

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.



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 Internal Affairs

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	Initiative Name	\$m - increase/(decrease)				
		2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
8688	Archives New Zealand: Christchurch Regional Office Relocation	-	0.549	2.147	1.697	1.697
8693	Insurance Proceeds	-	0.183	0.183	0.183	0.183
8695	Meeting Increased Demand on the Local Government Commission	-	0.900	0.900	0.900	-
Total Operating		-	1.632	3.320	2.780	1.880

Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2014/15	2015/16	2016/17	2017/18	2018/19
8688	Archives New Zealand: Christchurch Regional Office Relocation	-	13.040	-	-	-
8693	Insurance Proceeds	-	2.290	-	-	-
8698	RealMe	-	3.500	3.000	3.000	3.000
8704	Sustainable Funding of the GCIO Common Capabilities Programme	-	5.000	-	-	-
Total Capital		-	23.830	3.000	3.000	3.000

- 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 injections 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;
- 7 **agreed** that the initiatives in the following table 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:

Capital Contingency

Initiative Name	\$m - increase/(decrease)				
	2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
Chatham Islands Waitangi Wharf Redevelopment	-	15.800	30.000	6.200	-
Total Capital	-	15.800	30.000	6.200	-

Secretary of the Cabinet

Reference: CAB (15) 173

Initiative No: 8688

Vote: Internal Affairs

Title: Archives New Zealand: Christchurch Regional Office Relocation

Description: The relocation of Archives New Zealand Christchurch regional office following the Christchurch earthquakes to ensure safe and secure storage that meets archival repository and service delivery requirements in the region.

Appropriation Changes

	\$m - increase/(decrease)				
	2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
Operating Balance Impact	-	0.549	2.147	1.697	1.697
Debt Impact	-	13.040	-	-	-
No Impact	-	-	-	-	-
Total	-	13.589	2.147	1.697	1.697

	\$m - increase/(decrease)				
	2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
Multi-Category Expenses and Capital Expenditure					
Civic Information Services MCA					
Departmental Output Expense:					
Managing and Accessing Knowledge Information (funded by revenue Crown)	-	0.549	2.147	1.697	1.697
Capital Injection:					
Department of Internal Affairs - Capital Injection	-	13.040	-	-	-
Total Operating	-	0.549	2.147	1.697	1.697
Total Capital	-	13.040	-	-	-

Additional Recommendation

- 8 **noted** that in Budget 2026 the Department of Internal Affairs will seek a capital injection of \$0.900 million which will have an associated increase in the annual operating expenditure of \$0.086 million to \$1.783 million until 2036 as is identified in the agreed business case;

Initiative No: 8693

Vote: Internal Affairs

Title: Insurance Proceeds

Description: Insurance claim proceeds for material damages relating to the Department of Internal Affairs (DIA) properties resulted in a 2013/14 'windfall' surplus repayment to the Crown. This is now required for rebuilding and fit out once DIA moves back to the Christchurch Central Business District.

Appropriation Changes

	\$m - increase/(decrease)				
	2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
Operating Balance Impact	-	0.183	0.183	0.183	0.183
Debt Impact	-	2.290	-	-	-
No Impact	-	-	-	-	-
Total	-	2.473	0.183	0.183	0.183

	\$m - increase/(decrease)				
	2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
Multi-Category Expenses and Capital Expenditure					
Civic Information Services MCA					
Departmental Output Expense:					
Managing and Accessing Knowledge Information (funded by revenue Crown)	-	0.183	0.183	0.183	0.183
Capital Injection:					
Department of Internal Affairs - Capital Injection	-	2.290	-	-	-
Total Operating	-	0.183	0.183	0.183	0.183
Total Capital	-	2.290	-	-	-

Initiative No: 8695

Vote: Internal Affairs

Title: Meeting Increased Demand on the Local Government Commission

Description: To allow the Local Government Commission to complete its current set of territorial authority reorganisation proposals in a timely manner.

Appropriation Changes

	\$m - increase/(decrease)				
	2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
Operating Balance Impact	-	0.900	0.900	0.900	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.900	0.900	0.900	-

	\$m - increase/(decrease)				
	2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
Multi-Category Expenses and Capital Expenditure					
Support for Statutory and Other Bodies MCA					
Departmental Output Expense:					
Statutory Body Support - Local Government Commission (funded by revenue Crown)	-	0.900	0.900	0.900	-
Total Operating	-	0.900	0.900	0.900	-
Total Capital	-	-	-	-	-

Initiative No: 8698

Vote: Internal Affairs

Title: RealMe

Description: The continuation of RealMe services as the principal means of authentication and identity verification for New Zealanders in an online environment.

Appropriation Changes

	\$m - increase/(decrease)				
	2014/15	2015/16	2016/17	2017/18	2018/19
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	3.500	3.000	3.000	3.000
No Impact	-	13.950	12.750	6.510	2.410
Total	-	17.450	15.750	9.510	5.410

	\$m - increase/(decrease)				
	2014/15	2015/16	2016/17	2017/18	2018/19
Multi-Category Expenses and Capital Expenditure					
Civic Information Services MCA					
Departmental Output Expense:					
Managing and Accessing Identity Information (funded by revenue Crown)	-	13.950	12.750	6.510	2.410
Capital Injection:					
Department of Internal Affairs - Capital Injection	-	3.500	3.000	3.000	3.000
Total Operating	-	13.950	12.750	6.510	2.410
Total Capital	-	3.500	3.000	3.000	3.000

Additional Recommendations

- 9 **noted** that an independent review of the RealMe operating model will be carried out, and the Department of Internal Affairs must complete any business cases identified by this review by the dates agreed between Treasury and the Department of Internal Affairs;
- 10 **noted** that the operating funding for this initiative will be recovered through a baseline contribution as part of the system package;

Initiative No: 8700

Vote: Internal Affairs

Title: Result 10

Description: A programme to improve New Zealanders' relationship with government by giving them access to digitally integrated services throughout their lives.

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	3.000	3.000	3.000
Total	-	3.000	3.000	3.000	3.000

	\$m - increase/(decrease)				
	2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
Multi-Category Expenses and Capital Expenditure					
Information and Technology Services MCA					
Departmental Output Expense:					
Cross-Government ICT Strategy and Planning, Service Delivery and Investment Proposals (funded by revenue Crown)	-	3.000	3.000	3.000	3.000
Total Operating	-	3.000	3.000	3.000	3.000
Total Capital	-	-	-	-	-

Additional Recommendation

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

Initiative No: 8704

Vote: Internal Affairs

Title: Sustainable Funding of the Government Chief Information Officer's Common Capabilities Programme

Description: Establishment of a compulsory service charge, which will be reviewable every two years, to be shared by all public service departments and non-public service departments to cover the operating costs of the ICT Common Capabilities Programme.

Appropriation Changes

	\$m - increase/(decrease)				
	2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	5.000	-	-	-
No Impact	-	0.400	0.400	0.400	0.400
Total	-	5.400	0.400	0.400	0.400

	\$m - increase/(decrease)				
	2014/15	2015/16	2016/17	2017/18	2018/19 & Outyears
Multi-Category Expenses and Capital Expenditure					
Information and Technology Services MCA					
Departmental Output Expense:					
Government Information and Technology Services (funded by revenue Crown)	-	0.400	0.400	0.400	0.400
Capital Injection:					
Department of Internal Affairs - Capital Injection	-	5.000	-	-	-
Total Operating	-	0.400	0.400	0.400	0.400
Total Capital	-	5.000	-	-	-

Additional Recommendation

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