



BUDGET-SENSITIVE



**Joint Report:** Technical Adjustments to Education Portfolio Budget  
2019 Decisions

<b>Date:</b>	1 May 2019	<b>Report No:</b>	T2019/1265 METIS 1188361
		<b>File Number:</b>	SH-4-0

**Action Sought**

	Action Sought	Deadline
Minister of Finance (Hon Grant Robertson)	Approve the technical adjustments to Education Portfolio Budget 2019 decisions	Monday 6 May 2019
Minister of Education (Hon Chris Hipkins)	Approve the technical adjustments to Education Portfolio Budget 2019 decisions	Monday 6 May 2019

**Contact for Telephone Discussion (if required)**

Name	Position	Telephone	1st Contact
Claire Turner (Tsy)	Analyst	s 9(2)(a)	N/A
Andrew Rutledge (Tsy)	Manager, Education and Population Agencies	s 9(2)(a)	
Mark Flintoff (MoE)	Chief Financial Officer	N/A	

**Actions for the Minister's Office Staff (if required)**

Return the signed report to Treasury and the Ministry of Education

**Enclosure:** No

## BUDGET-SENSITIVE

### Joint Report: Technical Adjustments to Education Portfolio Budget 2019 Decisions

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#### Purpose of Report

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1. We have identified three fiscally neutral technical adjustments that are needed to correct errors in the final Vote Education and Vote Tertiary Education Budget 2019 Cabinet minutes (CAB-19-MIN-0174.13 and CAB-19-MIN-0174.40 refers).
2. This report seeks your joint approval to make the required adjustments ahead of finalising the 2018/19 Supplementary Estimates and 2019/20 Estimates.

#### Details of Adjustments

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3. An overview of each of the technical adjustments, the amounts of which are included in the recommendations section of this report, are outlined in the table below.

Initiative Title (ID)	Issue	Technical Adjustment
Additional Funding for Schools to Replace Parental Donations (10873)	Funding intended for departmental monitoring and enforcement of the policy was incorrectly allocated as non-departmental funding in the Cabinet Paper.	Transfer the monitoring and enforcement funding into the departmental output expense: Support and Resources for Education Providers, instead of non-departmental output expense: Learning Support, under the Outcomes for Target Student Groups Multi-Category Appropriation (MCA).
Pay Equity – Settlement and Programme Costs (10863)	Funding intended for settlement costs for Ministry of Education employed support workers was incorrectly allocated as non-departmental funding in the Cabinet paper.	Transfer the settlement costs funding into the departmental output expense: Interventions for Target Student Groups, instead of non-departmental output expense: Learning Support. Both are under the Outcomes for Target Student Groups MCA.
Reprioritisation of Funding – International Teacher Exchanges (11171)	Funding identified as Vote Education reprioritisation is actually Vote Tertiary Education funding.	Change the reprioritisation funding to come from benefit expense: Awards for Outbound New Zealand Students in Vote Tertiary Education, instead of non-departmental output expense: Professional Development and Support, under the Improved Quality Teaching and Learning MCA in Vote Education.

**BUDGET-SENSITIVE**

**Recommended Action**

We recommend that you:

- a **approve** each of the following fiscally neutral adjustments to correct errors in the Vote Education and Vote Tertiary Education Budget 2019 Cabinet Minutes, with no impact on the operating balance and net core Crown debt:

- i. Additional Funding for Schools to Replace Parental Donations

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
<b>Vote Education</b>					
<b>Multi-Category Expenses and Capital Expenditure:</b>					
Outcomes for Target Student Groups (MCA)					
<i>Non-Departmental Output Expense:</i>					
Learning Support	-	(1.020)	(1.020)	(1.020)	(1.020)
<b>Departmental Output Expense:</b>					
Support and Resources for Education Providers (funded by revenue Crown)	-	1.020	1.020	1.020	1.020

Agree / Disagree  
Minister of Finance

Agree / Disagree  
Minister of Education

- ii. Pay-Equity – Settlement and Programme Costs

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
<b>Vote Education</b>					
<b>Multi-Category Expenses and Capital Expenditure:</b>					
Outcomes for Target Student Groups (MCA)					
<i>Non-Departmental Output Expense:</i>					
Learning Support	-	(1.746)	(2.084)	(2.084)	(2.084)
<i>Departmental Output Expense:</i>					
Interventions for Target Student Groups (funded by revenue Crown)	-	1.746	2.084	2.084	2.084

Agree / Disagree  
Minister of Finance

Agree / Disagree  
Minister of Education

**BUDGET-SENSITIVE**

iii. Reprioritisation of Funding – International Teacher Exchanges to Support Foreign Language Learning

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
<b>Vote Education</b>					
<b>Multi-Category Expenses and Capital Expenditure:</b>					
Improved Quality Teaching and Learning (MCA)					
<i>Non-Departmental Output Expense:</i>					
Professional Development and Support	-	1.056	1.056	1,056	1,056
<b>Vote Tertiary Education</b>					
<b>Benefits or Related Expense:</b>					
Awards for Outbound New Zealand Students	-	(1.056)	(1.056)	(1.056)	(1.056)

*Agree / Disagree*  
Minister of Finance

*Agree / Disagree*  
Minister of Education

b note that the approved changes will be included in the final 2019/20 Estimates ahead of publication.

*Andrew Rutledge*  
Andrew Rutledge  
Manager, Education & Population Agencies  
The Treasury  
1 / 5 / 2019

*Mark Flintoff*  
Mark Flintoff  
Chief Financial Officer  
Ministry of Education  
1 / 5 / 2019

*Grant Robertson*  
Hon Grant Robertson  
Minister of Finance  
2 / 5 / 19

*Chris Hipkins*  
Hon Chris Hipkins  
Minister of Education  
1 / 5 / 19