

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.



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 Economic Development and Employment

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
7996	New Zealand Trade And Enterprise	(12.800)	10.000	19.800	19.800	18.400
8439	Square Kilometre Array Transfer To Vote Science And Innovation	(0.109)		-	-	-
Total Operating		(12.909)	10.000	19.800	19.800	18.400

Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2013/14	2014/15	2015/16	2016/17	2017/18 only
8438	New Zealand Venture Investment Fund	5.481	(1.000)	-	(2.240)	(2.241)
8409	Replacement of Refugee Resettlement Facilities	-	9.000	-	-	-
Total Capital		5.481	8.000	-	(2.240)	(2.241)

- 2 **approved** the changes to appropriations and the capital injections to the administering department 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 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;

[7]

Secretary of the Cabinet

Reference: CAB (14) 174

Initiative No: 7996

Vote: Economic Development and Employment

Title: New Zealand Trade and Enterprise

Description: To increase the number of New Zealand companies serviced by New Zealand Trade and Enterprise, from 500 to 700, in international export markets, especially in China and the Middle East, and to deliver high impact programmes.

Appropriation Changes

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Operating Balance Impact	(12.800)	10.000	19.800	19.800	18.400
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(12.800)	10.000	19.800	19.800	18.400

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Non-Departmental Other Expense: International Growth Fund	(12.800)	-	-	-	-
Multi-Category Expenses and Capital Expenditure: Support the Growth and Development of New Zealand Firms, Sectors and Regions					
Non-Departmental Output Expense: International Business Growth Services	-	7.000	14.400	14.400	14.400
Non-Departmental Output Expense: Services to Support Sector Development and Special Events	-	3.000	5.400	5.400	4.000
Total Operating	(12.800)	10.000	19.800	19.800	18.400
Total Capital	-	-	-	-	-

Vote: Economic Development and Employment

Title: New Zealand Venture Investment Fund

Description: Realignment of the Venture and Seed Co-Investment funds.

New Appropriation Approval

Name	Period	Type	Category Name	Scope
Venture Investment Fund	Multi-Year Appropriation Start: 1/07/2014 Finish: 30/06/2018 Amount (\$m): 37.453	Non-Departmental Capital Expenditure	N/A	This appropriation is limited to capital investment to the New Zealand Venture Investment Fund to accelerate the development of the New Zealand Venture Capital Market.

Appropriation Changes

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 only
Operating Balance Impact	-	-	-	-	-
Debt Impact	5.481	(1.000)	-	(2.240)	(2.241)
No Impact	-	-	-	-	-
Total	5.481	(1.000)	-	(2.240)	(2.241)

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 only
Non-Departmental Capital Expenditure:					
Seed Co-investment Fund	1.000	(1.000)	-	-	-
Venture Investment Fund	4.481	-	-	-	-
Venture Investment Fund (MYA)	-	10.378	10.518	8.278	8.279
Multi-Category Expenses and Capital Expenditure:					
Venture Investment Fund and Seed Co-Investment Fund					
Non-Departmental Capital Expenditure:					
Venture Investment Fund	-	(10.378)	(10.518)	(10.518)	(10.520)
Total Operating	-	-	-	-	-
Total Capital	5.481	(1.000)	-	(2.240)	(2.241)

Additional recommendation

- 9 **noted** that amounts shown in the appropriations changes table for the Multi Year Appropriation: "Venture Investment Fund" is the change to the indicative annual spending profile;

Vote: Economic Development and Employment

Title: Replacement of Refugee Resettlement Facilities

Description: Provides for the replacement of refugee resettlement facilities at Mangere.

Appropriation Changes

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	9.000	-	-	-
No Impact	-	-	-	-	-
Total	-	9.000	-	-	-

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Capital Injection:					
Ministry of Business, Innovation and Employment - Capital Injection	-	24.700	-	-	-
Total Operating	-	-	-	-	-
Total Capital	-	24.700	-	-	-

Additional recommendations

- 10 **noted** that in Budget 2013, Cabinet agreed to fund the rebuild of the Mangere Refugee Resettlement facility, with a net debt impact of \$15.700 million [CAB Min (13) 12/6(13)];
- 11 **noted** that due to a shift from a private finance arrangement to a more traditional procurement, this capital expenditure will now be undertaken by the Ministry of Business, Innovation and Employment;
- 12 **noted** that:
- 12.1 the net debt impact of \$9.000 million represents the additional capital funding required for the rebuild of the facility;
- 12.2 the capital injection of \$24.700 million represents the total capital expenditure required for rebuild of the facility;

Initiative No: 8439

Vote: Economic Development and Employment

Title: Square Kilometre Array - Transfer to Vote Science and Innovation

Description: Fiscally neutral adjustment to reflect the transfer of the Square Kilometre Array appropriation from Vote Economic Development and Employment to Vote Science and Innovation.

Appropriation Changes

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Operating Balance Impact	(0.109)	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(0.109)	-	-	-	-

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Non-Departmental Other Expenses:					
Square Kilometre Array	(0.109)	-	-	-	-
Total Operating	(0.109)	-	-	-	-
Total Capital	-	-	-	-	-

Additional recommendations

- 13 **noted** that this decision supersedes the previous decision by Joint Ministers to decrease the relevant appropriation by \$1.461 million in 2013/14;
- 14 **noted** that there is a corresponding transfer in Vote Science and Innovation.