

The Treasury

Budget 2017 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)
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[40]	Not in scope	

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.



Reference: T2017/739

BM-2

Date: 23 March 2017

To: Minister of Finance (Hon Steven Joyce)
Associate Minister of Finance (Hon Simon Bridges)
Associate Minister of Finance (Hon Amy Adams)

Deadline: Monday 27 March 2017

Aide Memoire: Budget 2017 - Updated Emerging Capital Package

The purpose of this briefing is to summarise the updated emerging Capital package for Budget 2017 for Investment Ministers. It also provides an overview of the specific advice included in the Investment Ministers' briefing packages to answer previous questions.

Investment Ministers are meeting on Monday 27 March to confirm the emerging Capital package. The agenda also includes specific items on KiwiRail and earthquake resilience initiatives, which are also considered in the Capital package.

Summary of the emerging Capital package

The updated emerging package including the *Earthquake and Resilience initiatives* totals ^[33] Excluding these initiatives, the Capital package totals ^[33] ^[33] (within the \$3 billion allowance).

[33]

This package has the following key impacts which should be noted:

- **The gross capital spending in Budget 2017 totals \$7.6 billion**; this includes:
 - Housing Infrastructure Fund: \$1 billion (included at HYEPU 2016).
 - City Rail Link: \$1.744 billion (pre-committed over four Budgets at HYEPU 2016).
 - Fiscally neutral items: \$0.274 billion (will be reflected in BEFU 2017).

- Excluding *Reinstatement of the Southern Corridor*, [33]

The other *operating* resilience initiatives are included in the spreadsheet for

[33]

Specific advice and reconciliation

The following table reflects the changes in the updated emerging Capital package and provides a short reference to the advice in Investment Ministers' packs:

Vote/Initiatives \$m	Marginal increase	Total Amount	Comment/Advice
Conservation: Tourism Growth Initiative	[33]		Reflects investment in new products. Funding for facilities/services to meet critical needs at high-use tourism sites totals \$13.380 million. T2017/697 refers.
Primary Industries: Investment in Irrigation Schemes	[33]	62.000	[33]
Transport: KiwiRail – ongoing support of the rail freight business	[33]		[33] Further advice (T2017/496 refers) recommends \$450 million over two years.
[33]	-	-	[33]
Education: School Growth Package	[33]		Reflects investment for scaled funding for roll growth [33] Auckland and [33] rest of NZ (classrooms), land already purchased, [33] schools, expansion of special education satellite units. [33]
Health: DHB Capital Investment Pool	-	150.000	Further advice provided that confirms transfers and capital requirements.
Serious Fraud: Case and Evidence Management	0.840	0.840	-
Justice: Anti-Money Laundering and Countering the Finance of Terrorism	2.090	2.090	Policy decisions have been taken, subject to funding through Budget. Bill expected to be passed in 2017.
[33]	[33]	[33]	
Defence: Estate Regeneration	[33]	100.000	[33]
Transport: Reinstatement of the Southern Corridor	1,700.000	1,700.000	Phasing shifted. Subject to confirmation by Cabinet on 10 April. Additional funding to the upper bound reflected as a Specific Fiscal Risk at BEFU.

The following initiatives are not included in the updated emerging Capital package, however specific advice was requested:

- **Internal Affairs:** Digital Identity - Transition to a Digital Identity Marketplace and Maintaining RealMe Services [33]
- **Internal Affairs:** Preserving the Nation's Memory [33]

Lachlan Whelan, Analyst, Fiscal and State Sector Management, [39]

Kamlesh Patel, Team Leader, Budget Coordination, Fiscal and State Sector Management, [39]