

The Treasury

Upcoming Issues Briefing Information Release

July 2022

This document has been proactively released by the Treasury on the Treasury website at:

<https://www.treasury.govt.nz/publications/information-release/upcoming-issues-briefings>

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:

- [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
- [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

Where information has been withheld, a numbered reference to the applicable section of the Act has been made, as listed above. For example, a [25] appearing where information has been withheld in a release document refers to section 9(2)(b)(ii).

Copyright and Licensing

Cabinet material and advice to Ministers from the Treasury and other public service departments are © **Crown copyright** but are licensed for re-use under **Creative Commons Attribution 4.0 International (CC BY 4.0)** [<https://creativecommons.org/licenses/by/4.0/>].

For material created by other parties, copyright is held by them and they must be consulted on the licensing terms that they apply to their material.

Accessibility

The Treasury can provide an alternate HTML version of this material if requested. Please cite this document's title or PDF file name when you email a request to information@treasury.govt.nz.

Treasury Report: Upcoming Issues Briefing for the Minister - 18 January 2021

Date:	21 January 2021	Report No:	T2021/35
		File Number:	CO-6-2-6

Action sought

	Action sought	Deadline
Hon Grant Robertson Minister of Finance	<p>Note the contents of the attached briefing</p> <p>Provide feedback on the draft agenda for the Weekly Agency Meeting</p> <p>Indicate where you would like further information in Section 2</p>	<p>22 January 2021 for feedback on the Weekly Agency Meeting agenda.</p> <p>26 January 2021 for other items.</p>

Contact for telephone discussion (if required)

Name	Position	Telephone	1st Contact
Gopika Gnanakumar	Senior Analyst, Office of the Executive	[39]	[35] ✓
Andrew Rutledge	Chief Advisor to the Secretary		

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: Upcoming Issues Briefing for the Minister - 18 January 2021

Recommended Action

We recommend that you:

- a **Note** the contents of the attached briefing

Noted

- b **Provide** any feedback you have on the following sections:
 - a. Section 1: Upcoming Minister's meetings
 - b. Section 2: Short Updates
 - c. Section 3: Updates of Key Priorities

In relation to Section 2: Short updates:

- c **Indicate** in the attached report whether you would like further information on item 7.

Andrew Rutledge
Chief Advisor to the Secretary

Hon Grant Robertson
Minister of Finance

Upcoming Issues Briefing to the Minister of Finance Report

21 January 2021

1. Upcoming Minister Meetings

Proposed agenda items for upcoming Weekly Agency Meeting

This is a list of potential items for discussion at the Weekly Agency meeting. We will work with your office to incorporate your feedback and to finalise the agenda.

Item	Description	Nature of item	Time
1.	Housing: To discuss recent advice and the forward work programme on housing issues.	For discussion	10 mins
2.	RBNZ Bill: To discuss the RBNZ Bill, particularly the governance model proposed in the Bill.	For discussion	10 mins

Proposed agenda items for upcoming Finance Priorities Meeting

Item	Description	Supporting Material	Time
Possible forward agenda items (over the next 3-4 weeks)			
1.	Public sector pay issues: We are seeking a chew session with you to outline the various employment related fiscal pressures in the public sector over the next three years and highlight possible options and levers for Ministers. The intent is to support you through policy and Budget decisions to achieve both fiscal and manifesto/ equity priorities.	Slide pack	Suggest 11 February

Possible items for upcoming meetings

Item	Description	Minister's feedback
1.	Sustainability issues, including insurance, adaptation and mitigation	
2.	Monetary and fiscal policy interaction	
3.	Minister's requests:	

2. Short Updates

Information and process updates. Please indicate if further information is required.

	Topic	Comment	Team Name and Contact	Recommendations and Minister's Feedback
1.	Budget 2021: Process and Technical Guidance for Departments	The Budget 2021: Process and Technical Guidance for departments will be published the week of 18 January. This technical guidance includes key dates and process requirements for departments with respect to Budget 2021 initiatives, the March Baseline Update, specific fiscal risks, financial recommendations, and Estimates.	Tom Hall Budget Management, ^[39]	
2.	Controller update on Government spending on COVID-19	The Controller and Auditor-General plans to provide another update on COVID-19 expenditure soon. The Treasury has seen a draft of this update and will provide feedback. The update recommends that the Treasury consider providing an account of expenditure within the context and framework of the CRRF. The Treasury's feedback will focus on clarifying the difference between the CRRF as a fiscal management tool, authorisation of expenditure and the expenditure itself. It will also focus on materiality given the significant amount of expenditure that is incurred by a small number of initiatives, and the long-tail of small amounts of expenditure across a large number of initiatives.	Strategic Performance Improvement Megan Taylor, ^[39]	
3.	Upcoming decisions on the public finance system modernisation reforms	As agreed in our meeting with you on 3 December, we prepared letters for you to send to portfolio Ministers who will be involved in setting up the first two clusters. We will begin engaging with impacted agencies once these letters have been sent. We will provide further advice in February/March on the 2021 implementation plan, including cluster governance arrangements and draft Terms of Reference for the two cluster spending reviews. [33]	System Design and Strategy John Marney, ^[39]	
4.	Tāmaki Regeneration Limited Equity Subscription	Tāmaki Regeneration Limited (TRL) has issued the Ministry of Housing and Urban Development (HUD) with a subscription notice requiring the Crown to subscribe for \$80 million in redeemable preference shares on 22 February 2021. The funds will be used to purchase state housing, pay for upgrades to TRL's housing stock in order to comply with 'Healthy Homes' regulations and to address other property deficiencies. Funding will come from the \$300 million that was set aside for TRL equity injections in Budget 2018, of which \$240.5 million is undrawn. Only \$60 million has been appropriated for TRC equity drawdowns in the 2020/21 year so discussions are underway with TRL on options for remaining within the appropriation. HUD are preparing advice on the subscription request for joint Ministers, which may include a request to go to Cabinet to bring forward the additional \$20 million.	Housing and Urban Growth. John Beaglehole, ^[39]	
5.	RBNZ consultation on reinstating Loan-to-Value Ratios (LVRs)	Submissions on the RBNZ's LVR consultation paper close on 22 January. The RBNZ will be shortly sharing its draft Regulatory Impact Assessment (RIA) with the Treasury for comment. The RBNZ's Financial Stability Committee is expected to make its final decision on LVRs and communicate this to you and the Treasury by 5 February. The final decision and RIA will then be published in the week beginning 8 February, with 1 March being the target date for reinstating LVR restrictions.	Financial Markets Sam Thornton, ^[39]	
6.	OECD economic survey of New Zealand	Further to our discussion with you in November, we can confirm that the OECD has decided to focus on digitalisation for the special chapter of the next economic survey of New Zealand. We will be working to refine the scope of this with the OECD and MBIE. The survey should be finalised later this year.	Economic Strategy and Productivity Pip van der Scheer, ^[35]	We recommend you inform Hon Dr Clark of this development.
7.	OECD Secretary-General selection process	The OECD Secretary-General process is through its first round with the Polish and Czech candidates withdrawing, and more recently the US candidate, New Zealander Chris Liddell. Front-runners currently are Australia, Switzerland and Sweden.	Economic Strategy and Productivity Pip van der Scheer, ^[35]	Indicate if further information is required on the OECD Secretary-General selection process.
8.	Upcoming Resource Management Ministerial Oversight Group meeting on 26 January	This is the first meeting of the Resource Management Ministerial Oversight Group that you chair. The Ministerial Oversight Group will make policy decisions for the exposure draft of the Natural and	Natural Resources Gwen Rashbrooke, ^[35]	We recommend you use the meeting to decide on how the Ministerial Oversight Group will function, as well as to clarify

		Built Environments Act and provide broader oversight of the reform programme. This week, you have received a briefing with draft papers for the meeting.		the intended reform outcomes and policy development required.
9.	Use of fees-free underspends for student hardship grants	The Ministry of Education is preparing a Cabinet paper seeking to use fees-free underspends to extend a student hardship fund set up through CRRF. We have previously been clear that the Ministry should not seek to use these recurrent underspends for other initiatives as they should be returned to the centre, and funding for initiatives like student hardship grants should be considered through a Budget process.	Skills and Work Shannon Tyler, ^[39]	You may wish to raise this issue with the Minister of Education to reset expectations regarding the use of underspends and out-of-cycle funding requests.
10.	Social insurance work	Officials are convening their first informal working group meeting this week and will be joined by designated representatives of social partners. Agenda items include considering a Terms of Reference, reviewing the project plan, and expectations for the final product (sponsored Green Paper).	Skills and Work Shannon Tyler, ^[39]	

3. Updates on Key Priorities

Priority Area	State of Play	Upcoming Advice	Minister's Feedback
<p>COVID-19 response</p>	<p>Business Support Package Business Support Package implementation is progressing well, following announcement on 15 December. Responsible joint Ministers for the Resurgence Support Payment (RSP) will receive advice in the week of 18 January on final design details supporting legislation being drafted for introduction in February (and an activation report is ready should a retrospective payment be required). Further advice is scheduled for late January/early February on the Short-Term Absence Payment (outstanding design details and costings) and for March on the childcare scheme (payment rate and funding source). If necessary, officials will seek decisions in February on any operational details required to implement the agreed settings for the Wage Subsidy Scheme. There will be opportunity to raise the profile of the package as the new supports comes online, and the Treasury is working with other agencies to ensure alignment of communications. The Treasury is continuing to work with other agencies to ensure the additional measures on rents are implementation-ready, including the requirement for a Supplementary Analysis Report on the residential tenancy changes.</p> <p>COVID-19 Response Work Programme The Ministry of Health and the DPMC COVID-19 Group are preparing a Cabinet paper – for consideration in early February – that will set out the work programme for the COVID-19 response over 2021. The work programme is based on the recommendations emerging from the Ministry's review of the Elimination Strategy, which was completed at the end of last year – but officials are also assessing the implications of the new strains of COVID-19 as they build up the work programme. The development of this Cabinet paper is an opportunity to ensure that wider Government policy (particularly borders policy) is informed by a good understanding of the timelines and constraints of the immunisation programme. We understand that Minister Hipkins wishes to convene a Ministerial group to oversee and drive forward the response. The Cabinet paper will seek approval for the establishment of this group. The exact membership of the group is yet to be confirmed. You may wish to signal to Minister Hipkins your interest in membership of this group.</p>	<ul style="list-style-type: none"> Treasury report on further design decisions on the COVID-19 Resurgence Support Payment (RSP) on 19 January. 	

[33]

Priority Area	State of Play	Upcoming Advice	Minister's Feedback
Wellbeing approach	<p>The Wellbeing approach priority covers a number of workstreams. This update does not cover every workstream but those where there is an update/change in status.</p> <p>Driving Value for money: better non-financial reporting Improving Strategic planning</p> <ul style="list-style-type: none"> We published guidance in December 2020 to support agencies to improve their non-financial performance reporting, and on Cabinet's general expectations for agencies' strategic planning as described in September 2019 Cabinet papers. <p>Ensuring Delivery</p> <ul style="list-style-type: none"> As Deputy Prime Minister, you met DPMC and the Treasury on 19 January to discuss advice on the proposed design and structure of the Implementation Unit. <p>Budget Policy Statement</p> <ul style="list-style-type: none"> We plan to deliver a third and final draft of the Budget Policy Statement by 28 January, following your feedback on the second draft. The third draft will also reflect feedback from the Chief Science Advisors on the Wellbeing Objectives. We are still aiming for a publication date of 9 February. We have received a couple of enquiries about when the Budget Policy Statement will be released and have responded that it is planned for February due to the timing of the election. <p>Living Standards Framework Refresh</p> <ul style="list-style-type: none"> In February 2021 we will initiate targeted external engagement on draft proposals to better reflect Te Ao Māori and Pacifica perspectives, culture and child wellbeing, with the aim of publishing a paper with proposed changes to the LSF in June/July 2021 (with the opportunity for submissions on identified questions). 	<ul style="list-style-type: none"> Treasury report on 2021 work programme for improving strategic planning, scheduled for February. Third and final draft of Budget Policy Statement by 28 January. 	
Sustainability	<p>Agencies invited by the Minister of Finance are currently developing Budget initiatives relating to a coherent package of climate change initiatives for Budget 2021. The Treasury and the Ministry for the Environment will need to work together from February to ensure that the package meets the policy criteria set out to form this package as part of the Budget process.</p> <p>The Climate Change Commission (CCC) will be publishing its draft package of advice with recommended emissions budgets and an emissions reduction plan for New Zealand early February. Responding to the CCC will be a major part of the Government's emissions mitigation policy in 2021. The Treasury is unlikely to see a copy of this package of advice before it is published. The CCC is seeking a meeting with the Minister of Finance to brief on the contents of its advice before it is publicly released.</p>	<ul style="list-style-type: none"> Treasury report on an economic framework to underpin an emissions reduction policy portfolio on 29 January. 	
Health reform	<p>The DPMC Transition Unit (TU) is continuing work on the key components of health reform. It is expected that papers will be taken to Cabinet in April seeking significant decisions on the system operating model and institutional settings. There will be Ministerial Oversight Group discussions in advance of this.</p>		
Infrastructure	<p>The Treasury is currently drafting the new Letter of Expectations for Te Waihanga and will provide you with a draft to amend or agree to send in late January.</p> <p>We expect you will receive the next approval report for the Shovel Ready Projects from Crown Infrastructure Partners in early February. The Treasury will provide covering advice on this report.</p> <p>The Treasury is also working with the Ministry of Transport to prepare for next steps for City Centre to Mangere light rail, including further legal advice requested by the Minister of Transport.</p>	<ul style="list-style-type: none"> Treasury report - Framework for IRG Projects – end January. Treasury report - Draft letter of expectations for Te Waihanga – end January. 	

4. Key Decisions this Week

List of reports requiring decisions from you this week.

	Topic:	Timeframe for Briefing:	Purpose / action:	Deadline for MoF Action (if any)	Minister(s)	Treasury Team and Contact
1.	Treatment of COVID-19-related Memorandum Account Deficit in Budget 2021	Week of 18 January	The paper seeks agreement to: <ul style="list-style-type: none"> removing the proposal to write-off of the immigration fee memorandum account deficit related to COVID-19 impacts from the Budget process, and instead be considered as part of wider border agencies Cabinet discussion in March 2021. informing the Minister of Immigration of this decision. 	21 January	Minister of Finance	Skills and Work Shannon Tyler, ^[39]
2.	Further design decisions on the COVID-19 Resurgence Support Payment (RSP)	19 January	This report seeks agreement on the design issues relating to the RSP to enable Inland Revenue to progress the system build, including the eligibility of low revenue firms for the RSP; publication of the names of grant recipients; and other administrative matters. The report also updates Ministers on design decisions taken by Inland Revenue to date.	22 January	Minister of Finance Minister of Revenue Minister for Small Business	Transitions, Regions and Economic Development Jean Le Roux, ^[39]
3.	Advanced Vaccine Purchasing – COVAX Indemnity request	19 January	This report seeks agreement to the future provision of indemnity to a vaccine supplier in order to purchase further doses of its candidate. [36]	21 January	Minister of Finance	Health Jess Jenkins, ^[39]
4.	[33] and [37]					
5.	[25], [26], [33], [36], [37] and [38]					

5. Regular Updates

Lists regular dashboards and other updates you are provided.

	Topic:	Timeframe for Briefing:	Purpose / action:	Deadline for MoF Action (if any)	Minister(s)	Treasury Team and Contact
1.	Fiscal Calculator	Regular – Every Friday before Cabinet	The Fiscal Calculator is provided regularly to the Minister of Finance (on the afternoon of Fridays preceding Cabinet). The Fiscal Calculator summarises the fiscal implications of papers to be considered by Cabinet or Cabinet Committees the following week and includes summary information on the remaining balances of the Between-Budget Contingency (BBC), the Budget 2021 operating allowance, and the multi-year capital allowance.		Minister of Finance	Budget Management Tom Hall, [39]
2.	CRRF Calculator	Semi-regular – Some Fridays alongside Fiscal Calculator	The COVID-19 Response and Recovery Fund (CRRF) Calculator is provided to the Minister of Finance when it contains new charges and, when this is the case, will be provided on Fridays alongside the Fiscal Calculator. This is an Excel workbook that summarises: decisions (with fiscal implications) taken in response to COVID-19; upcoming funding requests to be charged against the CRRF; and summary data of decisions taken, including the remaining CRRF balance.		Minister of Finance	Budget Management Tom Hall, [39]
3.	Weekly Economic Update publication	28 January; 4 February; 11 February; 18 February	Advising of the publication of the weekly economic update report produced by the Forecasting team.	Fridays 9:00 am (for publication on the Treasury website by 12pm each Friday)	Minister of Finance	Forecasting Nairn MacGibbon, [39]
4.	Firm Support State of Play Report (as at 28 January 2021) (T2021/65)	28 January	Economic update, request received for Crown financial support in response to the impacts of COVID 19 and the policy framework for considering these requests.	Minister of Finance	Minister of Finance Associate Minister of Finance (Hon Dr Woods) Associate Minister of Finance (Hon Parker)	Firm Support Maureena van der Lem [39]

6. Upcoming Cabinet Papers

List of Cabinet papers upcoming over next two weeks that we are aware of

Ministerial Portfolio (and lead agency)	Title/topic	Treasury View	Timeframe for Cabinet Committee	Treasury Contact
Local Government (DIA)	Local Electoral (Māori Wards and Māori Constituencies) Amendment Bill: Approval for introduction	Seeks approval to introduce this Bill to remove inequalities in the treatment of Māori wards and constituencies in local government, as agreed by Cabinet in December 2020 [CBC-20-MIN-0521.02 refers]. The paper also seeks a policy decision on a further minor matter. We have no concerns with the proposals in this paper.	CBC: 26 January	Justice, Security and Government Services Colin Hall, [39]

7. Other Upcoming Reports

List of reports upcoming this week not covered above.

	Topic:	Timeframe for Briefing:	Purpose / action:	Deadline for MoF Action (if any)	Minister(s)	Treasury Team and Contact
1.	^[38]					
2.	Chairs Forum 2021	18 January	Invitation to attend the Treasury Chairs Forum.		Minister of Finance	Governance and Appointments Gael Webster, ^[39]
3.	Funding to support additional first aid training in early learning services	18 January	This report seeks approval for a fiscally neutral adjustment of \$1.2 million to fund first aid training for early learning providers.	29 January (TBC)	Minister of Finance Minister of Education	Education and Population Agencies Nicky Lynch, ^[35]
4.	SOE Portfolio: Quotable Value (QV) Ltd: Skills Requirements	19 January	This report seeks agreement to the proposed skills required so that nominations can be called for new appointments to QV Board.		Minister of Finance Minister of State Owned Enterprises	Governance and Appointments Gael Webster, ^[39]
5.	Final execution of COVID-19 Settlement Agreements for Transmission Gully and Pūhoi to Warkworth PPP projects	19 January	This report notes the successful completion of legal steps to give effect to COVID-19 settlements on Pūhoi to Warkworth and Transmission Gully PPPs and advises that this means Treasury has returned to standard monitoring of Transmission Gully (reduced from enhanced which has been in place since July). The report also notes the planned All-of-Government proactive release of information in relation to Transmission Gully, currently expected to occur in February.		Minister of Finance Minister of Transport	Investment Management and Asset Performance Liz Innes, ^[35] (for Craig Murphy)
6.	Budget 2021 Bilateral with the Minister for Pacific Peoples	19 January	This report provides advice for the upcoming bilateral meeting between the Minister of Finance and the Minister for Pacific Peoples.	26 January	Minister of Finance Associate Minister of Finance (Hon Dr Woods)	Education and Population Agencies Nicky Lynch, ^[35]
7.	Budget 2021 Multilateral with Māori Ministers	19 January	This report provides you with information to support your discussion with Māori Ministers about Budget 2021. No formal decisions are sought.	26 January	Minister of Finance Associate Minister of Finance (Hon Dr Woods)	Education and Population Agencies Nicky Lynch, ^[35]
8.	Overseas Investment – commencing the investor test	19 January	This report includes a CBC paper seeking approval to lodge an Order in Council with the Executive Council to commence the new investor test in the Overseas Investment (Urgent Measures) Act. Minister Parker agreed to commence these provisions of the Act in December 2020. Minister Parker has been requested to provide feedback on the paper, and lodge the paper for CBC by 4 February 2021.	4 February	Minister of Finance (for noting) Associate Minister of Finance (Hon Parker)	International John-David Chaker, ^[39]
9.	Overseas Investment Amendment Bill (No 3) Departmental Report	20 January	This report recommends changes to the Overseas Investment Amendment Bill (No 3) to reflect issues raised at Select Committee and by officials. A draft Cabinet paper and Departmental Report are attached. Minister Parker has been requested to provide feedback on the paper, and lodge the paper for Cabinet, by 28 January 2021.	28 January	Minister of Finance (for noting) Associate Minister of Finance (Hon Parker)	International Shay Duckworth, ^[39]
10.	Proactive Release - 'Economic Response to Future Resurgences of COVID-19' Cab paper and Minute [CAB-20-SUB-0531]	20 January	This report seeks your agreement to the proactive release on the Treasury website of the Cabinet paper and minute "Economic Response to Future Resurgences of COVID-19" which you and Ministers Sepuloni, Parker, and Nash took to Cabinet on Monday 14 December 2020.	9 February	Minister of Finance	COVID Strategy Geraldine Treacher, ^[35]
11.	Flexi-Wage Expansion – Detailed design papers	21 January	On 30 November 2020, Cabinet approved funding for the Flexi-Wage expansion manifesto commitment and delegated detailed design decisions to the Minister of Finance and the Minister of Social Development and Employment [CAB-20-MIN-0493 refers]. These reports	TBC	Minister of Finance Minister of Social Development and Employment	Welfare and Oranga Tamariki

	Topic:	Timeframe for Briefing:	Purpose / action:	Deadline for MoF Action (if any)	Minister(s)	Treasury Team and Contact
			seek Ministers' approval to establish a new Welfare Programme, as well as some design decisions. Two papers will be provided, as the Flexi-Wage Self-Employment part of the expansion requires separate decisions with different implementation timeframes.			Keiran Kennedy, [35]
12.	30 November Financial Statements of the Government	22 January	To outline the results for the 30 November 2020 Financial Statements of the Government and allow the office to produce a press release for a release date of 28 January 2021 at 10am.	27 January	Minister of Finance	Fiscal Reporting Jayne Winfield, [39] or [35]
13.	Tourism Futures Taskforce (TFT), draft report	To be forwarded to Minister of Finance by the Minister for Tourism in January	The Minister for Tourism will be forwarding the draft TFT report to the Minister of Finance, likely with a covering MBIE briefing. Treasury has not yet seen the draft.	To note ahead of the final report due April 2021.	Minister of Finance	Transitions, Regions, and Economic Development Alice Ansley, [39] Jean Le Roux, [35]