

The Treasury

Budget 2018 Information Release

Release Document August 2018

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Key to sections of the Official Information Act 1982 under which information has been withheld.

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

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

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

From: Nathan Spence [TSY]
Sent: Tuesday, 20 February 2018 8:46 AM
To: ^Parliament: Craig Renney; ^EXT: Alastair Cameron
Cc: Kamlesh Patel [TSY]
Subject: Operating vs capital allowance pressure

Hi Craig, Alastair

We were asked to provide a judgement on whether the capital allowance or the operating allowance is facing more pressure.

Our assessment is that neither allowance is facing more pressure relative to the other at this stage. If anything based on initial cost pressure assessments we would say the capital allowance is facing more pressure than the operating allowance, however it is still early in the Budget process and this may change as the draft package is developed.

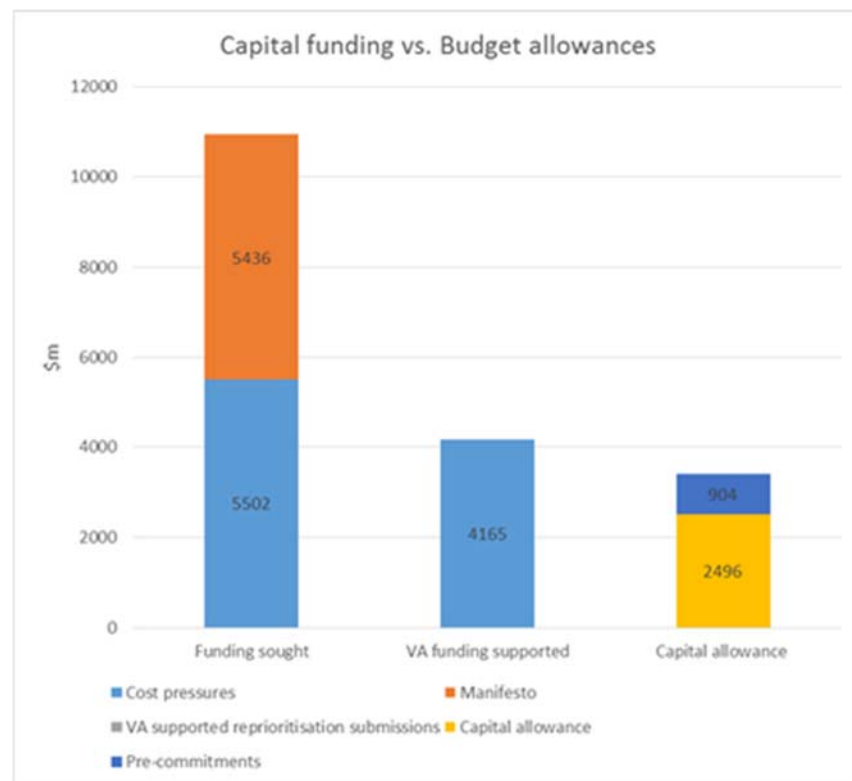
Our assessment is based on the following:

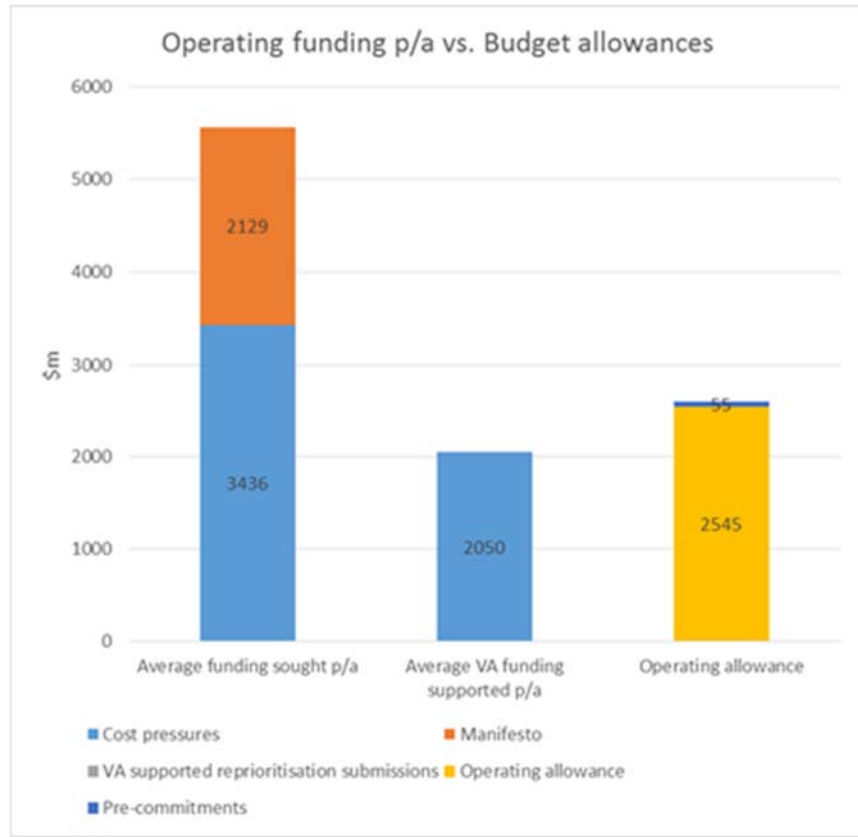
- **Operating funding sought:** The available operating allowance after pre-commitments is oversubscribed by \$3.335 billion per annum (123%)
- **Capital funding sought:** The available capital allowance after pre-commitments is oversubscribed by \$7.031 billion (270%)
- **Vote team operating cost pressure assessment:** Treasury vote teams are supporting an average of \$2.050 billion operating per annum to the next stage of the Budget process (78% of the available operating allowance)
- **Vote team capital cost pressure assessment:** Treasury vote teams are supporting a total of \$4.164 billion capital to the next stage of the Budget process (160% of the available capital allowance)

Forthcoming advice: we are currently working on a note proposing how to manage significant capital investments against the Budget 2018 capital allowance, for example Dunedin Hospital ^[33]

Happy to discuss.

Nathan





an Spence | Analyst | The Treasury
 [39]

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