

The Treasury

Budget 2017 Information Release

Release Document July 2017

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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) |
| [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.

Hon Murray McCully
Minister of Foreign Affairs
Parliament Buildings
WELLINGTON

Dear Murray

Budget 2017 initiative outcomes

Thank you for your hard work and input as part of the Budget 2017 process.

There were a number of positive changes introduced this Budget to ensure greater scrutiny is applied consistently across all investment decisions. This includes enforcement of cost benefit analysis and broader application of CBAX, greater use of expert panels in the assessment of initiatives and a new social investment track (Track 1) focussed on better use of evidence and evaluation.

As you are aware, we set aside an operating allowance of \$1.5 billion per annum for operating and \$3.0 billion for capital in Budget 2017. Funding sought by Ministers significantly exceeded that allowance. A large proportion of funding sought was to address volume and other cost pressures across the system, along with some targeted investment in priority areas for a growing population.

To help meet this challenge and respond to the Kaikōura earthquakes, Budget Ministers are proposing to increase the allowances by a modest amount from what was signalled through the Budget Policy Statement in December last year.

Budget Ministers have carefully considered your Budget initiatives and have reached the following decisions, which incorporate the initiatives agreed by Cabinet in support of the Trade Agenda 2030:

Summary of initiatives supported through Budget 2017

| \$ millions | | Operating | | | | | Capital |
|-------------|---|-----------|---------|---------|---------|---------|---------|
| ID | Initiative Name | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | Total |
| 9509 | Making New Zealanders more prosperous through trade | - | 2.943 | 4.947 | 5.581 | 6.808 | - |
| 9510 | Making New Zealanders more connected | - | 1.497 | 1.593 | 1.557 | 2.055 | - |

| | | | | | | | |
|------|---|---|-------|-------|--------|--------|-------|
| 9511 | New Zealand High Commission in Colombo, Sri Lanka – Establishment | - | 0.937 | 1.942 | 3.067 | 2.917 | 6.236 |
| 9513 | New Zealand Embassy in Dublin, Ireland - Establishment | - | 1.432 | 1.149 | 3.191 | 3.361 | 4.781 |
| 9515 | Expo 2020 Dubai - New Zealand's participation | - | 3.010 | 7.790 | 32.100 | 10.340 | - |
| 9566 | Antarctica New Zealand – Preparation for the future redevelopment of Scott Base. | - | 1.200 | 0.940 | - | - | 4.000 |
| 9567 | Antarctica New Zealand – Accommodation for National Antarctic Programmes with operations based in Christchurch. | - | 0.850 | 0.850 | 0.850 | 0.900 | - |

Final decisions on all Budget initiatives will be discussed and agreed by Cabinet on 18 April 2017.

Yours sincerely

Steven Joyce
Minister of Finance

