

The Treasury

Budget 2018 Information Release

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[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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[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.

NEAR FINAL BUDGET PACKAGE: BUDGET MINISTERS 3
SOCIAL WELLBEING INITIATIVES (23 MARCH 2018)
 152 Initiatives

SOCIAL WELLBEING SUMMARY BY PORTFOLIO		Agency Bid			Tsy Vote Team Assessment			Near Final Package (22 Mar)		
Portfolio		Opex Avg.	OPEX Total	CAPEX Total	Opex Avg.	OPEX Total	CAPEX Total	Opex Avg.	OPEX Total	CAPEX Total
	ACC	[33]	[33]	[33]	[33]	[33]	-	1.883	7.533	-
	Child Poverty Reduction				1.986	7.942	-	1.986	7.942	-
	Children				97.536	390.145	-	94.805	379.218	-
	Corrections				55.705	222.820	-	50.381	201.526	-
	Courts				27.687	110.748	-	25.750	103.000	-
	Crown/Maori Relations				-	-	-	0.763	3.050	-
	Disability Issues				0.176	0.705	-	0.081	0.325	-
	Education				[38]	-	16.201	[38]	-	0.550
	Health				723.504	2,894.015	100.000	849.945	3,399.778	100.000
	Housing and Urban Development				139.580	[33]	68.851	110.855	443.420	68.851
	Immigration				14.693	58.773	16.051	2.975	11.901	20.202
	Justice				26.942	107.766	0.300	20.946	83.786	0.300
	Maori Development				-	-	-	3.200	12.800	9.300
	Police				143.350	573.400	17.800	141.150	564.600	17.800
	Social Development				[33]	[33]	-	[33]	-	1.000
	Statistics				5.044	20.177	-	5.044	20.177	-
	Transport				-	-	-	-	-	-
	Workplace Relations and Safety				4.757	19.027	-	3.283	13.132	-
	Youth				-	-	-	1.000	4.000	-
	Employment				-	-	-	-	-	-
TOTAL SOCIAL WELLBEING WORKSTREAM					[38]	-	219.203	[33]	-	218.003

Interpreting the RAG Ratings

Cost pressure Prioritisation
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.
Possible additions - Out of scope initiatives that are either:
 - A Ministerial priority
 - Have risk of not funding
 - Have merit

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 implemented 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 implemented 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.
Possible additions - Out of scope initiatives that are either:
 - A Ministerial priority
 - Have risk of not funding
 - Have merit

No.	Type of initiative	Portfolio	Title	Description	Agency Bid			Tsy Vote team Assessment			Near Final Package			Treasury RAG Rating Comment
					Opex Avg.	OPEX Total	CAPEX Total	Opex Avg.	OPEX Total	CAPEX Total	Opex Avg.	OPEX Total	CAPEX Total	
10139	Cost pressure	ACC	Cost Pressure Funding for the Sexual Abuse Assessment and Treatment Services	This funding will address cost pressures from increased demand, the need to make services accessible across the regions, service shortcomings for particular clients e.g. paediatric, and workforce pressures. Sexual Abuse Assessment and Treatment Service (SAATS) is available for all victims of sexual abuse or assault. It delivers acute and non-acute medical treatment, forensic services and referrals and is important for individuals who suffer assault or abuse to help prevent long term effects, ongoing distress and wellbeing issues.	4.325	17.300	-	1.883	7.533	-	1.883	7.533	-	Significant volume increases, services will be impacted without cost pressure funding. High value initiative. Scaled funding supports Minister of Health and Police cost pressures only. Priority for Ministers Little and Sepuloni as part of an overall family violence package across agencies.
10113	Cost pressure	ACC	Accident Compensation Corporation (ACC) – support for non-earners	This funding will respond to rising cost pressures on the Non-Earners' Account which pay for the lifetime costs of injuries for people who are not in paid employment, mainly children and elderly people, including costs for treatment, rehabilitation and other support as well as injury prevention. This funding will increase ACC's appropriation to \$1.624 billion in 2018/19.	[33]	-	-	-	-	-	-	-	-	There is no impact on service delivery. No legislative requirement to fund now, however fund is currently insolvent and will need to be topped up at some point in the future.
Total ACC											1.883	7.533		
10286	Manifesto	Child Poverty Reduction	Child Poverty Unit	This funding will provide for the establishment and operation of a Child Poverty Unit to support the Minister for Child Poverty Reduction to implement the requirements set out in the Child Poverty Reduction Act	1.986	7.942	-	1.986	7.942	-	1.986	7.942	-	High priority, mentioned in agreements and Speech from the Throne. Initiative is implementation ready.
Total Child Poverty Reduction					1.986	7.942	-	1.986	7.942	-	1.986	7.942	-	
10327	Cost pressure	Children	ICT cost pressure for Oranga Tamariki – Ministry for Children	This bid covers the costs of remediating the technology that underpins our national contact centre to ensure we do not lose any notifications of concern and shifting to resilient "infrastructure as a service" for our central case management system – CYRAS. It also includes ongoing operating costs for the new online practise centre and database of caregivers.	6.010	24.040	-	6.010	24.040	-	3.760	15.040	-	Without this funding there are significant service delivery risks. OT is operating in an ageing and low-capability ICT environment, and supported amount is an 11% increase to the agency's current ICT budget. Recommended amount does not include funding for resilience component (\$2.250 million per annum)
10179	Cost pressure	Children	Including 17 year olds and Managing Remand Pressures in the Youth Justice System	This Budget bid responds to the 2017 Oranga Tamariki Act changes to include 17 year olds in the YJ system. Operational funding for Oranga Tamariki will provide 1,600+ FGs; sustain/develop community alternatives to remand (80 beds); sustain 10 bed unit at Te Puna Wai and the transfer of existing programme funding from Justice. [33] For the Ministry of Justice, operational costs cover additional procedural costs of the Youth Court.	[33]	-	-	34.884	139.537	-	34.884	139.537	-	Without this funding, OT will not be able to deliver on the Legislative requirement to include 17 year olds in the Youth Justice system from 1 July 2019. Lower funding in the 18/19 year to build the required capacity. Recommended amount supports core costs of 17 year olds being managed in the youth justice system. [33]
10229	Cost pressure	Children	Clothing Allowance for Children Supported by Orphan's Benefit or Unsupported Child's Benefit	This funding will provide a Clothing Allowance for children on Orphan's Benefit or Unsupported Child's Benefit (OB/UCB), paid at the same rate as the clothing allowance provided for children in foster care. This Clothing Allowance was legislated for in the Social Security (Clothing Allowances for Orphans and Unsupported Children) Amendment Act 2015, which takes effect on 1 July 2018.	26.230	104.919	-	26.230	104.919	-	26.230	104.919	-	Without this funding, the clothing allowance would not take effect from 1 July 2018 as legislated for in the Social Security Amendment Act 2015.
10170	Cost pressure	Children	Business as usual pressures for Oranga Tamariki - Minister for Children	This funding will provide for increasing costs associated with current services due to increasing client demand and inflationary pressures, and address increased remuneration costs.	[33]	-	-	29.381	117.522	-	29.381	117.522	-	Without this funding there are high service delivery risks. Support funding for all projected out-of-home placement numbers for 2018/19, plus shortfall unfunded in 2017/18. Support remuneration commitments and anticipated agreements falling in the 2018/19 year only. Scaled elements are anticipated remuneration increases to be considered in 2019/20 and beyond.
10171	Cost pressure	Children	Increasing Participation in Family Group Conferences	This funding will [33] enable OT to fund specialised roles (in-house and [33] to improve the FGC process via whanau searching, hui-a-whanau, and [33]	[33]	-	-	-	-	-	0.550	2.200	-	[33] seeks to continue existing short-term Whanau searching and hui-a-whanau coordinator positions targeted to the needs of Tamariki Māori for 21 Oranga Tamariki sites. There is no specific legislative requirement for this service however Treasury supports continuing existing provision for one year to build an evidence base. [33] provides for [33] only for one year.

[33]

[33]											
[38]											
Total Children											
				[33]				94.805	379.218	-	
10251	Cost pressure	Corrections	Holidays Act Compliance	This funding will enable the Department of Corrections to remediate the impact of inconsistencies with the Holidays Act.	[33]			4.000	16.000	-	Without this funding, there is a risk Corrections will be unappropriated. Costs are not yet confirmed and in range of \$16-49 million one-off. Costs need to be recognised and funded once confirmed. The draft package reflects the minimum costs required given the uncertainty, however there is a risk further funding may be required.
10222	Cost pressure	Corrections	Offenders in the community - maintaining public safety	This funding will enable the Department of Correction to continue to maintain public safety by increasing the level of resources and interventions available to safely manage and improve outcomes for the growing volumes and complexity of offenders serving sentences and orders in the community; and to continue to support the Judiciary and New Zealand Parole Board to make informed risk-based sentencing and parole decisions.	[33]		31.980	127.920			Volumes on community sentences increasing. Not funding risks poorer supervision of people on community sentences, and more incidents, which could undermine efforts to reduce prison population.
10405	Cost pressure	Corrections		[33]							
10391	Manifesto	Corrections									
10395	Manifesto	Corrections									
10409	Manifesto	Corrections									
10410	Manifesto	Corrections	Targeted Interventions - Enhanced housing and support service for people managed by Corrections	This funding will provide a range of housing and support services for 630 people per year who might otherwise be in prison due to their identified housing need and other varied and complex needs. Flexible, individualised services will reduce service users' risk of re-offending by supporting them to, for example, address the underlying causes of their offending, continue or start training or employment, establish and maintain whanau and community relationships, and find long-term stable housing.	[33]			14.401	57.606	-	Out of scope, but good alignment with objective of reducing prison population. Housing initiatives are most likely to have a material impact, but could struggle to procure the housing in the current market, or could risk displacing others in need of housing. Initiative has been scaled by 50% on this basis. Can contribute to additional public housing places target. Housing initiative high priority for Minister Davis.
10411	Manifesto	Corrections		[33]							
Total Corrections											
				[33]				50.381	201.526	-	
10145	Cost pressure	Courts	Non-Departmental Courts And Coroner Related Cost Pressures	This is a volume and price driven cost pressure bid to meet increased service and supply pressures and ensure that services are delivered as required by legislation. This funding will ensure that the delivery of non-departmental courts and coronial services continue without breaching the appropriation, and ensures that access to justice is upheld to maintain a fair society.	[33]		25.750	103.000			Without this funding, there are risks MoJ will go unappropriated. The court ordered reports and services are required by legislation. Demand is projected based on past trends. If coronial services weren't funded, could be risks to continuation of services. Funding has been scaled to remove CPI adjustment.
10469	Cost pressure	Courts		[33]							Human Rights Review Tribunal comment – the Vote team is supportive of this investment and has rated it amber based on significant increases in the number of complaints to the HRRT over the last three years, with some complaints now taking years to resolve. Funding in full would allow the current backlog to be cleared within two years and would enable the HRRT to better meet increased volumes going forward. Should no funding be received, it is likely to status quo will persist. Options exist to scale the number of additional FTEs.
10297	Manifesto	Courts	Canterbury Earthquakes Insurance Tribunal	This funding will enable the establishment and operation of a tribunal to resolve unsettled residential insurance disputes arising from the Canterbury earthquakes of 2010 and 2011. It will provide an active, individually case managed resolution process for claimants and their insurers, and include access to funded mediation to help narrow or resolve issues in dispute.	[33]	1.470					Out of scope
Total Courts											
				[33]		38.197	152.789	1.470			
10258	Manifesto	Crown/Maori Relations	Delivery of the Crown/Maori Relations Ministerial portfolio responsibilities	This bid seeks funding to support the newly developed Crown/Maori Relations portfolio. The Minister for Crown/Maori Relations has expressed support for key projects to be undertaken in the 2018/2019 budget year as part of this portfolio		0.763	3.050				Key priority for Minister Little. Funding would enable backfilling of current resource seconded from Treaty settlements work. If not funded, current secondments could continue, but could be impacts on pace of Treaty work
Total Crown/Maori Relations											
						0.763	3.050				

10208	Cost pressure	Disability Issues	Office for Disability Issues (ODI) Cost Pressure	[33] It includes funding Robert Martin's representation on the UN Convention Disability Committee through to 2020/21.	[33]								[33]	
Total Disability Issues														
10087	Cost pressure	Education	March Baseline Update and October Baseline Update Forecast Changes 2017	This funding is for the impact of forecast changes in the March Baseline Update and October Baseline Update 2017. This is primarily related to increased school operations funding, increased teacher salaries and early childhood education volume growth.	246.077	984.308	-	246.077	984.308	-	246.077	984.308	-	Without this funding, Education would not be able to meet volume and price pressures. The funding is driven by legislation and current economic settings and is non-discretionary. This includes both volume (additional teachers and ECE subsidies) and price elements (teacher progression and changes in distribution of types of ECE centres)
10098	Cost pressure	Education	Ongoing Resourcing Scheme	This additional funding will address demand pressures in the Ongoing Resourcing Scheme (ORS), which provides resourcing and support to students with the highest and most complex additional learning support needs until they leave school. ORS is a demand driven model; all students who are assessed and verified as meeting the ORS criteria receive specialist support (such as speech language therapy or occupational therapy), specialist teacher time, teacher aide support and a consumables grant.	[33]		[33]	33.368	133.471	0.218	31.633	126.533	0.218	Without this funding, there is a risk of reduced services with likely impacts on inclusion and participation. Funding reflects entitlement for eligible learners under current policy settings. Full costs assume full funding of Teacher Aide Funding Rates, scaled only for alignment. Scaling in tranches would generate future pressure.
10101	Cost pressure	Education	Voluntary Bonding Scheme	The Voluntary Bonding System (VBS) aides the recruitment and retention of beginning teachers into Decile 1 and highly isolated schools, enabling principals to employ the teaching staff needed to deliver the New Zealand curriculum. Recent media coverage of the VBS has resulted in an increase in the number of applications, and a corresponding increase in the number of teachers accepted into the VBS.			-	1.594	6.376	-	1.594	6.376	-	Without this funding, Education will not be meeting a statutory obligation to pay if eligible teachers take up the scheme. Full costs of 100% uptake highly unlikely. Scaling based on 55% uptake, up from 20% in 2016/17 and around 40% in 2017/18 following significant media coverage.
10091	Cost pressure	Education	[38]											
10298	Manifesto	Education	Education Portfolio Work Programme	This funding is to support a coherent package of work that aims to create buy-in and facilitate discussion and action on new and innovative directions for the education system. The package includes a number of strategies, regional follow-up hui and the formation of advisory groups for a number of work streams.			-	2.383	9.533	-	2.383	9.533	-	30 year education strategy high priority for Government and mentioned in Coalition Agreement. Summits and reviews will require extensive collaboration with key stakeholders, which cannot be funded from baselines in the context of other departmental cost pressures. BAU reviews excluded from scaled option. Recommend to commence work in Budget 2018. Priority for Minister Hipkins.
10306	Manifesto	Education	Te Ahu O Te Reo Maori	This funding will provide for a programme designed to lift the overall capability across the system for delivering quality te reo Maori provision.			-	3.114	12.455	-	3.114	12.455	-	Specifically mentioned in Speech from the Throne. Implementation ready for pilot rather than large scale roll out. Priority for Minister Davis and Hipkins.
10093	Cost pressure	Education	[33], [38]											
10095	Cost pressure	Education	Early Intervention Services	Demand for the Early Intervention service has risen and there is a waitlist of 2,800 children at June 2017. Increasing funding for this service will enable the Ministry of Education to meet demand by recruiting additional Early Intervention staff; increasing the number of contracted places from Early Intervention providers; and increasing the number of study awards. This will significantly reduce waiting lists for Early Intervention, improving children's education and life outcomes, with education, justice, health and welfare savings.	[33]			5.384	21.537	0.272	5.384	21.537	0.272	Risk of increased waitlists and/or decline in service quality. Scaling halves the current waitlist but [33] Further volume pressures deferred subject to Learning Support review.
10096	Cost pressure	Education	Sensory Schools and New Zealand Sign Language	This funding addresses cost pressures to allow children and young people who are deaf, hard of hearing, blind, deafblind or have low vision to continue to access specialist services and achieve in education through sensory schools and related services. It will grow the workforce to ensure there are teachers and other professionals with the specialist skills required. This funding will also promote the participation, achievement and wellbeing of deaf and hard of hearing children and young people by supporting New Zealand Sign Language.	[33]			7.550	30.200	-	7.550	30.200	-	Risk of declining service levels from volume growth and reputational risk from failure to support access for deaf learners and staff under Human Rights Act. Scales to continue previously time-limited funding and meet anticipated 2018/19 demand only. Further volume pressures deferred subject to Learning Support review.
10100	Cost pressure	Education	English For Speakers Of Other Languages (Schooling)	This additional funding addresses the cost pressures faced in the English for Speakers of Other Languages programme. This programme funds schools to teach migrant background students English and help them access the curriculum.	8.622	34.486	-	8.622	34.486	-	8.622	34.486	-	Funding time limited in Budget 2017 for consideration through immigration fee and levy review, but timing of fundamental review unclear and volume pressures significant. Risk of reduced service quality with significant impact on educational outcomes.
10099	Cost pressure	Education	Teacher Aide Funding Rates	This funding will address a cost pressure for schools by increasing the Ministry's teacher aide hourly funding contribution closer to the rate schools are actually paying. The Ministry funds schools to provide teacher aide support for identified students through a number of existing initiatives including In-Class Support, School High Health Needs Fund, [33] Resourcing Scheme, Language and Learning Intervention and the Behaviour Service. It is also likely to increase the actual number of hours of support that students receive.	[33]		-	14.831	59.323	-	-	-	-	Risk that some schools are feeling general cost pressures more than average, and reducing service quality. This initiative more targeted than overall cost adjustment to operational grant, but no control over outputs purchased by schools with the funding. Scaled funding reflects phasing of funding rates to \$20 in the final year of forecast period.
10463	Cost pressure	Education	Tertiary Education Annual Maximum Fee Movement	This initiative provides funding to maintain the current 2 percent Annual Maximum Fee Movement (AMFM) policy for 2019 and beyond. The AMFM restricts the extent to which providers can increase fees, and impacts on borrowing through the Student Loan Scheme. An AMFM rate higher than inflation creates a cost pressure. The costing will be revised in early 2018.	[33]									This initiative will not count against operating and capital allowances. The increase in student loan borrowing as a result of increased fees is fiscally neutral as it is assumed to be repaid within a 10 year period.
10292	Manifesto	Education	A Progress Approach Across the Schooling System	This funding will be used to work with experts, the sector and other stakeholders (including students, parents, whanau and iwi) to develop a new approach to assessment and reporting on progress and achievement, beginning in 2018.	[33]			1.500	6.000	-	1.500	6.000	-	Specifically mentioned in Speech from the Throne, [33]
10308	Manifesto	Education	Teacher Supply Response Package	This funding will be used to implement a targeted, multi-channelled response package to ease short to medium term pressure on teacher supply.	[33]		-	4.992	19.966	-	4.992	19.966	-	Specifically mentioned in the Speech from the Throne. Education workforce strategy underway - consider further investment following completion of strategy.

10312	Manifesto	Education	[33]									
10097	Cost pressure	Education	Te Kahu Toi Intensive Wraparound Service	This funding will increase the number of students receiving specialist support through the Intensive Wraparound Service (IWS). IWS is provided to students who have behavioural, social and/or learning needs that are highly complex and challenging (and may have associated intellectual difficulties) and require support at school, at home and in the community.	[33]	1.198	4.792	0.060	1.198	4.792	0.060	Scaled funding for an additional [37] students would expand service to unmet demand [37] Promising evidence of effectiveness especially for māori, and some risk of poorer outcomes and costs for highest needs down the track.
10103	Cost pressure	Education	[33]									
10293	Manifesto	Education										
10296	Manifesto	Education										
10299	Manifesto	Education										
10303	Manifesto	Education										
10304	Manifesto	Education	School Leavers' Toolkit	This funding will support the development of the School Leavers' Toolkit (the Toolkit). The Toolkit will equip school leavers with the practical skills, knowledge, and capabilities they need for adult life. The funding will allow the Ministry of Education to consult on, design, develop and deliver new initiatives and pilot projects to build an effective Toolkit, and identify potential investments to support implementation.	[33]	-	-	-	0.425	1.700	-	Mentioned in speech from the throne, but further work required to determine what will be delivered and demand for this from schools. Elements already on NZ Curriculum. If priority, \$1.7m in 2018/19 only would progress the initiative for Budget 19. Priority for Minister Hipkins.
10305	Manifesto	Education	Strengthening Equity And Lifting Achievement For Maori Students	This funding will support the schooling sector to ensure Maori students achieve as Maori in culturally appropriate English medium settings. It will do this by fostering quality responsive and relational teaching and learning, productive partnerships with whanau, iwi and Maori communities and effective use of student data and evidence of what works. It will draw on what we have learned from Te Kotahitanga and subsequent programmes and will be a co-constructed 'approach' that can be targeted and tailored for diverse school settings.	[33]	-	-	-	0.250	1.000	-	Mentioned in Coalition Agreement. However further policy work required as unclear what is being delivered. \$1 million in 2018/19 only would help support further policy work. Consider through Budget 2019.
10413	Manifesto	Education	[33]									
10414	Manifesto	Education										
10311	Manifesto	Education										
10090	Cost pressure	Education	Cost Adjustment For Schools' Operational Grant	This initiative will increase operational grant funding for state and state-integrated school from the beginning of the 2019 school year to help schools manage increasing costs including the costs of staff employed through schools' operational grant funding, and maintain quality to meet the needs of all their students.	[33]	-	-	-	18.656	74.623	-	Priority for Minister Hipkins. Scaled based on 1.6% increase to rates. Deferral would have limited service implications as there is no clear evidence of a system wide cost pressure or reduced service quality. Teacher aide funding rates initiative is a better targeted increase to operations grants for schools with more high needs students. Scalable if priority.
10088	Cost pressure	Education	Cost Adjustment For Early Childhood Education	This initiative will increase funding by CPI for the 20 Hours ECE subsidy and the ECE subsidy (for under twos and over twos) to help ECE services and kohanga reo manage increasing costs of provision and maintain quality and affordability for parents and families.	[33]	-	-	-	26.777	107.109	-	Priority for Minister Hipkins. Scaled based on 1.6% increase to rates. Deferral would have limited service implications as there is no clear evidence of a system wide cost pressure faced by centres or families. No clear targeted option, scalable if priority.
10086	Cost pressure	Education	[37]									
10307	Manifesto	Education	Te Kawa Matakura	This funding will fulfil Government commitments to develop a programme and qualification for secondary students who exhibit excellence in te ao Maori.	[33]	-	-	-	-	-	-	Out of scope, but has merit. If priority, Treasury would support \$2.82 million over three years to fund initial tranche of 3 wānanga.
10083	Cost pressure	Education	[37]									
10084	Cost pressure	Education	Increasing the Performance-Based Fund (PBRF) to Manage Accounting Standards Impact	Budget 2017 increased the PBRF by \$15 million from the start of 2018. \$7.5 million was appropriated for 2017/18. Implementation of changes to accounting standards requires the Tertiary Education Commission (TEC) to recognise its obligation to provide the full \$15 million per annum increase for the 2018 calendar year in the 2017/18 financial year, resulting in a one-off \$7.5 million cost pressure.	[33]	-	-	-	-	-	-	Do not support, however Minister Hipkins likely to request funding or offset cost of initiative through underspends of \$126 million in Vote Tertiary Education (only \$30 million of this is actual underspends and the remaining is forecast and may not be realised in full). Treasury vote team recommend this funding is returned to the centre as reprioritisation.

10085	Cost pressure	Education	[33]											
10092	Cost pressure	Education	[33], [37], [38]											
10094	Cost pressure	Education	[33]											
10107	Manifesto	Education												
10336	Manifesto	Education												
10300	Manifesto	Education												
10301	Manifesto	Education												
10302	Manifesto	Education												
10309	Manifesto	Education												
10310	Manifesto	Education	Education Portfolio Work Programme	This funding is to support a coherent package of work that aims to create buy-in and facilitate discussion and action on new and innovative directions for the education system. The package includes a number of strategies, regional follow-up hui and the formation of advisory groups for a number of work streams.	[33]	-	-	-	-	-	-	-	Out of scope	
Total Education					[33]									
10175	Cost pressure	Health	District Health Boards - Additional Support	This funding will be provided to District Health Boards (DHBs) to meet additional costs they face in delivering health services. These costs are driven by changes in the populations they serve, wage costs, and inflation. DHBs support all New Zealanders through services such as: hospital care, mental health support, medicines, primary health care, and support for older people.	[33]	-	549.000	2,196.000	-	549.000	2,196.000	-	Without this funding, DHB's will not be able to continue providing core services. There is very little discretion around this given population growth and already significant DHB deficits. There are significant risks with scaling DHB cost pressures given the financial pressure they are under and the sector deficit position deteriorating. The DHB allocation in Budget 2017 was \$439 million. Current scaling assumes a 0.25% efficiency dividend.	
10485	Cost pressure	Health	Provision for Additional Deficit Support for District Health Boards	This funding will increase the provision for deficit support to District Health Boards (DHBs). The increase will provide appropriate cash support to DHBs that need it.	-	-	100.000	-	-	100.000	-	100.000	Without this funding, there is a risk DHBs will be unable to pay wages and bills which may result in service cuts and failure. This is driven by a number of DHBs are currently operating in overdraft and not having sufficient working capital to continue operations with this support.	
10183	Cost pressure	Health	Meeting Air Ambulance Service Cost Pressures	This funding will provide for volume, personnel and price driven cost pressures for the national Air Ambulance Service. Funding pressures result from increased demand, and from supply-side cost pressures resulting from new safety requirements and rising capital costs	20.725	82.900	-	20.725	82.900	-	20.725	82.900	-	Without this funding, contracts with 11 trusts expire on 31 October 2018. If funding is not provided it is unlikely contracts can be renewed under current conditions and this will create safety, legal and financial risks as well as service gaps in key areas.
10390	[38]													
10177	Cost pressure	Health	Disability Support Services – Additional Support	This funding will provide for price and volume pressures in response to increased demand on Disability Support Services.	54.950	219.800	-	54.950	219.800	-	54.950	219.800	-	Funding sought reflects both price and volume driven costs for disability support. If funding is not provided, MoH will need to make some difficult trade-offs for certain components of disability support.
10180	Cost pressure	Health	National Maternity Services – Additional Support	This funding will provide for the estimated growth in primary maternity claims (driven by increased births and an increase in the number of women using primary community maternity services), increased service delivery costs, and an additional contribution to workforce pressures ('Lead Maternity Carers').	[33]	-	5.000	20.000	-	28.150	112.600	-	If unfunded, increases risk off loss of current workforce, increased rates of in-utero harm and adverse health events, and increasing inequity across service access and health outcomes. There is also a risk that legal proceeding will be reinstated if the Ministry of Health does not fulfil its commitment to support current Lead Maternity Carers. Scaling reflects not funding the workforce development component (\$1.28 p.a.) and volume growth related to ultrasounds, and includes funding for price and remaining volume pressures.	
10181	[33]													
10403	Cost pressure	Health	National Bowel Screening Programme Implementation Year 2	This funding will enable the National Bowel Screening Programme to operate in five more DHB regions (currently the programme operates in five DHB regions). This initiative will fund operating costs for the five DHBs (e.g. diagnostic and surveillance colonoscopies) as well as the costs of servicing this additional population for the National Coordination Centre, laboratory testing, and bowel screening regional centres.	16.771	67.085	-	16.771	67.085	-	16.771	67.085	-	There is a reputational risk to the Government if this cost pressure is not funded as the roll-out will be delayed. There are likely to be negative outcomes for eligible individuals who would have been able to access screening if the programme had been rolled out as signalled.
10483	Cost pressure	Health	[33]											
10381	Manifesto	Health	Free Health Check for SuperGold Card Holders	This funding will providing one free health check per year for all SuperGold card holders (approximately 720,000 New Zealanders).	[33]	-	0.250	1.000	-	0.250	1.000	-	Specifically mentioned in Coalition Agreement. Further implementation work required. Fund one year development costs only.	
10387	Manifesto	Health	Integrated Therapies Pilot for 18-25 Year Olds	This funding will establish a pilot programme to develop integrated therapies for young adults aged 18-25.	[33]	-	2.623	10.490	-	2.623	10.490	-	Mentioned in Confidence and Supply. Scaled funding only supports workforce development components as these are critical to building market capacity.	
10388	[33]													
10366	Manifesto	[33]	[33]	[38]	[38]	-	-	-	-	-	-	-	[33]	

10377	Manifesto	Health	Very Low Cost General Practitioner Visits for Community Services Card Holders	This funding will reduce General Practitioner fees for approximately 540,000 low income New Zealanders by: <ul style="list-style-type: none"> giving all Community Services Card holders access to the same low fees as Very Low Cost Access practices charge, and extending the Community Services Card to all Housing New Zealand tenants and New Zealanders that receive an accommodation supplement or income-related rent subsidy. 	[33]	-	-	-	-	95.515	382.061	-	Not mentioned in agreements or Speech from the Throne, however Labour Fiscal Plan commitment. Recommended funding in draft package reflects a 1 October 2018 start date. Priority for Minister Clark.	
10379	Manifesto	Health	More General Practitioner Training Places	This funding will increase the number of post-graduate training places for General Practitioners. The initiative will take the annual intake to the Royal New Zealand College of General Practitioners from 190 (currently) to 300 over the next three years.	[33]	-	-	-	-	-	-	-	Not mentioned in agreements or Speech from the Throne, however Labour Fiscal Plan commitment. Recommend deferring until outcome of primary care review. Tsy vote team providing further advice on options.	
10383	Manifesto	Health	Extending Zero Fees Doctors' Visits to Under 14s	This funding will provide free visits to a General Practice, after-hours visits and prescriptions for children under the age of 14 (approximately 56,000 more New Zealanders).	[33]	-	-	-	-	5.706	22.822	-	Specifically mentioned in Coalition Agreement. Implementation ready however reflects significant investment when primary care review is underway.	
10386	Manifesto	Health	Expansion of School Based Health Services	This funding will expand School Based Health Services to all public secondary schools (currently only delivered in decile 1-3 schools), giving approximately 200,000 more students access to a health professional in their school. All School Based Health Services will be required to provide a health, disability and development check for all Year 9 students.	[33]	-	-	-	-	1.960	7.840	-	Mentioned in Coalition Agreement, however mental health inquiry underway. Recommended scaled funding reflects expansion to the Gisborne and Northland region. Scaled osts are based on assumptions around the number of secondary schools in deciles 4-9 in these areas and 2015 roll growth data.	
[33]														
10184	Cost pressure	Health	Contributing to the Electives Health Target	[33]	[33]	-	-	-	-	-	-	-	Do not support.	
[33]														
10178	Cost pressure	Health	Primary Health Care – Additional Support	This funding will provide for cost increases and estimated growth of people enrolled in a Primary Health Organisation including increased growth in targeted primary care programmes that provide affordable access for low income New Zealanders.	4.190	16.760	-	-	-	-	4.190	16.760	-	Fund pressures associated with population growth and price growth only. Consider further investments following primary care review.
10385	Manifesto	Health	Extending mental health services in earthquake-affected schools	This funding will provide mental health support to primary and intermediate schools to improve the mental health outcomes of children and young people affected by the Canterbury earthquakes of 2010-2011 and the Kaikoura earthquake on 14 November 2016. The initiative will run for an initial period of	-	-	-	-	-	-	-	-	Already announced and funded from MH contingency.	
[33]														
10486	Manifesto	Health	Government Grant to Maniototo Health Services Ltd Towards Redevelopment of the Maniototo Hospital	[33]	[33]	-	-	-	-	-	-	-	[33]	
[33]														
[33]														
[33]					[33]	[33]	30.000	-	-	7.500	30.000	-	Without this funding, 102 FTEs will not be able to continue providing front line services to assess transitional and public housing applications. FTE funding was time limited and ends in this financial year. [33]	
10211	Cost pressure	Housing and Urban Development	Public and Transitional Housing Supply	This funding will cover the gap between the current appropriation and the sum of the projected costs of the current public housing baseline and pipeline, from both Housing New Zealand Corporation and community housing providers. This funding will also cover the costs of the transitional housing shortfall to the current target of 2,155 and the associated shortfall in the operating costs (accommodation and support services costs) to operate the transitional housing places.	[33]	68.851	[33]	68.851	-	25.254	101.014	68.851	Funding in draft package reflects transitional housing cost pressure only. Public housing component has been combined with initiative 10421 below. Operating and capital funding will support the Government to meet the 2,155 target for transitional housing.	
10213	Cost pressure	Housing and Urban Development	Housing First – Funding to Resource the Current Programme	This funding will ensure the Housing First pilot in Auckland and the recent expansion of the pilot to the rest of New Zealand are appropriately funded. The funding being sought under this bid will be spent on the support services components of Housing First.	5.134	20.535	-	5.134	20.535	-	5.134	20.535	-	Implication of not funding this is that the current programmes may have to be scaled back and not be delivered effectively to test and outcomes and build an evidence base
10214	Cost pressure	Housing and Urban Development	Community Group Housing (CGH) Market Rent Top Up	This funding will enable Housing New Zealand to receive market rent, following the annual market rent assessment of all CGH properties. This is a placeholder bid as the required information will not be available until January 2018.	[33]	-	[33]	-	-	3.410	13.640	-	Based on update QV data, the market rent for the CGH portfolio is higher than what was forecast in the Crown appropriation [33]. Recommended funding provides a top-up to HNZN to ensure they continue to receive market rent for these properties which house vulnerable people with special needs.	
10331	Manifesto	Housing and Urban Development	Further Expansion of Housing First	This funding will provide public housing places and housing in the private market to people who are chronically homeless or homeless with multiple and complex needs, together with support services, through a Housing First approach. It will also fund a sector organisation to support standardisation of the programme across New Zealand, and support emerging research and evaluation questions to be addressed, so that MSD can continue to build the evidence base on the effectiveness of the Housing First programme in a New Zealand context.	10.964	43.854	-	10.964	43.854	-	10.964	43.854	-	Although not explicitly mentioned in agreements, contributes directly to homelessness priority and is implementation ready given existing pilots. Can be deferred to Budget 2019 given pilots are already underway and there may be limited market capacity to respond to all initiatives related to increasing supply in Budget 2018.

10421	Manifesto	Housing and Urban Development	Additional Public Housing	[33]	[33]	-	25.538	102.152	-	58.594	234.377	-	Mentioned in Speech from the Throne, however existing commitment is to 1,000 net additional increase per annum. Draft package reflects a net additional 1,500 places per annum starting from a baseline of zero additional places. These are Treasury costings based on updated information from MSD but still need to be verified with MSD. Priority for Minister Twyford.	
10337	Manifesto	Housing and Urban Development	Continuation of Community Housing Aotearoa Services	This funding will provide for the continuation of services by Community Housing Aotearoa (peak body for the community housing sector) to support the sector to deliver on the Social Housing Reform Programme and assist in achieving the Government's objectives. These services include: engage on policy, grow the supply of social houses and develop the capability of the sector, and measure outcomes.	0.450	1.800	-	-	-	-	-	-	Out of scope, but initiative has merit. Supports development of community housing sector.	
Total Housing and Urban Development					[33]		68.851	139.580	558.318	68.851	110.855	443.420	68.851	
10134	Cost pressure	Immigration	Addressing the cost pressure in the Immigration System – Primarily Visa Services Processing Third Party	This bid allows INZ to realise the benefits from transformation to realign and consolidate visa processing activities. This includes additional operational, property and implementation costs and savings benefits.	0.408	1.632	32.7	0.408	1.632	12.532	0.408	1.632	12.532	Without this funding, MBIE would be required to back out of accommodation contracts and halt/reverse announced redundancies. Primarily related to organisational change that is mid-flight (reducing global footprint, shifting to specialised operational hubs in NZ). Capital investment required to fund operating changes to enable planned/promised operating savings.
10122	Cost pressure	Immigration	Addressing the Cost Pressure in the Immigration System – Support for Refugees	This funding will address cost pressures in the Refugee and Protection Unit arising from: <ul style="list-style-type: none"> Processing an increasing number of claims for asylum and protection Housing supply shortage and increased complexities in finding affordable private accommodation in communities for the incoming quota refugees. 	1.027	4.107	-	1.027	4.107	-	1.027	4.107	-	Timely resolution of asylum seeker claims avoids downstream costs. Constraints on housing refugees places existing quota at risk, with larger risks if doubling the quota is prioritised.
10274	Manifesto	Immigration	Immigration Compliance and Border activities to combat migrant exploitation and people trafficking.	To ensure there is an effective immigration system, necessary to support the commitment in the Labour / New Zealand First Coalition Agreement to "Take serious action on migrant exploitation, particularly of international students".	[33]								Not specifically mentioned, but contributes to the Coalition Agreement Manifesto to address Migrant Exploitation. [4] maintaining screening of inbound travellers at 30%, increasing to 100% over time (with investment in tools); as well as other preventative measures. [33]	
10398	Manifesto	Immigration	Immigration Advisers Authority - Immigration Levy Funding for enhanced activities	This funding will fund the Immigration Advisers Authority to take smart and deliberate action to reduce unlawful immigration advice and increase the standard of immigration advice consumers receive.	-	-	-	-	-	-	-	-	-	Not specifically mentioned, but contributes to the Coalition Agreement Manifesto to address Migrant Exploitation. Third party funded.
[33]														
10273	Cost pressure	Immigration	Address cost pressures in the Refugee and Protection Unit arising from depreciation on the new Mangere Refugee Centre	This funding will provide capital funding for two new accommodation blocks at MRRC to directly support the commitment in Labour's Fiscal Plan to increase the Refugee Quota to 1,500 per annum, and associated depreciation costs, capital charge and operational costs to support the ongoing operation of MRRC resulting from the construction of the two new accommodation blocks	1.541	6.162	7.670	-	-	-	1.541	6.162	7.670	Priority for Minister Lees-Galloway. Not a Manifesto, but mandatory investment for doubling the size of the refugee quota. Building needs to be completed in 2018 calendar year, in order to facilitate a 1500 quota in the year ending June 2020. Mainstream service costs for doubling the quota would be considered separately.
10153	Cost pressure	Immigration	[33]										[33]	
Total Immigration					[33]		14.693	58.773	16.051	2.975	11.901	20.202		
10157	Cost pressure	Justice	Whanau Protect - National Home Safety Service	This funding will ensure the continuation of a service that helps high-risk victims of family violence wanting to leave a violent relationship. The service reduces future victimisation and minimises social disruption by allowing victims to safely remain in their own homes by providing practical assistance by way of monitored alarms and security upgrades. Four years of funding will help improve home safety for a total of 9888 people including children, so that they are kept safe from victimisation and further harm.	[33]			1.917	7.668	-	1.917	7.668	-	Without this funding, the service would need to stop. Although it was a pilot, it was rolled out nationally in March 2016, however funding was not provided in outyears.
10146	Cost pressure	Justice	[33]											
10147	Cost pressure	Justice	Funding for the 2020 Electoral Cycle.	This funding will be used to meet core operating costs involved in the administration of the New Zealand parliamentary electoral system through to 2020/21. This includes administration of compliance with electoral laws, maintenance of the rolls, enrolment campaigns to be run ahead of Local Authority and General Elections, and conduct of the 2020 General Election.	[33]			1.512	6.049	-	1.512	6.049	-	There is a funding shortfall for the 2020 electoral cycle. Could fund first year only and defer future years to Budget 19, when review of last election will be complete.
10449	Cost pressure	Justice	[33]											
10156	Cost pressure	Justice	Victim Support Services and Financial Grants to Victims of Crime – Cost Pressures	This funding will ensure that victims of crime and trauma across New Zealand have access to crisis response and long-term social support services, and financial assistance to help meet costs incurred by being a victim of crime, including participation in the criminal justice system.	[33]			3.367	13.467	-	3.367	13.467	-	Increasing family violence incidents putting pressure on victim support services which are demand driven.
10158	Cost pressure	Justice	Independent Police Conduct Authority (IPCA) Budget Bid 2018	This funding will provide personnel and infrastructural resources that are essential to support the current and future operations and strategic direction of the IPCA. The efficient management, investigation and resolution of complaints against Police will increase public confidence in the role and independence of the Authority and have direct impact on public confidence in New Zealand Police.	[33]	0.300		[33]		0.300	0.591	2.366	0.300	IPCA facing higher volumes of complaints, upward pressure from Police numbers. Not funding would mean fewer complaints investigated or delays in investigating. Scaled funding does not fund the \$75k non-cost pressure component and aligns with scaling of police manifesto initiative.
10143	Cost pressure	Justice	Managing Ministry of Justice Cost Pressures: Rising costs of ICT / Property / Wages	This initiative increases baseline funding across the Ministry of Justice to address the rising costs of providing Justice services. The funding will address historic underinvestment in property and ICT assets, and ensure Ministry employee wage costs can be met without impacts on service delivery.	[33]			13.014	52.056	-	13.014	52.056	-	Without this additional funding, the Ministry will have to discontinue or scale down the operation and investments to stay within the existing baselines. Scaled to defer discretionary ICT components.
10262	Manifesto	Justice	Stabilising funding for Community Law Centres	This funding will provide a wage and general inflation based increase for community law centres across New Zealand to stabilise staffing and current services pending the outcome of the review of the current funding model.	[33]			-	-	-	0.545	2.180	-	Mentioned in Coalition Agreement. Could defer. Deferring would allow upcoming reviews of the the CLC operating funding model and access to justice to inform a Budget 19 bid.
10263	Manifesto	Justice	[33]											
10264	Manifesto	Justice	[33]										[33]	

10259	Manifesto	Justice	[33]																		
10382	Manifesto	Justice	Family and Sexual Violence Central Agent	[33]	[33]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Priority for Ministers Little and Sepuloni as part of overall family violence package. Support need for ongoing central leadership. Would support effective implementation of other family violence bids. Work currently underway to determine most appropriate functions and form and resourcing required, so not yet investment ready. If Ministers wish to support, suggest contingency	
10257	Manifesto	Justice	Lowering the interest rate on legal aid debt resulting in a reduction in government revenue	This bid does not seek funding. This initiative will change the metric by which interest on legal aid debt is calculated to consistently reduce the interest rate compared to the counterfactual, thus creating a reduction of government revenue.	2.575	10.300	-	-	-	-	-	-	-	-	-	-	-	-	-	Out of scope	
Total Justice					63.138	252.552	0.300	26.942	107.766	0.300	20.946	83.786	0.300								
10457	Manifesto	Maori Development	Te Ohu Whanake (Whenua) programme - tranche 1	[33]							[33]									Priority for Minister Mahuta for Budget 2018. Recommend tagged contingency.	
Total Maori Development					3.200	12.800	9.300	-	-	-	3.200	12.800	9.300								
[38]																					
10215	Cost pressure	Police	My Police	Police's new human resource management system (My Police) was implemented earlier this year to replace the previous system. Police funding to pay for the increased licencing costs and extended helpline support.	9.800	39.200	-	2.200	8.800	-	-	-	-	-	-	-	-	-	-	Some additional costs may be able to be met within existing Police baselines, but it is likely that any improvements to the system will be deferred.	
10324	Manifesto	Police	Striving Towards 1800 New Police	This funding will enable New Zealand Police to implement the 2017 Coalition agreement goal agreed between the New Zealand Labour Party and New Zealand First, to "Strive towards adding 1800 new Police officers over three years and commit to a serious focus on combatting organised crime and drugs."	[33]															Specifically mentioned in Coalition Agreement. [33]	
					17.800	74.700	298.800	17.800	74.700	298.800	17.800										Priority for Minister Nash.
[33]																					
10458	Cost pressure	Social Development	Benefits for Recent Migrants – Maintaining Access	This funding will rescind the previous decision to extend the minimum residency period for accessing a main benefit from two to three years and to align the residency requirements for partners of beneficiaries with single applicants.	1.051	4.204	-	1.051	4.204	-	1.051	4.204	-	-	-	-	-	-	-	-	Costs associated with reversing the delayed decision by previous Government to increase the minimum residency requirements for recent migrants from two to three years. Savings from this initiative were banked for Budget 2017. Reflecting costs for first year only as subject to welfare review.
10412	Manifesto	Social Development	Overhaul of the Welfare System: Expert Welfare Advisory Group	This funding will allow for the continuation of an external expert welfare advisory group to provide the government with independent advice on a future welfare system that can better support the needs of all New Zealanders. [33]	0.381	1.525	-	0.381	1.525	-	0.381	1.525	-	-	-	-	-	-	-	-	Specifically mentioned in Confidence and Supply agreement. Implementation ready if funded. Part funded by MSD, some additional resourcing required in 2018 to deliver the review to begin implementing in 2019. Minister Sepuloni has signalled a further \$1 million contingency should the EAG operate beyond November 2018.
10165	Cost pressure	Social Development	Stabilising and Strengthening the Delivery of Family Violence Services	This initiative provides additional funding to stabilise and strengthen the delivery of Ministry of Social Development-funded family violence services for victims, perpetrators and their families. Funding will gradually be increased to stabilise services, enable providers to meet increased demand, and maintain the provision of quality services. It will also strengthen overall service delivery through a comprehensive work programme of service development and evaluation.	[33]																Increasing demand putting pressure on the implementation of core family violence services, with trade-offs being made around coverage and quality of services. Scaled funding supports \$3.66m across the forecast period for stabilising component to strengthen service development and conduct evaluation to strengthen services overall across the full pipeline. Priority for Minister Little and Sepuloni.
10207	Cost pressure	Social Development	Remuneration Cost Pressures	This funding will provide for on-going remuneration cost pressures associated with progression and wage increases for all eligible MSD staff. The funding requested is for the expected cost of 2018/19 increases over the four year period only and does not account for remuneration increases from 2019/20 onwards.	12.490	49.960	-	12.490	49.960	-	12.490	49.960	-	-	-	-	-	-	-	-	MSD has continually absorbed personnel pressures, however no longer sustainable. [38]
10340	Manifesto	Social Development	[33]																	[33]	
10206	Cost pressure	Social Development	[33]																	[33]	
10328	Manifesto	Social Development	[33]																	[33]	
10338	Manifesto	Social Development	Expanding the Limited Service Volunteer Programme	This funding will deliver the Government's commitment to expand the Limited Service Volunteer Programme (LSV) by 800 places. LSV is a six week residential motivational programme delivered by the New Zealand Defence Force (NZDF) with funding and support from the Ministry of Social Development (MSD) and the NZ Police. The programme seeks to improve the discipline, confidence and work-readiness of young people aged 18-25 who are unemployed.	6.695	26.779	1.000	-	-	-	6.695	26.779	1.000	-	-	-	-	-	-	-	[34]
10329	Manifesto	Social Development	Improving the portability of superannuation to the Cook Islands, Niue and Tokelau	This funding will allow for the amendment of the portability rules for NZS to the Cook Islands, Niue and Tokelau. [3]	3.257	13.029	-	-	-	-	3.257	13.029	-	-	-	-	-	-	-	-	Out of scope however priority for Prime Minister and Minister of Foreign Affairs. Has been publically announced therefore non-negotiable. Support policy intent, implementation relies on legislative change.
10461	Manifesto	Social Development	KickStart/KidsCan	This funding continues the KickStart (\$1.2 million) and KidsCan (\$0.350 million) programmes. These programmes alleviate child material hardships to a large number of children. These programmes involve two separate partnerships and provide food, clothing, shoes, health products and other material assistance to vulnerable children.	0.388	1.550	-	-	-	-	0.388	1.550	-	-	-	-	-	-	-	-	Priority for Prime Minister, Minister Sepuloni. Note only one year funding to enable MSD to review contracts after the transfer from Vote Oranga Tamariki to Vote Social Development to ensure appropriate contractual arrangements to support outcomes for the target population.
10167	Cost pressure	Social Development	Interim Frontline Security Measures for MSD	The funding will maintain a national security guard workforce to prevent and manage security incidents in our frontline service centres as a continued interim measure until the long term physical security requirements are finalised and implemented through the Future State Physical Security Environment (FSPSE) project.	[33]																Priority for Minister Sepuloni. Support scaled, MSD to fund remainder within baselines. Review of MSD's long-term security needs has been pending and was required when additional year of funding was provided in Budget 2017. Expect to see outcome of review before further funding decisions are taken in Budget 2019.

10330	Manifesto	Social Development	[33]											
10460	Manifesto	Social Development												
Total Social Development				[33]										
10323	Manifesto	Statistics	Improving the Measurement of Child Poverty in New Zealand	The funding will increase the sample size of the Household Economic Survey, and fund investigation into improvements in data methodology and integration, to allow more precise measures of child poverty in New Zealand.	6.424	25.694	-	5.044	20.177	-	5.044	20.177	-	High priority and mentioned in Speech from the Throne. Statistics has already commenced preliminary work from baselines to ensure initiative is implementation ready for 1 July 2018. Scale to 15,000 survey respondents rather than 20,000.
Total Statistics					6.424	25.694	-	5.044	20.177	-	5.044	20.177	-	
10353	Manifesto	Transport	[33]		[33]								[33]	
Total Transport				[33]										
10112	Cost pressure	Workplace Relations and Safety	Addressing cost pressures in the Employment Relations – Employment Standards System	This funding will address cost pressures (for 2018/19 only) in the Employment Relations Services appropriation, which supports frontline employment services including the Labour Inspectorate and employment mediation. The cost pressures relate mainly to depreciation, salary costs, and unavoidable costs (such as legal and quality management costs) incurred by the Inspectorate as part of its focus on "serious and systemic" breaches, which has necessitated more complex and in-depth investigations.	0.440	1.761	-	0.358	1.432	-	0.358	1.432	-	Without cost pressure funding there is a risk of disruptions to enforcement of employment standards through reduced service levels. Reduced service size is inconsistent with Ministerial priority to double size of Labour Inspectorate.
10267	Manifesto	Workplace Relations and Safety	Increasing the size and capability of Employment Services (including the Labour Inspectorate)	This funding will provide foundational capability for Employment Services, including a number of new labour inspectors, to begin (but not complete) the proposed lift in capability and capacity over the next three years. The Labour-NZ First Coalition Agreement commits to "serious action on migrant exploitation", and expanding the Labour Inspectorate (and related services) is seen as a key way to achieve this. A subsequent bid is planned for Budget 2019 to complete the proposed expansion of the Inspectorate and related employment services.	[33]						2.925	11.700	-	Not specifically mentioned, but contributes to the Coalition Agreement Manifesto to address Migrant Exploitation, and consistent with Ministerial priority to double the size of the Labour Inspectorate. In addition, if Increased compliance and investigations activities are funded, there will be a complementary demand for Labour Inspectorate resources, reflecting a joined-up approach. Draft package scaled to 6 inspectors.
Total Workplace Relations and Safety					6.842	27.369	-	4.757	19.027	-	3.283	13.132	-	
10459	Manifesto	Youth	Youth Health and Wellbeing Survey (YHWS)	This funding will collect data that has been identified by a range of government agencies as necessary to inform key policy programmes and service delivery for young people.	1.000	4.000	-	-	-	-	1.000	4.000	-	Out of scope
Total Youth					1.000	4.000	-	-	-	-	1.000	4.000	-	
Total Employment					12.500	50.000	-	-	-	-	-	-	-	

[33]

ECONOMIC DEVELOPMENT INITIATIVES (23 MARCH 2018)

36 initiatives

CAPITAL AND OPERATING EXPENDITURE		Agency bid (net)			Treasury Vote team assessment			Near final package		
		Opex Avg.	OPEX total	CAPEX total	Opex Avg.	OPEX total	CAPEX total	Opex Avg.	OPEX Total	CAPEX Total
Portfolio	Broadcasting, Communications and Digital Media	[33]			3.320	13.280	-	2.520	10.080	-
	Commerce and Consumer Affairs				2.152	8.606	-	2.152	8.606	-
	Customs				13.577	54.307	9.752	9.484	37.934	3.906
	Economic Development				3.209	7.000	-	3.209	12.837	-
	Energy and Resources				35.625	142.500	-	35.625	142.500	-
	Foreign Affairs				49.925	199.700	-	222.958	891.833	40.281
	Housing and Urban Development				12.054	48.217	[33]	12.054	48.217	300.500
	Regional Economic Development				186.799	747.194	1,517.263	101.751	407.003	188.800
	Research, Science and Innovation				274.433	1,097.730	11.925	274.433	1,097.730	11.925
	Tourism				-	-	-	-	-	-
	Trade and Export Growth				-	-	-	-	-	-
TOTAL ECONOMIC DEVELOPMENT WORKSTREAM					581.093	2,318.534	[33]	664.186	2,656.740	545.412

Interpreting the RAG Ratings

Cost pressure Prioritisation
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.

Potential additions - Out of scope initiatives that are either:
 - A Ministerial priority
 - Have risk of not funding
 - Have merit

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.

Potential additions - Out of scope initiatives that are either:
 - A Ministerial priority
 - Have risk of not funding

No.	Type of Initiative	Portfolio	Title	Description	Agency bid (net)			Treasury Vote team assessment			Near final package			Treasury RAG Rating comment
					Opex Avg.	Opex Total	CAPEX Total	Opex Avg.	Opex Total	CAPEX Total	Opex Avg.	Opex Total	CAPEX Total	
10120	Cost pressure	Broadcasting, Communications and Digital Media	Responding to Funding Pressures and Technological Disruption - Communications	The funding will ensure that the communications component of the portfolio is adequately resourced to deliver on the Government's communications policy, infrastructure, and digital economy priorities.	[33]						1.550	6.200		The total funding sought through this initiative has reduced to 1.55m per annum as a result of the Weathertight reprioritisation. The Weathertight reprioritisation will be evenly spread across all components of this bid. Without funding, critical regulatory stewardship of communications will continue. However there will be a reduction to current activities including digital economy work, monitoring of the rollout of broadband and mobile programmes, monitoring and improvements to the 111 system (critical lifeline service), deaf relay services and telecommunications resilience work. It is unclear to what extent each of these activities would reduce in light of the Weathertight reprioritisation.
10121	Cost pressure	Broadcasting, Communications and Digital Media	CERT NZ Funding (Risk Mitigation)	This initiative will address cost pressures facing CERT NZ, to ensure it is funded to meet existing costs and can fulfil its mandated functions	[33]			0.970	3.880		0.970	3.880		Without this funding, there may be significant risks to CERT NZ's effectiveness and reputation. Headcount would be reduced leading to a reduction in international engagement (required for NZ to access cyber threat information and best practice) and a reduction in advice, engagement and awareness output needed to support incident response. [33] Additionally without the extra funding, CERT NZ's data and analysis capabilities will not be sufficient for adequate threat detection or to fully understand New Zealand's threat landscape.
10136	Cost pressure	Broadcasting, Communications and Digital Media	Techweek	Techweek is a unifying platform and nation-wide festival of physical and virtual events and conversations. It celebrates New Zealand's digital technology sector and showcases the way the sector benefits New Zealanders and contributes to the New Zealand economy through its connections to the world. Techweek appeals to local and international investors, business and technology leaders, and New Zealanders who are curious about what digital technology can do for them.	[33]									Not a cost pressure, do not support
Total Broadcasting, Communications and Digital Media								3.320	13.280		2.520	10.080		
10137	Cost pressure	Commerce and Consumer Affairs	General Markets cost pressure budget bid to reduce consumer harm	This funding will increase the Commission's work in the consumer credit sector to help tackle more of the consumer harm being reported and observed. The Commission will manage the material increase in the scale and complexity of non-discretionary merger clearance and authorisation applications. Additional funding for major litigation is also required to manage the litigation activity that will come from the increased investigation and enforcement activity that will result from the above combined with cost increases from legal providers.				1.427	5.706		1.427	5.706		Without this funding, the Commission would be unable to comply with legislation which the current Government has recently enforced - the Commerce (Criminalisation of Cartels) Amendment Bill. This results in an additional cost of \$950k (which is reflected in the budget bid), made up of \$500k for additional litigation funding to cover prosecution costs, and \$450k to cover investigative and related operational costs. - The remainder of the bid is cost pressures relating to non-discretionary activities (such as merger analysis) undertaken by the Commerce Commission. If this was not funded, we would likely see a reduction in quality of these activities, seen through either less thorough analysis, or longer timelines for resolution.
10109	Cost pressure	Commerce and Consumer Affairs	Management and Disposal of Criminal Assets	This funding is to provide for the increased number of assets seized through criminal activities or used in the commission for serious crime that MBIE is required to manage over a 1-3 year period until the asset is sold as prescribed by the Criminal Proceeds (Recovery) Act 2009. The costs include staff resources to manage and dispose of assets, collection of assets and storing of assets in a secure and safe warehouse facility.				0.725	2.900		0.725	2.900		Without this funding, MBIE will lose the value of the assets that they are managing (high value assets). - Treasury supports this initiative, however an alternative funding arrangement is possible. This would require Cabinet authorising to the Minister of Finance and the Minister of Commerce and Consumer Affairs, to jointly approve changes to the Commerce and Consumer Affairs: Official Assignee Functions appropriation, to fund the difference between costs and recoveries, from Proceeds of Crime Revenue. Allowing appropriation changes would reduce the net funds payable to the Consolidated Fund to fund activities under the Methamphetamine Action Plan.. It is estimated that Proceeds of Crime funds that will be paid to the Consolidated Fund will be \$30 million in 2018/19 and outyears.
Total Commerce and Consumer Affairs								2.152	8.606		2.152	8.606		
10355	Manifesto	Customs	Strategic Disruption of Drug Smuggling Networks	Each year, the use of illicit drugs costs New Zealand \$1.8 billion in social harm and government interventions. New Zealand families, whanau and communities suffer the majority of the social harm, particularly caused by methamphetamine. This initiative will reduce these costs and prevent harm by proactively disrupting smuggling activity offshore, strengthening the security of supply chains and targeting the cross-border flow of criminal proceeds.	13.364	53.457	9.752	13.364	53.457	9.752	9.271	37.084	3.906	Minister priority and outlined in Coalition Agreement, implementation ready, strong costings and strategic alignment. At minimum package funding: The do-minimum capital funding for this bid is \$3.906m with a corresponding reduction in operation funding from 53.457m to \$37.084m over the forecast period. This approach retains most of the important components at a lower level so that key benefits can be delivered but at a lower scale. However, scaling at this level will significantly reduce the value for money of this bid, which is otherwise very high at full funding or only light scaling (= capital: \$4.752; operating: \$41.902m over the forecast period).
10356	Manifesto	Customs	Facilitating market access for New Zealand exports	This initiative seeks to progress the Labour Party manifesto commitment to support our exporters to add value to exports, a position that aligns with the post-election Coalition and Confidence and Supply Agreements with support parties. The initiative will support trade commitments by reducing Customs-related disruption at the United Kingdom border post-Brexit, mitigate non-tariff barriers in China and speed up trans-Tasman trade.	2.213	8.850		0.213	0.850		0.213	0.850		Minister priority -and referenced in coalition agreement. The scaled option is implementation ready and strategically aligned. Treasury supports Component 2 of this bid that aims to trial Secure Trade and Postal Green Lanes with Australia to streamline trans-Tasman trade (\$0.850 million single-year funding). The Minister's priority explicitly covers an additional component (Component 1) of this bid, which is a London post designed to manage Brexit 2019 and mitigate risks associated with export delays. Funding sought for Component 2 includes \$0.925 million for a time-limited period of 4 years (total 3.7 million over the forecast period), but this is not supported by the Treasury because of unclear intervention logic and value for money.
Total Customs					15.577	62.307	9.752	13.577	54.307	9.752	9.484	37.934	3.906	
10114	Cost pressure	Economic Development	Payroll Remediation Costs	This funding will be used to address the incorrect calculation of holiday pay to staff. The total funding requested represents outstanding remediation payments to current and former MBIE staff (over 9000 staff) who were not paid compliantly with the legislation of the Holidays Act 2003. As this liability relates to historic payments relating back to August 2008 (over 9 years at the time of writing) this cost pressure cannot be funded from within existing 2017/18 baselines.	1.750	7.000		1.750	7.000		1.750	7.000		This has been revised down from a total of \$12 million to a total of \$7 million since BM2. Without this funding, there are high risks of legislation breach, as MBIE is under an enforceable undertaking to address the incorrect calculation of holiday pay to staff. There is also a reputational risk to the Government of not funding this initiative.
10116	Cost pressure	Economic Development	[33]	[33]									[33]	

10268	Manifesto											[33]			
10269	Manifesto	Economic Development	Implementation of e-Invoicing in New Zealand	This funding delivers an interoperable e-Invoicing framework, allowing businesses in NZ to digitally transact across the entire procure-to-pay lifecycle using their NZBN. E-Invoicing alone results in an estimated 80% productivity gain. Using the Australian framework delivers interoperability with Trans-Tasman and international businesses. The benefits to the New Zealand economy are up to \$1.8b per annum, with e-Invoicing alone offering conservative benefits of \$500m per annum.	1,459	5,837	-	1,459	-	-	1,459	5,837	-	Minister priority - this initiative relates to the business community priority, has merit and a high return on investment. It is also a Minister priority for Ministers Parker and Nash. We recommend that this is funded in full for Budget 2018.	
10270	Manifesto	Economic Development	[33]											[33]	
Total Economic Development					[33]			3,209	7,000	-	3,209	12,837	-		
10276	Manifesto	Energy and Resources	Implementation of grant scheme for insulation and heating retrofits	This funding will enable the provision of grants for insulation and heating retrofits to improve the thermal performance of New Zealand's housing stock and achieve improved health outcomes.	75,000	300,000	-	35,625	142,500	-	35,625	142,500	-	Minister priority, outlined in the Speech from the Throne, is aligned with Government priorities, and is implementation ready. The scaled support option supports grants for low income and poor health owner occupiers. This component presents good value for money; it is unlikely this group will insulate in the absence of a grant scheme. If this initiative is not funded, there is a risk that community-focused insulation service providers may exit the market, and private third party funding may be directed away from supporting insulation. Of the \$300 million operating that was bid for, the Treasury vote team supports a scaled option totalling \$140m, which does not include funding for landlords or owner occupiers in good health and non-low income.	
Total Energy and Resources					75,805	303,221	-	35,625	142,500	-	35,625	142,500	-		
10212	Cost pressure	Foreign Affairs	APEC21 Programme – Operations and Hosting	This funding will enable the planning and delivery of the operations and hosting elements of the year-long Asia-Pacific Economic Cooperation (APEC) 2021 mega-event. Two additional initiatives are planned for subsequent Budgets that cover security costs (Budget 2019) and policy and leveraging costs (Budget 2020)	[33]						46,175	184,700	-	Without this funding, there would be significant implications, as New Zealand has committed to hosting APEC21. There are options around the level of funding provided as a contingency. This funding has been reduced to reflect the removal of \$15 million of the contingency.	
10235	Cost pressure	Foreign Affairs	Increasing our aid to tackle the biggest global and regional challenges of our time	This funding will significantly increase New Zealand's overseas aid, especially to the Pacific, and put our aid budget on a path towards the international target of 0.7% of Gross National Income. New funding will allow New Zealand to help address significant unmet financial needs for major global and regional challenges such as (i) the effects of climate change; (ii) increasing regional and global humanitarian need; (iii) financing gaps in the multilateral system; and (iii) the social and environmental constraints to sustainable development	[33]						147,250	588,999	-	Minister priority. The Treasury supports an initial boost in ODA to 0.27% of GNI in 2018/19, and a subsequent increase to reach 0.29% by the end of the triennium. This option has been discussed with Ministers.	
10249	Cost pressure	Foreign Affairs	Response to Foreign and Trade Policy Challenges - Capital Cost Pressures	Meet cost pressures including Health and Safety, Protected Security Requirements, modernising information management and communication systems and aged infrastructure offshore.	[33]						8,728	34,912	35,500	The Treasury supports the Health & Safety, and Protective Security Requirements components as these are most urgent and implementation ready. We recommend deferring unfunded property costs and the modernising ICT capability component.	
10246	Cost pressure	Foreign Affairs	Response to Foreign and Trade Policy Challenges - Cost Pressures	Meet inflationary cost pressures	[33]						13,256	53,022	-	The Treasury supports funding 60% of the forecast deficit. Funding at this level will still require MFAT to find efficiency savings.	
10247	Cost pressure	Foreign Affairs	Response to Foreign and Trade Policy Challenges - Capability	Sustain a career Foreign Service onshore and offshore.							7,550	30,200	-	The Treasury supports funding [38] and a small uplift of 12 additional FTE.	
10248	Cost pressure	Foreign Affairs	Response to Foreign and Trade Policy Challenges - New Embassy in Stockholm, Sweden	Establish an embassy in Stockholm, Sweden		4,781	-	-	-	-	-	-	4,781	The Treasury supports funding only the capital component of this initiative, and expect MFAT to reprioritise operating funding to fully fund this initiative.	
10250	Cost pressure	Foreign Affairs	[33]											Can defer to a future Budget - there are no significant implications of not funding for 2018/19.	
10210	Cost pressure	Foreign Affairs	Asia New Zealand Foundation (ANZF): Equipping New Zealanders to thrive in the Asian Century	This funding will enable ANZF to implement its refreshed strategic direction by actively generating conversations about Asia in the media through the provision of expert commentary and research, improving New Zealanders' awareness of the opportunities provided by Asia with a particular focus on youth, increasing the quantity of "Track II" engagement and events with priority countries, and increasing the scale and intensity of business, entrepreneurship and residency programmes	[33]									-	The Minister of Finance and the Minister of Foreign Affairs have agreed not to fund this initiative until the cross over with the CAPEs programmes is ironed out.
Total Foreign Affairs					[33]			49,925	199,700	-	222,958	891,833	40,281		
10219	Cost pressure	Housing and Urban Development	Capital Investment in Tamaki Redevelopment Company (TRC)	This funding will enable TRC to deliver ~700 new, warm, dry, healthy state houses and ~1,400 affordable and private market houses in Tamaki over the next six years. As well as improving the quality of Tamaki's state housing stock and delivering a range of new houses to the Auckland market, the Tamaki regeneration programme is driving improved health, educational and employment outcomes for Tamaki residents through social and economic regeneration activities that are leveraged off the housing redevelopment programme.			[33]						300,000	Without this funding, risks relate to TRC losing the momentum it has established over the past few years, and its supply links in the Housing market. The lowest amount that the Crown can realistically contribute is \$200 million, which would enable TRC to meet its current obligations. However, this bare minimum level of new capital would risk (i) a restriction in the supply of housing in Auckland (ii) TRC losing its housing redevelopment programme momentum and market supply links built up over recent years, and (iii) TRC being unable to meet upcoming requirements of healthy homes legislation. This initiative has a strong alignment with Government priorities for Budget 2018 (both Budget Minister priorities and BPS priorities) which relate to Housing. [33]	
10110	Cost pressure	Housing and Urban Development	Residential Tenancy and Unit Titles Services Funding	This funding will ensure: • there is an effective and stable funding model for the Residential Tenancy and Unit Titles Services Appropriation; • continuation of services that empower voluntary compliance and self-resolution and, where that fails, provide the protection of regulatory intervention, and; • development of a business case to replace ageing critical systems.	8,394	33,576	-	8,394	33,576	-	8,394	33,576	-	Without this funding, there will be flow on implications to the work on the Healthy Homes Bill. The work related to the Healthy Homes Guarantee Act assumes this is funded in order to implement the work related to the Healthy Homes changes. It is well aligned with Minister priorities, MBIE would not be able to fund from baselines, and the service/operational impact would be felt in 2018/19.	
10266	Manifesto	Housing and Urban Development	Healthy Homes Guarantee Act Implementation	This funding will be used for information campaigns, advice and support to landlords and tenants, compliance monitoring, investigation and enforcement, to support the effective implementation of the Healthy Homes Guarantee Act 2017. It will also be used to collect baseline housing quality data before the implementation of the Act for future monitoring and evaluation and to assist with developing a Tier 1 housing quality statistic.	3,660	14,641	0,500	3,660	14,641	0,500	3,660	14,641	0,500	In Speech from the Throne, aligns with Housing priorities, implementation ready for 1 July, costs are justified, and is aligned with strategic direction of the sector. It also has strong alignment with the implementation of the grant scheme and heating retrofits. The initiative is also required to ensure that the Healthy Homes legislation is effectively implemented.	
Total Housing and Urban Development					12,054	48,217	[33]	12,054	48,217	[33]	12,054	48,217	300,500		

10265	Manifesto	Regional Economic Development	Provincial Growth Fund	This funding is to support the Provincial Growth Fund (the Fund), a \$1 billion per annum investment, for three years, in regional economic development. The Fund is aimed at investing in regional New Zealand to ensure that all regions have the potential to attract investment, raise incomes and increase employment opportunities.	[33]						101.751	407.003	188.800	This initiative is highlighted in more detail in the Provincial Growth Fund box at the bottom of this annex, to highlight that it will receive \$1 billion for Year One of the Fund. The PGF is outlined in Coalition Agreement, aligns with regional and wealth creation priorities, is implementation ready for Budget 2018 and the initiative is aligned with strategic direction of the sector. Cabinet has agreed to the funding of the PGF in two papers so far. The draft package funding amounts, combined with repurposed and pre-committed funding, amount to \$1 billion for the PGF in Budget 2018.			
10283	Manifesto	Regional Economic Development	[33]		[33]									[33] and the PGF. Vote team would support a scaled option.			
Total Regional Economic Development					[33]						101.751	407.003	188.800				
10118	Manifesto	Research, Science and Innovation	Measurement Standards Laboratory (MSL) Funding	Capacity bid to enable MSL to continue to operate, and provide services to enable trade of New Zealand goods, support R&D and growth of NZ industry.Ⓜ	[33]	9.925	2.083	8.330	9.925	2.083	8.330	9.925	2.083	8.330	9.925	Without this funding, there are risks around capability erosion. MSL is facing a deficit of around 1.3 million as of 18/19 which will have flow on effects for capability to provide a national measurement system. Providing a national measurement standard is a statutory requirement on the Minister of Research, Science and Innovation under the Measurement Standards Act 1992. This is an international obligation. The majority of operating expenditure for this initiative is necessary to fund staff replacement, and the operating funding is for staffing requirements.	
10278	Manifesto	Research, Science and Innovation	Research and Development Tax Credit	This funding responds to an R&D tax credit (tax credit) being introduced and available for businesses within the 2018/19 financial year. The tax credit aims to provide a stable and predictable mechanism to increase business expenditure on R&D (BERD). The funding for implementation will cover the costs associated with the implementation of the tax credit	256.075	1,024.300	-	256.075	1,024.300	-	256.075	1,024.300	-	256.075	1,024.300	-	Minister priority - relates to the Coalition Agreement and relates to government priorities for Budget 2018. This initiative is required to be funded in 2018/19 if the policy is implemented in April 2019. It is also likely to be a requirement if the Government is to achieve its R&D goal of R&D spending being 2% of GDP in 10 years. Note that the actual numbers may change as the design of the Tax Credit and how it impacts the current Growth Grant scheme are finalised.
10282	Manifesto	Research, Science and Innovation	Enabling science cooperation with Singapore	New funding will support delivery of a new bilateral 'Enhanced Partnership' currently being negotiated with Singapore, leveraging Singapore's strengths in data and bio-processing. The funding will establish a new data science platform and enable joint New Zealand-Singapore research in data science. Funding will also create a "future foods" collaborative research programme to develop food products from novel sources that will meet future demand for healthy, nutritious, affordable and environmentally sustainable diets.	14.250	57.000	-	14.250	57.000	-	14.250	57.000	-	14.250	57.000	-	Relates to Coalition Agreement, good alignment with strategic direction and government priorities - could be implemented in 2018/19. Recommend funding in a contingency as negotiations are still being finalised with Singapore
10275	Manifesto	Research, Science and Innovation	Developing a Fit for Purpose Research Information Infrastructure: The National Research Information System (NRIS)	This funding delivers underpinning data infrastructure - the National Research Information System - to ensure growing public investment in research, science and innovation (RS&I) generates maximum benefits to New Zealand. Major data gaps exist for RS&I funding and expenditure, activities, outputs, people, skills and outcomes. These gaps impose ongoing costs. With NRIS, information will be more accurate, reliable, accessible and timely. This will help close these gaps and improve the effectiveness, transparency and value of RS&I investment.Ⓜ	[33]		2.025	8.100	2.000	2.025	8.100	2.000	2.025	8.100	2.000	Relates to Coalition Agreement - the supported component is implementation ready and is aligned to priorities. The NRIS will provide a better understanding of the current public expenditure on Research, Science and Innovation, helping to inform investment decisions and evaluation. Although this funding will not contribute directly to the Coalition Agreement (to work towards increasing R&D expenditure to 2% of GDP over 10 years) it will help inform decisions around this target. Without funding there are risks that this initiative will lose traction from agencies. This could lead to higher future costs to make an increased amount of data and updated I.T systems compatible. We support this initiative in full but have presented a scaled option as it has been indicated that funding can be provided through baselines.	

[33]

Total Research, Science and Innovation					301.849	1,207.394	12.925	274.433	1,097.730	11.925	274.433	1,097.730	11.925		
10117	Cost pressure	Tourism	[33]		[33]									[33] within MBE's baselines, or from other funds such as the Major Events Fund.	
10218	Cost pressure	Tourism	[33]		[33]									[34]	
Total Tourism					[33]										
10115	Cost pressure	Trade and Export Growth	NZTE International Cost Pressures	This initiative will allow New Zealand Trade and Enterprise to continue supporting New Zealand businesses in international markets.	[33]										- This initiative can be deferred to a future Budget with limited impact on services.
Total Trade and Export Growth					[33]										

THE PROVINCIAL GROWTH FUND - TOTAL FUNDING FOR YEAR ONE														
10265	Manifesto	Regional Economic Development	The Provincial Growth Fund	New funding for Budget 2018 to reach \$1 billion for the Fund in Year One	[33]						100.501	402.003	187.005	
10265	Manifesto	Regional Economic Development	The Provincial Growth Fund	Repurposed funding for the Provincial Growth Fund							33.816	135.265	80.000	
10265	Manifesto	Regional Economic Development	The Provincial Growth Fund	Pre-commitments to Budget 2018 for the Provincial Growth Fund in 2017/18							36.742	146.967	48.760	
Total PGF											171.059	684.235	315.765	
											TOTAL PGF FUNDING (OPERATING AND CAPITAL IN YEAR ONE OF THE FUND)		1,000.000	

INFRASTRUCTURE INITIATIVES - 23 MARCH 2018

16 initiatives

CAPITAL AND OPERATING EXPENDITURE		Agency bid (net)			Vote team assessment			Near-final package			Interpreting the RAG Ratings
		OPEX Avg.	OPEX Total	CAPEX Total	OPEX Avg.	OPEX Total	CAPEX Total	OPEX Avg.	OPEX Total	CAPEX Total	
All Initiatives	Corrections	[33]			93.299	373.197	540.400	82.146	328.585	228.400	Cost pressure Prioritisation 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. Potential additions - Out of scope initiatives that are either: - A Ministerial priority - Have risk of not funding - Have merit 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. Potential additions - Out of scope initiatives that are either: - A Ministerial priority
	Education				13.835	55.338	332.362	19.755	79.018	394.362	
	Greater Christchurch Regeneration				-	-	-	0.375	1.500	298.500	
	Health				-	-	793.000	-	-	793.000	
	Police				4.350	17.400	-	4.350	17.400	-	
	Transport				0.393	1.570	-	0.393	1.570	185.000	
TOTAL INFRASTRUCTURE WORKSTREAM		[33]		[37]	111.876	447.505	1,665.762	107.018	428.073	1,899.262	

No.	Type of Initiative	Portfolio	Title	Description	Agency bid (net)			Vote team assessment			Near-final package			Treasury RAG Comment
					OPEX Avg.	OPEX Total	CAPEX Total	OPEX Avg.	OPEX Total	CAPEX Total	OPEX Avg.	OPEX Total	CAPEX Total	
10176	Cost Pressure	Corrections	[33]											
10221	Cost Pressure	Corrections	Prisoner volumes - responding to growth	This funding will enable the Department of Corrections to meet the costs of managing a growing prison population including ongoing funding for additional capacity in the prison network and to maintain the safety and security of the prison network.	[33]		228,400	82.146	328.585	[33]	82.146	328.585	[33]	Without this funding Corrections will not be able to cater to the prison population expected in the immediate future. The numbers in the draft package are likely to increase to reflect updated estimates on the costs of building modular capacity. 422 beds have already been added, and some of the operating funding is to operationalise those beds, and the remaining operating and capital is for 600 new beds.
Total Corrections					[33]						82.146	328.585		
10102	Cost Pressure	Education	School Growth Package	This initiative delivers roll growth classrooms, school expansions, new schools, new property for existing kura, a character school, and existing special education schools, non-teaching space funding, land reimbursements and funding for land in advance in response to population growth and demographic changes across the schooling network.	[33]			11.685	46.738	332.362	11.685	46.738	332.362	Support scaled. Without this funding, MoE will be constrained in their ability to plan and contract for new schools and expansions to accommodate growth. While this initiative can be further scaled, deferral of significant funding would run the risk of falling behind demand growth, exacerbating capacity issues which could negatively impact outcomes. Deferred components will likely return for funding along with additional growth pressures in Budget 2019.
10104	Cost Pressure	Education	Supporting Infrastructure Service Delivery	The funding will cover a growing shortfall in Education Infrastructure Service departmental operating expenditure due to declining baselines (excluding PPP), non-discretionary cost increases and greater service requirements.	[33]		-	2.150	8.600	-	2.150	8.600	-	[33]
10294	Manifesto	Education	[33]											
10295	Manifesto	Education	Christchurch Schools Rebuild	This provides a capital funding contribution to the Christchurch Schools Rebuild Programme. The programme is a ten year programme and is currently in its fifth year. Once complete, the programme will have constructed 13 new schools; rebuilt 10 schools on their existing sites; fully redevelop 34 schools; and redevelop 58 schools over 10 years.	[33]			-	-	-	5.920	23.680	62.000	Out of scope, however has merit. Confident of capacity/capability to deliver. The scaled draft package funding is for 2018/19 year. [33]
Total Education					[33]			13.835	55.338	332.362	19.755	79.018	394.362	
10253	Manifesto	Greater Christchurch Regeneration	Christchurch Regeneration Acceleration Facility	The facility will enable the Crown to contribute towards development initiatives for the Residential Red Zone and/or a Multi-Use Arena (stadium). The facility may also assist with gaps in the horizontal infrastructure programme. Funding allocation decisions will be made following the development of satisfactory business cases and set prioritisation criteria being met. Approved projects may be funded in conjunction with or through partnership arrangements between the Crown or Crown-owned entities and the Christchurch City Council.	0.375	1.500	298.500	-	-	-	0.375	1.500	298.500	Out of scope. Priority initiative for Minister Woods. The Vote team supports the initiative subject to business case approval, given its criticality to the Crown and Council achieving a desired Global Settlement in calendar 2018. Initiative is not realistically scalable as this was the amount promised during the election campaign, and a lower amount would risk loss of good will for the Crown. An alternative to immediate investment may be to treat the Crown contribution as operating rather than capital (i.e. as a conditional grant towards the costs of qualifying regeneration projects rather than a Crown investment in Christchurch assets). Recommend setting aside the capital in a tagged contingency.
Total Greater Christchurch Regeneration					0.375	1.500	298.500	-	-	-	0.375	1.500	298.500	

10193	Cost Pressure	Health	District Health Boards Capital Investment	This funding will support a wide range of District Health Board Capital Investments to expand service capacity and replace sub-standard facilities, and in the process improve patient experience and outcomes. The majority of this funding (which excludes the Dunedin Hospital redevelopment), is for Northern region projects to address the need for additional capacity or to fix problems with sub-standard facilities and infrastructure.	-	-	[33]	-	-	750.000	-	-	750.000	Without this funding there would be Health and Safety (seismic, leaky buildings), and System Failure risk (e.g. failure of infrastructure such as lifts, energy, IT systems) for DHBs.
10399	Manifesto	Health	Progressing Dunedin Hospital Redevelopment	This funding will be used to develop an Implementation Business Case (including project costs such as project management, resource consents and design) for redeveloping Dunedin Hospital.	-	-	[36]	-	-	[36]	-	-	[36]	Out of scope. Support in full, \$[36] for design costs of Dunedin hospital. Defer funding decisions until the completion of the detailed business case.
Total Health					-	-	[38]	-	-	[38]	-	-	[38]	
10216	Cost Pressure	Police	Radio Assurance & Programme Management - Next Generation Radio Network (NG-RN)	Police (as Lead agency) on behalf of the Emergency Services sector (Police, FENZ, St John and Wellington Free Ambulance) seek budget in 2018 for continuation of the NG-RN programme activities and assurance of existing radio networks.	[33]	-	-	4.350	17.400	-	4.350	17.400	-	Without this funding there is an operational risk for Police, St John Ambulance, and Fire that their communication equipment will fail. \$13.4m of this funding mitigates the risk until the shift to a digital network is progressed which the remaining \$4m is for.
Total Police					[33]	-	-	4.350	17.400	-	4.350	17.400	-	
10243	Cost Pressure	Transport	Hazardous Substances and New Organisms (HSNO) Funding	Secure funding to support the CAA's widened responsibilities under the HSNO Amendment Act 2015 to include the discharge of hazardous substances from an aircraft.	0.268	1.070	-	0.268	1.070	-	0.268	1.070	-	Without this funding the CAA will not be able to meet it's widened responsibilities under the amended HSNO Act that involved required work previously funded by local authorities.
10227	Cost Pressure	Transport	Funding for Civil Aviation Authority activity for innovation and economic growth	This funding will enable the CAA to employ the aviation professionals required to meet the technical and regulatory challenges associated with facilitating innovation within the New Zealand aviation sector.	0.125	0.500	-	0.125	0.500	-	0.125	0.500	-	Without this funding the CAA will not be able to meet increased demand for bespoke aviation certification that cannot be charged until after the work has been completed. This will be addressed through the entity's next regular funding review. Initiative has been amended to provide funding for only two years, with ongoing expenditure funded through CAA levies
10224	Cost Pressure	Transport	[33]		-	-	-	-	-	-	-	-	-	[33]
10225	Cost Pressure	Transport	[33]		-	-	-	-	-	-	-	-	-	
10341	Manifesto	Transport	Funding certainty for KiwiRail's capital requirements	This funding will support KiwiRail's capital requirements for the national rail network.	-	-	[33]	-	-	-	-	-	185.000	[33]
10352	Manifesto	Transport	[37]		-	-	[37]	-	-	-	-	-	-	[37]
Total Transport					[33]	-	-	0.393	1.570	-	0.393	1.570	185.000	

NATURAL RESOURCES INITIATIVES (23 MARCH 2018)

29 initiatives

CAPITAL AND OPERATING EXPENDITURE		Agency bid (net)			Treasury Vote team assessment			Near final package		
Portfolio		Opex Avg.	OPEX total	CAPEX total	Opex Avg.	OPEX total	CAPEX total	Opex Avg.	OPEX Total	CAPEX Total
	Agriculture	[33]			14.122	56.486	-	10.367	41.467	-
	Biosecurity				2.325	9.300	-	2.325	9.300	-
	Climate Change				9.769	39.075	100.150	9.769	39.075	100.150
	Conservation				[33]			45.405	181.620	-
	Environment				3.193	12.772	-	3.193	12.770	-
	Fisheries				1.935	7.738	-	1.935	7.738	-
	Food Safety	[33]								
	Forestry	[33]			[33]					
	Greater Christchurch Regeneration				2.500	10.000	62.000	2.500	10.000	62.000
	[33]				[33]					
	Rural Communities	[33]								
TOTAL NATURAL RESOURCES WORKSTREAM		[33]			60.805	243.219	265.150	76.051	304.198	162.150

Interpreting the RAG Ratings

Cost pressure Prioritisation

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.

Potential additions - Out of scope initiatives that are either:

- A Ministerial priority
- Have risk of not funding
- Have merit

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.

Potential additions - Out of scope initiatives that are either:

- A Ministerial priority
- Have risk of not funding
- Have merit

No.	Type of initiative	Portfolio	Title	Description	Agency bid (net)			Treasury Vote team assessment			Near final package			Treasury RAG Rating comment
					Opex Avg.	Opex Total	CAPEX Total	Opex Avg.	Opex Total	CAPEX Total	Opex Avg.	Opex Total	CAPEX Total	
10196	Cost pressure	Agriculture	Infrastructure – MPI's ICT and Property	This funding will pay for two years of price and demand increases for property and Information and Communications Technology (ICT) costs. Included in the request are increased costs for MPI's head office as a result of the Wellington Accommodation Project Tranche 2 realignment.	2.512	10.048	-	2.512	10.048	-	2.512	10.048	-	Without this funding, MPI may struggle to fund this maintenance without funding being provided. MPI will also struggle to meet lease and depreciation costs associated with its regional offices. MPI has already offered up significant amounts of funding to the centre as part of this Budget's reprioritisation exercise (\$95.3m reprioritisation v \$44.5m cost pressures). Because of this, MPI is constrained in its ability to meet this cost pressures through internal reprioritisation.
10198	Cost pressure	Agriculture	Delivering on demand	This funding will address cost pressures in fisheries management and cost recovery. MPI seeks funding to extend the timeframe for implementing digital monitoring, and increase capacity to engage with and support stakeholders through implementation. Resources are sought to clear a backlog of approvals, ensure statutory processing times are met and support implementation of customary fishing regulations. MPI also seeks funding for the recently established Cost Recovery Directorate.	[33]			0.849	3.396	-	0.849	3.396	-	Without this funding, for the fisheries applications portion of the bid (\$1.046m), processing times will continue to deteriorate, and the backlog of applications will persist. This also exposes MPI to the risk of legal challenges. If the cost recovery (\$2.36m) portion of the bid is not funded, MPI will have to either reduce its staffing of the Cost Recovery Directorate or reduce costs elsewhere. Given the significant revenue MPI gathers from cost recovery, it is not clear which choice it would make. MPI has already offered up significant amounts of funding to the centre as part of this Budget's reprioritisation exercise (\$95.3m reprioritisation v \$44.5m cost pressures). Because of this, MPI is constrained in its ability to meet this cost pressures through internal reprioritisation.
10197	Cost pressure	Agriculture	Personnel and other inflationary pressures	This funding will allow MPI to meet wage growth and other historical cost pressures previously funded through efficiency savings and reprioritisation with the Vote.	7.006	28.023	-	7.006	28.023	-	7.006	28.023	-	Without this funding, MPI will have to reduce its FTEs, and given that each FTE is funded partially by cost recovered fee, this would mean a significant reduction in FTE (approximately 120-150 FTE in Crown funded areas from 1 July 2018). MPI may also have to stop offering performance based remuneration (up to 1% of salary), which would harm its ability to attract and maintain skilled staff. MPI has already offered up significant amounts of funding to the centre as part of this Budget's reprioritisation exercise (\$95.3m reprioritisation v \$44.5m cost pressures). Because of this, MPI is constrained in its ability to meet this cost pressures through internal reprioritisation.
10389	Manifesto	Agriculture	[33]	[33]	[33]								[33]	
10364	Manifesto	Agriculture	[33]	[33]	[33]								[33]	
Total Agriculture					[33]			14.122	56.486	-	10.367	41.467	-	
10380	Manifesto	Biosecurity	Strengthening the Biosecurity System	This initiative will increase and improve the off-shore management of risks relating to imports through resourcing faster reviews of Import Health Standards and more assurance of offshore pathways. This will deliver better biosecurity protection for New Zealand. The funding will also support the select committee inquiry into biosecurity, and provide for a review of the Biosecurity Act 1993 to support future developments in the biosecurity system.	[33]			2.325	9.300	-	2.325	9.300	-	Minister priority. This initiative is also outlined in the Confidence and Supply agreement. The scaled option has accurate costings and is implementation ready. This scaled option supports funding provided in Budget 2017, and increases it to the level Treasury supported in 2017.
Total Biosecurity								2.325	9.300	-	2.325	9.300	-	
10199	Cost pressure	Climate Change	Building environmental integrity in cooperative approaches	New Zealand needs an effective international climate change regime to mitigate global emissions and the impacts of climate change. Therefore New Zealand has a strategic interest and has taken a leadership role in ensuring that the international carbon markets (developed under the Paris Agreement) have environmental integrity. We also need to develop high integrity options for New Zealand, should governments choose to (or need to) supplement domestic action with international reductions in the future.	0.742	2.968	-	0.742	2.968	-	0.742	2.968	-	Without this funding, MFE will likely cease this work (investigating international carbon markets that New Zealand could potentially use to help meet its carbon targets). While the work is discretionary, we consider it to be a high priority; access to international carbon markets may ultimately prove necessary and this work is required to gain that access. We note that there is momentum behind this work – talks are underway with potential partner countries – so if funding is not provided (and the work ceases) this momentum will be lost. If funding were subsequently provided for this project in later budgets, it could take several years to build back up to where we are now.
10254	Manifesto	Climate Change	Green Investment Fund	This funding will enable the design and establishment of the Green Investment Fund, as well as provide the necessary capital with which the entity will invest. The purpose of the Green Investment Fund (GIF) is to invest in assets that reduce carbon emissions, and do so in a manner that both mobilises additional private capital, and allows the fund to be commercially independent.	6.250	25.000	100.000	6.250	25.000	100.000	6.250	25.000	100.000	This initiative is outlined in the Confidence and Supply Agreement. It is not realistically scalable or deferrable, as this would delay the establishment of, and the ongoing operation of, the proposed fund. Ministers have also discussed the initiative and agreed that any operational funding to support the fund is over and above the \$100 million capital. It is also likely that the operating component (\$35 million over seven years) will be repaid in the medium to long term through a special dividend to the Crown. Treasury supports the initiative's request to be funded through a tagged contingency.

10374	Manifesto	Climate Change	Establishment of an independent Climate Change Commission	This initiative will establish an independent Climate Change Commission to create enduring institutional arrangements for climate change policy. It will also build the Commission's evidence base through the development of a baseline national climate change risk assessment. The final scope, powers and functions of the Commission will be determined through the legislative process for the Zero Carbon Bill, following Ministerial and public consultation in 2018.	[33]	0.552	2.207	0.150	0.552	2.207	0.150	Minister priority. It is outlined in all Government agreements. The Vote team support funding for the risk assessment modelling and the establishment costs for the commission.	
10601	Manifesto	Climate Change	Climate Directorate Capability	This funding will provide additional resources needed to deliver on the Government's commitments to address climate change.	[33]	2.225	8.900	-	2.225	8.900	-	New initiative Scaled Support - note the bid has been assessed in a compressed timeframe. The Ministry is under pressure to deliver in several priority areas for this Government (climate change, urban planning, and water quality). To date, it has managed these pressures by surging resources into its Climate Directorate. This is not a tenable long-term solution, as it means the Ministry has not been able to devote sufficient resources in its other areas of focus (including the priority areas of water and urban planning). Not providing this funding would put delivering on the Government's environmental ambitions at risk. Even though this is a late bid, we have supported on-going funding (rather than 1 year of funding with the expectation that the Ministry would put in a subsequent bid in Budget 2019). This is for two reasons. First, we consider that the Government's increased demands for policy on environmental matters will not taper; there will be an on-going need for increased capability in the Ministry. Second, the Ministry argues that on-going funding allows them to offer permanent positions, making it easier to attract high-quality staff.	
Total Climate Change						9.769	39.075	100.150	9.769	39.075	100.150		
10362	Manifesto	Conservation	Managing visitor impacts	This funding will enable DOC to implement strategies and operational systems to protect biodiversity while managing the effects of increasing numbers of visitors to public conservation land. It will do this by increasing DOC's capacity in visitor strategy and system performance, and service design and planning. There is also an aspiration to generate cost recovery from international visitors to ensure the cost of managing tourism isn't subsidised from existing biodiversity funding.	[33]	-	1.375	5.500	-	1.375	5.500	-	For the scaled component, this initiative is a high priority - it is outlined in the Confidence and Supply Agreement, is a Government priority, is in line with strategic direction, and implementation ready for 2018/19.
10363	Manifesto	Conservation	Strengthening DOC's organisational capability and capacity	This funding will ensure DOC is at the centre of New Zealand's conservation system, by increasing organisational development, human resources and policy capability, enhancing staff recruitment and retention, and ensuring assets are safe and fit for purpose.	[33]	-	4.060	16.240	-	4.060	16.240	-	For the scaled component, this initiative is a high priority - it is in the Confidence and Supply Agreement, is a Government priority, is in line with DOC's strategic direction, and the health and safety component is critical. If the Government wishes to effectively increase DOC's capabilities, it needs to have the right policy foundation in place first. This initiative provides that.
10370	Manifesto	Conservation	Enhancing biodiversity by controlling and eradicating predators	This funding will protect ecosystems from significant detrimental transformation, protect and increase biodiversity on offshore islands, and develop more effective and efficient predator control methods. It will do this by applying sustained predator control to an additional 1.63 million ha of public conservation land, funding research into new methods of predator control, and removing predators from 24 offshore islands.	[33]	-	20.000	80.000	-	20.000	80.000	-	Minister priority. This initiative is outlined in the Confidence and Supply Agreement and would have a high impact on overall biodiversity objectives. The initiative is investment ready for 2018/19
10375	Manifesto	Conservation	Enhancing biodiversity by supporting community conservation	[33]	[33]	-	0.970	3.880	-	0.970	3.880	-	This initiative relates to the Confidence and Supply agreement. The scaled support option only supports the Mackenzie Basin component. We consider this component implementation ready.
10359	Manifesto	Conservation	[33]	[33]	[33]	-	-	-	-	-	-	[33]	
10360	Manifesto	Conservation	[33]	[33]	[33]	-	-	-	-	-	-	[33]	
10361	Manifesto	Conservation	[33]	[33]	[33]	-	-	-	-	-	-	[33]	
10371	Manifesto	Conservation	[33]	[33]	[33]	-	-	-	-	-	-	[33]	
N/A	Manifesto	Conservation	[33]	[33]	[33]	-	-	-	[33]	[33]	[33]	[33]	
Total Conservation						[33]							

10190	Cost pressure	Environment	Environmental Protection Authority's core statutory functions	The ongoing funding will enable the EPA to continue to properly manage the environmental effects of activities in NZ's Exclusive Economic Zone and continental shelf (EEZ). The additional funding will cover expanded activities related to managing the effects of hazardous substances on people and the environment. It will enable the EPA to achieve more effective outcomes by strengthening re-assessment, monitoring/enforcement activities and community engagement.	[33]	-	2.000	8.000	-	2.000	8.000	-	Without this funding, EPA would be unable to absorb the reduction in baseline without significantly reducing current services. Supported funding totals 1/6 of EPA's overall funding/revenue.	
10372	Manifesto	Environment	Resource Management Act Enforcement oversight unit	This budget initiative would establish an enforcement oversight unit to improve the consistency, effectiveness and transparency of council enforcement decisions. The unit would sit either within the Ministry for the Environment or the Environmental Protection Authority.	[33]	-	0.768	3.072	-	0.768	3.070	-	Minister priority. This initiative is also outlined in the Confidence and Supply Agreement. For the scaled option, this would be a high priority - it is implementation ready and has clear costings.	
10373	Manifesto	Environment	[33]	[33]	[33]	-	-	-	-	-	-	-	[33] If funded, this would be recommended as a pilot programme.	
10600	Manifesto	Environment	All of Government Response to PFAS contamination	This funding will enable the Ministry for the Environment to lead the next, national and All of Government, phase of the investigation into sites contaminated with Per and poly-Fluorinated Alkyl Substances (PFAS), involving consideration of high risk sites that exist within New Zealand, including non NZDF sites.	[33]	-	0.425	1.700	-	0.425	1.700	-	New initiative. Scaled support. Note the bid has been assessed in a compressed timeframe. This issue relates to the use of fire-fighting foams containing the chemical PFAS (which were used in areas with petroleum fire risks, such as airports and ports). PFAS contamination is a significant issue – to date the Government's work has focused on its use on New Zealand Defence Force sites, but it will have also been used at other sites around New Zealand. Given the potential risks associated with PFAS contamination, this work (to identify sites at a high risk of contamination, and work with local councils and land owners to engage in testing and mitigation work) is important.	
Total Environment					[33]	-	3.193	12.772	-	3.193	12.770	-		
10378	Manifesto	Fisheries	Modernising the Fisheries System	This initiative will drive a reset of the fisheries system, building on previous work, through: <ul style="list-style-type: none"> Undertaking an independent review of the fisheries management system Modernising fisheries monitoring and compliance functions to realise the full benefits from digital monitoring Supporting small scale fishers to develop innovative gear technology Strengthening participation of recreational fishers by moving towards establishing mandated, accountable representation Providing assistance to facilitate the transition to digital monitoring 	[33]	4.592	18.366	-	1.935	7.738	-	1.935	7.738	Minister priority. The supported initiatives (holding a review of the fisheries management system and increasing the resourcing of Fisheries New Zealand) support the Confidence and Supply Agreement objectives of safeguarding marine ecosystems and promoting abundant fisheries; however, they are not specifically mentioned in any of the manifesto documents. Supported funding comprises: \$0.56m on average for reviewing the fisheries management system and a net \$1.375m on average for increasing resourcing of Fisheries New Zealand.
Total Fisheries					[33]	4.592	18.366	-	1.935	7.738	-	1.935	7.738	
10437	Manifesto	Food Safety	[33]	[33]	[33]	-	-	-	-	-	-	-		
Total Food Safety					[33]	0.956	3.823	-	-	-	-	-		
10438	Manifesto	Forestry	Establishing the Foundation for One Billion Trees	This funding will support delivery of the Government's One Billion Trees Programme that is not funded through the PGF. It provides contingency funding for planting native trees on conservation land; establishes a Ministerial Advisory Forum for Forestry; and includes a contingency to establish the New Zealand Forestry Service, which will play a key role in programme delivery.	[33]	[33]	[33]	[33]	[33]	[33]	[33]	[33]		
Total Forestry					[33]	[33]	[33]	[33]	[33]	[33]	[33]	[33]		
10422	Cost pressure	[33]	[33]	[33]	[33]	[33]	[33]	[33]	[33]	[33]	[33]	[33]		
10423	Cost pressure	[33]	[33]	[33]	[33]	[33]	[33]	[33]	[33]	[33]	[33]	[33]		
Total Rural Communities					[33]	[33]	[33]	[33]	[33]	[33]	[33]	[33]		

OTHER INITIATIVES - 23 MARCH 2018

35 initiatives

CAPITAL AND OPERATING EXPENDITURE			Agency bid (net)			Treasury Vote team assessment			Near-Final Package		
Portfolio			Opex Avg. [33]	OPEX total	CAPEX total	Opex Avg.	OPEX total	CAPEX total	Opex Avg.	OPEX Total	CAPEX Total
	Arts, Culture and Heritage					7.798	31.190	3.000	8.422	33.686	3.000
	Broadcasting, Communications and Digital Media					-	-	-	2.500	10.000	-
	Civil Defence					-	-	-	1.325	5.300	-
	Defence		[33]						84.705	338.818	41.311
	Earthquake Commission					-	-	-	0.810	3.238	0.100
	Internal Affairs					31.704	126.814	178.376	8.053	32.210	0.906
	Revenue					-	-	-	7.825	31.300	-
	Social Development					-	-	-	8.813	35.251	17.296
	Speaker of the House					0.703	2.810	(2.810)	0.703	2.810	(2.810)
	State Services					13.946	55.784	57.570	7.566	30.263	31.230
	Treaty of Waitangi Negotiations					3.451	13.805	-	3.451	13.805	-
	Veterans					1.563	6.250	-	1.563	6.250	-
	Women					-	-	-	0.075	0.300	-
	TOTAL OTHER WORKSTREAM		[33]						135.808	543.231	91.033

Interpreting the RAG Ratings

Cost pressure Prioritisation
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.

Potential additions- Out of scope initiatives that are either:
 - A Ministerial priority
 - Have risk of not funding
 - Have merit

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 implemented 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.

Potential additions- Out of scope initiatives that are either:
 - A Ministerial priority
 - Have risk of not funding

No.	Type of Initiative	Portfolio	Title	Description	Opex Avg.	OPEX Total	CAPEX Total	Opex Avg.	OPEX Total	CAPEX Total	Opex Avg.	OPEX Total	CAPEX Total	Treasury RAG Rating comment
10200	Cost pressure	Arts, Culture and Heritage	Improving social wellbeing: A fit-for-purpose Ministry for Culture and Heritage	This funding will be used to build capability within the Ministry for Culture and Heritage so that it can support the Government to build national identity, improve access and participation in cultural activities, and grow careers across the creative economy. New Government initiatives will include developing a non-commercial public digital media service, reviewing institutional and funding arrangements for the arts, creating a long-term strategy for the screen industry, growing the creative economy, and further work on heritage protection.	5.884	23.536	-	5.823	23.290	-	5.884	23.536	-	Without this funding MCH will have to significantly reduce the scope of its operations [34] and take a much more limited role in providing cultural sector leadership. There are opportunities to scale this initiative, as around half of funding sought is to allow MCH to deliver on its BAU and half is so that it can deliver on the Government's priorities. Note that this initiative has recently been amended to include \$0.246 million of operating funding for 2017/18 in relation to the costs of running the WWI programme office. This funding was lost due to the Ministry unexpectedly needing to recognise a large expense in the 2016/17 year.
10201	Cost pressure	Arts, Culture and Heritage	Detailed Business Case for a National Military Heritage Centre and extension of the Dominion Museum Building lease	This funding will allow for a detailed business case to be developed to identify options for communicating national military heritage, including the option of a national military heritage centre in the Dominion Museum Building. A two year lease extension of the Dominion Museum Building will allow the Great War Exhibition to continue while the business case is completed. Exit costs of \$3m capex associated with the current lease also require funding, regardless of whether the lease is extended or the DBC proceeds.	[33]		3.000	0.225	0.900	3.000	0.225	0.900	3.000	Treasury assesses the Detailed Business Case work as low value for money. The lease extension represents good value for money even if the DBC does not proceed so Treasury supports \$0.9m opex for the lease extension, noting that joint ministers have an existing authority to draw down up to \$0.660m for this purpose. The Treasury also supports the \$3m capex for exit costs, as these are unavoidable. This is highlighted red as the \$3m of exit costs will be required regardless of whether the DBC is funded or the lease is extended. The Associate Minister for Arts, Culture, and Heritage is shortly taking a paper to Cabinet that takes Cabinet through a number of issues related to the Great War Exhibition, and notes that there may be future costs associated with Government's obligation to "make good" the Dominion Museum Building when the lease ends.
10202	Cost pressure	Arts, Culture and Heritage	World War One Centenary Programme – Commemorating Armistice Day 2018	This funding will enable the delivery of a contemporary Armistice commemoration at the Pukeahu National War Memorial Park. Through a programme of activities on 11/11/18 we will seek to engage a broad spectrum of New Zealanders, including those who are generally not engaged in the Ministry's commemoration programme and focus on the themes of peace, national identity and hope for the future, echoing the	[33]						0.100	0.400	-	Without this funding MCH will only be able to hold a private celebration for around 100 people, which may have reputational risk for Ministers in not meeting public expectations.
10203	Cost pressure	Arts, Culture and Heritage	Heritage New Zealand Pouhere Taonga - Meeting increased demand	This funding will enable Heritage New Zealand to implement the recommendations of the recent review that required it to transition to more strategic delivery to maintain and improve heritage outcomes in the face of increasing demand for its services nationally.	1.563	6.250	-	1.563	6.250	-	1.563	6.250	-	[34]
10204	Cost pressure	Arts, Culture and Heritage	New Zealand Music Export and Development – Increasing Support	This funding will significantly increase support available for NZ musicians to tour internationally through the Outward Sound programme, increase NZ music exports, grow the presence of New Zealand music on the world stage, build internationally connected and capable music businesses; and grow opportunities for young people to gain skills in the music sector.	0.650	2.6	-	-	-	-	0.650	2.600	-	Not a cost pressure but has merit and is a Minister priority. Implementation ready and costings are accurate.
10450	Manifesto	Arts, Culture and Heritage	[33]											
Total Arts, Culture and Heritage					[33]						8.422	33.686	3.000	
10369	Manifesto	Broadcasting, Communications and Digital Media	Public media – supporting an informed democracy	This funding will support and enhance the contribution that public media makes to national identity and an informed democracy. It will provide sustainable, long-term funding for public media so that New Zealanders can access quality content and independent investigative journalism. Funding for New Zealand on Air will be increased, and Radio NZ will be expanded into a full public media service that includes a free to air and non-commercial television service.	38.000	152.000	-	-	-	-	2.500	10.000	-	Minister's priority - Not a manifesto commitment but referenced in Fiscal Plan. Not implementation ready. One-off amount of \$10 million operating in 2018/19 recommended to be set aside in a tagged contingency to implement any preliminary recommendations from the Ministerial Advisory Group on public broadcasting, if the Minister of Finance and Minister of Broadcasting, Communications and Digital Media are satisfied they represent a robust case for investment.
Total Broadcasting, Communications and Digital Media					38.000	152.000	-	-	-	-	2.500	10.000	-	
10160	Cost pressure	Civil Defence	Additional Crown Support for Kaikoura Recovery from the November 2016 Earthquake	Additional Crown support to address additional Kaikoura District Council's earthquake recovery funding needs [33]	[33]		[33]				1.325	5.300	-	Not a cost pressure - but has risk and is a Minister priority. The highest-priority areas of funding requested total \$7.8 million (comprising: retreat or remediation due to rock fall intolerable life risks \$4 million; three waters shortfall \$2.2 million; harbour shortfall \$0.3 million; and a late proposal to support Kaikoura District Council to develop and implement a financial sustainability strategy \$1.3 million). The Council could reasonably contribute \$2.5 million towards these costs through taking on additional debt, leaving a \$5.3 million contribution requirement from central government.

