



COVERSHEET

Minister	Hon Dr David Clark	Portfolio	Digital Economy and Communications
Title of Cabinet paper	Broadband Investment Appropriations: Operational Adjustment	Date to be published	17 January 2023

List of documents that have been proactively released		
Date	Title	Author
September 2022	Broadband Investment Appropriations: Operational Adjustment	Minister for the Digital Economy and Communications
29 September 2022	Broadband Investment Appropriations: Operational Adjustments GOV-22-MIN-0035 Minute	Cabinet Office

Information redacted

YES

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for the reason of Confidential advice to Government.



Cabinet Government Administration and Expenditure Review Committee

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.

Broadband Investment Appropriations: Operational Adjustments

Portfolio **Digital Economy and Communications**

On 29 September 2022, the Cabinet Government Administration and Expenditure Review Committee:

- 1 **noted** that since March 2021, the Minister for the Digital Economy and Communications (the Minister) is the appropriation Minister for *Infrastructure: Broadband Investment and Infrastructure: Regional Connectivity Improvements* in the Business Innovation and Employment Vote;
- 2 **noted** that two multi-year appropriations, *Infrastructure: Broadband Investment and Infrastructure: Regional Connectivity Improvements*, have incurred inadvertent unappropriated expenditure for the 2021/22 financial year of \$77.5 million and \$32.992 million respectively due to changes approved by the Minister of Finance in the 2021 March Baseline update process not being incorporated in the Appropriation (2020/21 Supplementary Estimates) Act;
- 3

Confidential advice to the Government
- 4 **noted** that to avoid exacerbating the amount of unappropriated expenditure, \$10 million of unspent funding was returned to the Crown as underspend from *the Infrastructure: Broadband Investment* appropriation;
- 5 **noted** that:
 - 5.1 in 2018, the Cabinet Economic Development Committee agreed to fund the Milford fibre link [DEV-18-MIN-0235];
 - 5.2 on 20 June 2021, the Crown entered into a Subscription Agreement with Crown Infrastructure Partners for 10,000,000 shares to fund the project;
- 6 **noted** that Crown Infrastructure Partners have made a \$10 million capital call for funding to meet its financial obligations in relation to the Milford Fibre Link project, and that this amount is currently outstanding;

7 **agreed** to establish the following new annual appropriation for Connectivity Infrastructure Investments, to fund the capital call from Crown Infrastructure partners:

Vote	Appropriation Minister	Title	Type	Scope
Business, Science and Innovation	Minister for the Digital Economy and Communications	Connectivity Infrastructure Investment	Non-Departmental Capital Expenditure	This appropriation is limited to on-going investment funding for Crown Infrastructure Partners to implement the government's broadband investment commitments.

8 **approved** the following change to appropriations and non-departmental capital injection to give effect to the policy decisions and to meet the Crown's financial obligations as set out in paragraphs 5 and 6 above, with a corresponding impact on net core Crown debt:

Vote Business, Science and Innovation	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Minister for the Digital Economy and Communications Non-departmental Capital Expenditure: Connectivity Infrastructure Investment	10.000	-	-	-	-

9 **agreed** that the above change to appropriations for 2022/23 above be included in Supplementary Estimates for 2022/23 and that, in the interim, the increase be met from Imprest Supply;

10

Confidential advice to the Government

11 **noted** that the capital expenditure incurred under paragraph 8 in the 2022/23 financial year is equivalent to the residual amount of funding which had previously been forecast to be spent in 2021/22, but which was ultimately returned unspent to the centre when officials became aware that the *Infrastructure: Broadband Investment MYA* had expired earlier than intended.

Vivien Meek

Committee Secretary

Attendance (see over)

Present:

Hon Grant Robertson (Chair)

Hon David Parker

Hon Peeni Henare

Hon Michael Wood

Hon Dr David Clark

Officials present from:

Office of the Prime Minister

Officials Committee for GOV