

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)
[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.



THE TREASURY

Kaitohutohu Kaupapa Rawa

Reference: T2018/736 BM-2-4-2018

Date: 20 March 2018

To: Minister for Arts, Culture and Heritage (Rt Hon Jacinda Ardern)
Minister for Racing (Rt Hon Winston Peters)
Minister of Finance (Hon Grant Robertson)
Minister of State Services (Hon Chris Hipkins)
Minister for Treaty of Waitangi Negotiations (Hon Andrew Little)
Minister for Social Development (Hon Carmel Sepuloni)
Associate Minister of Finance (Hon Dr David Clark)
Minister of Local Government (Hon Nanaia Mahuta)
Minister of Revenue (Hon Stuart Nash)
Minister of Broadcasting, Communications and Digital Media and
Minister for Government Digital Services (Hon Clare Curran)
Minister of Defence (Hon Ron Mark)
Minister of Internal Affairs (Hon Tracey Martin)
Minister of Civil Defence (Hon Kris Faafoi)
Associate Minister of Finance (Hon James Shaw)
Minister for Women (Hon Julie Anne Genter)

Deadline: Tuesday 20 March 8.00pm
(if any)

Aide Memoire: Material to support the second "Other" workstream meeting

The purpose of this aide memoire is to support the "Other" workstream meeting on Tuesday 20 March at 8:00pm. This meeting will be chaired by the Associate Minister of Finance, Hon Dr David Clark.

Attached to this note is the current "Other" workstream package to assist you in the discussion at the meeting (Annex One).

Purpose of the meeting

The purpose of the meeting is to consult with "Other" workstream Ministers on the "Other" Budget package considered at the second Budget Ministers meeting on the evening of Monday 19 March.

This workstream meeting is an opportunity to ensure that "Other" workstream Ministers are comfortable with the proposed package before the Budget package is finalised at the third Budget Ministers meeting on Monday 26 March.

Given the tight timeframes of Budget 2018, you should use this opportunity to raise any concerns you may have about the current package, ahead of final decisions being made on Monday 26 March.

The current package for Budget 2018

In order to develop the package, the Treasury has incorporated your priorities that were identified at the first workstream meetings in February and early March, alongside cost pressure initiatives that have high risks associated with not funding, and new initiatives that align with Government priorities and are investment ready for 2018/19.

Key trade-offs have been required across all workstreams in order to fit within the operating and capital allowances, and not all initiatives have been included in the package, even if they were identified as a Minister priority or supported at the Treasury Vote team stage of the process.

The current package has the following profile:

Operating and capital packages \$millions	Total operating funding per annum	Total capital funding
Social Wellbeing	1898	209
Infrastructure	112	1598
Natural Resources	73	189
Economic Development	665	661
Other	123	84
Savings	-195	-
Reprioritisation	-120	-3
Pre-commitments	67	902
Between Budget Contingency	50	-
Total	2673	3640

As outlined above, the “Other” workstream currently makes up \$123 million per annum of the \$2.67 billion operating package and \$84 million of the \$3.6 billion capital package. In addition to the above initiatives, the pre-commitments for the “Other” workstream total \$1.0 million of capital funding. Both the operating and capital packages are slightly higher than the allowances signalled in the Budget Policy Statement, which reflects the significant cost pressures and the difficult trade-offs that the Government is faced with in this Budget.

The main initiatives driving the “Other” package are:

- **Defence White Paper (2016) operating pressures**, with a four year operating total of \$324 million (\$81 million operating per annum).
- **Defence Estate Regeneration Programme**, with a total of \$41 million capital.
- [37]

- **Improving social wellbeing: A fit-for-purpose Ministry for Culture and Heritage** – with a four year operating total of \$23 million (\$5.8 million operating per annum).

If a portfolio Minister disagrees with the proposed “Other” workstream package, the workstream Ministers will be asked to make trade-offs from other initiatives to meet the change.

Next steps

These proposals will be considered by Budget Ministers on Monday 26 March, when final decisions are taken on the Budget 2018 package. Any outstanding matters will be considered at a final Budget Ministers meeting on Tuesday 3 April.

Following this, a Cabinet paper will be prepared to agree to the final Budget 2018 package at Cabinet on 9 April.

Geraldine Wilkins, Graduate Analyst, Fiscal and State Sector Management, [39]

Kamlesh Patel, Team Leader, Budget Coordination, Fiscal and State Sector Management, [39]