

The Treasury

Budget 2014 Information Release

Release Document

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- [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
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- [11] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [12] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [13] Not in scope
- [14] 6(e)(iv) - to damage seriously the economy of New Zealand by disclosing prematurely decisions to change or continue government economic or financial policies relating to the entering into of overseas trade agreements.

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In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.

New Zealand Trade and Enterprise: Strategy Update

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Purpose

1. This is a noting paper, providing an update on NZTE's new strategic direction. The paper notes areas where NZTE are looking to scale up their programmes and that additional funding for these initiatives will be sought through Budget 2014.

Comment

2. The paper aims to raise the profile of NZTE's budget bids. They are seeking around \$30m p.a. in ongoing funding (\$121.2m over the forecast period) in Budget 2014.
3. More information is needed on the logic behind the proposed expansion of NZTE's programmes before an assessment on the merits of the funding request can be made. To date, MBIE and NZTE have provided little detail to support the funding request. The following issues need to be considered before deciding on the funding request:
 - (a) How the merits of these proposals compare against those from other agencies also seeking new funding to expand services to assist firms to operate offshore.
 - (b) That the current programmes deliver benefits that would not otherwise have been achieved. It is not clear what independent evaluation has been undertaken of the programmes proposed for expansion.
 - (c) That there will be robust evaluation for the new funding with clear measures of success, including consideration of how firms would move through from receiving assistance to eventually being independently capable.
 - (d) Clarity over how NZTE has decided the priority and benefits of expanding their offshore presence into the proposed new markets (e.g. Colombia, Papua New Guinea).
 - (e) That NZTE has considered other funding options including reprioritisation of poorly performing programmes, and/or by increasing co-funding payments for services to ensure that private firms pay for an appropriate portion of the costs.

Treasury Recommendation

4. We recommend that you **signal** that there are a range of outstanding issues that need to be considered when assessing NZTE's funding request through the Budget 2014 process.

| Title | Pg | Recommend | Fiscal Implications (\$m GST excl.) | | | | | Treasury Comment |
|---|----|---|-------------------------------------|-------|-------|-------|-----------|--|
| | | | 13/14 | 14/15 | 15/16 | 16/17 | Out years | |
| New Zealand Trade and Enterprise: Strategy Update | | Signal the range of outstanding issues that need to be considered around NZTE's funding request. | <i>Operating</i> | | | | | This paper aims to raise the profile of NZTE's budget bids (\$121.2 m over the forecast period). The proposals in the paper have not outlined the business case for scaling up NZTE's funding. |
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| | | | <i>Capital</i> | | | | | |
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