

# 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)
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[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 3: Draft operating package prioritisation diagram

## Assumptions included

- Reprioritisation funding (\$123 million per annum) has been used to offset High risk cost pressures
- Funding for the Between Budget Contingency (BBC) has been allocated to the High risk cost pressure category (\$50 million per annum)
- Operating pre-commitments (\$67.4m) have been allocated to the High risk cost pressure category
- Potential additions and out of scope initiatives have been include in the low risk and low priority categories pending further decisions.

Manifesto Initiatives (Total submitted \$2.081 billion)



Cost pressures (Total submitted \$3.524 billion)

## Interpreting the graph

### Manifesto Initiatives Prioritisation

**High priority** – Mentioned specifically in the Coalition Agreement (CA), Confidence and Supply Agreement (CSA), or Speech from the Throne (ST); AND is Consistent with Priority Areas identified by Budget Ministers; AND will be implementation ready by 1 July AND costings are accurate.

**Medium priority** – Mentioned in the CA, CSA or ST; AND is consistent with priority areas outlined in the Budget Policy Statement; AND will be implementation by 1 July or within the next 6 months.

**Low priority\*** – Not mentioned in the CA, CSA or ST; may still be aligned to priority areas. Likely Treasury recommendation is to defer to future Budgets once costings are complete and the initiative is implementation ready.

\*To give you a full picture of all submitted initiatives, we have also included any out of scope initiatives and not supported initiatives in this section.

### Cost pressure Prioritisation

#### Based on a RAG risk rating of not funding

**High risk** – If the initiative is not funded, there may be a breach of legislation or obligation/reputational risk, and there may be operational failure for the department; AND the impact will be felt in the 2018/19 financial year.

**Medium risk** – if the initiative is not funded, there may be service delivery and/or operational risks to the department; AND some components could be deferred to Budget 2019.

**Low risk\*** – if the initiative is not funded, there may be a policy impact with minimal/manageable service implications; and/or can defer to Budget 2019.

\*To give you a full picture of all submitted initiatives, we have also included any out of scope initiatives and not supported initiatives in this section.

### The Current draft operating package

This is currently made up of the high and medium risk cost pressure initiatives and high and medium priority manifesto initiatives that Treasury is supporting. It does not include any Minister identified priorities that are not high or medium rated, or any out of scope initiatives with merit or risk. It is currently higher than the allowance and key trade offs will need to be made to ensure that the package fits in the available allowance.

### Trade-offs

**A package weighted towards cost pressures** (current Treasury preferred option to weight package towards high-risk cost pressures)

#### Negatives:

- Less 'new' initiatives to announce for Budget 2018.
- May impact colleagues' expectations of new funding when initiatives have been outlined in Government agreements.

#### Positives:

- Reduces the risk of operational and service delivery failure for departments.
- Will likely reduce the number of cost pressures that will need to be funded in the next few Budgets, and will reduce the risk of more expensive cost pressures if deferred.

### A package weighted towards manifesto initiatives

#### Negatives:

- Manifesto initiatives could crowd out high-risk cost pressures that may impact on operations and service delivery for departments, and have flow on impacts to New Zealanders.
- Not funding some high-medium risk cost pressures in Budget 2018 will likely put a lot of pressure on Budgets 19 and 20
- if high risk cost pressures are deferred, if funding is sought again in future Budgets, the costs may be higher.

#### Positives:

- More 'new' initiatives may show that the Government is delivering on its commitments that have been made publically.