

The Treasury

Budget 2021 Information Release

August 2021

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- [36] 9(2)(h) - to maintain legal professional privilege
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- [38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
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Treasury Report: Reprioritisation options prior to Budget 2021

Date:	Thursday 4 March	Report No:	T2021/200
		File Number:	BM-2-7-2020-3

Action sought

	Action sought	Deadline
Hon Grant Robertson Minister of Finance	Agree to reprioritise up to \$1,080 million of 16 March 2020 Package and CRRF funding	Tuesday 9 March

Contact for telephone discussion (if required)

Name	Position	Telephone	1st Contact
Tadhg Walker	Analyst, System Design and Strategy	[39]	[35] ✓
John Marney	Manager, System Design and Strategy		

Minister's Office actions (if required)

Return the signed report to Treasury.

Note any feedback on the quality of the report

Enclosure: Yes (attached)

Treasury Report: Reprioritisation options prior to Budget 2021

Purpose of Report

1. This report provides options to reprioritise expenditure from the 16 March 2020 Package and COVID-19 Response and Recovery Fund (CRRF), worth up to \$1,080 million over the forecast period and up to \$103 million per year in ongoing outyear funding.

Background

2. The recovery and resilience of the New Zealand economy has surprised on the upside, with the Budget Economic and Fiscal Update likely to show an improved fiscal position relative to Half Year Economic and Fiscal Update. However, the outlook remains uncertain with a further resurgence or slower recovery possible. There is significant pressure on Budget 2021 allowances which we expect to continue going forward, and tough trade-offs would be required to stay within set budget allowances.
3. This report builds on the advice you received in November 2020 on reprioritising CRRF and other expenditure (T2020/3163 refers) where you agreed to reconsider reprioritisation from the 16 March 2020 Package and CRRF funding as part of Budget 2021. You did not wish to consider manifesto related initiatives as part of this reprioritisation exercise (T2020/3163 refers). Manifesto related initiatives have only been included where the agency has identified reprioritisation opportunities.

Reprioritising 16 March Package and CRRF initiatives

4. There is scope to reprioritise some funding from the 16 March 2020 Package and CRRF initiatives up to \$1,080 million (total over the forecast period) across 32 initiatives. Reprioritisation from initiatives is a combination of reprioritisation identified by agencies and assessments made by the Treasury.
5. Engagement with agencies occurred through December 2020 and January 2021 through the CRRF reporting template. This template was sent to agencies in December 2020 and sought information from agencies on most CRRF initiatives, including agency views on possible reprioritisation of initiatives and updates on the spending and delivery of CRRF initiatives. You have received a separate update on the delivery of CRRF initiatives based on responses from the CRRF Reporting Template (T2021/264 refers).
6. For the purposes of this report we have categorised initiatives as:
 - a **Agency identified** where the agency has identified reprioritisation options through the CRRF reporting template. These primarily consist of underspends in FY2020/21, as well as scaling or stopping some ongoing funding.
 - b **Lower value** where the initiative represents lower value for money and there are concerns about delivery. The Treasury recommends initiatives categorised as lower value are stopped and the funding reprioritised.
 - c **Higher value** where the initiative represents higher value for money and delivery should continue. There are limited reprioritisation options within this category.

7. Reprioritising funding identified by agencies is relatively low risk. Reprioritisation Treasury has identified in the lower value and higher value categories carries some risk with your ministerial colleagues and agencies, and there may be some pushback through the budget process.
8. The information provided by agencies through the CRRF Reporting Template, such as the amounts of contractually committed expenditure and actual spending to date, is current as at 31 December 2020. It is possible some of the contractually committed spend, or actual spend, has changed which may impact total amounts able to be reprioritised from each initiative. Treasury will work with agencies prior to any reprioritisation to ensure all contractual commitments with third parties are met.
9. Generally, agencies have expressed a preference that any reprioritised funding is reprioritised within the same Vote.
10. Any reprioritisation will have to be agreed by Cabinet, with decisions about reprioritisation able to be given effect through financial recommendations in the Budget Cabinet paper.
11. The Treasury assessments of lower value and higher value are relative rather than absolute, and primarily based on information provided by the agencies in the CRRF reporting template, and through the Implementation Unit. Recommended reprioritisation amounts from each category are contained in Table 1 below.

Table 1: Funding to be reprioritised by category (\$, millions)

	Total approved funding (FY20/21 – FY24/25)	Total reprioritisation amount (FY20/21 – FY24/25)	Ongoing outyear funding reprioritisation (per year)
Agency identified (Annex A)	2,597	1,000	62
Lower value (Annex B)	635	53	41
Higher value (time limited) (Annex C)	1,290	26	0
Higher Value (ongoing) (Annex D)	5,327	0	0
Total	9,848	1,080	103

12. The breakdown of initiatives in each category, with comments from Treasury, are in Annexes A - D. All figures are operating expenditure unless otherwise stated.

Options for reprioritised funding

13. You have the following options for any reprioritised funding:
- a **Add funding back to the CRRF (Treasury recommended):** As a large portion of funding is one off underspends, we recommend adding it back to the CRRF, which targets one-off or temporary spending. This will provide additional funding for any COVID-19 related costs, while ensuring the structural deficit does not worsen. This option would likely have no fiscal impact.
 - b **Return to the centre as savings:** A large portion of the funding identified consists of underspends from FY2020/21. Without any intervention (if funding remains an underspend) the majority of funding will return to the centre as savings at the end of this financial year. These savings will likely have no fiscal impact, and are unlikely to improve the fiscal forecasts as underspends have already been accounted for via a top down adjustment.

For initiatives with ongoing funding (such as the SuperGold initiative), a policy decision still needs to be made to return funding to centre.

- c **Offset Budget 2021 costs within budget allowances:** It is possible to add the savings from reprioritisation (approx. \$270 million per year) to offset oversubscription of Budget 2021 allowances within the Fiscal Management Approach rules.

However given the CRRF was designed to be temporary spending, reallocating funding towards budget allowances would likely have an adverse impact on net core crown debt, and would likely worsen the structural deficit. It may also set a precedent the CRRF can be used to fund ongoing spending.

Progressing this option should be considered alongside the wider fiscal strategy (T2021/316 refers).

Next Steps

- 14. Indicate which initiatives you wish to reprioritise. The Treasury will then undertake work with agencies to finalise reprioritisation amounts for Cabinet approval.
- 15. You may wish to discuss this report with officials at the Budget Matters meeting on 9 March 2021.

Recommended Action

We recommend that you:

- a **agree** to reprioritise

EITHER

- i. **all** agency identified initiatives in Annex A, totalling \$1,000 million over the forecast period

Agree / disagree

OR

- ii. **selective** initiatives: please **indicate** in Annex A which initiatives you wish to reprioritise

Agree / disagree

- b **agree** to reprioritise

EITHER

- i. **all** lower value initiatives as identified by the Treasury in Annex B, totalling \$53 million over the forecast period

Agree / disagree

OR

- ii. **selective** initiatives: please **indicate** in Annex B which initiatives you wish to reprioritise

Agree / disagree

- c **agree** to reprioritise

EITHER

- i. the Treasury identified initiatives in Annex C totalling \$26 million over the forecast period

Agree / disagree

OR

- ii. **selective** initiatives: please **indicate** in Annex C which initiatives you wish to reprioritise

Agree / disagree

- d **note** we have not identified reprioritisation options in Annex D, however these can still be considered against Budget 2021 initiatives

- e **indicate** if you would like to reprioritise any initiatives listed in Annex D, and

Yes / no

- f **indicate** your preference for reprioritised funding to be used to
- i. be added back to the CRRF (Treasury recommended), or
Yes / no
 - ii. let funding return to the centre as savings, or
Yes / no
 - iii. offset additional costs of Budget 2021 initiatives within the budget allowances.
Yes / no

John Marney
Manager, System Design and Strategy

Hon Grant Robertson
Minister of Finance

Annex A: Reprioritisation options identified by agencies (all figures in \$, millions)

Category	# of initiatives	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25	Total FY20/21 – 24/25	Outyears
Total approved	26	1,548	372	250	213	213	2,597	213
Reprioritisation potential	26	695	95	75	75	62	1,000	62

Agencies have identified all the funding to be reprioritised in this annex through the CRRF reporting template unless otherwise stated. The majority of reprioritisation is one off funding from underspends, primarily from FY2020/21. We consider reprioritising this funding as relatively low risk as it has been identified by agencies.

All reprioritisation figures are total, one-off figures unless otherwise stated.

List of initiatives with reprioritisation identified by agencies

#	Initiative Name	Portfolio	Total funding FY20/21 – FY 24/25	Total reprioritisation FY20/21 – FY24/25	Comment	Reprioritise?
1	SuperGold card health and eye check	Health	260	260* *this initiative also has \$62 million per year ongoing outyear funding	Support reprioritisation. This initiative is lower value for money relative to other initiatives in the primary health care space that are actively being considered by the Transition Unit as part of the Government's response to the Health and Disability System Review. Implementation of this initiative requires negotiations with the primary sector which have not yet commenced. Thus, given that none of this funding has been committed, we recommend reprioritising this funding. Note this initiative represents the \$62 million per year funding from FY21/22 in the summary table above.	Yes No
2	Supporting the NLTF revenue shortfall and meeting COVID costs	Transport	500	250	Although this initiative represents high value spend and is directly relevant to supporting the COVID-19 response and recovery, the call on Crown support has been less than was expected and therefore there is underspend available to be reprioritised. These underspends were identified by the Minister of Transport in his Budget 2021 submission letter to you on 29 January 2021.	Yes No
3	Sustaining The Early Learning Network (operating contingency)	Education	206	172	Support reprioritisation. There are potentially further reprioritisation opportunities. Discussion with MoE is ongoing and reprioritisation can be discussed at the Budget bilateral. This funding is currently in contingency.	Yes No
4	Contingency: Critical Funding To Address Supplier Contractual Obligations Arising From The Impact Of Covid-19"	Education	89	56	Support reprioritisation. There is potentially more funding that can be reprioritised from this initiative depending on demand from suppliers. Discussions are ongoing and reprioritisation can be discussed at the Budget bilateral. This funding is currently in contingency.	Yes No
5	Impacts For Waka Kotahi NZ Transport Agency's Regulatory Memorandum Accounts	Transport	60 (this is a MYA, and includes funding allocated in FY19/20)	52	Although this initiative represents high value spend and is directly relevant to supporting the COVID-19 response and recovery, the call on Crown support has been less than was expected and therefore there is underspend available to be reprioritised. These underspends were identified by the Minister of Transport in his Budget 2021 submission letter to you on 29 January 2021.	Yes No
6	He Poutama Rangatahi	Employment	156	30	Support reprioritisation. This has the potential to be a valuable initiative filling gaps in the employment support space for some disadvantaged groups. Like some other employment initiatives identified in this exercise, [33] Note further work needs to be undertaken with the agency to scale this initiative across financial years. Treasury has allocated scaling evenly across FY21/22, FY22/23, and FY23/24 in the first instance. There may be opportunity for further reprioritisation in a year's time once programmes are more established.	Yes No
7	Establishing Workforce Development Councils To Support Covid-19 Recovery	Tertiary Education	295	30	The Ministry of Education identified up to \$30m underspend from FY2020/21 is available for reprioritisation after the CRRF reporting templates were returned. We support this reprioritisation and will engage with the Ministry to get certainty on the available figure. We note this is a high value initiative with ongoing funding.	Yes No

#	Initiative Name	Portfolio	Total funding FY20/21 – FY 24/25	Total reprioritisation FY20/21 – FY24/25	Comment	Reprioritise?
8	Combined Pharmaceutical Budget (CPB) – continuity of supply of medicines and medical devices	Health	150	24	Support reprioritisation of \$24m identified by the Ministry of Health. This funding was provided to PHARMAC to ensure the continuity of supply of medicines and medical devices in response to global supply issues caused by COVID-19 however costs have been lower than expected. This funding flows to PHARMAC via DHBs, there is potential communications risk associated with being perceived to take funding off DHBs. [33]	Yes No
9	Māori Trades and Training Fund (MTTF)	Employment	50	20	Support reprioritisation. This has the potential to be a valuable initiative filling gaps in the employment support space for some disadvantaged groups. [33] We note there may be opportunity for further reprioritisation in a year's time once programmes are more established. The \$20 million will be reprioritised from FY21/22.	Yes No
10	[33]					Yes No
11	Maintaining Essential Disability and Home and Community Aged Care Support Services Through COVID-19	Health	17	17	Support reprioritisation. This funding was to ensure essential disability and aged care support services were maintained through the initial Alert Levels 3 and 4. There is a forecast underspend of \$16.7m available for reprioritisation which the Ministry of Health support following discussions after the CRRF Reporting Template was returned.	Yes No
12	Maintaining The Financial Viability Of Critical Community Pharmacy Services	Health	18	16	Support reprioritisation. This funding was provided for critical community pharmacies impacted by COVID-19 Alert Level changes. The financial impact of COVID-19 on community pharmacy has not been as severe as predicted and the number of applications against the fund has been limited.	Yes No
13	Tourism Sector Recovery Fund - (Strategic Tourism Assets Protection Programme (STAPP))	Tourism	350	15	Support reprioritisation of any underspends related to the Strategic Tourism Assets Protection Programme, and we will know the scale of this underspend once contracting is complete in March 2021 (MBIE estimate \$15m but the likelihood of this being more is high due to firms' inability to take on additional debt at this time).	Yes No
14	Tourism Sector Recovery Fund - (Department of Conservation (DoC) Concession Waivers)	Tourism		5	Support reprioritisation. Risk that DoC will seek additional funding again next financial year to buffer a shortfall of third party revenue. However, a decision should be made on this when and if it should occur.	Yes No
15	Regional Skills Leadership Groups (RSLGs)	Social Development	58	9	Support. This initiative has significantly more resource dedicated to delivery than the Treasury recommended when Budget funding was sought in 2020. We consider scaling can be undertaken without unduly jeopardising programme outputs and outcomes. Note further work needs to be undertaken with the agency to scale this initiative across financial years. Treasury has allocated scaling evenly across FY21/22, FY22/23, and FY23/24 in the first instance. RSLGs are still in the stage of being established, and we consider there will be additional opportunity to review the required level of funding in a year's time, once the Groups are fully operational.	Yes No
16	Increasing Ongoing Resourcing Scheme Teacher Aide Hours	Education	177	5	We agree with the agency offered funding. At this time we do are not aware of further reprioritisation opportunities.	Yes No
17	Jobs and Skills Hubs	Employment	34	5	Support. [33]	Yes No

#	Initiative Name	Portfolio	Total funding FY20/21 – FY 24/25	Total reprioritisation FY20/21 – FY24/25	Comment	Reprioritise?
18	Increase in Combined Pharmaceutical Budget due to increased costs of drugs due to COVID 19 (funded through DHB baselines)	Health	10	5	Support reprioritisation. This funding was provided to PHARMAC for additional medical device costs due to COVID-19. These costs have not been as high as expected. This funding flows to PHARMAC via DHBs, there is potential communications risk associated with being perceived to take funding off DHBs.	Yes No
19	Increasing Ongoing Resourcing Scheme Cost Pressure For Teacher Aide Hours	Education	19	4	We agree with the agency offered funding. At this time we are not aware of further reprioritisation opportunities.	Yes No
20	Housing Support Package	Housing	79	3	Support reprioritisation.	Yes No
21	International Education Strategic Recovery: Immediate Targeted Support For Private Training Establishments	Tertiary Education	10	2	Support reprioritisation. The amount to be reprioritised represents funding that was not passed to a potential beneficiary organisation due to concerns about its viability.	Yes No
22	Increasing Official Assignee resources to manage growth in Insolvency cases due to COVID-19, Crown portion only	Consumer and Commerce Affairs	10	2	Support reprioritisation.	Yes No
23	Policy Programme Gambling, Racing & Community Funding	Internal Affairs	2	0.70	Support reprioritisation. CRRF funding ends in 2020/21 for this programme, with \$0.700 million available for reprioritisation.	Yes No
24	Racing Industry Recovery Package	Racing	11	0.40	Support reprioritising the \$0.400 million available for reprioritisation.	Yes No
25	New Zealand's Events Support	Economic Development	10	0.33	Support reprioritising the \$0.3 million available for reprioritisation. Contracts have otherwise been executed.	Yes No
26	Business Debt Hibernation (BDH) Scheme	Consumer and Commerce Affairs	1	0.20	Support reprioritisation.	Yes No
Total			2,597	1,000*	*Note there is \$62m ongoing outyear funding from these initiatives	

Annex B: Initiatives identified as lower value (all figures in \$, millions)

Category	# of initiatives	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25	Total FY20/21 – 24/25	Outyears
Total	6	261	143	87	72	72	635	72
Reprioritisation potential	5	0	1	5	5	41	53	41

The initiatives listed below are considered lower value and we recommend they are stopped and funding is reprioritised.

List of initiatives identified as lower value

#	Initiative Name	Portfolio	Total funding FY20/21 – FY 24/25	Total reprioritisation FY20/21 – FY24/25	Comment	Reprioritise?
1	Recovery Package for the Play, Active Recreation and Sport System in Response to the COVID-19 Pandemic	Sport and Recreation	280	20* *this initiative also has \$20m per year ongoing funding	This initiative arguably has diminished relevance to CRRF objectives, with negative impacts on the sport system less than expected as a result of faster-than-anticipated economic recovery. About \$68m of the \$264.6m package is still subject to joint Ministerial sign-off and so can be considered uncommitted at this stage. Further, ongoing funding (i.e. for 2024/25 and Outyears) appears to have been included by mistake at the time the CRRF Package was agreed. We recommend this ongoing funding is reprioritised, and you may wish to consider the \$68m in uncommitted funding for reprioritisation.	Yes No
2	Increasing Wellbeing And Mental Health Support To Learners And Education Workforce	Education	205	TBC at bilateral	Discussions with MoE about potential reprioritisation are ongoing and should be discussed at the Budget bilateral.	Yes No
3	Securing and Strengthening Frontline Water Safety Rescue And Prevention Services To Reduce New Zealand's Drowning Toll	Transport	76	15* *this initiative also has \$15m per year ongoing funding	This initiative has low-relevance to the COVID-19 response and recovery. Noting that the Ministry of Transport has not recommended that this initiative be considered for reprioritisation, we recommend that funding from FY24/25 and outyears be reprioritised and that ongoing funding should be considered through the Budget process. Note that this is a cross-Vote initiative with funding for Sport NZ listed below.	Yes No
4	New Zealand Libraries Partnership Programme	Internal Affairs	64	12* *this initiative also has \$4m per year ongoing funding	We support DIA's request to seek a \$3.2 million IPECT through MBU due to supply chain disruptions and delays outside of the agency's control. However, we recommend funding from FY2022/23 is reprioritised as funding appears to be for lower value outputs, including providing free internet for libraries.	Yes No
5	Expanding Animal Wellbeing Support Activities Across New Zealand	Agriculture	7	4* *this initiative also has \$1m per year ongoing funding	This initiative does boost the resilience of the animal welfare system. However, we do not think the evidence shows that the benefits are significant. Note that this initiative funds seven permanent staff in MPI.	Yes No
6	Securing and Strengthening Frontline Water Safety Rescue And Prevention Services To Reduce New Zealand's Drowning Toll	Sport and Recreation	3	1* *this initiative also has \$1m per year ongoing funding	Recommend that ongoing funding (i.e. in 2024/25 and outyears) be considered for reprioritisation through the Budget process. Note that this is a cross-Vote initiative with funding for Ministry of Transport listed above.	Yes No
Total			635	53*	Note there is \$40m in ongoing outyear funding from these initiatives	

Annex C: Initiatives identified as higher value, time limited (all figures in \$, millions)

Category	# of initiatives	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25	Total FY20/21 – 24/25	Outyears
Total	8	1,214	76	0	0	0	1,290	0
Reprioritisation potential	1	0	26	0	0	0	26	0

The initiatives listed below are considered higher value and we recommend they should continue.

List of initiatives identified as higher value, time-limited

#	Initiative Name	Portfolio	Total FY20/21 – FY 24/25	Total reprioritisation FY20/21 – FY24/25	Comment	Reprioritise?
1	Support for Apprentices	Social Development	412	0	There are underspends in the programmes funded by this contingency (concentrated mostly in the Apprenticeship Boost programme). We note that Ministers previously agreed that underspends could be used to either shift the mix of programmes funded by this contingency, or extend the period covered by these programmes. Cabinet has also authorised the transfer of funding between financial years. MSD are drafting a report to several Ministers outlining the uptake of these schemes. Any reprioritisation should take the above factors into account.	Yes No
2	Increasing the threshold for provisional tax - One-off net debt impact	Revenue	350	0	Initiative is supported by Treasury and IRD - lowers compliance costs for some SMEs. Discretion to unwind/test through Budget.	Yes No
3	[33]					Yes No
4	Capital Investment In Callaghan Innovation For A Short-Term Research And Development Loan Scheme (capex)	Research, Science and Innovation	149	0	We do not recommend reprioritising this initiative.	Yes No
5	Aviation relief package	Transport	130	0	\$530 million in total from CRRF was committed to this initiative. We note that a review of the International Airfreight Capacity scheme (IAFC) component will be considered by Cabinet in March 2021. Any decisions on existing funding allocation, or to continue providing Crown support through the IAFC, should be considered by Cabinet through this report back.	Yes No
6	Crown Research Institute Covid-19 Response And Recovery	Revenue	72	0	We do not recommend reprioritisation. Funding addresses short-run exacerbation of long-run problems. We expect further pressures on CRIs to arise.	Yes No
7	Support Plan for COVID-19 Cases and Close Contacts in the Community under Alert Levels 2 & 1	Health	20	0	This is a high value initiative and we do not recommend reprioritisation. This funding was provided to establish local wraparound services and managed isolation facilities for COVID-19 cases and Close Contacts in the Community. Policy work is still being done on this initiative to prepare for potential further outbreaks of COVID-19. The Ministry of Health also do not support reprioritisation.	Yes No
8	Maintaining Research And Development Services To New Zealand's Businesses	Research, Science and Innovation	6	0	Do not recommend reprioritisation - \$1 million available in FY21 should be reprioritised to FY22 to support administration costs of the R&D loan scheme, however not to return to centre.	Yes No
	Total		1,290	26		

Annex D: Initiatives identified as higher value with ongoing, outyear funding (all figures in \$, millions)

Category	# of initiatives	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25	Total FY20/21 – 24/25	Outyears
Total	31	2,290	1,188	231	814	804	5,327	804
Reprioritisation potential	0	0	0	0	0	0	0	0

We consider these initiatives to represent higher value and should continue. These initiatives do have substantial ongoing costs.

List of initiatives identified as higher value

#	Initiative Name	Portfolio	Total FY20/21 – FY 24/25	Total reprioritisation FY20/21 – FY24/25	Comment	Reprioritise?
1	Reinstatement of depreciation deductions for buildings	Revenue	2,685	0	Initiative is supported by Treasury and IRD - policy work underway before COVID-19. Significant outyear funding with minimal discretion to unwind. Taxpayers likely already made significant investment decisions on the basis of this change being permanent. These settings were last changed in 2010.	Yes No
2	Expansion of immediate expensing for low value assets	Revenue	808	0	Initiative is supported by Treasury and IRD - policy work underway before COVID-19. Enhances productivity through increased investment and lowers compliance costs. Discretion to unwind/test through Budget.	Yes No
3	SMEs - loosening tax loss continuity rules	Revenue	300	0	Initiative is supported by Treasury and IRD - policy work underway before COVID-19. Outyear funding could be tested as part of post-implementation review. Any changes to settings should be signalled early to taxpayers. Potential to change the application date - any extra funding required for this could be sought through Budget	Yes No
4	Employment And Financial Support Response To Covid-19	Social Development	270	0	We consider this initiative high value spend as it will allow MSD to continue to provide a pre-COVID level of case management support to an expanded client base. MSD have submitted a bid seeking further funding for this initiative across the forecast period. There are underspends in this year; however, we recommend that these return to the Crown via the usual year-end process.	Yes No
5	SMEs - tax loss carry-back	Revenue	200	0	Initiative is supported by Treasury and IRD - policy work underway before COVID-19. Recommend not revisiting - initiative is revenue positive from 2021/22 onwards. Initiative is not scalable - taxpayers have already taken positions re. losses. Government is giving consideration to a permanent scheme (funding will likely be sought through Budget for this).	Yes No
6	New Zealand's Economic Recovery: Revitalising the International Business Sector (operating contingency)	Economic Development	162	0	Not a candidate for reprioritisation – a detailed review process on the contingency is underway in parallel.	Yes No
7	Remove hours test from In Work Tax Credit	Revenue	160	0	Initiative is supported by Treasury and IRD - policy work underway before COVID-19. Discretion to unwind/test through Budget.	Yes No
8	Emergency Financial Assistance For Caregivers In Response To Covid-19: Base Rate Increase	Social Development	145	0	This initiative was agreed jointly with the \$25 increase to main benefits in response to COVID-19. It is well aligned with Government priorities and policy work underway before COVID-19. It is not feasible to reprioritise this initiative. Any underspends resulting from lower than anticipated demand will return to the Crown at year-end. We do not recommend returning underspends earlier.	Yes No
9	Emergency Financial Assistance For Caregivers In Response To Covid-19: Supporting Stability And Care	Social Development	91	0	This initiative has already been implemented, is well aligned with Government priorities and policy work underway before COVID-19. It is not feasible to reprioritise to reprioritise these initiatives. Any underspends resulting from lower than anticipated demand will return to the Crown at year-end. We do not recommend returning underspends earlier.	Yes No

#	Initiative Name	Portfolio	Total FY20/21 – FY 24/25	Total reprioritisation FY20/21 – FY24/25	Comment	Reprioritise?
10	Strengthening The Family Court – Initiatives To Enhance Child And Whānau Wellbeing Under COVID-19	Justice	49	0	Possible to reprioritise some aspects of funding, for example funding for improving court information. The Ministry of Justice has not recommended reprioritisation.	Yes No
11	Justice Sector Resourcing To Address COVID-19 Related Backlogs - Vote Courts and Vote Justice (op)	Justice	47	0	At this stage there does not appear to be viable alternative options for more immediately addressing the backlog in the courts.	Yes No
12	Justice Sector Resourcing To Address COVID-19 Related Backlogs - Vote Courts and Vote Justice (Cap)	Justice	4	0	At this stage there does not appear to be viable alternative options for more immediately addressing the backlog in the courts.	Yes No
13	NCEA Online: Transforming Assessment For Learners	Education	43	0	This is a program that will provide value over the longer term.	Yes No
14	Network-As-A-Service And Cybersecurity For Schools (op)	Education	34	0	Higher value initiative. This initiative supports NCEA online, above.	Yes No
15	Network-As-A-Service And Cybersecurity For Schools (cap)	Education	22	0	Higher value initiative. This initiative supports NCEA online, above.	Yes No
16	Providing Digital Identity Required For Online Assessment And Learning	Education	16	0	Higher value initiative. This initiative supports NCEA online, above.	Yes No
17	Boosting Economic Activity And Future Growth Across The Horticulture Sector	Biosecurity	42	0	This initiative has and continues to support recovery in the horticulture sector. Going forward, it helps to take advantage of the significant opportunity for growth in the horticulture sector.	Yes No
18	Increasing Trades Academy Places And Supporting Secondary Transitions	Tertiary Education	40	0	This initiative extends an existing programme which has high demand for places - we are confident this initiative is therefore deliverable and its funding should not be reprioritised.	Yes No
19	Increasing Wellbeing And Mental Health Support To Learners And Education Workforce - Strengthening mental health services for tertiary students	Health	35	0	This funding was provided in May 2020 to strengthen mental health services for tertiary students in response to COVID-19. We do not support reprioritising this funding as the impacts of COVID-19 on tertiary students are continuing and work is still progressing on this initiative. The Ministry of Health also do not support reprioritisation.	Yes No
20	Strengthening The Family Court – Initiatives To Enhance Child And Whānau Wellbeing Under COVID-19	Justice	30	0	Possible to reprioritise some aspects of funding, for example funding for improving court information. The Ministry of Justice has not recommended reprioritisation.	Yes No

#	Initiative Name	Portfolio	Total FY20/21 – FY 24/25	Total reprioritisation FY20/21 – FY24/25	Comment	Reprioritise?
21	Introducing grace periods for the in-work tax credit	Revenue	30	0	Initiative is supported by Treasury and IRD - policy work underway before COVID-19. Discretion to unwind/test through Budget but would not recommend unwinding.	Yes No
22	The Auckland Pacific Skills Shift	Economic Development	28	0	Funding is contractually committed.	Yes No
23	Maintaining Connectivity Between Our Staff, And Between People In Our Care And Their Whanau	Corrections	19	0	Limited discretion to stop initiative. Ongoing operating funding relates to user support costs, depreciation and capital charge.	Yes No
24	Careers System Online: Tiro Whetu	Tertiary Education	16	0	This initiative seeks to deliver an online careers system. Since funding was secured, the TEC have progressed work at pace to meet key milestones, including the completion of a high quality implementation business case. We do not recommend reprioritisation.	Yes No
25	Increasing the threshold for provisional tax - Reduced revenue	Revenue	15	0	Initiative is supported by Treasury and IRD - lowers compliance costs for some SMEs. Discretion to unwind/test through Budget.	Yes No
26	Better For Business: Making it Easier and More Seamless for Business to Deal With Government	Small Business	12	0	This initiative supports the Government's commitment to digitising and easing small business' interaction with Government.	Yes No
27	Pacific Business Procurement Support	Economic Development	8	0	Funding is contractually committed.	Yes No
28	Whānau Protect – Expanding National Home Safety Under COVID-19	Justice	7	0	Expenditure is ongoing and we understand demand for the service exceeds current funding levels. We therefore do not recommend reprioritisation.	Yes No
29	Funding For Family Violence Covid-19 Response: Services For Children And Youth Experiencing Violence	Police	6	0	This funding was provided to support children affected by family violence. Evidence indicates that family violence can increase or worsen during an economic recession. As a new programme there is no evidence of effectiveness yet, but there is value in continuing to invest and evaluate given the potential outcomes	Yes No
30	Mayfair House: Offsetting Covid-19 Redevelopment Delay Impacts (op)	Corrections	2	0	Funding is not discretionary, it is based on impact of COVID-related construction delays, including additional rent, security and construction costs. Ongoing operating funding is for depreciation.	Yes No
31	Veteran Health Connect	Veterans	1	0	While the system is not expected to be fully operational until later this year, key aspects have been designed and tested, with provider contracts due to be signed shortly. The system is expected to create time efficiencies in processing veterans' health claims, compared to the legacy paper-based system, for \$200,000 per annum.	Yes No
	Total		5,327	0		