

# The Treasury

## Budget 2024 Information Release

### September 2024

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- [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
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- [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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## Annex 3: Budget 2024 Cost Pressure Template (Invite Only)

### Section 1: Overview

Section 1A: Basic initiative information										
<b>Initiative title (max 120 characters)</b>	<i>Initiative titles should be clear, concise, informative, and self-explanatory. They should not start with generic words such as “increasing”, “additional”, and “establishing”. Initiatives are listed alphabetically so it is important that the first word in the title distinguishes the initiative from others. For example, “Emissions Reduction Plan Performance Monitoring”. Refer to the Annex of the Budget 2024 Guidance for best practice on titles.</i>									
<b>Lead Minister</b>	<i>Portfolio of the Lead Minister submitting the initiative.</i>	<b>Agency</b>	<i>Name of the agency submitting the initiative.</i>							
<b>Initiative description (max 800 characters)</b>	<i>The description must succinctly outline in plain language what is being purchased and delivered by the initiative to continue an existing programme or service. For example, “This initiative provides funding for 5 policy and delivery FTEs to continue delivering an existing service that is facing price and volume pressures. Refer to Annex A of the Budget 2024 Guidance for best practice on descriptions.</i>									
<b>PA Objective</b>	<input type="checkbox"/> Cost Pressures	<input type="checkbox"/> Capital Cost Escalations								
<b>Type of cost pressure (select 1)</b>	<input type="checkbox"/> Wage	<input type="checkbox"/> Price	<input type="checkbox"/> Volume							
<b>Is this a cross-Vote initiative?</b>	<b>Y/N</b>	<i>If yes, indicate which other Votes are affected.</i>								
<b>Agency contact</b>	<i>Name:</i> <i>Phone:</i> <i>Email:</i>	<b>Treasury contact (Vote Analyst)</b>	<i>Name:</i> <i>Phone:</i> <i>Email:</i>							
Section 1B: Summary of funding profile										
Operating costs associated with initiative (\$m)										
2023/24	2024/25	2025/26	2026/27	2027/28 & outyears*	Total					
[•]	[•]	[•]	[•]	[•]	[•]					
<i>*For irregular outyears, add additional rows above to display the full profile of the initiative. Delete “&amp; outyears” for time-limited funding. See the Guide to Submitting Initiatives on CFISnet for Budget 2024 for more information on entering outyears into CFISnet.</i>										
Capital costs associated with initiative (\$m)										
23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33*	Total
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
<i>*Extend the profile above if funding is needed beyond 2032/33.</i>										

## Section 2: Alignment and options analysis

### Section 2A: Problem definition

The answer to each question must not exceed 1-2 paragraphs

<p><b>What is the cause of the cost pressure?</b></p>	<p>Describe how a wage, inflation, or volume pressure is affecting the existing arrangements for the asset or service, including (where applicable):</p> <ul style="list-style-type: none"> <li>- How services are currently organised and provided,</li> <li>- The associated throughput, turnover, and existing cost,</li> <li>- Current asset or service availability, utilisation, and condition,</li> <li>- Interdependencies with other Agencies or public services, and</li> <li>- How are existing arrangements generating costs that cannot be met from baselines?</li> </ul> <p>For cost escalations associated with capital investments, please describe relevant drivers of the cost escalation (e.g., market volatility, inflation, labour and skill shortages, project or programming delays, regulatory compliance costs, supply shortages), and their impact on the scope/benefits of the investment.</p>				
<p><b>Why is the cost pressure unmanageable?</b></p>	<p>Provide an overview of why the pressure cannot be funded from baselines and what steps have been taken to manage the pressure. Explain how additional funding will mitigate or resolve the pressure, and provide an overview of what outputs it is purchasing.</p>				
<p><b>Alignment to Budget Priorities</b> (if alignment to multiple Priorities is possible, select the most relevant)</p>	<table border="1" style="width: 100%;"> <tr> <td data-bbox="523 952 973 1019"> <input type="checkbox"/> Addressing the rising cost of living         </td> <td data-bbox="973 952 1431 1019"> <input type="checkbox"/> Delivering effective and fiscally sustainable public services         </td> </tr> <tr> <td data-bbox="523 1019 973 1086"> <input type="checkbox"/> Building for growth and enabling private enterprise         </td> <td data-bbox="973 1019 1431 1086"> <input type="checkbox"/> Not Aligned         </td> </tr> </table> <p>How does this activity or asset/investment deliver on the Government's priorities? Are there linkages or dependencies with other priorities?</p>	<input type="checkbox"/> Addressing the rising cost of living	<input type="checkbox"/> Delivering effective and fiscally sustainable public services	<input type="checkbox"/> Building for growth and enabling private enterprise	<input type="checkbox"/> Not Aligned
<input type="checkbox"/> Addressing the rising cost of living	<input type="checkbox"/> Delivering effective and fiscally sustainable public services				
<input type="checkbox"/> Building for growth and enabling private enterprise	<input type="checkbox"/> Not Aligned				

### Section 2B: Options analysis

The answer to each question must not exceed 1-2 paragraphs

<p><b>What was the range of options considered?</b></p>	<p>Briefly summarise other options considered (including non-funding options), and describe whether and how each shortlisted option would affect the service or asset under existing policy settings.</p>
<p><b>What was the process used to select the preferred option?</b></p>	<p>This section should detail the framework and process for determining the preferred option. Describe:</p> <ul style="list-style-type: none"> <li>- Analyses, methodologies and/or frameworks that were used to evaluate other options – you may wish to attach any further Options Analysis, Cost Benefit Analysis, and/or Climate Impacts Analysis, and set out any He Ara Waiora and/or Living Standards Framework considerations.</li> <li>- How engagement/consultation with partners/stakeholders/customers (including iwi and Māori) informed the identification and quantification of costs and benefits.</li> <li>- What sensitivity analysis was undertaken and how did it influence the choice of preferred option?</li> </ul>
<p><b>Counterfactual</b></p>	<p>How would the agency attempt to manage this cost pressure in the absence of new funding? Detail:</p> <ul style="list-style-type: none"> <li>- What would be reprioritised to fund this cost pressure (including reprioritising any unused tagged contingencies)?</li> <li>- Any risks or impacts if the affected activity is stopped, deferred or rescope as a means to address the cost pressure.</li> <li>- Any trade-offs required (e.g., changing policy settings for existing arrangements, choosing to reduce either output or quality of an existing service), including reprioritising existing funding.</li> </ul>

	<ul style="list-style-type: none"> <li>- Any flow-on implications this may have (e.g., impacts on service delivery, failure to meet legislative or contractual obligations, future cost pressures).</li> <li>- Any risks to the effectiveness and resilience of regulatory systems (e.g., risks of regulatory failures)?</li> </ul>
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## Section 3: Benefits and costs of preferred options

### Section 3A: Benefits and non-fiscal costs

The answer to each question must not exceed 1-2 paragraphs.

<b>What outcome(s) would the initiative achieve?</b>	<p><i>What are the identifiable and measurable social, economic and/or environmental benefits and costs associated with this service or asset?</i></p> <p><i>What is the specific impact or difference that funding this initiative will achieve?</i></p> <p><i>What are the risks associated with this cost pressure (i.e., what might be avoided or mitigated)?</i></p>
<b>Evidence and assumptions</b>	<p><i>Provide evidence (data/other information) and assumptions to support the existence and timeframes of the identified benefits, including any gaps or uncertainties. Evidence may include:</i></p> <ul style="list-style-type: none"> <li>- <i>CBAx and intervention logic map (please attach) – what are the benefits and costs for whom and when? To what extent do the benefits outweigh the costs (monetised and non-monetised impacts)?</i></li> <li>- <i>Lessons from comparable international or past interventions – were these successful? If not, what is the point of difference here?</i></li> </ul>
<b>Climate impact</b>	<p><input type="checkbox"/> Yes - positive      <input type="checkbox"/> Yes - negative      <input type="checkbox"/> No impact</p> <p><i>Possible climate impacts (positive and negative) should be considered for all initiatives, not only those linked to climate objectives. In particular, this should describe:</i></p> <ul style="list-style-type: none"> <li>- <i>the impact the initiative could have on our ability to achieve our emissions budgets, positive and negative,</i></li> <li>- <i>where possible, include a Climate Implications of Policy Assessment (CIPA) or, for those initiatives that do not meet the CIPA threshold outlined in CO (20) 3), quantification aligned with CIPA guidance, and</i></li> <li>- <i>how the initiative is expected to help mitigate or adapt to the physical impacts of climate change (e.g. storms, floods). For investments, indicate if these may be exposed to physical climate impacts (now or in the future) and how any significant impacts will be mitigated.</i></li> </ul>
<b>Interaction with savings proposals</b>	<p><i>Please describe any interdependencies or interactions with savings proposals submitted through Budget 2024. Does the continued delivery of this activity in its current form hinge on the continuation of a function proposed as a savings measure?</i></p>

### Section 3B: Expenditure profile and cost breakdown

The answer to each question must not exceed 1-2 paragraphs.

<b>Formula and assumptions underlying costings</b>	<p><i>What assumptions have been used to prepare the costings for this initiative? E.g. for new FTE, salary assumptions, role/seniority, associated overheads. See the Budget 2024 Guidance for common assumptions.</i></p> <p><i>If there is an inflation assumption, state the percentage here. Inflation adjustments should be entered as their own line(s) and specific to particular inputs in the expenditure profile template below. If there is a singular inflation adjustment line being entered, it should reflect the aggregate cost increase for all inputs (excluding demand changes), and not additional to increased costs for inputs.</i></p> <p><i>Inflation adjustments should only apply to the 2024/25 year, flatlining into future years, unless a different approach has been agreed with your Vote Analyst.</i></p>
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	<i>Provide any formula that has been used to support the calculation of the costings. Alternatively, a spreadsheet of the costing that demonstrates the formula used to calculate the costing can be attached.</i>					
Provide a breakdown of existing and additional funding sought by individual expense category. Add additional rows as appropriate for additional expense categories.						
<b>Operating expenses (\$m)</b>						
<b>Existing operating funding (\$m)</b>						
Operating expense category	2023/24	2024/25	2025/26	2026/27	2027/28 & outyears*	Total
<i>[Type of funding currently allocated or set aside in contingency. E.g. current baseline funding allocated.]</i>	[•]	[•]	[•]	[•]	[•]	[•]
<b>Operating costs associated with initiative (\$m)</b>						
Operating expense category	2023/24	2024/25	2025/26	2026/27	2027/28 & outyears*	Total
<i>[Name of any operating expense category for additional funding sought. E.g. additional subsidy costs]</i>	[•]	[•]	[•]	[•]	[•]	[•]
Inflation adjustment for <i>[insert input]</i>	[•]	[•]	[•]	[•]	[•]	[•]
Depreciation and/or capital charge (if relevant)	[•]	[•]	[•]	[•]	[•]	[•]
Net FTE funding	[•]	[•]	[•]	[•]	[•]	[•]
Net contractor/consultant funding	[•]	[•]	[•]	[•]	[•]	[•]
Net FTE and contractor/consultant overhead funding	[•]	[•]	[•]	[•]	[•]	[•]
<b>Total (\$m)</b>	[•]	[•]	[•]	[•]	[•]	[•]
*Extend the profile above to a “steady state” if funding into outyears is irregular. Delete “& outyears” for time-limited funding.						
	2023/24	2024/25	2025/26	2026/27	2027/28	Total
Total # of net FTEs (employees)	[•]	[•]	[•]	[•]	[•]	[•]
Total # of net FTEs (contractors/consultants)	[•]	[•]	[•]	[•]	[•]	[•]
<b>Total # of net FTEs (employees and contractors/consultant) over the forecast period</b>	[•]	[•]	[•]	[•]	[•]	[•]

Additional occupation breakdown of FTE changes (count and funding) over the forecast period											
Occupation	Net count required			Net funding required (\$m)			Net amount overheads required (\$m)				
Managers	[•]			[•]			[•]				
Policy Analyst	[•]			[•]			[•]				
Information Professionals	[•]			[•]			[•]				
Social, Health and Education Workers	[•]			[•]			[•]				
ICT Professionals and Technicians	[•]			[•]			[•]				
Legal, HR and Finance Professionals	[•]			[•]			[•]				
Other Professionals not included elsewhere	[•]			[•]			[•]				
Inspectors and Regulatory Officers	[•]			[•]			[•]				
Contact Centre Workers	[•]			[•]			[•]				
Clerical and Administrative Workers	[•]			[•]			[•]				
Other Occupations	[•]			[•]			[•]				
Existing capital funding (\$m)											
Capital expense category	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33*	Total
<i>[Type of funding currently allocated or set aside in contingency. E.g. current baseline funding allocated.]</i>	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Capital costs associated with initiative (\$m)											
Capital expense category	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33*	Total
<i>[Name of capital expense category]</i>	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
<i>[Name of capital expense category]</i>	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
<i>[Name/type of contingency]</i>	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
<b>Total (\$m)</b>	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
*Extend the profile above if funding is needed beyond 2032/33.											

**Section 3C: Scaled option**

The answer to each question must not exceed 1-2 paragraphs.

**Can the initiative be scaled?**  No – it would be better to defer funding for this initiative than try to deliver it with scaled funding.

Yes – scaling is possible.

If yes, describe what has been scaled from the initiative, and provide a brief cost breakdown of the scaled funding below.

Provide a breakdown of what the scaled down option would purchase. Add additional rows as appropriate for additional expense categories.

**Operating expenses (\$m)**

Operating expense category	2023/24	2024/25	2025/26	2026/27	2027/28 & outyears*	Total
<i>[Name of any operating expense category for additional funding sought. E.g. additional subsidy costs]</i>	[•]	[•]	[•]	[•]	[•]	[•]
Inflation adjustment	[•]	[•]	[•]	[•]	[•]	[•]
Depreciation and/or capital charge (if relevant)	[•]	[•]	[•]	[•]	[•]	[•]
Net FTE funding	[•]	[•]	[•]	[•]	[•]	[•]
Net contractor/consultant funding	[•]	[•]	[•]	[•]	[•]	[•]
Net FTE and contractor/consultant overhead funding	[•]	[•]	[•]	[•]	[•]	[•]
<b>Total (\$m)</b>	[•]	[•]	[•]	[•]	[•]	[•]

\*Extend the profile above to a “steady state” if funding into outyears is irregular. Delete “& outyears” for time-limited funding.

Headcount Change	2023/24	2024/25	2025/26	2026/27	2027/28	Total
Total # of net FTEs (employees)	[•]	[•]	[•]	[•]	[•]	[•]
Total # of net FTEs (contractors/consultants)	[•]	[•]	[•]	[•]	[•]	[•]
<b>Total # of net FTEs (employees and contractors/consultants)</b>	[•]	[•]	[•]	[•]	[•]	[•]

**Capital expenses (\$m)**

Capital expense category	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33*	Total
<i>[Name of capital expense category]</i>	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
<i>[Name of capital expense category]</i>	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
<i>[Name/type of contingency]</i>	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
<b>Total (\$m)</b>	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]

\*Extend the profile above if funding is needed beyond 2032/33.



## Section 4: Delivery

### Procurement and workforce

The answer to each question must not exceed 1-2 paragraphs.

<b>What is the initiative purchasing/funding?</b>	<i>Describe the key resources (workforce, goods, assets, services) that need to be sourced, including any ancillary services, and how sourcing these resources will address the cost pressure. The answer should align with the initiative description and the problem definition in Section 1A and Section 2A respectively. Attach the Procurement Plan for the initiative (if there is one).</i>
<b>What market constraints or other delivery risks exist?</b>	<i>Briefly describe key market constraints or other delivery risks that may prevent delivering the outcome sought, and whether there are any possible mitigations. Describe also the likelihood of additional funding being needed in the future, with reference to the original cost pressure drivers and any anticipated timeframes for when future pressure will materialise.</i>
<b>Government Procurement Rules</b>	<i>Does the proposed procurement approach align with Government Procurements Rules? If not, on what basis is the initiative exempted?</i>

## Section 5: Equity

The answer to each question must not exceed 1-2 paragraphs.

<b>Timing of costs and benefits</b>	<i>Indicate if the key risks associated with this cost pressure will accrue over the short term (&lt;5 years), medium term (5-10 years), long term (&gt;10 years) or inter-generationally. Indicate whether, and why, benefits and costs vary across different timeframes.</i>
<b>Specific implications regarding the Crown's obligations under the Treaty of Waitangi</b>	<b>Y/N</b> <i>Briefly describe any specific implications, including any Treaty Settlement commitments relevant to your Agency. Guidance on applying the Treaty to policy work can be found <a href="#">here</a> and <a href="#">here</a>.</i>
<b>Distributional Impacts</b>	<i>Possible distributional impacts (positive and negative) should be considered for all initiatives. Identify if there are different or disproportionate impacts on different types of New Zealanders. You might consider differential ethnic, gender, income/wealth distribution and/or spatial impacts. Distinguish between direct and indirect impacts, and whether these are intended impacts; e.g. from a more targeted policy, or an unintended consequence.</i>

## Section 6: Capital pipeline review - Project detail

### For initiatives being considered as part of the Capital Pipeline Review:

For initiatives that are being reported as a programme, please list all the individual projects in that programme with a capital value of over \$50m for Infrastructure, or \$15m for Data and Digital and Organisational Change investments, and provide the additional details noted below. For initiatives that refer to a single project, please complete a single line for your project.

Please ensure that details and figures in this table align to your capital pipeline summary in Annex Five.

Project name	Region of delivery	Planning start date	Expected delivery start date	Expected delivery end date	Total capex (\$m)	Total opex (\$m)
[Name of project]	[•]	[•]	[•]	[•]	[•]	[•]
[Name of project]	[•]	[•]	[•]	[•]	[•]	[•]
[Name of project]	[•]	[•]	[•]	[•]	[•]	[•]