

# The Treasury

## Budget 2024 Information Release

### September 2024

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- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
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- [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
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- [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
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- [40] 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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# Cabinet

## Minute of Decision

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### Budget 2024 Package: Vote Transport (Technical Initiatives)

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 technical 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
16015	Clean Vehicle Standard - Establishment of Appropriation for the Issuing of Credits	-	-	-	-	-
16103	Decarbonising the Public Transport Bus Fleet - Reprioritisation of 2023/24 Funding	(2.000)	-	-	-	-
16012	Improving Resilience of the Roothing Network - Rephasing of Funding	(1.500)	1.500	-	-	-
16017	Land Transport Regulatory Services - Rephasing of Funding	(1.000)	1.000	-	-	-
16019	Maritime Oversight Security Committee - Transfer of Strategic Intelligence Analyst	-	-	-	-	-
16018	Milford Sound Aerodrome - Rephasing of Funding	(0.700)	0.700	-	-	-
16001	Ministry of Transport - Reprioritisation of Departmental Underspends	(8.000)	-	-	-	-
16013	Rail - NZ Railways Corporation Equity Injection	-	-	-	-	-
16022	Rail Network Investment Programme - Change in Appropriation Scope	-	-	-	-	-
16020	Recreational Aviation Safety Services Activities - Increase in Funding	-	-	-	-	-
16021	Shared Approach to Back-office Transformation	-	(0.025)	(0.025)	(0.025)	(0.025)
<b>Total Operating</b>		<b>(13.200)</b>	<b>3.175</b>	<b>(0.025)</b>	<b>(0.025)</b>	<b>(0.025)</b>

**Capital Initiatives (Impact on Debt)**

<b>Initiative ID</b>	<b>Initiative Name</b>	<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>
16014	Auckland City Rail Link - Establishing a New Multi Year Appropriation	(65.000)	(268.647)	184.500	74.000	75.147*
16012	Improving Resilience of the Roothing Network - Rephasing of Funding	(1.500)	1.500	-	-	-
<b>Total Capital</b>		<b>(66.500)</b>	<b>(267.147)</b>	<b>184.500</b>	<b>74.000</b>	<b>75.147</b>

\*Denotes no outyears funding

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

**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** Auckland City Rail Link - Establishing a New Multi Year Capital Appropriation

**Description:** This initiative establishes a new four-year Multi Year Appropriation “Auckland City Rail Link - Capital (2024-2028)” for the Crown’s share of Auckland City Rail Link capital costs. Forecast underspends in the current Auckland City Rail Link MYA will provide funding until 2027/28. The current MYA ends on 30 June 2025.

### New Appropriation Approval

Name	Appropriation Minister	Period	Type	Category Name	Scope
Auckland City Rail Link - Capital (2024-2028)	Minister of Transport	Multi Year Appropriation Start: 1/07/2024 Finish: 30/06/2028 Amount (\$m): 636.647	Non-Departmental Capital Expenditure	N/A	This appropriation is limited to the Crown's share of the total project capital costs of the Auckland City Rail Link.

### Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28
Operating Balance Impact*	-	-	-	-	-
Net Core Crown Debt Impact Only	(65.000)	(268.647)	184.500	74.000	75.147
No Impact	-	-	-	-	-
<b>Total</b>	<b>(65.000)</b>	<b>(268.647)</b>	<b>184.500</b>	<b>74.000</b>	<b>75.147</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>					
Auckland City Rail Link	(65.000)	(571.647)	-	-	-
Auckland City Rail Link - Capital (2024-2028) (MYA)	-	303.000	184.500	74.000	75.147
<b>Total Capital</b>	<b>(65.000)</b>	<b>(268.647)</b>	<b>184.500</b>	<b>74.000</b>	<b>75.147</b>

**Additional Recommendations**

- 2 **noted** that the practical completion date for the City Rail Link Project is beyond the end date for the current Multi Year Appropriation;
- 3 **agreed** to re-phase project expenditure across the forecast period, including transferring funding into the new Multi Year Appropriation “Auckland City Rail Link - Capital (2024-2028)” to reflect the current forecast expenditure profile for the project;
- 4 **agreed** that any funding in the current Multi Year Appropriation “Auckland City Rail Link” that remains unspent at 30 June 2025 be transferred to the new Multi Year Appropriation “Auckland City Rail Link - Capital (2024-2028)”;
- 5 **authorised** the Minister of Finance and the Minister of Transport to confirm the final amount of the above transfer following the completion of the Ministry of Transport’s 2024/25 audited financial statements;
- 6 **noted** that the above appropriation changes give effect to the above decisions;
- 7 **noted** that the amounts shown in the Appropriation Changes table for the Multi Year Appropriation: "Auckland City Rail Link - Capital (2024-2028)" reflect the indicative annual spending profile;

**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** Clean Vehicle Standard – Establishment of Appropriation for the Issuing of Credits

**Description:** This initiative establishes an appropriation of \$750.000 million total operating funding for the issuing of credits under the Clean Car Standard Scheme. This appropriation is required as a result of a change in accounting treatment and is fiscally neutral.

### New Appropriation Approval

Name	Appropriation Minister	Period	Type	Category Name	Scope
Clean Vehicle Standard - Issue of Credits	Minister of Transport	Annual	Non-Departmental Other Expenses	N/A	This appropriation is limited to the expenses incurred for the accounting entries for the credits issued to importers under the Clean Vehicle Standard.

### 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	-	-	-	-	-
<b>Total</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-Tax Revenue:</b>					
Infringements	150.000	150.000	150.000	150.000	150.000
<b>Non-Departmental Other Expenses:</b>					
Clean Vehicle Standard - Issue of Credits	150.000	150.000	150.000	150.000	150.000
<b>Total Operating</b>	-	-	-	-	-

### Additional Recommendation

8 **noted** that the above appropriation changes are fiscally neutral as any expenditure incurred in the issuing of credits will be offset by revenue earned through the issuing of charges;

**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** Decarbonising the Public Transport Bus Fleet - Reprioritisation of 2023/24 Funding

**Description:** This initiative reprioritises \$2.000 million total operating funding no longer required following the Government's decision to end the programme (Initiative 15719). This funding will be reallocated towards Ground Based Navigational Aids (Initiative 16127).

### Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28
Operating Balance Impact*	(2.000)	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>(2.000)</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>					
Public Transport Bus Decarbonisation (MYA)	(2.000)	-	-	-	-
<b>Total Operating</b>	<b>(2.000)</b>	-	-	-	-

### Additional Recommendations

- 9 **noted** that the above appropriation changes give effect to decisions taken in Initiative 15719;
- 10 **agreed** that the Multi Year Appropriation: "Public Transport Bus Decarbonisation" be adjusted by (\$2.000 million);
- 11 **noted** that the amounts shown in the Appropriation Changes table for the Multi Year Appropriation: "Public Transport Bus Decarbonisation" reflect the change to the indicative annual spending profile;
- 12 **noted** that the above initiative, along with Initiative 16001 are reprioritising a total of \$10.000 million in funding towards Ground Based Navigational Aids (Initiative 16127 in Vote Finance) and are fiscally neutral overall;



**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** Improving Resilience of the Roothing Network - Rephasing of Funding

**Description:** This initiative transfers funding from 2023/24 to 2024/25 to reflect the delay and subsequent rephasing of works required to improve the resilience of the roading network to future weather events.

### Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28
Operating Balance Impact*	(1.500)	1.500	-	-	-
Net Core Crown Debt Impact Only	(1.500)	1.500	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>(3.000)</b>	<b>3.000</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>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	(0.500)	0.500	-	-	-
<i>Non-Departmental Other Expenses:</i>					
Improving Resilience of the Roothing Network – Local Roads	(1.000)	1.000	-	-	-
<i>Non-Departmental Capital Expenditure:</i>					
Improving Resilience of the Roothing Network – State Highways	(1.500)	1.500	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Improving Resilience of the Roothing Network (MCA)	(3.000)	3.000	-	-	-
<b>Total Operating</b>	<b>(1.500)</b>	<b>1.500</b>	-	-	-
<b>Total Capital</b>	<b>(1.500)</b>	<b>1.500</b>	-	-	-

**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** Land Transport Regulatory Services - Rephasing of Funding

**Description:** This initiative re-phases funding relating to the Driver Licensing Improvement Programme due to delays in the delivery of programme activities.

**Appropriation Changes**

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	(1.000)	1.000	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>(1.000)</b>	<b>1.000</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>					
Land Transport Regulatory Services	(1.000)	1.000	-	-	-
<b>Total Operating</b>	<b>(1.000)</b>	<b>1.000</b>	-	-	-

<b>Vote:</b>	Transport
<b>Appropriation Administrator:</b>	Ministry of Transport
<b>Title:</b>	Maritime Oversight Security Committee - Transfer of Strategic Intelligence Analyst
<b>Description:</b>	This initiative transfers a Strategic Intelligence Analyst role (and associated operating funding) from the Ministry of Transport to Maritime New Zealand, which has more appropriate intelligence security facilities.

### 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	-	-	-	-	-
<b>Total</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>Departmental Output Expenses:</b>					
Transport - Policy advice, ministerial servicing, governance, and other functions (funded by revenue Crown)	(0.025)	(0.125)	(0.125)	(0.125)	(0.125)
<b>Non-Departmental Output Expenses:</b>					
Maritime Regulatory and Response Services	0.025	0.125	0.125	0.125	0.125
<b>Total Operating</b>	-	-	-	-	-

**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** Milford Sound Aerodrome - Rephasing of Funding

**Description:** This initiative rephases funding provided for the Milford Sound Aerodrome (the Aerodrome). While the Ministry of Transport progresses a funding review, this expense transfer of \$0.700 million total operating funding from the Aerodrome's unutilised funding in 2023/24 will fund continued operations in 2024/25 and will help smooth the introduction of increased landing fees charged at the Aerodrome.

### Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	(0.700)	0.700	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>(0.700)</b>	<b>0.700</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>Departmental Output Expenses:</b>					
Transport - Policy advice, ministerial servicing, governance, and other functions (funded by revenue Crown)	(0.700)	0.700	-	-	-
<b>Total Operating</b>	<b>(0.700)</b>	<b>0.700</b>	-	-	-

**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** Ministry of Transport - Reprioritisation of Departmental Underspends

**Description:** This initiative reprioritises \$8.000 million total operating departmental funding underspent for 2023/24 towards Ground Based Navigational Aids (Initiative 16127).

### Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28
Operating Balance Impact*	(8.000)	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>(8.000)</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>Departmental Output Expenses:</b>					
Transport - Policy advice, ministerial servicing, governance, and other functions (funded by revenue Crown)	(8.000)	-	-	-	-
<b>Total Operating</b>	<b>(8.000)</b>	-	-	-	-

### Additional Recommendation

13 **noted** that the above initiative along with Initiative 16103 are reprioritising a total of \$10.000 million in funding towards Ground Based Navigational Aids (Initiative 16127 in Vote Finance) and are fiscally neutral overall;

**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** Rail – NZ Railways Corporation Equity Injection

**Description:** This initiative delegates authority to the Ministers of Finance and Transport to approve funding transfers between the Rail – NZ Railways Corporation Equity Injection and Rail – New Zealand Railways Corporation Equity Injection 2024 - 2029 appropriations. This will allow flexibility to reflect future changes to equity injections for New Zealand Railways Corporation relating to property transactions funded by KiwiRail Holdings Limited.

### **Additional Recommendations**

- 14 **agreed** that any funding in the current Multi Year Appropriation "Rail – NZ Railways Corporation Equity Injection" that remains unspent at 30 June 2024 be transferred to the Multi Year Appropriation "Rail – New Zealand Railways Corporation Equity Injection 2024-2029";
- 15 **authorised** the Minister of Finance and the Minister of Transport to confirm the final amount of the above transfer following the completion of the Ministry of Transport's 2023/24 audited financial statements;

**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** Rail Network Investment Programme - Change in Appropriation Scope

**Description:** This initiative changes the scope statement of the Multi Year Appropriation “Rail - Maintenance and Renewal of the Rail Network (2024-2028)”. This change enables funding to be provided to KiwiRail for continuity of operations in the event that a new Rail Network Investment Programme is not agreed by 1 July 2024.

### **Additional Recommendations**

- 16 **noted** that the Rail - Maintenance and Renewal of the Rail Network (2024-2028) Multi Year Appropriation was established through Budget 2023;
- 17 **noted** that a change in scope is requested to enable funding to be provided to KiwiRail for continuity of operations in the event that a new Rail Network Investment Programme is not agreed by 1 July 2024;
- 18 **agreed** to amend the scope as follows:
  - 18.1 Existing scope: This appropriation is limited to expenses incurred on the approved Rail Network Investment Programme;
  - 18.2 Amended scope: This appropriation is limited to expenses incurred for the maintenance and renewal of the rail network including for the approved Rail Network Investment Programme;

**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** Recreational Aviation Safety Services Activities - Increase in Funding

**Description:** This initiative provides one-off additional funding for the Recreational Aviation Safety Services Activities Permanent Legislative Authority (PLA) to avoid unappropriated expenditure. Joint Ministers' approval is required under section 9(1) of the Land Transport Management Act 2003 to give effect to this increase in funding. The change is fiscally neutral as it reduces funding available to deliver the National Land Transport Programme.

### 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	-	-	-	-	-
<b>Total</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>					
National Land Transport Programme (PLA)	(0.086)	-	-	-	-
<b>Non-Departmental Other Expenses:</b>					
Recreational Aviation Safety Activities (PLA)	0.086	-	-	-	-
<b>Total Operating</b>	-	-	-	-	-
<b>Total Capital</b>	-	-	-	-	-

### Additional Recommendations

- 19 **agreed** that the Minister of Transport and the Minister of Finance approve this funding under section 9(1) of the Land Transport Management Act 2003;
- 20 **noted** the Minister of Transport's and Minister of Finance's decision to provide additional funding of \$0.086 million in 2023/24 for Recreational Aviation Safety Services Activities, under section 9(1) of the Land Transport Management Act 2003;
- 21 **noted** that funding approved under section 9(1) of the Land Transport Management Act 2003 is taken from the National Land Transport Fund and decreases funding available in the National Land Transport Fund for land transport activities in the National Land Transport Programme;



**Vote:** Transport

**Appropriation Administrator:** Ministry of Transport

**Title:** Shared Approach to Back-office Transformation

**Description:** This initiative funds a shared approach to back-office transformation. On 4 September 2023 Cabinet confirmed an approach to fund this system initiative through contributions from agency baselines [CAB-23-MIN-0417].

### Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	(0.025)	(0.025)	(0.025)	(0.025)
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>(0.025)</b>	<b>(0.025)</b>	<b>(0.025)</b>	<b>(0.025)</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>Departmental Output Expenses:</b>					
Transport - Policy advice, ministerial servicing, governance, and other functions (funded by revenue Crown)	-	(0.025)	(0.025)	(0.025)	(0.025)
<b>Total Operating</b>	-	<b>(0.025)</b>	<b>(0.025)</b>	<b>(0.025)</b>	<b>(0.025)</b>

### Additional Recommendation

22 **noted** that this initiative relates to Initiative 15913 in Vote Internal Affairs.