

The Treasury

Budget 2018 Information Release

Release Document August 2018

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Certain information in this document has been withheld under one or more of the following sections of the Official Information Act, as applicable:

[1]	to prevent prejudice to the security or defence of New Zealand or the international relations of the government	6(a)
[2]	to avoid prejudice the entrusting of information to the Government of New Zealand on a basis of confidence by the Government of any other country or any agency of such a Government	6(b)(i)
[4]	to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial	6(c)
[11]	to damage seriously the economy of New Zealand by disclosing prematurely decisions to change or continue government economic or financial policies relating to the entering into of overseas trade agreements.	6(e)(vi)
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[27]	to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information - would be likely otherwise to damage the public interest	9(2)(ba)(ii)
[29]	to avoid prejudice to the substantial economic interests of New Zealand	9(2)(d)
[31]	to maintain the current constitutional conventions protecting collective and individual ministerial responsibility	9(2)(f)(ii)
[33]	to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials	9(2)(f)(iv)
[34]	to maintain the effective conduct of public affairs through the free and frank expression of opinions	9(2)(g)(i)
[36]	to maintain legal professional privilege	9(2)(h)
[37]	to enable the Crown to carry out commercial activities without disadvantages or prejudice	9(2)(i)
[38]	to enable the Crown to negotiate without disadvantage or prejudice	9(2)(j)
[39]	to prevent the disclosure of official information for improper gain or improper advantage	9(2)(k)
[40]	not in scope	
[41]	that the making available of the information requested would be contrary to the provisions of a specified enactment	18(c)(i)
[42]	information is already publicly available or will be publicly available soon	18(d)

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) and section 18 of the Official Information Act.



Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

2018 Budget Package: Vote Māori Development

On 9 April 2018, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2018 Budget package, as listed in the summary below and detailed in the attached initiative documents;

Summary of initiatives included in the attached initiative documents:

Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
10624	Government Reprioritisation Exercise 2017/18	(8.827)	(3.131)	(3.331)	(3.131)	(3.131)
10666	Services For Māori Land Owners - Appropriation Change	-	-	-	-	-
10664	Whanau Ora Funding Transfer From 2017/18 To 2018/19	(4.000)	4.000	-	-	-
Total Operating		(12.827)	0.869	(3.331)	(3.131)	(3.131)

- 2 **agreed** to establish new appropriations where required to implement these initiatives, as described in the attached initiative documents;
- 3 **approved** changes to appropriations to implement the initiatives, as set out in the attached initiative documents;
- 4 **agreed** that the proposed changes to appropriations for 2017/18 above be included in the 2017/18 Supplementary Estimates;
- 5 **authorised** the Minister of Finance and the Appropriation Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2017/18 Supplementary Estimates, the 2018/19 Estimates and the fiscal forecasts;

- 6 **noted** that all communications relating to the 2018 Budget are co-ordinated by a Budget communications committee, and that any requests for early announcement will need to have both the written approval of the Minister of Finance and sign-off from the Prime Minister's office;
- 7 **agreed** that the initiatives in the following table be set aside as contingency items, and that they be submitted to Cabinet for consideration at a later stage;

Operating Contingency

Initiative Name	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22
Enhancing education and employment outcomes for rangatahi	-	3.750	3.750	3.750	3.750
Papakāinga Housing Development	-	15.000	-	-	-
Whenua Māori Reforms	-	7.000	-	-	-
Total Operating	-	25.750	3.750	3.750	3.750

Enhancing education and employment outcomes for rangatahi

- 8 **noted** this funding is time limited as it is to test innovative approaches rather than fund ongoing programme delivery;
- 9 **agreed** that the *Enhancing education and employment outcomes for rangatahi* contingency:
- 9.1 may be used for initiatives that test approaches to enhancing outcomes for rangatahi, in particular NEETs (young people Not in Education, Employment or Training) and including Māori Warden's initiatives;
- 9.2 draw downs are subject to approval by the Minister of Finance, the Minister for Māori Development, and the Minister of Employment (joint Ministers);
- 9.3 expires on 30 June 2019;
- 10 **agreed** that initiatives seeking funding from the *Enhancing education and employment outcomes for rangatahi* contingency include:
- 10.1 context and alignment within the government's priorities;
- 10.2 evidence of the problem and service gap the initiative is addressing;
- 10.3 an implementation and evaluation plan.

Papakāinga Housing Development

- 11 **agreed** that the *Papakāinga Housing Development* contingency:
- 11.1 may be used for practical assistance and resources to whānau and Māori housing providers to support papakāinga development and housing repairs through the Māori Housing Network;
- 11.2 draw downs are subject to joint approval by the Minister of Finance and the Minister for Māori Development;
- 11.3 expires on 30 June 2019;

Whenua Māori reforms

- 12 **agreed** that this funding can be drawn down once Cabinet has had an opportunity to consider options for responding to the challenges associated with Māori freehold land, agreed on an approach, and agreed to an implementation plan;
- 13 **agreed** that this funding is available to cover operating costs in 2018/19, and will expire on 30 June 2019;
- 14 **noted** that funding for further development and ongoing operating expenses will likely be sought through the 2019 Budget process.

Michael Webster
Secretary of the Cabinet

Hard-copy distribution:

Prime Minister
Deputy Prime Minister
Minister of Finance
Minister for Māori Development
Minister for Whanau Ora
Minister of Employment

Vote: Māori Development

Title: Government Reprioritisation Exercise 2017/18

Description: Funding identified as available for reprioritisation to other Government priorities (originally appropriated for a Mobile Health Clinic; Micro-financing; the Te Ture Whenua Network; Māori land war commemorations; Te Putahi Paoho; Te Ture Whenua Māori post-enactment education; and Passport to Life.)

Appropriation changes

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	(8.827)	(3.131)	(3.331)	(3.131)	(3.131)
Total	(8.827)	(3.131)	(3.331)	(3.131)	(3.131)

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Departmental Output Expenses:					
Hotaka Ratonga Whenua Māori (Māori Land Service Programme) (funded by revenue Crown)	(0.800)	-	(0.200)	-	-
Kaupapa Whakamaumahara Pakanga Whenua Māori (Māori Land War Commemorations) (funded by revenue Crown)	(0.860)	-	-	-	-
Non-Departmental Output Expenses:					
Kotuitui Te Ture Whenua (Te Ture Whenua Network)	(4.980)	-	-	-	-
Tahua Whanaketanga Māori (Māori Development Fund)	-	(1.800)	(1.750)	(1.750)	(1.750)
Tahua Whanaketanga Māori (Māori Development Fund)	(0.932)	(1.000)	(1.000)	(1.000)	(1.000)
Non-Departmental Other Expenses:					
Te Putahi Paoho	-	(0.131)	(0.131)	(0.131)	(0.131)

Multi-Category Expenses and Capital Expenditure:					
Hauora me te Oranga Māori (Māori Health and Wellbeing) (MCA)					
<i>Non-Departmental Output Expenses:</i>					
He Ratonga Hauora Matua (Targeted Health Services)	(1.000)	-	-	-	-

Initiative No: 10624

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Total Multi-Category Expenses and Capital Expenditure: Hauora me te Oranga Māori (Māori Health and Wellbeing) (MCA)	(1.000)	-	-	-	-
Takatutanga me nga Haumitanga a-rohe (Regional Engagement and Investment) (MCA)					
<i>Departmental Output Expenses:</i>					
Haumitanga a-rohe (Regional Investment) (funded by revenue Crown)	-	(0.200)	(0.250)	(0.250)	(0.250)
Takatutanga a-rohe (Regional Engagement) (funded by revenue Crown)	(0.255)	-	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Takatutanga me nga Haumitanga a-rohe (Regional Engagement and Investment) (MCA)	(0.255)	(0.200)	(0.250)	(0.250)	(0.250)
Total Operating	(8.827)	(3.131)	(3.331)	(3.131)	(3.131)
Total Capital	-	-	-	-	-

Additional recommendation

- 15 **noted** that this initiative returns funding from a range of 2017/18 underspends and other selected initiatives to the centre for reprioritisation;

Vote: Māori Development

Title: Services For Māori Land Owners - Appropriation Change

Description: A new appropriation has been created to fund the design, establishment and delivery of services for owners of Māori land, to reflect a change in the direction of Te Ture Whenua Māori legislative changes. This fiscally neutral adjustment transfers existing funding from the old appropriation to the new appropriation in 2018/19 and outyears.

New appropriation approval

Name	Period	Type	Category Name	Scope
Services for Māori Land Owners	Annual	Departmental Output Expenses	N/A	This appropriation is limited to the design, establishment and on-going delivery of services for owners of Māori land, as defined by the Te Ture Whenua Māori Act 1993, and Māori reserve land.

Appropriation changes

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	-	-	-

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Departmental Output Expenses:					
Hotaka Ratonga Whenua Māori (Māori Land Service Programme) (funded by revenue Crown)	-	(1.996)	(0.496)	(0.496)	(0.496)
Nga Ratonga mo nga Kaipupuri Whenua Māori (Services for Māori Land Owners) (funded by revenue Crown)	-	1.996	0.496	0.496	0.496
Total Operating	-	-	-	-	-
Total Capital	-	-	-	-	-

Additional recommendation

16 **noted** that this initiative shifts funding from the previous government's Māori Land Service Programme appropriation to a newly created appropriation to support this government's programme of work to enhance services for owners of Māori freehold

land and is a fiscally neutral adjustment;

Initiative No: 10664

Vote: Māori Development

Title: Whanau Ora Funding Transfer From 2017/18 to 2018/19

Description: \$4.340 million unspent funds from the Whanau Ora information system 'Mahere' were returned to Vote Māori Development in the 2017/18 March Baseline Update. \$340,000 will remain available in 2017/18 to support the transfer of provider contracts from Vote Children to Vote Māori Development. There is currently a review of the Whanau Ora Commissioning approach underway, and it is therefore prudent to delay further investment decisions for the remaining \$4 million until insights from the review are available.

Appropriation changes

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	(4.000)	4.000	-	-	-
Total	(4.000)	4.000	-	-	-

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Non-Departmental Output Expenses:					
Whakamahi i nga Huanga a Whanau Ora (Commissioning Whanau Ora Outcomes)	(4.000)	4.000	-	-	-
Total Operating	(4.000)	4.000	-	-	-
Total Capital	-	-	-	-	-

Additional recommendation

17 **noted** that this initiative shifts funding from 2017/18 to 2018/19 to support Whanau Ora services following the government's review of Whanau Ora.