

The Treasury

Budget 2011 Information Release

Release Document

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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.

Hon Dr Wayne Mapp
Parliament Buildings
WELLINGTON

Dear Wayne

In early December you forwarded to me the Four-year Budget Plans from the agencies listed below as part of the preparation for Budget 2011:

- Ministry of Defence (Vote Defence);
- New Zealand Defence Force (Vote Defence Force); and
- Ministry of Research, Science and Technology (Vote Research, Science and Technology).

In addition, I received the Vote Crown Research Institutes Plan as part of a combined set of advice from Treasury for Votes Finance, Crown Research Institutes and State-Owned Enterprises.

Defence Force

Budget Ministers met to discuss the Plans on Wednesday 15 December and this letter is to confirm that the Plan for Vote Defence Force has been accepted, except for the proposals for new capital included in the Plan. I invite you to submit business cases for the following capital initiatives:

- Pilot Training Capability;
- Enterprise Resource Planning; and
- HMNZS Canterbury Remediation Phase 2.

These proposals for new capital spending will be considered within the \$1.39 billion allowance for new capital in Budget 2011.

[2]

The affordability of the capabilities signalled in the Defence White Paper is dependent on the NZDF meeting savings targets to cover operating impacts of capital purchases in the short term. Further work is required to produce a prioritised capability plan to ensure that savings will be delivered at the right time to support the implementation.

Defence

Budget Ministers accepted the proposals in Vote Defence [2]

Research, Science and Technology

For Vote Research, Science and Technology, Budget Ministers agreed to refer the submission back to the agency for resubmission to me on 10 February 2011. The revised plan should identify low value expenditure [2]

As a Cabinet we will need to determine the relative priority of any proposals for new funding and how they will be funded as part of the Budget. Cabinet agreed allocations of the operating allowance for Budget 2011 on 26 October. Funding for further proposals will require us to find other offsetting savings.

Budget Ministers agreed to the proposals in Vote Crown Research Institutes which were included as part of a combined set of advice from Treasury for Votes Finance, Crown Research Institutes and State-Owned Enterprises.

Your departments should submit financial recommendations in March to give effect to any agreed changes to appropriations. Following that, estimates documents will be due in April. Treasury will publish further Budget guidance, including the timetable, shortly.

Yours sincerely

Hon Bill English
Minister of Finance