



Cabinet

CAB Min (08) 14/1(17)

Minute of Decision

Copy No:

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

2008 Budget Package: Vote Education

On 14 April 2008, and following further consideration on 21 April 2008, Cabinet:

1. **approved** the Budget initiatives for the above Vote for inclusion in the 2008 Budget package, as listed in the summary below and detailed in the attached initiative documents;

Summary of initiatives included in the attached initiative documents:

Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2007/08	2008/09	2009/10	2010/11	2011/12
5010	Skills Strategy - Literacy, Language and Numeracy	-	27.253	36.253	45.498	47.498
5012	Skills Strategy Programme Office	-	1.240	1.240	-	-
5013	Supporting an Industry Training Organisation Strategic Leadership Fund	-	1.125	2.250	2.250	2.250
5022	Increasing the Performance Based Research Fund	4.311	7.221	9.183	13.000	13.000
5023	Student Achievement Component: Access in Priority Areas	-	13.412	16.894	16.171	10.111
5025	Investing Through the Tertiary Education Organisation Component	-	5.407	17.116	24.643	26.981
5027	Funding the National Qualifications Framework	-	0.750	-	-	-
5028	International Education Promotions	-	0.450	0.450	0.450	0.450
5029	Taxation of Foreign Allowances	-	-	-	-	-
5031	Savings Identified in Vote Education (Tertiary)	-	(5.500)	(3.500)	(3.500)	(3.500)
5032	Tertiary Education Commission: Policy Advice and Leadership of Tertiary Reforms	-	8.310	7.075	7.075	7.075
5111	Education Services to Support a Newborn Hearing Screening Programme	-	1.154	1.787	2.094	2.258
5112	2009 School Staffing Improvements for New Entrants	-	21.965	52.663	53.608	53.796
5114	Early Childhood Education (ECE) Annual Cost Adjustment	-	14.164	15.811	16.597	16.994

5118	Annual Adjustment to Schools' Operational Funding	-	24.514	49.132	48.928	49.006
5122	2008/09 School Property Business Case	-	5.517	5.444	4.765	5.094
5123	Ongoing and Reviewable Resourcing Schemes Baseline Adjustment	-	5.329	4.743	4.157	4.157
5124	School High Health Needs Fund Baseline Update	-	2.671	-	-	-
5137	Funding for Property at Integrated Schools	-	13.064	-	-	-
5235	Priorities for Focus: Strengthening Universities	-	15.000	15.000	15.000	15.000
5288	Extending the Community Partnerships Fund	(2.000)	-	-	-	-
Total Operating		2.311	163.046	231.541	250.736	250.170

Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2007/08	2008/09	2009/10	2010/11	2011/12
5111	Education Services to Support a Newborn Hearing Screening Programme	-	0.263	0.198	0.110	0.088
5112	2009 School Staffing Improvements for New Entrants	-	2.335	7.702	16.681	6.791
5122	2008/09 School Property Business Case	-	71.000	2.790	0.940	-
Total Capital		-	73.598	10.690	17.731	6.879

2. **agreed** to establish new appropriations where required to implement these initiatives, as described in the attached initiative documents;
3. **approved** the changes to appropriations and/or projected balances of net assets of the administering department (where applicable) to implement the initiatives, as set out in the attached initiative documents;
4. **approved** the additional recommendations to give effect to the initiatives, as set out in the attached initiative documents;
5. **agreed** that the proposed changes to appropriations and/or projected balances of net assets for 2007/08 above be included in the 2007/08 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
6. **authorised** the Minister of Finance and the Vote Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2007/08 Supplementary Estimates, the 2008/09 Estimates and the fiscal forecasts;
7. **noted** that all communications relating to the 2008 Budget are co-ordinated by a Budget communications committee, and that 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;
8. **agreed** that the initiatives in the following table be set aside as contingency items, that corresponding funding for them be set aside in the between-Budget spending contingency, and that they be submitted to the appropriate Cabinet committee for consideration at a later stage;

Capital Contingency

Initiative Name	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Tertiary Education Capital Investment Fund <i>[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]</i>	-	35.000	30.000	30.000	-
Total Capital	-	45.000	30.000	30.000	-

9. **approved** transfers of the following capital contingency items from 2007/08 to 2008/09, and transfers of funds from the Tertiary Education Institution contingencies to the Tertiary Education Capital Investment Fund, with no impact on the operating balance or debt:

Vote Education Minister for Tertiary Education	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Tertiary Education Institution at Risk Capital – Contingency	(15.215)	-	-	-	-
Tertiary Education Institution Business Cases: Capital Investment – Contingency	-	-	(0.881)	(0.925)	-
Tertiary Education Capital Investment Fund	-	15.215	0.881	0.925	-
<i>[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]</i>					

Operating Contingency

10. **approved** a transfer of the following operating contingency item from 2007/08 to 2008/09, with no impact on the operating balance or debt:

Vote Education Minister of Education	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
<i>[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]</i>					

11. **noted** that Cabinet has also authorised the Prime Minister, Minister of Finance, Associate Minister of Finance and Minister of Education to take decisions on other proposed changes within Vote Education baselines [CAB Min (08) 14/5].

Secretary of the Cabinet

Reference: 2008 Budget package tabled
by the Minister of Finance**Distribution:**

Prime Minister
 Chief Executive, DPMC
 Director PAG, DPMC
 Minister of Finance
 Secretary to the Treasury
 Hon Jim Anderton
 Minister for Tertiary Education
 Chief Executive, Ministry of Education (Tertiary)
 Minister of Education
 Chief Executive, Ministry of Education
 Associate Minister of Finance (Hon Trevor Mallard)
 Controller and Auditor-General

Initiative No: 5010

Vote: Education

Title: Skills Strategy - Literacy, Language and Numeracy

Description: Initiatives for increasing the supply of language, literacy and numeracy provision to raise workforce skills. These initiatives form part of an action plan agreed by Cabinet in November 2007 [CAB Min (07) 40/2]. Separate funding is sought through Vote Employment for raising demand.

Theme: Economic Transformation

Theme Objective: Innovative and productive workplaces: innovation

Performance Information

Performance Table

	Unit of Measurement	Performance Specification				
		2007/08	2008/09	2009/10	2010/11	2011/12
Quantity						
Foundation Learning Pool (Intensive) Community Based Provision - Existing learners	People	3700	3700	3700	3700	3700
Foundation Learning Pool (Intensive) Community Based Provision - New learners	People	0	1400	2000	3000	3000
Adult Community Education (ACE) Employee Targeted - Existing learners	People	0	0	0	0	0
Adult Community Education (ACE) Employee Targeted - New learners	People	0	650	2650	2650	2650
Educator Study Grants - Grants under current settings	Grants awarded	300	375	500	500	500
Foundation Learning Pool (ITP, wananga, PTE) Certificate Level - Existing learners	People	5300	5000	5000	5000	5000
Foundation Learning Pool (ITP, wananga, PTE) Certificate Level - New learners	People	0	3670	5680	7100	7100
Industry Training Pilots - Trainees in existing pilots	People	4700	9500	15500	15500	15500
Industry Training Pilots - New trainees	People	0	0	0	800	800
Workplace Literacy Fund - Existing learners	People	1250	1250	1250	1250	1250
Workplace Literacy Fund - New trainees	People	0	1750	3455	4667	5000

Performance Text

This suite of initiatives will improve the literacy, numeracy and language skills of the workforce and those near work. Each initiative has measurable and definable outcomes against which performance can be assessed. Initiatives take a stepped approach to build demand, supply and capability. The initiatives will expand the number of adults accessing literacy, numeracy and language skills from 25,000 in 2007 to 35,000 in 2009, and 50,000 in 2010.

Initiative No: 5010

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	27.253	36.253	45.498	47.498
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	27.253	36.253	45.498	47.498

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Non-Departmental Output Expenses: Managing the Government's Investment in the Tertiary Education Sector	-	5.750	5.750	5.498	5.498
Training for Designated Groups	-	-	-	1.000	1.000
Benefits and Other Unrequited Expenses: Tertiary Scholarships	-	1.500	2.000	2.000	2.000
Other Expenses to be Incurred by the Crown: Adult and Community Education	-	15.500	24.500	33.000	39.000
Tertiary Education Organisation Component – Capability Fund	-	4.503	4.003	4.000	-
Total Operating	-	27.253	36.253	45.498	47.498
Total Capital	-	-	-	-	-

Additional Recommendation

noted that funding is also appropriated in Vote Employment for this initiative.

Initiative No: 5012

Vote: Education

Title: Skills Strategy Programme Office

Description: This initiative seeks funding of \$2.480 million over two years to support the establishment and operation of the Skills Strategy Programme Office, a cross-agency project tasked with developing, co-ordinating and ensuring delivery of the Skills Strategy action plan.

Theme: Economic Transformation

Theme Objective: Innovative and productive workplaces: innovation

Performance Information

Performance Text

Overseeing the management and delivery of the action plan will be the responsibility of the Programme Office, led by a senior Programme Director. Within each of the six work strands of the Skills Strategy, an agreed set of actions will be developed, with agreed success measures. Following the development of the Skills Strategy action plan, the Programme Office has the primary function of facilitating, monitoring, and ensuring delivery of the action plan against agreed milestones.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	1.240	1.240	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.240	1.240	-	-

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Non-Departmental Output Expenses: Managing the Government's Investment in the Tertiary Education Sector	-	1.240	1.240	-	-
Total Operating	-	1.240	1.240	-	-
Total Capital	-	-	-	-	-

Vote: Education

Title: Supporting an Industry Training Organisation Strategic Leadership Fund

Description: This initiative seeks additional funding to increase the size of the Tertiary Education Organisation Core Component for Industry Training Organisations (ITOs). This funding would support the distinctive contribution of ITOs, in particular the Strategic Leadership Role.

Theme: Economic Transformation

Theme Objective: Innovative and productive workplaces: innovation

Performance Information

Performance Text

The Strategic Leadership Fund for ITOs supports the distinctive contribution of ITOs and enhances the effectiveness of the tertiary system as a whole. Specifically, the Strategic Leadership Fund enhances ITOs' ability to identify the current and future skill and training needs of employees as they relate to tertiary education, and set national qualifications on the National Qualifications Framework, through which TEOs meet the identified skill needs of the workforce.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	1.125	2.250	2.250	2.250
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.125	2.250	2.250	2.250

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Other Expenses to be Incurred by the Crown:					
Tertiary Education Organisation Component – Capability Fund	-	1.125	2.250	2.250	2.250
Total Operating	-	1.125	2.250	2.250	2.250
Total Capital	-	-	-	-	-

Additional Recommendation

noted that the decisions above have the following impacts on the elements of the Tertiary Education Organisation Component – Capability Fund appropriation:

TEOC - Capability Fund	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Industry Training Organisation Core Component	-	1.125	2.250	2.250	2.250
	-	1.125	2.250	2.250	2.250

Vote:	Education			
Title:	Increasing the Performance Based Research Fund			
Description:	Increasing the Performance Based Research Fund (PBRF) pool size to \$250 million by 2010 to provide for the transition between automatic and discretionary participation adjustments to the Performance Based Research Fund pool. This also meets the Labour Party manifesto commitment.			
Theme:	Economic Transformation	Theme Objective:	Innovative and productive workplaces: innovation	

Performance Information

Performance Text

Supports increased quality research and research-based teaching and learning and provides incentives for improving investment in basic research in the tertiary sector. In addition to measuring the quality of research and research-based teaching, performance is also measured in terms of increased research degree completions and external research income. The PBRF contributes to Tertiary Education Strategy and STEP research goals.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	4.311	7.221	9.183	13.000	13.000
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	4.311	7.221	9.183	13.000	13.000

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Other Expenses to be Incurred by the Crown:					
Tertiary Education Organisation Component – Performance Based Research Fund	4.311	7.221	9.183	13.000	13.000
Total Operating	4.311	7.221	9.183	13.000	13.000
Total Capital	-	-	-	-	-

Additional Recommendations

noted that the size of the Performance Based Research Fund (PBRF) is currently largely determined by the level of enrolments at tertiary education organisations of students at degree level and above, and that this approach does not align with the new "investing in a plan" approach and the associated reforms to the funding system [CAB Min (02) 32/13];

agreed that, in order to align with the new funding system, adjustment to the PBRF will no longer be based on enrolments at degree level and above, but rather that adjustments to the size of the PBRF will be considered through annual budget processes alongside competing pressures, based upon an assessment of increases in degree-level participation, inflation or a relative increase in observed quality.

Initiative No: 5023

Vote: Education

Title: Student Achievement Component: Access in Priority Areas

Description: This new initiative allows increased enrolments at Universities and Institutes of Technology and Polytechnics in priority areas: young people enrolling in degrees, and higher participation in trade and technical qualifications.

Theme: Economic Transformation

Theme Objective: Innovative and productive workplaces: innovation

Performance Information

Performance Table

	Unit of Measurement	Performance Specification				
		2007/08	2008/09	2009/10	2010/11	2011/12
Quantity						
Additional Institutes of Technology and Polytechnic enrolments	EFTS	0	300	400	400	400
Additional university enrolments	EFTS	0	900	1100	700	0
Level of enrolments currently funded	EFTS	0	229,700	232,300	234,300	235,900
Quality						
Courses with appropriate quality assurance	Percentage	0	100	100	100	100

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	13.412	16.894	16.171	10.111
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	13.412	16.894	16.171	10.111

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Non-Departmental Output Expenses: Tertiary Education: Student Achievement Component	-	13.412	16.894	16.171	10.111
Total Operating	-	13.412	16.894	16.171	10.111
Total Capital	-	-	-	-	-

Additional Recommendation

noted that funding is also appropriated in Vote Revenue and Vote Social Development for this initiative.

Vote: Education

Title: Investing Through the Tertiary Education Organisation Component

Description: Maintaining funding rates per student as participation increases. Support for core institutional costs in various sub-sectors to fulfil their distinctive contribution to the tertiary education network of provision. Support for participation of students from targeted groups.

Theme: Economic Transformation

Theme Objective: Innovative and productive workplaces: innovation

Performance Information

Performance Text

Performance measures will be agreed with each tertiary organisation in their investment plans.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	5.407	17.116	24.643	26.981
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	5.407	17.116	24.643	26.981

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Other Expenses to be Incurred by the Crown:					
Tertiary Education Organisation Component – Capability Fund	-	5.407	17.116	24.643	26.981
Total Operating	-	5.407	17.116	24.643	26.981
Total Capital	-	-	-	-	-

Additional Recommendation

noted the decisions above have the following impacts on the elements of the Tertiary Education Organisation Component – Capability Fund appropriation:

TEOC – Capability Fund	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Public Provider Base Grant – Base Grant	-	4.551	13.652	22.527	26.981
Public Provider Base Grant – Equity Loading		0.856	3.464	2.116	-
	-	5.407	17.116	24.643	26.981

Initiative No: 5027

Vote:	Education	
Title:	Funding the National Qualifications Framework	
Description:	This initiative seeks Crown funding to meet the current shortfall in funding to administer the National Qualifications Framework before a decision can be made on credit fees increases (which would apply from 1 January 2009).	
Theme:	Economic Transformation	Theme Objective: Innovative and productive workplaces: innovation

Performance Information

Performance Text

This initiative will allow the New Zealand Qualification Authority time to reconfigure its revenue arrangements in the short term. This will support delivery of output (3.1) of its Statement of Intent: particularly, the review of unit standards and their associated qualifications and Accreditation and Moderation Actions Plans (100%) in accordance with the 3-5 year rolling plan.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	0.750	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.750	-	-	-

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Non-Departmental Output Expenses: Qualifications Support Structures	-	0.750	-	-	-
Total Operating	-	0.750	-	-	-
Total Capital	-	-	-	-	-

Initiative No: 5028

Vote: Education

Title: International Education Promotions

Description: To fund an ongoing increase in the level of generic promotions activities, in order to support the development of the New Zealand international education sector.

Theme: Economic Transformation

Theme Objective: Innovative and productive workplaces: innovation

Performance Information

Performance Text

This initiative will fund the expansion of promotions activities (e.g. New Zealand presence at Education Fairs, web-based and local media advertising) which are undertaken by the lead sector body (the Education New Zealand Trust) to aid the recruitment of international students.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	0.450	0.450	0.450	0.450
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.450	0.450	0.450	0.450

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Non-Departmental Output Expenses: Tertiary and International Advisory Services	-	0.450	0.450	0.450	0.450
Total Operating	-	0.450	0.450	0.450	0.450
Total Capital	-	-	-	-	-

Initiative No: 5029

Vote: Education**Title:** Taxation of Foreign Allowances**Description:** To meet Inland Revenue requirements for the taxation of allowances paid to Education Counsellor staff.**Theme:** Economic Transformation**Theme Objective:** Innovative and productive workplaces: innovation**Performance Information****Performance Text**

This proposal will fund the requirement for the taxation of foreign allowances paid to Ministry of Education staff (i.e. the eight Education Counsellors).

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	1.025	1.025	1.025	1.025
Total	-	1.025	1.025	1.025	1.025

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Departmental Output Expenses (General):					
Strategic Leadership in the Tertiary System (funded by Revenue Crown)	-	1.025	1.025	1.025	1.025
Total Operating	-	1.025	1.025	1.025	1.025
Total Capital	-	-	-	-	-

Additional Recommendation

noted the following changes as a result of the decision to fund the taxation of foreign allowances paid to Ministry of Education staff:

Tax Revenue	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Other Persons	-	1.025	1.025	1.025	1.025

Initiative No: 5031

Vote: Education

Title: Savings Identified in Vote Education (Tertiary)

Description: Reducing current baselines for Skill Enhancement, Enterprise Scholarships (in 2008/09 only) and the Ministry of Education's tertiary education function, so that this expenditure can be applied in other areas of tertiary education.

Theme: Economic Transformation

Theme Objective: Innovative and productive workplaces: innovation

Performance Information

Performance Text

Following an analysis of current baselines, Skill Enhancement and Enterprise Scholarships have been identified as areas of consistent underspend. In addition, it is proposed to release \$0.5 million held within the Ministry of Education's departmental baselines, following the review of its tertiary functions. It is proposed that these underspends be used to support other areas of tertiary education. This reprioritisation will not affect current levels of provision or agency capacity.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	(5.500)	(3.500)	(3.500)	(3.500)
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	(5.500)	(3.500)	(3.500)	(3.500)

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Departmental Output Expenses (General):					
Strategic Leadership in the Tertiary System (funded by Revenue Crown)	-	(0.500)	(0.500)	(0.500)	(0.500)
Non-Departmental Output Expenses:					
Training for Designated Groups	-	(3.000)	(3.000)	(3.000)	(3.000)
Benefits and Other Unrequited Expenses:					
Tertiary Scholarships	-	(2.000)	-	-	-
Total Operating	-	(5.500)	(3.500)	(3.500)	(3.500)
Total Capital	-	-	-	-	-

Initiative No: 5031

Additional Recommendations

agreed to decrease funding for the Ministry of Education's departmental baseline for tertiary education policy, following a review of its role in tertiary education:

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Ministry of Education departmental baseline for tertiary education policy	-	(0.500)	(0.500)	(0.500)	(0.500)
Total Operating	-	(0.500)	(0.500)	(0.500)	(0.500)

agreed to decrease funding for the following programmes in order to reflect lower than expected demand in outyears:

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Skill Enhancement Programme	-	(3.000)	(3.000)	(3.000)	(3.000)
Enterprise Scholarships	-	(2.000)	-	-	-
Total Operating	-	(5.000)	(3.000)	(3.000)	(3.000)

Initiative No: 5032

Vote: Education

Title: Tertiary Education Commission: Policy Advice and Leadership of Tertiary Reforms

Description: The success of the tertiary reforms depends on strong leadership by the Tertiary Education Commission (TEC) of change in the tertiary sector, and leadership of strategic and policy advice to government. This budget initiative of \$29.5 million over four years will maintain and enhance the TEC's leadership capability.

Theme: Economic Transformation

Theme Objective: Innovative and productive workplaces: innovation

Performance Information

Performance Text

Overall success means sustainable tertiary organisations delivering on the objectives of the Tertiary Education Strategy, within controlled funding limits set by government. Success for this initiative will mean evidence of continued intensive leadership of tertiary subsectors, management of funding within appropriations, minimisation of risks to government, and delivery of high-quality policy advice across all aspects of the tertiary sector.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	8.310	7.075	7.075	7.075
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	8.310	7.075	7.075	7.075

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Non-Departmental Output Expenses: Managing the Government's Investment in the Tertiary Education Sector	-	5.410	4.175	5.175	5.175
Ownership Monitoring of Tertiary Education Institutions	-	2.000	2.000	1.500	1.500
Tertiary Education and Training Policy Advice	-	0.900	0.900	0.400	0.400
Total Operating	-	8.310	7.075	7.075	7.075
Total Capital	-	-	-	-	-

Additional Recommendation

approved the following changes to appropriations to transfer resources from 2008/09 to 2009/10 for enhancing the capability and distinctive contribution of the Institutes of Technology and Polytechnics sub-sector, with no impact on the operating balance or debt:

Vote Education Minister for Tertiary Education	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Non-Departmental Output Expenses:					
Managing the Government's Investment in the Tertiary Education Sector	-	(1.925)	1.925	-	-

Initiative No: 5111

Vote: Education

Title: Education Services to Support a Newborn Hearing Screening Programme

Description: The government is implementing a universal newborn hearing screening programme from July 2009. Once children have been identified by the screening, services are needed from the Ministry of Education and others so that these children make similar progress as their hearing peers.

Theme: Families – Young and Old

Theme Objective: Key business and service delivery failures

Performance Information

Performance Text

This initiative will provide specialist advice, help with speech and language (including sign language) technical assistance with hearing equipment and curriculum adaptation to those children with significant hearing impairments. This is estimated to be 80-100 new children each year and will require 21.7 extra Full Time Equivalent in specialist staff. Support will also be provided to their parents and early childhood teachers.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12
Operating Balance Impact	-	1.154	1.787	2.094	2.258
Debt Impact	-	0.263	0.198	0.110	0.088
No Impact	-	0.005	0.024	0.037	0.045
Total	-	1.422	2.009	2.241	2.391

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12
Departmental Output Expenses (General):					
Interventions for Target Student Groups (funded by Revenue Crown)	-	1.017	1.561	1.895	2.171
Non-Departmental Output Expenses:					
Provision of Information and Advisory Services	-	0.134	0.235	0.213	0.101
Other Expenses to be Incurred by the Crown:					
Special Needs Support	-	0.008	0.015	0.023	0.031
Net Asset Schedule:					
Capital Investment	-	0.263	0.198	0.110	0.088
Total Operating	-	1.159	1.811	2.131	2.303
Total Capital	-	0.263	0.198	0.110	0.088

Initiative No: 5111

	2012/13	2013/14	2014/15	2015/16	2016/17 & Outyears
Departmental Output Expenses (General):					
Interventions for Target Student Groups (funded by Revenue Crown)	2.176	2.176	2.176	2.176	2.176
Non-Departmental Output Expenses:					
Provision of Information and Advisory Services	0.101	0.090	0.068	0.047	0.037
Other Expenses to be Incurred by the Crown:					
Special Needs Support	0.031	0.031	0.031	0.031	0.031
Net Asset Schedule:					
Capital Investment	-	-	-	-	-
Total Operating	2.308	2.297	2.275	2.254	2.244
Total Capital	-	-	-	-	-

Initiative No: 5112

Vote: Education

Title: 2009 School Staffing Improvements for New Entrants

Description: This proposal invests in school staffing to support new entrant learning by providing an estimated extra 762 full-time teacher equivalents and related property from 2009 to reduce Year 1 class sizes. It also adds more assessment tools to the existing e-asTTle system. It completes a Labour 2005 manifesto commitment.

Theme: Families - Young and Old

Theme Objective: Key business and service delivery failures

Performance Information

Performance Table

	Unit of Measurement	Performance Specification				
		2007/08	2008/09	2009/10	2010/11	2011/12
Quantity						
Laptops for teachers	Laptops	0	647	647	647	647
Teaching spaces	Teaching spaces	0	0	53	199	258
Staff for assessment tools	FTE	0	2.5	2.5	2.5	2.5
Teachers	FTTE	0	762	762	762	762
Teacher payroll clerks	FTE	0	2.3	2.3	2.3	2.3
Property staff	FTE	0	2.0	2.0	2.0	0.0

Performance Text

This proposal aims to ensure that all new entrants get well-settled into school and gain strong foundations in their early learning, particularly in literacy and numeracy. Small classes have been found to provide the best conditions for effective teaching and learning, provided teachers adapt their teaching to different class sizes. Adding existing assessment tools for Year 1 students to the e-asTTle library will enable ease of access and quality reporting to better inform teaching.

Appropriation Changes

	\$m - increase/(decrease)					
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13 & Outyears
Operating Balance Impact	-	21.965	52.663	53.608	53.796	53.886
Debt Impact	-	2.335	7.702	16.681	6.791	-
No Impact	-	0.043	0.530	1.623	2.283	2.404
Total	-	24.343	60.895	71.912	62.870	56.290

Initiative No: 5112

	\$m - increase/(decrease)					
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13 & Outyears
Departmental Output Expenses (General):						
School Property Portfolio Management (funded by Revenue Crown)	-	0.222	0.614	2.014	2.964	3.236
Support and Resources for Education Providers (funded by Revenue Crown)	-	0.269	0.127	0.127	0.127	0.127
Support and Resources for Teachers (funded by Revenue Crown)	-	0.802	1.327	1.385	1.335	1.335
Non-Departmental Output Expenses:						
Curriculum Support	-	0.192	0.454	0.454	0.454	0.454
Professional Development and Support	-	0.300	0.300	0.150	0.150	0.150
Other Expenses to be Incurred by the Crown:						
Primary Education	-	20.223	50.371	51.101	51.049	50.988
Capital Expenditure:						
Schools Furniture and Equipment	-	-	0.297	0.820	0.334	-
Net Asset Schedule:						
Capital Investment	-	2.335	7.405	15.861	6.457	-
Total Operating	-	22.008	53.193	55.231	56.079	56.290
Total Capital	-	2.335	7.702	16.681	6.791	-

Initiative No: 5114

Vote: Education

Title: Early Childhood Education (ECE) Annual Cost Adjustment

Description: This bid increases ECE funding subsidy, Free ECE and equity funding rates to reflect services' cost increases; increases the provisionally registered teachers support grant to reflect salary increases; and seeks funding for limited attendance centres.

Theme: Families - Young and Old

Theme Objective: Early years

Performance Information

Performance Text

Increases in ECE funding rates to keep pace with increased costs faced by services, including costs associated with strategic plan quality improvements, should limit the need for services to increase fees charged to parents, which could reduce participation in ECE.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	14.164	15.811	16.597	16.994
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	14.164	15.811	16.597	16.994

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Other Expenses to be Incurred by the Crown:					
Early Childhood Education	-	14.164	15.811	16.597	16.994
Total Operating	-	14.164	15.811	16.597	16.994
Total Capital	-	-	-	-	-

Additional Recommendations

agreed that Early Childhood Education (ECE) funding subsidy rates and Free ECE rates increase on 1 July 2008, to compensate ECE services for increased costs, as set out below:

\$ per funded child hour (excluding GST)*	Rates from 1 February 2008			Rates from 1 July 2008		
	Under 2	2 and over	Free ECE	Under 2	2 and over	Free ECE
All-day teacher-led centre-based services						
100% registered teachers	\$10.35	\$5.96	\$9.95	\$10.92	\$6.86	\$10.90
80-99% registered teachers	\$9.77	\$5.31	\$9.24	\$10.27	\$6.09	\$10.07
50-79% registered teachers	\$8.44	\$4.28	\$8.09	\$8.81	\$4.81	\$8.67
25-49% registered teachers	\$6.97	\$3.53	\$7.28	\$7.18	\$3.84	\$7.64
0-24% registered teachers	\$6.12	\$3.08	\$6.79	\$6.25	\$3.20	\$6.96
Sessional teacher-led centre-based services						
100% registered teachers	\$9.64	\$4.94	\$5.98	\$10.16	\$5.35	\$6.40
80-99% registered teachers	\$9.08	\$4.03	\$5.20	\$9.55	\$4.21	\$5.40
50-79% registered teachers	\$7.83	\$3.40	\$4.52	\$8.17	\$3.53	\$4.66
25-49% registered teachers	\$6.46	\$3.00	\$4.06	\$6.66	\$3.08	\$4.15
0-24% registered teachers	\$5.65	\$2.75	\$3.80	\$5.79	\$2.80	\$3.88
Protected rate	\$5.79	\$2.90	\$3.92	\$5.79	\$2.90	\$3.92
Teacher-led home-based ECE services						
Quality	\$6.76	\$3.55	\$7.51	\$6.99	\$3.71	\$7.76
Standard	\$5.93	\$3.13	\$7.09	\$6.13	\$3.27	\$7.32
<i>Playcentre</i>						
Quality	\$6.99	\$3.50	n/a	\$7.40	\$3.72	n/a
Standard	\$6.12	\$3.08	n/a	\$6.48	\$3.25	n/a
Licensed Te Kōhanga Reo (except those recognised as teacher-led for funding purposes)						
Quality	\$6.99	\$3.50	\$6.79	\$7.40	\$3.72	\$6.97
Standard	\$6.12	\$3.08	\$6.39	\$6.48	\$3.25	\$6.56
Parent-led licence-exempt services (GST not applicable)						
All licence-exempt services	\$1.31	\$1.31	n/a	\$1.36	\$1.36	n/a
*Note: These GST exclusive rates differ from the rates published and paid to early childhood education sector, which are GST inclusive.						

Initiative No: 5114

agreed that ECE equity funding rates increase on 1 July 2008, to adjust for inflation since 2002, as set out below:

Equity funding rates (excluding GST)*	Existing rates	Rates from 1 July 2008
<i>Equity Funding Language (monthly)</i>		
Language	\$133.33	\$153.39
<i>Equity Funding Isolation (monthly)</i>		
1.65 to 1.83	\$75.56	\$86.92
1.84 to 2.53	\$113.78	\$130.89
2.54 and greater	\$219.56	\$252.57
<i>Equity Funding Low Socio Economic (per funded child hour)</i>		
EQI 1	\$0.32	\$0.36
EQI 2	\$0.25	\$0.28
EQI 3	\$0.14	\$0.16
EQI 4	\$0.07	\$0.08
<i>Equity Funding Special Needs (per funded child hour)</i>		
EQI 1	\$0.15	\$0.18
EQI 2	\$0.10	\$0.12
EQI 3	\$0.07	\$0.08
EQI 4	\$0.06	\$0.07
<i>*Note: These GST exclusive rates differ from the rates published and paid to early childhood education sector, which are GST inclusive.</i>		

agreed that the funding subsidy rate for the proposed limited attendance service category will be 60c per child hour excluding GST, once these come into existence;

agreed that the value of the support grant for provisionally registered teachers be increased from \$3,497 per annum to \$3,752 per annum excluding GST from 1 July 2008;

noted that this funding includes provision to improve the formula used to determine eligibility for the isolation component of ECE equity funding and the Annual Top-Up for Isolated Services.

Initiative No: 5118

Vote: Education

Title: Annual Adjustment to Schools' Operational Funding

Description: This proposal provides for a 5% increase to schools' operational funding effective from 1 January 2009, comprising a 3.1% inflation adjustment plus a 1.9% increase to assist schools with the costs of Information and Communications Technology (ICT).

Theme: Families - Young and Old

Theme Objective: Key business and service delivery failures

Performance Information

Performance Text

This proposal aims to ensure that schools are appropriately and equitably resourced in order to respond to the needs of all their students in the 21st century through effective delivery of the national curriculum, efficient management, maintenance of school facilities, and improved use of ICT.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	24.514	49.132	48.928	49.006
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	24.514	49.132	48.928	49.006

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Non-Departmental Output Expenses: Curriculum Support	-	0.058	0.116	0.116	0.116
Other Expenses to be Incurred by the Crown:					
Primary Education	-	14.328	28.785	28.695	28.819
Secondary Education	-	8.436	16.856	16.742	16.694
Special Needs Support	-	1.692	3.375	3.375	3.377
Total Operating	-	24.514	49.132	48.928	49.006
Total Capital	-	-	-	-	-

Vote: Education

Title: 2008/09 School Property Business Case

Description: A capital bid to support the school property capital works programme, largely through the provision of new school property, plus the operating costs associated with implementing the programme and resulting from the capital injection.

Theme: Families - Young and Old

Theme Objective: Other

Performance Information

Performance Table

	Unit of Measurement	Performance Specification				
		2007/08	2008/09	2009/10	2010/11	2011/12
Quantity						
Sites designated	School sites	0	6	0	0	0
New schools opened	New schools	0	1	4	3	1
Schools re-located	Schools	0	0	3	0	1
New schools constructed	New schools	0	4	5	0	0
Classrooms approved	Classrooms	0	130	0	0	0
Classrooms built	Classrooms	0	150	0	0	0
School sites purchased	School sites	0	1	0	0	0

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	5.517	5.444	4.765	5.094
Debt Impact	-	71.000	2.790	0.940	-
No Impact	-	1.331	5.325	5.325	5.325
Total	-	77.848	13.559	11.030	10.419

Initiative No: 5122

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Departmental Output Expenses (General):					
School Property Portfolio Management (funded by Revenue Crown)	-	4.123	9.919	9.233	9.132
Other Expenses to be Incurred by the Crown:					
Integrated Schools Property	-	2.327	0.007	0.007	0.007
Primary Education	-	0.398	0.843	0.850	1.280
Capital Expenditure:					
Schools Furniture and Equipment	-	-	2.790	0.940	-
Net Asset Schedule:					
Capital Investment	-	71.000	-	-	-
Total Operating	-	6.848	10.769	10.090	10.419
Total Capital	-	71.000	2.790	0.940	-

Initiative No: 5123

Vote: Education

Title: Ongoing and Reviewable Resourcing Schemes Baseline Adjustment

Description: This bid seeks to increase the Ongoing and Reviewable Resourcing Schemes baseline to account for a greater than forecast number of students accessing the scheme.

Theme: Families - Young and Old

Theme Objective: Key business and service delivery failures

Performance Information

Performance Table

	Unit of Measurement	Performance Specification				
		2007/08	2008/09	2009/10	2010/11	2011/12
Quantity						
Number of students accessing Ongoing and Reviewable Resourcing Schemes support (current)	Student	0	6950	6930	6910	6910
Numbers of students accessing Ongoing and Reviewable Resourcing Schemes support (increase)	Student	0	250	230	220	220

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	5.329	4.743	4.157	4.157
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	5.329	4.743	4.157	4.157

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Departmental Output Expenses (General):					
Interventions for Target Student Groups (funded by Revenue Crown)	-	2.967	2.642	2.317	2.317
Other Expenses to be Incurred by the Crown:					
Primary Education	-	0.844	0.844	0.844	0.844
Secondary Education	-	1.518	1.257	0.996	0.996
Total Operating	-	5.329	4.743	4.157	4.157
Total Capital	-	-	-	-	-

Vote: Education

Title: School High Health Needs Fund Baseline Update

Description: This bid proposes increasing the baseline for the School High Health Needs Fund from providing for 300 students to providing for 550 students for 2008/09 only.

Theme: Families - Young and Old

Theme Objective: Key business and service delivery failures

Performance Information

Performance Table

	Unit of Measurement	Performance Specification				
		2007/08	2008/09	2009/10	2010/11	2011/12
Quantity						
Number of students accessing the School High Health Needs Fund (current)	Students	300	300	300	300	300
Number of additional students accessing the School High Health Needs Fund (increase)	Students	0	250	0	0	0

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	2.671	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	2.671	-	-	-

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Departmental Output Expenses (General):					
Interventions for Target Student Groups (funded by Revenue Crown)	-	2.671	-	-	-
Total Operating	-	2.671	-	-	-
Total Capital	-	-	-	-	-

Vote: Education

Title: Funding for Property at Integrated Schools

Description: The proprietor of Aquinas College is entitled to retrospective funding in 2008/09 under agreed Ministry criteria.

Theme: Families - Young and Old

Theme Objective: Key business and service delivery failures

Performance Information

Performance Table

	Unit of Measurement	Performance Specification				
		2007/08	2008/09	2009/10	2010/11	2011/12
Quantity						
Disburse funding	Percentage	0	100	0	0	0

Performance Text

Provision of property for one integrated school in 2008/09

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	13.064	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	13.064	-	-	-

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Other Expenses to be Incurred by the Crown:					
Integrated Schools Property	-	13.064	-	-	-
Total Operating	-	13.064	-	-	-
Total Capital	-	-	-	-	-

Vote: Education

Title: Priorities for Focus: Strengthening Universities

Description: Increased funding to support Universities' capability to recruit and retain internationally reputable staff and thereby assist in maintaining international quality research, teaching and learning.

Theme: Economic Transformation

Theme Objective: Innovative and productive workplaces: innovation

Performance Information

Performance Text

Performance measures will be developed as part of a university's investment plan.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	15.000	15.000	15.000	15.000
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	15.000	15.000	15.000	15.000

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Other Expenses to be Incurred by the Crown:					
Tertiary Education Organisation Component – Capability Fund	-	15.000	15.000	15.000	15.000
Total Operating	-	15.000	15.000	15.000	15.000
Total Capital	-	-	-	-	-

Additional Recommendation

noted that the decisions above have the following impacts on the elements of the Tertiary Education Organisation Component – Capability Fund appropriation:

TEOC – Capability Fund	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Priorities for Focus	-	15.000	15.000	15.000	15.000

Initiative No: 5288

Vote: Education

Title: Extending the Community Partnerships Fund

Description: To part fund the Extending the Community Partnerships Fund initiative for one year out of the existing baselines of Vote Education.

Theme: Economic Transformation

Theme Objective: Innovative and productive workplaces: innovation

Performance Information

Performance Text

Not applicable.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	(2.000)	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(2.000)	-	-	-	-

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Departmental Output Expenses (General):					
School Property Portfolio Management (funded by Revenue Crown)	(0.400)	-	-	-	-
Support and Resources for Teachers (funded by Revenue Crown)	(0.200)	-	-	-	-
Support and Resources for the Community (funded by Revenue Crown)	(0.200)	-	-	-	-
Benefits and Other Unrequited Expenses:					
Boarding Allowances and Bursaries	(1.200)	-	-	-	-
Total Operating	(2.000)	-	-	-	-
Total Capital	-	-	-	-	-