

# The Treasury

## Budget 2024 Information Release

### September 2024

This document has been proactively released and is available on:

- The Budget website from September 2024 to May 2025 only at: <https://budget.govt.nz/information-release/2024>, and on
- The Treasury website from later in 2024 at: <https://www.treasury.govt.nz/publications/information-release/budget-2024-information-release>

#### Information Withheld

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).

## **Copyright and Licensing**

Cabinet material and advice to Ministers from the Treasury and other public service departments are © **Crown copyright** but are licensed for re-use under **Creative Commons Attribution 4.0 International (CC BY 4.0)** [<https://creativecommons.org/licenses/by/4.0/>].

For material created by other parties, copyright is held by them and they must be consulted on the licensing terms that they apply to their material.

## **Accessibility**

The Treasury can provide an alternate HTML version of this material if requested. Please cite this document's title or PDF file name when you email a request to [information@treasury.govt.nz](mailto:information@treasury.govt.nz).

## Annex 1: Budget 2024 Initial Baseline Exercise Summary Template

[Please delete these instructions prior to submission]

This summary template is required for every Agency's Budget 2024 Initial Baseline Exercise return. A copy of this summary should be attached to your Minister's submission letter to the Minister of Finance, and uploaded into the CFISnet document sharing function by **1pm Friday 16 February**.

**Agencies must also submit the relevant templates for individual initiatives, which are:**

- **Annex 2: Savings (all agencies)**
- **Annex 3: Cost Pressures (select agencies)**
- **Annex 4: New Spending (select agencies)**

### Section 1: Overview

*Summary of proposed operating baseline changes through Budget 2024*

	Impact \$m increase/(decrease)					
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears	Total
Total submitted for baseline reduction target	(x.xxx)	(x.xxx)	(x.xxx)	(x.xxx)	(x.xxx)	(x.xxx)
If required: total amount of targeted policy savings	(x.xxx)	(x.xxx)	(x.xxx)	(x.xxx)	(x.xxx)	(x.xxx)
Total amount of revenue options	(x.xxx)	(x.xxx)	(x.xxx)	(x.xxx)	(x.xxx)	(x.xxx)
<b>Total savings/revenue proposed</b>	<b>(x.xxx)</b>	<b>(x.xxx)</b>	<b>(x.xxx)</b>	<b>(x.xxx)</b>	<b>(x.xxx)</b>	<b>(x.xxx)</b>
If invited: cost pressure funding sought	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx
If invited: new spending sought	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx
<b>Total new funding sought</b>	<b>x.xxx</b>	<b>x.xxx</b>	<b>x.xxx</b>	<b>x.xxx</b>	<b>x.xxx</b>	<b>x.xxx</b>
<b>Net impact of all Budget 2024 proposals</b>	<b>x.xxx</b>	<b>x.xxx</b>	<b>x.xxx</b>	<b>x.xxx</b>	<b>x.xxx</b>	<b>x.xxx</b>

## Section 2: Alignment with Government Priorities

Please keep the discussion at a high level (1-2 pages of plain English) and pitched appropriately for Ministers.

This section should cover a high-level plan for how the Government priorities for your sector, Vote, or Agency will be achieved. Please outline:

- The Government’s priorities for your Vote(s)
- How Budget 2024 priorities relate to your Vote(s) and how your agency is planning to deliver on them
- Key areas of existing expenditure, and how they align with or contribute toward the Government’s priorities and deliver outputs and outcomes
- Recent trends in expenditure and FTE growth over the past five years, including which areas of expenditure have grown the most
- Key features in baselines (e.g. time-limited funding ending) for Budget Ministers to be aware of
- Your strategic approach in deciding which work areas to prioritise for savings, those to protect from savings (and/or prioritise for resourcing), and why
- Any options for reprioritising unused tagged contingencies for invited cost pressures (if any)
- How this has informed savings and spending proposals put forward, including:
  - why certain savings proposals have been put forward
  - why certain expenditure proposals are of higher priority than others

Please provide a ranking of preferred savings proposals (up to top 10), and any invited spending proposals (up to top 10).

	<b>Ranking of savings proposals</b>	<b>Ranking of spending proposals (if invited)</b>
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

### Section 3: Planning for Managing Within Baselines

Please keep the discussion at a high level (1-2 pages of plain English) and pitched appropriately for Ministers.

This section should cover the process your agency is undertaking to plan for managing within smaller baselines after the Budget 2024 Initial Baseline Exercise. Budget Ministers are seeking to understand what uninvited and unfunded cost pressures or service delivery risks may emerge ahead of Budget 2025 and how agencies are planning to manage these without impacting the Government’s priorities.

Please outline:

- A summary of key cost pressures or variance risks emerging (including cost escalations for existing priority capital projects not signalled through capital pipeline review) that might affect your Agency’s ability to manage within smaller baselines:
  - These should be quantified (if possible) and aggregated at agency level in the summary table below
  - You may wish to draw on and summarise Specific Fiscal Risks submitted at HYEFU 2023 as a starting point (referencing IDs as appropriate).

	\$m					
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears*	Total
<b>Operating cost pressures to be managed in baselines</b>						
<b>Capital cost pressures to be managed in baselines (if not signalled through capital pipeline review)</b>						

*\*extend the profile if needed*

- In considering reprioritisation for unfunded cost pressures, how will your agency seek to protect delivery of the Government’s priorities?
- What risks do unfunded (and uninvited) cost pressures and savings proposals create for the services, systems, and functions the Government is responsible for? In particular, what are the risks (at an aggregate agency level) for:
  - your agency’s ability to deliver on the Government’s priorities?
  - particular areas of focus for your agency or outcomes your agency is responsible for?
  - other frontline services?

- What steps is your agency taking to mitigate any service delivery risks and manage cost pressures within baselines (including changes to policy settings for existing programmes)?