

Notes on Slides

Slide 2 - Themes

- Vote education has increased substantially in real terms over last 8 years.
- Policy changes – *Early Childhood Education universal subsidies* and *School sector teacher ratio changes* are good examples – have driven expenditure.
- Need to lift Value for Money – re-examining some of these key policy settings is one of the keys.
- Ministry also needs to examine its own business efficiency – which is why we are doing baseline review

Slides 3, 4, 5 – Priorities and Actions

- We think by now that we are clear on the actions required to address the Government's priorities. These are the 6 key ones – **targeting ECE services**, specifying **clear standards**, better use of **assessment information**, **strengthening schools accountability**, pursuing **smoother transition to tertiary education**, and **more targeted tertiary funding**.
- *Are we missing any important ones ?*

Slide 6 - To achieve better value for money we need to

- In the school sector, the government's standards agenda will drive a range of system improvements – using a wide range of levers – including funding, regulation, professional development, information.
- Associated changes aim to improve accountability arrangements for all schools. Setting out government expectations in fewer, clearer and more precise education goals will allow us to remove existing regulations that add to school compliance costs and distract from a focus on teaching and learning.

Slide 7 – Vote Education Trends

- Policy decisions have driven expenditure growth

Slides 8 and 9 – Savings from Line by Line Review

- Savings from line by line review total approximately \$90 million in 2009/10, rising to over \$200 million annually in outyears.
- Some of these involve difficult decisions – unwinding resourcing decisions that deliver poor value – e.g. teacher/pupil ratios – capping areas of relatively generous provision – e.g. some international programmes, and charging for previously free services *[deleted – confidentiality of advice]*
- The departmental savings are a minimum that we think we can deliver – but there will be some challenges – we will also need to absorb cost increases
- Over next 2-3 years we may be able to deliver further savings once the future “shape” of Ministry settles in response to what the Government wants us to deliver.

[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]

Slide 10 – Further Work to Improve the Value of Crown Expenditure

We have identified 4 x Major Reviews – We think these are high priority

- High quality teacher professional development is a lever for improving student learning

[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]

- *Are Ministers comfortable with the short term savings we have identified, and the prospective further savings from the reviews we identified ? Or do you want us to pursue more far reaching options ?*

Slide 11 – Savings in departmental expenditure in the short and medium term

- This is just the beginning of a longer term process.
- We anticipate that more substantial savings will become available in the medium and longer term as a result of decisions to reduce the number or scope of programmes the ministry administers through Crown expenditure and/or changes in the role and functions of the ministry.

Slide 12 – Major Challenges in Lifting Value for Money over 5 years

- **Productivity**
- **Targeting**
- **Reducing Costs**
- Three themes
 - I'll ruin through highlights in next slides

Slides 13 and 14 – Lifting productivity in the school sector

- We know that effective teaching is the strongest lever within the school system to raise student achievement. We also know now more than ever about how to improve the quality of teaching and learning for all students.
- As we implement national standards in literacy and numeracy, a major priority will be to improve schools' use of assessment information to change teaching practice, and target effort and resources where they are needed most.
- Strengthening Board of Trustee accountabilities for student achievement through revised National Education Guidelines will play a key role.

[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]

Slide 16 – Greater targeting of investment – Tertiary

- There are a range of levers that could be used to better target government funding for tertiary education:

[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]

Slide 17– Reducing Cost Structures

- Need to look at underlying cost structures as a way of lifting measured productivity and reducing fiscal pressures.

Slide 18 – Asset Management – School Property

- Property management is an important role for the **Ministry**.
- We understand it is important for the **Government** – school property has large fiscal costs and the Government wants value for money, and good management.

[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]

Slide 19 – Questions for Committee