

The Treasury

Budget 2014 Information Release

Release Document

July 2014

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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] 6(a) - to prevent prejudice to the security or defence of New Zealand or the international relations of the government
- [2] 6(c) - to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
- [3] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [4] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [5] 9(2)(ba)(i) - 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.
- [6] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [7] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [8] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [9] 9(2)(h) - to maintain legal professional privilege
- [10] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [11] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [12] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [13] Not in scope
- [14] 6(e)(iv) - 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.

Where information has been withheld, a numbered reference to the applicable section of the Official Information Act has been made, as listed above. For example, a [3] appearing where information has been withheld in a release document refers to section 9(2)(a).

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.



Cabinet

CAB Min (14) 13/8(17)

Copy No:

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 2014 Package: Vote Internal Affairs

On 14 April 2014, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2014 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)				
		2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
7941	Chatham Islands - Crown Financial Package	-	0.846	0.871	0.937	0.973
8359	Emergency Management Functions: Fiscally Neutral Transfer from Vote Internal Affairs to Vote Prime Minister and Cabinet	(4.588)	-	-	-	-
7936	RealMe Secure Online Identity Verification Service	-	14.880	-	-	-
7943	Television New Zealand Archive	-	0.926	1.380	1.380	1.380
Total Operating		(4.588)	16.652	2.251	2.317	2.353

Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
7943	Television New Zealand Archive	-	11.320	-	-	-
Total Capital		-	11.320	-	-	-

- 2 **approved** the changes to appropriations and capital injections to implement the initiatives, as set out in the attached initiative documents;

- 3 **approved** the additional recommendations to give effect to the initiatives, as set out in the attached initiative documents;
- 4 **agreed** that the changes to appropriations for 2013/14 above be included in the 2013/14 Supplementary Estimates;
- 5 **authorised** the Minister of Finance and the Vote Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2013/14 Supplementary Estimates, the 2014/15 Estimates and the fiscal forecasts;
- 6 **noted** that all communications relating to the 2014 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 this be set aside in the between-Budget spending contingency:

[7]

Secretary of the Cabinet

Reference: CAB (14) 174

Initiative No: 7941**Vote:** Internal Affairs**Title:** Chatham Islands - Crown Financial Package**Description:** Provides for an increase to the on-going Crown financial package to support the Chatham Islands Council meeting its statutory obligations.**Appropriation Changes**

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Operating Balance Impact	-	0.846	0.871	0.937	0.973
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.846	0.871	0.937	0.973

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Non-Departmental Other Expense:					
Chatham Islands Council	-	0.846	0.871	0.937	0.973
Total Operating	-	0.846	0.871	0.937	0.973
Total Capital	-	-	-	-	-

Initiative No: 8359

Vote:	Internal Affairs
Title:	Emergency Management Functions: Fiscally Neutral Transfer from Vote Internal Affairs to Vote Prime Minister and Cabinet
Description:	Provides for the balance of 2013/14 funding being transferred from Vote Internal Affairs to Vote Prime Minister and Cabinet, following the decision to shift Emergency Management functions from the Department of Internal Affairs to the Department of the Prime Minister and Cabinet from 1 April 2014.

Appropriation Changes

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Operating Balance Impact	(4.588)	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	(0.091)	-	-	-	-
Total	(4.679)	-	-	-	-

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Departmental Output Expenses:					
Community Information and Advisory Services (MCOA)					
Community Information – Civil Defence Emergency Management (funded by revenue Crown)	(0.174)	-	-	-	-
Community Information – Civil Defence Emergency Management (funded by revenue Dept)	(0.009)	-	-	-	-
Emergency Management Services (MCOA)					
Emergency Sector Support and Development (funded by revenue Crown)	(0.655)	-	-	-	-
Emergency Sector Support and Development (funded by revenue Dept)	(0.048)	-	-	-	-
Management of National Emergency Management Readiness, Response and Recovery (funded by revenue Crown)	(0.486)	-	-	-	-
Management of National Emergency Management Readiness, Response and Recovery (funded by revenue Dept)	(0.034)	-	-	-	-

Initiative No: 8359

Ministerial Support Services (MCOA)					
Ministerial Support Services – Emergency Management (funded by revenue Crown)	(0.060)	-	-	-	-
Policy Advice (MCOA)					
Policy Advice - Emergency Management (funded by revenue Crown)	(0.091)	-	-	-	-
Non-Departmental Other Expenses:					
Emergency Expenses	(2.122)	-	-	-	-
February 2011 Christchurch Earthquake National Controller Costs	(0.199)	-	-	-	-
Subsidies to Local Government	(0.801)	-	-	-	-
Total Operating	(4.679)	-	-	-	-
Total Capital	-	-	-	-	-

Additional recommendation

- 10 **noted** that the baseline changes above are required to transfer the 2013/14 balance of appropriations for Emergency Management functions from Vote Internal Affairs to Vote Prime Minister and Cabinet;

Vote: Internal Affairs

Title: RealMe Secure Online Identity Verification Service

Description: Provides for the continuation of the RealMe services as the principal means of authentication and identity verification in an online environment.

Appropriation Changes

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Operating Balance Impact	-	14.880	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	4.270	-	-	-
Total	-	19.150	-	-	-

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Multi-Category Expenses and Capital Expenditure					
Civic Information Services					
Departmental Output Expenses:					
Managing and Accessing Identity Information (funded by revenue Crown)	-	13.180	-	-	-
Departmental Output Expenses:					
Managing and Accessing Identity Information (funded by revenue Other)	-	2.570	-	-	-
Departmental Output Expenses:					
Managing and Accessing Identity Information (funded from balance sheet)	-	1.700	-	-	-
Capital Injection:					
Department of Internal Affairs - Capital Injection	-	1.700	-	-	-
Total Operating	-	17.450	-	-	-
Total Capital	-	1.700	-	-	-

Initiative No: 7936

Additional recommendations

- 11 **noted** that the component of the increase in the above Departmental Output Expense Appropriation is funded from the Department of Internal Affairs (DIA) balance sheet and that this is supported by the capital injection;
- 12 **noted** that the above capital injection is repayable by 2023/24, and that the DIA anticipates that it will commence repayment in 2017/18;

Vote: Internal Affairs

Title: Television New Zealand Archive

Description: Provides for the purchase of the Television New Zealand (TVNZ) Archive facility at Avalon and transferring the archival material that it contains to the Crown.

Appropriation Changes

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Operating Balance Impact	-	0.926	1.380	1.380	1.380
Debt Impact	-	11.320	-	-	-
No Impact	-	-	-	-	-
Total	-	12.246	1.380	1.380	1.380

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Multi-Category Expenses and Capital Expenditure					
Civic Information Services					
Departmental Output Expense:					
Managing and Accessing Knowledge Information (funded by revenue Crown)	-	0.926	1.380	1.380	1.380
Capital Injection:					
Department of Internal Affairs - Capital Injection	-	11.320	-	-	-
Total Operating	-	0.926	1.380	1.380	1.380
Total Capital	-	11.320	-	-	-

Additional recommendation

13 **noted** that in August 2013, Cabinet:

13.1 invited shareholding Ministers, the Minister of Internal Affairs and the Minister for Culture and Heritage to negotiate with TVNZ, with a view to finalising a fair transfer of the archive facility to the Crown;

13.2 noted that Cabinet approval will be sought prior to entering into a Heads of Agreement for the transfer of the archival facility and material;

[CAB Min (13) 29/27];

14 **noted** that discussions have been advanced between the Crown and TVNZ;

Initiative No: 7943

- 15 **noted** that the process for transfer of the TVNZ archives operation at Avalon involves:
- 15.1 the land and buildings being transferred to the Department of Internal Affairs (reflecting the Department's role with respect to guardianship of public records);
 - 15.2 responsibility for managing the day-to-day archives operation transferring to the Minister for Arts, Culture and Heritage.