

# The Treasury

## Budget 2024 Information Release

### September 2024

This document has been proactively released and is available on:

- The Budget website from September 2024 to May 2025 only at: <https://budget.govt.nz/information-release/2024>, and on
- The Treasury website from later in 2024 at: <https://www.treasury.govt.nz/publications/information-release/budget-2024-information-release>

#### Information Withheld

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act).

Where this is the case, the relevant sections of the Act that would apply have been identified.

Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to sections of the Act under which information has been withheld:

- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
- [23] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [25] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [27] 9(2)(ba)(ii) - to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest
- [31] 9(2)(f)(ii) - to maintain the current constitutional conventions protecting collective and individual ministerial responsibility
- [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] 18(c)(i) - that the making available of the information requested would be contrary to the provisions of a specified enactment

Where information has been withheld, a numbered reference to the applicable section of the Act has been made, as listed above. For example, a [23] appearing where information has been withheld in a release document refers to section 9(2)(a).

## **Copyright and Licensing**

Cabinet material and advice to Ministers from the Treasury and other public service departments are © **Crown copyright** but are licensed for re-use under **Creative Commons Attribution 4.0 International (CC BY 4.0)** [<https://creativecommons.org/licenses/by/4.0/>].

For material created by other parties, copyright is held by them and they must be consulted on the licensing terms that they apply to their material.

## **Accessibility**

The Treasury can provide an alternate HTML version of this material if requested. Please cite this document's title or PDF file name when you email a request to [information@treasury.govt.nz](mailto:information@treasury.govt.nz).



# Cabinet

## Minute of Decision

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

### Budget 2024 Package: Vote Transport

On 29 April 2024, Cabinet:

#### Appropriation Administrator: Ministry of Transport

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2024 Budget package, as listed in the summary tables below and detailed in the attached initiative documents:

#### Summary of initiatives:

##### Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
15722	Clean Vehicle Standard Administration - Return of Funding	-	(11.842)	(11.842)	(11.842)	(11.842)
15710	Community Connect Programme Administration Costs - Return of Funding	-	(1.683)	(1.718)	(1.719)	(1.719)
16009	Auckland Light Rail - Return of Funding	(33.000)	-	-	-	-
15769	Civil Aviation Authority and Aviation Security Service - Cost Pressure	(45.013)	88.970	-	-	-
16016	Civil Aviation Authority Health and Safety at Work Act Delegations	-	2.800	-	-	-
15717	Return of Funding for Civil Aviation Authority Policy Functions	-	(0.158)	(0.118)	(0.096)	(0.096)
16010	Clean Vehicle Discount - Return of Funding	(10.000)	-	-	-	-
16011	Community Connect Programme Concessions - Return of Funding	(34.708)	-	-	-	-
15765	Completion of Auckland's Rail Network Rebuild Programme	-	95.600	63.600	-	-
[33]						

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
15901	Emergency Ocean Response Capability for the Cook Strait	-	0.600	-	-	-
16007	Maintaining Critical Frontline Water Safety Services - Cost Pressure	-	13.671	15.112	16.606	18.255
16002	Maritime New Zealand - Return of Funding	(14.000)	-	-	-	-
15714	Maritime New Zealand Policy and Security Functions – Return of Funding	-	(0.525)	(0.525)	(0.525)	(0.525)
15766	Metropolitan Rail Renewals in Auckland and Wellington	-	107.700	-	-	-
15659	Ministry of Transport Policy, Contractors and Consultants, and Back Office Functions – Return of Funding	-	(3.630)	(3.520)	(3.415)	(3.415)
15691	New Zealand Transport Agency Land Transport Regulatory Services – Return of Funding	-	(0.193)	(0.193)	(0.193)	(0.193)
15697	New Zealand Transport Agency Transport Resilience Fund – Return of Funding	-	(0.200)	(0.200)	(0.200)	(0.200)
15771	North Island Weather Events - Road Response and Recovery	50.000	280.000	-	-	-
15720	Public Transport Workforce Sustainability and Skill Improvement Programme - Return of Funding	[33]				
15758	Rail Resilience Improvements - Reprioritisation of Funding	(130.700)	(50.000)	-	-	-
[37]						
16005	Transport Choices Programme - Return of Funding	(149.860)	-	-	-	-
15789	Government Policy Statement on Land Transport 2024	-	(161.000)	(200.000)	(255.000)	(100.000)
<b>Total Operating</b>		<b>(389.981)</b>	<b>337.910</b>	<b>(174.299)</b>	<b>(275.238)</b>	<b>(113.430)</b>

^ Denotes irregular outyears funding

### Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
15763	Hopper Wagons - Return of Funding	-	(38.000)	-	-	-
15771	North Island Weather Events - Road Response and Recovery	157.400	295.600	156.250	-	-
15789	Government Policy Statement on Land Transport 2024	1,995.000	-	-	-	-
<b>Total Capital</b>		<b>2,112.400</b>	<b>257.600</b>	<b>156.250</b>	<b>-</b>	<b>-</b>

## Summary of contingency initiatives:

### Operating Contingency

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
[33]						
16165	Emergency Ocean Response Capability for the Cook Strait - Tagged Contingency	-	[37]			
16008	Severe Weather Response Readiness, Resilience and Recovery - Tagged Contingency	-	18.031	1.834	1.648	1.629
16145	Transforming the Economic and Research and Development Potential of Our Aerospace Sector Tagged Contingency - Return of Funding	(3.845)	(1.635)	(1.637)	-	-
<b>Total Operating</b>		<b>(3.845)</b>	<b>76.996</b>	<b>65.197</b>	<b>26.648</b>	<b>1.629</b>

### Capital Contingency

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
16145	Transforming the Economic and Research and Development Potential of Our Aerospace Sector Tagged Contingency - Return of Funding	(1.500)	(0.250)	-	-	-
15774	Delivering a Rail Network Investment Programme 2024 – 2027	-	100.000	100.000		
16152	Government Policy Statement on Land Transport - Tagged Contingency	-	1,000.000	-	-	
<b>Total Capital</b>		<b>(1.500)</b>	<b>1,099.750</b>	<b>100.000</b>	<b>-</b>	<b>-</b>

Note: Throughout the document, “total operating” refers to funding over five years (2023/24 to 2027/28) and “total capital” refers to funding over 10 years (2023/24 to 2032/33).

Rachel Hayward  
Secretary of the Cabinet

Initiative No: 15722

**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** Clean Vehicle Standard Administration - Return of Funding

**Description:** This savings initiative returns \$47.368 million total operating funding, as administration costs for the Clean Vehicle Standard will be recovered on a user-pays basis from 1 July 2025. Administration costs associated with 2024/25 will be funded by the National Land Transport Fund while policy work is undertaken to transition to a user-pays model.

### Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	(11.842)	(11.842)	(11.842)	(11.842)
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>(11.842)</b>	<b>(11.842)</b>	<b>(11.842)</b>	<b>(11.842)</b>

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

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
<b>Non-Departmental Output Expenses:</b>					
Clean Car Standard - Operation	-	(11.842)	(11.842)	(11.842)	(11.842)
National Land Transport Programme (PLA)	-	(6.900)	-	-	-
Waka Kotahi Regulatory Functions (PLA)	-	6.900	-	-	-
<b>Total Operating</b>	-	<b>(11.842)</b>	<b>(11.842)</b>	<b>(11.842)</b>	<b>(11.842)</b>

### Additional Recommendations

- 2 **noted** that in April 2024, Cabinet agreed to amend the Land Transport Act 1998 to enable fees to be set by secondary legislation to recover costs of administering the Clean Vehicle Standard [ECO-24-MIN-0049];
- 3 **agreed** that the Minister of Transport and the Minister of Finance approve funding of up to \$6.900 million in 2024/25 for Clean Vehicle Standard administration, under section 9(1A) of the Land Transport Management Act 2003, while work to set up cost recovery for the Clean Vehicle Standard by 1 July 2025 is undertaken;
- 4 **noted** that funding approved under section 9(1A) of the Land Transport Management Act 2003 is provided from the National Land Transport Fund and decreases funding available

in the National Land Transport Fund, including for land transport activities in the National Land Transport Programme;

**Initiative No: 15710**

**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** Community Connect Programme Administration Costs - Return of Funding

**Description:** This savings initiative returns \$6.839 million total operating funding for the administration costs associated with the Budget 2023 expansion of the Community Connect Programme (i.e., half price fares for under 25 year olds and free fares for under 13 year olds). In December 2023, the Government agreed to stop the policy and return the associated concessions funding. This initiative completes the cessation of the policy by returning all associated administration funding.

### Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	(1.683)	(1.718)	(1.719)	(1.719)
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>(1.683)</b>	<b>(1.718)</b>	<b>(1.719)</b>	<b>(1.719)</b>

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

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
<b>Multi-Category Expenses and Capital Expenditure:</b>					
Community Connect Programme (MCA)					
<i>Non-Departmental Output Expenses:</i>					
Administration of the Community Connect Programme	-	(1.683)	(1.718)	(1.719)	(1.719)
Total Multi-Category Expenses and Capital Expenditure: Community Connect Programme (MCA)	-	(1.683)	(1.718)	(1.719)	(1.719)
<b>Total Operating</b>	-	<b>(1.683)</b>	<b>(1.718)</b>	<b>(1.719)</b>	<b>(1.719)</b>

## Additional Recommendations

- 5 **noted** that \$5.120 million of operating funding associated with this initiative was originally funded from the Climate Emergency Response Fund (Budget 2023, Initiative 14823);
- 6 **noted** that, through the December 2023 Mini Budget, Cabinet agreed to end "Free Public Transport for 5-12 Year Olds, and Half-Price Public Transport for 13-24 Year Olds" and returned the associated concessions funding [CAB-23-MIN-0490];
- 7 **agreed** to return the administration funding related to "Free Public Transport for 5-12 Year Olds, and Half-Price Public Transport for 13-24 Year Olds";



**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** Auckland Light Rail - Return of Funding

**Description:** This initiative returns \$33.000 million total operating funding no longer required as a result of the Government's decision to stop work on the Auckland Light Rail project.

**Appropriation Changes**

	<b>\$m - increase/(decrease)</b>				
	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28 &amp; Outyears</b>
Operating Balance Impact*	(33.000)	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>(33.000)</b>	-	-	-	-

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

	<b>\$m - increase/(decrease)</b>				
	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28 &amp; Outyears</b>
<b>Non-Departmental Output Expenses:</b>					
Auckland Light Rail – Detailed Planning Phase (MYA)	(33.000)	-	-	-	-
<b>Total Operating</b>	<b>(33.000)</b>	-	-	-	-

**Additional Recommendations**

- 8 **noted** that, in December 2023, Cabinet agreed to stop central Government work on the Auckland Light Rail project [CAB-23-MIN-0496];
- 9 **noted** that the above appropriation changes give effect to the decision to stop work on the Auckland Light Rail project;
- 10 **agreed** that the Multi Year Appropriation: "Auckland Light Rail – Detailed Planning Phase" be adjusted by (\$33.000 million);
- 11 **noted** that the amounts shown in the Appropriation Changes table for the Multi Year Appropriation: "Auckland Light Rail – Detailed Planning Phase" reflect the change to the indicative annual spending profile;

**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** Civil Aviation Authority and Aviation Security Service - Cost Pressure

**Description:** This initiative provides funding for the Civil Aviation Authority (including the Aviation Security Service) following the ongoing impacts of COVID-19 on overall aviation and levy revenue. The funding will ensure the Civil Aviation Authority can deliver its core regulatory functions and meet statutory obligations in 2024/25 until a new cost recovery model is implemented in 2025.

### New Appropriation Approval

Name	Appropriation Minister	Period	Type	Category Name	Scope
Civil Aviation Authority – Core Functions	Minister of Transport	Annual	Non-Departmental Output Expenses	N/A	This appropriation is limited to the purchase of core services from the Civil Aviation Authority (including the Aviation Security Service).

### Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	(45.013)	88.970	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>(45.013)</b>	<b>88.970</b>	-	-	-

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

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
<b>Non-Departmental Output Expenses:</b>					
Civil Aviation Authority – Core Functions	-	88.970	-	-	-
Protection of Transport Sector Agency Core Functions (MYA)	(45.013)	-	-	-	-
<b>Total Operating</b>	<b>(45.013)</b>	<b>88.970</b>	-	-	-

## Additional Recommendations

- 12 **noted** that the Civil Aviation Authority (including the Aviation Security Service) (CAA including AvSec) is usually predominantly funded through levies and charges but, since the COVID-19 pandemic, has been reliant on Crown funding to deliver its core functions and will remain so until the implementation of updated revenue settings;
- 13 **agreed** that the actual funding provided to the CCA (including AvSec) will be the difference between:
  - 13.1 the actual expenditure for core functions (up to a specified amount); and
  - 13.2 the actual revenue received in 2024/25 up to the total of appropriated funding available within the “Civil Aviation Authority – Core Functions” appropriation (including any funding transferred from the “Protection of Transport Sector Agency Core Functions Multi Year Appropriation”);
- 14 **agreed** that, prior to the finalisation of the CAA’s Statement of Performance Expectation 2024/25, the Minister of Transport will set the specified amount referenced in paragraph 13.1 above;
- 15 **authorised** the Minister of Transport and Minister of Finance (joint Ministers) to subsequently adjust the specified amount referenced in paragraph 14 above;
- 16 **agreed** that joint Ministers will issue a Letter of Comfort to the Board of CAA to provide comfort to the Civil Aviation Authority to operate as a going concern for 2025/26;
- 17 **agreed** that the Multi Year Appropriation: "Protection of Transport Sector Agency Core Functions" be adjusted by (\$45.013 million);
- 18 **noted** that the amounts shown in the Appropriation Changes table for the Multi Year Appropriation: "Protection of Transport Sector Agency Core Functions" reflect the change to the indicative annual spending profile;

**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** Civil Aviation Authority Health and Safety at Work Act Delegations

**Description:** This initiative provides funding for the Civil Aviation Authority to support implementation of Health and Safety at Work Act 2015 delegations.

**Appropriation Changes**

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	2.800	-	-	-
<b>Total</b>	-	<b>2.800</b>	-	-	-

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

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
<b>Non-Departmental Output Expenses:</b>					
Health and Safety at Work Activities - Civil Aviation	-	2.800	-	-	-
<b>Total Operating</b>	-	<b>2.800</b>	-	-	-

**Additional Recommendation**

19 **noted** that the \$2.800 million increase to the appropriation ‘Health and Safety at Work Activities – Civil Aviation’ is a charge against the Working Safer Levy rather than Budget allowances;

**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** Return of Funding for Civil Aviation Authority Policy Functions

**Description:** This savings initiative returns \$0.468 million total operating funding for policy full-time equivalent staff that assist in advice and services to support Ministers in the discharge of their portfolio responsibilities (Ministerial servicing) in relation to aviation and some maritime activities.

### Appropriation Changes

	<b>\$m - increase/(decrease)</b>				
	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28 &amp; Outyears</b>
Operating Balance Impact*	-	(0.158)	(0.118)	(0.096)	(0.096)
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>(0.158)</b>	<b>(0.118)</b>	<b>(0.096)</b>	<b>(0.096)</b>

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

	<b>\$m - increase/(decrease)</b>				
	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28 &amp; Outyears</b>
<b>Non-Departmental Output Expenses:</b>					
Civil Aviation and Maritime Security Services	-	(0.158)	(0.118)	(0.096)	(0.096)
<b>Total Operating</b>	-	<b>(0.158)</b>	<b>(0.118)</b>	<b>(0.096)</b>	<b>(0.096)</b>

**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** Clean Vehicle Discount - Return of Funding

**Description:** This savings initiative returns \$10.000 million total operating funding no longer required as a result of the Government's decision to end the Clean Vehicle Discount Scheme.

**Appropriation Changes**

	<b>\$m - increase/(decrease)</b>				
	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
Operating Balance Impact*	(10.000)	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>(10.000)</b>	-	-	-	-

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

	<b>\$m - increase/(decrease)</b>				
	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
<b>Non-Departmental Other Expenses:</b>					
Clean Vehicle Discount Scheme – Rebates (MYA)	(10.000)	-	-	-	-
<b>Total Operating</b>	<b>(10.000)</b>	-	-	-	-

**Additional Recommendations**

- 20 **noted** that in December 2023, Cabinet agreed to end the Clean Vehicle Discount Scheme [CAB-23-MIN-0471] and returned \$50 million operating funding;
- 21 **agreed** to return an additional \$10 million total operating funding originally provided for the Clean Vehicle Discount Scheme;
- 22 **noted** that the above appropriation changes give effect to the above decision;
- 23 **agreed** that the Multi Year Appropriation: "Clean Vehicle Discount Scheme – Rebates" be adjusted by (\$10.000 million);
- 24 **noted** that the amounts shown in the Appropriation Changes table for the Multi Year Appropriation: "Clean Vehicle Discount Scheme – Rebates" reflect the change to the indicative annual spending profile;

**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** Community Connect Programme Concessions - Return of Funding

**Description:** This savings initiative returns \$34.708 million total operating funding no longer required as a result of the Government's decision to end free public transport for under 13 year olds and half price fares for under 25 year olds.

### Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28
Operating Balance Impact*	(34.708)	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>(34.708)</b>	-	-	-	-

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

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28
<b>Multi-Category Expenses and Capital Expenditure:</b>					
Community Connect Programme (MCA)					
<i>Non-Departmental Other Expenses:</i>					
Community Connect Programme - Public Transport Concessions	(34.708)	-	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Community Connect Programme (MCA)	(34.708)	-	-	-	-
<b>Total Operating</b>	<b>(34.708)</b>	-	-	-	-

### Additional Recommendations

25 **noted** that \$34.708 million of operating funding associated with this initiative was originally funded from the Climate Emergency Response Fund [Budget 2023, Initiative 14823];

26 **noted** that through the December 2023 Mini Budget, Cabinet agreed to end "Free Public Transport for 5-12 Year Olds, and Half-Price Public Transport for 13-24 Year Olds" and returned the associated concessions funding [CAB-23-MIN-0490];

**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** Completion of Auckland's Rail Network Rebuild Programme

**Description:** This initiative provides funding to complete the Rail Network Rebuild programme in Auckland and to address historic formation, drainage and track issues. This investment is critical to ready the network for the opening of City Rail Link.

### Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	95.600	63.600	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>95.600</b>	<b>63.600</b>	-	-

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

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
<b>Non-Departmental Output Expenses:</b>					
Rail - Maintenance and Renewal of the Rail Network (2024-2028) (MYA)	-	95.600	63.600	-	-
<b>Total Operating</b>	-	<b>95.600</b>	<b>63.600</b>	-	-

### Additional Recommendations

27 **agreed** that the Multi Year Appropriation: "Rail - Maintenance and Renewal of the Rail Network (2024-2028)" be adjusted by \$159.200 million;

28 **noted** that the amounts shown in the Appropriation Changes table for the Multi Year Appropriation: "Rail - Maintenance and Renewal of the Rail Network (2024-2028)" reflect the change to the indicative annual spending profile;



[33]

[33]

[33]

**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** Emergency Ocean Response Capability for the Cook Strait

**Description:** This initiative provides funding to develop a business case that considers options to improve New Zealand's maritime emergency ocean response capability, specifically the ability to stabilise and/or tow vessels that encounter difficulties at sea.

### Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28
Operating Balance Impact*	-	0.600	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>0.600</b>	-	-	-

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

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28
<b>Non-Departmental Output Expenses:</b>					
Maritime Regulatory and Response Services	-	0.600	-	-	-
<b>Total Operating</b>	-	<b>0.600</b>	-	-	-

### Additional Recommendation

39 **directed** Maritime New Zealand, together with the Ministry of Transport, to develop a business case that considers options to improve New Zealand's maritime emergency ocean response capability, with a focus on the Cook Strait;

**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** Emergency Ocean Response Capability for the Cook Strait - Tagged Contingency

**Description:** This initiative provides funding to improve New Zealand's maritime emergency ocean response capability (i.e. the ability to stabilise and/or tow vessels that encounter difficulties at sea) following consideration of a business case (Initiative 15901).

[37]

### Additional Recommendations

- 40 **noted** that the related Initiative 15901 provides funding to Maritime New Zealand for the preparation of an 'Emergency Ocean Response Capability' business case;
- 41 **agreed** to establish a tagged operating contingency associated with the Transport portfolio of up to the amount outlined in the table above to provide for implementing the preferred option of the 'Emergency Ocean Response Capability' business case described in Initiative 15901;
- 42 [37]
- 43 **agreed** that the expiry date for the above tagged contingency be 30 June 2025;

**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** Hopper Wagons - Return of Funding

**Description:** This savings initiative returns \$38.000 million total capital funding from the Rolling Stock procurement programme. The uncommitted component was intended to respond to future demand for coal hopper wagons. This demand has not yet eventuated and there are alternative rolling stock options available to meet demand if it does eventuate.

### Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28
Operating Balance Impact*	-	-	-	-	-
Net Core Crown Debt Impact Only	-	(38.000)	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>(38.000)</b>	-	-	-

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

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28
<b>Non-Departmental Capital Expenditure:</b>					
Rail - KiwiRail Holdings Limited	-	(38.000)	-	-	-
<b>Total Capital</b>	-	<b>(38.000)</b>	-	-	-

### Additional Recommendations

44 **noted** that funding for the final tranche of KiwiRail's Rolling Stock replacement programme was provided through Budget 2022, Initiative 13833, and that this tranche included the purchase of 140 hopper wagons;

45 **agreed** to reduce the funding available for the Rolling Stock programme by \$38 million;

**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** Maintaining Critical Frontline Water Safety Services - Cost Pressure

**Description:** This initiative provides funding to Surf Life Saving New Zealand and Coastguard New Zealand to support the continued provision of critical water safety services.

**Appropriation Changes**

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	13.671	15.112	16.606	18.255
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>13.671</b>	<b>15.112</b>	<b>16.606</b>	<b>18.255</b>

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

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
<b>Non-Departmental Other Expenses:</b>					
Water Search, Rescue and Safety Frontline Services	-	13.671	15.112	16.606	18.255
<b>Total Operating</b>	-	<b>13.671</b>	<b>15.112</b>	<b>16.606</b>	<b>18.255</b>

**Additional Recommendation**

46 **noted** that the applicable service level agreements between the Ministry of Transport and Surf Life Saving New Zealand and Coastguard New Zealand respectively will be updated to reflect this additional funding;

**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** Maritime New Zealand - Return of Funding

**Description:** This initiative returns \$14.000 million total operating funding for 2023/24 that was provided in Budget 2023 to support Maritime New Zealand's liquidity until a fee and levy review was implemented.

### Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28
Operating Balance Impact*	(14.000)	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>(14.000)</b>	-	-	-	-

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

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28
<b>Non-Departmental Output Expenses:</b>					
Protection of Transport Sector Agency Core Functions (MYA)	(14.000)	-	-	-	-
<b>Total Operating</b>	<b>(14.000)</b>	-	-	-	-

### Additional Recommendations

- 47 **agreed** that the Multi Year Appropriation: "Protection of Transport Sector Agency Core Functions" be adjusted by (\$14.000 million);
- 48 **noted** that the amounts shown in the Appropriation Changes table for the Multi Year Appropriation: "Protection of Transport Sector Agency Core Functions" reflect the change to the indicative annual spending profile;



**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** Maritime New Zealand Policy and Security Functions - Return of Funding

**Description:** This savings initiative returns \$2.100 million total operating funding for policy and security full-time equivalent staff.

### Appropriation Changes

	<b>\$m - increase/(decrease)</b>				
	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28 &amp; Outyears</b>
Operating Balance Impact*	-	(0.525)	(0.525)	(0.525)	(0.525)
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>(0.525)</b>	<b>(0.525)</b>	<b>(0.525)</b>	<b>(0.525)</b>

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

	<b>\$m - increase/(decrease)</b>				
	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28 &amp; Outyears</b>
<b>Non-Departmental Output Expenses:</b>					
Maritime Regulatory and Response Services	-	(0.525)	(0.525)	(0.525)	(0.525)
<b>Total Operating</b>	-	<b>(0.525)</b>	<b>(0.525)</b>	<b>(0.525)</b>	<b>(0.525)</b>

**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** Metropolitan Rail Renewals in Auckland and Wellington

**Description:** This initiative provides funding for one year of metropolitan rail renewals, to avoid critical network failure risks in Auckland and Wellington while a review of the Metropolitan Rail Operating Model is undertaken.

### Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28
Operating Balance Impact*	-	107.700	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>107.700</b>	-	-	-

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

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28
<b>Non-Departmental Output Expenses:</b>					
Rail - Maintenance and Renewal of the Rail Network (2024-2028) (MYA)	-	107.700	-	-	-
<b>Total Operating</b>	-	<b>107.700</b>	-	-	-

### Additional Recommendations

- 49 **agreed** that the Multi Year Appropriation: "Rail - Maintenance and Renewal of the Rail Network (2024-2028)" be adjusted by \$107.700 million;
- 50 **noted** that the Government will complete a review of the Metropolitan Rail Operating Model by the end of 2024, and that this will include developing a sustainable funding model for metropolitan rail;
- 51 **noted** that this initiative provides one year of funding for metropolitan rail renewals, with future funding for metropolitan rail renewals to be considered following the Metropolitan Rail Operating Model review;
- 52 **noted** that the amounts shown in the Appropriation Changes table for the Multi Year Appropriation: "Rail - Maintenance and Renewal of the Rail Network (2024-2028)" reflect the change to the indicative annual spending profile;

**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** Ministry of Transport Policy, Contractors and Consultants, and Back Office Functions - Return of Funding

**Description:** This savings initiative returns \$13.980 million total operating funding for policy and back office full-time equivalent staff, and expert advice from contractors and consultants.

**Appropriation Changes**

	<b>\$m - increase/(decrease)</b>				
	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28 &amp; Outyears</b>
Operating Balance Impact*	-	(3.630)	(3.520)	(3.415)	(3.415)
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>(3.630)</b>	<b>(3.520)</b>	<b>(3.415)</b>	<b>(3.415)</b>

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

	<b>\$m - increase/(decrease)</b>				
	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28 &amp; Outyears</b>
<b>Departmental Output Expenses:</b>					
Transport - Policy advice, ministerial servicing, governance, and other functions (funded by revenue Crown)	-	(3.630)	(3.520)	(3.415)	(3.415)
<b>Total Operating</b>	-	<b>(3.630)</b>	<b>(3.520)</b>	<b>(3.415)</b>	<b>(3.415)</b>

**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** New Zealand Transport Agency Land Transport Regulatory Services – Return of Funding

**Description:** This savings initiative returns \$0.772 million total operating funding from the Land Transport Regulatory Services appropriation. This will result in reductions to the New Zealand Transport Agency's Ministerial services function, reductions in maintenance of the Crash Analysis System, and a reduction to the Older Driver Licence Subsidy.

### Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	(0.193)	(0.193)	(0.193)	(0.193)
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>(0.193)</b>	<b>(0.193)</b>	<b>(0.193)</b>	<b>(0.193)</b>

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

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
<b>Non-Departmental Output Expenses:</b>					
Land Transport Regulatory Services	-	(0.193)	(0.193)	(0.193)	(0.193)
<b>Total Operating</b>	-	<b>(0.193)</b>	<b>(0.193)</b>	<b>(0.193)</b>	<b>(0.193)</b>

**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** New Zealand Transport Agency Transport Resilience Fund - Reduction in Funding

**Description:** This savings initiative returns \$0.800 million total operating funding for back office full-time equivalent staff that administer the Transport Resilience Fund at the New Zealand Transport Agency.

### Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	(0.200)	(0.200)	(0.200)	(0.200)
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>(0.200)</b>	<b>(0.200)</b>	<b>(0.200)</b>	<b>(0.200)</b>

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

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
<b>Multi-Category Expenses and Capital Expenditure:</b>					
Improving Resilience of the Roothing Network (MCA)*					
<i>Non-Departmental Output Expenses:</i>					
Improving Resilience of the Roothing Network – Operating Costs	-	(0.200)	(0.200)	(0.200)	(0.200)
Total Multi-Category Expenses and Capital Expenditure: Improving Resilience of the Roothing Network (MCA)	-	(0.200)	(0.200)	(0.200)	(0.200)
<b>Total Operating</b>	-	<b>(0.200)</b>	<b>(0.200)</b>	<b>(0.200)</b>	<b>(0.200)</b>

\*Appropriation ends in 2029/30

**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** North Island Weather Events - Road Response and Recovery

**Description:** This initiative provides additional funding to continue the repair and recovery of local roads and state highways that were damaged during the North Island Weather Events.

**New Appropriation Approval**

Name	Appropriation Minister	Period	Type	Category Name	Scope
North Island Weather Events - State Highway Recovery	Minister of Transport	Multi Year Appropriation Start: 1/07/2024 Finish: 30/06/2028 Amount (\$m): 451.850	Non-Departmental Capital Expenditure	N/A	This appropriation is limited to providing additional funding to the National Land Transport Fund for NIWE State Highway works.

**Appropriation Changes**

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	50.000	280.000	-	-	-
Net Core Crown Debt Impact Only	157.400	295.600	156.250	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>207.400</b>	<b>575.600</b>	<b>156.250</b>	-	-

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

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
<b>Non-Departmental Capital Expenditure:</b>					
North Island Weather Events - State Highway Recovery (MYA)	-	295.600	156.250	-	-
<b>Multi-Category Expenses and Capital Expenditure:</b>					
North Island Weather Events – Road Response and Reinstatement (MCA)					
<i>Non-Departmental Output Expenses:</i>					
Local Road Recovery Costs	50.000	280.000	-	-	-
<i>Non-Departmental Capital Expenditure:</i>					
State Highway Recovery Costs – Capital	157.400	-	-	-	-
Total Multi-Category Expenses and Capital Expenditure: North Island Weather Events – Road Response and Reinstatement (MCA)	207.400	280.000	-	-	-
<b>Total Operating</b>	<b>50.000</b>	<b>280.000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital</b>	<b>157.400</b>	<b>295.600</b>	<b>156.250</b>	<b>-</b>	<b>-</b>

### Additional Recommendations

- 53 **agreed** that the Multi Year Appropriation: "North Island Weather Events – State Highway Recovery" be adjusted by \$451.850 million;
- 54 **agreed** that any funding in the “North Island Weather Events – Road Response and Reinstatement MCA” relating to State Highway Recovery that remains unspent at 30 June 2024 be transferred to the “North Island Weather Events – State Highway Recovery MYA”;
- 55 **authorised** the Minister of Finance and the Minister of Transport to confirm the final amount for transfer following completion of the Ministry of Transport’s 2023/24 audited financial statements;
- 56 **noted** that the amounts shown in the Appropriation Changes table for the Multi Year Appropriation: “North Island Weather Events – State Highway Recovery” reflect the indicative annual spending profile;

**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** Public Transport Workforce Sustainability and Skill Improvement Programme – Return of Funding

**Description:** [33]

**Appropriation Changes**

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	(22.700)	[33]			
Net Core Crown Debt Impact Only	-				
No Impact	-				
<b>Total</b>	<b>(22.700)</b>				

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

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
<b>Non-Departmental Output Expenses:</b>	[33]				
Retaining and Recruiting Bus Drivers (MYA)	(22.700)				
<b>Total Operating</b>	<b>(22.700)</b>				

**Additional Recommendations**

- 57 **noted** that the operating funding associated with this initiative was funded from the Climate Emergency Response Fund;
- 58 [33]
- 59 **agreed** to return unspent and uncommitted funding relating to tranche one of the "Public Transport Workforce Sustainability and Skill Improvements" initiative;
- 60 **noted** that the above appropriation changes give effect to these decisions;
- 61 [33]
- 62 **noted** that the amounts shown in the Appropriation Changes table for the Multi Year Appropriation: "Retaining and Recruiting Bus Drivers" reflect the change to the indicative annual spending profile;



**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** Rail Resilience Improvements – Reprioritisation of Funding

**Description:** This savings initiative returns \$180.700 million total operating funding associated with resilience improvements to the Palmerston North to Gisborne Line and North Auckland Line following the North Island Weather Events. The return of this funding offsets cost pressures for critical maintenance and renewals on Auckland and Wellington metropolitan rail lines.

### Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	(130.700)	(50.000)	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>(130.700)</b>	<b>(50.000)</b>	-	-	-

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

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
<b>Non-Departmental Output Expenses:</b>					
Rail – Maintenance and Renewal of the Rail Network (MYA)	(130.700)	-	-	-	-
Rail - Maintenance and Renewal of the Rail Network (2024-2028) (MYA)	-	(50.000)	-	-	-
<b>Total Operating</b>	<b>(130.700)</b>	<b>(50.000)</b>	-	-	-

### Additional Recommendations

- 63 **noted** that the operating funding associated with this initiative was originally funded from the National Resilience Plan [CAB-23-MIN-0435] and was provided to enable minor resilience works to be undertaken following the North Island Weather Events;
- 64 **agreed** to reduce funding for the "KiwiRail Minor Resilience" project by \$180.700 million;
- 65 **noted** that the above appropriation changes give effect to this scaling decision;
- 66 **agreed** that the Multi Year Appropriation: "Rail – Maintenance and Renewal of the Rail Network" be adjusted by (\$130.700 million);

- 67 **noted** that the amounts shown in the Appropriation Changes table for the Multi Year Appropriation: "Rail – Maintenance and Renewal of the Rail Network" reflect the change to the indicative annual spending profile;
- 68 **agreed** that the Multi Year Appropriation: "Rail - Maintenance and Renewal of the Rail Network (2024-2028)" be adjusted by (\$50.000 million);
- 69 **noted** that the amounts shown in the Appropriation Changes table for the Multi Year Appropriation: "Rail - Maintenance and Renewal of the Rail Network (2024-2028)" reflect the change to the indicative annual spending profile;

**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** Severe Weather Response Readiness, Resilience and Recovery -Tagged Contingency

**Description:** This initiative provides funding for four non-government organisations (Surf Life Saving New Zealand, Coastguard New Zealand, New Zealand Land Search and Rescue, and Amateur Radio Emergency Communications) to replace assets that were destroyed or damaged in the North Island Weather Events. It also provides targeted training, personal protective equipment, and regional equipment caches for these organisations to improve the response to future severe weather or emergency events.

**Tagged Contingency**

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Contingency	-	18.031	1.834	1.648	1.629
<b>Total</b>	-	<b>18.031</b>	<b>1.834</b>	<b>1.648</b>	<b>1.629</b>

**Additional Recommendations**

- 70 **noted** that the Government Inquiry into the Response to the North Island Severe Weather Events has been completed and that a Cabinet report back is expected in late 2024;
- 71 <sup>[33]</sup>
- 72 **directed** officials to provide advice to the Minister of Finance and the Minister of Transport, following the Government Inquiry into the Response to the North Island Severe Weather Events, on how funding will be apportioned between the four Non-Governmental Organisations (Surf Life Saving New Zealand, Coastguard New Zealand, New Zealand Land Search and Rescue, and Amateur Radio Emergency Communications) to address facility repairs / rebuild and improve future emergency response preparedness;
- 73 **authorised** the Minister of Finance and Minister of Transport jointly to draw down from the tagged operating contingency, including establishing any new appropriations as necessary, subject to their satisfaction with the work described above;
- 74 **agreed** that the expiry date for the above tagged contingency be 30 June 2025;

[37]

**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** Transforming the Economic and Research and Development Potential of Our Aerospace Sector Tagged Contingency - Return of Funding

**Description:** This savings initiative returns \$7.117 million total operating funding and \$1.750 million total capital funding held in tagged contingency to support the implementation of the Enabling Drone Integration package.

**Tagged Contingency**

	<b>\$m - increase/(decrease)</b>				
	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28 &amp; Outyears</b>
Operating Contingency	(3.845)	(1.635)	(1.637)	-	-
Capital Contingency	(1.500)	(0.250)	-	-	-
<b>Total</b>	<b>(5.345)</b>	<b>(1.885)</b>	<b>(1.637)</b>	-	-

**Additional Recommendation**

81 **noted** that following the adjustments detailed above, the “Transforming the Economic and Research and Development Potential of Our Aerospace Sector” Tagged Contingency is now closed;

**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** Transport Choices Programme - Return of Funding

**Description:** This savings initiative returns \$149.860 million total operating funding available for the Transport Choices programme, descopeing the programme to focus on committed projects only.

### Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	(149.860)	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>(149.860)</b>	-	-	-	-

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

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
<b>Multi-Category Expenses and Capital Expenditure:</b>					
Mode-Shift - Planning, Infrastructure, Services, and Activities (MCA)					
<i>Non-Departmental Output Expenses:</i>					
Mode-Shift - Operating Costs	(34.634)	-	-	-	-
<i>Non-Departmental Other Expenses:</i>					
Mode-Shift - Third-Party Projects and Activities	(115.226)	-	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Mode-Shift - Planning, Infrastructure, Services, and Activities (MCA)	(149.860)	-	-	-	-
<b>Total Operating</b>	<b>(149.860)</b>	-	-	-	-

### Additional Recommendations

82 **noted** that \$149.860 million of operating funding associated with this initiative was originally funded from the Climate Emergency Response Fund [Budget 2022 Initiative 13827];

83 **agreed** to reduce the funding available for the "Transport Choices Programme" by \$149.860 million;

84 **noted** that the above changes to appropriations give effect to the above decision;

**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** Delivering a Rail Network Investment Programme 2024 – 2027

**Description:** This initiative provides funding to enable KiwiRail to deliver a Rail Network Investment Programme for 2024 – 2027.

**Tagged Contingency**

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Capital Contingency	-	100.000	100.000	-	-
<b>Total</b>	-	<b>100.000</b>	<b>100.000</b>	-	-

**Additional Recommendations**

- 85 **noted** that the draft Government Policy Statement on Land Transport reduces funding for KiwiRail by \$100 million per annum to reduce the cross-subsidisation of road users to track users;
- 86 **noted** that KiwiRail has advised that this reduction, if not offset by Crown funding, prevents it from developing a credible minimum Rail Network Investment Programme (RNIP) and may result in it closing lines;
- 87 **agreed** to provide up to \$200 million total capital funding to support additional investment in the RNIP to offset the reduction in funding from the draft Government Policy Statement on Land Transport;
- 88 **agreed** to establish a tagged capital contingency associated with the Transport portfolio of \$200 million to enable KiwiRail to produce a credible RNIP;
- 89 **noted** that the Minister of Transport, following consultation with KiwiRail’s shareholding Ministers and consideration of New Zealand Transport Agency’s advice on the proposed programme, must decide whether or not to approve the RNIP;
- 90 [33]
- 91 **authorised** the Minister of Transport and Minister of Finance (joint Ministers) to draw down funding held in this tagged contingency, subject to Cabinet approval of the RNIP 2024-2027;

- 92 **agreed** that draw down of funding held in this tagged contingency is subject to joint Ministers' satisfaction on the following matters:
- 92.1 KiwiRail demonstrating compliance with Cabinet Office circular CO (23) 9: Investment Management and Asset Performance in Departments and Other Entities;
  - 92.2 KiwiRail providing line by line economic and financial analysis for the rail network;
  - 92.3 [37]
  - 92.4 KiwiRail using the funding for capital investment;
  - 92.5 KiwiRail demonstrating funding will deliver value for money;
  - 92.6 [37]
  - 92.7 KiwiRail developing an asset management plan within the 2024/25 year;
  - 92.8 [37]
- 93 **agreed** that the expiry date for this tagged contingency is 30 June 2025;



**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** Government Policy Statement on Land Transport - Tagged Contingency

**Description:** This initiative provides funding for the New Zealand Transport Agency to accelerate delivery of land transport priorities, as set out in the Government Policy Statement on Land Transport 2024.

### Tagged Contingency

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Capital Contingency	-	1,000.000	-	-	-
<b>Total</b>	-	<b>1,000.000</b>	-	-	-

### Additional Recommendations

- 94 **noted** that Cabinet will consider the final Government Policy Statement on Land Transport 2024 – 2027 (GPS) in June 2024;
- 95 **agreed** to establish a tagged capital contingency associated with the Transport portfolio up to the amount outlined in the table above;
- 96 **noted** that the purpose of this funding is to enable New Zealand Transport Agency (NZTA) to bring forward investments in the Government’s land transport priorities as set out in the GPS that would otherwise be phased to begin from 2027 onwards;
- 97 **noted** that decisions on how National Land Transport Fund funding is distributed to give effect to the GPS is determined by the NZTA Board so there is a risk that the works end up being operating in nature with a corresponding negative impact on OBEGAL;
- 98 **noted** that the \$1 billion capital contingency above is in addition to the \$1.189 billion of already committed capital grant funding to support the GPS, and the additional \$1.955 billion capital grant and \$3.08 billion loan that Cabinet agreed in-principle to provide to support the GPS [CAB-24-MIN-0057];
- 99 **invited** the Minister of Transport to report back to Cabinet by 30 June 2025 with an update on the implementation of the GPS, including an outline of what the funding in this tagged contingency will deliver;
- 100 **authorised** the Minister of Transport, Minister of Finance and Minister for Infrastructure (joint Ministers) to draw down the tagged contingency, subject to Cabinet consideration of the above report back on the implementation of the GPS;

- 101 **agreed** that joint Ministers will draw down from the tagged capital contingency into the National Land Transport Fund, subject to the Ministry of Transport and NZTA:
- 101.1 demonstrating compliance with Cabinet Office circular CO (23) 9: Investment Management and Asset Performance in Departments and Other Entities, including but not limited to submitting Strategic Assessments, Risk Profile Assessments, Business Cases, and Quarterly Investment Reporting returns to the Treasury;
  - 101.2 confirming the proposed works to be prioritised;
  - 101.3 confirming project timelines, key milestones, decision points and off-ramps;
  - 101.4 providing independent Quantitative Risk Assessments to provide confidence in the costings;
  - 101.5 providing updated benefit cost ratios based on revised costings and benefits to prove that proposed additional government spending represents value for money;
  - 101.6 providing independent assessment of delivery capacity in affected regions to ensure that projects are deliverable with respect to all other demands on the sector; and
  - 101.7 providing regular reporting to the Infrastructure and Investment Ministers Group;
- 102 **agreed** that the expiry date for the above tagged contingency be 30 June 2025;

**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** Government Policy Statement on Land Transport 2024

**Description:** Cabinet agreed to an in-principle decision to pre-commit GPS forecast adjustments to be returned to centre as part of Budget 2024 decisions [CAB-24-MIN-0057].

**Forecast Changes**

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	(161.000)	(200.000)	(255.000)	(100.000)
Net Core Crown Debt Impact Only	1,955.000	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	1,955.000	(161.000)	(200.000)	(255.000)	(100.000)

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

**Additional Recommendations**

103 **agreed** that the above forecast changes be managed against the Budget 2024 operating allowance and the Multi-Year Capital Allowance.