

The Treasury

Budget 2017 Information Release

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[1]	to prevent prejudice to the security or defence of New Zealand or the international relations of the government	6(a)
[4]	to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial	6(c)
[11]	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.	6(e)(vi)
[23]	to protect the privacy of natural persons, including deceased people	9(2)(a)
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[26]	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	9(2)(ba)(i)
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[29]	to avoid prejudice to the substantial economic interests of New Zealand	9(2)(d)
[31]	to maintain the current constitutional conventions protecting collective and individual ministerial responsibility	9(2)(f)(ii)
[33]	to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials	9(2)(f)(iv)
[34]	to maintain the effective conduct of public affairs through the free and frank expression of opinions	9(2)(g)(i)
[36]	to maintain legal professional privilege	9(2)(h)
[37]	to enable the Crown to carry out commercial activities without disadvantages or prejudice	9(2)(i)
[38]	to enable the Crown to negotiate without disadvantage or prejudice	9(2)(j)
[39]	to prevent the disclosure of official information for improper gain or improper advantage	9(2)(k)
[40]	Not in scope	

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) and section 18 of the Official Information Act.

Reference: T2017/568 SH-15-1

Date: 10 March 2017

To: Minister of Finance (Hon Steven Joyce)

Deadline: 13 March 2017

Aide Memoire: Letter from Minister of Internal Affairs ahead of Investment Ministers Meeting

On 9 March you received a letter from the Hon Minister Dunne, providing his advice regarding Vote Internal Affairs Budget 2017 initiatives that were considered by the Investment Panel. This is in advance of these initiatives being reviewed at the Investment Ministers meeting on 13 March, which Minister Dunne is unable to attend.

Below is the vote team's preliminary assessments of these initiatives. We will be available to discuss these assessments at the meeting on Monday.

Digital Identity – Transition to a Digital Identity Marketplace and Maintaining RealMe Services

		Funding to transition to a marketplace solution				
		2016/17	2017/18	2018/19	2019/20	2020/21 & outyears
Funding sought	Operating	[33]				
Preliminary vote team assessment	Operating					

		Funding for RealMe				
		2016/17	2017/18	2018/19	2019/20	2020/21 & outyears
Funding sought	Operating	[33]				
	Capital					
Preliminary vote team assessment	Operating					
	Capital					

The bid seeks funding for two things: to transition to a marketplace solution, and for the continuation of RealMe to address gaps in the market and meet agency demand.

In terms of the first component, we consider the transition to a marketplace to be a good strategy but it needs to be managed well to be a success. Our preliminary

assessment is that funding of [33] should be set aside in a contingency to fund the transition to a digital identity marketplace. This could be drawn down once an independent transition team is in place and more details on the marketplace are known.

In terms of the second component, we consider funding should be provided for RealMe to ensure that it can play a role in the marketplace if needed. RealMe will likely still need to provide some level of digital identity authentication for agencies like the Ministry of Social Development, but its current scope could be significantly reduced.

The funding sought represents what the Department of Internal Affairs (DIA) considers to be the minimum level of funding needed to keep RealMe operating in its current form (including meeting agency demand), plus additional investment to maintain its attractiveness as an asset for the private sector.

We have recommended a lower level of funding in our preliminary assessment: this would allow RealMe to continue in its current form in the short term, but also put pressure on DIA to descale its operations in the near future to make room for private provision. [38]

Preserving the Nation’s Memory

Funding for Preserving the Nation’s Memory						
		2016/17	2017/18	2018/19	2019/20	2020/21 & outyears
Funding sought	Operating	[33]				
	Capital					
Preliminary vote team assessment	Operating					
	Capital					

[33], [39]

Pitt Island Wharf Resilience and Functionality

Funding for Pitt Island Wharf Resilience and Functionality						
		2016/17	2017/18	2018/19	2019/20	2020/21 & outyears
Funding sought	Operating	-	3.120	0.790	0.790	0.790
	Capital	-	-	-	-	-
Preliminary vote team assessment	Operating	-	3.120	0.790	0.790	0.790
	Capital	-	-	-	-	-

Between-budget funding in 2016 funded the first stage of this work; this second tranche of funding would be used to strengthen the Pitt Island Wharf to make it more resilient against expected storms in the area. Historically, when storms in this area have occurred central government has provided financial assistance as the local council has struggled to fund it themselves. In this sense, this initiative represents an upfront investment which could avoid future central government spending.

[33] [34]

Investment Management and Asset Performance System Team Comment

Part of the role of the Government Investment Ministers is to understand the array of options, and ascertain the make-up of the government's investment portfolio to deliver the best value. To effect this, discussion at Government Investment Ministers meetings is generally about trade-offs and the relative value of proposals and packages. As such it is unusual for a Government Investment Minister to limit their advice to proposals within a particular vote.

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