

# The Treasury

## Budget 2015 Information Release

### Release Document July 2015

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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] 6(e)(iv) - to damage seriously the economy of New Zealand by disclosing prematurely decisions to change or continue government economic or financial policies relating to the entering into of overseas trade agreements.
- [4] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [5] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [6] 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.
- [6a] 9(2)(ba)(ii) - to protect information, where the making available of the information would be likely otherwise to damage the public interest
- [7] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [8] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [8a] 9(2)(f)(ii) - to maintain the current constitutional conventions protecting the collective and individual ministerial responsibility
- [9] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [10] 9(2)(h) - to maintain legal professional privilege
- [11] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [12] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [13] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [14] Not in scope

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

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

## Scenario F – \$44m OBEGAL impact in 2015/16

This scenario spreads the 2016/17 Earners' and Work levy reductions implied by the new funding policy over two years (and makes the full 2016/17 Motor Vehicle reduction implied by the policy in that year), and then holds levy rates flat in out years.

Table F1: Summary of impacts

<b>Fiscal years (\$ million)</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
Levy revenue	-32	-372	-533	-547
Unexpired risk liability (URL)	-12	-147	-71	-7
Investment income (int / div)	0	-7	-26	-48
<b>OBEGAL</b>	<b>-44</b>	<b>-527</b>	<b>-631</b>	<b>-603</b>
Investment income (g / l)	0	-3	-8	-14
<b>Total (operating balance)</b>	<b>-44</b>	<b>-530</b>	<b>-639</b>	<b>-617</b>

Table E2: Average levy rates used in this scenario (levy year)

<b>Account</b>	<b>Current rates</b>	<b>2016/17</b>	<b>2017/18 and out years</b>
Earners'	\$1.26	\$1.23	\$1.20
Work	\$0.90	\$0.80	\$0.70
Motor Vehicle	\$330.68 (to 30/06/15) \$195.00 (from 01/07/15)	\$117.98	\$117.98

Rates are per \$100 liable earnings in the Earners' and Work Accounts, and per vehicle for the Motor Vehicle Account.

## Solvency projections

Solvency rates are current projections and will change over time.

<b>Solvency Projections:</b>					
<b>Financial year ending</b>	<b>Jun-15</b>	<b>Jun-16</b>	<b>Jun-17</b>	<b>Jun-18</b>	<b>Jun-19</b>
Motor Vehicle Account	104%	107%	107%	107%	106%
Earners' Account	122%	117%	113%	108%	104%
Work Account (excl Gradual Process)	141%	144%	145%	139%	138%
Work Account (incl Gradual Process)	117%	120%	120%	116%	115%