

The Treasury and Office of the Minister of Finance

Budget 2019 Information Release August 2019

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Good reasons for withholding the information exist, as the making available of that information would be likely to:

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|------|---|----------|
| [1] | prejudice the security or defence of New Zealand or the international relations of the Government of New Zealand | 6(a) |
| [4] | prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial | 6(c) |
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| [25] | to protect information where the making available of that information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information | 9(2)(b)(ii) |
| [31] | to maintain the constitutional conventions for the time being which protect collective and individual ministerial responsibility | 9(2)(f)(ii) |
| [33] | to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials | 9(2)(f)(iv) |
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| [37] | to enable a Minister of the Crown or any department or organisation holding the information to carry out, without prejudice or disadvantage, negotiations (including commercial or industrial negotiations) | 9(2)(i) |
| [38] | to enable a Minister of the Crown or any department or organisation holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial or industrial negotiations) | 9(2)(j) |
| [39] | to prevent the disclosure or use of official information for improper gain or improper advantage | 9(2)(k) |

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Chair
Cabinet

2019 BUDGET TECHNICAL FINANCIAL RECOMMENDATIONS

Proposal

1. This paper seeks approval of technical financial recommendations for Budget 2019. This package of initiatives is entirely technical in nature. The process for substantive Budget 2019 initiatives is ongoing, and the significant Budget package will be considered by Cabinet on 15 April.

Financial Recommendations for Budget 2019

2. For Budget 2019, Cabinet will consider financial recommendations in two tranches:
 - a. technical financial recommendations which do not impact on the allowances or require significant policy considerations; and
 - b. significant financial recommendations for which new funding is being sought or there are significant policy considerations arising.
3. This paper presents the technical financial recommendations for Budget 2019. The technical Cabinet paper primarily covers the following items:
 - a. Minor changes to scope statements of appropriations
 - b. Fiscally neutral adjustments that are not allowed under delegation to joint Ministers under Cabinet Office Circular CO(18)2, and which therefore could not be agreed through the March Baseline Update (MBU)
 - c. Items that were excluded from MBU.
4. Cabinet will consider the significant financial recommendations on 15 April, following the final meeting of Budget Ministers on 8 April.

5. These technical recommendations impact the following Votes:

- a. Arts, Culture and Heritage
- b. Business, Science and Innovation
- c. Corrections
- d. Environment
- e. Housing and Urban Development
- f. Internal Affairs
- g. Justice
- h. Labour Market
- i. Oranga Tamariki
- j. Parliamentary Service
- k. Social Development
- l. Statistics
- m. Tertiary Education
- n. Transport

6. The aggregate impact of these technical changes is:

	\$m – increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Operating impact	(15)	15	(23)	7	9
Capital impact	(75)	226	11	5	-

7. It is important to note that the table above reflects changes to appropriations rather than impact on the fiscal indicators. The vast majority of these changes are fiscally neutral. For example, \$163.5 million of the capital impact in the 2019/20 in the above table relates to the rollover of KiwiRail's existing Crown loans. For forecast purposes this is assumed to roll over and therefore will not impact net core Crown debt.

Publicity

8. Budget Day is Thursday, 30 May 2019. The Office of the Minister of Finance coordinates all communications relating to Budget 2019, including requests for early announcements arising from Budget decisions. Written approval from the Prime Minister and myself is required for any early announcements.

Proactive Release

9. The Minister of Finance plans to proactively release this paper after Budget Day (30 May 2019) in its annual proactive release of Budget documents. This release will be on the Treasury's website, and subject to any necessary redactions.

Consultation

10. This paper was prepared by the Treasury. The technical Budget financial recommendations are based on the Budget technical initiatives that were submitted by Responsible Ministers. All the financial recommendations attached are supported by the Treasury and respective departments.

Recommendations

11. I recommend that Cabinet:
 - 1 **agree** to the technical Budget initiatives for Budget 2019 as set out in the financial recommendations accompanying this paper;
 - 2 **authorise** the Minister of Finance and relevant Responsible Ministers to approve changes to technical initiatives and appropriations where this proves necessary to finalise the 2019 Budget package;
 - 3 **note** that all communications relating to the 2019 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; and
 - 4 **agree** that until the Appropriation (2019/20) Estimates Bill is enacted, expenses or capital expenditure against appropriations set out in the 2019/20 Estimates and being sought in that Bill may be met from Imprest Supply.

Hon Grant Robertson
Minister of Finance

Date: Monday 18 March, 2019