

# The Treasury

## Budget 2012 Information Release

### Release Document

June 2012

[www.treasury.govt.nz/publications/informationreleases/budget/2012](http://www.treasury.govt.nz/publications/informationreleases/budget/2012)

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] 6(a) - to prevent prejudice to the security or defence of New Zealand or the international relations of the government
- [2] 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
- [3] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [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)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [6] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [7] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [8] 9(2)(h) - to maintain legal professional privilege
- [9] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [10] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [11] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [12] 9(2)(ba)(i) - to prevent prejudice to the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied.

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 [4] appearing where information has been withheld in a release document refers to section 9(2)(b)(ii).

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

**Key points in discussing any request for increased health allocation:**

Any consideration of increasing Health's 2012 Budget allocation should await Budget Ministers' review of Health's **4-Year Budget Plan** in February.

Finalised 4-Year Budget Plans are due late January and should set out current actions and future options to manage within a constrained baseline growth track.

- **\$350m represents 44% of the 2012 operating allowance** - in line with health's share in past years.

Budget	Health Share	Health Allocation share of Operating Allowance
2009	52%	\$750m of \$1,450m
2010	38%	\$420m of \$1,100m
2011	41%*	\$420m of \$1,033m
2012	44%	\$350m of \$800m

\*In 2011, total operating spend reduced. The 41% figure is the Health allocation as % of all new spending initiatives net of health reprioritisation.

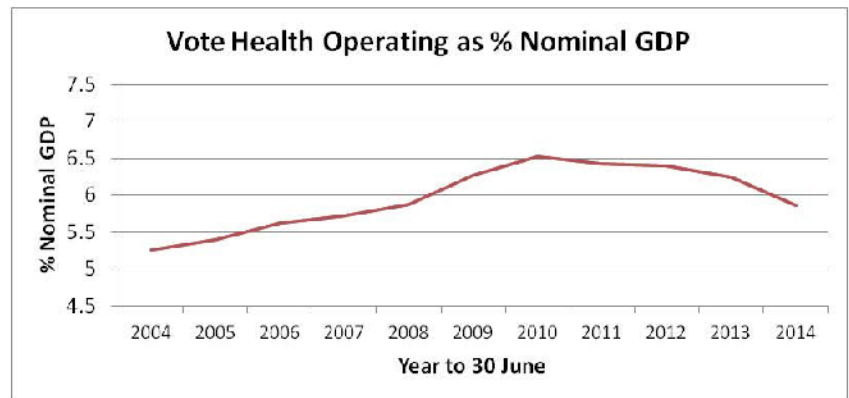
- [10]

- Health's share of Core Crown spending is falling only because of debt financing and earthquake costs.

(\$million)	2008	2009	2010	2011 F'cast	2012 F'cast
Health (Functional Class)	11,297	12,368	13,128	13,774	14,353
Core Crown Expenses	56,997	64,002	64,013	72,794	73,027
	19.8%	19.3%	20.5%	18.9%	19.7%

- Take care comparing this year's baseline and next year's baseline: 2011 is \$72m higher than the 2012/13 baseline (before B'12 \$350m allocation) because it includes time-limited funding (risk reserves, underspends carried from 2010), much of which will again roll forward into 2012.

- Health's share of GDP is near historic highs. It will fall back slightly as the wider economy grows, and as Govt works towards its fiscal strategy objective of reducing core crown expenses to 30% of GDP.



- Public health spending in NZ is well above OECD benchmarks – especially when per-capita income is taken into consideration.

