

The Treasury

Budget 2018 Information Release

Release Document August 2018

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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)
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[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)
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[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: T2018/625

BM-2-4-2018

Date: 13 March 2018

To: Minister of Finance (Hon Grant Robertson)

Deadline: 12:45pm 13 March
(if any)

Aide Memoire: Preparation for Budget Ministers 2

The purpose of this aide memoire is to provide material to discuss with you at Budget Matters at 12:45pm on Tuesday 13 March, ahead of the Budget Ministers 2 meeting on Monday 19 March.

Specifically, this aide memoire provides:

- A table outlining key discussion points and suggested approaches to test with you ahead of Budget Ministers 2 and 3 meetings.
- Next steps in the Budget process over the next two weeks.
- An attached draft slide pack for you to consider ahead of Budget Ministers 2.

Key discussion points on Budget Ministers 2 and 3

The following table outlines key areas we require your guidance on to assist us in developing the draft package and slide pack for consideration by Budget Ministers at the Budget Ministers 2 Meeting at 11:00am on 19 March.

Table One – Key areas of discussion and suggested approaches

Key discussion area	Suggested approach
Budget Ministers 2	
Do you want Budget Ministers 2 to agree 'in principle' to a package for Budget 2018?	We suggest that you do seek in principle agreement from Budget Ministers at this meeting in order to present a near final package to workstream Ministers on the 20 th and 21 st March.
Are you comfortable with the structure and presentation of the Budget Ministers 2 slides attached to this Aide Memoire?	To discuss with officials at Budget Matters on 13 March.

Do you want to discuss potential changes to allowances set in the Budget Policy Statement at Budget Ministers 2?	<p>We suggest the following approach:</p> <ul style="list-style-type: none"> • We suggest discussing options with Budget Ministers to test their level of comfort regarding the capital and operating allowance settings for Budget 2018. • As part of this, we would recommend a discussion on the adequacy of future allowances and economic risks to the forecasts. • To support this discussion, we will provide some scenarios to help with your decision making.
Budget Ministers 3	
Do you wish to use Budget Ministers 3 to make all decisions for Budget 2018, including a revised package if the allowance levels change?	We suggest that you (as much as possible) look to make final decisions at Budget Ministers 3. This is because there are only 2/3 working days to turn around any changes and consult with you on a final package ahead of Budget Ministers 4 due to the Easter break.

Next steps in the Budget 2018 process

The upcoming two weeks have very tight timeframes in order to get Budget Ministers to agree to a package on 26 March and prepare a Cabinet paper for lodging on Friday 6 April. We have provided you with a breakdown of the key points in the decision making process over the next two weeks to assist you with this.

This week (12-16 March)

- Treasury will provide you with an updated draft package on Wednesday 14 March to reflect bilateral discussions that took place on Monday 12 and Tuesday 13 March.
- You are meeting with Treasury officials on Thursday 15 March to discuss the near final Budget Ministers 2 slide pack, and any changes to the proposed draft package for Budget Ministers 2.
- You are meeting with the Prime Minister on Thursday 15 March at 8:30 am and Minister Shaw on Tuesday 13 March at 11:30am. If these Ministers request any changes to the Budget package as you discuss it with them, you will be able to discuss these with officials on Thursday 15 March.
- On Friday 16 March, Treasury officials will provide a draft package and slide pack for all Budget Ministers ahead of Budget Ministers 2.

Next week (19-23 March)

- The Budget Ministers 2 meeting is scheduled for 11:00 am on Monday 19 March.

- Following Budget Ministers 2, Treasury will provide an updated draft package (and talking points for you and Minister Clark) to circulate to workstream Ministers in the afternoon of Monday 19 March ahead of workstream Ministers meeting on 20-21 March. *The intention of these meetings is to discuss a near final package with workstream Ministers to ensure they are comfortable with the package. It is not intended to be an opportunity to change the package significantly.*
- Treasury officials will update the draft package (if required) following workstream meetings and circulate a draft Budget Ministers 3 slide pack for your consideration on Thursday 22 March.
- Alongside this, on Thursday 22 March, Treasury officials will provide you with Fiscal Strategy advice in light of the preliminary forecasts to assist you with your decision making on allowances and your fiscal strategy for Budget Ministers 3.
- You are meeting with Minister Shaw on 22 March at 11:45 am to discuss the most up to date draft package, and with Minister Jones at 10:30 am to discuss the PGF initiatives. **We recommend setting up a meeting with Treasury for Thursday 22 March** so that if any changes are required to the draft package following these meetings (likely), you will be able to discuss these with Treasury officials.
- On Friday 23 March, Treasury officials will provide a Budget package and slide pack for all Budget Ministers ahead of Budget Ministers 3.

Appendix One – Draft slide pack for Budget Ministers 2

We have provided a draft slide pack for you to review the structure of Budget Ministers 2 slides ahead of Budget Ministers 2. At the time of writing, we do not yet have all of the outcomes from the bilateral discussions with portfolio Ministers. As such, we have provided placeholder slides for the Budget 2018 draft package slides, and seek your feedback primarily on the structure and presentation of the slides in this section.

We will provide a further iteration of the slides accompanied by an updated draft package for you on Wednesday 14 March to discuss with officials on Thursday 15 March.

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