

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
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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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From: Hamish Dick <Hamish.Dick@parliament.govt.nz>
Sent: Thursday, 18 April 2024 11:31 am
To: ^Parliament: Simon McLoughlin; Keiran Kennedy [TSY]; Jas Singh [TSY]; Emily Fulford [TSY]
Cc: ^Parliament: Emma Grigg; Claire McLellan [TSY]
Subject: RE: Tax Reforecast Costs - Next Steps

Hi all,

I understand that MoF has now been informed by Caralee of this change.

In terms of what it means for the package, could you please incorporate the updated tax numbers (as it sounds like you already have) *and* the updated costings for the indexation of main benefits. This roughly means the net effect of the changes will be ~\$50m average per annum.

This ensures consistency between the costings of the two initiatives.

Note, however, that although these should be reflected in the updated package numbers that MoF next sees, these changes shouldn't be "superglued" into the package, as management outside of allowances would be a fallback option if things no longer added up.

Happy to chat.

Thanks,

Hamish

From: Simon McLoughlin <Simon.McLoughlin@parliament.govt.nz>
Sent: Thursday, April 18, 2024 9:45 AM
To: Hamish Dick <Hamish.Dick@parliament.govt.nz>; Keiran Kennedy [TSY] <Keiran.Kennedy@treasury.govt.nz>; Jas Singh [TSY] <Jas.Singh@treasury.govt.nz>; Emily Fulford [TSY] <Emily.Fulford@treasury.govt.nz>
Cc: Emma Grigg <Emma.Grigg@parliament.govt.nz>; Claire McLellan [TSY] <Claire.McLellan@treasury.govt.nz>
Subject: RE: Tax Reforecast Costs - Next Steps

Hi all

Thanks for the call yesterday, could we please receive the backpocket info that we discussed yesterday.

Cheers
Simon



Simon McLoughlin
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Minister of Finance

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From: Hamish Dick <Hamish.Dick@parliament.govt.nz>
Sent: Wednesday, April 17, 2024 5:55 PM

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Subject: Tax Reforecast Costs - Next Steps

Importance: High

Hi all,

Thanks for the call earlier.

In terms of next steps:

- We have flagged this change to advisors.
- **Could you please ask Caralee that she informs MoF of this change?**

I'd suggest that, when Caralee informs MoF, she is equipped to note the following:

- The reason for the change (HYEFU to BEFU forecasts).
- The quantum of the change, and how this affects the size of the package within allowances.
- Options for offsetting the change; in particular, the option that MoF has to offset ~1/2 of the cost of this by updating the indexation of main benefits for BEFU forecasts (per the below table – this would improve the package by \$183m total). This would ensure a consistent approach to the allowance treatment of changes in both tax and benefit costings (i.e., shifting from HYEFU to BEFU costings).

Document	Years to 30 June (\$millions)	2024	2025	2026	2027	2028	Total
Mini-Budget 2023	Preliminary HYEFU 2023 forecasts – net impact per Cab paper	14	22	-119	-246	-347	-676
	Preliminary HYEFU 2023 forecasts – MSD only impact	18	27	-143	-297	-419	-814
Budget 2024	Preliminary BEFU 2024 forecasts – MSD only impact	-14	-90	-210	-300	-383	-997
	Difference	-32	-117	-67	-3	36	-183

Thanks – happy to chat. We look forward to receiving the e-mail with the above details in it too.

Hamish



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