

The Treasury

Budget 2023 Information Release

July 2023

This document has been proactively released and is available on:

- The Budget website from July 2023 to May 2024 only at: <https://budget.govt.nz/information-release/2023>, and on
- the Treasury website from later in 2023 at: <https://treasury.govt.nz/publications/information-release/budget-2023-information-release>

Information Withheld

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act).

Where this is the case, the relevant sections of the Act that would apply have been identified.

Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

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
- [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

Where information has been withheld, a numbered reference to the applicable section of the Act has been made, as listed above. For example, a [23] appearing where information has been withheld in a release document refers to section 9(2)(a).

Copyright and Licensing

Cabinet material and advice to Ministers from the Treasury and other public service departments are © **Crown copyright** but are licensed for re-use under **Creative Commons Attribution 4.0 International (CC BY 4.0)** [<https://creativecommons.org/licenses/by/4.0/>].

For material created by other parties, copyright is held by them and they must be consulted on the licensing terms that they apply to their material.

Accessibility

The Treasury can provide an alternate HTML version of this material if requested. Please cite this document's title or PDF file name when you email a request to information@treasury.govt.nz.

2023 Budget Package: Vote Health (Technical Initiatives)

Appropriation Administrator: Ministry of Health

It is recommended that the relevant Appropriation Minister and the Minister of Finance jointly:

- note** that Cabinet has approved the Budget initiative(s) for the above Vote for inclusion in the 2023 Budget package, as detailed in the summary table(s) below:

Summary of Technical Initiative(s) agreed by Cabinet:

Operating Initiative(s) (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
15110	Adjustments for COVID-19 Related Inventories	-	-	-	-	-
15115	Data and Digital Foundations and Innovation – Contingency (Correction of Final Year)	-	-	-	-	-
15107	Ministerial Advisory Committee for Health Reform Implementation – Funding Transfer for 2023/24	-	0.900	-	-	-
15109	Ministry of Health ICT and Data & Digital contracts and Funding Transfer	-	-	-	-	-
15116	Southern Health System Digital Transformation Programme – Contingency (Correction of Final Year)	-	-	-	-	-
15112	Transferring Funding for Specific Hauora Māori Services	-	-	-	-	-
Total Operating		-	0.900	-	-	-

Capital Initiative(s) (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
15110	Adjustments for COVID-19 Related Inventories	(419.076)	-	-	-	-
15115	Data and Digital Foundations and Innovation – Contingency (Correction of Final Year)	-	-	-	-	-
15107	Ministerial Advisory Committee for Health Reform Implementation – Funding Transfer for 2023/24	-	-	-	-	-

15109	Ministry of Health ICT and Data & Digital contracts and Funding Transfer	-	-	-	-	-
15116	Southern Health System Digital Transformation Programme – Contingency (Correction of Final Year)	-	-	-	-	-
15112	Transferring Funding for Specific Hauora Māori Services	-	-	-	-	-
Total Capital		(419.076)	-	-	-	-

2 **note** that Cabinet has:

- i. **authorised** the relevant Appropriation Minister and the Minister of Finance (Joint Ministers) jointly to agree to the changes to appropriations (including establishment of new appropriations if necessary) and/or capital injections and related recommendations necessary to give effect to the initiative(s) included in the 2023 Budget package for the above Vote, as detailed in the summary table(s) above;
- ii. **authorised** Joint Ministers jointly to agree that the proposed changes to appropriations and/or capital injections for 2022/23 approved by Joint Ministers as authorised above be included in the 2022/23 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
- iii. **agreed** that expenses or capital expenditure against appropriations and capital injection authorisations set out in the 2023/24 Estimates and being sought in the Appropriation (2023/24 Estimates) Bill may be met from Imprest Supply until that Bill is enacted and comes into force;
- iv. **authorised** Joint Ministers to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2022/23 Supplementary Estimates, the 2023/24 Estimates and the fiscal forecasts;
- v. **authorised** the chief executives of departments that monitor Crown entities directly affected by Budget decisions taken by Cabinet or taken by Joint Ministers as authorised by Cabinet to inform the chair and/or chief executive of a Crown entity, on a Budget-in-confidence-until-Budget-day basis, of decisions that directly affect that Crown entity for the purpose of planning and preparation of their Statement of Intent and/or Statement of Performance Expectations;
- vi. **noted** that all communications relating to the 2023 Budget are co-ordinated by a Budget communications committee, and that any requests for early announcement will need to have both the written approval of the Minister of Finance and sign-off from the Prime Minister's office;

3 **agree** to establish new appropriations where required to implement the initiative(s) included in the summary table(s) above, as detailed in the attached initiative document(s);

4 **approve** changes to appropriations and/or the capital injections to the administering department (where applicable) to implement the initiative(s) included in the summary table(s) above, as set out in the attached initiative document(s);

- 5 **approve** the additional recommendation(s) to give effect to the initiative(s), as set out in the attached initiative document(s);
- 6 **agree** that the proposed change(s) to appropriations and/or capital injections for 2022/23 detailed in the attached initiative document(s) be included in the 2022/23 Supplementary Estimates and that, in the interim, the increase(s) be met from Imprest Supply;

Vote:	Health
Appropriation Administrator:	Ministry of Health
Title:	Adjustments for COVID-19 Related Inventories
Description:	This initiative is a technical change to reverse the transfer of COVID-19 related inventories from the Ministry of Health to Te Whatu Ora in the 2022 October Baseline Update. Further analysis indicated these inventories had previously been distributed. This technical adjustment reduces the non-departmental capital expenditure appropriation Health Capital Envelope MYA to recognise the reduction in the investment in Te Whatu Ora, a Crown Entity.

Appropriation Changes

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Operating Balance Impact*	-	-	-	-	-
Net Debt Impact Only	(419.076)	-	-	-	-
No Impact	-	-	-	-	-
Total	(419.076)	-	-	-	-

* Unless non-cash, will also impact net debt.

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Non-Departmental Capital Expenditure:					
Health Capital Envelope (MYA)	(419.076)	-	-	-	-
Total Operating	-	-	-	-	-
Total Capital	(419.076)	-	-	-	-

Additional Recommendations

- 7 **agree** the Multi Year Appropriation: "Health Capital Envelope" is adjusted by \$(419.076) million;
- 8 **note** that the amounts shown in the Appropriation Changes table for the Multi Year Appropriation: "Health Capital Envelope" reflect the change to the indicative annual spending profile;

Vote: Health

Appropriation Administrator: Ministry of Health

Title: Data and Digital Foundations and Innovation – Contingency (Correction of Final Year)

Description: This initiative is a technical change to correct the final year for the capital contingency funding for the Budget 2022 Initiative 14262 Data and Digital Foundations and Innovation – Contingency [CAB-22-MIN-0129 refers].

The Budget 2022 document incorrectly reflected the capital contingency as being for “2025/26 & Outyears”. This technical adjustment rectifies this error and ceases the capital funding after 2025/26, as originally intended by the Budget 2022 decision.

	\$ millions – increase / (decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & outyears
Operating Contingency	47.330	58.490	58.150	56.030	56.030
Capital Contingency	25.000	25.000	25.000	25.000	-
Total	72.330	83.490	83.150	81.030	56.030

Additional Recommendation

9 **agree** that the initial contingency table for initiative 14262 in CAB-22-MIN-0129 is superseded by the amended table above;

Vote:	Health
Appropriation Administrator:	Ministry of Health
Title:	Ministerial Advisory Committee for Health Reform Implementation – Funding Transfer for 2023/24
Description:	This initiative is a fiscally neutral technical change to transfer funding from the Department of Prime Minister and Cabinet (DPMC) to the Ministry of Health to support the ongoing functions for the Ministerial Advisory Committee for Health Reform Implementation.

Appropriation Changes

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Operating Balance Impact*	-	0.900	-	-	-
Net Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.900	-	-	-

* Unless non-cash, will also impact net debt.

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Stewardship of the New Zealand health system (MCA)					
<i>Departmental Output Expenses:</i>					
Regulatory and Enforcement Services (funded by revenue Crown)	-	0.900	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Stewardship of the New Zealand health system (MCA)	-	0.900	-	-	-
Total Operating	-	0.900	-	-	-
Total Capital	-	-	-	-	-

Additional Recommendation

10 **note** that the corresponding initiative in Vote PMC is Initiative No: 15056;

Vote: Health

Appropriation Administrator: Ministry of Health

Title: Ministry of Health ICT and Data & Digital Contracts and Funding Transfer

Description: This initiative is a fiscally neutral technical adjustment to reflect the residual transfer of personnel, leased assets and ongoing commitments between the Ministry of Health and Te Whatu Ora for residual IT related projects and programmes (ICT) as a result of the health reforms.

Appropriation Changes

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Operating Balance Impact*	-	-	-	-	-
Net Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	-	-	-

* Unless non-cash, will also impact net debt.

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Non-Departmental Output Expenses:					
Delivering Hospital and Specialist Services	10.763	14.963	14.963	14.963	14.963
Delivering Primary, Community, Public and Population Health Services	5.796	8.057	8.057	8.057	8.057
Multi-Category Expenses and Capital Expenditure:					
Stewardship of the New Zealand health system (MCA)					
<i>Departmental Output Expenses:</i>					
Equity, Evidence and Outcomes (funded by revenue Crown)	(1.490)	(2.072)	(2.072)	(2.072)	(2.072)
Policy Advice and Related Services (funded by revenue Crown)	(4.305)	(5.985)	(5.985)	(5.985)	(5.985)
Public health and population health leadership (funded by revenue Crown)	(4.090)	(5.686)	(5.686)	(5.686)	(5.686)
Regulatory and Enforcement Services (funded by revenue Crown)	(5.283)	(7.343)	(7.343)	(7.343)	(7.343)
Sector Performance and Monitoring (funded by revenue Crown)	(1.391)	(1.934)	(1.934)	(1.934)	(1.934)
Total Multi-Category Expenses and Capital Expenditure: Stewardship of the New Zealand health system (MCA)	(16.559)	(23.020)	(23.020)	(23.020)	(23.020)
Total Operating	-	-	-	-	-
Total Capital	-	-	-	-	-

Vote: Health

Appropriation Administrator: Ministry of Health

Title: Southern Health System Digital Transformation Programme – Contingency (Correction of Final Year)

Description: This initiative is a technical change to correct the operating contingency for the Budget 2022 Initiative 13994 Southern Health System Digital Transformation Programme – Contingency [CAB-22-MIN-0129 refers].

The Budget 2022 document incorrectly omitted the word “& Outyears” for the operating contingency for 2030/31. This technical adjustment rectifies this error and allows the operating contingency to go beyond 2030/31, as originally intended by the Budget 2022 decision.

	\$ millions – increase / (decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26
Operating Contingency	-	15.500	14.800	13.500	20.400
Capital Contingency	-	35.300	33.600	14.400	7.800
Total Operating	-	50.800	48.400	27.900	28.200
	2026/27	2027/28	2028/29	2029/30	2030/31 & Outyears
Operating Contingency	20.400	20.400	20.400	20.400	20.400
Capital Contingency	12.500	27.600	26.300	3.800	-
Total Operating	32.900	48.000	46.700	24.200	20.400

Additional Recommendation

11 **agree** that the initial contingency table for initiative 13994 in CAB-22-MIN-0129 is superseded by the amended table above.

Vote: Health

Appropriation Administrator: Ministry of Health

Title: Transferring Funding for Specific Hauora Māori Services

Description: This initiative is a technical change to provide greater transparency around funding for specific hauora Māori services commissioned by Te Aka Whai Ora by transferring this funding from the Delivering Primary, Community, Population and Public Health Services appropriation to the Delivering hauora Māori services appropriation from 2023/24, to better reflect that this funding is for Kaupapa Māori health services.

Appropriation Changes

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Operating Balance Impact*	-	-	-	-	-
Net Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	-	-	-

* Unless non-cash, will also impact net debt.

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Non-Departmental Output Expenses:					
Delivering hauora Māori services	-	387.655	387.655	387.655	387.655
Delivering Primary, Community, Public and Population Health Services	-	(387.655)	(387.655)	(387.655)	(387.655)
Total Operating	-	-	-	-	-
Total Capital	-	-	-	-	-