



## Briefing Note: Budget 2020 Strategy Session

To:	Hon Chris Hipkins, Minister of Education		
Date:	9 October 2019	Priority:	Medium
Security Level:	Budget In Confidence	METIS No:	1208530
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Messaging seen by Communications team:	No	Round Robin:	No

### Purpose of Report

This report provides you with information on the current state of play of the Ministry's 2020 Budget Proposals, for discussion at the Budget Strategy Session on 16 October 2019.

### Recommendations

We recommend that you:

1. **Refer** this report to the Associate Education Ministers Agree / Disagree
2. **Discuss** the contents of this report with Associate Education Ministers and officials at the forthcoming Budget strategy session, scheduled for 16 October 2019
3. **Agree** that the Ministry proceeds to develop a set of alternative funding option packages at stepped funding levels (approximately \$2 billion, \$2.5 billion and \$3 billion) to test their respective viability Agree / Disagree
4. **Agree** that this briefing will not be proactively released at this time, as it is budget sensitive Agree / Disagree



Damian Edwards  
Associate Deputy Secretary  
Education System Policy

7/10/19

Hon Chris Hipkins  
Minister of Education

7/10/19

## Background

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1. The Treasury issued guidance for 2020 Budget initiatives on 24 September [Treasury Circular 2019/10 refers<sup>1</sup>]. It provides for two broad categories: cost pressure initiatives and new spending initiatives.
2. **Cost Pressure Initiatives** are required to be submitted to the Treasury by 1 November 2019. A cost pressure initiative is defined as one that: “addresses cost pressures caused by rising demand and/or prices to deliver existing services and outputs”. Submitted initiatives must demonstrate:
  - i. that the pressure has arisen due to external factors (e.g., volume, price, legislation), or
  - ii. a high level of risk is attached to not funding the pressure, and
  - iii. efforts have been made to manage pressures within baselines.
3. The definition of cost pressures is narrower than for previous budgets. For example, across-the-board increases to ECE subsidies and schools’ operations grants, classified as cost pressures in Budget 2019, would be defined as new spending initiatives under the Treasury’s 2020 Budget guidance.
4. **New Spending Initiatives** are required to be submitted to the Treasury by 29 November 2019. New spending initiatives are required to be classified as either:
  - i. priority aligning: those which are aligned with the Government’s Budget 2020 priorities and sub-priorities, or
  - ii. other: which face a “high bar” for receiving funding in Budget 2020.
5. A summary of the Budget initiatives currently being considered for inclusion in your 2020 Budget Package is attached as Annex 1. A precis of each initiative is attached as Annex 2.

## Comment

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### Status of Initiatives

6. At this stage in the Budget process, the detail of some initiatives is still being developed. Some initiatives have been robustly costed, notably initiatives developed for Budget 2019 that were deferred to Budget 2020. In other cases cost estimates are indicative only, or are not yet available<sup>2</sup>.

### Challenges and Opportunities

7. Key challenges in the education system include:
  - i. progressing Government policy priorities contained in the Speech from the Throne, Coalition Agreement and Confidence & Supply Agreement that remain after the 2018 and 2019 budgets;
  - ii. ensuring the quality of education and care provided in Early Childhood Education;
  - iii. achieving equity and excellence in outcomes for an increasingly diverse population in the school and tertiary system;
  - iv. s 9(2)(f)(iv)
  - v. implementing the Reform of Vocational Education decisions.

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<sup>1</sup> This circular was accompanied by a Treasury Budget 2020 Guide for Agencies, released on 24 September 2019.

<sup>2</sup> In particular, costings marked in red in Annex 1 are those that we do not consider to be robust.

## Current Draft Package

8. Annex 1 shows that initiatives currently under consideration have a total four-year cost above \$5 billion. This significantly exceeds the \$2.06 billion in funding that was approved in Budget 2019.
9. Based on previous budgets, and recent discussions with Treasury, it is unlikely that a package of this size will be fully funded. Decisions will need to be taken as to how the Education Package will be reduced to fit within the funding that the Minister of Finance allocates. This will require a mix of:
  - removing initiatives from the package, potentially deferring them for consideration in a future budget
  - making changes to initiatives, through scaling and phasing, to reduce their four-year cost, and
  - exploring reprioritisation options to free up funding that could be used for new initiatives.
10. The Ministry is finding it increasingly challenging to work within a constrained departmental baseline. We do not consider that we will be able to fund new initiatives by reprioritising departmental baseline funding without adversely impacting on service levels. In this regard, the Ministry has not received departmental funding for inflationary increases for at least a decade.
11. The Ministry is looking at the departmental capability implications across all of the proposals.

## Next Steps

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12. You are scheduled to discuss the 2020 Education Budget Package with the Associate Ministers of Education and officials on 16 October 2020.
13. Given that it is unlikely that the current list of proposals will be fully funded, developing a set of alternative funding options at stepped funding levels (approximately \$2 billion, \$2.5 billion and \$3 billion) could be a useful way of testing their respective viability.

## Proactive Release

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14. We recommend that this briefing is not released at this time as it is budget-sensitive. We recommend instead that it is considered for release as part of the general proactive release of budget information, following presentation of Budget 2020 to Parliament by the Minister of Finance.

## Annexes

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- Annex 1: Summary of Draft 2020 Budget Package  
Annex 2: Detail of Initiatives Included in Draft 2020 Budget Package



Education Budget 2020 Strategy Session 16 Oct 19 - Annex 1

Vote Education

Pre-commitments and Cost Pressures	Opex in \$0.000m
s 9(2)(f)(iv)	
Adjusting LS Funding with Population Growth	36.393
Supporting Kōhanga Reo Cost Pressures	93.370
Pay Equity	s 9(2)(f)(iv)
Cost Adjustments ECE (s 9(2)(f)(iv))	
Cost Adjustments Schooling s 9(2)(f)(iv)	
Tuition Subsidy Increases s 9(2)(f)(iv)	
s 9(2)(f)(iv)	
Trades Academies funding rate increase s 9(2)(f)(iv)	
Total	s 9(2)(f)(iv)

Early Years	Max Opex	Min Opex
100% qualified teacher funding band*	s 9(2)(f)(iv)	
s 9(2)(f)(iv)		
Homebased Education	15.000	s 9(2)
Play Centre	s 9(2)(f)(iv)	
s 9(2)(f)(iv)		
Total	s 9(2)(f)(iv)	

Priority Schooling Initiatives	Max Opex	Min Opex
s 9(2)(f)(iv)		
Curriculum		
s 9(2)(f)(iv)		
NCEA Online	34.324	N/A
s 9(2)(f)(iv)		
Workforce		
Total		
s 9(2)(f)(iv)		

Operating Model and Departmental	Max Opex	Min Opex
s 9(2)(f)(iv)		
Payroll - Holidays Act	TBC	TBC
s 9(2)(f)(iv)		
Payroll - Alesco		
Total	s 9(2)(f)(iv)	

Māori Education (listed in priority order)	Max Opex	Min Opex
Māori Language in Education Initiatives	200.000	100.000
Supporting Iwi capacity and capability to engage with MOE and education providers	s 9(2)(f)(iv)	
s 9(2)(f)(iv)		
Ongoing Support for Kōhanga Reo	100.000	TBC
Total	s 9(2)(f)(iv)	

\*note this bid includes \$33m in Capital funding

Learning Support (listed in priority order)	Max Opex	Min Opex
s 9(2)(f)(iv)		
Teacher Aides	344.431	140.320
s 9(2)(f)(iv)	s 9(2)(f)(iv)	
Early Intervention – Kōhanga Reo		
s 9(2)(f)(iv)		
School High Health Needs Fund	12.600	N/A
Other Min Martin Priorities		
s 9(2)(f)(iv)		
Total	s 9(2)(f)(iv)	

Pacific Education	Max Opex	Min Opex
s 9(2)(f)(iv)		
ESOL cost adjustments		
s 9(2)(f)(iv)		
Other Min Salesa Priorities		
Total		

Estimated 4 yr Opex Totals as at 10 Oct 19:

Pre Commitments and Cost Pressures	s 9(2)(f)(iv)
New funding for Vote Education and Vote Tertiary Education	\$4,848.705
Total Budget 2020	s 9(2)(f)(iv)
Budget 2019	\$2,060.000

Additional Potential Bids:

s 9(2)(f)(iv)
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Redactions on this page have been made in accordance with section 9(2)(f)(iv) of the OIA 1982.

BUDGET SENSITIVE

\* Note the costings in this A3 are approximate

Vote Tertiary

Vote Tertiary Education	Max Opex	Min Opex
s 9(2)(f)(iv)		s 9(2)(f)(iv)
Domestic Tertiary Student Code of Practice	s 9(2)(f)(iv)	
s 9(2)(f)(iv)		
Adult and Community Education (ACE)		
s 9(2)(f)(iv)		
Total	s 9(2)(f)(iv)	

Core Commitments	Max Opex	Min Opex
s 9(2)(f)(iv)	s 9(2)(f)(iv)	
s 9(2)(f)(iv)		
s 9(2)(f)(iv)		
s 9(2)(f)(iv)		
Total	s 9(2)(f)(iv)	

Property	Max Opex	Min Opex
s 9(2)(f)(iv)		
Managing growth at PPP schools*	31.493	TBC
Christchurch Schools Rebuild*		TBC
s 9(2)(f)(iv)		
School ICT Network as a Service*	24.100	TBC
s 9(2)(f)(iv)		
Total	s 9(2)(f)(iv)	

Cross Sector	Opex (\$0.000m)
Advancing wellbeing for 0-6 year olds (MoH, MSD, OT)	see Early Years box
s 9(2)(f)(iv)	
Schools Lunches (DPMC)	50.000
Total	s 9(2)(f)(iv)

Key

- Education Work Programme
- Confidence and Supply Agreement and Speech from the Throne
- Low Confidence Costings

Education Budget 2020 Strategy Session 16 Oct 19 - Annex 2				
			Optimal Budget Bid	Minimum Viable Budget Bid
Initiative Name	Problem Definition	Initiative Description	Timing of Delivery and Expected Outcomes	Timing of Delivery and Expected Outcomes2
Pre-commitments and Cost Pressures	s 9(2)(f)(iv) OIA			
	s 9(2)(f)(iv) OIA			s 9(2)(f)(iv) OIA
				N/A
	Adjusting Learning Support Funding in line with Population Growth	60% of learning support services have fixed funding so are not adjusted for population growth. Recently, population growth has been rapid and it's expected to continue at unprecedented levels. This bid ensures that funding for learning support services keeps pace with population growth.	Population growth funding provided through Budget 19 was scaled so didn't meet existing projected growth or provide for further population growth. Funding for population growth means learning support services can grow incrementally without compromising services or increasing wait lists. This will have a positive impact on children, young people, whānau and education providers.	The funding will enable the Ministry to maintain the same levels of service (provided that demand does not increase greater than population growth or price pressures occur)
	Supporting Kōhanga Reo Cost Pressures	The cost pressure results from provision of one year (2019/20) of additional government funding to kōhanga reo (\$21.5 million) to reduce staffing cost pressures. This is in the context of helping to resolve the Wai2336 Claim. The additional funding is being disbursed by increasing the funded child hour (FCH) rates set for the ECE Subsidy and 20 Hours Subsidy.	The funding would enable additional remuneration and employment of kōhanga reo staff to be maintained. Not funding the initiative would require staff to either receive reduced pay or cease being employed. This would weaken the capacity of the kōhanga reo to deliver te reo learning and associated mokopuna and whanau development.	The funding would enable additional remuneration and employment of kōhanga reo staff to be maintained.
	Pay Equity	Pay equity claims have been lodged and continue to be lodged by NZEI and PPTA on behalf of staff and teachers employed by the school Boards of Trustees. The claims seek to remove perceived gender pay gaps. The Ministry is legally required to consider these claims, and to negotiate and recommend settlements on behalf of the Crown.	This budget bid seeks funding over the next four years to continue to assess and negotiate settlement of four claims which are in progress (Teacher Aides, Administration and Support Staff, Kaiārahi as well as the PPTA non-contact time claim for part time secondary teachers, progressed through Employment Court system), with a fifth pay equity claim underway (Te Kura), and to deal with three additional claims which we expect to receive in the next few years.	It will fund: <ul style="list-style-type: none"><li>• Capability and capacity to provide strategic management and oversight of claims;</li><li>• Capability and capacity to assess and resolve claims;</li><li>• Potential litigation costs; and</li><li>• Estimated departmental costs of implementing changes required in settlements (for example, personnel, payroll implementation costs).</li></ul> The initiative will not fund sector pay equity settlement implementation (for example, the new salary rates, or costs related to strategic long-term issue resolution). Funding for this purpose will be obtained through a separate cabinet approval process.
	Cost Adjustments ECE s 9(2)(f)(iv)	Service providers face rising costs associated with providing quality early childhood education. These price increases may be at or above the rate of inflation	This initiative will provide a s 9(2)(f)(iv) increase to the ECE Subsidy, 20 Hours ECE, Equity Funding and Targeted Funding for Disadvantage, but not including for the standard rate for home-based providers. This cost adjustment will allow early learning services to continue to provide quality ECE for children and will reduce the likelihood that service providers will pass on increasing costs to parents and whānau.	
	Cost Adjustments Schooling s 9(2)(f)(iv)	An increase to schools' operational grant funding is required to meet cost pressures that are increasing at or above the rate of inflation. Schools have limited control over expenses and income, which means that options aside from a cost adjustment are not feasible, if the current quality of education is to be maintained.	Schools' operational grant funding is core resourcing to support teaching and learning, and to the maintenance of the Crown's investment in school property. This initiative seeks a cost adjustment s 9(2)(f)(iv) for operational grant funding, including base funding for Te Aho o Te Kura Pounamu (Te Kura), to ensure schools are able to maintain current service levels in the face of rising cost pressures.	The increase will take effect from 1 January 2021.
	Tuition Subsidy Increases s 9(2)(f)(iv)	Tertiary tuition and training providers face increasing costs (labour and other). Increasing tuition and training subsidies will help providers maintain the quality of the tuition and training they deliver to learners.	This initiative aims to maintain quality education by meeting cost pressures such as increases in wages and salaries. This will be done by increasing subsidy rates paid to Tertiary Education Organisations from the Tertiary Tuition and Training Multi-Category Appropriation by s 9(2)(f)(iv) from the start of 2021.	The increase in per-student subsidies will support providers to ensure their delivery remains relevant and responds to students' and employers' needs.
	s 9(2)(f)(iv) OIA			
	Trades Academies funding rate increase s 9(2)(f)(iv)	Funding covers teaching and learning for full-time secondary school students participating in a Trades Academy (school and tertiary compnents), as well as pastoral care and co-ordination and transport costs. Funding rates have not increased since set in 2012, while core school funding (including staffing funding and operations grants) and tertiary tuition subsidy rates have increased, to cover increases in costs for delivering learning.	This funding increase rates to help schools and TEOs maintain the quality of tuition and training (as well as other costs associated with running programmes, including transport). This will be done by increasing the funding rate paid to schools and TEOs through the Vote Education: Secondary-Tertiary Interface appropriation. This is in line with wider tuition subsidy increases s 9(2)(f)(iv) increase)	Implementation from 2021 calendar year
Total Cost Pressures and Pre-Commitments		s 9(2)(f)(iv)		

Education Budget 2020 Strategy Session 16 Oct 19 - Annex 2					
				Optimal Budget Bid	Minimum Viable Budget Bid
	Initiative Name	Problem Definition	Initiative Description	Timing of Delivery and Expected Outcomes	Timing of Delivery and Expected Outcomes2
Early Years	100% qualified teacher funding band	Research shows that high quality ECE can improve children’s short and long term outcomes, particularly for disadvantaged children. Quality ECE is often characterised by teacher-child interactions and teacher qualifications.	The initiative reinstates a higher funding band for ECE services that employ a 100% certificated teaching workforce. It creates a distinct funding differential between services operating with 100% and 80-99% certificated teachers.		
	s 9(2)(f)(iv) OIA				
	s 9(2)(f)(iv) OIA				
	Homebased Education	<p>The Ministry of Education has less oversight over home-based ECE than other service types. Collecting information on educators and their homes would strengthen the Ministry’s ability to effectively monitor services to ensure they are meeting regulatory and funding requirements.</p> <p>Some educators will not be able to access fees free or may not be able to afford to study for the Level 4 ECE qualification. Fees support would contribute to the cost of educators studying for the level 4 who are not eligible for fees free.</p> <p>Visiting teachers will have an increased workload as they work to support educators studying for their Level 4 ECE qualification. Additional assistance for visiting teachers will help visiting teachers to support educators as they study for their Level 4 ECE qualification.</p>	<ul style="list-style-type: none"><li>• IT – to support the collection of information on home-based ECE educators</li><li>• Fees support for educators studying for the level 4 ECE qualification</li><li>• Additional assistance for visiting teachers to support educators studying toward the level 4 ECE qualification.</li></ul>		
	Play Centre	Playcentre Aotearoa has stated that their organisation in financially unsustainable. This bid will look to provide Playcentre with additional funding to alleviate these pressures.	This bid will be for a new funding model for Playcentre, co-designed with Playcentre Aotearoa (the New Zealand Playcentre Federation). The bid will support playcentre sustainability as the service type as a whole is currently facing considerable financial pressures.		
	s 9(2)(f)(iv) OIA				
	Total Early Years	s 9(2)(f)(iv)			

Education Budget 2020 Strategy Session 16 Oct 19 - Annex 2				
			Optimal Budget Bid	Minimum Viable Budget Bid
Initiative Name	Problem Definition	Initiative Description	Timing of Delivery and Expected Outcomes	Timing of Delivery and Expected Outcomes2
Priority Schooling Initiatives	s 9(2)(f)(iv) OIA			
Priority Schooling Initiatives	NCEA Online	Addresses the need to transform the NCEA external assessment system to match the growing prominence of digitally enabled teaching, learning and assessment in schools, and the wider sector changes for education in the digital age	Enabling and supporting new technologies and business processes to deliver equitable and inclusive online digital assessments across all appropriate NCEA subjects and levels, building on the significant progress made to date	
	s 9(2)(f)(iv) OIA			

<b>Education Budget 2020 Strategy Session 16 Oct 19 - Annex 2</b>				
<b>Initiative Name</b>	<b>Problem Definition</b>	<b>Initiative Description</b>	<b>Optimal Budget Bid</b>	<b>Minimum Viable Budget Bid</b>
s 9(2)(f)(iv) OIA				
Total Priority Schooling Initiatives	s 9(2)(f)(iv)			

Proactively

Budget Sensitive



Education Budget 2020 Strategy Session 16 Oct 19 - Annex 2					
				Optimal Budget Bid	Minimum Viable Budget Bid
	Initiative Name	Problem Definition	Initiative Description	Timing of Delivery and Expected Outcomes	Timing of Delivery and Expected Outcomes2
Operating Model and Departmental Costs	s 9(2)(f)(iv) OIA				
	Payroll - Holidays Act	Current schools payroll practices are not compliant with the Holidays Act 2003. Funding will be required to remediate past non-compliance once this has been determined.	Funding for remediation payments and implementation of the programme.	TBC	TBC
	s 9(2)(f)(iv) OIA				
	Payroll - Alesco (EPL'S core payroll engine)	EPL has signaled the need to review their operating model and costs and that they are incurring higher operating cost than the original forecasts estimates which were done in 2016. We have agreed with EPL to undertake a financial review and this is planned to be complete Q1 2020. The outcome of that will give the evidence to support any change to the contract fee.	There is a contractual fee review underway with any increase effective from 1 June 2020. The pressure has been caused due to the possible increase in EPL's annual fee. This fee could increase due to a range of reasons; due to non-achieving all EPDP benefits, transactions volume increases and reassessment of overall payroll costs.	Funding would be used in 2020/21 to maintain the software until it is upgraded or replaced.	TBC
	Total Operating Model and Departmental Costs: s 9(2)(f)(iv)				
Māori Education	Māori Language in Education Initiatives	The Government has committed to expand the provision of Māori Language in Education in New Zealand schools by 2025.	Maintain and expand existing successful initiatives that are currently time-limited (Mōu Te Reo, Te Ahu o te Reo, Te Kawa Matakura, He Kura Whānau Reo and He Kauwhata Reo)	More learners participate in Māori Language in Education. Deliverables: five key initiatives are implemented from 2021 onwards.	More learners participate in Māori Language in Education. Deliverables: two key initiatives are implemented from 2021 onwards.
	Supporting Iwi capacity and capability to engage with MOE and education providers	The EWP envisages various roles for iwi in facilitating and brokering local-level engagement between whānau and education providers to support better outcomes for learners. It is necessary to provide support for iwi to develop and sustain the capacity to undertake these roles.	Capacity support to better enable iwi to facilitate, broker and support learners, whānau and education providers at the local level	Iwi are actively supporting the provision of education to Māori learners and whānau and growing the capacity and capability of education providers. Deliverables: 100 iwi have highly skilled facilitators in place who work directly with learners, whānau and education providers.	Iwi are actively supporting the provision of education to Māori learners and whānau and growing the capacity and capability of education providers. Deliverables: 40 iwi have highly skilled facilitators in place who work directly with learners, whānau and education providers.
	Increase Support for Te Rūnanganui and other Māori Education Peak Bodies	The Ministry has agreements with five Māori Education Peak Bodies (TKR, KKM, NKAI, Te Akatea, Te Tauihu) to undertake various functions to support their operating model and provide services to members. Many of these functions are currently unfunded and not delivered.	Provide support to Māori Education Peak Bodies to strengthen their operations and provide direct support to their memberships.	Strengthened operating model for Māori Education Peak Bodies and enhanced service provision to member organisations. Deliverables: 5 x Māori Education Peak Bodies engage 3 personnel each and provide enhanced services to members (eg, governance support, curriculum development, PLD and relieving teachers). Implementation from Jan 2020	Strengthened operating model for Māori Education Peak Bodies. Deliverables: 5 x Māori Education Peak Bodies engage 2 personnel each. Implementation from Jan 2020
	Support for Kaiako in Māori Medium Settings	To support expansion of Māori Medium Education to meet current and forecast demand, it is necessary to grow the number of kaiako at a greater pace and to retain current kaiako in their existing roles.	This initiative will grow provision of MME ITE, provide additional support for ITE trainees and recognise the additional skills required of MME kaiako	Increased number of highly skilled MME kaiako. Deliverables by 2021: 100 more ITE places and 10 retention initiatives	Increased number of highly skilled MME kaiako. Deliverables by 2021: ie, 100 more ITE places and 3 retention initiatives
	Support Package for Māori Boarding Schools	To maintain four iconic Māori Boarding Schools as viable operations it is necessary to invest in upgrading and modernising their buildings and support other infrastructure and operating requirements	Earthquake strengthening and modernisation of buildings and infrastructure and ongoing maintenance across four Māori Boarding Schools; support for other operating requirements	Ongoing viability of iconic Māori Boarding Schools. Deliverables: earthquake strengthening and modernisation in 2020/21 across 4 Māori Boarding Schools and ongoing annual maintenance.	Ongoing viability of iconic Māori Boarding Schools. Earthquake strengthening and modernisation in 2020/21 at one school. Ongoing annual maintenance across four schools.
	Onoing Support for Kōhanga Reo	TBC	TBC	TBC	TBC
	Total Māori Education: s 9(2)(f)(iv)				

Education Budget 2020 Strategy Session 16 Oct 19 - Annex 2				
			Optimal Budget Bid	Minimum Viable Budget Bid
Initiative Name	Problem Definition	Initiative Description	Timing of Delivery and Expected Outcomes	Timing of Delivery and Expected Outcomes2
Learning Support	s 9(2)(f)(iv) OIA			
	Teacher Aides	<p>Access to education is a fundamental right for all students. For students with high and very high needs, adequate teacher aide support through the Ongoing Resourcing Scheme (ORS) is essential for their engagement, achievement and participation at school.</p> <p>ORS currently provides 10 hours of support per week to high needs students and 17 hours to very high needs students. The Ministry has received consistent feedback from parents and teachers that there is insufficient funding to provide all the hours of teacher aide time that ORS students need to fully access education by being engaged in their learning, achieving and participating in all school settings.</p>	<p>This bid increases the number of teacher aide hours for high and very high needs students supported by ORS.</p> <p>The current overall level of teacher aide support for ORS students is insufficient to meet their education needs. Increased teacher aide hours will support ORS students' engagement in their learning, achievement through greater access to the curriculum including key competencies, and wellbeing through full participation in the life of the school.</p>	<p>From 2020/21 increasing the average ORS teacher aide hours for high needs students to 20 hours per week and very high needs students to 30 hours per week, to be allocated on the basis of student need. This will provide an additional 17,771,900 hours of teacher aide over 4 years. Increasing the hours available will support students' engagement, achievement and wellbeing.</p> <p>From 2020/21 increasing the average ORS teacher aide hours for high needs students to 15 per week and very high needs students to 20 per week, to be allocated on the basis of student need. This will provide an additional 7,439,400 hours of teacher aide support over 4 years. Under this option, allocation of the additional teacher aide hours would be prioritised to ensure that the mix of teacher aide support for individual children and for groups of children in schools achieved optimal increases in engagement, achievement and participation for ORS students for the funding available.</p>
	s 9(2)(f)(iv) OIA			
	Early Intervention – Kōhanga Reo	<p>A lack of interpreters for deaf parents doesn't allow them to fully participate in their child's early education.</p> <p>Te Kōhanga Reo National Trust needs professional learning and development to support whānau to access early intervention services as early as possible to support the learning and wellbeing needs of their tamariki.</p>	<p>Access to interpreters for deaf parents with children in early learning services will enable them to fully participate in their child's education, a key contributor to children's progress and achievement.</p> <p>Supporting teacher capability within Te Kōhanga Reo means both kaiako and whānau can work together to identify, assess and support the learning needs of their tamariki. This builds on existing investment in 2018/19 to raise the awareness of Learning Support among whānau and fill the need identified by Te Kōhanga Reo Trust to build their internal capability.</p>	<p>Will extend interpretation support offered to deaf parents into early learning services from 2020/21</p> <p>Will provide further support to the Te Kōhanga Reo Trust to develop 3 further PLD topics and roll out of PLD and awareness campaign from 2020/21</p> <p>Will extend support offered to deaf parents to early childhood education from 2020/21 and provide further support to the Te Kōhanga Reo Trust to develop 2 further PLD topics and roll out of PLD and awareness campaign from 2020/21</p>
	s 9(2)(f)(iv) OIA			

Education Budget 2020 Strategy Session 16 Oct 19 - Annex 2					
			Optimal Budget Bid	Minimum Viable Budget Bid	
Initiative Name	Problem Definition	Initiative Description	Timing of Delivery and Expected Outcomes	Timing of Delivery and Expected Outcomes2	
Other Min Martin Priorities	School High Health Needs Fund (cost pressure)	Demand for the School High Health Needs Fund is outgrowing the forecast increase in population growth.  In 2018, 1279 students received support, up from 562 in 2011, with no increase in funding and this pressure cannot be sustained at current funding levels.  More funding is needed for additional growth over and above the population growth bid.	All children and young people need access to education and those with high health needs (i.e. they have one or more significant health conditions that are barriers to physically attending school, such as cancer treatment) need teacher aide support to maintain their education. Because their education is often disrupted while they undergo medical treatment, it is essential that when they are able to participate, they have access to the teacher aide support they need. This initiative will fund the expected growth in students supported by the School High Health Needs Fund, above those funded through the population growth bid.	This funding would provide support to the estimated increase in School High Health Needs Fund student population from July 2020 onwards	The optimal Budget bid and the minimum viable option are the same, because they cover the actual expected number of students needing support.
	TOTAL LEARNING SUPPORT				
	s 9(2)(f)(iv) OIA				
Total Min Martin Priorities (including Learning Support)		s 9(2)(f)(iv)			
	s 9(2)(f)(iv) OIA				

Education Budget 2020 Strategy Session 16 Oct 19 - Annex 2					
				Optimal Budget Bid	Minimum Viable Budget Bid
	Initiative Name	Problem Definition	Initiative Description	Timing of Delivery and Expected Outcomes	Timing of Delivery and Expected Outcomes2
Pacific Education	ESOLs 9(2)(f)(iv) Cost Adjustments	Budget bids for ESOL over the last six years have addressed volume increases but not cost pressure increases. This is significant because of an increase in teacher aide costs during this period for schools providing additional support for English Language Learners and because over half the cost per student is related to teacher aide support.	Adequate funding for ESOL would resolve cost pressure issues and would meet the government's priority to support Pacifica aspirations (40% of ESOL funded students come from Pacific Island backgrounds) and improve their wellbeing.	This will provide the increase in funding for ESOL of 7% of each for the first two years giving a total of 14% from 21/22 to enable service to take into account the increase in costs from recent pay awards.	This will provide the increase in funding for ESOL of 4% over the first three years and 2% in the final year for a total of 14% from 23/24 to enable service to take into account the increase in costs from recent pay awards.
		s 9(2)(f)(iv) OIA	s 9(2)(f)(iv)	s 9(2)(f)(iv)	s 9(2)(f)(iv)
	s 9(2)(f)(iv) OIA				
Other Min Salesa Priorities	Total Pacific Education	s 9(2)(f)(iv)			
	s 9(2)(f)(iv) OIA				
	Total Min Salesa (including Pacific Education)	s 9(2)(f)(iv)			

Education Budget 2020 Strategy Session 16 Oct 19 - Annex 2				
			Optimal Budget Bid	Minimum Viable Budget Bid
Initiative Name	Problem Definition	Initiative Description	Timing of Delivery and Expected Outcomes	Timing of Delivery and Expected Outcomes2
s 9(2)(f)(iv) OIA				
Domestic Tertiary Student Code of Practice	Minister of Education will seek cabinet agreement to establish a code of practice for the pastoral care of domestic students, which will have implementation and ongoing costs for education agencies.	Minister of Education will seek cabinet agreement to establish a code of practice for the pastoral care of domestic students, which will have implementation and ongoing costs for education agencies	Implementation from 2020	N/A
s 9(2)(f)(iv) OIA				
Adult and Community Education (ACE)	We want to revitalise and advance the ACE sector and put it on a more sustainable basis. The government wants to provide all New Zealanders genuine lifelong learning opportunities and pathways into further education, which ACE can do in a low cost, low compliance environment	Reintroduce a co-ordination function for ACE, which will reduce the costs of delivery for providers and raise learners' awareness of available courses. It will also cover the expansion of government funding to a wider range of ACE courses, to meet the Ministry/sector's co-designed and Ministerial priorities	Funding additional per learner rates offered by providers and expanding the range of ACE courses to be funded over the next five years to 2024.	TBC
s 9(2)(f)(iv) OIA				
Total Vote Tertiary	s 9(2)(f)(iv)			



Education Budget 2020 Strategy Session 16 Oct 19 - Annex 2				
			Optimal Budget Bid	Minimum Viable Budget Bid
Initiative Name	Problem Definition	Initiative Description	Timing of Delivery and Expected Outcomes	Timing of Delivery and Expected Outcomes2
Core Commitments	s 9(2)(f)(iv) OIA			
	s 9(2)(f)(iv)			
	s 9(2)(f)(iv) OIA			

Education Budget 2020 Strategy Session 16 Oct 19 - Annex 2					
				Optimal Budget Bid	Minimum Viable Budget Bid
	Initiative Name	Problem Definition	Initiative Description	Timing of Delivery and Expected Outcomes	Timing of Delivery and Expected Outcomes2
Property and Transport	s 9(2)(f)(iv) OIA				
	Christchurch Schools Rebuild	Cabinet approved the CSR programme in 2013. This funding is required to complete the programme, including the additional funding identified in the midpoint review.	Capital injection funding to complete the CSR Programme will be used for various projects that are currently at different stages. Schools will be modernised to provide flexible and digitally-connected learning spaces.	The CSR programme is due to be complete in the next 3 years.	TBC
	s 9(2)(f)(iv) OIA				
	School ICT Network as a Service (NAAS)	The Ministry has invested in schools ICT infrastructure through the School Network Upgrade Programme. Funding is required to maintain this infrastructure to ensure Schools' ICT remains fit for purpose. This initiative is crucial to the success of the Equitable Digital Access bid and NCEA Online bid.	This initiative will ensure school ICT infrastructure is replaced when faulty, receives ongoing updates and is proactively managed to ensure the best performance and protection for children and staff in the school.	The Ministry would start actively managing schools ICT infrastructure from 2020/21 onwards.	TBC
	s 9(2)(f)(iv) OIA				
	Total Property and Transport			s 9(2)(f)(iv)	
	Additional bid not originally included:				
Cross-Sector Bids	s 9(2)(f)(iv) OIA				
	Advancing wellbeing for 0-6 year olds	The first few years of life from pre-conception are fundamentally important for a broad range of wellbeing outcomes. In this first 1000 days, parents, family and whānau are children's first and most important teachers. Supporting parents to support their children in the first 1000 days will give strong gains in life outcomes. For example, these gains can come through working with the services parents see as safe and trusted environments.	We are working with the Ministry of Health to develop specific interventions that may form part of this work programme. We expect to have these identified for the mid-November joint Cabinet report back. Once agreed by Cabinet, we will cost these interventions.	TBC	TBC
	Freeing Children and young people from racism and discrimination	Too many children and young people (especially Māori, Pacific, LGBTQIA+, Disability, migrants) experience racism and discrimination in education and other sectors. It affects mental wellbeing, and the harmful impacts, run across a person's whole life. There have been no significant attempts to address racism and discrimination, so addressing these issues requires a long-term commitment to find lasting solutions.	Will initially help fund specific areas for initial investment, such as community initiatives and people capability, across government to help address racism and discrimination for children and young people.	Over the next 3 years	Outcomes are decreases inperceived racism and discrimination amongst young people
	s 9(2)(f)(iv) OIA				
	School Lunches	TBC	TBC	TBC	TBC
Total Cross Sector		Max Opex:	s 9(2)(f)(iv)		
Opex Total Education Portfolio		s 9(2)(f)(iv)			