



Education Report: Budget 2020: Submission of Education Initiatives Titles and Descriptions

To:	Hon Chris Hipkins, Minister of Education		
Cc:	Hon Kelvin Davis, Associate Minister of Education		
	Hon Tracey Martin, Associate Minister of Education		
	Hon Jenny Salesa, Associate Minister of Education		
Date:	16 March 2020	Priority:	High
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Key Contact:	Wayne Murphy	DDI:	
Messaging seen by Communications team:	No	Round Robin:	No

Purpose of Report

We seek your approval to submit titles and descriptions for your proposed Budget 2020 Education initiatives to the Treasury by 17 March 2020.

Summary

The Budget 2020 process requires that titles and descriptions for all active Budget initiatives are entered into the Treasury's system by 17 March 2020.

Annex One sets out proposed titles and descriptions for the education initiatives that you are currently considering. We seek your approval to submit these to the Treasury.

These titles and descriptions may require further change to reflect final Cabinet decisions on the 2020 Budget package that are expected to be made on 30 March 2020.

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 17 March 2020
- b. **approve** submission of the 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 final Budget 2020 decisions made by you and by Cabinet

Authorised / Not Authorised

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

Agree / Disagree



Damian Edwards
Associate Deputy Secretary
Education System Policy



Andy Jackson
Deputy Secretary
Graduate Achievement,
Vocations and Careers

Hon Chris Hipkins
Minister of Education

16/3/20.

16/3/20

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Background

- 1 The 2020 Budget process requires that the titles and descriptions for all Budget initiatives be updated in the Treasury's CFISnet system by 17 March 2020. 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 in Budget 2020* 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 final Cabinet decisions on the 2020 Budget package that are expected to be made on 30 March 2020.

Revised Titles and Descriptions

- 3 As the Budget process has progressed the further development of initiatives, as well as decisions to scale them or change their components, the nature of some initiatives has changed. In some cases, this needs to be reflected in their title and description. Moreover, several initiatives have been added to the package which require titles and descriptions to be approved.
- 4 Annex One lists (in alphabetical order) the proposed final titles and descriptions for Vote Education and Vote Tertiary Education initiatives. 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 of the revised titles and descriptions listed in Annex One, we will provide 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 Cabinet's final decisions on the 2020 Budget package, and
 - address any issues of drafting style and consistency that arise.

Next Steps

- 7 Subject to your agreement, we will provide the updated titles and descriptions to the Treasury by 17 March 2020.
- 8 Cabinet is currently expected to make final decisions on the Government's 2020 Budget package on 30 March 2020.

Proactive Release

- 9 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 of Budget 2020 Spending Initiatives

Annex One: Proposed Titles and Descriptions for Budget 2020 New Spending Initiatives:

Vote Education

Initiative title	100% Qualified and Certificated Teachers
Initiative description	This initiative will provide funding to reinstate a higher funding band for teacher-led, centre-based services (i.e. kindergartens and education and care centres) that employ a 100% qualified and certificated teaching workforce. This creates a distinct price differential between services employing a fully qualified and certificated workforce and those employing 80-99% qualified and certificated staff. This is expected to improve the quality and frequency of teacher-child interactions, and lead to better learning and developmental outcomes for children in services employing a 100% certificated workforce. Led by the Minister of Education.
Initiative title	Adjusting Learning Support Funding for Population Growth
Initiative description	This initiative will provide funding to maintain support to the 20-25% of children who require additional support to fulfil their learning potential. Currently, no intensive and only some targeted learning supports are adjusted for population growth. As student numbers grow and their needs change, this means that the real value of funding decreases. This initiative maintains the value of learning support funding by adjusting it for changes in total student numbers. Led by the Associate Minister of Education, Hon Tracey Martin.
Initiative title	s 9(2)(f)(iv)
Initiative description	
Initiative title	Changes in Demand
Initiative description	This initiative will provide funding for the impact of Forecast Changes in the 2019 March Baseline Update and October Baseline Update processes. This covers projected changes in expenditure on teacher salaries, schools' operational funding, Early Childhood Education subsidies, Integrated Schools property, and school transport in response to increased changes in demand. Led by the Minister of Education.
Initiative title	Christchurch Schools' Rebuild (CSR) Programme
Initiative description	This initiative will provide one year's funding for the Christchurch Schools' Rebuild (CSR) Programme. In 2013 Cabinet approved \$1.137b to rebuild the network of Christchurch Schools following the 2011 and 2012 earthquakes, funded from a mix of Ministry baselines and capital injection funding. In 2018, a mid-point review identified that additional funding would be required above the \$1.137b to complete the programme. Funding to complete the CSR programme will be sought through future budgets. Led by the Minister of Education.
Initiative title	Contingency: Schools Payroll - Additional Education Payroll Limited (EPL) Core Services Funding
Initiative description	This initiative will provide funding for an increase in Education Payroll Limited's (EPL) fee for the delivery of core payroll services. This includes transaction volume increases over the initial three-year term of the contract and transition to a new operating model. Led by the Minister of Education.

Initiative title	Continuing the Early Childhood Education (ECE) Provider Assessment Group (PAG)
Initiative description	This initiative will provide funding to continue the Early Childhood Education (ECE) Provider Assessment Group (PAG). PAG provides stewardship of the ECE sector and ensures that public funds are used appropriately. PAG uses data and evidence to identify ECE services at risk of providing poor outcomes, and proactively investigates ECE providers with indicators of financial difficulty or mismanagement, including detecting and addressing fraud. Led by the Minister of Education.
Initiative title	Cost Adjustment for Early Childhood Education (ECE) Subsidies
Initiative description	This initiative will provide funding for a cost adjustment of 1.6% for the Early Childhood Education (ECE) Subsidy for under 2s, ECE Subsidy for 2s and overs, 20 Hours ECE, Equity Funding (all components), and Targeted Funding for Disadvantage, with effect from 1 January 2021. These subsidies enable early learning service providers to deliver quality early childhood education (ECE) for the children in their care. The cost adjustment would enable providers to maintain existing levels of quality ECE in the face of rising costs. Led by the Minister of Education.
Initiative title	Cost Adjustment for Schools' Operational Grant
Initiative description	This initiative will provide funding for a cost adjustment of 1.6% for schools' operational grant funding, including base funding for Te Aho o Te Kura Pounamu (Te Kura), with effect from 1 January 2021. This is core resourcing to support teaching and learning, and the maintenance of the Crown's investment in school property. This initiative seeks to ensure schools can maintain current service levels in the face of rising cost pressures. It also includes some additional resourcing for Heat, Light and Water on top of the 1.6% increase. All students at all state and state-integrated schools will benefit from this increase. Led by the Minister of Education.
Initiative title	Cost Adjustment for Secondary-Tertiary Programmes (Trades Academies)
Initiative description	This initiative will provide funding for a cost adjustment of 1.6% to baseline funding for secondary-tertiary programmes (Trades Academy) funding. A cost adjustment will help schools and tertiary education organisations (TEOs) maintain the quality of tuition and training, as well as meet other core costs associated with running programmes. This will be done by increasing the General Teaching and Learning and the Trade Top-up components of the Trades Academy funding model, and will also be used to meet transport costs. Led by the Minister of Education.
Initiative title	s 9(2)(f)(iv)
Initiative description	
Initiative title	Early Intervention: Te Kōhanga Reo – Learning Support Initiative
Initiative description	This initiative will provide funding for targeted professional development to support kōhanga whānau (parents, extended family, kaiako and other kōhanga staff) to identify, assess and manage the learning support needs of tamariki. Working with Te Kōhanga Reo National Trust, this aims to empower kōhanga whānau to have agency and own the learning support approach they know will support their tamariki to achieve their best. The early learning years are crucial, and whānau should feel supported to access the Ministry's early intervention services to meet the needs of their tamariki. Led by the Associate Minister of Education, Hon Kelvin Davis.
Initiative title	s 9(2)(f)(iv)
Initiative description	

Initiative title	English for Speakers of Other Languages (ESOL)
Initiative description	This initiative will provide an increased amount of funding for each English for Speakers of Other Languages (ESOL) student and address the cost pressures that schools are encountering. Over the last six years, additional funding for ESOL has addressed volume increases, not cost pressure increases, with no rate increases since 2010. With increases in salaries and rates in the past five years, ESOL funding is not meeting schools' rising costs for quality provision. Led by the Associate Minister of Education, Hon Jenny Salesa.

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

Initiative title	Home-based Early Childhood Education (ECE): Support for Educators to Become Qualified
Initiative description	This initiative will provide funding to enable the existing educator workforce to transition to a minimum Level 4 Early Childhood Education (ECE) qualification. This includes funding for visiting teachers to support the educator workforce as they complete the Level 4 ECE qualification. Home-based ECE services on the quality funding rate will receive a 3.8% rate increase. Funding will also enable changes to Ministry of Education IT systems so that the Ministry can collect information on visiting teachers, educators and homes. Led by the Minister of Education.

Initiative title	s 9(2)(f)(iv)
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Initiative title	Managing Growth at Public Private Partnership (PPP) Schools
Initiative description	This initiative will provide funding for growth at four Public Private Partnership Schools, as forecast in the National Education Growth Plan. The schools are Wakatipu High School, Rolleston College, Hobsonville Point Primary and Te Ao Mārama. This funding will expand the schools' capacity by a total of 1,810 student spaces. This initiative will provide 10 years capital and ongoing operating funding to support these expansions. Funding covers the cost of designing, building, financing and maintaining the expansions. Due to the on-going nature of PPPs, a paper covering the expansions will be provided to Cabinet prior to formalising the contracts with the respective consortia, to ensure the capital funding beyond 10 years is approved. Led by the Minister of Education.

Initiative title	s 9(2)(f)(iv)
Initiative description	
Initiative title	
Initiative description	
Initiative title	NCEA Online: Transforming Assessment for Learners
Initiative description	This initiative will provide funding to continue to implement digital NCEA examinations that reflect today's expectations for digitally supported teaching and learning. In 2019, approximately 20,000 students from 200 schools undertook over 50,000 digital external NCEA examinations. Building on significant investments already made and progress so far, a flexible sector technology asset will enable digital assessment across all appropriate NCEA subjects and levels. It will support the further development of operating models for assessment undertaken by NZQA, including supporting the implementation of the proposed NCEA changes. Led by the Minister of Education.
Initiative title	s 9(2)(f)(iv)
Initiative description	
Initiative title	Ongoing Resourcing Scheme (ORS) Teacher Aides: Increasing Hours
Initiative description	This initiative will provide funding for an increase in teacher aide hours for over 10,000 students in the Ongoing Resourcing Scheme (ORS). The Ministry has allocated more teacher aide hours than it is funded for to support ORS high and very high needs learners to fully engage and achieve at school. Increasing funding allows schools with ORS students to employ teacher aides for more hours, and reduces difficulties supporting students with complex needs within current allocated hours. Children will receive the support they need to succeed, improving wellbeing for ākonga and their whānau. Led by the Associate Education Minister, Hon Tracey Martin.
Initiative title	s 9(2)(f)(iv)
Initiative description	

Initiative title	s 9(2)(f)(iv)
Initiative description	
Initiative title	Right-Sizing School Property
Initiative description	<p>This initiative will provide one year's funding to cover the gap in Education Infrastructure Service (EIS) departmental operating budget (excluding capital charge, depreciation and Public Private Partnership schools). This is due to the increased cost of doing business in a growing portfolio and the reduction of available revenue.</p> <p>This bid will ensure that School Property can be managed efficiently without compromising crucial services. Funding will enable EIS to maintain progress for its various work programmes, in addition to accelerating the Ministry's pipeline of capital spend and service delivery to schools.</p> <p>As this bid covers one year of funding, EIS will address its operating shortfall for 2020/21 only. Led by the Minister of Education.</p>
Initiative title	School High Health Needs Fund (SHHNF)
Initiative description	<p>This initiative will provide additional funding for the School High Health Needs Fund (SHHNF). SHHNF provides teacher aide support for students with high health needs who need care and supervision for more than six weeks so they can attend school safely.</p> <p>Since 2014 the number of students supported through the SHHNF has grown by an average of 16.3% each year. This initiative ensures that funding will be sufficient to meet demand. Led by the Associate Minister of Education, Hon Tracey Martin.</p>
Initiative title	School Investment Package (SIP)
Initiative description	<p>This initiative will provide funding to cover the capital charge and depreciation costs required to implement the School Investment Package (SIP). The SIP was announced by Government on 1 December 2019 and allocated approximately \$400m capital funding to improve the condition of school property for around 2,050 schools across New Zealand. Led the by Minister of Education.</p>
Initiative title	s 9(2)(f)(iv)
Initiative description	
Initiative title	
Initiative description	
Initiative title	Schools Payroll Strategy and Compliance
Initiative description	<p>This initiative will provide funding to ensure that the schools payroll service continues to be compliant with legislation and employment agreements. It also covers the next phase of school payroll strategy development, including developing and assessing potential future options for school payroll delivery. Led by the Minister of Education.</p>

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

Initiative title	Supporting Kōhanga Reo Cost Pressures
Initiative description	This initiative will provide funding for staffing cost pressures for kōhanga reo, in the context of helping to respond and resolve the Wai 2336 kōhanga reo claim findings. In 2019/20 only one year of additional funding (\$21.5 million) was provided. The additional funding is now disbursed to kōhanga reo via increased funded child hour (FCH) rates for the Early Childhood Education (ECE) subsidy and 20 Hours subsidy. Led by the Associate Minister of Education, Hon Kelvin Davis.

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

Initiative title	
Initiative description	

Initiative title	Supporting Playcentre Sustainability
Initiative description	This initiative will provide funding for playcentres to help support financial sustainability of this service type. Led by the Minister of Education.

Initiative title	Supporting the Teaching Council to Transition to an Annual Practising Certificate Fee
Initiative description	This initiative will provide funding to make up the difference in the Council's income over two years, to enable it to transition to an annual practising certificate fee. This will reduce the financial impact on teachers. Led by the Minister of Education.

Initiative title	Sustaining Kōhanga Reo and Revitalising te Reo Māori
Initiative description	The initiative will provide funding to increase the funding rates for each kōhanga reo, and the annual funding provided to the Te Kōhanga Reo National Trust to support the kōhanga reo network. This includes specific funding to assist with assessment of Kōhanga Reo properties, and any resulting remedial and rehabilitation work. This initiative will improve the sustainability, capacity and capability of Kōhanga Reo, and will assist the revitalisation of te reo Māori, helping to integrate te reo Māori into the daily learning of every child and young person across early childhood, primary and intermediate levels by 2025. Led by the Associate Minister of Education, Hon Kelvin Davis.

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

Vote Tertiary Education

Initiative title	Contingency: Administration of Code of Practice for Pastoral Care of Domestic Tertiary Students
Initiative description	This initiative will provide funding to administer a domestic code of pastoral care for domestic tertiary students, and an associated disputes resolution scheme, with effect from 2021. Led by the Minister of Education.

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

Initiative title	Cost Adjustment for Tuition Subsidies
Initiative description	This initiative will provide funding to increase tertiary education tuition and training subsidies to maintain the quality of tuition and training as costs in the tertiary education system (particularly labour costs) increase over time. The increase in per-student subsidies will help ensure delivery by providers remains relevant and responds to students' and employers' needs. The increase strikes a balance between helping providers manage increases in delivery costs, but with an expectation that they make effective and efficient investments to maintain quality and sustainability. Led by the Minister of Education.

Initiative title	Expanding Adult and Community Education (ACE)
Initiative description	This initiative will provide funding to expand the provision of Government-funded Adult and Community Education (ACE) to reach a broader set of priorities consistent with the Government's education, economic and wellbeing objectives, and enable more New Zealanders to access ACE. ACE has an important role to play in our education system: expanding ACE will have a range of benefits including providing more opportunities for adults to re-engage in education, and more opportunities for individuals to upskill and improve their employability. This will also promote social inclusiveness and creating better connected communities. Led by the Minister of Education.

Initiative title	Modernising Careers Advice: Careers System Online
Initiative description	<p>This initiative will provide funding for Tiro Whetū, Stargazer. This tool supports every New Zealander to easily understand and navigate career options and lifelong learning pathways, and develop a personalised lifelong career plan to enhance employment outcomes. It integrates multiple applications and data sources, and presents them intuitively to users according to their life-cycle or circumstance. Effective use helps match skills to demand, lift productivity, and enables workers to prosper from technological and workplace change. It can be used in schools, by those in and out of work, and across government agencies.</p> <p>Led by the Minister of Education.</p>