

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).

Where this is the case, the relevant sections of the Act that would apply have been identified.

Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

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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Annex 4: Budget 2024 New Spending Template (invite only)

Section 1: Overview

Section 1A: Basic initiative information										
Initiative title (max 120 characters)	<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 Annex A of the Budget 2024 Guidance for best practice on titles.</i>									
Lead Minister	<i>Portfolio of the Lead Minister submitting the initiative.</i>	Agency	<i>Name of the agency submitting the initiative.</i>							
Initiative description (max 800 characters)	<i>The description must succinctly outline in plain language what would be purchased and delivered by the initiative, and whether the initiative is for expanding or initiating a service. For example, “This initiative provides funding for 5 policy and delivery FTEs to develop and run a \$50 million fund aimed at building Māori and iwi capacity and capability in the community housing sector.” Refer to Annex A of the Budget 2024 Guidance for best practice on descriptions.</i>									
PA Objective	<input type="checkbox"/>	Capital Investment	<input type="checkbox"/>	Government Policy Commitment						
Is this a cross-Vote initiative?	Y/N	<i>If yes, indicate which other Votes are affected.</i>								
Agency contact	<i>Name:</i> <i>Phone:</i> <i>Email:</i>	Treasury contact (Vote Analyst)	<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 “& 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

What is the problem that this initiative is trying to solve and why does it need to be solved now?	<p>Describe the problem the initiative is trying to solve by outlining its root cause(s) and consequence(s), and explain why the problem needs to be solved now. The problem should be framed in terms of current and/or future outcome(s) for New Zealanders.</p>	
	<p>Describe the existing arrangements for the asset or service, including (where applicable):</p> <ul style="list-style-type: none"> - How services are currently organised and provided; - The associated throughput, turnover, and existing cost; and - Current asset or service availability, utilisation, and condition. <p>Agencies should be able to demonstrate why the existing arrangements (if there are any) are insufficient to address the problem outlined above.</p>	
	<p>Outline specifically what needs to change or be improved (relative to existing arrangements) to address the problem.</p>	
	<p>How does the initiative/investment proposal fit with the Agency's mandate, and is the Agency the best one to deliver this intervention? Is another organisation (e.g., NGOs, iwi/Māori organisations, private sector) better placed to deliver this initiative, and are there alternative funding arrangements that should be considered?</p>	
	<p>What key partners/stakeholders/customers (including other relevant Agencies, and iwi and Māori) have been engaged to understand the problem and develop the initiative? How have you worked with them and how has their input affected the understanding of the problem? You may wish to reference here the key principles of He Ara Waiora.</p>	
Alignment to Budget Priorities (if alignment to multiple Priorities is possible, select the most relevant)	<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
	<p>How would this initiative deliver on the Government's priorities? Are there linkages or dependencies with other priorities?</p>	

Section 2B: Options analysis

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

What were the range of options considered?	<p>Briefly summarise other options (including non-funding options) to meet this objective, and describe whether and how each shortlisted option would achieve the initiative's intended outcome.</p>
What was the process used to select the preferred option?	<p>This section should detail the framework and process for determining the preferred option. Describe:</p> <ul style="list-style-type: none"> - 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. - How engagement/consultation with partners/stakeholders/customers (including operational/delivery Agencies and iwi and Māori) informed the identification and quantification of costs and benefits. - What sensitivity analysis was undertaken and how did it influence the choice of preferred option?
Counterfactual	<p>What would be the impact of funding this initiative entirely through reprioritisation (i.e., in the absence of new funding)? Detail:</p>

	<ul style="list-style-type: none"> - Any trade-offs required (e.g., choosing to reduce either output or quality of an existing service) - Any flow-on implications this may have (e.g., future cost pressures) - What would be the impact of not progressing this initiative?
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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. If the initiative has more than one intended outcome, insert additional rows as appropriate.

What outcome(s) would the initiative achieve?	<i>What are the identifiable and measurable social, economic and/or environmental benefits and costs associated with this initiative? What is the specific impact or difference that this initiative will achieve?</i>
Evidence and assumptions	<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"> - 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)? - Lessons from comparable international or past interventions – were these successful? If not, what is the point of difference here?
Climate Impacts	<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"> - the impact the initiative could have on our ability to achieve our emissions budgets, positive and negative - 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 - 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.

Section 3B: Expenditure profile and cost breakdown

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

Formula and assumptions underlying costings	<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>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></p>
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Provide a breakdown of total initiative expenditure by individual expense category. Total operating and capital expenses in this section must match the totals in *Section 1B: Summary of funding profile*. Insert 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 operating expense category]</i>	[•]	[•]	[•]	[•]	[•]	[•]
<i>[Name of operating expense category]</i>	[•]	[•]	[•]	[•]	[•]	[•]
Depreciation and/or capital charge (if relevant)	[•]	[•]	[•]	[•]	[•]	[•]
Net FTE funding	[•]	[•]	[•]	[•]	[•]	[•]
Net contractor/consultant funding	[•]	[•]	[•]	[•]	[•]	[•]
Net FTE and contractor/consultant overhead funding	[•]	[•]	[•]	[•]	[•]	[•]
<i>[Name/type of contingency]</i>	[•]	[•]	[•]	[•]	[•]	[•]
Total (\$m)	[•]	[•]	[•]	[•]	[•]	[•]

*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
# of net FTEs (employees)	[•]	[•]	[•]	[•]	[•]	[•]
# of net FTEs (contractors/consultants)	[•]	[•]	[•]	[•]	[•]	[•]
Total # of net FTEs (employees and contractors/consultants)	[•]	[•]	[•]	[•]	[•]	[•]

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	[•]	[•]	[•]

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
[Name of capital expense category]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
[Name of capital expense category]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
[Name/type of contingency]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Total (\$m)	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]

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

Section 3C: Scaled option (not applicable for capital initiatives)

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

Scaling option overview	<i>Provide a concise overview of the scaled down option to fund this initiative (the funding level below which it would be better to defer the initiative than fund it).</i>
	<i>Explain how the initiative's expected outputs and outcomes would differ if scaled down and any risks associated with scaling down.</i>
	<i>If the initiative cannot feasibly achieve its objectives without full funding (i.e. scaling option is not viable), succinctly explain why (e.g. if the initiative is to purchase a discrete asset at a set price).</i>
	<i>Explain the formula and assumptions for the scaled option if they are different from those for the preferred option.</i>

Provide a breakdown of what the scaled down option would purchase. Insert 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
[Name of operating expense category]	[•]	[•]	[•]	[•]	[•]	[•]
[Name of operating expense category]	[•]	[•]	[•]	[•]	[•]	[•]
Depreciation and/or capital charge (if relevant)	[•]	[•]	[•]	[•]	[•]	[•]
Net FTE funding	[•]	[•]	[•]	[•]	[•]	[•]
Net contractor/consultant funding	[•]	[•]	[•]	[•]	[•]	[•]

Net FTE and contractor/consultant overhead funding	[●]	[●]	[●]	[●]	[●]	[●]					
[Name/type of contingency]	[●]	[●]	[●]	[●]	[●]	[●]					
Total (\$m)	[●]	[●]	[●]	[●]	[●]	[●]					
*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)	[●]	[●]	[●]	[●]	[●]	[●]					
Total # of net FTEs (employees and contractors/consultants)	[●]	[●]	[●]	[●]	[●]	[●]					
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
[Name of capital expense category]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[Name of capital expense category]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[Name/type of contingency]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total (\$m)	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
*Extend the profile above if funding is needed beyond 2032/33.											

Section 4: Delivery

Section 4A: Procurement and workforce

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

What is the initiative purchasing/funding?	<i>Describe the key resources (workforce, goods, assets, services) that need to be sourced, including any ancillary services. 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>
Is there a market that can meet these needs?	<i>Describe the market you are looking to procure the above key resources from. Detail any market testing that has been completed (including any engagement that has been undertaken with the relevant supply markets). What is the capacity and capability of the market to provide these resources? What consideration has been given to delivery by or with iwi and/or other affected communities?</i>
	<i>For new FTEs and/or contractors, outline occupation and skills area and indicate the market capacity to fill these roles.</i>
	<i>What potential suppliers have been identified for the initiative, are they interested in participating in the procurement, and do they have the capacity and capability to meet these needs?</i>

	<i>What other competitors are there for similar workforce, goods, and services around the same time as this initiative? Have opportunities to collaborate or strategies to deconflict competing timelines been explored?</i>
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Government Procurement Rules	<i>Does the proposed approach align with Government Procurements Rules? If not, on what basis is the initiative exempted?</i>
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Section 4B: Risks, constraints, and dependencies

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

What are the main risks?	<i>Describe the main risks associated with this initiative and the proposed mitigations to address these. Focus on the 20% of risks which are likely to provide 80% of the initiative's risk values. Attach the risk register for the initiative (if there is one).</i>
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What are the key constraints?	<i>Describe any key constraints that have been and/or could be placed on the initiative.</i>
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What are the key dependencies?	<i>Describe any key dependencies that are outside the scope of the initiative and may determine the initiative's success.</i>
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Section 4C: Governance and oversight

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

What are the governance arrangements for this initiative?	<i>What is the governance structure, including decision making and any advisory groups? It is optional to attach the Governance Diagram showing the governance structure.</i>
	<i>Explain how the governance structure provides for input from partners/stakeholders/customers, including iwi and Māori?</i>

Timeframes and monitoring	<i>Outline key milestones and the expected timeframe for the delivery of these milestones. When will the lead Minister(s) receive information on implementation and delivery of this initiative?</i>
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Section 4D: Demonstrating performance

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

*Is it part of an existing strategy / work programme / initiative with existing reporting, and if so what is it called?
Outline the type (or types) of evaluation planned and their timeframe(s). Indicate what funding is proposed to be allocated for evaluation.
Describe the performance information that would be included in the Estimates if this initiative was funded, or if the performance information in the Estimates is not expected to change then describe the reasons for that decision.*

Section 5: Equity

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

Timing of costs and benefits	<i>Indicate if the key benefits and costs will accrue over the short term (<5 years), medium term (5-10 years), long term (>10 years) or inter-generationally. Indicate whether, and why, benefits and costs vary across different timeframes.</i>
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Specific implications regarding the Crown's obligations under the Treaty of Waitangi	Y/N <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 here and here.</i>
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Distributional Impacts	<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>
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Section 6: Supplementary information for Capital Investments¹

Preferred option for investment	
Name of preferred option	<i>Provide the name of the preferred option.</i>
Senior Responsible Officer	
Term of investment lifecycle	<i>Provide the period from the acquisition of the investment to its final disposition. If different, also provide the period used for the calculation of costs and benefits in the table below.</i>
<u>Discount rate</u>	<i>Provide the public sector discount rate or formula used to quantify the figures below.</i>
Provide monetary values for the costs outlined below.	
Monetised whole of life costs (\$m)	
Costs to Agency and other public sector organisations	
Capital	[•]
Operating/Revenue	[•]
Costs to New Zealand society (e.g., households, individuals, businesses)	
Capital	[•]
Operating/Revenue	[•]
Risk costs	
<u>Optimism Bias adjustment</u>	[•]
<u>Estimated or Measured risk</u>	[•]
Total costs	[•]
Monetised whole of life benefits (\$m)	
Provide monetary values for the benefits outlined below. Add additional rows for additional benefit categories.	
Benefits to Agency and other public sector organisations	
<i>[Name of benefit category]</i>	[•]
Benefits to New Zealand society (e.g., households, individuals, businesses)	
<i>[Name of benefit category]</i>	[•]
Total benefits	[•]
Net Public Value and Benefit Cost Ratio	
Net Public Value	<i>[Total benefits – Total costs]</i>
Benefit Cost Ratio	<i>[Total benefits / Total costs]</i>
Non-monetised and non-quantified costs and benefits	
Provide a quantification of these costs and benefits where possible, or a description of how the costs and benefits were considered for the purpose of choosing the preferred option. Add additional rows for additional benefit categories.	
<i>[Name of cost category]</i>	[•]
<i>[Name of benefit category]</i>	[•]

¹ This section is only required for capital investments seeking new funding at Budget 2024 (as specified in the Budget 2024 strategy and invitation letter from December 2023). Agencies should also submit business cases if possible.