

The Treasury

Budget 2021 Information Release

August 2021

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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
- [26] 9(2)(ba)(i) - 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 to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied
- [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] Not in scope
- [42] 18(d) - information is already publicly available or will be publicly available soon.

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Hon Grant Robertson

MP for Wellington Central
Deputy Prime Minister
Minister of Finance
Minister for Infrastructure
Minister for Sport and Recreation
Minister for Racing



21 December 2020

Hon Andrew Little
Minister of Health
Parliament Buildings

Dear Andrew

Thank you for your recent engagement on Budget 2021. As you will be aware, we have set a very high bar for the initiatives that will be invited for submission, limited to only the most critical cost pressures and urgent manifesto commitments.

I have considered the Vote Health cost pressures and manifesto commitments that you outlined in your letter.

The focus for Vote Health in Budget 2021 will be sustaining the health sector while preparing the system for reform.

I invite you to submit an initiative for additional funding for District Health Boards. However, this initiative should be significantly less than the \$980 million which was provided at Budget 2020. That amount was a result of the particular circumstances of 2020.

I also invite you to submit Budget 2021 initiatives to fund the core initial costs to expedite health and disability system reform, including costs for the establishment of a Māori Health Authority.

I note that the initiative to establish a Māori Health Authority has been included in the proposed Māori Budget 2021 package submitted by Minister Jackson and Minister Davis. I also note that the Māori Budget 2021 package included two other Māori health initiatives – funding for a Māori COVID-19 immunisation campaign [33]

I understand from officials that there are other funding sources available for these programmes outside of Budget 2021. As such, they do not need to be invited through the Budget 2021 process.

In addition, I invite you to submit initiatives for the following other manifesto commitments listed in your letter, noting that manifesto commitments must demonstrate that they are high-priority or time-sensitive and so cannot be deferred to future Budgets:

- funding boost for PHARMAC to purchase more medicines [33]
- 80 additional cochlear implants per year
- support the roll out of Ola Manuia: the Pacific Health and Wellbeing Action Plan 2020-2025
- implement a Smokefree Aotearoa 2025 Action Plan, and [33]

I note that the Minister for Seniors is being invited to submit an initiative for the manifesto commitment listed in your letter *Establish an Aged Care Commissioner (aka Seniors' Commissioner and Commission)*.

With a view to positioning the system for reform, I also invite you to submit a package of Vote Health initiatives that represent critical cost pressures, noting that these must demonstrate:

- a high level of risk is attached to not funding these pressures, such as service failure, significant disruption to services, or not meeting legislative requirements
- that any personnel-related pressures are consistent with the Government Expectations on State Sector Employment Relations and the public sector pay restraint guidance issued by the Public Service Commissioner
- that they are time critical and are necessary to be funded through Budget 2021
- why previous funding has been insufficient to manage these pressures, and
- efforts have been made or are being made to meet these pressures, such as reprioritising existing baseline funding, before seeking further funding.

Please note that while I have invited these initiatives to be submitted, this does not guarantee that they 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 2021 package to be decided by Budget Ministers. Therefore, I expect that all initiatives will be supported by a robust case for funding and a strong evidence base, as well as scaling and reprioritisation options.

I encourage you to refer this letter to the Associate Ministers of Health.

Yours sincerely



Hon Grant Robertson
Minister of Finance