

# The Treasury

## Budget 2024 Information Release

### September 2024

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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
- [31] 9(2)(f)(ii) - to maintain the current constitutional conventions protecting collective and individual ministerial responsibility
- [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] 18(c)(i) - that the making available of the information requested would be contrary to the provisions of a specified enactment

Where information has been withheld, a numbered reference to the applicable section of the Act has been made, as listed above. For example, a [23] appearing where information has been withheld in a release document refers to section 9(2)(a).

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15 April 2024

Hon Penny Simmonds  
Minister for Tertiary Education and Skills  
Parliament Buildings

Dear Penny

## **Budget 2024 decisions – Vote Tertiary Education**

Following our discussions over the past weeks, this letter confirms the decisions made as part of Budget 2024 in the attached table. This also includes the decisions to return the tagged contingencies listed in the attached table.

I would be grateful if you could direct your officials to work with the Treasury to complete the financial recommendations, including the Personal Income Tax initiative, and also prepare the necessary Estimates and Supplementary Estimates material for your sign off by 24 April.

Budget 2024 includes a Personal Income Tax package that has an impact on Vote Tertiary Education as the tax package includes flow-on impacts to student loans and student allowances. These are not included in the attached table. The costings for the tax package are subject to change and I intend to confirm any changes to costings in the Budget 2024 Cabinet Paper to be considered by Cabinet on 29 April.

I ask that you work with the Ministry of Education (as the monitoring department) to inform the Tertiary Education Commission (TEC) in confidence of the Budget 2024 decisions that directly affect them. Please ensure this happens as soon as possible so that TEC can submit their Budget Economic and Fiscal Update forecasts to the Treasury by 1pm 16 April 2024.

A reminder that these decisions remain Budget Sensitive and should only be shared a need-to-know basis. My office will provide further advice on the approach to Budget communications. Thank you again for your support towards the successful delivery of Budget 2024.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Hon Willis'.

Hon Nicola Willis  
**Minister of Finance**

Cc Iona Holsted, Secretary for Education, Ministry of Education

# Vote Tertiary Education

Budget 2024 Package as at 12 April

All operating values are in average per annum and figures may not sum to totals due to rounding. Initiatives are listed under lead portfolio.

New Spending	Savings and Revenue
<p><b>Cost Pressures</b></p> <ul style="list-style-type: none"> <li>ID 15731: <b>Managing Tertiary Education and Training System Pressures: Increased Subsidies</b> <i>Operating: \$66.6m</i></li> </ul> <p><b>Reprioritisation to offset cost pressures</b> Total Operating: (\$25.6m), Total Capital: -</p> <ul style="list-style-type: none"> <li>ID 15646: <b>Forecast 2023/24 Underspends within Vote Tertiary Education - Return of Funding</b> <i>Operating: (\$15.3m)</i></li> <li>ID 15668: <b>Centres of Asia-Pacific Excellence – One-off Accounting Impact</b> <i>Operating: (\$2.5m)</i></li> <li>ID 15685: <b>Higher Education Collaboration Fund – Revoke</b> <i>Operating: (\$1.3m)</i></li> <li>ID 15690: <b>Centres of Vocational Excellence Disestablishment</b> <i>Operating: (\$3.8m)</i></li> <li>ID 15693: <b>Adult Literacy Educator Grant – Revoke</b> <i>Operating: (\$0.6m)</i></li> <li>ID 15698: <b>Gateway Fund – Return of Unutilised Funding</b> <i>Operating: (\$1.9m)</i></li> <li>ID 15695: <b>Adult and Community Education in Schools Co-ordination Funding – Revoke</b> <i>Operating: (\$0.4m)</i></li> </ul> <p><b>Government Policy Commitments</b> Total Operating: <sup>[38]</sup> , Total Capital: -</p> <ul style="list-style-type: none"> <li>ID 15738: <b>Apprenticeship Boost Scheme Continuation</b> <i>Operating: \$16.2m</i></li> <li>ID 15728: <b>Te Pūkenga Disestablishment and Transition*</b> <i>Operating: <sup>[38]</sup></i></li> </ul>	<p><b>Baseline Savings</b> Total Operating: (\$7.2m), Total Capital: -</p> <ul style="list-style-type: none"> <li>ID 15876: <b>Tertiary Education Commission: baseline reduction</b> <i>Operating: (\$3.7m)</i></li> <li>ID 15877: <b>Education New Zealand: baseline reduction</b> <i>Operating: (\$1.4m)</i></li> <li>ID 16151: <b>Ministry Departmental savings</b> <i>Operating: (\$1.2m)</i></li> </ul> <p><b>Capital Pipeline Review</b></p> <ul style="list-style-type: none"> <li>ID 15674: <b>Te Pūkenga Transformation Programme (B23) - Return of Funding</b> <i>Total Capital: (\$220.0m)</i></li> </ul> <p><b>Targeted Policy Savings</b> Total Operating: (\$268.6m), Total Capital: \$2.2m</p> <ul style="list-style-type: none"> <li>ID 15715: <b>Workforce Council Disestablishment</b> <i>Operating: (\$48.8m)</i></li> <li>ID 15736: <b>Fees Free – Replacing First-Year with Final-Year Fees Free</b> <i>Operating: (\$219.9m), Total Capital: \$2.2m</i></li> <li>ID 15868: <b>Increasing the Student Loan Scheme overseas interest formula by 1% for 5 years</b> <i>(outside allowances)</i></li> </ul> <p><b>Tagged Contingencies</b></p> <ul style="list-style-type: none"> <li><sup>[38]</sup></li> </ul>
<p><b>Total New Spending Initiatives</b> Operating: <sup>[38]</sup> Capital: -</p>	<p><b>Total Savings and Revenue Initiatives</b> Operating: (\$277.4m), Capital: (\$217.8m)</p>
<p><b>Net Total: Operating: <sup>[38]</sup> Total Capital: (\$217.8m)</b></p>	

\*Denotes no outyears funding (time-limited).