

The Treasury

Budget 2015 Information Release

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- [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] 6(e)(iv) - to damage seriously 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.
- [4] 9(2)(a) - to protect the privacy of natural persons, including deceased people
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- [6] 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.
- [6a] 9(2)(ba)(ii) - to protect information, where the making available of the information would be likely otherwise to damage the public interest
- [7] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [8] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [8a] 9(2)(f)(ii) - to maintain the current constitutional conventions protecting the collective and individual ministerial responsibility
- [9] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [10] 9(2)(h) - to maintain legal professional privilege
- [11] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [12] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [13] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [14] Not in scope

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, a [4] appearing where information has been withheld in a release document refers to section 9(2)(a).

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

POLICY AND STRATEGY

Policy report: Cabinet paper - KiwiSaver Budget Measures Bill

Date:	6 May 2015	Priority:	High
Security level:	Budget Sensitive	Report no:	IR2015/237

Action sought

	Action sought	Deadline
Minister of Revenue	Sign and refer the attached submission to the Cabinet Office	10am, Thursday 7 May 2015

Contact for telephone discussion (if required)

Name	Position	Telephone	
Chris Gillion	Policy Manager	04 890 6056 (wk)	[4]
Charles Ngaki	Senior Policy Advisor	04 890 6037 (wk)	

6 May 2015

Minister of Revenue

Cabinet paper – KiwiSaver Budget Measures Bill

Executive summary

This report attaches a draft cabinet paper and a draft disclosure statement for your consideration and signature. The paper seeks approval for the KiwiSaver Budget Measures Bill to be introduced, and taken through all stages, under urgency, on Budget day. It is proposed that the attached cabinet paper, with the accompanying draft disclosure statement be considered by the Cabinet Business Committee at its meeting on 6 May 2015.

The bill will implement the removal of the KiwiSaver kick-start contribution paid to all new KiwiSaver members with effect from an announcement of the bill on 21 May 2015. The bill is necessary to amend the KiwiSaver Act 2006.

Draft disclosure statement

A draft disclosure statement accompanies the cabinet paper in accordance with the latest Cabinet administrative guidelines. This draft disclosure statement is referred to the Cabinet Business Committee along with the cabinet paper. The disclosure statement is finalised by Inland Revenue with the Parliamentary Counsel Office three days before the introduction of the bill.

New Zealand Bill of Rights Act 1990

The provisions in the proposed bill are consistent with freedoms affirmed by the New Zealand Bill of Rights Act 1990.

Conclusion

Please advise if there are any changes to the cabinet paper that you wish to make. The paper is required in the Cabinet Office by 10am, Thursday 7 May 2015.

Consultation with the Treasury

The Treasury was consulted on this report and the cabinet paper and agrees with the proposals as set out.

Recommended action

We recommend that you:

- a) **Note** the contents of this report and cabinet paper.

Noted

- b) **Sign** and **refer** the attached cabinet paper to the Cabinet Office by 10am, Thursday 7 May 2015.

Signed and referred

Chris Gillion
Policy Manager
Policy and Strategy

Hon Todd McClay
Minister of Revenue

Office of the Minister of Revenue

Cabinet Business Committee

KiwiSaver Budget Measures Bill

Proposal

1. The KiwiSaver Budget Measures Bill (the bill) amends the KiwiSaver Act 2006.
2. A category 2 priority (must be introduced and pass all stages on Budget day) is proposed for this bill.

Policy

3. The bill will implement the removal of the KiwiSaver kick-start contribution paid to all new KiwiSaver members with effect from an announcement of the bill on 21 May 2015. The bill is necessary to amend the KiwiSaver Act 2006.
4. The policy has been previously approved by Cabinet on 20 April 2015. Cabinet also agreed to delegate to relevant Ministers the joint authority to make decisions on the detailed implementation of the policy. (CAB (15) 12/2 (17) refers).

Regulatory impact analysis

5. A Regulatory Impact Statement (RIS) was prepared but not submitted to Cabinet on 20 April 2015. It is being submitted for consideration as part of this paper.
6. The Regulatory Impact Analysis Team (RIAT) has reviewed the RIS prepared by Treasury and associated supporting material, and considers that the information and analysis summarised in the RIS partially meets the quality assurance criteria.
7. The proposal has not in itself been subject to consultation for Budget reasons. However, analysis in the RIS is informed by an extensive evaluation programme. Potential fiscal impacts of the proposed options are clearly set out and appear well-founded, but problems with the way the purpose of KiwiSaver was defined in the first place prevent useful analysis or measurement of its effectiveness in achieving that purpose, and hence analysis of the likely impacts of the proposals in this regard.

Compliance

8. The bill will comply with:

- a. the principles of the Treaty of Waitangi;
- b. rights and freedoms contained in the New Zealand Bill of Rights Act 1990, and the Human Rights Act 1993;
- c. disclosure statement requirements;
- d. principles and guidelines set out in the Privacy Act 1993;(if bill raises privacy issues, indicate whether the Privacy Commissioner agrees that it complies with all relevant principles);
- e. relevant international standards and obligations; and
- f. LAC Guidelines: *Guidelines on Process and Content*.

Consultation

9. There was no consultation on this paper because of budget sensitivity and time constraints. The Cabinet paper that sought approval of the policy involved consultation with the Treasury, the Department of Prime Minister and Cabinet, and the Ministry of Business, Innovation and Employment.

Binding on the Crown

10. The KiwiSaver Act 2006 is binding on the Crown.

Creating new agencies or amending law relating to existing agencies

11. The legislation will not create a new agency.

12. The legislation will not amend the existing coverage of the Ombudsman Act 1975, the Official Information Act 1982, or the Local Government Official Information and Meetings Act 1987.

Allocation of decision-making powers

13. The draft legislation does not involve the allocation of decision-making powers between the executive, the courts, and tribunals.

Associated regulations

14. No regulations are required to bring the proposed bill into operation.

Other instruments

15. No provision of the bill empowers the making of deemed regulations.

Definition of Minister/department

16. The bill does not contain a definition of Minister, department, or chief executive.

Commencement of legislation

17. Each provision of the bill comes into force on the date specified in the bill for that provision.

Parliamentary stages

18. The bill should be introduced and passed through all stages under urgency on Budget day.

Recommendations

19. The Minister of Revenue recommends that the Committee:

1. **note** that category 2 priority (must be introduced and pass all stages on Budget day) is proposed for this bill.
2. **note** that the bill makes substantive, minor remedial, and technical amendments to the KiwiSaver Act 2006.
3. **approve** for introduction the KiwiSaver Budget Measures Bill.
4. **agree** that the Minister of Revenue be authorised to make minor changes to the bill before its release.
5. **agree** that the bill be introduced and pass through all stages under urgency on Budget day (21 May 2015).

Hon Todd McClay
Minister of Revenue

____ / ____ / ____
Date