

# The Treasury

## Budget 2018 Information Release

### Release Document August 2018

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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]	to prevent prejudice to the security or defence of New Zealand or the international relations of the government	6(a)
[2]	to avoid prejudice the entrusting of information to the Government of New Zealand on a basis of confidence by the Government of any other country or any agency of such a Government	6(b)(i)
[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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[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	
[41]	that the making available of the information requested would be contrary to the provisions of a specified enactment	18(c)(i)
[42]	information is already publicly available or will be publicly available soon	18(d)

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: T2018/189

BM-2-1-2018

Date: 2 February 2018

To: Prime Minister  
(Rt Hon Jacinda Ardern)

Deputy Prime Minister  
(Rt Hon Winston Peters)

Deadline: None  
(if any)

## **Aide Memoire: Key Budget 2018 Engagements**

The purpose of this note is to:

- Outline the role of Budget Ministers;
- Provide an overview of the priorities and scope for Budget 2018, and
- Outline the key engagements that require your involvement.

### **Budget Ministers role**

Budget Ministers have been confirmed as the Prime Minister, the Deputy Prime Minister, the Minister of Finance and the Associate Minister of Finance, David Clark. The four Budget Ministers meetings are to form a Budget 2018 package to take to Cabinet on Monday 9 April.

At these meetings the attendees will need to focus on initiatives across the board rather than acting in their capacity as portfolio Ministers. The key role of Budget Ministers is to make decisions to put a package together to reflect the priorities of the Government as a whole.

### **Budget 2018 overview**

#### *Budget 2018 priorities*

Cabinet agreed on the following broad priorities for Budget 2018:

- Providing quality public services for all New Zealanders and improving access to core services such as health and education,
- taking action on child poverty and homelessness,
- supporting families to get ahead and sharing the wealth generated by our economy with a wide range of New Zealanders,

- sustaining economic development and supporting the regions, and
- managing our natural resources and taking action against environmental challenges such as climate change.

Budget Ministers will have an important role in looking across all portfolios to identify the highest priority initiatives that align with these priorities are funded.

#### *Budget 2018 scope*

The scope for Budget 2018 is limited to genuine agency cost pressures and manifesto initiatives. All initiatives will be managed within the operating and capital allowances as well as any savings identified from the reprioritisation process.

Manifesto initiatives will still be assessed through the process to ensure they are value-for-money and implemented effectively. Manifesto initiatives are limited to initiatives outlined in Labour's Fiscal Plan, the Coalition Agreement and the Confidence and Supply Agreement. Initiatives which are not implementation ready are likely to be deferred to future Budgets.

#### *Budget 2018 Allowances*

The following allowances have been agreed to for Budget 2018 consistent with the Government's fiscal strategy:

- \$2.6 billion operating allowance (per annum)
- \$3.4 billion capital allowance (total)

#### **Key meetings that require your involvement**

You have been invited to four Budget Ministers meetings between 13 February and 3 April. Delivering a Budget by Thursday 17 May will require all Budget Ministers meetings to go ahead as scheduled.

Managing within the Budget allowances will be challenging. Budget 2018 funding requests are two times the operating allowance and four times the capital allowance. Difficult decisions will be required to land a package in time to take a paper to Cabinet on Monday 9 April.

Budget Ministers will be chaired by the Minister of Finance and will be the key decision-making forum for Budget 2018. The following table outlines the purpose and timing of each meeting.

Meeting	Purpose
<b>Budget Ministers 1:</b> Scene Setting (13 February)	Provide an initial overview of how the allowances compare to the initiatives submitted by departments across cost pressures, manifesto initiatives and reprioritisation options as well as any emerging fiscal risks. The meeting will also outline the options and process to manage initiatives within allowances.
<b>Budget Ministers 2:</b> Consideration of draft package (19 March)	The Minister of Finance will present a draft package to Budget Ministers which reveals the key choices and trade-offs to fit within the allowances and brings together: <ol style="list-style-type: none"> <li>1. Recommended funding for cost pressures across portfolios</li> <li>2. Funding for manifesto commitments recommended to be progressed through Budget 2018</li> <li>3. Feasible reprioritisation options to discuss with portfolio ministers</li> </ol>
<b>Budget Ministers 3:</b> Consideration of near-final package (26 March)	An updated draft package is presented to Budget Ministers reflecting the feedback from Budget Ministers 2 and ministerial engagements in March.  Given that Easter weekend falls between Budget Ministers 3 and 4, it is important that the majority of the package is decided on at this meeting.
<b>Budget Ministers 4:</b> Final Budget Package (3 April)	To be used to resolve any outstanding issues in order for a paper to be lodged for Cabinet's approval of the package on Monday 9 April.

Attached is an A3 diagram illustrating how key pieces of advice feed into the Budget Ministers meetings.

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