

# The Treasury

## Budget 2020 Information Release

### July 2020

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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).

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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
- [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).

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**Treasury Report:** Budget 2020 bilateral meeting - The Speaker of the House of Representatives

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<b>Date:</b>	28 November 2019	<b>Report No:</b>	T2019/3855
		<b>File Number:</b>	DH-27-1

**Action sought**

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	<b>Action sought</b>	<b>Deadline</b>
Hon Grant Robertson <b>Minister of Finance</b>	<b>Note</b> the contents of this report ahead of your meeting with the Rt Hon Trevor Mallard, Speaker of the House of Representatives.	12pm Thursday 5 December.

**Contact for telephone discussion (if required)**

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<b>Name</b>	<b>Position</b>		<b>Telephone</b>	<b>1st Contact</b>
Geoff Donovan	Vote Specialist, Justice, Security & Government Services	[39]	N/A (mob)	✓
Simon Duncan	Team Leader, Justice, Security & Government Services		N/A (mob)	

**Minister's Office actions (if required)**

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**Return** the signed report to Treasury.

Note any feedback on the quality of the report

**Enclosure:** No

# Treasury Report: Budget 2020 bilateral meeting - The Speaker of the House of Representatives

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## Purpose of Report

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1. This report provides background information and advice for your Budget 2020 bilateral discussion with the Speaker of the House of Representatives (the Speaker), Rt Hon Trevor Mallard, scheduled for 12.00 – 12.30pm on Thursday 5 December 2019.
2. This report covers:
  - context on existing funding, including funding received in recent Budgets
  - a brief overview of new spending initiatives likely to be submitted for Budget 2020, and
  - comment about the decision to exit Bowen House so the building can undergo earthquake strengthening.
3. The Speaker has not submitted any cost pressure initiatives for Budget 2020 and does not have any past budget initiatives subject to the additional progress reporting requirements. The Speaker is also the responsible Minister for Vote Office of the Clerk. We understand that the Speaker does not intend to submit any new spending initiatives for Vote Office of the Clerk. The rest of the briefing relates to Vote Parliamentary Service only.

## Context

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4. The Parliamentary Service's annual operating expenditure is \$152.296 million in 2019/20. The annual capital expenditure is \$9.259 million. The majority of operating expenditure is for members of Parliament (\$86.954 million) and for running Parliament (\$65.099 million).
5. The total baseline changes for Vote Parliamentary Service over the last two Budgets is summarised in the table below.

<b>Budget Estimates</b>	<b>Total appropriations (4 year annual avg) at Budget (\$m)</b>	<b>% increase (decrease)</b>
Budget 2017	161.582	
Budget 2018	157.786	(2.3%)
Budget 2019	162.400	2.9%

6. The main reason for the decrease in funding between Budget 2017 and Budget 2018 is the reduction of funding for the Parliamentary Accommodation Strategy. The strategy was put on hold following the 2017 General Election.
7. The Parliamentary Service's budget is relatively stable and there is limited ability to absorb increased costs. General practice has been for the Speaker to seek additional funding to resource the next Parliament appropriately in the Budget prior to the next

Parliament commencing. An initiative for this purpose has been submitted through Budget 2020.

## Budget 2020 New Spending Initiatives

8. We understand that the Speaker intends to submit four new spending initiatives in Budget 2020. Details are in the table below. We have not yet assessed these initiatives.

Title	Description	Funding Sought by Agency (\$m)		Initiative Type
		Opex Total	Capex Total	
53 <sup>rd</sup> Parliament	Funding for a well-functioning 53 <sup>rd</sup> Parliament.	22.370	-	Other
Security Review	Funding to respond to the recent security review.	5.240	6.340	Other
[33]	[33]	[33]	[33]	[33]
[33]	[33]	[33]	[33]	[33]
<b>Total</b>		[33]	[33]	

## Exit from Bowen House

9. The Parliamentary Service Commission<sup>1</sup> has decided to exit Bowen House over the next six months so the building can be earthquake strengthened by the owner. The Parliamentary Service requires additional operating and capital funding to implement this decision. The Speaker and the Leader of the House are currently preparing a Cabinet paper to seek this funding. The paper is planned to be submitted to the *Government Administration and Expenditure Review* Cabinet Committee for consideration on 12 December.
10. The draft cabinet paper currently seeks funding for:
- an immediate exit from Bowen House [37] note these are maximum amounts)
  - fit out for Defence House (Bowen State Building) and additional temporary accommodation until the Ministerial Building is completed [37]
  - rebuild of the earthquake prone Executive Wing (Press Gallery) [37]

<sup>1</sup> The Parliamentary Service Commission advises the Speaker about the services to be provided to the House of Representatives and to members of Parliament, and the objectives for those services. The Commission is made up of representatives from each of the parliamentary political parties, chaired by the Speaker.

11. Additional funding is required in the current financial year (2019/20) to allow for the exit from Bowen House within the next six months. To enable this, decisions are required before Budget 2020 decisions are made in April next year. This funding is being sought as pre-commitments against the Budget 2020 operating allowance and the multi-year capital allowance.
12. The Treasury supports funding for the immediate exit from Bowen House and funding for the fit out of Defence House and temporary accommodation as this is a direct consequence of the decision to exit from Bowen House.
13. Ministers have choices about when they fund the rebuild of the Executive Wing (Press Gallery) annex and the secure deliveries building. This could reasonably be deferred to a future budget, although Ministers may wish to provide some funding now for the initial design and consenting process.

## Talking points

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14. You may wish to discuss the following points with the Speaker:
  - What are your priorities for the Parliamentary Service in Budget 2020?
  - Are there options to fund aspects of the Future Parliamentary Accommodation in future Budgets? What would be the implications of this?

## Recommended Action

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We recommend that you **note** the contents of this report ahead of your bilateral meeting with the Speaker.

Simon Duncan  
**Team Leader, Justice, Security & Government Services**

Hon Grant Robertson  
**Minister of Finance**