

The Treasury

Budget 2022 Information Release

August 2022

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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).

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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
- [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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Hon Grant Robertson

MP for Wellington Central

Deputy Prime Minister

Minister of Finance

Minister for Infrastructure

Minister for Sport and Recreation

Minister for Racing



22 October 2021

Hon Kris Faafoi
Minister of Immigration
Parliament Buildings
Wellington

Dear Kris

Overview

Thank you for your recent engagement on Budget 2022. As you will be aware, we have set a very high bar for the initiatives that will be invited for submission.

Over 560 initiatives were submitted through the Budget 2022 invitation process. Indicative funding sought totals \$64 billion operating and \$9.2 billion capital across the forecast period. As will be obvious to you, that is far beyond the funding available and has required me to make early decisions to allow for an effective Budget process.

Even having done this, I still need your assistance to support the Budget process. In that light, I have had to carefully reduce the number of potential Budget 2022 initiatives through the invitation process, to reduce wasted effort and to ensure that the Budget decision-making stage is as strategic and targeted as possible, supported by robust value-for-money analysis and confidence of delivery.

I expect the number of initiatives submitted in December across all portfolios to be less than the number invited. Similarly, I expect total funding sought to be less than the indicative funding of invited initiatives. I ask that you play your part in this focusing of Budget priorities and only submit those invited initiatives in your portfolios that are the highest priority, represent strong value for money, and are implementation ready.

I would also like to see greater prioritisation and coordination between Ministers of initiatives that will be administered by the Ministry for Business, Innovation and Employment (MBIE). I expect you to work with the other MBIE Ministers to achieve this prior to package submission.

Budget 2022 Invitations

With this in mind, I have considered the proposals that you outlined in your letter for your Immigration portfolio, and the initiatives detailed below are invited for consideration through Budget 2022.

Title	Comment and/or condition
13783 – Financial Sustainability Funding to Address the Ongoing Third-Party Revenue Shortfall in the Immigration System	I expect that the initiative will identify key trade-offs associated with proposed funding options, and account for different visa volume scenarios to be informed by the All of Government border re-opening scenarios work underway. I also expect that the initiative will identify options for reducing the cost to the Crown including through adjusting fee and levy rates, which I understand you intend to progress shortly as part of the immigration funding review. I would also like to see linkages made between proposed funding options and how these will affect/improve visa processing times.
13785 – Refugee Quota Programme cost pressures	I expect that the initiative will provide information on how other operational barriers to reaching the Refugee Quota of 1,500 are being or will be addressed, for example New Zealand border restrictions and ongoing changes to global border settings.

Both Budget 2022 initiatives listed above are expected to complete all value-for-money information and analysis requirements outlined in the initiative submission template due 10 December.

In addition, select initiatives in the Education, Employment and Training space are required to complete an additional gender analysis template. Within your portfolio, this initiative is: *13785 - Refugee Quota Programme cost pressures*.

Initiative submission templates and guidance were communicated to your department on 30 September and are available on CFISnet.

Please note that while I have invited these initiatives to be submitted for consideration, 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 2022 package considered by Cabinet. Therefore, I expect that all initiatives will be supported by a robust case for funding and a strong evidence base, as well as realistic scaling and reprioritisation options.

Next steps

The proposal that I have not invited you to submit as a Budget 2022 initiative should be addressed through other levers such as reprioritisation of baseline funding. As per the expectations that I have previously outlined, I will not support any out-of-cycle funding requests for this initiative unless there is a compelling case for urgency.

I look forward to discussing initiatives for your Justice cluster portfolio later in the year and options for funding non-cluster initiatives through Budget 2023 at a later stage.

Thank you for your ongoing work.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Grant Robertson', written in a cursive style.

Hon Grant Robertson
Minister of Finance