

The Treasury

Budget 2022 Information Release

August 2022

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- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
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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
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- [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] Out of Scope
- [41] 18(c)(i) - that the making available of the information requested would be contrary to the provisions of a specified enactment
- [42] 18(d) - information is already publicly available or will be publicly available soon

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22 October 2021

Hon Aupito William Sio
Minister for Pacific Peoples
Parliament Buildings
Wellington

Dear Aupito

Overview

Thank you for your recent engagement on Budget 2022. As you will be aware, we have set a very high bar for the initiatives that will be invited for submission.

Over 560 initiatives were submitted through the Budget 2022 invitation process. Indicative funding sought totals \$64 billion operating and \$9.2 billion capital across the forecast period. As will be obvious to you, that is far beyond the funding available and has required me to make early decisions to allow for an effective Budget process.

Even having done this, I still need your assistance to support the Budget process. In that light, I have had to carefully reduce the number of potential Budget 2022 initiatives through the invitation process, to reduce wasted effort and to ensure that the Budget decision-making stage is as strategic and targeted as possible, supported by robust value-for-money analysis and confidence of delivery.

I expect the number of initiatives submitted in December across all portfolios to be less than the number invited. Similarly, I expect total funding sought to be less than the indicative funding of invited initiatives. I ask that you play your part in this focusing of Budget priorities and submit only those invited initiatives in your portfolio(s) that are the highest priority, represent strong value for money, and are implementation ready.

Budget 2022 Invitations

With this in mind, I have considered the proposals that you have outlined in your letter for your Pacific Peoples portfolio. I invite you to submit a more targeted and prioritised package of initiatives in December that reflects key areas where you believe the biggest differences for Pacific people can be made. I therefore expect the number of initiatives submitted in December to be lower, reflecting your significant priorities within the portfolio. I also expect the quantum of funding to be reduced, reflecting a realistic implementation-ready investment, comparable to amounts committed in previous Budgets.

I expect a clear articulation of relative priorities. This may include a ranking of submitted initiatives within your portfolio, identifying those that are less-discretionary and higher priority. When prioritising, I expect you to focus on the implementation readiness of initiatives and delivery risk. I will be supporting only initiatives that are implementation ready, unless there is clearly articulated reasoning for why an exception to this rule should be considered.

I would like to note that one of the submitted initiatives, *Pacific Aotearoa COVID-19 content development and communications campaign to support All of Government Response (14004)*, should be submitted as a candidate for funding from the COVID-19 Response and Recovery Fund (CRRF).

With regard to the initiative concerning Pacific Housing, in my letter to the Minister of Housing, I have noted that I expect Ministry of Housing and Urban Development officials to engage constructively with the Ministry of Pacific Peoples in development of this initiative.

All Budget 2022 initiatives are expected to complete all value-for-money information and analysis requirements outlined in the initiative submission template due 10 December. Initiative submission templates and guidance were communicated to your department on 30 September and are available on CFISnet.

Please note that while I have invited you to submit a prioritised package of initiatives for consideration, this does not guarantee that all initiatives will receive funding. The Treasury will assess the value for money and relative priority of all initiatives, and this advice will help to inform the shape of the final Budget 2022 package considered by Cabinet. Therefore, I expect that all initiatives will be supported by a robust case for funding and a strong evidence base, as well as realistic scaling and reprioritisation options.

Delivery of Budget 2022 Initiatives

The Treasury has advised me of potential early-stage delivery risks associated with a number of the initiatives in your letter, the details of which are set out in Annex 1.

Ahead of initiative submission, please ensure your agency works closely with the Treasury on a plan to mitigate delivery risk where possible.

If delivery risk cannot be mitigated, I expect you to consider deferring these initiatives to a future Budget, at which point I would expect this risk to be mitigated. If these initiatives cannot be deferred, I expect you to outline a clear rationale in December for why funding is required through Budget 2022 despite these concerns.

Next steps

Proposals that are not submitted in your prioritised December package for Budget 2022 may be addressed through future Budgets or other levers such as reprioritisation of baseline funding. As per the expectations that I have previously outlined, I will not support any out-of-cycle funding requests for these initiatives unless there is a compelling case for urgency.

I wish to emphasise that the other information that you have provided will help to lay the groundwork for future Budgets and this information provides an important insight into the challenges and opportunities facing our Government this term.

I look forward to discussing options for funding initiatives through Budget 2023 at a later stage.

Thank you for your ongoing work.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Grant Robertson', written in a cursive style.

Hon Grant Robertson
Minister of Finance

Annex 1: Budget 2022 Initiative Delivery Risks

Title	Delivery risk
<p>13997 – Community Digital Hubs</p> <p>14002 – Pacific Community Voice</p> <p>14012 – Pacific Migrant Support</p> <p>14014 – Lalanga Fou Fund</p> <p>14015 – Community Digital Devices Fund</p> <p>14027 – Pacific Language Content</p> <p>14028 – Dawn Raids Historical Account</p> <p>14029 – Pacific Housing</p> <p>14024 – Tupu Aotearoa</p> <p>14025 – Toloa – Nurture and grow the base for Pacific to Enter STEAM</p> <p>14078 – Pacific Workforce Global Internships Scheme</p> <p>14013 – Pacific Social Enterprise</p> <p>13998 – Pacific Economic Development</p> <p>14006 – The Pacific Aotearoa COVID-19 Talanoa Programme to Support All of Government Outreach to Pacific Communities</p> <p>13995 - The Pacific Aotearoa COVID-19 Resurgence and Recovery Fund for small to medium community groups</p>	<p>As I have outlined above, I expect to see a prioritised package with robust assessment of implementation readiness and value for money, and consideration of the following delivery risks:</p> <ul style="list-style-type: none"> • There is potential for duplication of services across agencies and within the Ministry for Pacific Peoples in a number of proposed initiatives. The Ministry will need to coordinate across initiatives and between agencies to avoid duplication, and provide further explanation, monitoring and evaluation of where funding is targeted will be required to avoid duplication. • Clear implementation planning and timelines are required, particularly with regards to Pacific Housing. As noted above, I have outlined my expectation that Ministry of Housing and Urban Development officials engage constructively with the Ministry of Pacific Peoples in development of this initiative. • The Ministry will need to consider interactions with Ministry for Health-led initiatives as part of the overall Health and disability reform structure.