

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
- [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] 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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Treasury Report: Budget 2022 Strategy Letters and Invitation Process

Date:	27 August 2021	Report No:	T2021/2204
		File Number:	BM-2-1-2022

Action sought

	Action sought	Deadline
Minister of Finance (Hon Grant Robertson)	<p>Provide feedback on the attached draft Budget 2022 strategy letter templates.</p> <p>Agree to exempt non-envelope cluster initiatives (capital initiatives and initiatives relating to Crown entities) from the Budget 2022 invitation process.</p>	30 August 2021

Contact for telephone discussion (if required)

Name	Position	Telephone	1st Contact
Hamish Dick	Analyst, Budget Management	[39]	N/A (mob)
Simon Duncan	Team Leader, Budget Management	[35]	✓

Minister's Office actions (if required)

Return the signed report to the Treasury.

Note any feedback on the quality of the report

Enclosure: Yes (attached)

Treasury Report: Budget 2022 Strategy Letters and Invitation Process

Budget 2022 Strategy Letters

1. Attached to this report are letter templates for you to communicate the Budget 2022 strategy to Ministers and begin the Budget 2022 invitation process. Cabinet is considering the Budget 2022 strategy and design on Monday 30 August. We recommend you send this letter to your Ministerial colleagues as soon as possible following Cabinet's agreement to the strategy and design for Budget 2022.

Invitations for "Non-Envelope" Cluster Initiatives

2. For Budget 2022, you have previously agreed that capital initiatives and initiatives relating to Crown entities do not fall within the scope of the Justice and Natural Resources multi-year cluster funding envelopes [T2021/1269 refers], and that initiatives within these envelopes do not require any further invitation for submission as part of Budget 2022. Before we finalise the strategy letters and begin the invitation process, we seek your decision on whether these non-envelope cluster initiatives require an invitation for consideration as part of Budget 2022. We expect the total number of initiatives that fit within this category to be small, although the funding sought is likely to be significant (particularly for capital initiatives in the Justice cluster).
3. We recommend that you do not require cluster Ministers to submit non-envelope initiatives for consideration through the Budget 2022 invitation process as we do not want to increase pressure or complexity for cluster agencies at this point in time. We think that it is fair to consider that non-envelope cluster initiatives have already been invited into Budget 2022 through the establishment of clusters.
4. This approach will provide you less control upfront of what Budget 2022 initiatives may be submitted by Ministers in December, a consequence of the cluster process in general, and will reduce early visibility of the full picture of potential initiatives at your next Budget Ministers meeting in October.
5. Regardless of whether non-envelope cluster initiatives are exempt from the Budget 2022 invitation process, these initiatives will subsequently progress through the standard Budget process following their submission by the relevant portfolio Minister(s) in December. This means that these initiatives will follow standard timeframes and be traded off against other initiatives as the Budget package is developed. You will, however, be provided some early visibility of potential initiatives through investment panel advice in September and cluster road check advice in November, at which point you may consider these initiatives in the context of the high, medium and low cluster packages to be submitted by the Justice and Natural Resources clusters.
6. While most non-envelope cluster initiatives should be exempt from the invitation process, we recommend that this exemption does not apply to initiatives from the Joint Venture for Family Violence and Sexual Violence, and that these initiatives are progressed as normal through the standard invitation-only Budget process rather than through the Justice cluster. This is because a single, coherent package for the Prevention of Family Violence and Sexual Violence should be submitted for consideration as part of Budget 2022, and many of the agencies involved in the Joint Venture for Family Violence and Sexual Violence are outside the Justice cluster.

7. Following your indication of whether or not non-envelope cluster initiatives require an invitation into the Budget 2022 process, the Treasury will revise your Budget 2022 strategy letters to cluster Ministers accordingly.

Next Steps

8. Following the incorporation of any feedback you may have on the attached template letters we will provide your Office with final versions of the Budget 2022 strategy letters for you to sign. Alongside this, the Treasury will provide a letter for the Associate Minister of Finance, Hon Dr Megan Woods, to sign and send to you, inviting you to submit any relevant initiatives within your own portfolios for consideration as part of Budget 2022.
9. Following receipt of this letter, your Ministerial colleagues will write back to you by Thursday 23 September outlining any manifesto commitments and cost pressures in their portfolio(s) that they believe require consideration through Budget 2022.

Recommended Action

We recommend that you:

- a **provide** any feedback you may have on the Budget 2022 strategy letter templates attached to this report,
- b **agree** to send finalised Budget 2022 strategy letters to each of your Ministerial colleagues following Cabinet's agreement to the strategy and design for Budget 2022, and
- c **agree** that Justice and Natural Resources cluster initiatives that sit outside existing cluster envelopes (capital initiatives and initiatives relating to Crown entities) should be exempt from the invitation process.

Agree/disagree

Agree/disagree

Simon Duncan
Team Leader, Budget Management

Hon Grant Robertson
Minister of Finance