

## Education Report: : Vote Education – Line-by-Line Review

### Purpose of Report

1. Attached is a draft report of the Line by Line Review of Vote Education. We are scheduled to discuss this with you on 27 January.
2. The briefing is the result of intensive work in the Ministry over the last three weeks. We have prepared it as much as possible in a format that can readily be transformed into a form that you can submit to the Minister of Finance at the end of next week. However, there is still checking and clarification required in some places and we will continue to work on the document over the balance of this week.

### The Approach to the Line-by-Line Review

1. During January 2009 the Ministry has scrutinised all areas of the Vote to determine:
  - programmes that are clearly a *mismatch with the Government's priorities* and which should be discontinued, or modified; and
  - programmes for which there is *evidence for poor efficiency or cost effectiveness*, and which should be discontinued, or modified.
2. For each of the major areas of the Vote, we have identified opportunities for *immediate savings* that could be made in the 2009 Budget, and also identified programmes that *should be reviewed* over both the short term (2009) and the medium term (to end of 2010) with a view to:
  - improving their *efficiency*, including through moving existing resources to the front line; and
  - improving their *relevance* by aligning them with the Government's priorities.
3. We have identified specific savings in some areas of spending where we have *incomplete information* to make recommendations about the efficacy of programmes, or the appropriate long-term level of funding required to deliver a programme. In some cases, the amount of funding required by the Ministry to administer a function will be dependent on either:
  - future decisions by the Government on the scale and nature of services provided by the Ministry – for example in curriculum support services – allowing schools to manage more things directly will mean the Ministry needs less resources to administer any residual functions; and
  - further information on the scope for efficiency gains in the Ministry's operations over time.
4. In these cases we have identified *initial savings*. We are confident we can make these savings now based on either the efficiency gains that can be delivered by the ministry, or where we understand enough about the Government's priorities that we can make our best estimate of savings from reconfiguring the administration of programmes. Further work *may* yield further savings in the future.

5. These savings are listed as items (a), (b), (c), and (d) in the list of options in the *Review Conclusions*, below:

### Review Conclusions

6. The Review has identified a number savings that could be realised in the 2009 Budget. There may be additional options that can be explored depending on how you wish to approach particular areas of expenditure with regard to policy priorities and the role of the Ministry in the future.
7. Options for savings identified include:
- a. a 10% reduction in operational expenditure for Output Class 5. Support and Resources for Teachers - \$5.6 million in 2009/10;
  - b. a 10% reduction in the Ministry's other operating expenses to deliver policy advice ;
  - c. a 4.5% reduction in the Ministry's operating expenditure, phased over three years;
  - d. a 19% reduction in services and interventions to support schools (\$7 million);
  - e. not proceeding with planned reductions in teacher-student ratios in new entrant classes (\$50 million);
  - f. not proceeding with a planned increase to Careers Services agreed to by the previous Government (\$3.3 million);
  - g. [deleted - confidentiality of advice];
  - h. \$7.6 million from changes to professional development programmes;
  - i. [deleted - confidentiality of advice];
  - k. reductions in a suite of programmes in international education, including removing the Export Innovation grant.

### Approach to Discussions

We recognise that there is a great deal of material for you to work through and we apologise for the tight timeframes to review the material ahead of our meetings with you.

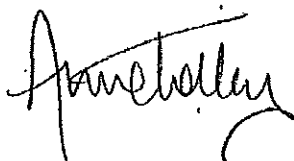
We suggest staging our discussions focusing our meeting tomorrow (Tuesday 27 January at 1.30pm) on an overview of the approach to the line by line review and issues within schooling. We suggest our meetings on Wednesday cover ECE, special education, international education and departmental expenditure.

Recommended Actions

It is recommended that the Minister of Education **note** the recommendations in the draft report of the Vote Education Line by Line Review.

**Karen Sewell**  
Secretary for Education

NOTED / APPROVED



**Hon Anne Tolley**  
Minister for Education

30/5/09

