



Education Report: Budget 2021: Submission of Education Initiatives Titles and Descriptions

To:	Hon Chris Hipkins, Minister of Education		
Cc:	Hon Kelvin Davis, Associate Minister of Education		
	Hon Jan Tinetti, Associate Minister of Education		
	Hon Aupito William Sio, Associate Minister of Education		
Date:	30 March 2021	Priority:	High
Security Level:	Budget Sensitive	METIS No:	1254001
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Messaging seen by Communications team:	No	Round Robin:	No

Purpose of Report

This Education Report seeks your approval by 29 March 2021 to finalise and update titles and descriptions for your proposed Budget 2021 Education initiatives in the Treasury's system by 1 April 2021.

Summary

The 2021 Budget process requires that titles and descriptions for all Budget initiatives currently under active consideration be updated in the Treasury's system by 1 April 2021.

Annex One sets out the proposed titles and descriptions for the education initiatives that you have submitted. We seek your approval by 29 March 2021 to update these in the Treasury's system.

These titles and descriptions may require further change to reflect decisions on the 2021 Budget package that are expected to be made by Budget Ministers on 29 March 2021.

Recommended Actions

The Ministry of Education recommends that you:

- a. **note** that titles and descriptions for all Budget initiatives currently under active consideration need to be updated in Treasury's system by 1 April 2021
- b. **approve** by 29 March 2021 the updated titles and descriptions for education initiatives as set out in Annex One

Agree / Disagree

- c. **authorise** the Ministry, in consultation with your Office, to make any minor changes to titles and descriptions that may be necessary for consistency, and to reflect Budget 2021 decisions made by Budget Ministers

Authorised / Not Authorised

- d. **do not release** this Education Report proactively at this time because the information contained within it is Budget sensitive.

Release / Do Not Release



John Brooker
Group Manager
Education System Policy

Hon Chris Hipkins
Minister of Education

30/03/2021

___/___/___

Background

- 1 The 2021 Budget process requires that titles and descriptions for all Budget initiatives currently under active consideration be updated in the Treasury's CFISnet system by 1 April 2021. These titles and descriptions will be used throughout the Budget process, including in Cabinet papers, and will ultimately appear in the Treasury's *Summary of Initiatives for Budget 2021* document that will be published on Budget day (with the exception of contingency initiatives).
- 2 These titles and descriptions may require further change to reflect decisions on the 2021 Budget package that are expected to be made by Budget Ministers on 29 March 2021.

Revised Titles and Descriptions

- 3 The nature of some Budget initiatives have changed during the Budget process as a result of further development, decisions to scale or material changes to bid components. In some cases, these changes to initiatives affect their titles and descriptions. Moreover, several initiatives have been added to the package requiring titles and descriptions to be approved.
- 4 Annex One lists (in alphabetical order) the proposed final titles and descriptions for Vote Education, Vote Tertiary Education initiatives, and other initiatives including COVID-19 Response and Recovery Fund (CRRF) savings initiatives from Vote Education and Vote Tertiary Education. These reflect the decisions that you have made to date and align with the Treasury's guidance on how these should be written.
- 5 If you agree with all the revised titles and descriptions listed in Annex One, we will provide this updated information to the Treasury and reflect these in the internal and external Budget communications that are being developed.
- 6 Further changes to titles and descriptions may be required to:
 - reflect any further decisions that you make on the nature, scope and scale of initiatives
 - reflect Budget Ministers' decisions on the 2021 Budget package, and
 - address any issues of drafting style and consistency that arise.

Next Steps

- 7 We seek your agreement, by 29 March, to the proposed titles and descriptions as set out in Annex One.
- 8 Budget Ministers are expected to make decisions on the Government's 2021 Budget package on 29 March 2021. Where these lead to minor changes to titles and descriptions, we seek your agreement to make those changes in consultation with your office.
- 9 Subject to your agreement, we will provide the updated titles and descriptions to the Treasury by 1 April 2021.

Proactive Release

- 10 We recommend that this Education Report is not released at this time because the information it contains is Budget sensitive. This is consistent with section 9(2)(f)(iv) of the Official Information Act 1982, which states that good reason for withholding official information exists if withholding it is necessary to maintain the constitutional convention that protects the confidentiality of advice tendered by officials.

Annexes

Annex One Proposed Titles and Descriptions for Budget 2021 Education Initiatives

Annex One:

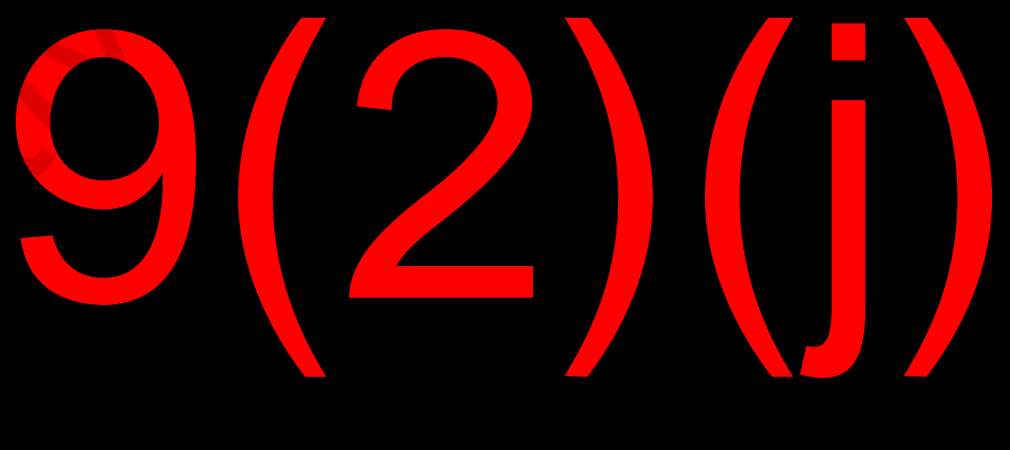
Proposed Titles and Descriptions for Budget 2021 Education Initiatives:

Vote Education

Initiative title	Additional Attendance Service Places
Initiative description	This initiative provides funding for an additional 7,500 places that can be reached by the Attendance Service, in addition to inflation driven cost pressures which will current maintain service levels. Without regular attendance at school academic outcomes for these ākonga are unlikely to be achieved, and they are more likely than others to be involved with other agencies such as the Police and Oranga Tamariki.

Initiative title	Christchurch Schools' Rebuild Programme
Initiative description	This initiative provides funding for the Christchurch Schools' Rebuild Programme for another year, following the 2010 and 2011 earthquakes. This is consistent with the \$1.137 billion announced in 2013 and the \$206.0 million for cost increases identified in the 2018 midpoint review.

Initiative title	Completion of the Education Resourcing System for schools and early learning
Initiative description	This initiative is to complete the new system for the \$8.4b per annum operational funding payments for schools and early learning services administered by the Ministry. A modern resourcing system will transform education funding processes from 30-year-old high-risk systems and manual processes to simple, easy to use and easy to understand, accurate, largely automatic and timely processes, and is a crucial investment for protecting the government's ability to reliably and transparently fund the education sector and to swiftly implement responses to emerging or urgent needs.

Initiative title	
Initiative description	

Initiative title	Continuing digital access for principals and teachers
Initiative description	This initiative will provide funding to continue the supply of digital devices and applications to principals and teachers. In turn they use these devices to provide online learning opportunities to ākonga/learners, especially as the sector manages through COVID-19. This funding will aim to achieve as close to 100% uptake as possible for eligible principals & teachers and ease the costs to schools and kura that cannot provide devices through their technology budget.

Initiative title	Cost adjustment for early childhood education
Initiative description	This initiative provides funding for a 1.2% increase to funding rates to meet increased costs for Early Childhood Education (ECE). This funding will help all funded ECE services and kōhanga reo manage increasing costs of provision and maintain quality and affordability for families and whānau. This applies to the existing ECE Subsidy for Under 2s, ECE Subsidy for 2s and Over, 20 Hours ECE, and all components of Equity Funding, with effect from 1st January 2022. The increase in Targeted Funding for Disadvantage will take effect from 1st March 2022.

Initiative title	Cost adjustment for schools' operational grant
Initiative description	This initiative provides funding to meet increased operational costs for state and state integrated schools, which includes providing teaching staff and covering general running costs. A cost increase of 1.6% will be applied to the existing schools operational grant funding to accommodate the increased price of providing these essentials and maintain the current levels of providing quality education to meet the needs of students, families and whānau. This funding supports the learning of approximately 800,000 students in 2,500 state and state integrated schools. The cost adjustments will take effect from 1 January 2022.

Initiative title	9(2)(f)(iv)
Initiative description	

Initiative title	Deliver sustained professional learning and development to embed Tapasā
Initiative description	This initiative provides funding to purchase the design and delivery of a targeted, sustained professional learning and development (PLD) programme for teachers and leaders in early learning settings and schools with high numbers of Pacific learners to embed the principles and approach of Tapasā, a cultural competencies framework for teachers and leaders of Pacific learners.
Initiative title	Education Holidays Act remediation payments
Initiative description	This initiative aims to ensure that current and former school staff receive corrective payments where they have not been paid in accordance with the requirements of the Holidays Act 2003, as identified through a compliance analysis programme which is under way. Funding will be used for payments to staff who have been underpaid as a result of compliance issues discovered and analysed to date.
Initiative title	Equity index – system infrastructure
Initiative description	This initiative is the first step towards fulfilling the Government's manifesto commitment to replace the current decile system with the Equity Index from the 2023 school year. The Equity Index is designed to better target resourcing to schools facing greater socio-economic challenges and is a significant change for the education sector and for the Ministry of Education. This initial funding will cover system changes and other implementation costs that are required to support a smooth transition to the new system from 2023. It will provide the foundation for future investment in equity funding to ensure schools and kura are best supported to mitigate the socio-economic barriers faced by ākonga/learners, the wider school community and whānau.
Initiative title	Essential property maintenance at state-integrated schools
Initiative description	This initiative provides funding to upgrade learning environments at eligible state-integrated schools across New Zealand. This funding will be allocated by the Ministry to the Association of Proprietors of Integrated Schools (APIS) to ensure that it goes towards essential upgrades to improve learning environments. These projects are ready to implement in the next 12-24 months.
Initiative title	Expanding Reading Together Te Pānui Ngātahi partnerships and Duffy books in Homes
Initiative description	This initiative supports literacy success and child wellbeing by providing funding for the expansion of Reading Together® Te Pānui Ngātahi and Duffy Books in Homes to increase children's literacy and educational achievement with focus on Māori, Pacific, migrant, and refugee learners. This funding will improve literacy and wellbeing outcomes for over 73,000 children across New Zealand by giving 37,000 parents effective strategies to support their children as they learn to read and providing books for children in their homes.

Initiative title	Funding for school transport contract
Initiative description	This initiative provides funding to cover the increase in price for a one-year extension of the school transport contract. Costs associated with the contract management and audit requirements of the new contract commencing in January 2022 are also covered.

Initiative title	9(2)(i)
Initiative description	

Initiative title	Funding increase for Alternative Education
Initiative description	This initiative will strengthen education provision for the most at-risk young people by addressing the inflationary cost-pressure for Alternative Education (AE). This initiative will increase funding by \$1.111m per annum, allowing a per place rate increase of 5%. This will stabilise funding for AE while the system of support for at-risk ākonga is redesigned.

Initiative title	Funding the next phase of the National Education Growth Plan for school property
Initiative description	This initiative provides funding for an additional 6,000 student places and design a further 4,000 student places required in the school property network, as identified in the National Education Growth Plan (NEGP). This is in addition to the 47,000 student places already funded. Funding will deliver new roll growth classrooms, provision for learning support and the design for new schools and expansions. Led by the Minister of Education.

Initiative title	Investigating and negotiating pay equity claims
Initiative description	This initiative provides funding for staff and related operational costs associated with the assessment and negotiation of pay equity claims for education sector workforces. These claims seek to remove gender-based undervaluation in the Education system. Addressing inequity in pay rates recognises and values the work of people working in Education, improving retention and engagement, which in turn improves outcomes for learners.

Initiative title	Learning Support – Maintaining Ministry specialist staff
Initiative description	This initiative provides departmental funding to maintain learning support services for 34,500 of our most vulnerable ākonga/learners in face of rising costs of wages and inflation. The focus is on assisting learners with additional learning needs and include services such as communication, behaviour, and early intervention services. It also includes the Incredible Years programme for children with autism and supports children with poor language skills, blind and deaf children, and others with complex health needs.

Initiative title	Meeting the operational costs of a growing school property portfolio
Initiative description	This initiative provides funding to maintain the Ministry of Education's current level of service in managing the expanding, multi-billion-dollar school property portfolio. Funding includes costs such as buildings' warrants of fitness, school leasing, insurance and health and safety.

Initiative title	Moving towards pay parity for teachers in education and care services
Initiative description	This initiative provides funding towards moving qualified and certified teachers in education and care services closer towards pay parity with kindergarten teacher pay. The funding will support an increase in the minimum salary education and care services must attest they are paying certificated teachers. It provides a set of higher funding rates education and care services may opt into if they agree to pay these teachers defined pay steps based on the kindergarten teachers' collective agreement.
Initiative title	NCEA and Scholarship assessment - Maintaining pay rates for New Zealand Qualifications Authority's specialist workforce
Initiative description	This initiative provides funding to maintain payrates for 4,000 contracted Specialist Workforce employed by NZQA. Comprised of Exam Markers, Exam Developers, Exam Moderators and Material Critiquers, the workforce is necessary for the integrity and operation of the NCEA and Scholarship assessment process and to support quality education assessments in New Zealand.
Initiative title	NCEA Change Programme - A strengthened NCEA for all New Zealanders
Initiative description	This initiative provides funding to redevelop the NCEA qualifications, ensuring 150,000 students who study NCEA every year have the appropriate skills and knowledge to seek further education or employment, either in New Zealand or overseas. The changes were informed by a year-long public engagement in 2019, and introduces new literacy and numeracy requirements, provides mana ōrite mō te mātauranga Māori in NCEA, replaces the expiring Achievement Standards with high quality assessment packages, and provides enhanced support for vocational pathways. The Ministry of Education is partnering with stakeholders to work on the details of the changes and ensure these are coherent, inclusive, accessible and can be implemented successfully.
Initiative title	Prime Minister's Vocational Excellence Awards
Initiative description	This initiative provides funding for the Prime Minister's Vocational Excellence award from 2021 onwards. It is given to the top student in a vocational programme of learning in each public secondary school and wharekura in New Zealand as chosen by the school. The Award aims to raise the status of vocational education through celebrating the successes of vocationally aligned students as part of each school's prize giving ceremony.
Initiative title	Property funding to build and expand schools delivering Māori medium education
Initiative description	This initiative provides funding to address growth in existing and new schools delivering Māori medium education.

Initiative title	Purchasing land for new schools
Initiative description	This initiative provides funding to reimburse land acquisitions and associated site work costs for new schools purchased in the 2020/21 financial year. The purchase of land for new schools is fundamental to delivering the National Education Growth Plan and expanding the School Property Portfolio to meet demand across New Zealand.
Initiative title	Reform of Tomorrow's Schools system
Initiative description	This initiative provides funding for the first year of a multi- year investment to reform our current schooling model, known as Tomorrow's Schools. The reform is designed to provide front line support closer to schools, creating a more networked and supported system that is more responsive to the needs of learners/ākonga and their whānau. The first steps in the reform include putting in place a fit-for-purpose national curriculum with supports across early learning and schooling, establishing the key leadership and core support functions of the Education Service Agency, an enhanced Network Function including for early learning and creating a flexible fund which will enable frontline staff to better support the sector.
Initiative title	Schools' payroll sustainability investment
Initiative description	This initiative provides funding to upgrade the existing software used by Education Payroll Limited and fund the Ministry of Education's programme costs associated with historic non-compliance of the Holiday's Act 2003. These workstreams support the delivery of the Schools' Payroll with an annual spend of \$5.6 billion and pays almost 100,000 teachers and support staff every fortnight. This funding ensures the ongoing stability and sustainability of the schools' payroll system.
Initiative title	Supporting Pacific bilingual and immersion education in schooling
Initiative description	This initiative provides funding to support Pacific learners to learn in cultural and linguistic supportive environments by providing the first system-level investment in Pacific bilingual and immersion units in schools. This initiative supports the sustainability of current provision of a highly valued community education pathway around 23 schools, serving approximately 1500 learners.
Initiative title	Supporting school property redevelopments
Initiative description	This initiative provides funding for around 25 school property redevelopments to start within the next 12-18 months. These projects will generate up to \$400 million worth of work, approximately 8,000 employment opportunities, and provide ākonga/learners with access to quality learning facilities.

Initiative title	Supporting the co-location of Marlborough Boys and Girls Colleges and relocation of Bohally Intermediate
Initiative description	This initiative provides one year of design funding for the co-location of Marlborough Girls' and Boys' Colleges and rebuild and relocation of Bohally Intermediate School, based on consultation with the community. This is the first stage of a significant and transformational project undertaken by the Ministry which will provide wider investment in Blenheim's secondary education provision and ultimately create more equitable education outcomes for ākonga.

Initiative title	Targeted initiatives to support ākonga success in NCEA Pāngarau, Te Reo Matatini, Numeracy and Literacy
Initiative description	This initiative provides funding for targeted literacy and numeracy interventions - including new or expanded tools, resources and programmes - across the Māori and English medium education pathways, with a focus on key transition points, to support students' opportunities to attain new NCEA co-requisites which will be in place from 2023.

Other Initiatives

Initiative title	Depreciation impacts of revaluing the school property portfolio
Initiative description	This initiative requests Crown Revenue funding for reinvestment in the school property portfolio as a result of the June 2020 Portfolio Valuation increase in depreciation expense approved through the October Baseline Update. This is an interim response only while officials explore options to address this issue going forward.

Initiative title	Intensive support for young learners with wellbeing and behavioural needs that may be challenging to others
Initiative description	This initiative provides funding for intensive interventions to support young learners with significant wellbeing and behavioural needs that may be challenging to others, and who require support at school, at home and in the community. These interventions will enable these learners to participate and succeed in education, as well as help to ensure the safety of staff and other learners.

Vote Tertiary Education

Initiative title	Addressing urgent commitments to the wānanga sector
Initiative description	This initiative will continue support for wānanga to undertake research and educational delivery that protects and advances mātauranga Māori.

Initiative title	9(2)(f)(iv)
Initiative description	

Initiative title	Cost adjustment to tertiary tuition and training subsidies
Initiative description	This initiative provides funding for a 1.2% increase in tertiary education tuition and training subsidies to support providers to maintain quality and ensure their delivery remains relevant and responsive to students' and employers' needs. The increase strikes a balance between helping providers manage increases in delivery costs with an expectation that providers make effective and efficient investments to maintain quality and sustainability.

Initiative title	Reform of Vocational Education - Transition and Integration Phase
Initiative description	This initiative provides funding to retain capability, and to build a data interface, to support the transition and integration phase of the Government's Reform of Vocational Education (RoVE). This will enable the Tertiary Education Commission, New Zealand Qualifications Authority and Ministry of Education to implement changes necessary to deliver the skills and opportunities that learners, employers, industries, and regions need to prosper.

Initiative title	Contingency: Addressing inequitable funding of wānanga
Initiative description	9(2)(j)

Initiative title	Ensuring the viability of vocational education and training
Initiative description	This initiative provides a 13.4% increase in Vocational Education and Training (VET) funding by 2024. This funding will also support the implementation of the new unified funding system for vocational education from 1 January 2023, a key part of the Reform of Vocational Education. The new system will better support high quality work-integrated provision, better support learner needs and help sustain a network of VET provision in our regions.

Initiative title	Extending the temporary hardship fund for learners in tertiary education
Initiative description	This initiative will provide funding for a temporary extension of the COVID-19 Hardship Fund for Learners in tertiary education in the 2021 calendar year. Some learners will have lower incomes, reduced financial support from their families and may face additional costs this year due to the ongoing impacts of COVID-19 that go beyond the current levels of support, or may not be supported by student loans and allowances. This initiative will help students in hardship remain connected to their education provider and engaged in their learning.

CRRF Savings Initiatives

Initiative title	Savings - Contingency: Critical Funding to Address Supplier Contractual Obligations Arising from the Impact of COVID-19
Initiative description	This contingency was established on 6 July 2020 to reimburse school property contractors who have incurred additional unavoidable costs as a result of COVID-19. The level of claims from contractors to date has been lower than anticipated, due to lower disruption in the market than expected. Estimated savings from the contingencies are to be reprioritised and returned to the COVID-19 Response and Recovery Fund.
Initiative title	Savings - Increasing Ongoing Resourcing Scheme Teacher Aide Hours
Initiative description	This funding was agreed on 11 May 2020 to increase teacher aide hours for over 10,000 students in the Ongoing Resourcing Scheme (ORS). But the time required to review individual education plans across the whole cohort of 10,000 verified students has resulted in a lag in uptake and consequential savings. These savings are to be reprioritised and returned to the COVID-19 Response and Recovery Fund.
Initiative title	Savings - Ongoing Resourcing Scheme Cost Pressure for Teacher Aide Hours
Initiative description	This initiative was agreed on 6 July 2020 to address cost pressures arising from the urgent need for an increase in teacher aide hours for more than 10,000 high and very high needs students in the Ongoing Resourcing Scheme (ORS). However, initially there have been fewer than expected applications for funding to help children get back to school. These savings from 2020/21 are to be reprioritised and returned to the COVID-19 Response and Recovery Fund.
Initiative title	Savings – Operating Contingency: Sustaining the Early Learning Network
Initiative description	This contingency was established on 11 May 2020 to provide support for the viability of early learning services. Costs have been lower due to less disruption to the market than expected and the impact of other support initiatives, such as the funding guarantee and wage subsidy. Therefore, the balance of the contingency is to be reprioritised and returned to the COVID-19 Response and Recovery Fund.
Initiative title	Savings - International Education Strategic Recovery: Immediate Targeted Support for Private Training Establishments
Initiative description	This initiative was agreed on 6 July 2020 to support the stability of Private Training Establishments (PTEs) that contribute to regional significance or skill development needs, so they could in turn support their regions when international students returned. Not all PTEs considered for funding were ultimately approved, resulting in an underspend. These savings are to be reprioritised and returned to the COVID-19 Response and Recovery Fund.