

The Treasury

Budget 2024 Information Release

September 2024

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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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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

Where information has been withheld, a numbered reference to the applicable section of the Act has been made, as listed above. For example, a [23] appearing where information has been withheld in a release document refers to section 9(2)(a).

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Subject:
Attachments: ATT00001.vnd.ms-officetheme, ATT00002.html

From: Sam Thornton [TSY]
Sent: Thursday, 29 February 2024 9:32 pm
To: Tim Hampton [TSY]; Ben Gaukrodger [TSY]
Cc: Luke Came [TSY]
Subject: Update on fiscal policy issues
Attachments: Readout from Simon

[]

Kia ora Tim and Ben

As requested, this email provides an update on key fiscal policy issues:

Not in scope

- Surplus point target and operating allowances:
Not in scope

Not in scope

- With significant demands on outyear operating allowances, we're recommending retaining the current operating allowances (unless small reductions are required in outyears to achieve surplus in 2027/28). Cost pressures and Government priorities deferred from B24 are significant and likely more than the operating allowances can fund, so a reasonably ambitious Phase 2 savings programme will still be required. Our draft TR for Monday gives the Minister options about whether she announces the outyear allowances in the BPS, or whether she waits for more information on the fiscal forecasts.
- Fiscal forecasts to support the BPS – As noted in Luke's readout from his discussion with Simon, MoF is concerned about committing to a surplus target and operating allowances without better information about the fiscal outlook and the sufficiency of allowances. One option, which I raised in my email to IFSC this afternoon, is for the BPS to be relatively high-level in terms of the STI for OBEGAL (e.g. "steadily improving OBEGAL trajectory"), and wait for the Fiscal Strategy Report at Budget 24 to announce a specific surplus target, supported by full fiscal and economic forecasts and projections.
- Not in scope

- BM2 – We're intending for the fiscal strategy (LTOs, STIs, operating allowances, MYCA) to be discussed at BM2. We're contributing to a TR and draft slides going to the MoF on Tuesday next week.
- 18 March Cabinet paper – A Cabinet paper seeking early Budget decisions is going to Cabinet on 18 March. This will include decisions on LTOs, STIs, operating allowances, the MYCA).
- BPS – We're contributing to a draft BPS, which will likely go to the Minister mid-next week.

Hopefully this email has been useful. Please let me know if it meets your needs.

Sam



Sam Thornton | Kaitātari Matua – Senior Analyst | Te Tai Ōhanga – The Treasury

Tel: [39] | Email: sam.thornton@treasury.govt.nz

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I do not work on Fridays