

The Treasury

Budget 2015 Information Release

Release Document July 2015

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Key to sections of the Official Information Act 1982 under which information has been withheld.

Certain information in this document has been withheld under one or more of the following sections of the Official Information Act, as applicable:

- [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] 6(e)(iv) - to damage seriously the economy of New Zealand by disclosing prematurely decisions to change or continue government economic or financial policies relating to the entering into of overseas trade agreements.
- [4] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [5] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [6] 9(2)(ba)(i) - to prevent prejudice to the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied.
- [6a] 9(2)(ba)(ii) - to protect information, where the making available of the information would be likely otherwise to damage the public interest
- [7] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [8] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [8a] 9(2)(f)(ii) - to maintain the current constitutional conventions protecting the collective and individual ministerial responsibility
- [9] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [10] 9(2)(h) - to maintain legal professional privilege
- [11] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [12] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [13] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [14] Not in scope

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, a [4] appearing where information has been withheld in a release document refers to section 9(2)(a).

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

2015 Budget Package: Vote Education (Technical Initiatives)

- 1 **approve** the Budget initiatives for the above Vote for inclusion in the 2015 Budget package, as listed in the summary below and detailed in the attached initiative documents;

Summary of initiatives included in the attached initiative documents:

- 2 **agree** to establish new appropriations where required to implement these initiatives, as described in the attached initiative documents;
- 3 **approve** changes to appropriations to implement the initiatives, as set out in the attached initiative documents;
- 4 **approve** the additional recommendations to give effect to the initiatives, as set out in the attached initiative documents;
- 5 **agree** that the proposed changes to appropriations for 2014/15 above be included in the 2014/15 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
- 6 **authorise** the Minister of Finance and the Responsible Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2014/15 Supplementary Estimates, the 2015/16 Estimates and the fiscal forecasts;
- 7 **authorise** the chief executives of departments that monitor Crown entities directly affected by decisions in this minute to inform the chair and/or chief executive of a Crown entity, on a budget-in-confidence-until-budget-day basis, of decisions that directly affect that Crown entity for the purpose of planning and preparation of their Statement of Intent;
- 8 **note** that all communications relating to the 2015 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;

Vote: Education

Title: Appropriation Changes for Education Council of Aotearoa New Zealand

Description: Consequential baseline changes following establishment of the new professional body for teachers.

New Appropriation Approval

| Name | Period | Type | Category Name | Scope |
|---|--------|---------------------------------|---------------|--|
| Contribution to the Education Council of Aotearoa New Zealand | Annual | Non-Departmental Output Expense | N/A | This appropriation is limited to a contribution towards the Education Council of Aotearoa New Zealand carrying out its leadership and other statutory functions for the teaching profession and education. |

Appropriation Changes

| | \$m - increase/(decrease) | | | | |
|---|---------------------------|---------|---------|---------|--------------------|
| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 & Outyears |
| Departmental Output Expense: | | | | | |
| Stewardship of the Education System (funded by revenue Crown) | - | (2.000) | - | - | - |
| Non-Departmental Output Expense: | | | | | |
| Contribution to the Education Council of Aotearoa New Zealand | - | 2.178 | 0.178 | 0.178 | 0.178 |
| Non-Departmental Other Expense: | | | | | |
| New Zealand Teachers Council | - | (0.178) | (0.178) | (0.178) | (0.178) |
| Total Operating | - | - | - | - | - |
| Total Capital | - | - | - | - | - |

Additional Recommendations

- 9 **note** that the new professional body, the Education Council of Aotearoa New Zealand (EDUCANZ), is a cornerstone of the Government's programme to raise the status of the profession, and publicly recognise the value it contributes to New Zealand;
- 10 **note** that the start date for the Education Council of Aotearoa New Zealand will be set by Order in Council, but is expected to be 1 July 2015;
- 11 **note** the associated legislation (the Education Amendment Act 2015) was granted Royal assent on 12 February 2015;

Vote: Education

Title: Re-Classification of Expenditure type for Teacher-led Innovation Fund Appropriation

Description: Amending the type of appropriation for part of the Investing in Education Success initiative [SOC Min (14) 18/6]

New Appropriation Approval

| Vote | Appropriation Minister | Title | Type | Scope |
|-----------|------------------------|-----------------------------|---------------------------------|---|
| Education | Minister of Education | Teacher-led Innovation Fund | Non-Departmental Output Expense | This appropriation is limited to supporting teacher-led innovation and classroom-based research of innovative teaching practices. |

Appropriation Changes

| | \$m - increase/(decrease) | | | | |
|--|---------------------------|---------|----------|---------|--------------------|
| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 & Outyears |
| Departmental Output Expense Teacher-led Innovation Fund | - | | (10.000) | | - |
| Non-Departmental Output Expense: Teacher-led Innovation Fund | - | | 10.000 | | - |
| Total Operating | - | | - | | - |
| Total Capital | - | | - | | - |

Additional Recommendations

- 12 **note** on 3 December 2014 Cabinet approved additional funding for Investing in Educational Success [SOC Min (14) 18/6];
- 13 **note** that in that Minute the Teacher-led Innovation Fund was incorrectly identified as a departmental output expense;

Vote: Education

Title: Technical Changes to Education Appropriations

Description: Retirement of the separate output for teacher payroll services (Novopay), transfer of funds to other departmental output expense appropriations in Vote Education, increasing the capital expenditure appropriation to Education Payroll Limited to transfer the assets that the Crown received as part of the Talent2 settlement, and adjustments to other scope statements.

Appropriation Changes

| | \$m - increase/(decrease) | | | | |
|--|---------------------------|----------|----------|----------|--------------------|
| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 & Outyears |
| Departmental Output Expenses: | | | | | |
| Support and Resources for Education Providers (funded by revenue Crown) | - | 15.763 | 15.763 | 15.763 | 15.763 |
| Payroll Services (funded by revenue Crown) | - | (15.763) | (15.763) | (15.763) | (15.763) |
| Non-Departmental Capital Expenditure: | | | | | |
| Education Payroll Ltd Capital | 22.400 | - | - | - | - |
| Capital Withdrawal: | | | | | |
| Ministry of Education – Capital Withdrawal | (22.400) | - | - | - | - |
| Total Operating | - | - | - | - | - |
| Total Capital | - | - | - | - | - |

Additional Recommendations

- 14 **agree** that the Departmental Output Expense Payroll Services be combined with output Support and Resources for Education Providers from 2015/16;
- 15 **agree** that the scope of the Non-Departmental Capital Expenditure appropriation Education Payroll Limited be “This appropriation is limited to capital investment in a Crown-owned company which will manage delivery of education sector payroll services”;
- 16 **note** that, as part of the settlement with Talent2, assets for the operation of the schools payroll and valued at \$22.400 million have been transferred to the new company, through the Ministry of Education and that this is in addition to \$6.000 million provided to the company for working capital [CAB Min (14) 39/15 refers];
- 17 **agree** that the scope of the Non-Departmental Output Expense appropriation Provision of Information and Advisory Services be changed to “This appropriation is limited to the provision of information and advisory services related to education policies and

programmes that are the responsibility of Careers New Zealand or New Zealand Qualifications Authority, support by those two agencies to Ministers to discharge their portfolio responsibilities (other than policy decision-making), and services and support provided by other education sector bodies to raise student achievement and improve governance and capacity of providers."