



Cabinet

CAB Min (07) 12/1(17)

Minute of Decision

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Minister of Education

Copies to:

Prime Minister
Deputy Prime Minister
Minister for Tertiary Education
Minister of Finance
Hon Jim Anderton
Associate Minister of Finance
(Hon Trevor Mallard)
Associate Minister of Education
Controller and Auditor-General

2007 Budget Package: Vote Education

On 19 April 2007, Cabinet:

1. **approved** the Budget initiatives for the above Vote for inclusion in the 2007 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)					
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
4277	Strengthening Universities' International Competitiveness	-	20.000	21.000	23.000	25.000	25.000
4295	Supporting Research by Expanding the Performance Based Research Fund	-	2.000	4.000	4.000	4.000	4.000
4297	Strengthening the Ngarimu VC and 28th (Maori) Battalion Memorial Scholarship	-	0.095	0.150	0.175	0.175	0.175
4298	Tertiary Reforms - Quality Assurance	-	5.150	3.349	-	-	-
4300	Development of Information Technology (IT) Systems and Data Collections to Support Tertiary Reforms	-	-	0.480	0.480	0.480	0.480
4302	Strengthening Infrastructure and Provision to Upskill the Workforce	-	1.563	2.208	1.858	1.858	0.840

4309	International Education Promotions	-	2.080	0.880	0.500	0.500	0.500
4311	Education Diplomacy - Gulf Region	-	0.600	0.600	0.600	0.600	0.600
4315	Enhancing International Quality Assurance and Qualifications Recognition	-	0.843	0.843	0.843	0.843	0.843
4352	Education Services to Support a Universal Newborn Hearing Screening Programme	-	-	-	-	-	-
4353	Regular Inflation Adjustment to Early Childhood Education (ECE) Funding Rates	-	12.054	12.539	12.729	13.342	13.777
4354	Cost Increases for Non-Group Special Education (Non-GSE) Providers	-	2.348	2.442	2.442	2.442	2.442
4358	Support for Schools Facing Gang Issues in Counties Manukau	-	0.572	0.969	0.969	0.896	0.836
4374	Funding Increase for the District Truancy Service	-	0.423	0.173	0.273	0.523	0.523
4376	Kohanga Reo Funding Adjustment	-	2.764	3.824	3.728	3.618	3.618
4385	Extra Therapy Support for Some High Needs Students	-	1.107	1.107	-	-	-
4415	School Staffing Improvements for New Entrants	-	8.000	41.845	41.957	41.585	41.446
4416	Schools' Operational Funding Package	0.233	20.874	40.291	39.458	39.195	39.195
4425	School Property Business Case	-	10.099	11.852	11.898	11.362	11.362
4437	Laptops for Teachers	-	1.250	-	-	-	-
4450	Aspiring and Potential Principals	-	0.750	0.650	-	-	-
4553	Supporting the Distinctive Contribution of the Institutes of Technology and Polytechnics (ITP) Sub-Sector	-	6.000	15.000	-	-	-
4555	Building Research Capability in the Wananga Sub-Sector	-	1.500	1.500	1.500	1.500	1.500
4557	Resetting the Certificate and Diploma Baseline	(68.863)	(53.851)	(67.023)	(70.036)	(68.195)	(68.195)
4558	Reprioritisation of Current Year Savings – Economic Transformation (ET)	(20.981)	-	-	-	-	-
4567	Supporting Strategic Change in the University Sub-Sector	-	10.000	10.000	10.000	10.000	10.000
4568	Supporting an Industry Training Organisation Core Component	-	2.250	4.500	4.500	4.500	4.500
4575	Fee Reimbursement Greens Management	0.022	-	-	-	-	-
4580	Reprioritisation of Baselines – Families Young and Old (FYO)	-	(8.119)	(8.217)	(8.695)	(9.009)	(9.009)
4581	Reprioritisation of Current Year Savings – Families Young and Old (FYO)	(8.289)	-	-	-	-	-
4592	Free Early Childhood Education (ECE), Teacher Salary Cost and Playcentre Funding Increases	-	-	-	-	-	-
Total Operating		(97.878)	50.352	104.962	82.179	85.215	84.433

Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m – increase/(decrease)					
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
4298	Tertiary Reforms - Quality Assurance	-	2.340	0.200	-	-	-
4300	Development of Information Technology (IT) Systems and Data Collections to Support Tertiary Reforms	-	1.400	-	-	-	-
4302	Strengthening Infrastructure and Provision to Upskill the Workforce	-	1.600	0.600	-	-	-
4415	School Staffing Improvements for New Entrants	-	7.125	17.811	10.687	-	-
4425	School Property Business Case	-	190.718	7.326	4.670	-	-
4553	Supporting the Distinctive Contribution of the Institutes of Technology and Polytechnics (ITP) Sub-Sector	-	15.000	40.000	-	-	-
4554	Quality Reinvestment Programme - Capital Investment	-	17.500	17.500	-	-	-
Total Capital		-	235.683	83.437	15.357	-	-

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 (where applicable) 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 2006/07 above be included in the 2006/07 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 2006/07 Supplementary Estimates, the 2007/08 Estimates and the fiscal forecasts;
7. **noted** that all communications relating to the 2007 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 Cabinet for consideration at a later stage:

Operating Contingency

Initiative Name	2006/07	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>						
<i>[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]</i>						
Total Operating	<i>[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]</i>					

Capital Contingency

Initiative Name	2006/07	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>						
<i>[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]</i>						
<i>[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]</i>						
Total Capital	<i>[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]</i>					

9. **noted** that on 19 April 2007 Cabinet also approved the following changes to appropriations to provide for increased growth in participation in Industry Training, with a corresponding impact on the operating balance [CAB Min (07) 12/3]:

Vote Education Minister for Tertiary Education	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Non-Departmental Output Expense: Training for Designated Groups	-	5.000	11.000	17.000	20.000

Secretary of the Cabinet

References: CAB (07) 135, CAB (07) 135A

Initiative No: 4277

Vote: Education**Title:** Strengthening Universities' International Competitiveness**Description:** This bid seeks \$89 million over four years for a second tranche of funding to be provided to Universities to further support a focus on quality, capability and international competitiveness.**Theme:** Economic Transformation**Theme Objective:** Firms' innovative capacity

Performance Information

Performance Text

The additional funding will assist the University sector to address the longer term issues of sustaining the international competitiveness and performance of NZ's University system in order to attract and retain academic staff and advanced students. This includes the need for world class infrastructure and support. Funding will be targeted to strengthen the performance of the sector so that NZ can compete internationally in the quality of its higher education and research.

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	20.000	21.000	23.000	25.000
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	20.000	21.000	23.000	25.000

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Other Expenses to be Incurred by the Crown:					
Tertiary Education and Training	-	20.000	21.000	23.000	25.000
Total Operating	-	20.000	21.000	23.000	25.000
Total Capital	-	-	-	-	-

Additional Recommendation

[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]

Initiative No: 4295

Vote: Education

Title: Supporting Research by Expanding the Performance Based Research Fund

Description: This bid seeks additional funding for the Performance Based Research Fund (PBRF) of \$14.0 million over four years to increase the quality of research outputs in New Zealand and also increase research activity.

Theme: Economic Transformation

Theme Objective: Firms' innovative capacity

Performance Information

Performance Text

There is no one-on-one correlation between funding for research and the performance indicators for the PBRF. The PBRF will lead to higher rates of research degree completions, increased external research income, and improved quality evaluation results for individual tertiary education organisations upon which the majority of funding will be based. Where appropriate, enhanced performance will be agreed and monitored through individual TEO Plans.

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	2.000	4.000	4.000	4.000
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	2.000	4.000	4.000	4.000

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Other Expenses to be Incurred by the Crown:					
Performance Based Research Fund	-	2.000	4.000	4.000	4.000
Total Operating	-	2.000	4.000	4.000	4.000
Total Capital	-	-	-	-	-

Initiative No: 4297

Vote: Education**Title:** Strengthening the Ngarimu VC and 28th (Maori) Battalion Memorial Scholarship**Description:** This proposal seeks to strengthen the Ngarimu Scholarship fund's ability to assist Maori leadership, through education, in New Zealand's educational, business and research sectors. A fiscally neutral adjustment is sought to shift funding for administration into the departmental output class.**Theme:** Economic Transformation**Theme Objective:** Firms' innovative capacity**Performance Information****Performance Table**

	Unit of Measurement	Performance Specification				
		2006/07	2007/08	2008/09	2009/10	2010/11
Quantity						
undergraduate scholarship recipients	people	-	4	4	4	4
leadership scholarship recipients	people	-	1	1	1	1
post graduate PhD scholarship recipients	people	-	1	2	3	3
post graduate masters scholarship recipients	people	-	2	4	4	4

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	0.095	0.150	0.175	0.175
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.095	0.150	0.175	0.175

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Departmental Output Expenses (General):					
Support and Resources for Education Providers (funded by Revenue Crown)	-	0.036	0.036	0.036	0.036
Non-Departmental Output Expenses: Management of Grants and Contracts	-	(0.024)	(0.024)	(0.024)	(0.024)
Benefits and Other Unrequited Expenses:					
Maori and Pacific Island Scholarships and Bursaries	-	0.083	0.138	0.163	0.163
Total Operating	-	0.095	0.150	0.175	0.175
Total Capital	-	-	-	-	-

Initiative No: 4298

Vote: Education

Title: Tertiary Reforms - Quality Assurance

Description: To progress the self assessment and external review and validation processes, tools and functions in the integrated quality assurance and monitoring framework to support TEC and TEOs to make their respective investment and planning decisions. Funding also sought to defer NQF credit fee increase.

Theme: Economic Transformation

Theme Objective: Non-specific

Performance Information

Performance Text

To develop and design a self assessment and external evaluation and review system, framework and tools in 2007, to train and support NZQA and other quality assurance bodies during 2007 and 2008 to implement the new system, to begin training the sector from 2007; to undertake pilots with around 8 to 12 providers in 2008; to evaluate pilots throughout 2008 and redesign; to implement the new system in 2009; and to carry out a system evaluation in 2010.

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	5.150	3.349	-	-
Debt Impact	-	2.340	0.200	-	-
No Impact	-	-	-	-	-
Total	-	7.490	3.549	-	-

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Non-Departmental Output Expenses:					
Quality Assurance	-	5.150	3.349	-	-
Capital Expenditure:					
NZQA Technology	-	2.340	0.200	-	-
Total Operating	-	5.150	3.349	-	-
Total Capital	-	2.340	0.200	-	-

Additional Recommendation

agreed that the drawdown of capital funding be subject to approval by the Minister for Tertiary Education and Associate Minister of Finance (Hon Trevor Mallard), to be informed by an assessment of a business case by Ministry of Education and the Treasury;

Initiative No: 4298

[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]

Initiative No: 4300

Vote: Education**Title:** Development of Information Technology (IT) Systems and Data Collections to Support Tertiary Reforms**Description:** Ensuring that all relevant IT systems are aligned with the new funding and information systems and to leverage existing systems and services to support this new system. Alignment and leveraging of these systems and services will ensure that information flows required by this new system can occur.**Theme:** Economic Transformation**Theme Objective:** Non-specific**Performance Information****Performance Text**

The monies will enable the effective implementation of the new funding system by enabling: alignment with the National Student Index (NSI), electronic Single Data Return (eSDR), Education Organisation System (EOS) and Tertiary Data Warehouse systems; linking with the TEO shared register; utilising shared services, particularly Education Sector Authentication and Authorisation (secure, single sign-on) and Education Sector Integrated Services (to enable efficient data sharing between agencies).

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	-	0.480	0.480	0.480
Debt Impact	-	1.400	-	-	-
No Impact	-	0.026	0.105	0.105	0.105
Total	-	1.426	0.585	0.585	0.585

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Departmental Output Expenses (General):					
Strategic Leadership in the Tertiary System (funded by Revenue Crown)	-	0.026	0.585	0.585	0.585
Net Asset Schedule:					
Capital Investment	-	1.400	-	-	-
Total Operating	-	0.026	0.585	0.585	0.585
Total Capital	-	1.400	-	-	-

Additional Recommendation

agreed that the drawdown of this funding be subject to approval by the Minister of Finance and the Minister of Education, to be informed by a joint assessment of the revised business base by Treasury and SSC.

Initiative No: 4302

Vote: Education

Title: Strengthening Infrastructure and Provision to Upskill the Workforce

Description: A national assessment tool for adult literacy, numeracy and language and evidence-building to inform the upskilling strategy.

Theme: Economic Transformation

Theme Objective: Foundation skills

Performance Information

Performance Table

	Unit of Measurement	Performance Specification				
		2006/07	2007/08	2008/09	2009/10	2010/11
Quantity						
Building evidence - minimum number of research projects completed	Projects	-	2	2	2	2

Performance Text

High quality assessment tool delivered by July 2009 that improves tutor practice and improves learning outcomes for students as measured by uptake and feedback during testing and implementation. The tool itself will provide greater performance information on learner outcomes into the future. Funding for an independent ongoing evaluation of the initiative is also included.

Appropriation Changes

	\$m - increase/(decrease)					
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	1.563	2.208	1.858	1.858	0.840
Debt Impact	-	1.600	0.600	-	-	-
No Impact	-	0.030	0.131	0.165	0.165	0.165
Total	-	3.193	2.939	2.023	2.023	1.005

Initiative No: 4302

	\$m - increase/(decrease)					
	2006/07	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)	-	1.793	2.239	2.023	2.023	1.005
Non-Departmental Output Expenses: Developing Strategic Coherence Across the Tertiary Sector	-	0.200	0.200	-	-	-
Other Expenses to be Incurred by the Crown:						
Tertiary Education and Training	-	(0.400)	(0.100)	-	-	-
Net Asset Schedule:						
Capital Investment	-	1.600	0.600	-	-	-
Total Operating	-	1.593	2.339	2.023	2.023	1.005
Total Capital	-	1.600	0.600	-	-	-

Additional Recommendations

agreed that \$0.500 million in one-off savings from the Tertiary Education and Training appropriation partially offset the upskilling proposal as set out above.

agreed that the drawdown of capital funding be subject to approval by the Minister for Tertiary Education and Associate Minister of Finance (Hon Trevor Mallard), to be informed by an assessment of a business case by Treasury.

Initiative No: 4309

Vote: Education**Title:** International Education Promotions**Description:** *[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]***Theme:** Economic Transformation**Theme Objective:** Firms' innovative capacity**Performance Information****Performance Text***[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]***Appropriation Changes**

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	2.080	0.880	0.500	0.500
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	2.080	0.880	0.500	0.500

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Non-Departmental Output Expenses: Tertiary and International Advisory Services	-	2.080	0.880	0.500	0.500
Total Operating	-	2.080	0.880	0.500	0.500
Total Capital	-	-	-	-	-

Initiative No: 4311

Vote: Education

Title: Education Diplomacy - Gulf Region

Description: *[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]*

Theme: Economic Transformation

Theme Objective: Firms' international links

Performance Information

Performance Text

[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	0.600	0.600	0.600	0.600
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.600	0.600	0.600	0.600

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Departmental Output Expenses (General): Strategic Leadership in the Tertiary System (funded by Revenue Crown)	-	0.600	0.600	0.600	0.600
Total Operating	-	0.600	0.600	0.600	0.600
Total Capital	-	-	-	-	-

Vote: Education

Title: Enhancing International Quality Assurance and Qualifications Recognition

Description: *[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]*

Theme: Economic Transformation

Theme Objective: Firms' international links

Performance Information

Performance Table

[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]

Performance Text

[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]

New Appropriation Approvals

Type	Period	Name	MCOA Output Class	Scope
Non-Departmental Output Expenses	Annual	Qualifications Support Structures	N/A	Provision for the New Zealand Qualifications Authority (NZQA) to oversee the setting of standards and standards based qualifications. This includes recognition and review of qualifications, records management processes to support the Register of Quality Assured Qualifications and National Qualifications Framework, and participation in the promotion of the New Zealand National Qualifications system to key education and immigration partner countries.

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	0.843	0.843	0.843	0.843
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.843	0.843	0.843	0.843

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Non-Departmental Output Expenses: Qualifications Support Structures	-	0.843	0.843	0.843	0.843
Total Operating	-	0.843	0.843	0.843	0.843
Total Capital	-	-	-	-	-

Initiative No: 4352

Vote: Education

Title: Education Services to Support a Universal Newborn Hearing Screening Programme

Description: The government is implementing a newborn hearing screening programme from mid 2007. Children identified by the screening with serious hearing impairments will need services from special education to ensure that they make similar progress in early literacy and numeracy as their hearing peers.

Theme: Families - Young and Old

Theme Objective: Best start in life for kids

Performance Information

Performance Text

This initiative makes a start on providing specialist advice, assistance with hearing equipment and curriculum adaptation to those children who are identified with significant hearing impairments through a Newborn Hearing Screening Programme. It allows for the recruitment of 4 Advisers on Deaf Children. It provides upskilling for key Ministry staff whose ability to work with hearing impaired children at a very young age will be improved.

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	0.599	-	-	-
Total	-	0.599	-	-	-

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Departmental Output Expenses (General):					
Interventions for Target Student Groups (funded by Revenue Crown)	-	0.543	-	-	-
Non-Departmental Output Expenses: Supporting Parenting	-	0.056	-	-	-
Total Operating	-	0.599	-	-	-
Total Capital	-	-	-	-	-

Additional Recommendation

noted that funding for outyears for this initiative will be considered in the context of Budget 2008.

Initiative No: 4353
Rev 1

Vote: Education

Title: Regular Inflation Adjustment to Early Childhood Education (ECE) Funding Rates

Description: This bid is for a regular inflation adjustment to ECE funding rates. The adjustment needs to happen to avoid fee increases to parents using ECE services.

Theme: Families - Young and Old

Theme Objective: Life long learning foundations

Performance Information

Performance Text

The regular inflation adjustment aims to avoid increases in fees charged to parents because of increased costs faced by services, and therefore, avoid reduced participation in ECE.

Appropriation Changes

	\$m - increase/(decrease)					
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	12.054	12.539	12.729	13.342	13.777
Debt Impact	-	-	-	-	-	-
No Impact	-	-	-	-	-	-
Total	-	12.054	12.539	12.729	13.342	13.777

	\$m - increase/(decrease)					
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Other Expenses to be Incurred by the Crown:						
Early Childhood Education	-	12.054	12.539	12.729	13.342	13.777
Total Operating	-	12.054	12.539	12.729	13.342	13.777
Total Capital	-	-	-	-	-	-

Initiative No: 4353
Rev 1

Additional Recommendation

agreed that ECE funding subsidy rates and Free ECE rates will increase from 1 July 2007, to compensate ECE services for increased costs due to inflation and to implement the initiatives Kohanga Reo Funding Adjustment and Free ECE, Teacher Salary Cost and Playcentre Funding Increases, as set out below:

\$ per funded child hour GST Exclusive	Existing rates			Rates from 1 July 2007		
	Under 2	2 and over	Free ECE	Under 2	2 and over	Free ECE
<i>All-day teacher-led centre-based services</i>						
100% registered teachers	\$9.37	\$5.33	\$9.42	\$10.35	\$5.70	\$9.68
80-99% registered teachers	\$8.91	\$4.80	\$8.77	\$9.77	\$5.07	\$9.00
50-79% registered teachers	\$7.82	\$3.92	\$7.69	\$8.44	\$4.11	\$7.92
25-49% registered teachers	\$6.63	\$3.32	\$6.96	\$6.97	\$3.43	\$7.18
0-24% registered teachers	\$5.95	\$2.99	\$6.54	\$6.12	\$3.05	\$6.76
<i>Sessional teacher-led centre-services</i>						
100% registered teachers	\$8.72	\$4.71	\$5.62	\$9.64	\$4.76	\$5.80
80-89% registered teachers	\$8.29	\$3.84	\$5.03	\$9.08	\$4.03	\$5.20
50-79% registered teachers	\$7.27	\$3.29	\$4.36	\$7.83	\$3.40	\$4.52
25-49% registered teachers	\$6.17	\$2.92	\$3.90	\$6.46	\$3.00	\$4.06
0-24% registered teachers	\$5.48	\$2.69	\$3.64	\$5.65	\$2.75	\$3.80
Protected rate	\$5.79	\$2.90	\$3.80	\$5.79	\$2.90	\$3.92
<i>Teacher-lead home-based ECE services</i>						
Quality	\$6.40	\$3.35	\$7.08	\$6.76	\$3.55	\$7.51
Standard	\$5.62	\$2.96	\$6.68	\$5.93	\$3.13	\$7.09
<i>Playcentre</i>						
Quality	\$6.46	\$3.24	n/a	\$6.99	\$3.50	n/a
Standard	\$5.67	\$2.84	n/a	\$6.12	\$3.08	n/a
<i>Licensed Te Kohanga Reo (except those recognised as teacher-led for funding purposes)</i>						
Quality	\$6.17	\$3.09	\$6.30	\$6.99	\$3.50	\$6.79
Standard	\$5.40	\$2.71	\$5.92	\$6.12	\$3.08	\$6.39
<i>Parent-lead licence-exempt services (GST not applicable)</i>						
Quality	\$1.25	\$1.25	n/a	\$1.31	\$1.31	n/a

*Note that these rates are GST exclusive, but published rates will be GST inclusive.

Initiative No: 4354

Vote: Education

Title: Cost Increases for Non-Group Special Education (Non-GSE) Providers

Description: This initiative will increase the cash resourcing provided to non-GSE special education providers who provide support for students who have the highest level of special education need.

Theme: Families - Young and Old

Theme Objective: Best start in life for kids

Performance Information

Performance Text

Additional funding is required to meet increased costs faced by non-Group Special Education providers as a result of inflationary pressures. This funding is necessary to ensure that current levels of support are maintained.

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	2.348	2.442	2.442	2.442
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	2.348	2.442	2.442	2.442

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Departmental Output Expenses (General):					
Interventions for Target Student Groups (funded by Revenue Crown)	-	2.348	2.442	2.442	2.442
Total Operating	-	2.348	2.442	2.442	2.442
Total Capital	-	-	-	-	-

Initiative No: 4358

Vote: Education

Title: Support for Schools Facing Gang Issues in Counties Manukau

Description: This bid provides for continued extra staffing to schools in Counties Manukau, facing significant threats from gang issues in the community. It will strengthen support for students and enable schools to respond to a significant increase in government inter-agency initiatives in this community.

Theme: Families - Young and Old

Theme Objective: Life long learning foundations

Performance Information

Performance Table

	Unit of Measurement	Performance Specification				
		2006/07	2007/08	2008/09	2009/10	2010/11
Quantity						
Project Manager to co-ordinate inter-agency initiatives	Project Manager	-	1	1	1	0.5
Additional number of teachers	Teachers	-	15	15	15	15

Appropriation Changes

	\$m - increase/(decrease)					
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	0.572	0.969	0.969	0.896	0.836
Debt Impact	-	-	-	-	-	-
No Impact	-	-	-	-	-	-
Total	-	0.572	0.969	0.969	0.896	0.836

	\$m - increase/(decrease)					
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Departmental Output Expenses (General): Interventions for Target Student Groups (funded by Revenue Crown)	-	0.156	0.133	0.133	0.060	-
Other Expenses to be Incurred by the Crown: Secondary Education	-	0.416	0.836	0.836	0.836	0.836
Total Operating	-	0.572	0.969	0.969	0.896	0.836
Total Capital	-	-	-	-	-	-

Initiative No: 4374

Vote: Education**Title:** Funding Increase for the District Truancy Service**Description:** This will provide additional funding for the District Truancy Service (DTS) to assist the transition to an equitable funding model based on truancy prevalence and to provide funding for professional development.**Theme:** Families - Young and Old**Theme Objective:** Life long learning foundations

Performance Information

Performance Text

Twenty DTS providers are currently under-funded and will receive an increase in funding. These providers are all based in areas affected by a growth in truancy since the introduction of the DTS in 1987. Increased funding will ensure that schools in these areas are better supported to manage chronic truancy. Providers will receive referrals from schools, liaise with students' families to identify the reasons for truancy and work with students, families and schools to improve overall attendance.

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	0.423	0.173	0.273	0.523
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.423	0.173	0.273	0.523

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Non-Departmental Output Expenses: Curriculum Support	-	0.423	0.173	0.273	0.523
Total Operating	-	0.423	0.173	0.273	0.523
Total Capital	-	-	-	-	-

Additional Recommendation

agree to decrease funding for the following programmes to partially offset the cost of the District Truancy Services Programme:

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Student Engagement Initiative	-	(0.100)	(0.150)	(0.150)	-
Students at Risk Innovations Pool	-	-	(0.200)	(0.100)	-
Total Operating Balance Impact	-	(0.100)	(0.350)	(0.250)	-

Initiative No: 4376

Vote: Education

Title: Kohanga Reo Funding Adjustment

Description: This bid seeks to increase funding for licensed kohanga reo to support them to be more financially sustainable. It proposes to increase ECE funding subsidy rates to equal the rates paid to licensed playcentres from 2007/08 (which were increased by the Playcentre Funding Adjustment in Budget 2006).

Theme: Families - Young and Old

Theme Objective: Life long learning foundations

Performance Information

Performance Text

This additional funding is intended to improve the sustainability of kohanga reo and address the inconsistency between funding rates paid to playcentres and kohanga reo. Currently kohanga reo are on a lower funding rate than playcentres, although they tend to incur higher costs.

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	2.764	3.824	3.728	3.618
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	2.764	3.824	3.728	3.618

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Other Expenses to be Incurred by the Crown:					
Early Childhood Education	-	2.764	3.824	3.728	3.618
Total Operating	-	2.764	3.824	3.728	3.618
Total Capital	-	-	-	-	-

Additional Recommendation

noted the new funding rates as a consequence of this decision are shown under initiative number 4353 – Regular Inflation Adjustment to ECE Funding Rates.

Initiative No: 4385

Vote: Education

Title: Extra Therapy Support for Some High Needs Students

Description: This proposal provides tenure for one further year for 36.4 FTE over-entitlement physiotherapy and occupational therapy positions working with some Ongoing and Reviewable Resourcing Scheme students. It also provides funding for one year for positions that have been cashed up.

Theme: Families - Young and Old

Theme Objective: Life long learning foundations

Performance Information

Performance Text

Students in the schools that have the extra therapy support will continue to receive the existing level of support for a further year.

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	1.107	1.107	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.107	1.107	-	-

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Other Expenses to be Incurred by the Crown: Special Needs Support	-	1.107	1.107	-	-
Total Operating	-	1.107	1.107	-	-
Total Capital	-	-	-	-	-

Initiative No: 4415

Vote: Education

Title: School Staffing Improvements for New Entrants

Description: This proposal invests in school staffing to support new entrant learning by providing an estimated extra 702 full-time teacher equivalents and related property from 2008 to reduce Year 1 class sizes in primary and area schools. This is a Labour 2005 manifesto commitment.

Theme: Families - Young and Old

Theme Objective: Life long learning foundations

Performance Information

Performance Table

	Unit of Measurement	Performance Specification				
		2006/07	2007/08	2008/09	2009/10	2010/11
Quantity						
Additional resourcing analyst	FTE	-	0.4	0.4	0.4	0.4
Additional laptops for teachers	Laptops	-	572	572	572	572
Additional teaching spaces to be provided	Teaching spaces	-	54	188	269	269
Additional full time teacher equivalents	FTTE	-	702	702	702	702
Additional pay clerks	FTE	-	2.1	2.1	2.1	2.1
Additional network facilitators	FTE	-	3	3	3	-

Performance Text

This proposal aims to ensure that all students in their first year of school 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. The policy will be supported by other resources including professional development, student assessment tools, and information for schools.

Appropriation Changes

	\$m - increase/(decrease)					
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	8.000	41.845	41.957	41.585	41.446
Debt Impact	-	7.125	17.811	10.687	-	-
No Impact	-	0.376	1.442	2.156	2.507	2.507
Total	-	15.501	61.098	54.800	44.092	43.953

Initiative No: 4415

	\$m - increase/(decrease)					
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Departmental Output Expenses (General):						
School Property Portfolio Management (funded by Revenue Crown)	-	0.715	2.373	3.601	3.987	3.848
Support and Resources for Education Providers (funded by Revenue Crown)	-	0.166	0.335	0.235	0.135	0.135
Non-Departmental Output Expenses:						
Curriculum Support	-	0.076	0.400	0.400	0.400	0.400
Other Expenses to be Incurred by the Crown:						
Primary Education	-	7.419	40.179	39.877	39.570	39.570
Capital Expenditure:						
Schools Furniture and Equipment	-	0.439	1.095	0.657	-	-
Net Asset Schedule:						
Capital Investment	-	6.686	16.716	10.030	-	-
Total Operating	-	8.376	43.287	44.113	44.092	43.953
Total Capital	-	7.125	17.811	10.687	-	-

Vote: Education

Title: Schools' Operational Funding Package

Description: This initiative provides for an increase of 4% to schools' operational funding effective from 1 January 2008, plus an additional increase to relief teacher funding and the provision of transitional funding for e-Learning clusters.

Theme: Families - Young and Old

Theme Objective: Life long learning foundations

Performance Information

Performance Text

Operational funding is typically adjusted based on inflation, in order to keep pace with inflationary costs such as energy and wage increases. An increase of 4%, plus an additional increase to relief teacher funding and the provision of transitional funding for e-Learning clusters, will enable ongoing quality delivery of the national curriculum and maintenance of current school facilities, ensuring a sound base for quality improvements and initiatives designed to raise student achievement.

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Operating Balance Impact	0.233	20.874	40.291	39.458	39.195
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	0.233	20.874	40.291	39.458	39.195

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Departmental Output Expenses (General):					
Policy Advice (funded by Revenue Crown)	0.233	-	-	-	-
Support and Resources for Education Providers (funded by Revenue Crown)	-	0.424	0.250	0.250	0.250
Non-Departmental Output Expenses:					
Curriculum Support	-	0.072	0.143	0.143	0.143
Professional Development and Support	-	0.932	1.000	-	-
Other Expenses to be Incurred by the Crown:					
Primary Education	-	9.592	19.238	19.431	19.330
Secondary Education	-	7.890	15.744	15.718	15.556
Special Needs Support	-	1.964	3.916	3.916	3.916
Total Operating	0.233	20.874	40.291	39.458	39.195

Total Capital	-	-	-	-	-
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Initiative No: 4416**Additional Recommendation**

[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]

Vote: Education

Title: 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: Life long learning foundations

Performance Information

Performance Table

	Unit of Measurement	Performance Specification				
		2006/07	2007/08	2008/09	2009/10	2010/11
Quantity						
Start construction on new schools	Schools	-	10	-	-	-
Start site works on new schools	Sites	-	8	-	-	-
2007/08 five year budgets allocated	Schools	-	370	-	-	-
Net proceeds from disposal of surplus school property	\$million	-	28	-	-	-
Construct new classrooms	Classrooms	-	200	-	-	-
Approve additional classrooms	Classrooms	-	180	-	-	-
Start planning/design for new school	Plan/Design	-	1	-	-	-
Purchase new sites	Sites	-	11	-	-	-
Timeliness						
Announce the school property guide (SPG) programme of \$22m	Date	-	31-Dec-07	-	-	-
2007/08 five year budgets allocated	Date	-	1-Jul-07	-	-	-

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Operating Balance Impact	-	10.099	11.852	11.898	11.362
Debt Impact	-	190.718	7.326	4.670	-
No Impact	-	3.506	14.025	14.025	14.025
Total	-	204.323	33.203	30.593	25.387

Initiative No: 4425

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Departmental Output Expenses (General): School Property Portfolio Management (funded by Revenue Crown)	-	8.631	23.524	23.524	23.524
Other Expenses to be Incurred by the Crown: Integrated Schools Property	-	4.780	1.718	1.718	0.718
Primary Education	-	0.194	0.635	0.681	1.145
Capital Expenditure: Schools Furniture and Equipment	-	3.718	7.326	4.670	-
Net Asset Schedule: Capital Investment	-	187.000	-	-	-
Total Operating	-	13.605	25.877	25.923	25.387
Total Capital	-	190.718	7.326	4.670	-

Additional Recommendations

noted that the Ministry of Education is working to improve its planning and management of the school property programme, and that the 2007/08 property works programme reflects this (for example, in itemising all new schools projects and updating costings for projects approved in previous business cases);

directed the Ministry of Education to report to the Minister of Education and Minister of Finance by 30 November 2007 on what further steps are taken to improve the management of school property investment, including:

- ensuring that the total likely costs of establishing new schools and other significant network projects are provided to Ministers before ministerial approval is sought, and that appropriate financial approvals are gained before binding commitments are made to local communities;
- ensuring that the new school property programme budget is based on full current costs estimates for all planned and approved projects;
- improving the Ministry's financial and information management systems for school property;
- improving management of the "carry forward" property works budget by reprioritising where project funding approved for previous years remains unspent, and managing risks where schools carry forward unspent funding entitlements beyond the end of their 5 year property plans;
- investigating options to reduce the costs of buying new school sites through changes to land designation, local zoning, and planning approval processes and the allocation of costs between property developers, local government and the Ministry.

Initiative No: 4437

Vote: Education**Title:** Laptops for Teachers**Description:** The provision of leased laptops to teachers under the TELA scheme includes all teachers and principals of Year 1-13 students and began in 2001. This proposal provides additional funding for up to 3,212 laptops for teachers in 2007/08, that will be required to maintain this successful programme.**Theme:** Families - Young and Old**Theme Objective:** Life long learning foundations**Performance Information****Performance Table**

	Unit of Measurement	Performance Specification				
		2006/07	2007/08	2008/09	2009/10	2010/11
Quantity						
Eligible teachers with laptops	Percent	81.5	88.5	-	-	-
Additional teachers with laptops	Teachers	-	3212	-	-	-

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	1.250	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.250	-	-	-

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Non-Departmental Output Expenses: Curriculum Support	-	1.250	-	-	-
Total Operating	-	1.250	-	-	-
Total Capital	-	-	-	-	-

Initiative No: 4450

Vote: Education**Title:** Aspiring and Potential Principals**Description:** This proposal seeks to better prepare aspiring principals for principalship, so that every school has a quality principal. It also seeks to strengthen the career pathways for teachers, and improve the pool of high quality principal candidates boards of trustees have to choose from.**Theme:** Families - Young and Old**Theme Objective:** Life long learning foundations**Performance Information****Performance Text**

The aspiring pilot will work within the 2008 calendar year with a maximum of 120 aspiring principals. The quality dimension will be determined by how supply meets demand (particularly in hard to staff areas such as rural schools, or those with higher Maori populations), and the success of the aspiring principal once recruited to a school.

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	0.750	0.650	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.750	0.650	-	-

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Departmental Output Expenses (General):					
Support and Resources for Education Providers (funded by Revenue Crown)	-	0.246	0.146	-	-
Support and Resources for Teachers (funded by Revenue Crown)	-	0.143	0.127	-	-
Non-Departmental Output Expenses: Professional Development and Support	-	0.361	0.377	-	-
Total Operating	-	0.750	0.650	-	-
Total Capital	-	-	-	-	-

Initiative No: 4553

Vote: Education**Title:** Supporting the Distinctive Contribution of the Institutes of Technology and Polytechnics (ITP Sub-Sector)**Description:** This bid seeks funding for four distinct but interrelated projects, all aimed at enhancing the capability and distinctive contribution of the Institutes of Technology and Polytechnics (ITP) sub-sector in line with the Tertiary Education Strategy.**Theme:** Economic Transformation**Theme Objective:** Firms' innovative capacity

Performance Information

Performance Text

Funding to support the ITP sector through a strategic change programme, with four key priority outcomes identified: changing the shape of provision to support a high proportion of learners at levels 4 – 6; identifying and driving clustering and collaboration opportunities that support the future network of provision; building sustainable distance and flexible delivery capability; and developing systems to measure the success of the sub-sector and institutions within the network.

New Appropriation Approvals

Type	Period	Name	MCOA Output Class	Scope
Capital Expenditure	Annual	Institutes of Technology and Polytechnics Distinctive Contributions	N/A	Capital funding to support strategic change in the Institutes of Technology and Polytechnics sector. This includes capital funding for plant and equipment, information systems, and shared infrastructure amongst Institutes of Technology and Polytechnics to enhance the capability and distinctive contributions of the sector in line with the Tertiary Education Strategy.

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	6.000	15.000	-	-
Debt Impact	-	15.000	40.000	-	-
No Impact	-	-	-	-	-
Total	-	21.000	55.000	-	-

Initiative No: 4553

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Non-Departmental Output Expenses: Developing Strategic Coherence Across the Tertiary Sector	-	6.000	15.000	-	-
Capital Expenditure: Institutes of Technology and Polytechnics Distinctive Contributions	-	15.000	40.000	-	-
Total Operating	-	6.000	15.000	-	-
Total Capital	-	15.000	40.000	-	-

Additional Recommendation

directed the Tertiary Education Commission in consultation with the Ministry of Education and the Treasury to report to the Minister for Tertiary Education and Associate Minister of Finance (Hon Trevor Mallard) on the assessment criteria for Supporting the Distinctive Contribution of the ITP Sub-Sector proposals and the eligibility criteria that would apply.

Initiative No: 4554

Vote: Education**Title:** Quality Reinvestment Programme - Capital Investment**Description:** Additional funding of \$35 million over two years for Institutes of Technology and Polytechnics (ITPs) and Wananga, through the Quality Reinvestment Fund (QRF). This will be for capital expenditure, to support ITPs and Wananga in transitioning to their agreed role in the network of tertiary provision.**Theme:** Economic Transformation**Theme Objective:** Firms' innovative capacity

Performance Information

Performance Text

This funding will ensure that putting in place an agreed network of provision can be planned and achieved effectively. For many ITPs and Wananga, this will mean structural change and significant capital expenditure, that previously would have been dealt with through capital injections drawn through the contingency. It will enable ITPs and Wananga to focus effectively on delivering the necessary change to support the network of tertiary provision, ensuring that provision is focused on the needs of stakeholders.

New Appropriation Approvals

Type	Period	Name	MCOA Output Class	Scope
Capital Expenditure	Annual	Quality Reinvestment Programme	N/A	Support for Institutes of Technology and Polytechnics through the Quality Reinvestment Programme to develop and maintain a high quality network of tertiary education provision aligned with the core roles of the sector as expressed in the Tertiary Education Strategy.

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	17.500	17.500	-	-
No Impact	-	-	-	-	-
Total	-	17.500	17.500	-	-

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Capital Expenditure: Quality Reinvestment Programme	-	17.500	17.500	-	-
Total Operating	-	-	-	-	-
Total Capital	-	17.500	17.500	-	-

Initiative No: 4554

Additional Recommendation

directed the Tertiary Education Commission in consultation with the Ministry of Education and the Treasury to report to the Minister for Tertiary Education and Associate Minister of Finance (Hon Trevor Mallard) on the assessment criteria for ITPs - Quality Reinvestment Programme - Capital Investment proposals and the eligibility criteria that would apply.

Initiative No: 4555

Vote: Education**Title:** Building Research Capability in the Wananga Sub-Sector**Description:** This bid seeks funding to develop the research-based teaching and learning capability within the Wananga sub-sector. This funding would be used to increase academic research within the Wananga sub-sector, particularly within the area of Wananga specialisation (maturanga Maori/Maori knowledge).**Theme:** Economic Transformation**Theme Objective:** Firms' innovative capacity**Performance Information****Performance Text**

Outcome expectations include: better retention of Maori learners to higher levels of study at Wananga; increases in the numbers of students undertaking research at Wananga; an increase in the proportion of staff with higher degrees and research capabilities (particularly those relating to maturanga Maori); increases in the number of research based courses at Wananga (particularly those relating to maturanga Maori); and Wananga becoming more academically robust.

New Appropriation Approvals

Type	Period	Name	MCOA Output Class	Scope
Other Expenses to be Incurred by the Crown	Annual	Capability Development Funds	N/A	Assistance to Tertiary Education Organisations and others to develop their capability to contribute to the goals of the Tertiary Education Strategy and adapt to the changing environment - enhancing innovation, excellence, quality and organisational capability across the tertiary education system, and promoting linkages with the wider community of stakeholders. The Export Education Innovations Fund is also included.

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	1.500	1.500	1.500	1.500
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.500	1.500	1.500	1.500

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Other Expenses to be Incurred by the Crown: Capability Development Funds	-	1.500	1.500	1.500	1.500
Total Operating	-	1.500	1.500	1.500	1.500

Total Capital	-	-	-	-	-
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Initiative No: 4557

Vote: Education**Title:** Resetting the Certificate and Diploma Baseline**Description:** Ministers have agreed to set a controlled baseline for tertiary education expenditure based on 2006 actual EFTS (with 3% growth in 2007 only), and to use the resulting difference from the current cap on sub-degree provision to fund tertiary education budget initiatives (POL Min (07) 4/2 refers).**Theme:** Economic Transformation**Theme Objective:** Non-specific**Performance Information****Performance Text**

n/a

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	(68.863)	(53.851)	(67.023)	(70.036)	(68.195)
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(68.863)	(53.851)	(67.023)	(70.036)	(68.195)

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Other Expenses to be Incurred by the Crown:					
Tertiary Education and Training	(68.863)	(53.851)	(67.023)	(70.036)	(68.195)
Total Operating	(68.863)	(53.851)	(67.023)	(70.036)	(68.195)
Total Capital	-	-	-	-	-

Initiative No: 4558

Vote: Education**Title:** Reprioritisation of Current Year Savings – Economic Transformation (ET)**Description:** Underspend in Tertiary Crown Appropriations to be reprioritised toward planned initiatives.**Theme:** Economic Transformation**Theme Objective:** Non-specific**Performance Information****Performance Text**

This is a savings bid.

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	(20.981)	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(20.981)	-	-	-	-

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Non-Departmental Output Expenses: Training for Designated Groups	(7.926)	-	-	-	-
Benefits and Other Unrequited Expenses: Tertiary Scholarships	(3.100)	-	-	-	-
Other Expenses to be Incurred by the Crown: Adult and Community Education	(4.444)	-	-	-	-
Capability Development Funds	(3.422)	-	-	-	-
Tertiary Education and Training	(2.089)	-	-	-	-
Total Operating	(20.981)	-	-	-	-
Total Capital	-	-	-	-	-

Additional Recommendations

agreed to decrease funding for the following programmes due to lower than expected demand during 2006/07:

	\$m – Increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Enterprise Scholarship Programme	(2.700)	-	-	-	-
Learning for Living Scholarships	(0.400)	-	-	-	-
Industry Training Fund: ITO Literacy Pilots in 2006/07	(0.726)	-	-	-	-
Modern Apprenticeships	(1.867)	-	-	-	-
Youth Training	(1.600)	-	-	-	-
Skill Enhancement Programme	(2.489)	-	-	-	-
Gateway	(1.244)	-	-	-	-
Literacy/ESOL Programme	(1.333)	-	-	-	-
Adult and Community Education	(0.756)	-	-	-	-
Adult and Community Education Funding Pool	(4.444)	-	-	-	-
Growth and Innovation Framework Growth Pilots	(1.644)	-	-	-	-
e-Learning Collaborative Development Fund and Innovation and Development Fund	(1.778)	-	-	-	-
Total Operating Balance Impact	(20.981)	-	-	-	-

agreed that the savings above be used to fund initiatives in the Budget 2007 Tertiary Education package that were not supported by the Economic Transformation theme.

Initiative No: 4567

Vote: Education**Title:** Supporting Strategic Change in the University Sub-Sector**Description:** This budget bid seeks additional funding of \$40.0 million over four years to support strategic change in the University sub-sector.**Theme:** Economic Transformation**Theme Objective:** Firms' innovative capacity

Performance Information

Performance Text

Funding to support the University sector to achieve the key shifts as expressed in the Tertiary Education Strategy. Key shifts include: enhanced differentiation and complementarity; increased achievement at degree and postgraduate levels for under-represented groups; enhancing the contribution that teaching and research can make to economic growth; increasing collaboration in teaching and research; and increased quality and performance against international benchmarking.

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	10.000	10.000	10.000	10.000
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	10.000	10.000	10.000	10.000

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Other Expenses to be Incurred by the Crown:					
Capability Development Funds	-	10.000	10.000	10.000	10.000
Total Operating	-	10.000	10.000	10.000	10.000
Total Capital	-	-	-	-	-

Additional Recommendation

directed the Tertiary Education Commission in consultation with the Ministry of Education and the Treasury to report to the Minister for Tertiary Education and Associate Minister of Finance (Hon Trevor Mallard) on the assessment criteria for Supporting Strategic Change in the University Sub-Sector proposals and the eligibility criteria that would apply.

Initiative No: 4568

Vote: Education

Title: Supporting an Industry Training Organisation Core Component

Description: This bid seeks additional funding of \$15.750 million over four years to support the establishment of an Industry Training Organisation (ITO) Core Component, established by Cabinet as part of the tertiary reforms.

Theme: Economic Transformation

Theme Objective: Firms' innovative capacity

Performance Information

Performance Text

The Core Component for ITOs will support the distinctive contribution of ITOs and enhance the effectiveness of the tertiary system as a whole. Specifically, through this Component ITOs will: provide information and expertise on skills and training matters; provide Strategic Leadership to tertiary education organisations across the tertiary sector; and develop new National Qualifications to increase enrolments in qualifications that meet the identified skill needs of the workforce.

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	2.250	4.500	4.500	4.500
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	2.250	4.500	4.500	4.500

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Other Expenses to be Incurred by the Crown:					
Capability Development Funds	-	2.250	4.500	4.500	4.500
Total Operating	-	2.250	4.500	4.500	4.500
Total Capital	-	-	-	-	-

Initiative No: 4575

Vote: Education**Title:** Fee Reimbursement Greens Management**Description:** Cabinet has agreed to reimburse four Greens Management cases referred by the Office of the Ombudsman [POL Min (06) 15/4; CAB Min (06) 28/3]. *[Information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]***Theme:** Economic Transformation**Theme Objective:** Firms' innovative capacity**Performance Information****Performance Text**

This bid seeks funding in 2006/07 for four historic cases that were referred by the Ombudsman for fee reimbursement. Cabinet has agreed to provide fee reimbursement for these cases [POL Min (06) 15/4; confirmed CAB Min (06) 28/3]. *[Information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]*

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	0.022	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	0.022	-	-	-	-

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Benefits and Other Unrequited Expenses:					
Fee Reimbursement Payments	0.022	-	-	-	-
Total Operating	0.022	-	-	-	-
Total Capital	-	-	-	-	-

Initiative No: 4580

Vote: Education

Title: Reprioritisation of Baselines – Families Young and Old (FYO)

Description: Ministers have decided to reduce expenditure in some Education appropriations in order to direct resources towards new initiatives approved in Budget 2007.

Theme: Families - Young and Old

Theme Objective: Non-specific

Performance Information

Performance Text

This is a savings bid

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	(8.119)	(8.217)	(8.695)	(9.009)
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	(8.119)	(8.217)	(8.695)	(9.009)

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Departmental Output Expenses (General):					
Interventions for Target Student Groups (funded by Revenue Crown)	-	(1.100)	(0.950)	(0.950)	(0.950)
Non-Departmental Output Expenses:					
Curriculum Support	-	(1.200)	(0.400)	(0.400)	(0.400)
Professional Development and Support	-	(1.346)	(2.394)	(2.872)	(3.186)
Provision of Information and Advisory Services	-	(2.373)	(2.373)	(2.373)	(2.373)
Benefits and Other Unrequited Expenses:					
Teacher Trainee Scholarships	-	(0.700)	(0.700)	(0.700)	(0.700)
Other Expenses to be Incurred by the Crown:					
Early Childhood Education	-	(0.600)	(0.600)	(0.600)	(0.600)
Schooling Improvement	-	(0.800)	(0.800)	(0.800)	(0.800)
Total Operating	-	(8.119)	(8.217)	(8.695)	(9.009)
Total Capital	-	-	-	-	-

Additional Recommendations

agreed to decrease funding for the following programmes identified by the Ministry after a review of existing programmes:

	\$m – Increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Early Childhood Education ICT Strategy	-	(0.700)	(0.400)	(0.400)	(0.400)
Early Childhood Education Developing Centres Fund	-	(0.600)	(0.600)	(0.600)	(0.600)
Special Needs Assessment Exemplars Programme	-	(0.500)	(0.350)	(0.350)	(0.350)
Special Education Local Network Coordinators Programme	-	(0.600)	(0.600)	(0.600)	(0.600)
Effective Literacy Programmes	-	(0.750)	-	-	-
Teacher Training Scholarships	-	(0.700)	(0.700)	(0.700)	(0.700)
School Administration Support Clusters	-	(2.373)	(2.373)	(2.373)	(2.373)
Complex Reorganisation Programme	-	(0.800)	(0.800)	(0.800)	(0.800)
Professional Development Programmes	-	(1.096)	(2.394)	(2.872)	(3.186)
Total Operating Balance Impact	-	(8.119)	(8.217)	(8.695)	(9.009)

agreed that the savings above be used to fund initiatives in the Budget 2007 Education package that were not supported by the Families – Young and Old theme.

Initiative No: 4581

Vote: Education

Title: Reprioritisation of Current Year Savings – Families Young and Old (FYO)

Description: Under spends in Education appropriations to be reprioritised toward planned initiatives.

Theme: Families – Young and Old

Theme Objective: Non-specific

Performance Information

Performance Text

This is a savings bid

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	(8.289)	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(8.289)	-	-	-	-

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Non-Departmental Output Expenses:					
Curriculum Support	(0.600)	-	-	-	-
Professional Development and Support	(0.491)	-	-	-	-
Provision of Information and Advisory Services	(1.751)	-	-	-	-
Supporting Parenting	(0.830)	-	-	-	-
Benefits and Other Unrequited Expenses:					
Boarding Allowances and Bursaries	(0.500)	-	-	-	-
Mapihi Pounamu	(0.500)	-	-	-	-
Other Expenses to be Incurred by the Crown:					
Early Childhood Education	(0.500)	-	-	-	-
Primary Education	(0.251)	-	-	-	-
Schooling Improvement	(2.866)	-	-	-	-
Total Operating	(8.289)	-	-	-	-

Total Capital	-	-	-	-	-
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Initiative No: 4581

Additional Recommendations

agreed to decrease funding due to lower than expected demand during 2006/07 for the following programmes:

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Maori Language Education Programme	(0.074)	-	-	-	-
School Administration Support Cluster Programme	(1.677)	-	-	-	-
Early Childhood ICT Strategy Programme	(1.091)	-	-	-	-
Family Start Programme	(0.150)	-	-	-	-
Maori ECE Needs (PPP) Programme	(0.180)	-	-	-	-
Whanau Support Learning	(0.500)	-	-	-	-
Iwi Education Projects	(1.000)	-	-	-	-
Effective Schools	(1.000)	-	-	-	-
Reorganisations	(0.866)	-	-	-	-
Maori Mentoring Programme	(0.251)	-	-	-	-
Early Childhood Education – Unlicensed Centres	(0.500)	-	-	-	-
Bursary Payment	(0.500)	-	-	-	-
Mapihi Pounamu	(0.500)	-	-	-	-
Total Operating Balance Impact	(8.289)	-	-	-	-

agreed that the savings above be used to fund initiatives in the Budget 2007 Education package that were not supported by the Families – Young and Old theme.

Initiative No: 4592

Vote: Education

Title: Free Early Childhood Education (ECE), Teacher Salary Cost and Playcentre Funding Increases

Description: This fiscally-neutral initiative increases Free ECE and ECE funding rates, using funding from Budgets 2004 to 2006. It anticipates increases in teacher salary costs (subsidy rates, already in Free rates), administration costs (Free ECE rates), and continues the Playcentre Funding Adjustment.

Theme: Families - Young and Old

Theme Objective: Life long learning foundations

Performance Information

Performance Text

Free early childhood education will not be effective if ECE providers do not consider they are compensated for the cost of providing free education: this initiative increases funding for increases in administration costs due to Free ECE. The initiative also increases rates for children not receiving Free ECE to reflect increases in the cost of employing registered teachers (these increases are already included in Free ECE rates); and continues the Budget 2006 Playcentre initiative.

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	-	-	-

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Other Expenses to be Incurred by the Crown:					
Early Childhood Education	-	-	-	-	-
Total Operating	-	-	-	-	-
Total Capital	-	-	-	-	-

Initiative No: 4592

Additional Recommendations

noted that this initiative uses funding set aside in Budgets 2004 to 2006 to increase funding rates for:

- free ECE, to reflect anticipated increases in administration costs;
- teacher led ECE services, to reflect increases in teacher costs;
- playcentres, to implement the second stage of Playcentre Funding Adjustment;

noted that the new funding rates as a consequence of this decision are shown under initiative number 4353 – Regular Inflation Adjustment to ECE Funding Rates;

agreed that the value of the support grant for provisionally registered teachers be increased from \$3,344 per annum to \$3,497 per annum excluding GST from 1 July 2007, using funding appropriated in Budget 2005.

Title: National Centre for Tertiary Teaching Excellence

approved the following changes to appropriations for the operation of the National Centre for Tertiary Teaching Excellence, with no impact on the operating balance or debt:

	\$m – increase/(decrease)				
Vote Education Minister for Tertiary Education	2006/07	2007/08	2008/09	2009/10	2010/11
Other Expenses to be Incurred by the Crown: Capability Development Funds	-	3.015	3.807	3.928	4.053
Non-departmental Output Expense: Developing Strategic Coherence Across the Tertiary Sector	(1.600)	(3.556)	(3.556)	(3.556)	(3.556)
Total Operating	(1.600)	(0.541)	0.251	0.372	0.497
	2011/12	2012/13 & Outyears			
Other Expenses to be Incurred by the Crown: Capability Development Funds	4.577	3.556			
Non-departmental Output Expense: Developing Strategic Coherence Across the Tertiary Sector	(3.556)	(3.556)			
Total Operating	1.021	-			

agreed that the scope statement for Capability Development Funds in the 2006/07 Supplementary Estimates and 2007/08 Estimates will be “Assistance to Tertiary Education Organisations and others to develop their capability to contribute to the goals of the Tertiary Education Strategy and adapt to the changing environment - enhancing innovation, excellence, quality and organisational capability across the tertiary education system, and promoting linkages with the wider community of stakeholders. The Export Education Innovations Fund is also included.

Title: Tertiary Education Commission

approved the following changes to appropriations for the funding of assets related to transfer of the Tertiary Advisory Monitoring Unit to the Tertiary Education Commission, with no impact on the operating balance or debt:

Vote Education Minister for Tertiary Education	\$m – increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11
Capital Expenditure: Tertiary Education Commission	(0.039)	-	-	-	-
Tertiary Education Commission Restructuring	0.039	-	-	-	-