

The Treasury

Budget 2021 Information Release

August 2021

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

- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
- [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
- [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
- [35] 9(2)(g)(ii) - to maintain the effective conduct of public affairs through protecting ministers, members of government organisations, officers and employees from improper pressure or harassment
- [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
- [42] 18(d) - information is already publicly available or will be publicly available soon.

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Hon Grant Robertson

MP for Wellington Central

Deputy Prime Minister

Minister of Finance

Minister for Infrastructure

Minister for Sport and Recreation

Minister for Racing



21 December 2020

Hon Chris Hipkins
Minister of Education
Parliament Buildings

Dear Chris

Thank you for your recent engagement on Budget 2021. As you will be aware, we have set a very high bar for the initiatives that will be invited for submission, limited to only the most critical cost pressures and urgent manifesto commitments.

I have considered the Vote Education and Vote Tertiary Education (Education portfolio) cost pressures and manifesto commitments outlined in your letter. As discussed, I would like to invite you to submit a package of initiatives worth a maximum of [33] operating (average of [33] per annum) over the forecast period. I recognise that this will be a difficult task given the breadth and scale of initiatives outlined in your letter. However, Budget 2021 will require greater discipline from all of us given the constrained fiscal environment. This approach aims to draw out greater upfront prioritisation of bids and generate more manageable funding options for your portfolio.

This invitation provides you with some additional flexibility to consider how best to manage your overall priorities and pressures. I would expect to see the following specific initiatives and areas of pressure represented in the package:

- Implementation of the Equity Index for schools
- ECE - Pay Parity
- Wage bargaining.

I am happy for you to also include other smaller initiatives and pressures provided that they also meet the criteria to be in scope for Budget 2021 and fit within the overall maximum indicated above.

I note the nearly [33] capital component of your letter. I invite you to submit a bid for critical school property cost pressures only, that will enable the programme to continue for the next 1-2 years. There is no specific maximum to the capital component of your invitation, however the operating expenditure associated with any capital initiatives will need to be managed within the [33] operating package. I note that you are working with Treasury officials to develop a long-term funding approach for school property.

I would like to caveat this invitation with the following:

- This submission package is not a guaranteed allocation: given sizeable funding pressures across other Votes, initiatives will still be assessed and prioritised across all Votes.
- Initiatives must still be in scope of Budget 2021: the submission should only be made up of manifesto commitments and critical cost pressures.
- The submission must include all costs that need to be managed over the coming year: given the need to reduce out-of-cycle funding requests.
- Time-limited funding is not a preferred scaling option: I request that you do not create room for more initiatives in your submission by providing time-limited funding, as this creates pressures that will need to be met in future Budgets.
- Late changes will need to fit within the submission envelope: in general I would expect all initiatives to be identified before the submission is made. However, if late initiatives that could not be foreseen need to be submitted after the 29 January cut-off date, the package of submitted initiatives would need to be adjusted to still meet the maximum.

The Treasury will assess the value for money and relative priority of all initiatives, and this advice will help to inform the shape of the final Budget 2021 package. Therefore, I expect that all initiatives will be supported by a robust case for funding and a strong evidence base, as well as scaling and reprioritisation options.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Grant Robertson".

Hon Grant Robertson
Minister of Finance