

# The Treasury

## Budget 2020 Information Release

### August 2020

This document has been proactively released by the Treasury on the Treasury website at

<https://treasury.govt.nz/publications/information-release/budget-2020-information-release>

#### 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).

## **Copyright and Licensing**

Cabinet material and advice to Ministers from the Treasury and other public service departments are © **Crown copyright** but are licensed for re-use under **Creative Commons Attribution 4.0 International (CC BY 4.0)** [<https://creativecommons.org/licenses/by/4.0/>].

For material created by other parties, copyright is held by them and they must be consulted on the licensing terms that they apply to their material.

## **Accessibility**

The Treasury can provide an alternate HTML version of this material if requested. Please cite this document's title or PDF file name when you email a request to [information@treasury.govt.nz](mailto:information@treasury.govt.nz).

## Treasury Report: Lodging of CRRF Round Two Cabinet Paper and Approval of Two Multi-category Appropriations

<b>Date:</b>	3 July 2020	<b>Report No:</b>	T2020/2240
		<b>File Number:</b>	BM-2-4-2020-14

### Action sought

	Action sought	Deadline
Minister of Finance (Hon Grant Robertson)	<p><b>Agree</b> to lodge the Cabinet paper “COVID-19 Response and Recovery Fund (CRRF) July Package” for the Cabinet meeting of 6 July 2020</p> <p><b>Approve</b> the establishment of two new multi-category appropriations as described in the recommended actions</p> <p><b>Agree</b> that the categories of these multi-category appropriations should be defined as described in the recommended actions</p>	Prior to Cabinet meeting of Monday 6 July 2020

### Contact for telephone discussion (if required)

Name	Position	Telephone	1st Contact
Alex Rodgers	Senior Analyst, CRRF Project Team	[39]	N/A (mob) ✓
Daniel Lawrey	Project Lead, CRRF Project Team	[23]	

### Minister's Office actions (if required)

**Return** the signed report to Treasury.

Note any feedback on the quality of the report

**Enclosure:** COVID-19 Response and Recovery Fund (CRRF) July Package (attached)

# Treasury Report: Lodging of CRRF Round Two Cabinet Paper and Approval of Two Multi-category Appropriations

---

## Purpose of Report

---

1. This report notes the submission of the COVID-19 Response and Recovery Fund (CRRF) Round Two Cabinet paper and seeks the Minister of Finance's approval to create two new multi-category appropriations (MCAs) for initiatives proposed in that paper.

## Lodging of CRRF Round Two Cabinet Paper

---

2. Please find attached the Cabinet paper "COVID-19 Response and Recovery Fund (CRRF) July Package".
3. This Cabinet paper recommends allocating \$3.2 billion from the CRRF to a number of initiatives from the CRRF, including 2024/25 outyear funding implications of \$50.095 million operating and \$0.900 million capital. The specific recommendations have been developed to present your proposed package.
4. Please note that, in this Cabinet paper, recommendations are expressed from financial year 2019/20 through to 2023/24, even though the Cabinet paper was completed in July 2020. This presentation is because the financial recommendations were generated during the 2019/20 financial year. It also ensures consistency with the forecast period that will be covered in the fiscal forecasts prepared by the Treasury for the PREFU.
5. On Tuesday 30 June 2020, you discussed the National Land Transport Fund (NLTF) initiative and directed Treasury to present financial recommendations totalling \$600 million. Treasury have worked with the New Zealand Transport Authority and the financial recommendations in this paper propose a division of \$500 million in operating and \$100 million in capital.
6. Treasury recommends that you lodge this Cabinet paper for the CAB meeting of Monday 6 July 2020.

## Approval of Two Multi-category Appropriations

---

7. Two of the initiatives proposed in the Cabinet paper require the creation of multi-category appropriations (MCAs). These are:
  - Supporting the NLTF revenue shortfall and meeting COVID costs; and
  - Resource Recovery Infrastructure.
8. Under section 7B of the Public Finance Act 1989, the creation of MCAs requires the Minister of Finance's approval.

9. We recommend that you approve the establishment of the following two new annual MCAs:

<b>Vote</b>	<b>Appropriation Minister</b>	<b>Administering department</b>	<b>Title of MCA</b>	<b>Single overarching purpose of MCA</b>
Transport	Minister of Transport	Ministry of Transport	COVID-19 – NLTF Funding for Cost Pressures and Revenue Shocks	The single overarching purpose of this appropriation is to support Waka Kotahi NZ Transport Agency to manage cost pressures and revenue shocks due to the impact of COVID-19 on the National Land Transport Programme.
Environment	Minister for the Environment	Ministry for the Environment	Waste and Resource Recovery	The single overarching purpose of this appropriation is to build a resilient system for reducing, recycling and managing New Zealand's waste responsibly.

10. We recommend that you agree that the categories of the “COVID-19 – NLTF Funding for Cost Pressures and Revenue Shocks” MCA be as follows:

<b>Title</b>	<b>Type</b>	<b>Scope</b>
COVID-19 – NLTF Operating Cost Pressure and Revenue Shortfall Funding	Non-Departmental Output Expenses	This category is limited to providing operating funding to Waka Kotahi NZ Transport Agency to meet additional public transport costs, cost of settling claims, and revenue shocks relating to the National Land Transport Programme due to the impacts of COVID-19.
COVID-19 – NLTF Capital Cost Pressure Funding	Non-Departmental Capital Expenditure	This category is limited to providing capital funding to Waka Kotahi NZ Transport Agency to meet increased capital costs of settling claims relating to the National Land Transport Programme due to the impacts of COVID-19.
Equity Injection to Waka Kotahi NZ Transport Agency	Non-Departmental Capital Expenditure	This category is limited to providing an equity injection to Waka Kotahi NZ Transport Agency to reimburse it for the cost of settling claims in 2019/20 relating to the National Land Transport Programme due to the impacts of COVID-19.

11. We recommend that you agree that the categories of the “Waste and Resource Recovery” MCA be as follows:

Title	Type	Scope
Waste Minimisation and Resource Recovery Initiatives	Non-Departmental Output Expenses	This category is limited to supporting research and development, innovation and commercialisation opportunities, information and education, regulatory activities (including compliance, monitoring and enforcement), data, evidence and evaluation and resource recovery infrastructure to improve New Zealand’s capacity to recycle and recover materials.
Fair value write-down of loans	Non-Departmental Other Expenses	This category is limited to the fair value write-down of loans to local authorities and others to develop the infrastructure needed to improve New Zealand’s capacity to recycle and recover materials.
Waste and Resource Recovery Infrastructure	Non-Departmental Capital Expenditure	This category is limited to loans to local authorities and others to develop the infrastructure needed to improve New Zealand’s capacity to recycle and recover materials.

## Recommended Action

We recommend that you:

- a **agree** to lodge the Cabinet paper “COVID-19 Response and Recovery Fund (CRRF) July Package” for the Cabinet meeting of 6 July 2020;

*Agree/disagree*

- b **approve** the establishment of the following new multi-category appropriations:

Vote	Appropriation Minister	Administering department	Title of MCA	Single overarching purpose of MCA
Transport	Minister of Transport	Ministry of Transport	COVID-19 – NLTF Funding for Cost Pressures and Revenue Shocks	The single overarching purpose of this appropriation is to support Waka Kotahi NZ Transport Agency to manage cost pressures and revenue shocks due to the impact of COVID-19 on the National Land Transport Programme.
Environment	Minister for the Environment	Ministry for the Environment	Waste and Resource Recovery	The single overarching purpose of this appropriation is to build a resilient system for reducing, recycling and managing New Zealand's waste responsibly.

*Approve/not approve*

- c **agree** that the categories of the “COVID-19 – NLTF Funding for Cost Pressures and Revenue Shocks” MCA be as follows:

Title	Type	Scope
COVID-19 – NLTF Operating Cost Pressure and Revenue Shortfall Funding	Non-Departmental Output Expenses	This category is limited to providing operating funding to Waka Kotahi NZ Transport Agency to meet additional public transport costs, cost of settling claims, and revenue shocks relating to the National Land Transport Programme due to the impacts of COVID-19.
COVID-19 – NLTF Capital Cost Pressure Funding	Non-Departmental Capital Expenditure	This category is limited to providing capital funding to Waka Kotahi NZ Transport Agency to meet increased capital costs of settling claims relating to the National Land Transport Programme due to the impacts of COVID-19.
Equity Injection to Waka Kotahi NZ Transport Agency	Non-Departmental Capital Expenditure	This category is limited to providing an equity injection to Waka Kotahi NZ Transport Agency to reimburse it for the cost of settling claims in 2019/20 relating to the National Land Transport Programme due to the impacts of COVID-19.

*Agree/disagree*

d **agree** that the categories of the “Waste and Resource Recovery” MCA be as follows:

<b>Title</b>	<b>Type</b>	<b>Scope</b>
Waste Minimisation and Resource Recovery Initiatives	Non-Departmental Output Expenses	This category is limited to supporting research and development, innovation and commercialisation opportunities, information and education, regulatory activities (including compliance, monitoring and enforcement), data, evidence and evaluation and resource recovery infrastructure to improve New Zealand’s capacity to recycle and recover materials.
Fair value write-down of loans	Non-Departmental Other Expenses	This category is limited to the fair value write-down of loans to local authorities and others to develop the infrastructure needed to improve New Zealand’s capacity to recycle and recover materials.
Waste and Resource Recovery Infrastructure	Non-Departmental Capital Expenditure	This category is limited to loans to local authorities and others to develop the infrastructure needed to improve New Zealand’s capacity to recycle and recover materials.

*Agree/disagree*

Daniel Lawrey  
**Project Lead, CRRF Team**

Hon Grant Robertson  
**Minister of Finance**