

The Treasury

Budget 2017 Information Release

Release Document July 2017

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Certain information in this document has been withheld under one or more of the following sections of the Official Information Act, as applicable:

[1]	to prevent prejudice to the security or defence of New Zealand or the international relations of the government	6(a)
[4]	to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial	6(c)
[11]	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.	6(e)(vi)
[23]	to protect the privacy of natural persons, including deceased people	9(2)(a)
[25]	to protect the commercial position of the person who supplied the information or who is the subject of the information	9(2)(b)(ii)
[26]	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	9(2)(ba)(i)
[27]	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	9(2)(ba)(ii)
[29]	to avoid prejudice to the substantial economic interests of New Zealand	9(2)(d)
[31]	to maintain the current constitutional conventions protecting collective and individual ministerial responsibility	9(2)(f)(ii)
[33]	to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials	9(2)(f)(iv)
[34]	to maintain the effective conduct of public affairs through the free and frank expression of opinions	9(2)(g)(i)
[36]	to maintain legal professional privilege	9(2)(h)
[37]	to enable the Crown to carry out commercial activities without disadvantages or prejudice	9(2)(i)
[38]	to enable the Crown to negotiate without disadvantage or prejudice	9(2)(j)
[39]	to prevent the disclosure of official information for improper gain or improper advantage	9(2)(k)
[40]	Not in scope	

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) and section 18 of the Official Information Act.

Reference: T2017/112 SH-4

Date: 30 January 2017

To: Minister of Education (Hon Hekia Parata)

Deadline: 10.30am Tuesday 31 January 2017
(if any)

Aide Memoire: Budget 2017: Vote Education

At a meeting with your officials from the Ministry of Education last week you asked that a meeting be organised between yourself and the Treasury to discuss the Vote Education package of initiatives for Budget 2017. The purpose of this aide memoire is to provide you with information on the Budget process and in particular the process that we have followed to assess the Vote Education initiatives.

Overall Budget strategy

The Budget Policy Statement 2017 confirmed that the operating allowance for Budget 2017 will be \$1.5 billion per year with the capital allowance being set at \$3 billion for 2017 and \$2 billion in future Budgets.

The overall Budget strategy is about shifting the focus towards better use of evidence to support decision making, enforcing greater transparency around cost drivers, and agencies developing a deeper understanding of their business and customers. We have introduced a range of improvements to the process and expectations in recent Budgets, and this year will see a further lift.

Budget 2017 will provide a key lever in driving the behavioural change required to ensure social investment is at the front and centre of our investment in public services. This will mean we expect to see:

- Improved understanding of the effectiveness of existing expenditure.
- Use of analytics to set clear priorities, priority groups and results earlier in Budget process.
- Continuing the use of tools such as investment panels and CBAX.
- Ensuring new spending proposals are supported by evidence, implementation and evaluation plans.
- Strengthened longer term financial planning.
- Integration with the four year plan process.

Budget 2017 process

The Treasury is currently in the assessment phase of the process in the lead up to the investment panels meeting in late February. Given this, we have not yet finalised our assessments, and we have not yet to discussed the potential Vote Education package with the Minister of Finance or Budget Minsters.

As part of our Vote Team assessment of the Vote Education initiatives we have run a similar process as in previous years, in which we held discussions with the policy and operational teams at the Ministry of Education on all initiatives. We use this to seek clarification and additional information to help us form our assessments.

The following principles guide our assessment of Track 2 initiatives:

Giving support to:

- Initiatives that are aimed at key service delivery where there are is potential reduction in service delivery or outcomes.
- New services where the initiative is supported by good evidence and has a good return on investment and strong strategic alignment.

Scaling initiatives where:

- There are choices around the level of service provision.
- The initiative has a number of different components some of which we support and others we do not support.

Deferring or not supporting initiatives that:

- Are not investment ready, have delivery risks, lack evidence or implementation plans.
- Are low value for money and highly discretionary.

As Track 1 initiatives are yet to be submitted, we are yet to begin our assessment of these initiatives.

[34] Analyst, Education & Skills, [39]

Grace Campbell-Macdonald, Manager Education and Skills & Labour Market and Welfare, Education & Skills, [39]