

Briefing Note: Approval to lodge Cabinet paper: *Implementing a free and healthy school lunch prototype for Year 1–8 students*

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| To: | Rt Hon Jacinda Ardern, Prime Minister and Minister for Child Poverty Reduction Hon Chris Hipkins, Minister of Education Hon Tracey Martin, Minister for Children | | |
| Date: | 19 June 2019 | Priority: | High |
| Security Level: | Sensitive | Briefing Reference: | Education: METIS- 1195586 DPMC: DPMC-2018/19-1354 |
| Key contacts: | Kristie Carter, Director, Child Poverty Unit, Department of Prime Minister and Cabinet Damian Edwards, Associate Deputy Secretary Education System Policy, Ministry of Education | | |
| Messaging seen by Communications: | N/A | Round robin: | No |

Purpose of Report

This paper advises you of changes made to the draft Cabinet paper titled, "Implementing a free and healthy school lunch prototype for Year 1–8 students", following Ministerial and cross-party consultation.

If you are satisfied with the paper, we recommend the Prime Minister's Office lodge it with the Cabinet Office by 10:00 AM on 20 June, to enable its inclusion on the agenda for the 26 June Cabinet Social Wellbeing Committee (SWC) meeting.

Summary

1. You have agreed to the key parameters and approach to implementing a phased school lunch prototype for students in selected schools, and to seek Cabinet agreement to your plan and a first drawdown of funding to enable its implementation.
2. Last week, the Prime Minister's Office co-ordinated Ministerial and cross-party consultation on the draft Cabinet paper. This briefing note identifies the feedback received thus far, and changes made to the Cabinet paper in response.
3. Officials seek your agreement to lodge the paper with the Cabinet Office by 10:00 AM on Thursday 20 June, to enable its inclusion on the agenda for the 26 June SWC meeting. Meeting this deadline is necessary to seek Cabinet agreement in early July so that initial implementation can begin in Term 4, 2019.

Recommendations

The Ministry of Education and Department of Prime Minister and Cabinet recommend you:

- a. **agree** that the attached Cabinet paper be lodged with the Cabinet Office

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|-----------------------|-------------------------|------------------|-------------------------|
| Prime Minister Ardern | Agree / Disagree | Minister Hipkins | Agree / Disagree |
| Minister Martin | Agree / Disagree | | |

- b. **agree** that this briefing is not proactively released, in order to maintain the constitutional conventions which protect collective and individual ministerial responsibility

Prime Minister Ardern **Agree / Disagree** Minister Hipkins **Agree / Disagree**

Minister Martin **Agree / Disagree**

- c. **note** that the attached draft Cabinet paper, and any associated Cabinet minutes, will be proactively released through publicity connected to the announcement of the prototype

Noted

- d. **note** that officials will not release previous Ministerial briefings relating to the prototype, but will consider doing so if requested under the Official Information Act 1982

Noted

- e. **note** that officials will provide joint Ministers with speaking points by Monday 24 June, to support the introduction and discussion of this paper at SWC on 26 June.

Noted



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19/6/19

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Hon Tracey Martin
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Background

4. On 15 April 2019, Cabinet agreed to establish tagged operating and capital contingencies in Vote Education, together totalling up to \$44.483m, to support a phased free school lunch prototype for students in selected schools [CAB-19-MIN-0174.13 refers]. Draw-downs from these contingencies are subject to Cabinet approval.
5. Following joint Ministers' agreement to the key parameters for the prototype and approach to implementation, officials drafted a Cabinet paper seeking agreement to the prototype and the drawdown of funding to enable implementation [DPMC 2018/19-1230/METIS-1191068 and DPMC-2018/19-1314/METIS-1193455 refer].
6. The Cabinet paper has now been finalised following feedback from the Minister for Child Poverty Reduction, and Ministerial and party consultation, and is attached for lodging with Cabinet Office.

Contents of the final Cabinet paper

7. The paper reflects the key objectives, policy parameters and implementation approach agreed to by joint Ministers in May 2019.
8. A number of minor changes have been made to the version you received on 4 June. This follows Ministerial and party consultation, feedback provided by the Minister for Child Poverty Reduction on the draft Cabinet paper, and further advice from Treasury on the financial implications and recommendations.

Summary of drafting changes


9. In response to feedback from the Minister for Child Poverty Reduction, we have added a paragraph noting the other actions the Government is taking to lift the incomes of families in poverty, and to clarify how the prototype will operate in Year 1–13 schools.
10. Treasury requested that the paper include a further breakdown of the Departmental and non-Departmental split in the operating funding, and some minor changes to clarify the financial recommendations. Accordingly, the following table ("Table B") is now included in paragraph 56 of the Cabinet paper:

"Table B: Funding sought from contingency in 2019/20–2020/21"

| Funding sought from contingencies to support school lunch prototype (\$m) | 2019/20 | 2020/21 | 2021/22 | 2022/23 & out years |
|---|-------------|---------|---------|---------------------|
| Total Operating Contingency | 9.281 | 6.618 | - | - |
| Unit price of free and healthy school lunches | 9(2)(f)(iv) | | - | - |
| Departmental staff | | | - | - |
| Monitoring and evaluation | | | - | - |
| Initial Implementation | | | - | - |
| Total Capital Contingency | 0.360 | - | - | - |
| Minor capital items | 0.360 | - | - | - |

11. The paper also includes the following information about the line items in Table B:
 - a. Unit price of free and healthy school lunches – includes the cost of food and operations for schools
 - b. Departmental staff – includes the wages and overheads to support a core project team and implementation support staff
 - c. Monitoring and evaluation – includes the cost of carrying out real-time and comprehensive monitoring and evaluation of the prototype

- d. Initial implementation – includes various costs associated with initial roll-out of the prototype, for example consultation with industry, technical design costs, and additional school support costs
 - e. Minor capital items – comprises a small per-school allocation to support participating schools and kura, for example to purchase cold storage facilities.
12. We note the innovative and complex nature of this prototype means it is not possible to know all of the costs in advance. We will be monitoring the usage of funding drawn down from contingency for adequacy. If not all of the funding is required to support the purposes originally identified, it may be re-allocated to better support implementation of the prototype (for example, to increase the number of students covered or to meet unforeseen expenses), or returned to the centre at the end of the prototype.
 13. The below table outlines feedback received through Ministerial and party consultation:

| From | Comment | Response |
|------------|---|----------|
| 9(2)(g)(i) |  | |
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Next steps, including proactive release

14. If you are satisfied with the draft paper, we recommend the Prime Minister's Office lodge the Cabinet paper with the Cabinet Office by 10:00 AM on Thursday 20 June, to enable its inclusion on the agenda for the 26 June SWC meeting.
15. Officials will provide you with speaking notes on Monday 24 June, to support your introduction and discussion of this paper at SWC on 26 June.
16. The attached draft Cabinet paper, and any associated Cabinet minutes, will be proactively released through publicity connected to announcement of the prototype.
17. Because this document records the results of Ministerial consultation, officials recommend you agree that this briefing is not proactively released, to maintain the constitutional conventions protecting collective and individual ministerial responsibility.
18. Officials will not release previous Ministerial briefings relating to the prototype at this time, but will consider doing so if requested under the Official Information Act 1982.

Attachment

Attachment: Cabinet paper: *Implementing a free and healthy school lunch prototype for Year 1–8 students*