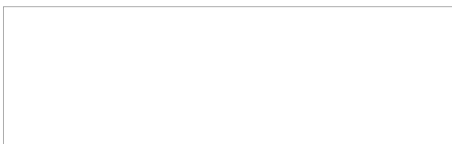




**MINISTRY OF SOCIAL  
DEVELOPMENT**

TE MANATŪ WHAKAHIATO ORA

- 8 FEB 2017



Dear 

On 3 November 2016 you emailed the Ministry requesting, under the Official Information Act 1982, the following information:

- *Copies of all internal correspondence between senior staff within MSD regarding Treasury advice on the transfer of funding to TPK for Whānau Ora.*

I have enclosed the following copies of six internal email conversations between senior staff at the Ministry regarding the transfer of funding for Whānau Ora:

Date	Title email
23 April 2015	RE: Recs BUDGET CONFIDENTIAL
28 April 2015.	RE:BUDGET SENSITIVE: REP-15-4-409 Options for transferring programmes to whānau ora – draft recs
4 May 2015	FW: Update from meeting with Min Tolley – Transfer of MSD Community Investment programmes to support Whānau Ora outcomes BUDGET SENSITIVE)
6 May 2015	RE: Final draft version (Hopefully for Whānau Ora- BUDGET SENSITIVE
15 March 2016	Transfer to Whānau Ora – Follow up from meeting with Treasury
16 March 2016	Whānau Ora transfer, on-going engagement with Treasury

The principles and purposes of the Official Information Act 1982 under which you made your request are:

- to create greater openness and transparency about the plans, work and activities of the Government,
- to increase the ability of the public to participate in the making and administration of our laws and policies and
- to lead to greater accountability in the conduct of public affairs.

This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter and any attached documents available to the wider public shortly. The Ministry will do this by publishing this letter and attachments on the Ministry of Social Development's website. Your personal details will be deleted and the Ministry will not publish any information that would identify you as the person who requested the information.

If you wish to discuss this response with us, please feel free to contact [OIA\\_Requests@msd.govt.nz](mailto:OIA_Requests@msd.govt.nz).

If you are not satisfied with this response, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or 0800 802 602.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Maree Roberts', with a stylized, flowing script.

Maree Roberts  
**Associate Deputy Chief Executive**

**From:** Peter Galvin

**Sent:** Thursday, 23 April 2015 3:52 p.m.

**To:** s 9(2)(a) [TSY]; s 9(2)(a)

**Cc:** s 9(2)(a) [TSY]; s 9(2)(a) [TSY]; s 9(2)(a)

**Subject:** RE: Recs BUDGET CONFIDENTIAL

Kia ora koutou

Here's where I got to with the recommendations as per the latest version of the report. Please let me know if there are any funnies, and please feel free to clarify or expand the extremely concise discussion of the points in the paper itself.

Thanks

Peter

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**From:** s 9(2)(a) [TSY]; s 9(2)(a) @treasury.govt.nz

**Sent:** Thursday, 23 April 2015 3:42 p.m.

**To:** s 9(2)(a) Peter Galvin

**Cc:** s 9(2)(a) [TSY]; s 9(2)(a) [TSY]; s 9(2)(a)

**Subject:** RE: Recs

Thanks s 9(2)(a) - very sensible.

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**From:** s 9(2)(a) @msd.govt.nz

**Sent:** Thursday, 23 April 2015 3:32 p.m.

**To:** s 9(2)(a) [TSY]; Peter Galvin

**Cc:** s 9(2)(a) [TSY]; s 9(2)(a) [TSY]; s 9(2)(a)

**Subject:** RE: Recs

Hi s 9(2)(a)

I've spoken to s 9(2)(a) and we suggest to minimise the work we have to do for now in the Budget and Estimates, that we keep the source of funding to come out from the Strong Families and connected communities appropriation. And get the following recs added:

1 note that the proposed funding sources will result in reductions to both departmental and non-departmental output expenses appropriations

2 authorise the Minister for Social Development and the Minister of Finance to approve the appropriate changes to appropriations in the 2015 October Baseline Update.

Happy to discuss.

Thanks

s 9(2)(a)

Ministry of Social Development, Level 8, Bowen State Building, Bowen Street, PO Box 1556, Wellington 6140

Phone: s 9(2)(a)

Email: s 9(2)(a)

**MSD Purpose:**

*We help New Zealanders to help themselves to be safe, strong and independent*

*Ko ta mātou he whakamana tangata kia tū haumarū, kia tū kaha, kia tū motuhake.*

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-----Original Message-----

From: Peter Galvin

Sent: Tuesday, 28 April 2015 2:39 p.m.

To: s 9(2)(a) [TSY]; s 9(2)(a) Murray Edridge

Cc: s 9(2)(a) tpk.govt.nz; Nic Blakeley; s 9(2)(a) [TSY]; s 9(2)(a) [TSY];  
s 9(2)(a) s 9(2)(a)

Subject: RE: BUDGET SENSITIVE : REP-15-4-409 Options for transferring programmes to whanau ora  
- draft recs [comments by 3:30pm today please]

Kia ora s 9(2)(a) They look fine to me. Peter

-----Original Message-----

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-----Original Message-----

From: s 9(2)(a) @msd.govt.nz]

Sent: Tuesday, 28 April 2015 12:31 p.m.

To: s 9(2)(a) [TSY]; s 9(2)(a) Murray Edridge

Cc: s 9(2)(a) Nic Blakeley; Peter Galvin; s 9(2)(a) [TSY]; Tim  
s 9(2)(a) [TSY]

Subject: RE: BUDGET SENSITIVE : REP-15-4-409 Options for transferring programmes to whanau ora

OK - I think our Mins are in agreement that the funding should continue to be used to commission WO outcomes. Just Minister Tolley clarifying that she doesn't expect to be involved in the decision as to whether these programmes continue or the money is freed up.

Cheers, s 9(2)(a)

-----Original Message-----

Out of scope

-----Original Message-----

From: [s 9(2)(a)]@msd.govt.nz]

Sent: Tuesday, 28 April 2015 12:09 p.m.

To: [s 9(2)(a)] [TSY]; [s 9(2)(a)] Murray Edridge

Cc: [s 9(2)(a)] Nic Blakeley; Peter Galvin; [s 9(2)(a)]

Subject: FW: BUDGET SENSITIVE : REP-15-4-409 Options for transferring programmes to whanau ora

Hi team,

Just catching you up on where we've got to with our Minister. As you'll see from the attached, she intends Minister Flavell to make future decisions on whether the programmes should continue and has indicated implementation should be from July 2016.

So, can I just check we're on the same page as to next steps? I think from here:

- Treas, you lead on getting the financials signed off and squared away?

[s 9(2)(a)] Murray, you lead on the follow up advice for Ministers on stakeholder management in the run up to Budget announcements?

Grateful if you could confirm,

[s 9(2)(a)]

-----Original Message-----

**From:** Peter Galvin

**Sent:** Monday, 4 May 2015 3:41 p.m.

**To:** [s 9(2)(a)] [TSY]; [s 9(2)(a)] [TSY]

**Cc:** Susan Kosmala; Ruth Palmer; [s 9(2)(a)] Murray Edridge

**Subject:** FW: Update from meeting with Min Tolley - transfer of MSD Community Investment programmes to support Whānau Ora outcomes BUDGET SENSITIVE

Kia ora koutou

Just a quick update and an idea to test with you all.

- I'm preparing a briefing today that will propose to Ministers that we establish a separate appropriation within vote SD that Minister Flavell will be responsible though that will still be administered by MSD
- We will transfer money into that form the relevant appropriations within vote SD

We've been discussing how we treat TPH funding of \$3m within that (made up of \$2.8m of NDOE/contracted money and \$200k of DOE/administration money). Of the \$2.8m we know that \$480k is for grants that won't expire until after 1 July 2015. We've assumed that money will go into the new vote SD appropriation. That leaves \$2.52m to transfer into either:

- The WO appropriation in vote MD (which is what the feedback from the Minister's meeting below suggests is the preferred approach)
- The new WO appropriation in vote SD (which we think might give Ministers more flexibility in managing public/provider reaction)

[s 9(2)(a)] your quick answer to me question about how we'd make the transfer to vote MD and/or create the separate new appropriation in vote SD says we could effect it through a joint Ministers letter post budget so let's assume there's no technical reason to prefer one option over the other.

If the \$2.52m of TPH funding is transferred to vote MD at 1 July then the public could say that the majority of the programme has been wound up and the only vehicle the Minister for WO or for SD have to influence how it's spent is through the Partnership Forum, to which Ministers are only one half of the membership. Retaining the funding within vote SD allows for a negotiated transfer of the funding to the WO commissioning agents in the same way as the existing contracted funding's transfer can be negotiated/managed. The TPH funding is still more readily available than the contracted funding (as there is no requirement to give three months' notice to terminate contracts) and If Minister Flavell is comfortable with an early transfer then that could happen as soon as 1 July.

Murray is going to test this with the Minister for SD this afternoon as we want to ensure we're not running counter to any specific expectation she has about the flexibility of the funding or the timing of its availability.

Any thoughts?

Peter



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**From:** Peter Galvin

**Sent:** Wednesday, 6 May 2015 9:14 a.m.

**To:** s 9(2)(a) [TSY]; s 9(2)(a) [TSY]; Murray Edridge; s 9(2)(a) Ruth Palmer; s 9(2)(a)

**Cc:** s 9(2)(a) [TSY]

**Subject:** RE: Final draft version (hopefully) for Whānau Ora paper - BUDGET SENSITIVE

Kia ora koutou

Thanks again – feels like we're nearly there. Before I send out the final version I just wanted to clarify a few things:

- I stand corrected on the Agent/Agency thing, thanks s 9(2)(a)
- s 9(2)(a) the answer to your question is "yes" to my mind – the contracts will continue to be administered by the Ministry and it's still Brendan's (or Murray's?) name on the contract. Perhaps you could quickly confirm that, please?
- s 9(2)(a) my read of the first paper that Ministers signed off is that there are two explicit agree recommendations (4 and 10) that agree to transfer the funds to Vote Maori Development and do it from 1 July 2016. As such I think the current recs work
- Agree to change the authority for sign off to "and" not "in consultation with"
- s 9(2)(a) I'd tried to capture your point about the options for Minister for WO in paras 13 and 14

13 Under this arrangement the Minister for Whānau Ora will have the option to:

- allow contracts to run until the end of the 2015/16 financial year
- encourage negotiations between the Whānau Ora Commissioning Agencies and existing contracted providers to develop new contracts with the Commissioning Agencies to pursue Whānau Ora outcomes
- provide the required notice three month notice to terminate existing contracts sooner than the term of the contract

14 As decisions are made about the future for the existing funding, the Minister for Whānau Ora, in consultation with the Minister of Finance, would be able to transfer the relevant funding or parts thereof to the Whānau Ora appropriation within Vote Māori Development. Once the funding is transferred to the Whānau Ora appropriation within Vote Māori Development it will be subject to the existing process for:

- Strategic oversight - currently provided through the Partnership Group with support from Te Puni Kokiri for administration and contract management of commissioning agencies
- Commissioning – the Commissioning Agencies are responsible for the operation and administration of their organisations and provider contracts

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**From:** Peter Galvin [mailto:Peter.Galvin002@msd.govt.nz]

**Sent:** Tuesday, 5 May 2015 3:50 p.m.

**To:** s 9(2)(a) [TSY]; Murray Edridge; s 9(2)(a) ^MSD: Ruth Palmer;  
s 9(2)(a)

**Subject:** Final draft version (hopefully) for Whanau Ora paper - BUDGET SENSITIVE

Kia ora koutou

Thanks for your feedback today. I've tried to incorporate it as best I could s 9(2)(a) I'm happy to talk through your particular questions in the comments (the answer in most cases is "yes" so I haven't changed the text).

I've had to change tack slightly in what we're actually asking Ministers to do given Treasury has pointed out that we're now in the Budget moratorium where changes can't be made to appropriations. The risk this posed was really about a paper trail for Ministers to be announce what they want to in respect of the transfer. The proposed solution is to note that Ministers have already agreed to transfer the money from 1 July 2016 (so could announce that if they wanted to) and what we're doing here is responding to their request on what a useful mechanism is to manage the funding to be transferred in the interim (i.e. 2015/16 financial year).

Also added in some more headings to break it up a bit and slightly re-ordered some sections and tweaked wording on advice from Treasury and TPK.

I've got a standing commitment at 4pm that I can't shake so will keep an eye remotely on feedback via email later tonight. Assuming everyone's comfort, I'll start the process tomorrow morning on getting this up to Ministers as a formal report.

Kei te pai tena?

Cheers

Peter

Peter Galvin | Principal Advisor, Office of the Chief Policy Advisor  
Ministry of Social Development | ddi +64 4 978 4263 | Mobile: +64 27 200 5435

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s 9(2)(a)

**From:** s 9(2)(a)  
**Sent:** Tuesday, 15 March 2016 11:28 a.m.  
**To:** Murray Edridge; Ruth Palmer; Peter Galvin; s 9(2)(a)  
**Cc:** s 9(2)(a)  
**Subject:** Transfer to Whanau Ora - follow up from meeting with Treasury ...  
**Importance:** High  
**Categories:** CIS Line by Line ... Whanau Ora

Hi

I met with Treasury (along with TPK) yesterday, and their continuing stance is that we need to identify an 'appropriate' amount of operational funding to accompany the transferring NDOE funding going to the Commissioning Agencies.

They see it as a simple pro-rata exercise (calculation), and weren't interested in engaging in any real discussion about the marginality of related operating costs, nor any other supporting argument that we were putting forward.

In their view, the only way forward is to get a formal decision on this issue, by joint Ministers.

So, they recommend that we put up a joint paper (from us and TPK) to Ministers Tolley and Flavell, in which we lay out the following two (bald) options – either we do transfer a proportion of our existing operational funding (based on a pro-rata calculation or, if absolutely necessary, some other workable estimate) ... or we don't (recognising that we would need to spell out why not, and highlight that this approach isn't supported by Treasury).

Murray ... it would be good to catch up, to find out where you may have got to with your discussions yesterday following the Whanau Ora Partnership Group meeting. I will liaise with s 9(2)(a) re when I might be able to catch you. If that's not possible (I understand you are very busy), could I please ask that you let s 9(2)(a) know your position on the above advice from Treasury, so she can pass this on to me.

Many thanks.

Cheers.

s 9(2)(a)

Section 9(2)(a) Privacy of Natural Persons

**From:** s 9(2)(a)  
**Sent:** Wednesday, 16 March 2016 1:31 p.m.  
**To:** s 9(2)(a) Ruth Palmer; s 9(2)(a)  
**Cc:** s 9(2)(a)  
**Subject:** FW: Whānau ora transfer ... ongoing engagement with Treasury

Just fyi ... holding the 'space'.

s 9(2)(a)  
And (Treasury) has now come back asking if they can view and comment on the paper before it goes ... to "raise any questions/issues before it goes to your Minister".

I'll check in with s 9(2)(a) Murray, but this is unlikely to be possible given the tight timeframe ie Murray will only be looking at it upon his return on Friday morning, and it has to be over to the Minister by noon.

Cheers.

s 9(2)(a)

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