



Education Report: COVID-19 Budget Initiatives, Tranche One

To:	Hon Chris Hipkins, Minister of Education		
Date:	9 April 2020	Priority:	High
Security Level:	Budget Sensitive	METIS No:	1225533
Drafter:	John Wardrop	DDI:	s 9(2)(a)
Key Contact:	Damian Edwards	DDI:	
Messaging seen by Communications team:	No	Round Robin:	No

Purpose of Report

This report sets out a first tranche of potential initiatives that could be submitted for consideration as part of the Government's immediate response to COVID-19 by Cabinet on 11 May, and seeks your decisions on which of these initiatives should be submitted.

Summary

- Initiatives for the Government's immediate COVID-19 response must be submitted by 24 April, for Cabinet consideration on 11 May. The criteria for initiatives to be considered at this meeting are narrow:
 - 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.
- This report provides you with advice on an initial first tranche of potential initiatives for your consideration. Advice on a second tranche of potential initiatives will be provided on 21 April.

Recommendations

We recommend that you:

- a. **note** that initiatives proposed for the Government's immediate response package for COVID-19 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 **Noted**
- c. **note** that we will provide you with advice on potential initiatives in two tranches, based on how quickly they are able to be developed, and the initiatives covered in this report relate to Tranche One **Noted**
- d. **note** that the Treasury has advised us that on 11 May the Cabinet is expected to prioritise initiatives that are timely, temporary and targeted in terms of their impact on addressing COVID-19-related needs **Noted**
- e. **decide** which of the following Tranche One initiatives related to COVID-19 response should be submitted for Cabinet consideration on 11 May, or deferred for consideration at a later date:

Initiative	Submit for Cabinet Consideration on 11 May ✓	
	Submit	Defer
s 9(2)(f)(iv)		
National Certificate of Education Achievement Online - Transforming Assessment for Learners	<input checked="" type="checkbox"/> ®	<input type="checkbox"/>
Strengthening Digital Identity for Students, Whānau and the Education Workforce	<input checked="" type="checkbox"/>	<input type="checkbox"/> ®
Careers System Online - Tiro Whetū, Stargazer	<input checked="" type="checkbox"/>	<input type="checkbox"/> ®
s 9(2)(f)(iv)		
100% Qualified And Certificated ECE Teachers	<input checked="" type="checkbox"/>	<input type="checkbox"/> ®
Sustaining kōhanga reo and revitalising te reo Māori	<input checked="" type="checkbox"/>	<input type="checkbox"/> ®
® Ministry Recommendation		

- f. **agree** that subject to your decisions in recommendation d) above the Ministry, in consultation with your Office, prepares templates for those initiatives that you have decided will proceed and submits these to the Treasury by 24 April

Agreed **Not Agreed**

- g. **note** that we will provide you with advice on the second tranche of potential COVID-19 initiatives on 21 April, and this will have a focus on Wellbeing and Tertiary Education.

Noted

- h. **note** that we understand that where initiatives are developed that do not satisfy these narrow criteria for the 11 May meeting, there will be an opportunity for initiatives that you decide not to submit for this meeting to be considered at a later date

Noted

- i. **agree** that this Education Report not to 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

09/04/2020



Hon Chris Hipkins
Minister of Education

13/ 4/2020

Background

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. Budget initiatives related to COVID-19 must be submitted by 24 April to be considered by Cabinet on 11 May [Treasury Circular 2020/02 refers].
2. The Treasury has set out the criteria that will be applied to COVID-19-related initiatives submitted for the 11 May Cabinet meeting, 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. On 3 April we provided you with a report on our proposed approach to this package [METIS 1225062 refers]. We advised that:
 - we are developing initiatives in four broad categories: a Wellbeing Package, a Digital Package, an Early Learning Package and a Tertiary package, and
 - we will provide you with potential initiatives in two tranches, on 9 April and 21 April, for your decisions on which will be submitted for Cabinet consideration.
5. The Treasury has advised us that Cabinet is expected to prioritise initiatives that are timely, temporary and targeted in terms of their impact on addressing COVID-19-related needs. We have assessed each initiative accordingly.

Tranche One: Proposed COVID-19 Initiatives

6. The first tranche of potential initiatives is largely focussed around Early Learning and digital initiatives. This is because these initiatives were already well developed because of work done as part of the earlier Budget process. These initiatives are as follows:

Title	Description	Comment	Cost, \$ Million	
			Operating (5-Years) ¹	Capital (10-Years)
s 9(2)(f)(iv)				

¹ Four years of future funding plus, where applicable, any funding sought for 2019/20 in the Supplementary Estimates.

Title	Description	Comment	Cost, \$ Million	
			Operating (5-Years) ²	Capital (10-Years)
s 9(2)(f)(iv)				
National Certificate of Education Achievement Online - Transforming Assessment for Learners	This initiative will provide funding to continue to implement digital National Certificate of Education Achievement (NCEA) examinations. Access to digital external examinations is a critical component of the response to COVID-19 and reflects today's expectations for digitally supported teaching and learning. 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 the New Zealand Qualifications Authority, including supporting the implementation of the proposed NCEA changes. Led by the Minister of Education.	We consider that this initiative meets the criteria for consideration on 11 May, and recommend it is submitted for consideration on that date.	38.675	Nil

² Four years of future funding plus, where applicable, any funding sought for 2019/20 in the Supplementary Estimates.

Title	Description	Comment	Cost, \$ Million	
			Operating (5-Years) ³	Capital (10-Years)
Strengthening Digital Identity for Students, Whānau and the Education Workforce	This initiative will provide funding to support safe online learning and secure access to student learning information. The response to COVID-19 highlights the need for secure access to online distance learning. It will provide a consistent way to verify and authenticate student and whānau digital identities, so that students can access their learning records as they move around and through the schooling system, take NCEA digital assessments, and make it is easier to learn from more than one education provider at a time. It will help ensure that student information is secure and better protect students, teachers and schools when learning and teaching remotely. Led by the Minister of Education.	We consider that this initiative does not meet the criteria for consideration on 11 May, and recommend that it be considered at a later date.	s 9(2)(f)(iv)	
Careers System Online - Tiro Whetū, Stargazer	This initiative will provide funding for Tiro Whetū, Stargazer. This tool supports every New Zealander to understand and navigate career options and lifelong learning pathways, and develop a personalised career plan to enhance employment outcomes. It is especially critical in helping New Zealanders manage the impact of COVID-19 on their jobs and careers. 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. Led by the Minister of Education.	We consider that this initiative does not meet the criteria for consideration on 11 May, and recommend that it be considered at a later date.	11.480	15.000
s 9(2)(f)(iv)				
100% Qualified And Certificated ECE Teachers	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 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. This will help maintain a network of quality early learning services important to the recovery to COVID-19 and supporting parents to re-enter the workforce. Led by the Minister of Education.	We consider that this initiative does not meet the criteria for consideration on 11 May, and recommend that it be considered at a later date.	278.249	Nil

³ Four years of future funding plus, where applicable, any funding sought for 2019/20 in the Supplementary Estimates.

Title	Description	Comment	Cost, \$ Million	
			Operating (5-Years) ⁴	Capital (10-Years)
Sustaining kōhanga reo and revitalising te reo Māori	The initiative provides funding to improve the sustainability, capacity and capability of Kōhanga Reo. This will assist the Crown to revitalise te reo Māori and help integrate it into the learning of children by 2025. The initiative will increase the funding rates for each kōhanga reo and the annual funding the Ministry provides the Kōhanga Reo National Trust to support the kōhanga reo network, including specific funding to assist with assessment of, and associated remedial and rehabilitation work on, kōhanga reo properties. This spend is expected to have economic benefits and help offset decreased spending as a result of COVID-19. Led by the Minister of Education and the Associate Minister of Education, Hon Kelvin Davis.	We consider that this initiative does not meet the criteria for consideration on 11 May, and recommend that it be considered at a later date.	99.956	Nil
Total			1,529.501	223.882

7. We seek your decision on whether each of these initiatives will be submitted for Cabinet consideration on 11 May, or deferred until a later date.
8. We understand that there will be a further opportunity for initiatives that are not considered by Cabinet on 11 May to be considered at a later date. However, the Treasury has not yet advised what the process for this will be, and we have sought clarification of this.

Next Steps

9. On 21 April we will provide 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. This will include a draft submission letter for your consideration.
10. By 24 April we will submit completed initiative templates to the Treasury, for those initiatives that you wish Cabinet to consider on 11 May. We will also provide the required departmental submission letter to the Secretary to the Treasury.
11. We are seeking clarification from the Treasury on the process for considering the remaining initiatives that were developed for Budget 20 that are not cost pressures or COVID-19 related, and/or do not meet the criteria for Cabinet consideration on 11 May.

⁴ Four years of future funding plus, where applicable, any funding sought for 2019/20 in the Supplementary Estimates.