



Education Report: Budget 2020 – Charging of Additional Initiatives against the COVID-19 Response and Recovery Fund

To:	Hon Chris Hipkins, Minister of Education Hon Grant Robertson, Minister of Finance		
Date:	12 May 2020	Priority:	High
Security Level:	Budget Sensitive	METIS No:	1228142
Drafter:	René Versteegh	DDI:	s 9(2)(a)
Key Contact:	Damian Edwards	DDI:	s 9(2)(a)
Messaging seen by Communications team:	No	Round Robin:	No

Purpose of Report

This report seeks Joint Ministers' agreement to the financial recommendations of five additional Vote Education and two additional Vote Tertiary Education initiatives to be charged against the COVID-19 Response and Recovery Fund (CRRF) and included in the CRRF Foundational Package, as per the COVID-19 Response and Recovery Fund Foundational Package Cabinet paper agreed by Cabinet on 11 May, 2020.

Summary

- On 11 May, Cabinet agreed to the COVID-19 Response and Recovery Fund Foundational Package Cabinet paper that included a package of initiatives to be charged against the CRRF, however some financial recommendations were still outstanding.
- At this meeting, Cabinet authorised the Minister of Finance and relevant Appropriation Ministers to approve jointly any changes to appropriations and capital injections, and the establishment of new appropriations where necessary to give effect to a list of initiatives for which financial recommendations were still outstanding.
- There are five initiatives in Vote Education and two in Vote Tertiary Education that have outstanding financial recommendations yet to be approved.
- This paper includes financial recommendations to include these initiatives in the CRRF Foundational package, details of which will be communicated on Budget Day (14 May).

Consultation

The Treasury was consulted in the preparation of this report.

Proactive release

We recommend that this Education Report is not released at this time because it contains information that is Budget Sensitive. Instead, we recommend that it is considered for inclusion in the Budget 2020 proactive release, following delivery of the 2020 Budget.

Proactively Released

Recommendations

We recommend that you:

- a. **Note** that on 11 May COVID-19 Response and Recovery Fund Foundational Package Cabinet paper:

- i. Approved a package of initiatives to be charged against the COVID-19 Response and Recovery Fund, however some financial recommendations were still outstanding
- ii. Authorised the Minister of Finance and relevant Appropriation Ministers to approve jointly any changes to appropriations and capital injections, and the establishment of new appropriations where necessary to give effect to a list of initiatives for which financial recommendations were still outstanding

Noted

Minister of Education

Noted

Minister of Finance

- b. **note** that Cabinet agreed that any and all underspends related to the initiatives in the foundational CRRF package are returned to the Centre

Noted

Minister of Education

Noted

Minister of Finance

- c. **note** that all communications relating to the CRRF and any requests for early announcement will need to have both the written approval of the Minister of Finance and sign-off from the Prime Minister's Office

Noted

Minister of Education

Noted

Minister of Finance

- d. **note** that the following seven education COVID-19 response initiatives were not able to be included in the 11 May COVID-19 Response and Recovery Fund Foundational Package Cabinet paper:

- i. s 9(2)(f)(iv) OIA

- ii. Early Intervention: Te Kōhanga Reo – Learning Support Initiative and Targeted Covid-19 Response [Initiative 12641]

- iii. Supporting Māori Learners and Te Reo Māori post COVID-19 [Initiative 12847]

- iv. Supporting At-Risk Ākonga to Re-Engage and Attend School During the COVID-19 Recovery [Initiative 12643]

- v. Sustaining Kōhanga Reo and Revitalising te reo Māori [Initiative 12639]

- vi. s 9(2)(f)(iv)

- vii. Targeted Training and Apprenticeship Fund [Initiative 12663]

Noted

Minister of Education

Noted

Minister of Finance

- e. **agree** to establish contingencies, changes to appropriations and additional recommendations for all seven initiatives as set out in the Annexes

Agreed Not Agreed
Minister of Education

Agreed Not Agreed
Minister of Finance



Damian Edwards
Associate Deputy Secretary
Education System Policy

____/____/____



Hon Grant Robertson
Minister of Finance

12/05/20



Katrina Sutich
Team Manager
**Graduate Achievement Vocation and
Careers**

____/____/____



Hon Chris Hipkins
Minister of Education

12/5/2020

Vote Education initiatives

- Under the authorisation mentioned in recommendation a(ii), Cabinet authorised the Minister of Finance and the Minister of Education as Appropriation Minister for Vote Education to approve five additional Vote Education initiatives as part of the COVID-19 Response and Recovery Fund Budget Package. The five initiatives are as follows:

Vote Education Initiatives			
Initiative	Description	4-Year Cost, \$million	
		Operating	Capital
s 9(2)(f)(iv) OIA			
Early intervention: Te Kōhanga Reo – Learning Support Initiative and Targeted Covid-19 Response	<p>The Ministry of Education will partner with Te Kōhanga Reo National Trust (TKRNT) to co-design and co-deliver targeted strategies and support for the kōhanga whānau (kaiako, parents, whānau) to support tamariki with learning support needs to recover from COVID-19 and reduce the gap in access to learning support. With an emphasis on keeping kōhanga whānau connected during alert levels enabling a safe return of all tamariki and whānau to Kōhanga.</p> <p>Programmes that benefit Māori must reflect cultural ways of knowing and being. The combined expertise of the Trust (Te Ao Māori and Te Reo Maori) and the specialist knowledge of the Ministry will ensure that all communication, resources and approaches are built on Kaupapa Māori and meet the unique needs of their communities.</p> <p>Led by the Minister of Education.</p>	2.839	0.000
Supporting Māori Learners and Te Reo Māori post COVID-19 (previously called the Māori Education Investment Fund)	<p>This initiative will support Māori learners and whānau to reconnect with education services following COVID-19 to ensure they access the full range of education and wellbeing services and achieve successful outcomes by engaging Iwi and Māori organisations to provide facilitation and brokerage services. It will also strengthen the delivery of Māori Language in Education through enhanced distance- and place-based blended approaches, including targeted support for the education workforce, resource development and information to learners and whānau. Led by Associate Minister of Education, Hon Kelvin Davis.</p>	200.000	0.000

Supporting At-Risk Ākonga to Re-Engage and Attend School During the COVID-19 Recovery (previously called Supporting the Re-Engagement and Attendance of At-Risk Learners/Ākonga)	<p>This initiative provides resources for one year to existing Attendance Services (AS). This funding will support Attendance Services to work with schools to provide outreach to re-engage ākonga who have become disengaged from learning during the COVID-19 response and support their regular attendance. These ākonga are at higher risk of poor engagement in distance learning which increases the risk that they will either fail to re-engage and return to school and/or experience poor attendance once schools reopen. This initiative will prioritise ākonga in the primary years (Years 1-8). Led by Associate Minister of Education, Hon Tracey Martin.</p>	2.867	0.000
Maintaining Kōhanga Reo Viability During the post-COVID 19 Rebuilding Phase (previously called Sustaining Kōhanga Reo and revitalising te reo Māori)	<p>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 Associate Minister of Education, Hon Kelvin Davis.</p>	99.956	0.000
Total		s 9(2)(f)(iv) OIA	

Vote Tertiary Education initiatives

2. Under the authorisation mentioned in recommendation a(ii), Cabinet authorised the Minister of Finance and the Minister of Education as Appropriation Minister for Vote Tertiary Education to approve two additional Vote Tertiary Education initiatives as part of the COVID-19 Response and Recovery Fund Budget Package. The two initiatives are as follows:

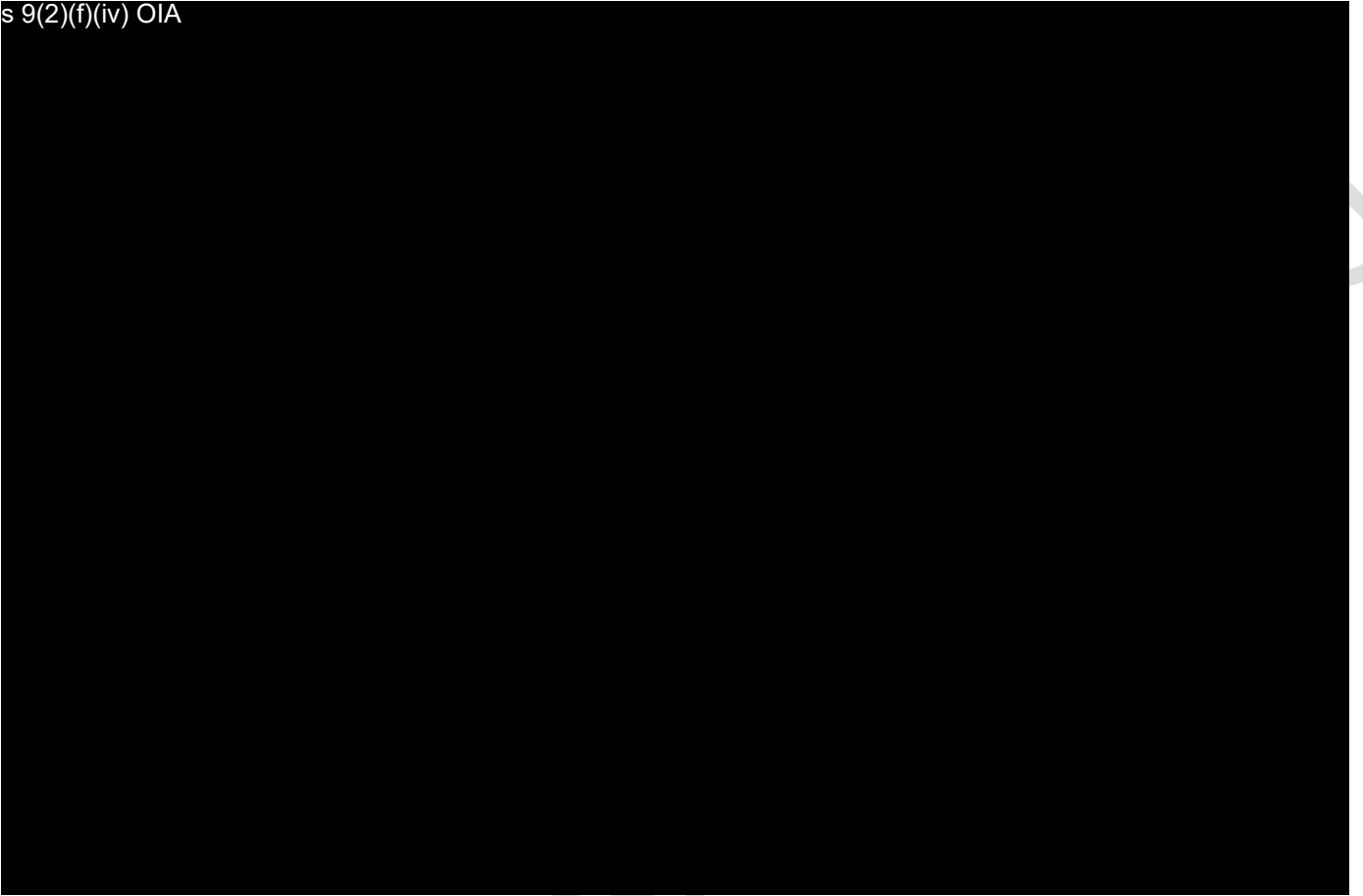
Vote Tertiary Education Initiatives			
Initiative	Description	4-Year Cost, \$million	
		Operating	Operating
s 9(2)(f)(iv)			
Targeted Training and Apprenticeship Fund (previously called Fees-Free Support For Vocational Education And Training)	Funding vocational learning options fees-free over the immediate period of the economic recession, 2020-2022, to support people to upskill during the economic downturn, within the workplace, or at providers. It would support education and training towards qualifications to meet industry skill needs, and vocational learning for roles that support community wellbeing. It would also include training in smaller learning blocks, which support more flexibility around delivery during the pandemic alert levels and gaps in learners' employment. Led by the Minister of Education.	320.000	0.000
Total		732.000	0.000

3. We recommend that the cost of these seven initiatives be charged against the COVID-19 Response and Recovery Fund established as part of Budget 2020.

Proactively Released

Vote Education (COVID-19 Response and Recovery Fund Initiatives)

s 9(2)(f)(iv) OIA



Proactively

Vote: Education

Title: Early Intervention: Te Kōhanga Reo – Learning Support Initiative and Targeted COVID-19 Response

Description: The Ministry of Education (the Ministry) will partner with Te Kōhanga Reo National Trust (the Trust) to co-design and co-deliver targeted strategies and support for the kōhanga whānau (kaiako, parents, whānau) to support tamariki with learning support needs to recover from COVID-19 and reduce the gap in access to learning support. With an emphasis on keeping Kōhanga whānau connected during alert levels enabling a safe return of all tamariki and whānau to Kōhanga.

Programmes that benefit Māori must reflect cultural ways of knowing and being. The combined expertise of the Trust (Te Ao Māori and Te Reo Māori) and the specialist knowledge of the Ministry will ensure that all communication, resources and approaches are built on Kaupapa Māori and meet the unique needs of their communities. Led by the Minister of Education, Hon Kelvin Davis.

Appropriation Changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	1.138	1.150	0.275	0.276
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.138	1.150	0.275	0.276

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Outcomes for Target Student Groups (MCA)					
<i>Departmental Output Expenses:</i>					
Interventions for Target Student Groups (funded by revenue Crown)	-	1.138	1.150	0.275	0.276
Total Multi-Category Expenses and Capital Expenditure: Outcomes for Target Student Groups (MCA)	-	1.138	1.150	0.275	0.276
Total Operating	-	1.138	1.150	0.275	0.276

Additional Recommendation

- authorise** the chief executive of the Ministry of Education to inform the chief executive of the Te Kōhanga Reo National Trust (the Trust), on a budget-in-confidence-until-announced

basis, of the decisions in this minute that directly affect the Trust;

Proactively Released

Vote: Education

Title: Maintaining Kōhanga Reo Viability During the Post-COVID-19 Rebuilding Phase

Description: 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 of Education provides the Kōhanga Reo National Trust (the Trust) to support the Kōhanga Reo network. The support for the Trust includes funding to assist with assessment of, and associated remedial and rehabilitation work on, Kōhanga Reo properties. Led by the Minister of Education and the Associate Minister of Education, Hon Kelvin Davis.

Appropriation Changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	24.439	24.832	25.187	25.498
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	24.439	24.832	25.187	25.498

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Non-Departmental Output Expenses:					
Early Learning	-	24.439	24.832	25.187	25.498
Total Operating	-	24.439	24.832	25.187	25.498

Additional Recommendation

6 s 9(2)(j) OIA

7 **authorise** the chief executive of the Ministry of Education to inform the chief executive of the Te Kōhanga Reo National Trust (the Trust), on a budget-in-confidence-until-announced basis, of the decisions in this minute that directly affect the Trust; and

Vote: Education

Title: Supporting At-Risk Ākonga to Re-Engage and Attend School during the COVID-19 Recovery

Description: This initiative provides resources for one year to existing Attendance Services (AS). This funding will support Attendance Services to work with schools to provide outreach to re-engage ākonga who have become disengaged from learning during the COVID-19 response and support their regular attendance. These ākonga are at higher risk of poor engagement in distance learning which increases the risk that they will either fail to re-engage and return to school and/or experience poor attendance once schools reopen. This initiative will prioritise ākonga in the primary years (Years 1-8). This initiative is led by the Associate Minister of Education, Hon Tracey Martin.

Appropriation Changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	2.867	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	2.867	-	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Outcomes for Target Student Groups (MCA)					
<i>Departmental Output Expenses:</i>					
Interventions for Target Student Groups (funded by revenue Crown)	-	0.292	-	-	-
<i>Non-Departmental Output Expenses:</i>					
Students Attendance and Engagement	-	2.575	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Outcomes for Target Student Groups (MCA)	-	2.867	-	-	-
Total Operating	-	2.867	-	-	-

Initiative No: 12847**Vote:** Education**Title:** Supporting Māori Learners and Te Reo Māori Post COVID-19

Description: This initiative will support Māori learners and whānau to reconnect with education services following COVID-19 to ensure they access the full range of education and wellbeing services and achieve successful outcomes by engaging Iwi and Māori organisations to provide facilitation and brokerage services. It will also strengthen the delivery of Māori Language in Education through enhanced distance- and place-based blended approaches, including targeted support for the education workforce, resource development and information to learners and whānau. Led by Associate Minister of Education, Hon Kelvin Davis.

Appropriation Changes

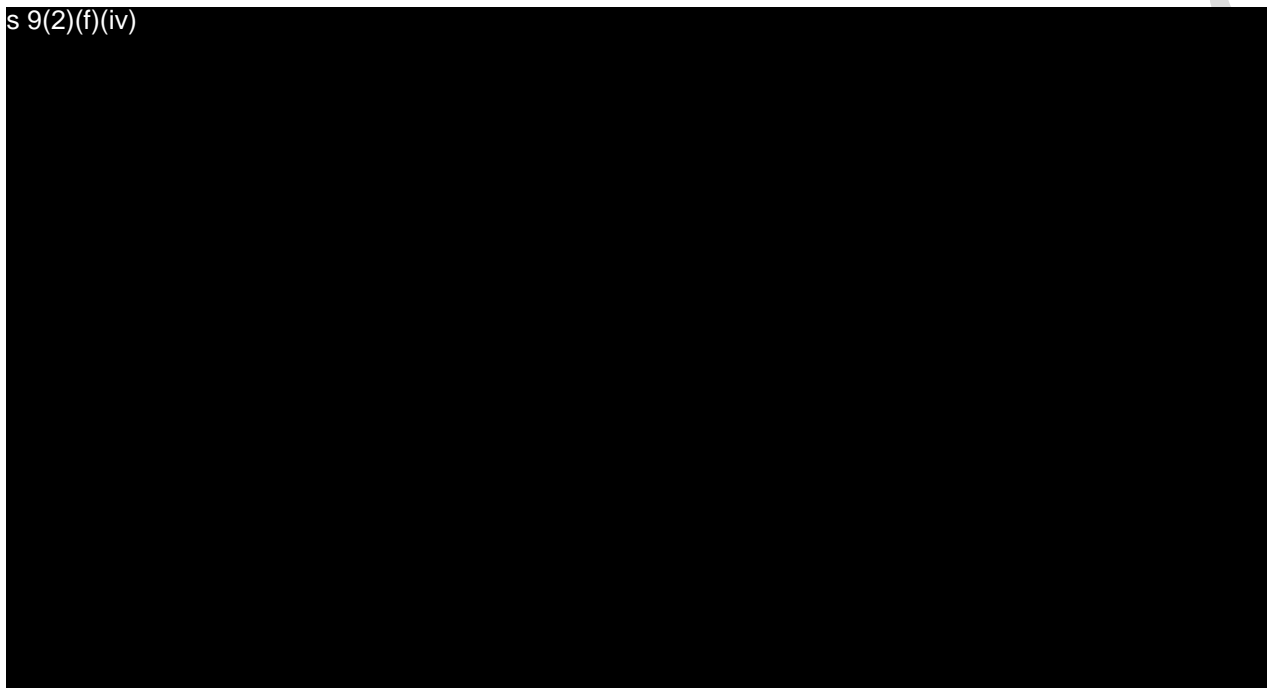
	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	60.000	50.000	40.000	50.000
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	60.000	50.000	40.000	50.000

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Departmental Output Expenses:					
Support and Resources for Parents and the Community (funded by revenue Crown)	-	2.000	2.000	2.000	2.000
Multi-Category Expenses and Capital Expenditure:					
Improved Quality Teaching and Learning (MCA)					
<i>Departmental Output Expenses:</i>					
Support and Resources for Teachers (funded by revenue Crown)	-	38.822	30.822	22.122	31.822
<i>Non-Departmental Output Expenses:</i>					
Curriculum Support	-	1.178	1.178	0.878	1.178
Total Multi-Category Expenses and Capital Expenditure: Improved Quality Teaching and Learning (MCA)	-	40.000	32.000	23.000	33.000
Outcomes for Target Student Groups (MCA)					
<i>Departmental Output Expenses:</i>					
Interventions for Target Student Groups	-	18.000	16.000	15.000	15.000

(funded by revenue Crown)					
Total Multi-Category Expenses and Capital Expenditure: Outcomes for Target Student Groups (MCA)	-	18.000	16.000	15.000	15.000
Total Operating	-	60.000	50.000	40.000	50.000

Additional Recommendation

8 s 9(2)(f)(iv)



Proactively

2020 Budget Package: Vote Tertiary Education (Covid Response and Recovery Fund Initiatives)

- 1 **agree** that the initiative in the following table be set aside as a contingency item, that corresponding funding for it be set aside in the Covid Response and Recovery Fund, and that it be submitted to Cabinet for consideration at a later stage;

Operating Contingency

Initiative Name	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Contingency: COVID-19 Support for Apprentices	-	412.000	-	-	-
Total Operating	-	412.000	-	-	-

Contingency: COVID-19 Support for Apprentices

- 2 **note** that the operating tagged contingency contains up to \$412 million for support for employers to keep their apprentices and continue to support their training, and to focus on apprentices getting industry-relevant skills that support ongoing sustainable employment;
- 3 **agree** to report to Cabinet by the end of May 2020 to seek agreement of the scope, costs and operational mechanism for implementing the scheme, including appropriation of operating and implementation funding and necessary changes to appropriations;
- 4 **agree** to consult with the Minister of Social Development on this initiative;
- 5 **agree** that the expiry date for this operating tagged contingency will be 30 June 2021;

Initiative No: 12663

Vote: Tertiary Education

Title: Targeted Training and Apprenticeship Fund

Description: Funding vocational learning options fees-free over the immediate period of the economic recession, 2020-2022, to support people to upskill during the economic downturn, within the workplace, or at providers. It would support education and training towards qualifications to meet industry skill needs, and vocational learning for roles that support community wellbeing. It would also include training in smaller learning blocks, which support more flexibility around delivery during the pandemic alert levels and gaps in learners' employment. Led by the Minister of Education.

Appropriation Changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	160.000	160.000	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	160.000	160.000	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Tertiary Tuition and Training (MCA)					
<i>Non-Departmental Other Expenses:</i>					
Fees-free Payments	-	160.000	160.000	-	-
Total Multi-Category Expenses and Capital Expenditure: Tertiary Tuition and Training (MCA)	-	160.000	160.000	-	-
Total Operating	-	160.000	160.000	-	-
Total Capital	-	-	-	-	-

Additional Recommendation

- 6 **authorise** the Minister of Finance and Minister of Education to jointly approve technical changes to appropriations, that reflect final settings for the implementation of targeted support for vocational training and apprenticeships.