

Security classification: Sensitive-Budget

Health Report: Progressing the 2019 Budget package for Vote Health

Date:	6 March 2019	Report No:	20190377
		File Number:	AD62-14-2019

Action Sought

Action Sought by Minister's Office		Deadline
Minister Clark	Note	6 March 2019

Contact for Telephone Discussion (if required)

Name	Position	Telephone	Contact Order
Fergus Welsh	Acting Chief Financial Officer, Corporate	s 9(2)(a)	1st Contact
Geoff Tilbrook	Acting Group Manager, Financial Strategy and Funding		2nd Contact

Actions for the Minister's Office Staff

This report is for **noting/information only**

Due date: This report provides background information to support discussions with Health officials at 7.00pm on Wednesday, 6 March 2019 on next steps on the 2019 Budget package for Vote Health.

Note any
feedback on
the quality of
the report

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Progressing the 2019 Budget package for Vote Health

To: Hon Dr David Clark, Minister of Health

Purpose

The attached documentation provides supporting information for your second meeting with the Director-General scheduled for 7.00pm on Wednesday, 6 March on Budget 2019 and your Vote Health Budget package ahead of preparing further advice for your Budget bilateral meeting with the Minister of Finance at 5.00pm on Tuesday, 19 March.

A proposed Agenda for the meeting is attached (Appendix 1).

Recommendations

The Ministry recommends that you:

- a) **Note** the Treasury and Ministry positions on individual initiatives within the original Budget package submitted as part of Budget 19

- b) **Note** your expectations at the meeting with officials for further shaping a Budget package and next steps to support you in preparing for the upcoming Budget bilateral meeting with the Minister of Finance.

Fergus Welsh
Acting Chief Financial Officer
Corporate Services

Hon Dr David Clark
Minister of Health

Date:

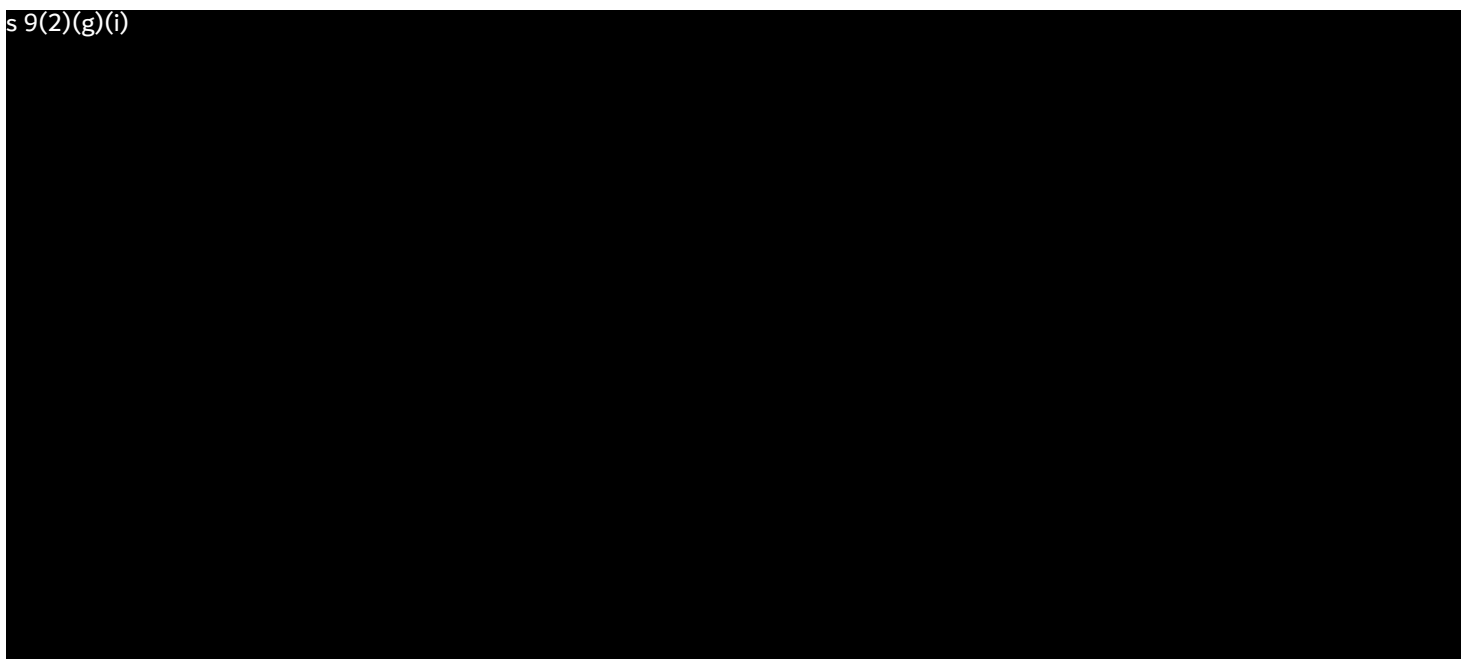
Contacts:	Fergus Welsh, Acting Chief Financial Officer, Corporate Services	s 9(2)(a)
	Geoff Tilbrook, Acting Group Manager Financial Strategy and Funding, Corporate Services	

Progressing the 2019 Budget package for Vote Health

A. BACKGROUND

1. You are meeting with the Director-General and Ministry of Health officials on Wednesday, 6 March. This is the second of two scheduled meetings in preparation for your Budget bilateral with the Minister of Finance on Tuesday, 19 March.
2. Cabinet has agreed to the following priorities for Budget 2019:
 - Priority A – Creating opportunities for productive businesses, regions, iwi and others to transition to a sustainable and low-emissions economy
 - Priority B – Supporting a thriving nation in the digital age through innovation, social and economic opportunities
 - Priority C – Lifting Māori and Pacific incomes, skills, and opportunities
 - Priority D – Reducing child poverty and improving child wellbeing, including addressing family violence
 - Priority E – Supporting mental wellbeing for all New Zealanders, with a special focus on under 24s
3. By the time you have your meeting with officials, Cabinet Māori Crown Relations: Te Arawhiti Committee (MCR) will have considered initial packages for Priority C, and Cabinet Social Wellbeing Committee (SWC) will have considered initial packages for Priorities D and E, as well as non-discretionary cost pressures and out-of-scope initiatives for related portfolios.
4. Officials have not seen this material for those Cabinet Committee discussions ahead of the Committees meeting, given the sensitivity of the information. The Ministry has only seen the early advice of the Treasury on the individual bids. Therefore we are not yet in a position to provide specific advice on choices for finalising a robust Vote Health package.
5. However, this memo presents some background information you may wish to consider in preparing for the meeting with Ministry of Health officials (along with that provided for the earlier meeting – HR 20190284).
6. This background information along with other information provided is intended to help shape the nature and focus of the Vote Health 2019 Budget package, following any outcomes of Cabinet Committee meetings.

s 9(2)(g)(i)



s 9(2)(g)(i)

C. VOTE HEALTH EXPENDITURE IN PRIORITY AREAS (APPENDIX 5)

13. Ministry officials met with your office last Thursday (28 February) to discuss Budget related matters and understand the Minister of Finance has indicated he would like to present the Budget on the basis of the government's priority areas. It is unclear at this stage how this will impact the current Budget processes as detailed in the Treasury circulars.
14. However your office indicated that the Ministry should plan to provide estimates of the existing Vote Health spend in these priority areas noting there may be some overlaps in the three priority areas most related to health i.e. between the services relating to Child Health, Mental Health and for Maori & Pasifika.
15. Appendix 5 provides a breakdown into categories loosely related to these priorities but with further work required to refine these estimates.
16. The further work will also identify capital projects underway or approved to improve mental health facilities.

D. MENTAL WELLBEING PACKAGE ACROSS ALL OF GOVERNMENT (APPENDIX 6)

17. The mental wellbeing package submitted across all of government totals s 9(2)(f) over the four years. Vote Health is contributing (approximately) of the total package. Refer to Appendix 6 for detail list of individual initiatives bids.

E. BUDGET TIMELINE (APPENDIX 7)

18. Attached is a summary of key dates for the Budget over the coming months (previously provided for your meeting with officials on 19 February).

F. NEXT STEPS

19. Following the outcome of the meeting on 6 March, officials will continue to work on potential options and choices as input into your 19 March bilateral discussions with Minister of Finance.
20. As noted above, we will continue to work with the Treasury regarding their assessments and the moderated Budget package for Vote Health and as we gain a further understanding on their position we will share this information with your Office. This will also assist in the development of the Budget bilateral briefing advice and consistency of core budget information.

END

Attachments

s 9(2)(f)(iv)

Appendix 5: Vote Health expenditure in Priority Areas

s 9(2)(f)(iv)

Appendix 7: Budget timeline provided by the Treasury