

The Treasury

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Cabinet

Minute of Decision

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2021 Budget Technical Financial Recommendations: Vote Tertiary Education

On 6 April 2021, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2021 Budget package, as listed in the summary below and detailed in the attached initiative documents:

Summary of initiatives included in the attached initiative documents:

Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
13389	Co-ordination of Emergency Management and Search and Rescue Training	-	-	-	-	-
13427	Fiscally Neutral Adjustment to Support the Establishment of Workforce Development Councils	-	-	-	-	-
13445	Timing of Grant Expenditure Recognition for Te Wananga o Raukawa	-	-	-	-	-
Total Operating		-	-	-	-	-

- 2 **approved** changes to appropriations to implement the initiatives, as set out in the attached initiative documents;
- 3 **approved** the additional recommendations to give effect to the initiatives, as set out in the attached initiative documents;
- 4 **agreed** that the changes to appropriations for 2020/21 above be included in the 2020/21 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;

- 5 **authorised** the Minister of Finance and the Appropriation Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2020/21 Supplementary Estimates, the 2021/22 Estimates and the fiscal forecasts;
- 6 **authorised** the chief executives of departments that monitor Crown entities directly affected by decisions in this minute to inform the chair and/or chief executive of a Crown entity, on a Budget-in-confidence-until-Budget-day basis, of decisions that directly affect that Crown entity for the purpose of planning and preparation of their Statement of Intent;
- 7 **noted** that all communications relating to the 2021 Budget are co-ordinated by a Budget communications committee, and that any requests for early announcement will need to have both the written approval of the Minister of Finance and sign-off from the Prime Minister's office;

Michael Webster
Secretary of the Cabinet

Vote: Tertiary Education

Appropriation Administrator: Ministry of Education

Title: Co-ordination of Emergency Management and Search and Rescue Training

Description: Due to the extension of existing funding arrangements for Emergency Management and Search and Rescue training, a transfer of funding across appropriations is required in order to continue payments under contracts with the National Emergency Management Agency and Ministry of Transport for the co-ordination of this training.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Non-Departmental Output Expenses:					
Administration of and Support for the Tertiary Education and Careers Systems	0.185	-	-	-	-
Multi-Category Expenses and Capital Expenditure:					
Tertiary Tuition and Training (MCA)					
<i>Non-Departmental Output Expenses:</i>					
Community Education	(0.185)	-	-	-	-
Total Operating	-	-	-	-	-

Vote: Tertiary Education

Appropriation Administrator: Ministry of Education

Title: Fiscally Neutral Adjustment to Support the Establishment of Workforce Development Councils

Description: This fiscally neutral adjustment supports the transition from interim Workforce Development Council (WDC) Establishment Boards serviced by a WDC Establishment Unit to the formal establishment and operations of WDCs by ensuring essential day-one and establishment requirements for WDCs are in place. Orders in Council to establish WDCs are now expected to be approved in June 2021, followed by a transition period during which the WDC Establishment Unit will need to continue funding some establishment and initial operating expenses of WDCs.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Non-Departmental Output Expenses:					
Tertiary Sector / Industry Collaboration Projects	-	6.000	-	-	-
Workforce Development Councils	-	(6.000)	-	-	-
Total Operating	-	-	-	-	-

Additional recommendations

- 8 **noted** that in 2020, Cabinet appropriated funding to establish and fund Workforce Development Councils (WDCs) as part of the Reform of Vocational Education [CAB-20-MIN-0219.27];
- 9 **noted** that funding is currently unable to be administered by the WDC Establishment Unit and interim WDC Establishment Boards beyond 30 June 2021;
- 10 **agreed** that any funding unspent by the interim Establishment Boards for WDCs and the WDC Establishment Unit in supporting the transition to WDCs be transferred back to the Workforce Development Councils appropriation as part of the standard baseline update process.

Vote: Tertiary Education

Appropriation Administrator: Ministry of Education

Title: Timing of Grant Expenditure Recognition for Te Wananga o Raukawa

Description: This initiative corrects an error in the March Baseline Update that allocated an adjustment to recognise grant expenditure for Te Wananga o Raukawa in 2020/21 rather than in 2021/22 and 2022/23 to the wrong appropriation. Under accounting standard PBE IPSAS 23, expenditure should be recognised when the obligation arises rather than when payments are made. The baseline change was mistakenly made to non-departmental output expense Tertiary Education Research and Research-Based Teaching instead of other expense support for Te Wananga o Raukawa.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Non-Departmental Output Expenses:					
Tertiary Education Research and Research-Based Teaching	(2.000)	1.000	1.000	-	-
Non-Departmental Other Expenses:					
Support for Te Wananga o Raukawa	2.000	(1.000)	(1.000)	-	-
Total Operating	-	-	-	-	-