

# The Treasury

## Budget 2017 Information Release

### Release Document July 2017

[www.treasury.govt.nz/publications/informationreleases/budget/2017](http://www.treasury.govt.nz/publications/informationreleases/budget/2017)

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)
[40]	Not in scope	

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.

Reference: T2016/2222 SH-1-6-3

Date: 11 November 2016

To: Minister of Finance (Hon Bill English)  
Associate Minister of Finance (Hon Steven Joyce)  
Associate Minister of Finance (Hon Paula Bennett)

Deadline: For Cabinet on Monday, 14 November

## **Aide Memoire: Summary of Terranova numbers**

This note provides a short summary of the Crown and private costs of the proposed Terranova settlement. The builds on Table 2 of the Cabinet paper. We then add on BAU wage growth and costs associated with funding the OCL impact for ACC.

We (Treasury) have had to estimate BAU wage impacts for private residents in aged care. Subject to that point, these numbers are not disputed as far as we know. The only real difference is how they are presented.

We have put the material in an appendix (overleaf) so you can see it all on one page.

**John Marney**, Principal Advisor, Health, <sup>[39]</sup>  
**Ben McBride**, Manager, Health, <sup>[39]</sup>

## APPENDIX

	2017/18	2018/19	2019/20	2020/21	2021/22	5 year total
<b>Figures shown in table 2 of Cabinet paper</b>						
Crown costs						
MOH/DHBs	232	281	335	395	461	1,703
ACC	25	30	35	40	46	176
Total Crown	257	311	369	435	507	1,879
Costs borne privately by aged-care residents	36	43	51	60	70	261
Costs born by ACC levy payers	56	67	77	90	103	393
<b>Crown cost plus private cost</b>	<b>349</b>	<b>421</b>	<b>498</b>	<b>585</b>	<b>680</b>	<b>2,532</b>
<b>Additional BAU wage growth netted out</b>						
MOH/DHBs	[38]					
Borne privately by aged-care residents *						
<b>BAU wage growth</b>						
<b>Funding the OCL impact for ACC</b>						
Impact for appropriations	110	110	110	0	0	330
Impact for levy payers	74	74	74	74	74	370
<b>Funding of OCL impact</b>	<b>184</b>	<b>184</b>	<b>184</b>	<b>74</b>	<b>74</b>	<b>700</b>
<b>Total costs, Crown plus private</b>	[38]					

\* Treasury estimate: pro rata

[38]