

# The Treasury

## Budget 2012 Information Release

### Release Document

June 2012

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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
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- [6] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [7] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [8] 9(2)(h) - to maintain legal professional privilege
- [9] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [10] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
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- [12] 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.

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, an [4] appearing where information has been withheld in a release document refers to section 9(2)(b)(ii).

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 2012: Vote Finance

On 23 April 2012, Cabinet:

- approved** the Budget initiatives for the above Vote for inclusion in the 2012 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)					
		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17 & Outyears
7377	Better Services for Less	3.000	-	-	-	-	-
7379	Expense Transfer to 2015/16	(0.700)	-	-	-	0.700	-
<b>Total Operating</b>		<b>2.300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.700</b>	<b>-</b>

##### Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2011/12	2012/13	2013/14	2014/15	2015/16
7381	Landcorp Protected Land Agreement	2.000	2.000	2.000	2.000	2.000
7382	New Arrangements to Borrow	-	100.000	-	-	-
<b>Total Capital</b>		<b>2.000</b>	<b>102.000</b>	<b>2.000</b>	<b>2.000</b>	<b>2.000</b>
Initiative ID	Initiative Name	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
7381	Landcorp Protected Land Agreement	2.000	2.000	2.000	2.000	2.000
7382	New Arrangements to Borrow	-	-	-	(100.000)	-
<b>Total Capital</b>		<b>2.000</b>	<b>2.000</b>	<b>2.000</b>	<b>(98.000)</b>	<b>2.000</b>

- 2 **approved** the changes to appropriations to implement the initiatives, as set out in the attached initiative documents;
- 3 **approved** the additional recommendations to give effect to the initiatives, as set out in the attached initiative documents;
- 4 **agreed** that the changes to appropriations for 2011/12 above be included in the 2011/12 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
- 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 2011/12 Supplementary Estimates, the 2012/13 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 2012 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

References: CAB (12) 154; CAB (12) 155

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**Vote:** Finance

**Title:** Better Services for Less

**Description:** Funding to test an approach of formal development “pipelines” that directly support government priorities through the formal development of ideas with the potential to deliver cashable savings or significant improvements in efficiency or effectiveness across the state sector and align with the Better Public Services programme objectives.

### Appropriation Changes

	\$m - increase/(decrease)				
	2011/12	2012/13	2013/14	2014/15	2015/16 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	3.000	-	-	-	-
<b>Total</b>	<b>3.000</b>	-	-	-	-

	\$m - increase/(decrease)				
	2011/12	2012/13	2013/14	2014/15	2015/16 & Outyears
<b>Departmental Output Expense:</b>					
Policy Advice - Finance (funded by revenue Crown)	3.000	-	-	-	-
<b>Total Operating</b>	<b>3.000</b>	-	-	-	-
<b>Total Capital</b>	-	-	-	-	-

### Additional Recommendation

- 8 **noted** that the above appropriation change is fiscally neutral, as it is being funded through the reinstatement of a tagged contingency that had previously been set aside for this purpose;

## Initiative No: 7379

**Vote:** Finance

**Title:** Expense Transfer to 2015/16

**Description:** Recycling of savings from 2011/12 into 2015/16 will enable departmental cost pressures in 2015/16 to be managed.

### Appropriation Changes

	\$m - increase/(decrease)					
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17 & Outyears
Operating Balance Impact	(0.700)	-	-	-	0.700	-
Debt Impact	-	-	-	-	-	-
No Impact	-	-	-	-	-	-
<b>Total</b>	<b>(0.700)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.700</b>	<b>-</b>

	\$m - increase/(decrease)					
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17 & Outyears
<b>Departmental Output Expense:</b>						
Policy Advice - Finance (funded by revenue Crown)	(0.700)	-	-	-	0.700	-
<b>Total Operating</b>	<b>(0.700)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.700</b>	<b>-</b>
<b>Total Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Initiative No: 7381

**Vote:** Finance

**Title:** Landcorp Protected Land Agreement

**Description:** To provide for an increase of \$2.000 million per annum required to meet interest and any necessary capital expenditure for the liability to Landcorp for the Protected Land Agreement.

### Appropriation Changes

	\$m - increase/(decrease)				
	2011/12	2012/13	2013/14	2014/15	2015/16 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	2.000	2.000	2.000	2.000	2.000
No Impact	-	-	-	-	-
<b>Total</b>	<b>2.000</b>	<b>2.000</b>	<b>2.000</b>	<b>2.000</b>	<b>2.000</b>

	\$m - increase/(decrease)				
	2011/12	2012/13	2013/14	2014/15	2015/16 & Outyears
<b>Non-Departmental Capital Expenditure:</b>					
Landcorp Protected Land Agreement	2.000	2.000	2.000	2.000	2.000
<b>Total Operating</b>	-	-	-	-	-
<b>Total Capital</b>	<b>2.000</b>	<b>2.000</b>	<b>2.000</b>	<b>2.000</b>	<b>2.000</b>

## Initiative No: 7382

**Vote:** Finance

**Title:** New Arrangements to Borrow

**Description:** New Zealand's quota (or shareholding) in the International Monetary Fund is likely to increase, and it is unlikely that this will be offset by a corresponding reduction in New Zealand's commitments under the New Arrangements to Borrow.

### Appropriation Changes

	\$m - increase/(decrease)				
	2011/12	2012/13	2013/14	2014/15	2015/16
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	100.000	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>100.000</b>	-	-	-
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	(100.000)	-
No Impact	-	-	-	-	-
<b>Total</b>	-	-	-	<b>(100.000)</b>	-

### Additional Recommendations

- 9 **noted** that the increase in quota will be facilitated by way of a capital contribution to the International Monetary Fund made under permanent legislative authority (section 5 of the International Finance Agreements Act 1961), and that this will likely be repaid within ten years (and so is considered fiscally neutral for budget purposes);
- 10 **noted** that the 2019/20 repayment date in the table above is indicative only.