

The Treasury

Budget 2014 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] 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
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- [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.



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: Vote Economic Development Technical Initiatives

On 7 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
8278	Canterbury Recovery Response	-	2.557	2.557	-	-
8102	Savings from the Formation of the Ministry of Business, Innovation and Employment	-	(0.581)	(0.581)	(0.581)	(0.581)
8305	Government-To-Government Partnerships Office	-	1.000	-	-	-
8263	Vote Realignment To Reflect Implementation Of One Cost Allocation Methodology	1.160	-	-	-	-
8363	Saudi Agrihub Partnership	-	1.500	-	-	-
8432	Savings from the Formation of the Ministry of Business, Innovation and Employment, Savings for Employment	(0.192)	(0.192)	(0.192)	(0.192)	(0.192)
Total Operating		0.968	4.284	1.784	(0.773)	(0.773)

- 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 to implement 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 and that, in the interim, the increases be met from Imprest Supply;

- 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 **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;
- 7 **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.

Secretary of the Cabinet

Reference: CAB (14) 160

Initiative No: 8278

Vote: Economic Development

Title: Canterbury Recovery Response

Description: This appropriation is limited to the co-ordination, and management of the Ministry of Business, Innovation and Employment's contribution to the Canterbury recovery.

New Appropriation Approval

Name	Period	Type	Category Name	Scope
Canterbury Recovery	Annual	Departmental Output Expenses	N/A	This appropriation is limited to the co-ordination, and management of the Ministry of Business, Innovation and Employment's contribution to the Canterbury recovery.

Appropriation Changes

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Operating Balance Impact	-	2.557	2.557	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	2.557	2.557	-	-

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Departmental Output Expense:					
Canterbury Recovery (funded by revenue Crown)	-	2.557	2.557	-	-
Total Operating	-	2.557	2.557	-	-
Total Capital	-	-	-	-	-

Additional recommendation

8 **noted** that as this initiative is fiscally neutral, there is an equal and opposite technical Budget initiative for Vote Housing (Initiative number 8279).

Vote: Economic Development

Title: Savings for Vote Economic Development from the Formation of the Ministry of Business, Innovation and Employment

Description: Savings as a result of the formation of the Ministry of Business, Innovation and Employment.

Appropriation Changes

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Operating Balance Impact	-	(0.581)	(0.581)	(0.581)	(0.581)
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	(0.581)	(0.581)	(0.581)	(0.581)

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Departmental Output Expenses:					
Implementation of Improvements in Public Sector Procurement and Services to Business (funded by revenue Crown)	-	(0.298)	(0.298)	(0.298)	(0.298)
Multi-Category Expenses and Capital Expenditure:					
Policy Advice and Related Outputs					
Departmental Output Expenses:					
Ministerial Services – Small Business (funded by revenue Crown)	-	(0.004)	(0.004)	(0.004)	(0.004)
Policy Advice – Economic and Development (funded by revenue Crown)	-	(0.248)	(0.248)	(0.248)	(0.248)
Policy Advice – Small Business (funded by revenue Crown)	-	(0.031)	(0.031)	(0.031)	(0.031)
Total Operating	-	(0.581)	(0.581)	(0.581)	(0.581)
Total Capital	-	-	-	-	-

Vote: Economic Development

Title: Savings for Vote Employment from the Formation of the Ministry of Business, Innovation and Employment.

Description: Savings as a result of the formation of the Ministry of Business, Innovation and Employment.

Appropriation Changes

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Operating Balance Impact	-	(0.192)	(0.192)	(0.192)	(0.192)
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	(0.192)	(0.192)	(0.192)	(0.192)

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Departmental Output Expenses: Employment Sector Analysis and Facilitation (funded by revenue Crown)	-	(0.058)	(0.058)	(0.058)	(0.058)
Multi-Category Expenses and Capital Expenditure: Policy Advice and Related Outputs					
Departmental Output Expenses: Ministerial Services – Employment (funded by revenue Crown)	-	(0.021)	(0.021)	(0.021)	(0.021)
Policy Advice – Employment (funded by revenue Crown)	-	(0.113)	(0.113)	(0.113)	(0.113)
Total Operating	-	(0.192)	(0.192)	(0.192)	(0.192)
Total Capital	-	-	-	-	-

Vote: Economic Development

Title: Government-to-Government Partnerships Office

Description: Fiscally neutral adjustment from Vote Foreign Affairs and Trade (Ministry of Foreign Affairs and Trade) to support the Government-to-Government Partnerships Office in 2014/15.

Appropriation Changes

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Operating Balance Impact	-	1.000	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.000	-	-	-

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Multi-Category Expenses and Capital Expenditure					
Support the Growth and Development of New Zealand Firms, Sectors and Regions					
Non-Departmental Output Expenses:					
Services to Support Sector Development and Special Events	-	1.000	-	-	-
Total Operating	-	1.000	-	-	-
Total Capital	-	-	-	-	-

Additional recommendation

- 9 **noted** that a corresponding initiative in Vote Foreign Affairs and Trade will complete this fiscally neutral adjustment.

Initiative No: 8296

Vote: Economic Development

Title: Maori And Pasifika Trades Training

Description: Transfer of the Maori and Pasifika Trades Training programme between departmental and non-departmental expenses to provide project management, co-ordination and evaluation.

New Appropriation Approval

Name	Period	Type	Category Name	Scope
Maori and Pasifika Trades Training Consortia	Annual	Non-Departmental Output Expenses	N/A	This appropriation is limited to funding Maori and Pasifika Trades Training consortia to provide project management, co-ordination and evaluation.

Appropriation Changes

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Departmental Output Expenses:					
Employment Sector Analysis and Facilitation (funded by revenue Crown)	-	(2.319)	(2.318)	(2.318)	(1.985)
Non-Departmental Output Expenses:					
Maori and Pasifika Trades Training Consortia	-	2.319	2.318	2.318	1.985
Total Operating	-	-	-	-	-
Total Capital	-	-	-	-	-

Vote: Economic Development

Title: New Zealand International Convention Centre (NZICC)

Description: Transfer for the reimbursement of the work performed by the NZICC Crown Peer Review Team (pursuant to the NZICC Agreement between the Crown and SkyCity Entertainment Ltd).

Appropriation Changes

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Departmental Output Expenses:					
Policy Advice – Sectoral Leadership and Development, Firm Capability, and Regional Development (funded by revenue Dept)	(0.650)	(0.750)	(0.300)	(0.100)	-
Sectoral Leadership, Firm Capability, and Regional Development Operational Policy, Ministerial Servicing and Crown Entity Monitoring (funded by revenue Dept)	0.650	0.750	0.300	0.100	-
Total Operating	-	-	-	-	-
Total Capital	-	-	-	-	-

Vote: Economic Development

Title: Saudi Agrihub Partnership

Description: Establishment of the Saudi Agrihub Partnership.

Appropriation Changes

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Operating Balance Impact	-	1.500	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.500	-	-	-

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Multi-Category Expenses and Capital Expenditure					
Support the Growth and Development of New Zealand Firms, Sectors and Regions					
Non-Departmental Output Expense:					
Services to Support Sector Development and Special Events	-	1.500	-	-	-
Total Operating	-	1.500	-	-	-
Total Capital	-	-	-	-	-

Additional recommendation

10 **noted** that a corresponding initiative in Vote Foreign Affairs and Trade will complete this fiscally neutral adjustment.

Initiative No: 7986

Vote: Economic Development

Title: Square Kilometre Array

Description: This is a transfer of funds between International Growth Fund and Square Kilometre Array due to reprioritisation.

Appropriation Changes

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Non-Departmental Other Expenses:					
International Growth Fund	-	(0.315)	(0.700)	-	-
Square Kilometre Array	-	0.315	0.700	-	-
Total Operating	-	-	-	-	-
Total Capital	-	-	-	-	-

Vote: Economic Development

Title: Vote Realignment to Reflect Implementation of One-Cost Allocation Methodology

Description: Fiscally neutral adjustments across votes and appropriations administered by the Ministry of Business, Innovation and Employment to reflect the introduction of one cost allocation methodology following the establishment of Ministry of Business, Innovation and Employment and implementation of the organisation management structure.

Appropriation Changes

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Operating Balance Impact	1.160	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	1.160	-	-	-	-

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Departmental Output Expenses:					
Policy Advice – Sectoral Leadership and Development, Firm Capability, and Regional Development (funded by revenue Crown)	(3.500)	-	-	-	-
Sectoral Leadership, Firm Capability, and Regional Development Operational Policy, Ministerial Servicing and Crown Entity Monitoring (funded by revenue Crown)	4.500	-	-	-	-
Policy Advice - Economic Development (MCOA)					
Policy Advice - Small Business (funded by revenue Crown)	0.160	-	-	-	-
Total Operating	1.160	-	-	-	-
Total Capital	-	-	-	-	-

Vote: Economic Development

Title: Whey Protein Concentrate Response

Description: A fiscally neutral adjustment from the International Growth Fund appropriation to address the operational shortfall caused by the Whey Protein Concentrate response.

Appropriation Changes

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Non-Departmental Output Expense:					
International Business Growth Services	1.500	-	-	-	-
Non-Departmental Other Expense:					
International Growth Fund	(1.500)	-	-	-	-
Total Operating	-	-	-	-	-
Total Capital	-	-	-	-	-