

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 draft agency guidance and initiative template

Date:	24 September 2021	Report No:	T2021/2417
		File Number:	BM-2-2-2022

Action sought

	Action sought	Deadline
Minister of Finance (Hon Grant Robertson)	Note the attached draft Budget 2022 agency guidance and initiative template.	Monday 27 September 2021

Contact for telephone discussion (if required)

Name	Position	Telephone	1st Contact
Sarah Bradley	Analyst, Budget Management [39]	N/A (mob)	✓
Tom Hall	Manager, Budget Management	[35]	

Minister's Office actions (if required)

Return the signed report to Treasury.

Note any feedback on the quality of the report

Enclosure: Yes (attached)

Treasury Report: Budget 2022 draft agency guidance and initiative template

Purpose of Report

1. This report provides you with draft copies of the *Budget 2022: Guide for Agencies* (the draft guidance) and the Budget 2022 initiative template for your information. We intend to provide these documents to agencies on 1 October 2021.
2. The draft guidance is attached as Annex One, and the initiative template is attached as Annex Two.

Key features of template and guidance

3. The Budget 2022 guidance will provide agencies with information to support the preparation of Budget initiatives, including an overview of the Budget 2022 strategy and priorities, key deadlines and technical process information. This part of the guidance reflects and expands on the information communicated in the Budget 2022 strategy letters sent to Ministers on 31 August 2021.
4. The guidance also includes detailed instructions for meeting the information requirements for each initiative, as set out in the initiative template. The template contains sections for agencies to enter basic initiative information, additional information for specific initiative types, and value for money analysis.
5. This guidance does not apply to the Justice and Natural Resources cluster initiatives, for which separate guidance was issued in early September.
6. Some notable features of the attached documents are:
 - Sections 3, 4 and 5 of the initiative template and Annex Two of the guidance document, reflect your decisions in Treasury Report 2021/2015 and your subsequent feedback indicating that each initiative should be required to provide a cost-benefit analysis. We have emphasised that a CBAX model with monetised costs and benefits should be provided where possible, but if this is not feasible qualitative data can be provided through the initiative template.
 - Sections 2 and 3 of the guidance document provide an overview of the Budget 2022 strategy, priorities and process design.
 - Section 4 of the guidance document provides an overview of the information requirements for different types of Budget 2022 initiatives, such as climate-related initiatives and capital initiatives (now referred to as 'significant investment' initiatives).
 - Section 4.1 of the guidance document outlines a process aimed at ensuring that agencies submit clear and informative initiative titles and descriptions. This reflects your feedback following Budget 2021. Annex One of the guidance provides a style guide to support this.

Exemptions from distributional analysis

7. You have previously agreed (T2021/2015 refers) that full value for money information, (including distributional analysis) is required for all initiatives in the main Budget process, with an exemption for non-significant cost pressures initiatives. These initiatives will be those that seek less than \$50 million over the forecast period, are considered to be non-controversial, and are low risk.
8. We are also proposing an additional exemption for health cost pressure initiatives. The cost pressures are aggregate in nature and disaggregating distributional impacts from them would be difficult. In addition, health agencies would significantly struggle to provide the level of detail needed for high quality analysis of their large reform package. Rather, there we judge there is a larger benefit from health agencies focussing on the value from the reform package expenditure.
9. These exemptions mean that we will be able to provide targeted distributional analysis for key areas of the Budget package, but not across the whole package.

Recommended Action

We recommend that you:

- a **note** the attached draft Budget 2022 agency guidance and initiative template which the Treasury intends to publish on 1 October 2021.

Tom Hall
Manager, Budget Management

Hon Grant Robertson
Minister of Finance