



# Cabinet

CAB Min (07) 12/1(32)

## Minute of Decision

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Minister of Local Government

### Copies to:

Prime Minister  
Deputy Prime Minister  
Minister of Finance  
Hon Jim Anderton  
Associate Minister of Finance  
(Hon Trevor Mallard)  
Controller and Auditor-General

## 2007 Budget Package: Vote Local Government

On 19 April 2007, Cabinet:

1. **approved** the Budget initiatives for the above Vote for inclusion in the 2007 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)				
		2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
4065	Chatham Islands Council: Crown Funding Assistance	0.512	0.143	-	-	-
<b>Total Operating</b>		<b>0.512</b>	<b>0.143</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
<b>Total Capital</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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/or projected balances of net assets of the administering department (where applicable) to implement the initiatives, as set out in the attached initiative documents;
4. **approved** the additional recommendations (where applicable) to give effect to the initiatives, as set out in the attached initiative documents;
5. **agreed** that the proposed changes to appropriations and/or projected balances of net assets for 2006/07 above be included in the 2006/07 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
6. **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 2006/07 Supplementary Estimates, the 2007/08 Estimates and the fiscal forecasts;
7. **noted** that all communications relating to the 2007 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.

Secretary of the Cabinet

Reference: CAB (07) 135, CAB (07) 135A

Initiative No: 4065

**Vote:** Local Government**Title:** Chatham Islands Council: Crown Funding Assistance**Description:** Supplementary payment to the Chatham Islands Council (CIC) to cover the GST component of Crown funding assistance. The CIC has incurred a debt with IRD as a result of a misunderstanding over the GST status of grants paid by the Crown. The CIC has no realistic means of repaying the debt.**Theme:** Other**Theme Objective:** Other**Performance Information****Performance Text**

Funding is required to ensure that the Chatham Islands Council (CIC) can continue to fulfil its statutory roles and responsibilities as a territorial authority with some regional council functions. If the CIC does not get these resources it would have to reduce service levels or attempt to borrow (lending providers have indicated that they are unwilling to provide funds).

**Appropriation Changes**

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	0.512	0.143	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>0.512</b>	<b>0.143</b>	-	-	-

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Other Expenses to be Incurred by the Crown: Chatham Islands Council	0.512	0.143	-	-	-
<b>Total Operating</b>	<b>0.512</b>	<b>0.143</b>	-	-	-
<b>Total Capital</b>	-	-	-	-	-