

The Treasury

Budget 2011 Information Release

Release Document

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- [1] 9(2)(a) - to protect the privacy of natural persons, including deceased people
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- [3] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
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- [6] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [7] 6(a) - to prevent prejudice to the security or defence of New Zealand or the international relations of the government
- [8] 9(2)(h) - to maintain legal professional privilege
- [9] 6(c) - to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
- [10] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [11] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice.

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In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.



Ad Hoc Cabinet Committee on Canterbury Earthquake Recovery



ACE Min (11) 5/1

Copy No: 26

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Christchurch Earthquake: Short to Medium Term Business Support Measures

Portfolio: Economic Development

On 14 March 2011, the Ad Hoc Cabinet Committee on Canterbury Earthquake Recovery, having been authorised by Cabinet to have Power to Act [CAB Min (11) 11/23]:

- 1 **agreed** that, in the aftermath of the 22 February 2011 Christchurch earthquake, it is important to take early steps to restore business confidence and reduce the risk that businesses might make precipitate decisions about their future;
- 2 **agreed** to contribute \$1.7 million towards the cost of recovery co-ordinators for businesses to provide needs assessment and referral services, with a review after six months;
- 3 **agreed** to contribute \$2.5 million to the proposed Business Recovery Trust Fund;
- 4 **agreed** that the Trust should be specifically recognised as a donee organisation and be exempt from income tax in its own right;
- 5 **agreed** that, to achieve this policy outcome, the Income Tax Act 2007 be amended to:
 - 5.1 specifically exempt from income tax the income of the Trust;
 - 5.2 add the Trust to the list of donee organisations in Schedule 32;
- 6 **noted** that the change in paragraph 5 above will result in a reduction in tax revenue as per the following table, with a corresponding impact on the operating balance, and will be funded from the between-Budget spending contingency:

Vote Revenue Minister of Revenue	\$ millions increase / (decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15
Crown Revenue and Receipts: Tax Revenue	(2.250)	(0.750)	-	-	-

- 7 **invited** the Minister of Revenue to issue drafting instructions to Inland Revenue's Drafting Unit for the appropriate amendments to the Income Tax Act 2007;

8 [6]

9

10

- 11 **approved** the following changes to appropriations within Vote Economic Development to fund the \$1.7 million towards the cost of recovery co-ordinators for businesses and the proposed \$2.5 million contribution to the proposed Business Recovery Trust Fund with no impact on the operating balance:

Vote Economic Development	\$m – increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & outyears
Minister for Economic Development					
Non-Departmental Other Expenses: Regional Partnerships and Facilitation	(2.157)	-	-	-	-
Non-Departmental Other Expenses: International Growth Fund	(2.043)	-	-	-	-
Minister for Canterbury Earthquake Recovery					
Non-Departmental Other Expense: Canterbury Earthquake Recovery – Business Support	3.000	1.200	-	-	-
Total	(1.200)	1.200	-	-	-

- 12 **agreed** that the change to the appropriations in paragraph 11 above be included in the 2010/11 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
- 13 **authorised** the Minister of Finance and the Minister for Canterbury Earthquake Recovery (jointly) to transfer any under-spent Canterbury Earthquake Business Support Package funding within the Canterbury Earthquake Recovery – Business Support appropriation in one year to the next financial year, with the final amount to be transferred being confirmed as part of the October baseline update, following the presentation of that year's audited financial statements of the non-departmental activities administered by the Ministry of Economic Development;

14 **noted** that the Acting Minister for Economic Development intends to issue a press release announcing these initiatives in the week beginning Monday, 21 March 2011.

Committee Secretary

Reference: ACE (11) 16

Present:

Rt Hon John Key (part of item)
Hon Bill English
Hon Gerry Brownlee (chair)
Hon Dr Nick Smith
Hon Anne Tolley
Hon Paula Bennett
Hon Phil Heatley
Hon Kate Wilkinson
Hon Maurice Williamson
Hon John Carter
Hon Rodney Hide
Hon Peter Dunne

Officials present from:

Office of the Prime Minister
Officials Committee for ACE
Ministry of Social Development

Others present:

Chair, Canterbury Earthquake Recovery Commission