

# The Treasury

## Budget 2020 Information Release

July 2020

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### Cabinet Document Details

Title: **Cabinet Minute CAB-20-MIN-0153.07: 2020 Budget Technical Financial Recommendations: Vote Finance**

Date: **6 April 2020**

Creator: Cabinet Office

### Information Withheld

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act).

Where this is the case, the relevant sections of the Act that would apply have been identified.

Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to sections of the Act under which information may have been withheld:

- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
- [2] 6(b)(i) - 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
- [4] 6(c) - to avoid prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
- [11] 6(e)(vi) - to prevent serious damage to 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
- [23] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [25] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [26] 9(2)(ba)(i) - 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 to prejudice 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
- [27] 9(2)(ba)(ii) - 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

- [29] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [31] 9(2)(f)(ii) - to maintain the current constitutional conventions protecting collective and individual ministerial responsibility
- [33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [36] 9(2)(h) - to maintain legal professional privilege
- [37] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [39] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [40] not in scope
- [41] 18(c)(i) - that the making available of the information requested would be contrary to the provisions of a specified enactment
- [42] 18(d) - information is already publicly available or will be publicly available soon.

Where information has been withheld, a numbered reference to the applicable section of the Act has been made, as listed above. For example, a [23] appearing where information has been withheld in a release document refers to section 9(2)(a).

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# Cabinet

## 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.*

### 2020 Budget Technical Financial Recommendations: Vote Finance

On 6 April 2020, Cabinet:

- 1 **approved** the Budget initiative for the above Vote for inclusion in the 2020 Budget package, as listed in the summary below and detailed in the attached initiative document;

#### Summary of initiative included in the attached initiative document:

##### Capital Initiative (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)					
		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
12415	Venture Capital Fund	39.500	80.000	80.000	40.000	20.000	-
<b>Total Capital</b>		<b>39.500</b>	<b>80.000</b>	<b>80.000</b>	<b>40.000</b>	<b>20.000</b>	<b>-</b>

- 2 **agreed** to establish a new appropriation where required to implement this initiative, as described in the attached initiative document;
- 3 **approved** the change to appropriation to implement the initiative, as set out in the attached initiative document;
- 4 **approved** the additional recommendations to give effect to the initiative, as set out in the attached initiative document;
- 5 **noted** that there is a decrease in Vote Business, Science and Innovation [initiative 12393] corresponding to the increases in initiative 12415;
- 6 **agreed** that the change to appropriations for 2019/20 above be included in the 2019/20 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;
- 7 **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 2019/20 Supplementary Estimates, the 2020/21 Estimates and the fiscal forecasts;

- 8 **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;
- 9 **noted** that all communications relating to the 2020 Budget are co-ordinated by a Budget communications committee, and that any requests for early announcement must have the written approval of the Minister of Finance and the Office of the Prime Minister.

Michael Webster  
Secretary of the Cabinet

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## Initiative No: 12415

**Vote:** Finance

**Title:** Venture Capital Fund

**Description:** This funding is intended to deepen early stage capital markets and address the venture capital gap experienced by New Zealand firms.

### New appropriation approval

Name	Period	Type	Category Name	Scope
Venture Capital Fund	Multi-Year Appropriation Start: 1/05/2020 Finish: 30/04/2024 Amount (\$m): 259.500	Non-Departmental Capital Expenditure	N/A	This appropriation is limited to the provision of capital to support the development of markets for early stage equity finance and venture capital.

### Appropriation changes

	\$m - increase/(decrease)					
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	-	-	-	-	-
Debt Impact	39.500	80.000	80.000	40.000	20.000	-
No Impact	-	-	-	-	-	-
<b>Total</b>	<b>39.500</b>	<b>80.000</b>	<b>80.000</b>	<b>40.000</b>	<b>20.000</b>	<b>-</b>

	\$m - increase/(decrease)					
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
<b>Non-Departmental Capital Expenditure:</b>						
Venture Capital Fund (MYA)	39.500	80.000	80.000	40.000	20.000	-
<b>Total Capital</b>	<b>39.500</b>	<b>80.000</b>	<b>80.000</b>	<b>40.000</b>	<b>20.000</b>	<b>-</b>

### Additional recommendations

- 10 **noted** that there is an associated decrease in baseline funding for Early Stage Capital Market Development in Vote Business, Science and Innovation of \$245.820 million [initiative 12393];
- 11 **noted** that the New Zealand Venture Investment Fund has stated its intention to declare and pay a dividend to the Crown of \$13.680 million in 2019/20;
- 12 **noted** that as a result of the reduction in Vote Business, Science and Innovation baseline funding and dividend payment from the New Zealand Venture Investment Fund, the overall impact on net core Crown debt of this initiative is fiscally neutral;

- 13 **agreed** that the multi-year appropriation "Venture Capital Fund" is established at \$259.500 million;
- 14 **noted** that amounts shown in the appropriation changes table for the multi-year appropriation "Venture Capital Fund" are the indicative annual spending profile.