

The Treasury

Budget 2013 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
- [3] 9(2)(a) - to protect the privacy of natural persons, including deceased people
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- [6] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
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- [11] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [12] Not in scope
- [13] 7(b) - to prevent prejudice to relations between any of the Governments of New Zealand, the Cook Islands or Niue
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Where information has been withheld, a numbered reference to the applicable section of the Official Information Act has been made, as listed above. For example, an [4] appearing where information has been withheld in a release document refers to section 9(2)(b)(ii).

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.



22 APR 2013

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Minute of Decision

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.

Vote Education: 2013 Budget Initiatives

Portfolio: Education

On 15 April 2013, following reference from the Cabinet Economic Growth and Infrastructure Committee, Cabinet:

- 1 **noted** that the 2013 Budget will announce new initiatives with operating expenditure, as set out in table 14 in Appendix 1 to the paper under EGI (13) 62;
- 2 **noted** that the Education Budget is balanced for the 2013 Budget with a nominal deficit of \$2.3 million over the forecasting period, and a deficit of \$10.7 million in 2016/17;
- 3 **noted** that the 2013 Budget will announce new operating expenditure on early childhood education (ECE), as set out in table 3 in Appendix 1;
- 4 **noted** that the 2013 Budget will announce savings from operating expenditure on ECE, as set out in table 11 in Appendix 1;
- 5 **noted** that the 2013 Budget will announce new operating expenditure on schools, including Partnership Schools, as set out in table 4 in Appendix 1;
- 6 **noted** that the 2013 Budget will announce savings in operating expenditure on schools, as set out in table 12 in Appendix 1;
- 7 **noted** that the 2013 Budget will announce operating expenditure for new initiatives to lift the quality of teaching and support for schools, as set out in table 5 in Appendix 1;
- 8 **noted** that the 2013 Budget will announce operating expenditure for new initiatives to improve the retention and achievement of priority learners, as set out in table 7 in Appendix 1;
- 9 **noted** that the 2013 Budget will announce new initiatives to support Christchurch and 21st century schools, with operating expenditure, as set out in table 8 in Appendix 1;
- 10 **noted** that the 2013 Budget will announce initiatives on school property with capital expenditure, as set out in table 9 in Appendix 1;
- 11 **noted** that the 2013 Budget will contain new capital expenditure on the Schools Network Upgrade Project (SNUP), as set out in table 10 in Appendix 1;

- 12 **noted** that the 2013 Budget will contain savings from the property programme, as set out in table 13 in Appendix 1;
- 13 **noted** that Maori and Pasifika are under-represented in the education workforce;
- 14 **agreed** to provide 30 scholarships to attract talented Maori and Pasifika candidates into initial teacher education from 2014, at a cost of \$0.2 million in 2013/14, \$0.6 million in 2014/15, \$0.9 million in 2015/16, and \$1.1 million in 2016/17;
- 15 **noted** that the cost of the new scholarships referred to in paragraph 14 above will be fully offset by reductions in scholarships for ECE administered by TeachNZ;
- 16 **noted** that the Ministry of Education (MoE) has consulted the Human Rights Commission and has confirmed that the under representation of Maori and Pasifika in the schooling workforce could warrant a scholarship scheme of the kind proposed in paragraph 14 above, providing that there is evidence that demonstrates a link to student achievement;
- 17 **noted** that the changes to appropriations to give effect to the financial implications of the proposal in paragraph 14 above will be given effect in the paper submitted by the Minister of Finance on the 2013 Budget package for Vote Social Development;
- 18 **noted** that the 2013 Budget will provide \$50.018 million over the five year forecast period for the roll-out of the SNUP;
- 19 **noted** that in September 2012, the Cabinet Committee on State Sector Reform and Expenditure Control (SEC) invited the Minister of Education (the Minister) to provide information in response to the following five parameters as a condition to funding approval for SNUP:
- 19.1 the numbers of schools that require a network upgrade;
 - 19.2 the internal network requirements of schools and the SNUP standards (including wireless);
 - 19.3 the level of infrastructure provided through the SNUP;
 - 19.4 the timeframe for achieving the remaining upgrades;
 - 19.5 the procurement method, including the peer review process;
- [SEC Min (12) 17/2]
- 20 **noted** the following information in response to SEC's request:
- 20.1 all remaining schools (1,026) are likely to require an upgrade;
 - 20.2 standards have been reviewed and revised, all campus/building backbones will be fibre, switching capability has been increased, wireless guidelines have been published, and wireless standards are being developed;
 - 20.3 schools will be offered hybrid network options and this will not significantly change the total budget;
 - 20.4 the current proposal is to complete the project by 2016, aligning with the completion of the government roll out of fibre to schools;

- 20.5 the project has identified opportunities to improve procurement (given multi-year funding) that will enable more efficient use of resources and ensure all the upgrades can be completed by 2016;
- 21 **noted** that, subject to the agreement of the Minister of Finance, the Minister proposes to allocate \$51.1 million from the existing contingency *ICT – Managed network for learning: Ongoing support* to offset the costs of SNUP referred to in paragraph 18 above;
- 22 **invited** the Minister of Finance and the Minister (the joint Ministers) to consider the use of the *ICT – Managed network for learning: Ongoing support* contingency to offset the costs of SNUP as referred to in paragraph 18 above;
- 23 **agreed** that the completion of SNUP proceed contingent on decisions by the joint Ministers on the use of the *ICT – Managed network for learning: Ongoing support* contingency referred to in paragraph 21 above and a decision by Cabinet to appropriate funding for this purpose;
- 24 **noted** that the Minister of Education is seeking to progress the roll out of the Managed Network in the next few weeks, and that she will seek a draw down of the *ICT – Managed network for learning: Ongoing support* contingency into an appropriation which can be accessed prior to Budget Day;
- 25 **noted** that the approval and the level of funding for the draw down for the Managed Network will be reported to Cabinet on 13 May 2013;
- 26 **noted** the approach outlined in the paper under EGI (13) 62 to risk management of the following 2013 Budget measures:
- 26.1 a reduction in funding for TeachNZ Scholarships;
 - 26.2 cessation of ECE provisionally registered teachers and National Study Awards;
 - 26.3 efficiency savings from school transport assistance;
 - 26.4 the introduction of scholarships for students of Maori and Pasifika descent;
 - 26.5 contingent funding of \$8 million over the forecasting period for MoE departmental costs for Novopay;
 - 26.6 contingent funding for Partnership Schools.

Secretary of the Cabinet

Reference: CAB (13) 189; EGI Min (13) 7/2

Secretary's Note: This minute replaces EGI Min (113) 7/2. Cabinet amended paragraph 25.
