

# The Treasury

## Budget 2015 Information Release

### Release Document July 2015

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Key to sections of the Official Information Act 1982 under which information has been withheld.

Certain information in this document has been withheld under one or more of the following sections of the Official Information Act, as applicable:

- [1] 6(a) - to prevent prejudice to the security or defence of New Zealand or the international relations of the government
- [2] 6(c) - to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
- [3] 6(e)(iv) - to damage seriously the economy of New Zealand by disclosing prematurely decisions to change or continue government economic or financial policies relating to the entering into of overseas trade agreements.
- [4] 9(2)(a) - to protect the privacy of natural persons, including deceased people
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- [6] 9(2)(ba)(i) - to prevent prejudice to the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied.
- [6a] 9(2)(ba)(ii) - to protect information, where the making available of the information would be likely otherwise to damage the public interest
- [7] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [8] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [8a] 9(2)(f)(ii) - to maintain the current constitutional conventions protecting the collective and individual ministerial responsibility
- [9] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [10] 9(2)(h) - to maintain legal professional privilege
- [11] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [12] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [13] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [14] Not in scope

Where information has been withheld, a numbered reference to the applicable section of the Official Information Act has been made, as listed above. For example, a [4] appearing where information has been withheld in a release document refers to section 9(2)(a).

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.

## Treasury Report: Updated funding for KiwiRail in Budget 2015

<b>Date:</b>	1 May 2015	<b>Report No:</b>	T2015/910
		<b>File Number:</b>	SH-8-4

### Action Sought

	Action Sought	Deadline
Minister of Finance (Hon Bill English)	<b>Agree</b> to the change in funding decisions for KiwiRail in Budget 2015. [8]	As soon as possible
Associate Minister of Finance (Hon Steven Joyce)	<b>Note</b> the change in funding decisions for KiwiRail in Budget 2015. [8]	As soon as possible
Associate Minister of Finance (Hon Paula Bennett)	<b>Note</b> the change in funding decisions for KiwiRail in Budget 2015. [8]	As soon as possible
Minister of Transport (Hon Simon Bridges)	<b>Agree</b> to the change in funding decisions for KiwiRail in Budget 2015. [8]	As soon as possible
Minister for State Owned Enterprises (Hon Todd McClay)	<b>Agree</b> to the change in funding decisions for KiwiRail in Budget 2015. [8]	As soon as possible

### Contact for Telephone Discussion (if required)

Name	Position	Telephone	1st Contact
[8]			✓
David Taylor	Manager, National Infrastructure Unit	04 917 6975	027 4905 967

### Actions for the Minister's Office Staff (if required)

**Refer** this report to all of the above listed ministers and **return** the signed report to Treasury.

**Enclosure:** No

## **Treasury Report: Updated funding for KiwiRail in Budget 2015**

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### **Executive Summary**

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Funding decisions for KiwiRail in Budget 2015 have been changed following Cabinet's agreement to the final Budget package. This report seeks confirmation of joint ministerial agreement to the change in Budget decisions. [8]  
[8]

[8]

## Recommended Action

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We recommend that you:

- a **agree** to the change in funding decisions from CAB Min (15) 12/2(20) for KiwiRail in Budget 2015, to \$400 million over 2015/16 and 2016/17;

*Agree/disagree*

- b **agree** that the 2015/16 impact of this initiative be charged against the Budget 2015 Future Investment Fund allocations, and the 2016/17 impact of this initiative be a pre-commitment against the Budget 2016 Future Investment Fund capital allocation;

*Agree/disagree*

- c **approve** changes to appropriations to implement this initiative, as in the table below;

	\$m - increase/(decrease)				
	2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
<b>Non-Departmental Capital Expenditure:</b>					
Rail – KiwiRail Holdings Limited	-	209.800	190.200	-	-
<b>Total Operating</b>	-	-	-	-	-
<b>Total Capital</b>	-	<b>209.800</b>	<b>190.200</b>	-	-

*Agree/disagree*

[8]

David Taylor  
**Manager, National Infrastructure Unit**

Hon Bill English  
**Minister of Finance**

Hon Steven Joyce  
**Associate Minister of Finance**

Hon Paula Bennett  
**Associate Minister of Finance**

Hon Simon Bridges  
**Minister of Transport**

Hon Todd McClay  
**Minister for State Owned Enterprises**

## Treasury Report: Updated funding for KiwiRail in Budget 2015

### Purpose of Report

1. This report seeks confirmation of ministers' decision to change the funding package for KiwiRail in Budget 2015 from \$209.8 million in 2015/16 only to \$400 million for 2015/16 and 2016/17.

[8]

### Funding decision

3. On Monday 20 April 2015, Cabinet noted that a Budget initiative was submitted for consideration by Budget Ministers as part of Budget 2015 to invest more capital into KiwiRail on the basis that the government wishes to retain the rail freight network [CAB Min (15) 12/3 refers]. Cabinet agreed to fund KiwiRail for one year only [CAB Min (15) 12/2(20) refers] on the premise that funding for outyears would be confirmed in later Budgets.
4. KiwiRail has expressed concerns about the viability of making long term planning decisions for their network with only one year of funding confirmed. Yesterday KiwiRail met with ministers to discuss their business needs. We understand that Budget ministers have reconsidered their recommendation to Cabinet and decided to give KiwiRail more certainty for their business plans by providing funding for two years, rather than one.
5. The fiscal impact of the decision to fund for two years is:

	\$m - increase/(decrease)				
	2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	209.800	190.200	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>209.800</b>	<b>190.200</b>	-	-

	\$m - increase/(decrease)				
	2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
<b>Non-Departmental Capital Expenditure:</b>					
Rail – KiwiRail Holdings Limited	-	209.800	190.200	-	-
<b>Total Operating</b>	-	-	-	-	-
<b>Total Capital</b>	-	<b>209.800</b>	<b>190.200</b>	-	-

[5][11][12]

[5][11][12]

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