



Education Report: Budget 22 Post Bilateral Package

To:	Hon Chris Hipkins		
Date:	02 March 2022	Priority:	High
Security Level:	Budget Sensitive	METIS No:	1282629
Drafter:	Patrick Anderson	DDI:	+64 463 7946
Key Contact:	John Brooker	DDI:	+64 463 0912
Messaging seen by Communications team:	No	Round Robin:	No

Purpose of Report

This report provides a draft letter to the Minister of Finance detailing the proposed Budget 2022 Education package. The purpose of this paper is for you to:

Agree the Education package to be submitted to Minister of Finance.

Sign and send the attached letter to the Minister of Finance to submit the agreed package.

Summary

At the Budget 2022 bilateral on 16 February, the Minister of Finance asked for the Education package to be revised from the 9(2)(f)(iv) package, down to \$2 billion (excluding non-discretionary costs, i.e. 9(2)(f)(iv) and Precommitments). The Minister of Finance also wanted to know the guiding principles that were used to develop the smaller package and the trade-offs that were involved.

At the 28 February Agency meeting the proposed Budget 22 package was discussed [METIS 1282298] and no significant changes were indicated as being needed before submission to the Minister of Finance on 2 March.

This report also seeks your agreement to an approach supporting Budget 2022 funding for the Curriculum package, as was foreshadowed at your agency meeting of 28 February.

The attached letter seeks to submit the updated Education package consisting of 9(2)(f)(iv) of operating expenditure and 9(2)(f)(iv) of capital expenditure. The Package is comprised of 9(2)(f)(i) Education and 9(2) Tertiary initiatives. The number and fiscal quantum of initiatives is significantly reduced from the December submission. The attached sets out the priorities and principles underpinning the design of the package, the impact on investments in key areas and the significant risks in the education package.

Recommended Actions

The Ministry of Education recommends you:

- a. **note** that we have provided you with advice on the Education Budget 22 package which you discussed with your Associate Education Ministers

Noted

- b. **agree** the Ministry's proposal to supplement Budget 2022 funding for curriculum and assessment bids with baseline funding to ensure these can continue at-scale, noting the risk that funding in out-years is not fully confirmed

Agree / disagree

- c. **agree** to sign and send the attached submission letter to the Minister of Finance to submit your updated Budget 2022 Education package

Agree / disagree

- d. **forward** this report and the attached letter to your associate Ministers for their information

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

Release / Not release



John Brooker
Group Manager
Te Puna Kaupapahere

____/____/____



Chris Hipkins
Minister of Education

1 / 3 / 2022

Background

- 1 At the Budget 2022 bilateral on 16 February, the Minister of Finance asked for the Education package to be revised from the 9(2)(f)(iv) package, down to \$2 billion (excluding non-discretionary costs, i.e. 9(2)(f)(iv) and Precommitments). He also wanted to know the guiding principles that were used to develop the revised package and the trade-offs that were involved.
- 2 Following this meeting, your office commissioned a revised high-level Budget package that included your highest priority initiatives. This was discussed at the Agency meetings on 21 February and 28 February.
- 3 As indicated at your agency meeting of 28 February, we were still exploring options to fund the Curriculum part of the package. Rather than separate advice to yourself and Minister Tinetti on this issue, to meet the deadline to submit the letter to the Minister of Finance we cover that issue off in this briefing.
- 4 At the 28 February Agency meeting you indicated you would submit the Education Package as per the table of initiatives discussed with Associate Ministers. The attached letter provides the details of the agreed package, sets out the priorities and principles underpinning the design of the package, the impact on investments in key areas and the significant risks in the education package.

Curriculum and Assessment

- 5 Building on previous Budget funding, additional investment in the curriculum and assessment bids within the Budget 2022 Education package will resource Te Poutāhū | The Curriculum Centre to:
 - create the foundations for wider strategy actions to change and improve the teaching and learning of literacy and mathematics; and
 - address long-term underinvestment in te reo matatini, pāngarau, and aromatawai, which are key levers to lift ākongā progress and achievement, including development of a national monitoring process that provides evidence of how system investment supports learning through a te reo Māori pathway;
 - address cost pressures in the NCEA Change Programme, including the inclusion of the new Te Ao Haka within the scope, the complexity of developing other kaupapa ako Māori subjects, and the necessary increases in levels of support for kura to pilot kaupapa ako Māori subjects.
- 6 These curriculum and assessment bids in the Budget 2022 Education package are foundational enablers for all five strategic Budget 2022 Education priorities and will support positive system change by providing the education workforce with the tools, resources and frameworks they need to 'shift the dial' on learner progress and achievement.
- 7 Curriculum and assessment bids within the Budget 2022 9(2)(f)(iv) will fund NCEA Change Programme cost pressures, as well as actions associated with the Literacy & Communication and Mathematics, and Te Reo Matatini, Pāngarau and Aromatawai strategies over four years. Following the Budget 2022 bilateral on 16 February, funding for these bids has been scaled down to \$135 million which creates significant risk to delivery and benefits realisation.
- 8 Reducing curriculum and assessment bids below their stated minimum viable option places at-risk the effective delivery of the overall Literacy & Communication and Maths, and Te Reo Matatini and Pāngarau Strategies. It carries the risk that strategies are launched without fit-for-purpose tools, resources and rauemi, as well as facilitating only

Budget and Industrial Relation Sensitive

limited engagement with the sector. Similarly, reducing the NCEA Change Programme bids below their stated minimum viable options 9(2)(f)(iv)

These supports are essential to help the sector effectively understand the revised NCEA and how it impacts them. There would also be reduced numbers of pilots and feedback as NCEA subjects are developed.

- 9 It is likely that overall benefits will be delayed for several years through this option.
- 10 To support these activities, the Ministry is able to cover the shortfall from within its baselines for FY22/23 and FY23/24 (noting that the Ministry is already funding \$9 million per annum from baseline to ensure the NCEA Change Programme can continue at-scale, as agreed through Budget 2021).
- 11 9(2)(f)(iv)
- 12 Please note that, by year three of the programmes of work, we have reduced flexibility in the choices available for stopping or reducing certain elements of the work.
- 13 If you are not comfortable with the risk presented by this approach, we will need to provide further advice on options for you to scale down what will be delivered through the curriculum and assessment bids.

Minor change to the infrastructure package

- 14 On review of the Furniture and Equipment Grant for School Property bid it was found that the Non Departmental CAPEX did not extend into outyears. We have adjusted for this and it results in an increase of \$73.755m of CAPEX. This will have no effect on OPEX due to the assets belonging to the schools.

Priorities if Additional Funding is Available

9(2)(f)(iv)

[Redacted content]

Budget and Industrial Relation Sensitive

- 18 We also advise that there is a risk that the current package does not include enough funding for the current school property investments pipeline to continue and will likely require a slowdown from current plans. Progress with the Māori medium property network and the 9(2)(f)(iv) would slow as investments in these activities would be confined to just the projects currently in progress. 9(2)(f)(iv)
- These risks are outlined in the attached letter from you to the Minister of Finance.

Letter to the Minister of Finance

- 19 The Ministry has attached a letter from you to the Minister of Finance detailing the contents of the updated Budget 2022 package in response to the revised allowance offered at the bilateral.
- 20 The revised package has been significantly reduced from the 10 December submission, however it still exceeds the \$2 billion allowance the Minister of Finance offered at your bilateral, coming in at 9(2)(f)(iv). This is likely to be a topic of further discussion between you and the Minister of Finance.
- 21 You will need to sign and send the attached letter to the Minister of Finance to advise him of your updated education budget package.

Next Steps

- 22 You asked your office to seek a time for a further discussion of the package with the Minister of Finance. This may take the form of another Budget bilateral, however, this has not been decided yet.
- 23 Once an Education package has been agreed between yourself and the Minister of Finance it will be provided to Cabinet by the end of March for its consideration in early April.

Annexes

- Annex 1: Draft post Bilateral Letter
- Annex 2: Education 2022 Budget Package Summary – Post Bilateral

Hon Chris Hipkins

MP for Remutaka

Minister for COVID-19 Response

Minister of Education

Minister for the Public Service

Leader of the House



02 March 2022

Hon Grant Robertson
Parliament Buildings
WELLINGTON

CH12757

Dear Grant,

As discussed with you at our Budget bilateral on 16 February, I have reduced the Education package towards the significantly smaller allowance that you proposed. My revised package comes in slightly over the allowance, at 9(2)(f)(iv) OPEX and 9(2)(f)(iv) CAPEX. However, as you will see below, further cuts to the package carry significant risks to some key programmes. I am keen to discuss the Education Budget package further with you.

Given the limited scope for scaling our Manifesto commitments and unavoidable cost pressures, reshaping the package has necessitated some hard trade-offs, particularly in addressing long-standing inequities in Māori education, Pacific education and improving learner wellbeing. However, I am confident the package detailed below will provide strong support to education providers to allow them to continue to deliver services to learners through the current pandemic and changing education environment.

The priorities and principles underpinning the updated education package

The reshaped Education Package was developed to advance the following five strategic priorities for the Education sector:

- i. Building a strong and capable workforce,
- ii. Strengthening teaching and learning for literacy and numeracy,
- iii. Supporting attendance, engagement and wellbeing,
- iv. Strengthening Māori and Pacific medium pathways,
- v. Improving supports to the early learning and schooling sectors including through Te Mahau.

The following operational principles were applied in designing the package:

- i. Alignment to the strategic priorities (above),
- ii. The individual items contained in the package are investment-ready and have the best prospects of successful delivery,
- iii. Resources are focused on front-line services,
- iv. Maintaining funding levels for bids at levels that enable the best chance of successful delivery.

In reducing the package, I have instructed the Ministry of Education to closely examine its baselines and only seek additional funding for initiatives that cannot be progressed with existing resources.

By following these priorities and principles, I am confident the Education Package as detailed below will deliver resources directly to frontline providers that are rapidly responding

to a dynamic environment and support learners to succeed through improving teaching and learning.

Key manifesto commitments

- Continuing to move toward pay parity for education and care teachers - 9(2)(f)(iv) OPEX, 9(2)(f)(iv) CAPEX
- Equity index – implementation in schools and kura, and system infrastructure costs for early learning services – 9(2)(f)(iv) OPEX, 9(2)(f)(iv) CAPEX
- Continuing the Reform of the Tomorrow's Schools System - 9(2)(f)(iv) OPEX, \$0.425 million CAPEX

I have prioritised continuing to deliver our key manifesto commitments to ensure we maintain momentum towards our goal of allowing all New Zealanders to access lifelong learning and establishing a skilled and adaptable workforce.

This means funding levels are maintained for Pay Parity for Education and Care Teachers and Implementing the Equity Index. The early learning workforce is key to delivering high quality education and care and continuing to progress our pay parity commitment is central to this. Implementing the Equity Index allows funding in the schooling sector to more closely target learners' needs. I do not believe either of these initiatives can be delayed or scaled back without compromising our ability to deliver on our manifesto commitments.

Funding for Continuing the Reform of the Tomorrow's Schools System has been reduced from a proposed 9(2)(f)(iv) to 9(2)(f)(iv) to fit within allowances and respond to government recruitment pressures. This revised investment would focus on delivering locally-led solutions to attendance, engagement and small school support and the provision of leadership advisors to support schools. These leadership advisors would be able to provide guidance across governance, curriculum, careers and other areas as we continue to improve the support available directly to schools. However, future investment will still be required to improve these supports and fully implement our intended reforms.

Annual cost adjustments

- Cost Adjustment for Schools' Operational Grant - OPEX \$192.376m
- Cost Adjustment for Early Learning Services – OPEX \$244.622m
- Cost Adjustment to Tertiary Tuition and Training Subsidies - OPEX \$280.880m

This package has increased the cost adjustment for core service providers across the education system from 2% to 2.9% in response to updated inflation forecasts.

You asked me to consider 'optionality' in this area. I have examined options for lower than CPI increases within each of the education sub-sectors:

- School cost adjustment. The total investment was considered alongside the significant funding for schools from the Equity Index. When combined, these bids amount to nearly \$500m. I considered whether this could justify a lower than CPI increase. However, the Equity Index change does have a significant redistributive effect on current decile-based funding. Even with transition arrangements in place to manage the negative impact on some schools, a number of the schools which receive less equity funding in future would also be worse off due to costs they face not being met by the operational grant increase. 9(2)(f)(iv)
- ECE cost adjustment. This was considered in light of the significant funding for Early Learning wages through Pay Parity 9(2)(f)(iv). However, there are interplays between these bids that are complex to unwind. To apply a lower or no

cost adjustment evenly, it would have to apply to kindergarten funding rates along with the opt-in rates for pay parity for education and care services. 9(2)(f)(iv)

- **Tertiary cost adjustment:** I considered whether a 2.9% increase was warranted for all tertiary providers in light of the significant investment in vocational education and training (VET) in Budget 2021. While the bid could exclude VET and be targeted to foundation (levels 1 and 2) and degree-and-above study, this would amplify the impact of lower 'delivery component' funding rates for many private training establishments in the shift to the new Unified Funding System. It would also impact on VET providers' overall ability to adapt their operating models to achieve the outcomes sought from the Reform of Vocational Education.

On balance, I consider the best approach is to use the 2.9% increase option across all sectors. I believe it is important that we properly resource providers so they can continue to meet the needs of learners and the quality and accessibility of services is maintained, particularly as providers respond to the evolving Omicron situation.

Unavoidable cost pressures

- Resolving the funding shortfall in Kāhui Ako (Communities of Learning) - OPEX 9(2)(f)(iv)
- Funding higher demand for tertiary education and training - OPEX \$121.700m
- EPL Fees Review - OPEX \$10.000m
- Managing Export Education Levy Revenue Pressure - OPEX \$0.723m
- Replacement of an Unsupported Payroll/HRIS system - OPEX \$3.500m

This package also contains some other unavoidable cost pressures that must be met to avoid severe service disruption or breaches to existing agreements. My focus in this area has been ensuring the funding sought is only that which cannot be met from within baselines.

It is worth noting that, since we met on 16 February, the Tertiary Demand initiative has been scaled back to just cover the expected demand in the 2023 calendar year. This initiative addresses what would otherwise be a fall in the baseline funding for tertiary provision due to previous time-limited volume increases expiring. 9(2)(f)(iv)

early indications are that demand in 2022 has softened somewhat from 2021, so I think it is prudent for us to do this on a year-by-year basis, at this stage.

Curriculum and Assessment

- Teaching, Learning and Assessment for Progress in Literacy and Maths - OPEX 9(2)(f)(iv) CAPEX \$2.973m
- Developing Te Reo Matatini, Pāngarau and Aromatawai Research, Tools, Resources and Supports for Workforce and Ākonga - OPEX \$30.150m CAPEX 9(2)(f)(iv)
- NCEA Change Programme - OPEX \$73.134m

Building on previous Budget funding, this investment in curriculum and assessment in Budget 2022 is a foundational enablers for all five strategic Budget 2022 Education priorities. This will support positive system change by providing the education workforce with the tools, resources and frameworks they need to 'shift the dial' on learner progress and achievement. Specifically, this investment will:

- create the foundations for wider strategy actions to change and improve the teaching and learning of literacy and mathematics;

- address long-term underinvestment in te reo matatini, pāngarau, and aromatawai, which are key levers to lift ākonga progress and achievement, including development of a national monitoring process that provides evidence of how system investment supports learning through a te reo Māori pathway; and
- address cost pressures in the NCEA Change Programme, including the inclusion of the new Te Ao Haka within the scope, the complexity of developing other kaupapa ako Māori subjects, and the necessary increases in levels of support for kura to pilot kaupapa ako Māori subjects.

Funding in this area has been reduced from 9(2)(f)(iv) presented at the bilateral to \$135 million. This creates risks to delivery and benefits realisation, particularly in reduced tools and engagement with the sector to help them implement these changes. To mitigate these risks, the Ministry have identified baseline funding for reprioritisation in 2022/23 and 2023/24 that will cover the reduction in these financial years.

9(2)(f)(iv)

Digital investments

9 ()

9(2)(f)(iv)

I am prioritising investing in a reduced Cybersecurity initiative in this Budget package to start addressing some of the most serious and immediate cybersecurity risks to learners' sensitive data while plans are developed for long-term solutions. 9(2)(f)(iv)

Education infrastructure

-

The education infrastructure package has been scaled back to only fund existing commitments and a rephased National Education Growth Plan (NEGP) bid. The NEGP has been rephased with some elements deferred to later in the forecast period to manage the fiscal impact. Funding for Māori Medium Education Property 9(2)(f)(iv) have been removed. It is critical to get funding for the Ministry's depreciation uplift through Budget 2022 to keep the NSRP on track. The risks associated with this scaled package are highlighted in the section below.

Māori education

- [Redacted]

Our Government has committed to growing Māori Medium and Kaupapa Māori education over the next twenty years. This investment will provide a ‘running start’ for this work in the schooling sector. It will provide new funding directly to Kura to enable them to identify and respond to their urgent priorities and provide immediate benefits to learners. This will build on the investment we have made into Kōhanga Reo over recent years 9(2)(f)(iv) [Redacted]

[Redacted] It will also support the development of high-end proficiency fund for Māori learners in tertiary education: this is an important outcome in and of itself and will also support the growing need for te reo proficiency across the workforce. 9(2)(f)(iv) [Redacted]

Notwithstanding this, I note that this package has been scaled significantly since December 2021 as part of the overall work to align the education package with the available allocation. This means, inevitably, that we are not able to fund some key components of the overall Māori Medium and Kaupapa Māori work programme. In particular, I am concerned that we have to defer new investment in Māori Medium property and 9(2)(f)(iv) [Redacted]. This will significantly slow the growth pipeline.

9(2)(f)(iv) [Redacted]

[Redacted]. I also note that it will be necessary to support the inaugural celebration of Matariki as a public holiday through internal Ministry baselines.

Pacific education

- Pacific bilingual and immersion education- Growing and retaining workforce - OPEX \$12.952m
- Dawn Raids Apology: Maintain value of Tulī Takes Flight, Pacific Education Foundation and Tagaloa scholarships. - OPEX \$2.048m

We have identified strengthening Pacific Medium education as one of our strategic priorities. We are taking an integrated approach to progressing this priority, including new investment in Budget 2022 to support increased operational grant funding for Pacific Medium schools 9(2)(f)(iv) [Redacted]

[Redacted] This work will align with the Pacific Languages Strategy being developed by the Ministry for Pacific Peoples. In addition, it is important that we expand the Tulī Takes Flight scholarships to continue to honour the spirit of the Dawn Raids apology.

9(2)(f)(iv) [Redacted]

I note that the Ministry of Education has reprioritised funding to support some growth in the provision of Tapasā professional learning and development to support non-Pacific teachers to develop their cultural competency in working with Pacific learners.

Wellbeing investments

- Creating safe, inclusive schools – Targeted and Intensive supports for Māori & Pacific learners at risk of disengaging - OPEX \$7.745m CAPEX \$0.017m
- 9(2)(f)(iv) Alternative Education Provision – Cost Pressure 9(2)(f)(iv) OPEX 9(2)(f)(iv)
- Price increase for Incredible years programmes - OPEX \$7.832m
- Supporting schools to improve attendance and engage chronically absent students - OPEX \$6.000m
- Increased funding for Te Kura’s at-risk students to better align funding rates with alternative education settings - OPEX \$15.541m
- Strengthening New Zealand Sign Language in Education - cost pressure - OPEX \$4.839m CAPEX \$0.017m
- Creating safe, inclusive schools: Strengthening Positive Behaviour for Learning School-Wide (PB4L-SW) - OPEX \$11.203m CAPEX \$0.309m
- Maintaining Community-led Learning Hubs to support ethnic communities’ engagement in education - OPEX \$6.394m CAPEX \$0.016m

This package has prioritised responding to cost pressures in service lines at risk of reduced service or service losses in the learning support and wellbeing sector. Addressing inflationary pressures on Alternative Education, Attendance Service and Te Kura services supporting disengaged and at risk young people will help ensure access to those services is maintained for those that need them. It is also intended that, as part of an integrated approach to implementation of the Government’s Engagement (in Learning) Strategy, this will open up scope for service improvements in the services impacted by contract renewal negotiations this year.

Also contributing to that integrated engagement approach is the targeted expansion of iwi co-designed Te Mana Tikitiki, primarily for ākonga Maori at risk of disengaging from primary school, and Te Hononga targeting disengaged youth in Years 8-11 including Māori and Pacific. Flexible support for local innovation through the regional flexible funding in the aforementioned Tomorrow’s Schools package rounds out the proposed new investment alongside service improvement within baseline to increase support for engaging in learning.

Early intervention is key to addressing barriers to learning. Retention of service providers for the highly acclaimed Incredible Years programmes is provided through this package, as is strengthened support to maintain access to learning for children and ākonga using New Zealand Sign Language (NZSL).

Strengthening the Positive Behaviour for Learning School wide programme will restore staffing ratios to implement high-quality, tailored support for positive school-wide cultures with fidelity. This will support increased engagement in learning, and build social cohesion and resilience against racism and bullying. This package also enables Community Learning Hubs supporting ethnic communities engagement in education to be maintained, which were initiated in response to the Royal Commission of Inquiry into the Muslim Attacks (RCOI).

9(2)(f)(iv)

9(2)(f)(iv)

Risks and missed opportunities in the education package

Maori Education and Pacific Education

The reduced Māori and Pacific education packages have been significantly scaled back from those submitted in December. While other parts of the wider package, will be of benefit to Māori and Pacific learners (for example, in the Tomorrow's Schools, Curriculum, and Wellbeing packages), the scaled back package does result in a smaller direct investment into Māori Medium and Pacific bilingual and immersion education.

9(2)(f)(iv)

Wellbeing

Reducing the package has required substantial cuts to the Wellbeing package that was submitted in December. This scaled-back package will address some of the cost pressures among these services, however it will not progress key reforms that are needed to lift the educational wellbeing of our more vulnerable learners. 9(2)(f)(iv)

Education Infrastructure

The Ministry advises me that the attached package puts the delivery of two of this Government's flagship programmes at risk. This package will slow down the delivery of both the National Education Growth Plan (NEGP) and National School Redevelopment Programme (NSRP). 9(2)(f)(iv)

The Māori Medium Education Property bid has also been unfunded. This will mean we are unable to bring forward and accelerate projects at Māori Medium schools. However, we will continue planning existing projects with the funding received in previous Budgets and will seek additional funding in future Budgets.

Curriculum and Assessment

The reduction in the curriculum and assessment initiatives has been achieved through identifying baseline funding in 2022/23 and 2023/24 to cover the reduced funding available

in the Budget package. 9(2)(f)(iv)

If the Ministry cannot find baseline funding available and there is no additional funding available in future Budgets, this would place at risk the effective deliver of the overall Literacy & Communication and Maths, and Te Reo Matatini and Pāngarau Strategies. It carries the risk that strategies are launched without fit-for-purpose tools, resources and rauemi, as well as facilitating only limited implementation and engagement with the sector. Similarly, without additional future funding through either Ministry baselines or future Budgets reducing the NCEA Change Programme will see significant reductions to the planned co-design approach. Critical complex change elements (e.g. teacher days, specific training in schools) would no longer be affordable. These supports are essential to help the sector effectively understand the revised NCEA and how it impacts them.

Digital

Online and blended learning will continue to play an important role in education delivery and system resilience. This requires students to have digital access at home, as has been borne out throughout the pandemic response and other events that have disrupted learning and caused school closures.

9(2)(f)(iv)

We have a limited investment as a pre-commitment (outside of the core package), which when combined with current baseline funding will allow us to keep the current connectivity until December 2022 at which point families will be disconnected. This will exacerbate already significant digital inequities in the education system, however this had to be balanced against other priorities in the package.

9(2)(f)(iv)

Pressure on Budget 2023

While most of the reductions to the package have tried to avoid using time-limited funding, some initiatives have had to be cut in such a way that will increases the pressure on Budget 2023. 9(2)(f)(iv)

9(2)(f)(iv)

9(2)(f)(iv) [Redacted]

- [Redacted]

[Redacted]

Thank you for the chance to provide an updated education package for Budget 2022. I look forward to discussing this with you further.

Yours sincerely



Hon Chris Hipkins
Minister of Education

Proactively Released

BUDGET AND INDUSTRIAL RELATIONS SENSITIVE

Draft Education Budget 2022 Package following Bilateral			
Cluster	Funding		Includes/proposed focus (OPEX cost)
	December	Post Bilateral	
Pay parity	OPEX 9(2)(f)(iv)	OPEX 9(2)(f)(iv)	- Continuing to move towards pay parity for education and care teachers
	CAPEX 9(2)(f)(iv)	CAPEX 9(2)(f)(iv)	
Equity	OPEX 9(2)(f)(iv)	OPEX 9(2)(f)(iv)	- Equity Index – Implementation in schools and kura, and system infrastructure costs for early learning services
	CAPEX 9(2)(f)(iv)	CAPEX 9(2)(f)(iv)	
Tomorrow's Schools	OPEX 9(2)(f)(iv)	OPEX 9(2)(f)(iv)	- Continuing the Reform of the Tomorrow's Schools System
	CAPEX 9(2)(f)(iv)	CAPEX \$0.425m	
Cost adjustments	OPEX 9(2)(f)(iv)	OPEX 9(2)(f)(iv)	- 2.9% Cost Adjustment for Schools' Operational Grant 9(2)(f)(iv) - 2.9% Cost adjustment for early learning services 9(2)(f)(iv) - 2.9% Cost Adjustment to Tertiary Tuition and Training Subsidies 9(2)(f)(iv)
	CAPEX \$0.000m	CAPEX \$0.000m	
Unavoidable cost pressures	OPEX 9(2)(f)(iv)	OPEX 9(2)(f)(iv)	- Resolving the funding shortfall in Kāhui Ako (Communities of Learning) 9(2)(f)(iv) - Funding higher demand for tertiary education and training 9(2)(f)(iv) - EPL Fees Review (\$10.000m) - Managing Export Education Levy Revenue Pressure (\$0.723m) - Replacement of an Unsupported Payroll/HRIS system (NZQA) (\$3.500m)
	CAPEX \$0.000m	CAPEX \$0.000m	
Curriculum and Assessment	OPEX 9(2)(f)(iv)	OPEX \$135.000m	- Teaching, Learning and Assessment for Progress in Literacy and Maths 9(2)(f)(iv) - Developing Te Reo Matatini, Pāngarau and Aromatawai Research, Tools, Resources and Supports for Workforce and Ākonga (\$30.150m) - NCEA Change Programme (\$73.134m)
	CAPEX \$3.534m	CAPEX \$3.534m	
Digital	OPEX 9(2)(f)(iv)	OPEX \$27.400m	- Cybersecurity & Managed Digital Services for Schools
	CAPEX 9(2)(f)(iv)	CAPEX \$2.200m	
Education Infrastructure	OPEX 9(2)(f)(iv)	OPEX 9(2)(f)(iv)	- School Transport – baseline and ICT transformation 9(2)(f)(iv) - Land purchases for new schools identified in the NEGP (\$14.875m) - National Education Growth Plan (NEGP) (\$29.790m) - PPP School Expansion (\$6.515m) - Christchurch Schools Rebuild (\$30.395m) - Furniture and Equipment Grant for School Property (CAPEX only) - Te Pūkenga – New Zealand Institute of Skills and Technology Capital Investment Fund (CAPEX only)
	CAPEX 9(2)(f)(iv)	CAPEX 9(2)(f)(iv)	
Māori Education	OPEX 9(2)(f)(iv)	OPEX \$79.650m	- New Funding to grow Māori Language Education Provision Across the System (\$74.650m) - Iwi / Māori Workforce Support Package (\$5.000m)
	CAPEX \$0.017m	CAPEX \$0.017m	
Pacific Education	OPEX 9(2)(f)(iv)	OPEX \$15.000m	- Pacific bilingual and immersion education- Growing and retaining workforce (\$12.952m) - Dawn Raids Apology: Maintain value of Tūlī Takes Flight, Pacific Education Foundation and Tagaloa scholarships (\$2.048m)
	CAPEX 9(2)(f)(iv)	CAPEX \$0.000m	
Wellbeing	OPEX 9(2)(f)(iv)	OPEX 9(2)(f)(iv)	- Creating safe, inclusive schools – Targeted and Intensive supports for Māori & Pacific learners at risk of disengaging (\$7.745m) - 9(2)(f)(iv) Alternative Education Provision – Cost Pressure 9(2)(f)(iv) - Price increase for Incredible years programmes (\$7.832m) - Supporting schools to improve student attendance, engagement and participation (\$6.000m) - Increased funding for Te Kura's at-risk students to better align funding rates with alternative education settings (\$15.541m) - Strengthening New Zealand Sign Language in Education - cost pressure (\$4.839m) - Creating safe, inclusive schools: Strengthening Positive Behaviour for Learning School-Wide (PB4L-SW) (\$11.203m) - Community Learning Hubs - Maintaining and expanding support for ethnic communities' engagement in education (\$6.394m)
	CAPEX 9(2)(f)(iv)	CAPEX \$0.360m	
Education Package	OPEX 9(2)(f)(iv)	OPEX 9(2)(f)(iv)	Note this excludes precommitments
	CAPEX 9(2)(f)(iv)	CAPEX 9(2)(f)(iv)	

BUDGET AND INDUSTRIAL RELATIONS SENSITIVE

Initiatives currently proposed to be funded outside of Budget 2022			
Cluster	Funding		Initiative name
	December	Post Bilateral	
Curriculum	The Curriculum cluster, including the NCEA change programme, has been reduced to \$135 million. We will seek to meet this shortfall through a mix of reprioritisation across Te Tāhuhu and making further choices about how to manage the reduced spend across the four initiatives in the cluster. We will report back to you on how much reprioritisation is possible, and the impact this will have on the outputs of these four initiatives.		
Cost Pressures	OPEX 9(2)(f)(iv)	OPEX 9(2)(f)(iv)	- School Payroll Programme Business Case
	CAPEX 9(2)(f)(iv)	CAPEX 9(2)(f)(iv)	
Digital	OPEX 9(2)(f)(iv)	OPEX 9(2)(f)(iv)	- Continued internet connectivity to support equitable digital access
	CAPEX 9(2)(f)(iv)	CAPEX 9(2)(f)(iv)	
Pacific Education	OPEX 9(2)(f)(iv)	OPEX 9(2)(f)(iv)	- Further delivery of sustained Professional Learning and Development to embed Tapasā
	CAPEX 9(2)(f)(iv)	CAPEX 9(2)(f)(iv)	
Wellbeing	OPEX 9(2)(f)(iv)	OPEX 9(2)(f)(iv)	- Strengthening New Zealand Sign Language in Education - cost pressure (\$6.460m) - Physical Restraint Rules and Guidelines – supporting schools to meet their statutory obligations (\$6.194m)
Initiatives currently proposed to be removed			
Cluster	Funding		Initiative name
	December	Post Bilateral	
Cost Pressures	OPEX 9(2)(f)(iv)	OPEX 9(2)(f)(iv)	- 9(2)(f)(iv)
	CAPEX 9(2)(f)(iv)	CAPEX 9(2)(f)(iv)	
Digital	OPEX 9(2)(f)(iv)	OPEX 9(2)(f)(iv)	- 9(2)(f)(iv)
	CAPEX 9(2)(f)(iv)	CAPEX 9(2)(f)(iv)	
Education Infrastructure	OPEX 9(2)(f)(iv)	OPEX 9(2)(f)(iv)	- 9(2)(f)(iv)
	CAPEX 9(2)(f)(iv)	CAPEX 9(2)(f)(iv)	
Māori Education	OPEX 9(2)(f)(iv)	OPEX 9(2)(f)(iv)	- 9(2)(f)(iv)
	CAPEX 9(2)(f)(iv)	CAPEX 9(2)(f)(iv)	
Pacific Education	OPEX 9(2)(f)(iv)	OPEX 9(2)(f)(iv)	- 9(2)(f)(iv)
	CAPEX 9(2)(f)(iv)	CAPEX 9(2)(f)(iv)	
Wellbeing	OPEX 9(2)(f)(iv)	OPEX 9(2)(f)(iv)	- 9(2)(f)(iv)
	CAPEX 9(2)(f)(iv)	CAPEX 9(2)(f)(iv)	

Additional items outside of the Education Package:

9(2)(f)(iv)

Precommitments

The Education Budget Package submitted in December included three pre-commitments, totalling 9(2)(f)(iv) operating funding over four years (the ABI (\$127m), Internet Connectivity (\$20m) and COVID response (\$10m). Since submitting the package in December, Apprentice Boost Initiative has reduced to 9(2)(f)(iv). This reduces the total pre-commitments down to 9(2)(f)(iv).