

The Treasury

Budget 2018 Information Release

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[41]	that the making available of the information requested would be contrary to the provisions of a specified enactment	18(c)(i)
[42]	information is already publicly available or will be publicly available soon	18(d)

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) and section 18 of the Official Information Act.

From: Geraldine Wilkins [TSY]
Sent: Thursday, 8 March 2018 5:00 PM
To: 'Tamsin Royson'; Sebastian Doelle
Cc: Kamlesh Patel [TSY]; Rachele Earwaker [TSY]; Pooja Patel [TSY]; Nathan Spence [TSY]; Katie Collier [TSY]; Andrew Blazey [TSY]
Subject: Approach to Budget bilateral advice and draft package

Hi Tamsin and Sebastian

We've had a discussion on the material for the bilaterals based on the Budget Matters meeting today.

On reflection we went back to the purpose of the bilaterals which is to focus on the priorities and trade-offs within a particular key/complex portfolio and not to look at the trade-offs across portfolios and make decisions (as this is Budget Ministers' responsibility). For this reason, we don't think it is possible to try and present a package which funds greys and deprioritises ambers and reds on a portfolio basis. Instead we will pull together an overall draft package by COP Monday which makes these trade-offs.

We will avoid using the language of "draft package" in the bilateral AMs and the annexes because we haven't got a package within allowances yet.

Tamsin you please test this approach with MoF? Given the time constraints, we've briefed VAs based on the below approach so that they start working on their advice.

Below I have detailed the specifics of our approach:

Approach to bilateral material:

1. The Budget team pull together a concise overview section for each bilateral AM which covers:
 - a. Aggregate numbers of what has come in across opex and capex
 - b. Explanation of prioritisation framework and process – socialising high risk/priority language
 - c. Commitment to Budget Responsibility Rules
 - d. Ministers have identified a number of priorities at workstream meetings, many of which are outside of the scope agreed to by Cabinet.
 - e. If Ministers were to fund all of these priorities, all of the initiatives in the medium risk/medium priority section could not be funded in B18.
 - f. Recommendation that MoF/Min Clark uses this meeting to draw out which initiatives in the amber and red section the Minister would be comfortable deferring/scaling in order to get their priority initiative (grey or green) in the package.
 - g. Recommendation that MoF/Min Clark stresses that the decision-making lands with Budget Ministers, so that although a Minister's priorities will be taken into consideration, there are considerable risks in not funding the initiatives highlighted amber so not all of their priorities will be able to be funded this Budget, but could be picked up next Budget.
2. Vote teams will continue with the advice they have been pulling together but also include a paragraph on "Priorities and trade-offs." This will cover:
 - a. Implications of funding grey initiatives – i.e. is it value-for-money, a good idea, has risk?
 - b. Advice on which ambers could be deprioritised (deferred or scaled) in the portfolio in question in order to sub greys in (if applicable) AND risks and implications of this.
 - c. Advice on which reds could be scaled and implications of this (if applicable)
3. We are also asking VAs to add in a talking point for the Minister on the "subbing" out process i.e. We recommend that you ask Minister X which initiative he/she would deprioritise in order to bring into the package x initiative?
4. We'll also ensure that the Annex of initiatives for each bilateral:
 - a. Uses consistent formatting – i.e. they all use the RAG order and colouring
 - b. The comment section emphasises which are Minister priorities and the risks and implications of not funding/funding.
 - c. VAs will remove the "draft package" column from these annexes and only include the TSY assessment column.
 - d. The Budget team will also QA these annexes before these go across.
5. Given the time constraints and the other work we have to do, we won't be able to pull together all the aide-memoires into one pack before they go across tomorrow. However, given that each will have a similar overview, trade-offs section and annex, we are confident that the material will be easy for Ministers to use in these bilateral meetings.

Approach to draft Budget package:

6. We are holding internal workstream meetings tomorrow in order to prioritise amber and red initiatives. This will assist us in developing a draft package that fits **within the allowances and includes Minister priorities** which we'll work on, on Sunday in order to get it to you **Monday COP**.
7. This package will not reflect all of the bilateral discussions but will be a first cut at it.

8. By Wednesday afternoon we will send MoF and Minister Clark a draft package which reflects the bilateral discussions.
9. We will need to work out with you, when MoF wants to share the draft package with the other Budget Ministers.

Happy to chat!
Geraldine

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