

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
- [9] 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
- [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 ACC

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
7018	Forecast Change Between Non-Departmental Output Expenses and Benefits and Other Unrequited Expenses	-	(177.521)	(133.238)	(163.642)	(163.642)
Total Operating		-	(177.521)	(133.238)	(163.642)	(163.642)

- 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: 7018

Vote: ACC

Title: Forecast Change Between Non-Departmental Output Expenses and Benefits and Other Unrequited Expenses

Description: Alignment of the appropriations to reflect the revaluation of future costs. Also, includes redistribution between appropriations to improve the transparency of what the appropriations cover.

New Appropriation Approvals

Type	Period	Name	Multi-class Output Appropriation	Scope
Non-Departmental Output Expenses	Annual	Rehabilitation Entitlements and Services - Treatment Injuries for Non-Earners'	N/A	This appropriation is limited to the provision of medical services, social rehabilitation and elective health care services, and contracted services for claims by non-earners' on the Treatment Injury Account.
Non-Departmental Output Expenses	Annual	Public Health Acute Services - Treatment Injuries for Non-Earners'	N/A	This appropriation is limited to the provision of public health acute services for claims by non-earners' on the Treatment Injury Account.

Appropriation Changes

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Operating Balance Impact	-	(177.521)	(133.238)	(163.642)	(163.642)
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	(177.521)	(133.238)	(163.642)	(163.642)

Initiative No: 7018

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Non-Departmental Output Expenses:					
Case Management and Supporting Services	-	(2.364)	(5.824)	0.410	0.410
Case Management and Supporting Services - Treatment Injuries for Non-Earners'	-	(169.825)	(159.872)	8.922	8.922
Public Health Acute Services	-	(26.177)	(23.890)	(26.904)	(26.904)
Public Health Acute Services - Treatment Injuries for Non-Earners'	-	0.766	1.054	1.054	1.054
Rehabilitation Entitlements and Services	-	(100.710)	(75.308)	(98.580)	(98.580)
Rehabilitation Entitlements and Services - Treatment Injuries for Non-Earners'	-	169.997	153.868	153.868	153.868
Benefits and Other Unrequited Expenses:					
Compensation Entitlements	-	(41.948)	(14.776)	(209.825)	(209.825)
Compensation Entitlements - Treatment Injuries for Non-Earners'	-	(7.260)	(8.490)	7.413	7.413
Total Operating	-	(177.521)	(133.238)	(163.642)	(163.642)
Total Capital	-	-	-	-	-

Additional Recommendations

- 9 **approved** the following amendment to the scope statement for Non-Departmental Output Expense - Case Management and Supporting Services - Treatment Injuries for Non-Earners': "To cover the cost of injury prevention, claim lodgement and management, investment management and appropriation setting for claims by non-earners' on the Treatment Injury Account" to improve transparency on what the appropriation covers;
- 10 **approved** the following amendment to the scope statement for Non-Departmental Benefits and Unrequited Expenses - Compensation Entitlements - Treatment Injuries for Non-Earners' as: "This appropriation is limited to the provision of income maintenance, independence allowance, and other compensation payments for claims by non-earners' on the Treatment Injury Account" to improve transparency on what the appropriation covers;
- 11 **agreed** to increase the non-contracted Home and Community Support Services rates for ACC by 2 per cent to reflect changes to the minimum wage, with an estimated annual impact of \$1.5 million for the Non-Earners' Account which will be met within the existing appropriation;

- 12 **agreed** to extend the expiry date of the contingency of \$7.5 million approved by Cabinet in April 2010 [CAB Min (10) 13/4(1)] for the implementation of choice to February 2013;
- 13 **noted** a tagged contingency of \$2 million in 2011/12 and \$2 million in 2012/13 approved by Cabinet in April 2010 [CAB Min (10) 13/4(1)] is retained.