

The Treasury

Budget 2014 Information Release

Release Document

July 2014

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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] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [4] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [5] 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.
- [6] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [7] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [8] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [9] 9(2)(h) - to maintain legal professional privilege
- [10] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [11] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [12] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [13] Not in scope
- [14] 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.

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 [3] 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.



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.

Budget 2014: Vote Education Technical Initiatives

On 7 April 2014, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2014 Budget package, as listed in the summary below and detailed in the attached initiative documents;

Summary of initiatives included in the attached initiative documents:

Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
8340	Enabling Good Lives Transfer	(0.190)	-	-	-	-
8297	Carry-Forward of Value for Money Funding	(2.600)	1.600	1.000	-	-
Total Operating		(2.790)	1.600	1.000	-	-

- 2 **agreed** to establish new appropriations where required to implement these initiatives, as described in the attached initiative documents;
- 3 **approved** the changes to appropriations to implement the initiatives, as set out in the attached initiative documents;
- 4 **approved** the additional recommendations to give effect to the initiatives, as set out in the attached initiative documents;
- 5 **agreed** that the changes to appropriations for 2013/14 above be included in the 2013/14 Supplementary Estimates;
- 6 **authorised** the Minister of Finance and the Vote Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2013/14 Supplementary Estimates, the 2014/15 Estimates and the fiscal forecasts;
- 7 **authorised** 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 **noted** that all communications relating to the 2014 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.

Secretary of the Cabinet

Reference: CAB (14) 160

Initiative No: 8340

Vote: Education**Title:** Enabling Good Lives Transfer**Description:** Transfer to Vote Health and Vote Social Development for Enabling Good Lives demonstration to cover the costs associated with funding disability support for participants in the demonstration.**Appropriation Changes**

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Operating Balance Impact	(0.190)	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(0.190)	-	-	-	-

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Departmental Output Expense:					
Interventions for Target Student Groups (funded by revenue Crown)	(0.190)	-	-	-	-
Total Operating	(0.190)	-	-	-	-
Total Capital	-	-	-	-	-

Vote: Education

Title: Changes To Education Appropriations

Description: Establishment of a new appropriation for teacher payroll services (Novopay) and other proposed changes to the title and scope of other departmental output expense appropriations in Vote Education.

New Appropriation Approval

Name	Period	Type	Category Name	Scope
Payroll Services	Annual	Departmental Output Expenses	N/A	This appropriation is limited to expenditure on policies and legislative requirements to deliver payroll services to school employees. This includes providing support, advice and services to ensure school staff are paid accurately and on time.

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & 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
Total Operating	-	-	-	-	-
Total Capital	-	-	-	-	-

Additional recommendations

- 9 **agreed** that the scope of the appropriation Support and Resources for Education Providers be “This appropriation is limited to expenditure on policies, regulations and services focused on the governance, management and operation of education providers.”;
- 10 **agreed** to change the title of departmental output expense Strategic Leadership in the Sector to ‘Stewardship of the Education System’;
- 11 **agreed** that the scope of this appropriation be “This appropriation is limited to services (other than policy advice) provided by the Ministry of Education in its role as steward of the education system (other than tertiary education). It includes services to support Ministers in discharging their portfolio responsibilities (other than policy decision-making)”;

Initiative No: 8298

- 12 **agreed** to change the title of departmental output expense Support and Resources for the Community to 'Support and Resources for Parents and the Community';
- 13 **agreed** that the scope of this appropriation be "This appropriation is limited to expenditure on policies and programmes focused on parents' and the community's knowledge of and participation in the education system."

Vote: Education

Title: Carry-Forward Of Value For Money Funding

Description: Provides for a transfer to 2014/15 and 2015/16 for the Value for Money unit during its first two years of operation.

Appropriation Changes

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Operating Balance Impact	(2.600)	1.600	1.000	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(2.600)	1.600	1.000	-	-

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Departmental Output Expense:					
Stewardship of the Education System (funded by revenue Crown)	(2.600)	1.600	1.000	-	-
Total Operating	(2.600)	1.600	1.000	-	-
Total Capital	-	-	-	-	-

Additional recommendations

- 14 **noted** that the Value for Money programme is targeted at ensuring the Ministry of Education's activities are fit-for-purpose and financially sustainable in the medium-term;
- 15 **noted** that the initial funding (from retention of underspends from previous years) was appropriated entirely to 2013/14 but needs to be rephased to reflect the unit's planned work programme over the first two years of operation.