

The Treasury

Budget 2013 Information Release

Release Document

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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

Reference: T2012/2303

Date: 14 September 2012

To: Minister of Finance
(Hon Bill English)

Aide Memoire: Meeting with Minister Parata to discuss Vote Education SEC paper

You are meeting with Hon Parata at 9am on Monday 17 September to discuss the Vote Education paper which is due to be considered by the State Sector Reform and Expenditure Control (SEC) Cabinet Committee meeting on Tuesday 25 September.

This Aide Memoire provides you with some suggested points you may wish to raise at this meeting.

The Material for SEC

We have seen a draft of the material Minister Parata intends to bring to SEC outlining the pressures and priorities for Vote Education. Currently, this includes an A3 presenting analysis of the annual cost of educating students in different settings and the multiple components of the operations grant.

You may wish to signal your support for the Minister continuing to scrutinise both departmental and non-departmental expenditure.

Pressures

- The paper outlines \$1.5 billion worth of pressures over the forecast period. These are indicative costs only, and may be on the high side.
- The paper also outlines some initial ideas for finding savings in Budget 2013, and signals that further options will be considered as the Four-year Plan is developed.
- *Given scale of pressures, and availability of new funding, you may wish to reconsider policy commitment and/or the sequencing/scale of investment of existing programmes (such as SNUP, Positive Behaviour for Learning).*

Priorities

- The paper starts from cost pressures. The alternative is to start from desired changes.
- We have previously discussed with you the five key deliverables that could be achieved by 2014 (see Annex).

- *You could ask Minister Parata what she sees the key deliverables in Education will be, and what associated budget decisions will need to be taken.*

[6]

- [7]

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Forecast changes

- It is possible that the Minister of Education will raise concerns that the 88% of demand-driven Vote Education expenditure is out of her control, and therefore that these costs should not have to be managed from within the Vote Education allocation.
- We note that these costs are only demand-driven in the short-term, and can be managed by changing policy settings, although changing these policy settings is not always easy.
- *You may wish to reiterate that the importance of managing of these costs from within baselines/any Budget allocation as this maintains an incentive for demand-driven settings to be scrutinised by the Ministry of Education. It also gives Ministers the opportunity to consider trade-offs and opportunities both within Vote Education, and across Government expenditure as a whole.*

[3]

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Annex – Possible schooling deliverables by late 2014

1. **Targets.** Schools have their own stretch targets in their charters to meet the Government's overall BPS target. Interventions in specific schools are made where student learning is at risk.
2. **Data.** National Standards implemented and every school has access to a tool to monitor their students' progress over the course of a year. Education Counts has accessible information to compare student progress in comparable schools.
3. **Partnership schools.** First [6] partnership schools are up and running and initial results are showing the students are making demonstrable progress.
4. **Appraisal.** Strengthened principal and teacher appraisal, with the embedded expectation that all teachers and principals have regular conversations about their performance and that of their students.
5. **Christchurch.** Christchurch used as an example of how things can be done differently, with shared services and co-location with ECE and other social services.