

# The Treasury

## Budget 2011 Information Release

### Release Document

**June 2011**

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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] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [2] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [3] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [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)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [6] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [7] 6(a) - to prevent prejudice to the security or defence of New Zealand or the international relations of the government
- [8] 9(2)(h) - to maintain legal professional privilege
- [9] 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
- [10] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [11] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice.

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 [8] appearing where information has been withheld in a release document refers to section 9(2)(h).

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

Hon Anne Tolley  
Parliament Buildings  
WELLINGTON

Dear Anne

In early December you forwarded to me the Four-year Budget Plans from the following agencies:

- Ministry of Education (Vote Education); and
- Education Review Office (Vote Education Review Office).

Budget Ministers met to discuss the Plans on Wednesday 15 December. At that meeting we agreed to accept the Plan for Vote Education Review Office as submitted. We also agreed that the Plan submitted for Vote Education should be resubmitted by 10 February 2011 to address the points outlined below.

- How we can manage Early Childhood Education cost growth while increasing participation of vulnerable families.
- Savings or reductions in new initiatives to:
  - Ensure the final outyear is within the \$350 million allocation (currently \$15 million over); and
  - Provide contingency funding (and detail of why that funding is sufficient) for likely risks in the 2011/12 year, including, the School Payroll project and the upside risk presented by “term date” forecast changes.
- More detail on the following operating initiatives to allow judgements to be made on their value for money:
  - Youth Guarantee – Trades Academies/Service Academies and sector pathways; [2]
  - Schools network management;
  - Board of Trustees training;
  - School transport review implementation; and
  - ICT managed network (broadband in schools).

- More detail on the following capital initiatives to allow judgements to be made on their value for money:
  - School Property Capital Plan – New Sites and New Schools;
  - School Property Capital Plan – Kura; and
  - School Property Capital Plan – Defective Buildings.
- An explanation of why the current provisions for anticipated forecast changes are sufficient, taking into account the level of forecast changes over the last three years.

In addition, the resubmitted plan should include:

- A description of what outcomes we expect to be achieved in four years and who will be held accountable for achieving them;
- More specific detail about what work and actions are planned for the 2011/12 year to raise performance;
- Identification of specific contingency plans to manage greater than anticipated cost pressures that may arise across the four year horizon of the plan; and
- A reconciliation of what both proposed and baseline capital funding will be spent on so that the trade-offs are made clear.

Your departments should submit financial recommendations in March to give effect to any agreed changes in appropriations. Following that, estimates documents will be due in April. Treasury will publish further Budget guidance, including the timetable, shortly.

Yours sincerely

Hon Bill English  
**Minister of Finance**