

# 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.

«Title» «Firstname» «Surname»  
«Address\_2»  
«Address\_3»

Dear «Firstname»

I am writing to clarify the processes for authorising spending in relation to the Canterbury earthquake. While we need to be responsive to the needs of Christchurch, we also need to ensure we maintain oversight of government expenditure and that all spending is lawful.

As you know, on 22 February I gave approval for emergency expenditure to be incurred under section 25 of the Public Finance Act. Use of this approval should be limited to spending that is incurred automatically (e.g., local authorities' response costs) or spending that needs to be incurred immediately and there is insufficient time to seek approval of Cabinet (e.g., spending on chemical toilets and initial emergency repairs). I expect that for most expenditure from now on there will be time to seek approval from Cabinet.

In all other cases, proposals for new spending or changes to existing appropriations and baselines need to follow the normal process approved by Cabinet and set out in the Cabinet Manual, the CabGuide and Cabinet Office Circular CO (09) 6. This means that for all proposals with financial implications that cannot be funded within existing baselines, you must:

- consult with me;
- seek Cabinet approval to a new appropriation, or an increase to appropriation; and
- for spending in 2010/11 seek Cabinet approval to use imprest supply until the spending is appropriated in the Appropriation (2010/11 Supplementary Estimates) Bill.

I am aware that a number of departments involved in responding to the earthquake have used existing appropriations, meaning that those appropriations may be exhausted before the end of the financial year. Where I am satisfied that existing appropriations need to be topped up because they have been used for earthquake response, I will submit an omnibus paper to Cabinet around the end of March seeking approval for affected appropriations to be increased in the 2010/11 Supplementary Estimates.

As you will be aware, we normally have a moratorium on spending decisions between the day final Budget decisions are made (this year Monday 11 April) and Budget day (this year Thursday 19 May). This is to ensure that the Budget documents accurately reflect all decisions taken prior to the Budget. This year we are likely to make an exception for decisions on earthquake-related matters with financial implications during this Budget moratorium period. Any resulting changes to appropriations for 2010/11 will be included in the Appropriation (2010/11 Supplementary Estimates) Bill by way of a Supplementary Order Paper in June, accompanied by Additional Supplementary Estimates.

Where applicable, please ensure that departments are familiar with the processes for authorising earthquake-related expenditure outlined in this letter. The Treasury will provide additional clarification to departments as required.

Yours sincerely

Hon Bill English  
**Minister of Finance**