

The Treasury

Budget 2018 Information Release

Release Document August 2018

<https://treasury.govt.nz/publications/information-release/budget-2018-information-release>

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)
[25]	to protect the commercial position of the person who supplied the information or who is the subject of the information	9(2)(b)(ii)
[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)
[27]	to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information - would be likely otherwise to damage the public interest	9(2)(ba)(ii)
[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.

ANNEX TWO – RAG FRAMEWORK

RAG Framework for Cost Pressure Initiatives

Framework to support assessing the relative weighting of risks and implications across a range of cost pressure initiatives. The use of the RAG rating will be supported by individual vote team assessment of initiatives. The three key components to consider are: *what is the impact if no funding is provided, what is the urgency around funding and how much discretion is available around how much is funded.*

	Impact on service delivery	Urgency and timing of impact	Level of discretion on funding/ability to scale
High risk of not funding	<ul style="list-style-type: none"> Breach of legislation or statutory obligation under current policy settings Service delivery failure: the particular service cannot continue without funding Operational failure for department if funding is not provided (department cannot continue BAU operations, some services will need to be stopped) 	<ul style="list-style-type: none"> Impact will be felt from 1 July 2018 and therefore funding decision cannot be delayed. 	<ul style="list-style-type: none"> Funding is driven by a predetermined formula set in legislation or current policy settings. No discretion to scale further. Funding already reflects minimal requirements to continue on with BAU activity. Cutting further also risks service delivery failure.
Medium risk of not funding	<ul style="list-style-type: none"> Service delivery risks exist if funding is not provided e.g. service may be delivered at sub-optimal levels, may not meet outcomes/objectives. Operational risk to department (department will be making sub-optimal trade-offs to continue operations) Reputational risk for department/Ministers 	<ul style="list-style-type: none"> Could defer components to next financial year to support prioritisation for Budget 2018, with minimal impact on service delivery. Deferring entire initiative would mean department has to make difficult trade-offs for 2018/19. 	<ul style="list-style-type: none"> Funding is driven by external factors and assumptions. Option to arbitrarily scale to support prioritisation, however could come back as a pressure in future Budgets if not fully funded. Scaling back has implications which will result in difficult trade-offs for department.

<p>Low risk of not funding</p>	<ul style="list-style-type: none"> • Policy impact with minimal or manageable service implications if no funding is provided. • Potential missed opportunity to improve service delivery or increase VFM 	<ul style="list-style-type: none"> • Can defer to next financial year with minimal implications, however missed opportunity and costs may be higher. 	<ul style="list-style-type: none"> • Can scale as much as required – department will have to adjust delivery of the service or nature of service to reflect this. • Could come up as future pressure.
<p>Not in scope but draw out for Ministers</p>	<p>Includes out of scope initiatives that are either:</p> <ul style="list-style-type: none"> • A ministerial priority • not a cost pressure but has risks if not funded in Budget 2018. • Not a cost pressure but has merit. 	<ul style="list-style-type: none"> • Use RAG ratings above to determine urgency and timing of impact 	<ul style="list-style-type: none"> • Use RAG ratings above to determine level of discretion on funding/ability to scale

RAG Framework for Manifesto Initiatives

Framework to support assessing the relative weighting of scope, implementation and implications of funding in Budget 2018 across manifesto commitments. The use of the RAG will be supported by individual vote team assessment of initiatives.

	Scope	Implementation	Implications of funding in Budget 2018
High priority	<ul style="list-style-type: none"> • Specifically referenced in the Coalition agreement, Confidence and Supply agreement or Speech from the Throne • AND aligns with Government priorities in the BPS or as identified by Budget Ministers: <ul style="list-style-type: none"> ○ Meeting cost pressures and rebuilding core services, ○ Health ○ Education ○ Supporting the business community and wealth creation ○ Housing (both short-term and long-term focus) 	<ul style="list-style-type: none"> • Is sufficiently developed to deliver on Government commitment by 1 July 2018 • Costs are adequately justified • There is sufficient market, labour force and policy capacity to deliver on the initiative. 	<ul style="list-style-type: none"> • The initiative is aligned with the strategic direction of the sector • The initiative meets public expectations • The initiative is complimentary to existing services
Medium priority	<ul style="list-style-type: none"> • Specifically referenced in the Coalition agreement, Confidence and Supply agreement or Speech from the Throne BUT not a stated Government priority in the BPS or as identified by Budget Ministers. • Is a stated Government priority in the BPS or by Budget Ministers BUT is not specifically referenced in one of the three agreements. 	<ul style="list-style-type: none"> • Is sufficiently developed to be delivered within the next six months. • Costs are reasonably certain. • There is near sufficient market, labour force and policy capacity to deliver on the initiative. 	<ul style="list-style-type: none"> • Is broadly aligned with the strategic direction of the sector • Review going on which may be inconsistent with the direction of the initiative but some rationale to support some funding in order to do preliminary work and maintain momentum.

<p style="text-align: center;">Low priority</p>	<ul style="list-style-type: none"> • Broadly referenced in the Coalition agreement, Confidence and Supply agreement or Speech from the Throne but is not a stated Government priority in the BPS or as agreed by Budget Ministers. • Broadly aligned with Government priority in the BPS or as agreed by Budget Ministers but is not in the Coalition agreement, Confidence and Supply agreement or Speech from the Throne. • 	<ul style="list-style-type: none"> • Is not sufficiently developed to be delivered in next year. • Costs are inadequately justified. • Uncertain market, labour force and policy capacity to deliver on the initiative. 	<ul style="list-style-type: none"> • Intended outcome of initiative unlikely to be realised until 2020/21. • Risk of policy being out of line with review of strategic direction of sector • Risk of duplicating services
<p style="text-align: center;">Not in scope but draw out for Ministers</p>	<p>Categories we might need to draw out</p> <ul style="list-style-type: none"> • Referenced in Labour’s Fiscal Plan or on the Labour Party website but not in the Coalition agreement, Confidence and Supply agreement or Speech from the Throne. • Not a manifesto commitment but has merit. • Not a manifesto commitment but has risks if not funded in Budget 2018. • Not a manifesto commitment but was identified by a Minister as a key priority at a workstream meeting 	<ul style="list-style-type: none"> • Use RAG ratings above to determine level of implementation readiness. 	<ul style="list-style-type: none"> • Use RAG ratings above to determine implications of funding in Budget 2018