

The Treasury

Budget 2024 Information Release

September 2024

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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
- [31] 9(2)(f)(ii) - to maintain the current constitutional conventions protecting collective and individual ministerial responsibility
- [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] 18(c)(i) - that the making available of the information requested would be contrary to the provisions of a specified enactment

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From: Hamish Coghill [TSY]
Sent: Friday, 5 April 2024 11:07 am
To: ^Parliament: Hamish Dick; ^Parliament: Lachlan Stark; ^Parliament: Simon McLoughlin
Cc: Conor McBride [TSY]; Ephraim Wilson [TSY]; Chris Brunt [TSY]; Amanda Wilson [TSY]; Jinal Mehta [TSY]; Keiran Kennedy [TSY]; Jas Singh [TSY]; Tim Hampton [TSY]
Subject: Re: Vote Foreign Affairs Savings Package:
Attachments: RE: B24 MFAT; DRAFT (2) Letter to the Minister of Foreign Affairs - Vote Foreign Affairs Budget 2024 2.docx; 0506_001.pdf

Kia ora koutou - apologies for the delay in coming back to you on this.

This email is to try and close out the last couple of outstanding issues with the Vote Foreign Affairs Budget package, namely:

- What the Minister of Foreign Affairs is proposing the \$15 million p.a. of savings for Vote Foreign Affairs be comprised of, and
- MoF's request to [37] and [38] in line with the Minister of Foreign Affairs's suggestion the project should be delayed 2 years.

Regarding the **savings options issue**, as I explained in my emails yesterday, MFAT and MFA's Office appear to have a different understanding to us of how their Minister is proposing to achieve the \$15 million p.a. in savings as per what they have entered into CFIS net (not the total amount, to be clear). In particular, MFAT and MFA's view is that \$7.6 million of the \$15 million total will be met from non-departmental aid programme expenditure, and that 'it is entirely MFA's prerogative' how he achieves the \$15 million (see attached correspondence with MFAT). This is contrary to the proposed list of measures to achieve the savings in the letter, which related to departmental expenditure. At the Budget bilateral meeting the Minister did not clarify or update from the letter that he now thought reductions in aid programme expenditure should be used to help make up the \$15 million.

We have told MFAT that their Minister's letter to the PM and the subsequent bilateral form the basis for MoF's and our understanding of what their Minister is proposing to achieve the savings, and that if their Minister now wants to change it, he (or his Office) needs to talk to MoF (or her Office) to do this. However, if MoF is mainly focused on achieving the agreed quantum of savings (\$15m), rather than examining the impacts (or lack thereof) of the savings initiatives, no action is required.

The vote team's advice is to maintain the make-up of the savings package as originally proposed, which offer readily-achievable and enduring savings from MFAT's (and Antarctica New Zealand and other subsidiary organisations') departmental baselines. Reducing the aid programme [34] doesn't require them to find departmental efficiencies, which we consider can be readily achieved. The \$7.5 million quantum in the context of a over \$1 billion aid spending annually is very small so as to be meaningless.

In terms of the savings section of MoF's draft letter to the Minister, we think it is OK to be sent as currently written, but we note it may prompt a response seeking to change how the \$15 million in savings should be comprised.

[37] and [38]

[37] and [38]

[37] and [38]

Key points to note:
[37] and [38]

[37] and [38]

Hope this is clear - happy to discuss any of this.

Regards,

Hamish
