

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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12 March 2024

Hon Simeon Brown
Minister of Transport
Parliament Buildings

Dear Simeon

Thank you for your engagement to date on Budget 2024. As discussed at our bilateral, I am pleased with your contributions to the process and appreciate your reassurances around mitigating the risks raised by the Treasury.

As outlined in the invitation letter I sent you in December, Budget 2024 is taking place within a tight fiscal environment, and we need to consider this over a series of Budgets to embed principles of fiscal sustainability and a focus on value for money. There is a high bar for initiatives and cost pressures invited for submission into the Budget 2024 process.

Request for Late Initiatives

During our meeting on 11 March 2024, you requested late invitations for the following initiatives:

1. Emergency Ocean Response Capabilities (EORC) for the Cook Strait (Tug Boats);
2. North Island Weather Event (NIWE) Rebuild.

I agree that these initiatives can be invited into the Budget 2024 process for consideration subject to the expectations below.

Expectations for the Emergency Ocean Response Capabilities (EORC) for the Cook Strait (Tug Boats)

I am inviting you to submit a new initiative for EORC for the Cook Strait (Tug Boats). I expect you to consider options to manage the funding requirement through reprioritisation of existing baseline funding in the first instance, rather than relying on new funding through the Budget 2024 process.

[37]

I still expect different options to be considered that could both support implementation and ensure we have a good understanding of the risks, trade-offs, and value for money of Crown investment.

Please be aware that although I am confirming you may submit this initiative for consideration, this does not guarantee that it will receive funding or that it will be included in the final Budget package.

Expectations for the North Island Weather Event (NIWE) Rebuild

As discussed in our meeting, it is important we are being consistent with our expectations to support new funding for capital investment, which includes the need for high quality business cases.

[33]

Budget 2024 provides us with an opportunity to reset expectation on agencies to improve investment discipline, so we can get greater value from capital investment. To this end, I expect the New Zealand Transport Agency (NZTA) to:

- submit full and complete capital investment data for the Treasury's quarterly investment reporting. This provides us with visibility of what agencies have in planning for potential funding, as well as how investments in delivery are tracking
- complete Risk Profile Assessments and Strategic Assessments for projects it expects to seek Crown funding for.

Treasury officials can support NZTA with these expectations as required.

Confirmation of Other Matters Discussed

As we discussed, the Ministry of Transport will now be expected to submit a 6.5% saving on its departmental baseline (compared to the current 5% saving). The Treasury will update this on its end but will require the Ministry of Transport to provide updated phasing of proposed savings to ensure it can be reflected accurately in the draft Budget package.

You mentioned cost pressures related to Surf Life Saving. The Treasury advises me that this has been accounted for in the package consistent with your Budget 2024 submission. For the avoidance of doubt, this means that this cost pressure is expected to be managed within Vote Transport baselines through further reprioritisation, and that this will be progressed through the Budget Technical process. If this is not consistent with your understanding, please let me know as soon as possible.

You also mentioned cost pressures related to Ground Based Navigation Aids (GBNAs). The Treasury advises me that sufficient funding should be available to cover this cost pressure within your proposed reprioritisation package. However, I understand that the cost pressures

[33]

My

expectation is that cost pressures for this initiative will be met from your proposed reprioritisation package and any funding not required for the GBNAs initiative will be returned to the centre.

Updated submissions

Please ensure that the new initiatives outlined above are submitted into CFISnet by 12pm Friday 15 March 2024.

Thank you for your ongoing work and support in progressing Budget 2024.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Nicola Willis', with a large, stylized flourish at the end.

Hon Nicola Willis
Minister of Finance