

The Treasury

Budget 2011 Information Release

Release Document

June 2011

www.treasury.govt.nz/publications/informationreleases/budget/2011

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.



Cabinet Economic Growth and Infrastructure Committee

EGI Min (10) 31/5

Minute of Decision



Copy No: 27

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Establishment of Hobsonville Point Primary School and Hobsonville Point Secondary School

Portfolio: Education

On 15 December 2010, the Cabinet Economic Growth and Infrastructure Committee (EGI), having been authorised by Cabinet to have Power to Act [CAB Min (10) 45/28]:

Background

- 1 **noted** that on 30 June 2010, EGI:
 - 1.1 **noted** that the Ministry of Education, in consultation with Treasury, has undertaken a stage one business case to provide a value for money assessment of using a Public Private Partnership (PPP) for new school procurement;
 - 1.2 **noted** that the Hobsonville primary and secondary schools have been identified as the preferred option for a PPP project;
 - 1.3 **noted** that the Ministry of Education will report to EGI on the findings of the stage two business case by March 2011, and that a recommendation on establishing the schools will be deferred until that time;

[EGI Min (10) 15/2]

Establishment of schools

- 2 **noted** that the Minister of Education intends to establish, under section 146 of the Education Act 1989, the following schools at Hobsonville Point, Waitakere:
 - 2.1 a primary school, to open in term one 2013;
 - 2.2 a secondary school, to open in term one 2014;
- 3 **noted** that these schools are required due to the limited capacity of existing schools and projected student population growth over the next 20 years in the greater Hobsonville area;
- 4 **noted** that the two Hobsonville Point schools remain the preferred option for the first school property PPP, and will form the basis for analysis in the stage two PPP business case for submission to Cabinet in March 2011;

- 5 **noted** that Cabinet’s decision in March 2011 on the use of PPP will relate to the procurement method, rather than the need for the two Hobsonville Point schools;
- 6 **noted** that establishment of the two Hobsonville Point schools is required at this time to allow the appointment of an establishment board of trustees;
- 7 **noted** that the Minister of Education will appoint the establishment board of trustees to ensure both local involvement and the ability to work within a PPP process;
- 8 **noted** that early engagement with the establishment board of trustees (i.e. prior to Cabinet’s decision on the PPP in March 2011) is essential to ensure board buy-in to the procurement process and that the board’s education vision is reflected in property output specifications;

Financial implications

- 9 **noted** that, based on the stage one PPP business case, funding approval required for a PPP for the two Hobsonville Point schools would be [6]
- 10 **noted** these costs are indicative only, and that funding approval will be sought for a PPP in March 2011 based on updated costs in the stage two business case;
- 11 **noted** that if a PPP for the Hobsonville Point schools is not approved in March 2011, then the current procurement process will be used, [6]
- 12 **noted** that Budget 2010 Vote Education baselines and the associated Budget contingency included the following in relation to the stage one construction for the Hobsonville Point schools:

PPP Capital Provision – Budget 2010

	\$m – increase / (decrease)				
	2010/11	2011/12	2012/13	2013/14+	Total
Baseline capital – Hobsonville primary	[6]				
Tagged PPP capital contingency (stage one for Hobsonville secondary)					
Total					

PPP Operating Provision – Budget 2010

	\$m – increase / (decrease)				
	2010/11	2011/12	2012/13	2013/14+	Total
Baseline Operating - Depreciation	[6]				
Crown Other – State School Property Maintenance Grant					
Total					

- 13 [6]

- 14 **noted** that, to meet this shortfall in capital funding, the Minister of Education will seek the funding in Budget 2011 and will include this in the four year Budget Plan for Vote Education;
- 15 **noted** that funding approval for the two Hobsonville Point schools will be sought when the stage two business case for a school property PPP is submitted to Cabinet in March 2011;

Publicity

- 16 **noted** that the Minister of Education intends to release a media statement following the establishment of Hobsonville Point Primary School and Hobsonville Point Secondary School, signalling that these schools are being considered for the first school property PPP.

Committee Secretary

Reference: EGI (10) 308

Present:

Hon Bill English (Chair)
Hon Simon Power
Hon Anne Tolley
Hon Steven Joyce
Hon Phil Heatley
Hon Kate Wilkinson
Hon Hekia Parata
Hon Maurice Williamson
Hon Rodney Hide
Hon Dr Pita Sharples

Officials present from:

Office of the Prime Minister
Officials Committee for EGI