

The Treasury

Budget 2016 Information Release

Release Document July 2016

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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] | 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) |
| [23] | to protect the privacy of natural persons, including deceased people | 9(2)(a) |
| [25] | to protect the commercial position of the person who supplied the information or who is the subject of the information | 9(2)(b)(ii) |
| [26] | 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 | 9(2)(ba)(i) |
| [27] | to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information - would be likely otherwise to damage the public interest | 9(2)(ba)(ii) |
| [29] | to avoid prejudice to the substantial economic interests of New Zealand | 9(2)(d) |
| [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 Package: Vote Primary Industries and Food Safety

On 25 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 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 | 2019/20 | 2020/21s |
| 9323 | Border Sector - Improving the Efficiency and Effectiveness | - | 1.557 | 1.734 | - | - | - |
| 9320 | Protecting Farmland, Biodiversity and Iconic Landscapes from Invasive Conifers | - | 4.000 | 4.000 | 4.000 | 4.000 | 4.000 |
| 9319 | Global Research Alliance - Increased Research Funding | - | 6.000 | 5.000 | 5.000 | 4.000 | - |
| 9318 | Eliminating Bovine Tuberculosis through Joint Government/Industry Management | - | 18.444 | 18.444 | 16.444 | 16.444 | 24.000 |
| Total Operating | | - | 30.001 | 29.178 | 25.444 | 24.444 | 28.000 |

- 2 **agreed** to establish new appropriations where required to implement these initiatives, as described in the attached initiative documents;
- 3 **approved** changes to appropriations 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 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;
- 6 **authorised** the chief executives of departments that monitor Crown entities directly affected by budget decisions in this vote 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 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;

Michael Webster
Secretary of the Cabinet

Initiative No: 9323

Vote: Primary Industries and Food Safety

Title: Border Sector - Improving the Efficiency and Effectiveness

Description: This funding will deliver joined up border services by ensuring the new Customs and Excise Act 1996 is understood by businesses, developing new trusted trader and traveller arrangements, and developing a stronger understanding of compliance at the border to enable agencies to focus resources on identified risks.

Appropriation Changes

| | \$m - increase/(decrease) | | | | |
|--------------------------|---------------------------|--------------|--------------|---------|---------|
| | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Operating Balance Impact | - | 1.557 | 1.734 | - | - |
| Debt Impact | - | - | - | - | - |
| No Impact | - | - | - | - | - |
| Total | - | 1.557 | 1.734 | - | - |

| | \$m - increase/(decrease) | | | | |
|--|---------------------------|--------------|--------------|---------|---------|
| | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Multi-Category Expenses and Capital Expenditure | | | | | |
| Border and Domestic Biosecurity Risk Management | | | | | |
| Departmental Output Expense: | | | | | |
| Border Biosecurity Monitoring and Clearance (funded by revenue Crown) | - | 1.557 | 1.734 | - | - |
| Total Operating | - | 1.557 | 1.734 | - | - |
| Total Capital | - | - | - | - | - |

Additional recommendation

- 8 **noted** that funding for this initiative is also provided through Vote Customs, as reflected in initiative 9235, 'Border Sector – Improving Efficiency and Effectiveness' [CAB-16-MIN-0189.08];

Initiative No: 9320

- Vote:** Primary Industries and Food Safety
- Title:** Protecting Farmland, Biodiversity and Iconic Landscapes from Invasive Conifers
- Description:** This funding will protect productive land, the tourism and forestry sectors, and water catchments from the impacts and invasive conifers by reducing the area affected by wilding conifers.

Appropriation Changes

| | Sm - increase/(decrease) | | | | |
|--------------------------|--------------------------|--------------|--------------|--------------|--------------|
| | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Operating Balance Impact | - | 4.000 | 4.000 | 4.000 | 4.000 |
| Debt Impact | - | - | - | - | - |
| No Impact | - | - | - | - | - |
| Total | - | 4.000 | 4.000 | 4.000 | 4.000 |

| | Sm - increase/(decrease) | | | | |
|--|--------------------------|--------------|--------------|--------------|--------------|
| | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Multi-Category Expenses and Capital Expenditure | | | | | |
| Border and Domestic Biosecurity Risk Management | | | | | |
| Departmental Output Expense: | | | | | |
| Biosecurity Incursion Response and Long Term Pest Management (funded by revenue Crown) | - | 4.000 | 4.000 | 4.000 | 4.000 |
| Total Operating | - | 4.000 | 4.000 | 4.000 | 4.000 |
| Total Capital | - | - | - | - | - |

Initiative No: 9319

Vote: Primary Industries and Food Safety

Title: Global Research Alliance - Increased Research Funding

Description: This funding will be used to progress Global Research Alliance through proof of concept to pilot studies and commercialisation, and support international initiatives that address mitigation of emissions from livestock. The Global Research Alliance was established in 2009 and aims to bring countries together to find ways to grow more food without growing greenhouse gas emissions.

New Appropriation Approval

| Name | Period | Type | Category Name | Scope |
|---|--|---------------------------------|---------------|---|
| Global Research Alliance on Agricultural Greenhouse Gases | Multi-Year Appropriation Start: 1/07/2016 Finish: 30/06/2020 Amount (\$m): 26.960 | Non-Departmental Other Expenses | N/A | This appropriation is limited to the Global Research Alliance on Agricultural Greenhouse Gases. |

Appropriation Changes

| | \$m - increase/(decrease) | | | | |
|--------------------------|---------------------------|--------------|--------------|--------------|--------------|
| | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Operating Balance Impact | - | 6.000 | 5.000 | 5.000 | 4.000 |
| Debt Impact | - | - | - | - | - |
| No Impact | - | - | - | - | - |
| Total | - | 6.000 | 5.000 | 5.000 | 4.000 |

Initiative No: 9319

| | \$m - increase/(decrease) | | | | |
|--|---------------------------|--------------|--------------|--------------|--------------|
| | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Non-Departmental Other Expenses: | | | | | |
| Global Research Alliance on Agricultural Greenhouse Gases | - | (4.000) | (2.170) | (2.000) | - |
| Global Research Alliance on Agricultural Greenhouse Gases (MYA) | - | 10.000 | 7.170 | 7.000 | 2.790 |
| Multi-Category Expenses and Capital Expenditure | | | | | |
| Development and Implementation of Primary Industries Policy Advice | | | | | |
| Departmental Output Expenses: | | | | | |
| Agriculture and Forestry Policy Advice (funded by revenue Crown) | - | - | - | - | 1.210 |
| Total Operating | - | 6.000 | 5.000 | 5.000 | 4.000 |
| Total Capital | - | - | - | - | - |

Additional recommendations

- 9 **agreed** to transfer the unexpended balance of the “Global Research Alliance on Agricultural Greenhouse Gases” Multi-Year Appropriation finishing on 30 June 2016 to the “Global Research Alliance on Agricultural Greenhouse Gases” Multi-Year Appropriation that commences on 01 July 2016, following completion of the audit of year-end account as at 30 June 2016;
- 10 **noted** the Multi-Year Appropriation: "Global Research Alliance on Agricultural Greenhouse Gases" is established at \$26.960 million;
- 11 **noted** that amounts shown in the appropriations changes table for the Multi-Year Appropriation: "Global Research Alliance on Agricultural Greenhouse Gases" are the indicative annual spending profile.

Initiative No: 9318

Vote: Primary Industries and Food Safety

Title: Eliminating Bovine Tuberculosis through Joint Government/Industry Management

Description: This funding is the Crown's contribution to the National Bovine Tuberculosis Pest Management Plan which seeks to eradicate bovine tuberculosis (Bovine TB) from New Zealand 2055. Bovine TB is an infectious disease which can result in production losses for the beef, dairy and deer farming sectors.

New Appropriation Approval

| Name | Period | Type | Category Name | Scope |
|----------------------|--------|----------------------------------|---------------|--|
| Control of Bovine TB | Annual | Non-Departmental Output Expenses | N/A | This appropriation is limited to the Crown's contribution to implementing the National Bovine Tuberculosis Pest Management Plan. |

Appropriation Changes

| | \$m - increase/(decrease) | | | | |
|--------------------------|---------------------------|---------------|---------------|---------------|---------------|
| | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Operating Balance Impact | - | 18.444 | 18.444 | 16.444 | 16.444 |
| Debt Impact | - | - | - | - | - |
| No Impact | - | - | - | - | - |
| Total | - | 18.444 | 18.444 | 16.444 | 16.444 |

| Vote Primary Industries Minister for Primary Industries | \$m - increase/(decrease) | | | | |
|--|---------------------------|----------------|----------------|--------------------------|----------------|
| | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Non-Departmental Output Expenses: | | | | | |
| Control of TB Vectors | - | (7.556) | (7.556) | (7.556) | (7.556) |
| Control of Bovine TB | - | 26.000 | 26.000 | 24.000 | 24.000 |
| | 2020/21 to 2030/31 | | | 2031/32 | 2032/33 |
| | - | | | - | - |
| | 24.000 Per annum | | | 19.040 | 16.560 |
| | 2033/34 | 2035/36 | 2036/37 | 2036 to 2055 only | |
| | - | - | - | - | |
| | 15.520 | 11.440 | 10.160 | 0.525 Per annum | |