

The Treasury

Budget 2022 Information Release

August 2022

This document has been proactively released and is available on:

- The **Budget website** from August 2022 to May 2023 only at: <https://budget.govt.nz/information-release/2022>, and on
- the **Treasury website** from later in 2022 at: <https://treasury.govt.nz/publications/information-release/budget-2022-information-release>.

Information Withheld

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act).

Where this is the case, the relevant sections of the Act that would apply have been identified.

Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to sections of the Act under which information has been withheld:

- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
- [23] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [25] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [27] 9(2)(ba)(ii) - to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest
- [33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [35] 9(2)(g)(ii) - to maintain the effective conduct of public affairs through protecting ministers, members of government organisations, officers and employees from improper pressure or harassment;
- [36] 9(2)(h) - to maintain legal professional privilege
- [37] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [39] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [40] Out of Scope
- [41] 18(c)(i) - that the making available of the information requested would be contrary to the provisions of a specified enactment
- [42] 18(d) - information is already publicly available or will be publicly available soon

Where information has been withheld, a numbered reference to the applicable section of the Act has been made, as listed above. For example, a [1] appearing where information has been withheld in a release document refers to section 6(a).

Copyright and Licensing

Cabinet material and advice to Ministers from the Treasury and other public service departments are © **Crown copyright** but are licensed for re-use under **Creative Commons Attribution 4.0 International (CC BY 4.0)** [<https://creativecommons.org/licenses/by/4.0/>].

For material created by other parties, copyright is held by them and they must be consulted on the licensing terms that they apply to their material.

Accessibility

The Treasury can provide an alternate HTML version of this material if requested. Please cite this document's title or PDF file name when you email a request to information@treasury.govt.nz.

Hon Grant Robertson

MP for Wellington Central

Deputy Prime Minister

Minister of Finance

Minister for Infrastructure

Minister for Sport and Recreation

Minister for Racing



22 October 2021

Hon Chris Hipkins
Minister of Education
Parliament Buildings
Wellington

Dear Chris,

Thank you for your recent engagement on Budget 2022.

Over 560 initiatives were submitted through the Budget 2022 invitation process. Indicative funding sought totals \$64 billion operating and \$9.2 billion capital across the forecast period. As will be obvious to you, that is far beyond the funding available and has required me to make early decisions to allow for an effective Budget process.

In your letter for Votes Education and Tertiary Education (the Education portfolio), I note 74 initiatives seek [38] and [33]. This represents [38] of our current operating allowance. This scale of funding sought is not conducive to an effective Budget process.

As you know, we have set a very high bar for the invitation process. I want to minimise wasted effort and ensure that the Budget decision-making stage is as strategic and focused as possible.

As in Budget 2021, I invite you to submit a package of initiatives, in this instance worth a maximum of [33] total operating over the forecast period (an average of [33] operating per annum), by 10 December 2021. [38]

Please clearly articulate the relative priority of the initiatives in your package, especially for your manifesto initiatives.

You should take the following into account when putting together your package:

- The [33] limit is not a guaranteed allocation. This process is intended to draw out your priorities for the upcoming year. The final allocation for the Education portfolio in Budget 2022 will very likely be less than [33] of operating funding.

- [38]
It must include any precommitments, technical costs and Education, Employment and Training (EET) initiatives.
- The initiatives you submit should be the highest priority, represent strong value for money and be implementation ready. They should account for market constraints, including for the workforce, IT and construction.
- Your submission must include all costs that need to be managed over the coming year. This is to minimise out-of-cycle funding requests.
- There is no specific maximum for capital funding, however operating expenditure associated with any capital expenditure will need to be managed within the [33] operating package. I understand you intend to report to Cabinet with your plans for school property management soon.
- You should not create room for more initiatives in your package by providing time-limited funding, as this creates pressures that will need to be met through future Budgets.

The Treasury will assess the value for money and relative priority of initiatives, and this advice will help to inform the shape of the final Budget 2022 package to be decided by Budget Ministers. Therefore, I expect that all initiatives will be supported by a robust case for funding and a strong evidence base, as well as realistic scaling and reprioritisation options.

As I stated earlier in this letter, this invitation to develop a [33] package is a starting point for further prioritisation and discussion, and not an indication of the ultimate size of the Education package in Budget 2022. As I mentioned in my feedback on the Education Work Programme, your current scope is ambitious, so prioritisation will greatly assist with achievability.

Thank you for your ongoing work.

Yours sincerely



Hon Grant Robertson
Minister of Finance