

The Treasury

Budget 2018 Information Release

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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)

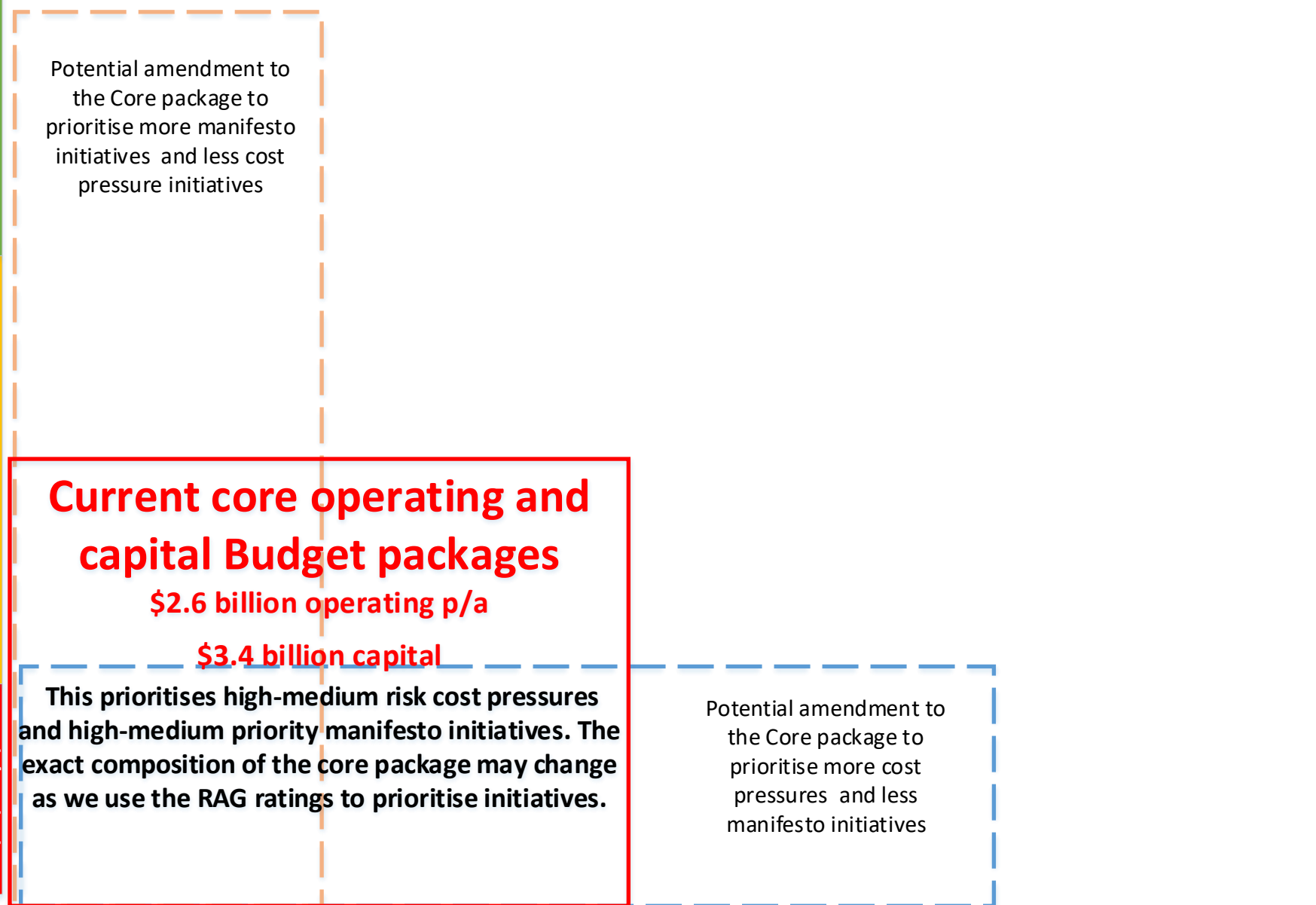
In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) and section 18 of the Official Information Act.

Prioritisation of Budget 2018 initiatives

Purpose: To outline a prioritisation process for developing the Capital and Operating packages for Budget 2018 and to illustrate the trade-offs between cost pressure and manifesto initiatives.

Should Ministers wish to include '3' rated or 'low risk' initiatives in the Budget package, these decisions are likely to be due to Ministerial preferences, and can be discussed at Budget Ministers 2 and 3 meetings. The Treasury is unlikely to support these initiatives for Budget 2018 in Vote team assessments based on the assessment criteria.

Ministers may also wish to include initiatives in a package that are out of scope of Budget 2018, but carry a high risk of not funding (such as natural disaster resilience bids) or are high value-for-money (VFM). These can also be discussed at Budget Ministers 2 and 3 meetings, and the Treasury can provide further advice as required for these initiatives.



Interpreting the graph

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.

Cost pressure Prioritisation

Based on a RAG risk rating of not funding

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.

The Core Budget Package

This is likely to prioritise high risk cost pressures, and a mixture of 1 and 2 rated manifesto initiatives. This core package can be weighted more/less strongly towards cost pressure and manifesto initiatives with trade-offs for each decision. The exact composition of the package may change as the Treasury uses the RAG rating to prioritise initiatives.

Trade-offs

A package weighted towards cost pressures (*current Treasury preferred option to weight package towards high-risk cost pressures*)

Negatives:

- Less 'new' initiatives to announce for Budget 2018.
- May impact colleagues' expectations of new funding when initiatives have been outlined in Government agreements.

Positives:

- Reduces the risk of operational and service delivery failure for departments.
- Will likely reduce the number of cost pressures that will need to be funded in the next few Budgets, and will reduce the risk of more expensive cost pressures if deferred.

A package weighted towards manifesto initiatives

Negatives:

- Manifesto initiatives could crowd out high-risk cost pressures that may impact on operations and service delivery for departments, and have flow on impacts to New Zealanders.
- Not funding some high-medium risk cost pressures in Budget 2018 will likely put a lot of pressure on Budgets 19 and 20
- if high risk cost pressures are deferred, if funding is sought again in future Budgets, the costs may be higher.

Positives:

- More 'new' initiatives may show that the Government is delivering on its commitments that have been made publically.