

The Treasury

Budget 2013 Information Release

Release Document

July 2013

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Key to sections of the Official Information Act 1982 under which information has been withheld.

Certain information in this document has been withheld under one or more of the following sections of the Official Information Act, as applicable:

- [1] 6(a) - to prevent prejudice to the security or defence of New Zealand or the international relations of the government
- [2] 6(c) - to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
- [3] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [4] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [5] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [6] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [7] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [8] 9(2)(h) - to maintain legal professional privilege
- [9] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [10] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [11] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [12] Not in scope
- [13] 7(b) - to prevent prejudice to relations between any of the Governments of New Zealand, the Cook Islands or Niue
- [14] 9(2)(ba)(i) - to prevent prejudice to the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied.

Where information has been withheld, a numbered reference to the applicable section of the Official Information Act has been made, as listed above. For example, an [4] appearing where information has been withheld in a release document refers to section 9(2)(b)(ii).

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



22 APR 2013

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Minute of Decision

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

Budget 2013 Package: Vote Energy

Portfolio: Energy and Resources

On 15 April 2013, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2013 Budget package, as listed in the summary below and detailed in the attached initiative documents;

Summary of initiatives included in the attached initiative documents:

Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2012/13	2013/14	2014/15	2015/16	2016/17 & Outyears
7680	Home Insulation	-	35.000	35.000	30.000	-
7886	Savings from Business Energy Efficiency	-	(2.500)	(2.500)	(2.500)	(2.500)
Total Operating		-	32.500	32.500	27.500	(2.500)

- 2 **agreed** to establish new appropriations where required to implement these initiatives, as described in the attached initiative documents;
- 3 **approved** the changes to appropriations to implement the initiatives, as set out in the attached initiative documents;
- 4 **approved** the additional recommendations to give effect to the initiatives, as set out in the attached initiative documents;
- 5 **authorised** the Minister of Finance and the Vote Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2012/13 Supplementary Estimates, the 2013/14 Estimates and the fiscal forecasts;

- 6 **authorised** the chief executives of departments that monitor Crown entities directly affected by decisions in this minute to inform the chair and/or chief executive of a Crown entity, on a budget-in-confidence-until-budget-day basis, of decisions that directly affect that Crown entity for the purpose of planning and preparation of their Statement of Intent;
- 7 **noted** that all communications relating to the 2013 Budget are co-ordinated by a Budget communications committee, and that any requests for early announcement will need to have both the written approval of the Minister of Finance and sign-off from the Prime Minister's office.



Secretary of the Cabinet

Reference: CAB (13) 203

Initiative No: 7748

Vote: Energy

Title: Electricity Authority - System Operator Service Provider Agreement

Description: Increased contractual costs for system operator service provider agreements. Costs required to implement Authority code amendments. Increased costs will be funded by levies.

Appropriation changes

	\$m - increase/(decrease)				
	2012/13	2013/14	2014/15	2015/16	2016/17
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	3.272	5.306	8.381	7.944
Total	-	-	-	-	-

	\$m - increase/(decrease)				
	2012/13	2013/14	2014/15	2015/16	2016/17
Non-Departmental Output Expense:					
Electricity Industry Governance and Market Operations	-	3.272	5.306	8.381	7.944
Total Operating	-	3.272	5.306	8.381	7.944
Total Capital	-	-	-	-	-

Additional recommendation

8 noted the following increases to Crown revenue:

	\$m - increase/(decrease)				
	2012/13	2013/14	2014/15	2015/16	2016/17
Non-Tax Revenue:					
Levy on Electricity Industry	-	3.272	5.306	8.381	7.944

Initiative No: 7680

Vote: Energy

Title: Home Insulation

Description: This programme provides for targeted grant assistance towards insulation targeting low income households. It is proposed to run the programme for three years.

New appropriation approvals

Type	Period	Name	Multi-Class Output Appropriation Output Class	Scope
Non-Departmental Other Expenses (Multi year appropriation)	Other Start: 1/07/2013 Finish: 30/06/2016 Amount (\$m): 93.000	Home Insulation	N/A	This appropriation is limited to grants towards insulation targeting low income households.
Non-Departmental Output Expenses	Annual	Implementation of the Home Insulation Programme	N/A	This appropriation is limited to the implementation of the Home Insulation programme.

Appropriation changes

	\$m - increase/(decrease)				
	2012/13	2013/14	2014/15	2015/16	2016/17 & Outyears
Operating Balance Impact	-	35.000	35.000	30.000	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	35.000	35.000	30.000	-

	\$m - increase/(decrease)				
	2012/13	2013/14	2014/15	2015/16	2016/17 & Outyears
Non-Departmental Output Expense:					
Implementation of the Home Insulation Programme	-	2.000	2.500	2.500	-
Non-Departmental Other Expense:					
Home Insulation (Multi year appropriation)	-	33.000	32.500	27.500	-
Total Operating	-	35.000	35.000	30.000	-
Total Capital	-	-	-	-	-

Initiative No: 7680

Additional recommendation

- 8 **noted** that amounts shown in the appropriations changes table for the Multi Year Appropriation entitled "Home Insulation" are the indicative annual spending profile.

Initiative No: 7886

Vote: Energy

Title: Savings from Business Energy Efficiency

Description: Savings from Business Energy Efficiency.

Appropriation changes

	\$m - increase/(decrease)				
	2012/13	2013/14	2014/15	2015/16	2016/17 & Outyears
Operating Balance Impact	-	(2.500)	(2.500)	(2.500)	(2.500)
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	(2.500)	(2.500)	(2.500)	(2.500)

	\$m - increase/(decrease)				
	2012/13	2013/14	2014/15	2015/16	2016/17 & Outyears
Non-Departmental Output Expense:					
Energy Efficiency and Conservation (Multi-Class Output Appropriations)					
Energy Efficiency and Conservation	-	(2.500)	(2.500)	(2.500)	(2.500)
Total Operating	-	(2.500)	(2.500)	(2.500)	(2.500)
Total Capital	-	-	-	-	-