

The Treasury

Budget 2012 Information Release

Release Document

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- [1] 6(a) - to prevent prejudice to the security or defence of New Zealand or the international relations of the government
- [2] 6(c) - to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
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In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.



THE TREASURY

Kaitohutohu Kaupapa Rawa

Date: 28 February 2012

To: Minister of Finance

Aide Memoire: Vote Education Four-year Budget Plan – follow up to queries at Fiscal Issues on 22 February 2012

1. This aide memoire responds to three questions you raised about the Vote Education Four-year Budget Plan (4YBP) at Fiscal Issues on 22 February 2012.

In addition to teaching staff, how many staff are employed in total in the schooling sector?

Sector¹	Numbers	Full time equivalent (FTEs)
Teachers and principals	55,482	48,401
Non-teaching	35,107	-
TOTAL	90,589	-
Ministry employees²	Numbers	Full time equivalents (FTEs)
Ministry staff to support children with special education needs		1,340
Resource Teachers: Learning and Behaviour		780

2. Non-teaching staff (highlighted in yellow) include support staff, administrative staff in schools, and others (e.g. caretakers and cleaners). We do not have a FTE number available for non-teaching staff.
3. Additionally, the figures in the table do not include staff employed and funded through schools operation grants and paid locally (as opposed to centrally), or contractors. However, we are confident the Ministry would be well placed to build a reasonable estimate of the non-teaching human resources utilised by schools if directed by its Minister.

If there was a change to teacher:student funding ratios, who would get to make this decision and how would this decision play out in practice?

4. Cabinet has the power to set teacher:student ratios which are used to determine the central allocation of teaching resources to schools in New Zealand. From this allocation, principals determine class sizes. Cabinet's decision would be enacted through passing an Education (School Staffing) Order (this Order is made annually

¹ From a snapshot of Ministry of Education payroll data for one pay period in September/October 2011.

² From Ministry of Education 2010/11 Annual Report.

to limit the Crown’s financial liability with respect to the payment of teachers’ salaries for the upcoming school year by setting a limitation on the number of teachers who may be employed in State schools in that school year).

5. If the decision is made at Budget 2012:

2012	2013	2014
<ul style="list-style-type: none"> Changes put through as part of the Education (2013 Schooling Staffing) Order. Term 3: Schools receive provisional entitlement of staffing for the 2013 school year (reflecting changes to funding ratios). 	<ul style="list-style-type: none"> For schools receiving a reduction of staffing compared to 2012, the Ministry of Education will, in most cases, meet the surplus staffing costs of the full time teaching equivalent (FTTE) up to the entitlement staffing reduction (as per the terms of the individual collective agreement) – on average between 30 and 40 weeks of surplus FTTE’s salary. Therefore, earliest actual FTTEs will be cut is around Term 3. 	<ul style="list-style-type: none"> First full school year where schools have to manage with FTTEs funding cuts.

Is there an unspent contingency in respect of early childhood education participation which the Ministry should use before seeking new funding in Budget 2012?

- There is no unspent early childhood education (ECE) contingency.
- In Budget 2010 \$91.76 million over four years was appropriated for intensive ECE participation initiatives: geographically targeted (mainly upper North Island), pilots of community-based programmes addressing barriers to participation. The Ministry transferred some underspends related to these initiatives between financial years due to implementation delays. The Ministry of Education have indicated all programmes have begun to be implemented.
- There is also the Budget 2011 contingency for managing unknown risks in Vote Education (amounting to approximately \$70 million in outyears). All of this funding will be used to support the Vote Education Budget 2012 package. However, the Ministry’s 4YBP does not create a new risk contingency with outyear funding.
- [6]

[3]

Rohan Biggs; Senior Analyst; Education and Skills; [3]