

# The Treasury

## Budget 2018 Information Release

### Release Document August 2018

<https://treasury.govt.nz/publications/information-release/budget-2018-information-release>

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]	to prevent prejudice to the security or defence of New Zealand or the international relations of the government	6(a)
[2]	to avoid prejudice the entrusting of information to the Government of New Zealand on a basis of confidence by the Government of any other country or any agency of such a Government	6(b)(i)
[4]	to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial	6(c)
[11]	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.	6(e)(vi)
[23]	to protect the privacy of natural persons, including deceased people	9(2)(a)
[25]	to protect the commercial position of the person who supplied the information or who is the subject of the information	9(2)(b)(ii)
[26]	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	9(2)(ba)(i)
[27]	to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information - would be likely otherwise to damage the public interest	9(2)(ba)(ii)
[29]	to avoid prejudice to the substantial economic interests of New Zealand	9(2)(d)
[31]	to maintain the current constitutional conventions protecting collective and individual ministerial responsibility	9(2)(f)(ii)
[33]	to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials	9(2)(f)(iv)
[34]	to maintain the effective conduct of public affairs through the free and frank expression of opinions	9(2)(g)(i)
[36]	to maintain legal professional privilege	9(2)(h)
[37]	to enable the Crown to carry out commercial activities without disadvantages or prejudice	9(2)(i)
[38]	to enable the Crown to negotiate without disadvantage or prejudice	9(2)(j)
[39]	to prevent the disclosure of official information for improper gain or improper advantage	9(2)(k)
[40]	not in scope	
[41]	that the making available of the information requested would be contrary to the provisions of a specified enactment	18(c)(i)
[42]	information is already publicly available or will be publicly available soon	18(d)

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) and section 18 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.*

### 2018 Budget Package: Vote Finance

On 9 April 2018, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2018 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)				
		2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
10253	Christchurch Regeneration Acceleration Facility	0.500	1.000	-	-	-
10254	Green Investment Fund	1.000	4.000	-	-	-
<b>Total Operating</b>		<b>1.500</b>	<b>5.000</b>	-	-	-

##### Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2017/18	2018/19	2019/20	2020/21	2021/22
10253	Christchurch Regeneration Acceleration Facility	-	-	-	-	-
10254	Green Investment Fund	-	-	-	-	-
10219	Tamaki Regeneration Company - Capital Investment	87.000	50.000	-	138.000	25.000
<b>Total Capital</b>		<b>87.000</b>	<b>50.000</b>	-	<b>138.000</b>	<b>25.000</b>

- 2 **agreed** to establish new appropriations where required to implement these initiatives, as described in the attached initiative documents;
- 3 **approved** changes to appropriations 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 for 2017/18 above be included in the 2017/18 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
- 6 **authorised** the Minister of Finance and the Appropriation Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2017/18 Supplementary Estimates, the 2018/19 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 2018 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;
- 9 **agreed** that the initiatives in the following table be set aside as contingency items, and that they be submitted to Cabinet for consideration at a later stage:

#### Operating Contingency

Initiative Name	\$m - increase/(decrease)							
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Green Investment Fund - Initial Operating Costs	-	5.000	5.000	5.000	5.000	5.000	5.000	-
<b>Total Operating</b>	-	<b>5.000</b>	<b>5.000</b>	<b>5.000</b>	<b>5.000</b>	<b>5.000</b>	<b>5.000</b>	-

#### Capital Contingency

Initiative Name	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Christchurch Regeneration Acceleration Facility	-	298.500	-	-	-
Green Investment Fund	-	100.000	-	-	-
<b>Total Capital</b>	-	<b>398.500</b>	-	-	-

- 10 **agreed** that draw-down of the capital contingency relating to the Christchurch Regeneration Acceleration Facility be subject to completion and Cabinet approval of a satisfactory business case;
- 11 **agreed** that draw-down of both the capital and operating contingencies relating to the Green Investment Fund be subject to completion and Cabinet approval of a satisfactory business case;

12 [33], [37]

13 **note** that appropriation of operating funding totalling \$5.000 million over 2017/18 – 2018/19 for Green Investment Fund design and establishment costs has been approved in Initiative 10254;

14 **noted** that it is the intention that any funding drawn down from the Green Investment Fund – Initial Operating Costs contingency, along with operating funding for design and establishment costs described in paragraph 13 above, will ultimately be recovered by the Crown from future returns of the Fund.

Michael Webster  
Secretary of the Cabinet

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**Hard-copy distribution:**

Prime Minister  
Deputy Prime Minister  
Minister of Finance  
Minister for Greater Christchurch Regeneration  
Associate Minister of Finance (Hon Dr David Clark)  
Minister for Climate Change

**Vote:** Finance

**Title:** Christchurch Regeneration Acceleration Facility

**Description:** The facility will enable the Crown to contribute towards development initiatives for the Residential Red Zone and/or a Multi-Use Arena (stadium). The facility may also assist with gaps in the horizontal infrastructure programme. Funding allocation decisions will be made following the development of satisfactory business cases and set prioritisation criteria being met. Approved projects may be funded in conjunction with or through partnership arrangements between the Crown or Crown-owned entities and the Christchurch City Council.

### New appropriation approval

Name	Period	Type	Category Name	Scope
Design and Establishment of Christchurch Regeneration Acceleration Facility	Annual	Departmental Output Expenses	N/A	This appropriation is limited to the design and establishment of the Christchurch Regeneration Acceleration Facility.

### Appropriation changes

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	0.500	1.000	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>0.500</b>	<b>1.000</b>	-	-	-

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
<b>Departmental Output Expense:</b>					
Design and Establishment of Christchurch Regeneration Acceleration Facility (funded by revenue Crown)	0.500	1.000	-	-	-
<b>Total Operating</b>	<b>0.500</b>	<b>1.000</b>	-	-	-

### Additional recommendations

- 15 **agreed** that the Minister for Greater Christchurch Regeneration be Appropriation Minister for the above new appropriation;
- 16 **agreed** that any unspent funding for 2017/18 be transferred to 2018/19;

**Initiative No: 10253**

- 17 **authorised** the Minister of Finance and the Appropriation Minister jointly to determine the final amount to be transferred, following the completion of 2017/18 audited financial statements;
- 18 **noted** that related capital funding of \$298.500 million in 2018/19 has been set aside in a tagged contingency;

## Initiative No: 10254

**Vote:** Finance

**Title:** Green Investment Fund

**Description:** This funding will enable the design and establishment of the Green Investment Fund. The purpose of the Green Investment Fund (GIF) is to invest in assets that reduce carbon emissions, and do so in a manner that both mobilises additional private capital, and allows the fund to be commercially independent.

### New appropriation approval

Name	Period	Type	Category Name	Scope
Design and Establishment of the Green Investment Fund	Annual	Departmental Output Expenses	N/A	This appropriation is limited to the design and establishment of the Green Investment Fund.

### Appropriation changes

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	1.000	4.000	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>1.000</b>	<b>4.000</b>	-	-	-

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
<b>Departmental Output Expense:</b>					
Design and Establishment of the Green Investment Fund (funded by revenue Crown)	1.000	4.000	-	-	-
<b>Total Operating</b>	<b>1.000</b>	<b>4.000</b>	-	-	-

### Additional recommendations

- 19 **agreed** that the Minister for Climate Change be Appropriation Minister for the above new appropriation;
- 20 **agreed** that any unspent funding for 2017/18 be transferred to 2018/19;
- 21 **authorised** the Minister of Finance and the appropriation Minister jointly to determine the final amount to be transferred, following the completion of 2017/18 audited financial statements;
- 22 **noted** that related funding totalling \$30.000 million operating over 2018/19 – 2023/24 and \$100 million capital in 2018/19 has been set aside in tagged operating and capital contingencies, respectively;

## Initiative No: 10219

**Vote:** Finance

**Title:** Tamaki Regeneration Company - Capital Investment

**Description:** This funding will enable Tamaki Regeneration Company to deliver around 700 new, warm, dry, healthy state houses and 1,400 affordable and private market houses in Tamaki over the next six years. As well as improving the quality of Tamaki's state housing stock and delivering a range of new houses to the Auckland market, the Tamaki regeneration programme is driving improved health, educational and employment outcomes for Tamaki residents through social and economic regeneration activities that are leveraged off the housing redevelopment programme.

### New appropriation approval

Name	Period	Type	Category Name	Scope
Tamaki Regeneration Company Limited - Equity Injection	Annual	Non-Departmental Capital Expenditure	N/A	This appropriation is limited to the provision of an equity injection to Tamaki Regeneration Company Limited.

### Appropriation changes

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	87.000	50.000	-	138.000	25.000
No Impact	-	-	-	-	-
<b>Total</b>	<b>87.000</b>	<b>50.000</b>	<b>-</b>	<b>138.000</b>	<b>25.000</b>

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22
<b>Non-Departmental Capital Expenditure:</b>					
Tamaki Regeneration Company Limited - Equity Injection	87.000	50.000	-	138.000	25.000
<b>Total Capital</b>	<b>87.000</b>	<b>50.000</b>	<b>-</b>	<b>138.000</b>	<b>25.000</b>

### Additional recommendations

- 23 **agreed** that the Minister of Finance be Appropriation Minister for the above new appropriation;
- 24 **noted** that terms and conditions relating to the above equity injections have yet to be determined by shareholding Ministers;
- 25 **agreed** that any unspent funding for 2017/18 be transferred to 2018/19;
- 26 **authorised** the Associate Minister of Finance (Hon Dr David Clark) and the appropriation Minister jointly to determine the final amount to be transferred following the completion of 2017/18 audited financial statements.