

The Treasury

Budget 2022 Information Release

August 2022

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Key to sections of the Act under which information has been withheld:

- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
- [23] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [25] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [27] 9(2)(ba)(ii) - 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 otherwise to damage the public interest
- [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 Invitations (Associate Minister of Finance)

Date:	8 October 2021	Report No:	T2021/2477
		File Number:	BM-2-1-2022-1

Action sought

	Action sought	Deadline
Hon Dr Megan Woods Associate Minister of Finance	<p>Decide which of Hon Grant Robertson's proposed initiatives you would like to invite for consideration as part of Budget 2022.</p> <p>Refer your decisions on the above to Budget Ministers for their information.</p>	12 October 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)

<p>Return the signed report to Treasury.</p> <p>Refer decisions on Budget 2022 invitations to Budget Ministers (Rt Hon Jacinda Ardern and Hon Grant Robertson) by Tuesday 12 October 2021 for their information.</p>
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Note any feedback on the quality of the report

Enclosure: Yes (attached)

Treasury Report: Budget 2022 Invitations (Associate Minister of Finance)

Purpose of Report

1. This report seeks your decisions on which initiatives to invite for consideration as part of Budget 2022 for the portfolios for which the Minister of Finance (Hon Grant Robertson) is the responsible Minister.
2. In circumstances where the Minister of Finance is conflicted, it is standard practice for an Associate Minister of Finance to act on behalf of the Minister of Finance, including during the Budget process. As for Budget 2021, you are asked to take decisions on whether to invite proposed Budget 2022 initiatives in the Minister of Finance's portfolios [T2021/2204 refers]. The Minister has submitted initiatives only in his Finance and Sport and Recreation portfolios.

Overview

3. Across all portfolios, nearly 600 initiatives have been submitted for consideration as part of Budget 2022. As detailed in Table 1, total funding sought represents a considerable oversubscription of remaining Budget 2022 allowances. These numbers are highly indicative, however, given that agencies are not required to complete detailed costings for initiatives at the invitation stage of the Budget process.

Table 1: Headline figures (\$b)¹

Total operating sought	64.0	Total Budget 2022 operating allowance remaining	7.8
Average per annum operating sought	16.0	Average per annum Budget 2022 operating allowance remaining	2.0
Total capital sought	9.3	Total multi-year capital allowance (MYCA) remaining (B22-B24)	9.8

Table 2: Funding sought by portfolio (\$m)

Portfolio	Number of initiatives	Average operating per annum	Total operating	Total capital
Finance ²	[33]			
Sport and Recreation				
Total				

¹ Includes presumed \$4 billion top-up of the MYCA at the *Half Year Update*. Current balance is \$5.8 billion. Remaining allowances are as at 4 October 2021 and Budget 2022 forecast period applies. Includes funding sought from the CERF as well as initiatives submitted to the Treasury that may be progressed through the COVID-19 omnibus funding process and/or charged against the COVID-19 Response and Recovery Fund.

² Includes one Reserve Bank initiative within Vote Revenue for which the Minister of Finance is the responsible Minister.

Table 3: Funding sought by Budget stream (\$m)

Stream	Number of proposed initiatives	Average operating per annum	Total operating	Total capital
Manifesto	[33]			
Cost pressure				
Climate Emergency Response Fund				
Total				

- The invitation process provides an important opportunity for you, and the Minister of Finance, to reduce the overall number and size of initiatives to be submitted in December 2021 for consideration as part of the Budget 2022 decision-making phase and set a clear strategic direction for the next stage of the Budget process.

Advice on Invitations

- In two letters to you dated 23 September 2021, Hon Grant Robertson has submitted 10 initiatives across two of his portfolios. These initiatives are detailed in Annex 1. [33]

Of the operating funding sought by the Minister, 59% relates to proposed manifesto initiatives and 41% to cost pressures.

- The Treasury has provided advice on proposed invitations for proposed cost pressure and Climate Emergency Response Fund initiatives, and this advice is detailed in Annex 1. The Treasury has not provided advice on proposed manifesto initiatives, and this approach is consistent across all portfolios.
- Alongside this advice, the Treasury has completed an initial delivery risk assessment of all proposed initiatives (including manifesto initiatives). This advice is also detailed in Annex 1, and this may be used to help form your decisions on which initiatives to invite for consideration as part of Budget 2022. Potential delivery risk has been identified in relation to six of the Minister of Finance's proposed initiatives, the details of which are included in Annex 1.
- Though the Treasury has not provided advice on the invitation of manifesto commitments, it is important that the Budget 2022 invitation process is used to reduce the number of initiatives seeking Budget funding where appropriate.
- Using Annex 1, we ask that you consider our assessment and indicate whether or not you wish for each initiative to be invited.
- The Treasury supports invitations for all of the Minister of Finance's cost pressure and CERF initiatives, as these meet the criteria for consideration as agreed by Cabinet in its decisions on the Budget 2022 strategy Cabinet paper. We also recommend that you attach conditions to the invitation of all but one of these initiatives. These recommended conditions are detailed in Annex 1 and, unless you indicate otherwise, a positive invite decision will be taken to include these conditions. These conditions will be detailed in the draft Budget 2022 invitation letter to the Minister of Finance that we will provide to you in the week beginning 18 October.

Next Steps

11. We are working towards the following key dates:

- **Tuesday 12 October** – We ask that your decisions on Budget 2022 invitations are communicated to the Treasury and referred on to your Budget Minister colleagues by this date.
- **Tuesday 19 October** – The Treasury will provide you a draft Budget invitation letter for you to sign and send to the Minister of Finance.
- **Friday 10 December** – Submission of all Budget 2022 initiatives (including cluster initiatives).

Recommended Action

We recommend that you:

- a **note** that, as for Budget 2021, you are asked to take decisions on whether to invite proposed initiatives from the portfolios for which the Minister of Finance is responsible
- b **note** that the Treasury has provided advice on invitations for proposed cost pressure and Climate Emergency Response Fund initiatives, but not proposed manifesto initiatives, as detailed in Annex 1
- c **note** that the Treasury has completed an initial delivery risk assessment of all proposed initiatives (including manifesto initiatives), as detailed in Annex 1
- d **decide** which of the proposed cost pressure, manifesto and Climate Emergency Response Fund initiatives you wish to invite for consideration as part of Budget 2022 for the Finance and Sport and Recreation portfolios, by indicating in Annex 1
- e **refer** your decisions on recommendation d above to Budget Ministers (Prime Minister and Minister of Finance) by Tuesday 12 October 2021 for their information, and

Refer / do not refer
- f **note** that, following your decisions on recommendation d the Treasury will provide a draft Budget 2022 invitation letter in the week of 18 October for you to sign and send to the Minister of Finance.



Simon Duncan
Team Leader, Budget Management

Hon Dr Megan Woods
Associate Minister of Finance