

# The Treasury

## Budget 2013 Information Release

### Release Document

July 2013

[www.treasury.govt.nz/publications/informationreleases/budget/2013](http://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

Roger Sutton  
Chief Executive  
Canterbury Earthquake Recovery Authority  
Private Bag 4999  
CHRISTCHURCH 8140

Dear Roger

### **Four-year Plans**

Thank you for forwarding the final Four-year Plan for the Canterbury Earthquake Recovery Authority (CERA). The purpose of this letter is to outline overall themes from Four-year Plans, to provide some feedback on central agencies' analysis of CERA'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.

### **CERA Four-year Plan**

Overall the Plan responds well to requested Central Agency priorities. It draws together a substantial amount of information in a clear manner. The Plan reflects the financial information known at the time it was prepared, which puts us in a good position for further discussions.

We consider it will be necessary for CERA to provide a new Four Year Plan for Budget 2014, given the continued fast-paced evolution of your policy and operating environment. Compared with 2013, where central agencies determined a small number of key requirements for CERA's plan, our expectations for 2014 will be higher.

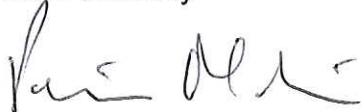
Firstly, as the plan outlines how an agency intends to deliver on government priorities, it should be developed in partnership with your Minister and is a Ministerial document. We would also look for more evidence that the Plan, and its development, is being used by the leadership team to expose and make decisions on the big strategic choices for CERA and Ministers. With a further year's experience of operating with core Government processes, we would expect to see more evidence of using the Plan to document your contribution to whole-of-Government priorities and results, and to demonstrate a broader understanding of the Budget process, including use of business cases to support financial decision-making.

### **Next Steps**

Treasury and 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 Deputy/Assistant Commissioner and/or Treasury Vote Manager.

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, who may share it with Vote Ministers.

Yours sincerely



Peter Martin  
Assistant Commissioner  
State Services Commission



Tom Hall  
Manager, Earthquake Coordination Team  
Treasury