

The Treasury

Budget 2016 Information Release

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[1]	to prevent prejudice to the security or defence of New Zealand or the international relations of the government	6(a)
[4]	to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial	6(c)
[11]	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.	6(e)(vi)
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[31]	to maintain the current constitutional conventions protecting collective and individual ministerial responsibility	9(2)(f)(ii)
[33]	to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials	9(2)(f)(iv)
[34]	to maintain the effective conduct of public affairs through the free and frank expression of opinions	9(2)(g)(i)
[36]	to maintain legal professional privilege	9(2)(h)
[37]	to enable the Crown to carry out commercial activities without disadvantages or prejudice	9(2)(i)
[38]	to enable the Crown to negotiate without disadvantage or prejudice	9(2)(j)
[39]	to prevent the disclosure of official information for improper gain or improper advantage	9(2)(k)
[s18(c)(i)]	that the making available of the information requested would be contrary to the provisions of a specified enactment	
[40]	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 [23] 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) and section 18 of the Official Information Act.



Cabinet

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.

2016 Budget Technical Financial Recommendations: Vote Canterbury Earthquake Recovery

On 11 April 2016, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2016 Budget package; as listed in the summary below and/or 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)				
		2015/16	2016/17	2017/18	2018/19	2019/2020
9383	Ownership and Divestment of Land and Assets - Valuations	5.000	5.000	-	-	-
9357	Procurement and Making Ready Land and Assets - Derecognition	-	-	-	-	1.500
9356	Procurement and Making Ready Land and Assets - Demolitions	6.000	-	-	-	-
9353	Ownership and Divestment of Land and Assets - Depreciation	0.700	0.700	0.700	0.700	-
9350	Procurement and Making Ready Land and Assets – Transaction Costs	6.000	-	-	-	-
9349	Development of Anchor Projects – The Square	-	0.600	-	-	-
Total Operating		17.700	6.300	0.700	0.700	1.500

Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2015/16	2016/17	2017/18	2018/19	2019/2020
9383	Ownership and Divestment of Land and Assets - Valuations	(10.000)	-	-	-	-
9357	Procurement and Making Ready Land and Assets - Derecognition	(1.500)	-	-	-	-
9356	Procurement and Making Ready Land and Assets - Demolitions	(6.000)	-	-	-	-
9353	Ownership and Divestment of Land and Assets - Depreciation	(2.800)	-	-	-	-
9350	Procurement and Making Ready Land and Assets – Transaction Costs	(6.000)	-	-	-	-
9349	Development of Anchor Projects – The Square	(0.600)	-	-	-	-
Total Capital		(26.900)	-	-	-	-

- 2 **approved** changes to appropriations to implement the initiatives, as set out in the attached initiative documents;
- 3 **agreed** that the proposed changes to appropriations for 2015/16 above be included in the 2015/16 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
- 4 **authorised** the Minister of Finance and the Appropriation Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2015/16 Supplementary Estimates, the 2016/17 Estimates and the fiscal forecasts;
- 5 **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;
- 6 **noted** that all communications relating to the 2016 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 **noted** that Vote Canterbury Earthquake Recovery will cease to exist after 2015/16 (following the disestablishment of the Canterbury Earthquake Recovery Authority) and all appropriations related to the Christchurch anchor projects will be transferred to a new multi-category appropriation in Vote Finance;

- 8 **agreed** to transfer the approved Budget initiatives in paragraph 1 above from Vote Canterbury Earthquake Recovery to equivalent appropriations in Vote Finance before the supplementary and main estimates documents are finalised;
- 9 **authorised** the Minister of Finance and the Appropriation Minister to approve jointly any technical adjustments to baselines necessary to provide for the transition of any Vote Canterbury Earthquake Recovery Appropriations to Vote Finance or any other Vote to facilitate the transition of functions from the Canterbury Earthquake Recovery Authority to inheriting agencies;

[33]

[33]

Michael Webster
Secretary of the Cabinet

Vote: Canterbury Earthquake Recovery

Title: Ownership and Divestment of Land and Assets – Valuations

Description: A transfer of funding from one category of the ‘ownership and divestment of anchor projects’ multi-category appropriation to another. This recognises additional expenses associated with a change in valuation methodology for certain anchor project land and reinstates funding for that category.

Appropriation Changes

	Sm - increase/(decrease)				
	2015/16	2016/17	2017/18	2018/19	2019/20 & Outyears
Operating Balance Impact	5.000	5.000	-	-	-
Debt Impact	(10.000)	-	-	-	-
No Impact	-	-	-	-	-
Total	(5.000)	5.000	-	-	-

	Sm - increase/(decrease)				
	2015/16	2016/17	2017/18	2018/19	2019/20 & Outyears
Multi-Category Expenses and Capital Expenditure					
Ownership and Divestment of Anchor Projects					
Non-Departmental Other Expense:					
Public Space	5.000	5.000	-	-	-
Procurement and Preparation of Land and Other Assets for the Development of Anchor Projects					
Non-Departmental Capital Expenditure:					
Land and Asset Acquisition - Capital	(10.000)	-	-	-	-
Total Operating	5.000	5.000	-	-	-
Total Capital	(10.000)	-	-	-	-

Vote: Canterbury Earthquake Recovery

Title: Procurement and Making Ready Land and Assets - Derecognition

Description: A transfer of funding for asset derecognition expenses associated with the stadium anchor project in Christchurch.

Appropriation Changes

	\$m - increase/(decrease)					
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/2021 & Outyears
Operating Balance Impact	-	-	-	-	1.500	-
Debt Impact	(1.500)	-	-	-	-	-
No Impact	-	-	-	-	-	-
Total	(1.500)	-	-	-	1.500	-

	\$m - increase/(decrease)					
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/2021 & Outyears
Multi-Category Expenses and Capital Expenditure						
Procurement and Preparation of Land and Other Assets for the Development of Anchor Projects						
Non-Departmental Other Expense:						
Procurement of Land and Assets - Operating	-	-	-	-	1.500	-
Non-Departmental Capital Expenditure:						
Land and Asset Acquisition - Capital	(1.500)	-	-	-	-	-
Total Operating	-	-	-	-	1.500	-
Total Capital	(1.500)	-	-	-	-	-

Vote: Canterbury Earthquake Recovery

Title: Procurement and Making Ready Land and Assets - Demolitions

Description: Fiscally neutral transfer of funding for demolition expenses related to the delivery of Christchurch anchor projects.

Appropriation Changes

	Sm - increase/(decrease)				
	2015/16	2016/17	2017/18	2018/19	2019/20 & Outyears
Operating Balance Impact	6.000	-	-	-	-
Debt Impact	(6.000)	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	-	-	-

	Sm - increase/(decrease)				
	2015/16	2016/17	2017/18	2018/19	2019/20 & Outyears
Multi-Category Expenses and Capital Expenditure					
Procurement and Preparation of Land and Other Assets for the Development of Anchor Projects					
Non-Departmental Other Expense:					
Procurement of Land and Assets - Operating	6.000	-	-	-	-
Non-Departmental Capital Expenditure:					
Land and Asset Acquisition - Capital	(6.000)	-	-	-	-
Total Operating	6.000	-	-	-	-
Total Capital	(6.000)	-	-	-	-

Vote: Canterbury Earthquake Recovery

Title: Ownership and Divestment of Land and Assets - Depreciation

Description: A transfer of funding for depreciation costs on buildings acquired for the stadium anchor project.

Appropriation Changes

	Sm - increase/(decrease)				
	2015/16	2016/17	2017/18	2018/19	2019/20 & Outyears
Operating Balance Impact	0.700	0.700	0.700	0.700	-
Debt Impact	(2.800)	-	-	-	-
No Impact	-	-	-	-	-
Total	(2.100)	0.700	0.700	0.700	-

	Sm - increase/(decrease)				
	2015/16	2016/17	2017/18	2018/19	2019/20 & Outyears
Multi-Category Expenses and Capital Expenditure					
Ownership and Divestment of Anchor Projects					
Non-Departmental Other Expense:					
Christchurch Bus Interchange and associated Transport Infrastructure	0.700	0.700	0.700	0.700	-
Procurement and Preparation of Land and Other Assets for the Development of Anchor Projects					
Non-Departmental Capital Expenditure:					
Land and Asset Acquisition - Capital	(2.800)	-	-	-	-
Total Operating	0.700	0.700	0.700	0.700	-
Total Capital	(2.800)	-	-	-	-

Vote: Canterbury Earthquake Recovery

Title: Procurement and Making Ready Land and Assets – Transaction Costs

Description: Fiscally neutral transfer of funding for transaction expenses associated with the acquisition of land and other assets for anchor projects in Christchurch.

Appropriation Changes

	Sm - increase/(decrease)				
	2015/16	2016/17	2017/18	2018/19	2019/20 & Outyears
Operating Balance Impact	6.000	-	-	-	-
Debt Impact	(6.000)	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	-	-	-

	Sm - increase/(decrease)				
	2015/16	2016/17	2017/18	2018/19	2019/20 & Outyears
Multi-Category Expenses and Capital Expenditure					
Procurement and Preparation of Land and Other Assets for the Development of Anchor Projects					
Non-Departmental Other Expense:					
Procurement of Land and Assets - Operating	6.000	-	-	-	-
Non-Departmental Capital Expenditure:					
Land and Asset Acquisition - Capital	(6.000)	-	-	-	-
Total Operating	6.000	-	-	-	-
Total Capital	(6.000)	-	-	-	-

Initiative No: 9349

Vote: Canterbury Earthquake Recovery

Title: Development of Anchor Projects – The Square

Description: A transfer of funding to meet the Crown’s contribution towards the development of the square in Christchurch under the cost share agreement with Christchurch City Council.

Appropriation Changes

	Sm - increase/(decrease)				
	2015/16	2016/17	2017/18	2018/19	2019/20 & Outyears
Operating Balance Impact	-	0.600	-	-	-
Debt Impact	(0.600)	-	-	-	-
No Impact	-	-	-	-	-
Total	(0.600)	0.600	-	-	-

	Sm - increase/(decrease)				
	2015/16	2016/17	2017/18	2018/19	2019/20 & Outyears
Multi-Category Expenses and Capital Expenditure					
Development of Central City Anchor Projects					
Non-Departmental Other Expense:					
Public Space - Operating	-	0.600	-	-	-
Procurement and Preparation of Land and Other Assets for the Development of Anchor Projects					
Non-Departmental Capital Expenditure:					
Land and Asset Acquisition - Capital	(0.600)	-	-	-	-
Total Operating	-	0.600	-	-	-
Total Capital	(0.600)	-	-	-	-