

The Treasury

Budget 2011 Information Release

Release Document

June 2011

www.treasury.govt.nz/publications/informationreleases/budget/2011

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.

Date: 14 February 2011

To: Minister of Finance

AIDE MEMOIRE:

CABINET PAPER ON VOTE HEALTH PRIORITIES, RISKS AND PRESSURES FOR BUDGET 2011

For discussion at MOF/Treasury catchup, 4pm Tuesday 15 February

In December, you invited the Minister of Health to report to Cabinet in February describing key policy choices he has made in preparing Budget proposals, and how health sector pressures and risks will be managed over the next four years within baselines and the agreed \$420 million Health allocation for Budget 2011.

We received a draft of this paper last week and provided comments to the Ministry. We understand this is destined for SOC on Wed 23 February, or CBC on Mon 28 February.

The paper provides a good description and analysis of the cost pressures and risks facing Vote Health, including industrial relations, DHB performance and progress on productivity/efficiency initiatives. It gives a brief description of reprioritisation and new spending initiatives the Minister is proposing for Budget 2011.

[2]

[6]

[2]

- Health's productivity challenge is not unrealistic –
[2]

- But considered against a cumulative 4-year health budget of \$55 billion, this requires productivity improvements of 3.37% over the next 4 years.
- While reprioritisation to date has focussed on managing contracts more tightly, reprioritising NDE spending and strengthening DHBs' financial discipline, Cabinet has not yet been asked to consider any significant changes to policy settings,
[2]

[6]

John MacCormick, Senior Analyst, Health,
Chris Bunny, Manager, Health,

[3]