

The Treasury

Budget 2018 Information Release

Release Document August 2018

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

[1]	to prevent prejudice to the security or defence of New Zealand or the international relations of the government	6(a)
[2]	to avoid prejudice the entrusting of information to the Government of New Zealand on a basis of confidence by the Government of any other country or any agency of such a Government	6(b)(i)
[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)
[11]	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.	6(e)(vi)
[23]	to protect the privacy of natural persons, including deceased people	9(2)(a)
[25]	to protect the commercial position of the person who supplied the information or who is the subject of the information	9(2)(b)(ii)
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[27]	to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information - would be likely otherwise to damage the public interest	9(2)(ba)(ii)
[29]	to avoid prejudice to the substantial economic interests of New Zealand	9(2)(d)
[31]	to maintain the current constitutional conventions protecting collective and individual ministerial responsibility	9(2)(f)(ii)
[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	
[41]	that the making available of the information requested would be contrary to the provisions of a specified enactment	18(c)(i)
[42]	information is already publicly available or will be publicly available soon	18(d)

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.



Cabinet

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.

2018 Budget Technical Financial Recommendations: Vote Education

On 3 April 2018, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2018 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)				
		2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
10448	Additional Home Schooling Costs	-	-	-	-	-
10447	Cost Pressures for Teacher Trainee Funding	-	-	-	-	-
10453	Establishing Oversight and Administration of the Qualification System MCA	-	-	-	-	-
10590	Impairment of Education Crown Debts	1.500	2.000	-	-	-
Total Operating		1.500	2.000	-	-	-

- 2 **agreed** to establish new appropriations where required to implement these initiatives, as described in the attached initiative documents;
- 3 **approved** changes to appropriations to the administering department 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 proposed changes to appropriations for 2017/18 above be included in the 2017/18 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;

- 6 **authorised** the Minister of Finance and the Appropriation Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2017/18 Supplementary Estimates, the 2018/19 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 2018 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;
- 9 [33]

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Michael Webster
Secretary of the Cabinet

Hard-copy distribution:

Prime Minister
Deputy Prime Minister
Minister of Finance
Minister of Education

Vote: Education

Title: Additional Home Schooling Costs

Description: Fiscally neutral adjustments between benefit expenses to manage additional allowances for home schooling in 2017/18 only.

Appropriation changes

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	-	-	-

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Benefits or Related Expenses:					
Boarding Allowances	(0.900)	-	-	-	-
Home Schooling Allowances	0.900	-	-	-	-
Total Operating	-	-	-	-	-

Vote: Education

Title: Cost Pressures for Teacher Trainee Funding

Description: Fiscally neutral adjustments between benefit expenses in 2017/18 only to manage additional tuition and student service fee payments and increased uptake of voluntary bonding.

Appropriation changes

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	-	-	-

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Benefits or Related Expenses:					
National Study Awards	(0.560)	-	-	-	-
Teacher Trainee Scholarships	0.560	-	-	-	-
Total Operating	-	-	-	-	-

Vote: Education

Title: Establishing Oversight and Administration of the Qualifications System MCA

Description: Creating a new multi-category appropriation for oversight and administration of the qualifications system by the New Zealand Qualifications Authority.

New appropriation approval

Name	Period	Type	Category Name	Scope
Oversight and Administration of the Qualifications System	Annual	Multi-Category Expenses and Capital Expenditure	Qualifications Support Structures	This category is limited to the New Zealand Qualifications Authority overseeing the setting of standards and New Zealand qualifications development, recognition and review of qualifications, and contributing to the maintenance and promotion of the New Zealand qualifications system.
			Quality Assurance	This category is limited to the provision by the New Zealand Qualifications Authority of quality assurance services and maintenance of the quality assurance framework, to support the New Zealand qualifications system.
			Secondary School Assessments	This category is limited to the New Zealand Qualifications Authority overseeing assessment for national secondary school qualifications, including the National Certificate of Educational Achievement and Scholarship examinations, and the moderation of internal and external school assessments.
			Provision of Communication and Advice	This category is limited to communication and advice related to education policies, programmes and services that are the responsibility of the New Zealand Qualifications Authority.

Appropriation changes

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	-	-	-

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Non-Departmental Output Expenses:					
Secondary School Assessments	-	(26.760)	(26.480)	(26.480)	(26.480)
Quality Assurance	-	(5.094)	(5.094)	(5.094)	(5.094)
Qualifications Support Structures	-	(6.049)	(6.049)	(6.049)	(6.049)
Provision of Information and Advisory Services	-	(3.448)	(3.448)	(3.448)	(3.448)
Non-Departmental Other Expense:					
Remission of Fees	-	(1.288)	(1.288)	(1.288)	(1.288)
Multi-Category Expenses and Capital Expenditure:					
Oversight and Administration of the Qualifications System (MCA)					
<i>Non-Departmental Output Expenses:</i>					
Secondary School Assessments	-	28.048	27.768	27.768	27.768
Quality Assurance	-	5.094	5.094	5.094	5.094
Qualifications Support Structures	-	6.049	6.049	6.049	6.049
Provision of Communication and Advice	-	3.448	3.448	3.448	3.448
Total Multi-Category Expenses and Capital Expenditure: Oversight and Administration of the Qualifications System (MCA)	-	42.639	42.359	42.359	42.359
Total Operating	-	-	-	-	-

Additional recommendations

- 6 **noted** that the Minister of Finance has approved the establishment of a new multi-category appropriation “Oversight and Administration of the Qualification System” in Vote Education, to be administered by Ministry of Education and with Minister of Education as appropriation Minister, to bring together the operations of the New Zealand Qualifications Authority under one appropriation;
- 7 **noted** that the Minister of Education and the Minister of Finance have agreed that the single overarching purpose of this appropriation is to provide effective oversight and administration of the qualifications system by the New Zealand Qualifications Authority;

and

- 8 **noted** that the Minister of Education and the Minister of Finance have agreed that any movement of funds between categories in the above multi-category appropriation must be approved by the Secretary for Education (for amounts less than \$5 million) or by joint Ministers (for amounts of \$5 million or more), unless the movement raises policy issues that should be considered at Cabinet.

Vote: Education

Title: Impairment of Education Crown Debts

Description: This initiative provides for potential impairment or write-off of historical Crown debtor balances that are assessed as unlikely to be recovered.

Appropriation changes

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	1.500	2.000	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	1.500	2.000	-	-	-

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Non-Departmental Other Expense:					
Impairment of Debts and Assets and Debt Write-Offs	1.500	2.000	-	-	-
Total Operating	1.500	2.000	-	-	-