



Briefing Note: Budget 2019: Vote Tertiary Education (Technical Initiatives) Cabinet Paper Content

To:	Hon Chris Hipkins, Minister of Education		
Date:	15 March 2019	Priority:	High
Security Level:	In Confidence	METIS No:	1181445
Drafter:	§ 9(2)(a)	DDI:	§ 9(2)(a)
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Messaging seen by Communications team:	No	Round Robin:	No

Purpose of Report

The purpose of this paper is for you to:

Note that technical initiatives for Budget 2019 are being considered at Cabinet on Monday 18 March 2019, which will include two tertiary education technical initiatives:

- Re-Phasing of Support for Lincoln University Capital Expenditure
 - This re-phases \$85 million of appropriated funding to 2019/20 and later years while further work is undertaken to determine the shape of the Crown's contribution to rebuilding Lincoln University's science facilities.
- Reallocation of Māori and Pasifika Trades Training Tools Grant Funding
 - This makes a re-allocation of \$0.9 million of 2018/19 Māori and Pasifika Trades Training (MPTT) Tools Grant Funding to 2019/20 MPTT Consortium funding following Cabinet decisions in 2018.

Noted

Agree that this Briefing will not be proactively released at this time because it is Budget related and details will be released by the Minister of Finance on Budget day.

Agree / Disagree

Ewan Delany
Acting Group Manager – Tertiary Education

Hon Chris Hipkins
Minister of Education

15/03/2019

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Background

1. Technical initiatives for Budget 2019 are being considered at Cabinet on Monday 18 March 2019 and include two tertiary education technical initiatives. These initiatives are technical in nature and don't require policy decisions. There are no technical initiatives for Vote Education.
2. How we expect the Vote Tertiary Education section of the Technical Initiatives Cabinet Paper to look is attached as Annex One.

Re-Phasing of Support for Lincoln University Capital Expenditure (initiative 11437)

3. This initiative transfers \$65 million of funding appropriated for the Crown's contribution to the cost of rebuilding science facilities at Lincoln University from 2018/19 to 2019/20, and also shifts \$15 million from 2019/20 into 2020/21 and \$5 million into 2021/22.
4. This funding has already been rephrased a number of times due to the absence of a satisfactory business case for its use. You recently stated your commitment to investment in teaching and research facilities in Lincoln.
5. There is a large amount of uncertainty about the nature of funding required in 2019/20 and beyond for investment in Lincoln due to ongoing discussions about the nature of the Joint Facility project, particularly with AgResearch now intending to proceed with a facility to meet its needs and Lincoln to follow at a later date. **s 9(2)(f)(iv)**
[REDACTED]
6. **s 9(2)(f)(iv)**
[REDACTED]
7. The technical initiative shows the *changes* in appropriated funding, not the total funding in the appropriation. Hence the net effect of shifting \$65 million into 2019/20 and \$15 million from 2019/20 into 2020/21 is a \$50 million increase in the funding appropriated for 2019/20. The total amount appropriated over the three years remains \$85 million.

Reallocation of Māori and Pasifika Trades Training Tools Grant Funding (initiative 11432)

8. This initiative transfers underutilised 2018/19 Māori and Pasifika Trades Training (MPTT) Tools Grant funding to 2019/20 MPTT Consortium funding.
9. In August 2018, Cabinet agreed to repurpose underutilised Tools Grant funding to support MPTT Consortia to better support learners and remove barriers to success [SWC-18-MIN-0103 refers].
10. This technical initiative follows confirmation of final expenditure on Tools Grants in 2018. The initiative involves reducing 2018/19 funding by \$0.987 million and increasing 2019/20 funding by \$0.858 million. The difference in the amounts is because MPTT Tools Grant funding is GST inclusive and MPTT Consortium funding is GST exclusive.

Proactive Release

11. We recommend that this Briefing is not released at this time because it is Budget related and details will be released by the Minister of Finance on Budget day.