

The Treasury

Budget 2011 Information Release

Release Document

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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] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [2] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [3] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [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
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- [6] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [7] 6(a) - to prevent prejudice to the security or defence of New Zealand or the international relations of the government
- [8] 9(2)(h) - to maintain legal professional privilege
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- [10] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [11] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice.

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, an [8] appearing where information has been withheld in a release document refers to section 9(2)(h).

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



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 2011: Vote Energy

On 11 April 2011, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2011 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)				
		2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
6703	International Energy Agency and International Renewable Energy Agency Contributions	-	-	-	-	-
6708	Security Management (Multi-year Appropriation (MYA))	-	-	-	-	-
6723	Savings - Energy Policy Advice 2010/11	(0.500)	-	-	-	-
7034	Deployment of Marine Energy Devices (MYA)	(4.949)	1.328	1.335	1.785	0.501
Total Operating		(5.449)	1.328	1.335	1.785	0.501

- 2 **agreed** to establish new appropriations where required to implement these initiatives, as described in the attached initiative documents;
- 3 **approved** the changes to appropriations and/or projected balances of net assets of the administering department (where applicable) to implement the initiatives, as set out in the attached initiative documents;
- 4 **approved** the additional recommendations to give effect to the initiatives, as set out in the attached initiative documents;
- 5 **agreed** that the changes to appropriations and/or projected balances of net assets for 2010/11 above be included in the 2010/11 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;

- 6 **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 2010/11 Supplementary Estimates, the 2011/12 Estimates and the fiscal forecasts;
- 7 **authorised** 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 Statement of Intent;
- 8 **noted** that all communications relating to the 2011 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.

Secretary of the Cabinet

Reference: CAB (11) 187; CAB (11) 190

Initiative No: 6703**Vote:** Energy**Title:** International Energy Agency and International Renewable Energy Agency Contributions**Description:** Reprioritisation of funding to maintain the Government's obligations for contributing to the International Energy Agency's implementation of agreements and the International Renewable Energy Agency membership fee.**Appropriation Changes**

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Departmental Output Expenses:					
Policy Advice on Energy and Resource Issues (funded by revenue Crown)	(0.020)	(0.120)	(0.120)	(0.120)	(0.120)
Non-Departmental Other Expenses:					
International Energy Agency Contribution	0.020	0.120	0.120	0.120	0.120
Total Operating	-	-	-	-	-
Total Capital	-	-	-	-	-

Initiative No: 6708**Vote:** Energy**Title:** Security Management (MYA)

Description: The multi-year appropriation (MYA), commencing 1 July 2012, provides continued funding for the management of emergency events by the System Operator, if required. Funding is provided under a contract with the Electricity Authority. The appropriation will be funded from a levy on the electricity industry.

New Appropriation Approval

Type	Period	Name	Multi-class Output Appropriation (MCOA)	Scope
Non-Departmental Output Expenses (MYA)	Other Start: 1/07/2012 Finish: 30/06/2017 Amount (\$m): 6.000	Security Management	N/A	This appropriation is limited to the management of emergency events by the System Operator, if required, including increased monitoring and management responsibilities in the event of an emerging security situation, and planning and running an emergency conservation campaign.

Appropriation Changes

	\$m - increase/(decrease)						
	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17 only
Non-Tax Revenue:							
Levy on Electricity Industry	-	-	1.200	1.200	1.200	1.200	1.200
Non-Departmental Output Expenses:							
Security Management (MYA)	-	-	1.200	1.200	1.200	1.200	1.200
Total Operating	-	-	-	-	-	-	-
Total Capital	-	-	-	-	-	-	-

Additional recommendation

- 9 **noted** that amounts shown in the appropriations changes table for the Security Management MYA is the change to the indicative annual spending profile;

Initiative No: 6723

Vote: Energy

Title: Savings - Energy Policy Advice 2010/11

Description: It is projected that there will be an under-spend within the Policy Advice on Energy and Resource Issues appropriation for 2010/11 that will not reflect timing issues or changes in outputs delivered, so can be returned to the Crown. The increasing work programme in outyears does not support any outyear savings.

Appropriation Changes

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Operating Balance Impact	(0.500)	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(0.500)	-	-	-	-

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Departmental Output Expenses:					
Policy Advice on Energy and Resource Issues (funded by revenue Crown)	(0.500)	-	-	-	-
Total Operating	(0.500)	-	-	-	-
Total Capital	-	-	-	-	-

Initiative No: 7034

Vote: Energy

Title: Deployment of Marine Energy Devices (MYA)

Description: A new MYA will enable previous commitments from the old MYA to be met and therefore the remaining unspent funding from the existing MYA will be transferred to the new MYA.

New Appropriation Approval

Type	Period	Name	MCOA Output Class	Scope
Non-Departmental Other Expenses (MYA)	Other Start: 1/07/2011 Finish: 30/06/2016 Amount (\$m): 4.949	Contestable Fund for Deployment of Marine Energy Devices	N/A	This appropriation is limited to a contestable fund for marine energy generation and associated administration.

Appropriation Changes

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15
Operating Balance Impact	(4.949)	1.328	1.335	1.785	0.501
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(4.949)	1.328	1.335	1.785	0.501

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15
Non-Departmental Other Expenses:					
Contestable Fund for Deployment of Marine Energy Devices (MYA)	-	1.328	1.335	1.785	0.501
Contestable Fund for Deployment of Marine Energy Devices (MYA)	(4.949)	-	-	-	-
Total Operating	(4.949)	1.328	1.335	1.785	0.501
Total Capital	-	-	-	-	-

Additional recommendations

- 10 **authorised** the Minister of Energy and Resources and the Minister of Finance to approve any additional unspent balance of the old MYA for the Contestable Fund for Deployment of Marine Energy Devices as at 30 June 2011 to be added to the new MYA following completion of the audit;
- 11 **noted** that the amounts shown in the appropriations changes table for the Contestable Fund for Deployment of Marine Energy Devices MYA is the change to the indicative annual spending profile.