

The Treasury

Budget 2013 Information Release

Release Document

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- [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
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- [12] Not in scope
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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.

Hon Bill English
Minister of Finance
Parliament Buildings
WELLINGTON

JOINT MINISTER APPROVAL FOR A FISCALLY NEUTRAL ADJUSTMENT CHANGE TO VOTE ACC FOR OUTYEARS 2014/15, 2016/17 AND 2017/18

Introduction

I am writing to seek your agreement to action two fiscally neutral adjustments (FNA) in Vote ACC for outyears 2014/15, 2016/17 and 2017/18. These changes do not impact on the 2013/14 Main Estimates documents.

Background

On 15 April the outyear funding for ACC was approved by Cabinet (Cab Min (13) 12/6(1) refers. Two of the output classes included negative numbers. Subsequent to the Cabinet approval the Treasury identified that it is not possible to include negative figures and that the allocation of the amounts for some of these appropriations required reallocation. This paper seeks endorsement of this change.

Correction of Appropriation Funding

The following fiscally neutral adjustments are proposed:

1. Funding for the Non-Departmental Output Expense Public Health Acute Services – Treatment Injuries for Non-Earners' in outyear 2014/15, 2016/17 and 2017/18 has been increased so that it is non-negative, and Rehabilitation Entitlements and Services – Treatment Injuries for Non-Earners' has been reduced by an offsetting amount.
2. Funding for the Benefits and Other Required Expenses: Compensation Entitlements in outyear 2017/18 has been increased so that it is non-negative, and the Non-Departmental Output Expense Rehabilitation Entitlements and Services has been reduced by an offsetting amount.

These changes have been included in the Ministry's five year fiscal forecast for 2014/15 and 2016/17. For 2017/18 these changes will be included when the Ministry roll-over baselines to 2017/18 in the October Baseline Update.

Treasury has advised that this change fits within the Cabinet authorisation for the Minister of Finance and the Vote Minister to make “technical adjustments to baselines necessary to remove any errors or inconsistencies” and that this letter is the most appropriate process for this change.

Recommendations

I recommend that you:

1. **Note** that the fiscally neutral adjustment changes for 2014/15 and 2016/17 have been included in the Ministry of Business, Innovation and Employment’s five year fiscal forecasts;
2. **Note** that the requirement to make these fiscally neutral changes for 2014/15, 2016/17 and 2017/18 was not noticed until after the Cabinet Office processes for the financial recommendations; and
3. **Agree** that the changes to appropriations in the table below replace those agreed by Cabinet as part of the 2013 Budget package [CAB Min (13) 12/6(1)].

	\$m - increase/(decrease)					
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Non-Departmental Output Expenses:						
Case Management and Supporting Services	-	47.579	42.522	48.600	58.597	69.669
Case Management and Supporting Services - Treatment Injuries for Non-Earners'	-	2.296	15.811	9.612	17.747	26.343
Public Health Acute Services	-	(1.600)	(0.097)	0.513	0.286	16.061
Public Health Acute Services - Treatment Injuries for Non-Earners'	-	0.001	(0.886)	(0.914)	(1.134)	(1.134)
Rehabilitation Entitlements and Services	-	(103.856)	(60.266)	(34.111)	(36.155)	(55.616)
Rehabilitation Entitlements and Services - Treatment Injuries for Non-Earners'	-	(9.653)	(41.205)	(18.171)	(34.076)	(49.902)
Benefits and Other Unrequited Expenses:						
Compensation Entitlements	-	(2.281)	(15.649)	(15.002)	(22.728)	(30.113)
Compensation Entitlements - Treatment Injuries for Non-Earners'	-	(0.422)	13.195	9.473	17.463	24.692

Total Operating	-	(67.936)	(46.575)	-	-	-
Total Capital	-	-	-	-	-	-

Hon Judith Collins
Minister for ACC

Date signed: _____

Hon Bill English
Minister of Finance

Date signed: _____