

# 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)         |
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| [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.

*Emerging BGA and tertiary education packages*

At the previous meeting on tertiary education, Minister Goldsmith expressed three priorities for Budget 2017. The priorities were foundation education, an across-the-board tuition subsidy increase to support tertiary providers, and incentivising quality by increasing the Performance-based Research Fund (PBRF).

[33] The BGA Leadership Group has discussed the package and will be putting forward additional recommendations for investment in tertiary education, [33]

| <b>Initiative</b>   | <b>4 year total (millions)</b> |
|---|--------------------------------|
| [33]  |                                |
| Workplace Literacy and Numeracy*  | -                              |
| CNZ integration into the TEC*   | -                              |
| [33]  |                                |
| Strengthening the Foundations for Sustainable Growth of International Education | \$6.8                          |
| [33]  |                                |

\*Proposed to be funded from 2016/17 SAC underspends

\*\* The BGA Leadership Group considers baseline funding from multiple agencies a viable funding option.

The tuition subsidy increase is included in the BGA package as a placeholder until decisions have been made about how to invest in tertiary education (tuition subsidy increases or increasing the PBRF).

We understand that Minister Goldsmith will now propose a 1% tuition subsidy increase (\$69.3 million over four years). An across-the-board tuition subsidy increase is not Treasury's preferred option. However, if Ministers want to increase investment in tertiary education, Treasury would prioritise a 1% tuition subsidy increase rather than increasing the PBRF [33]

*Other potential areas for investment*

If Ministers wish to invest in other areas of tertiary education above the current BGA package, [33]

If Ministers decide to invest in a 1% tuition subsidy increase, as well as other recommended initiatives, the total tertiary package could be as follows:

| <b>Initiative</b>   | <b>4 year total (millions)</b> |
|---|--------------------------------|
| Tuition subsidy increase (1%)   | \$69.3                         |
| Workplace Literacy and Numeracy   | -                              |
| CNZ integration into the TEC  | -                              |
| [33]  |                                |
| Strengthening the Foundations for Sustainable Growth of International Education | \$6.8                          |
| [33]  |                                |

[33]