

# The Treasury

## Budget 2014 Information Release

### Release Document

### July 2014

[www.treasury.govt.nz/publications/informationreleases/budget/2014](http://www.treasury.govt.nz/publications/informationreleases/budget/2014)

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)(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.
- [6] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [7] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [8] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [9] 9(2)(h) - to maintain legal professional privilege
- [10] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [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.

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, a [3] appearing where information has been withheld in a release document refers to section 9(2)(a).

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

**From:** [8]  
**Sent:** Monday, 24 March 2014 9:56 a.m.  
**To:** 'Cameron Burrows'  
**Cc:** Matthew Gilbert [TSY]; Christopher Nees [TSY]  
**Subject:** NZTE Strategy Refresh - Budget Bids

Hi Cam,

Please see attached Cabinet Paper on NZTE's budget bids and our last two briefings to you on MBIE's ideas to offset part of the budget bid (G2G using an MFAT transfer of \$1m and by using underspends from the International Growth Fund in the 13/14 year). Our assessment of the bids is below.

**NZTE Budget Bids**

NZTE's proposed budget bids are as follows:

<b>Funding sought at Budget 2014</b>	<b>2014/15 (\$m)</b>	<b>2015/16 (\$m)</b>	<b>2016/17 (\$m)</b>	<b>2017/18 (\$m)</b>	<b>Comment</b>	<b>Treasury Assessment</b>
International Network enhancements	4.793	6.900	6.900	6.900	Increasing presence offshore in China, Middle East, South America and Papua New Guinea	Support
High Impact Programmes	4	4	4	4	To maintain the scope and scale of the current HIPs in Health, Wine, Agribusiness, High Value Food & Beverage, Marine, Aviation and Digital	Support
Government commercialisation office	1.1	1.4	1.4	1.4	All-of-Government commercialisation office focused on the commercialisation of Crown-owned IP.	Do not support
Customer portfolio	3.633	7.5	7.5	7.5	Increasing the number of high intensity customers from 500 to 700.	Do not support
<b>Total Budget Bid</b>	<b>13.526</b>	<b>19.8</b>	<b>19.8</b>	<b>19.8</b>	-	-
<b>Treasury supported amount</b>	<b>8.793</b>	<b>10.9</b>	<b>10.9</b>	<b>10.9</b>	-	-

### **Treasury Assessment**

- To support the strategy refresh NZTE is seeking an increase of \$20 million p.a. in Budget 2014. Our assessment is that the bid is discretionary (ie they can live in current baselines) but has some good value components that we'd support.
- Specifically we'd support the proposed expansion to their international network (more NZTE offices) and high impact programmes (coalitions of companies who band together to sell NZ products offshore). Consistent with our narrative these seem to address, key market failures associated with size and distance. That is, helping to overcome challenges of being a small exporter by creating 'virtual scale' and building networks/using govt imprimatur to open doors.
- We don't support the proposal to expand NZTE's actively managed company base (Focus 500) from 500 to 750. To do so we would need to see some external evaluation (ie MBIE) that gives an estimate of the additionality delivered by these programmes. It's currently not clear how much extra activity NZTE generates relative to what firms would do anyway (not saying there isn't any, we just want to understand what it is).
- We also don't support the proposal to extend the Government commercialisation office run by MFAT and NZTE. We understand a separate process is underway to evaluate the current pilot and it is too soon to determine whether additional funding is required.
- NZTE will also need to bear in mind that their bid has to be prioritised into an oversubscribed operating allowance. Even if their bid is of high value it doesn't guarantee funding and we may need to recommend further scaling to fit within the allowance.

Happy to discuss further.

Kind regards,

  
[8]

#### CONFIDENTIALITY NOTICE

The information in this email is confidential to the Treasury, intended only for the addressee(s), and may also be legally privileged. If you are not an intended addressee:

- a. please immediately delete this email and notify the Treasury by return email or telephone (64 4 472 2733);
- b. any use, dissemination or copying of this email is strictly prohibited and may be unlawful.