

Statement by BERL Executive Director, Dr Ganesh Nana – *for immediate release*

**BERL stands by its assessment of Labour Party Fiscal Plan costings**

BERL strongly disputes assertions that there are errors in the Labour Party Fiscal Plan that BERL examined and assessed.

We stand by our work. We examined and checked costings forwarded to us by the Labour Party. Thereafter, these costings were inserted into the government accounts framework as per the Fiscal Strategy Model available on the Treasury website.

We confirmed the numbers add up and that the resulting spending, OBEGAL balances and net debt tracks are consistent with the Budget Responsibility Rules published by the Labour Party and the Green Party.

We make the following comments in terms of some of the specific concerns.

- a large portion of the alleged ‘hole’ in the accounts relies heavily on an interpretation of the ‘operating allowance’ line. This is a line item in the accounts to prudently allow for future spending that is currently unknown. Some administrations choose to use this allowance to include future spending that is known but not yet allocated (e.g. population adjustments for health and education funding). The Labour Party Fiscal Plan explicitly allocates these items to their relevant spending lines. This leaves the resulting ‘operating allowance’ as a clear measure of what is available for future spending for policies or initiatives currently unknown.
  - in essence, the alleged ‘hole’ is a fiction arising from a disagreement over definitions.
- costs for the extension to Paid Parental Leave are included in the line item labelled “Family Package”.
- finance costs associated with the higher debt track are explicitly included in the accounts.
- other elements of the critique are of a more explicitly political flavour, on which we have no desire to comment.

However, we feel obliged to state that BERL is a proudly independent NZ-owned research consultancy – operating successfully and profitably for 60 years. These 60 years have covered a range of governments and administrations of many colours and hues. Over these years we have provided robust research and advice to a range of public, private and third sector agencies and organisations.

We would not have remained as a successful business this long if we were party political.

Rather our work has always stressed outcomes for New Zealand and New Zealanders. We saw value in providing an independent check on policy costs to enable an informed voter population.

As stated in our report to the Labour Party, we make no assessment of the individual policies themselves, nor do we judge their worth. That is for the voters of New Zealand to judge. But the numbers do make sense.

