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**From:** [Redacted]

**Date:** Tuesday, 11 June 2024 at 3:25 PM

**To:** Wendy McGuinness <wmcg@mcguinnessinstitute.org>

**Cc:** Patrick Shonakan <ps@mcguinnessinstitute.org>

**Subject:** RE: Follow up question on the OIA response

Good afternoon Wendy

Please see the below feedback to help with your request:

Original Text	Comment & suggestions
Table 2.4	We cannot comment on this, given that the table is sourced from the Treasury website, and the other columns (strategy and percentage) are assessments from the Institute.
On 11 May 2020 Cabinet agreed to a Foundational COVID-19 Response and Recovery Fund (CRRF) Package outlining a summary of initiatives to complement the Wellbeing Budget 2020 document. The CRRF is a funding envelope that set aside \$50 billion for budget management purposes, rather than an actual sum of money ring-fenced in the Government’s accounts. The CRRF was created to show how government was willing to spend in response to the pandemic and to communicate this intention to the public. (Treasury, pers. comm., 21 May 2024)	We would suggest the below adjustments to the text (red):  On 11 May 2020 Cabinet agreed to a Foundational COVID-19 Response and Recovery Fund (CRRF) Package outlining a summary of initiatives to complement the Wellbeing Budget 2020 document. The CRRF <b>was</b> a funding envelope that <b>initially</b> set aside \$50 billion for budget management purposes, rather than an actual sum of money ring-fenced in the Government’s accounts. The CRRF was created to show <b>what</b> the government was willing to spend in response to the pandemic and to communicate this intention to the public. (Treasury, pers. comm., 21 May 2024).
Figure 2.5	No comment.
Concerns were raised in the media when Cabinet made a number of decisions shortly after the final top-up in February 2022; it closed off the	Instead of saying ‘reprioritised’ it would be more accurate to say ‘repurposed’ or ‘used to offset the fiscal impact of another government priority’. CRRF money was not ringfenced, but was rather a budget allocation or ‘funding envelope’ which indicated a willingness to spend. ‘Reprioritised’ implies that the funding was committed when it was

February 2022: it closed on the CRRF and 'reprioritised' the \$3.2 billion that remained. On 11 April 2022 Cabinet agreed to spend more than \$800 million on cost of living payments (managed by the IRD; the payment was \$350 per person earning income up to \$70,000 a year) and extend the March fuel tax cut by two months, at a further cost of \$235 million. Cabinet also agreed to use a further \$1 billion of the reprioritised CRRF funds to, 'offset investments funded from the Budget 2022 operating allowance'. Some, including former deputy chief economic advisor to the Treasury Tony Burton, consider it was an 'abuse of process' to treat the unused remains of an emergency contingency as 'underspend'. The Minister of Finance, Grant Robertson, said it was not unusual to treat such unused funding this way. One would expect more clarity is required over this point, given emergency funding (and possibly underspending due to high levels of uncertainty) is likely to be more common going forward. (IRD, 2022; MBIE & MoT, 2022; Robertson, G., 2020; Treasury, 2022)

reprioritised implies that the funding was committed, when it was not. To illustrate this point, no initiative was 'deprioritised' by this \$3.2 billion being repurposed.

Figure 2.6 shows the government allocations by financial year, showing that the allocations in the 2021/22 year were just as costly as 2019/20, and that the cheapest year was the 2020/21 financial year.

The graph key indicates that the bars from 23/24 onwards represent fiscal impact, which is not correct. This graph represents the funding allocations by year. In that regard, all of the bars should be dark grey, and the light grey key description should be removed.

It may be useful to include specific references to the source data for this graph. i.e. is it from the 'original funding decision' sheet in the Treasury data release? Or does it blend together multiple datasets?  
 Josie – add from the original funding decision from <https://www.treasury.govt.nz/publications/data/covid-19-response-and-recovery-fund-crrf-funding-decisions> to the ref table

The NZ\$86.8 billion includes the amount appropriated to each initiative as well as other initiatives that were not appropriated, such as tax changes and tagged contingencies. The term

We would suggest the below adjustments to the text (red):  
  
 The NZ\$86.8 billion represents the totality of funding allocated to initiatives related to response and recovery from 2019/20 to 2025/26 and outyears. This includes initiatives that were not technically 'appropriated' (such as tax changes and tagged contingencies).

'allocated amount' is often used to draw a distinction from 'appropriated funds'. (Treasury, pers. comm., 21 May 2024)	
Figure 2.7 shows the significant amount of money that was invested in social development (\$26 billion). The \$70.4 billion refers to appropriated funds.	<p>We would suggest the below adjustments to the text (red):  Note, the word 'significant' had a typo which is highlighted and corrected below.</p> <p>Figure 2.7 shows the significant amount of money that was allocated to Vote social development (\$26 billion). The \$70.4 billion refers to the fiscal impact of the CRRF funding decisions, which is the impact on the Crown's net debt across the forecast period.</p>

Ngā mihi

**Senior Ministerial Advisor | Te Tai Ōhanga – The Treasury**  
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**From:** Wendy McGuinness <wmcg@mcguinnessinstitute.org>  
**Sent:** Thursday, June 6, 2024 10:06 AM  
**To:** [REDACTED]  
**Cc:** Patrick Shonakan <ps@mcguinnessinstitute.org>  
**Subject:** Follow up question on the OIA response

Hi there,  
Thanks so much for your response, much appreciated.  
I have attached the pages of the book that are relevant to the OIA (as well as your original response). Would you mind checking our interpretation is correct?  
Many thanks,  
Wendy and Paddy

**From:** [REDACTED]  
**Date:** Tuesday, 21 May 2024 at 4:48 PM  
**To:** Wendy McGuinness <[wmcg@mcguinnessinstitute.org](mailto:wmcg@mcguinnessinstitute.org)>  
**Subject:** OIA response

Dear Wendy  
Please find attached the response to your request for information.

Ngā mihi

**Senior Ministerial Advisor | Te Tai Ōhanga – The Treasury**  
Email/IM: [REDACTED]