

The Treasury

Budget 2020 Information Release

July 2020

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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
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- [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
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- [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.

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Treasury Report: Budget 2020 Bilateral with Minister Genter

Date:	6 November 2019	Report No:	T2019/3525
		File Number:	DH-47-3

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 Genter at your bilateral on Monday 11 November 2019	4:00pm, Monday 11 November 2019

Contact for telephone discussion (if required)

Name	Position	Telephone	1st Contact
[39]	Graduate Analyst, Education and Population Agencies	[39]	N/A (mob) ✓
Nicky Lynch	Manager, Education and Population Agencies	[23]	

Minister's Office actions (if required)

Return the signed report to Treasury.

Note any
feedback on
the quality of
the report

Enclosure: No

Treasury Report: Budget 2020 Bilateral with Minister Genter

Purpose of Report

1. The purpose of this report is to provide background information and advice for your Budget 2020 bilateral discussion with Minister Genter at 4:00pm on 11 November 2019, regarding Vote Women.
2. This report provides:
 - context on existing funding, including funding received in recent Budgets, and
 - an overview of the cost pressure initiative submitted for Budget 2020.
3. Attached to this report are two annexes.
 - Annex A provides talking points for your bilateral discussion.
 - Annex B provides a description of the cost pressure initiative submitted for Vote Women.
4. We have not provided comment on or a preliminary assessment of the cost pressure initiative at this stage. We will provide you with assessments in late November and further advice ahead of the package formation stage.

Context

5. Vote Women's annual operating expenditure is \$7.06 million. The annual capital expenditure is \$0.04 million. This Vote therefore totalled \$7.10 million in the 2019/20 financial year (as at October Baseline Update 2019).
6. A majority of this funding is departmental and supports policy and advisory services. The largest component of the Ministry for Women's baseline funding is for personnel costs, which make up 69 percent of expenses.
7. Total baseline uplift over the last two Budgets is summarised in the table below:

Budget Estimates	Total appropriations (4 year annual avg) at Budget (\$m)	% increase (decrease) in total appropriations (4 year annual avg) from previous Budget (\$m)
Budget 2017	5.169	
Budget 2018	5.218	0.95%
Budget 2019	6.687	28.15%

8. The 28 percent increase in Budget 2019 funding was an increase of \$6.17 million total operating over the forecast period for the Mana Wāhine Kaupapa Inquiry. The Treasury supported this non-discretionary cost pressure in full, as the Crown's involvement in the Inquiry is compulsory. The Ministry for Women was appointed as the lead agency.
9. The Ministry for Women is a small agency that operates with a small baseline. We do not see opportunities to reprioritise funding from within baselines to support additional work plans.

Cost Pressures

10. As at 3pm on 4 November, cost pressure bids seeking a combined total of \$14.80 billion in operating funding over the forecast period (\$3.70 billion average per annum), and \$6.10 billion total in capital funding have been submitted.
11. Minister Genter submitted one cost pressure bid totalling \$12.80 million in operating funding for Budget 2020, within the Vote Women portfolio.
12. Information on the initiative can be found in Annex A. We have not provided comments on this initiative at this stage.

Recommended Action

We recommend that you:

- a **note** the contents of this report, and
- b **discuss** the contents of this report with Minister Genter at your bilateral on 11 November 2019.

Nicky Lynch
Manager, Education and Population Agencies

Dr David Clark
Associate Minister of Finance

Annex A: Suggested Talking Points for your Bilateral with Minister Genter

Talking points for the Vote Women Portfolio:

- What options are there to manage current work plans from within baselines?
- Does the Minister intend to submit any new spending initiatives through Budget 2020?
- What are your key priorities for Budget 2020?
- How is the Mana Wāhine Kaupapa Inquiry processing?

Annex B: Submitted Cost Pressures

Vote Women

Title	Description	Funding Sought by Agency				Treasury Comments		
		Opex (\$m)	Avg	Opex (\$m)	Total		Capex (\$m)	Total
Enabling the Ministry for Women to deliver on Government priorities for New Zealand women	This cost pressure bid enables the Ministry for Women to deliver on Government priorities for New Zealand women. Funding has tracked lower than inflation over an extended period of time. This funding shortfall places increasing unsustainable pressure on the Ministry's ability to continue delivering quality services. Continuing increases in the cost of delivering policy and advisory services, and an increase in volume, have combined to place increasing and unsustainable pressure on the Ministry's baseline.	3.2		12.8				This is a personnel (driven by volume/price) cost pressure.
Total		3.2		12.8				