

The Treasury

Budget 2020 Information Release

July 2020

This document has been proactively released by the Treasury on the Treasury website at

<https://treasury.govt.nz/publications/information-release/budget-2020-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
- [2] 6(b)(i) - to avoid prejudice the entrusting of information to the Government of New Zealand on a basis of confidence by the Government of any other country or any agency of such a Government
- [5] 6(d) - to prevent endangerment of the safety of any person
- [9] 6(e)(iv) - to prevent serious damage to the economy of New Zealand by disclosing prematurely decisions to change or continue government economic or financial policies relating to the stability, control, and adjustment of prices of goods and services, rents, and other costs, and rates of wages, salaries, and other incomes
- [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
- [26] 9(2)(ba)(i) - 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 to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied
- [29] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [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;
- [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
- [42] 18(d) - information is already publicly available or will be publicly available soon.

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.

Treasury Report: Budget 2020 Bilateral Briefing for Meeting with Minister Faafoi

Date:	7 November 2019	Report No:	T2019/3325
		File Number:	SH-11-2-7-2-35-4

Action sought

	Action sought	Deadline
Minister of Finance (Hon Grant Robertson)	Note the contents of this report.	None
Associate Minister of Finance (Hon Dr David Clark)	Discuss the contents of this report with Minister Faafoi at your bilateral on 13 November 2019.	3.45pm 13 November 2019

Contact for telephone discussion (if required)

Name	Position	Telephone	1st Contact
Ruohan Zhao	Analyst, Transitions, Regions, and Economic Development	[39]	N/A (mob) ✓
Natalie Labuschagne	Manager, Transitions, Regions, and Economic Development		N/A (mob)

Minister's Office actions (if required)

Return the signed report to Treasury.

Note any feedback on the quality of the report

Enclosure: Yes – Minister Faafoi's Completed Progress Reporting Letter

Treasury Report: Budget 2020 Bilateral Briefing for Meeting with Minister Faafoi

Executive Summary

You are meeting with Hon Kris Faafoi at 3:45pm on Wednesday 13 November 2019 to discuss the cost pressure bids submitted for Budget 2020 under the Commerce and Consumer Affairs and the Broadcasting, Communications and Digital Media portfolios. Minister Faafoi has not submitted any cost pressures in the Government Digital Services portfolio.

This report provides you with context and information on the cost pressures which Minister Faafoi has submitted. Minister Faafoi has submitted seven cost pressure bids totalling [33] of operating and [33] of capital funding over the forecast period for Budget 2020.

This report also briefly covers Minister Faafoi's role as the Associate Minister for Housing (Public Housing), as he has been requested to provide a progress report on previous Budget funding for public housing.

There are three Annexes attached to this report to assist you with your discussion:

- Annex A provides talking points for your bilateral meeting;
- Annex B provides a full list of the cost pressure initiatives submitted for the Commerce and Consumer Affairs and Broadcasting, Communications and Digital Media; and
- Annex C provides a full list of initiatives selected for your request to Minister Faafoi on how they are delivering on this past Budget commitment.

We have also attached Minister Faafoi's completed progress reporting letter, which outlines how they are delivering on the initiatives identified in Annex C.

Recommended Actions

We recommend that you:

- a. **note** the context and cost pressure information outlined in this report; and
- b. **use** the talking points in Annex A to guide your discussion at the bilateral with Minister Faafoi.

Natalie Labuschagne
Manager, Transitions, Regions, and Economic Development

Hon Grant Robertson
Minister of Finance

Hon Dr David Clark
Associate Minister of Finance

Treasury Report: Budget 2020 Bilateral Briefing for Meeting with Minister Faafoi

Purpose of Report

1. The purpose of this report is to provide background information and advice for your Budget 2020 bilateral discussion with Minister Faafoi at 3.45pm on Wednesday 13 November, regarding the following portfolios:
 - Commerce and Consumer Affairs;
 - Broadcasting, Communications and Digital Media; and
 - Government Digital Services.
2. This report also briefly covers Minister Faafoi's role as the Associate Minister for Housing (Public Housing), as he has been requested to provide a progress report on previous Budget funding for public housing.
3. This report provides:
 - Context on existing funding, including funding received in recent Budgets; and
 - An overview of cost pressures submitted for Budget 2020.
4. Attached to this report are three annexes:
 - Annex A provides talking points for your bilateral discussion;
 - Annex B provides a full list of the cost pressure initiatives submitted for Commerce and Consumer Affairs, Broadcasting, Communications and Digital Media and Government Digital Services; and
 - Annex C provides a full list of initiatives selected for your request to Minister Faafoi on how they are delivering on this past Budget commitment.
5. We have also attached Minister Faafoi's completed progress reporting letter, which outlines how they are delivering on the initiatives identified in Annex C.
6. We have provided comments with preliminary assessments for significant cost pressure initiatives. We will provide you with further advice, including funding recommendations for each cost pressure, ahead of the package formation stage.
7. As at 1pm 6 November, cost pressure bids seeking a combined total of [33] operating over the forecast period ([33] average per annum), and [33] capital have been submitted.

Commerce and Consumer Affairs

Commerce and Consumer Affairs Portfolio Context

8. The Commerce and Consumer Affairs ('CCA') portfolio's operating expenditure for 2019/20 is \$204.300 million. Key outputs funded by the portfolio include:
 - The registration and provision of statutory information related to businesses and other activities;

- The registration and granting of Intellectual Property rights through the Intellectual Property Office;
 - The operation of the Official Assignee, whose function is to store and maintain assets in custody; and
 - The operation of the Commerce Commission and the Financial Markets Authority (FMA), including its Litigation Fund.
9. Over a third of the portfolio is funded through third party revenue, and the Commerce Commission and FMA are also partially funded by third party revenue.¹
10. In Budget 2018, the CCA portfolio received \$8.606 million in new operating funding across the forecast period. Budget 2018 funded:
- \$5.706 million to meet the Commerce Commission's cost pressures in general market enforcement; and
 - \$2.900 million to support the Official Assignee to meet its costs of storing and maintaining assets placed in custody.
11. In Budget 2019, the CCA portfolio received \$16.000 million in operating funding across the forecast period to improve consumer protection under the Credit Contract and Consumer Finance Act 2003. This funding was given to the Commerce Commission to increase their level of credit enforcement, education and advocacy to support legislative changes.

Information on Cost Pressures

12. Within the CCA portfolio, Minister Faafoi has submitted five cost pressure bids totalling [33] of operating and [33] of capital funding over the forecast period for Budget 2020. Further information on these bids can be found in Annex B.

Commerce Commission and FMA Baseline Funding Cost Pressures

13. The two largest cost pressures in the CCA portfolio in Budget 2020 seek funding to increase the baselines of the Commerce Commission and FMA. The table below summarises their current baselines, what is being sought in Budget 2020, and the size of the increase sought:

Table 1: Proposed Crown-Funded Increase in the Commerce Commission and FMA baseline

	Current funding level (\$m)	Proposed funding level by 2022/23 (\$m)	% increase on existing funding
Commerce Commission	180.385	231.280	28%
Financial Markets Authority	45.000	[33]	[33]

14. The figures in the table above show only the additional Crown contribution sought, as both regulators are partially funded by third party revenue. Therefore, these new baselines assume that industry is willing to pay an increased levy. If there is any shortfall in levy funding, this may create the expectation that the Crown commit to a higher share of funding going forward.

¹ The Commerce Commission is 60% funded by the Crown and 40% by third parties. The Financial Markets Authority is 75% funded by third parties and 25% by the Crown.

15. There have been a number of changes to the policy environment over the last 18 months, which have contributed to the Commerce Commission and FMA's cost pressures. The major developments in the portfolio have been:
 - **A new Financial Advisors regime:** the introduction of a new Financial Advisors regulatory regime, which will bring around 7,000 formerly registered financial advisers into the regime. The FMA assess the maturity of the financial advisors sector to be low, and anticipates a greater level of resourcing than previously needed to oversee the regime;
 - **New policy and regulatory regimes:** the introduction, or impending introduction, of a number of policy and regulatory reviews, including the Consumer Credit Law Reform, Commerce Act amendments, ticket scalping, Fair Trading Act review and unfair commercial practices.
 - **The Conduct and Culture Review:** as a result of the Australian Royal Commission into Misconduct in the Banking Sector, the FMA conducted its own Conduct and Culture Review. Resources were diverted into running this Review, which resulted in business-as-usual work being reprioritised. The results of this Review by the FMA also highlighted that the insurance and banking sectors require a greater intensity of oversight; and
 - **The delivery of the first competition study:** the first competition market study run by the Commerce Commission is estimated to cost around \$3.000 million, double the \$1.5 million when Cabinet originally made its policy decision. The Commerce Commission's cost pressure bid seeks an uplift for their next competition market study.
16. There has been a baseline review of the Commerce Commission and FMA's funding. Both reviews noted that there have been increased demands on both regulators to meet their current level of statutory responsibilities and Ministerial demands.
17. We agree that the current level of funding is not sustainable for both regulators, and that the volume of work, as well as expectations of their functions, have increased substantially in a short period of time. While the scope of their functions has expanded, there has also not been a commensurate increase to their respective baselines.
18. The immediate risk of not funding these cost pressures is that both the Commerce Commission and the FMA will continue to run a deficit. This is not financially sustainable as the reserves will be exhausted for both regulators. If further funding is not received, both regulators would need to reprioritise within their baselines, which would likely entail cutting certain functions to reduce the deficit.
19. Furthermore, there is a credibility risk if the public perceives the Commerce Commission and the FMA to be inadequately funded. This could impact on the public's confidence of the regulator to intervene in cases of misconduct or unconscionable behaviour in the market.^[34]
20. Although we support at both regulators receiving further Crown funding, the current level of new operating funding sought is a substantial increase to the existing baseline and the size of the organisation. Therefore, we recommend discussing with the Minister what an achievable level of growth is. You may wish to consider:
 - The extent to which they are funded to adopt a more proactive role within their sectors;

- The level of “flexibility” they require to respond to unanticipated developments and evolving expectations in the markets they regulate;
- Which functions (either existing or upcoming) should be prioritised for further funding, i.e. which areas present the highest risk of service failure if not funded; and
- What is an achievable level of resourcing given constraints on the labour market and the competing resourcing needs of other regulators across government.

Information on Other Cost Pressures

21. Minister Faafoi seeks an increase to the FMA’s litigation fund of [33] operating across the forecast period. There has already been a baseline increase of \$4 million funded through the between-Budget contingency for 2019/20. We support the need to increase the Litigation Fund’s baseline, as the current baseline of \$2 million per annum has been already exhausted twice in the past three years. However, we are still assessing whether we would support this bid in full or at a scaled level.
22. Minister Faafoi is taking a paper to Cabinet in mid-November, [33]

The Cabinet paper seeks the funding to implement these policies as a pre-commitment against Budget 2020. If this recommendation is not successful, Minister Faafoi will instead progress a cost pressure bid for the operational costs of implementing these policies. If Cabinet agrees to the policy but not the funding, we would assess this bid to be a non-discretionary cost pressure, as the Government will have an impending legal obligation to implement this policy.

23. [33,34]

Broadcasting, Communications and Digital Media

Broadcasting, Communications and Digital Media Portfolio Context

24. Funding for the Broadcasting, Communications and Digital Media portfolio is split between Vote Business, Science, and Innovation and Vote Arts, Culture and Heritage.
25. Within Vote Business, Science, and Innovation, Minister Faafoi is responsible for portfolio funding relating to the management of radio spectrum, the operations of the Computer Emergency Response Team (CERT), enforcement of regulated telecommunications services, and capabilities around emergency telecommunications services. While Crown funding partly funds some of these functions, third party revenue from the Telecommunications Development Levy and Telecommunications Regulatory Levy is a key funding source. Budgets 2018 and 2019 provided additional baseline operating funding of \$3.14 million per year to cover cost pressures affecting the CERT.
26. Within Vote Arts, Culture and Heritage, Minister Faafoi is responsible for portfolio funding relating to public broadcasting. Most of this relates to the purchase of content through NZ On Air.
27. Operating funding for 2019/20 amounts to \$147 million. This includes new Budget 2019 funding of \$12.5 million in both 2019/20 and 2020/21 across Radio NZ and NZ On Air, on top of a one-off increase of \$14.5 million operating in 2018/19 through Budget 2018.

Budget 2019 also provided new capital funding of \$1.8 million in 2019/20 for the development of Radio NZ's audio-visual distribution platforms.

28. The time-limited nature of the additional funding for public broadcasting reflects the fact that a major piece of work is underway on options for strengthening public media.

Information on Cost Pressures

29. Minister Faafoi submitted one cost pressure bid totalling [33] of operating and [33] of capital funding for Budget 2020, within the Vote Business, Science and Innovation funded portion of the Broadcasting, Communications, and Digital Media portfolio.
30. This initiative seeks funding to extend phase 2 of the Emergency Caller Location Information service (which has previously been funded by the Telecommunications Development Levy) until a business-as-usual model can be developed. It also seeks funding to integrate new technologies into the service. We are unclear whether this initiative meets the definition of a cost pressure as it arguably seeks to enhance the service as well as maintain capabilities. We will provide you with further advice during the package development stage.
31. [33]
32. Minister Faafoi also submitted one cost pressure initiative totalling \$25 million of operating for Budget 2020, within the Vote Arts, Culture and Heritage funded portion of the Broadcasting, Communications and Digital Media portfolio.
33. This cost pressure initiative seeks funding for three public media platforms under pressure, namely Pacific Media, Disability Media, and Community Media. While we have yet to fully assess this initiative or test it through moderation, our initial impression is that some elements seek to enhance rather than maintain existing services, and so do not meet the strict definition of cost pressures.

Government Digital Services

34. The Government Digital Services portfolio is one of seven portfolios supported by the Department of Internal Affairs (DIA), within Vote Internal Affairs.²

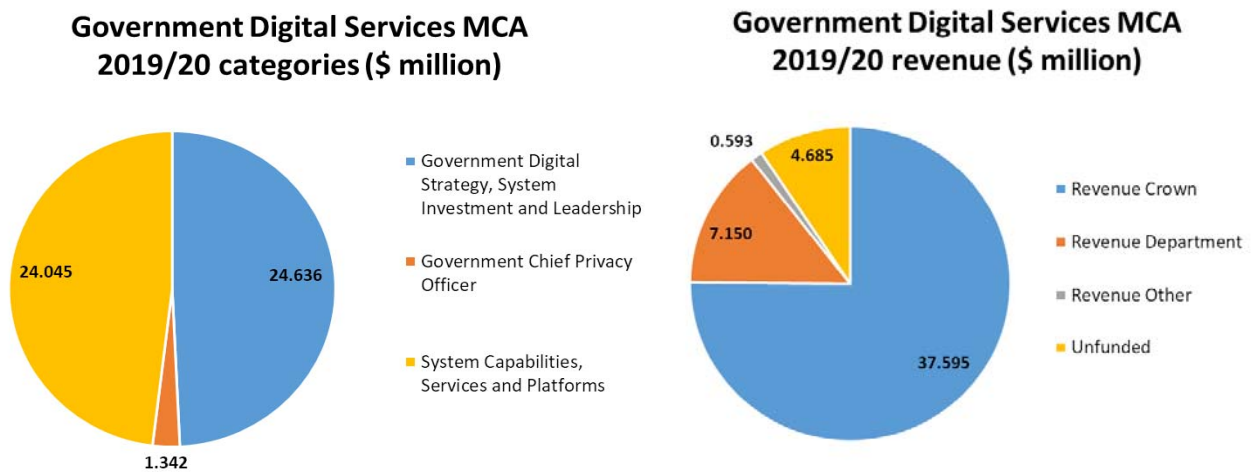
Government Digital Services portfolio funding and context

35. This portfolio includes responsibility for the Government Chief Digital Officer (GCDO). The purpose of the GCDO, as a functional lead, is to work across the State sector to drive and deliver customer-centred digital government. The GCDO's role is to provide leadership and coordination to deal with complex issues, set the right incentives and help deliver shared outcomes across government.
36. The Government Digital Services portfolio's annual operating appropriation is \$50.023 million in 2019/20, which is all departmental funding within the Government Digital Services multi-category appropriation (MCA) in Vote Internal Affairs. The majority of

² The other portfolios are Internal Affairs, Local Government, Ethnic Communities, Community and Voluntary Sector, Ministerial Services and Racing.

this appropriation is funded through revenue Crown, although a portion is cost-recovered (primarily from other government agencies). The breakdown of this appropriation and its revenue sources are shown in the figures below.

Figure 1: 2019/20 Government Digital Services MCA breakdown³

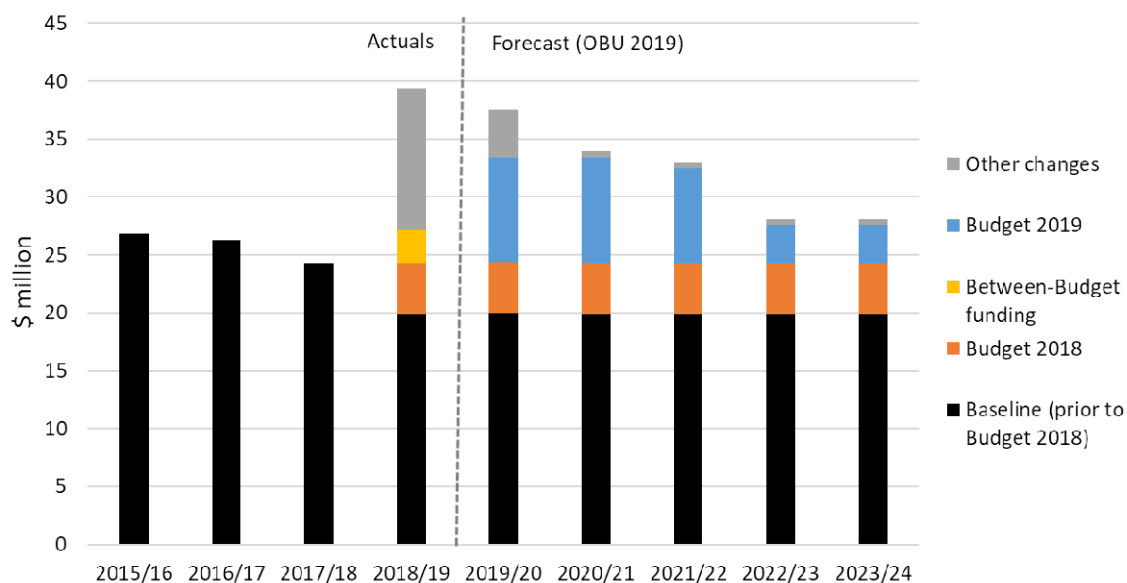


37. The tables and figure below outline the new funding the Government Digital Services portfolio has received since Budget 2018.

Table 2: Government Digital Services portfolio MCA total funding

Budget Estimates	4 Year Annual Avg (\$ million)	% increase on previous budget
Budget 2017	26.396	
Budget 2018	35.934	36%
Budget 2019	45.265	26%

Figure 2: Government Digital Services portfolio “revenue Crown” funding over time



³ “Unfunded” in Figure 1 refers to a memorandum account deficit. This deficit has grown over several years [33] The GCDO is reviewing the account as part of its operating model review, and we expect a sustainable solution to be developed to address the ongoing deficit.

Budget 2018 and 2019 decisions and the GCDO operating model review

38. The GCDO sought cost pressure funding through Budget 2018, and also sought new funding for specific data and digital initiatives subject to its cost pressure funding being agreed. The cost pressure initiative was not funded; however, GCDO received \$17.6 million over four years for data and digital initiatives to support the Chief Technology Officer and Ministerial Advisory Groups.⁴ Critical information on the consequences of not funding the cost pressure initiative was not provided to the Treasury or to Ministers during the Budget process.
39. In July 2018, Cabinet agreed to provide the GCDO additional funding of \$2.9 million for 2018/19 to meet an urgent shortfall in funding. In agreeing to this, Cabinet also directed the GCDO to develop proposals for a sustainable operating and funding model for delivering its mandated functions ahead of Budget 2019 [GOV-18-MIN-0041 refers]. This was in part driven by the GCDO's gradually expanding mandate over time, where additional agencies were included and new digital transformation responsibilities were added to its existing ICT role. This review was not carried out ahead of Budget 2019.
40. In Budget 2019, the then Minister for Government Digital Services sought to almost double the funding and staff of the GCDO. Cabinet agreed to provide minimum shortfall funding of \$12.612 million (over four years) as well as \$15 million (over three years) tagged to support service innovation through the Digital Government Partnership Innovation Fund. Cabinet also directed the GCDO to report to the Minister of Finance and the Minister for Government Digital Services on the progress of its operating and funding model review and to seek agreement to any next steps. The GCDO is planning to report to the Minister of Finance in November 2019.
41. The Treasury has been engaged in the operating model review and we are broadly supportive of the direction it is taking. Our understanding is that the new operating model is intended to be put in place within the parameters of existing funding.
42. The Minister of Finance has also requested progress reporting information from the Minister for Government Digital Services on the funding the GCDO received in Budget 2019. This was submitted on 31 October 2019.

Government Digital Services Budget 2020 initiatives

43. We understand that the Minister for Government Digital Services does not intend to submit any cost pressure initiatives for Budget 2020, and that cost pressure initiatives submitted elsewhere within Vote Internal Affairs will also not relate to functions or services within the Government Digital Services portfolio.
44. However, the GCDO has signalled its intention to submit a new spending initiative seeking additional funding [33]

At this stage, we understand the GCDO is seeking the Minister of State Services support to sponsor this initiative (rather than the Minister for Government Digital Services) given the "system" focus of the initiative.

GCDO role at Budget 2020

45. As you are aware, the GCDO is playing an important role in Budget 2020 in providing a system view of ICT spending across government. Cabinet agreed that the GCDO and Government Chief Data Steward will assess initiatives with data, digital and ICT

⁴ Minister Faafoi is currently finalising the Terms of Reference for a new Digital Council for Aotearoa, which will replace the Chief Technology Officer role.

⁵ These are cross-agency projects that join up services around New Zealanders' key life events. The first integrated life event service – SmartStart – is centred around the birth of a child, from pregnancy to around the age of six. It is designed as a one-stop shop for new parents and caregivers to access services from agencies and key non-government partners.

components against a set of refreshed investment principles. This advice will include assessments of relative priorities from an overall system perspective, and identify areas where collaboration and coordination could benefit agencies further. This follows on from Budget 2019 where a new system perspective of data, digital and ICT initiatives was introduced.

Strategy for a Digital Public Service

46. Cabinet recently endorsed the Strategy for a Digital Public Service to be led by the GCDO [GOV-19-MIN-0043 refers]. While the paper had no financial implications, it did indicate that implementing the initiatives in the Strategy's proposed work programme will require funding, and that appropriate funding mechanisms will be developed by the GCDO (in consultation with Treasury and other stakeholders). You may wish to ask the Minister whether there is likely to be any implications for Budget 2020 arising from this work.

Housing (Public Housing)

47. Minister Faafoi is an Associate Minister of Housing and has ministerial responsibility for public housing. We expect Minister Woods will engage with you on the overarching housing portfolio in her bilateral, but Minister Faafoi may also want to discuss public housing, as the Minister of Finance requested a progress report for public housing funding approved through Budget 2018.
48. Public housing targets have been met, and delivery of public housing places funded in Budget 2018 is ahead of schedule. However, more houses are being purchased than was originally planned, and new build public housing places are expected to have a much higher capital cost than was originally financed.
49. Despite meeting targets, demand for public housing has continued to significantly grow. As at 30 September 2019, the Public Housing and Transfer Register (sometimes referred to as the "public housing waitlist") had grown to 16,867 applicants, a 45 percent increase compared to the September 2018 quarter.

Annex A: Talking Points for your Bilateral with Minister Faafoi

Talking points for the **Consumer and Commerce Affairs** Portfolio:

- What are your priorities for the Commerce and Consumer Affairs portfolio in Budget 2020?
 - What cost pressures represent the highest level of implementation and delivery risk if not funded through Budget 2020? How do these initiatives contribute to the Government's priorities in the Commerce and Consumer Affairs portfolio?
 - The two cost pressure bids for the Commerce Commission and the Financial Markets Authority are seeking large increases to the size of their respective organisations and baselines. How confident is the Minister that these regulators will be able to scale up their operations quickly and effectively?
 - Given the capability cost pressures across Government, where would investment make the most meaningful impact on the quality and performance of these regulators?
- [34]

Talking points for the **Broadcasting, Communications, and Digital Media** portfolio:

- What are your priorities for the Broadcasting, Communications, and Digital Media portfolio in Budget 2020?
- [33]

Talking points for the **Government Digital Services** portfolio:

- What are your priorities for the Government Digital Services portfolio in Budget 2020?
- What is your view of the GCDO's progress in reviewing its operating and funding model in light of its experiences in recent budgets?
- How do you think the GCDO could better position itself to drive digital transformation of government?
- Where do you see the GCDO adding the most value across the system?
- Do you think there will be any implications for Budget 2020 arising from the implementation of the Strategy for a Digital Public Service?

You may wish to raise the following talking points **only if** Minister Faafoi brings up the progress reporting related to **public housing funding**:

- What do we know about Kāinga Ora's ability to deliver additional public housing places? How are the accountability arrangements working for the existing build programme and any requests for additional places? How are you thinking about balancing between new builds and purchased places?

Annex B: Submitted Cost Pressure Initiatives

Commerce and Consumer Affairs

Title	Description	Funding Sought by Agency						Initial Treasury Comments
		Opex (\$m)	Avg	Opex (\$m)	Total	Capex (\$m)	Total	
Strengthening the Impact of the Commerce Commission	This funding is to increase the Crown's contribution to the Commerce Commission's baseline. The Commerce Commission are currently forecasting a deficit for 2019/20. This increased funding will enable the Commerce Commission to continue to deliver market studies, engage with the business community, remain active as a regulator and better under and influence consumer outcomes.	12.724		50.895		-		<p>We agree that the current level of funding is not sustainable for the Commerce Commission, and that the volume of work, as well as expectations of their functions, have increased substantially in a short period of time.</p> <p>However, the current level of new operating funding sought is a substantial increase to the existing baseline and the size of the organisation.</p> <p>In our final assessment, we will provide you with a recommended level of additional funding.</p>
Building and Maintaining Consumer Confidence through the Crown Contribution to the Financial Markets Authority	This funding is to increase the Crown contribution to the Financial Markets Authority's baseline. This is the response to the implementation of a new financial advice regime, pressures related to the follow up work to the conduct and culture review and increased expectation to identify and address issues across the financial market sector following the Australian Royal Commission into Banking.	[33]		[33]		3.800		Our view on this bid is the same as above.

Increasing the Financial Markets Authority's Litigation Fund	Costs of taking litigation and legal fees have risen, while technology has made proceedings more complex and increased data management costs. Financial markets participants have identified and questioned the FMA's ability to take on well-resourced litigants, which will only become more acute with the Government's proposals for the FMA to regulate bank and insurer conduct. Adequate resources are required to provide credible deterrence and current funding is not sufficient to fulfil the FMA's legislative responsibilities or the expectations of stakeholders.	[33]	[33]	-	<p>We support the need to increase the Litigation Fund's baseline, as the current baseline of \$2 million per annum has already been exhausted twice in the past three years. However we have not yet made an assessment on whether we would support this initiative in full or scaled.</p> <p>We note that there has already been a baseline increase of \$4 million funded through the between-Budget contingency for the 2019/20 baseline.</p>
[33]	[33]	[33]	[33]	[33]	[33]
[33]	[33]	[33]	[33]	[33]	[33]
Total		[33]	[33]	[33]	

Broadcasting, Communications and Digital Media

Title	Description	Funding Sought by Agency						Treasury Comments
		Opex (\$m)	Avg	Opex (\$m)	Total	Capex (\$m)	Total	
Maintaining the Emergency Caller Location Information (ECLI) Service	The Emergency Caller Location Information (ECLI) service enables emergency call-takers to receive automatically generated geographical information about the location of a 111-caller from any mobile phone.	5.360		21.450		2.800		We have yet to make an assessment of this initiative. We are unclear whether this initiative meets the definition of a cost pressure as it arguably seeks to enhance the service as well as maintain capabilities.
Sustaining Crucial Public Media Platforms	This initiative seeks funding to alleviate financial pressures on crucial public media platforms that deliver vital content to under-served audiences. The platforms are Pacific Media Network (PMN), disability media (captioning and audio description) and community access radio stations.	6.250		25.000		-		We have yet to make an assessment of this initiative. Initial impressions are that some elements seek to enhance rather than maintain existing services, and so do not meet the strict definition of cost pressures.
Total		11.610		46.450		2.800		

Annex C: Delivering on past Budget Commitments – Initiatives within Scope

Commerce and Consumer Affairs

Budget	Title	Funding allocated		
		Opex Avg (\$m)	Opex Total (\$m)	Capex Total (\$m)
2019	Business Connect: Digitally Connecting Businesses with Central and Local Government	1.775	7.100	-

Broadcasting, Communications and Digital Media

Budget	Title	Funding allocated		
		Opex Avg (\$m)	Opex Total (\$m)	Capex Total (\$m)
2019	Strengthening Radio New Zealand: the Cornerstone of Public Media in Aotearoa	6.903	27.612	-

Government Digital Services

Budget	Title	Funding allocated		
		Opex Avg (\$m)	Opex Total (\$m)	Capex Total (\$m)
2019	Funding to Enable the Government Chief Digital Office to Continue Government's Digital Transformation	6.903	27.612	-

Housing – Public Housing

Budget	Title	Funding allocated		
		Opex Avg (\$m)	Opex Total (\$m)	Capex Total (\$m)
2018	Public Housing – Funding for Existing and Additional Supply (Housing)	51.275	205.100	- (financed through HNZ/Kāinga Ora's private borrowing)