



Minute of Decision

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2010 Budget Package

Portfolio: Finance

On 19 April 2010, Cabinet:

- 1 **agreed** that the 2010 Budget focus on helping Kiwi families get ahead and permanently lifting New Zealand’s growth rate;
- 2 **noted** the 2010 Budget Policy Statement set an operating allowance of \$1.1 billion operating per year and \$1.45 billion capital in total;
- 3 **noted** the impacts of the 2010 Budget Package as set out in the table below:

	\$million increase / (decrease)						
	Operating						Capital
	2009/10	2010/11	2011/12	2012/13	2013/14	Total	Total
New spending	65	1,319	1,370	1,381	1,390	5,526	1,793
Savings	(251)	(220)	(450)	(432)	(412)	(1,765)	(279)
Net increase	(186)	1,099	921	949	978	3,761	1,514
Allowance	-	1,100	1,100	1,100	1,100	4,400	1,450
<i>Remaining</i>	<i>186</i>	<i>1</i>	<i>179</i>	<i>151</i>	<i>122</i>	<i>639</i>	<i>(64)</i>

- 4 **noted** that the \$64 million overspend in the capital allowance has been funded from within the \$1.1 billion operating allowance;
- 5 **agreed** to the initiatives for Budget 2010 as set out in the financial recommendations in the accompanying submission under CAB (10) 170, **subject to** any changes and additional initiatives agreed by Cabinet in relation to specific Votes [CAB Min (10) 13/4(1-51)];
- 6 **authorised** the Minister of Finance and relevant Vote Ministers to approve changes to initiatives and appropriations where this proves necessary to finalise the 2010 Budget package;

- 7 **agreed** to set aside a between-Budget contingency to enable the government to respond rapidly to events as they unfold:

	\$million increase / (decrease)				
	Operating				
	2010/11	2011/12	2012/13	2013/14	Total
General Contingency	115	115	115	115	460
Emerging Priorities Contingency	49	59	35	36	179
Total Contingency	164	174	150	151	639

- 8 **noted** that there is no capital contingency and any between-Budget capital expenditure will be funded from the operating contingencies;
- 9 **agreed** that Ministers:
- 9.1 should only seek funding from the between-Budget contingencies for urgent issues that cannot be deferred to Budget 2011;
- 9.2 will be expected to demonstrate that they have considered opportunities to fund pressures from existing baselines before seeking funding from the contingency;
- 10 **agreed** that no papers with fiscal and/or appropriation implications should be submitted for agreement by Cabinet between now and 20 May 2010, to ensure that Budget Day documentation is accurate;
- 11 **noted** that all communications relating to the 2010 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;
- 12 **agreed** that until the Appropriation (2010/11 Estimates) Bill is enacted, expenses or capital expenditure against appropriations set out in the 2010/11 Estimates and being sought in that Bill may be met from Imprest Supply.

Secretary of the Cabinet

Reference: CAB (10) 169;
Revised paper tabled by the Minister of Finance,
entitled *2010 Budget Package*

Secretary's notes:

1. *Separate minutes have been issued for the 2010 Budget initiatives for each Vote. See CAB Min (10) 13/4(1-51).*
2. *Paragraphs 9 to 11 above have been issued as a separate minute for the information of all Ministers and Chief Executives [CAB Min (10) 13/3A].*