

The Treasury

Budget 2014 Information Release

Release Document

July 2014

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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] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [4] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [5] 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.
- [6] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [7] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [8] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [9] 9(2)(h) - to maintain legal professional privilege
- [10] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [11] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [12] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [13] Not in scope
- [14] 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.

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 [3] 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.



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.

Budget 2014 Package: Vote Primary Industries

On 14 April 2014, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2014 Budget package, as listed in the summary below and detailed in the attached initiative documents;

Summary of initiatives included in the attached initiative documents:

Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)					
		2013/14	2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
8139	Kauri Dieback Programme	-	1.229	1.229	1.229	1.229	1.229
8138	National Biocontainment Laboratory	-	(7.000)	(4.663)	(9.056)	2.109	6.659
Total Operating		-	(5.771)	(3.434)	(7.827)	3.338	7.888

Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
8140	Investment in Crown Irrigation Investments Limited	-	40.000	-	-	-
8138	National Biocontainment Laboratory	-	-	18.610	-	-
Total Capital		-	40.000	18.610	-	-

- 2 **agreed** to establish new appropriations where required to implement these initiatives, as described in the attached initiative documents;
- 3 **approved** the changes to appropriations and the capital injections to the administering department to implement the initiatives, as set out in the attached initiative documents;

- 4 **approved** the additional recommendations to give effect to the initiatives, as set out in the attached initiative documents;
- 5 **authorised** the Minister of Finance and the Vote Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2013/14 Supplementary Estimates, the 2014/15 Estimates and the fiscal forecasts;
- 6 **authorised** the chief executives of departments that monitor Crown entities directly affected by decisions in this minute to inform the chair and/or chief executive of a Crown entity, on a budget-in-confidence-until-budget-day basis, of decisions that directly affect that Crown entity for the purpose of planning and preparation of their Statement of Intent;
- 7 **noted** that all communications relating to the 2014 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;

[7]

Secretary of the Cabinet

Reference: CAB (14) 174

Initiative No: 8140**Vote:** Primary Industries**Title:** Investment in Crown Irrigation Investments Limited**Description:** Provides for funding to purchase shares in Crown Irrigation Investments Limited to enable it to make investments consistent with its business plan and Statement of Intent.**New Appropriation Approval**

Name	Period	Type	Category Name	Scope
Crown Irrigation Investments Limited	Multi-Year Appropriation Start: 1/07/2014 Finish: 30/06/2018 Amount (\$m): 40.000	Non-Departmental Capital Expenditure	N/A	This appropriation is limited to the Crown's investment in Crown Irrigation Investments Limited.

Appropriation Changes

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	40.000	-	-	-
No Impact	-	-	-	-	-
Total	-	40.000	-	-	-

	\$m – increase/(decrease)	
	2013/14	2014/15 to 2017/18
Non-Departmental Capital Expenditure:		
Crown Irrigation Investments Limited (MYA)	-	40.000

Additional recommendations

11 **noted** that the indicative spending profile for the new Multi-Year Appropriation described in the table above is as follows:

Indicative annual spending profile	\$m – increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
	-	40.000	-	-	-

12 **agreed** that the unspent annual appropriation for Investment in Crown Irrigation Investments Limited as at 30 June 2014 will be transferred to this Multi-Year Appropriation;

Vote: Primary Industries

Title: Kauri Dieback Programme

Description: Provides for the continuation of the Ministry for Primary Industries' contribution towards the Kauri Dieback Programme.

Appropriation Changes

	\$m - increase/(decrease)					
	2013/14	2014/15	2015/16	2016/17	2017/18 - 2023/24	2024/25 & outyears
Operating Balance Impact	-	1.229	1.229	1.229	1.229	-
Debt Impact	-	-	-	-	-	-
No Impact	-	-	-	-	-	-
Total	-	1.229	1.229	1.229	1.229	-

	\$m - increase/(decrease)					
	2013/14	2014/15	2015/16	2016/17	2017/18 - 2023/24	2024/25 & outyears
Multi-Category Expense and Capital Expenditure						
Domestic Biosecurity Risk Management						
Departmental Output Expense:						
Biosecurity Incursion Response and Long Term Pest Management (funded by revenue Crown)	-	1.229	1.229	1.229	1.229	-
Total Operating	-	1.229	1.229	1.229	1.229	

Additional recommendation

13 **noted** that this funding is \$1.229 million per annum for ten years only and will expire at the end of the 2023/24 financial year;

Vote: Primary Industries

Title: National Biocontainment Laboratory

Description: Provides for the construction of a new national biocontainment facility to meet updated biocontainment standards and to provide greater functionality and capacity.

Appropriation Changes

	\$m - increase/(decrease)					
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
Operating Balance Impact	-	(7.000)	(4.663)	(9.056)	2.109	6.659
Debt Impact	-	-	18.610	-	-	-
No Impact	-	-	-	-	-	-
Total	-	(7.000)	13.947	(9.056)	2.109	6.659

	\$m - increase/(decrease)					
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19 & outyears
Non-Departmental Output Expense:						
Climate Change Research	-	-	(0.500)	(4.950)	(4.550)	-
Non-Departmental Other Expense:						
Primary Growth Partnership (MYA)	-	(7.000)	(9.000)	(9.000)	-	-
Multi-Category Expense and Capital Expenditure						
Domestic Biosecurity Risk Management						
Departmental Output Expense:						
Domestic Biosecurity Surveillance (funded by revenue Crown)	-	-	4.837	4.894	6.659	6.659
Capital Injection:						
Ministry for Primary Industries - Capital Injection	-	-	18.610	-	-	-
Total Operating	-	(7.000)	(4.663)	(9.056)	2.109	6.659
Total Capital	-	-	18.610	-	-	-

Additional recommendations

- 14 **noted** that the Multi-Year Appropriation "Primary Growth Partnership" is adjusted by \$(25.000) million;
- 15 **noted** that the amounts shown in the appropriation changes table for the Multi-Year Appropriation "Primary Growth Partnership" are the changes to the indicative annual spending profile;
- 16 **noted** that this change is considered neutral within the forecast period 2014/15-2017/18, but has an operating impact of \$6.659 million per annum from 2018/19 onwards.