

The Treasury

Budget 2021 Information Release

August 2021

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- the **Treasury website** from later in 2021 at <https://treasury.govt.nz/publications/information-release/budget-2021-information-release>.

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- [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
- [36] 9(2)(h) - to maintain legal professional privilege
- [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
- [40] Not in scope
- [42] 18(d) - information is already publicly available or will be publicly available soon.

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Budget Ministers 3

Supplementary Material – Wellbeing Analysis

29 March 2021

Wellbeing Analysis – Impact Analysis

The slides that follow include **impact analysis of each of the sub-packages** based on the Treasury's assessment of Budget initiatives, which considered:

1. Contribution to Budget priorities – weak (1), medium (2), strong (3)

Budget 2021 priorities are:

- Meeting critical cost pressures
- Funding time-sensitive and high priority manifesto commitments

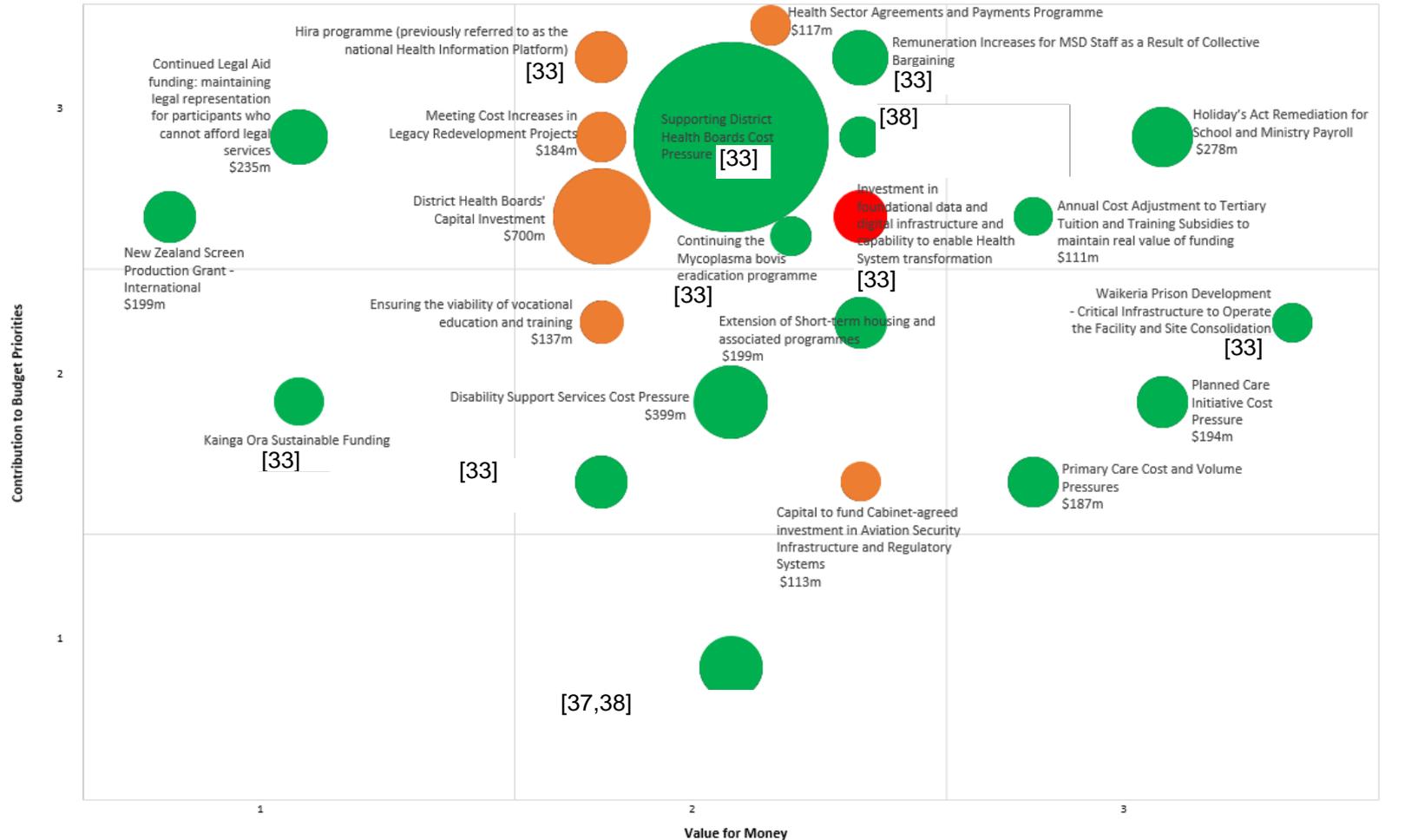
2. Value for money – weak (1), medium (2), strong (3)

- This is a qualitative assessment comprising information provided on cost benefit analysis and wellbeing alignment

3. Implementation readiness – qualitative analysis of the likelihood of the delivery of benefits using a **red, amber, green** rating

The size of the bubbles on these slides is proportionate to dollar spend. For operating, this covers the forecast period of 2020/21 – 2024/25. For capital, this covers ten years. The impact analysis is comparable within each slide, but not comparable between slides.

Cost Pressures



Implementation Readiness: ● Red ● Amber ● Green

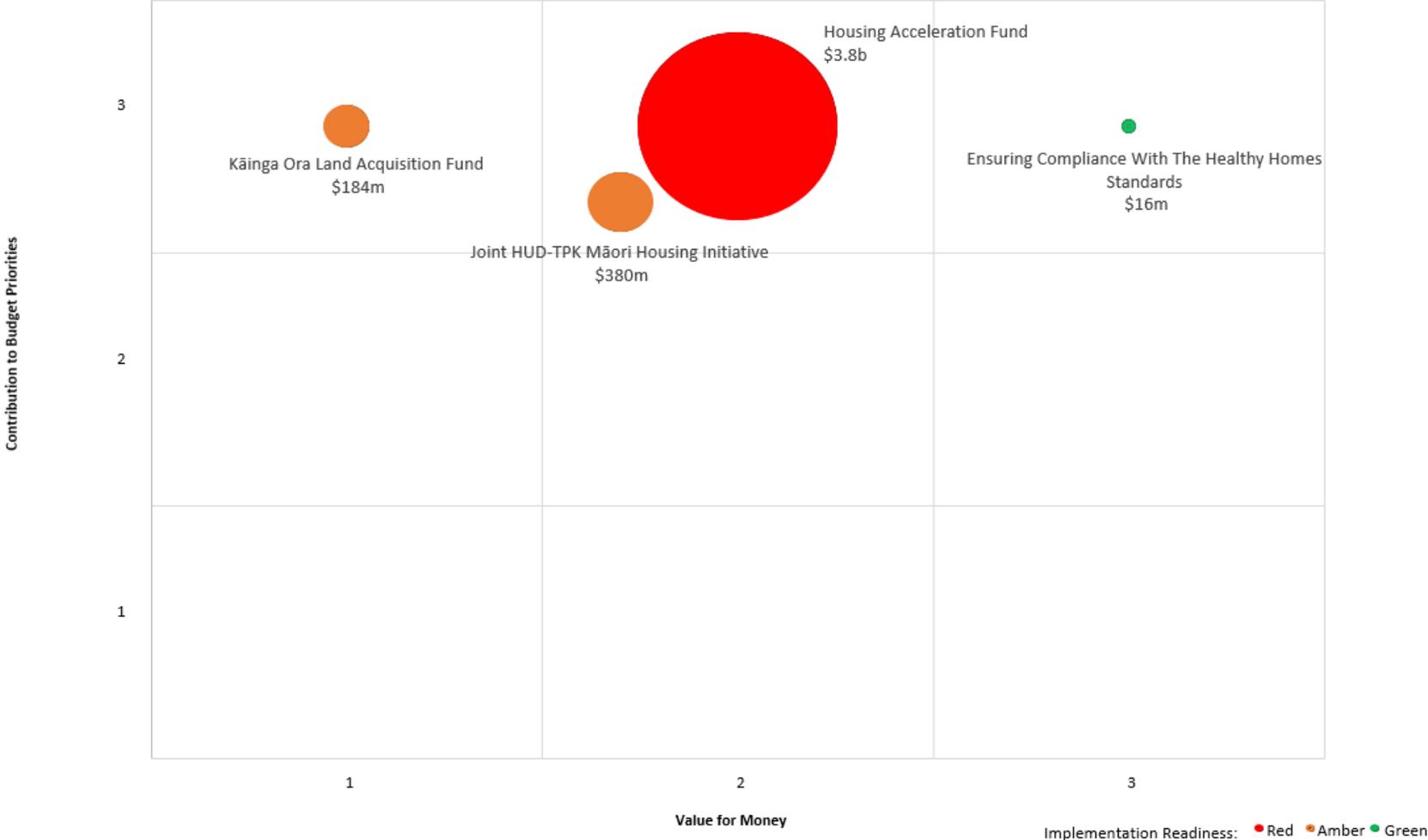
Note: This impact analysis contains only the largest 21 cost pressure initiatives in the Budget 2021 package. There is limited information on the 'Kainga Ora Sustainable Funding' initiative which means the Treasury could not confidently assign a Value for Money rating.

Priority Area – Child Wellbeing



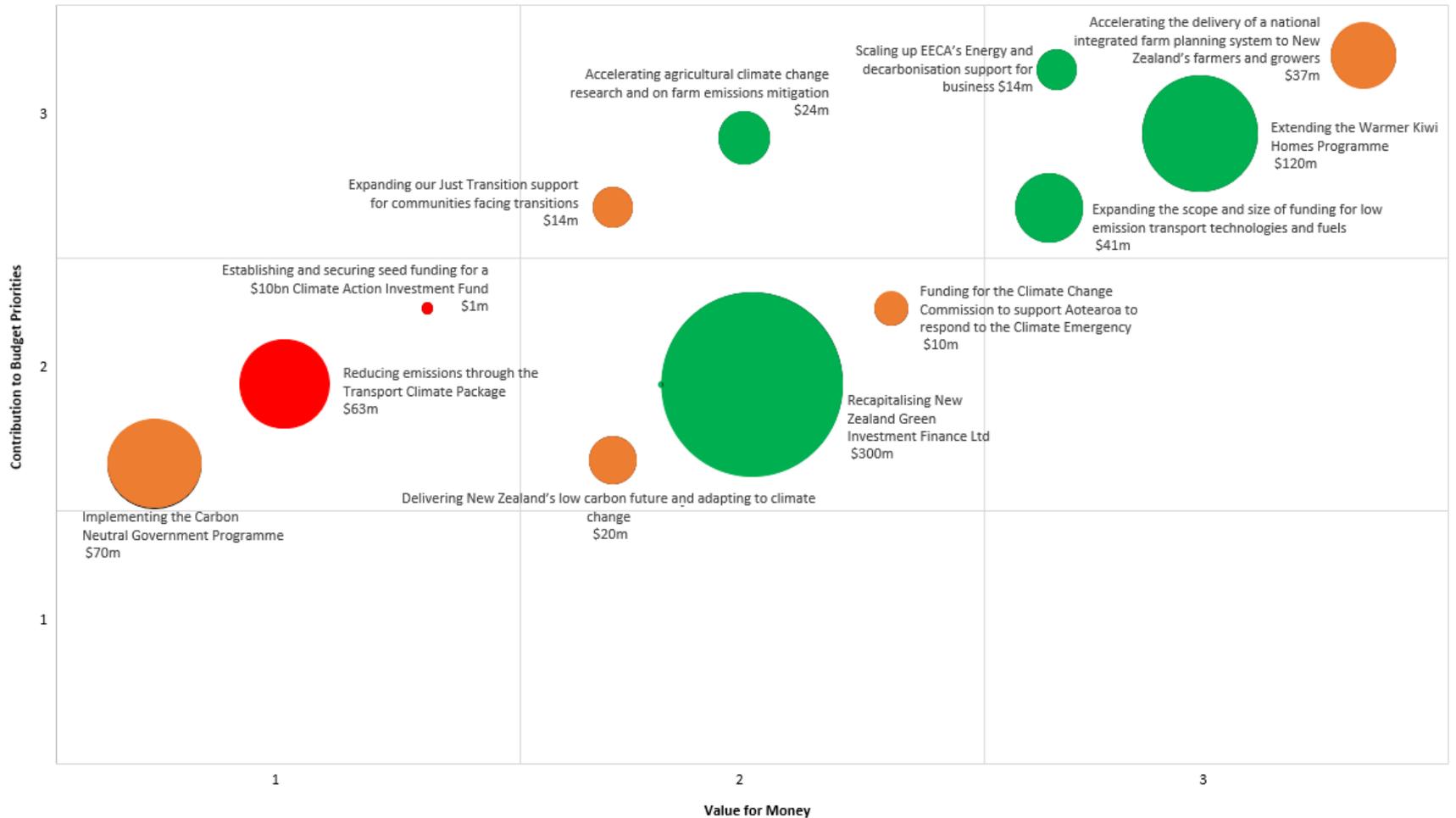
Implementation Readiness: ● Red ● Amber ● Green

Priority Area – Housing (including initiatives funded from CRRF)



Note: The value for money and implementation readiness in the housing package reflects the complexity of these projects and significant work to be completed. This work is underway and could improve the impact analysis.

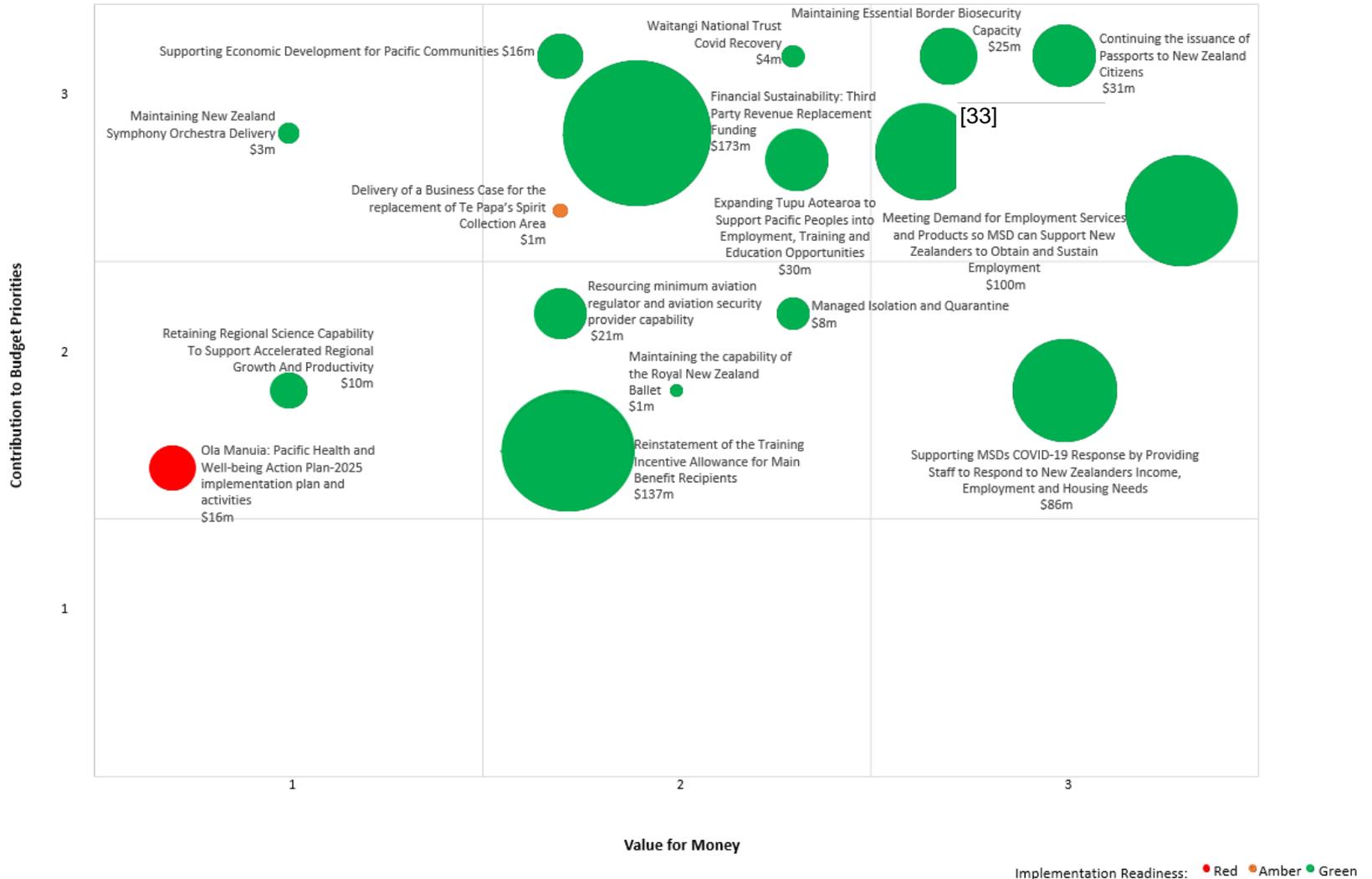
Priority Area – Climate Change



Manifesto – Other



CRRF Initiatives



He Ara Waiora

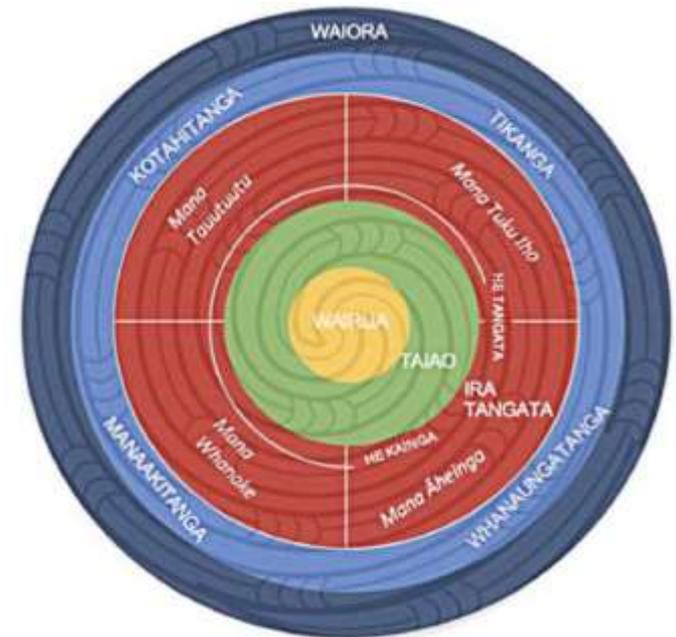


He Ara Waiora

He Ara Waiora is a tikanga-based wellbeing framework which we are using for the first time in Budget 2021. The principles of He Ara Waiora are derived from mātauranga Māori, but many of its elements are relevant to the wellbeing of all New Zealanders.

The figure to the right illustrates the key concepts making up He Ara Waiora, including a set of principles to follow in order to best achieve wellbeing outcomes, illustrated in the table below.

Principle	Definition
Kotahitanga	Working in an aligned, co-ordinated way
Tikanga	Making decisions in accordance with the right values and processes, including in partnership with the Treaty partner
Whanaungatanga	Fostering strong relationships through kinship and/or shared experience that provide a shared sense of belonging
Manaakitanga	Enhancing the mana of others through a process of showing proper care and respect
Tiakitanga	Guardianship, stewardship (e.g. of the environment, particular taonga or other important processes and systems)



Overall, while some initiatives strongly aligned with the principles of He Ara Waiora, others demonstrate opportunities for further development. For example, the principle of kotahitanga highlighted the need for agencies to work in a coordinated and collaborative manner, and with iwi and Māori, rather than working in silos. Ideally, proposals relevant to iwi and Māori would show evidence of prior engagement, rather than indicating it will happen at a future date.

He Ara Waiora

The Treasury is developing and embedding He Ara Waiora so that te ao Māori concepts of wellbeing are woven into our work. This is a journey that is likely to take several years. For Budget 2021 the Treasury took a light-touch approach to applying He Ara Waiora, with a view to developing a more comprehensive application in Budget 2022. The table below provides a high-level summary of how each sub-package aligns with He Ara Waiora concepts and principles.

Sub-package	He Ara Waiora Comment
Cost Pressure	Alignment with the principles of He Ara Waiora is varied across the cost pressure package. A number of initiatives demonstrate a strong focus on partnering with iwi and Māori to design and deliver services, while for others the impact on and efforts to engage with Māori is not clearly demonstrated.
Child Wellbeing	The package shows a strong alignment to Manaakitanga by seeking to provide whānau and communities with financial support and address other needs. Kotahitanga will be critical to the success of these initiatives and improving child wellbeing more generally, however there are varying degrees of Kotahitanga demonstrated across the initiatives with many demonstrating limited engagement with iwi and Māori. Alongside this Tikanga is needed to ensure the right people and processes are in place including consideration of what the outcomes are and how we measure them. Clear articulation of good Tikanga is an area lacking in this sub-package.
Housing	The initiatives within the Housing package align well with principles of He Ara Waiora. Manaakitanga, Tikanga, Kotahitanga are particularly exemplified through the work to support whanau, communities and realise housing outcomes. Collaboration with iwi and Māori could have been stronger in some initiatives.
Manifesto Other	The Manifesto Other sub-package contains a mix of initiatives across different portfolio areas, including several initiatives in the Health and Corrections space which align well with Manaakitanga, Kotahitanga, and Whanaungatanga by working strongly alongside Māori and actively upholding and improving Crown-Māori relationships through high-trust partnership models.
Climate Change	Based on the limited information available, we are not able to draw firm conclusions on this sub-package's alignment with He Ara Waiora. However, given the centrality of te taiao (the environment) to te ao Māori, there are opportunities for engagement with Māori going forward, including on the Government's Emissions Reduction Plans, to ensure that rights and interests are protected in the transition to a low-carbon economy.

Distributional Analysis



Distributional Analysis

- I have commissioned **some distributional analysis from Treasury of the package, on the impacts on Māori and Pacific Peoples**. This distributional analysis is based on qualitative assessments of initiatives charged against the Budget allowance and funded from CRRF.
- Across the Budget 2021 package there are a range of initiatives targeted at achieving better outcomes for Māori (\$959m total operating) and Pacific Peoples (\$82m total operating and capital)
- Some examples of initiatives which are aimed at improving outcomes for Māori include continuing and expanding '*Te Pae Oranga iwi community panels: tikanga Māori and Whānau Ora-based alternative to court for low-level offending*', and *Iwi-led data collection for 2023 Census* which supports Iwi and Māori to lead the census data collection in their communities building capability and capacity of Iwi and Māori in the data system.
- We are also investing in initiatives which drive improved outcomes for Pacific peoples. This includes '*Establishing the Pacific Wellbeing Strategy to Lift Pacific Wellbeing and Aspirations*' which aims to raise the capability of Government to meet the needs of Pacific communities and continuing '*Expanding Tupu Aotearoa to Support Pacific peoples into Employment, Training and Education Opportunities*'.

Distributional Analysis

- **In addition, the Child Wellbeing and Housing initiatives are the priority areas in which a substantial portion of initiatives have been identified as having a significant impact, but not targeted to, Māori and Pacific Peoples:**
 - **Child Wellbeing initiatives:** Income support initiatives have been identified as having a significant impact on Māori and Pacific Peoples.
 - **Housing initiatives:** Elements of the Housing Acceleration Fund (HAF) (for example, LSPs) are being delivered in areas with high Māori and Pacific Populations. This will enable more affordable and public housing.