

The Treasury

Budget 2011 Information Release

Release Document

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- [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.

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

Vote Tertiary Education Budget 2011 Key Messages – 22 March

- The **savings picture is coming together relatively well** with decisions in most areas. We recommend that you accept the savings initiatives in general (see table 1 below for the remaining two initiatives which we do not support).
- There is still an **open question about how much savings from within the Vote will be returned to the centre**. We recommend that you press for any savings from initiatives which improve the repayment rates under student loans be returned to the centre.[2]
- **The expenditure side is less clear** with a number of initiatives which we do not support including initiatives to increase funding across the board for degree level courses and [2]

Table 1: Savings Initiatives

Student Loans Savings	Opex/Capex	Treasury Comment
Restricting loan eligibility - overdue loan repayments of \$500; overdue by one or more years	[2]	Support
Broaden the definition of income for student loan repayment purposes*		[2]
Restrict lending to older borrowers - restrict to fees for over 55s		
Changes to repayment holiday length and/or application*		Do not support – does not achieve improved repayments, increases debt and impairment levels and may reduce the likelihood on people returning to NZ.
Removal of course-related costs for part-time, full-year students		Support
Changes to repayment threshold for 2011/12 year (already agreed by Cabinet) and holding the repayment threshold until 2015*		Support

[2]

Extend exemption from 2-year stand-down for new permanent residents to sponsored family members of 'protected persons'	[2]	Support
Restricting loan access for aviation students		No view – we accept there may be an issue with student loans being used to pay for flight time.
Other Savings		
Reduced Industry Training Fund from 2013 and removal of regulatory compliance training from 2012		Support
Estimated savings from Education (Freedom of Association) Amendment Bill		Support
Funding transferred from TEC policy advice to non-departmental Crown expenditure		Support
[2]		

Table 2: Expenditure Initiatives

	[2]	Comment
500 additional EFTS - PTEs		Support
Equalising the funding rate for postgraduate courses across subsectors		Support
Targeted tuition subsidy increases - two percent increase for degrees and postgraduate study		Do not support – unclear that this is necessary, any changes should be deferred [2]
Funding for refugees' and migrants' ESOL	[2]	
[2]		
Earthquake recovery contingency - trades training	[2]	Support – possible to scale
[2]		

Table 3
[2]

¹ This is mainly made up of reduction in funding to industry training (\$90.6 million between 2012/13 and 2014/15)