



Briefing Note: Budget 2020: Letter to the Minister of Finance on Reprioritisation

To:	Hon Chris Hipkins, Minister of Education		
Date:	13 February 2020	Priority:	High
Security Level:	In Confidence	METIS No:	1219979
Drafter:	John Wardrop	DDI:	s 9(2)(a)
Key Contact:	Wayne Murphy	DDI:	
Messaging seen by Communications team:	No	Round Robin:	No

Purpose of Report


This report provides you with a letter to the Minister of Finance on reprioritisation in Budget 2020.

Recommendations

The Ministry recommends that you:

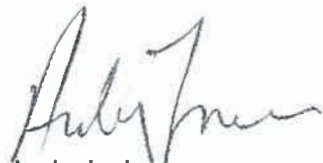
- a. **sign** the attached letter to the Minister of Finance, and
- b. **agree** that this report is not proactively released.

Release / Not Release



Damian Edwards
Associate Deputy Secretary
Education System Policy

13/2/20



Andy Jackson
Group Manager
Graduate Achievement,
Vocations and Careers

13/2/20



Hon Chris Hipkins
Minister of Education

19/2/20

Background

1. On 4 February 2020 we provided you with a report on potential reprioritisation initiatives that could be progressed in Budget 2020 [METIS 1219174 refers].
2. You decided that you did not wish to progress any of the identified reprioritisation opportunities in Budget 2020, and directed us to prepare a letter to the Minister of Finance reflecting this decision.

Comment

3. The attached letter to the Minister of Finance advises him that:
 - you have considered potential reprioritisation opportunities identified for Budget 2020, and
 - after weighing up the impact of these options, and the likely savings that they would generate, you do not consider that it is appropriate to progress any of them in Budget 2020.

Financial Implications

4. Not progressing reprioritisation initiatives mean that there will be no savings from reprioritisation returned to the centre, to help offset the cost of new spending in Budget 2020.

Proactive Release

5. We recommend that this Education Report is not proactively released as it is Budget-related. This is consistent with s9(2)(f)(iv) of the Official Information Act 1982, which provides that a reason for withholding information exists if it is necessary to maintain the constitutional convention that protects the confidentiality of officials' advice. A proactive release of Budget 2020 reports will be proposed for your consideration, as part of a wider communications strategy for your Budget 2020 package of initiatives,



MP for Rimutaka

Minister of Education

Minister of State Services

Leader of the House

Minister Responsible for Ministerial Services

Hon Grant Robertson
Minister of Finance
Parliament Buildings
WELLINGTON

Dear Grant

Budget 2020: Reprioritisation in the Education Portfolio

As part of developing my 2020 Budget package, I have considered opportunities to reprioritise education funding.

In both the 2018 and 2019 budgets I returned significant funding to the centre through reprioritisation. However, the scope to do this is now much more limited, as most education spending that was not well aligned with the Government's priorities when we took office has already been identified and reprioritised.

For Budget 2020, I have worked with the Ministry of Education to identify where there are further opportunities to reprioritise funding. This included looking for new opportunities, and revisiting options that had previously been identified but not progressed.

After considering the options that were identified, I have decided that it is not appropriate to proceed with any of them at this time. On balance, I consider that the impact of doing so, and the likely consequences for the Government's relationships with the education sector, are not justified by the relatively small savings that would be generated.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'CHIPKINS'.

Hon Chris Hipkins
Minister of Education