

# The Treasury

## Budget 2018 Information Release

### Release Document August 2018

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

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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)
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[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 Health

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
10381	Developing a Free Annual Health Check for Supergold Card Holders	-	1.000	-	-	-
10177	Disability Support Services – Additional Support	9.000	58.407	54.407	46.407	42.407
10175	District Health Boards – Additional Support	-	549.000	549.000	549.000	549.000
10184	Electives Surgical Procedures	-	31.500	31.500	31.500	31.500
10386	Expansion of School Based Health Services	-	4.253	4.253	4.253	4.253
10383	Extending Zero Fees Doctors' Visits to Under 14s	-	2.858	4.900	4.900	4.900
10387	Integrated Therapies Pilot for 18-25 Year Olds	-	2.020	4.050	4.420	-
10183	Meeting Air Ambulance Service Cost Pressures	-	15.000	15.000	15.000	15.000
10403	National Bowel Screening Programme Implementation Year Two	-	17.391	17.184	15.814	16.696
10180	National Maternity Services – Additional Support	9.000	25.900	25.900	25.900	25.900
10178	Primary Health Care – Additional Support	-	9.499	9.499	9.499	9.499
10618	Radio Assurance	-	3.740	-	-	-

10430	Reinvesting the Mental Health Social Investment Fund Contingency	(24.300)	(17.700)	(15.000)	(15.000)	(25.000)
10424	Savings in the PHARMAC Combined Pharmaceutical Budget	-	(29.300)	(34.800)	(65.300)	(65.300)
10377	Very Low Cost General Practitioner Visits for Community Services Card Holders	2.000	59.008	100.000	100.000	100.000
<b>Total Operating</b>		<b>(4.300)</b>	<b>732.576</b>	<b>765.893</b>	<b>726.393</b>	<b>708.855</b>

### Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m – increase/(decrease)				
		2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
10193	District Health Boards' Capital Investment	-	750.000	-	-	-
10485	Provision for Additional Deficit Support for District Health Boards	-	100.000	-	-	-
<b>Total Capital</b>		<b>-</b>	<b>850.000</b>	<b>-</b>	<b>-</b>	<b>-</b>

- 2 **approved** changes to appropriations 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 proposed 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;
- 5 **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;
- 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 Annual Plans;
- 7 **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;

8 **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;

[38]

### Capital Contingency

Initiative Name	\$m – increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Progressing Dunedin Hospital Redevelopment	[37]				
<b>Total Capital</b>					

### Additional recommendations

[38]

### Progressing Dunedin Hospital Redevelopment

15 **noted** that the “Progressing Dunedin Hospital Redevelopment” tagged contingency is to fund costs associated with the design of the new Dunedin Hospital;

- 16 **authorised** the Minister of Finance and the Minister of Health (Joint Ministers) to draw down the “Progressing Dunedin Hospital Redevelopment” tagged contingency in line with project funding requirements.

Michael Webster  
Secretary of the Cabinet

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**Hard-copy distribution:**

Prime Minister  
Deputy Prime Minister  
Minister of Finance  
Minister of Health

## Initiative No: 10381

**Vote:** Health

**Title:** Developing a Free Annual Health Check for Supergold Card Holders

**Description:** This funding will provide for scoping an initiative to provide one free health check per year for all SuperGold card holders (approximately 720,000 New Zealanders).

### Appropriation changes

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

	\$m – increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
<b>Departmental Output Expense:</b>					
Managing the Purchase of Services (funded by revenue Crown)	-	1.000	-	-	-
<b>Total Operating</b>	-	<b>1.000</b>	-	-	-

**Initiative No: 10177**

**Vote:** Health

**Title:** Disability Support Services – Additional Support

**Description:** This funding will provide for price and volume pressures in response to increased demand on Disability Support Services.

**Appropriation changes**

	<b>\$m – increase/(decrease)</b>				
	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22 &amp; Outyears</b>
Operating Balance Impact	9.000	58.407	54.407	46.407	42.407
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>9.000</b>	<b>58.407</b>	<b>54.407</b>	<b>46.407</b>	<b>42.407</b>

	<b>\$m – increase/(decrease)</b>				
	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22 &amp; Outyears</b>
<b>Non-Departmental Output Expense:</b>					
National Disability Support Services	9.000	58.407	54.407	46.407	42.407
<b>Total Operating</b>	<b>9.000</b>	<b>58.407</b>	<b>54.407</b>	<b>46.407</b>	<b>42.407</b>

## Initiative No: 10175

**Vote:** Health

**Title:** District Health Boards – Additional Support

**Description:** This funding will be provided to District Health Boards (DHBs) to meet additional costs they face in delivering health services. These costs are driven by changes in the populations they serve, wage costs, and inflation. DHBs support all New Zealanders through services such as: hospital care, mental health support, medicines, primary health care, and support for older people.

### Appropriation changes

	\$m – increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	-	549.000	549.000	549.000	549.000
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>549.000</b>	<b>549.000</b>	<b>549.000</b>	<b>549.000</b>

	\$m – increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
<b>Non-Departmental Output Expenses:</b>					
Health and Disability Support Services - Auckland DHB	-	71.115	71.115	71.115	71.115
Health and Disability Support Services - Bay of Plenty DHB	-	31.327	31.327	31.327	31.327
Health and Disability Support Services - Canterbury DHB	-	45.104	45.104	45.104	45.104
Health and Disability Support Services - Capital and Coast DHB	-	31.515	31.515	31.515	31.515
Health and Disability Support Services - Counties-Manukau DHB	-	66.206	66.206	66.206	66.206
Health and Disability Support Services - Hawkes Bay DHB	-	15.924	15.924	15.924	15.924
Health and Disability Support Services - Hutt DHB	-	13.119	13.119	13.119	13.119
Health and Disability Support Services - Lakes DHB	-	12.019	12.019	12.019	12.019
Health and Disability Support Services - MidCentral DHB	-	18.596	18.596	18.596	18.596
Health and Disability Support Services - Nelson-Marlborough DHB	-	20.417	20.417	20.417	20.417



## Initiative No: 10175

Health and Disability Support Services - Northland DHB	-	36.358	36.358	36.358	36.358
Health and Disability Support Services - South Canterbury DHB	-	4.830	4.830	4.830	4.830
Health and Disability Support Services - Southern DHB	-	31.932	31.932	31.932	31.932
Health and Disability Support Services - Tairāwhiti DHB	-	4.986	4.986	4.986	4.986
Health and Disability Support Services - Taranaki DHB	-	10.296	10.296	10.296	10.296
Health and Disability Support Services - Waikato DHB	-	49.816	49.816	49.816	49.816
Health and Disability Support Services - Wairarapa DHB	-	5.092	5.092	5.092	5.092
Health and Disability Support Services - Waitemata DHB	-	70.419	70.419	70.419	70.419
Health and Disability Support Services - West Coast DHB	-	2.876	2.876	2.876	2.876
Health and Disability Support Services - Whanganui DHB	-	7.053	7.053	7.053	7.053
<b>Total Operating</b>	-	<b>549.000</b>	<b>549.000</b>	<b>549.000</b>	<b>549.000</b>

**Additional recommendations**

- 17 **noted** that authority for the final allocation between District Health Board appropriations is delegated to the Minister of Health;
- 18 **agreed** that any technical adjustment to final District Health Board allocations will be reflected in the 2018/19 Vote Health Estimates of Appropriations;

## Initiative No: 10193

**Vote:** Health

**Title:** District Health Boards' Capital Investment

**Description:** This funding will support a wide range of District Health Board capital investments to expand service capacity and replace sub-standard facilities, and in the process improve patient experience and outcomes. The majority of this funding (which excludes the Dunedin Hospital redevelopment) is for Northern region projects.

### Appropriation changes

	\$m – increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	750.000	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>750.000</b>	-	-	-

	\$m – increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
<b>Non-Departmental Capital Expenditure:</b>					
Equity for Capital Projects for DHBs and Health Sector Crown Agencies	-	750.000	-	-	-
<b>Total Capital</b>	-	<b>750.000</b>	-	-	-

**Initiative No: 10184**

**Vote:** Health

**Title:** Elective Surgical Procedures

**Description:** This funding will provide for cost and volume pressures for elective surgical procedures.

**Appropriation changes**

	<b>\$m - increase/(decrease)</b>				
	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22 &amp; Outyears</b>
Operating Balance Impact	-	31.500	31.500	31.500	31.500
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>31.500</b>	<b>31.500</b>	<b>31.500</b>	<b>31.500</b>

	<b>\$m - increase/(decrease)</b>				
	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22 &amp; Outyears</b>
<b>Non-Departmental Output Expense:</b>					
National Elective Services	-	31.500	31.500	31.500	31.500
<b>Total Operating</b>	<b>-</b>	<b>31.500</b>	<b>31.500</b>	<b>31.500</b>	<b>31.500</b>

## Initiative No: 10386

**Vote:** Health

**Title:** Expansion of School Based Health Services

**Description:** This funding will provide for the expansion of the school based health services programme to more schools.

### Appropriation changes

	\$m – increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	-	4.253	4.253	4.253	4.253
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>4.253</b>	<b>4.253</b>	<b>4.253</b>	<b>4.253</b>

	\$m – increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
<b>Non-Departmental Output Expense:</b>					
National Child Health Services	-	4.253	4.253	4.253	4.253
<b>Total Operating</b>	-	<b>4.253</b>	<b>4.253</b>	<b>4.253</b>	<b>4.253</b>

## Initiative No: 10383

**Vote:** Health

**Title:** Extending Zero Fees Doctors' Visits to Under 14s

**Description:** This funding will provide free visits to a General Practice, after-hours visits and prescriptions for children under the age of 14 (approximately 56,000 more New Zealanders).

### Appropriation changes

	\$m – increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	-	2.858	4.900	4.900	4.900
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>2.858</b>	<b>4.900</b>	<b>4.900</b>	<b>4.900</b>

	\$m – increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
<b>Non-Departmental Output Expense:</b>					
Primary Health Care Strategy	-	2.858	4.900	4.900	4.900
<b>Total Operating</b>	<b>-</b>	<b>2.858</b>	<b>4.900</b>	<b>4.900</b>	<b>4.900</b>

### Additional recommendation

19 **noted** that funding for ACC costs is included in a corresponding initiative in the Vote Labour Market recommendations (Initiative No: 10627);

## Initiative No: 10387

**Vote:** Health

**Title:** Integrated Therapies Pilot for 18-25 Year Olds

**Description:** This funding will establish a pilot programme to develop integrated therapies for young adults aged 18-25.

### Appropriation changes

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 s
Operating Balance Impact	-	2.020	4.050	4.420	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>2.020</b>	<b>4.050</b>	<b>4.420</b>	-

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22
<b>Departmental Output Expense:</b>					
Managing the Purchase of Services (funded by revenue Crown)	-	0.620	0.420	0.420	-
<b>Non-Departmental Output Expense:</b>					
National Mental Health Services	-	1.400	3.630	4.000	-
<b>Total Operating</b>	-	<b>2.020</b>	<b>4.050</b>	<b>4.420</b>	-

## Initiative No: 10183

**Vote:** Health

**Title:** Meeting Air Ambulance Service Cost Pressures

**Description:** This funding will provide for volume, personnel and price driven cost pressures for the national Air Ambulance Service. These pressures are due to increased demand, supply-side cost pressures resulting from new safety requirements and rising capital costs.

### Appropriation changes

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	-	15.000	15.000	15.000	15.000
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>15.000</b>	<b>15.000</b>	<b>15.000</b>	<b>15.000</b>

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
<b>Departmental Output Expense:</b>					
Managing the Purchase of Services (funded by revenue Crown)	-	0.300	0.300	0.300	0.300
<b>Non-Departmental Output Expense:</b>					
National Emergency Services	-	14.700	14.700	14.700	14.700
<b>Total Operating</b>	<b>-</b>	<b>15.000</b>	<b>15.000</b>	<b>15.000</b>	<b>15.000</b>

### Additional recommendations

- 20 **noted** Cabinet approved a fiscally neutral adjustment of \$15 million in 2018/19 between Vote Health appropriations to ensure funding was available for Air Ambulance Services should this initiative not proceed [CAB-18-MIN-0085];
- 21 **noted** that as this initiative is being progressed through Budget 2018, the earlier fiscally neutral adjustment is no longer required;
- 22 **agreed** to rescind the earlier fiscally neutral adjustment approved in CAB-18-MIN-0085 so the transaction is not reflected in baselines;
- 23 **noted** that funding for ACC is included in the Vote Labour Market recommendations (Initiative 10628);

## Initiative No: 10403

**Vote:** Health

**Title:** National Bowel Screening Programme Implementation Year Two

**Description:** This funding will enable the National Bowel Screening Programme to operate in five more DHB regions (currently the programme operates in five DHB regions). This initiative will fund operating costs for the five additional DHBs (e.g. diagnostic and surveillance colonoscopies) as well as the costs of servicing this additional population for the National Coordination Centre, laboratory testing, and bowel screening regional centres.

### Appropriation changes

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	-	17.391	17.184	15.814	16.696
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>17.391</b>	<b>17.184</b>	<b>15.814</b>	<b>16.696</b>

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
<b>Departmental Output Expense:</b>					
Health Sector Information Systems (funded by revenue Crown)	-	4.000	4.000	2.500	2.500
<b>Non-Departmental Output Expense:</b>					
Public Health Service Purchasing	-	13.391	13.184	13.314	14.196
<b>Total Operating</b>	<b>-</b>	<b>17.391</b>	<b>17.184</b>	<b>15.814</b>	<b>16.696</b>



**Initiative No: 10180**

**Vote:** Health

**Title:** National Maternity Services – Additional Support

**Description:** This funding will provide for the estimated increased cost of primary maternity services, driven by increased births, number of women using primary community maternity services, and increased service delivery costs.

**Appropriation changes**

	<b>\$m - increase/(decrease)</b>				
	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22 &amp; Outyears</b>
Operating Balance Impact	9.000	25.900	25.900	25.900	25.900
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>9.000</b>	<b>25.900</b>	<b>25.900</b>	<b>25.900</b>	<b>25.900</b>

	<b>\$m - increase/(decrease)</b>				
	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22 &amp; Outyears</b>
<b>Non-Departmental Output Expense:</b>					
National Maternity Services	9.000	25.900	25.900	25.900	25.900
<b>Total Operating</b>	<b>9.000</b>	<b>25.900</b>	<b>25.900</b>	<b>25.900</b>	<b>25.900</b>

## Initiative No: 10178

**Vote:** Health

**Title:** Primary Health Care – Additional Support

**Description:** This funding will provide for estimated growth of people enrolled in a Primary Health Organisation, including increased growth in targeted primary care programmes that provide affordable access for low income New Zealanders.

### Appropriation changes

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	-	9.499	9.499	9.499	9.499
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>9.499</b>	<b>9.499</b>	<b>9.499</b>	<b>9.499</b>

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
<b>Non-Departmental Output Expense:</b>					
Primary Health Care Strategy	-	9.499	9.499	9.499	9.499
<b>Total Operating</b>	<b>-</b>	<b>9.499</b>	<b>9.499</b>	<b>9.499</b>	<b>9.499</b>

**Initiative No: 10485**

**Vote:** Health

**Title:** Provision for Additional Deficit Support for District Health Boards

**Description:** This funding will increase the provision for deficit support to District Health Boards (DHBs). Deficit support is provided to DHBs to support their working capital position.

**Appropriation changes**

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	100.000	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>100.000</b>	-	-	-

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
<b>Non-Departmental Capital Expenditure:</b>					
Equity Support for DHB deficits	-	100.000	-	-	-
<b>Total Capital</b>	-	<b>100.000</b>	-	-	-

## Initiative No: 10618

**Vote:** Health

**Title:** Radio Assurance

**Description:** This funding will assure existing radio networks are 'fit for purpose' through a minimum investment in replacement equipment for the Emergency Services Sector. Radio Assurance is a work stream of the Next Generation Critical Communications (NG-CC) Programme for which Police is the lead agency.

### Appropriation changes

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	-	3.740	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>3.740</b>	-	-	-

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
<b>Non-Departmental Output Expense:</b>					
National Emergency Services	-	3.740	-	-	-
<b>Total Operating</b>	-	<b>3.740</b>	-	-	-

### Additional recommendation

24 **noted** that funding for Police is included in Vote Police (Initiative 10216) and funding for Fire and Emergency New Zealand is included in Vote Internal Affairs (Initiative 10637);

**Initiative No: 10430****Vote:** Health**Title:** Reinvesting the Mental Health Social Investment Fund Contingency**Description:** These savings are due to the Cabinet decision to reprioritise unallocated funding from the Mental Health Social Investment Fund as a savings initiative for Budget 2018.

	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	(24.300)	(17.700)	(15.000)	(15.000)	(25.000)
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>(24.300)</b>	<b>(17.700)</b>	<b>(15.000)</b>	<b>(15.000)</b>	<b>(25.000)</b>

**Additional recommendations**

- 25 **noted** that Cabinet agreed that the remainder of the Mental Health Social Investment Fund contingency will be accessed as part of the Budget package on an annual and ongoing basis [SWC-18-MIN-0007];
- 26 **agreed** that following approval of this initiative, the Mental Health Social Investment Fund contingency is disestablished;

## Initiative No: 10424

**Vote:** Health

**Title:** Savings in the PHARMAC Combined Pharmaceutical Budget

**Description:** These savings are a result of the Pharmaceutical Management Agency (PHARMAC) taking greater responsibility for purchasing hospital medicines including adding them to its Combined Pharmaceutical Budget (previously District Health Boards were responsible for this budget line). PHARMAC will use its purchasing power to deliver savings from within the Combined Pharmaceutical Budget without compromising patient care.

### Appropriation changes

	\$m – increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	-	(29.300)	(34.800)	(65.300)	(65.300)
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>(29.300)</b>	<b>(34.800)</b>	<b>(65.300)</b>	<b>(65.300)</b>

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
<b>Non-Departmental Output Expenses:</b>					
Health and Disability Support Services - Auckland DHB	-	(2.796)	(3.320)	(6.230)	(6.230)
Health and Disability Support Services - Bay of Plenty DHB	-	(1.646)	(1.955)	(3.668)	(3.668)
Health and Disability Support Services - Canterbury DHB	-	(3.167)	(3.762)	(7.059)	(7.059)
Health and Disability Support Services - Capital and Coast DHB	-	(1.669)	(1.982)	(3.718)	(3.718)
Health and Disability Support Services - Counties-Manukau DHB	-	(3.206)	(3.808)	(7.146)	(7.146)
Health and Disability Support Services - Hawkes Bay DHB	-	(1.128)	(1.340)	(2.515)	(2.515)
Health and Disability Support Services - Hutt DHB	-	(0.874)	(1.038)	(1.948)	(1.948)
Health and Disability Support Services - Lakes DHB	-	(0.740)	(0.879)	(1.650)	(1.650)
Health and Disability Support Services - MidCentral DHB	-	(1.173)	(1.393)	(2.614)	(2.614)

## Initiative No: 10424

Health and Disability Support Services - Nelson-Marlborough DHB	-	(0.996)	(1.183)	(2.220)	(2.220)
Health and Disability Support Services - Northland DHB	-	(1.360)	(1.615)	(3.030)	(3.030)
Health and Disability Support Services - South Canterbury DHB	-	(0.412)	(0.490)	(0.919)	(0.919)
Health and Disability Support Services - Southern DHB	-	(1.977)	(2.348)	(4.406)	(4.406)
Health and Disability Support Services - Tairāwhiti DHB	-	(0.375)	(0.445)	(0.835)	(0.835)
Health and Disability Support Services - Taranaki DHB	-	(0.770)	(0.914)	(1.715)	(1.715)
Health and Disability Support Services - Waikato DHB	-	(2.637)	(3.132)	(5.877)	(5.877)
Health and Disability Support Services - Wairarapa DHB	-	(0.317)	(0.377)	(0.707)	(0.707)
Health and Disability Support Services - Waitemata DHB	-	(3.319)	(3.942)	(7.398)	(7.398)
Health and Disability Support Services - West Coast DHB	-	(0.256)	(0.305)	(0.571)	(0.571)
Health and Disability Support Services - Whanganui DHB	-	(0.482)	(0.572)	(1.074)	(1.074)
<b>Total Operating</b>	-	<b>(29.300)</b>	<b>(34.800)</b>	<b>(65.300)</b>	<b>(65.300)</b>

**Additional recommendation**

27 **agreed** that any technical adjustment to final District Health Board allocations will be reflected in the 2018/19 Vote Health Estimates of Appropriations;

## Initiative No: 10377

- Vote:** Health
- Title:** Very Low Cost General Practitioner Visits for Community Services Card Holders
- Description:** This funding will reduce General Practitioner fees for an estimated 540,000 low income New Zealanders by:
- giving all Community Services Card holders access to the same low fees as Very Low Cost Access practices charge, and
  - extending the Community Services Card to all Housing New Zealand tenants and New Zealanders who receive an accommodation supplement or income-related rent subsidy.

## Appropriation changes

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	2.000	59.008	100.000	100.000	100.000
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>2.000</b>	<b>59.008</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
<b>Departmental Output Expense:</b>					
Managing the Purchase of Services (funded by revenue Crown)	1.500	0.400	-	-	-
<b>Non-Departmental Output Expense:</b>					
Primary Health Care Strategy	0.500	58.608	100.000	100.000	100.000
<b>Total Operating</b>	<b>2.000</b>	<b>59.008</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>

## Additional recommendation

- 28 **noted** that funding for the Ministry of Social Development implementation costs (Initiative 10653) and savings generated by this initiative (Initiative 10647) are included in Vote Social Development.