

The Treasury

Budget 2021 Information Release

August 2021

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Cabinet Document Details

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Cabinet

Minute of Decision

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2021 Budget Technical Financial Recommendations: Vote Health

On 6 April 2021, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2021 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)				
		2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
13431	Enhancing the Electronic Travel Authority System to Improve Border Controls and COVID-19 Contract Tracing	(0.577)	-	-	-	-
13430	Expediting District Health Boards Holidays Act Remediation	-	-	-	-	-
13477	Rephasing of COVID-19 Immunisation Programme funding	5.000	(5.000)	-	-	-
13432	Responding to COVID-19 by Maintaining Inventories of Personal Protective Equipment	-	-	-	-	-
Total Operating		4.423	(5.000)	-	-	-

- 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 changes to appropriations for 2020/21 above be included in the 2020/21 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 2020/21 Supplementary Estimates, the 2021/22 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 2021 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;

Michael Webster
Secretary of the Cabinet

Secretary's Note: This minute has been revised to correct an error in the financial table on page 5 carried over from the financial recommendations.

Initiative No: 13431

Vote: Health

Title: Enhancing the Electronic Travel Authority System to Improve Border Controls and COVID-19 Contract Tracing

Description: COVID-19 funding is being transferred from Vote Health to Vote Business, Science and Innovation to enhance the Electronic Travel Authority (ETA) System which will allow for additional data on arrivals at the border to help with contract tracing.

Appropriation changes

	\$m – increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	(0.577)	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(0.577)	-	-	-	-

	\$m – increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Multi-Category Expenses and Capital Expenditure:					
National Response to COVID-19 Across the Health Sector (MCA)					
<i>Non-Departmental Output Expenses:</i>					
COVID-19 Public Health Response	(0.577)	-	-	-	-
Total Operating	(0.577)	-	-	-	-

Additional recommendation

8 **noted** that this is a fiscally neutral transfer to Vote Business, Science and Innovation (Initiative 13456);

Vote: Health

Title: Expediting District Health Boards Holidays Act Remediation

Description: A memorandum of understanding has been entered into between District Health Boards (DHBs), NZ Blood Service, the NZ Council of Trade Unions, health unions, and the Labour Inspectorate to establish a national process for DHBs to identify and rectify historic Holidays Act 2003 non-compliance. A drawdown of a tagged contingency is required to fund the national programme management function which will support the successful delivery of the DHBs Holidays Act review, rectification and remediation.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Departmental Output Expenses:					
Managing the Purchase of Services (funded by revenue Crown)	0.344	3.784	2.753	-	-
Total Operating	0.344	3.784	2.753	-	-

Additional recommendations

- 9 **noted** that in November 2020 the Minister of Finance and the Minister of Health agreed to reduce the Health Services Funding appropriation by \$6.881 million in 2020/21 and to set it aside in a tagged contingency for DHB Holidays Act remediation;
- 10 **agreed** to draw down the full amount of this tagged contingency;
- 11 **noted** that the \$6.881 million reduction in the Health Services Funding appropriation and the above increase in appropriation is fiscally neutral over the forecast period.

Vote: Health

Title: Rephasing of COVID-19 Immunisation Programme funding

Description: This initiative rephases previously appropriated funding for the COVID-19 Immunisation Programme so sufficient funding is available to deliver the programme in 2020/21.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	5.000	(5.000)	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	5.000	(5.000)	-	-	-

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Implementing the COVID-19 Vaccine Strategy (MCA)					
<i>Departmental Output Expenses:</i>					
Supporting the implementation of the COVID-19 Vaccine Strategy (funded by revenue Crown)	5.000	(5.000)	-	-	-
Total Operating	5.000	(5.000)	-	-	-

Vote: Health

Title: Responding to COVID-19 by Maintaining Inventories of Personal Protective Equipment

Description: This initiative ensures adequate inventories of personal protective equipment (PPE) are maintained by appropriating a refund that was received in respect of supplies that were found to be faulty.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	0.650	-	-	-	-
Total	0.650	-	-	-	-

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Multi-Category Expenses and Capital Expenditure:					
National Response to COVID-19 Across the Health Sector (MCA)					
<i>Non-Departmental Output Expenses:</i>					
COVID-19 Public Health Response	0.650	-	-	-	-
Total Operating	0.650	-	-	-	-

Additional recommendation

1 **noted** the refund will be recognised as non-tax revenue so this initiative is fiscally neutral.