

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)
[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.

Reference: T2018/617 DH-10-0-9

Date: 12 March 2018

To: Minister of Finance
(Hon Grant Robertson)

Deadline: 12 March 2018

Aide Memoire: Budget 2018: Bilateral with Minister Peters [Summary A3]

You are meeting Minister Peters this afternoon to discuss the Budget initiatives he has submitted across his portfolios. Our previous report (*T2018/504*) provides advice for this meeting.

Following your discussion with officials this morning, we have provided you with a summary A3 which reflects your preferred options as discussed. The main changes are:

- **APEC21.** Reduce contingency funding by \$15 million rather than \$10 million;
- **Official Development Assistance.** Include Option 2 at \$147.2 million p.a., which includes an initial cash injection of \$64.8 million in 2018/19; and
- **Racing Initiatives.** ^[33]

[38]

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A. APEC21 – high risk if not funded

Proposed funding: \$46.2 million p.a. (\$184.7 million over 4 years). Reduce contingency by \$15m.

B. MFAT Departmental Funding

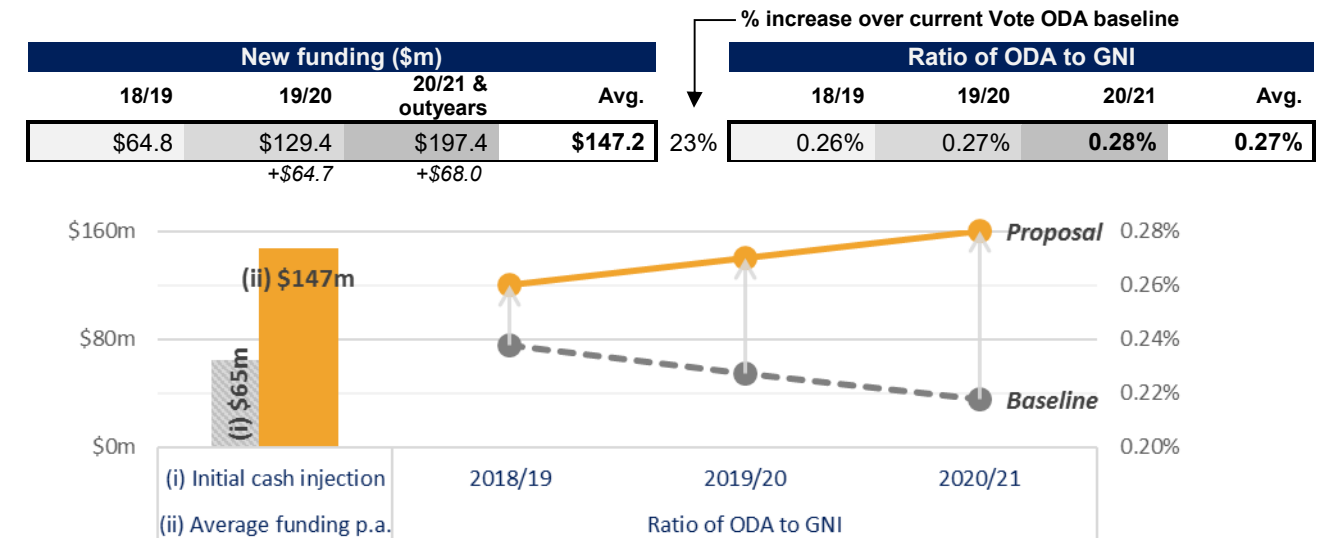
Proposed funding: \$29.5 million p.a. operating and \$40.3 million capital

Initiatives		Proposed funding					
Capital pressures		\$8.7 million p.a. operating and \$35.5 million capital to fund health and safety, and protective security requirements pressures.					
<i>i</i>	Capital Cost Pressures: To meet cost pressures including Health and Safety, Protected Security Requirements, modernising information management and communication systems and aged infrastructure offshore.	2018/19	2019/20	2020/21	2021/22	Avg.	Capex
		6.962	8.172	9.889	9.889	8.728	35.500
<i>ii</i>	[33]	-	-	-	-	-	-
Operating pressures		\$13.3 million p.a. to fund <u>60%</u> of the forecast deficit					
<i>iii</i>	Cost Pressures: To address the forecast deficit arising from inflationary cost pressures.	2018/19	2019/20	2020/21	2021/22	Avg.	Capex
		6.357	9.861	15.259	21.545	13.256	-
Additional capability		\$7.6 million p.a. operating and \$4.8 million capital to fund a <u>capital injection</u> for a new post in Stockholm; [38] and hire an additional 12 FTE					
<i>iv</i>	New Embassy in Stockholm						
<i>v</i>	Capability – additional resourcing To sustain a career Foreign Service onshore and offshore.	2018/19	2019/20	2020/21	2021/22	Avg.	Capex
		6.020	7.040	8.060	9.080	7.550	4.781

C. Official Development Assistance

Proposed funding: \$147.2 million p.a. operating

The proposed funding has been prepared based on increasing funding across the triennium. Would expect further funding to be sought in Budget 2021 for the following triennium.



D. Racing Initiatives

[33]

Bloodstock initiative

Proposed funding: \$1.2 million p.a. operating. Reaches steady state of \$4 million p.a. in outyears based on estimate [33]

Aligned with Coalition agreement to 'Support New Zealand First's Racing Policy'. We understand this is a matter of urgency for the Minister of Racing. Consultation is underway but further consultation is required with the industry to finalise policy settings.

Total funding across Portfolios

Proposed funding: [33]

