

Please note:

In order to make a decision on whether to proceed with reprioritising funding for RT Literacy and RT Māori, the Minister required an early Budget decision from Cabinet before she could initiate the reprioritisation proposal.

The Minister was then required to give notice of her intention by 1 March and seek feedback on the proposal, which is the process the Minister followed.

Final decisions on the proposal were made after the Minister had received and considered the consultation feedback.



Report: Early Budget 25 decisions – initiatives, processes, and timing

To	Hon Erica Stanford, Minister of Education		
Date	16/01/2025	Deadline	21/01/2025
Security Level	Budget Sensitive	Priority	High
From	Sela Finau	Phone	9(2)(a)
Drafter	Helen Gilbert	METIS No	1341842

Why are we sending this to you?

- You are receiving this because you need to seek early Budget decisions for three more initiatives, in addition to the two we have already advised you about (Principal bargaining and assessment tool).

What action do we need, by when?

- We recommend that you send attached draft letter to the Minister of Finance (Annex 1) by 22 January 2025
- Please return this signed paper by 21 January.

Alignment with Government priorities

1. This report supports the Government's Budget priorities to:
 - Deliver more efficient, effective and responsive public services to all who need and use them – in particular, to improve educational achievement.
 - Get the Government's books back in order and restore discipline to public spending.

Background

2. This paper outlines the processes, decisions and timing for the early Budget decisions that the Ministry recommends you seek.
3. Precommitments are early Budget decisions made by Cabinet, when Cabinet's agreement is required *before* Cabinet is expected to make its full Budget 25 decisions in April 2025.
4. Those early decisions enable the Ministry to start implementing the relevant initiatives.

B25 - Early Budget decisions

5. Early Budget decisions have three major stages, and we annex a graphic with the major milestones (Annex 2).
 - Advise the Minister of Finance (MOF)
 - Cabinet paper process
 - Implementation work commences
6. You have already agreed to seek early decisions for Principal Bargaining, so that bargaining can commence in March.
7. The Ministry will shortly provide you with advice on the need for early Budget decisions on the assessment tool, in order to get procurement underway so that it will be operational from Feb 2026.
8. The Ministry recommends that you also seek early decisions for these three initiatives:
 - Teaching Council fees, because a) the Council will start to consult on fees in March, and b) to integrate with bargaining timelines
 - Resource Teachers, Literacy (RT Lit) savings because under the collective employment contracts, the Ministry needs to give notice by 1 March
 - Resource Teachers, Māori (RT Māori) savings because under the collective contracts, the Ministry needs to give notice by 1 March.

Principal bargaining and Teaching Council fees

9. We advised you about the need for Teacher and Principal bargaining before Christmas, and you wrote to MOF on 18 December 2024.
10. Because the Teaching Council needs to consult on its proposed fees and levies in early March 2025, you need a Budget 2025 pre-commitment so that you can confirm the funding to remove or reduce the fees. This timing is also aligned with principal and teacher collective bargaining which commences in March 2025.
11. We are preparing more detailed advice for you on the Teaching Council fees, which you can expect shortly.
12. We recommend that fees and bargaining initiatives are dealt with in one Cabinet paper because of the way the Teaching Council funding interacts with the bargaining ecosystem, and the need for a single timeline for these two initiatives.

13. The proposed timelines for these pre-commitment decisions are in this table:

Table 1 Timing for pre-commitment Cab papers on Assessment and Bargaining	
23 January	We send you the draft Cabinet paper
6 - 13 February	We consult with Agencies
17 - 21 February	You consult with Ministers
24 February	We send you the revised draft Cab paper
26 February	You authorise us to lodge the Cab paper
27 February	We lodge the Cabinet paper
5 March	SOU considers paper
10 March	Cabinet considers pre-commitment funding paper

Savings – RT Lits and RT Māori

14. To be realised from 2026, the savings you want from RT Lits and RT Māori need early Budget decisions, so that the Ministry can communicate with school boards and make changes to the Staffing Orders.
15. In order to notify employing boards by 1 March, Cabinet will need to agree to the savings before the end of February. We propose that these two savings are dealt with in one Cabinet paper.
16. This is the timing that will be necessary to achieve the decisions:

Table 2 Timing for pre-commitment Cab paper on RT Māori and RT Lit savings	
21 January	Send draft MOF letter to you for agreement
22 January	You agree to MOF letter
23 January	You send the letter to MOF We send you the draft Cabinet paper
24 January	You authorise us to consult on the Cabinet paper
27 January	We consult with Agencies
28 – 31 January	You consult with Ministers
3 February	We send you the revised draft Cab paper
4 February	You authorise us to lodge the Cabinet paper
5 February	We lodge Cabinet paper
12 February	SOU considers the paper
17 February	Cabinet makes a decision on the early savings in the paper
19 – 27 February	Ministry calculates impacts, runs QA, and prepares formal notices to school boards

Kāhui Ako

17. Having examined the timeline for Kāhui Ako savings, we have concluded that this does not need a pre-commitment, providing that Cabinet's Budget decisions are completed by early May 2025.

Budget papers for Cabinet

18. This table shows the papers related to specific Budget initiatives that will need Cabinet decisions ahead of the ultimate Budget Cabinet paper. The dates are for SOU in advance of the following Cabinet meeting.
19. We have also indicated where a pre-Budget announcement or other communications may be useful.

Initiatives	February	March	April
RT Lit RT Māori	SOU 12 Feb - Cab paper seeking early Budget decisions Communications to follow	1 March: Notice to employing Boards	
Assessment tool	SOU 12 Feb - Cab paper seeking early Budget decision	Pre-Budget announcement	
Bargaining & Teaching Council fees	SOU 19 Feb - Cab paper seeking early Budget decisions	SOU 5 March - Cab paper Pre-Budget announcement (Teacher's Council Fees and Levies)	
Kāhui Ako		SOU 5 March - Cab paper, seeking approval in principle	
Learning Support - Early Intervention and LSCs		SOU 5 March - Cab paper seeking approval in principle	
Budget 2025			Budget paper to Cabinet

Risks

20. Because the Teaching Council fees proposal is part of the coalition government agreement, we do not expect that Cabinet will refuse to make an early Budget decision.
21. If Cabinet does not agree to these early savings proposals, then you will not be able to realise the savings until 2027. That will also affect your ability to deliver your planned Learning Support package.
22. 9(2)(f)(iv)
9(2)(j) The Ministry will provide you with a workforce communications plan that takes account of all the moving parts in this area, relating to Budget 9(2)(j)

Financial Implications

23. Cabinet papers for early decisions will include Financial Recommendations. Drawdown recommendations will only be included where essential (e.g., Teachers Council fees, so they can make essential IT system changes before 1 July).

Next Steps

24. As a first stage, we annex a letter to the Minister of Finance advising her of your intention to seek early decisions. We recommend that you review and send this letter as soon as possible so that we can proceed with developing the Cabinet paper.

Annexes

The following are annexed to this paper:

Annex 1: 9(2)(f)(iv)

Annex 2: Graphic showing stages for early Budget decisions

Recommended Actions

The Ministry of Education recommends you:

- | | | |
|------|---|------------------|
| a. | agree to seek early Budget decisions for | |
| i. | Teaching Council fees | Agree / Disagree |
| ii. | Resource Teachers, Literacy | Agree / Disagree |
| iii. | Resource Teachers, Maori | Agree / Disagree |
| b. | agree to send the attached letter to the Minister of Finance | Agree / Disagree |

Proactive Release

- c. **agree** that the Ministry of Education consider this paper for release as part of the Budget 2025 pro-active release decisions, with any information needing to be withheld done so in line with the provisions of the Official Information Act 1982.
- Agree / Disagree



Sela Finau

**General Manager, Learner Success & Tiriti
Policy**

Te Pou Kaupapahere

16/01/2025

Hon Erica Stanford

Minister of Education

___/___/___