

# 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
- [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 Financial Recommendations

<b>Date:</b>	8 April 2022	<b>Report No:</b>	T2022/782
		<b>File Number:</b>	BM-2-4-2022-1

### Action sought

	Action sought	Deadline
Hon Grant Robertson <b>Minister of Finance</b>	<p><b>Approve</b> the establishment of 2 new multi-category appropriations and change to the overarching purpose statement of 1 multi-category appropriation.</p> <p><b>Approve</b> the detailed financial recommendations for each Vote to give effect to the Budget 2022 package agreed by Cabinet on 11 April.</p>	11 April 2022

### Contact for telephone discussion (if required)

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

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

<p><b>Return</b> the signed report to Treasury.</p> <p><b>Send</b> the attached recommendations documents and approval letters signed by the Minister of Finance to each relevant appropriation Minister.</p> <p><b>Return</b> countersigned copies of these documents to the Treasury by Thursday 14 April 2022.</p>
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Note any feedback on the quality of the report

**Enclosure:** Yes (shared via MS Teams)

# **Treasury Report: Budget 2022 Financial Recommendations**

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## **Purpose of Report**

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1. This report seeks your approval of the detailed financial recommendations for the Budget 2022 package for each Vote (both significant and technical initiatives).
2. As required by Section 7B of the Public Finance Act 1989 (the PFA), this report also seeks your approval of two new multi-category appropriations (MCAs) as well as one change to the overarching purpose statement of an MCA.
3. We ask that you approve the detailed recommendations for each Vote (by signing the covering letter to each Minister with the relevant recommendations attached).

## **Budget 2022 Financial Recommendations**

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4. This year, Cabinet is agreeing the Budget 2022 package at the initiative level, with appropriation-level financial recommendations delegated to Joint Ministers (the Minister of Finance and relevant appropriation Minister) for approval.
5. This process has allowed Budget Ministers to take final decisions later than in previous years (and subsequent to final economic and tax forecasts), as it has not been necessary to finalise, approve and print ~500 pages of detailed financial recommendations for each Minister in advance of Cabinet's consideration of the Budget package [T2021/2720 refers]. We estimate this process change has saved about 15,000 pages from needing to be printed for Cabinet, while also providing an easier to use summary of the Budget 2022 package.
6. In order to give effect to the Budget package, Joint Ministers (you, as the Minister of Finance, jointly with the relevant appropriation Minister) are required to approve the appropriation changes and related recommendations for each Budget initiative. In previous years, these changes have been agreed by Cabinet.
7. Each Minister is required to approve the changes relating to appropriations and initiatives for which they are the responsible Minister. For this reason, the Treasury has drafted multiple letters for Ministers on your behalf, detailing for each Minister which initiative recommendations are to be approved.
8. As these documents are giving effect to the Budget package agreed by Cabinet on Monday 11 April 2022, these appropriation changes are not in breach of the Budget moratorium. Any changes beyond the scope of what Cabinet has agreed cannot be approved until the Budget moratorium ends on Budget Day (19 May 2022).

## **Approval of New Multi-category Appropriations (MCAs)**

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9. Section 7B of the Public Finance Act 1989 (PFA) requires that you explicitly approve any MCAs. This includes the approval of new MCAs as well as changes to the overarching purpose statements of existing MCAs. This does not include the establishment of any new categories within an MCA.
10. Two Budget 2022 Vote Transport significant initiatives require the establishment of a new MCA:

- a Mode-Shift and Reducing Light Vehicle Kilometres Travelled – Investments, Planning, and Enabling Congestion Charging (ID#13827).
  - b Community Connect – Public Transport Concessions for Community Services Cardholders (ID#13837).
11. One Vote Business, Science and Innovation initiative requires an amendment to an existing MCA – Supporting renewable and affordable energy in New Zealand communities (ID#13823).

## Next Steps

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12. We ask that you approve all detailed financial recommendations by Vote in time for documents to be sent to relevant appropriation Ministers no later than the morning of Tuesday 12 April 2022.
13. Appropriation Ministers are then asked to countersign and return these approved financial recommendations no later than Thursday 14 April 2022 (ahead of Easter weekend).
14. Appropriation Ministers' approval of these financial recommendations is technical in nature and limited by the authority agreed by Cabinet on Monday 11 April. While Joint Ministers have scope to correct errors in recommendations documents, changes to initiatives that go beyond the scope of what was agreed by Cabinet (eg, whether or not an initiative is to be held in contingency or the total funding to be provided) would require Cabinet consideration following the conclusion of the Budget moratorium (Thursday 19 May 2022).

## Recommended Action

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We recommend that you:

- a **approve** the establishment of the following new multi-category appropriations (MCA):

Vote	Appropriation Minister	Appropriation Administrator	Title of MCA	Single Overarching Purpose of MCA
Transport	Minister of Transport	Ministry of Transport	Mode-Shift - Planning, Infrastructure, Services, and Activities	The single overarching purpose of this appropriation is to reduce reliance on cars and support the uptake of active and shared travel modes, such as walking, cycling and public transport.
Transport	Minister of Transport	Ministry of Transport	Community Connect Programme	The single overarching purpose of this appropriation is to implement and operate public transport concessions through the Community Connect programme.

*Approved / Not approved*

- b **agree** that the categories of the Mode-Shift - Planning, Infrastructure, Services, and Activities MCA be as follows:

Title	Type	Scope
Mode-Shift - Operating Costs	Non-Departmental Output Expenses	This category is limited to operating expenses and administration costs incurred by Waka Kotahi NZ Transport Agency to develop Vehicle Kilometres Travelled reduction programmes and deliver services and activities that reduces reliance on cars and supports the uptake of active and shared travel modes, such as walking, cycling, and public transport.
Mode-Shift - Third-Party Projects and Activities	Non-Departmental Other Expenses	This category is limited to expenses incurred by third-parties on the development of Vehicle Kilometres Travelled reduction programmes and the delivery of infrastructure, services and reliance on cars and support the uptake of active and shared travel modes, such as walking, cycling, and public transport.
Mode-Shift - Funding for Crown Assets	Non-Departmental Capital Expenditure	This category is limited to investment in infrastructure that reduces reliance on cars and supports the uptake of active and shared travel modes, such as walking, cycling, and public transport.

*Agree / disagree*

- c **agree** that the categories of the Community Connect Programme MCA be as follows:

Title	Type	Scope
Administration of the Community Connect Programme	Non-Departmental Output Expenses	This category is limited to administration costs incurred in providing public transport concessions through the Community Connect programme.
Community Connect Programme - Public Transport Concessions	Non-Departmental Other Expenses	This category is limited to providing public transport concessions through the Community Connect programme.

*Agree / disagree*

- d **approve** a new overarching purpose statement for the Energy and Resources: Renewable Energy in Communities and Public and Māori Housing MCA:

Vote	Appropriation Minister	Appropriation Administrator	Title of MCA	Single Overarching Purpose of MCA
Business, Science and Innovation	Minister of Energy and Resources	Ministry of Business, Innovation and Employment	Energy and Resources: Renewable Energy in Communities and Public and Māori Housing	The single overarching purpose of this appropriation is to improve energy affordability and resilience in communities and public and Māori housing through provision of renewable energy solutions.

*Approved / Not approved*

- e **approve** the amended categories for the Energy and Resources: Renewable Energy in Communities and Public and Māori Housing MCA:

Title	Type	Scope
Operational Support	Non-Departmental Output Expenses	This category is limited to the operational support of initiatives that promote improving energy affordability and resilience, including contributing towards renewable energy solutions for public and Māori housing.
Provision of Funding for Purchase of Renewable Energy Solutions	Non-Departmental Output Expenses	This category is limited to the provision of renewable energy solutions to organisations or individuals, designed to promote improved resilience and energy affordability in communities and public and Māori housing, or the award of grants to support renewable energy solutions.
Equity Investments	Non-Departmental Capital Expenditure	This category is limited to equity investments and capital expenditure that contribute towards renewable energy solutions for public and Māori housing.

*Approved / Not approved*

- f **approve** the detailed financial recommendations for each Vote to give effect to the Budget 2022 package, and

*Approved / Not approved*

- g **send** each signed letter to the relevant portfolio Minister.

Simon Duncan  
**Manager, Budget Management**

Hon Grant Robertson  
**Minister of Finance**