

The Treasury

Budget 2011 Information Release

Release Document

June 2011

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Key to sections of the Official Information Act 1982 under which information has been withheld.

Certain information in this document has been withheld under one or more of the following sections of the Official Information Act, as applicable:

- [1] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [2] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [3] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [4] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [5] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [6] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [7] 6(a) - to prevent prejudice to the security or defence of New Zealand or the international relations of the government
- [8] 9(2)(h) - to maintain legal professional privilege
- [9] 6(c) - to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
- [10] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [11] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice.

Where information has been withheld, a numbered reference to the applicable section of the Official Information Act has been made, as listed above. For example, an [8] appearing where information has been withheld in a release document refers to section 9(2)(h).

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.

Hon Maurice Williamson
Parliament Buildings
WELLINGTON

Dear Maurice

In early December you forwarded to me the Four-year Budget Plans from the agencies listed below as part of the preparation for Budget 2011:

- Department of Building and Housing (Vote Housing);
- New Zealand Customs Service (Vote Customs);
- Land Information New Zealand (Vote Lands); and
- Statistics New Zealand (Vote Statistics).

Budget Ministers met to discuss Four-year Budget Plans on Wednesday 15 December.

Votes Customs and Lands

Budget Ministers agreed that the Plans for Vote Customs and Lands should be accepted, except for the proposals for new capital funding. Budget Ministers would like you to submit business cases regarding the following capital proposals by 8 February 2011:

- SmartGate (Vote Customs): the business case should outline options to absorb the operating costs of additional SmartGate terminals within baselines. At the same time the implications of the forecasted 20% growth in international passenger arrivals/departures by 2015 on processing times need to be outlined, should this initiative not be funded. The basis of the forecasted growth in passenger numbers should also be explained.
- Capital injection (Vote Lands): the business case should outline:
 - Why a capital injection is required, including justification of the proposed amount;
 - The process for returning to a sustainable business model, including report-back obligations; and
 - Risks associated with the proposal.

Capital proposals will be considered within the \$1.39 billion allowance for new capital spending in Budget 2011.

Vote Housing

Budget Ministers also agreed that the proposals set out in scenario two in the Plan for Vote Housing should be accepted, except the proposals for Community Group Housing and Tamaki Transformation Programme. Budget Ministers have invited Minister Heatley to consider options to fund these items within the Vote Housing baseline. The Four-year Budget Plan should be resubmitted by 10 February.

As it is a major policy decision seeking new funding, I have also invited Minister Heatley to submit the Social Housing Partnership proposal to Cabinet for further consideration in February.

Vote Statistics

Budget Ministers agreed that the Plan for Vote Statistics should be accepted, and I invite you to report to Cabinet in February regarding the business case 'Statistics 2020', which details how output cuts can be avoided. The business case should outline options for fully or partially funding the level of funding sought within baselines, including options for changing the methodology and frequency of future Censuses in order to generate further savings.

As a Government we will need to determine the relative priority of the proposals for new funding in Vote Statistics and whether they can be funded as part of the Budget. Cabinet agreed allocations of the operating allowance for Budget 2011 on 26 October. Funding for further proposals will require us to find other offsetting savings.

Your departments should submit financial recommendations in March to give effect to any agreed changes in appropriations in your Votes. Following that, estimates documents will be due in April. Treasury will publish further Budget guidance, including the timetable, shortly.

Yours sincerely

Hon Bill English
Minister of Finance