

The Treasury

Budget 2017 Information Release

Release Document July 2017

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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)
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[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)
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[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.



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.

Budget 2017: Vote Internal Affairs

On 18 April 2017, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2017 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)				
		2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
10053	Anti-Money Laundering and Countering the Financing of Terrorism – Implementation of Phase II	-	7.649	9.663	9.459	9.862
9711	Maintaining RealMe Services	-	6.290	10.390	-	-
10059	Earthquake Recovery - Supporting Councils' Enhanced Statutory Tasks and Activities	0.500	1.250	0.750	-	-
9641	Ministerial Resourcing - Changes in the Executive	-	1.700	0.400	0.400	0.400
9967	Ministerial Services - Services Supporting the Executive	-	1.061	0.824	0.824	0.824
9622	Pitt Island Wharf Resilience and Functionality	-	3.120	0.079	0.079	0.079
9776	Preserving the Nation's Memory	-	4.223	3.799	-	-
9874	Programme to Develop Prosperous and More Resilient Communities	-	1.500	1.500	1.500	1.500
Total Operating		0.500	26.793	27.405	12.262	12.665

Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
10053	Anti-Money Laundering and Countering the Financing of Terrorism – Implementation of Phase II	-	2.090	-	-	-
9711	Digital Identity - Transition to a Digital Identity Marketplace And Maintaining RealMe Services	-	2.000	4.500	-	-
9776	Preserving the Nation's Memory	-	2.127	-	-	-
Total Capital		-	6.217	4.500	-	-

- 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 the administering department to implement the initiatives, as set out in the attached initiative documents;
- 4 **agreed** that the change to appropriations for 2016/17 above be included in the 2016/17 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;
- 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 2016/17 Supplementary Estimates, the 2017/18 Estimates and the fiscal forecasts;
- 6 **noted** that all communications relating to the 2017 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 initiative in the following table be set aside as a contingency item, and that corresponding funding for it be set aside in a tagged contingency;

Operating Contingency

Initiative Name	\$m - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
[33], [34]					
Total Operating					

8 [33], [34]

9

Michael Webster
Secretary of the Cabinet

Hard-copy distribution:

Prime Minister
Minister of Finance
Minister of Local Government
Minister for the Community and Voluntary Sector
Minister of Internal Affairs

Initiative No: 10053

Vote: Internal Affairs

Title: Anti-Money Laundering and Countering the Financing of Terrorism – Implementation of Phase II

Description: This funding will facilitate the implementation and ongoing operation of Phase II of the Anti-money Laundering and Countering the Financing of Terrorism reforms.

Appropriation Changes

	\$m - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Operating Balance Impact	-	7.649	9.663	9.459	9.862
Debt Impact	-	2.090	-	-	-
No Impact	-	-	-	-	-
Total	-	9.739	9.663	9.459	9.862

	\$m - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Capital Injection:					
Department of Internal Affairs - Capital Injection	-	2.090	-	-	-
Multi-Category Expenses and Capital Expenditure					
Regulatory Services					
Departmental Output Expense:					
Regulatory Services (funded by revenue Crown)	-	7.649	9.663	9.459	9.862
Total Operating	-	7.649	9.663	9.459	9.862
Total Capital	-	2.090	-	-	-

Additional Recommendation

11 **noted** that a related initiative has been submitted in Vote Justice, Initiative 9844;

Vote: Internal Affairs

Title: Maintaining RealMe Services

Description: This funding will provide additional funding for the continued costs to maintain RealMe services.

Appropriation Changes

	\$m - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Operating Balance Impact	-	6.290	10.390	-	-
Debt Impact	-	2.000	4.500	-	-
No Impact	-	-	-	-	-
Total	-	8.290	14.890	-	-

	\$m - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Capital Injection:					
Department of Internal Affairs - Capital Injection	-	2.000	4.500	-	-
Multi-Category Expenses and Capital Expenditure					
Civic Information Services					
Departmental Output Expense:					
Managing and Accessing Identity Information (funded by revenue Crown)	-	6.290	10.390	-	-
Total Operating	-	6.290	10.390	-	-
Total Capital	-	2.000	4.500	-	-

Additional Recommendation

12 [33]

Initiative No: 10059

Vote: Internal Affairs

Title: Earthquake Recovery - Supporting Councils' Enhanced Statutory Tasks and Activities

Description: This funding will support small territorial authorities with increased consent, financial planning, rating assessments, new infrastructure projects and community interaction.

New Appropriation Approval

Name	Period	Type	Category Name	Scope
Supporting Local Authorities' Post-Earthquake Statutory Activities	Annual	Non-Departmental Other Expenses	N/A	This appropriation is limited to assistance to local authorities to support their increased activities resulting from the November 2016 Hurunui/Kaikoura earthquake.

Appropriation Changes

	\$m - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Operating Balance Impact	0.500	1.250	0.750	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	0.500	1.250	0.750	-	-

	\$m - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Non-Departmental Other Expense:					
Supporting Local Authorities' Post-Earthquake Statutory Activities	0.500	1.250	0.750	-	-
Total Operating	0.500	1.250	0.750	-	-

Additional Recommendation

13 **agreed** that any underspend from 2016/17 be transferred to 2017/18, subject to confirmation by joint Ministers;

Vote: Internal Affairs

Title: Ministerial Resourcing - Changes in the Executive

Description: This funding will provide for support services to members of the Executive in anticipation of changes of Government following General Elections and minor Cabinet re-shuffles.

Appropriation Changes

	Sm - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Operating Balance Impact	-	1.700	0.400	0.400	0.400
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.700	0.400	0.400	0.400

	Sm - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Multi-Category Expenses and Capital Expenditure					
Services Supporting the Executive					
Departmental Output Expense:					
Support Services to Members of the Executive (funded by revenue Crown)	-	1.700	0.400	0.400	0.400
Total Operating	-	1.700	0.400	0.400	0.400

Vote: Internal Affairs

Title: Ministerial Services - Services Supporting the Executive

Description: This funding will provide for cost pressures associated within Ministerial and Secretariat Services for supporting the Executive.

Appropriation Changes

	Sm - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Operating Balance Impact	-	1.061	0.824	0.824	0.824
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.061	0.824	0.824	0.824

	Sm - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Non-Departmental Other Expenses:					
Depreciation on Official Residences	-	0.060	0.060	0.060	0.060
Members of the Executive - Travel	-	0.420	0.337	0.337	0.337
Multi-Category Expenses and Capital Expenditure					
Services Supporting the Executive					
Departmental Output Expenses:					
Coordination of Official Visits and Events (funded by revenue Crown)	-	0.371	0.350	0.350	0.350
Support Services to Members of the Executive (funded by revenue Crown)	-	0.210	0.077	0.077	0.077
Total Operating	-	1.061	0.824	0.824	0.824

Vote: Internal Affairs

Title: Pitt Island Wharf Resilience and Functionality

Description: This funding will provide for an increase in the resilience of Pitt Island Wharf on the Chatham Islands to future storm events through the provision of tetrapod breakwater improvements.

Appropriation Changes

	Sm - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Operating Balance Impact	-	3.120	0.079	0.079	0.079
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	3.120	0.079	0.079	0.079

	Sm - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Non-Departmental Other Expense:					
Chatham Islands Wharves - Operational Costs	-	3.120	0.079	0.079	0.079
Total Operating	-	3.120	0.079	0.079	0.079

Vote: Internal Affairs

Title: Preserving the Nation's Memory

Description: This funding will provide for the commencement of an upgrade and expansion of the physical infrastructure and storage capacity for Archives NZ and the National Library.

Appropriation Changes

	Sm - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Operating Balance Impact	-	4.223	3.799	-	-
Debt Impact	-	2.127	-	-	-
No Impact	-	-	-	-	-
Total	-	6.350	3.799	-	-

	Sm - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Capital Injection:					
Department of Internal Affairs - Capital Injection	-	2.127	-	-	-
Multi-Category Expenses and Capital Expenditure					
Civic Information Services					
Departmental Output Expense:					
Managing and Accessing Knowledge Information (funded by revenue Crown)	-	4.223	3.799	-	-
Total Operating	-	4.223	3.799	-	-
Total Capital	-	2.127	-	-	-

Vote: Internal Affairs

Title: Programme to Develop Prosperous and More Resilient Communities

Description: This funding will enable community and voluntary organisations to provide more meaningful support to communities to achieve longer-term investments to meet local needs. The funding will also draw on social investment principles to support the community and voluntary sector by encouraging a move towards a focus on outcomes.

Appropriation Changes

	Sm - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Operating Balance Impact	-	1.500	1.500	1.500	1.500
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.500	1.500	1.500	1.500

	Sm - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Multi-Category Expenses and Capital Expenditure					
Community Funding Schemes					
Non-Departmental Other Expense:					
Community Development Scheme	-	1.500	1.500	1.500	1.500
Total Operating	-	1.500	1.500	1.500	1.500