

# The Treasury

## Budget 2018 Information Release

### Release Document August 2018

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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:** Rachelle Earwaker [TSY]  
**Sent:** Thursday, 22 March 2018 9:20 PM  
**To:** 'Tamsin Royson'; 'Duncan Matangi'  
**Cc:** @Budget Team  
**Subject:** BM3 material and outstanding issues  
**Attachments:** 3932368\_Budget Ministers 3 Slides.pptx

Hi Tamsin and Duncan,

Please find attached the draft BM3 slides for MoF's consideration. These include updated numbers for everything that was landed at the Budget meeting today. We're still working through a QA and proofread of the slide pack, so it would be good if the Minister could focus on whether he is comfortable with the structure overall.

If possible, it would be great to have **feedback before 9am Friday morning**, as we will need all of the time remaining before 2pm to prepare the rest of the material and have it ready for the bags.

**We still have a number of outstanding issues**, as outlined in the table below. Where possible, it would be great to have the Minister's feedback on these areas.

Outstanding Issues – Thursday 22 March evening		
Initiative	Workstream	Description
Te Kawa Matakura	Social Wellbeing	This initiative is currently funded in the package at \$0.705 million operating per annum. [33]
Teacher Aide Funding Rates	Social Wellbeing	This initiative is not currently in the package. Currently MoE funds schools for teacher aides at \$16 per hour and schools make up the difference between this funding and actual teacher aide funding (around \$20 per hour on average) from their operational grant. An increase to the operations grant is funded at 1.6% (current inflation estimate).
Immigration Labour Inspectorates	Social Wellbeing	This initiative is not currently in the package and you asked for scaling options following the Social Wellbeing workstream meeting. [33] Scaling this to 6 reduces the cost to \$2.925 million per annum and [33] The scaled options do not fund any service enhancements.
Additional Public Housing Places	Social Wellbeing	The costings for this initiative have been revised by the Treasury Vote team across both the cost pressure and manifesto initiative following information from MSD. The draft package now assumes 1,500 net additional places purchased from HNZN and CHPs at a cost of \$58.8 million per annum. This is lower than the placeholder costs reflected in the draft package for Budget Ministers 2. <b>Please let us know if you are happy with this option being included in the near-final package to Budget Ministers.</b>  The Treasury Vote team have also modelled costs for a net additional 1,000 places which is \$38.25 million per annum. These are Treasury's calculations and still need to be verified by MSD following direction from Budget Ministers on either the 1,000 or 1,500 target.  [34]
Youth Wellbeing Survey	Social Wellbeing	This initiative is not currently included in the package. You asked for information on whether an RFP has already been released for this survey at the Social Wellbeing workstream meeting. The RFP was issued in December, however it was explicit that it would be subject to funding being made available. If no funding is provided, this initiative is likely to go ahead anyway through club funding from agencies.
Stabilising Funding for Community Law Centres	Social Wellbeing	This initiative is not currently included in the package and was outlined as a priority by the Prime Minister at Budget Ministers 2. If this is included in the package, the Vote team's recommendation is that funding is provided for one year only as a review of the current Community Law Centre model is expected to be carried out in 2019. One year funding would add \$0.545 million per annum to the package.
[37]	Social Wellbeing	This initiative is currently not included in the package. Minister Hipkins has asked that a [37] funded from the \$30 million underspends available in Vote Tertiary for the 17/18 year. [33] [33]
Government Digital Services	Other	[33] you indicated today that it is still under active consideration.
Conservation	Natural Resources	Awaiting a decision on how much to include in the package.
Foreign Affairs	Economic Development	As discussed at today's meeting.
Natural Resources	Natural Resources	Whether to include this in the draft package (late initiative from MPI) – Recommended funding of \$1.7 million operating over four years
Climate Change Directorate	Natural Resources	Whether to include this in the draft package (late initiative from MPI) - Recommended funding of \$8.9 million operating over four years

[33]

We have also included a table **outlining the key changes** from today's meeting:

Changes Since 12.30PM meeting, Thursday 22 March			
Initiative	Workstream	Remove	Add
Additional Public Housing Places	Social Wellbeing	[33]	\$58.594 million p/a <i>This reflects revised costings for an additional 1,500 places. Further context provided in 'outstanding issues' section below.</i>
Striving Towards 1,000 New Police	Social Wellbeing	-	\$4.970 million p/a <i>This reflects revised costings from Police which now include wage increases. Flow on costs to Justice, Courts and Corrections have been removed.</i>
Enhanced Housing Support for People Managed by Corrections	Social Wellbeing	[33]	-
Expansion of Housing First	Social Wellbeing	-	\$10.964 million p/a
Maori Development Initiative [33]	Social Wellbeing	-	\$3.2 million operating p/a \$9.3 million capital
National Bowel Screening Programme	Social Wellbeing	-	\$16.771 million operating p/a
MBIE Payroll Remediation	Economic Development	\$1.25 million per annum (following re-costing by MBIE)	-
TRC	Economic Development	[33]	-
One Billion Trees	Natural Resources	\$8.604 million p/a operating and \$88.8 million capital	-
KiwiRail's capital requirements	Infrastructure		\$185 million capital
Public media – supporting an informed democracy	Other		\$2.500 million operating p/a (one-off \$10m in 18/19)
Improving social wellbeing: A fit-for-purpose Ministry for Culture and Heritage	Other		\$0.0615 million operating p/a to cover the costs of running the WWI programme (\$0.246 million operating total in 17/18)
Investment in Central / Local Government Partnerships	Other		\$0.750 million operating p/a to fund Three Waters component
[33]			
Implementation of the MACA (Takutai Moana) Act 2011 and contributions toward determining customary interests	Other	\$0.053 million operating p/a as OTS will fund this through an underspend	
[33]	Other	[33]	
<b>Reprioritisation</b>	-	-	-
<b>Net Change Capital</b>			<b>-\$20.5 million</b>
<b>Net Change Operating p/a</b>			<b>-\$13.731 million</b>

Please let us know if you have any questions.

Thanks  
Rachelle

Rachelle Earwaker | Analyst – Budget Coordination | The Treasury

[39]

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