

The Treasury

Budget 2012 Information Release

Release Document

June 2012

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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] 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.

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Hon Anne Tolley
Parliament Buildings
WELLINGTON

Dear Minister

Thank you for your contribution to the Justice Sector Four Year Budget Plan and recent March Baseline Update (MBU) submission covering Vote Police, Vote Corrections and Vote Serious Fraud.

Four Year Budget Plan

I consider that the Justice Sector Four Year Budget Plan, incorporating Votes Police, Corrections and Serious Fraud is acceptable, but due to cost pressures and the number of changes expected in the sector over the next year, another Four Year Budget Plan should be submitted in advance of Budget 2013.

Final Budget decisions

Final decisions on Budget initiatives, as well as possible expenditure savings, will be made by Cabinet on 23 April 2012. Please note also that acceptance of all Four Year Budget Plans is subject to the Government making satisfactory progress towards its priority of returning to surplus by 2014/15. If economic circumstances put the surplus target at risk, Cabinet may need to reconsider its fiscal track and some or all Budget Plans.

March Baseline Update

I have examined your submission and approve your updated baselines for Vote Police and Vote Serious Fraud. I approve the submission for Vote Corrections subject to the following changes being made in relation to a proposed underspend of \$27 million, associated with the unsuccessful collective negotiations from 2011/12 to 2012/13.

The MBU submission for Vote Corrections seeks approval to retain a \$27 million underspend. This transfer does not meet the technical requirements under CO (11) 6 for Joint Ministers' approval through MBU. However, I do support using this funding for Justice Sector Sustainability purposes and will therefore include a recommendation in the Budget Cabinet paper to use this funding to help meet sector cost pressures. I approve the remaining changes proposed in the Vote Corrections MBU submission.

As you are aware, the Justice Sector is working with the Treasury on a proposal for more flexible financial management arrangements [6]

The proposal includes the establishment of a Justice Sector fund to enable underspends to be transferred more easily across Votes and across financial years. The proposal has yet to be considered by Cabinet, but if it is approved, this fund could be used to hold the \$27 million referred to above, and any other underspends, until it is required to meet sector cost pressures.

Yours sincerely

Hon Bill English
Minister of Finance