a pre-commitment, in order to align timings with the policy decision on extension of the scheme beyond March 2022. Whilst we acknowledge the importance of not separating funding decisions from policy, we have advised that progressing this decision outside of Budget means that the marginal extra cost of the preferred option (\$165.4m) will now not be able to be appropriately traded off against other, potentially higher, priorities for funding through Budget 2022.

COVID-19 Cost Pressure initiatives

37. Several initiatives submitted for Transport are critical COVID-19-related cost pressures. Our assessments of these initiatives are outlined in Annex C:
- a 13944 (*Delivering effective transport system responses and advice (policy, investment, and strategy) on the COVID-19 pandemic*) – Scaled.
 - b 13945 (*Civil Aviation Authority – extension of government funding to deliver minimum aviation safety and security functions*) – Scaled.
 - c 13948 (*Extending Government support to Maritime NZ to deliver core regulatory functions*) – Scaled.
 - d 13950 (*Crown Support for Reduced Public Transport Revenue due to COVID-19*) – Scaled.
 - e 13958 (*Waka Kotahi's regulatory business - addressing COVID-19 impacts*) - Scaled.
 - f [37,38]
38. Noting that we expect the COVID-19 context to change significantly over the next twelve months, our approach across COVID-19 cost pressure initiatives [37,38] has been to support a single year of funding at this stage.
39. We believe it is likely that some further funding may be needed beyond June 2023, however, our preference is for any such funding requests to be reconsidered through Budget 23, when costs and shortfalls are known with more certainty, rather than pre-empting those costs and shortfalls now. Where needed

for entities to operate on a going concern basis, we recommend continuing to provide letters of comfort as these have been sufficient until this point.

40. We note that the funding amount sought for some COVID-19 cost pressures has changed since package development began, as more information on costs has become available. These changes are yet to be reflected in the current draft Budget package. [37,38]

41. We understand that initiative 13950 (*Crown Support for Reduced Public Transport Revenue due to COVID-19*) may be of particular interest to the Minister of Transport. We support a scaled version of this initiative, to cover the NLTF share of the shortfall only, not any of the Public Transport Authorities' share. As this is now effectively a retrospective payment for shortfalls occurring in 2021, we do not agree that there is still a genuine or substantive risk of Public Transport Authorities cutting services if funding is not provided for their share of the shortfall.

Transport-related initiatives in other portfolios

42. Transport-related initiatives have also been submitted under other portfolios. These are:
 - a 13726, Vote Social Development (*Driver licence support - equitable access to driver licences to improve employment, wellbeing and safety outcomes*) – Supported in full.
 - b 13717, Vote Business, Science and Innovation (*Transforming the economic and R&D potential of our aerospace sector and supporting the move to a low-emissions economy*) – Scaled. [33]

Constraints and trade-offs

43. A number of the key constraints and trade-offs are outlined earlier in this report, but in summary include:
 - a **Market Capacity** – the market has a significant pipeline of investment already, and we are starting to see constraints pushing up prices or causing delays. Further investments through Budget 2022 could further exacerbate these issues;
 - b **Labour Market** – unemployment is currently at around 3.2 per cent, indicating very little flexibility to find more FTEs. Any investments that would require substantive new FTEs need to be realistic in the current market and mitigate the risk of displacing labour in other sectors;

- c **Crowding out investment** – a number of initiatives seek to address a problem where it is not clear there is a market failure. It is important that Crown investments seek to add value to New Zealand, rather than displacing other, potentially higher-value investment. This extends to investment across the Crown, ensuring that funding is tagged to those initiatives with the greatest likelihood of achieving outcomes, and not crowding out future investment by over-committing funding now.
44. In addition to the above, there are some transport sector-specific constraints which we have detailed below.

[33]

Future of COVID-19 supports and transitioning to the ‘new normal’

48. A key strategic decision for this Budget will be how to balance facilitating a return to financial sustainability in the ‘new normal’ environment, with preserving sector capacity, capability and confidence.
49. We expect that COVID-19 interventions should reduce over time, as New Zealand progressively lifts measures put in place to mitigate health risks. This means consideration should be given to how we can transition away from extraordinary government support, towards more sustainable market conditions, while mitigating the risk of significant short-term shocks. Key to this is making sure that market participants have sufficient advance notice to enable better long-term planning.

Contingency funding now vs. further work first

50. A key decision for this Budget, particularly in relation to the CERF, is whether to set aside contingency funding now for yet-to-be-determined projects or for rollout

of initiatives that have not yet been trialled, as opposed to deferring funding until further work has taken place.

51. From a signalling perspective, our view is that the CERF itself has been designed to act as a form of 'contingency' and a credible Crown commitment to the Emissions Reduction Plan – within which the significance of the Transport sector is well understood. We do not consider there to be added value in creating a specific Transport contingency within the CERF to the same end.
52. Moreover, it is important that CERF funding is used in a way that contributes most strategically to our climate goals. The key trade-off here will be to make sure that investments in Transport make a meaningful contribution to achieving our climate goals, relative to cost, when viewed as a package alongside all other climate interventions

Draft package

53. The draft Budget package largely resembles the set of initiatives supported by the vote team, with one exception: funding for initiative 13938 (Maritime Security Strategy Implementation: Closing Critical Gaps in NZ's Maritime Security System [33] has been scaled down to include just the cost pressure arising from increased tool service fees for the Automated Identification System.
54. Whilst this initiative represented strong value for money, we agree that it is a lower priority than other supported initiatives. We do not consider it to be a significant risk if the remainder of cost pressure funding is deferred by another year – security activities are currently carried out by a group of sector agencies within baselines and, whilst not ideal, this arrangement can be continued in the short term.

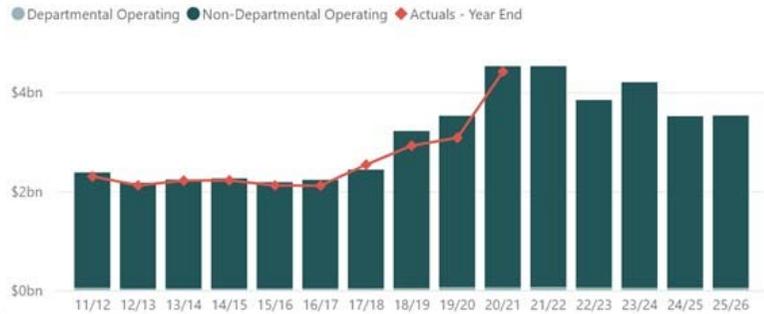
Annex A: Baseline Summary for Vote Transport

Annex A - Summary Dashboard

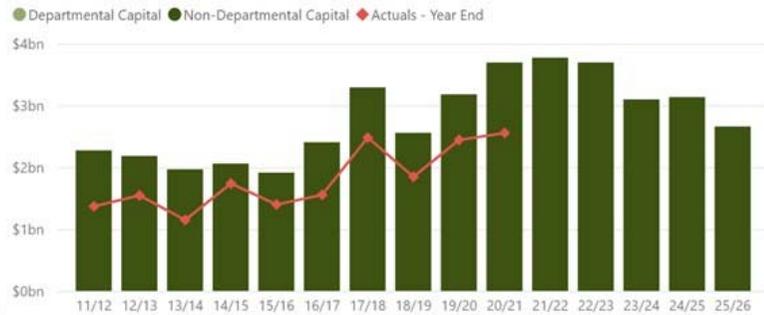
Ministry of Transport

2011/2012 - 2020/2021

Operating Spending & Forecasts (Excluding Borrowing Expense)

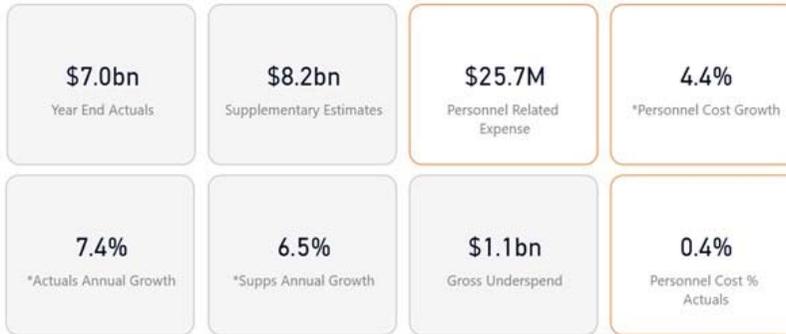


Capital Spending & Forecasts

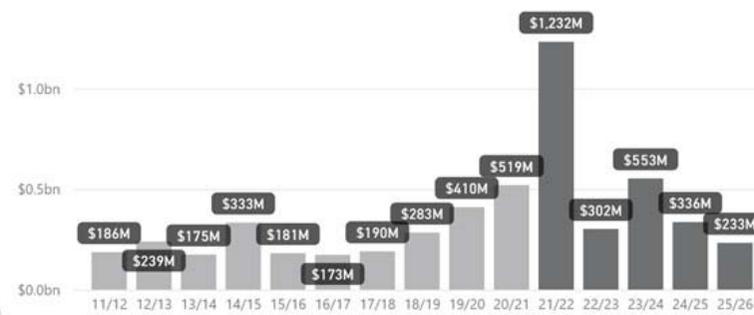


* Compound annual growth rate over the period 2011/2012 - 2020/2021

2020/2021 Key Figures



Confirmed Expense Transfers



Annex B: Talking Points

Transport-specific talking points

- Given the constraints on Budget allowances, it's important that we target our investments in the right areas. While I appreciate the level of ambition in your proposed package, it will not be possible to deliver all of these initiatives through a single Budget. Which initiatives do you see as the highest priority for investment this year?
- The initiative 13827 (Delivering mode-shift and reducing VKT in New Zealand's main urban areas) seeks [33] to be set aside for the implementation of mode shift plans. I understand you see this as important to send a credible signal to local government and the private sector that we intend to support actions arising from mode shift plans going forward. However, the multi-year design of the CERF is such that there is not a need to commit all funding now if initiatives are not yet ready or policy work is yet to occur.
- A number of your proposals through the CERF seek funding for direct subsidies or other financial incentives. In order to maximise the outcomes we get from our CERF spend, what further opportunities do you see for regulatory or non-spending initiatives that could accelerate behaviour change and emissions reduction outcomes?
- Noting the pressure on the National Land Transport Fund at present, I see a clear need for us to consider how we balance our ambitions around emissions reduction and system transformation with the need to maintain sustainable Land Transport revenue. A key example of this in the Transport Budget package is in the tension between scaling up public transport networks while simultaneously reducing farebox revenue through subsidies. What options do you see for how subsidies could be rationalised to ensure they deliver value for money and focus on users for whom cost is the key barrier to use?
- I expect that COVID-19 interventions should reduce over time, as New Zealand progressively lifts measures put in place to mitigate health risks. Noting the multi-year COVID-19 cost pressure funding you have sought through this Budget, how are you thinking about how we balance facilitating a return to financial sustainability in the 'new normal' environment, with preserving sector capacity, capability and confidence?

General Budget 2022 talking points

- Pressure remains on the operating and capital allowances, meaning there will be a high bar for new spending and it is important that spending is prioritised effectively and is focused on achieving value for money.
- There are also significant public sector capacity and capability constraints – around 40 percent of initiatives are seeking additional FTEs or contractors.
- Without further prioritisation and scaling, it will be challenging to see the public sector deliver such large additional investment on top of the ongoing response to COVID-19, delivering past investments and keeping momentum on the key reform programmes underway.
- New spending is not the only lever for achieving the Government's objectives. You should consider all the levers available to you before requesting new funding, including examining baseline expenditure, ensuring that your agencies are delivering on the significant investments we have already made, and progressing non-spending initiatives such as regulatory reforms.

Annex C: Submitted Initiatives

Annex C: Submitted Initiatives

ID	Title	Description	Funding sought			Funding recommended (Vote team)			Funding recommended (draft package)			Treasurerv comments	Value	Alignment	Deliverv
			Opex ava (\$m)	Opex total (\$m)	Capex total (\$m)	Opex ava (\$m)	Opex total (\$m)	Capex total (\$m)	Opex ava (\$m)	Opex total (\$m)	Capex total (\$m)				
13827	Delivering mode-shift and reducing VKT in New Zealand's main urban areas	Investment to achieve significant mode-shift to public and active transport and reduce vehicle kilometres travelled (VKT). ¹⁹²¹ making investment in mode-shift more effective and creating a 'step change' for transport in NZ. This bid covers 3 main areas: 1. Developing ambitious, step change, national and urban programmes to support mode-shift to public and active transport and reduce light vehicle VKT in our largest cities. 2. Supporting a major uplift in public transport and active travel, through implementing planned and new activities that support mode-shift to public and active transport and VKT reduction.	1331			\$ 93.64	\$ 374.55	\$ -	\$ 93.64	\$ 374.55	\$ -	Support scaled. We support development of a national plan for reduction of Vehicle Kilometres Travelled, complemented by programmes for Tier 1/2 urban centres. ¹⁹²¹ We recommend \$350m be held in a tagged contingency for mode shift projects in the National Land Transport Programme 2021 that otherwise wouldn't be funded. Drawdown should be subject to detail being provided on these projects, especially on value and deliverability thereof. We do not support any further contestable funding through this Budget - future funding for mode shift pipeline projects should be based on detailed consideration of value for money, strategic alignment to the above plans, market capacity, and whether other funding sources can be used in the first instance.	3	4	3
13828	Building a sustainable skilled workforce to support upscaling of bus networks	This initiative will provide funding to public transport authorities to support measures aimed at increasing the recruitment and retention of bus drivers. This could include: •increasing bus driver wages ¹⁹²¹ •timetable changes that will allow more drivers to be offered straight shifts rather than split shifts, which are generally more attractive to drivers. This will help to address current bus driver shortages until longer-term solutions are in place for future contract rounds that will protect or improve driver wages and conditions. Work on these longer-term solutions is envisaged as part of the review of the PTOM.	1321			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Do not support. We acknowledge that the issues identified in this initiative are likely to pose genuine constraints to mode shift / upscaling of public transport in future. However, we are concerned that the ad-hoc, time-limited solutions proposed in this initiative do not provide a sustainable pathway forwards or address the underlying systemic issue, and would need to be revisited in the near future. Public Transport Authority-led solutions should be explored first, and Crown support only sought where there is a residual gap. Where there are specific, urgent barriers to maintaining a bus driver workforce, we would expect these to be articulated as part of the urban Vehicle Kilometres Travelled (VKT) plans, and dealt with through a workforce strategy if necessary.	2	3	1
13833	Future of Rail: Rolling Stock	This initiative is the final tranche to complete KiwiRail's rolling stock investment programme to replace life-expired assets with modern, energy efficient units. This funding supports the procurement of 29 new mainline locomotives to replace the life-expired passenger and light duty DF fleet and complete the wagon renewal programme with replacement hopper wagons, cassettes and bolsters for forestry wagons, and side-curtain containers for box wagons. This funding was scaled from the Budget 2021 initiative on the basis it could be sought from Budget 2022. Given the age of the current units, the risk of catastrophic failure and disruption is increasing. Commissioning of new units takes several years, they need to be ordered in 2022 so we can continue to serve freight and passenger markets.			\$ 349.20	\$ -	\$ -	\$ 349.20	\$ -	\$ -	\$ 349.20	Support. This initiative represents the final tranche to complete KiwiRail's rolling stock investment programme. Our view is that funding this tranche would be consistent with previous Budget decisions and should finalise the extent of Crown financial support for the replacement programme. We consider that no further funding should be required beyond this, and it should enable KiwiRail to transition into operating more in line with what's expected of a State Owned Enterprise.	3	4	4
13837	Making public transport more affordable for low-income New Zealanders	This initiative will fund a nationwide expansion of the Community Connect public transport concession, providing a 50 percent concession on public transport for Community Services Card (CSC) holders for peak and off-peak services (currently being implemented as a pilot in Auckland). This is intended to encourage greater public transport use and support a just transition for low-income New Zealanders and those receiving a benefit, by reducing transport costs. Similar to the Auckland pilot, public transport cards (eg Snapper, BEE Card) will be issued to CSC holders, pre-loaded with the concession. There are approximately 1 million CSC holders in New Zealand; 330,000 of whom are in the Auckland region.	\$ 15.41	\$ 61.62	\$ 2.28	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Do not support. The Auckland trial of this scheme is in an early stage, so there is not yet compelling evidence to support the assumption that lowering fare costs would meaningfully impact mode shift. There are also outstanding implementation issues around changing CSC regulations. It is unclear how this initiative interacts with other fare subsidies, or how these impact revenue as a whole. We have concerns about the sustainability of funding substantial mode shift programmes while simultaneously reducing fare revenue - a tension that will be explored through the Land Transport Revenue Review. We recommend consideration is given to how subsidies, existing and proposed, could be rationalised to ensure they deliver value for money and focus on users for whom cost is the key barrier to use.	1	3	3
13839	Assisting low-income New Zealanders to shift to cleaner vehicles	This initiative provides funding to design, conduct and evaluate trials to make low-emission vehicles affordable for low-income people. The trials will inform Ministers' final decisions on how targeted longer-term assistance would be provided. Examples of the trials that are the most likely are: •a vehicle social leasing trial, which would lease low-emission vehicles to low-income participants •an equity-oriented vehicle scrap and replace trial, which would provide targeted assistance to low-income households to purchase a low emission vehicle upon scrapping a vehicle.	1331			\$ 11.72	\$ -	\$ -	\$ 2.93	\$ 11.72	\$ -	Support scaled. We support a trial of the social leasing scheme as it has potential to support mode shift options for low-income New Zealanders whose day to day journey times or destinations are poorly served by public transport. We consider there is scope for market delivery, and funding should be contingent on a report back to Cabinet identifying any options for running the pilot as a partnership model with private/community organisations. Any future funding for a rollout of the scheme should be dependent on the outcome of the trial. We do not support trialling a vehicle scrappage scheme. It is unlikely that the scheme would make a meaningful difference to shifting low-income New Zealanders away from high emitting vehicles, as few affordable and/or accessible alternatives exist.	3	4	2
13840	Accelerating the decarbonisation of the public transport bus fleet	This initiative will support public transport authorities (PTAs) to decarbonise the bus fleet by deploying low and zero-emission buses such as electric or hydrogen powered buses - enabling PTAs to meet the Government's 2025 zero-emission bus mandate and the target of decarbonising the public transport bus fleet by 2035. This initiative provides contestable funding administered by Waka Kotahi NZ Transport Agency to support PTAs to meet the cost of decarbonising the public transport bus fleet by 2035, by: •helping PTAs meet additional operating costs of deploying low- or zero-emission vehicles and/or •supporting PTAs to take ownership or control of assets necessary to deploy	1321			\$ 40.65	\$ -	\$ -	\$ 10.16	\$ 40.65	\$ -	Support scaled. We support funding the price difference between diesel buses and electric buses, for all buses that are coming up for replacement/contract renewal to June 2025. ¹⁹²¹ beyond 2025, we would not expect this scheme to function as a genuine 'enabler', or represent value for money. Whilst there may be affordability pressures after 2025, we recommend these be considered at that time ¹⁹²¹ We do not support funding for administrative costs as these appear to be arbitrarily determined and high - we would expect administrative costs to be met within the supported funding envelope.	3	4	4
13841	Accelerating the decarbonisation of freight transport	This initiative supports three activities to enable decarbonisation of the freight and supply chain sector: •Funding to develop business cases and research programmes to inform the decarbonisation aspects of the National Freight and Supply Chain Strategy. •Resource for the Freight Decarbonisation Unit within Te Manatu Waka to develop the Strategy and implement other freight-related actions in the Emissions Reduction Plan. •Contestable co-funding to support organisations in demonstrating low emission freight solutions. This would be delivered by the Energy Efficiency and Conservation Authority. This initiative supports the Emissions Reduction Plan focus area of	\$ 5.03	\$ 20.12	\$ -	\$ 20.12	\$ -	\$ -	\$ 5.03	\$ 20.12	\$ -	Support. The components of this initiative relating to the National Freight and Supply Chain Strategy should be pre-requisites to any further Emissions Reduction Plan (ERP) work in this space. As such, we support funding this year, so as to minimise the risk of a bottleneck on ERP activity in future. The contestable co-funding component of this scheme represents a targeted extension of an existing scheme run by the Energy Efficiency and Conservation Authority (EECA). We understand this scheme has been effective at delivering value for money to date.	4	4	4

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13845	Auckland Light Rail: Progressing the next phase of project delivery	This initiative provides funding to support the detailed planning phase of the Auckland Light Rail project, following Cabinet's decisions in December 2021. The initiative will provide funding for the next operating unit's activities including the further development of a business case and associated work (e.g. technical design, master-planning, stakeholder engagement), as well as staffing, the provision of corporate services, policy development and the potential strategic land acquisitions. The initiative will also provide funding for policy work undertaken by the Ministry of Transport. Costs are uncertain due to pending Cabinet's decisions on the detailed planning phase (e.g. preferred option, delivery entity, and scope on urban development and enabling infrastructure etc.).	[37,38]											Support. We support this on the basis that Cabinet has taken decisions to keep investigating the proposal. Substantial further work is needed to bring this up to an acceptable standard. However, Ministerial decisions will be required before funding is spent; these will offer an additional layer of assurance. The funding profile proposed is optimistic, but we consider it appropriate to fund the full amount sought to ensure momentum can be maintained.	2	4	2
13846	Future of Rail: Rail Network Investment Programme	This initiative seeks to top-up the National Land Transport Fund for the continuation of the infrastructure renewal and maintenance programme. This investment is critical to enable KiwiRail to continue to run rail services and to provide a platform for future growth. This is aligned with the approved Rail Network Investment Programme (RNIP) and embeds the new rail planning and funding model, providing long-term infrastructure certainty and supporting the Government's Emissions Reduction Plan. Without this funding certainty, the RNIP could not be delivered at the approved level as KiwiRail would need to begin scaling back the maintenance and renewal programme. The network would revert to managed decline and be unable to meet Government objectives for rail.	[33]	\$ -	\$ 312.30	\$ -	\$ 78.08	\$ 312.30	\$ -					Support scaled. As has been the approach to date, we are comfortable with one further year of funding, so that the programme continues to have three years of funding certainty. We do not support outyears funding as there may be changes in the nature of the funding required and we do not want to predetermine this.	3	4	4
13848	Chatham Islands shipping solution to enable critical transportation services	This initiative provides funding support to replace the Chatham Islands Enterprise Trust's current vessel, the Southern Tiare. The Southern Tiare's end of life is March 2023, by which point it will need to go into survey. A resilient shipping connection to the Islands is critical for the community's ongoing viability. The ship transports everything that is uneconomical/impossible to transport by air, including critical freight like livestock, diesel and large machinery.		\$ 8.78	\$ 35.10	\$ -	\$ 35.10	\$ -	\$ 8.78	\$ 35.10	\$ -			Support. In our view there is relatively little flexibility around this initiative, given end of life expectations for the current ship, lead times for a new ship, and limited alternative/substitutable connections to the Chatham Islands. There is still substantial work to be done on the proposal. In particular, there continue to be significant risks around the affordability of ongoing operating costs for a new ship. However, funding will be required during this financial year, so we recommend this be included in Budget 22 to give full visibility of expected costs, with funding held in a tagged contingency. Drawdown should be conditional on a Cabinet report-back from DIA assessing the ongoing financial viability of the trust, including ability to cover ongoing operating costs for this ship.	3	2	3
13854	Extension of the Essential Transport Connectivity (ETC) Scheme	This initiative extends the ETC to ensure that essential domestic transport services are able to continue operating despite COVID-19 restrictions and the loss of international tourists. The ETC provides top up funding to ensure transport services are able to operate at break even level. Whether this initiative is required depends on whether domestic passenger travel is restricted and international travellers are able to travel to New Zealand. Partial restrictions are likely to mean that the initiative is required, at a lower level of funding than the indicative maximum set out below. Given the Government's need to respond to COVID outbreaks in New Zealand, the extent to which ETC is required is not likely to be known until closer to the commencement of the fiscal year.		\$ 7.62	\$ 30.49	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			Do not support. There are sizeable underspends in the existing appropriation. Based on current average weekly cost of the scheme, these underspends should be more than enough to cover the cost of a further year of operation, if Cabinet does agree to extend the scheme beyond May 2022.	1	3	4
13859	Extension of the Maintaining International Air Connectivity (MIAC) Scheme	This initiative is a placeholder to extend MIAC if restrictions on international passenger movements in 2022-23 make it necessary. It would ensure that New Zealand maintains access to our key international trading partners. Partial restrictions are likely to mean that the initiative is required at a lower level of funding than the maximum set out below. Given the Government's need to respond quickly to COVID outbreaks and pressure to open borders, the extent to which MIAC is required is not likely to be known until much closer to the commencement of the fiscal year - and the need for it is likely to evolve during the course of the year.		\$ 62.84	\$ 251.35	\$ -	\$ 0.38	\$ -	\$ 62.84	\$ 251.35	\$ -			Support, subject to Cabinet decisions due by March 2022. Given the ongoing uncertainty around border reopening and passenger return, we are satisfied that there continues to be a role for the MIAC scheme. The key fiscal risk is that ongoing provision of the scheme, subject to Cabinet decisions, may further increase market dependency on support and make it increasingly difficult to withdraw support smoothly.	3	3	4
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13928	Completing a safe minimum operating network (MON) of Ground-based navigation aids (GBNAs)	This initiative provides funding for Airways to deliver five (out of 24) navigation aids that will be used to safely recover aircraft as an emergency alternative to GPS navigation across mainland New Zealand, at locations where the usual avenue of user-pays cost recovery is not feasible. These ground-based navigation aids (GBNAs) are critical to support low-performance aircraft operating in potentially dangerous conditions, including for emergency medical evacuations and Defence flights. A full network of 24 GBNAs is required to meet the resilience needs identified in the Cabinet-approved 2014 National Airspace and Air Navigation Plan (NAANP). The GBNAs are also needed to ensure aircraft can comply with important safety requirements in Civil Aviation Rules for navigation.	\$ 0.30	\$ 1.20	\$ 10.00	\$ 1.20	\$ 10.00	\$ 0.30	\$ 1.20	\$ 10.00	Support. The five Ground-Based Navigation Aids sought in this initiative are necessary to meet the minimum resilience needs identified in the Cabinet-approved National Airspace and Air Navigation Plan. The Ground Based Navigation Aids in question will be low use but service critical/high consequence operations, such as helicopter emergency medical services - we are comfortable that this represents good value for money. We are satisfied that there are no viable user-pays alternatives to Crown funding.	5	4	4
13929	Implementing a Rescue and Firefighting Service at Whangarei Airport	This initiative provides funding for Rescue and Firefighting Service (RFS) to maintain the Whangarei District Airport's compliance with Civil Aviation Authority (CAA) certification status. The provision of RFS is a requirement of CAA for the Airport to be able to grow air services to and from Whangarei. Air New Zealand announced an additional daily flight from 30 August 21, triggering the regulatory requirement for RFS. Under a Deed between the Crown and the Whangarei District Council, the Crown must pay the capital cost of the RFS. There is an existing appropriation for Joint Venture Airports. However, funds are insufficient due to increased operating losses and maintenance costs of the airports, that could result in the Crown not being able to meet its obligations as a party to the Deed	\$ 0.46	\$ 1.84	\$ 1.84	\$ -	\$ 1.84	\$ -	\$ -	\$ 1.84	Support. A joint venture deed between the Crown and Whangarei District Council obliges the Crown to pay the full capital cost of the Rescue Fire Service (RFS). Whilst there is sufficient headroom within the existing appropriation to manage purchase of the fire appliance itself, we are satisfied that additional Crown funding is required to fund the capital cost of a purpose-built RFS facility. With Whangarei Airport expected to reach the threshold number of movements shortly, thereby triggering the regulatory requirement for an RFS, this funding will be necessary in order to remain compliant with Civil Aviation minimum requirements.	4	3	4
13938	Maritime Security Strategy Implementation	[33]	[33]					\$ -	\$ -	\$ 0.07	Support scaled. We support funding to enable maritime security sector agencies to continue to provide personnel for this work from within their baselines, which are currently under pressure. We also support funding for the pressure arising from increased tool service fees for the Automated Identification System. We do not support additional funding to enhance the existing service - this does not represent a genuine cost pressure and we do not consider this to be a high priority use of FTEs given the labour market constraints in this space.	3	4	3
13940	SuperGold Card - ensuring continued access to affordable public transport for older New Zealanders	The current funding model for the SuperGold Card scheme (the Scheme) is insufficient to meet the expected increase in the Scheme's cost over the coming years. A funding shortfall would impact councils' ability to effectively manage and administer the Scheme. This initiative will provide \$10 million to meet the expected increased costs of the SuperGold concession, until 2025/26. The funding will protect the integrity of the Scheme, ensuring that older New Zealanders can continue to benefit from free public transport. Concessions are currently funded by an annual appropriation that increases in-line with the CPI. However, the cost pressures on the Scheme are largely unrelated to the CPI.	\$ 2.50	\$ 10.00	\$ -	\$ 10.00	\$ -	\$ 2.50	\$ 10.00	\$ -	Support. There is good evidence that the scheme is contributing to accessibility and mode shift outcomes. Unless there is near-future appetite to change the eligibility criteria for the SuperGold scheme, then we agree that Crown funding is necessary in order to manage the volume pressure. The initiative alludes to the possibility of the scheme's funding model being made sustainable - we would welcome work being done to consider how this could be achieved. For now, it is unclear how this initiative interacts with other fare subsidies, or how these will impact revenue as a whole. Going forward, we recommend consideration is given to how subsidies, existing and proposed, could be rationalised to ensure they deliver value for money and focus on users for whom cost is the key barrier to use.	3	4	5
[33]			[33]								[33]			
13943	Maritime New Zealand meeting its obligations under the Health and Safety at Work Act 2015	This initiative seeks additional funding (from the Working Safer Levy) for Maritime NZ (MNZ) to meet its statutory obligations as the designated maritime regulator under the Health and Safety at Work Act 2015 (HSWA). The initiative has three components: Inflationary cost pressures - MNZ is incurring increased costs for its HSWA-related regulatory activities which can no longer be met within existing Working Safer Levy funding. Investigation and prosecution costs - MNZ is required to undertake increasingly complex enforcement actions to support HSWA compliance in the maritime sector that it is not funded for. Port safety and harm prevention plan - MNZ is expected (Ministerial and Sector) to deliver a plan to prevent further significant harm at New	\$ 4.75	\$ 19.00	\$ -	\$ 19.00	\$ -	\$ 4.75	\$ 19.00	\$ -	Support. This initiative seeks funding from the Working Safer Levy, rather than new funding from the Crown, so will not have an impact on Budget allowances. We are satisfied that these are genuine cost pressures which cannot be met from within baselines, and that there is strong alignment to Health and Safety obligations and wellbeing principles. The Port sector harm prevention plan, in particular, offers strong value for money in this regard.	4	4	3
13944	Delivering effective transport system responses and advice (policy, investment, and strategy) on the COVID-19 pandemic	This initiative will fund 11 policy and response FTEs for a 2 year period to provide advice on and coordinate delivery of transport sector COVID-19 activity.	\$ 1.25	\$ 5.01	\$ -	\$ 2.48	\$ -	\$ 0.62	\$ 2.48	\$ -	Support scaled. COVID-19 policy work within the Ministry of Transport has been useful and necessary to date, and we agree that there is likely to be some level of ongoing work required this year as the implications of the traffic light system are bedded in. However, we would expect the majority of the Ministry's COVID-19 response functions to be tending towards BAU work over time, with diminishing effort required towards preparing new COVID-19 policy responses. As such we do not consider it appropriate to provide more than one year of funding at this stage. This initiative seeks a continuation of funding for 11 FTE - these FTE are already in place and would not be new hires.	3	4	4
13945	Civil Aviation Authority - extension of government funding to deliver minimum aviation safety and security functions	This bid seeks a continuation of Crown funding to the Civil Aviation Authority, from FY 21/22 to end of FY 23/24. The funding will enable the Authority to fulfil its core functions by covering revenue shortfall ¹²³¹ due to reduced activity in the aviation sector as a consequence of COVID-19. Funding will bridge the gap between the costs of regulatory activities and revenues that is usually recovered from the sector; and provides certainty until a first principles funding review can be completed. Without this funding, the Authority will not be able to meet its statutory responsibilities and will fail to ensure a safe and secure aviation system. This will negatively impact the aviation sector - which is a vital part of New Zealand's economic recovery from COVID-19.	[33]					\$ 25.01	\$ 100.06	\$ -	Support scaled. We are comfortable with the direction of travel for this initiative, noting that work on a fees and funding review is underway and the Civil Aviation Authority has no ability to address revenue shortfalls until this is completed. However, we recommend only a single year of funding be agreed through this Budget, coupled with a letter of comfort for 2023/24. This would be in line with the approach taken to date. Given the uncertainty around passenger return, our view is that the Civil Aviation Authority may well be in a different position by next year, and it would be appropriate to hold 2023/24 funding until the size of the cost pressure for that year can be quantified with more certainty.	4	4	3

13948	Extending Government support to Maritime NZ to deliver core regulatory functions	This initiative is per Cabinet agreement [DEV-21-MIN-0192] to extend Crown funding to support Maritime NZ to deliver core regulatory functions, meet statutory obligations, and maintain viability as a going concern. It covers: Levy revenue shortfall and volatility due to maritime border closure to cruise ships and COVID-19 international maritime supply chain and shipping reliability shocks. Immediate inflationary cost pressures that cannot be absorbed and would have been addressed during the 2021/22 funding reviews (delayed by Cabinet). New and unfunded obligations due to funding review delays and COVID-19, including:	[33]					\$ 21.20	\$ -	\$ 5.33	\$ 21.30	\$ -	Support scaled. We are comfortable with the direction of travel for this initiative, noting that work on a fees and funding review is underway and Maritime New Zealand has no ability to address revenue shortfalls until this is completed. However, we recommend only a single year of funding be agreed through this Budget, coupled with a letter of comfort for 2023/34. This would be in line with the approach taken to date. Given the uncertainty around border reopening, our view is that Maritime New Zealand may well be in a different position by next year, and it would be appropriate to hold 2023/24 funding until the size of the cost pressure for that year can be quantified with more certainty.	4	4	3
13950	Crown Support for Reduced Public Transport Revenue due to COVID-19	This initiative provides Crown funding support to the National Land Transport Fund to partially reimburse the impact of reduced fare revenue and increased costs following COVID-19. The amounts in this initiative have been scaled following previous advice to the Minister of Transport and are based on scenarios put forward by Waka Kotahi. The amounts sought are intended to cover 75 per cent of the total shortfall in Auckland, Northland and Waikato and 50 per cent in other regions, but the projects and estimates these were based on will be significantly dated by Budget.		\$ 11.85	\$ 47.40	\$ -		\$ 34.00	\$ -	\$ 8.50	\$ 34.00	\$ -	Support scaled. We support funding to reimburse the crown (i.e. National Land Transport Fund, NLTF) share of revenue shortfall only, at the standard Funding Assistance Rate of 51%. Given the substantial pressures on the NLTF in relation to National Land Transport Plan 2021-24, not funding this cost pressure is likely to result in simply redirecting the pressure to another area of the NLTF. Moreover, this could be counterproductive relative to the proposed scaling up of public transport activity through the Emissions Reduction Plan. As this is now a retrospective payment for shortfalls occurring in 2021, we do not agree that there is still a genuine risk of Public Transport Authorities cutting services if funding is not provided for their share of the shortfall.	2	3	5
13958	Waka Kotahi's regulatory business - addressing COVID-19 impacts	This bid is to offset the impacts of COVID lockdowns on the regulatory business of Waka Kotahi. COVID leads to fewer regulatory transactions reducing regulatory fee revenue (and associated commission costs). Funding is sought for the net loss of revenue caused by COVID. Comparable Crown funding was provided previously. Without this funding, options are: (1) cut regulatory services (and then re-institute them post the fees and funding review (assuming that is successful) which would be inefficient); or (2) increase the value of loans that the Crown is already providing to support regulatory operations	[33]			\$ -		\$ 7.00	\$ -	\$ 1.75	\$ 7.00	\$ -	Support scaled. We are satisfied that there has been a genuine and permanent revenue loss for Waka Kotahi's regulatory business as a result of COVID-19 impacts. Funding to replace this revenue would be in line with the approach taken in 2020 and would minimise the risk of service cuts; these would undermine the ongoing review and reset of the regulatory system. We recommend that funding be provided up to the shortfall amount to date (\$7M), rather than the [33] sought, as we would expect the likelihood of further revenue loss to be significantly diminished outside of a lockdown environment.	3	3	5
13959	Investigating port sector opportunities to support decarbonisation, resilience, and regional development	To provide funding for three technical studies: - A study to provide a disaggregated view of national trade growth and develop a national view of the NZ supply chain. This work will contribute to the development of the NZ freight & supply chain strategy (an action in the National Adaptation Plan and responsible for delivering actions under the Emissions Reduction Plan) - A study to look at the technical engineering feasibility of the Manukau Harbour as a location for a future port, potentially to replace the Ports of Auckland in the long-term. - A study to continue work on the Northland dry-dock proposal, developing a view on the wider benefits of a dry dock for and how it might align with broader Government objectives. The only work to date has been through		\$ 0.93	\$ 3.70	\$ -		\$ 0.70	\$ -	\$ 0.18	\$ 0.70	\$ -	Support scaled. We support funding for the supply chain data exercise, as this will contribute to the development of the freight and supply chain strategy (work on which we have also recommended support for through CERF Initiative 13841). We do not support funding for the Manukau Harbour feasibility study or the Northland drydock study. There is not a strong case for further investigation from an urgency perspective or a value for money standpoint. We do not recommend any future funding for these studies unless the supply chain strategy makes a strong case for further investigation.	3	4	3

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