

The Treasury

Budget 2017 Information Release

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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.

2017 Budget Package: Vote Health (Technical Initiatives)

- 1 **approve** 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
10040	Enabling Good Lives Christchurch and Waikato	1.277	-	-	-	-
9897	Loan Hedge Contracts Funding Transfer Auckland and Lakes DHBs	4.028	(1.251)	(1.099)	(0.881)	(0.797)
9896	MidCentral DHB Revenue Banking Transfer To 2016/17	2.000	-	(2.000)	-	-
Total Operating		7.305	(1.251)	(3.099)	(0.881)	(0.797)

Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
9908	Transfer of Funds Balance from Debt to Equity	(90.000)	90.000	-	-	-
Total Capital		(90.000)	90.000	-	-	-

- 2 **approve** changes to appropriations and capital injections to the administering department (where applicable) to implement the initiatives, as set out in the attached initiative documents;
- 3 **agree** that the proposed changes to appropriations and capital injections for 2016/17 above be included in the 2016/17 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
- 4 **authorise** 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;
- 5 **authorise** the chief executives of departments that monitor Crown entities directly affected by decisions in this minute 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 Annual Plans; and

- 6 **note** 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.

Vote: Health

Title: Enabling Good Lives: Christchurch And Waikato

Description: Enabling Good Lives Christchurch and Waikato - Transfer from Vote Social Development

Appropriation Changes

	\$m - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Operating Balance Impact	1.277	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	1.277	-	-	-	-

	\$m - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Non-Departmental Output Expense:					
National Disability Support Services	1.277	-	-	-	-
Total Operating	1.277	-	-	-	-

7. **note** that this fiscally neutral transfer is offset in Vote Social Development, initiative ID 9890.

Vote: Health

Title: Loan Hedge Contracts Funding Transfer Auckland and Lakes District Health Boards (DHBs)

Description: District Health Boards (DHBs) have converted their Crown loans into equity. Two DHBs will incur accounting losses in the current year through the cancellation of loan hedge contracts.

A fiscally neutral adjustment bringing forward revenue for the loss is required to negate any impact on the DHBs' current year financial performance. Outyear reduction in revenue will be matched by DHB reduced loan hedge expense negating any impact on DHB financial performance.

Appropriation Changes

	Sm - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Operating Balance Impact	4.028	(1.251)	(1.099)	(0.881)	(0.797)
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	4.028	(1.251)	(1.099)	(0.881)	(0.797)

	Sm - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Non-Departmental Output Expenses:					
Health and Disability Support Services - Auckland DHB	3.190	(0.798)	(0.798)	(0.797)	(0.797)
Health and Disability Support Services - Lakes DHB	0.838	(0.453)	(0.301)	(0.084)	-
Total Operating	4.028	(1.251)	(1.099)	(0.881)	(0.797)

Vote: Health

Title: MidCentral District Health Board (DHB) Revenue Banking Transfer to 2016/17

Description: Transfer of funds to upgrade both the District Health Boards' Mental Health inpatient unit and to improve the capacity, safety, triage and patient flow design of their Emergency Department to alleviate risks and pressures arising from both increased volume and significantly increased acuity of presentations.

Appropriation Changes

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

	\$m - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Non-Departmental Output Expense:					
Health and Disability Support Services - MidCentral DHB	2.000	-	(2.000)	-	-
Total Operating	2.000	-	(2.000)	-	-

Vote: Health

Title: Transfer of Funds Balance from Debt to Equity

Description: Cabinet agreed that District Health Boards (DHBs) would convert their debt to equity and future funding for DHB for capital projects would be by equity injection. This initiative transfers the unused balance of Loans for Capital Projects appropriation to Equity for Capital Projects for DHBs and Health Sector Crown Agencies appropriation to fund future capital projects.

Appropriation Changes

	\$m - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	(90.000)	90.000	-	-	-
No Impact	-	-	-	-	-
Total	(90.000)	90.000	-	-	-

	\$m - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Non-Departmental Capital Expenditure:					
Equity for Capital Projects for District Health Boards and Health Sector Crown Agencies	-	90.000	-	-	-
Loans for Capital Projects	(90.000)	-	-	-	-
Total Capital	(90.000)	90.000	-	-	-