

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.

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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) |
| [23] | to protect the privacy of natural persons, including deceased people | 9(2)(a) |
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| [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.



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 Prime Minister and Cabinet

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 Initiative (Impact on Operating Balance)

| Initiative ID | Initiative Name | \$m - increase/(decrease) | | | | |
|------------------------|--|---------------------------|--------------|---------|---------|--------------------|
| | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 & Outyears |
| 9836 | Kaikōura District Council – Grant to Support Restoration of Three Waters Network Post November 2016 Earthquake | 0.600 | 1.800 | - | - | - |
| 9883 | Kaikōura District Council – Contribution to Rehabilitation of Kaikōura Harbour | - | 0.720 | - | - | - |
| Total Operating | | 0.600 | 2.520 | - | - | - |

- 2 **agreed** to establish a new appropriation to implement the initiative “Kaikoura District Council – Grant to Support Restoration of Three Waters Network Post November 2016 Earthquake”, as described in the attached initiative document;
- 3 **approved** changes to appropriations to implement the initiatives described, as set out in the attached initiative documents;
- 4 **approved** the additional recommendations to give effect to the initiative described in paragraph 2 above, as set out in the attached initiative document;
- 5 **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;
- 6 **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;
- 7 **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;

8 **agreed** to re-phase the profile for the ^[33] to the following,
 noting that the changes are fiscally neutral;

Operating Contingency

| Name of Contingency | \$m - increase/(decrease) | | | | |
|------------------------|---------------------------|---------|---------|---------|---------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
| [33] | | | | | |
| Total Operating | | | | | |

Michael Webster
 Secretary of the Cabinet

Hard-copy distribution:

Prime Minister
 Minister of Finance
 Minister of Civil Defence

Vote: Prime Minister and Cabinet

Title: Kaikōura District Council – Grant to Support Restoration of Three Waters Network Post November 2016 Earthquake

Description: This funding is for restoration of water, sewerage and stormwater services, and related programme management support. It is in addition to financial assistance to local authorities to support restoration of essential infrastructure (government funding of 60% of costs). It allows for funding of additional resilience, capacity, improved materials, or other alternatives to the original infrastructure where appropriate.

New Appropriation Approval

| Name | Period | Type | Category Name | Scope |
|---|--------|--------------------------------|---------------|---|
| Restoration of Kaikōura District Three Waters Network | Annual | Non-Departmental Other Expense | N/A | This appropriation is limited to a contribution to Kaikōura District Council to support additional resilience, capacity, improved materials, or other alternatives to the original infrastructure as part of restoration of essential infrastructure systems. |

Appropriation Changes

| | \$m - increase/(decrease) | | | | |
|--------------------------|---------------------------|--------------|---------|---------|--------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 & Outyears |
| Operating Balance Impact | 0.600 | 1.800 | - | - | - |
| Debt Impact | - | - | - | - | - |
| No Impact | - | - | - | - | - |
| Total | 0.600 | 1.800 | - | - | - |

| | \$m - increase/(decrease) | | | | |
|---|---------------------------|--------------|---------|---------|--------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 & Outyears |
| Non-Departmental Other Expense: | | | | | |
| Restoration of Kaikōura District Three Waters Network | 0.600 | 1.800 | - | - | - |
| Total Operating | 0.600 | 1.800 | - | - | - |

Additional Recommendations

- 8 **noted** that the above appropriation is linked to funding paid out through the Crown's obligations to pay certain expenses of local authorities in connection with an emergency through permanent legislative authority under the Civil Defence Emergency Management Act 2002;

9 [25]

- 10 **authorised** the Minister of Civil Defence to approve cash advances of up to \$12 million to Kaikōura District Council for essential infrastructure recovery repairs (primarily three waters networks), consistent with Crown obligations to pay certain expenses in connection with an emergency through permanent legislative authority;
- 11 **noted** that expenses of \$60 million have already been included in Budget 2017 fiscal forecasts in respect of the Kaikōura earthquake, and so any cash disbursement as described above will have no impact on the fiscal forecasts;
- 12 **authorised** the Minister of Civil Defence and the Minister of Finance to approve jointly payments of up to \$2.4 million in total to Kaikōura District Council for essential infrastructure repair or recovery (primarily three waters) not covered by the standard 60:40 policy;
- 13 **agreed** that any underspend in the above appropriation for 2016/17 be transferred to 2017/18, subject to confirmation of the necessary expense transfer by joint Ministers.

Vote: Prime Minister and Cabinet

Title: Kaikōura District Council – Contribution to Rehabilitation of Kaikōura Harbour

Description: This funding will provide additional Crown support for the rehabilitation of Kaikōura Harbour necessary post the November 2016 earthquake.

Appropriation Changes

| | Sm - increase/(decrease) | | | | |
|--------------------------|--------------------------|--------------|---------|---------|--------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 & Outyears |
| Operating Balance Impact | - | 0.720 | - | - | - |
| Debt Impact | - | - | - | - | - |
| No Impact | - | - | - | - | - |
| Total | - | 0.720 | - | - | - |

| | Sm - increase/(decrease) | | | | |
|--|--------------------------|--------------|---------|---------|--------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 & Outyears |
| Non-Departmental Other Expense: | | | | | |
| Rehabilitation of Kaikōura Harbour | - | 0.720 | - | - | - |
| Total Operating | - | 0.720 | - | - | - |