

Vote Finance

APPROPRIATION MINISTER(S): Minister of Finance (M31), Minister for State Owned Enterprises (M65), Minister for Treaty of Waitangi Negotiations (M74), Minister of Science and Innovation (M84), Minister supporting Greater Christchurch Regeneration (M85), Minister Responsible for HNZC (M90)

APPROPRIATION ADMINISTRATOR: The Treasury

RESPONSIBLE MINISTER FOR THE TREASURY: Minister of Finance

Overview of the Vote

The Minister of Finance is responsible for appropriations in Vote Finance for the 2017/18 financial year which cover the following:

- a total of nearly \$31 million for the provision of financial operations services and operational advice which support the performance of the State sector
- a total of over \$9 million for the administration of Crown borrowing, securities, derivative transactions, investments and guarantees
- a total of nearly \$35 million for the provision of advice (including assessing and providing contributions to policy advice led by other agencies) to support decision making by Ministers
- a total of over \$14 million for the provision of shared services to other entities and agencies
- a total of nearly \$6 million for departmental capital expenditure
- a total of over \$3,395 million for the payment of interest and other costs relating to the Crown's debt
- a total of over \$595 million for superannuation costs, primarily the Government Superannuation Fund
- a total of nearly \$25 million for capital payments to International Financial Institutions and for the unwind of interest expense on liabilities
- a total of over \$5 million for inquiries and research into productivity-related matters by the Productivity Commission
- a total of over \$5 million for unclaimed money, meeting costs associated with the Landcorp Protected Land Agreement, managing the Crown's residual liabilities, and provisions for meeting liabilities associated with Geothermal Wells
- a total of nearly \$15 million for costs of administering New Zealand House, London
- a total of \$47 million for 2017/18 for a loan facility for Tamaki Redevelopment Company in a multi-year appropriation, and
- a total of over \$337 million for refinancing of Housing New Zealand Corporation and Housing New Zealand Limited Debt.

The Minister of Finance is also responsible for Crown revenue and receipts in the Vote for the 2017/18 financial year which account for over \$3,738 million in non-tax revenue and capital receipts for return on investments, including capital charge, dividends, and interest on securities and deposits.

The Minister supporting Greater Christchurch Regeneration is responsible for annual and multi-year appropriations in Vote Finance which total over \$537 million in 2017/2018 for the continuation of Anchor Projects Programme and divestment of Crown-owned land to Ōtākaro Limited, and the transfer of Anchor Project Assets to Ōtākaro Limited.

The Minister responsible for HNZC is responsible for the appropriation in Vote Finance for the 2017/18 financial year which covers over \$8 million for the Social Housing Reform Programme.

The Minister for State Owned Enterprise is responsible for the appropriation in Vote Finance for the 2017/18 financial year which covers over \$4 million for Crown company monitoring, governance, and ownership advice.

The Minister of Science and Innovation is responsible for the appropriation in Vote Finance for the 2017/18 financial year which covers over \$200,000 for Crown Research Institutes governance and ownership advice.

Details of these appropriations are set out in Parts 2-4.

Details of Appropriations and Capital Injections

Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Departmental Output Expenses			
Administration of Crown Borrowing, Securities, Derivative Transactions and Investment PLA (M31) This appropriation is limited to expenses incurred in connection with administering borrowing, securities, derivative transactions and investment by the Crown, as authorised by section 65ZH of the Public Finance Act 1989.	9,249	8,945	9,249
Administration of Guarantees and Indemnities Given by the Crown PLA (M31) This appropriation is limited to expenses incurred in connection with administering of guarantees and indemnities given by the Crown, as authorised by section 65ZG of the Public Finance Act 1989.	110	60	110
Crown Company Monitoring Advice to the Minister for State-Owned Enterprises and Other Responsible Ministers (M65) This appropriation is limited to the provision of ownership, performance monitoring and governance advice to the Minister for State-Owned Enterprises and other responsible Ministers in respect of the Ministers' shareholding responsibilities or as responsible Ministers for the New Zealand Lotteries Commission and Public Trust.	4,535	4,342	4,458
Crown Company Monitoring Advice to the Minister of Science and Innovation and the Minister for Economic Development (M84) This appropriation is limited to the provision of ownership, performance monitoring, and governance advice to the Minister of Science and Innovation and other responsible Ministers in respect of the Ministers' shareholding responsibilities.	419	320	229
Policy Advice - Finance (M31) This appropriation is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters relating to Finance.	32,929	32,627	34,982
Provision of Financial Operations Services and Operational Advice (M31) This appropriation is limited to the provision of services which support the performance of the State sector, including fiscal reporting, forecasting and monitoring; provision of Export Credit; and the management, administration and monitoring of Crown Guarantee Schemes, Crown Lending, Crown Investments and Crown Bank Accounts.	31,515	30,086	30,848
Shared Support Services (M31) This appropriation is limited to provision of support services to other agencies.	14,280	14,101	14,069
Total Departmental Output Expenses	93,037	90,481	93,945
Departmental Capital Expenditure			
The Treasury - Capital Expenditure PLA (M31) This appropriation is limited to the purchase or development of assets by and for the use of the Treasury, as authorised by section 24(1) of the Public Finance Act 1989.	4,240	4,240	5,548
Total Departmental Capital Expenditure	4,240	4,240	5,548
Non-Departmental Output Expenses			
Management of Anchor Projects by Ōtākaro Limited (M85) This appropriation is limited to the Crown's contribution to Ōtākaro Limited's operating and financing expenses.	23,181	16,300	23,200

Titles and Scopes of Appropriations by Appropriation Type	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Management of the Crown's Obligations for Geothermal Wells (M31) This appropriation is limited to the management and maintenance relating to geothermal wells and associated sites and structures for which the Crown accepts responsibility.	339	200	180
Management of the New Zealand Superannuation Fund (M31) This appropriation is limited to managing the New Zealand Superannuation Fund on behalf of the Crown.	728	650	728
Tamaki Regeneration (M31) This appropriation is limited to the housing demonstration projects and associated regeneration activity in the Tamaki area of Auckland.	3,190	3,190	-
Total Non-Departmental Output Expenses	27,438	20,340	24,108
Non-Departmental Borrowing Expenses			
Debt Servicing PLA (M31) This appropriation is limited to the payment of borrowing expenses for the Crown's New Zealand-dollar and foreign-currency debt, authorised by section 60(1)b of the Public Finance Act 1989.	3,448,298	3,426,398	3,395,785
Total Non-Departmental Borrowing Expenses	3,448,298	3,426,398	3,395,785
Non-Departmental Other Expenses			
Crown Residual Liabilities (M31) Residual obligations arising from administration of the Crown's sale and purchase agreements with SOEs and Crown entities and from the sale of Crown investments, and for the settlement of claims against the Crown arising from exposure to asbestos.	500	259	60
Geothermal Wells Fund (M31) This appropriation is limited to meeting the costs of one-off unforeseen events relating to those geothermal wells for which the Crown accepts responsibility.	-	-	500
Government Superannuation Appeals Board (M31) This appropriation is limited to the expenses of the Government Superannuation Appeals Board in performing its functions under the Government Superannuation Fund Act 1956.	50	50	50
Government Superannuation Fund Authority - Crown's Share of Expenses PLA (M31) This appropriation is limited to the Crown's share of the expenses of the Government Superannuation Fund Authority relating to the management and administration of the Government Superannuation Fund and the schemes, authorised by sections 15E and 95 of the Government Superannuation Fund Act 1956.	37,000	35,000	38,000
Government Superannuation Fund Unfunded Liability PLA (M31) This appropriation is limited to the net increase (excluding actuarial gains and losses) in the Crown's liability to the Government Superannuation Fund and the specified superannuation contribution withholding tax on employer contributions by the Crown, authorised by section 95AA of the Government Superannuation Fund Act 1956.	528,149	524,200	538,597
National Provident Fund Schemes - Liability Under Crown Guarantee PLA (M31) This appropriation is limited to the net increase (excluding actuarial gains and losses) in the Crown's liability for benefits payable to members of National Provident Fund schemes under the Crown guarantee in section 60 of the National Provident Fund Restructuring Act 1990. This appropriation is authorised by section 66 of the National Provident Fund Restructuring Act 1990.	20,000	20,000	18,000
Unclaimed Money PLA (M31) This appropriation is limited to the repayment of money authorised by section 74(5) of the Public Finance Act 1989.	250	150	250
Unclaimed Trust Money PLA (M31) This appropriation is limited to the repayment of money authorised by section 70(2) of the Public Finance Act 1989.	250	-	250

Titles and Scopes of Appropriations by Appropriation Type	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Non-Departmental Other Expenses - cont'd			
Unwind of Discount Rate Used in the Present Value Calculation of Payment for Shares in International Financial Institutions PLA (M31) This appropriation is limited to the expense incurred in unwinding the discount rate used in the present value calculation of the liability in respect of share subscriptions in International Financial Institutions as it nears settlement, as authorised by section 5(2) of the International Finance Agreements Act 1961.	1,948	1,948	1,403
Unwind of Discount Rate Used in the Present Value Calculation of Payment Under Crown Deed of Support with Southern Response Earthquake Services Ltd (M31) This appropriation is limited to the expense incurred in unwinding the discount rate used in the present value calculation of the liability as the liability nears settlement.	8,510	7,460	3,313
Ahu Whenua Trust Ex-gratia Payment (M31) This appropriation is limited to an ex-gratia payment to an Ahu Whenua Trust in settlement of its claims from 21 September 1992 onwards.	9,000	-	-
Government Inquiry into Foreign Trust Disclosure Rules (M31) This appropriation is limited to the operation of the inquiry into foreign trust disclosure rules.	75	3	-
Impairment of Investment in Southern Response Earthquake Services Ltd (M31) This appropriation is limited to the impairment of equity investment in Southern Response Earthquake Services Ltd.	445,000	329,000	-
Loss on Sale of Commercial Properties (M74) This appropriation is limited to the loss on transfer of commercial properties transferred as part of Treaty of Waitangi Settlements.	2,935	-	-
Review and Reform of Local Government Infrastructure Arrangements (M31) This appropriation is limited to the review and reform of disaster funding for local government infrastructure, including contributions to expenses of the Local Government Risk Agency.	2,253	1,300	-
Stockton Acid Mine Drainage Historical Mining Rehabilitation (M31) This appropriation is limited to expenses incurred for Stockton Acid Mine Drainage historical mining rehabilitation.	67,000	67,000	-
Total Non-Departmental Other Expenses	1,122,920	986,370	600,423
Non-Departmental Capital Expenditure			
International Financial Institutions PLA (M31) This appropriation is limited to capital expenditure for shares subscribed to by New Zealand as a member of International Financial Institutions, authorised by section 5 of the International Finance Agreements Act 1961.	12,000	12,000	20,000
Refinancing of Housing New Zealand Corporation and Housing New Zealand Limited Debt (M31) This appropriation is limited to refinancing existing Housing New Zealand Corporation and Housing New Zealand Limited Debt.	275,778	275,778	337,002
Canterbury Earthquake National Memorial (M31) This appropriation is limited to Crown Acquisition of the Canterbury Earthquake National Memorial from Ōtākaro Limited.	8,500	8,500	-
Crown Asset Management Limited - Acquisition of Residual Assets (M31) This appropriation is limited to the acquisition of residual assets from Crown Asset Management Limited.	1,000	1,000	-
Crown Asset Management Limited - Equity Investment (M31) This appropriation is limited to the provision of an equity investment in Crown Asset Management Limited.	2,500	-	-

Titles and Scopes of Appropriations by Appropriation Type	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Southern Response Earthquake Services Ltd: Equity Investment (M31)	445,000	329,000	-
This appropriation is limited to the investment in Southern Response Earthquake Services Ltd.			
Total Non-Departmental Capital Expenditure	744,778	626,278	357,002
Multi-Category Expenses and Capital Expenditure			
Greater Christchurch Anchor Projects MCA (M85)	253,026	167,250	254,060
The single overarching purpose of this appropriation is to support the recovery of Christchurch by contributing operating and capital funding for anchor projects covered by the Christchurch Central Recovery Plan.			
<i>Non-Departmental Other Expenses</i>			
<i>Christchurch Bus Interchange and Associated Transport Infrastructure - Operating</i>	25,118	15,590	38,441
This category is limited to the Crown's contribution to the development, operations and divestment of the Christchurch Bus Interchange and associated transport infrastructure.			
<i>Christchurch Convention Centre - Operating</i>	7,704	28,575	1,000
This category is limited to the Crown's contribution to the development, operations and divestment of the Christchurch Convention Centre.			
<i>Leasing Anchor Project Land</i>	4,000	-	2,000
This category is limited to the financial impact of granting concessionary leases over anchor project land.			
<i>Pre-Development Holding Costs - Operating</i>	3,365	1,687	8,000
This category is limited to the Crown's contribution to the maintenance, operation and ownership of anchor project land and assets prior to commencement of developments.			
<i>Procurement of Land and Assets - Operating</i>	29,980	17,675	23,000
This category is limited to the Crown's contribution to the purchase, acquisition and clearance of land and assets for anchor project development.			
<i>Public Space - Operating</i>	90,843	17,606	52,286
This category is limited to the Crown's contribution to the development, operations and divestment of the Crown owned public space.			
<i>Sale of Land</i>	2,184	-	500
This category is limited to the financial impact from the divestment of land and transaction costs incurred in the preparation for sale and the sale of land.			
<i>Christchurch Bus Interchange and Associated Transport Infrastructure - contributions from third parties</i>	100	-	-
This category is limited to the development, operations and divestment of the Christchurch Bus Interchange and associated transport infrastructure funded by contributions from parties other than the Crown.			
<i>Christchurch Stadium - contributions from third parties</i>	100	-	-
This category is limited to the development, operations and divestment of the Christchurch Stadium funded by contributions from parties other than the Crown.			
<i>Christchurch Stadium - Operating</i>	3,989	-	-
This category is limited to the Crown's contribution to the development, operations and divestment of the Christchurch Stadium.			
<i>Financial Impact of Valuations</i>	2,831	-	-
This category is limited to expenses incurred as a result of the Crown's decisions affecting valuations.			
<i>Metro Sports Facility - contributions from third parties</i>	100	-	-
This category is limited to the development, operations and divestment of the Metro Sports Facility funded by contributions from parties other than the Crown.			

Titles and Scopes of Appropriations by Appropriation Type	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Multi-Category Expenses and Capital Expenditure - cont'd			
<i>Metro Sports Facility - Operating</i> This category is limited to the Crown's contribution to the development, operations and divestment of Metro Sports Facility.	8,673	12,278	-
<i>Public Space - contributions from third parties</i> This category is limited to the development, operations and divestment of the Crown owned public space funded by contributions from parties other than the Crown.	100	-	-
<i>The Square - contributions from third parties</i> This category is limited to the development, operations and divestment of the Square funded by contributions from parties other than the Crown.	100	-	-
<i>Non-Departmental Capital Expenditure</i>			
<i>Christchurch Bus Interchange and Associated Transport Infrastructure - Capital</i> This category is limited to the Crown's contribution to the capital development of the Christchurch Bus Interchange and associated transport infrastructure and to providing equity or loan capital to Ōtākaro Limited for that purpose.	2,085	2,085	2,000
<i>Christchurch Convention Centre - Capital</i> This category is limited to the Crown's contribution to the capital development of the Christchurch Convention Centre and to providing equity or loan capital to Ōtākaro Limited for that purpose.	-	-	114,900
<i>Earthquake Memorial - Capital</i> This category is limited to the Crown's contribution to the capital development of the Canterbury Earthquake Memorial and to providing equity or loan capital to Ōtākaro Limited for that purpose.	8,500	8,500	683
<i>Land and Asset Acquisition - Capital</i> This category is limited to the Crown's contribution to the cost of land and assets to be acquired for anchor project development and to providing equity or loan capital to Ōtākaro Limited for that purpose.	25,336	25,336	5,000
<i>Metro Sports Facility - Capital</i> This category is limited to the Crown's contribution to the capital development of Metro Sports Facility and to providing equity or loan capital to Ōtākaro Limited for that purpose.	500	500	500
<i>Public Space - Capital</i> This category is limited to the capital development of the Crown owned public space and to providing equity or loan capital to Ōtākaro Limited for that purpose.	37,418	37,418	5,750
Inquiries and Research into Productivity-Related Matters MCA (M31) The overarching purpose of this appropriation is to provide for inquiries into, and research and promotion of, productivity-related matters.	5,030	3,919	5,030
<i>Non-Departmental Output Expenses</i>			
<i>Inquiries into Productivity-Related Matters</i> This category is limited to inquiries undertaken by the New Zealand Productivity Commission in accordance with the New Zealand Productivity Commission Act 2010.	4,401	3,500	4,401
<i>Research into and Promotion of Productivity-Related Matters</i> This category is limited to the New Zealand Productivity Commission undertaking research into and promoting public understanding of productivity-related matters in accordance with the New Zealand Productivity Commission Act 2010.	629	419	629
Management of Landcorp Protected Land Agreement MCA (M31) The overarching purpose of this appropriation is meeting the Crown's responsibilities under the Landcorp Protected Land Agreement.	6,360	6,360	4,250

Titles and Scopes of Appropriations by Appropriation Type	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<i>Non-Departmental Other Expenses</i>			
<i>Operating Costs</i> This category is limited to providing operating costs incurred under the Landcorp Protected Land Agreement.	3,810	3,810	2,250
<i>Non-Departmental Capital Expenditure</i>			
<i>Capital Investments</i> This category is limited to providing for capital investments incurred under the Landcorp Protected Land Agreement.	2,550	2,550	2,000
Management of New Zealand House, London MCA (M31) The overarching purpose of this appropriation is to ensure that New Zealand House, London is well managed.	22,835	14,210	14,750
<i>Non-Departmental Output Expenses</i>			
<i>Property Management</i> This category is limited to the property management services in respect of New Zealand House, London.	1,563	36	1,000
<i>Non-Departmental Other Expenses</i>			
<i>Operational Costs</i> This category is limited to the operational costs of New Zealand House, London.	16,123	9,025	13,000
<i>Renegotiation of Lease Arrangements</i> This category is limited to activities to re-gear the lease on New Zealand House, London (including The Royal Opera Arcade and Her Majesty's Theatre).	2,149	2,149	-
<i>Non-Departmental Capital Expenditure</i>			
<i>Capital Expenditure</i> This category is limited to capital expenditure in relation to New Zealand House, London.	3,000	3,000	750
Social Housing Reform MCA (M90) The overarching purpose of this appropriation is to improve the variety of social housing in New Zealand and grow the community housing sector, by making Housing New Zealand Corporation stock available to social housing providers.	16,846	15,915	8,495
<i>Departmental Output Expenses</i>			
<i>Implementation of the Social Housing Reform Programme</i> This category is limited to the policy, operational, and transactional work to implement the Government's reform of social housing.	10,522	9,704	4,495
<i>Non-Departmental Output Expenses</i>			
<i>Direct Sale Costs for Implementing the Social Housing Reform Programme</i> This category is limited to direct sales costs of implementing the Government's reform of social housing.	6,324	6,211	4,000
Management of the Crown's Agreement with Taitokerau Forests Limited MCA (M31) The overarching purpose of this appropriation is meeting the Crown's responsibilities under its agreement with Taitokerau Forests Limited.	5,460	1,000	-
<i>Non-Departmental Other Expenses</i>			
<i>Grants</i> This category is limited to grants to Taitokerau Forests Limited for on-payment to forest owners, payable upon harvest of the forests.	930	500	-

Titles and Scopes of Appropriations by Appropriation Type	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Multi-Category Expenses and Capital Expenditure - cont'd			
<i>Impairment of Loans</i> This category is limited to the expense incurred on the impairment and write-down of loans to Taitokerau Forests Limited.	4,030	-	-
<i>Non-Departmental Capital Expenditure</i>			
<i>Loans</i> This category is limited to the provision of loans to Taitokerau Forests Limited for forest management and development.	500	500	-
Total Multi-Category Expenses and Capital Expenditure	309,557	208,654	286,585
Total Annual and Permanent Appropriations	5,750,268	5,362,761	4,763,396

Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Non-Departmental Capital Expenditure		
Loan Facility for Tamaki Redevelopment Company (M31) This appropriation is limited to provision of a loan to Tamaki Redevelopment Company Limited. Commences: 31 March 2015 Expires: 30 June 2018	Original Appropriation Adjustments to 2015/16 Adjustments for 2016/17 Adjusted Appropriation Actual to 2015/16 Year End Estimated Actual for 2016/17 Estimated Actual for 2017/18 Estimated Appropriation Remaining	200,000 - - 200,000 8,500 29,000 47,000 115,500
Transfer of Anchor Project Assets to Ōtākaro Limited (M85) This appropriation is limited to the transfer of Christchurch anchor project assets to Ōtākaro Limited. Commences: 01 April 2016 Expires: 30 June 2020	Original Appropriation Adjustments to 2015/16 Adjustments for 2016/17 Adjusted Appropriation Actual to 2015/16 Year End Estimated Actual for 2016/17 Estimated Actual for 2017/18 Estimated Appropriation Remaining	500,000 - - 500,000 204,452 35,108 260,440 -

Total Annual and Permanent Appropriations and Multi-Year Appropriation Forecasts

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Annual and Permanent Appropriations	5,750,268	5,362,761	4,763,396
Total MYA Non-Departmental Capital Expenditure Forecasts	64,108	64,108	307,440
Total Annual and Permanent Appropriations and Multi-Year Appropriation Forecasts	5,814,376	5,426,869	5,070,836

Capital Injection Authorisations

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
The Treasury - Capital Injection (M31)	4,548	4,548	-

Supporting Information

Part 1 - Vote as a Whole

1.1 - New Policy Initiatives

Policy Initiative	Appropriation	2016/17 Final Budgeted \$000	2017/18 Budget \$000	2018/19 Estimated \$000	2019/20 Estimated \$000	2020/21 Estimated \$000
Remediation of Stockton Mine	Stockton Acid Mine Drainage Historical Mining Rehabilitation Non-Departmental Other Expense	67,000	-	-	-	-
Creating Economic Opportunity: A Treasury Presence Offshore (Singapore)	Policy Advice - Finance	-	854	854	854	854
The Stockton Acid Mine Drainage Rehabilitation Project	Policy Advice - Finance	-	2,400	1,100	1,000	300
Incremental Funding to Maintain the Governance of the Board of the Guardians of New Zealand Superannuation	Management of the New Zealand Superannuation Fund	-	200	200	200	200
Equity Investment for Crown Asset Management Limited	Crown Asset Management Limited - Equity Injection	2,500	-	-	-	-
Southern Response Earthquake Services Limited	Southern Response Earthquake Services Ltd: Equity Investment	250,000	-	-	-	-
Transfer of the Canterbury Earthquake National Memorial from Ōtākaro to the Crown	Canterbury Earthquake National Memorial	8,500				
Total Initiatives		328,000	3,454	2,154	2,054	1,354

1.2 - Trends in the Vote

Summary of Financial Activity

	2012/13	2013/14	2014/15	2015/16	2016/17		2017/18			2018/19	2019/20	2020/21
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Final Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Appropriations												
Output Expenses	84,707	98,101	87,672	95,490	120,475	110,821	93,945	24,108	118,053	117,065	115,375	93,038
Benefits or Related Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	3,662,184	3,549,500	3,619,582	3,409,180	3,448,298	3,426,398	-	3,395,785	3,395,785	3,304,983	3,494,494	3,583,544
Other Expenses	717,897	794,050	1,220,709	951,850	1,122,920	986,370	-	600,423	600,423	609,066	622,425	622,621
Capital Expenditure	240,835	273,886	373,715	2,554,386	813,126	694,626	5,548	664,442	669,990	267,170	157,670	157,670
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	5,063	5,231	6,945	17,676	23,439	19,870	4,495	10,030	14,525	10,231	9,630	6,030
<i>Other Expenses</i>	28,021	13,071	-	49,615	206,229	108,895	-	140,477	140,477	22,500	26,500	19,500
<i>Capital Expenditure</i>	6,950	2,822	-	19,182	79,889	79,889	N/A	131,583	131,583	134,050	56,050	2,250
Total Appropriations	4,745,657	4,736,661	5,308,623	7,097,379	5,814,376	5,426,869	103,988	4,966,848	5,070,836	4,465,065	4,482,144	4,484,653
Crown Revenue and Capital Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	3,318,217	3,174,365	3,069,945	3,673,883	3,399,723	3,404,799	N/A	3,400,283	3,400,283	3,532,492	3,747,156	3,827,478
Capital Receipts	130,941	78,597	67,797	627,990	278,507	278,507	N/A	338,463	338,463	130,797	256,738	256,738
Total Crown Revenue and Capital Receipts	3,449,158	3,252,962	3,137,742	4,301,873	3,678,230	3,683,306	N/A	3,738,746	3,738,746	3,663,289	4,003,894	4,084,216

Note - where restructuring of the vote has occurred then, to the extent practicable, prior years information has been restated as if the restructuring had occurred before the beginning of the period covered. In this instance Total Appropriations for the Budgeted and Estimated Actual year may not equal Total Appropriations in the Details of Appropriations and Capital Injections.

Adjustments to the Summary of Financial Activity Table Due to Vote Restructuring

There have been no restructuring adjustments to prior year information in the Summary of Financial Activity table.

1.3 - Analysis of Significant Trends

Total Vote: All Appropriations

The movements in appropriations in Vote Finance, as detailed in the Summary of Financial Activity table above, are largely due to movements in capital expenditure, debt servicing costs and other non-departmental expenses.

Significant movements within each appropriation category are shown below.

Departmental Output Expenses

Policy Advice - Finance will increase in 2017/18 by about \$2 million. This is largely the result of new funding provided in Budget 2017 of \$3.254 million for the two initiatives Creating Economic Opportunity: A Treasury Presence Offshore (Singapore) and the Stockton Acid Mine Drainage Rehabilitation Project.

Shared Support Services to the Department of the Prime Minister and Cabinet (DPMC) increased in 2016/17 following the transfer of Canterbury Earthquake Recovery Authority activities from March 2016 (\$3 million), and had previously increased in 2015/16 following transfer of Emergency Management activities from the Department of Internal Affairs from April 2014 (\$4.300 million).

2013/14 was also the first full year of operations of the Analysis for Outcomes programme (\$1.800 million), and the Gateway and Major Project Monitoring activities (\$2 million) that transferred from the State Services Commission (SSC) from 1 December 2013. In addition, 2013/14 includes \$10 million associated with the final year of the Government Share Offer programme.

The output expenses for the Government Share Offer programme covered three financial years: \$6.600 million in 2011/12, \$10.300 million in 2012/13 and \$10 million in 2013/14.

Non-departmental Output Expenses

In 2015/16, a new appropriation, Management of Anchor Projects by Ōtākaro Limited, was established for the provision of operating costs to Ōtākaro Limited for managing the continuation of Anchor Projects and divestment of Crown-owned land in Christchurch. Funding of nearly \$7.500 million was appropriated for 2015/16 and \$23 million for 2016/17. Funding is forecast to continue at \$23 million each year until 2020/21 when it expires.

Tamaki Regeneration appropriation was transferred into Vote Finance from Vote Building and Housing in 2015/16, with funding of just over \$3 million being available for 2016/17.

2013/14 included over \$5 million of new funding for Inquiries and Research into Productivity-Related Matters. During 2014/15 this appropriation was restructured to a multi-category appropriation, and as a result the non-departmental output expenses significantly decreased in that year.

Non-Departmental Borrowing Expenses

Debt servicing costs have fluctuated over the period and are expected to continue to do so in the future, as a result of movements in forecast interest rates and the amount of debt outstanding.

Non-Departmental Other Expenses

For 2017/18, non-departmental other expenses are expected to decrease, mainly due to the non-recurrence of a \$329 million impairment of the Crown's investment in Southern Response Earthquake Services Limited in 2016/17, which increased from \$222 million in 2015/16.

For 2015/16 the most significant changes were the write-off of historical investment in Solid Energy New Zealand Limited of \$60.900 million and the impairment of additional investment of \$222 million in Southern Response Earthquake Services Limited.

2014/15 included nearly \$108 million in respect of the indemnity provided to Solid Energy New Zealand Limited for the reimbursement of the rehabilitation costs associated with all existing mining operations. There was also \$684 million incurred for Crown's unfunded liability under the Government Superannuation Scheme and \$333 million for the impairment of the investment in Southern Response Earthquake Services Limited.

Significant items during 2013/14 included nearly \$614 million for the Crown's unfunded liability under the Government Superannuation Scheme, direct costs associated with the Mixed Ownership Model of nearly \$33 million, Loyalty Bonus Scheme related to Public Share Offer of slightly over \$22 million, the impairment of Redeemable Preference Shares in Solid Energy of \$25 million, and New Zealand Aluminium Smelters - Electricity Agreement Incentive payment of \$30 million.

Departmental Capital Expenditure

The Departmental capital expenditure appropriation is forecast to increase in 2017/18 by \$1.3 million as a result of increased investment in the Treasury's information capability. In 2015/16 a capital injection reflects the transfer of funding from the SSC for information technology assets for the Auckland Policy Office and from DPMC for Greater Christchurch Group, which transferred funding from the Canterbury Earthquake Recovery Authority from 1 March 2016. Previously the Departmental capital expenditure appropriation increased by over \$2 million in 2013/14 for central agencies shared services within the Treasury to support the transition of emergency management functions to DPMC from 1 April 2014. A capital injection was received as assets were transferred from the Department of Internal Affairs and information technology assets supporting the National Crisis Management Centre were replaced.

Non-Departmental Capital Expenditure

This appropriation category comprises purchases of debt and equity by the Crown in various Crown entities, and capital additions to the Crown's physical assets.

Changes in non-departmental capital expenditure are principally owing to a combination of:

- transfer of Housing New Zealand Corporation stock to the Tamaki Redevelopment Company in 2015/16 as part of the Social Housing Reform Programme at \$1,631 million
- additional investment in Southern Response Earthquake Services Limited of \$222 million in 2015/16 for Christchurch earthquake claims settlement, and
- \$142 million of refinancing associated with Housing New Zealand Corporation and Housing New Zealand Limited debt in 2015/16, with this increasing to \$275 million and \$337 million in 2016/17 and 2017/18 respectively to align with the maturity of Housing New Zealand Corporation debt.

Multi-year appropriations also impact with forecasted expenditure for the Loan Facility for Tamaki Redevelopment Company of \$8.500 million in 2015/16, \$29 million in 2016/17 and \$47 million in 2017/18, and for the Transfer of Anchor Project Assets to Ōtākaro Limited of \$295 million in 2015/16, \$35 million in 2016/17 and \$260 million in 2017/18.

In 2015/16 there were also investments made to International Financial Institutions of \$198.900 million to the International Monetary Fund, and \$135.800 million to the Asian Infrastructure Investment Bank.

During 2014/15 there was funding of \$333 million provided to support Southern Response Earthquake Services Limited. During 2013/14, \$25 million worth of Redeemable Preference Shares were issued to Solid Energy New Zealand Limited.

Multi-Category Expenses and Capital Expenditure

Changes in the Multi-Category expenses and capital expenditure are due to:

- transfer of funding from Vote Canterbury Earthquake Recovery for the operating and capital expenditure in respect of Anchor projects programme and divestment of Crown-owned land of over \$65 million in 2015/16, nearly \$253 million in 2016/17, and over \$254 million in 2017/18, and
- continuation of the Social Housing Reform Programme during 2017/18 of over \$8 million, and nearly \$17 million for 2016/17.

Crown Revenue

Non-tax Crown Revenue largely comprises capital charge, interest from securities and deposits, and dividends from State-Owned Enterprises, Crown Entities, and partly owned listed companies.

Crown Capital Receipts

Variances in Crown Capital Receipts are largely due to International Monetary Fund capital returns, repayment of loans, and capital withdrawals from Crown companies. In 2015/16, capital receipts were higher as a result of a \$445 million repayment of advances from the International Monetary Fund.

Part 2 - Details of Departmental Appropriations

2.1 - Departmental Output Expenses

Administration of Crown Borrowing, Securities, Derivative Transactions and Investment PLA (M31)

Scope of Appropriation

This appropriation is limited to expenses incurred in connection with administering borrowing, securities, derivative transactions and investment by the Crown, as authorised by section 65ZH of the Public Finance Act 1989.

Expenses and Revenue

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	9,249	8,945	9,249
Revenue from the Crown	9,244	8,940	9,244
Revenue from Others	5	5	5

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the administration of the Crown's financing requirements so as to raise sufficient funds to finance the Crown's cash deficit while minimising the cost to the Crown of such borrowing.

How Performance will be Assessed and End of Year Reporting Requirements

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Crown liquidity and funding risk and NZDMO market and credit risk are well managed within the Crown's risk appetite: As evidenced by compliance with the following NZDMO policies: Market Risk Policy, Credit Risk Policy, Liquidity Risk Policy and Funding Risk Policy.	No more than four breaches	One breach	No more than four breaches
NZDMO operational risk is well managed within the Crown's risk appetite: As evidenced by the number of settlement errors and financial loss arising from settlement errors.	No more than six errors or \$10,000 cost	One error at no financial loss	No more than six errors or \$10,000 cost

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Treasury in its 2017/18 Annual Report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2016/17 Final Budgeted \$000	2017/18 Budget \$000	2018/19 Estimated \$000	2019/20 Estimated \$000	2020/21 Estimated \$000
Business Information Hub operating costs	2015/16	330	330	330	330	330

Conditions on Use of Appropriation

Reference	Conditions
Section 65ZH of the PFA	<p>Any expenses incurred in connection with any of the following matters may be incurred without further appropriation, and must be paid without further authority, than this section:</p> <ul style="list-style-type: none"> (a) negotiating the borrowing of money by the Crown (b) undertaking, managing, servicing, converting, or repaying borrowing described in paragraph (a) (c) issuing a public security in respect of the Crown (d) executing, redeeming, or varying a public security described in paragraph (c) (e) negotiating a derivative transaction of the Crown (f) managing, servicing, or making payments under a derivative transaction described in paragraph (e) (g) negotiating an investment referred to in section 65I (h) placing, managing, servicing, or converting an investment referred to in section 65I.

Administration of Guarantees and Indemnities Given by the Crown PLA (M31)

Scope of Appropriation

This appropriation is limited to expenses incurred in connection with administering of guarantees and indemnities given by the Crown, as authorised by section 65ZG of the Public Finance Act 1989.

Expenses and Revenue

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	110	60	110
Revenue from the Crown	109	59	109
Revenue from Others	1	1	1

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve efficient and effective administration of the Crown's Guarantees and Indemnities, including the Wholesale and Retail Deposit Guarantee Schemes.

How Performance will be Assessed and End of Year Reporting Requirements

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Meet all legal obligations in relation to the specific rehabilitation indemnities granted by the Crown to Solid Energy New Zealand Limited in 1988 and 2014.	Achieved	Achieved	Achieved
Meet all legal obligations under the Retail Deposit Guarantee Scheme.	Achieved	Achieved	Achieved

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Treasury in its 2017/18 Annual Report.

Conditions on Use of Appropriation

Reference	Conditions
Section 65ZG of the Public Finance Act	Any money paid by the Crown under a guarantee or indemnity given under Section 65ZD and any expenses incurred by the Crown in relation to the guarantee or indemnity may be incurred without further appropriation, and must be paid without further authority than this section.

Crown Company Monitoring Advice to the Minister for State-Owned Enterprises and Other Responsible Ministers (M65)

Scope of Appropriation

This appropriation is limited to the provision of ownership, performance monitoring and governance advice to the Minister for State-Owned Enterprises and other responsible Ministers in respect of the Ministers' shareholding responsibilities or as responsible Ministers for the New Zealand Lotteries Commission and Public Trust.

Expenses and Revenue

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	4,535	4,342	4,458
Revenue from the Crown	4,533	4,340	4,456
Revenue from Others	2	2	2

What is Intended to be Achieved with this Appropriation

This appropriation is intended to ensure appropriate financial and social returns, and long-term value is achieved from the State-Owned Enterprises (SOEs), Crown entity companies (CECs) and Crown entities monitored under this appropriation.

How Performance will be Assessed and End of Year Reporting Requirements

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Appointments completed for Directors of SOEs.	51	60	30-40
Appointments completed for Board members for CECs and Crown Entities that are monitored under this appropriation.	48	81	35-45
Technical quality of advice regarding ownership, performance monitoring and governance as assessed through the general Treasury policy advice quality assessment process.	N/A	N/A	75%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Treasury in its 2017/18 Annual Report.

Crown Company Monitoring Advice to the Minister of Science and Innovation and the Minister for Economic Development (M84)

Scope of Appropriation

This appropriation is limited to the provision of ownership, performance monitoring, and governance advice to the Minister of Science and Innovation and other responsible Ministers in respect of the Ministers' shareholding responsibilities.

Expenses and Revenue

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	419	320	229
Revenue from the Crown	418	319	228
Revenue from Others	1	1	1

What is Intended to be Achieved with this Appropriation

This appropriation is intended to ensure appropriate financial and social returns, and long-term value is achieved from Crown research institutes and Crown entities monitored under this appropriation.

How Performance will be Assessed and End of Year Reporting Requirements

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Appointments completed for Directors of Crown Research Institutes and other entities.	22	16	20-30
Technical quality of advice regarding ownership, performance monitoring and governance as assessed through the general Treasury policy advice quality assessment process.	N/A	N/A	75%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Treasury in its 2017/18 Annual Report.

Reasons for Change in Appropriation

The decrease in this appropriation for 2016/17 is mainly due to the reallocation of overhead costs.

Policy Advice - Finance (M31)

Scope of Appropriation

This appropriation is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters relating to Finance.

Expenses and Revenue

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	32,929	32,627	34,982
Revenue from the Crown	32,881	32,579	34,934
Revenue from Others	48	48	48

What is Intended to be Achieved with this Appropriation

This appropriation is intended to enable and facilitate Ministerial decision-making that achieves for New Zealand improved economic performance, a high-performing State sector, and a stable and sustainable macroeconomic environment.

How Performance will be Assessed and End of Year Reporting Requirements

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Assessment of the technical quality of policy advice papers through a review process that has a methodological robustness of at least 80% (see note on 'Methodological Robustness' below).	75%	62%	75%
The satisfaction of the Minister of Finance with the policy advice service, as per the common satisfaction survey.	75%	75%	75%
The total cost per hour of producing outputs.	\$203	\$185	\$203
The welfare system operates further in line with the investment approach, based on the external valuation (see note on 'Welfare System' below).	Achieved	Achieved	Achieved
Budget decisions are in line with short-term fiscal intentions in the Budget Policy Statement (BPS).	Achieved	Achieved	Achieved

Assessment of Performance	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Agencies' quality assurance panels and policy teams surveyed rate their level of satisfaction with Treasury's implementation of the government's new Regulatory Impact Analysis requirements as "satisfied" or better.	N/A	N/A	80%
Production of advice that provides options which allow the Government to deliver a credible fiscal strategy consistent with the fiscal prudence provisions of the Public Finance Act 1989. Where this advice is underpinned by modelling, results from major models are externally quality assured (periodically) and, where appropriate, assumptions are tested with suitably qualified external experts.	Achieved	Achieved	Achieved
A new offshore Treasury position is established in Singapore and a work plan is developed to contribute to Treasury's international engagement strategy.	N/A	N/A	Achieved
Technical quality of advice regarding procurement of the Stockton acid mine drainage solution as assessed through the general Treasury policy advice quality assessment process.	N/A	N/A	75%

Methodological Robustness - The higher the robustness score, the stronger the methodological quality of the completed assessment. This is calculated using a standardised formula common to agencies and departments that participate in the policy measurement exercise.

Welfare System - Through its Vote role and role as the external monitor of Work and Income (a division of the Ministry of Social Development), the Treasury will help enable increased cross-agency collaboration to meet the expanded Better Public Services Result 1 target.

Dimensions of Policy Advice

Advice Analytically Rigorous (Analysis): Advice	Set in a Wider Strategic Context (Applied Analysis):	Customer-focused and Persuasive (Advice):
Relevant Frameworks:	Strategic:	Clear and well-written
<ul style="list-style-type: none"> • Appropriate analytical frameworks are used. • Appropriate microeconomic, macroeconomic, mathematical and econometric tools are used. • Knowledge is up-to-date and informed by recent thinking and literature in the field. • Assumptions behind the frameworks used are explicit and consideration has been given to how they will be expected to play out in the real world (a world which includes information and transaction costs, bounded rationality, market failure, government failure, etc). • Consideration has been given to less traditional frameworks and whether they would add innovative or useful perspectives. 	<ul style="list-style-type: none"> • Advice is set in the context of the Living Standards framework, the Treasury's outcomes and the Government's broader objectives. • Advice is explicit about the relative importance and materiality of the issue, in fiscal, economic and strategic terms. • Connections across policy issues are made, ensuring that Ministers receive a whole-of-government perspective. • Advice includes consideration of the long-term implications of decisions. • Advice frames issues and help set the agenda. 	<p>Advice is compellingly presented. It is:</p> <ul style="list-style-type: none"> • brief and concise - key messages should be readily apparent to the reader • easy to read - has a clear and logical structure, avoids technical jargon and uses visual devices such as charts and tables where possible • pitched to suit the audience - uses appropriate language, style and level of detail • framed in terms of how it fits with previous advice and communications with the 'customer' (often this is the Minister), and • free from errors (including data errors).

Robust reasoning and logic	Practical	Timely
<ul style="list-style-type: none"> Advice has a clear purpose, problem definition, evaluation of options against criteria, and assessment of risks and opportunities. Conclusion is provided with action-oriented recommendations. 	<ul style="list-style-type: none"> Advice is strongly focused on achieving results. The results associated with achieving success are clearly articulated. A good understanding is conveyed of what will be required for policy success. Advice considers opportunities, risks, and management of uncertainty and change. Issues of implementation, technical feasibility, practicality and timing are considered. Advice accurately identifies compliance, transitional, legislative, revenue and administrative implications and costs. Advice identifies measurable indicators of success and sets out a plan for monitoring and evaluation where appropriate. 	<ul style="list-style-type: none"> Advice is timed for when it can have the greatest influence and for when it best helps in the decision-making process (even if it means, at times, that advice is not fully developed). It should indicate when a decision is required (unless there is no deadline).
Evidence-based	Public sector consultation	Politically aware advice
<p>Analysis is supported by relevant evidence:</p> <ul style="list-style-type: none"> empirical methods are sound, data gaps are identified and the level of confidence/certainty in our empirical base is explicit analysis draws on New Zealand's experience of current and past policy interventions and, where relevant, the experience of other countries, and analysis draws on New Zealand's experience of current and past policy interventions and, where relevant, the experience of other countries, and analysis provides best judgement despite data imperfections; we acknowledge information limitations and advise within them. 	<p>Ministers receive advice that enables them to engage with their colleagues on a fully informed basis because:</p> <ul style="list-style-type: none"> thorough and timely consultation with other government departments has occurred and points of difference, and the reasons for these, are set out, and where possible, advice is developed in conjunction with relevant government agencies. 	<p>Advice:</p> <ul style="list-style-type: none"> demonstrates awareness of the wider environment and political situation relates to the perspectives of Ministers, even if suggesting something that tests those perspectives, and recognises choices and constraints Ministers face, and includes a range of options to address these.
Free and frank	Perspectives of wider stakeholders	Solution-focused
		<p>Effective communication</p> <p>Communication of advice is based on how to most effectively engage with the customer, including:</p> <ul style="list-style-type: none"> the mode of communication (ie, verbal or written), and the form of advice (eg, written paper or A3).

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Treasury in its 2017/18 Annual Report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2016/17 Final Budgeted \$000	2017/18 Budget \$000	2018/19 Estimated \$000	2019/20 Estimated \$000	2020/21 Estimated \$000
Creating Economic Opportunity: A Treasury Presence Offshore (Singapore)	2017/18	-	854	854	854	854
The Stockton Acid Mine Drainage (AMD) Rehabilitation Project	2017/18	-	2,400	1,100	1,000	300
Reduction in Capital Charge rate from 8% to 7%	2016/17	(85)	(97)	(99)	(100)	(102)
Reduction in Capital Charge rate from 7% to 6%	2016/17	(33)	(65)	(66)	(67)	(68)
Transfer of Work and Income External Monitoring Costs from Vote Social Development	2015/16	750	750	750	750	750

Reasons for Change in Appropriation

The increase in this appropriation for 2017/18 is mainly due to:

- new funding of \$854,000 approved in Budget 2017 in relation to the Budget initiative 'Creating Economic Opportunity: A Treasury Presence Offshore (Singapore)' which will see a permanent position established in Singapore, and
- new funding of \$2.400 million approved in Budget 2017 in relation to the Budget initiative 'Stockton Acid Mine Drainage Rehabilitation Project' which will involve the Treasury seeking to provide advice on the procurement of a long-term solution to managing the Crown's acid mine drainage liability at Stockton mine.

These increases were partially offset by:

- a decrease of over \$300,000 with the reduction in activity in the Treasury's Joint Tax Policy Programme with Inland Revenue
- a decrease of nearly \$300,000 due to a reduction in resources required to carry out the Treasury's Social Inclusion initiative
- a decrease of nearly \$250,000 due to the completion and release in 2016/17 of Treasury's Statement on New Zealand's Long-Term Fiscal Position (the next statement is not due to be released until 2018), and
- a decrease of nearly \$200,000 with the winding down of the Government's reporting system review.

Provision of Financial Operations Services and Operational Advice (M31)

Scope of Appropriation

This appropriation is limited to the provision of services which support the performance of the State sector, including fiscal reporting, forecasting and monitoring; provision of Export Credit; and the management, administration and monitoring of Crown Guarantee Schemes, Crown Lending, Crown Investments and Crown Bank Accounts.

Expenses and Revenue

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	31,515	30,086	30,848
Revenue from the Crown	27,068	25,639	27,223
Revenue from Others	4,447	4,447	3,625

What is Intended to be Achieved with this Appropriation

This appropriation is intended to improve economic performance and financial stewardship across the State Sector and export and financial markets, through provision of relevant and timely operational support, services and advice.

How Performance will be Assessed and End of Year Reporting Requirements

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
All submitted Budget initiatives were accompanied by a cost benefit analysis, where required.	Achieved	Achieved	Achieved
Audit opinion issued by the Controller and Auditor-General on the Financial Statements of Government.	Unqualified	Unqualified	Unqualified
Required Economic and Fiscal Updates efficiently produced with key judgements and uncertainties clearly articulated and key assumptions have been appropriately tested.	Achieved	Achieved	Achieved
Monthly Financial Statements of Government produced in accordance with the PFA requirements and free from material errors.	Achieved	Achieved	Achieved
Management of liabilities and investigation of mechanisms to discharge the Crown's obligations in a timely manner ensuring any costs from the materialisation of liabilities are contained (see note on 'Management of Liabilities' below).	Achieved	Achieved	Achieved
Compliance with risk management policies and parameters for management of Crown lending and Crown bank accounts.	No breaches	No breaches	No breaches
Percentage of Four-year Plans submitted by agencies that meet the criteria expected of a comprehensive medium term strategic plan.	75%	50%	75%
Investment Management and Asset Performance			
All investment intensive agencies have baseline asset performance measures defined and reported.	100%	100%	100%
All investment intensive agencies have baseline measures for benefits realisation on projects and programmes.	90%	90%	90%
All investment intensive agencies have long term investment plans (LTIPs) covering a minimum of 10 years.	100%	100%	100%
All investment-intensive agencies lift their investment performance over the two year Investor Confidence Rating (ICR) cycle.	N/A	N/A	5-10% increase in ICR score
Government Investment Ministers rate their level of satisfaction with investment advice as "satisfied" or better.	N/A	N/A	100%
Senior Responsible Owners of major projects rate their level of satisfaction with investment advice as "satisfied" or better.	N/A	N/A	85%

Assessment of Performance	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
New Zealand Export Credit Office			
Number of new export credit policies underwritten.	70	50	50-70
Value of export transactions supported.	\$250-\$320 million	\$250 million	\$250-\$320 million
Value of new exposure of export credit policies.	\$100-\$120 million	\$110 million	\$100-\$120 million
Number of exporters supported.	30-40	44	30-40
Total external engagements.	420	460	420
Number of education seminars delivered.	30	70	30
Compliance with International Guidelines (OECD and WTO) and Delegated Mandate.	100%	100%	100%
Five-year Expense Ratio (Operating Expenses / Premium Earned).	Lower than 60%	80%	Lower than 60%
Five-year Loss Ratio (Claims Paid and Reserved / Premium Earned).	lower than 35%	75%	Lower than 40%

Management of Liabilities - This output class covers the management and resolution of contingent or actual liabilities associated with various Crown commitments and assets - for instance, gas and geothermal reserves, Treaty settlements and New Zealand House. In some cases, the Treasury is a provider of second-opinion advice rather than a lead agency on these matters.

Cost Benefit Analysis - This analysis should cover: problem definition, intervention logic, options analysis, evaluation of the initiative's contribution to the agency's/ sector's outcomes and result areas, how the new initiative will be implemented and evaluated, and options for scaling the initiative.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Treasury in its 2017/18 Annual Report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2016/17 Final Budgeted \$000	2017/18 Budget \$000	2018/19 Estimated \$000	2019/20 Estimated \$000	2020/21 Estimated \$000
Reduction in Capital Charge rate from 8% to 7%	2016/17	(86)	(97)	(98)	(101)	(103)
Reduction in Capital Charge rate from 7% to 6%	2016/17	(32)	(65)	(66)	(67)	(68)
Share of costs for Budget 2015 whole-of-government initiatives	2015/16	(395)	(391)	(304)	(314)	(314)
Transfer to Vote Foreign Affairs for a Contribution to Global Infrastructure Hub	2014/15	(125)	(125)	(125)	(125)	(125)
Improving Investment Management System Performance and Capital Asset Management	2014/15	300	300	300	300	300
Transfer Gateway and Major Project Monitoring Activities from Vote State Services	2013/14	2,389	2,389	2,389	2,389	2,389
Analysis for Outcomes: Better use of the data to Improve Outcomes	2013/14	2,380	2,303	2,319	2,319	2,319

Shared Support Services (M31)

Scope of Appropriation

This appropriation is limited to provision of support services to other agencies.

Expenses and Revenue

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	14,280	14,101	14,069
Revenue from the Crown	-	-	-
Revenue from Others	14,280	14,101	14,069

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve quality, efficient support services for other agencies.

How Performance will be Assessed and End of Year Reporting Requirements

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Services meet the standards and timeframes agreed with other agencies.	Achieved	Achieved	Achieved

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Treasury in its 2017/18 Annual Report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2016/17 Final Budgeted \$000	2017/18 Budget \$000	2018/19 Estimated \$000	2019/20 Estimated \$000	2020/21 Estimated \$000
Reduction in Capital Charge rate from 7% to 6%	2016/17	(33)	(64)	(65)	(67)	(69)

2.3 - Departmental Capital Expenditure and Capital Injections

The Treasury - Capital Expenditure PLA (M31)

Scope of Appropriation

This appropriation is limited to the purchase or development of assets by and for the use of the Treasury, as authorised by section 24(1) of the Public Finance Act 1989.

Capital Expenditure

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	2,903	2,903	3,256
Intangibles	1,337	1,337	2,292
Other	-	-	-
Total Appropriation	4,240	4,240	5,548

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the renewal and replacement of life-expired assets in support of the delivery of Treasury services.

How Performance will be Assessed and End of Year Reporting Requirements

Expenditure is in accordance with the Treasury capital asset management plan.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Treasury in its 2017/18 Annual Report.

Reasons for Change in Appropriation

The increase in this appropriation for 2017/18 is due to commencement of the Wellington Accommodation Project (WAP) refurbishment of the Treasury's new premises (from 2019), 1-3 The Terrace.

Capital Injections and Movements in Departmental Net Assets

The Treasury

Details of Net Asset Schedule	2016/17 Estimated Actual \$000	2017/18 Projected \$000	Explanation of Projected Movements in 2017/18
Opening Balance	14,869	19,417	
Capital Injections	4,548	-	
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
Closing Balance	19,417	19,417	

Part 3 - Details of Non-Departmental Appropriations

3.1 - Non-Departmental Output Expenses

Management of Anchor Projects by Ōtākaro Limited (M85)

Scope of Appropriation

This appropriation is limited to the Crown's contribution to Ōtākaro Limited's operating and financing expenses.

Expenses

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	23,181	16,300	23,200

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve continuation of Christchurch earthquake recovery of the Anchor Projects Programme and divestment of Crown-owned land in Christchurch.

How Performance will be Assessed and End of Year Reporting Requirements

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Ōtākaro Limited will manage and administer the Anchor Projects Programme and divestment of Crown-owned land in Christchurch in accordance with the company's purpose as set out in its Constitution and its Statement of Intent.	Achieved	Achieved	Achieved

End of Year Performance Reporting

Performance information for this appropriation will be reported by Ōtākaro Limited in its 2017/18 Annual Report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2016/17 Final Budgeted \$000	2017/18 Budget \$000	2018/19 Estimated \$000	2019/20 Estimated \$000	2020/21 Estimated \$000
Establishment of Ōtākaro Limited	2015/16	23,181	23,200	23,300	21,600	-

Management of the Crown's Obligations for Geothermal Wells (M31)

Scope of Appropriation

This appropriation is limited to the management and maintenance relating to geothermal wells and associated sites and structures for which the Crown accepts responsibility.

Expenses

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	339	200	180

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve management and maintenance relating to geothermal wells and associated sites and structures for which the Crown accepts responsibility.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under s15D(2)(b)(iii) of the PFA as the amount of this annual appropriation for non-departmental output expense is less than \$5 million.

Service Providers

Services will be provided by Aurecon Limited, MB Century and other providers if and when required.

Reasons for Change in Appropriation

The decrease in this appropriation for 2017/18 is due to a one-off expense transfer of unused funding from 2015/16 to 2016/17 for remedial work on redundant geothermal wells.

Management of the New Zealand Superannuation Fund (M31)

Scope of Appropriation

This appropriation is limited to managing the New Zealand Superannuation Fund on behalf of the Crown.

Expenses

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	728	650	728

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the management and administration of the Guardians of New Zealand Superannuation Fund.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under s15D(2)(b)(iii) of the PFA as the amount of this annual appropriation for non-departmental output expense is less than \$5 million.

Service Providers

Services will be provided by Guardians of New Zealand Superannuation Fund.

3.3 - Non-Departmental Borrowing Expenses

Debt Servicing PLA (M31)

Scope of Appropriation

This appropriation is limited to the payment of borrowing expenses for the Crown's New Zealand-dollar and foreign-currency debt, authorised by section 60(1)b of the Public Finance Act 1989.

Expenses

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	3,448,298	3,426,398	3,395,785

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the payment of borrowing expenses for the Crown's New Zealand-dollar and foreign-currency debt, authorised by section 60(1)(b) of the PFA.

End of Year Performance Reporting

This borrowing expense appropriation is exempt from end of year performance reporting under section 15A(4)(b) of the PFA.

Reasons for Change in Appropriation

The decrease in this appropriation for 2017/18 is due to movements in forecast interest rates and the amount of debt outstanding.

3.4 - Non-Departmental Other Expenses

Crown Residual Liabilities (M31)

Scope of Appropriation

Residual obligations arising from administration of the Crown's sale and purchase agreements with SOEs and Crown entities and from the sale of Crown investments, and for the settlement of claims against the Crown arising from exposure to asbestos.

Expenses

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	500	259	60

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the administration of residual obligations arising from the Crown's sale and purchase agreements with SOEs and Crown entities and from the sale of Crown investments, and for the settlement of claims against the Crown arising from exposure to asbestos.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under s15D(2)(b)(iii) of the PFA as the amount of this annual appropriation for non-departmental other expense is less than \$5 million.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2016/17 Final Budgeted \$000	2017/18 Budget \$000	2018/19 Estimated \$000	2019/20 Estimated \$000	2020/21 Estimated \$000
Establishment of Local Government Risk Agency	2014/15	(170)	(170)	(170)	-	-

Reasons for Change in Appropriation

The decrease in this appropriation for 2017/18 is due to a transfer from the Management of Landcorp Protected Land Agreement multi-category appropriation to fund additional costs in 2016/17 that were incurred under this appropriation since the partial sale of the Crown's energy companies. These costs are not expected to be repeated in 2017/18.

Geothermal Wells Fund (M31)*Scope of Appropriation*

This appropriation is limited to meeting the costs of one-off unforeseen events relating to those geothermal wells for which the Crown accepts responsibility.

Expenses

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	500

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve meeting the costs of one-off unforeseen events relating to those geothermal wells for which the Crown accepts responsibility.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under s15D(2)(b)(iii) of the PFA as the amount of this annual appropriation for non-departmental other expense is less than \$5 million.

Reasons for Change in Appropriation

The increase in this appropriation for 2017/18 is due to an expected need to commission some remediation work in 2017/18. There was no requirement for remediation in 2016/17, with the funding from this appropriation in 2016/17 being transferred to fund a shortfall in the Management of Crown's Agreement with Taitokerau Forests Limited multi-category appropriation, Impairment of Loans.

Government Superannuation Appeals Board (M31)*Scope of Appropriation*

This appropriation is limited to the expenses of the Government Superannuation Appeals Board in performing its functions under the Government Superannuation Fund Act 1956.

Expenses

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	50	50	50

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the on-going operations of the Government Superannuation Appeals Board.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under s15D(2)(b)(ii) of the PFA, as additional information is unlikely to be informative because this appropriation is solely for payments of board fees, disbursements and allowances. Performance information relating to the administration of the payment is provided under the Provision of Financial Operations Services and Operational Advice appropriation.

Government Superannuation Fund Authority - Crown's Share of Expenses PLA (M31)*Scope of Appropriation*

This appropriation is limited to the Crown's share of the expenses of the Government Superannuation Fund Authority relating to the management and administration of the Government Superannuation Fund and the schemes, authorised by sections 15E and 95 of the Government Superannuation Fund Act 1956.

Expenses

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	37,000	35,000	38,000

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the management and administration of the Government Superannuation Fund and the schemes, authorised by s15E and s95 of the Government Superannuation Act 1956, through payment of the Crown's share of the expenses of the Government Superannuation Fund Authority.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under s15D(2)(b)(ii) of the PFA, as additional performance information is unlikely to be informative as this appropriation is solely for payments of the Crown's share of expenses relating to the management and administration of the Government Superannuation Fund and the schemes authorised by s15E and s95 of the Government Superannuation Fund Act 1956.

Government Superannuation Fund Unfunded Liability PLA (M31)*Scope of Appropriation*

This appropriation is limited to the net increase (excluding actuarial gains and losses) in the Crown's liability to the Government Superannuation Fund and the specified superannuation contribution withholding tax on employer contributions by the Crown, authorised by section 95AA of the Government Superannuation Fund Act 1956.

Expenses

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	528,149	524,200	538,597

What is Intended to be Achieved with this Appropriation

This appropriation is intended to recognise the Crown's liability to the Government Superannuation Fund and the specified superannuation contribution withholding tax on employer contributions by the Crown as authorised by s95AA of the Government Superannuation Fund Act 1956 in accordance with generally accepted accounting practice.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under s15D(2)(b)(ii) of the PFA, as additional information is unlikely to be informative because this appropriation is solely for technical accounting treatment of the Crown's liability.

National Provident Fund Schemes - Liability Under Crown Guarantee PLA (M31)

Scope of Appropriation

This appropriation is limited to the net increase (excluding actuarial gains and losses) in the Crown's liability for benefits payable to members of National Provident Fund schemes under the Crown guarantee in section 60 of the National Provident Fund Restructuring Act 1990. This appropriation is authorised by section 66 of the National Provident Fund Restructuring Act 1990.

Expenses

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	20,000	20,000	18,000

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the recognition of the net increase (excluding actuarial gains and losses) in the Crown's liability for benefits payable to members of National Provident Fund schemes under the Crown guarantee in s60 of the National Provident Fund Restructuring Act 1990. This appropriation is authorised by s66 of the National Provident Fund Restructuring Act 1990.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under s15D(2)(b)(ii) of the PFA, as additional information is unlikely to be informative because this appropriation is solely for costs payable to the National Provident Fund Scheme. Further information about the performance of the Scheme can be found in the National Provident Fund's Annual Report.

Reasons for Change in Appropriation

The decrease in this appropriation for 2017/18 reflects a revised forecast for the expected interest cost movements in relation to the National Provident Fund liability.

Unclaimed Money PLA (M31)

Scope of Appropriation

This appropriation is limited to the repayment of money authorised by section 74(5) of the Public Finance Act 1989.

Expenses

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	250	150	250

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the repayment of unclaimed money authorised by s74(5) of the PFA.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under s15D(2)(b)(ii) of the PFA, as additional information is unlikely to be informative because this appropriation is solely for the repayment of unclaimed money to claimants and repayments are made in accordance with s74(5) of the PFA.

Unclaimed Trust Money PLA (M31)*Scope of Appropriation*

This appropriation is limited to the repayment of money authorised by section 70(2) of the Public Finance Act 1989.

Expenses

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	250	-	250

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the repayment of money authorised by s70(2) of the PFA.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under s15D(2)(b)(ii) of the PFA, as additional information is unlikely to be informative because this appropriation is solely for the repayment of unclaimed money to claimants and repayments are made in accordance with s70(2) of the PFA.

Unwind of Discount Rate Used in the Present Value Calculation of Payment for Shares in International Financial Institutions PLA (M31)*Scope of Appropriation*

This appropriation is limited to the expense incurred in unwinding the discount rate used in the present value calculation of the liability in respect of share subscriptions in International Financial Institutions as it nears settlement, as authorised by section 5(2) of the International Finance Agreements Act 1961.

Expenses

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,948	1,948	1,403

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the recognition of interest unwind for Crown's liability to International Financial Institutions.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under s15D(2)(b)(ii) of the PFA, as additional information is unlikely to be informative because this appropriation is solely for the interest unwind in respect of Crown's liability with International Financial Institutions.

Reasons for Change in Appropriation

The decrease in this appropriation for 2017/18 is due to changes in forecast interest rates and cash flows in relation to the Crown's investments in International Financial Institutions.

Unwind of Discount Rate Used in the Present Value Calculation of Payment Under Crown Deed of Support with Southern Response Earthquake Services Ltd (M31)*Scope of Appropriation*

This appropriation is limited to the expense incurred in unwinding the discount rate used in the present value calculation of the liability as the liability nears settlement.

Expenses

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	8,510	7,460	3,313

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the recognition of the expense incurred in unwinding the discount rate used in the present value calculation of the liability as the liability nears settlement.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under s15D(2)(b)(ii) of the PFA, as additional information is unlikely to be informative because this appropriation is solely for technical accounting treatment under the Crown Deed of Support with Southern Response Earthquake Services Limited.

Reasons for Change in Appropriation

The decrease in this appropriation for 2017/18 is due to a revised forecast for the expected unwind of the discount rate in relation to the Crown Support Deed and the Uncalled Capital facility as the liability nears settlement.

3.5 - Non-Departmental Capital Expenditure

International Financial Institutions PLA (M31)

Scope of Appropriation

This appropriation is limited to capital expenditure for shares subscribed to by New Zealand as a member of International Financial Institutions, authorised by section 5 of the International Finance Agreements Act 1961.

Capital Expenditure

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	12,000	12,000	20,000

What is Intended to be Achieved with this Appropriation

This appropriation is intended to provide for the capital expenditure by New Zealand as a member of International Financial Institutions, as authorised by s5 of the International Finance Agreements Act 1961.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under s15D(2)(b)(ii) of the PFA, as additional information is unlikely to be informative because this appropriation is solely for payments made by New Zealand as a member of International Financial Institutions. Performance information relating to the administration of the payment is provided under the Policy Advice - Finance appropriation.

Reasons for Change in Appropriation

The increase in this appropriation for 2017/18 is due to changes in the timing and quantum of contributions to the International Monetary Fund and the Asian Infrastructure Investment Bank.

Loan Facility for Tamaki Redevelopment Company (M31)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Loan Facility for Tamaki Redevelopment Company (M31)	Original Appropriation	200,000
	Adjustments to 2015/16	-
This appropriation is limited to provision of a loan to Tamaki Redevelopment Company Limited.	Adjustments for 2016/17	-
	Adjusted Appropriation	200,000
Commences: 31 March 2015	Actual to 2015/16 Year End	8,500
Expires: 30 June 2018	Estimated Actual for 2016/17	29,000
	Estimated Actual for 2017/18	47,000
	Estimated Appropriation Remaining	115,500

What is Intended to be Achieved with this Appropriation

This appropriation is intended to enable Tamaki Redevelopment Company Limited to accelerate regeneration action.

How Performance will be Assessed and End of Year Reporting Requirements

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Payments are made consistent with the terms and conditions of the loan facility.	Achieved	Achieved	Achieved

End of Year Performance Reporting

Performance information for this appropriation will be reported by Tamaki Redevelopment Company Limited in its 2017/18 Annual Report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2016/17 Final Budgeted \$000	2017/18 Budget \$000	2018/19 Estimated \$000	2019/20 Estimated \$000	2020/21 Estimated \$000
Loan Facility to Facilitate the Regeneration of the Tamaki Region.	2014/15	50,000	-	-	-	-

Refinancing of Housing New Zealand Corporation and Housing New Zealand Limited Debt (M31)*Scope of Appropriation*

This appropriation is limited to refinancing existing Housing New Zealand Corporation and Housing New Zealand Limited Debt.

Capital Expenditure

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	275,778	275,778	337,002

What is Intended to be Achieved with this Appropriation

This appropriation is intended to enable Housing New Zealand Corporation and Housing New Zealand Limited to refinance their loans.

How Performance will be Assessed and End of Year Reporting Requirements

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Refinancing will be undertaken in accordance with the agreed appropriation limits.	Achieved	Achieved	Achieved

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Minister of Finance in a report appended to the Treasury's Annual Report for 2017/18.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2016/17 Final Budgeted \$000	2017/18 Budget \$000	2018/19 Estimated \$000	2019/20 Estimated \$000	2020/21 Estimated \$000
Refinancing of Housing New Zealand Corporation and Housing New Zealand Limited Debt.	2015/16	275,778	337,002	127,185	-	-

Reasons for Change in Appropriation

The increase in this appropriation for 2017/18 is due to the alignment of the amount of the appropriation with Housing New Zealand Corporation and Housing New Zealand Limited debt refinancing.

Transfer of Anchor Project Assets to Ōtākaro Limited (M85)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Transfer of Anchor Project Assets to Ōtākaro Limited (M85)	Original Appropriation	500,000
This appropriation is limited to the transfer of Christchurch anchor project assets to Ōtākaro Limited.	Adjustments to 2015/16	-
	Adjustments for 2016/17	-
Commences: 01 April 2016	Adjusted Appropriation	500,000
Expires: 30 June 2020	Actual to 2015/16 Year End	204,452
	Estimated Actual for 2016/17	35,108
	Estimated Actual for 2017/18	260,440
	Estimated Appropriation Remaining	-

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve a transfer of Christchurch anchor project assets to Ōtākaro Limited.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under s15D(2)(b)(ii) of the PFA, as additional information is unlikely to be informative because this appropriation is solely to give effect to the technical transfer of Christchurch anchor project assets to Ōtākaro Limited.

Part 4 - Details of Multi-Category Expenses and Capital Expenditure

Multi-Category Expenses and Capital Expenditure

Greater Christchurch Anchor Projects (M85)

Overarching Purpose Statement

The single overarching purpose of this appropriation is to support the recovery of Christchurch by contributing operating and capital funding for anchor projects covered by the Christchurch Central Recovery Plan.

Scope of Appropriation

Non-Departmental Other Expenses

Christchurch Bus Interchange and Associated Transport Infrastructure - contributions from third parties

This category is limited to the development, operations and divestment of the Christchurch Bus Interchange and associated transport infrastructure funded by contributions from parties other than the Crown.

Christchurch Bus Interchange and Associated Transport Infrastructure - Operating

This category is limited to the Crown's contribution to the development, operations and divestment of the Christchurch Bus Interchange and associated transport infrastructure.

Christchurch Convention Centre - Operating

This category is limited to the Crown's contribution to the development, operations and divestment of the Christchurch Convention Centre.

Christchurch Stadium - contributions from third parties

This category is limited to the development, operations and divestment of the Christchurch Stadium funded by contributions from parties other than the Crown.

Christchurch Stadium - Operating

This category is limited to the Crown's contribution to the development, operations and divestment of the Christchurch Stadium.

Financial Impact of Valuations

This category is limited to expenses incurred as a result of the Crown's decisions affecting valuations.

Leasing Anchor Project Land

This category is limited to the financial impact of granting concessionary leases over anchor project land.

Metro Sports Facility - contributions from third parties

This category is limited to the development, operations and divestment of the Metro Sports Facility funded by contributions from parties other than the Crown.

Metro Sports Facility - Operating

This category is limited to the Crown's contribution to the development, operations and divestment of Metro Sports Facility.

Pre-Development Holding Costs - Operating

This category is limited to the Crown's contribution to the maintenance, operation and ownership of anchor project land and assets prior to commencement of developments.

Procurement of Land and Assets - Operating

This category is limited to the Crown's contribution to the purchase, acquisition and clearance of land and assets for anchor project development.

Public Space - contributions from third parties

This category is limited to the development, operations and divestment of the Crown owned public space funded by contributions from parties other than the Crown.

Public Space - Operating

This category is limited to the Crown's contribution to the development, operations and divestment of the Crown owned public space.

Sale of Land

This category is limited to the financial impact from the divestment of land and transaction costs incurred in the preparation for sale and the sale of land.

The Square - contributions from third parties

This category is limited to the development, operations and divestment of the Square funded by contributions from parties other than the Crown.

Non-Departmental Capital Expenditure*Christchurch Bus Interchange and Associated Transport Infrastructure - Capital*

This category is limited to the Crown's contribution to the capital development of the Christchurch Bus Interchange and associated transport infrastructure and to providing equity or loan capital to Ōtākaro Limited for that purpose.

Christchurch Convention Centre - Capital

This category is limited to the Crown's contribution to the capital development of the Christchurch Convention Centre and to providing equity or loan capital to Ōtākaro Limited for that purpose.

Earthquake Memorial - Capital

This category is limited to the Crown's contribution to the capital development of the Canterbury Earthquake Memorial and to providing equity or loan capital to Ōtākaro Limited for that purpose.

Land and Asset Acquisition - Capital

This category is limited to the Crown's contribution to the cost of land and assets to be acquired for anchor project development and to providing equity or loan capital to Ōtākaro Limited for that purpose.

Metro Sports Facility - Capital

This category is limited to the Crown's contribution to the capital development of Metro Sports Facility and to providing equity or loan capital to Ōtākaro Limited for that purpose.

Public Space - Capital

This category is limited to the capital development of the Crown owned public space and to providing equity or loan capital to Ōtākaro Limited for that purpose.

Expenses, Revenue and Capital Expenditure

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	253,026	167,250	254,060
Non-Departmental Other Expenses			
Christchurch Bus Interchange and Associated Transport Infrastructure - contributions from third parties	100	-	-
Christchurch Bus Interchange and Associated Transport Infrastructure - Operating	25,118	15,590	38,441
Christchurch Convention Centre - Operating	7,704	28,575	1,000
Christchurch Stadium - contributions from third parties	100	-	-
Christchurch Stadium - Operating	3,989	-	-
Financial Impact of Valuations	2,831	-	-
Leasing Anchor Project Land	4,000	-	2,000
Metro Sports Facility - contributions from third parties	100	-	-
Metro Sports Facility - Operating	8,673	12,278	-
Pre-Development Holding Costs - Operating	3,365	1,687	8,000
Procurement of Land and Assets - Operating	29,980	17,675	23,000
Public Space - contributions from third parties	100	-	-
Public Space - Operating	90,843	17,606	52,286
Sale of Land	2,184	-	500
The Square - contributions from third parties	100	-	-
Non-Departmental Capital Expenditure			
Christchurch Bus Interchange and Associated Transport Infrastructure - Capital	2,085	2,085	2,000
Christchurch Convention Centre - Capital	-	-	114,900
Earthquake Memorial - Capital	8,500	8,500	683
Land and Asset Acquisition - Capital	25,336	25,336	5,000
Metro Sports Facility - Capital	500	500	500
Public Space - Capital	37,418	37,418	5,750

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the management of Anchor Projects and divestment of Crown owned land in Christchurch.

How Performance will be Assessed for this Appropriation

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Payments made in respect of Greater Christchurch Anchor Projects are made in accordance with the terms and conditions of the relevant funding agreements and agreed timelines.	Achieved	Achieved	Achieved

What is Intended to be Achieved with each Category and How Performance will be Assessed

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Non-Departmental Other Expenses			
Christchurch Bus Interchange and Associated Transport Infrastructure - contributions from third parties			
This category is intended to support the development, operations and divestment of the Christchurch Bus Interchange.			
An exemption was granted under s15D(2)(b)(ii) of the PFA, as additional performance information is unlikely to be informative as this appropriation is solely for the payments funded by contributions from third parties.	Exempt	Exempt	Exempt
Christchurch Bus Interchange and Associated Transport Infrastructure - Operating			
This category is intended to ensure the ongoing operation and eventual divestment of the Christchurch Bus Interchange.			
Payments are made in line with the terms and conditions of the funding agreement.	Achieved	Achieved	Achieved
Christchurch Convention Centre - Operating			
This category is intended to advance the Convention Centre project in line with Government decisions.			
The project will be progressed in line with Government decisions and agreed project timelines.	Achieved	Achieved	Achieved
Christchurch Stadium - contributions from third parties			
This category is intended to support the development, operations and divestment of the Christchurch Stadium.			
An exemption was granted under s15D(2)(b)(ii) of the PFA, as additional performance information is unlikely to be informative as this appropriation is solely for the payments funded by contributions from third parties.	Exempt	Exempt	Exempt
Christchurch Stadium - Operating			
This category is intended to take forward the Crown's position on the Stadium project.			
The project will be progressed in line with Government decisions and agreed project timelines.	Achieved	Achieved	Achieved

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Financial Impact of Valuations			
This category is intended to record expenses resulting from valuation movements.			
An exemption was granted under s15D(2)(b)(ii) of the PFA, as additional information is unlikely to be informative because this appropriation is solely for technical accounting treatment to record expenses resulting from valuation movements.	Exempt	Exempt	Exempt
Leasing Anchor Project Land			
This category is intended to record expenses resulting from the granting of concessionary leases.			
An exemption was granted under s15D(2)(b)(ii) of the PFA, as additional information is unlikely to be informative because this appropriation is solely for technical accounting treatment to record expenses resulting from the granting of concessionary leases.	Exempt	Exempt	Exempt
Metro Sports Facility - contributions from third parties			
This category is intended to support the construction of Metro Sports Facility.			
An exemption was granted under s15D(2)(b)(ii) of the PFA, as additional performance information is unlikely to be informative as this appropriation is solely for the payments funded by contributions from third parties.	Exempt	Exempt	Exempt
Metro Sports Facility - Operating			
This category is intended to support the construction and divestment of Metro Sports Facility.			
The project will be progressed in line with the agreed project timelines.	Achieved	Achieved	Achieved
Pre-Development Holding Costs - Operating			
This category is intended to achieve the efficient management of Anchor project land prior to construction.			
Land is managed in accordance with Crown's commercial and regeneration interests.	Achieved	Achieved	Achieved
Procurement of Land and Assets - Operating			
This category is intended to support the acquisition and clearance of land for the Anchor projects.			
Land and assets are acquired and made ready in accordance with project outcomes and timelines.	Achieved	Achieved	Achieved
Public Space - contributions from third parties			
This category is intended to support the development, operations and divestment of the Crown owned public space.			
An exemption was granted under s15D(2)(b)(ii) of the PFA, as additional performance information is unlikely to be informative as this appropriation is solely for the payments funded by contributions from third parties.	Exempt	Exempt	Exempt
Public Space - Operating			
This category is intended to support the construction and divestment of Crown-owned public space in Christchurch.			
Projects are progressed in line with the agreed project timelines.	Achieved	Achieved	Achieved

Assessment of Performance	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Sale of Land			
This category is intended to record the financial impact of land sales.			
An exemption was granted under s15D(2)(b)(ii) of the PFA, as additional information is unlikely to be informative because this appropriation is solely for recording the financial impact of land sales.	Exempt	Exempt	Exempt
The Square - contributions from third parties			
This category is intended to support the development, operations and divestment of the Square.			
An exemption was granted under s15D(2)(b)(ii) of the PFA, as additional performance information is unlikely to be informative as this appropriation is solely for the payments funded by contributions from third parties.	Exempt	Exempt	Exempt
Non-Departmental Capital Expenditure			
Christchurch Bus Interchange and Associated Transport Infrastructure - Capital			
This category is intended to ensure the ongoing operation and eventual divestment of the Christchurch Bus Interchange.			
Expenditure is in line with the agreed project timelines.	Achieved	Achieved	Achieved
Christchurch Convention Centre - Capital			
This category is intended to advance the Convention Centre project in line with Government decisions.			
Payments to Ōtākaro for capital expenditure are made in line with the terms and conditions of the funding agreement.	Achieved	Achieved	Achieved
Earthquake Memorial - Capital			
This category is intended to support the construction and divestment of the Canterbury Earthquake Memorial.			
Expenditure is in line with the agreed project timelines.	Achieved	Achieved	Achieved
Land and Asset Acquisition - Capital			
This category is intended to support the acquisition of land for the Anchor projects.			
Payments to Ōtākaro for capital expenditure are made in line with the terms and conditions of the funding agreement.	Achieved	Achieved	Achieved
Metro Sports Facility - Capital			
This category is intended to support the construction of Metro Sports Facility.			
Payments to Ōtākaro for capital expenditure are made in line with the terms and conditions of the funding agreement.	Achieved	Achieved	Achieved
Public Space - Capital			
This category is intended to support the construction and divestment of Crown-owned public space in Christchurch.			
Expenditure is in line with the agreed project timelines.	Achieved	Achieved	Achieved

Service Providers for the Multi-Category Appropriation

Delivery of Greater Christchurch Anchor Projects will be undertaken by Ōtākaro Limited.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Treasury in a report appended to its 2017/18 Annual Report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2016/17 Final Budgeted \$000	2017/18 Budget \$000	2018/19 Estimated \$000	2019/20 Estimated \$000	2020/21 Estimated \$000
Christchurch Convention Centre - Capital	2015/16	-	114,900	Withheld (Note 1)	Withheld (Note 1)	Withheld (Note 1)
Christchurch Convention Centre - Operating	2015/16	7,704	1,000	Withheld (Note 1)	Withheld (Note 1)	Withheld (Note 1)
Public Space - Operating	2015/16	90,834	52,286	100	100	-
Christchurch Bus Interchange and associated Transport Infrastructure - Operating	2015/16	25,118	38,441	2,700	2,000	-
Procurement of Land and Assets - Operating	2015/16	29,980	23,000	-	1,500	-

Note 1 - Estimated expenditure for 2018/19 to 2020/21 is withheld as publication is likely to unreasonably prejudice the commercial position of the Crown.

Inquiries and Research into Productivity-Related Matters (M31)

Overarching Purpose Statement

The overarching purpose of this appropriation is to provide for inquiries into, and research and promotion of, productivity-related matters.

Scope of Appropriation

Non-Departmental Output Expenses

Inquiries into Productivity-Related Matters

This category is limited to inquiries undertaken by the New Zealand Productivity Commission in accordance with the New Zealand Productivity Commission Act 2010.

Research into and Promotion of Productivity-Related Matters

This category is limited to the New Zealand Productivity Commission undertaking research into and promoting public understanding of productivity-related matters in accordance with the New Zealand Productivity Commission Act 2010.

Expenses, Revenue and Capital Expenditure

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	5,030	3,919	5,030
Non-Departmental Output Expenses			
Inquiries into Productivity-Related Matters	4,401	3,500	4,401
Research into and Promotion of Productivity-Related Matters	629	419	629

What is Intended to be Achieved with this Appropriation

The appropriation is intended to achieve:

- inquiries in accordance with the New Zealand Productivity Commission Act 2010, and
- research in accordance with the New Zealand Productivity Commission Act 2010.

How Performance will be Assessed for this Appropriation

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
The Board of the New Zealand Productivity Commission will meet to manage and administer in accordance with their Statement of Intent.	Achieved	Achieved	Achieved

What is Intended to be Achieved with each Category and How Performance will be Assessed

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Non-Departmental Output Expenses			
Inquiries into Productivity-Related Matters			
This category is intended to achieve improved productivity analysis and advice in New Zealand.			
The Commission's recommendations are agreed and implemented - as a result of their recommendations (typically through inquiry work), better decisions are made that lead to improved productivity.	Achieved	Achieved	Achieved
Improved productivity analysis and advice in New Zealand - scarce resources for productivity work are better coordinated, leading to more influential and effective research outcomes.	Achieved	Achieved	Achieved
Improved public understanding of productivity issues - people and organisations gain a better understanding of what productivity is and why it is important, increasing the likelihood that productivity improvements are made.	Achieved	Achieved	Achieved

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Research into and Promotion of Productivity-Related Matters			
This category is intended to achieve the promotion of productivity-related matters.			
Define and undertake research on, and promote understanding of, productivity-related matters. The Commission will publish research papers and further the development of collaborative research partnerships. As part of their collaboration, they will work with other government agencies and the wider research community through chairing the 'Productivity Hub'.	Achieved	Achieved	Achieved

Service Providers for the Multi-Category Appropriation

Services will be delivered by New Zealand Productivity Commission.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Treasury in a report appended to its 2017/18 Annual Report.

Management of Landcorp Protected Land Agreement (M31)

Overarching Purpose Statement

The overarching purpose of this appropriation is meeting the Crown's responsibilities under the Landcorp Protected Land Agreement.

Scope of Appropriation

Non-Departmental Other Expenses

Operating Costs

This category is limited to providing operating costs incurred under the Landcorp Protected Land Agreement.

Non-Departmental Capital Expenditure

Capital Investments

This category is limited to providing for capital investments incurred under the Landcorp Protected Land Agreement.

Expenses, Revenue and Capital Expenditure

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	6,360	6,360	4,250
Non-Departmental Other Expenses			
Operating Costs	3,810	3,810	2,250
Non-Departmental Capital Expenditure			
Capital Investments	2,550	2,550	2,000

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the Crown's responsibilities under the Landcorp Protected Land Agreement.

How Performance will be Assessed for this Appropriation

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Management of Protected Land Agreement			
This appropriation is intended to achieve the Crown's responsibilities under the Protected Land Agreement.	Achieved	Achieved	Achieved

What is Intended to be Achieved with each Category and How Performance will be Assessed

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Non-Departmental Other Expenses			
Operating Costs			
This category is intended to achieve the provision for operating costs incurred under the Landcorp Protected Land Agreement.			
An exemption was granted under s15D(2)(b)(iii) of the PFA as annual expenditure under this category is less than \$5 million.	Exempt	Exempt	Exempt
Non-Departmental Capital Expenditure			
Capital Investments			
This category is intended to achieve the provision of capital investments incurred under the Landcorp Protected Land Agreement.			
An exemption was granted under s15D(2)(b)(iii) of the PFA as annual expenditure under this category is less than \$15 million.	Exempt	Exempt	Exempt

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2016/17 Final Budgeted \$000	2017/18 Budget \$000	2018/19 Estimated \$000	2019/20 Estimated \$000	2020/21 Estimated \$000
Landcorp under expenditure reprioritised and applied to Local Government Risk Agency	2015/16	(250)	(250)	(1,000)	(500)	-

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Treasury in a report appended to its 2017/18 Annual Report.

Reasons for Change in Appropriation

The decrease in this appropriation for 2017/18 is due to a non-recurring expense transfer from 2015/16 to 2016/17 of unused funding relating to the costs of managing protected land.

Management of New Zealand House, London (M31)

Overarching Purpose Statement

The overarching purpose of this appropriation is to ensure that New Zealand House, London is well managed.

Scope of Appropriation

Non-Departmental Output Expenses

Property Management

This category is limited to the property management services in respect of New Zealand House, London.

Non-Departmental Other Expenses

Operational Costs

This category is limited to the operational costs of New Zealand House, London.

Renegotiation of Lease Arrangements

This category is limited to activities to re-gear the lease on New Zealand House, London (including The Royal Opera Arcade and Her Majesty's Theatre).

Non-Departmental Capital Expenditure

Capital Expenditure

This category is limited to capital expenditure in relation to New Zealand House, London.

Expenses, Revenue and Capital Expenditure

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	22,835	14,210	14,750
Non-Departmental Output Expenses			
Property Management	1,563	36	1,000
Non-Departmental Other Expenses			
Operational Costs	16,123	9,025	13,000
Renegotiation of Lease Arrangements	2,149	2,149	-
Non-Departmental Capital Expenditure			
Capital Expenditure	3,000	3,000	750

What is Intended to be Achieved with this Appropriation

This appropriation is intended to ensure that New Zealand House, London is well managed.

How Performance will be Assessed for this Appropriation

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Management of New Zealand House, London			
New Zealand House, London is well managed.	Achieved	Achieved	Achieved

What is Intended to be Achieved with each Category and How Performance will be Assessed

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Non-Departmental Output Expenses			
Property Management			
This category is intended to achieve the provision of management of New Zealand House property in London.			
An exemption was granted under s15D(2)(b)(iii) of the PFA as the annual expenditure under this category is less than \$5 million.	Exempt	Exempt	Exempt
Non-Departmental Other Expenses			
Operational Costs			
This category is intended to achieve the provision of operational costs of New Zealand House in London.			
An exemption was granted under s15D(2)(b)(ii) of the PFA as this category is solely for costs payable to the New Zealand Government Property Corporation to fund the operations of New Zealand House in London.	Exempt	Exempt	Exempt

Assessment of Performance	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Renegotiation of Lease Arrangements			
This category is intended to achieve the renegotiation of the lease arrangements for New Zealand House, London			
An exemption was granted under s15D(2)(b)(iii) of the PFA as the annual expenditure under this category is less than \$5 million.	Exempt	Exempt	Exempt
Non-Departmental Capital Expenditure			
Capital Expenditure			
This category is intended to achieve the provision of capital expenditure on New Zealand House property in London.			
An exemption was granted under s15D(2)(b)(iii) of the PFA as the annual expenditure under this category is less than \$15 million.	Exempt	Exempt	Exempt

Service Providers

Services are provided through Jones Lang LaSalle International Property Consultants, London.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Treasury in a report appended to its 2017/18 Annual Report.

Reasons for Change in Appropriation

The decrease in this appropriation for 2017/18 is due to a one-off expense transfer from 2015/16 to 2016/17 to provide for reactive maintenance on the property that is not expected to be repeated in 2017/18.

Social Housing Reform (M90)

Overarching Purpose Statement

The overarching purpose of this appropriation is to improve the variety of social housing in New Zealand and grow the community housing sector, by making Housing New Zealand Corporation stock available to social housing providers.

Scope of Appropriation

Departmental Output Expenses

Implementation of the Social Housing Reform Programme

This category is limited to the policy, operational, and transactional work to implement the Government's reform of social housing.

Non-Departmental Output Expenses

Direct Sale Costs for Implementing the Social Housing Reform Programme

This category is limited to direct sales costs of implementing the Government's reform of social housing.

Expenses, Revenue and Capital Expenditure

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	16,846	15,915	8,495
Departmental Output Expenses			
Implementation of the Social Housing Reform Programme	10,522	9,704	4,495
Non-Departmental Output Expenses			
Direct Sale Costs for Implementing the Social Housing Reform Programme	6,324	6,211	4,000
Funding for Departmental Output Expenses			
Revenue from the Crown	10,520	9,702	4,494
Implementation of the Social Housing Reform Programme	10,520	9,702	4,494
Revenue from Others	2	2	1
Implementation of the Social Housing Reform Programme	2	2	1

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the development of a variety of social housing in New Zealand and grow the community housing sector by making the Housing New Zealand Corporation stock available to social providers.

How Performance will be Assessed for this Appropriation

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Social Housing Reform			
The social housing reform programme is developed to allow the progress of transactions.	Achieved	Achieved	Achieved

What is Intended to be Achieved with each Category and How Performance will be Assessed

	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Departmental Output Expenses			
Implementation of the Social Housing Reform Programme			
This category is intended to achieve policy development and operational support for the Government's reform of social housing.			
Develop policies and prepare legal documentation in light of progress with the social housing reform programme, including initial transactions.	Achieved	Achieved	Achieved
Develop policies, commercial structures and standard form contractual documentation to support the social housing reform programme and the development of the community housing sector through transactions.	Achieved	Achieved	Achieved

Assessment of Performance	2016/17		2017/18
	Final Budgeted Standard	Estimated Actual	Budget Standard
Non-Departmental Output Expenses			
Direct Sale Costs for Implementing the Social Housing Reform Programme			
This category is intended to achieve the Cabinet-mandated transactions under the Government's reform of social housing.			
Progress Cabinet-mandated transactions as scheduled.	Achieved	Achieved	Achieved
Reach contractual close of the transactions in Tauranga and Invercargill in 2016/17.	Achieved	Tauranga achieved, Invercargill process on hold	N/A
Reach contractual close of the transaction in Christchurch.	N/A	N/A	Achieved

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Treasury in its 2017/18 Annual Report.

Reasons for Change in Appropriation

The decrease in this appropriation for 2017/18 is due to forecast reduced activity for this time-limited policy initiative.