

The Treasury

Budget 2020 Information Release

July 2020

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Information Withheld

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act).

Where this is the case, the relevant sections of the Act that would apply have been identified.

Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to sections of the Act under which information has been withheld:

- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
- [2] 6(b)(i) - 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
- [5] 6(d) - to prevent endangerment of the safety of any person
- [9] 6(e)(iv) - to prevent serious damage to the economy of New Zealand by disclosing prematurely decisions to change or continue government economic or financial policies relating to the stability, control, and adjustment of prices of goods and services, rents, and other costs, and rates of wages, salaries, and other incomes
- [23] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [25] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [26] 9(2)(ba)(i) - 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 to prejudice 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
- [29] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [35] 9(2)(g)(ii) - to maintain the effective conduct of public affairs through protecting ministers, members of government organisations, officers and employees from improper pressure or harassment;
- [37] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [39] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [42] 18(d) - information is already publicly available or will be publicly available soon.

Where information has been withheld, a numbered reference to the applicable section of the Act has been made, as listed above. For example, a [23] appearing where information has been withheld in a release document refers to section 9(2)(a).

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Fiscal Strategy For Budget 2020

24th February 2020

Challenges for the fiscal strategy

We see three interrelated challenges for the fiscal strategy:

1. Prioritising **Budget 2020 operating spending** to fit within allowances
2. Setting allowances across **Budgets 2021 to 2023** to allow management of future pressures
3. Ensuring the spending path set through the next four Budgets is **sustainable in the long-run**

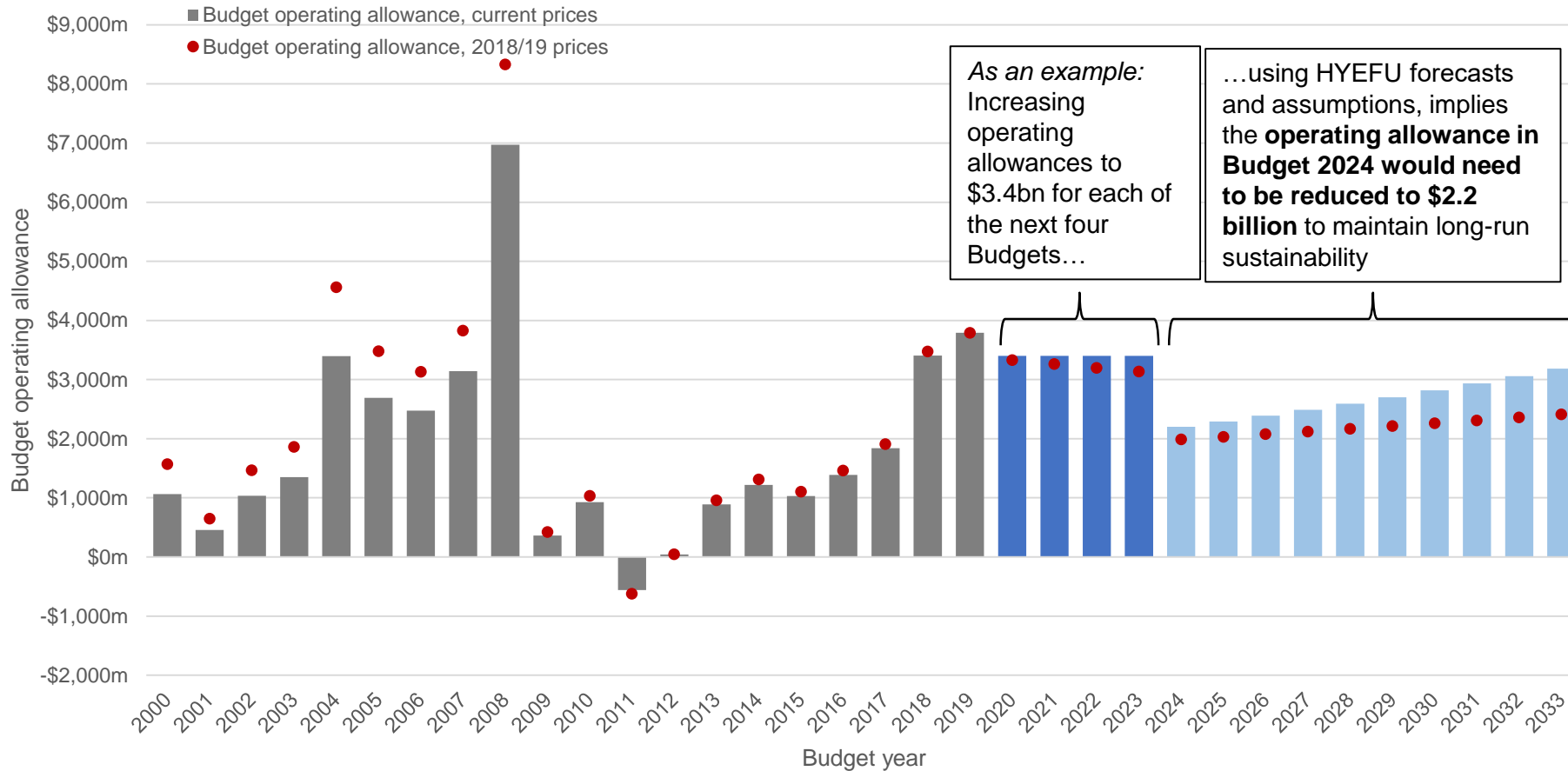
These challenges are considered on the following three slides

3rd challenge: long-run sustainability

...and will require greater spending restraint in the long-run.

We can test alternative paths to fiscal sustainability using the Fiscal Strategy Model.

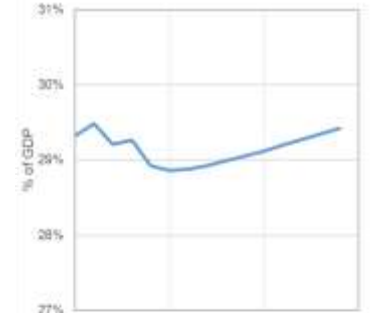
These policy settings result in key fiscal variables following a trajectory broadly consistent with your long-term objectives



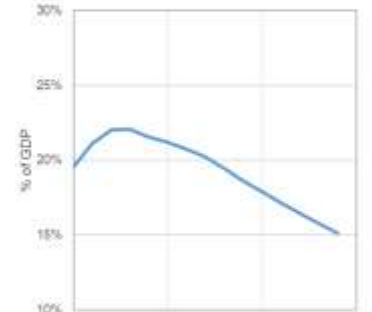
Key assumptions:

- Based on HYEFU 2019 forecasts.
- No increases to the MYCA in the forecast period.
- No fiscal drag from 2023/24.
- Capital allowance of \$6.6 billion per annum from Budget 2024
- Allowances grow at 4.2% per annum

Core Crown expenses



Net core Crown debt



OBEGAL

