

## Education Report: Wellbeing package departmental funding changes

<b>To:</b>	Hon Chris Hipkins, Minister of Education		
<b>Cc:</b>	Hon Min Tracey Martin, Associate Minister of Education Hon Min Kelvin Davis, Associate Minister of Education		
<b>Date:</b>	09 October 2020	<b>Priority:</b>	High
<b>Security Level:</b>	In Confidence	<b>METIS No:</b>	1242959
<b>Drafter:</b>	Duncan Wilson	<b>DDI:</b>	04 463 1558
<b>Key Contacts:</b>	Mark Flintoff John Brooker	<b>DDI:</b>	9(2)(a)
<b>Messaging seen by Communications team:</b>	No	<b>Round Robin:</b>	N

### Purpose of Report

This report seeks your agreement to proposed changes in departmental and non-departmental expenditure for the COVID-19 Response and Recovery Fund initiative *Increasing Wellbeing and Mental Health Support to Learners and the Education Workforce* (the Wellbeing Package); and approval to strengthen the implementation of the Wellbeing Package by retaining departmental resources.

### Summary

A \$201 million package of wellbeing initiatives *Increasing Wellbeing and Mental Health Support to Learners and the Education Workforce* (Wellbeing Package) [Initiative No 12675] was funded through the CRRF round, including an initiative to fund services that support the wellbeing of teachers (Workforce Wellbeing).

The Ministry of Education (the Ministry) has recently established a wellbeing governance approach to provide oversight over this work. As part of this process, we have identified concerns within the Wellbeing Package including:

- The Workforce Wellbeing funding (\$15.988m over three years) currently allocated as departmental funding needs to be transferred to non-departmental funding in order to be utilised.
- Transferring the full funding for the Workforce Wellbeing initiative from departmental to non-departmental funding would leave insufficient departmental funding for the Ministry to implement the wider Wellbeing Package effectively.

We have looked at addressing this pressure by:

- reducing the spend across other parts of the Wellbeing Package - but this would divest spending from learners and communities.
- reprioritising other internal departmental funding to offset this shortfall - but there is already significant stress placed on our baseline.

The Ministry has also investigated reprioritising opportunities in non-departmental baselines. The Ministry has traditionally underspent in the Primary and Secondary appropriations which make up the largest component of the Primary and Secondary Education Multi-Category Appropriation (MCA). Therefore, we propose the following solution:

- Of the \$7.85m departmental funding allocated to the Workforce Wellbeing initiative in 2020/21, transfer only \$4.53m to non-departmental funding in 2020/21 and utilise \$3.32m from the wider Primary and Secondary Education MCA non-departmental appropriation to meet the full amount of funding for the Wellbeing Workforce initiative in 2020/21.
- To avoid constraints within the management and administration of the Wellbeing Package, using the remaining \$3.32m departmental funding in 2020/21 to offset the departmental shortfall we have identified.

## Recommended Actions

The Ministry of Education recommends you:

- note** that a fiscally neutral transfer from the Improved Quality Teaching and Learning MCA (departmental funding) to the Primary and Secondary Education MCA (non-departmental funding) is needed to deliver the Workforce Wellbeing component of the Wellbeing Package.  
**Noted**
- note** transferring the full funding for the Workforce Wellbeing component in 2020/21 (\$7.85m) to non-departmental funding would leave insufficient funding for the Ministry to effectively manage and deliver the Wellbeing Package in 2020/21.  
**Noted**
- note** that the Ministry suggest a smaller transfer of \$4.53m only in departmental funding in 2020/21 to non-departmental funding for the Workforce Wellbeing initiative.  
**Noted**
- note** that the Ministry considers there will be sufficient funding in the wider Primary and Secondary MCA to absorb any shortfall the proposed smaller transfer would create in non-departmental funding (\$3.32m) for the Workforce Wellbeing initiative in 2020/21.  
**Noted**
- note** that the remaining \$3.32m in departmental funding in 2020/21 would be utilised to ensure we have sufficient departmental funding to effectively manage and deliver the Wellbeing package.  
**Noted**
- note** that the full amount of the Workforce Wellbeing package in outyears (\$4.650m in 2021/22 and \$3.488m in 2022/23) would be transferred across into the Primary and Secondary MCA.  
**Noted**
- agree** to seek Minister of Finance approval for a smaller fiscally neutral transfer of \$4.53m in 2020/21 only for the Wellbeing Workforce initiative from the Improved Quality Teaching and Learning MCA to the Primary and Secondary Education MCA.

**Agree / Disagree**

- h. **agree** to seek Minister of Finance approval to utilise \$3.32m funding in the wider in the Primary and Secondary MCA to provide additional non-departmental funding to facilitate the Workforce Wellbeing initiative.

☒ **Agree** ☐ **Disagree**

- i. **proactively release** this report as per your expectation that information be released in timely manner.

☒ **Release** ☐ **Do Not Release**



Mark Flintoff  
**Chief Financial Officer**  
**Ministry of Education**

9/10/2020



Hon Chris Hipkin  
**Minister of Education**

13/10/20

## Background

- 1 The *Increasing Wellbeing and Mental Health Support to Learners and the Education Workforce* [Initiative No. 12675] package (Wellbeing Package) was funded through the COVID Response and Recovery Fund, totalling \$74.491m in 2020/21 and some \$201m over four years.
- 2 A total of \$14.384m of departmental funding across the entire Wellbeing Package was appropriated for the 2020/21 financial year, including the incorrectly categorised funding for the education workforce initiative (\$7.850m in 2020/21) (Workforce Wellbeing).
- 3 In the process of establishing governance arrangements, the Ministry has identified the following concerns with the Wellbeing Package:
  - a. The workplace assistance for education workforce initiative (\$15.988m over three years) was appropriated to the Improved Quality Teaching and Learning MCA as departmental funding. To be spent this needs to be transferred to the Primary and Secondary MCA as non-departmental funding.
  - b. Once the education workforce initiative funding is transferred from departmental funding to non-departmental funding, and including departmental funding already spent on other components of the Wellbeing Package (\$4.555m), the remaining \$1.979m departmental funding for 2020/21 is insufficient to effectively deliver the Wellbeing Package.

## Workplace Assistance for Education Workforce initiative

- 4 The workplace assistance for the education workforce initiative received \$15.988m over three years to purchase services to support the wellbeing of teachers.

Operating funding (\$m)	2020/21	2021/22	2022/23	2023/24 & outyears	Total
Workforce Wellbeing	7.850	4.650	3.488	-	15.988

- 5 This funding was appropriated as departmental funding in the Improved Quality Teaching and Learning MCA. However, for this funding to be utilised for its intended purpose, it needs to sit in non-departmental funding in the Primary and Secondary MCA.
- 6 Treasury advise that the most appropriate opportunity to formalise this change from departmental to non-departmental funding is through the October Baseline Update (OBU).

## Remaining Departmental Expenditure

- 7 Transferring the full \$7.850m for the Workforce Wellbeing initiative in 2020/21 would leave \$6.534m of departmental funding for 2020/21 in the Wellbeing Package. Of this, \$4.555m has already been allocated.
- 8 The Ministry considers the remaining \$1.979m in 2020/21 insufficient to effectively deliver the Wellbeing Package. Departmental funding is required to develop the supporting literature (mental health guidance) across English and Māori medium schools, early learning settings, and for parents and whānau. In particular, the support

for Māori wellbeing, co-ordinated implementation and proper evaluation are likely to be difficult without extra funding.

## Recommended solution – transfer a portion of departmental funding to non-departmental funding

---

- 9 The Ministry proposes a smaller transfer of \$4.53m in 2020/21 (rather than the full \$7.850m) from the Improved Quality Teaching and Learning MCA to the Primary and Secondary MCA for spending on the Workforce Wellbeing Initiative. This would leave an additional \$3.32m in departmental baselines in 2020/21 to help deliver this initiative.
- 10 The Ministry has traditionally underspent in the Primary and Secondary appropriations which make up the largest component of the Primary and Secondary Education MCA (MCA). We consider there will be sufficient funding in the Primary and Secondary MCA to absorb any shortfall in non-departmental funding (\$3.32m) for the Workforce Wellbeing initiative and restoring the total of \$7.850m for 2020/21.
- 11 We note that the full amount of the Workforce Wellbeing package in outyears (\$4.650m in 2021/22 and \$3.488m in 2022/23) would be transferred across into the Primary and Secondary MCA.

## Proactive Release and Consultation

---

### Proactive release of Education Report

- 12 It is recommended that this Education Report is proactively released as per your expectation that information be released as soon as possible. Any information which may need to be withheld will be done so in line with the provisions of the Official Information Act 1982.

### Consultation

- 13 Treasury have been consulted on the Ministry's proposed solution and recommend a transfer through OBU as the most appropriate option. This would require the Minister of Finance to agree to the partial transfer of funding rather than the full transfer. Treasury understood the departmental fiscal pressure which the Ministry is working under at the moment, and therefore why we consider this cost cannot be found from within baselines. They also noted that the vast majority of the pressure for this programme relates to the 2020/21 fiscal year.

## Next Steps

---

- 14 Subject to your approval the proposed adjustment will be incorporated into the October Baseline Update paper which is due to be finalised on the 15th of October. It will need to be signed out by yourself on the 22nd of October and is due with the Minister of Finance on the 27th of October.