

The Treasury

Budget 2016 Information Release

Release Document July 2016

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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]	to prevent prejudice to the security or defence of New Zealand or the international relations of the government	6(a)
[4]	to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial	6(c)
[11]	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.	6(e)(vi)
[23]	to protect the privacy of natural persons, including deceased people	9(2)(a)
[25]	to protect the commercial position of the person who supplied the information or who is the subject of the information	9(2)(b)(ii)
[26]	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	9(2)(ba)(i)
[27]	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	9(2)(ba)(ii)
[29]	to avoid prejudice to the substantial economic interests of New Zealand	9(2)(d)
[31]	to maintain the current constitutional conventions protecting collective and individual ministerial responsibility	9(2)(f)(ii)
[33]	to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials	9(2)(f)(iv)
[34]	to maintain the effective conduct of public affairs through the free and frank expression of opinions	9(2)(g)(i)
[36]	to maintain legal professional privilege	9(2)(h)
[37]	to enable the Crown to carry out commercial activities without disadvantages or prejudice	9(2)(i)
[38]	to enable the Crown to negotiate without disadvantage or prejudice	9(2)(j)
[39]	to prevent the disclosure of official information for improper gain or improper advantage	9(2)(k)
[s18(c)(i)]	that the making available of the information requested would be contrary to the provisions of a specified enactment	
[40]	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 [23] 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) and section 18 of the Official Information Act.



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.

2016 Budget Package: Revenue

On 25 April 2016, Cabinet:

- 1 **approved** the Budget initiative for the above Vote for inclusion in the 2016 Budget package, as listed in the summary below and detailed in the attached initiative documents;

Summary of initiative included in the attached initiative document:

Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2015/16	2016/17	2017/18	2018/19	2019/20 & Outyears
9475	Annual Maximum Fee Movement for 2017 and 2018	-	1.480	2.781	2.842	2.712
Total Operating		-	1.480	2.781	2.842	2.712

Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2015/16	2016/17	2017/18	2018/19	2019/20 & Outyears
9475	Annual Maximum Fee Movement for 2017 and 2018	-	-	(0.027)	(0.118)	(0.277)
Total Capital		-	-	(0.027)	(0.118)	(0.277)

- 2 **approved** changes to appropriations and the capital injection to the administering department to implement the initiative, as set out in the attached initiative document;
- 3 **approved** the additional recommendations to give effect to the initiative, as set out in the attached initiative document;

- 4 **authorised** the Minister of Finance and the Appropriation Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2015/16 Supplementary Estimates, the 2016/17 Estimates and the fiscal forecasts;
- 5 **noted** that all communications relating to the 2016 Budget are co-ordinated by a Budget communications committee, and that any requests for early announcement will need to have both the written approval of the Minister of Finance and sign-off from the Prime Minister's office;

Michael Webster
Secretary of the Cabinet

Hard-copy distribution: (see over)

Vote: Revenue

Title: Annual Maximum Fee Movement for 2017 and 2018

Description: This initiative sets the Annual Maximum Fee Movement – the amount tertiary education organisations can increase their domestic fees – at 2% for 2017 and 2018. This represents a balance between supporting providers to improve the quality of course delivery, maintaining certainty and affordability of study for students, and managing the fiscal impact to the Crown.

Appropriation Changes

	\$m - increase/(decrease)				
	2015/16	2016/17	2017/18	2018/19	2019/20 & Outyears
Operating Balance Impact	-	1.480	2.781	2.842	2.712
Debt Impact	-	-	(0.027)	(0.118)	(0.277)
No Impact	-	-	-	-	-
Total	-	1.480	2.754	2.724	2.435

	\$m - increase/(decrease)				
	2015/16	2016/17	2017/18	2018/19	2019/20 & Outyears
Non-Departmental Other Expense:					
Initial Fair Value Write-Down Relating to Student Loans	-	1.516	2.971	3.262	3.380
Total Operating	-	1.516	2.971	3.262	3.380
Total Capital	-	-	-	-	-

Additional recommendations

10 **noted** that as a result of this initiative there is a forecast increase in Student Loan receipts, as set out in the following table:

	\$m - increase/(decrease)				
	2015/16	2016/17	2017/18	2018/19	2019/20 & Outyears
Capital Receipts:					
Student Loans - Receipt	-	-	0.027	0.118	0.277

11 **noted** that the debt impact reflected above is broadly assumed to be neutral over a ten year period and, as such, is not a saving against the capital allowance;

Initiative No: 9475

- 12 **noted** that the operating impact reflected above is broadly assumed to be neutral over a 10 year period and, as such, is not charged against the operating allowance;
- 13 **noted** that as a result of this initiative there is a forecast increase in interest collected from Student Loans, as set out in the following table:

	\$m - increase/(decrease)				
	2015/16	2016/17	2017/18	2018/19	2019/20 & Outyears
Non-Tax Revenue:					
Interest on Impaired Student Loans	-	0.036	0.190	0.420	0.668

- 14 **noted** that Initiative 9389 in Vote Social Development is associated with the above initiative [CAB-16-MIN-0189.27].