

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.

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Lake Taupo Harbourmaster Function

- The Lake Taupo Harbourmaster administers the Crown-owned facilities. Crown assets include 17 ramps, three marinas and a number of jetties valued at approximately \$4.7 million.
- The Harbourmaster is responsible for maintaining the facilities in a safe and usable condition, and manages an annual programme of maintenance for the Crown assets.
- The Crown is responsible for the replacement, enhancement, and modernisation its assets at Lake Taupo.

Condition of the assets and asset management

- From 2009 to 2010 the Department conducted a review of the fees charged for Lake Taupo boating facilities. One of the outcomes of the review recommended the Department complete a detailed asset management plan for the Crown-owned facilities on the Lake.
- The completed asset management plan confirms that the general condition of Lake Taupo assets is below standard and in need of significant repair and replacement due to a history of under-funding by the Crown.
- Both capital and operating expenditure will be required to return the existing assets to a minimum acceptable level of service that is safe for users. Some upgrades are urgent to prevent asset failure, or human or environmental harm. For example an electrical infrastructure upgrade is urgently required at all the Crown-owned marinas.
- The costs relate to Crown obligations which cannot be met from Departmental appropriations. There is currently no funding available within Vote Local Government. Options of reprioritising within the Vote have been considered but are not feasible as all capital and operating funding in Vote Local Government is tagged for specific purposes.

Capital investment requirement

- The Department is recommending Non-Departmental Capital injections provided in the Table below:

	Impact \$000					
	2010/11	2011/12	2012/13	2013/14	2014/15	Total
Capital						
Capital Proposals seeking new funding in Budget 2011	-	944	308	303	396	1.951
Capital proposals seeking decisions in budget 2011 funded within baselines	-	-	-	-	-	-
Total Capital Intentions	-	944	308	303	396	1.951
Operating						
Proposals seeking new Operating funding in Budget 2011	-	2,896	-	-	-	-
Proposals seeking decisions in Budget 2011 funded within baselines	-	-	-	-	-	-
Total Operating Proposals	-	2,896	-	-	-	-

- Capital injections beyond the baseline period totalling \$4.110 million spread across 2015/16 to 2019/20 will also be required for the completion of the asset management plan programme.
- In addition to the capital injections identified, a long-term financial risk for capital expenditure beyond 2019/20 has been estimated at \$2.078 million. This estimated funding will be required to replace the Lake Taupo assets as part of the long term asset management plan.

[3]

Risk in management of Crown-owned assets

- Considerable user resistance is anticipated if the Department was to increase fees without an increase in operating and capital expenditure on the Lake Taupo assets.
- The lack of capital investment would pose a risk to the Department's responsibilities under the Health and Safety Employment Act 1992.
- Risks created by hazards which could not be remedied by costs could be mitigated by the Harbourmaster closing facilities.
- If harm came to a user from asset failure, the Crown would potentially be held liable.

[4],[6]