

Date: 16 April 2010

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To: Minister of Finance

## **AIDE MEMOIRE: EARLY CHILDHOOD EDUCATION SAVINGS OPTIONS**

### **Purpose**

1. The Ministry of Education has prepared a further Cabinet paper on Early Childhood Education (ECE) savings options for Budget 2010, to be considered on Monday 19 April 2010.

### **Key choice and Treasury's recommendation**

2. *[information deleted in order to maintain the current constitutional conventions protecting collective and individual ministerial responsibility]*

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

4. *[information deleted in order to enable the Crown to negotiate without disadvantage or prejudice]*

5. The Treasury supports implementation in 2010 as it provides a higher level of funding for managing known risks within the Vote in 2010/11 and because it starts the necessary change process within the sector earlier.

**Other issues**

6. Other initiatives are also considered in this Cabinet paper. *[information deleted in order to maintain the effective conduct of public affairs through the free and frank expression of opinions]*. These initiatives include:

(\$Millions)	2010/11	2011/12	2012/13	2013/14
The provision of a 2.4% cost adjustment to the non-staffing element of ECE funding rates	10.800	11.612	12.023	12.286
Recognising overseas qualifications for ECE funding purposes	3.300	3.600	4.000	4.500
Recognising primary school qualifications for ECE funding purposes	4.957	5.078	5.502	5.934
<b>Totals</b>	<b>19.057</b>	<b>20.29</b>	<b>21.525</b>	<b>22.72</b>

7. Both the current options before Cabinet involve providing funding for *all* these initiatives. These initiatives all help mitigate the financial impact of the core option on providers. However, they also indicate that a greater level of savings could be pursued within the current proposals.

Name	Position	Telephone		1st Contact
<i>[deleted – privacy]</i>	<i>[deleted – privacy]</i>	<i>[deleted – privacy]</i>	<i>[deleted – privacy]</i>	✓
Stephen Glover	Manager, Children and their Families	917 6123	<i>[deleted – privacy]</i>	