

The Treasury

Budget 2017 Information Release

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[1]	to prevent prejudice to the security or defence of New Zealand or the international relations of the government	6(a)
[4]	to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial	6(c)
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[33]	to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials	9(2)(f)(iv)
[34]	to maintain the effective conduct of public affairs through the free and frank expression of opinions	9(2)(g)(i)
[36]	to maintain legal professional privilege	9(2)(h)
[37]	to enable the Crown to carry out commercial activities without disadvantages or prejudice	9(2)(i)
[38]	to enable the Crown to negotiate without disadvantage or prejudice	9(2)(j)
[39]	to prevent the disclosure of official information for improper gain or improper advantage	9(2)(k)
[40]	Not in scope	

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) and section 18 of the Official Information Act.

Hon Hekia Parata
Minister of Education
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Tēnā koe Hekia

Budget 2017 initiative outcomes

Thank you for your hard work and input as part of the Budget 2017 process.

There were a number of positive changes introduced this Budget to ensure greater scrutiny is applied consistently across all investment decisions. This includes enforcement of cost benefit analysis and broader application of CBAX, greater use of expert panels in the assessment of initiatives and a new social investment track (Track 1) focussed on better use of evidence and evaluation.

Budget Ministers have noted a lift in the quality of initiatives submitted in Budget 2017, particularly for Track 1. A high bar was applied in the assessment of Track 1 initiatives and we expect agencies to continue to build on their evidence base and take a more client-centred (and cross agency) approach for future Budgets.

As you are aware, we set aside an operating allowance of \$1.5 billion per annum for operating and \$3.0 billion for capital in Budget 2017. Funding sought by Ministers significantly exceeded that allowance. A large proportion of funding sought was to address volume and other cost pressures across the system, along with some targeted investment in priority areas for a growing population.

To help meet this challenge and respond to the Kaikōura earthquakes, Budget Ministers are proposing to increase the allowances by a modest amount from what was signalled through the Budget Policy Statement in December last year.

Budget Ministers have carefully considered your Vote Education and Vote Education Review Office Budget initiatives and have reached the following decisions:

Summary of initiatives supported through Budget 2017

\$ millions		Operating					Capital
ID	Initiative Name	2016/17	2017/18	2018/19	2019/20	2020/21	Total
9615	Education Evaluation – Investing for Accountability and Improvement	-	0.827	1.092	1.357	2.180	-
9526	In-class Support for Students with High Learning Needs – Increasing Access	-	2.188	4.443	4.443	4.443	-
9531	Early Childhood Education: Targeted Funding for Disadvantage	-	5.200	10.020	10.020	10.020	-
9532	Operational Grant Funding Increase for Schools	-	8.597	17.278	17.301	17.341	-
9533	Ongoing Funding for Employment-based Initial Teacher Education	-	0.719	1.913	1.896	0.703	-
9534	Māori Language in Education Curriculum Resources	-	1.910	1.910	1.910	1.910	-
9535	Integrated School Property Funding	-	10.000	10.000	-	-	-
9537	[33]	-	2.000	3.000	3.000	-	-
9538	March Baseline Update Forecast Changes 2016	23.196	83.519	109.433	138.367	138.367	-
9539	October Baseline Update Forecast Changes 2016	61.758	70.338	66.095	59.006	102.061	-
[38]							
9542	English for Speakers of Other Languages (ESOL) - Increasing Funding	-	3.603	5.756	-	-	-
9543	Responding to Learning Support Cost Pressures	-	0.571	0.697	0.773	0.849	-
9544	Kura Kaupapa Māori Management Support	-	0.070	0.532	0.532	0.532	-
9545	Supporting Schools At-risk - Additional Funding	-	0.600	0.600	-	-	-
9546	Schools' Payroll Sustainability Investment	-	4.000	3.800	3.300	2.800	-
9547	Supporting Infrastructure Delivery	-	8.000	8.000	-	-	-
9548	Schools Growth Package	-	3.094	11.229	20.601	29.247	392.380

9549	Strengthening Frontline Service Delivery to Support Student Achievement	-	4.632	5.186	-	-	-
9550	Departmental Capacity – Investing in Information and Communications Technology (ICT) ^[33]	-	[33]				-
9551	Earthquake (November 2016) - Education Recovery and Response	0.645	0.570	0.240	-	-	-
9671	Schools Payroll - Holidays Act Project	-	7.771	7.615	-	-	-

Summary of initiatives supported through Budget 2017 – Track 1

\$ millions		Operating					Capital
ID	Initiative Name	2016/17	2017/18	2018/19	2019/20	2020/21	Total
9846	Incredible Years for Children with High Needs	-	0.680	1.11	1.31	1.09	-
9855	Removing Barriers to Children's Access to the Curriculum Through Improving Oral Language	-	1.132	1.685	1.685	1.518	-
9848	Expanding and Targeting Behaviour Services	-	5.790	10.130	9.380	9.380	-

Final decisions on all Budget initiatives will be discussed and agreed by Cabinet on 18 April 2017.

Ngā mihi

Steven Joyce
Minister of Finance