The Treasury

Budget 2017 Information Release

Release Document July 2017

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)
[29] [31]	to avoid prejudice to the substantial economic interests of New Zealand to maintain the current constitutional conventions protecting collective and individual ministerial responsibility	9(2)(d) 9(2)(f)(ii)
	to maintain the current constitutional conventions protecting collective and individual ministerial	
[31]	to maintain the current constitutional conventions protecting collective and individual ministerial responsibility to maintain the current constitutional conventions protecting the confidentiality of advice tendered	9(2)(f)(ii)
[31]	to maintain the current constitutional conventions protecting collective and individual ministerial responsibility to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials	9(2)(f)(ii) 9(2)(f)(iv)
[31] [33] [34]	to maintain the current constitutional conventions protecting collective and individual ministerial responsibility to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials to maintain the effective conduct of public affairs through the free and frank expression of opinions	9(2)(f)(ii) 9(2)(f)(iv) 9(2)(g)(i)
[31] [33] [34] [36]	to maintain the current constitutional conventions protecting collective and individual ministerial responsibility to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials to maintain the effective conduct of public affairs through the free and frank expression of opinions to maintain legal professional privilege	9(2)(f)(ii) 9(2)(f)(iv) 9(2)(g)(i) 9(2)(h)
[31] [33] [34] [36] [37]	to maintain the current constitutional conventions protecting collective and individual ministerial responsibility to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials to maintain the effective conduct of public affairs through the free and frank expression of opinions to maintain legal professional privilege to enable the Crown to carry out commercial activities without disadvantages or prejudice	9(2)(f)(ii) 9(2)(f)(iv) 9(2)(g)(i) 9(2)(h) 9(2)(i)

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.

From: John Marney [TSY]

Sent: Friday, 31 March 2017 3:48 p.m.

To: 'Sam Tendeter'; ^Parliament: David Kidson

Subject: RE: Terranova

Attachments: Terranova costings, chronology

Hello. The run rate as it stands today is per the attached spreadsheet (David – this hasn't changed since I sent it over yesterday). The 3 options at the bottom are the Crown's most recent offer within (ish) the November mandate (\$1.83bn), the unions' counter-offer (\$2.13bn), and Doug's counter-counter offer (\$1.93bn). The one-off costs (~30m) are additional and would apply in each case.

In terms of net debt, the unions' counter offer would add about \$300m over the forecast period, whereas Doug's \$1.93bn offer would add about \$150m. These numbers are very approximate and are likely to change (perhaps materially) once ACC re-runs its OCL model for the BEFU forecasts (this won't be until 11 April).

Doug met the unions last night and they discussed an alternative involving capped rates for people transitioning to level 4 (i.e. with 12+ years experience). This hasn't been costed yet: the model needs to be tweaked first (it doesn't currently allow for capped rates). I wouldn't have thought it will reduce the cost by all that much: the Ministry's guesstimate is \$2.1bn.

John Marney [TSY]

I'm not at my desk, so e-mail or call my mobile [23] if you want to discuss / need more info.

John

From: Sam Tendeter [39]

Sent: Friday, 31 March 2017 2:45 p.m.

To: ^Parliament: David Kidson [39]

[39]

Subject: Terreniva

Hi David

Minister has just asked for the run rate of terrenova as it stands today. Some time this afternoon.

Sam

Sent with BlackBerry Work (www.blackberry.com)

Section of the control proper of the control	OPTION AND MODEL							WAGE MATRIX (including annual wage growth assumption) TRANSITION (existing workers
Mathematical Math		2016 (discusse	d in the No	vember Cal	oinet paper)		The state of the s
Mathematical Math	Costing in November Cabinet paper	2017/18	2018/19	2019/20	2020/21	2021/22	5 vear	Assumes r nnual wage growth
Control Cont	MOH and DHBs	-	•	-	-	-	•	
1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	ACC	40	44					Level 0 [38] Pure qualifications-based
Mathematic Mat	Total Crown							
Control of the Cont								
1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Crown cost plus private cost							
Control Cont	updated using new model		2018/19	2019/20	2020/21	2021/22	5 vear	Assumes [38] annual wage growth No transitional rules
Control Cont	MOH and DHBs	[38]						·
the thing the proper members of the								
Note the production of the following showing the production of th	Costs borne by aged-care residents							
Part	Costs borne by ACC levy payers							Level 4
Mary	Crown cost plus private cost							
The content of the plane of t	updated again to include transitional rules	•		-	•	•	-	
1	MOH and DHBs							
1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1								
1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1								
Name of the Crown's position as at November 2015 (the 1947 1948) 1949 1949 1949 1949 1949 1949 1949 194								
Section of the Crown's position as at November 2016 (the Surface Surfa								•
Section (1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	·						<u> </u>	• • •
More and other look of the part of the pa	Costing of the Crown's position as at Novembe	r 2016 (the ba	sis of the n	nandate ap	proved by (Cabinet in N	ovember).	
More and other should be the manner of the	Costing behind the November mandate	2017/18	2018/19	2019/20	2020/21	2021/22	5 year	Assumes _ nnual wage growth
1 section of the control of the con	MOH and DHBs	-	•	•	•	-	•	
1 control crown (as 2.7 1.1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	ACC	25	30	35	40	46	176	Level 0 [38] Pure qualifications-based
1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Total Crown							Level 2 pay regime
Assumes 1.7% annual wage growth and 1.8% and 1.8% annual wage growth annual wage	Costs borne by aged-care residents							
Assume F and J an								Level 4
Main and Dials 18 18 18 18 18 18 18 1	crown cost plus private cost	349	421	498	585	680	2,532	
Contact Count Page Contact Plane Page Pag	updated using new model		2018/19	2019/20	2020/21	2021/22	5 year	[00]
Solation of paged-care residents		[38]						
Level 4 From Crown's 'final' settlement offer - March 2U1 From Crown's 'final' settlement offer - March 2U								Level 0 [38] pay regime
Level 1 private cost such expanses of the Crown's "final" settlement offer-March 2017—1 2018—	Total Crown							Level 2
The Crown's 'final' estitement offer - March 2017/18 2018/19 2019/20 2020/21 2021/22 5 year 2021/22 2021/2	Costs borne by aged-care residents							Level 2
State dusing the new model 2017/18 2018/19 2019/20 2021/21 2019/20 2021/22 5 year 2019/20 2021/22 5 year 2019/20 2021/22 2019/20 2021/22 2019/20 2021/22 2019/20 2021/22 2019/20 2021/22 2019/20 2021/22 2019/20 2021/22 2019/20 2021/22 2019/20 2021/22 2021/20 2021/22 2021/20	Costs borne by aged-care residents Costs borne by ACC levy payers							Level 2 Level 3
Mode and Dilbs 18	Costs borne by ACC levy payers							Level 2 Level 3
Mode and Dilbs 18	Costs borne by ACC levy payers Crown cost plus private cost	017						Level 2 Level 3
Cost Some by aged-care residents 32 39 46 53 62 231 1,833 1,843 1,843 1,843 1,843 1,843 1,843 1,843 1,843 1,843 1,843 1,843 1,843 1,843 1,843 1,843 1,844 1,845 1,	Costs borne by ACC levy payers Crown cost plus private cost The Crown's "final" settlement offer - March 2		2018/19	2019/20	2020/21	2021/22	5 year	Level 2 Level 3 Level 4
1	Costs borne by ACC levy payers Crown cost plus private cost The Crown's "final" settlement offer - March 2 Costed using the new model	2017/18	•	-	-	-		Level 2 Level 3 Level 4 Assumes 1.7% annual wage growth
Second	Costs borne by ACC levy payers Crown cost plus private cost The Crown's "final" settlement offer - March 2 Costed using the new model MOH and DHBs	2017/18 228	276	327	384	447	1,662	Level 2 Level 3 Level 4 Assumes 1.7% annual wage growth Year 1 Year 2 Year 3 Year 4 Year 5 Years Move to
The unions "final" counter-offer - March 2017 Contect using the new model 2017/18 2018/19 2019/20 2020/21 2021/22 5 year 2021/22 5 year 2021/22 5 year 2021/22	Costs borne by ACC levy payers Crown cost plus private cost The Crown's "final" settlement offer - March 2 Costed using the new model MOH and DHBs ACC	2017/18 228 25 253	276 29 305	327 34 361	384 39 423	447 45 491	1,662 172 1,833	Level 2 Level 3 Level 4 Assumes 1.7% annual wage growth Year 1 Year 2 Year 3 Year 4 Year 5 Years Move to Level 0 18.00 18.81 19.65 20.51 21.40 worked pay level Level 2 19.00 19.83 20.69 21.56 22.46 2 2
The unions "final" counter-offer - March 2017 2017/18 2018/19 2019/20 2020/21 2021/22 5 year MOVE to 19.00 19.00 19.00 19.00 20.50 20.50 21.50 20.00 20	Costs borne by ACC levy payers Crown cost plus private cost The Crown's "final" settlement offer - March 2 Costed using the new model MOH and DHBs ACC Total Crown Costs borne by aged-care residents	2017/18 228 25 253 32	276 29 305 39	327 34 361 46	384 39 423 53	447 45 491 62	1,662 172 1,833 231	Level 2 Level 3 Level 4 Assumes 1.7% annual wage growth Year 1 Year 2 Year 3 Year 4 Year 5 Years Move to Level 0 18.00 18.81 19.65 20.51 21.40 worked pay level Level 2 19.00 19.83 20.69 21.56 22.46 2 2 Level 3 21.00 21.87 22.75 23.67 24.60 8 3
State Stat	Costs borne by ACC levy payers Crown cost plus private cost The Crown's "final" settlement offer - March 2 Costed using the new model MOH and DHBs ACC Total Crown Costs borne by aged-care residents Costs borne by ACC levy payers	2017/18 228 25 253 32 55	276 29 305 39 65	327 34 361 46 76	384 39 423 53 87	447 45 491 62 99	1,662 172 1,833 231 383	Level 2 Level 3 Level 4 Assumes 1.7% annual wage growth Year 1 Year 2 Year 3 Year 4 Year 5 Years Move to Level 0 18.00 18.81 19.65 20.51 21.40 worked pay level Level 2 19.00 19.83 20.69 21.56 22.46 2 2 Level 3 21.00 21.87 22.75 23.67 24.60 8 3
ACC 32 39 41 39 49 365 398 381 495 1,933 400 19.00 19.00 19.00 20.50 20.50 20.50 21.50 400 pay level 20.00 10.00 19.00 19.00 21.00 2	Costs borne by ACC levy payers Crown cost plus private cost The Crown's "final" settlement offer - March 2 Costed using the new model MOH and DHBs ACC Total Crown Costs borne by aged-care residents Costs borne by ACC levy payers	2017/18 228 25 253 32 55	276 29 305 39 65	327 34 361 46 76	384 39 423 53 87	447 45 491 62 99	1,662 172 1,833 231 383	Level 2 Level 3 Level 4 Assumes 1.7% annual wage growth Year 1 Year 2 Year 3 Year 4 Year 5 Years Move to Level 0 18.00 18.81 19.65 20.51 21.40 worked pay level Level 2 19.00 19.83 20.69 21.56 22.46 2 2 Level 3 21.00 21.87 22.75 23.67 24.60 8 3
ACC 32 39 41 39 49 365 398 381 495 1,933 400 19.00 19.00 19.00 20.50 20.50 20.50 21.50 400 pay level 20.00 10.00 19.00 19.00 21.00 2	Costs borne by ACC levy payers Crown cost plus private cost The Crown's "final" settlement offer - March 2 Costed using the new model MOH and DHBs ACC Total Crown Costs borne by aged-care residents Costs borne by ACC levy payers Crown cost plus private cost	2017/18 228 25 253 32 55	276 29 305 39 65	327 34 361 46 76	384 39 423 53 87	447 45 491 62 99	1,662 172 1,833 231 383	Level 2 Level 3 Level 4 Assumes 1.7% annual wage growth Year 1 Year 2 Year 3 Year 4 Year 5 Years Move to Level 0 18.00 18.81 19.65 20.51 21.40 worked pay level Level 2 19.00 19.83 20.69 21.56 22.46 2 2 Level 3 21.00 21.87 22.75 23.67 24.60 8 3
State Control Contro	Costs borne by ACC levy payers Crown cost plus private cost The Crown's "final" settlement offer - March 2 Costed using the new model MOH and DHBs ACC Total Crown Costs borne by aged-care residents Costs borne by ACC levy payers Crown cost plus private cost The unions "final" counter-offer - March 2017	2017/18 228 25 253 32 55 340	276 29 305 39 65 409	327 34 361 46 76 482	384 39 423 53 87 564	447 45 491 62 99 652	1,662 172 1,833 231 383 2,447	Level 2 Level 3 Level 4 Assumes 1.7% annual wage growth Year 1 Year 2 Year 3 Year 4 Year 5 Level 0 18.00 18.81 19.65 20.51 21.40 worked pay level Level 2 19.00 19.83 20.69 21.56 22.46 2 2 Level 3 21.00 21.87 22.75 23.67 24.60 8 3 Level 4 23.80 24.71 25.65 26.61 27.60 n/a 4
Sosts borne by aged-care residents of the space of the sp	Costs borne by ACC levy payers Crown cost plus private cost The Crown's "final" settlement offer - March 2 Costed using the new model MOH and DHBs ACC Total Crown Costs borne by aged-care residents Costs borne by ACC levy payers Crown cost plus private cost The unions "final" counter-offer - March 2017 Costed using the new model MOH and DHBs	2017/18 228 25 253 32 55 340	276 29 305 39 65 409 2018/19 365	327 34 361 46 76 482 2019/20 398	384 39 423 53 87 564 2020/21 381	447 45 491 62 99 652	1,662 172 1,833 231 383 2,447	Level 2 Level 3 Level 4 Assumes 1.7% annual wage growth Year 1 Year 2 Year 3 Year 4 Year 5 Years Move to Level 0 18.00 18.81 19.65 20.51 21.40 worked pay level Level 2 19.00 19.83 20.69 21.56 22.46 2 2 Level 3 21.00 21.87 22.75 23.67 24.60 8 3 Level 4 23.80 24.71 25.65 26.61 27.60 n/a 4
Costs borne by ACC levy payers of the Windows Storm (1998) and the Windows	Costs borne by ACC levy payers Crown cost plus private cost The Crown's "final" settlement offer - March 2 Costed using the new model MOH and DHBs ACC Total Crown Costs borne by aged-care residents Costs borne by ACC levy payers Crown cost plus private cost The unions "final" counter-offer - March 2017 Costed using the new model MOH and DHBs ACC	2017/18 228 25 253 32 55 340 2017/18 294 32	276 29 305 39 65 409 2018/19 365 39	327 34 361 46 76 482 2019/20 398 41	384 39 423 53 87 564 2020/21 381 39	447 45 491 62 99 652	1,662 172 1,833 231 383 2,447 5 year 1,933 200	Level 2 Level 3 Level 4 Assumes 1.7% annual wage growth Year 1 Year 2 Year 3 Year 4 Year 5 Level 0 18.00 18.81 19.65 20.51 21.40 worked pay level Level 2 19.00 19.83 20.69 21.56 22.46 2 2 Level 3 21.00 21.87 22.75 23.67 24.60 8 3 Level 4 23.80 24.71 25.65 26.61 27.60 n/a 4 Assumes 1.7% annual wage growth Year 1 Year 2 Year 3 Year 4 Year 5 Level 0 19.00 19.80 20.50 20.50 21.50 worked pay level
Assumes 1.7% annual wage growth Costed using the new model MOHABS COCC 2017/18 2018/19 2019/20 3054 465 1,749 Year 1 Year 2 Year 3 Year 4 Year 5 Years Move to 18.50 Year 1 19.50 Year 1	Costs borne by ACC levy payers Crown cost plus private cost The Crown's "final" settlement offer - March 2 Costed using the new model MOH and DHBs ACC Total Crown Costs borne by aged-care residents Costs borne by ACC levy payers Crown cost plus private cost The unions "final" counter-offer - March 2017 Costed using the new model MOH and DHBs ACC Total Crown	2017/18 228 25 253 32 55 340 2017/18 294 32 326	276 29 305 39 65 409 2018/19 365 39 404	327 34 361 46 76 482 2019/20 398 41 439	384 39 423 53 87 564 2020/21 381 39 420	447 45 491 62 99 652 2021/22 495 49 545	1,662 172 1,833 231 383 2,447 5 year 1,933 200 2,134	Level 2 Level 3 Level 4 Assumes 1.7% annual wage growth Year 1 Year 2 Year 3 Year 4 Year 5 Years Move to Level 0 18.00 18.81 19.65 20.51 21.40 worked pay level Level 2 19.00 19.83 20.69 21.56 22.46 2 2 2 Level 3 21.00 21.87 22.75 23.67 24.60 8 3 Level 4 23.80 24.71 25.65 26.61 27.60 n/a 4 Assumes 1.7% annual wage growth Year 1 Year 2 Year 3 Year 4 Year 5 Year 6 Year 5 Year 8 Move to worked pay level Level 0 19.00 19.80 20.50 20.50 20.50 21.50 23.00 3 2 Level 0 19.00 21.50 20.50 23.00 3 2
Costed using the new model 2017/18 2018/19 2019/20 2020/21 2021/22 5 year Assumes 1.7% annual wage growth MOH and DHBs 247 314 370 354 465 1,749 Year 1 Year 2 Year 3 Year 4 Year 5 Years Move to Year 1 Year 2 19.50 20.00 Year 2 19.50 20.00 Year 3 Year 3 Year 4 Year 5 Year	Costs borne by ACC levy payers Crown cost plus private cost The Crown's "final" settlement offer - March 2 Costed using the new model MOH and DHBs ACC Total Crown Costs borne by aged-care residents Crown cost plus private cost The unions "final" counter-offer - March 2017 Costed using the new model MOH and DHBs ACC Total Crown Costs borne by aged-care residents	2017/18 228 25 253 32 55 340 2017/18 294 32 326 41	276 29 305 39 65 409 2018/19 365 39 404 51	327 34 361 46 76 482 2019/20 398 41 439 55	384 39 423 53 87 564 2020/21 381 39 420 53	447 45 491 62 99 652 2021/22 495 49 545 68	1,662 172 1,833 231 383 2,447 5 year 1,933 200 2,134 268	Level 2 Level 3 Level 4
Costed using the new model 2017/18 2018/19 2019/20 2020/21 2021/22 5 year Assumes 1.7% annual wage growth MOH and DHBs 247 314 370 354 465 1,749 Year 1 Year 2 Year 3 Year 4 Year 5 Years Move to Year 1 Year 2 19.50 20.00 Year 2 19.50 20.00 Year 3 Year 3 Year 4 Year 5 Year	Costs borne by ACC levy payers Crown cost plus private cost The Crown's "final" settlement offer - March 2 Costed using the new model MOH and DHBs ACC Total Crown Costs borne by aged-care residents Crown cost plus private cost The unions "final" counter-offer - March 2017 Costed using the new model MOH and DHBs ACC Total Crown Costs borne by aged-care residents Costs borne by ACC levy payers	2017/18 228 25 253 32 55 340 2017/18 294 32 326 41 71	276 29 305 39 65 409 2018/19 365 39 404 51 87	327 34 361 46 76 482 2019/20 398 41 439 55 92	384 39 423 53 87 564 2020/21 381 39 420 53 87	447 45 491 62 99 652 2021/22 495 49 545 68 110	1,662 172 1,833 231 383 2,447 5 year 1,933 200 2,134 268 447	Level 2 Level 3 Level 4
MOH and DHBs 247 314 370 354 465 1,749 Year 1 Year 2 Year 3 Year 4 Year 5 Years Move to Year 1 Year 2 Year 3 Year 4 Year 5 Year 5 Move to Year 1 Year 2 Year 3 Year 4 Year 5 Year 5 Move to Year 1 Year 2 Year 3 Year 4 Year 5 Year 5 Move to Year 1 Year 2 Year 3 Year 4 Year 5 Year 8 Move to Year 1 Year 2 Year 3 Year 4 Year 5 Year 8 Move to Year 1 Year 2 Year 3 Year 4 Year 5 Year 8 Move to Year 1 Year 2 Year 3 Year 4 Year 5 Year 8 Move to Year 1 Year 2 Year 3 Year 4 Year 5 Year 8 Move to Year 1 Year 2 Year 3 Year 4 Year 5 Year 8 Year	Costs borne by ACC levy payers Crown cost plus private cost The Crown's "final" settlement offer - March 2 Costed using the new model MOH and DHBs ACC Total Crown Costs borne by aged-care residents Costs borne by ACC levy payers Crown cost plus private cost The unions "final" counter-offer - March 2017 Costed using the new model MOH and DHBs ACC Total Crown Costs borne by aged-care residents Costs borne by aged-care residents Costs borne by aged-care residents Costs borne by ACC levy payers Crown cost plus private cost	2017/18 228 25 253 32 55 340 2017/18 294 32 326 41 71	276 29 305 39 65 409 2018/19 365 39 404 51 87	327 34 361 46 76 482 2019/20 398 41 439 55 92	384 39 423 53 87 564 2020/21 381 39 420 53 87	447 45 491 62 99 652 2021/22 495 49 545 68 110	1,662 172 1,833 231 383 2,447 5 year 1,933 200 2,134 268 447	Level 2 Level 3 Level 4
CCC 27 33 38 36 46 181 Level 0 18.50 19.00 19.50 19.50 20.00 worked pay level of the control of	Costs borne by ACC levy payers Crown cost plus private cost The Crown's "final" settlement offer - March 2 Costed using the new model MOH and DHBs ACC Total Crown Costs borne by aged-care residents Costs borne by ACC levy payers Crown cost plus private cost The unions "final" counter-offer - March 2017 Costed using the new model MOH and DHBs ACC Total Crown Costs borne by aged-care residents Costs borne by aged-care residents Costs borne by aged-care residents Costs borne by ACC levy payers Crown cost plus private cost Doug's proposed counter-offer (under \$2bn)	2017/18 228 25 253 32 55 340 2017/18 294 32 326 41 71 438	276 29 305 39 65 409 2018/19 365 39 404 51 87 541	327 34 361 46 76 482 2019/20 398 41 439 55 92 586	384 39 423 53 87 564 2020/21 381 39 420 53 87 559	447 45 491 62 99 652 2021/22 495 49 545 68 110 723	1,662 172 1,833 231 383 2,447 5 year 1,933 200 2,134 268 447 2,847	Level 2 Level 3 Level 4 Assumes 1.7% annual wage growth Year 1 Year 2 Year 3 Year 4 Year 5 Level 0 18.00 18.81 19.65 20.51 21.40 worked pay level Level 2 19.00 19.83 20.69 21.56 22.46 2 2 Level 3 21.00 21.87 22.75 23.67 24.60 8 3 Level 4 23.80 24.71 25.65 26.61 27.60 n/a 4 Assumes 1.7% annual wage growth Year 1 Year 2 Year 3 Year 4 Year 5 Level 0 19.00 19.80 20.50 20.50 21.50 worked pay level Level 2 20.00 21.00 21.50 21.50 23.00 3 2 Level 3 21.00 22.50 23.00 23.00 25.00 8 3 Level 4 24.50 25.50 26.50 26.50 27.50 12 4
Total Crown 274 347 408 390 511 1,930 Level 2 19.50 20.50 21.50 23.00 3 2 Costs borne by aged-care residents 34 44 51 49 64 243 Level 3 20.50 25.00 25.00 25.00 9 3 Costs borne by ACC levy payers 60 75 86 80 103 404 Level 4 24.50 25.50 26.50 26.50 27.50 14 4	Costs borne by ACC levy payers Crown cost plus private cost The Crown's "final" settlement offer - March 2 Costed using the new model MOH and DHBs ACC Total Crown Costs borne by aged-care residents Costs borne by ACC levy payers Crown cost plus private cost The unions "final" counter-offer - March 2017 Costed using the new model MOH and DHBs ACC Total Crown Costs borne by aged-care residents Costs borne by ACC levy payers Crown cost plus private cost Doug's proposed counter-offer (under \$2bn) Costed using the new model	2017/18 228 25 253 32 55 340 2017/18 294 32 326 41 71 438	276 29 305 39 65 409 2018/19 365 39 404 51 87 541	327 34 361 46 76 482 2019/20 398 41 439 55 92 586	384 39 423 53 87 564 2020/21 381 39 420 53 87 559	447 45 491 62 99 652 2021/22 495 49 545 68 110 723	1,662 172 1,833 231 383 2,447 5 year 1,933 200 2,134 268 447 2,847	Level 2 Level 3 Level 4 Assumes 1.7% annual wage growth Year 1 Year 2 Year 3 Year 4 Year 5 Level 0 18.00 18.81 19.65 20.51 21.40 worked pay level Level 2 19.00 19.83 20.69 21.56 22.46 2 2 Level 3 21.00 21.87 22.75 23.67 24.60 8 3 Level 4 23.80 24.71 25.65 26.61 27.60 n/a 4 Assumes 1.7% annual wage growth Year 1 Year 2 Year 3 Year 4 Year 5 Level 0 19.00 19.80 20.50 20.50 21.50 worked pay level Level 2 20.00 21.00 21.50 21.50 23.00 3 2 Level 3 21.00 22.50 23.00 23.00 25.00 8 3 Level 4 24.50 25.50 26.50 26.50 27.50 12 4 Assumes 1.7% annual wage growth Assumes 1.7% annual wage growth
Costs borne by aged-care residents 34 44 51 49 64 243 Level 3 20.50 22.00 23.00 23.00 25.00 9 3 Costs borne by ACC levy payers 60 75 86 80 103 404 Level 4 24.50 25.50 26.50 26.50 27.50 14 4	Costs borne by ACC levy payers Crown cost plus private cost The Crown's "final" settlement offer - March 2 Costed using the new model MOH and DHBs ACC Total Crown Costs borne by aged-care residents Costs borne by ACC levy payers Crown cost plus private cost The unions "final" counter-offer - March 2017 Costed using the new model MOH and DHBs ACC Total Crown Costs borne by aged-care residents Costs borne by ACC levy payers Crown cost plus private cost Doug's proposed counter-offer (under \$2bn) Costed using the new model MOH and DHBs	2017/18 228 25 253 32 55 340 2017/18 294 32 326 41 71 438	276 29 305 39 65 409 2018/19 365 39 404 51 87 541	327 34 361 46 76 482 2019/20 398 41 439 55 92 586	384 39 423 53 87 564 2020/21 381 39 420 53 87 559	447 45 491 62 99 652 2021/22 495 49 545 68 110 723	1,662 172 1,833 231 383 2,447 5 year 1,933 200 2,134 268 447 2,847	Level 2
	Costs borne by ACC levy payers Crown cost plus private cost The Crown's "final" settlement offer - March 2 Costed using the new model MOH and DHBs ACC Total Crown Costs borne by aged-care residents Costs borne by ACC levy payers Crown cost plus private cost The unions "final" counter-offer - March 2017 Costed using the new model MOH and DHBs ACC Total Crown Costs borne by aged-care residents Costs borne by aged-care residents Costs borne by aged-care residents Costs borne by ACC levy payers Crown cost plus private cost Doug's proposed counter-offer (under \$2bn) Costed using the new model MOH and DHBs ACC	2017/18 228 25 253 32 55 340 2017/18 294 32 326 41 71 438 2017/18 247 27	276 29 305 39 65 409 2018/19 365 39 404 51 87 541 2018/19 314 33	327 34 361 46 76 482 2019/20 398 41 439 55 92 586 2019/20 370 38	384 39 423 53 87 564 2020/21 381 39 420 53 87 559 2020/21 354 36	447 45 491 62 99 652 2021/22 495 49 545 68 110 723	1,662 172 1,833 231 383 2,447 5 year 1,933 200 2,134 268 447 2,847 5 year 1,749 181	Level 3 Level 4 Assumes 1.7% annual wage growth Year 1 Year 2 Year 3 Year 4 Year 5 Year 8 Move to worked pay level
Crown cost plus private cost 368 466 545 519 678 2,577	Costs borne by ACC levy payers Crown cost plus private cost The Crown's "final" settlement offer - March 2 Costed using the new model MOH and DHBs ACC Total Crown Costs borne by aged-care residents Costs borne by ACC levy payers Crown cost plus private cost The unions "final" counter-offer - March 2017 Costed using the new model MOH and DHBs ACC Total Crown Costs borne by aged-care residents Costs borne by aged-care residents Costs borne by aged-care residents Costs borne by ACC levy payers Crown cost plus private cost Doug's proposed counter-offer (under \$2bn) Costed using the new model MOH and DHBs ACC Total Crown	2017/18 228 25 253 32 55 340 2017/18 294 32 326 41 71 438 2017/18 247 27 274	276 29 305 39 65 409 2018/19 365 39 404 51 87 541 2018/19 314 33 347	327 34 361 46 76 482 2019/20 398 41 439 55 92 586 2019/20 370 38 408	384 39 423 53 87 564 2020/21 381 39 420 53 87 559 2020/21 354 36 390	447 45 491 62 99 652 2021/22 495 49 545 68 110 723 2021/22 465 46 511	1,662 172 1,833 231 383 2,447 5 year 1,933 200 2,134 268 447 2,847 5 year 1,749 181 1,930	Assumes 1.7% annual wage growth Year 1 Year 2 Year 3 Year 4 Year 5 Year 6 Ze 2 Ze Ze Ze Ze Ze Ze
	Costs borne by ACC levy payers Crown cost plus private cost	2017/18 228 25 253 32 55 340 2017/18 294 32 326 41 71 438 2017/18 247 27 274 34	276 29 305 39 65 409 2018/19 365 39 404 51 87 541 2018/19 314 33 347 44	327 34 46 76 482 2019/20 398 41 439 55 92 586 2019/20 370 38 408 51	384 39 423 53 87 564 2020/21 381 39 420 53 87 559 2020/21 354 36 390 49	447 45 491 62 99 652 2021/22 495 49 545 68 110 723 2021/22 465 46 511 64	1,662 172 1,833 231 383 2,447 5 year 1,933 200 2,134 268 447 2,847 5 year 1,749 181 1,930 243	Level 3 Level 4 Assumes 1.7% annual wage growth Year 1 Year 2 Year 3 Year 4 Year 5 Year 6 Year 9 Year 1 Year 2 Year 3 Year 4 Year 5 Year 8 Year 9 Year

Plus one-off costs

[38]

sub-total: one-off costs

Total Crown cost of new proposal

31.90 **1,962**