

# The Treasury

## Upcoming Issues Briefing Information Release

July 2022

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## Treasury Report: Upcoming Issues Briefing to the Minister - 4 March 2021

<b>Date:</b>	4 March	<b>Report No:</b>	T2021/491
		<b>File Number:</b>	CO-6-2-6

### Action sought

	<b>Action sought</b>	<b>Deadline</b>
Hon Grant Robertson <b>Minister of Finance</b>	<p><b>Note</b> the contents of this briefing</p> <p><b>Provide</b> feedback on the draft agenda for the Weekly Agency Meeting</p> <p><b>Indicate</b> if you would like further information in relation to Section 2, items 1 and 3</p>	None

### Contact for telephone discussion (if required)

<b>Name</b>	<b>Position</b>	<b>Telephone</b>	<b>1st Contact</b>
Hermano Pinto	Advisor, Governance and Accountability [39]	[35]	✓
Gopika Gnanakumar	Senior Analyst, Governance and Accountability		
Jordan Ward	Acting Manager, Governance and Accountability		

### Minister's Office actions (if required)

**Return** the signed report to Treasury.

Note any feedback on the quality of the report

**Enclosure:** Yes (attached)

## Recommended Action

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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, item 1:

- c **Indicate** if you would like to get a copy of the Treasury's response to the Finance Expenditure Committee relating to the petition of Shane Lust on extending the wage subsidy for travel agents

*Yes / No*

In relation to Section 2, item 3:

- d **Agree** to meet with the Minister of Commerce and Consumer Affairs to discuss the funding of the new regulatory regime.

*Agree / Disagree*

- e **Indicate** if would like further information to support a discussion on merchant fees regulation.

*Yes / No*

Jordan Ward

**Acting Manager, Governance and Accountability**

Grant Robertson

**Minister of Finance**

## Upcoming Issues Briefing to the Minister of Finance Report

04 March 2021

### 1. Upcoming Minister Meetings

#### *Proposed agenda items for upcoming Weekly Agency Meetings*

Item	Description <i>Time allows for one substantive item and short updates.</i>	Time	Minister's feedback
<b>Meeting next week</b>			
1.	Project 20	30 minutes	
3.	Housing affordability	15 minutes	

#### *Proposed agenda items for upcoming Finance Portfolio Meetings*

Item	Description <i>Time allows for 1-2 substantive items.</i>	Supporting material	Time	Minister's feedback
<b>Meeting next week</b>				
1.	<b>Fiscal Indicator Review:</b> We intend to provide you with final recommendations on any changes to the headline fiscal indicators before Budget 2021 [T2020/3488 refers]. We have developed preliminary judgements on some of the core choices and wish to seek your feedback on these judgements. This discussion would inform our external consultation over the coming weeks, and our final advice to you.	Slide pack	30 minutes	
2.	Public Finance System (PFS) modernisation		10 minutes	
<b>Upcoming meetings</b>				<b>Minister's feedback</b>
3.	Housing affordability			

## 2. Short Updates

Information and process updates for the Minister. The Minister is to indicate if further information is required.

	Topic	Comment	Team Name and Contact	Recommendations and Minister's Feedback
1.	Petition of Shane Lust on extending the Wage Subsidy for travel agents	The Finance and Expenditure Committee has requested a submission from the Treasury in response to a petition presented to the House in July 2020, requesting an extension of the Wage Subsidy for travel agents. The Treasury will provide this to the Committee by 12 March.	Welfare and Oranga Tamariki Keiran Kennedy [35]	<b>Indicate</b> if you would like to get a copy of the Treasury's response to the Finance Expenditure Committee
2.	Future of Work Ministers meeting on 10 March and full Forum meeting 22 March	Following the Future of Work Governance Group meeting on 24 February, MBIE are coordinating materials for the Future of Work Forum 22 March.  Ministers will be provided with a proposed basic social insurance design outline to review by 4 March for Ministerial discussion on 10 March. This will provide an opportunity for early feedback and proposed changes.  Feedback will be sought from the Ministers of Finance, Education, Revenue, Regional and Economic Development, Workplace Relations and Safety and the Minister for Social Development and Employment.  Critical areas include timing, scope and the feasibility/trade-offs of certain design features. In particular, in the near-term and in order to progress more detailed work, decisions need to be made related to coverage of those who develop health conditions or disabilities, overlap with ALMPs, and coverage of the self-employed.	Skills and Work Nick Carroll [39]	
3.	Initial decisions on merchant fees regulation	The Treasury has been consulted on an MBIE briefing to the Minister of Commerce and Consumer Affairs regarding initial decisions on retail payment systems. MBIE recommends that the Commerce Commission is the regulator for the new regime to regulate merchant fees, which will have some financial implications. This briefing has also been forwarded to you and the Minister for Small Business, for information. The Minister of Commerce and Consumer Affairs intends to seek Cabinet policy decisions and announce the proposals publicly in April.  The timeline for seeking Cabinet agreement for these proposals falls outside the Budget cycle. In order to seek high-level approvals by April 2021, these proposals need to be funded from the Between Budget Contingency. [33] The Treasury has yet to consider this proposal, but its support will depend on whether this meets the threshold of urgency and importance, as this will come very close to Budget decisions. We understand the Minister of Commerce and Consumer Affairs is intending to discuss these proposals with you before seeking Cabinet policy decisions.	Financial Markets Leona Feng [39]  Transitions, Regions and Economic Development Clara Rowe [39]	<b>Agree</b> to meet with the Minister of Commerce and Consumer Affairs to discuss the funding of the new regulatory regime.  <b>Indicate</b> if you would like further information to support this discussion.
4.	Vaccines – Indemnities and the Pacific	<b>Indemnities</b> - The Treasury is working with the Ministry of Health to understand any costs and implications of proposed adjustments to the vaccine portfolio.  <b>Polynesian vaccine rollout</b> - MFAT officials have initiated conversations with all four vaccine companies, who have responded positively to date and requested further information. MFAT is seeking to provide as much information as possible to companies this week, including on the proposed approach to indemnity. [33]  Once officials have more information from countries on their vaccine preferences, they will be able to provide companies with more granular detail on doses and preparedness.	Health Jess Hewat [35]  International Conor McBride [39]	

### 3. Updates to Key Priorities

Updates on issues that relate to key priorities identified by the Minister.

Priority Area	State of Play	Upcoming Advice	Minister's Feedback
COVID-19 response	<p><b>Response to current cases</b></p> <ul style="list-style-type: none"> <li>Cabinet decided on 27 February to shift Auckland to Alert Level 3 and the rest of the country to Alert Level 2. Cabinet agreed on 1 March to activate the Wage Subsidy Scheme (WSS) and Resurgence Support Payment (RSP). The WSS (WSSMAR21) will open for applications on Thursday 4 March, with first payments being made from 8 March. The RSP (RSPMAR21) will open for applications on 8 March, with payments expected within 24 hours for most firms.</li> <li>The RSP (RSPFEB21) had previously been activated for firms affected by the Alert Level restrictions in place from 15 February 2020. As of 9:00am on 3 March, Inland Revenue has received 26,456 applications for the RSP. The total amount requested is \$72.91 million, with an average of \$2,756.04 requested per application. \$36.59 million has been disbursed to date.</li> <li>The Treasury will provide further advice ahead of the next Alert Level review by Cabinet on 5 March.</li> </ul> <p><b>Elimination Strategy</b></p> <ul style="list-style-type: none"> <li>Minister Hipkins is currently considering the draft of a Cabinet paper on the direction for the elimination strategy over 2021. We expect the paper to be submitted to Cabinet in 2-3 weeks. It is an important opportunity to ensure cross-agency efforts focus on the things that will have the biggest impact, including on economic performance and recovery.</li> </ul> <p><b>Immunisation</b></p> <ul style="list-style-type: none"> <li>Officials from MBIE, MSD, MoH and the Treasury are jointly preparing advice on whether and how to provide a payment to support paid time off in case of adverse reactions to COVID-19 vaccinations due 4 March. Officials jointly recommend no further work should be progressed on this payment, in light of concerns from the MoH that such a payment would undermine its efforts to communicate the safety of the COVID-19 vaccination programme.</li> </ul> <p><b>Borders</b></p> <ul style="list-style-type: none"> <li>Following recent advice and discussion, the Treasury will report back on 4 March on the key questions relating to the border and information on the economic impacts of border settings.</li> <li>DPMC is coordinating the development of advice on the border strategy for Minister Hipkins in early March. This advice will bring together a range of considerations for the year ahead (including vaccine certification and the potential for risk-based approaches at the border). We are working closely with DPMC as we consider the border strategy to be very significant for economic performance and recovery.</li> <li>Minister Hipkins is planning to submit a Cabinet paper on all three safe travel zones for likely consideration in the week of 8 March.</li> </ul>	<p><b>Response to current cases</b></p> <ul style="list-style-type: none"> <li>Advice [T2021/511 refers] on the Alert Level review – due 4 March</li> </ul> <p><b>Immunisation</b></p> <ul style="list-style-type: none"> <li>Advice [T2021/516 refers] on adverse reaction support – due 4 March.</li> </ul> <p><b>Borders</b></p> <ul style="list-style-type: none"> <li>Advice T2021/519 on the border – due 4 March.</li> </ul>	

[33]

Priority Area	State of Play	Upcoming Advice	Minister's Feedback
<b>Wellbeing approach</b>	<p><b>Public Finance System reform</b></p> <ul style="list-style-type: none"> <li>We have begun engaging with the agencies involved in the first two clusters. <sup>[33]</sup></li> <li></li> <li>You will receive advice on 4 March to support your first meetings with cluster Ministers in March, including talking points covering what needs to happen this year. We will follow this advice up with draft Terms of Reference for the two cluster spending reviews in mid-March.</li> </ul> <p><b>Ensuring Delivery</b></p> <ul style="list-style-type: none"> <li>On 22 February, Cabinet approved funding from the Between Budget Contingency to establish an Implementation Unit in DPMC. Ongoing funding has been requested through Budget 2021.</li> <li>A list of proposed priority projects for Implementation Unit monitoring has been sent for you to discuss with the PM prior to CPC on 9 March.</li> </ul>	<p><b>Public Finance System reform</b></p> <ul style="list-style-type: none"> <li>Report [T2021/276 refers] to support your first meetings with cluster Ministers in March – due 4 March.</li> </ul> <p><b>Ensuring Delivery</b></p> <ul style="list-style-type: none"> <li>Report on advice for Budget Ministers 2 – due 5 March. This will include advice on the broad wellbeing impacts of budget initiatives at a sub-package level.</li> </ul>	
<b>Sustainability</b>	<ul style="list-style-type: none"> <li>The Treasury is currently analysing the detailed recommendations of the Climate Change Commission's (CCC) report released on 31 January and evidence published. Responding to the CCC will be a major part of the Government's emissions mitigation policy in 2021.</li> <li>Agencies have submitted the funding initiatives that were invited relating to a package of climate change initiatives in Budget 2021. You will receive the Treasury's initial high and low funding recommendations as part of overall Budget advice on 5 March. The Ministry for the Environment (MfE) is currently coordinating its own cross-agency advice on how the overall package can meet some coherent policy criteria as was requested by the Minister of Finance, including alignment with the draft advice of the CCC. You will receive this advice ahead of your meeting with the Climate Ministers group on 17 March,</li> <li>You are meeting with the Minister for Climate Change on 10 March to discuss a strategic framework for the funding and financing of climate transition. This meeting will inform a joint Cabinet paper on this topic you are scheduled to discuss with Cabinet in April 2021.</li> </ul>	<ul style="list-style-type: none"> <li>Advice on funding options as part of overall Budget advice – due 5 March.</li> </ul>	
<b>Health reform</b>	<ul style="list-style-type: none"> <li>The next Ministerial Oversight Group (MOG) meeting is scheduled for 9 March. We currently expect the agenda to focus on the draft Cabinet paper covering decisions on the system operating model, but it may include a discussion on DHB performance.</li> <li>We are working with your Office to reschedule a pre-meet for the with MOG with Minister Little and Stephen McKernan (Director, Health and Disability System Reform Transitions Unit) to work through the proposed new system operating model.</li> <li>The DPMC Transition Unit is preparing a Cabinet paper on the system operating model, aiming for SWC on 24 March.</li> <li>Invited budget bids have been received on: (1) the system operating model; and (2) locality networks and hauora Māori. Both bids are interdependent. Treasury supports these bids in full in Budget 2021, noting that further funding will be required in Budget 2022.</li> </ul>	<ul style="list-style-type: none"> <li>Advice to support the forthcoming Ministerial Oversight Group: <ul style="list-style-type: none"> <li>[T2021/419 refers]- Health and disability system reform – Briefing for Ministerial Oversight Group meeting, due 5 March;</li> <li>[T2021/493 refers] - Considerations for immediate management and improvement of DHB Performance due 4 March.</li> </ul> </li> </ul>	

Priority Area	State of Play	Upcoming Advice	Minister's Feedback
<b>Infrastructure</b>	<p><i>No change from last week</i></p> <ul style="list-style-type: none"> <li>The Treasury is working with Te Waihanga and Waka Kotahi to align the processes for the Transmission Gully Review and Proactive release and will provide you with advice and a draft Cabinet paper next week.</li> <li>We are supporting the Ministry of Transport and Waka Kotahi on the arrangements to progress the City Centre to Mangere light rail project, with a draft Cabinet paper provided on 22 February to the Minister of Transport.</li> </ul>		
<b>Housing</b>	<p><b>Supply interventions related to housing affordability</b></p> <ul style="list-style-type: none"> <li>HUD are progressing work on a draft Cabinet paper on proposed supply interventions. We met with you on 23 February to discuss the paper and following that meeting, provided further advice on 24 February and met with you to discuss this advice ahead of CBC on 1 March. We understand that Cabinet will consider the supply-side paper in parallel with the demand-side paper on 8 March. The paper will seek agreement in principle but delegate financial decisions to Budget Ministers.</li> </ul> <p><b>Tax Measures</b></p> <ul style="list-style-type: none"> <li>You took a paper to Cabinet on 15 February seeking agreement to progress two tax measures aimed to reduce investor demand for housing. These two measures are: <ul style="list-style-type: none"> <li>Extending the bright-line test</li> <li>Limiting the interest deductions available for income earned from residential property.</li> </ul> </li> </ul> <p>We will provide you an updated paper to take to CBC and to Cabinet for the 8 March meeting.</p> <p><b>Reserve Bank</b></p> <ul style="list-style-type: none"> <li>On 25 February you: <ol style="list-style-type: none"> <li>issued a direction under section 68B of the RBNZ Act to the Bank to 'have regard to' a government policy on housing in relation to its financial policy functions and announced a replacement remit for the MPC to incorporate the Government's housing affordability objective. The replacement remit came into effect on 1 March.</li> <li>wrote to the Bank requesting advice on debt-to-income limits and interest only mortgages.</li> </ol> </li> </ul> <p><b>Resource Management Reform</b></p> <p>There are two Ministerial Oversight Group meetings coming up in March:</p> <ul style="list-style-type: none"> <li>The meeting on 8 March concerns the National Planning Framework.</li> <li>The meeting on 22 March concerns the spatial strategies within the Spatial Planning Bill. The Treasury has identified this as a key topic to enable housing supply.</li> </ul> <p><b>Budget 21</b></p> <ul style="list-style-type: none"> <li>Twelve bids have been submitted directly relating to housing in Budget 2021, [33]</li> </ul>	<p><b>Tax Measures</b></p> <ul style="list-style-type: none"> <li>Communications pack including a draft press release/talking points and fact sheets to go on the Beehive website.</li> <li>Depending on Cabinet's decisions, officials will also develop a consultation document, covering key design issues for limiting interest deductions – due prior to any press release.</li> <li>A Supplementary Order Paper – due if the bright-line extension is agreed</li> </ul> <p><b>Resource Management Reform</b></p> <ul style="list-style-type: none"> <li>Advice on the ambition of spatial plans – due week of 15 March</li> </ul> <p><b>Budget 21</b></p> <ul style="list-style-type: none"> <li>Advice on the draft Budget package – due 5 March. Treasury officials will also discuss opex and capex treatment with you at pre-cabinet on Monday 8 March.</li> </ul>	

Priority Area	State of Play	Upcoming Advice	Minister's Feedback
<b>Housing (continued)</b>	<ul style="list-style-type: none"> <li>Minister Mahuta has also submitted a \$1,242m OFP bid for Three Waters reform, including the costs of transitioning to the new entities and any incentives required. Two Māori housing initiatives have also been submitted under the Māori Development portfolio.</li> </ul>		

#### 4. Key Upcoming Decisions

List of reports requiring decisions from the Minister by 12 March.

	Topic	Timeframe	Purpose / action	Deadline for MoF Action	Minister(s) – Primary audience	Team Name and Contact
1.	Television New Zealand, Radio New Zealand	3 March	This paper seeks Ministers' agreement to send letters of expectations to RNZ and TVNZ.	Mid-March	Minister of Finance Minister for Broadcasting and Media	Commercial Performance Maureena van der Lem [39]
2.	KiwiRail - advice on Interislander replacement project	3 March	This paper provides shareholding Ministers with advice in advance of a meeting with the Minister of Transport on 8 March regarding a KiwiRail budget initiative.	8 March	Minister of Finance Minister of State Owned Enterprises	Commercial Performance Maureena van der Lem [39]
3.	City Rail Link Foreign exchange hedging protocol	3 March	This paper seeks agreement to adjust the foreign currency protocol for City Rail Link Limited to increase the limit for foreign currency hedging limits.	8 March	Minister of Finance Minister of Transport	National Infrastructure Unit David Taylor [39]
4.	Appropriation (2019/20 Confirmation and Validation) Bill	4 March	This report seeks your agreement to introduce the Appropriation (2019/20 Confirmation and Validation) Bill as well as to table the <i>Report on Unappropriated Expenses and Capital Expenditure for 2019/20</i> .	8 March	Minister of Finance	Budget Management Tom Hall [39] Simon Duncan [39]
5.	Letter to the New Zealand Bankers' Association on Regional Banking Hubs	4 March	This report contains a letter for you to send to the New Zealand Bankers' Association about recent bank branch closures.	8 March	Minister of Finance	Financial Markets Amir Mehta [39]
6.	Further amendments to the Reserve Bank of New Zealand Bill	4 March	This report seeks your agreement to further amendments to the RBNZ Bill (relating to the Reserve Bank's financial arrangements and the process for replacing an MPC Remit), following our earlier advice on amendments to the governance provisions in the Bill. It also provides a draft Cabinet paper for feedback and Ministerial consultation.	8 March	Minister of Finance	Macroeconomic & Fiscal Policy Renee Philip [39] Reserve Bank Act Review Tamiko Baylis [39]

	Topic	Timeframe	Purpose / action	Deadline for MoF Action	Minister(s) – Primary audience	Team Name and Contact
7.	Deposit insurance fund and depositor preference	4 March	This report provides advice on remaining aspects of the funding framework for deposit insurance, and the possible role of a preference for depositors. These proposals will affect who bears the costs of introducing deposit insurance in New Zealand, and the allocation of losses among unsecured creditors in the event of failures.  You have previously agreed to high-level recommendations for the deposit insurance framework.	12 March	Minister of Finance	Reserve Bank Act Review  Ashley Dunstan [35]
8.	Treasury Report: Fiscal Strategy for Budget 2021	4 March	This report sets out the Treasury's preliminary fiscal strategy advice for Budget 2021. The advice is intended to help you take decisions on the use of the operating allowances and the multi-year capital allowance, and recommends you indicate your preferred levels for these. This will inform slides for Budget Ministers 2 on 16 March.	9 March	Minister of Finance	Macroeconomic and Fiscal Policy  Angus Hawkins [39]
9.	Joint Report: City Rail Link Limited Letter of Expectations	4 March	This paper seeks agreement from City Rail Link Limited Shareholding Ministers to send a Letter of Expectation.	8 March	Minister of Finance Minister of Transport	National Infrastructure Unit  David Taylor [39]
10.	Budget 2021 - NGO funding	4 March	This report provides: <ul style="list-style-type: none"> <li>Treasury's views of supported social sector agency initiatives for NGO funding through Budget 2021 (NGO initiatives);</li> <li>advice on options to influence the Social Sector Commissioning Project's development of funding principles; and</li> <li>a cross-sectoral view of the alignment of the funding approach across NGO initiatives.</li> </ul>	Read ahead of Budget Ministers 2.	Minister of Finance	Welfare and Oranga Tamariki  Keiran Kennedy [35]
11.	Draft Package Advice for Budget 2021	5 March	This report [T2021/359 refers] provides an overview of the draft Budget 2021 package including a breakdown of total spending by cost pressures and manifesto commitments, as well as further detail on the most significant areas of investment. Annexed to this report will be a full list of the initiatives submitted by Ministers, outlining the level of funding sought, the Vote team recommendation, and the level of funding included in the draft package.	9 March (Budget Matters)	Minister of Finance	Budget Management  Tom Hall [39]  Simon Duncan [39]
12.	Budget Ministers 2: Draft Slides	5 March	These slides will be provided alongside [T2021/359 refers] and outline the emerging Budget 2021 package, as well as key decisions and trade-offs, for the Budget Ministers 2 meeting of Tuesday 16 March 2021. Feedback on slides is sought by 9 March for us to provide you with the final slides on 10 March ahead of the Budget Matters.	9 March (Budget Matters)	Minister of Finance	Budget Management  Tom Hall [39]  Simon Duncan [39]

	Topic	Timeframe	Purpose / action	Deadline for MoF Action	Minister(s) – Primary audience	Team Name and Contact
13.	Three Waters Service Delivery	5 March	This report provides advice on the Budget 2021 initiative <i>Transforming three waters service delivery for New Zealanders</i> and its role in supporting the wider Three Waters Reform Programme. It will include advice on how to sequence decisions in order to get the best outcomes for any investment, including options for funding that investment.	16 March	Minister of Finance	National Infrastructure Unit  David Taylor [39]
14.	SOE reappointments	Week of 8 March	This report seeks your agreement to confirm reappointments and send Appointments and Honours Committee (APH) documentation for consultation.	12 March	Minister of Finance Minister of SOEs	Governance and Appointments  Gael Webster [39]

## 5. Regular Updates

*Lists regular dashboards and other updates the Minister is provided.*

	Topic	Timeframe for Briefing	Purpose / Action	Deadline for MoF Action (if any)	Minister(s)	Treasury Team and Contact
1.	Fiscal Calculator	Every Friday before 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, as well as the COVID-19 Response and Recovery Fund (CRRF). An updated tracker of CRRF charges is provided alongside the fiscal calculator each week that a new charge has been recorded.		Minister of Finance	Budget Management  Tom Hall [39] Simon Duncan [39]
2.	Commercial Performance State of Play	Fortnightly (report provided on 1 March)	This report provides Ministers with updates and relevant information regarding select companies and entities monitored by the Treasury.		Minister of Finance Associate Minister of Finance (Hon Dr Woods) Associate Minister of Finance (Hon Parker) Minister for State Owned Enterprises	Commercial Performance  Maureena van der Lem, Manager [39] Shelley Hollingsworth [39]
3.	Weekly Economic Update publication	Each Friday morning 9:00am for the foreseeable future – published on Treasury website by 12pm each Friday	This report provides you with the Treasury's weekly economic update in advance of this publication.		Minister of Finance	Forecasting  Nairn MacGibbon [39]

## 6. Upcoming Cabinet Papers

List of Cabinet papers upcoming over 8 March –19 March that Treasury is aware of.

	Ministerial Portfolio (and lead agency)	Title/topic	Treasury View	Timeframe for Cabinet Committee/Cabinet	Team Name and Contact
1.	Office of the Lead Coordination Minister for the Government's Response to the Royal Commission's Report into the Terrorist Attack on the Christchurch Mosques	Government response to the Royal Commission of Inquiry into the terrorist attack on Christchurch masjidain – first report back	This paper provides updates on recent community engagement, establishment of the Implementation Oversight Advisory Group and a Community Capacity Building Initiative fund, and progress on implementing the Royal Commission's recommendations. Several of the proposals have financial implications but funding is being sought through the Budget process rather than through the paper. The Treasury has <b>no significant concerns</b> with the latest version of the paper we have seen.	CAB 8 March	Justice, Security and Government Services  Colin Hall [39]
2.	Border Executive Board	Safe Travel Initiatives (Australia, Cook Islands and Niue)	This paper seeks decisions on next steps for safe travel. <b>We support the recommendations in the most recent draft we have been provided but note that the proposed delay in two-way quarantine-free travel with the Cook Islands will likely result in the Cook Islands requiring substantial additional budget support.</b> In addition to support already provided, Cabinet will shortly consider a further \$20 million in support to be funded from Official Development Assistant (ODA) baselines, but this is premised on two-way quarantine free travel resuming on 1 April. Additional support may be sought from outside ODA baselines.	CAB 8 March	International  Harry Nicholls [39]
3.	Minister for Biosecurity, Ministry for Primary Industries	Strengthening the Biosecurity System Investing in Plant Health and Environment Capability	This paper seeks approval to investment in Plant Health Environment Capability by progressing from an Indicative Business Case to Detailed Business Case for. <b>The Treasury supports this paper.</b>	DEV 10 March	Natural Resources  Gwen Rashbrooke [39]
4.	Minister for Oceans and Fisheries, Ministry for Primary Industries	On-board cameras across the inshore fishing fleet	This paper seeks approval of the Single Stage Business Case for on-board cameras across the inshore fishing fleet, subject to Budget 2021 decisions. Further work on regulatory changes and cost recovery of the initiative is being progressed by the Ministry for Primary Industries. <b>The Treasury supports this paper.</b>	DEV 10 March	Natural Resources  Gwen Rashbrooke [39]
5.	Transport (Ministry of Transport)	Future of the International Airfreight Capacity (IAFC) Scheme	The paper seeks agreement to extend the International Air Freight Capacity Scheme (to be renamed the Maintaining International Air Connectivity scheme) for a further six months (to 31 October 2021), with a potential further five months extension depending on market conditions.  <b>Treasury supports the six-month extension. However, we recommend that Cabinet approval is sought on any decision to extend the scheme beyond 31 October 2021, to enable a careful consideration of the key trade-offs at this point.</b>	DEV 10 March	National Infrastructure Unit  David Taylor [39]

	Ministerial Portfolio (and lead agency)	Title/topic	Treasury View	Timeframe for Cabinet Committee/Cabinet	Team Name and Contact
6.	Justice (Ministry of Justice)	Reforms to the Criminal Proceeds (Recovery) Act 2009 to better target illicit assets	This paper seeks approval to amend the Criminal Proceeds (Recovery) Act 2009 (CPRA) to give courts new powers to respond more effectively to transnational and organised criminal offending. <b>The Treasury supports this paper.</b>	SWC 10 March	Justice, Security and Government Services  Colin Hall [39]
7.	Veterans (New Zealand Defence Force)	Veterans' Support Entitlement Obligation	This paper seeks approval of a \$78.904 million increase in appropriations to reflect the increase in the veterans' support entitlement obligation as a result of previous Cabinet/ministerial decisions. In line with your decision last year, the increase in appropriations is not being charged against the operating allowance [T2020/3336 refers]. <b>The Treasury supports this paper.</b>	SWC 10 March	Justice, Security and Government Services  Colin Hall [39]
8.	Education	Education Work Programme 2021	This paper seeks agreement to the Education Work Programme for the next three years. <b>The Treasury supports the paper</b> but notes that agreement with the general principles and high-level actions proposed should not imply any agreement to funding at this or future Budgets. We also recommend asking the Minister of Education develop a plan for prioritisation and sequencing of initiatives across years and Budgets to ensure the work programme is realistic.	SWC 10 March	Education and Population Agencies  Nicky Lynch [39]
9.	Climate Change (MfE)	Adaptation legislation – scope, objectives and process	This paper seeks agreement on the proposed scope of the Climate Change Adaptation Bill. It proposes a number of well-balanced objectives and principles to guide further policy work for managed retreat and adaptation funding and financing. It also proposes that the Ministerial Oversight Group for Resource Management Reform take decisions on the development of this Bill in the coming months. <b>The Treasury supports this paper.</b>	DEV 10 March	Transitions, Regions, and Economic Development  Patrick Kirkham [39]  Udayan Mukherjee [35]
10.	Tourism (MBIE)	Tourism medium-long term strategy and release of the Tourism Futures Taskforce report	This paper seeks agreement to four strategic principles to guide the direction of tourism policy over the medium long term and agreement to release the Tourism Futures Taskforce's interim report. <b>The Treasury has only seen a draft version of this paper but support the proposed medium long term tourism sector priorities.</b>  There is limited analysis in the paper of the key short-term policy trade-off between further short-term sectoral support and long-term transition. We will be providing more advice on this through the Ministerial Consultation and Cabinet Committee briefing processes.	DEV 10 March	Transitions, Regions, and Economic Development  Alice Ansley [39]  Jean Le Roux [35]
11.	Minister of Forestry Te Uru Rākau	Reprioritisation of the Remaining One Billion Trees Fund	This paper seeks in-principle agreement to reprioritise the \$23.5m remaining in the One Billion Trees Fund to establish a new forestry specialist planning and advisory function. The Treasury has not seen a full draft of this paper. The Treasury will provide further advice after receiving a fuller draft.	DEV 10 March	Natural Resources  Gwen Rashbrooke [39]

	Ministerial Portfolio (and lead agency)	Title/topic	Treasury View	Timeframe for Cabinet Committee/Cabinet	Team Name and Contact
12.	Energy and Resources (MBIE)	Petroleum or engine fuel monitoring levy	This paper seeks agreement to two proposals relating to the petroleum or engine fuel monitoring levy. The paper also seeks additional funding for fuel quality monitoring and compliance for \$2.093 million (from \$1.007 million to \$3.1 million) per year starting from 2021/22, to be drawn down from the between-budget contingency. <b>The Treasury supports this paper.</b>	DEV 10 March	Transitions, Regions, and Economic Development  Ashley Stuart [39]  Jean Le Roux [35]
13.	Education	Continuing the Ka Ora, Ka Ako Healthy School Lunches programme	This paper updates Cabinet on the progress of the Healthy School Lunches programme and seeks approval to continue the programme for two additional calendar years at a total operating and capital cost of \$528.802m. <b>The Treasury supports the proposal</b> , however, notes that the approval of this paper will create a \$250-300m per annum call on future Budgets (2023 onwards).	SWC 10 or 17 March	Education and Population Agencies  Nicky Lynch [39]
14.	Defence (Ministry of Defence)	Operation Gallant Phoenix	This paper presents options to expand, maintain, or conclude New Zealand's Operation Gallant Phoenix deployment. The Treasury has <b>no views</b> on the deployment decision and the costs can be met from within existing baselines.	ERS 16 March	Justice, Security and Government Services  Colin Hall [39]
15.	[1]				
16.	Treaty of Waitangi Negotiations (Te Arawhiti)	Marine and Coastal Area (Takutai Moana) Act 2011 – Crown Engagement Strategy	This paper seeks agreement to a strategy for progressing applications for customary marine title under the 2011 Act that are to proceed down the Crown engagement pathway. <b>The Treasury is concerned that the paper is seeking agreement to a strategy that will have unspecified funding implications in Budget 2022 and has suggested feedback for the Ministerial consultation process.</b>	MCR 16 March	Justice, Security and Government Services  Colin Hall [39]
17.	Finance (Treasury) and Transport	Lessons Learned from the Transmission Gully Review	This paper reports back to Cabinet the lessons learned from the Transmission Gully Review.	DEV 17 March	National Infrastructure Unit  David Taylor [39]

	Ministerial Portfolio (and lead agency)	Title/topic	Treasury View	Timeframe for Cabinet Committee/Cabinet	Team Name and Contact
18.	Energy and Resources (MBIE)	Fuel Industry Act 2020 - Regulations	<p>This paper seeks agreement to make regulations for various sections of the Fuel Industry Act 2020. The proposed changes are likely to increase competition in engine fuel markets for the benefit of end users. The Minister of Energy and Resources has consulted with fuel industry participants that are likely to be significantly affected by the proposed regulations.</p> <p>A Cost Pressure funding bid has been submitted for Budget 2021 to fund the Commerce Commission's activities under the Act, including significant new enforcement and analysis functions. <b>The Treasury supports this paper.</b></p>	DEV 17 March	<p>Transitions, Regions, and Economic Development</p> <p>George Wibberley [39]</p> <p>Jean Le Roux [35]</p>
19.	Overseas Investment (The Treasury)	Overseas Investment Act Forestry Review: Draft Terms of Reference	<p>This paper seeks agreement to a Terms of Reference for a review of the forestry-related amendments to the Overseas Investment Act made in 2018 and a timeline for completion of the review. Minister Parker will take this paper to DEV.</p>	DEV 17 March	<p>International</p> <p>Jemma Jackson [39]</p>
20.	Small Business (MBIE)	Growing Small Businesses through Digital Technology - Expanding the Digital Boost Programme	<p>This paper seeks to expand the current Digital Boost Programme to implement the 'digital training voucher' 2020 Election Manifesto commitment.</p> <p><b>The Treasury's view is that any policy decisions should be taken with funding decisions through Budget 2021.</b> There is a risk that Cabinet commits to an expanded scope and in turn commits funding ahead of Budget decisions. The Treasury is currently working with MBIE to address this concern in the drafting of the Cabinet paper.</p>	DEV 17 March	<p>Transitions, Regions, and Economic Development</p> <p>Tayla Forward [35]</p> <p>Jean Le Roux [35]</p>
21.	Economic Development (MBIE)	Investment in the America's Cup Sailing Team	<p>This is the first of two papers proposing investment in the America's Cup. This paper seeks \$5 million of immediate funding for Emirates Team New Zealand, to be funded through America's Cup 36 MYA underspends. <b>The Treasury does not support this paper.</b> The Treasury notes that this funding should be returned to the centre and be allocated through the Government's Budget process.</p> <p>We expect the second paper to seek an in-principle decision to fund the hosting of the next America's Cup (AC37) if New Zealand wins the current America's Cup (up to \$60 million). The Treasury does not support this proposal.</p>	DEV 24 March	<p>Transitions, Regions, and Economic Development</p> <p>Clara Rowe [39]</p> <p>Jean Le Roux [35]</p>
22.	Finance (The Treasury)	Productivity Commission Inquiry into Immigration Settings for New Zealand's Long-Term Prosperity and Wellbeing	<p>This paper seeks agreement to the Terms of Reference for a Productivity Commission inquiry into immigration settings for New Zealand's long-term prosperity and wellbeing.</p> <p>The Treasury will provide you with a Treasury Report by 4 March, which will seek your feedback and agreement to begin ministerial consultation on both the Cabinet paper and the Terms of Reference for the inquiry.</p> <p>The Treasury report will also seek your agreement to nominate the Minister of Immigration as a fellow referring Minister for this inquiry and will provide a letter for your signature.</p>	CBC 29 March	<p>Economic Strategy</p> <p>Erin King &amp; Pip van der Scheer [35]</p>

## 7. Other Upcoming Reports

List of reports upcoming over a 3 weeks period, from 01 March – 19 March not covered above.

	Topic	Timeframe	Purpose/Action	Deadline for MoF Action (if any)	Minister(s)	Team Name and Contact
1.	Update on the Office of the Auditor-General's report on Wage Subsidy	2 March	This paper outlines the Auditor-General's preliminary findings in the Performance Audit of the Wage Subsidy and sets out the initial actions planned by agencies in response.		Minister of Finance Minister for Social Development and Employment Minister of Revenue	Welfare and Oranga Tamariki  Keiran Kennedy [35]
2.	[25], [33] and [37]					
3.	KiwiRail - acquisition under the Public Works Act	3 March	This report seeks the approval of the Minister for State Owned Enterprises to acquire land under the Public Works Act.	17 March	Minister of Finance (for noting) Minister for State Owned Enterprises	Commercial Performance  Maureena van der Lem [39]
4.	SOE meeting briefing	3 March	This is a pre-meeting briefing for your meetings with Airways, Kordia, Hawkes Bay Airport and Metservice on 10 March		Minister of Finance Associate Minister of Finance (Hon Dr Woods) Minister for State Owned Enterprises	Commercial Performance  Maureena van der Lem [39] Shelley Hollingsworth [39]
5.	Virtual Chartered Accountants Australia and New Zealand (CAANZ) event	3 March	This paper provides background information and talking points to support your attendance at a CAANZ virtual event on 5 March. The theme of the event is "the reset and recovery in Australia and New Zealand".			International  John-David Chaker [39]
6.	Non-Deposit Taking Lender update	4 March	This report provides an overview of the due diligence on the Non-Deposit Taking Lenders (NDTLs) and proposed recommendation and conditions of their entry into the Business Finance Guarantee Scheme. The paper will seek guidance from you in relation to an interest rate cap for unsecured loans made by NDTLs.	9 March	Minister of Finance Associate Minister of Finance (Hon Dr Woods) Associate Minister of Finance (Hon Parker)	Business Finance Guarantee  Peter Rowe [39]

	Topic	Timeframe	Purpose/Action	Deadline for MoF Action (if any)	Minister(s)	Team Name and Contact
7.	Further advice on main benefit increases through Budget 2021	4 March	This report responds to the request made by the Minister for Child Poverty Reduction for further advice on an increase to main benefits.		Minister for Child Poverty Reduction Minister of Finance Minister for Social Development and Employment Minister of Revenue	Welfare and Oranga Tamariki  Keiran Kennedy [35]
8.	Budget 21 – potential income support package	4 March	This report provides advice on: <ul style="list-style-type: none"> <li>the fiscal implications of a main benefit increase;</li> <li>policy considerations, including discussion of the trade-offs and risks with progressing with the options under discussion; and</li> <li>implementation if you decide to proceed.</li> </ul>		Minister of Finance	Welfare and Oranga Tamariki  Keiran Kennedy [35]
9.	Draft Revenue Strategy and high-level outline of the Tax Policy Work Programme.	4 March	This report provides you with a draft Revenue Strategy and a progress update on the Tax Policy Work Programme.	11 March	Minister of Finance Minister of Revenue	Tax Strategy  Oscar Parkyn [35]
10.	[33]					
11.	Funding for Royal Commission of Inquiry into Abuse in Care	4 March	This report provides information on the Royal Commission's Budget initiative to help inform funding decisions.		Minister of Finance	Justice, Security and Government Services  Colin Hall [39]
12.	Meeting with the Minister for Climate Change on Funding and Financing the Climate Transition	4 March	This is a pre-meeting briefing for your discussion with the Minister for Climate Change on 10 March. This is a joint briefing with the Ministry for the Environment.  The briefing will also seek Ministers' feedback on a draft Cabinet paper on "a strategic framework for funding and financing the climate transition, including the role of proceeds from emissions unit auctions".	10 March	Minister of Finance Minister for Climate Change	Transitions, Regions, and Economic Development  Tom Wilson [35]  Udayan Mukherjee [35]

	Topic	Timeframe	Purpose/Action	Deadline for MoF Action (if any)	Minister(s)	Team Name and Contact
13.	Reprioritisation options prior to Budget 2021	4 March	This report provides options to reprioritise some of the 16 March 2020 Package and CRRF expenditure prior to Budget 2021.	9 March	Minister of Finance	System Design and Strategy  John Marney [39]
14.	Meeting with APEC Business Advisory Council (ABAC)	4 March	This is a pre-meeting briefing for your meeting with Rachel Taulelei, Stephen Jacobi and Robert Milliner from the APEC Business Advisory Council on 11 March.		Minister of Finance	International  Harry Nicholls [39]
15.	T2021/419 - Health and disability system reform – Briefing for Ministerial Oversight Group meeting, 9 March 2021	4 March	This report provides a briefing ahead of the MOG meeting on health and disability reform on 9 March. It provides Treasury's view on the proposed system operating model and areas of focus for our future advice	9 March Read ahead of MOG meeting	Minister of Finance	Health Capital and ACC  Niki Lomax [35]
16.	T2021/493 - Considerations for immediate management and improvement of DHB Performance	4 March	This report provides advice on the management of DHB performance in the immediate term and in the upcoming period of transition.	9 March Read ahead of MOG meeting	Minister of Finance	Health Capital and ACC  Hanna Alder Ovenden [35]
17.	2021 Implementation	4 March	This report provides you with material to support your meeting scheduled with the Ministers of the Justice Cluster (10 March) and Environment and Primary Cluster (15 March), including: <ul style="list-style-type: none"> <li>• an update on Treasury's initial engagement with cluster officials;</li> <li>• suggested talking points to facilitate discussion with Ministers; and</li> <li>• suggested annotated agendas to refer to the Ministers.</li> </ul>	10 March	Minister of Finance	System Design and Strategy  John Marney [39]
18.	Donation offer for the replacement of the Hutt Valley Hospital mental health unit	Week of 1 March	This report provides information on an offer from a benefactor to fund the Hutt Valley Hospital mental health unit replacement and seeks direction from Ministers on a response.		Minister of Finance Minister of Health	Health Capital and ACC  Helen Anderson [39]

	Topic	Timeframe	Purpose/Action	Deadline for MoF Action (if any)	Minister(s)	Team Name and Contact
19.	Southern District Health Board South Island Patient Information Care System Business Case	Week of 1 March	This paper recommends approval to Southern District Health Board's Business Case for the implementation of the South Island Patient Information Care System, subject to conditions.		Minister of Finance Minister of Health	Health Capital and ACC  Sebastian Doelle [35]
20.	Meeting with the IMF Article IV mission team	9 March	This is a pre-meeting briefing for your meeting with the IMF on 12 March.		Minister of Finance	Macroeconomic and Fiscal Policy  Renee Philip [39]
21.	Proactive release of substantive policy advice May-November 2020	9 March	This report recommends releasing all substantive policy advice prepared between May and November 2020 on the Phase Two Reform of the Overseas Investment Act 2005 and the statutory review of the emergency notification regime.	29 March	Minister of Finance (noting only) Associate Minister of Finance (Hon Parker)	International Luke Borthwick [35]
22.	ACC Fiscal Strategy	11 March	This report provides a summary of the fiscal strategy for ACC prior to the formal 2021 Levy Review process and highlights potential levy changes.		Minister of Finance Minister for ACC	Financial Institutions  Joseph Sant [39]
23.	March Baseline Update 2021	11 March	This report seeks your approval of changes to baselines requested by appropriation Ministers in the March Baseline Update (MBU) 2021. It also provides you with the net fiscal impact of these baseline changes, which is captured by the in-year revisions position, as well as some options around the future treatment and provision of the in-year revisions position.	15 March	Minister of Finance, Associate Minister of Finance (Hon Dr Woods)	Budget Management  Tom Hall [39]  Simon Duncan [39]
24.	RNZ	Week of 8 March	This report seeks to confirm reappointments regarding to RNZ and agreement to start consultation on the submission to Cabinet Appointments and Honours Committee (APH).		Minister of Finance Minister for Broadcasting and Media	Governance and Appointments,  Gael Webster [39]
25.	Lotto NZ	Week of 8 March	This report recommends you note reappointments being made by the Minister of Internal Affairs regarding to Lotto Nz.		Minister of Finance Minister of Internal Affairs	Governance and Appointments,  Gael Webster [39]

	Topic	Timeframe	Purpose/Action	Deadline for MoF Action (if any)	Minister(s)	Team Name and Contact
26.	Screen Sector Indemnity Scheme: Second Tranche	Week of 8 March	This paper seeks your agreement to provide indemnities to four further domestic productions under the Screen Sector Indemnity Scheme. This will be the final tranche, as the balance of the potential productions that had earlier been identified are now not going ahead.		Minister of Finance	Justice, Security and Government Services  Colin Hall [39]
27.	Review of Takutai Moana Financial Assistance Scheme: proposals for consultation	Week of 8 March	This paper requests joint Ministers' agreement to seek Cabinet approval for a number of proposed amendments to the settings of the financial assistance scheme that provides funding for applicants to progress applications for customary marine title under the Marine and Coastal Area (Takutai Moana) Act 2011. We have a number of concerns that we are currently working through with Te Arawhiti, including the costs of the amendments, how they are to be funded, and their overall coherence.		Minister of Finance Minister for Treaty of Waitangi Negotiations	Justice, Security and Government Services  Colin Hall [39]
28.	Whakatōhea: Crown Contribution	Week of 8 March	This paper seeks joint Ministers' agreement to make a one-off Crown contribution totalling [38] towards the establishment costs of a body being established through the Whakatōhea Treaty settlement for iwi to manage natural resources alongside local authorities. In line with MCR's recent decision [MCR-21-MIN-0003], these costs will be funded from forecast underspends in 2020/21 from elsewhere in Te Arawhiti baselines. Treasury is comfortable with this proposal.	19 March	Minister of Finance Minister for Treaty of Waitangi Negotiations Minister for the Environment	Justice, Security and Government Services  Colin Hall [39]
29.	Renewing international financial institution delegations	Week of 8 March	This report seeks your agreement to renew the temporary delegations for certain decisions relating to international financial institutions to the Secretary to the Treasury and (in the case of the International Monetary Fund) the Governor of the Reserve Bank.	31 March	Minister of Finance	International  Rebecca Mountfort, Analyst [39]
30.	Joint Report on the scope of the Minister's regulation-making power in relation to lending standards	Week of 8 March	This paper provides advice on the Deposit Takers Act (DTA) draft Cabinet recommendations. In this advice we will also include some material on the 'inform' provision the Minister has agreed to as a requirement on the RBNZ.		Minister of Finance	Reserve Bank Act Review Team  Tamiko Bayliss [39]

	Topic	Timeframe	Purpose/Action	Deadline for MoF Action (if any)	Minister(s)	Team Name and Contact
31.	Letter of Expectations for Tupu Tonu - Ngapuhi Investment Fund Ltd	15 March	This paper provides a draft Letter of Expectations for Ngapuhi Investment Fund Ltd.	15 March	Minister of Finance Minister for Treaty of Waitangi Negotiations	Financial Institutions  Oliver Martin, Senior Analyst [35]
32.	National Provident Fund – Wind up of Cash Accumulation Scheme	18 March	This paper seeks a direction from you to wind up a scheme within the National Provident Fund to promote administrative efficiency.	23 March	Minister of Finance	Financial Institutions  Adam Stachurski [39]
33.	Crown Financial Institutions Monitoring Report – December 2020	18 March	This report provides a monitoring report on investment risk and performance for the Crown Financial Institutions for the six months ending December 2020.		Minister of Finance	Financial Institutions  Ben Roberts [39]