

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>.

Explanatory Note

The referenced draft Cabinet paper has been removed from this document as the final Budget 2021 Cabinet paper has been included elsewhere in this information release.

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
- [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
- [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.

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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Treasury Report: Draft Cabinet paper: Budget 2021 package

Date:	1 April 2021	Report No:	T2021/734
		File Number:	BM-2-14-2021

Action Sought

	Action Sought	Deadline
Minister of Finance (Hon Grant Robertson)	<p>Provide feedback on the attached draft Budget 2021 package Cabinet paper.</p> <p>Approve the establishment of two new multi-category appropriations as described in the recommended actions.</p> <p>Agree that the categories of these multi-category appropriations be defined as described in the recommended actions.</p>	6 March 2021

Contact for Telephone Discussion (if required)

Name	Position	Telephone	1st Contact
Gerald Lee	Senior Analyst, Budget Management	[39]	[35] ✓
Simon Duncan	Team Leader, Budget Management		

Actions for the Minister's Office Staff (if required)

Return the signed report to Treasury.

Note any feedback on the quality of the report

Enclosure: Yes (attached)

Treasury Report: Draft Cabinet paper: Budget 2021 package

Purpose of Report

1. This report provides you with a draft Cabinet paper seeking approval of the Budget 2021 package. We seek your feedback on the paper by 6 March 2021 in order for changes to be incorporated ahead of it being lodged with the Cabinet Office on 9 March 2021.
2. We also seek your approval under section 7B of the Public Finance Act 1989 to establish a number of multi-category appropriations for initiatives proposed in the Budget 2021 package.

Background

3. Following the third meeting of Budget Ministers on 29 March 2021, we provided you with advice on a number of outstanding decisions required to finalise the Budget 2021 package. The majority of initiatives have been finalised and bilateralised in CFISnet, and financial recommendations are being prepared by departments.
4. You are meeting with Budget Ministers on 6 April 2021 to discuss the remaining decisions on Budget 2021, including potential increases to main benefits and changes to allowances. Material for this meeting has been distributed through your office.
5. In order for Cabinet to consider the Budget 2021 package on 12 April 2021, the paper and associated financial recommendations need to be lodged with the Cabinet Office on 9 April 2021.

Draft Cabinet paper

6. Attached is a draft Cabinet paper seeking approval of the Budget 2021 package for your consideration. At this point, we recommend that you focus your feedback on the structure and narrative of the paper
7. At this stage, many of the headline figures about the size of the package and particular sub-packages are placeholders or have not been included due to outstanding decisions. All figures will be updated following decisions at Budget Ministers 4, and we will also undertake thorough quality assurance on these figures prior to lodgement.
8. While the content of the paper is substantively complete, there are also a number of sections that may need to be updated next week. This includes updating:
 - the economic outlook to reflect the Treasury's final economic forecasts which are being finalised on 1 April 2021,
 - the fiscal strategy section to reflect any changes to allowances agreed by Budget Ministers,
 - the child wellbeing package narrative to reflect any changes to the amount for main benefit increases, and
 - the Climate Impacts of Policy Assessment section following further engagement with the Ministry for the Environment.

Approval of multi-category appropriations

9. Two of the initiatives proposed in the Budget 2021 package require the creation of multi-category appropriations (MCAs). These are:
- Health and Disability System Reform
 - Progressing Infrastructure for Housing
10. Under section 7B of the Public Finance Act 1989, you are required to approve the establishment of these MCAs.

Next steps

11. We seek your feedback on the draft paper and approval of the two MCAs by 6 April 2021.

Recommended Action

We recommend that you:

- a **provide** feedback on the attached draft Budget 2021 package Cabinet paper, with particular focus on the structure and narrative,
- b **approve** the establishment of the following new multi-category appropriations:

Vote	Appropriation Minister	Administering department	Title of MCA	Single overarching purpose of MCA
Health	Minister of Health	Ministry of Health	Health and Disability System Reform MCA	The single overarching purpose of this appropriation is to implement health and disability system reform.
Housing and Urban Development	Minister of Housing	Ministry of Housing and Urban Development	Progressing Infrastructure for Housing	The single overarching purpose of this appropriation is to achieve the outcome of advancing housing supply through the provision of infrastructure investment.

Approved/Not Approved.

- c **agree** that the categories of the Health and Disability System Reform MCA be as follows:

Title	Type	Scope
Health New Zealand	Departmental Output Expenses	This category is limited to the establishment of Health New Zealand, delivery of initial health and disability system reform priorities, and related advice.

Māori Health Authority	Departmental Output Expenses	This category is limited to the establishment of a Māori Health Authority, delivery of initial hauora Māori reform priorities, and related advice.
Locality Networks	Non-Departmental Output Expenses	This category is limited to developing, implementing and delivering Locality Networks.
Hauora Māori	Non-Departmental Output Expenses	This category is limited to developing, implementing and delivering hauora Māori services, supporting the development of hauora Māori providers, developing partnerships with iwi, and other related initiatives.

Agree/disagree.

d **agree** that the categories of the Progressing Infrastructure for Housing MCA be as follows:

Title	Type	Scope
Investment in Infrastructure to Advance Development-Ready Land	Non-departmental Other Expenses	This category is limited to contributions for infrastructure projects to advance development-ready land.
Investment in Crown-owned Entities to Advance Development-Ready Land	Non-departmental Capital Expenditure	This category is limited to investments in Crown-owned entities to increase the amount of development-ready land.

Agree/disagree.

Tom Hall
Manager, Budget Management

Hon Grant Robertson
Minister of Finance