

The Treasury

Budget 2018 Information Release

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| | | |
|------|--|--------------|
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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.

From: Nathan Spence [TSY]
Sent: Wednesday, 28 March 2018 12:07 PM
To: [39]
Cc: @Budget Team; Andrew Blazey [TSY]; Udayan Mukherjee [TSY]
Subject: Updated Budget package numbers
Attachments: Budget 2018 Planner.pdf; 3936165_Budget Ministers 4 Slides.pptx

Hi Tamsin

This email covers two things:

1. Updated Budget 2018 package numbers and changes
2. Proposed agenda for Budget Matters this evening

Agenda for Budget Matters

1. Updated Budget Package numbers and changes
 - a. *Purpose:* Raise any questions
2. Draft Budget Ministers 4 slides
 - a. *Purpose:* Provide feedback on structure
3. Updated Budget 2018 Planner
 - a. *Purpose:* Raise any questions

Updated Budget 2018 Package numbers

| Operating package \$millions | Budget Ministers 3 | Updated Packaged | Change |
|------------------------------|--------------------|------------------|---------------|
| Social Wellbeing | 2019.436 | 2066.731 | 47.295 |
| Infrastructure | 107.018 | 105.124 | -1.894 |
| Natural Resources | 76.051 | 77.000 | 0.949 |
| Economic Development | 664.185 | 662.936 | -1.249 |
| Other | 135.808 | 135.808 | 0.000 |
| Savings | -194.900 | -194.900 | 0.000 |
| Reprioritisation | -147.788 | -170.309 | -22.521 |
| Pre-commitments | 67.361 | 67.361 | 0.000 |
| Between Budget Contingency | 50.000 | 50.000 | 0.000 |
| Total | 2777.171 | 2799.751 | 22.580 |

| Capital package \$millions | Budget Ministers 3 | Updated Package | Change |
|----------------------------|--------------------|-----------------|---------------|
| Social Wellbeing | 218.003 | 209.873 | -8.130 |
| Infrastructure | 1899.262 | 1899.262 | 0.000 |
| Natural Resources | 162.150 | 162.150 | 0.000 |
| Economic Development | 545.412 | 543.617 | -1.795 |
| Other | 91.033 | 91.033 | 0.000 |
| Reprioritisation | -3.000 | -3.000 | 0.000 |
| Pre-commitments | 902.000 | 902.000 | 0.000 |
| Total | 3814.860 | 3804.935 | -9.925 |

The changes to the above are:

Social Wellbeing

- **Christchurch Earthquake Insurance Tribunal:** increase in \$1.629 million operating per annum and \$1.470 capital. Operating is for the 2018/19 year only.
- **Elective Surgeries:** increase in \$31.5 million operating per annum.
- **Teacher Aide Funding Rates:** increase in \$14.831 million operating per annum.
- **Increase to ongoing resourcing scheme:** increase in \$1.73 million operating per annum. Part of the ORS initiative increases teacher aide hours and/or the number of teacher aides. Therefore added in the teacher aide funding rates initiative has also resulted in a flow on increase to this initiative.
- **Te Kawa Matakura:** increase in \$0.705 million operating per annum.
- **Maori Whenua Reforms:** ^[33] A \$2.304 million operating contingency will be set aside for this initiative using reprioritisation from within Vote Maori Development.
- **Reprioritisation:** the total reprioritisation number has increased by \$22.5 million per annum. This is primarily driven by the inclusion of the remaining mental health contingency (\$22.75 million per annum). Since Budget Ministers 3, the Youth Reoffending funding submitted by Justice has been removed, the Tertiary underspends have increased from \$15 million to \$20 million and the Maori Development reprioritisation has been adjusted to reflect the approved contingency initiatives.

Infrastructure

- **Christchurch schools rebuild:** ^[33] operating expenditure per annum – revised costing.

Natural Resources

- **One Billion Trees:** Full funding of the work programme and the Ministerial Advisory Group has increased the operating package by \$0.949 million per annum.

Economic Development

- **PGF:** Slight adjustments to the operating and capital totals for Budget 2018 (\$1.249 million operating per annum and a total of \$1.795 million capital) to reflect the correct split over three years.

Other

- It is also important to note that due to a miscommunication there may be an increase of \$2-\$3.8 million per annum in the operating costs associated with the WAP2 cost escalations programme. This increase reflects the fact that the depreciation and capital charge related to the capital in the **current** contingency for the NZDF has been scaled out of the near-final package. Officials are currently working through the final figures and whether NZDF could fund this from their baselines.

Nathan

Nathan Spence | Analyst | **The Treasury**

[39]

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