

The Treasury

Budget 2021 Information Release

August 2021

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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
- [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
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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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BM-2-14-2021

Date: 12 February 2021

To: Minister of Finance (Hon Grant Robertson)

Deadline: Prior to Budget Ministers 1 on Tuesday 16 February 2021

Aide Memoire: Value for Money Analysis, including wellbeing assessment, for Budget 2021

Your office requested further information on the value for money (VfM) assessment that will be undertaken by the Treasury for Budget 2021. This aide memoire provides you with that information to support discussions at Budget Ministers 1.

Components of assessment

Our assessment of individual Budget 2021 initiatives will include three key considerations:

1. Contribution to Budget Priorities (rated from weak to strong).
2. Value for Money (rated from weak to strong).
3. Implementation Readiness (rated on a red, amber, green scale).

Wellbeing analysis is incorporated through the VfM assessment.

Value for money

Our approach to VfM assessment will require Vote Teams to provide a single VfM rating from weak to strong considering:

1. **Assessment against wellbeing domains and objectives** – In determining how an initiative contributes to improving wellbeing, Treasury Vote teams are asked to consider how the initiative aligns with both the Living Standards Framework wellbeing domains, and the wellbeing objectives set out in the 2021 Budget Policy Statement (BPS).
2. **Cost-benefits analysis (CBA) assessment** – This involves consideration of the net benefit of initiatives in relation to the initiative cost. This assessment includes wellbeing benefits and costs, which may be monetised or non-monetised. Agencies were required to submit a cost benefit analysis which Vote teams can use to consider the cost-effectiveness of the initiative and evaluate wellbeing impacts where possible. For some initiatives, this may be a qualitative analysis of impacts, rather than agencies having quantified or monetised impacts in their CBA.

He Ara Waiora

The He Ara Waiora framework is an important step towards understanding wellbeing impacts from the perspectives, values and knowledge systems of te ao Māori. This complements the Treasury's Living Standards Framework. However, it is new to the public sector, and building understanding of the framework and embedding it into policy analysis is still in the early stages.

As such, we are not intending to use He Ara Waiora for prioritising, but primarily, in our portfolio-level assessments where we have information on consistency with He Ara Waiora principles, we will incorporate this into our advice to you. For example, considering the He Ara Waiora principle of Kotahitanga which is about whether an initiative works in an aligned, coordinated way across the system and alongside iwi and Māori.

The He Ara Waiora analysis will be applied to initiatives in the Māori package and at a portfolio or sector level for larger areas such as Health and Housing. The output of this analysis may be a narrative highlighting how initiatives link to the He Ara Waiora principles or where the gaps are in order to provide you with a richer story about the te ao Māori considerations from Budget initiatives.

The Treasury Vote team assessment and He Ara Waiora information will be used in our advice to Ministers on the Budget 2021 package.

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