

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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Cabinet

Minute of Decision

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Budget 2024 Package: Vote Finance

On 29 April 2024, Cabinet:

Appropriation Administrator: The Treasury

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2024 Budget package, as listed in the summary tables below and detailed in the attached initiative documents:

Summary of initiatives:

Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
15417	Return of Funding for Auckland Light Rail	(0.180)	-	-	-	-
15418	Return of Funding for Construction Disputes Resolution	(1.000)	-	-	-	-
16101	Investment Management of Trust Accounts	-	(0.700)	(0.500)	(0.400)	(0.200)
15445	National Infrastructure Agency Establishment	-	5.098	-	-	-
16102	Review of the Expected Credit Loss Provisions Relating to the Business Finance Guarantee and North Island Weather Events Schemes	(20.000)	-	-	-	-
15419	Reduction in Baseline Funding – The Treasury	-	(10.500)	(10.500)	(10.500)	(10.500)
Total Operating		(21.180)	(6.102)	(11.000)	(10.900)	(10.700)

Summary of contingency initiatives:**Operating Contingency**

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
16159	Implementation of a Social Investment Approach – Tagged Contingency		13.000	12.000	12.000	12.000
Total Operating		-	13.000	12.000	12.000	12.000

Capital Contingency

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
16137	[25] and [33]					
16159	Implementation of a Social Investment Approach – Tagged Contingency	-	1.500	-	-	-
Total Capital		[25] and [33]				

Note: Throughout the document, “total operating” refers to funding over five years (2023/24 to 2027/28) and “total capital” refers to funding over 10 years (2023/24 to 2032/33).

Rachel Hayward
Secretary of the Cabinet

Vote: Finance

Appropriation Administrator: The Treasury

Title: Return of Funding for Auckland Light Rail

Description: This savings initiative returns \$0.180 million total operating funding provided to the Treasury in Budget 2022 for the Auckland Light Rail Project, following the decision in January 2024 to cancel the Auckland Light Rail Project.

Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	(0.180)	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(0.180)	-	-	-	-

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Policy Advice and Financial Services (MCA MYA)					
<i>Departmental Output Expenses:</i>					
Policy Advice (funded by revenue Crown)	(0.180)	-	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Policy Advice and Financial Services (MCA MYA)	(0.180)	-	-	-	-
Total Operating	(0.180)	-	-	-	-

Additional Recommendations

- 2 **agreed** the Multi Year Appropriation: "Policy Advice and Financial Services" be adjusted by (\$0.180 million);
- 3 **noted** that the amounts shown in the Appropriation Changes table for the Multi Year Appropriation: "Policy Advice and Financial Services" reflect the change to the indicative annual spending profile;

Vote: Finance

Appropriation Administrator: The Treasury

Title: Return of Funding for Construction Disputes Resolution

Description: This savings initiative returns \$1.000 million total operating funding that was previously provided to the Treasury to support the resolution of unresolved claims for several large infrastructure projects.

Appropriation Changes

	\$m – increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	(1.000)	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(1.000)	-	-	-	-

* Unless non-cash, will also impact net core Crown debt.

	\$m – increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Policy Advice and Financial Services (MCA MYA)					
<i>Departmental Output Expenses:</i>					
Policy Advice (funded by revenue Crown)	(1.000)	-	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Policy Advice and Financial Services (MCA MYA)	(1.000)	-	-	-	-
Total Operating	(1.000)	-	-	-	-

Additional Recommendations

- 4 **agreed** that the Multi-Year Appropriation: “Policy Advice and Financial Services” be adjusted by (\$1.000 million) in 2023/24;
- 5 **noted** that the amounts shown in the Appropriation Changes table for the Multi-Year Appropriation: "Policy Advice and Financial Services" reflect the change to the indicative annual spending profile;

Vote: Finance

Appropriation Administrator: The Treasury

Title: Investment Management of Trust Accounts

Description: This initiative increases total interest income by \$1.800 million through proactive investment management of the unclaimed monies trust account.

Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	(0.700)	(0.500)	(0.400)	(0.200)
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	(0.700)	(0.500)	(0.400)	(0.200)

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Non-Tax Revenue:					
Other Interest	-	0.700	0.500	0.400	0.200
Total Operating	-	(0.700)	(0.500)	(0.400)	(0.200)

Vote: Finance

Appropriation Administrator: The Treasury

Title: National Infrastructure Agency Establishment

Description: This initiative provides funding for the design and establishment of the National Infrastructure Agency (NIA) to deliver functions that address key gaps in the infrastructure system: procurement and delivery of complex projects, shopfront for private investors, and co-ordination and governance of infrastructure funds. The establishment of these functions is a fundamental enabler for the Government to deliver on its key infrastructure priorities, including Public Private Partnerships and City Deals.

New Appropriation Approval

Name	Appropriation Minister	Period	Type	Category Name	Scope
Design and Establish the National Infrastructure Agency	Minister for Infrastructure	Annual	Departmental Output Expenses	N/A	This appropriation is limited to providing advice on the design and to support the establishment of the National Infrastructure Agency.

Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	5.098	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	5.098	-	-	-

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Departmental Output Expenses:					
Design and Establish the National Infrastructure Agency (funded by revenue Crown)	-	5.098	-	-	-
Total Operating	-	5.098	-	-	-

[25] and [33]

Vote: Finance

Appropriation Administrator: The Treasury

Title: Review of the Expected Credit Loss Provisions Relating to the Business Finance Guarantee and North Island Weather Events Schemes

Description: This initiative returns \$20.000 million total operating funding through a review of the parameter settings used in the modelling for the estimation of the expected credit loss provisions for each of the Business Finance Guarantee and North Island Weather Events Schemes. It is expected that this will result in a lower level of provisioning expense than has previously been included in forecasts.

Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	(20.000)	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(20.000)	-	-	-	-

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Non-Departmental Other Expenses:					
Payments and Expenses in Respect of Guarantees and Indemnities (PLA)	(20.000)	-	-	-	-
Total Operating	(20.000)	-	-	-	-

Vote: Finance

Appropriation Administrator: The Treasury

Title: Implementation of a Social Investment Approach – Tagged Contingency

Description: This initiative establishes an operating and capital tagged contingency to provide funding to begin implementation of a social investment approach to improve public sector performance and outcomes for vulnerable people. This includes funding to establish the Social Investment Fund, support the role and remit of a new social investment agency, support devolution of social services to regional partners, and support better use of government administrative data.

Tagged Contingency

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Contingency		13.000	12.000	12.000	12.000
Capital Contingency	-	1.500	-	-	-
Total	-	14.500	12.000	12.000	12.000

Additional Recommendations

- 8 **authorised** joint Ministers (the relevant Appropriation Minister, the Minister of Finance, and other Ministers as necessary) to draw down from the operating and capital tagged contingencies, subject to their satisfaction that the detailed work programmes are sufficiently well-specified and represent value-for-money;
- 9 **authorised** joint Ministers (the relevant Appropriation Minister, the Minister of Finance, and other Ministers as necessary) to establish new Votes, appropriations, and entities as necessary, subject to consideration of advice from the Treasury and, as necessary, consultation with the Public Service Commission;
- 10 **agreed** that the expiry date for the above operating and capital tagged contingencies be 1 February 2025.

Vote: Finance

Appropriation Administrator: The Treasury

Title: Reduction in Baseline Funding – The Treasury

Description: This savings initiative returns \$42.000 million total operating funding from the Treasury’s baseline to support the Government’s fiscal objectives. This includes both personnel and non-personnel related costs such as travel, training, and contractors and consultants.

Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	(10.500)	(10.500)	(10.500)	(10.500)
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	(10.500)	(10.500)	(10.500)	(10.500)

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Departmental Output Expenses:					
Administration of Crown Borrowing, Securities, Derivative Transactions and Investment (PLA) (funded by revenue Crown)	-	(1.318)	(1.318)	(1.318)	(1.318)
Non-Departmental Output Expenses:					
Independent Infrastructure Advice and Oversight	-	(0.902)	(0.902)	(0.902)	(0.902)
Multi-Category Expenses and Capital Expenditure:					
Crown Company Monitoring Advice (MCA) <i>Departmental Output Expenses:</i>					
Crown Company Monitoring Advice to the Minister for State Owned Enterprises and Other Responsible Ministers (funded by revenue Crown)	-	(0.205)	(0.205)	(0.205)	(0.205)
Total Multi-Category Expenses and Capital Expenditure: Crown Company Monitoring Advice (MCA)	-	(0.205)	(0.205)	(0.205)	(0.205)

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Management of Landcorp Protected Land Agreement (MCA)					
<i>Non-Departmental Other Expenses:</i>					
Operating Costs	-	(1.235)	(1.235)	(1.235)	(1.235)
Total Multi-Category Expenses and Capital Expenditure: Management of Landcorp Protected Land Agreement (MCA)	-	(1.235)	(1.235)	(1.235)	(1.235)
Policy Advice and Financial Services (MCA)					
<i>Departmental Output Expenses:</i>					
Policy Advice (funded by revenue Crown)	-	(6.840)	(6.840)	(6.840)	(6.840)
Total Multi-Category Expenses and Capital Expenditure: Policy Advice and Financial Services (MCA)	-	(6.840)	(6.840)	(6.840)	(6.840)
Total Operating	-	(10.500)	(10.500)	(10.500)	(10.500)