

# The Treasury

## Budget 2017 Information Release

### Release Document July 2017

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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: T2016/2324 BM-2

Date: 28 November 2016

To: Minister of Finance  
(Hon Bill English)

Associate Minister of Finance  
(Hon Steven Joyce)

Associate Minister of Finance  
(Hon Paula Bennett)

Deadline: 29 November 2016

## **Aide Memoire: Between-Budget Proposals and Budget 2017 Pre-Commitments**

The purpose of this note is to update Finance Ministers on the balance and potential drawdowns against the between-Budget Contingency (BBC), and to provide an overview of the already agreed to and potential pre-commitments against the Budget 2017 operating and capital allowances.

### **The between-Budget contingency balance and signalled upcoming drawdowns**

The remaining BBC balance currently totals \$48 million over the forecast period (2016/17 – 2020/21). However, the 2016/17 year is exhausted, therefore any drawdowns with implications in this year will flow directly through to OBEGAL.

A detailed list of upcoming BBC drawdowns that the Treasury is aware of is provided in the Annex. In summary the signalled drawdowns against the BBC total around \$4 - \$9 million of operating funding over the forecast period. This is evenly spread across the Tourism, Māori Development and Lands sectors.

### **Current and potential Budget 2017 pre-commitments**

A detailed list of each current and proposed pre-commitment is provided in the Annex. In summary:

- Current pre-commitments against Budget 2017: around <sup>[33]</sup> of operating funding over the forecast period and <sup>[33]</sup> of capital funding has been pre-committed against Budget 2017 allowances.

The operating funding is being driven by the Housing and Justice sectors. The capital funding is being driven by the Justice and Defence sectors.

- Potential pre-commitments against Budget 2017: around \$48 million of further operating funding over the forecast period and around \$254 million of capital funding has been signalled as potential pre-commitments against Budget 2017 allowances.

[38]

The capital funding

is being driven by the Defence sector.

If the potential pre-commitments are also agreed to and commitments to the City Rail Link and Education forecast changes are included, the remaining allowances for Budget 2017 total:

(\$million)	2017 Operating Allowance*	2017 Capital Allowance
Recommended in the BPS Cabinet paper [33]	1,500	3,000
<i>Potential Pre-commitments</i>	(12)	(254)
Education forecast changes	(192)	-
City Rail Link	-	(436)
<b>Remaining Allowances Available</b>	[33]	

\*the average of the total operating impact over the forecast period (2016/17 – 2020/21) is counted against the 2017 operating allowance.

[34]

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## ANNEX

Signalled drawdowns from the **between-Budget operating contingency**:

Sector	Initiative	Indicative amount over forecast period (\$m) <i>2016/17 - 2020/21</i>	Indicative timing for Cabinet
Tourism	[33]		January
Lands			December
			December
<b>TOTAL</b>		<b>4.093 – 8.593</b>	

Potential pre-commitments against **Budget 2017 operating and capital allowances**:

Sector	Initiative	Indicative amount over forecast period (\$m) <i>2016/17 - 2020/21</i>	Indicative timing for Cabinet
Defence	[33]		November
			December
			December
Māori Development			December
[38]			
<b>TOTAL</b>		<b>Operating – 48.000</b> <b>Capital – 254.082</b>	

Already agreed to pre-commitments against the Budget 2017 **operating and capital allowances**:

<b>Sector</b>	<b>Initiative</b>	<b>Indicative amount over forecast period (\$m)</b> <i>2016/17 - 2020/21</i>	<b>Date agreed by Cabinet</b>
<b>Commerce</b>	Financial Markets Authority Funding and Levy, External Reporting	Capital – 2.250	October 2016
<b>Housing</b>	Emergency Housing	[33] Capital – 20.000	September 2016
<b>Corrections</b>	[33]		
<b>Welfare</b>	Corporate Services for Oranga Tamariki	Operating – 84.149	October 2016
<b>Defence</b>	Counter Explosive Hazards Project	Capital – 28.238	July 2016
	Underwater Intelligence, Surveillance and Reconnaissance	Capital – 36.111	July 2016
<b>Justice</b>	Family Violence	Operating – 132.109	August 2016
<b>TOTAL</b>		[33]	