

# The Treasury

## Budget 2020 Information Release

July 2020

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### Cabinet Document Details

Title: **Cabinet Minute CAB-20-MIN-0153.11: 2020 Budget Technical Financial Recommendations: Vote Labour Market**

Date: **6 April 2020**

Creator: Cabinet Office

### Information Withheld

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act).

Where this is the case, the relevant sections of the Act that would apply have been identified.

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Key to sections of the Act under which information may have been withheld:

- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
- [2] 6(b)(i) - to avoid prejudice the entrusting of information to the Government of New Zealand on a basis of confidence by the Government of any other country or any agency of such a Government
- [4] 6(c) - to avoid prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
- [11] 6(e)(vi) - to prevent serious damage to the economy of New Zealand by disclosing prematurely decisions to change or continue government economic or financial policies relating to the entering into of overseas trade agreements
- [23] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [25] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [26] 9(2)(ba)(i) - to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice 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
- [27] 9(2)(ba)(ii) - to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest

- [29] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [31] 9(2)(f)(ii) - to maintain the current constitutional conventions protecting collective and individual ministerial responsibility
- [33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [36] 9(2)(h) - to maintain legal professional privilege
- [37] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [39] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [40] not in scope
- [41] 18(c)(i) - that the making available of the information requested would be contrary to the provisions of a specified enactment
- [42] 18(d) - information is already publicly available or will be publicly available soon.

Where information has been withheld, a numbered reference to the applicable section of the Act has been made, as listed above. For example, a [23] appearing where information has been withheld in a release document refers to section 9(2)(a).

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# Cabinet

## Minute of Decision

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### 2020 Budget Technical Financial Recommendations: Vote Labour Market

On 6 April 2020, Cabinet:

- 1 **approved** the Budget initiative for the above Vote for inclusion in the 2020 Budget package, as listed in the summary below and detailed in the attached initiative document;

#### Summary of initiative included in the attached initiative document:

##### Operating Initiative (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
12391	Hypothecation of Future Unused and Expired Pre-purchased English Language Tuition Fees	-	-	-	-	-
<b>Total Operating</b>		-	-	-	-	-

- 2 **approved** changes to appropriations to implement the initiative, as set out in the attached initiative document;
- 3 **authorised** the Minister of Finance and the Appropriation Minister to jointly approve any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2019/20 Supplementary Estimates, the 2020/21 Estimates and the fiscal forecasts;
- 4 **noted** that all communications relating to the 2020 Budget are co-ordinated by a Budget communications committee, and that any requests for early announcement must have the written approval of the Minister of Finance and the Office of the Prime Minister.

Michael Webster  
Secretary of the Cabinet

## Initiative No: 12391

**Vote:** Labour Market

**Title:** Hypothecation of Future Unused and Expired Pre-purchased English Language Tuition Fees.

**Description:** Establishes the hypothecation of future unused, expired pre-purchased English Language Tuition (PELT) fees and how this funding will be allocated. Makes an initial funding allocation to support the Language Assistance Services Programme from 2020/21 to 2022/23.

### Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	2.215	1.825	1.463	-
<b>Total</b>	-	<b>2.215</b>	<b>1.825</b>	<b>1.463</b>	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
<b>Multi-Category Expenses and Capital Expenditure:</b>					
Immigration Services (MCA)					
<i>Departmental Output Expenses:</i>					
Settlement and Integration of Refugees and Other Migrants (funded by revenue Crown)	-	2.215	1.825	1.463	-
Total Multi-Category Expenses and Capital Expenditure: Immigration Services (MCA)	-	2.215	1.825	1.463	-
<b>Total Operating</b>	-	<b>2.215</b>	<b>1.825</b>	<b>1.463</b>	-

### Additional recommendations

- 5 **noted** that since a 2009 Cabinet decision [CAB Min (09) 13/8 (32)], unused and expired Pre-purchased English Language Tuition (PELT) fees paid by migrants who did not meet the English language requirements of their visa have been returned to the Crown and have not been reallocated for a specific purpose;
- 6 **agreed** that future unused PELT fees that have expired (beginning with those that will expire during 2019/20) are hypothecated and used for initiatives across government agencies that support migrants' communication needs in the early stages of their English language learning and/or support migrants to develop the English language skills needed to participate fully and achieve their potential in work and life in New Zealand;

- 7 **agreed** that the Minister of Immigration, Minister of Finance and Minister of Education jointly make final decisions on the allocation of hypothecated expired PELT fees for 2020/21 and outyears based on advice developed through an interagency settlement funding prioritisation process and provided by the Ministry of Business, Innovation and Employment;
- 8 **agreed** that allocation of hypothecated PELT funds must meet the following funding criteria:
  - 8.1 be aligned with the Cabinet-agreed purposes for which hypothecated expired PELT funds can be used;
  - 8.2 support the outcomes and success indicators of the New Zealand Migrant Settlement and Integration Strategy (NZMSIS);
  - 8.3 contribute to an effective mix of settlement services;
  - 8.4 not duplicate any other government activity or crowd out service provision by other organisations;
  - 8.5 identify leveraging/collaboration/partnering opportunities;
  - 8.6 represent value for money;
  - 8.7 be feasible in terms of the estimated cost, design and implementation plan and the capacity and expertise of the responsible agency/ies to deliver; and have a robust framework in place for monitoring and evaluating the contribution of the service to NZMSIS outcomes;
- 9 **noted** that the Language Assistance Service programme is a cross government programme of work to deliver higher quality, more consistent and better coordinated language assistance services which will improve access to public services and information for people with limited or no English language proficiency, such as former refugees and migrants, and meets the purpose and criteria proposed for allocating expired hypothecated PELT fees;
- 10 **agreed** to an allocation of expired hypothecated PELT fees to support the Language Assistance Services programme from 2020/21 – 2022/23, as reflected in the table above;
- 11 **directed** officials from the Ministry of Business, Innovation and Employment to track the accumulated balance of both the hypothecated revenue and funding allocations authorised under the processes agreed to above.