

The Treasury

Briefing to the Incoming Minister of Finance

February 2024

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**TE TAI ŌHANGA
THE TREASURY**

2023 BRIEFING TO THE INCOMING MINISTER OF FINANCE

Ko te Tai Whakarunga

Ko te Tai Whakararo

Ko te Tai Tokerau

Ko te Tai Tonga

Ko te Tai Hauāuru

Ko te Tai Rāwhiti

Tēnei ko Te Tai Ōhanga

Hui e, Tāiki e!

*There in the challenge between the
known and the unknown,*

*We find direction from the northern,
southern, western and eastern tides.*

*At the centre, Te Tai Ōhanga, the
Treasury, serving the four directions
of Aotearoa where our people live.*

CONTENTS

| | |
|--|----|
| Introduction | 2 |
| Ministerial Responsibilities | 3 |
| Summary | 3 |
| Legislative | 4 |
| Institutional | 9 |
| International | 14 |
| Delegations and transfers | 15 |
| The Treasury | 18 |
| Who we are | 18 |
| Our functions and responsibilities | 18 |
| Vote Finance | 20 |
| How we can support you | 22 |
| Our leadership and governance | 23 |
| Annex A: Legislation administered within the Finance portfolio | 33 |
| Annex B: Statutory powers of the Minister of Finance in relation to organisations and companies | 34 |
| Annex C: Other statutory powers of the Minister of Finance | 38 |
| Annex D: Upcoming appointments | 39 |

INTRODUCTION

1. We look forward to discussing how we can support you. This document provides you with an overview of your ministerial responsibilities as set by legislation, and the processes involved in exercising them.
2. It outlines how the Treasury could support you, your Associate Ministers, and your Government, and provides some contextual information about the Treasury.
3. We will provide you a list of key decisions and critical issues that we would like to engage with you on, ahead of our first meeting with you.
4. Alongside this document, we have provided you with a presentation that sets out the Treasury's view on the overall economic and fiscal context. Against that backdrop, it provides our high-level assessment of some of the key opportunities for a sustained lift in the nation's fiscal and economic performance and living standards. We look forward to providing more detailed briefings for you on these and others matters at your convenience.
5. The Government has set out an ambitious action plan. The Treasury is ready to support you to implement these policies, in particular those that will be your primary responsibility as the Minister of Finance. We want to understand where you want to focus and how we can support you to deliver and provide leadership across the Government's work programme.
6. Within that, some of the most important early discussions we want to have with you are around how we support the Government to set and implement your overall fiscal strategy.
7. Some of the key issues we want to discuss with you include confirming your overall Budget allowances and other decisions for inclusion in the Half-Year Economic and Fiscal Update; the timing and approach to any Mini-Budget; and the strategy and design of the Budget 2024 process.

MINISTERIAL RESPONSIBILITIES

8. You have a key role in all aspects of economic policy, extensive influence in Government decision-making, and you also represent New Zealand internationally. You have specific responsibilities related to leading the annual Budget cycle and associated requirements to be transparent about the Government's finances. You also have responsibility for macroeconomic and fiscal policy settings, tax and overseas investment policy advice, banking supervision policy, and the Government's fiscal and economic strategies (in consultation with other Ministers).
9. This broad economic and fiscal leadership role means that you have interests across other Ministers' portfolios. Through the Budget, Cabinet committees, and related processes you have considerable influence over those portfolios. The Government can also veto any proposed bill, amendment or motion that would have more than a minor impact on the Government's finances. The process for doing so is set out in Cabinet Office Circular CO (07) 2. Where the Financial Veto is exercised, this is issued by you and the Prime Minister and Leader of the House will be consulted.
10. The Treasury can support you in your engagement with other Ministers, particularly for important relationships such as with the Ministers of Revenue, Infrastructure, Regulation, and those with particularly significant Votes.
11. You have direct levers such as financial decisions on spending and holding overall responsibility for the Crown's finances (including all revenue), plus less direct levers such as engagement with Ministerial colleagues and formal consultation.
12. You are the only Minister with the ability to give guarantees, indemnities and loans on behalf of the Crown and approve Crown borrowing, and you can guide the parameters for how the Treasury, on behalf of the Crown, manages the Crown's balance sheet.
13. You are New Zealand's Governor at major international financial institutions including the International Monetary Fund and World Bank. This role requires you to engage with the institution from a shareholder perspective, for example on governance issues or requests for additional capital. Many administrative decisions in this area can be delegated to the Secretary to the Treasury.
14. International investors, rating agencies and commentators also seek your view on New Zealand's economic direction and prospects. Specific policy responsibilities here relate to your role in overseas investment and in managing New Zealand's debt programme.
15. The Treasury supports you and your Associate Ministers in all your specific responsibilities and in your broader role across the Government. Our advice considers potential economic and fiscal impacts, as well as broader considerations such as human, social and natural capital impacts.
16. A full list of legislation administered within the Finance portfolio is provided in Annex A.

LEGISLATIVE RESPONSIBILITIES: PUBLIC FINANCE ACT 1989

17. The Public Finance Act 1989 (PFA) governs the use of public financial resources. It provides the core legislative framework within which the Government can borrow money or spend public money. This framework provides for the rights of Parliament to give informed authority for, and scrutiny of, government borrowing and activity, and for the Executive to manage the financial activities of the Government effectively and responsively.

18. Principles of transparency and accountability underpin the PFA, by requiring the Government and departments to prepare financial information that: uses accrual accounting concepts and statements, in accordance with financial reporting standards approved by an independent standard setter; and, in the case of annual financial statements, complies with generally accepted accounting practice and is independently audited.

19. One of your key responsibilities under the PFA is to deliver the Government's annual Budget. The PFA sets out your role in relation to the annual Budget and gives you several other powers and responsibilities.

20. The key elements of the Budget process over recent years have been:

- the Fiscal Management Approach, a set of rules that enables you to manage additional spending against an annual operating allowance and a multi-year capital allowance;
- the Budget strategic phase, which enables you to shape up an overall

Budget strategy that is then signalled in the Budget Policy Statement (BPS);

- the Budget submission phase, during which portfolio Ministers and departments prepare and submit Budget initiatives (both expenditure and savings); and
- the Budget assessment and decision phase, during which the Treasury assesses initiatives for links to the Budget strategy, value for money, and readiness for implementation. Initiatives are then agreed by Budget Ministers and submitted to Cabinet for approval.

21. We will provide further advice on a range of options to consider before agreeing your Budget 2024 strategy.

THE GOVERNMENT'S ANNUAL FINANCIAL CYCLE

22. The Crown must not incur expenses or capital expenditure or make capital injections without Parliament's approval, therefore your key responsibilities over the financial cycle are to:

- facilitate and present to Parliament a Half Year Economic and Fiscal Update (HYEFU), prepared by the Treasury between 1 November and 31 December;
- facilitate and present to Parliament the Budget Policy Statement by 31 March;
- introduce the Appropriation (Supplementary Estimates) Bill and present the Supplementary Estimates for passage by the end of the financial year. The first Imprest Supply Bill is also introduced in late June and comes into force on 1 July; this provides authority for the Crown to spend money pending enactment of the Appropriation (Estimates) Bill;

- introduce the Appropriation (Estimates) Bill and deliver the Budget by 31 July. On the same day you must present the Government's Fiscal Strategy Report, a Budget Economic and Fiscal Update (BEFU) prepared by the Treasury, and the Estimates; and
- introduce the second Imprest Supply Bill before the Appropriation (Estimates) Bill has its third reading. It provides authority for the Crown to spend money not otherwise authorised by the Appropriation (Estimates) Act pending enactment of the Appropriation (Supplementary Estimates) Act later in the year.

ACTUAL AND FORECAST FINANCIAL STATEMENTS

23. Under the PFA, the Treasury prepares the Financial Statements of the Government in accordance with generally accepted accounting practice, publishing monthly (September to May) and annual (year-end) financial statements for government reporting. These report information on the Government's assets and liabilities, revenue and expenses, and cash flows.
24. As noted above, the Treasury also prepares economic and fiscal updates (often referred to as BEFU, HYEPU and PREFU), which include forecast financial statements. The Minister of Finance has responsibility for aspects of those updates, in particular for the disclosure of Government decisions and other circumstances with material economic or fiscal implications.

FISCAL RESPONSIBILITY

25. Under the PFA, the Government must pursue its policy objectives in line with the principles of

responsible fiscal management. The Government may depart from these, but only temporarily, and the PFA requires you to state the reasons why, plus how and when there will be a return to the principles.

26. There are regular reporting obligations, in addition to those in the annual financial cycle, that support transparency and accountability. These include:
- a statement on the long-term fiscal position, which is prepared by the Treasury every four years; the next statement is due by 30 September 2025;
 - an investment statement also prepared by the Treasury every four years; the next statement is due by March 2026; and
 - a Pre-election Economic and Fiscal Update (PREFU) prepared by the Treasury and published between 20 and 30 working days before Election Day.

OTHER MATTERS RELATING TO APPROPRIATIONS

27. Appropriation-related responsibilities in addition to those that are part of the annual financial cycle include:
- approving the establishment of multi-category appropriations;
 - granting exemptions from the end-of-year performance information requirements;
 - agreeing with a department's responsible Minister that the department can keep some or all its operating surplus; and
 - approving expenses or capital expenditure to be incurred or capital injections to meet an emergency or disaster.

FINANCIAL POWERS

28. Your financial powers under the PFA include borrowing money, appointing borrowing agents, issuing securities, investing in securities, lending money, and giving guarantees or indemnities on behalf of the Crown.
29. New Zealand Debt Management (NZDM) sits within the Treasury and is responsible for managing the Government's debt and overall cash flows. It issues New Zealand Government Securities and repays securities as they fall due.
30. New Zealand Debt Management (NZDM) manages a portfolio of financial assets alongside its debt portfolio. You have a role in setting the parameters for these activities, reflecting your risk appetite. This includes setting the maximum level of Market Risk and Credit Risk exposure that can be taken at any given time. You also approve the annual New Zealand Government Bond programme limit and any new New Zealand Government Bond lines. NZDM administers loans on behalf of the Crown, approximately two thirds of which are to Housing New Zealand (Kāinga Ora) and the remainder primarily to the New Zealand Transport Agency (Waka Kotahi). NZDM also provides transactional services to departments, some Crown entities, and the Local Government Funding Agency (LGFA) to help it manage financial markets risk.
31. New Zealand Export Credit (NZEC) is run out of the Treasury and helps exporters and their domestic suppliers to access finance and trade credit insurance to enable trade, secure sales, and mitigate repayment risks by foreign buyers. Since 2001 NZEC has underwritten \$2 billion in exposure in support of export sales into 119 countries, worth a combined value of \$4.7 billion. NZEC charges risk-

weighted premiums and fees for its insurances and guarantees, with the long-term objective of fully covering its operating costs and claims. The authority to issue Crown guarantees is pursuant to your powers under section 65ZD of the Public Finance Act 1989. The Secretary to the Treasury has delegated authority to issue guarantees and pay claims as part of the management and administration of NZEC.

BANK ACCOUNTS

32. You have oversight of how Government bank accounts are opened and operated. Some of these powers are also exercisable by the Treasury. There are some slightly different requirements relating to bank accounts operated by intelligence and security departments.

REPORTING BY OTHER ENTITIES

33. Departments are required to provide information on their strategic intentions to their responsible Minister at least once every three years. If the department is likely to be disestablished, you can waive this requirement. If a department is likely to have a significant change in the nature or scope of its functions, you can extend the time for providing the information by up to a year, provided you are satisfied that it will enable the department to improve the quality of its information.
34. You can exempt new entities established during the last four months of a financial year from providing an annual report until their first full financial year. When an entity has been disestablished, you can transfer the responsibility for providing some or all of its final report to another entity.

LEGISLATIVE RESPONSIBILITIES: PUBLIC SERVICE ACT 2020

35. The Public Service Act 2020 allows for new organisational forms to be established (interdepartmental ventures, interdepartmental executive boards and more autonomous forms of departmental agencies). Under the PFA these are collectively known as specified agencies, and while they have planning and reporting obligations similar to existing departments under the PFA, you can grant waivers with respect to financial statements and strategic intentions in certain circumstances.
36. Under the Public Service Act, the Secretary to the Treasury is required to provide you with a long-term insights briefing at least once every three years. The purpose of the briefing is to make public:
 - information about medium and long-term trends, risks, and opportunities that affect or may affect New Zealand information; and
 - impartial analysis, including policy options for responding to the above.
37. The Act also explicitly recognises the role of the public service to support the Crown in its relationships with Māori under the Treaty of Waitangi.
38. In addition, section 12 of the Act on public service principles tasks public service chief executives, including the Secretary to the Treasury, with proactively promoting stewardship of the legislation administered by their agencies. This stewardship responsibility is supplemented by Cabinet-mandated expectations that require agencies to properly

govern, monitor and care for their regulatory systems, including keeping them up to date and fit for purpose. The Treasury has a lead stewardship role in relation to a number of regulatory systems, including: Public Finance, Regulatory Management, Reserve Bank regime, Overseas Investment and the Earthquake Commission.

LEGISLATIVE RESPONSIBILITIES: OVERSEAS INVESTMENT ACT 2005

39. You are the Minister responsible for the Overseas Investment Act 2005 (OIA). The Treasury administers the Act, provides associated policy advice, and engages in ongoing regulatory stewardship of the regime. The Chief Executive of Land Information New Zealand Toitū Te Whenua (LINZ) is designated as the regulator.
40. In addition, you have the power to recommend regulations, including regulatory exemptions, approve guidelines, and set Ministerial directives for LINZ. There is currently one Ministerial directive to LINZ in place (dated November 2021), covering the general policy approach to overseas investment and providing direction on delegated areas.
41. The Overseas Investment Act 2005 (OIA) requires overseas persons (including businesses more than 25% owned or controlled by overseas persons) to obtain consent for investments in sensitive land, significant business assets or fishing quota. The OIA also includes a requirement to notify transactions that are more likely to pose risks to national security and public order regardless of value.
42. Under the OIA, you are responsible for:
 - deciding applications for consent – in some cases in conjunction with other Ministers (the Minister for Land Information where a transaction involves sensitive land and the Minister of Fisheries where a transaction involves fishing quota, with all Ministers responsible for transactions that involve both sensitive land and fishing quota);
 - considering whether a transaction should be subject to the national interest, and deciding on the outcome of the application if so;
 - determining whether transaction notifications received under the National Security and Public Order (NSPO) notification regime should be ‘called in’; and
 - deciding applications for exemptions.
43. You can generally delegate these decisions to other Ministers or to Land Information New Zealand, subject to the constraints detailed below. There are currently delegations in place, which will remain unless you replace or revoke them. You are unable to delegate decision-making powers under the national interest test and certain powers under the NSPO regime to another Minister who is also responsible for deciding on any other aspect of that transaction.

INSTITUTIONAL RESPONSIBILITIES

44. Many of your legislative responsibilities are specific to your institutional responsibilities, and these are outlined below.

45. You are responsible for the following organisations:

| | |
|----------------------------|--|
| Departments | <ul style="list-style-type: none"> The Treasury - Te Tai Ōhanga |
| Crown entities | <ul style="list-style-type: none"> Government Superannuation Fund Authority Guardians of New Zealand Superannuation New Zealand Productivity Commission (noting its intended disestablishment) Toka Tū Ake Earthquake Commission (Toka Tū Ake EQC)¹ |
| PFA Schedule Organisations | <ul style="list-style-type: none"> New Zealand Government Property Corporation (legal owner of New House in London) (PFA Schedule 4) |
| Other organisations | <ul style="list-style-type: none"> Reserve Bank of New Zealand National Provident Fund Government Superannuation Appeals Board Community Trusts The Crown's 51% shareholding in Air New Zealand Limited The Crown's 50% shareholding in the Centre for Climate Action Joint Venture Limited (shared responsibility with the Minister of Agriculture) The Crown's 51% shareholdings in Genesis Energy, Mercury NZ and Meridian Energy (shared responsibility with the Minister for SOEs) You are also a shareholder, along with the responsible Minister, of all State-owned enterprises, Crown entity companies, Crown Research Institutes and Public Finance Act Schedule 4A companies. |

46. Your involvement in these companies and entities depends on whether you are acting in your capacity as the Minister of Finance, a shareholding Minister, or a responsible Minister of a statutory Crown entity.

appointing directors to boards (subject to Cabinet approval), setting clear ownership and performance expectations, and processes related to reporting and accountability.

47. Powers and responsibilities can range from

48. We provide the following advice to you:

¹ Further information will be provided to you regarding Toka Tū Ake Earthquake Commission (Toka Tū Ake EQC) and your Ministerial responsibilities separately.

- Ownership: What the Crown is seeking to achieve through ownership of its companies and entities;
- Governance: How the capabilities, skills and experience of boards contribute to the success of companies and entities, and what board changes are needed to strengthen it;
- Performance: How Crown companies and entities deliver against their ownership, legislative, Ministerial, and strategic objectives; and
- Commercial: How the Crown can best deliver commercial outcomes through its ownership, for example, as a potential means of intervention in certain sectors, or what are the ownership implications and options if market disruption significantly affects some business models.

49. Further information on your levers to influence performance and how we advise and support you to carry out your responsibilities are included in the Treasury's *Briefing for Incoming Shareholding and Responsible Ministers*. A summary of director positions requiring decisions is provided in Annex D.

STATE-OWNED ENTERPRISES

50. State-owned enterprises (SOEs) are companies subject to the State-Owned Enterprises Act 1986 and are expected to operate as successful businesses, including being as profitable and efficient as comparable private businesses. SOEs are also required to be good employers and to exhibit a sense of social responsibility. You are required to hold 50% of the shares in all SOEs, with the responsible Minister holding the other 50%. The responsible Minister is

usually, but not always, the Minister for SOEs.

CROWN ENTITIES

51. Crown entities are subject to the Crown Entities Act 2004 and, in general, they are expected to act as successful going concerns and to operate in a financially responsible manner.

52. Some Crown entities are **statutory** Crown entities, and their establishing legislation contains specific social, cultural, policy or commercial objectives. The statutory entities for which you are responsible are the:

- Government Superannuation Fund Authority;
- Guardians of New Zealand Superannuation
- New Zealand Productivity Commission (noting the intention to disestablish the Commission); and
- Toka Tū Ake Earthquake Commission (Toka Tū Ake EQC).

53. Some Crown entities are companies that contribute to the Crown's **policy objectives**. You are required to hold 50% of the shares in all Crown entity companies, with the responsible portfolio Minister holding the other 50%.

54. You have powers in relation to some Crown entities that are separate from the powers of the responsible portfolio Minister: you can approve the entity's investing, lending, borrowing and entering into derivatives, provide guarantees and indemnities, and require a net surplus to be paid to the Crown, and payment of a capital charge.

55. You also have powers in relation to particular Crown entities (including the Accident

Compensation Corporation (ACC), Toka Tū Ake EQC, Kāinga Ora – Homes and Communities and Public Trust), and types of Crown entities (including School Boards of Trustees), which are contained in legislation specific to those entities. For example, certain sections of the Accident Compensation Act 2001 require the authority of the Minister of Finance. These are generally in relation to ACC's management of investment assets to support a full-funding approach.

PUBLIC FINANCE ACT SCHEDULE 4A COMPANIES

56. PFA Schedule 4A companies are subject to the Public Finance Act 1989 and relevant sections of the Crown Entities Act 2004. Their expectations vary in accordance with their constitutions. PFA Schedule 4A companies can be jointly owned by the Crown and other parties, but the Crown must have a majority shareholding (at least 50% plus one share). You are required to hold an equal number of shares with the other shareholding Minister(s), i.e. 50% of the Crown's shares if there is only one other Crown shareholder.

OTHER ORGANISATIONS

57. You are responsible for the Reserve Bank of New Zealand (RBNZ) and National Provident Fund, both of which are statutory corporations with their own legislation that replicates or references many of the governance and accountability provisions that apply to Crown entities. Your responsibilities for RBNZ are significant and are detailed further below.

58. You share responsibility with the Minister for State Owned Enterprises for the Crown's 51% shareholding in the mixed ownership model companies Genesis Energy Limited, Mercury NZ Limited, and Meridian Energy Limited. The

Crown must retain at least a 51% shareholding, and no other party may own more than 10% of the shares.

59. You share responsibility with the Minister for State Owned Enterprises for the Crown's 25% shareholding in Christchurch International Airport Limited and 50% shareholding in Dunedin International Airport Limited and Hawke's Bay Airport Limited. Airport companies are council-controlled trading organisations and subject to the Local Government Act 2002. Local authorities own at least 50% of their shares. There is no legislative restriction on the Crown's percentage ownership.
60. You share responsibility with the Minister of Agriculture for the Crown's 50% shareholding in the Centre for Climate Action Joint Venture Limited, trading as AgriZero. AgriZero is not subject to any Crown legislative ownership frameworks because is not a crown entity.
61. You are the sole shareholding Minister for the Crown's 51% shareholding in Air New Zealand Limited. That shareholding is not subject to any legislative frameworks, and there is no requirement that the Crown continue to hold 51% of the issued shares. Successive governments have had a policy of maintaining a 51% shareholding.
62. All companies are also subject to the Companies Act 1993. Companies and entities (except for the publicly listed companies) are subject to other public legislation such as the Official Information Act 1982, the Public Audit Act 2001, and the Ombudsmen Act 1975. They are subject to public scrutiny through the select committee process and parliamentary questions addressed to Ministers.
63. The publicly listed companies are also subject to the NZX Listing Rules.

THE RESERVE BANK OF NEW ZEALAND

64. Your role under the Reserve Bank of New Zealand Act 2021 (the RBNZ Act) is to oversee and manage the Crown's interests in, and relationship with, the Reserve Bank and to exercise any statutory responsibilities given to you. This includes the following functions and powers:
- appointing Board members;
 - recommending, upon nomination by the Board, the appointment of the Reserve Bank Governor by the Governor-General;
 - appointing, upon recommendation of the Board, members of the Monetary Policy Committee (MPC);
 - issuing a remit for the MPC setting out the operational objectives for monetary policy;
 - agreeing and issuing a MPC Charter with the MPC to provide for requirements to promote transparency and accountability in connection with the performance of the MPC's functions and decision-making procedures;
 - issuing a financial policy remit which the Board must consider in relation to prudential strategic intentions and standards;
 - the power to direct the Reserve Bank on its minimum level of capital and financial risk management;
 - entering into a funding agreement with the Reserve Bank and to determine its annual dividend;
 - the power to provide directions to the Reserve Bank to deal in foreign exchange within guidelines, and to agree with the Reserve Bank on a framework for the management and co-ordination of foreign reserves;
- reviewing the operations and performance of the Reserve Bank; and
 - participating in the process of setting the Reserve Bank's strategic direction and performance expectations and monitoring the Reserve Bank's performance.
65. In accordance with the RBNZ Act, the Treasury has been appointed as the monitor of the Reserve Bank to support you in undertaking your duties under the RBNZ Act.
66. Outside the legislative framework, Memoranda of Understanding currently in place include:
- an agreement on the use of alternative monetary policy tools; and
 - an agreement on the macro-prudential policy and the operating guidelines that the Reserve Bank shall operate under when considering the use of macro-prudential policy.
67. You also have powers in relation to the Reserve Bank's role as prudential regulator of banks, insurers and non-bank deposit takers. Those powers are contained in the prudential legislation which is administered by the Reserve Bank:
- Banking (Prudential Supervision) Act 1989, which provides for the prudential regulation and supervision of banks;
 - Insurance (Prudential Supervision) Act 2010, which provides for the prudential supervision of the insurance sector; and
 - Deposit Takers Act 2023 (DTA), which

provides for the Reserve Bank's role as prudential regulator and supervisor of deposit takers and establishes the Depositor Compensation Scheme (DCS).

DEPOSIT TAKERS ACT 2023

68. The Deposit Takers Act 2023 (DTA) modernises and enhances the prudential regulation of deposit takers such as banks, credit unions, building societies and finance companies. The Treasury is involved in work to support the introduction of the DCS, through development of the Statement of Funding Approach (SoFA), further outlined below.
69. The Act will create a single regulatory regime for all banks and non-bank deposit takers and significantly improve New Zealand's financial system 'safety net' through the introduction of the DCS, a levy-funded scheme currently targeted for implementation in late 2024.
70. The Act requires you to publish a SoFA, the funding strategy for the DCS, at least every five years. The first SoFA is currently targeted for publication prior to the commencement of the Scheme. Key outstanding issues that will require your decision include the calibration of any targets for the Scheme's fund, how Crown funding and financing supports Scheme credibility, and guidance to the Reserve Bank on its investment strategy.
71. As set out in the Reserve Bank's Briefing to the Incoming Minister, there will be a large work programme to implement the remainder of the DTA after the DCS is introduced. This will include development of strategies for the use of resolution tools under the new framework, which will be subject to Ministerial consultation.

COUNCIL OF FINANCIAL REGULATORS

72. The Council of Financial Regulators (CoFR) was established under the Reserve Bank of New Zealand Act 'to facilitate co-operation and co-ordination between members of the council to support effective and responsive regulation of the financial system in New Zealand'.
73. CoFR is comprised of the Reserve Bank of New Zealand, the Financial Markets Authority, the Treasury, the Ministry of Business, Innovation and Employment, and the Commerce Commission. It is co-chaired by the Reserve Bank and Financial Markets Authority. The Chief Executives of CoFR agencies ('CoFR Heads') meet quarterly to cooperate and coordinate on regulatory issues, risks and priorities for financial markets.
74. CoFR has a number of sub-committees and stakeholder engagement groups, including:
 - The Banking Forum;
 - The Insurance Forum; and
 - The Monitoring and Coordination Forum.
75. CoFR Heads are available to brief you on CoFR priorities and work programme.

INTERNATIONAL RESPONSIBILITIES

76. One of your international responsibilities is to act as New Zealand's Governor at several International Financial Institutions (IFIs). These are the:

- International Monetary Fund (IMF);
- World Bank Group (World Bank);
- Asian Development Bank (ADB);
- Asian Infrastructure Investment Bank (AIIB); and
- European Bank of Reconstruction and Development (EBRD).

77. The Secretary to the Treasury is New Zealand's Alternate Governor at the World Bank, ADB, AIIB and EBRD. The Reserve Bank Governor is the Alternate Governor at the IMF.

78. As New Zealand's Governor of these institutions, you will have the opportunity to attend meetings, and may be asked to engage on capital increase requests, organisational performance issues or matters where New Zealand is changing a previous policy position. Decisions can be delegated to the Alternate Governors unless they involve a new financial commitment for New Zealand or are otherwise politically sensitive.

ENGAGEMENT AND TRADE

79. You have a key role in engaging with your counterparts in international fora and communicating New Zealand's financial and economic strategy and priorities.

80. You are a member of several regular international fora, including:

- Five Finance Ministers, which brings together Australia, Canada, the UK, the US, and New Zealand to collaborate on economic security and resilience issues;
- 2 + 2 Climate and Finance Ministers, an annual bilateral meeting between Australia and New Zealand's Climate Change and Finance Ministers;
- Pacific Islands Forum Economic Ministers, which brings together economic Ministers across the region to discuss regional and international economic issues facing the Pacific; and
- Asia-Pacific Economic Cooperation (APEC) Finance Ministers.

81. The Treasury recommends engagements with international counterparts and organisations. In doing so, we consider the value proposition of each meeting from both a Finance portfolio and a wider "New Zealand Inc" perspective.

82. You have a role alongside your colleagues in ensuring our trade policy focuses on the areas of most benefit to New Zealanders. Ensuring that exporters have seamless access to offshore markets has flow-on effects for jobs and incomes across New Zealand's regions.

APEC

83. APEC is a regional economic forum comprised of 21 economies, which aims to leverage the growing interdependence of the Asia-Pacific.

84. You are a member of the Finance Ministers' Process (FMP), and the Treasury is the lead agency to support you in this. The FMP is for members to address regional macroeconomic and financial issues as well as domestic and regional financial policy priorities.

DELEGATIONS AND TRANSFERS

85. There are several ways for you to delegate duties while retaining overall responsibility, depending on how much involvement you want to retain. Transfers of responsibilities can also be put in place. Some arrangements will stay in place until revoked but none of them are permanent. However, there is scope to revisit them at any point. We can work with your office and the Cabinet Office to set up any of these arrangements.

| Method | Effect | PM approval required? |
|---|---|-----------------------|
| Delegation to Associate Minister(s) of Finance | You can delegate tasks or assign shadow portfolios as you see fit but retain overall responsibility for the Finance portfolio. You will need to consider synergies or conflicts with other portfolio responsibilities. | Yes |
| Transfer to other Ministers | You will relinquish responsibility for matters that have been transferred. Transfers are typically used to deal with conflicts of interest. | Yes |
| Assignment to other Ministers | Assignments enable another Minister to act as the Minister of Finance for a particular purpose. Assignments made prior to an election will not automatically carry over. | Yes |
| Delegation to the Secretary to the Treasury | Delegations enable operational aspects of your role to be carried out by the Treasury. You will retain overall responsibility for all matters delegated to the Treasury. Existing delegations will carry over unless revoked. | No |
| Appointment of borrowing agents | The Minister may appoint agents to borrow money and issue securities on behalf of the Crown. There are several existing borrowing agent warrants in place to allow the Treasury to act. Existing warrants will stay in place until revoked. | No |

DELEGATIONS TO ASSOCIATE MINISTERS OF FINANCE

86. You can delegate as much or as little as you like to Associate Ministers of Finance (with some limited exceptions depending on the statutory power). Some considerations are:
- the number, and type of experience, of the Associate Ministers of Finance;
 - your other portfolio responsibilities and those of the Associate Ministers. There may be aspects of the Finance portfolio that align with an Associate Minister's primary portfolio responsibilities; and
 - whether Associate Ministers will take full responsibility for decision-making, or instead support you by providing views.
87. Associate Ministers have been given the following delegations in recent years:
- the performance of the Minister of Finance role for Vote Finance proposals you make as appropriation Minister;
 - full responsibility for decision-making under the Overseas Investment Act 2005 on individual consent applications and individual exemption applications;
 - full responsibility regarding community trusts under the Community Trusts Act 1999; and
 - Shareholding Minister responsibilities.
88. We recommend making early decisions on working arrangements with your Associate Ministers, as it can take a long time to ensure an appropriate balance of workloads and work through potential conflicts of interest.
89. The Treasury and Cabinet Office can also provide advice on possible conflicts between

portfolio responsibilities.

90. If it is helpful as a starting point, we can provide you with a list of potential powers to delegate or retain.
91. Once you and the Associate Ministers have settled on arrangements, your delegations must be approved by the Prime Minister. The Cabinet Office provides advice and template letters and liaises with the Prime Minister to obtain approval.

TRANSFERS TO OTHER MINISTERS

92. If two of your responsibilities create an actual, potential, or perceived conflict of interest, it may be appropriate to transfer responsibility for one of the matters to another Minister. This means that you would not be responsible for, or involved in, decisions relating to the transferred matter. Transfers can be done on a standing or one-off basis. For example, the following matters have previously been transferred on a standing basis:
- setting the employer contribution rate for the Aircrew Superannuation Scheme. Those decisions affect Air New Zealand Limited, in which you hold shares on behalf of the Crown;
 - providing a Finance portfolio perspective on aviation policy and regulation, which again may conflict with your role as shareholder in Air New Zealand; and
 - responsibilities, functions and powers as Crown shareholder in the New Zealand Local Government Funding Agency Limited (LGFA), given the work the Treasury may do in relation to the LGFA.
93. From time to time, it may be necessary to transfer decision-making under the Overseas Investment Act 2005 regarding

consent applications involving Crown-owned companies in which you are a shareholder. This would still be necessary even if you had delegated that decision-making to an Associate Minister.

DELEGATIONS TO THE SECRETARY TO THE TREASURY

94. There are several delegations from you to the Secretary to the Treasury. Many of these powers are then sub-delegated to specific roles within the Treasury, with a few delegated to other agencies. This enables us to carry out the more operational and day-to-day aspects of your functions and powers on your behalf. The existing delegations will remain in place unless you amend or revoke them. Several delegations on which we depend have been in place since 2005.
95. Some of the Minister's statutory powers and responsibilities cannot be delegated to the

Treasury, such as certain powers of shareholding Ministers under the Crown Entities Act 2004.

APPOINTMENT OF BORROWING AGENTS

96. Under the PFA, only the Minister of Finance can borrow on behalf of the Crown. This power cannot be delegated but you can appoint borrowing agents. There are several borrowing agent warrants in place, most held by Treasury officials, which will remain effective until they are revoked or expire. These arrangements allow us to carry out the Crown's borrowing programme, including in relation to the domestic borrowing programme (Government Bonds (including Green Bonds), Treasury Bills, and Kiwi Bonds), the Euro Medium Term Note programme, the Euro Commercial Paper programme, emergency payment arrangements and overdrawn Crown bank accounts.

THE TREASURY

WHO WE ARE

97. The Treasury (Te Tai Ōhanga) is the Government's lead economic and financial advisor. Our vision is lifting living standards for all New Zealanders. Functions and responsibilities with which we are entrusted include advising the Government on economic strategy, producing the Government's Budget, supporting value for money in public spending, ensuring effective management of the Crown's balance sheet, delivering the Financial Statements of the Government and publishing economic and fiscal forecasts and scenarios. We support you and your Government in delivering your priorities.
98. The Treasury's statutory and operational responsibilities are wide-ranging, and we administer and steward significant legislation on your behalf. Our primary legislative mandates are the Public Finance Act 1989 (PFA), State-Owned Enterprises Act 1986, Crown Entities Act 2004, Public Service Act 2020 and all legislation relating to the annual Budget.
99. We believe in applying rigorous analysis to the best available evidence, and we use the twin lenses of the Living Standards Framework and He Ara Waiora to guide us in this.
100. We act with a spirit of service to the community we serve by upholding the five values of the public service: impartial, accountable, trustworthy, respectful and responsive.
101. We also support this spirit of service through our own values: making a difference (Kia Pono), enhancing mana (Kia Whakamana) and achieving together (Kia Hono).

102. We support the Crown in its relationships with Māori under the Treaty of Waitangi. This support includes the role we play across the system in lifting the Māori economy.
103. The Treasury is also developing and maintaining the capability of staff to engage with Māori and to understand Māori perspectives.

OUR FUNCTIONS AND RESPONSIBILITIES

104. The Treasury's core statutory and operational responsibilities include:
- being the lead economic and financial advisor to the Government and steward of the public service's financial management system;
 - supporting the management of State services and public finances, including responsibility to:
 - a. support the Government to manage its financial position;
 - b. produce four stewardship documents: the Statement on the Long-term Fiscal Position, the Investment Statement, the Wellbeing Report and the Long-Term Insights Briefing;
 - c. manage the Budget cycle and produce the Budget;
 - d. produce monthly and annual Financial Statements of the Government;
 - e. produce economic and fiscal forecasts and scenarios;
 - f. provide stewardship of the Investment Management System and the provision of investment management advice, including quarterly investment reporting vote management; and

- g. administer the Regulatory Impact Assessment requirements for regulatory proposals, lead advice on how to improve the RIA system, and administer the disclosure statement regime. We look forward to discussing with you how this role may change with the new regulatory function to be set up.
- providing leadership for the public service alongside the Department of the Prime Minister and Cabinet (DPMC) and Te Kawa Mataaho Public Service Commission (PSC);
- developing New Zealand's Wellbeing Report, which we are required to produce every four years;
- developing tax strategy advice in consultation with Inland Revenue;
- providing ownership and financial advice on State-owned enterprises, Crown financial institutions and other entities owned by the Crown;
- providing commercial policy advice and executing commercial projects and transactions;
- stewardship of relevant regulatory systems, including the Reserve Bank regime, Overseas Investment and Earthquake Commission systems;

- managing government borrowing requirements and associated financial market activities; and
- supporting business and exporters through the provision of financial guarantees and trade credit insurance.

105. We note that the appointment of a Minister for Regulation and establishment of a new government department, may involve transfer of some functions that were previously the responsibility of the Minister of Finance. We will provide you and the Minister for Regulation with further advice on that transfer, and the disestablishment of the Productivity Commission, including any implications for your portfolio.

WORKING WITH OTHERS

106. We partner with iwi / Māori groups to meet our outcomes under The Treaty and work with other public sector agencies and wider stakeholders to understand a broad range of perspectives in developing our advice. The Treasury regularly engages with the business community across New Zealand. Our proactive programme of face-to-face engagements includes regional Chambers of Commerce and employers' associations, sector organisations, unions, business incubators, and Pacific.

VOTE FINANCE

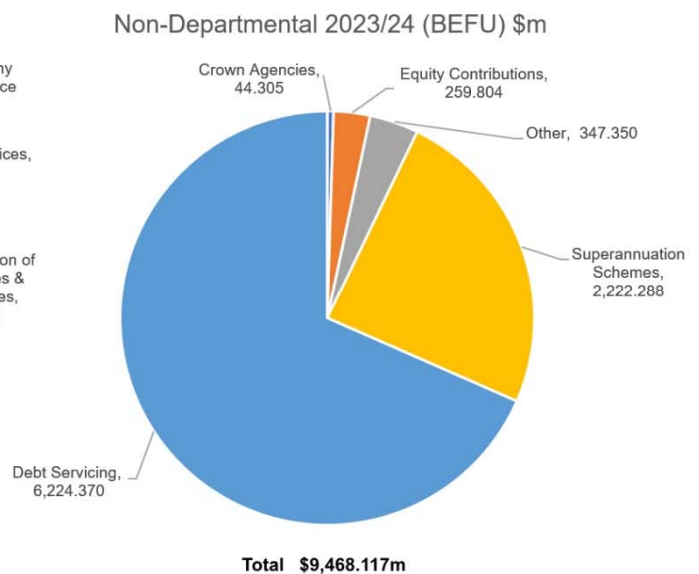
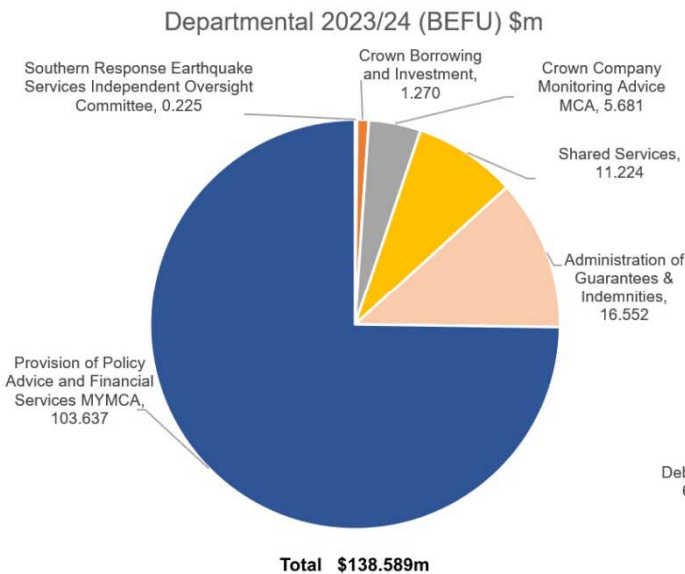
OVERVIEW

107. Vote Finance is a mixture of seven departmental and 41 non-departmental appropriations, with total FY23/34 appropriations of \$9,606.71 million.

108. Departmental appropriations are the cost of running the Treasury (FY23/24 \$138.6 million). The 5-year policy advice multi-year multi-category appropriation will finish in 2023/24. Treasury will be seeking a new appropriation from 1 July 2024 during the March Baseline Update.

109. The Treasury baseline will reduce from \$138.6 million in 2023/24 to \$130.2 million in 2024/25. We are actively managing this to ensure we meet our reduced baseline. We are also aware that further savings are likely to be required and continue work on ensuring our value for money. We look forward to discussing this work with you.

110. Non-Departmental appropriations are Crown costs, typically paid to other entities (FY23/24 \$9.468 billion including debt servicing costs and superannuation contributions).



RESPONSIBLE MINISTERS

111. You have overall responsibility for Vote Finance; however, some appropriations are the responsibility of a portfolio Minister. They are detailed in the table below.
112. We also note that there will be some shift in responsibility for, and/or changes to appropriations previously administered by the Minister of Finance to reflect the responsibilities of the Minister for Infrastructure and the Minister for Regulation.

| | |
|---|--|
| Minister of Climate Change | Non-Department Annual Appropriation – New Zealand Green Investment Finance Ltd – Equity Injection for Operating and Capital (\$2.110m) |
| Minister for Infrastructure | Non-Departmental Annual Appropriation – Independent Infrastructure Advice and Oversight (\$13.875m) Non-Departmental Multi-Year Appropriation – Central Crown Infrastructure Delivery Agency – Operating and Capital (\$77.284m) Non-Departmental Multi-Year Appropriation – Shovel Ready Project Funding – Crown Infrastructure Partners (\$15m) Non-Departmental Multi-Year Appropriation – Shovel Ready Project Funding - Ōtākaro Limited (\$6m) |
| Minister for State Owned Enterprises | Departmental Annual Multi Category Appropriation – Crown Company Monitoring (\$5.681m) |

HOW WE CAN SUPPORT YOU

113. We look forward to working with you and your office on options for what regular meetings and briefings work best for you to advance the Government's priorities.

CABINET AND CABINET COMMITTEE PROCESSES

114. We have responsibility for advising you and Associates on Cabinet proposals with economic, financial, fiscal, and PFA implications.

115. We can provide you with briefings prior to every Cabinet committee. Subject to your preferences, these briefings can summarise the key context and analysis in Cabinet papers being considered, our recommendations on whether to support the decisions being sought, and potential actions that could be taken to resolve any issues.

116. We will work with your office to ensure that these briefings are provided in a way that allows for effective engagement with your Cabinet colleagues.

MINISTERIAL SERVICING

117. We draft responses to Ministerial correspondence, media enquiries and Official Information Act requests, as well as liaise with companies and entities to provide information to support you to respond to parliamentary debates and questions. We can also provide briefings when you meet with companies or entities, and keep you informed of events, such as when companies or entities are scheduled to appear before select committees.

REGULAR BRIEFINGS

118. Our senior leadership and experienced advisors can be available for regular meetings with you, for example:

- a regular Minister of Finance and Treasury officials meeting to discuss matters such as fiscal and Budget process issues, policy priorities and upcoming advice;
- a regular pre-Cabinet briefing, where we brief you and Associate Ministers of Finance on papers going to Cabinet and Cabinet committees that week;
- a regular meeting with the Secretary to the Treasury so that there is regular dialogue in-person; and
- a regular meeting with the Treasury's Executive Leadership Team to discuss strategic and departmental issues.

119. We look forward to hearing your preferences.

OUR LEADERSHIP AND GOVERNANCE

120. The Treasury's principal leadership is delivered by the Executive Leadership Team (ELT).

121. ELT is made up of the Te Tumu Whakarae mō Te Tai Ōhanga – Secretary to the Treasury (who is also the Chief Executive), five Deputy Secretaries and the Director of the Office of the Secretary. ELT has responsibility for the strategic direction and operation of the organisation, and the Secretary has ultimate accountability.

122. A number of Directors report to each Deputy Secretary, and collectively they make up Kaiurungi, 'the people who steer'.

123. To support ELT, there are three sub-committees that include members of ELT and Kaiurungi to make decisions across the organisation in different areas:

- Risk and Assurance;
- Finance and Prioritisation; and
- People, Culture and Capability.

124. The Treasury uses advisory boards to challenge its thinking and decision-making. Members are appointed by the Secretary to the Treasury to provide a range of perspectives and expertise. Advisory bodies include:

- **The Risk and Audit Committee:** This is an advisory committee with an independent chair and five additional independent members. It provides observations, views and advice to the Secretary to the Treasury relating to the effectiveness and adequacy of internal control and risk management systems,

processes and activities across the Treasury.

- **FSG Audit Committee:** This is an advisory committee that provides advice and observations to the Secretary to the Treasury relating to key issues and risks that affect the production and audit of the Financial Statements of the Government (FSG).

- **Capital Markets Advisory Committee:** The committee supports the Deputy Secretary, Financial and Commercial, by providing independent perspectives and advice on the strategy, prioritisation, performance and risk management of the New Zealand Debt Management directorate and New Zealand Export Credit team

125. The Treasury also engages with a wide range of stakeholders through formal and informal mechanisms in developing its advice to you.

126. Every three years we produce our Strategic Intentions for a four-year period in accordance with the PFA. This document outlines our vision – lifting living standards for all New Zealanders – and the priorities that will help us achieve that vision. The medium-term outcomes and priorities articulated in our current Strategic Intentions 2021-2025 are:

- Our Outcomes:
 - a. A strong, growing and resilient economy for all;
 - b. Sustainable public finances that deliver intergenerational wellbeing;
 - c. System leadership that supports a high-performing public service;

- d. Compelling advice on New Zealand's biggest issues
- Our Current Priorities:
 - a. Delivering the reforms for a sustainable public finance system;
 - b. Securing economic recovery [from COVID-19];
 - c. Navigating big issues / Government priorities;
 - d. Strengthening the Treasury through clear direction, supporting people and operational excellence; and
 - e. Developing and embedding the Living Standards Framework and He Ara Waiora in policy advice (e.g., child wellbeing).

127. The Strategic Intentions are being refreshed for the period 2024-2028 and we will engage you on this early in the new year.

THE TREASURY'S EXECUTIVE LEADERSHIP TEAM



SECRETARY TO THE TREASURY TE TUMU WHAKARAE MŌ TE TAI ŌHANGA

Caralee McLiesh is the Government's chief economic and financial advisor and leads the Treasury's work to help lift living standards for New Zealanders through a stable, growing economy, strong and sustainable public finances, and a high-performing public service.

[35]



Struan Little

Deputy Chief Executive and
Deputy Secretary, Budget and
Public Services
[35]



Leilani Frew

Deputy Secretary, Financial
and Commercial
[35]



James Beard

Deputy Secretary,
Macroeconomics and Growth
[35]



Dominick Stephens

Chief Economic Adviser and
Deputy Secretary
[35]



Cath Atkins

Chief Operating Officer and
Deputy Secretary, Strategy,
Performance and
Engagement
[35]



Andrew Rutledge

Director, Office of the
Secretary
[35]

OFFICE OF THE SECRETARY (OSEC)

OSEC works closely with teams across Treasury to ensure strong communication links between the Secretary and the rest of the organisation. It also co-ordinates closely with the teams that produce regular Ministerial products, the Private Secretaries, and communications teams.



Caralee McLiesh is the Government's chief economic and financial advisor and leads the Treasury's work to help raise living standards for New Zealanders through a stable, growing economy, strong and sustainable public finances, and a high-performing public service.

[35]



Andrew Rutledge

Director
Office of the Secretary
[35]

Responsible for the Communications and Engagement team, the Private Secretaries team, and the Chief Executive's office team.



Trevor Moeke

Director, Poutiaki, Te Ao Māori
Strategy and Performance
[35]

Responsible for building tikanga capability across workstreams and sustaining key and focussed working relationships both nationally and internationally, across Iwi and Māori business and community leaders.



John Beaglehole

Director
[35]

Responsible for ensuring the lessons from COVID-19 feed into preparedness for future adverse events, leading Quality of Policy Advice and contribution to fiscal sustainability work.

BUDGET AND PUBLIC SERVICES (BPS)

BPS leads the Treasury's finance function, delivering core Budget and Public Services products, and large work programmes in public finance modernisation and health reforms. We coordinate the annual Budget process, manage Government expenditure, and deliver the Financial Statements of Government and Finance Development Programme.



Struan Little is the Deputy Secretary for Budget and Public Services. In addition, Struan holds the roles of Deputy Chief Executive and Treasury's Chief Security Officer.

[35]



Dasha Leonova

Director
Public Sector Management
[35]

Responsible for the spending review team and three vote teams: Health, Welfare and Oranga Tamariki, Justice Security and Government Services, covering 24 votes.



Stacey Wymer

Director
Budget Management
[35]

Responsible for establishing goals and strategy for public sector finance management and coordinating the government's annual Budget process.



Jayne Winfield

Chief Government Accountant
[35]

Responsible for producing the Financial Statements of Government and lifting Government Finance Professional performance.

FINANCIAL AND COMMERCIAL (F&C)

F&C leads Treasury's active management of the Crown's Balance Sheet through: delivering market-leading debt capital market and export credit operations; providing commercial and financial advice; executing commercial and financing transactions; and undertaking Crown entity governance appointments and performance monitoring. We also work with other agencies to provide advice to ministers on infrastructure, transport, housing, urban development, building and construction, local government, and Crown investment and financing issues.



Leilani Frew is responsible for the Commercial Performance and Governance directorate, the Financing Infrastructure and Urban Development directorate, and New Zealand Debt Management. Leilani is also the Chair of the Treasury's Capital Markets Advisory Committee (CMAC).

[35]



Chris Chapman

Director, Financing, Infrastructure and Urban Development

[35]

Responsible for Export Credit, and for teams advising on housing, urban development, building and construction, infrastructure, transport, and strategic Crown balance sheet issues.



Matt Gilbert

Director, Commercial Performance and Governance

[35]

Responsible for delivering commercial, investment, performance and governance advice for the Crown's commercial shareholdings and financial institutions.



Kim Martin

Director, New Zealand Debt Management

[35]

Responsible for enabling Government borrowing at minimum cost, managing cash raised, investing prudently, and offering financial market expertise across the Crown to promote efficiency.



Chris White

Director, Projects, Financial and Commercial

[35]

Responsible for developing and delivering strategic, financial and commercial projects and transactions.

MACROECONOMICS AND GROWTH (M&G)

M&G advises on a wide range of economic policy issues, including economic and regulatory strategy, tax policy, climate change mitigation and adaptation, macroeconomic settings and the fiscal stance. We advise on legislative frameworks for monetary policy, overseas investment and insurance. We also work with other agencies to provide advice to ministers on issues including education, labour markets, international policy, financial markets, economic development, and natural resources.



James Beard is the Deputy Secretary for Macroeconomics & Growth, and oversees advice relating to the Economic Strategy, Economic System and Growth and Public Services directorates.

[35]



Tim Hampton

Director
Economic System

[35]

Responsible for advice on fiscal strategy, macroeconomic stability, financial markets, tax strategy and international connections



Vicki Plater

Director, Growth and
Public Services

[35]

Responsible for economic and fiscal advice relating to climate change, education and skills, labour markets, natural resources, enterprise and economic development, and population groups.



Kerry Fowlie

Director
Economic Strategy

[35]

Responsible for leading the development of Treasury's medium-term economic and regulatory strategy advice.



Mark Blackmore

Strategic Economic
Advisor

[35]

Responsible for monitoring of global economic policy developments, and managing international connections and peer review relationships with the IMF, OECD and rating agencies.

OFFICE OF THE CHIEF ECONOMIC ADVISER (OCEA)

The OCEA provides analysis, insights, forecasts, and projections to meet legislative obligations, including stewardship documents, and to underpin Treasury advice. A core part of the OCEA's role is to support other parts of the organisation to lift the quality of their advice through a range of frameworks, including the Treasury's Living Standards Framework and He Ara Waiora, and micro and macro models. We are also responsible for core Treasury products including economic and revenue forecasts, and stewardship documents such as the Long-Term Fiscal Statement.



Dominick Stephens, the Chief Economic Adviser, is responsible for ensuring that the Treasury's policy advice on lifting New Zealand's living standards is supported and strengthened by sound economic theory and evidence.

[35]



Diana Cook

Deputy Chief
Economic Adviser
[35]

Responsible for developing the Treasury's economic capability and leading its academic linkages, including through the management of the Treasury Guest Lecture Series and Treasury publications.



Peter Gardiner

Manager, Forecasting,
Modelling & Research
[35]

Responsible for producing accurate tax forecasts, fiscal projections based on economic and fiscal forecasts, and in-depth macroeconomic analysis.



Patrick Nolan

Manager, Analytics &
Insights
[35]

Responsible for costings and analysis of key government priorities and research on NZ's biggest issues, and for the only model in the public sector with combined person/family/household-level microsimulation capability (TAWA).



Tim Ng

Strategic Economic
Adviser
[35]

Responsible for promoting strategic capability development in macroeconomic and fiscal strategy, the analysis of long-run economic dynamics, and quantitative and modelling methods.

CORPORATE AND SHARED SERVICES (CSS)

CSS provides the systems and core infrastructure which enable the Treasury and its people to deliver our work programme in the most effective and productive way. We are responsible for delivering services to all of Treasury and other government agencies including DPMC and NEMA.



As the Chief Operating Officer, **Cath Atkins** oversees the Treasury's corporate functions and is leading the Strengthening the Treasury work programme.

[35]



Fiona Foster

Chief People Officer
[35]

Responsible for HR and Payroll shared services to a variety of agencies across the system.



Tom Byrne

Chief Information Officer
[35]

Responsible for delivering IT services to The Treasury, DPMC and NEMA.



Angela Mellish

Director, Organisational Strategy and Performance
[35]

Responsible for organisational strategy, performance and governance, ministerial servicing and Māori policy capability.



Glenn McStay

Chief Financial Officer
[35]

Responsible for appropriations, baseline updates, forecasts and requests for Vote Finance, and shared financial services to seven other agencies.



Anthea Williams

Chief Legal Advisor and Treasury Solicitor
[35]

Responsible for legal advice to the Treasury and to Ministers, primarily on powers, obligations, legislation development and corporate and transactional legal work.

*Piki te kaha,
piki te ora,
piki te wairua
Hui e, tāiki e!*

*Gather your strength
Increase your wellbeing
Revitalise your inner spirit
We are in agreeance, it is affirmed!*

*Uplift, strengthen, thrive, inspire,
connect, and serve as Te Tai Ōhanga*

ANNEX A

LEGISLATION ADMINISTERED WITHIN THE FINANCE PORTFOLIO

Acts administered by the Treasury

Appropriation Acts
Bank of New Zealand Act 1988
Crown Entities Act 2004 (Part 4 only; the Public Service Commission administers the other Parts)
Crown Forest Assets Act 1989
Crown Retail Deposit Guarantee Scheme Act 2009
Earthquake Commission Act 1993
Finance Acts (seven in total – 1978, 1988 (except part 2), 1990, 1990 No 2, 1992 No 2, 1994, 1995)
Government Superannuation Fund Act 1956
Imprest Supply Acts
International Finance Agreements Act 1961
KiwiSaver Act 2006
National Provident Fund Restructuring Act 1990
New Zealand Infrastructure Commission/Te Waihanganga Act 2019
New Zealand Government Property Corporation Act 1953
New Zealand Productivity Commission Act 2010 (noting the intent to repeal this Act)
New Zealand Railways Corporation Act 1981
New Zealand Superannuation and Retirement Income Act 2001 (Parts 2 and 3 and Schedule 3 only)
Overseas Investment Act 2005
Post Office Bank Act 1987
Public Audit Act 2001
Public Finance Act 1989
Reserve Bank of New Zealand Act 2021
Rural Banking and Finance Corporation of New Zealand Act 1989
State-Owned Enterprises Act 1986
Utilities Access Act 2010
Venture Capital Fund Act 2019

Acts administered by the Reserve Bank of New Zealand

Banking (Prudential Supervision) Act 1989
Decimal Currency Act 1964
Deposit Takers Act 2023
Finance Act 1988 (Part 2)
Financial Market Infrastructures Act 2021
Insurance (Prudential Supervision) Act 2010
Non-bank Deposit Takers Act 2013

Acts administered by the Department of Internal Affairs

Community Trusts Act 1999
Trustee Banks Restructuring Act Repeal Act 1999

Acts administered by the Department of Prime Minister and Cabinet

Greater Christchurch Regeneration Act 2016
Christchurch Cathedral Reinstatement Act 2017

ANNEX B

STATUTORY POWERS OF THE MINISTER OF FINANCE IN RELATION TO ORGANISATIONS AND COMPANIES

You have a wide array of statutory powers across the statute book. The following is a list of some of your key statutory powers in relation to organisations and companies. It is non-exhaustive and further advice can be provided in relation to statutory powers.

| Entity (type of entity) | Relevant legislation | Key statutory powers |
|---|---|--|
| State-owned enterprises (SOEs) | SOEs Act 1986 Companies Act 1993 Various Acts specific to particular SOEs | As shareholding Minister: <ul style="list-style-type: none"> • Appoint and remove directors and approve directors' fees. • Comment on Statements of Corporate Intent. • Direct a dividend be paid, after consulting with the board. • Amend company constitution. • Approve or reject resolutions put to shareholders (e.g., major transactions). • Request information, after consulting with the board • You also have various powers under Acts specific to particular SOEs. |
| Crown entity companies (except Crown Research Institutes) | Crown Entities Act 2004 Companies Act 1993 Various Acts specific to particular Crown entity companies | As shareholding Minister: <ul style="list-style-type: none"> • Appoint and remove directors and approve directors' fees. • Participate in determining the content of Statements of Intent and Statements of Performance Expectations. • Amend company constitutions. • Approve or reject resolutions put to shareholders (e.g., major transactions). As the Minister of Finance: <ul style="list-style-type: none"> • Depending on the company and which financial activity restrictions under the Crown Entities Act 2004 apply to it: approve the company investing, lending, borrowing, giving guarantees, giving indemnities, or entering into derivatives. • Depending on the company, require a net surplus to be payable to the Crown. • Request information. • With the Minister of Public Service, give directions to support a whole-of-government approach. |

| Entity (type of entity) | Relevant legislation | Key statutory powers |
|--|--|--|
| <p>Organisations listed in Schedule 4 of the Public Finance Act 1989</p> | <p>Public Finance Act 1989 (Sections 45M and 45N and Schedule 4)</p> <p>Crown Entities Act 2004</p> | <p>As Minister of Finance:</p> <ul style="list-style-type: none"> Depending on the organisation and which financial activity restrictions under the Crown Entities Act 2004 apply to it: approve the organisation investing, lending, borrowing, giving guarantees, giving indemnities or entering into derivatives. |
| <p>Companies listed in Schedule 4A of the Public Finance Act 1989</p> <p>A list of these can be provided on request.</p> | <p>Public Finance Act 1989 (Part 5A and Schedule 4A)</p> <p>Crown Entities Act 2004</p> <p>Companies Act 1993</p> | <p>As shareholding Minister:</p> <ul style="list-style-type: none"> Appoint directors and chairperson, approve directors' fees and removedirectors. Set content of Statement of Intent (SOI) and Statement of Performance Expectations (SPE) – boards must act in a manner consistent with the SOI and SPE. Amend company constitution. Approve or reject resolutions put to shareholders (e.g., major transactions). <p>As Minister of Finance:</p> <ul style="list-style-type: none"> Depending on the company and which financial activity restrictions under the Crown Entities Act 2004 apply to it: approve the company investing, lending, borrowing, giving guarantees, giving indemnities or entering into derivatives. Request certain information from the company. |
| <p>Mixed Ownership Model (MOM) companies</p> <p>(Companies listed in Schedule 5 of the Public Finance Act 1989)</p> <p>A list of these can be provided on request.</p> | <p>Public Finance Act 1989 (Part 5A and Schedule 5)</p> <p>Companies Act 1993</p> <p>Laws applying to listed companies</p> | <p>As shareholding Minister:</p> <ul style="list-style-type: none"> Vote at annual shareholder meetings –this provides the opportunity to appointor remove directors. Vote on any resolutions put to shareholders (eg, approve majortransactions or changes to the constitution). Dealing with listed companies also comes with legal risk, and there is the potential for Ministers to personally commit offences. We suggest the Minister always first seek advice on how to deal with information that could materially change ashare price. There is further guidance in CO (23) 5: Guidelines for Dealing in Financial Products on Markets Inside Information and Market Manipulation), and we can provide further advice. |
| <p>Crown Research Institutes (CRIs)</p> <p>A list of these can be provided on request.</p> | <p>Crown Research Institutes Act 1992</p> <p>Crown Entities Act 2004</p> <p>Companies Act 1993</p> | <p>As shareholding Minister:</p> <ul style="list-style-type: none"> As for Crown entity companies, but via a Statement of Corporate Intent, and the financial activity restrictions and approvals under the Crown Entities Act 2004 do not apply. With Minister for the Public Service, give directions to support a whole-of- government approach. |

| Entity (type of entity) | Relevant legislation | Key statutory powers |
|--|---|---|
| Airports in which the Crown holds shares: Christchurch International Airport Limited (25%), Dunedin International Airport Limited (50%), Hawke's Bay Airport Limited (50%) | Companies Act 1993 Airports Authorities Act 1966 | As shareholding Minister: <ul style="list-style-type: none"> • Vote on any resolutions put to shareholders (e.g., approve major transactions or changes to the constitution). • Christchurch: appoint two directors (currently six in total), and remove Crown-appointed directors. • Dunedin and Hawke's Bay: appoint half the directors and remove Crown-appointed directors. |
| Statutory Crown entities (Crown agents, Autonomous Crown entities, Independent Crown entities) A list of these can be provided on request. | Crown Entities Act 2004 Various Acts specific to particular Crown entities | As Minister of Finance: <ul style="list-style-type: none"> • Together with the Minister of State Services, issue directions to support a whole of government approach. • Request certain information. • Depending on the particular statutory Crown entity and which financial activity restrictions under the Crown Entities Act 2004 apply to it: approve the entity investing, lending, borrowing, giving guarantees, giving indemnities or entering into derivatives; or require the entity to pay its net surplus to the Crown • Some involvement in financial accountability matters As Responsible Minister in relation to the Government Superannuation Fund Authority, Guardians of New Zealand Superannuation, Toka Tū Ake EQC, New Zealand Productivity Commission (noting the intention to disestablish the Commission): <ul style="list-style-type: none"> • Involved in board appointments (the level of involvement will depend on the kind of statutory Crown entity) • Involved in key planning, reporting and accountability processes • Have powers as Minister of Finance under Acts specific to particular statutory Crown entities. Further advice can be provided in relation to these. |
| Community Trusts | Community Trusts Act 1999 | As Minister of Finance: <ul style="list-style-type: none"> • Have the power to recommend Orders in Council to adjust boundaries of, amalgamate or split up community trusts. |
| National Provident Fund | National Provident Fund Restructuring Act 1990 | As Minister of Finance: <ul style="list-style-type: none"> • Have various powers in relation to the Board, including the power to appoint and remove members of the Board, including the Chair. |
| Reserve Bank of New Zealand | Reserve Bank of New Zealand Act 1989 | Discussed beginning at paragraph 57. |

| Entity (type of entity) | Relevant legislation | Key statutory powers |
|---|--|--|
| Air New Zealand Limited | Companies Act 1993 Law applying to listed companies | As shareholding Minister: <ul style="list-style-type: none"> • Have similar powers to those in relation to MOM companies, as listed above. |
| Crown Forestry Rental Trust | Trust Deed Crown Forest Assets Act 1989 | As Minister of Finance: <ul style="list-style-type: none"> • Appoint the Crown Trustees to the Trust. |
| Government Superannuation Appeals Board | Government Superannuation Fund Act 1956 | As Minister of Finance: <ul style="list-style-type: none"> • Appoint the members of the Appeals Board. |
| International financial institutions | | Discussed beginning at paragraph 76. |

ANNEX C

OTHER STATUTORY POWERS OF THE MINISTER OF FINANCE

You have a wide array of statutory powers across the statute book, including those set out in Annex B. The following is a list of some of your other key statutory powers. It is non-exhaustive and further advice can be provided.

| Legislation | Powers and roles |
|--|--|
| Public Finance Act 1989 | Discussed at paragraph 18. |
| Overseas Investment Act 2005 | Discussed in some detail at paragraph 39. |
| KiwiSaver Act 2006 | Various powers, including the power to make recommendations in relation to compulsory employer contributions and mortgage diversion facilities. |
| Climate Change Response Act 2002 | Direct the Registrar of the Emissions Trading Register on various matters. |
| Crown Forest Assets Act 1989 | With the Minister for State Owned Enterprises, grant Crown forestry licences, deal with protective covenants and public access easement on licensed land and transfer Crown forestry assets. |
| Health Sector (Transfers) Act 1993 | With the Minister of Health, agree to transfer assets and liabilities between certain government agencies in the health sector, and transfer assets and liabilities from or to the Crown. |
| Public Audit Act 2001 | Agree to the transfer of Crown assets and liabilities to the Auditor-General or agree to the management of Crown assets and liabilities by the Auditor-General. |
| Utilities Access Act 2010 | Approve the National Code of Practice for Utility Operators' Access to Transport Corridors. |
| Earthquake Commission Act 1993 (EQC Act) | Various powers, including directing the entity in accordance with section 12 of the EQC Act. |
| Natural Hazards Insurance Act 2023 | This replaces the EQC Act from 1 July 2024. |

ANNEX D

UPCOMING APPOINTMENTS

Ministers are required to make decisions on the appointment or reappointment of 66 directors whose terms are due to end before 30 June 2024. The appointment of high-performing, effective boards is one of the most important levers available to influence the performance of companies and entities. We will seek decisions from Ministers in November and December 2023 on the commencement of these appointments to allow time to undertake the Cabinet-approved appointment process and minimise the risk of vacancies. We will return to you in early 2024 with candidate shortlists for consideration. The table below summarises the director positions requiring decisions.

| Portfolio | Company or entity | Positions under consideration |
|---|---|-------------------------------|
| State-owned enterprises | AsureQuality Limited | 18 |
| | Christchurch International Airport Limited | |
| | Dunedin International Airport Limited | |
| | Hawke's Bay Airport Limited | |
| | Kordia Group Limited | |
| | Landcorp Farming Limited | |
| | Meteorological Service of New Zealand Limited | |
| | New Zealand Post Limited | |
| Quotable Value Limited | | |
| Finance | Crown Forestry Rental Trust | 21 |
| | Government Superannuation Appeals Board | |
| | Government Superannuation Fund Authority | |
| | New Zealand Green Investment Finance Limited | |
| | National Provident Fund | |
| | Reserve Bank | |
| | Monetary Policy Committee of Reserve Bank | |
| | Toka Tū Ake Earthquake Commission | |
| | Southern Response Earthquake Services Limited | |
| Independent Oversight Committee for Southern Response | | |
| Climate Change | New Zealand Green Investment Finance Limited | 2 |
| Broadcasting | Radio New Zealand Limited | 4 |
| | Television New Zealand Limited | |
| Infrastructure | Te Waihangā* | 3 |
| | Rau Paenga Limited | |
| Education | Education Payroll Limited | 6 |
| | Network For Learning Limited | |
| ACC | ACC* | 5 |
| Justice | Public Trust* | 1 |
| Internal Affairs | New Zealand Lotteries Commission | 5 |
| Biosecurity | Animal Control Products Limited (Orillion) | 1 |
| Total | | 66 positions |

* Will be provided to you for information only; you are not required to decide on these appointments but may wish to discuss the advice with the relevant Minister

