

The Treasury

Budget 2013 Information Release

Release Document

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Key to sections of the Official Information Act 1982 under which information has been withheld.

Certain information in this document has been withheld under one or more of the following sections of the Official Information Act, as applicable:

- [1] 6(a) - to prevent prejudice to the security or defence of New Zealand or the international relations of the government
- [2] 6(c) - to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
- [3] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [4] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [5] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [6] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [7] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [8] 9(2)(h) - to maintain legal professional privilege
- [9] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [10] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [11] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [12] Not in scope
- [13] 7(b) - to prevent prejudice to relations between any of the Governments of New Zealand, the Cook Islands or Niue
- [14] 9(2)(ba)(i) - to prevent prejudice to 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.

Where information has been withheld, a numbered reference to the applicable section of the Official Information Act has been made, as listed above. For example, an [4] appearing where information has been withheld in a release document refers to section 9(2)(b)(ii).

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.

Reference: T2013/752

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THE TREASURY

Kaitohutohu Kaupapa Rawa

Date: 5 April 2013

To: Minister of Finance
(Hon Bill English)

Deadline: 10 April 2013

Aide Memoire: Briefing on Welfare Reform Phase Two - Funding Flexibility and Accountability Cabinet Paper

This note provides you with a briefing on the resubmitted Welfare Reform Phase Two – Funding Flexibility and Accountability late paper to be discussed at the Cabinet Social Policy Committee (SOC) on 10 April 2013.

[12]

The paper also reports back on the final costs of welfare reform phase two for 2013/14 and outyears. We **support** the recommendations in this paper.

[12]

[12]

Report back on costs

Final costs of welfare reform have been reduced by \$16.109 million from \$199.072 million to \$182.963 million over the four-year period. This has been driven by a reduction in the Investment Approach evaluation costs and health and disability assessment costs. There has been a small increase in policy change costs of \$0.556 million which includes the net cost to MSD of reimbursing employers for failed drug tests under the pre-employment drug testing policy [T2013/734 refers].

No further funding is sought by MSD in Budget 2013 for external contracting, employment services, flow-on costs for ECE or information-sharing from the warrants to arrest policy. After offsetting savings, the net costs of welfare reform phase two are now \$170.172 million over the four-year period from 2013/14. Costs are being sought from the Budget 2013 welfare package.

[6]

Fiona Carter-Giddings, Team Leader, Labour Market & Welfare, [3]

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