

The Treasury

Budget 2015 Information Release

Release Document July 2015

www.treasury.govt.nz/publications/informationreleases/budget/2015

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.



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.

2015 Budget Package: Vote Primary Industries and Food Safety

On 20 April 2015, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2015 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		\$m - increase/(decrease)				
		2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
8655	Afforestation Grant Scheme (AGS)	-	0.500	4.400	4.400	4.400
8670	Animal Welfare	-	2.677	2.677	2.317	2.317
8679	Extending the Irrigation Acceleration Fund	-	-	5.000	5.000	5.000
8970	Reprioritisation to Support Government Budget Priorities	-	(3.400)	(4.500)	(6.900)	(8.800)
9001	Reduced Revenue Crown Following the Introduction of Cost Recovery	-	(1.084)	(1.084)	(1.084)	(1.084)
Total Operating		-	(1.307)	6.493	3.733	1.833

- 2 **agreed** to establish new appropriations where required to implement these initiatives, as described in the attached initiative documents;
- 3 **approved** 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 Responsible Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2014/15 Supplementary Estimates, the 2015/16 Estimates and the fiscal forecasts;

- 6 **noted** that all communications relating to the 2015 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 (15) 173

Initiative No: 8655

Vote: Primary Industries and Food Safety

Title: Afforestation Grant Scheme (AGS)

Description: The AGS is to encourage and support new forest planting of indigenous and exotic trees on small to medium erosion-prone and marginal New Zealand land.

New Appropriation Approval

Name	Period	Type	Category Name	Scope
Afforestation Grant Scheme	Multi-Year Appropriation Start: 1/07/2016 Finish: 30/06/2021 Amount (\$m): 19.500	Non-Departmental Other Expenses	N/A	This appropriation is limited to grants to private landowners for afforestation purposes.

Appropriation Changes

	\$m - increase/(decrease)						
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21 Only
Operating Balance Impact	-	0.500	4.400	4.400	4.400	4.400	4.400
Debt Impact	-	-	-	-	-	-	-
No Impact	-	-	-	-	-	-	-
Total	-	0.500	4.400	4.400	4.400	4.400	4.400

	\$m - increase/(decrease)						
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21 Only
Non-Departmental Other Expense:							
Afforestation Grant Scheme (MYA)	-	-	3.900	3.900	3.900	3.900	3.900
Multi-Category Expenses and Capital Expenditure							
Grants and Programmes MCA							
Departmental Output Expense:							
Administration of Grants and Programmes (funded by revenue Crown)	-	0.500	0.500	0.500	0.500	0.500	0.500
Total Operating	-	0.500	4.400	4.400	4.400	4.400	4.400
Total Capital	-	-	-	-	-	-	-

Additional Recommendations

- 7 **noted** that the Multi-Year Appropriation: "Afforestation Grant Scheme" is established at \$19.500 million;

Initiative No: 8655

- 8 **noted** that the amounts shown in the appropriations changes table for the Multi-Year Appropriation: "Afforestation Grant Scheme" is the indicative annual spending profile;

Initiative No: 8668

Vote: Primary Industries

Title: Tuberculosis National Pest Management Plan

Description: Crown contribution to the national plan for the containment and eradication of Bovine Tuberculosis from New Zealand.

Appropriation Changes

	\$m - increase/(decrease)				
	2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
Non-Departmental Output Expense:					
Control of TB Vectors	-	22.444	-	-	-
Non-Departmental Other Expense:					
Primary Growth Partnership (MYA)	-	(22.444)	-	-	-
Total Operating	-	-	-	-	-
Total Capital	-	-	-	-	-

Additional Recommendations

- 9 **noted** that this initiative is being funded from the reprioritisation of \$22.444 million from the Primary Growth Partnership Multi-Year Appropriation;
- 10 **noted** that the Multi-Year Appropriation: "Primary Growth Partnership" is adjusted by \$(22.444) million;
- 11 **noted** that the amounts shown in the appropriations changes table for the Multi-Year Appropriation: "Primary Growth Partnership" is the change to the indicative annual spending profile;

Initiative No: 8670

Vote: Primary Industries and Food Safety

Title: Animal Welfare

Description: Transitioning New Zealand for a more proactive approach to improved animal welfare outcomes.

Appropriation Changes

	\$m - increase/(decrease)				
	2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
Operating Balance Impact	-	2.677	2.677	2.317	2.317
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	2.677	2.677	2.317	2.317

	\$m - increase/(decrease)				
	2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
Multi-Category Expenses and Capital Expenditure					
Sustainable Economic Development and Trade MCA					
Departmental Output Expense:					
Animal Welfare Education and Enforcement (funded by revenue Crown)	-	2.677	2.677	2.317	2.317
Total Operating	-	2.677	2.677	2.317	2.317
Total Capital	-	-	-	-	-

Vote: Primary Industries

Title: Strengthening Biosecurity Capability

Description: Strengthening the biosecurity system through enhanced border protection and pathways assessments

Appropriation Changes

	\$m - increase/(decrease)				
	2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
Non-Departmental Other Expenses:					
Primary Growth Partnership (MYA)	-	(1.600)	(2.100)	-	-
Primary Growth Partnership	-	-	-	(2.700)	(2.700)
Multi-Category Expenses and Capital Expenditure					
Border and Domestic Biosecurity Risk Management MCA					
Departmental Output Expense:					
Border Biosecurity Monitoring and Clearance (funded by revenue Crown)	-	1.600	2.100	2.700	2.700
Total Operating	-	-	-	-	-
Total Capital	-	-	-	-	-

Additional Recommendations

- 12 **noted** that this initiative is being funded from the reprioritisation of \$3.700 million from the Primary Growth Partnership MYA, and \$5.400 million from the Primary Growth Partnership baseline;
- 13 **noted** that the Multi-Year Appropriation: "Primary Growth Partnership" is adjusted by \$(3.700) million;
- 14 **noted** that the amounts shown in the appropriations changes table for the Multi-Year Appropriation: "Primary Growth Partnership" is the change to the indicative annual spending profile;

Initiative No: 8711

Vote: Primary Industries and Food Safety

Title: Doubling the Value of Primary Sector Exports

Description: Doubling the value of primary sector exports through regional economic development initiatives

Appropriation Changes

	\$m - increase/(decrease)				
	2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
Non-Departmental Other Expense:					
Primary Growth Partnership (MYA)	-	(3.360)	(4.110)	-	-
Multi-Category Expenses and Capital Expenditure					
Development and Implementation of Primary Industries Policy Advice MCA					
Departmental Output Expense:					
Agriculture and Forestry Policy Advice (funded by revenue Crown)	-	3.360	4.110	-	-
Total Operating	-	-	-	-	-
Total Capital	-	-	-	-	-

Additional Recommendations

- 15 **noted** that this initiative is being funded from the reprioritisation of \$7.470 million from the Primary Growth Partnership Multi-Year Appropriation;
- 16 **noted** that the Multi-Year Appropriation: "Primary Growth Partnership" is adjusted by \$7.470 million;
- 17 **noted** that the amounts shown in the appropriations changes table for the Multi-Year Appropriation: "Primary Growth Partnership" is the change to the indicative annual spending profile;

Initiative No: 8679

Vote: Primary Industries and Food Safety

Title: Extending the Irrigation Acceleration Fund

Description: The Irrigation Acceleration Fund (IAF) is extended beyond June 2016. \$25 million is provided over five years to complete the investigation of large scale proposals currently in progress with IAF funding support.

New Appropriation Approval

Name	Period	Type	Category Name	Scope
Water Storage and Irrigation Investment Proposals	Annual	Non-Departmental Other Expenses	N/A	This appropriation is limited to preparation of proposals for irrigation schemes to an investment ready stage.

Appropriation Changes

	\$m - increase/(decrease)						
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21 Only
Operating Balance Impact	-	-	5.000	5.000	5.000	5.000	5.000
Debt Impact	-	-	-	-	-	-	-
No Impact	-	-	-	-	-	-	-
Total	-	-	5.000	5.000	5.000	5.000	5.000

	\$m - increase/(decrease)						
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21 Only
Non-Departmental Other Expense:							
Water Storage and Irrigation Investment Proposals	-	-	5.000	5.000	5.000	5.000	5.000
Total Operating	-	-	5.000	5.000	5.000	5.000	5.000
Total Capital	-	-	-	-	-	-	-

Vote: Primary Industries and Food Safety
Title: Reprioritisation to Support Government Budget Priorities
Description: Reprioritisation to support Government Budget Priorities

Appropriation Changes

	\$m - increase/(decrease)				
	2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
Operating Balance Impact	-	(3.400)	(4.500)	(6.900)	(8.800)
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	(3.400)	(4.500)	(6.900)	(8.800)

	\$m - increase/(decrease)				
	2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
Non-Departmental Output Expense:					
Climate Change Research	-	(2.000)	(2.000)	(2.000)	(2.000)
Non-Departmental Other Expenses:					
Primary Growth Partnership (MYA)	-	(0.400)	(1.500)	-	-
Primary Growth Partnership	-	-	-	(3.900)	(5.800)
Multi-Category Expenses and Capital Expenditure					
Grants and Programmes MCA					
Non-Departmental Other Expense:					
Sustainable Farming Fund	-	(1.000)	(1.000)	(1.000)	(1.000)
Total Operating	-	(3.400)	(4.500)	(6.900)	(8.800)
Total Capital	-	-	-	-	-

Additional Recommendations

- 18 **noted** that the Multi-Year Appropriation: “Primary Growth Partnership” is adjusted by \$(1.900) million;
- 19 **noted** that the amounts shown in the appropriations changes table for the Multi-Year Appropriation: “Primary Growth Partnership” is the change to the indicative annual spending profile.

Vote: Primary Industries and Food Safety

Title: Reduced Crown Funding Following the Introduction of Cost Recovery.

Description: Reduced Crown funding following the introduction of cost recovery for the Wine Industry. See CAB Min (15) 11/15 for increased revenue Other.

Appropriation Changes

	\$m - increase/(decrease)				
	2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
Multi-Category Expenses and Capital Expenditure					
Food Safety MCA					
Departmental Output Expense:					
Assurance (funded by revenue Crown)	-	(1.084)	(1.084)	(1.084)	(1.084)
Total Operating	-	(1.084)	(1.084)	(1.084)	(1.084)
Total Capital	-	-	-	-	-