

Working Paper
2021/13 – Analysis of
Priorities mentioned
in Minister of Finance
Budget speeches
since 2006

MCGUINNESS INSTITUTE
TE HONONGA WAKA

Title *Working Paper 2021/13 – Analysis of Priorities mentioned in Minister of Finance Budget speeches since 2006*

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Contents

1.0	Purpose	4
2.0	Background	4
3.0	Methodology	5
3.1	Method	5
3.2	Limitations	5
4.0	Research and analysis	5
5.0	Observations	12
6.0	Discussion	15
Appendix 1: List of Budget speeches since 2006		16
Endnotes		17

List of Figures

Figure 1: Strategic Instruments in the Public Service	4
Figure 2: Timeline: Government Priorities from May 2006	6
Figure 3: Infographic of Government Priorities from May 2006	10
Figure 4: Frequency of categories mentioned in all Budget speeches [16]	12
Figure 5: Frequency of categories mentioned in National-led Budget speeches [9]	13
Figure 6: Frequency of categories mentioned in Labour/Labour-led Budget speeches [7]	14

1.0 Purpose

The purpose of this research is to add to the conversation on government transparency. The Institute believes it is important to identify and understand which priorities governments choose to drive public policy. It is also important that this information is accessible to the public, enabling New Zealanders to understand and make an assessment of whether governments are delivering on the priorities they set.

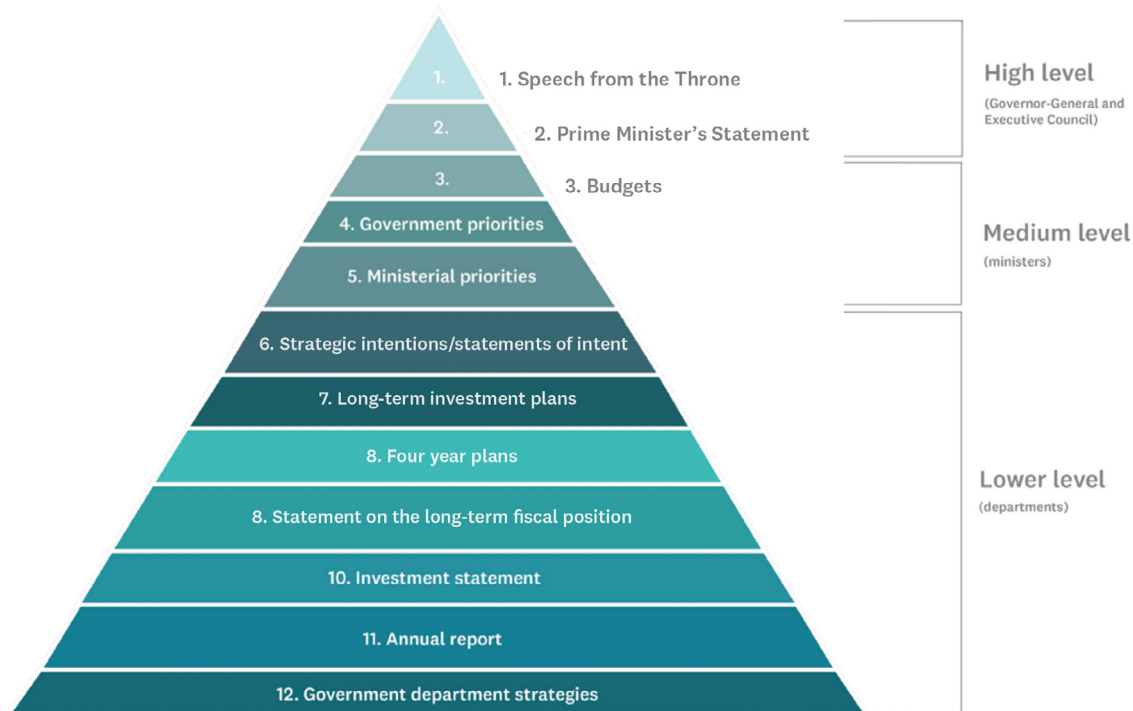
This paper updates the government priorities found in Appendix 2 of *Working Paper 2014/02 Analysis of Government Department Strategies between 1 July 1994 and 30 June 2014 – An overview*.¹ The current paper updates the list to 2021, based on Budget speeches, and provides an analysis of the trends.

2.0 Background

In December 2014, the McGuinness Institute published *Working Paper 2014/02 - Analysis of Government Department Strategies Between 1 July 1994 and 30 June 2014 – An overview*. The purpose of this paper was to provide an overview of the 290 government department strategies (GDSs) published between 1 July 1994 and 30 June 2014, and to review the 136 GDSs that were active as at 30 June 2014.² The paper contained, among other things, an analysis of the government priorities with respect to the GDSs. The government priorities are announced as part of the Budget speech yearly by the Minister of Finance, and are high-level goals (see Figure 1) that the government is funding and aiming towards achieving. These priorities provide direction to a lot of the lower-level government decisions and strategies, and therefore often affect how decisions are made in the public arena.

Figure 1: Strategic Instruments in the Public Service

Source: Working Paper 2019/04 – Analysis of Government Department Strategies Between 1 July 1994 and 31 December 2018



The government priorities are decided by the Cabinet Priorities Committee (CPC). The CPC considers major strategic issues as determined by the Prime Minister or Cabinet and sets major policy directions as a result. They are responsible for the coordination and delivery of these priorities.³

3.0 Methodology

The reason why this work is undertaken is to better understand the priorities and goals driving a particular Government's public policy agenda.

3.1 Method

Step 1: Prepare a list of government priorities

The Te Tai Ōhanga Treasury *Current and past Budgets: Key Budget documents from current and previous Budgets* web page was accessed to find the Budget speech for each year.⁴ A full list of Budget speeches used for this analysis can be found in Appendix 1. Each Budget speech was then reviewed to find a list of government priorities for that year.

The priorities were often expressed in different ways. For example if the Budget speech referred to 'goals', 'objectives' or 'themes', these were also treated as priorities.

Step 2: Group by category

The second step was to group similar priorities into categories. These were colour-coded for ease of identification, review and later analysis.

3.2 Limitations

A potential limitation of the categorisation process is the subjective element of labelling the categories and sorting priorities into categories. This was minimised by basing the categories on the priorities as stated in the Budget speeches, drawing from the wording used in the speeches.

The data was then analysed, examining whether there was any correlation between different governments and the priorities they set, and whether any trends – including changes in priorities – were identifiable across the past 16 years.

4.0 Research and Analysis

61 priorities were mentioned in 16 Budget speeches analysed. On average, there were three or four priorities per Budget speech.

These were grouped into 11 priority categories: debt/surplus, tax and ACC reform, economy, public services, climate/environment, earthquakes, wellbeing (children and families), wellbeing (physical and mental), Māori/Pasifika/national identity, resilience, and COVID-19.

Figure 2 overleaf sets out the priorities, colour coded by priority category.

Figure 2: Timeline: Government Priorities from May 2006

Adapted from Budget speeches (Treasury, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021)

* Direct text of Budget speech used.

** Paraphrased text of Budget speech used.

Topic categories

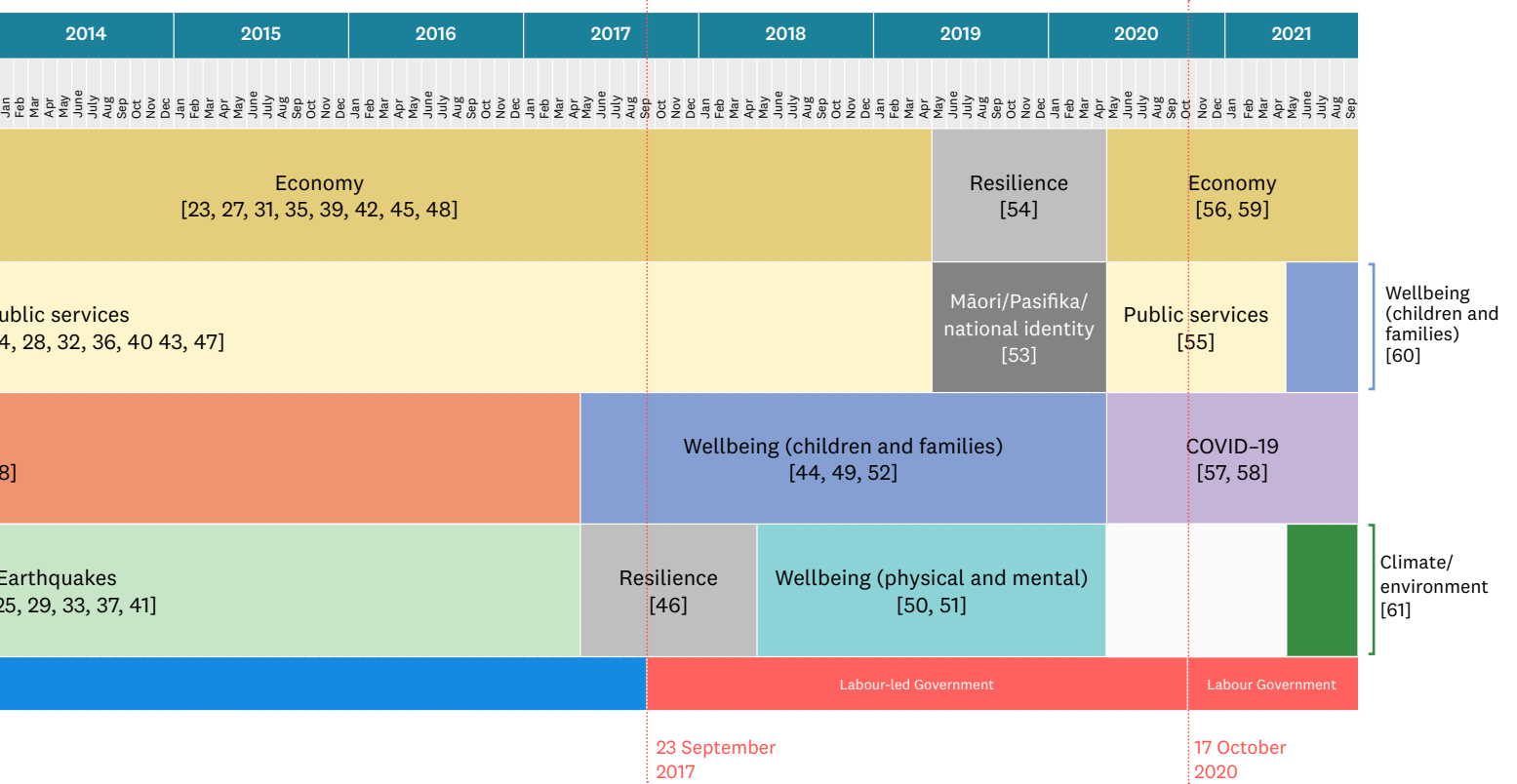
 Debt/surplus	 Public services	 Wellbeing (children and families)	 Resilience
 Tax and ACC reform	 Climate/environment	 Wellbeing (physical and mental)	 COVID-19
 Economy	 Earthquakes	 Māori/Pasifika/national identity	

Year	Government priorities	Fiscal priorities
2006	1. Economic transformation (p. 20)*	
	2. Deliver a better quality of life for families young and old (p. 27)*	
	3. Supporting the evolution of national identity (p. 30)**	
2007	4. Economic transformation (p. 27)*	
	5. Families – young and old (pp. 19, 30)*	
	6. National identity (pp. 19, 31)*	
2008	7. Economic transformation (p. 32)*	
	8. Support for families (p. 29)**	
	9. National identity (p. 31)*	
	10. Tax cut package (p. 29)*	
2009	11. Support public services (p. 19)*	
	12. Lift productivity and economic performance (p. 19)**	
	13. Keeping debt under control (p. 19)*	
2010	14. Better delivery of public services, to make them better for users of those services and better for taxpayers (p. 20)*	
	15. Lifting the long term performance of the economy (p. 20)*	
	16. Reform of the tax system, to make it fairer, more sustainable and more supporting of economic growth (p. 20)*	
	17. Maintain firm control of the Government’s finances, so we can return to budget surpluses and pull back our rising debt (p. 20)*	

Year	Government priorities	Fiscal priorities
2011	18. Target a lower level of public debt (p. 25)*	
	19. Improving core front-line government services (p. 29)*	
	20. Maintain investment in core public assets (p. 31)*	
	21. Rebuilding Christchurch (p. 24)**	
2012	22. Good fiscal management (p. 1)*	
	23. Building a more productive and competitive economy (pp. 1, 5)*	
	24. Delivering better public services within tight financial constraints (pp. 1, 8)*	
	25. Rebuilding Christchurch (pp. 1, 12)*	
2013	26. Responsibly managing the Government's finances (pp. 3, 4)*	
	27. Building a more productive and competitive economy that supports higher incomes and more jobs (p. 6)**	
	28. Delivering better public services within tight fiscal constraints (pp. 3, 9)*	
	29. Support the rebuilding of Christchurch (pp. 3, 12)*	
2014	30. Responsibly managing the Government's finances (pp. 2, 4)*	
	31. Building a more productive and competitive economy (pp. 2, 6)*	
	32. Delivering better public services (pp. 2, 9)*	
	33. Rebuilding Christchurch (pp. 2, 14)*	
2015	34. Responsibly managing the Government's finances (p. 3)*	<ul style="list-style-type: none"> • Returning to surplus this year and maintaining surpluses in the future • Reducing net debt to 20 per cent of GDP by 2020, including repaying debt in dollar terms in 2017/18 • Further reducing ACC levies • Beginning to reduce income taxes from 2017 • Using any further fiscal headroom to reduce debt faster (p. 3)
	35. Build a more productive and competitive economy that supports jobs and higher incomes (p. 4)*	
	36. Deliver better public services (p. 8)*	
	37. Supporting the rebuild of Christchurch (p. 13)*	

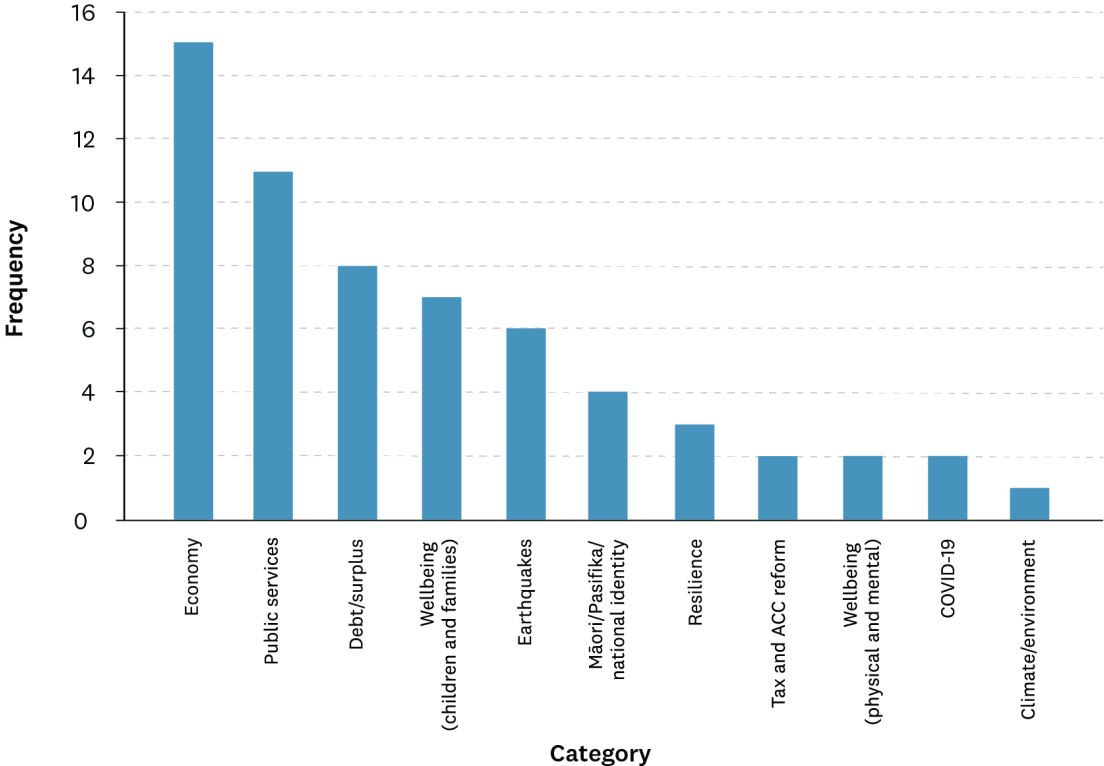
Year	Government priorities	Fiscal priorities
2016	38. Responsibly managing the Government's finances (p. 3)*	<ul style="list-style-type: none"> • Maintaining rising operating surpluses • Reducing net debt to around 20 per cent of GDP in 2020 • If economic and fiscal conditions allow, beginning to reduce income taxes • Using any further fiscal headroom to reduce debt faster (p. 3)
	39. Build a more productive and competitive economy that supports jobs and higher incomes (p. 4)*	
	40. Delivering better public services (p. 9)*	
	41. Christchurch regeneration (p. 14)*	
2017	42. Keep the economy growing (pp. 3, 12)*	
	43. Invest in the public services necessary for a growing country (pp. 5, 12)*	
	44. Social investment (p. 6)*	
	45. Investing in the infrastructure for a growing economy (pp. 7, 12)*	
	46. Resilience (pp. 8, 12)*	
2018	47. Rebuilding core public services (p. 5)*	
	48. Sustainable economic development (p. 9)*	
	49. Building stronger communities (p. 12)*	
	50. Sharing prosperity and measuring success (p. 13)*	
2019	51. Create new frontline services for mental health (pp. 5, 14)*	
	52. Improve child wellbeing (pp. 7, 14)*	
	53. Supporting Māori and Pasifika aspirations (pp. 9, 14)*	
	54. Investing in crucial infrastructure while managing the books responsibly and assessing long-term economic challenges (p. 14)**	
2020	55. Boost critical [core] public services (pp. 2, 10)**	
	56. Fund infrastructure (p. 2)*	
	57. Invest in the second and third stages of our plan to face COVID-19: Recover and Rebuild (p. 2)**	

Year	Government priorities	Fiscal priorities
2021	58. Keep New Zealanders safe from COVID-19 (p. 3, 4)*	
	59. Accelerate our recovery and rebuild (p. 3, 5)*	
	60. Tackling our foundational challenges: housing affordability and child wellbeing (p. 3, 10, 12)**	
	61. Tackling our foundational challenges: climate change (p. 3, 11)**	



5.0 Observations

Figure 4: Frequency of categories mentioned in all Budget speeches [16]



As noted above, the topics mentioned in Budget speeches were categorised into groups.

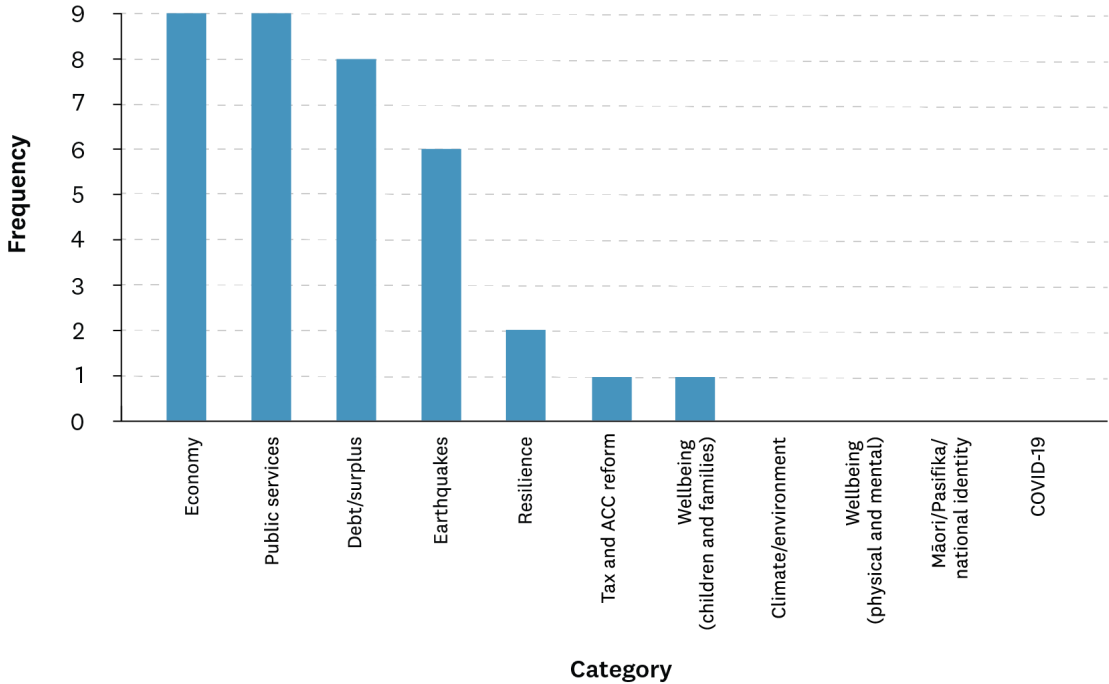
High-level observations

- The most frequently mentioned category since 2006 was the economy. It was mentioned as a priority in 14 of 16 Budget speeches (87.5% of speeches). Note: it was included twice in the 2017 Budget.
- The second most frequent category was public services (mentioned 11 times – 68.75% of Budgets). This was followed by debt/surplus (mentioned eight times – 50% of Budgets), and wellbeing (children and families)(seven times – 43.75% of Budgets).
- The newest government priority category was climate/environment (mentioned once – 6.25% of Budgets). The climate/environment category featured for the first time in 2021 as ‘tackling our foundational challenges: climate change’.⁵
- COVID-19 featured twice (2020 and 2021).

Government-specific observations

National-led government priorities

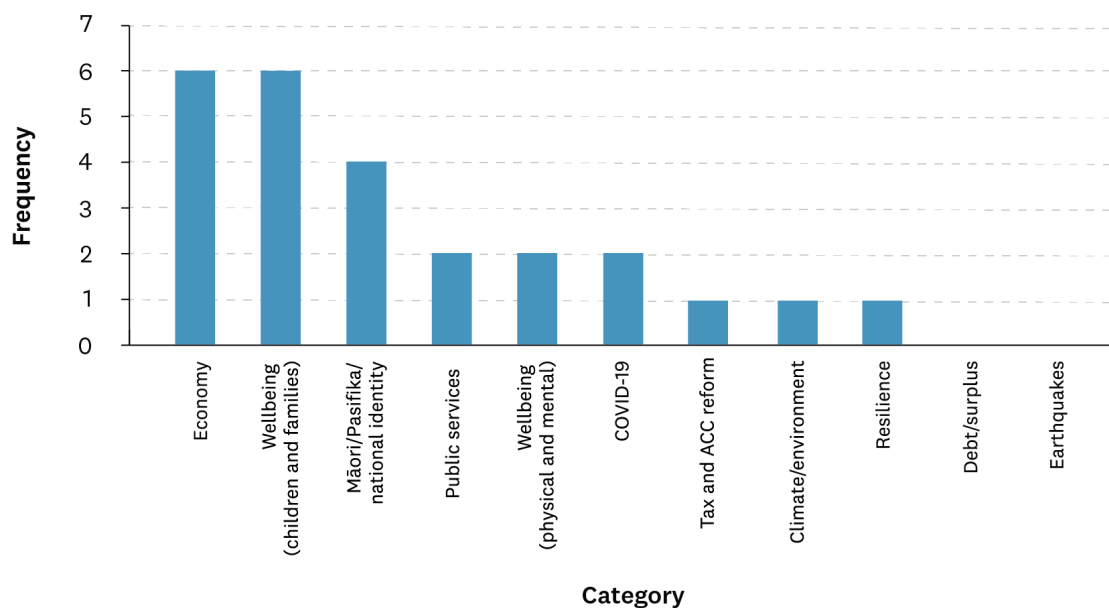
Figure 5: Frequency of categories mentioned in National-led Budget speeches [9]



There have been nine Budgets delivered by National-led governments during the period 2006–21.^{6,7}

- Public services was a priority in nine Budget speeches, 100% of all National Budgets.
- Economy was a priority in eight Budget speeches (88.88%). Note: it featured twice in 2017.
- Debt/surplus was a priority in eight Budget speeches (88.88%).
- Earthquakes, specifically relating to the Christchurch rebuild, was a priority in six Budget speeches (66.66%).

Figure 6: Frequency of categories mentioned in Labour/Labour-led Budget speeches [7]



There have been seven Budgets delivered by Labour/Labour-led governments during the period 2006–21:^{8,9}

- Economy was a priority in six Budget speeches (85.68%).
- Wellbeing (children and families) was a priority in six Budget speeches (85.68%).
- Māori/Pasifika/national identity was a priority in four Budget speeches (57.12%).
- Public services was a priority in two Budget speeches (28.57%).
- Wellbeing (physical and mental) was a priority in two Budget speeches (28.56%).
- COVID-19 was a priority in two Budget speeches (28.56%).

6.0 Discussion

An analysis of Budget speeches should enable New Zealanders to learn more about what priorities are driving government activity (the trajectory) and how tensions have been prioritised/funded in the short term compared with long-term priorities (i.e., intra-generational versus inter-generational issues).

Analysis of the priorities in the Budget speeches highlights three key points:

1. Unique responses to emergencies

The priorities reflect specific local and national emergencies faced by governments of the day. For example rebuilding after the Christchurch earthquake and, more recently, responding to COVID-19.

2. Common priorities throughout time and across political parties

As might be expected, priorities tend to change due to a change in political party. However there were areas of continuity:

- The economy and public services have featured fairly consistently as priorities across the last 16 years.
- Wellbeing was first mentioned in early 2017 and continues to be mentioned today.

3. Differences over time

A: Wellbeing mentioned increasingly often.

- Wellbeing (children and families) was mentioned as a priority in the 2017, 2018, 2019, and 2021 Budget speeches.
- Wellbeing (physical and mental) was mentioned as a priority for the first time in the 2018 and 2019 Budget speeches.

B: Climate change was mentioned for the first time in 2021.

- Given the climate crisis the world faces it would be expected that climate change will continue to be a government priority in future Budget speeches.

C: Tax reform has not been mentioned since early 2010.

D: Earthquakes and debt/surplus have not been mentioned since early 2016.

To conclude, Budget speeches were not always clear or concise. It would be useful if Ministers of Finance wrote for the reader: making it clear what the government's priorities are in the next twelve months.

Appendix 1: List of Budget speeches

- Te Tai Ōhanga Treasury, 2006 (18 May 2006). Budget Speech. Retrieved 13 April 2021 from <https://www.treasury.govt.nz/sites/default/files/2007-11/spch06.pdf>
- Te Tai Ōhanga Treasury, 2007 (17 May 2007). Budget Speech. Retrieved 13 April 2021 from <https://www.treasury.govt.nz/sites/default/files/2007-10/spch07.pdf>
- Te Tai Ōhanga Treasury, 2008 (21 May 2008). Budget Speech. Retrieved 27 April 2021 from <https://www.treasury.govt.nz/sites/default/files/2008-05/b08-speech.pdf>
- Te Tai Ōhanga Treasury, 2009 (28 May 2009). Budget Speech. Retrieved 13 April 2021 from <https://www.treasury.govt.nz/sites/default/files/2009-05/b09-speech.pdf>
- Te Tai Ōhanga Treasury, 2010 (20 May 2010). Budget Speech. Retrieved 27 April 2021 from <https://www.treasury.govt.nz/sites/default/files/2010-05/b10-spch.pdf>
- Te Tai Ōhanga Treasury, 2011 (19 May 2011). Budget Speech. Retrieved 13 April 2021 from <https://www.treasury.govt.nz/sites/default/files/2011-05/b11-spch.pdf>
- Te Tai Ōhanga Treasury, 2012 (24 May 2012). Budget Speech. Retrieved 13 April 21 from <https://www.treasury.govt.nz/sites/default/files/2012-05/b12-spch.pdf>
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- Te Tai Ōhanga Treasury, 2016 (26 May 2016). Budget Speech. Retrieved 13 April 2021 from <https://www.treasury.govt.nz/sites/default/files/2018-03/b16-speech.pdf>
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- Te Tai Ōhanga Treasury, 2020 (14 May 2020). Budget Speech. Retrieved 13 April 2021 from <https://www.treasury.govt.nz/sites/default/files/2020-05/b20-speech.pdf>
- Te Tai Ōhanga Treasury, 2021 (20 May 2021). Budget Speech. Retrieved 17 September 2021 from <https://www.treasury.govt.nz/sites/default/files/2021-05/b21-speech.pdf>

Endnotes

- 1 See McGuinness Institute. (18 December 2014). *Working Paper 2014/02 – Analysis of Government Department Strategies Between 1 July 1994 and 30 June 2014 – An overview*. Retrieved 13 April 2021 from <https://www.mcguinnessinstitute.org/publications/working-papers>
- 2 See endnote 1.
- 3 See Department of the Prime Minister and Cabinet (DPMC). (n.d.). *(CPC) Cabinet Priorities Committee*. Retrieved 29 April 2021 from <https://dPMC.govt.nz/cabinet-committees/cpc-cabinet-priorities-committee>
- 4 See Te Tai Ōhanga Treasury. (n.d.). *Current and past Budgets: Key Budget documents from current and previous Budgets*. Retrieved 17 September 2021 from <https://www.treasury.govt.nz/publications/budgets/current-and-past-budgets>
- 5 See priority 61 in [Figure 2: Timeline: Government Priorities from May 2006](#).
- 6 The National-led governments during this period were: November 2008–December 2011, December 2011–October 2014, October 2014–December 2016; see New Zealand Parliament Pāremata Aotearoa. (n.d.) *Governments in New Zealand since 1856*. Retrieved 20 September 2021 from <https://www.parliament.nz/en/visit-and-learn/mps-and-parliaments-1854-onwards/governments-in-new-zealand-since-1856/>
- 7 These were the Budgets for 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016 (Hon Bill English, Minister of Finance), and 2017 (Hon Steven Joyce, Minister of Finance); see Te Tai Ōhanga Treasury. (n.d.). *Current and past Budgets: Key Budget documents from current and previous Budgets*. Retrieved 17 September 2021 from <https://www.treasury.govt.nz/publications/budgets/current-and-past-budgets>
- 8 The Labour-led governments during this period were: October 2005–November 2008, October 2017–November 2020, November 2020; see New Zealand Parliament Pāremata Aotearoa. (n.d.) *Governments in New Zealand since 1856*. Retrieved 20 September 2021 from <https://www.parliament.nz/en/visit-and-learn/mps-and-parliaments-1854-onwards/governments-in-new-zealand-since-1856/>
- 9 These were the Budgets for 2006, 2007, 2008 (Hon Dr Michael Cullen, Minister of Finance), 2018, 2019, 2020, 2021 (Hon Grant Robertson, Minister of Finance); see Te Tai Ōhanga Treasury. (n.d.). *Current and past Budgets: Key Budget documents from current and previous Budgets*. Retrieved 17 September 2021 from <https://www.treasury.govt.nz/publications/budgets/current-and-past-budgets>



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