

The Treasury

Budget 2013 Information Release

Release Document

July 2013

www.treasury.govt.nz/publications/informationreleases/budget/2013

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.

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.



22 March 2013

Lieutenant General Rhys Jones
Chief of Defence Force
New Zealand Defence Force
Private Bag 39997
Wellington Mail Centre
WELLINGTON 5045

Dear Rhys

Four-year Plans

Thank you for forwarding the final Four-year Plan for the New Zealand Defence Force (NZDF). The purpose of this letter is to outline overall themes from Four-year Plans, to provide some feedback on central agencies' analysis of NZDF's Plan and to signal next steps.

Overall the Four-year Plans developed by agencies for Budget 2013 have provided richer information than the previous (separate) Four-year Budget Plans and Workforce Strategies, providing better clarity on how agencies and sectors are delivering on Government priorities.

Ministers and central agencies see the Plans as key documents enabling agencies and sectors to describe how they will manage their resources and pressures, and deliver on Government priorities in the medium-term. In future, the Plans will be 'living documents' that can be adapted when necessary to address changing circumstances, and used to outline strategic intentions, monitor progress and inform performance discussions. Four-year Plans will be central to chief executives' relationships with Ministers. Done well, Plans will provide confidence to Ministers that the State Sector has the capability to deliver on the Government's strategy and priorities.

There are a number of high level themes evident across the various Plans received.

- There is some evidence that agencies and sectors are looking to lift the pace of organisational change to drive efficiency and achieve 'more for less', but some of the change and reprioritisation described is short on detail.
- Most plans reference Government priorities including Better Public Service results, although the focus on the Christchurch rebuild is not as strong as expected.
- The financial picture identifies significant cost pressures over the next four years, and a number of key agencies and sectors facing a significant challenge to manage within baselines. Notwithstanding this, the aggregate 'funding gap' has reduced from last year, reflecting an increased focus on managing within available funding.
- Most plans would have been enhanced by the inclusion of savings options over and above reprioritisation within Votes, to assist the Government in the wider prioritisation of its available funding.

There are still areas for improvement. Change is happening, but the pace and extent of this needs to pick up. We would expect to see:

- More focus on changing operating models to achieve results in the best way, within the available resources.
- Resources reprioritised away from lower-value work and targeted towards achieving better results for the people of New Zealand.
- More collaborative working across agencies and sectors, including full backing of functional leaders and work programmes, and shared service models.

NZDF Four-year Plan

Overall, the Plan presented clear thinking and analysis in all sections apart from Section 7: Savings, for which no initiatives were provided (although we note that the NZDF Savings Programme has delivered in 2011/12, is on track to deliver in 2012/13 and presents some future challenges). The result is a plan that fairly and accurately describes the current situation and some potential approaches to resolve the issues identified. NZDF is well placed to provide a more integrated Four-year Plan next year, ☐

Workforce comes through as the biggest risk in this Plan. The numbers and capability required to deliver on outputs should be addressed through ☐ and other supporting workforce projects. In the meantime, more could be done to provide a coherent plan to address recruitment, retention and organisation culture issues. Central agencies are interested in assisting NZDF in developing such a plan.

The Four-year plan is of good quality but it lacks critical information ☐

We therefore consider it will be necessary for the NZDF to provide a new Four-year Plan for Budget 2014 to reflect inclusion of this critical information.

Next steps

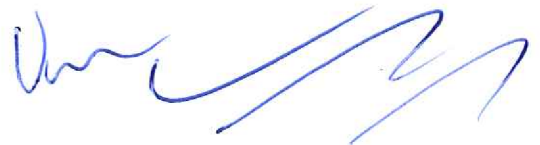
Treasury and the State Services Commission (SSC) have undertaken a joint analysis of all Four-year Plans similar to that completed for the draft Plans that were submitted at the end of November 2012. If you would like more detailed feedback from the analysis of your Four-year Plan, please contact your SSC Assistant Commissioner, Bridget White and/or your Vote Manager, Oliver Valins.

Central agencies provided overall advice on Four-year Plans to the Ministers of Finance and State Services in early February. A copy of this letter will also be provided to the offices of the Ministers of Finance and State Services.

Yours sincerely



Bridget White
Assistant Commissioner
State Services Commission



Oliver Valins
Manager, Justice & Security
Treasury