

# The Treasury

## Budget 2012 Information Release

### Release Document

June 2012

[www.treasury.govt.nz/publications/informationreleases/budget/2012](http://www.treasury.govt.nz/publications/informationreleases/budget/2012)

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)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [6] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [7] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [8] 9(2)(h) - to maintain legal professional privilege
- [9] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [10] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [11] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [12] 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.

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, an [4] appearing where information has been withheld in a release document refers to section 9(2)(b)(ii).

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

**Treasury Report:** Information on administration costs for the Student Loan Voluntary Repayment Bonus

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<b>Date:</b>	7 June 2012	<b>Report No:</b>	T2012/1105
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**Action Sought**

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	<b>Action Sought</b>	<b>Deadline</b>
Minister of Finance (Hon Bill English)	<p><b>Note</b> the information on administration costs for the Student Loan Voluntary Repayment Bonus in Appendix I.</p> <p><b>Agree</b> to release the information in Appendix I of this Treasury Report as part of Treasury's proactive release for Budget 2012.</p>	11 June 2012

**Contact for Telephone Discussion** (if required)

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<b>Name</b>	<b>Position</b>	<b>Telephone</b>	<b>1st Contact</b>
[3]			
Linda Cameron	Senior Analyst	[3]	

**Minister of Finance's Office Actions** (if required)

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None.
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**Enclosure:** Yes

## Treasury Report: Information on administration costs for the Student Loan Voluntary Repayment Bonus

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### Purpose of Report

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1. This Treasury Report informs you on the administration costs for the Student Loan Voluntary Repayment bonus to Inland Revenue over three financial years (2009/10 to 2011/12). This information (Appendix 1) is planned to be released as part of Treasury's proactive release for Budget 2012 in June this year.

### Background

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2. Inland Revenue has received a request made under the Official Information Act 1982 (OIA)[3] from TV3 on 7 May 2012, requesting:
  - "A total cost breakdown of implementing and running the Voluntary Repayment Bonus, regarding student loans.
  - This includes all costs associated with staff, new computer systems and or software and compliance costs etc.
  - ... a breakdown of the amount paid back where the bonus applies, since the scheme was introduced."
3. The information provided in Appendix I has not been explicitly available during the process for Budget 2012 and was extracted specifically in response to the OIA request mentioned in para 2. For the information under the third bullet point, the Student Loan Scheme Annual Reports include the breakdown of Voluntary Repayment Bonus payments from April 2009. These reports are publically available on the Ministry of Education website.<sup>1</sup>
4. On consultation with your Ministerial Office and Treasury, Inland Revenue decided to refuse all of the information requested under section 18(d) of the OIA, as the information requested will soon be made publically available. Inland Revenue has forwarded the information to be released as part of Treasury's proactive release for Budget 2012 instead.

[7]

5. [7]

### Data Sources and References

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6. Data and estimates in Appendix I have been provided by Inland Revenue.

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<sup>1</sup> <http://www.educationcounts.govt.nz/publications/series/2555>

## Recommended Action

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We recommend that you:

- a **note** the information on administration costs for the Student Loan Voluntary Repayment Bonus in Appendix I, and
- b **agree** to release the information in Appendix I of this Treasury Report as part of Treasury's proactive release for Budget 2012.

*Agree/disagree.*

Linda Cameron  
**Senior Analyst**

Hon Bill English  
**Minister of Finance**

## APPENDIX I

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### Information on administration costs for the Student Loan Voluntary Repayment Bonus

Inland Revenue has spent an estimated \$10.9 million over three financial years (2009/10 to 2011/12) on implementing and delivering the Student Loan Voluntary Repayment Bonus. This amount is estimated, as most of the implementation work associated with the Voluntary Repayment Bonus has been integrated into the wider student loan work programme. The estimated \$10.9 million includes:

- \$3.0 million one-off capital implementation costs (design and implementation changes to existing systems).
- \$1.5 million one-off operating implementation costs (implementing and delivering changes).
- \$4.5 million delivery costs (staff costs associated with manually processing the Voluntary Repayment Bonus).
- \$1.1 million depreciation.
- \$0.8 million capital charge.

The policy cost of the bonus (this is the amount of bonus paid out each year) is not included in these estimates.