

The Treasury

Budget 2013 Information Release

Release Document

July 2013

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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] Not in scope
- [13] 7(b) - to prevent prejudice to relations between any of the Governments of New Zealand, the Cook Islands or Niue
- [14] 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.

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



Reference: T2012/2794

Date: 26 October 2012

To: Minister of Finance
(Hon Bill English)

Deadline: Before Fiscal Issues meeting Tuesday 30 October 10am

Aide Memoire: Update on Four-year Plans

Treasury and SSC provided Four-year Plan guidance to agencies on 6 September. There are four key phases for the development and assessment of agency Four-year Plans which will lead to advice to Ministers in early- mid February. This will also include advice on budget initiatives and savings opportunities identified in the Four-year Plans.

PHASE ONE	PHASE TWO	PHASE THREE	PHASE FOUR
6 Sept to 30 Nov	1 Dec to 21 Dec	21 Dec to 21 Jan	22 Jan to Early- mid Feb
Drafting of Four-year plans by agencies. Active engagement by Treasury and SSC with agencies to provide support and direction.	Treasury and SSC assess the draft Four-Year plans and provide feedback to agencies (in first week of December). Agencies submit final plans by 21 Dec.	Treasury and SSC assess the final Four-Year plans.	Treasury-SSC provide advice to Ministers including advice on Budget initiatives and savings options. Summary report is provided to SEC.

Progress by agencies in developing Four-year Plans

To date, most agencies seem to be taking this process very seriously. A number have undertaken Executive Leadership Team level discussions already. Others have processes led by senior managers. Overall good progress is being made, however, there are three agencies which seem to be experiencing challenges in progressing their Four-year Plans:

- **Ministry of Business, Innovation, and Employment (MBIE)** – The agency is still working through the process of merging the four old departments that now make up the Ministry. There are also 22 Crown Entities that will be covered by the MBIE plan. At the moment there appear to be some coordination issues that are being worked through.
- **Canterbury Earthquake Recovery Authority (CERA)** – CERA's plan faces complications caused by new and fast changing policy requirements and the likelihood of winding-down within the planning period. From a workforce perspective, half of CERA's employees are on short term contracts and the remainder on secondments from departments. With the CERF now effectively exhausted, our focus for the Four-year Plan will be to ensure operating and capital bids are properly signalled and accompanied by appropriate analysis.
- **Te Puni Kokiri (TPK)**: The Government is yet to consider its formal response to the two working group reports on the refocus of TPK and the future shape and direction of Whanau Ora. Decisions on the response to these reports will impact directly on the TPK Four-year Plan.

We are continuing to work with agencies on these issues and will provide further advice in due course on any actions we think are necessary.

Savings options

There has been quite a bit of discussion with agencies on the requirement to put forward savings options required by Cabinet [CAB(Min)30/8]. Some agencies are showing a reluctance to put forward savings options, primarily because they do not consider these options would receive Ministerial support.

You may wish to raise at Cabinet the importance of Four-year Plans identifying potential savings options for Ministerial consideration.

Wayne Stevens, Senior Analyst, Fiscal Management, 04 917 6910

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