

# 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
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- [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 Business, Science and Innovation

On 20 April 2015, Cabinet:

- 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	Initiative Name	\$m - increase/(decrease)					
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20 & Outyears
8939	Research and Development Growth Grants	-	20.000	20.000	20.000	20.000	20.000
8972	Natural Resource Sector Budget Reprioritisation	-	(0.949)	-	-	-	-
<b>Total Operating</b>		-	<b>19.051</b>	<b>20.000</b>	<b>20.000</b>	<b>20.000</b>	<b>20.000</b>

##### Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)					
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20 & Outyears
8957	Capital Injection arising from the Vision 2015 initiative in Vote Labour Market	-	28.414	-	-	-	-
8958	Capital Injection arising from the Managing Our Borders initiative in Vote Labour Market	-	1.038	2.845	2.107	0.596	-
8941	Single Identifier for all Business Entities - New Zealand Business Number (NZBN)	-	1.500	2.000	-	-	-
<b>Total Capital</b>		-	<b>30.952</b>	<b>4.845</b>	<b>2.107</b>	<b>0.596</b>	-

- 2 **agreed** to establish new appropriations where required to implement these initiatives, as described in the attached initiative documents;
- 3 **approved** changes to appropriations and the capital 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 **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 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;
- 8 **agreed** that the initiatives in the following tables be set aside as contingency items, that corresponding funding for them be set aside in the between-Budget spending contingency, and that they be submitted to the appropriate Cabinet committee for consideration at a later stage:

#### Operating Contingency

Initiative Name	\$m - increase/(decrease)					
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20 & Outyears
Funding for Regional Research Institutes	-	-	5.000	10.000	10.000	-
<b>Total Operating</b>	-	-	<b>5.000</b>	<b>10.000</b>	<b>10.000</b>	-

#### Capital Contingency

Initiative Name	\$m - increase/(decrease)							
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Extending the Ultra-Fast Broadband Initiative	-	15.000	20.000	30.000	30.000	30.000	40.000	45.000
<b>Total Capital</b>	-	<b>15.000</b>	<b>20.000</b>	<b>30.000</b>	<b>30.000</b>	<b>30.000</b>	<b>40.000</b>	<b>45.000</b>

Secretary of the Cabinet

Reference: CAB (15) 173

## Initiative No: 8957

**Vote:** Business, Science and Innovation

**Title:** Capital Injection arising from the Vision 2015 initiative in Vote Labour Market

**Description:** This capital injection arises from the Vision 2015 (initiative no: 8927) in Vote Labour Market. Departmental Capital Expenditure for the Ministry of Business, Innovation and Employment is recognised under Vote Business, Science and Innovation.

### Appropriation Changes

	\$m - increase/(decrease)				
	2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	28.414	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>28.414</b>	-	-	-

	\$m - increase/(decrease)				
	2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
<b>Capital Injection:</b>					
Ministry of Business, Innovation and Employment - Capital Injection	-	28.414	-	-	-
<b>Total Operating</b>	-	-	-	-	-
<b>Total Capital</b>	-	<b>28.414</b>	-	-	-

## Initiative No: 8958

**Vote:** Business, Science and Innovation

**Title:** Capital Injection arising from the Managing Our Borders initiative in Vote Labour Market

**Description:** This capital injection arises from Managing our Borders: Immigration Risk (initiative no: 8926) in Vote Labour Market. Departmental Capital Expenditure for the Ministry of Business, Innovation and Employment is recognised under Vote Business, Science and Innovation.

### Appropriation Changes

	\$m - increase/(decrease)					
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20 & Outyears
Operating Balance Impact	-	-	-	-	-	-
Debt Impact	-	1.038	2.845	2.107	0.596	-
No Impact	-	-	-	-	-	-
<b>Total</b>	-	<b>1.038</b>	<b>2.845</b>	<b>2.107</b>	<b>0.596</b>	-

	\$m - increase/(decrease)					
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20 & Outyears
<b>Capital Injection:</b>						
Ministry of Business, Innovation and Employment - Capital Injection	-	1.038	2.845	2.107	0.596	-
<b>Total Operating</b>	-	-	-	-	-	-
<b>Total Capital</b>	-	<b>1.038</b>	<b>2.845</b>	<b>2.107</b>	<b>0.596</b>	-

**Initiative No: 8942**

**Vote:** Business, Science and Innovation

**Title:** Extending the Ultra-Fast Broadband Initiative

**Description:** Support Government plans to continue with its investment plan to expand and accelerate Ultra-Fast Broadband (UFB) investment throughout New Zealand. This initiative will expand world-class connectivity by extending the UFB programme to at least 80 per cent of New Zealanders.

**Appropriation Changes**

	\$m - increase/(decrease)					
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20 & Outyears
Operating Balance Impact	-	-	-	-	-	-
Debt Impact	-	-	-	-	-	-
No Impact	-	1.800	1.800	1.800	1.000	-
<b>Total</b>	-	<b>1.800</b>	<b>1.800</b>	<b>1.700</b>	<b>1.000</b>	-

	\$m - increase/(decrease)					
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20 & Outyears
<b>Multi-Category Expenses and Capital Expenditure</b>						
Policy Advice and Related Outputs						
<b>Departmental Output Expense:</b>						
Policy Advice - Communications (funded by revenue Crown)	-	1.800	1.800	1.700	1.000	-
<b>Total Operating</b>	-	<b>1.800</b>	<b>1.800</b>	<b>1.700</b>	<b>1.000</b>	-
<b>Total Capital</b>	-	-	-	-	-	-

**Additional recommendation**

9 **noted** that the funding in the table above is being offset by savings in Vote Communications, as outlined in initiative 8559;

**Initiative No: 8939**

**Vote:** Business, Science and Innovation

**Title:** Research and Development Growth Grants

**Description:** Additional funding for Research and Development Growth Grants will allow grants to continue to be provided to business to support research and development in accordance with existing criteria. Growth grants are non-discretionary in that they are provided to all companies that meet the criteria for Research and Development expenditure.

**Appropriation Changes**

	<b>\$m - increase/(decrease)</b>				
	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19 &amp; Outyears</b>
Operating Balance Impact	-	20.000	20.000	20.000	20.000
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>20.000</b>	<b>20.000</b>	<b>20.000</b>	<b>20.000</b>

	<b>\$m - increase/(decrease)</b>				
	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19 &amp; Outyears</b>
<b>Non-Departmental Output Expenses:</b>					
Science and Innovation:					
Research and Development Growth Grants (MYA)	-	20.000	20.000	-	-
Research and Development Growth Grants	-	-	-	20.000	20.000
<b>Total Operating</b>	<b>-</b>	<b>20.000</b>	<b>20.000</b>	<b>20.000</b>	<b>20.000</b>
<b>Total Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Additional Recommendations**

- 10 **noted** that the Multi-Year Appropriation: "Research and Development Growth Grants" is adjusted by \$40.000 million;
- 11 **noted** that the amounts shown in the appropriations changes table for the Multi-Year Appropriation: "Research and Development Growth Grants" is the change to the indicative annual spending profile;

## Initiative No: 8940

**Vote:** Business, Science and Innovation

**Title:** New Business.govt.nz Tools

**Description:** To provide and maintain two tools per year for Business.govt.nz to package information from across government agencies targeted at small business, making it easier and faster for them to interact with government.

### Appropriation Changes

	\$m - increase/(decrease)				
	2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
Operating Balance Impact	-	1.150	1.250	1.350	1.350
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>1.150</b>	<b>1.250</b>	<b>1.350</b>	<b>1.350</b>

	\$m - increase/(decrease)				
	2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
<b>Departmental Output Expense:</b>					
Commerce and Consumer Affairs: Registration and Provision of Statutory Information (funded by revenue Crown)	-	1.150	1.250	1.350	1.350
<b>Total Operating</b>	-	<b>1.150</b>	<b>1.250</b>	<b>1.350</b>	<b>1.350</b>
<b>Total Capital</b>	-	-	-	-	-

### Additional Recommendation

12 **noted** that the funding for this initiative will be recovered through a baseline contribution as part of the system package;



## Initiative No: 8941

**Vote:** Business, Science and Innovation

**Title:** Single Identifier for all Business Entities - New Zealand Business Number (NZBN)

**Description:** The NZBN is a trusted single identifier enabling a business to interact with government agencies and other businesses. The agencies will be able to source and update relevant data about a business from one place which will reduce costs for government agencies in collecting and verifying information.

### Appropriation Changes

	\$m - increase/(decrease)				
	2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
Operating Balance Impact	-	0.548	0.582	0.432	0.432
Debt Impact	-	1.500	2.000	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>2.048</b>	<b>2.582</b>	<b>0.432</b>	<b>0.432</b>

	\$m - increase/(decrease)				
	2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
<b>Departmental Output Expense:</b>					
Commerce and Consumer Affairs: Registration and Provision of Statutory Information (funded by revenue Crown)	-	0.548	0.582	0.432	0.432
<b>Capital Injection:</b>					
Ministry of Business, Innovation and Employment - Capital Injection	-	1.500	2.000	-	-
<b>Total Operating</b>	-	<b>0.548</b>	<b>0.582</b>	<b>0.432</b>	<b>0.432</b>
<b>Total Capital</b>	-	<b>1.500</b>	<b>2.000</b>	-	-

### Additional Recommendation

13 **noted** that the funding for this initiative will be recovered through a baseline contribution as part of the system package;

**Vote:** Business, Science and Innovation

**Title:** Natural Resource Sector Budget Reprioritisation

**Description:** Reduction in funding reflecting reprioritisation to support Budget priorities.

### Appropriation Changes

	\$m - increase/(decrease)				
	2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
Operating Balance Impact	-	(0.949)	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>(0.949)</b>	-	-	-

	\$m - increase/(decrease)				
	2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
<b>Non-Departmental Other Expense:</b>					
Contestable Fund for Deployment of Marine Energy Devices (MYA)	-	(0.949)	-	-	-
<b>Total Operating</b>	-	<b>(0.949)</b>	-	-	-
<b>Total Capital</b>	-	-	-	-	-

### Additional Recommendations

- 14 **noted** that the Multi-Year Appropriation: "Contestable Fund for Deployment of Marine Energy Devices" is reduced by \$0.949 million;
- 15 **noted** that the amounts shown in the appropriations changes table for the Multi-Year Appropriation: "Contestable Fund for Deployment of Marine Energy Devices" is the change to the indicative annual spending profile;
- 16 **agreed** that the Multi-Year Appropriation: "Contestable Fund for Deployment of Marine Energy Devices" is expired with effect from 30<sup>th</sup> June 2015;

Initiative No: 8948

**Vote:** Business, Science and Innovation

**Title:** The Completion of the Alps2Ocean Cycle Trail

**Description:** This initiative provides co-funding for the completion of the Alps2Ocean cycle trail, up to New Zealand cycleway standards..

### Appropriation Changes

	\$m - increase/(decrease)				
	2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	0.935	-	-	-
<b>Total</b>	-	<b>0.935</b>	-	-	-

	\$m - increase/(decrease)				
	2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
<b>Non-Departmental Other Expense:</b>					
National Cycleway Fund - Extension	-	0.935	-	-	-
<b>Total Operating</b>	-	<b>0.935</b>	-	-	-
<b>Total Capital</b>	-	-	-	-	-

[8]

## Initiative No: 8949

**Vote:** Business, Science and Innovation

**Title:** The Completion of the Twin Coasts Cycle Trail

**Description:** This initiative provides co-funding for the completion of the Twin Coasts cycle trail, up to New Zealand cycleway standards.

### Appropriation Changes

	\$m - increase/(decrease)				
	2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	3.000	-	-	-
<b>Total</b>	-	<b>3.000</b>	-	-	-

	\$m - increase/(decrease)				
	2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
<b>Non-Departmental Other Expense:</b>					
National Cycleway Fund - Extension	-	3.000	-	-	-
<b>Total Operating</b>	-	<b>3.000</b>	-	-	-
<b>Total Capital</b>	-	-	-	-	-

[8]