The Treasury

Budget 2014 Information Release

Release Document

July 2014

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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

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[13] Not in scope

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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.

Cabinet

CAB Min (14) 13/8(10)

Copy No:

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 Package: Vote Education

On 14 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)

		$m - increase/(decrease)				
Initiative ID	**Initiative Name**	**2013/14**	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
8042	Cost Adjustment to Operational Grants for Schools	-	12.113	24.431	24.370	24.403
8043	Early Childhood Education Cost Adjustment	-	12.915	13.309	13.564	13.821
8044	Increased Insurance Premiums Following the Christchurch Earthquakes	-	8.500	-	-	-
8046	Asset Management Change Programme	-	1.410	2.180	2.080	2.080
8048	School Property Expansion	-	0.801	4.414	13.088	19.830
8050	Public Private Partnership - Hobsonville Point	-	7.639	7.576	7.388	7.209
8051	Support for Students with High Health Needs to Safely Attend School	-	1.170	1.170	1.170	1.170
8054	Greater Christchurch Education Renewal Programme: Property Components	-	2.200	5.270	5.560	3.860
8059	Partnership Schools Further Funding	-	3.384	1.651	1.651	1.651
8063	Canterbury Renewal Early Childhood Education Consultation Underspend	(0.463)	(0.210)	-	-	-
8064	Relieving Teachers - Underspend	-	(0.500)	(1.000)	(1.000)	(1.000)
8065	School Accommodation Business Case (State School Property Maintenance Grant)	-	(0.572)	(1.145)	(1.145)	(1.145)

8066	Reduction in School Classification, Integration and Closure Contingency Funding	(2.020)	(4.000)	(5.000)	(5.000)	(5.000)
8067	Blind and Low Vision Support Changes	(0.038)	(0.038)	(0.038)	(0.038)	(0.038)
8069	Property Procurement Efficiencies	-	(0.615)	(0.615)	(0.615)	(0.615)
8373	Savings from Temporary Return of Insurance Recoveries to the Crown	-	(7.400)	(2.500)	-	-
8374	Savings in Interest Rate Subsidy for Schools	-	(0.121)	(0.118)	(0.117)	(0.117)
8375	Improved Cost Effectiveness of Professional Learning and Development	-	-	-	(3.000)	(6.000)
8376	Deferring Early Childhood Education Outcomes-Based Purchase Agreements	(4.000)	(4.000)	(2.740)	(1.360)	-
8377	Targeted Assistance for Participation Savings	(0.900)	(1.700)	(2.500)	(4.300)	-
8384	Te Aho o Te Kura Pounamu Partnership Pilot	-	-	-	0.648	0.689
8385	Expansion of Reading Together	-	0.665	0.343	0.681	0.681
8386	Top Teacher Awards Reprioritisation	-	(1.000)	(1.000)	(1.000)	(1.000)
8444	Computers in Homes	(4.900)	3.040	[7]		
[7]						
8460	Savings - Boarding Allowances and Bursaries Underspend	(1.180)	-	-	-	-
Total Operating	[7]					

Capital Initiatives (Impact on Debt)

		$m - increase/(decrease)				
Initiative ID	**Initiative Name**	**2013/14**	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
8048	School Property Expansion	-	11.604	68.304	82.512	10.043
8373	Savings from Temporary Return of Insurance Recoveries to the Crown	(174.500)	61.100	113.400	-	-
[7]						
Total Capital						

2 **approved** the changes to appropriations and the capital injections to the administering department to implement the initiatives, as set out in the attached initiative documents;

3 **approved** the additional recommendations to give effect to the initiatives, as set out in the attached initiative documents;

4 **agreed** that the changes to appropriations and projected balances of net assets for 2013/14 above be included in the 2013/14 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;

5 **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;

6 **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;

7 **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;

8 **agreed** that the initiatives in the following table be set aside as contingency items, that corresponding funding for them be set aside in the between-Budget spending contingency, and that they be submitted to the appropriate Cabinet committee for consideration at a later stage, subject to paragraph 9 below:

Operating Contingency

	$m - increase/(decrease)					
Initiative Name	**2013/14**	**2014/15**	**2015/16**	**2016/17**	**2017/18**	**2018/19 & Outyears**
Investing in Educational Success package	-	5.513	74.637	124.265	154.831	154.831
Partnership Schools further funding	[7]					

[7]

10 **noted** that the joint Ministers agreed as part of the October and March Baseline Update processes that Vote Education baselines be adjusted to reflect the full impact of forecast changes in 2013/14;

11 **noted** that forecast changes in Vote Education during 2013/14 are as follows:

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Early Childhood Education	16.861	50.598	65.880	69.716	99.341
Schooling and Property	9.695	14.665	18.147	22.810	38.212
Total	**26.556**	**65.263**	**84.027**	**92.526**	**137.553**

12 **noted** that in Budget 2014, Vote Education has moved towards a calendar year approach to managing out-year forecasts within the Budget operating allowance, to better align it with the approach taken to forecast changes in other Votes;

13 **noted** that as a transitional measure the impact of forecast changes made in the March Baseline Update on the 2014/15 financial year were counted against the Budget 2014 operating allowance;

Contingencies:

Support for the Maori Medium Early Childhood Education Network

14 **noted** that the Support for the Maori Medium Early Childhood Education Network contingency has an expiry date of 30 June 2014 [CAB Min (14) 2/6] and that the current profile is as follows:

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17 & Outyears**	**Four year total**
Support for the Maori Medium Early Childhood Education Network	10.847	4.120	4.120	4.120	23.207

15 **noted** that joint Ministers have approved a draw down of $1.504 million against the Support for the Maori Medium ECE Network contingency to fund the production of Maori medium resources;

16 **agreed** to roll over unspent 2013/14 funding totalling $2.607 million to 2015/16 and 2016/17;

17 **noted** that following the adjustments above, the profile of Support for the Maori Medium Early Childhood Education Network operating contingency will be:

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Support for the Maori Medium Early Childhood Education Network	10.847	4.120	4.120	4.120	4.120
Production of Maori medium resources	(1.504)	-	-	-	-
Transfer unspent balance	(2.607)	-	2.000	0.607	-
Balance	**6.736**	**4.120**	**6.120**	**4.727**	**4.120**

18 **approved** an extension of the expiry date of the Support for the Maori Medium Early Childhood Education Network operating contingency to 30 June 2015.

Secretary of the Cabinet

Reference: CAB (14) 174

Initiative No: 8042

Vote: Education

Title: Cost Adjustment to Operational Grants for Schools

Description: Provides for an increase to schools' operational grants to help schools cover increases in costs (including the costs of non-teaching staff) and to support the ongoing viability of State and State-integrated schools.

Appropriation Changes

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Operating Balance Impact	-	12.113	24.431	24.370	24.403
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	**-**	**12.113**	**24.431**	**24.370**	**24.403**

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Non-Departmental Output Expense:					
Curriculum Support	-	0.043	0.087	0.087	0.087
Non-Departmental Other Expenses:					
Early Childhood Education	-	0.014	0.027	0.027	0.027
Primary Education	-	6.330	12.704	12.706	12.765
Secondary Education	-	4.599	9.369	9.304	9.277
Special Needs Support	-	1.127	2.244	2.246	2.247
Total Operating	**-**	**12.113**	**24.431**	**24.370**	**24.403**
Total Capital	**-**	**-**	**-**	**-**	**-**

Initiative No: 8043

Vote: Education

Title: Early Childhood Education Cost Adjustment

Description: Provides a cost adjustment to ensure that Early Childhood Education remains affordable for all groups.

Appropriation Changes

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Operating Balance Impact	-	12.915	13.309	13.564	13.821
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	**-**	**12.915**	**13.309**	**13.564**	**13.821**

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Non-Departmental Other Expense:					
Early Childhood Education	-	12.915	13.309	13.564	13.821
Total Operating	**-**	**12.915**	**13.309**	**13.564**	**13.821**
Total Capital	**-**	**-**	**-**	**-**	**-**

Initiative No: 8044

Vote: Education

Title: Increased Insurance Premiums Following the Christchurch Earthquakes

Description: Provides funding for cost pressures arising from increased insurance premiums following the Christchurch earthquakes.

Appropriation Changes

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Operating Balance Impact	-	8.500	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	**-**	**8.500**	**-**	**-**	**-**

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Departmental Output Expense:					
School Property Portfolio Management (funded by revenue Crown)	-	8.500	-	-	-
Total Operating	**-**	**8.500**	**-**	**-**	**-**
Total Capital	**-**	**-**	**-**	**-**	**-**

Additional recommendation

[7]

Initiative No: 8046

Vote: Education

Title: Asset Management Change Programme

Description: Provides for the translation of the Education Infrastructure Service from funder to asset manager.

Appropriation Changes

	$m - increase/(decrease)					
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18**	**2018/19 & Outyears**
Operating Balance Impact	-	1.410	2.180	2.080	2.080	1.380
Debt Impact	-	-	-	-	-	-
No Impact	-	-	-	-	-	-
Total	**-**	**1.410**	**2.180**	**2.080**	**2.080**	**1.380**

	$m - increase/(decrease)					
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18**	**2018/19 & Outyears**
Departmental Output Expense:						
School Property Portfolio Management (funded by revenue Crown)	-	1.410	2.180	2.080	2.080	1.380
Total Operating	**-**	**1.410**	**2.180**	**2.080**	**2.080**	**1.380**
Total Capital	**-**	**-**	**-**	**-**	**-**	**-**

Additional recommendation

19 **noted** that this initiative provides further ongoing funding for a four year change management programme and ongoing condition assessment framework agreed in Budget 2013 [CAB Min (13) 12/6(7) (initiative number 7566)];

Initiative No: 8047

Vote: Education

Title: Leaky Buildings Remediation

Description: Funding for the continued expenses of compensation claims as well as building improvement activities related to leaky buildings remediation.

Appropriation Changes

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	6.639	3.743	-	-
Total	**-**	**6.639**	**3.743**	**-**	**-**

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Departmental Output Expense:					
School Property Portfolio Management (funded by revenue Other)	-	6.639	3.743	-	-
Total Operating	**-**	**6.639**	**3.743**	**-**	**-**
Total Capital	**-**	**-**	**-**	**-**	**-**

Additional recommendations

21 **noted** that this initiative does not impact on the operating balance because remediation and the cost of pursuing claims will be funded through Revenue Other collected through compensation paid;

22 **noted** that it is likely that most of the expenditure will be incurred before the resulting revenue is received;

Initiative No: 8048

Vote: Education

Title: School Property Expansion

Description: This initiative responds to shifting demographics with provision of new capacity, either new schools or expansion of capacity at existing schools.

Appropriation Changes

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Operating Balance Impact	-	0.801	4.414	13.088	19.830
Debt Impact	-	11.604	68.304	82.512	10.043
No Impact	-	-	-	-	-
Total	**-**	**12.405**	**72.718**	**95.600**	**29.873**

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Departmental Output Expense:					
School Property Portfolio Management (funded by revenue Crown)	-	0.801	4.414	13.088	19.830
Non-Departmental Capital Expenditure:					
Schools Furniture and Equipment	-	0.429	0.429	0.357	5.228
Capital Injections:					
Ministry of Education - Capital Injection	-	11.175	67.875	82.155	4.815
Total Operating	**-**	**0.801**	**4.414**	**13.088**	**19.830**
Total Capital	**-**	**11.604**	**68.304**	**82.512**	**10.043**

Additional recommendation

23 **noted** that in February 2014, the Cabinet Social Policy Committee considered the School Property Programme Business Case and new capital funding for Budget 2014, and agreed that the balance of required funding not available from existing contingencies would be considered as part of Budget 2014 [SOC Min (14) 2/6];

Initiative No: 8050

Vote: Education

Title: Public Private Partnership - Hobsonville Point

Description: Provides funding for the unappropriated costs associated with the Hobsonville Point Public Private Partnership.

Appropriation Changes

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18**
Operating Balance Impact	-	7.639	7.576	7.388	7.209
Debt Impact					
No Impact	0.880	1.969	2.110	2.460	2.632
Total	**0.880**	**9.608**	**9.686**	**9.848**	**9.841**

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18**
Departmental Output Expense:					
School Property Portfolio Management (funded by revenue Crown)	-	7.639	7.576	7.388	7.209
	2018/19	**2019/20**	**2020/21**	**2021/22**	**2022/23**
	7.103	6.996	6.854	6.745	6.608
	2023/24	**2024/25**	**2025/26**	**2026/27**	**2027/28**
	6.433	6.271	6.195	6.153	6.080
	2028/29	**2029/30**	**2030/31**	**2031/32**	**2032/33**
	5.959	5.858	5.739	5.643	5.509
	2033/34	**2034/35**	**2035/36**	**2036/37**	**2037/38**
	5.338	5.159	4.981	4.780	4.636
	2038/39				
	0.886				
Net Asset Schedule:	**2013/14**				
Ministry of Education – Net Asset Schedule	0.880				
Capital Injections:	**2013/14**	**2014/15**	**2015/16**	**2016/17**	**2017/18**
Ministry of Education - Capital Injection	0.000	1.969	2.110	2.460	2.632
	2018/19	**2019/20**	**2020/21**	**2021/22**	**2022/23**
	3.408	4.659	4.830	4.720	4.594
	2023/24	**2024/25**	**2025/26**	**2026/27**	**2027/28**
	4.322	4.709	5.470	7.437	8.652
	2028/29	**2029/30**	**2030/31**	**2031/32**	**2032/33**
	8.335	6.725	6.974	8.836	10.663

Initiative No: 8050

2033/34	2034/35	2035/36	2036/37	2037/38
10.609	10.650	9.850	9.924	7.340
2038/39				
3.849				

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Total Operating	**-**	**7.639**	**7.576**	**7.388**	**7.209**
Total Capital	**0.880**	**1.969**	**2.110**	**2.460**	**2.632**

Additional recommendation

24 **noted** that in March 2011, Cabinet agreed to appropriate capital funding for development of two schools at Hobsonville Point [CAB Min (11) 12/9], as follows:

	$m – increase/(decrease)				
Vote Education **Minister of Education**	**2010/11**	**2011/12**	**2012/13**	**2013/14**	**2014/15**
Net Asset Schedule of Ministry of Education: Capital Injection	-	40.627	8.824	2.288	-

25 **noted** that this capital injection was charged to the 2010 Budget capital allocation through the School Public Private Partnerships (PPPs) contingency [CAB Min (10) 13/4(16)];

26 **noted** that:

26.1 this capital injection has not been drawn by the Ministry of Education;

26.2 the Hobsonville Point schools were subsequently delivered under a PPP contract, with Learning Infrastructure Partners, which does not require an upfront capital outlay;

27 **noted** that this initiative now draws down that original capital injection, with no impact on net debt;

28 **noted** that the capital injection does not impact on the 2014 Budget capital allocation or the Future Investment Fund allocation;

Initiative No: 8051

Vote: Education

Title: Support for Students with High Health Needs to Safely Attend School

Description: Provides teacher aide support to enable up to 80 additional students to receive the support that they need to attend school safely.

Appropriation Changes

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Operating Balance Impact	-	1.170	1.170	1.170	1.170
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	**-**	**1.170**	**1.170**	**1.170**	**1.170**

	$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)	-	1.170	1.170	1.170	1.170
Total Operating	**-**	**1.170**	**1.170**	**1.170**	**1.170**
Total Capital	**-**	**-**	**-**	**-**	**-**

Initiative No: 8054

Vote: Education

Title: Greater Christchurch Education Renewal Programme: Property Components

Description: Provides for the delivery of the property components of the Greater Christchurch Education Renewal Programme as set out in the programme business case.

Appropriation Changes

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Operating Balance Impact	-	2.200	5.270	5.560	3.860
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	**-**	**2.200**	**5.270**	**5.560**	**3.860**

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Departmental Output Expense:					
School Property Portfolio Management (funded by revenue Crown)	-	2.200	5.270	5.560	3.860
Total Operating	**-**	**2.200**	**5.270**	**5.560**	**3.860**
Total Capital	**-**	**-**	**-**	**-**	**-**

Additional recommendation

29 **noted** that in November 2013, Cabinet noted that operating costs to support the programme management of the greater Christchurch school infrastructure renewal programme would be considered in the context of Budget 2014 [CAB Min (13) 39/6A];

Initiative No: 8059

Vote: Education

Title: Partnership Schools Further Funding

Description: Provides for the establishment of Partnership Schools to improve achievement outcomes for disadvantaged students and addresses the existing funding shortfall that has arisen due to five Partnership Schools being approved to open in 2014.

Appropriation Changes

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Operating Balance Impact	-	3.384	1.651	1.651	1.651
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	**-**	**3.384**	**1.651**	**1.651**	**1.651**

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Non-Departmental Other Expenses:					
Primary Education	-	0.374	0.182	0.182	0.182
Secondary Education	-	3.010	1.469	1.469	1.469
Total Operating	**-**	**3.384**	**1.651**	**1.651**	**1.651**
Total Capital	**-**	**-**	**-**	**-**	**-**

Additional recommendations

29 **noted** that in February 2014, the Cabinet Social Policy Committee agreed to the establishment of more Partnership Schools, and that funding to implement these should be sought through Budget 2014 [SOC Min (14) 2/1];

30 **noted** that this initiative addresses the existing funding shortfall that has arisen due to five Partnership Schools being approved to open in 2014;

31 **noted** an operating contingency has been set aside for future spending on partnership schools;

Initiative No: 8063

Vote: Education

Title: Canterbury Renewal Early Childhood Education Consultation Underspend

Description: Provides for savings from relocation of services and detailed engineering evaluations not being demanded as much as initially anticipated, and community hui and projects in the Aranui learning community cluster starting later than originally planned.

Appropriation Changes

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Operating Balance Impact	(0.463)	(0.210)	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	**(0.463)**	**(0.210)**	**-**	**-**	**-**

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Non-Departmental Other Expenses:					
Early Childhood Education	(0.063)	-	-	-	-
Support for Early Childhood Education Providers	(0.400)	(0.210)	-	-	-
Total Operating	**(0.463)**	**(0.210)**	**-**	**-**	**-**
Total Capital	**-**	**-**	**-**	**-**	**-**

Initiative No: 8064

Vote: Education

Title: Relieving Teachers - Underspend

Description: Savings from a nine per cent reduction in funding per year for Relieving Teachers that are centrally resourced.

Appropriation Changes

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Operating Balance Impact	-	(0.500)	(1.000)	(1.000)	(1.000)
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	**-**	**(0.500)**	**(1.000)**	**(1.000)**	**(1.000)**

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Non-Departmental Other Expense:					
Primary Education	-	(0.500)	(1.000)	(1.000)	(1.000)
Total Operating	**-**	**(0.500)**	**(1.000)**	**(1.000)**	**(1.000)**
Total Capital	**-**	**-**	**-**	**-**	**-**

Initiative No: 8065

Vote: Education

Title: School Accommodation Business Case (State School Property Maintenance Grant)

Description: Savings from the removal of funding set aside in the 2007/08 school property business case to fund additional expenditure on school property maintenance.

Appropriation Changes

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Operating Balance Impact	-	(0.572)	(1.145)	(1.145)	(1.145)
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	**-**	**(0.572)**	**(1.145)**	**(1.145)**	**(1.145)**

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Non-Departmental Other Expense:					
Primary Education	-	(0.572)	(1.145)	(1.145)	(1.145)
Total Operating	**-**	**(0.572)**	**(1.145)**	**(1.145)**	**(1.145)**
Total Capital	**-**	**-**	**-**	**-**	**-**

Initiative No: 8066

Vote: Education

Title: Reduction in School Classification, Integration and Closure Contingency Funding

Description: Savings from a 50 per cent reduction in the level of funding available to meet ad hoc requests for support to schools undergoing closure, merger or other reorganisation.

Appropriation Changes

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Operating Balance Impact	(2.020)	(4.000)	(5.000)	(5.000)	(5.000)
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	**(2.020)**	**(4.000)**	**(5.000)**	**(5.000)**	**(5.000)**

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Non-Departmental Other Expenses:					
Primary Education	(0.710)	(2.180)	(2.650)	(2.650)	(2.650)
Secondary Education	(0.910)	(0.920)	(1.600)	(1.600)	(1.600)
Special Needs Support	(0.400)	(0.900)	(0.750)	(0.750)	(0.750)
Total Operating	**(2.020)**	**(4.000)**	**(5.000)**	**(5.000)**	**(5.000)**
Total Capital	**-**	**-**	**-**	**-**	**-**

Additional recommendation

[7]

Initiative No: 8067

Vote: Education

Title: Blind and Low Vision Support Changes

Description: Savings from eliminating funding to the Royal New Zealand Foundation for the Blind that is no longer required after changes in delivery of Special Needs Support to the Blind and Low Vision Network of New Zealand.

Appropriation Changes

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Operating Balance Impact	(0.038)	(0.038)	(0.038)	(0.038)	(0.038)
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	**(0.038)**	**(0.038)**	**(0.038)**	**(0.038)**	**(0.038)**

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Non-Departmental Output Expense:					
Supporting Parenting	(0.038)	(0.038)	(0.038)	(0.038)	(0.038)
Total Operating	**(0.038)**	**(0.038)**	**(0.038)**	**(0.038)**	**(0.038)**
Total Capital	**-**	**-**	**-**	**-**	**-**

Initiative No: 8069

Vote: Education

Title: Property Procurement Efficiencies

Description: Savings from more efficient and effective procurement and maintenance of school property as a result of the Asset Management Change Programme.

Appropriation Changes

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Operating Balance Impact	-	(0.615)	(0.615)	(0.615)	(0.615)
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	**-**	**(0.615)**	**(0.615)**	**(0.615)**	**(0.615)**

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Departmental Output Expense:					
School Property Portfolio Management (funded by revenue Crown)	-	(0.615)	(0.615)	(0.615)	(0.615)
Total Operating	**-**	**(0.615)**	**(0.615)**	**(0.615)**	**(0.615)**
Total Capital	**-**	**-**	**-**	**-**	**-**

Initiative No: 8373

Vote: Education

Title: Savings from Temporary Return of Insurance Recoveries to the Crown

Description: Temporary return to the Crown of insurance settlement funding resulting from the Christchurch earthquakes, with consequential capital charge savings and capital injections in outyears.

Appropriation Changes

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Operating Balance Impact	-	(7.400)	(2.500)	-	-
Debt Impact	(174.500)	61.100	113.400	-	-
No Impact	-	-	-	-	-
Total	**(174.500)**	**53.700**	**110.900**	**-**	**-**

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Departmental Output Expense:					
School Property Portfolio Management (funded by revenue Crown)	-	(7.400)	(2.500)	-	-
Net Asset Schedule:					
Ministry of Education – Net Asset Schedule	(174.500)	-	-	-	-
Capital Injection:					
Ministry of Education - Capital Injection	-	61.100	113.400	-	-
Total Operating	**-**	**(7.400)**	**(2.500)**	**-**	**-**
Total Capital	**(174.500)**	**61.100**	**113.400**	**-**	**-**

Initiative No: 8374

Vote: Education

Title: Savings in Interest Rate Subsidy for Schools

Description: Savings returned to the Crown in interest rate subsidies for schools due to lower forecasts of interest rates and management fees.

Appropriation Changes

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Operating Balance Impact	-	(0.121)	(0.118)	(0.117)	(0.117)
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	**-**	**(0.121)**	**(0.118)**	**(0.117)**	**(0.117)**

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Non-Departmental Other Expense:					
Interest Subsidy for Schools	-	(0.121)	(0.118)	(0.117)	(0.117)
Total Operating	**-**	**(0.121)**	**(0.118)**	**(0.117)**	**(0.117)**
Total Capital	**-**	**-**	**-**	**-**	**-**

Initiative No: 8375

Vote: Education

Title: Improved Cost Effectiveness of Professional Learning and Development

Description: Provides for the Professional Learning and Development (PLD) Review that is expected to lead to improvements in the effectiveness and efficiency of PLD expenditure.

Appropriation Changes

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Operating Balance Impact	-	-	-	(3.000)	(6.000)
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	**-**	**-**	**-**	**(3.000)**	**(6.000)**

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Non-Departmental Output Expense:					
Professional Development and Support	-	-	-	(3.000)	(6.000)
Total Operating	**-**	**-**	**-**	**(3.000)**	**(6.000)**
Total Capital	**-**	**-**	**-**	**-**	**-**

Initiative No: 8376

Vote: Education

Title: Deferring Early Childhood Education Outcomes-Based Purchase Agreements

Description: Provides for the deferred commencement of outcomes-based purchase agreements, that were established to test changes to funding and to support progress on the 98 per cent target for Early Childhood Education participation.

Appropriation Changes

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Operating Balance Impact	(4.000)	(4.000)	(2.740)	(1.360)	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	**(4.000)**	**(4.000)**	**(2.740)**	**(1.360)**	**-**

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Non-Departmental Other Expense:					
Early Childhood Education	(4.000)	(4.000)	(2.740)	(1.360)	-
Total Operating	**(4.000)**	**(4.000)**	**(2.740)**	**(1.360)**	**-**
Total Capital	**-**	**-**	**-**	**-**	**-**

Initiative No: 8377

Vote: Education

Title: Targeted Assistance for Participation Savings

Description: Savings as a result of reduced funding for Targeted Assistance for Participation that is used to establish new places in early childhood education (ECE) services in high priority areas where there is a lack of ECE provision for vulnerable children.

Appropriation Changes

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Operating Balance Impact	(0.900)	(1.700)	(2.500)	(4.300)	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	**(0.900)**	**(1.700)**	**(2.500)**	**(4.300)**	**-**

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Non-Departmental Other Expense:					
Support for Early Childhood Education Providers	(0.900)	(1.700)	(2.500)	(4.300)	-
Total Operating	**(0.900)**	**(1.700)**	**(2.500)**	**(4.300)**	**-**
Total Capital	**-**	**-**	**-**	**-**	**-**

Initiative No: 8384

Vote: Education

Title: Te Aho o Te Kura Pounamu Partnership Pilot

Description: Funding for Te Aho o Te Kura Pounamu Partnership Pilot for 2016/17 and 2017/18 only.

Appropriation Changes

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Operating Balance Impact	-	-	-	0.648	0.689
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	**-**	**-**	**-**	**0.648**	**0.689**

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Non-Departmental Other Expense:					
Secondary Education	-	-	-	0.648	0.689
Total Operating	**-**	**-**	**-**	**0.648**	**0.689**
Total Capital	**-**	**-**	**-**	**-**	**-**

Additional recommendations

33 **noted** that funding for Te Aho o Te Kura Pounamu Partnership Pilot in 2014/15 and 2015/16 and an evaluation in 2016/17 was charged against the 2012 operating contingency Initiatives to Accelerate Achievement for Priority Learners;

34 **noted** that this initiative will be funded by savings from the Top Teacher Awards Reprioritisation (initiative number 8386);

Initiative No: 8385

Vote: Education

Title: Expansion of Reading Together

Description: Provides for the expansion of the Reading Together Project, intended to accelerate gains in reading levels for primary school children, to include decile 4 and up to half of decile 5 primary schools.

Appropriation Changes

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Operating Balance Impact	-	0.665	0.343	0.681	0.681
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	**-**	**0.665**	**0.343**	**0.681**	**0.681**

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Non-Departmental Other Expense:					
Primary Education	-	0.665	0.343	0.681	0.681
Total Operating	**-**	**0.665**	**0.343**	**0.681**	**0.681**
Total Capital	**-**	**-**	**-**	**-**	**-**

Additional recommendation

35 **noted** that this initiative will be funded by savings from the Top Teacher Awards Reprioritisation (initiative number 8386);

Initiative No: 8386

Vote: Education

Title: Top Teacher Awards Reprioritisation

Description: Reduction in funding available for Top Teacher Awards.

Appropriation Changes

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

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Benefits or Related Expenses:					
National Study Awards	-	(1.000)	(1.000)	(1.000)	(1.000)
Total Operating	**-**	**(1.000)**	**(1.000)**	**(1.000)**	**(1.000)**
Total Capital	**-**	**-**	**-**	**-**	**-**

Additional recommendations

36 **noted** that the surplus funds not required to fund the proposals Expansion of Reading Together and Te Aho o Te Kura Pounamu Partnership Pilot will be applied against the 2014 Budget package for Education;

37 **noted** that the savings generated by this initiative will be used to fund Te Aho O Te Kura Pounamu Partnership Pilot (initiative number 8384) and Expansion of Reading Together (initiative number 8385);

Initiative No: 8444

Vote: Education

Title: Computers in Homes

Description: Provides for the continuation of Computers in Homes, which was previously in Vote Internal Affairs.

Appropriation Changes

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Operating Balance Impact	(4.900)	3.040	[7]		
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	**(4.900)**	**3.040**	[7]		

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Non-Departmental Output Expenses:					
Curriculum Support	(1.000)	3.040	[7]		
Professional Development and Support	(3.300)	-	-	-	-
Benefits or Related Expenses:					
National Study Awards	(0.273)	-	-	-	-
Teacher Trainee Scholarships	(0.327)	-	-	-	-
Total Operating	**(4.900)**	**3.040**	[7]		
Total Capital	**-**	**-**	**-**	**-**	**-**

Additional recommendations

38 **noted** that funding in 2014/15 [7] includes a fiscally neutral transfer from Vote Internal Affairs (non-departmental other expense Digital Literacy and Connection) of $0.540 million[7]

39 **noted** that the balance of the operating impact of this initiative will be funded by savings from Top Teacher Awards Reprioritisation (initiative number 8386).

[7]

Initiative No: 8445

[7]

Appropriation Changes

[7]

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Non-Departmental Output Expense:					
School Managed Network Funding	-	(5.400)	-	-	-

[7]

Initiative No: 8460

Vote: Education

Title: Savings - Boarding Allowances And Bursaries Underspend

Description: Reduced funding for Boarding Allowances and Bursaries appropriation.

Appropriation Changes

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Operating Balance Impact	(1.180)	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	**(1.180)**	**-**	**-**	**-**	**-**

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Benefits or Related Expense:					
Boarding Allowances and Bursaries	(1.180)	-	-	-	-
Total Operating	**(1.180)**	**-**	**-**	**-**	**-**
Total Capital	**-**	**-**	**-**	**-**	**-**

Additional recommendation

[7]

Vote: Education

Title: Maori History in the School Curriculum

Description: This initiative will support and strengthen the teaching of Maori history in schools and kura.

Additional recommendations

41 **noted** that the expected profile of spending on this initiative is as follows:

	$m - increase/(decrease)				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18 & Outyears**
Māori History in the School Curriculum	-	0.500	0.500	0.300	0.300

42 **noted** that:

42.1 there are no appropriation changes resulting from this initiative, because it will be funded by reprioritisation within the Support and Resources for Teachers departmental output appropriation;

42.2 the specific funding being reprioritised supports the implementation of the New Zealand Curriculum and the publication of teaching and learning resources.