



## Education Report: Budget 2020, Approach and Process for COVID-19 Initiatives

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|---|--|---------------------|-----------|
| <b>To:</b>                                    | Hon Chris Hipkins, Minister of Education |                     |           |
| <b>Date:</b>                                  | 3 April 2020                             | <b>Priority:</b>    | High      |
| <b>Security Level:</b>                        | In Confidence                            | <b>METIS No:</b>    | 225062    |
| <b>Drafter:</b>                               | John Wardrop                             | <b>DDI:</b>         | § 9(2)(a) |
| <b>Key Contact:</b>                           | Damian Edwards                           | <b>DD :</b>         | § 9(2)(a) |
| <b>Messaging seen by Communications team:</b> | No                                       | <b>Round Robin:</b> | No        |

### Purpose of Report

This report seeks your agreement to our proposed approach for submission of Budget 2020 education initiatives for Corona Virus Disease 2019 (COVID-19) response and recovery, which will be considered by Cabinet on 11 May 2020.

### Summary

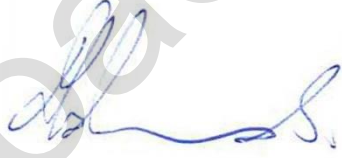
- Cabinet will consider a package of Budget initiatives to respond to COVID-19 on 11 May 2020, and these initiatives must be submitted by 24 April.
- The funding sought to support the COVID-19 response and/or recovery on 11 May must be needed as a direct consequence of COVID-19, be required outside of the normal budget cycle, and must be unable to be met from existing baselines.
- We understand that there will be an opportunity for initiatives that do not meet the criteria for consideration on 11 May to be considered at a later date.
- We have been working with your office to develop initiatives that could be potentially considered on 11 May. These fall into four categories: wellbeing, digital, early learning, and tertiary.
- We will continue to work with your office to develop this package, and will provide you with a reports on the initiatives that have been developed in two tranches, on 9 April and 21 April, seeking your decisions on which initiatives will be submitted for Cabinet consideration on 11 May.

## Recommendations

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We recommend that you:

- a. **note** that COVID-19 initiatives must be submitted by 24 April for Cabinet's consideration on 11 May  
**Noted**
- b. **note** that the qualifying criteria for COVID-19 initiatives to be considered on 11 May are:
- the funding sought must be needed as a direct consequence of COVID-19
  - the funding must be needed outside of the normal budget cycle to support the response and/or recovery from COVID-19, and
  - the cost cannot be met from within existing baselines
- No ed**
- c. **note** that we understand that where initiatives are developed that do not satisfy these narrow criteria, there will be an opportunity for them to be considered for funding at a later date  
**Noted**
- d. **note** that, in conjunction with your office, we started developing a package of potential COVID-19 initiatives, focussed on the following areas: wellbeing, digital, early learning and tertiary  
**Noted**
- e. **agree** that we continue to work with your office to develop a package of potential initiatives for your consideration, which could either be considered by Cabinet on 11 May or submitted at a later date  
**Agree/disagree**
- f. **note** that we will provide you with education reports on 9 April and 21 April, providing advice on the initiatives that have been developed in two tranches, and seeking your decisions on which of these will be submitted for consideration on Cabinet 11 May  
**Noted**
- g. **agree** that this Education Report not be proactively released at this time, because the information contained within it is Budget sensitive.  
**Release/Not release**



Damian Edwards  
Associate Deputy Secretary  
**Education System Policy**

Hon Chris Hipkins  
**Minister of Education**

03/04/2020

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## Background

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1. As a consequence of measures taken to control the spread of the Corona Virus Disease 2019 (COVID-19), changes have been made to the 2020 Budget process:
  - Cabinet consideration of the Government's 2020 Budget Package has been rescheduled from 30 March to 6 April, with the package to be considered on this date being largely confined to cost pressure initiatives
  - A third Imprest Supply Act has been passed to enable the Government to meet costs associated with COVID-19
  - Section 25 of the Public Finance Act 1989 (the PFA) has been invoked, enabling departmental chief executives to incur emergency expenditure needed to deal with the COVID-19 epidemic without appropriation, for four weeks from 27 March
  - COVID-19-related Budget initiatives need to be submitted by 24 April in order to be considered by Cabinet on 11 May, and
  - an additional Supplementary Estimates Bill is planned, to enable any decisions taken after the start of the Budget moratorium up to 11 May 2020 (including those made using Imprest Supply or s25 of the PFA) to be appropriated.
2. The Treasury has set out the criteria that will be applied to COVID-19-related initiatives, and has also provided a template that must be used to submit these. In summary, the criteria are:
  - the funding sought must be needed as a direct consequence of COVID-19,
  - the funding must be needed outside of the normal budget cycle to support the response and/or recovery from COVID 19, and
  - the cost cannot be met from within existing baselines.
3. Submitted initiative templates must set out, among other things:
  - what the initiative will do
  - how the initiative relates to the COVID-19 Pandemic response and recovery
  - why funding is urgently required for the initiative
  - the consequences of not funding the initiative, and
  - whether there are any other options to fund the initiative.
4. The process for the remaining initiatives that were developed for Budget 20 (i.e. priority-aligning initiatives that are not considered on 6 April or 11 May) has not been announced. However, we understand that there is likely to be a process for these to be considered later in the year.

## Potential COVID-19 Education Initiatives

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5. Based on recent discussions with you and your office, we are developing initiatives in four broad categories:
  - **A Wellbeing Package.** This will focus on general wellbeing, mental health support, our role in family violence responses, and continuing work on reducing racism and discrimination.

- [REDACTED]
  - § 9(2)(f)(iv) [REDACTED]
  - full implementation of NCEA online,
  - § 9(2)(f)(iv) [REDACTED]
  - [REDACTED]
  - fixing student management systems,
  - creating learning platforms, tools and learning objects for schools,
  - § 9(2)(f)(iv) [REDACTED]
  - an online careers system.
- **An Early Learning Package.** This will be aimed at ensuring the continuity, viability and quality of early learning provision. It will incorporate a number of the previous Budget 20 initiatives, including: a new funding band for 100% qualified teachers, pay equity initiatives, and a new education and care quality funding rate.
- **A Tertiary Package.** This will include support for students with disrupted study/student support issues § 9(2)(f)(iv) [REDACTED] a boost for apprenticeships, § 9(2)(f)(iv) [REDACTED]

6. Largely because of prior work, some initiatives are more developed than others. Reflecting this we will provide you with advice on potential initiatives in two tranches, seeking your decisions on which of them will be submitted for Cabinet consideration on 11 May.

- **Tranche One.** This tranche will contain those initiatives that are that are already well developed, because substantial work had been done on them as part of the earlier Budget process. It will largely contain initiatives from the Digital Package and the Early Learning Package, and will be provided to you on 9 April.
- **Tranche Two.** This tranche will contain those initiatives that were not included in Tranche One, because of the additional work required to develop them. It will largely contain initiatives in the Wellbeing Package and the Tertiary Package, but will also include any outstanding digital and early learning initiatives not able to be included in Tranche One. It will be provided to you on 21 April.

7. A number of the initiatives, or components of the initiatives, that are developed may be longer term multi year undertakings. Where these do not meet the criteria for approval at the 11 May meeting, we understand that they will still be able to be considered as budget initiatives at a subsequent date. We will include further advice on how developed initiatives align with the criteria for COVID-19 funding decisions in on 11 May in our advice.

## Next Steps

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8. Over coming days we will continue to work closely with your office to identify, scope, develop, and cost options. We will provide you with the following further advice:
- **On 9 April.** A report on a first tranche of initiatives, seeking your decisions on which of these will be submitted for Cabinet consideration on 11 May.

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<sup>1</sup> The Ministry's online portal for education resources and curriculum material.

- **On 21 April.** A report on the second tranche of remaining initiatives, seeking your decisions on which of these will be submitted for Cabinet consideration on 11 May.
9. We have sought clarification from the Treasury on the process for considering the remaining initiatives that were developed for Budget 20 that are not COVID-19 related and/or do not meet the criteria for Cabinet consideration on 11 May.

Proactively Released