



Minute of Decision

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Budget 2010: New Multi-Year Appropriations in Budget 2010, Summary of Baseline Updates and Other Technical Matters

Portfolio: Finance

On 19 April 2010, Cabinet:

- 1 **noted** that the detailed financial decisions on the 2010 Budget Package create multi-year appropriations (MYAs) for the following appropriations:

Vote	Appropriation
Climate Change	Land Use and Carbon Analysis System
Economic Development	Rugby World Cup Leverage and Legacy
Housing	Building Regulation and Control
Housing	Occupational Licensing
Housing	Residential Tenancy and Unit Title Services
Treaty Negotiations	Historical Treaty of Waitangi Settlements 2010-2014

[CAB Min (10) 13/4(6), 13/4(15), 13/4(26), 13/4(48)]

- 2 **agreed** to introduce the following increased delegations in respect of the Vote Housing departmental output expense appropriations Sector and Regulatory Policy (Minister responsible for appropriation: Minister for Building and Construction) and Performance Monitoring and Advice – Housing New Zealand Corporation (Minister responsible for appropriation: Minister of Housing) as part of a trial of a more flexible approach to financial management in the departmental output expense appropriations in Vote Housing:

Delegation to	To approve what	Limit on delegation
Minister responsible for appropriation	Approve transfers within an appropriation between financial years	Not exceeding 5% of the amount of the appropriation in the financial year from which the transfer is being made
Minister responsible for appropriation and Minister of Finance jointly	Approve transfers within an appropriation between financial years	Up to an additional 5% (that is, a total of 10%) of the amount of the appropriation in the financial year from which the transfer is being made
Minister responsible for appropriation	Approve transfers between appropriations and between financial years	Not exceeding 5% of the amount of the larger appropriation in the financial year from which the transfer is being made
Minister responsible for appropriation and Minister of Finance jointly	Approve transfers between appropriations and between financial years	Up to an additional 5% (that is, a total of 10%) of the amount of the larger appropriation in the financial year from which the transfer is being made

- 3 **agreed** that any increases to appropriations in Vote Housing arising through the transfers provided for in paragraph 2 above be included in the Appropriation (Supplementary Estimates) Bill for the relevant year;
- 4 **agreed** that, until the relevant year's Supplementary Estimates are enacted, any increases to appropriations in Vote Housing arising through transfers provided for in paragraph 2 above be made under Imprest Supply;
- 5 **noted** that the new MYAs will be included in the Appropriation (2010/11 Estimates) Bill or the Appropriation (2009/10 Supplementary Estimates) Bill;

Impact of baseline updates

- 6 **noted** that the combined impact of the October baseline update and the February baseline update was to decrease net debt by \$44 million between 2009/10 to 2012/13;
- 7 **noted** that future technical changes in Vote Education benefits and other unrequited expenses appropriations be labelled as fiscally neutral adjustments in the future, provided they are of a technical nature, are not demand-driven and are fiscally neutral;

Government Superannuation Fund non-funding employer contribution rates

- 8 **noted** that the Government Actuary's recommended new non-funding employer contribution rates from 1 July 2010 are:

GSF Scheme	% contributor salaries		
	Current employer subsidy rate	Recommended employer subsidy rate effective from 1 July 2010	Increase
Armed Forces	15.4%	25.1%	9.7%
General	6.0%	10.7%	4.7%
Police	16.1%	19.1%	3.0%
Prison Services	0.0%	0.0%	0.0%

- 9 **accepted** the Government Actuary's recommendations for Government Superannuation Fund (GSF) non-funding employer contribution rates to apply from 2010/11, as referred to in paragraph 8 above;
- 10 **agreed** that departments may seek a baseline adjustment in the 2010 October Baseline Update only for increased costs in the 2010/11 year for the impact associated with the rate rises that have not been passed on to employees whose GSF payments are included as part of a total remuneration package;
- 11 **authorised** the Minister of Finance to approve adjustments in the 2010 October Baseline Update to alleviate the 2010/11 impact of the rate rises on departments and on the handful of non-funding entities that are not departments on a case by case basis, if the need arises.