

Memo

Date:	18 December 2018
To:	Hon Dr David Clark
From:	Fergus Welsh, Acting Chief Financial Officer, Corporate Services Directorate
Subject:	Budget 2019 Vote Health package: Revised letter for Minister of Finance
For your:	Action

Background

The Ministry submitted a report providing further advice on the development of a Budget 2019 Vote Health operating package, which included a letter addressed to the Minister of Finance outlining the list of Budget initiatives for Vote Health (HR 20182587 refers).

Following your feedback to the Director-General on the proposed letter, the Ministry has amended the letter and this is attached for your consideration and agreement.

The changes as requested include:

- amending the introduction to reflect the Vote Health budget initiatives contribution to the five priorities were identified as part of addressing the challenges in the Wellbeing Outlook in Budget 2019, including more emphasis on Lifting Māori and Pacific Incomes, skills and opportunities;
- amending the wording related to the impact of population growth on Health expenditure;
- clarifying in the letter instances where no funding has been shown in the tables for specific bids. In these instances the funding is offset by corresponding increases on other revenue sources (such as levies) and therefore has no impact on the operating allowance, however the amounts across years where known, have been included for the Minister's information;
- further wording included outlining choices for the delivery of s 9(2)(f)(iv) [redacted] Officials have not yet been able to accurately cost alternative delivery options (such as s. 9(2)(f)(iv) [redacted] and we have noted in the letter that the costs quoted are considered an absolute maximum, and that you have asked officials to undertake a more in depth assessment of costs and delivery options; and
- correcting some minor spelling or formatting errors, which I apologise were not picked up in the original proofing.

We have also taken the opportunity to update the phrasing of some bids following further information being received from agencies (for example, from s 9(2)(f)(iv) [redacted] or teams. The Treasury has been informed and the CFISnet updated.

The Ministry recommends you sign and submit the revised letter and forward it to the Minister of Finance at your earliest convenience.

Signature _____



Fergus Welsh
Acting Chief Financial Officer

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