The Treasury

Budget 2026 Information Release

September 2026

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Key to sections of the Act under which information has been withheld:

[1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government

[2] 6(b)(i) - to avoid prejudice the entrusting of information to the Government of New Zealand on a basis of confidence by the Government of any other country or any agency of such a Government

[4] 6(c) - to avoid prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial

[7] 6(e)(ii) - to prevent serious damage to the economy of New Zealand by disclosing prematurely decisions to change or continue government economic or financial policies relating to the regulation of banking or credit

[12] 7(a)(i) - to avoid prejudice to the security or defence of the self-governing State of the Cook Islands

[13] 7(a)(ii) - to avoid prejudice to the security or defence of the self-governing State of Niue

[14] 7(a)(iii) - to avoid prejudice to the security or defence of Tokelau

[15] 7(a)(iv) - to avoid prejudice to the security or defence of the Ross Dependency

[23] 9(2)(a) - to protect the privacy of natural persons, including deceased people

[25] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information

[26] 9(2)(ba)(i) - to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied

[27] 9(2)(ba)(ii) - to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest

[31] 9(2)(f)(ii) - to maintain the current constitutional conventions protecting collective and individual ministerial responsibility

[33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials

[34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions

[35] 9(2)(g)(ii) - to maintain the effective conduct of public affairs through protecting ministers, members of government organisations, officers and employees from improper pressure or harassment;

[36] 9(2)(h) - to maintain legal professional privilege

[37] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice

[38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice

[39] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage

[40] 18(c)(i) - that the making available of the information requested would be contrary to the provisions of a specified enactment

[41] 18(d) - information requested is or will soon be publicly available

Where information has been withheld, a numbered reference to the applicable section of the Act has been made, as listed above. For example, a [23] appearing where information has been withheld in a release document refers to section 9(2)(a).

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TE TAI ŌHANGA
THE TREASURY

Treasury Report: Budget 2026 Bilateral on Education

Date:	5 March 2026	**Report No:**	T2026/390
		File Number:	SH-4-0-M134555

Action sought

	Action sought	Deadline
Hon Nicola Willis **Minister of Finance**	**Discuss** this report with the Minister of Education at the Education Bilateral Meeting.	Review ahead of meeting at 11.30am on Thursday 12 March.

Contact for telephone discussion (if required)

Name	Position	Telephone	1st Contact
Lexie Preen	Graduate Analyst, Social Sector, Communities and Learning	[39] N/A (mob)	✓
Lydia Verschaffelt	Acting Unit Manager, Social Sector, Communities and Learning	[35] N/A (mob)	

Minister's Office actions (if required)

Return the signed report to Treasury.

Forward the relevant annotated agenda to the Minister of Education's office, and Agenda Item 4 of the relevant annotated agenda to the Minister for Infrastructure's office.

Note any feedback on the quality of the report	

Enclosure: Yes – Annex 3

Purpose

a You are meeting with the Minister of Education, Hon Erica Stanford, at 11.30am on Thursday 12 March to discuss her Budget 2026 package for Education.

- **i** **Annex 1** provides you with a proposed annotated agenda for the meeting, supporting Treasury advice and talking points. **This version will not be provided to the portfolio Minister ahead of the meeting.**
- **ii** **Annex 2** is the official meeting agenda that has – with your office's approval – also been sent to the office of the portfolio Minister and their agency. **It is provided for your visibility only. You do not need to review it – there is no additional material in Annex 2 that is not already in Annex 1.**
- **iii** **Annex 3** provides you with an annex of Treasury's assessment of each initiative. **This will not be provided to the portfolio Minister ahead of the meeting.**

b Decisions taken at this meeting will be reflected in the next draft Budget Ministers material we are providing you on 20 March 2026.

Recommended Action

We recommend that you:

a **Discuss** the contents of this report with the Minister of Education on Thursday 12 March;

b **Note** Agenda Item 4 *New Spending in Education: School Property* has been shared with the Minister for Infrastructure;

Maintaining Critical Service Delivery

c **Discuss** with the Minister of Education the importance of prioritising the maintenance of critical service delivery, including the initiatives outlined in the Budget 2026 invitation letter, and:

d **Agree** to prioritise funding the following initiatives:

i. increased KiwiSaver costs for frontline education staff, excluding funding for staff directly employed by the Ministry of Education; and

Agreed / Not agreed

ii. a [38] uplift for schools' operational grants; and

Agreed / Not agreed

iii. the education payroll upgrade; and

Agreed / Not agreed

iv. the upgrade of the New Zealand Qualification Authority's IT infrastructure.

Agreed / Not agreed

Reprioritisation of [38]

e **Ask** the Minister of Education how she and the Ministry of Education intend to manage the risks of reprioritising anticipated underspends [38]

f **Agree** with the Minister of Education to not reprioritise funding from [38]

Agreed / Not agreed

g **Agree** with the Minister of Education to reprioritise funding from [38]

Agreed / Not agreed

New Spending in Education: Curriculum Supports

h **Agree** with the Minister of Education that the curriculum package for Budget 2026 should prioritise interventions that are evidenced to have positive impacts on educational outcomes, or that fill critical service gaps.

Agreed / Not agreed

New Spending in Education: School Property

i **Agree** to prioritise investment to alleviate significant network pressures and for strategic land acquisition.

Agreed / Not agreed

j **Ask** the Minister of Education to liaise with the Minister of Health on strategic land acquisition in Auckland to ensure coordination and good value for money.

k **Discuss** with the Minister of Education the potential for changes to [33] to create further efficiencies.

l **Discuss** with the Minister of Education the importance of a sustainable and long-term solution to school property operating cost pressures, and:

m **Agree** to fund a time-limited option for school property operating pressures this Budget.

Agreed / Not agreed

New Initiatives and Further Revisions to the Package

n **Agree** to not reprioritise funding from the initiative [33]

Agreed / Not agreed

o **Indicate** if you are open to the Minister of Education making further revisions to the Education package; if so,

p **Reiterate** your expectation that any new spending is offset by reprioritisation in Education package; and

q **Agree** with the Minister of Education that if savings taken from reprioritised funding from the Ministry of Education's contracts do not eventuate, any resulting costs will be met within Vote Education baselines.

Agreed / Not agreed

r **Indicate** if you want further Treasury advice on each future initiative the Minister of Education wishes to include in the package.

Yes / No

Lydia Verschaffelt
Acting Unit Manager

Hon Nicola Willis
Minister of Finance

(Not for sharing with portfolio Ministers) Budget 2026 Education Package Totals

<table>
<tr><td>Treasury advice</td><td>

- The following table sets out the spending and savings of the Minister of Education's package and the Treasury's recommended package:

<table>
<tr><td></td><td colspan="2">Minister of Education</td><td colspan="2">Treasury</td></tr>
<tr><td></td><td>Annual average operating ($m)</td><td>Total capital ($m)</td><td>Annual average operating ($m)</td><td>Total capital ($m)</td></tr>
<tr><td>Gross spending</td><td>[38]</td><td></td><td></td><td></td></tr>
<tr><td>Gross savings</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Net new spending</td><td></td><td></td><td></td><td></td></tr>
</table>

</td></tr>
</table>

Agenda Item 1 – Maintaining Critical Service Delivery

<table>
<tr><td>Description of key issue</td><td>

- The Minister of Education has submitted a package that totals a net new spend of [38] average operating per annum, and [38] total capital, within an envelope of [38] additional operating per annum.
- While you have indicated a preference for the Education package to prioritise funding critical cost pressures ahead of new spending (at Fiscal Matters on 26 January 2026), the Minister of Education's preference is to prioritise new spending on curriculum supports and qualification reforms (the Minister of Education's Budget 2026 submission letter).

</td></tr>
<tr><td>Treasury recommended talking points</td><td>

- **Discuss** with the Minister of Education the importance of prioritising the maintenance of critical service delivery, including the initiatives outlined in the Budget 2026 invitation letter, and:
- **Agree** to prioritise funding the following initiatives:
    - increased KiwiSaver costs for frontline education staff, excluding funding for staff directly employed by the Ministry of Education; and
    - a [38] uplift for schools' operational grants; and
    - the education payroll upgrade; and
    - the upgrade of the New Zealand Qualification Authority's (NZQA's) IT infrastructure.

</td></tr>
<tr><td>Treasury advice</td><td>There are four initiatives we consider crucial for maintaining critical service delivery. The Minister of Education's package includes these four initiatives if reprioritisation is available. We</td></tr>
</table>

	recommend you consider them first, ahead of considering reprioritisation options. Supporting these four initiatives totals [37] operating average per annum, coming below the prescribed envelope of [38] average operating per annum. In order of priority, they are: • [37] • **KiwiSaver cost pressures** (ID 17332, $39.9 million average operating per annum)**:** This cannot be deferred without reducing the real value of funding provisioned for frontline education staffing. The Treasury recommendation scales this initiative down to $39.3 million operating average per annum to exclude staff directly employed by the Ministry of Education ('the Ministry'). • **NZQA: Strategic Technology Enhancement Project** (ID 17339, [37] average operating per annum)**:** This cannot be deferred without considerably constraining NZQA's ability to deliver the new qualifications to planned timeframes. • **Inflationary uplift for schools' operational grants** (ID 17308, $40.1 million average operating per annum): This cannot be deferred without reducing the real value of funding provided to schools for operational and day-to-day costs.

Agenda Item 2 – Reprioritisation of Education [38]

Description of key issue	• To keep within the prescribed envelope, the Minister of Education has submitted [38] average operating per annum in reprioritised funding. • The majority of this reprioritisation comes from anticipated underspends from [38] • You have indicated an openness to reprioritising these [38] noting the risks of doing so [38] (see your letter of 15 December 2025 to the Minister of Education).
Treasury recommended talking points	• **Ask** the Minister of Education how she and the Ministry intend to manage the risks of reprioritising anticipated underspends from [38] • **Agree** with the Minister of Education to <u>not</u> reprioritise funding [38] • **Agree** with the Minister of Education to reprioritise funding from [38]

Treasury advice	**We recommend a balanced approach of supporting reprioritisation from** [38] • **We consider the risk that underspends will not fully eventuate to be low, and therefore recommend you support this initiative** [38] If this funding is reprioritised, costs to the Crown in the medium term will increase. [33] • **We consequently recommend you do not support this initiative.** [38] **any underspends could be reprioritised or returned to the centre.** If you only fund the initiatives outlined in Agenda Item 1 and then reprioritise [38] there would be [38] operating average per annum of unallocated funding in the Education envelope. Although you could choose to return this funding to the centre, agenda Items 3 and 4 below provide our advice on discretionary new spending options (in addition to the fulsome Treasury recommended package in Annex 3).

Agenda Item 3 – New Spending in Education: Curriculum Supports

Description of key issue	• The new national curriculum is being rolled out from Term 1 2026. The Minister of Education has submitted a package of curriculum supports of [33] operating average per annum, split across three initiatives:
	  o Resources for secondary school teachers;
	  o Literacy and numeracy supports for primary and secondary school students; and
	  o In-person professional learning and development (PLD) events for secondary school teachers.

<table>
<tr><td>Treasury recommended talking points</td><td>

- **Agree** with the Minister of Education that the curriculum package for Budget 2026 should prioritise interventions that are evidenced to have positive impacts on educational outcomes, or that fill critical service gaps.

</td></tr>
<tr><td>Treasury advice</td><td>

The Minister of Education's curriculum package for this Budget totals [33] operating average per annum and includes expanding on existing interventions, some of which have not yet been implemented or were only implemented in Term 1 2026.

- We support some interventions that are evidenced to have positive impact on educational outcomes or fill a critical service gap.[1] For others, we consider it too early to assess their impacts and so have not included these in our scaled package.[2] Our recommended curriculum supports package is:

<table>
<tr><td>Initiative</td><td>Education ($m per annum)</td><td>Treasury ($m per annum)</td></tr>
<tr><td>Senior Secondary Subjects Curriculum Resources Support Package for Phase 4/5 (ID 17344)</td><td>13.4 opex, 7.5 total capex</td><td>3.5 opex</td></tr>
<tr><td>Foundations for Educational Success: Pathway to 2030 (ID 17347)</td><td>30.1 opex, 0.4 total capex</td><td>12.5 opex</td></tr>
<tr><td>Senior Secondary Subjects & Qualifications Curriculum Days (ID 17327)</td><td>[33] , 0.1 total capex</td><td>6.3 opex, 0.1 total capex</td></tr>
<tr><td>Total operating per annum</td><td>[33]</td><td>22.3</td></tr>
<tr><td>Total capital</td><td>7.9</td><td>0.1</td></tr>
</table>

</td></tr>
</table>

Agenda Item 4 – New Spending in Education: School Property

<table>
<tr><td>Description of key issue</td><td>

- The Minister of Education has requested [33] and [33] operating average per annum to address growth and maintenance pressures in the school property portfolio.
- [33]
- Additional capital investment in school property needs to be traded off against other infrastructure priorities this Budget.

</td></tr>
<tr><td>Treasury recommended talking points</td><td>

- **Agree** to prioritise investment to alleviate significant network pressures and for strategic land acquisition.

</td></tr>
</table>

1 For example, Education Review Office, *A new chapter: How well are the changes to English and maths going?* (2025).

2 Delivery Unit, *Government Targets Quarterly Reports – September 2025* (Wellington: Department of the Prime Minister and Cabinet, 2025).

<table>
<tr><td></td><td>

Ask the Minister of Education to liaise with the Minister of Health on strategic land acquisition in Auckland to ensure coordination and good value for money.
Discuss with the Minister of Education the potential for changes [33]
Discuss with the Minister of Education the importance of a sustainable and long-term solution to school property operating cost pressures, and:
Agree to fund a time-limited option for school property operating pressures this Budget.

</td></tr>
<tr><td>Treasury advice</td><td>
We recommend a scaled approach to school property investment.

Significant improvements have been made in the delivery of Education infrastructure, [33]
Growth pressures persist in the meantime, and we recommend provisioning scaled funding to alleviate immediate pressures and significant forecast pressures, including strategic land acquisition. We note the Minister of Health is also seeking funding this Budget for land acquisition to enable future construction of hospitals, with both portfolios identifying the need for additional land in [37] Auckland. We recommend you ask the Minister of Education to liaise with the Minister of Health on this land acquisition to ensure coordination and good value for money.
While the Ministry has noted general maintenance and targeted compliance pressures, we consider existing depreciation allocations of $1.25 billion for 2026/27 (relative to a portfolio valued at ≈ $24 billion (excluding land)), sufficient to ensure adequate upkeep of the portfolio. We also note a sizeable uplift for school property depreciation was provisioned in Budget 2024, $780 million total operating, with a further $100 million total operating provisioned in Budget 2025.
Operating cost pressures associated with portfolio management also persist. We have recommended one-off funding to prompt consideration of sustainable, long-term solutions.
As a result, we recommend the following scaled approach:

<table>
<tr><th>Initiative</th><th>Education ($m per annum)</th><th>Treasury ($m per annum)</th></tr>
<tr><td>Growth of the School Property Portfolio (ID 17121)</td><td>[33]</td><td></td></tr>
<tr><td>Maintaining and Upgrading the Portfolio (ID 17122)</td><td></td><td></td></tr>
<tr><td>Operating Cost Pressures in the School Property Portfolio (ID 17278)</td><td></td><td></td></tr>
</table>
</td></tr>
</table>

		Total operating per annum	[33]
		Total capital	

Agenda Item 5 – New Initiatives and Further Revisions to the Package

Description of key issue	• The Minister of Education has submitted a reprioritisation initiative of [33] • The Minister of Education has also submitted seven late initiatives, comprised of three reprioritisation and four new spending initiatives. The Minister of Education may wish to make further revisions to the Education package.
Treasury recommended talking points	• **Agree** to <u>not</u> reprioritise funding from the [33] • **Indicate** if you are open to the Minister of Education making further revisions to the Education package; if so: o **Reiterate** your expectation that any new spending is offset by reprioritisation in Education package; and o **Agree** with the Minister of Education that if savings taken from reprioritised funding from the Ministry of Education's contracts do not eventuate, any resulting costs will be met within Vote Education baselines. • **Indicate** if you want further Treasury advice on each future initiative the Minister of Education wishes to include in the package.
Treasury advice	**We recommend you do not support the reprioritisation initiative** [33] • We have worked with the Ministry to understand the deliverability of the savings from the contract between the Ministry and [33] The Ministry has confirmed it cannot make the cost reductions necessary to realise the savings this Budget. On this basis, we do not recommend supporting this initiative. **Seven new initiatives have been submitted later in the Budget assessment process as of 5 March 2026. We understand the Minister of Education may wish to make further revisions to the Education package.** • Two of the initiatives submitted later in the assessment process reprioritise funding from the Ministry's contracts (ID 17384 and 17381). We are not confident that viable savings can be achieved before further work is done and recommend not supporting them. If you did wish to progress these initiatives, we recommend you agree with the Minister of Education that if these savings do not eventuate, the resulting costs will be met within Vote Education baselines.

	• If you wish to in-principle support the new initiatives and forthcoming revisions, we recommend you reiterate your expectation that new spending is offset by reprioritisation and discuss with the Minister of Education how she would prioritise them in the envelope, such as substitution with, or scaling of, other new spending initiatives.

Annex 2 – Annotated Agenda that has been referred to the portfolio Minister

Agenda

The proposed agenda for this meeting is set out below. Further details on each agenda item are set out in the tables below.

1. **Agenda Item 1:** Maintaining Critical Service Delivery
2. [38]
3. **Agenda Item 3:** New Spending in Education: Curriculum Supports
4. **Agenda Item 4:** New Spending in Education: School Property
5. **Agenda Item 4:** New Initiatives and Further Revisions to the Package

Agenda Item 1 – Maintaining Critical Service Delivery

Description of key issue	• The Minister of Education has submitted a package that totals a net new spend of [33] average operating per annum, and [33] total capital, within an envelope of [38] additional operating per annum. • While you have indicated a preference for the Education package to prioritise funding critical cost pressures ahead of new spending (at Fiscal Matters on 26 January 2026), the Minister of Education's preference is to prioritise new spending on curriculum supports and qualification reforms (the Minister of Education's Budget 2026 submission letter).

Agenda Item 2 – [38]

Description of key issue	• To keep within the prescribed envelope, the Minister of Education has submitted [38] average operating per annum in reprioritised funding. • [38] • (see your letter of 15 December 2025 to the Minister of Education).

Agenda Item 3 – New Spending in Education: Curriculum Supports

Description of key issue	• The new national curriculum is being rolled out from Term 1 2026. The Minister of Education has submitted a package of curriculum supports of [33] operating average per annum, split across three initiatives: o Resources for secondary school teachers; o Literacy and numeracy supports for primary and secondary school students; and

	○ In-person professional learning and development (PLD) events for secondary school teachers.

Agenda Item 4 – New Spending in Education: School Property

Description of key issue	• The Minister of Education has requested [33] total capital and [33] operating average per annum to address growth and maintenance pressures in the school property portfolio. • [33] • Additional capital investment in school property needs to be traded off against other infrastructure priorities this Budget.

Agenda Item 5 – New Initiatives and Further Revisions to the Package

Description of key issue	• The Minister of Education has submitted a reprioritisation initiative of [33] • The Minister of Education has also submitted seven late initiatives, comprised of three reprioritisation and four new spending initiatives. The Minister of Education may wish to make further revisions to the Education package.

Annex 3: Treasury recommendations on Education submissions

See attached.

Budget 2026 - Package as at 5 March 2026 (Education Envelope)

Note

1. Some initiatives have significant out year components. This alters the way operating averages are calculated and may result in misalignment between Total Opex and Opex P.A. in the Treasury Package.
2. This annex aligns to the 'low' package set out in the Budget Ministers slides
3. Treasury's VAD framework quantifies the value (weighted through benefits and costs), alignment to Government Budget 2025 priorities, and delivery feasability of an initiative, rated from 1 (low) to 4 (high).

							Dept. Submissions $(m)			Current Package $(m)			Value for Money Values		
Vote	**ID**	**Budget Track**	**Title**	**Description**	**Current Status**	**Treasury Recommendation and Commentary**	**Total Opex**	**Opex P.A.**	**Total Capex**	**Total Opex**	**Opex P.A.**	**Total Capex**	**V**	**A**	**D**
Education	17121	New Capital Investment	School Property – Growing and Expanding the English Medium, Māori Medium and Kaupapa Māori Education Portfolio	This scaled option delivers targeted funding to expand the school property portfolio through new classrooms, schools, and land purchases in areas of high need. This funding will enable the Ministry to respond to immediate growth pressures at the most overcrowded and highest priority schools in the network, while also allowing planning for projected growth where accelerating investment will reduce future costs. It delivers a total of 306 classrooms for 5,936 students, including 185 classrooms for roll growth, 38 Māori medium teaching spaces, and 48 learning support classrooms. It will also provide funding for 3 new schools with a total of 45 teaching spaces, along with enabling the acquisition of up to 7 new sites for future schools.	Included	We recommend further scaling this initiative compared to the agency's submission. This scaled option will enable the delivery of 169 additional classrooms across English, Māori, and Learning Support education, specifically targeting schools where capacity exceeded 100% last year. Acquisition of seven new school sites in areas of significantly forecast volume growth would also be funded. Although changes to network policy settings will be necessary to reduce significant unfunded pressures in the school property space in the long term, prioritising early land acquisition is critical to secure suitable locations and avoid escalating costs (land costs represent the largest financial barrier to future school development). A report back to Cabinet on network settings is due in August 2026.	[33]						3	3	3
	17122	New Capital Investment	School Property – Maintaining and Upgrading the Portfolio	This initiative provides capital injection funding to maintain and upgrade the school property portfolio, ensuring more warm, safe and dry learning environments. This funding will improve lifecycle maintenance in line with industry best practice, extending the life of the portfolio and mitigating the long-term cost burden and compliance gaps from unaddressed condition issues, reducing the need for future major redevelopments. This initiative will also provide funding to invest in learning support property modifications, high-risk compliance projects and disaster response for a more resilient portfolio.	Excluded	We recommend deferring this initiative for two reasons. First, identified compliance costs can be met by prioritising existing depreciation funding of $1.25 billion. [33] Capital investment for school property maintenance is primarily driven by an ageing portfolio and existing network policy settings (e.g. the extent to which the system priorities school choice). Despite improved investment prioritisation, significant pressures persist. [33]	[33]			-	-	-	3	3	3
	17278	Service Or Policy Cost Escalation	School Property – Operating Cost Pressures	This initiative seeks an increase to School Property Operating funding to address specific areas of actual and anticipated cost increases. These increases are driven by market forces (inflationary and volume growth) which have been absorbed through efficiencies and savings or increasingly addressed by material capital-to-operating swaps as efficiencies and savings have been exhausted. These pressures do not relate to the establishment of NZSPA and are pressures the Ministry would still be facing were NZSPA not being established. Previously these costs have been met by annual capital to operating swaps, this bid and the options presented below seek to minimise the use of capital to operating swaps as far as possible.	Included	We recommend scaling this initiative and providing funding for one year only. For that year, we recommend scaling up the funding from what was sought, to $25m. This would fully cover identified pressures and mitigate against the need for a Capital to Operating swap next year. Ongoing funding should be considered in Budget 2027, conditional on policy work examining options to reduce pressures long term. School property operating costs have consistently exceeded available funding. Shortfalls have historically been met through annual Capital to Operating swaps, diverting funding from infrastructure investment with corresponding adverse fiscal impacts. Although our proposed approach mitigates against the need for a swap next financial year, a long-term sustainable funding solution is needed.	[33]		-	25.0	6.3	-	3	3	4
	17302	Service Or Policy Savings	Younger Provision – discontinuing funding	This initiative removes Younger Provision funding. Younger Provision was funded at $3.5 million per annum through Budget 2023 to enable Ministry of Education regional offices to fund support to learners in Years 1 – 8 at risk of disengaging from education. Evidence of the numbers of schools and students covered by the funding, and therefore its impact to date, are not clear. This initiative will allow the funding to be reprioritised to initiatives with greater alignment to Ministerial and wider Government priorities and a stronger evidence base for potential to improve educational outcomes.	Included	We recommend supporting this initiative, which would achieve savings by removing Younger Provision funding. Removing this funding will lead to Ministry of Education regional offices ending current bespoke regional interventions. There is a risk that there are unreported positive impacts on engagement from these interventions, with corresponding negative impacts to students from ending them. This risk is mitigated by funding provided through Budget 2025, which provided significant uplifts in funding for interventions to improve attendance and meet demand for learning support.	(14.0)	(3.5)	-	[33]	(3.5)	-	3	3	3

							Dept. Submissions $(m)			Current Package $(m)			Value for Money Values		
Vote	ID	Budget Track	Title	Description	Current Status	Treasury Recommendation and Commentary	Total Opex	Opex P.A.	Total Capex	Total Opex	Opex P.A.	Total Capex	V	A	D
Education	17307	Service Or Policy Savings	[33]							-	-	-	3	3	1
	17308	Service Or Policy Cost Escalation	Schools Operations Grant – cost pressure	This initiative provides funding for a cost adjustment of 2% to schools' operational grant funding, including base funding for Te Aho o Te Kura Pounamu. This is forecast CPI for 2027 (BEFU 2025). This funding increase will enable schools to meet rising costs, including staffing (teachers employed from operational grant and non-teaching staff), curriculum delivery, and other general day-to-day operations, such as heat, light, and water, or repair and maintenance costs. The cost adjustment will take effect from 1 January 2027. This initiative also includes a cost adjustment of 2% for charter schools base funding (new and existing schools) and operational property funding (new schools), to maintain broad equivalency with state school funding.	Included	We recommend supporting this initiative, which would provide an uplift in schools' operations grants. A 2% increase is consistent with forecast CPI for 2027 at BEFU 2025, although it is lower than forecast CPI at HYEFU 2025 (2.2%). Consequently, schools may need to make trade-offs against discretionary services (such as learning support), which may have an adverse impact on education outcomes.	160.4	40.1	-	160.4	40.1	-	3	3	4
	[33]									-	-	-	1	2	3
	17310	Service Or Policy Savings	Te Rito – savings from strategic refocus and stopping current programme	This initiative returns $13 million of funding from rationalisation of the current Te Rito programme. This ends the user interface, help desk support, and from reducing scope to focus on core delivery components from July 2026 onwards	Included	We recommend supporting this initiative, which would achieve savings by rescoping the Te Rito digital programme to focus only on core functionality (information management provision for engaged schools). We note that ending non-essential digital and support services would reduce the support available to schools and the ability for external providers to access the system. This might disrupt curriculum delivery for 4,000 learners supported through Ko Taku Reo | Deaf Education New Zealand. Ko Taku Reo currently use Te Rito for online learning, assessments, and to access learner information, and would need to source an alternative provider. This disruption could be mitigated by communicating decisions early to Ko Taku Reo to increase the time for them to transition to a new provider.	(13.0)	(3.3)	-	(13.0)	(3.3)	-	3	3	3
	17311	Service Or Policy Savings	Cyber Security and Digital Support – Savings	This initiative returns $6 million of operating funding from the Cyber Security and Digital Support (CSDS) programme as the scope of the work was further reduced and return of funding will not have implications on delivery. If further funding is returned, the continuation of one or more key deliverables from the CSDS programme will need to stop as they are unable to be scaled.	Included	We recommend supporting this baseline savings initiative. We have assessed the savings to be achievable and present no material risks. This saving is available due to recent decisions to reduce the scope of the programme and so can be taken without further consequences.	(6.0)	(1.5)	-	(6.0)	(1.5)	-	4	4	4

Vote	ID	Budget Track	Title	Description	Current Status	Treasury Recommendation and Commentary	Dept. Submissions $(m) Total Opex	Dept. Submissions $(m) Opex P.A.	Dept. Submissions $(m) Total Capex	Current Package $(m) Total Opex	Current Package $(m) Opex P.A.	Current Package $(m) Total Capex	Value for Money Values V	Value for Money Values A	Value for Money Values D
Education	17313	Service Or Policy Cost Escalation	[33]										3	3	4
	17314	Service Or Policy Savings											2	3	3
	17315	New Service Or Policy	Investing in Industry Skills Boards (ISBs) to develop industry-led school subjects	This initiative provides funding to ISBs to develop at least eight new industry-led subjects for secondary students, with funding for the Ministry of Education to support ISBs in that work. Delivering industry-led subjects rapidly but rigorously is critical to implementing the new, subject-based qualifications to replace NCEA, with funding required now to meet wider reform timelines. The initiative would increase the consistency, coherence and credibility of packages of learning for Vocational Education and Training (VET), e.g. in building and construction. It would also improve consistency in how VET is assessed, with standards comparable in quality to Ministry-led subjects, graded in the same way, and integrated into the national curriculum.	Included	We recommend scaling this initiative, which funds Industry Skills Boards (ISBs) to develop eight new school subjects. The initiative is an important part of the Government's Education reforms and has support from industry and educators alike. New funding is needed at this Budget to ensure the new subjects are ready in time to be rolled out alongside existing subjects in 2029. Our scaled option provides funding for two years only, to enable the development of the new subjects, and a decision can be taken at a future Budget whether maintaining the subject materials requires new funding or can be met from baselines.	15.0	3.8	-	10.1	2.5	-	3	3	3
	17316	Service Or Policy Cost Escalation	Rockquest Promotions Events Contribution – Cost Pressure	This initiative contributes one-off funding to support delivery of a range of national events that provide students with hands-on access to real-world creative experiences across live performance, digital media, and visual arts. These events support curriculum-aligned learning and help students build transferable skills. They also open pathways into tertiary study and future employment. The events have experienced cost increases relating to production costs, venue hire, travel, accommodation, and staffing as well increases in unmet demand. Funding provides for a one-off increase to support continued service provision in 2027 while the Ministry of Education redesigns the model for arts supports.	Excluded	We recommend deferring this initiative, which would increase funding for Rockquest events to help meet demand. As part of the curriculum redesign, the Ministry of Education is undertaking a review of existing arts support funding, which is expected to be finalised in quarter two of this calendar year. We consider that any decision to allocate additional funding for programmes within scope of the review should be made considering the review's outcomes, and only after exploring reprioritisation options.	0.5	0.1	-	-	-	-	2	2	4

							Dept. Submissions $(m)			Current Package $(m)			Value for Money Values		
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Education	17320	Service Or Policy Savings	E-ako tool and Pathways Awarua – reprioritised funding	This initiative stops the online platform that hosts the E-ako tool and Pathways Awarua, an online maths learning tool designed to support students in Years 3-8 to work independently through interactive learning modules that supplement the classroom maths programme. The savings arise from shutting down the platform and not renewing contracts ending in December 2025.	Included	We recommend supporting this initiative, which would achieve savings by shutting down the E-Ako tool and Pathways Awarua. E-ako was used by 1700 learners as at July 2025, who may have reduced provision for maths if a replacement tool is not progressed by the Ministry of Education. However, any risk is mitigated by funding provided through Budget 2025 to provide targeted maths staffing support for Years 0-6, tutoring for Year 7 and 8 students, and mathematics curriculum resources for kaupapa Māori and Māori medium education classrooms. There is a minor additional risk for ākonga Māori, as E-ako is one of a limited set of resources available in te reo Māori, however we consider this risk mitigated by the Budget 2025 funding for kaupapa Māori and Māori medium education classrooms.	(1.8)	(0.4)	-	(1.8)	(0.4)	-	3	2	4
	17322	New Service Or Policy	NZQA: Implementing Artificial Intelligence and Machine Learning in NCEA and NZ Scholarship	This initiative will fund pilots and proofs of concepts for Auto Text Scoring (ATS) and Artificial Intelligence (AI) marking of assessments, trial AI moderation of internal assessments and AI exam development. It will fund platform and support costs and continue to build capability in NZQA so that we can confidently operationalise AI solutions for secondary school assessments. One-off funding will support NZQA to better understand its needs to develop and deploy AI/Machine Learning (ML) solutions for secondary qualifications.	Excluded	We recommend not supporting this initiative. Development of AI solutions is already underway, therefore we consider any further investment into this work programme should be traded off against other priorities within NZQA's existing baseline expenditure, for which we separately recommend additional cost pressure funding (ID: 17328). We recognise the potential for AI solutions for secondary school assessments to create significant efficiencies. However, the costs, efficiencies, and rollout of fulsome AI solutions for all external assessments are currently unknown. If Ministers wish to prioritise development of AI solutions for assessments now, we recommend funding the full value option (a one-off $2.053 million) to ensure in-depth and viable options for fulsome AI solutions are explored.	2.1	0.5	-	-	-	-	2	3	2
	17323	New Service Or Policy	Education payroll upgrade	This initiative provides funding to upgrade the schools' payroll technology to a secure, software as a service platform, reducing compliance risks and improving system reliability. Immediate funding is required to address risks in the current system and ensure payroll stability. The project will enable a smooth transition to full compliance and further improvements in standardised payroll services for New Zealand schools. This initiative will be funded in line with the costings in the Indicative Business Case (see Table 9). [33]	Included	We recommend supporting this initiative, which provides funding for Education Payroll Limited (EPL) to upgrade core payroll technology. [37] This would leave no legal means for the Government to pay over 102,000 staff in the education workforce. Switching to another provider is not an option as any upgrade will take at least five years. This initiative cannot be further scaled or deferred, with this option representing the minimum expected cost to upgrade the core system only. [33]	[37]								
	17326	Service Or Policy Cost Escalation	Administration payment to schools for administering NCEA co-requisite assessments	This initiative provides funding for NZQA to pass onto schools and kura to offset the additional costs associated with their administration of the NCEA co-requisite external assessments.	Included	We recommend supporting this initiative, which would provide funding to schools and kura to offset the costs of administering National Certificate of Educational Achievement (NCEA) co-requisites. The co-requisites were introduced in 2024 and consist of twice-yearly external assessments on literacy or mathematics that students must complete. This initiative meets the costs of administering and managing these co-requisites for schools. If not funded, schools would need to meet these costs through their operational grants (which are also facing inflationary pressures). Decisions on this initiative should therefore be considered alongside those on the Schools' Operational Grant (#17308) and KiwiSaver funding (#17332).	5.6	1.4	-	5.6	1.4	-	3	3	3
	17327	New Service Or Policy	Senior Secondary Subjects & Qualification Curriculum Days	This funding will support secondary teachers to implement the refreshed senior secondary subject curricula and new national qualifications for Years 11-13. The support will focus on building teacher capability and engagement to deliver a new, knowledge rich curriculum for the Phase | Tūārere 5 subjects and wāhanga ako, and to implement changes to the secondary qualifications. The initiative would provide all secondary teachers [33] The days would be scheduled on a rolling basis in two 3–4-week windows each year (one window in 2030). The regional scheduling will leverage and strengthen schools' existing collaborative networks.	Included	We recommend scaling this initiative, which would fund events for teachers to help implement the new curriculum and assessments. The success of the reforms relies on changes to teacher practices, and there is some evidence that events like these help. Our scaled option provides funding to the end of the 2028 calendar year only, as further funding could be considered at a future Budget, and reduces a contingency from 25% (as this is higher than provided for in other initiatives), with a 5% contingency.	[33]			25.3	6.3	0.1	3	4	3

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Education	17328	Service Or Policy Cost Escalation	NZQA: National Certificates of Educational Achievement and NZ Scholarship Service Delivery	This initiative funds the gap between what NZQA is funded for and the cost of delivering assessment for the National Certificates of Educational Achievement NCEA and New Zealand Scholarship. In 2024, NZQA commissioned an independent review of the cost of delivering NCEA and NZ Scholarship, which identified a funding gap of $14.23 million per year. Re-modelling has confirmed the operational shortfall figure remains. There have been increases in the number of subjects and in the support for special assessment conditions, internal assessment and quality assurance activity but funding has not increased. While NCEA replacement change proposals will reduce costs in some areas once implemented (i.e. removal of Level 1), the nature and quality assurance of assessment will increase costs in others.	Included	We recommend scaling this initiative. Funding is required this Budget due to the high risk of NZQA being unable to discharge its essential NCEA and NZ Scholarship functions. This cost pressure cannot be managed by reprioritisation, due to the high levels of reprioritisation already undertaken, nor sustainably by cash reserves. The scaled funding option covers components of critical service delivery, scaling out discretionary spending (such as a mentoring programme for exam centre managers). If these elements are a priority, they could be traded off against other costs from within NZQA's baseline funding or cash reserves.	44.5	11.1	-	27.6	6.9	-	3	4	3
	17329	Service Or Policy Cost Escalation	Learning Support – Deaf Education cost pressure	This initiative funds cost and volume pressures for Deaf or Hard of Hearing children and learners in schools that do not have provision, and it enables Deaf parents (of children) to access interpreters to attend more educational events. The funding increase will go to First Signs to meet demand and remove the first visit waitlist. The funding includes support for Deaf parents attending educational events and provide an additional 60 places over three years within NZSL Immersion hubs to support families of learners.	Included	We recommend supporting this initiative, which would increase the level of support available for Deaf or hard of hearing learners in schools that do not have provision. Previous evaluations have shown positive impacts from First Signs on communication and language development, and there is a strong intervention logic for immersion hubs and parental support. Without further funding families will not be able to access support to engage with the education system, and parents will face barriers to taking part in discussions on their children's education. Scaling this initiative further is possible but would require reducing the number of learners supported or the volume of support provided, which may lead to increased costs to support these children in future.	3.0	0.8	-	3.0	0.8	-	4	3	3
	17330	Service Or Policy Cost Escalation	Learning Support - School High Health Needs Fund cost pressure (volume)	This initiative provides teacher aide support for an additional 100 eligible students with a significant health condition to attend school, and 1 FTE staff to support the timely processing and assessment of applications The SHHNF provides support for students with significant health needs, so they can attend school safely and develop independence with their health care. Without sufficient teacher aide support these students would have a reduced ability to access and participate in education.	Included	We recommend supporting this initiative, which would fund the expected 5% increase in demand for the School High Health Needs Fund (SHHNF) for 2026/27. The SHHNF supports students who do not meet the eligibility criteria for the Ongoing Resourcing Scheme but still have ongoing health needs that require consistent support (e.g. 84% of students receiving support require help either with toileting or to manage diabetes). Funding is critical and urgent for Budget 2026 as without support these students will likely experience reduced access to education and poorer health outcomes. Scaling this initiative further is possible but would require reducing the number of students supported or the volume of support provided for a particularly vulnerable group of students.	5.4	1.4	-	5.4	1.4	-	4	3	3
	17331	Service Or Policy Cost Escalation	Learning Support - ESOL cost pressure	This initiative provides $10m additional funding for schools to provide English for Speakers of Other Languages (ESOL) programmes to meet increased demand for ESOL services due to immigration, including migrants, New Zealand born children of migrants and refugees. Funding will enable schools to maintain ESOL programmes to meet demand.	Included	We recommend supporting this initiative, which would meet forecast demand for English for Speakers of Other Languages (ESOL) programmes in the 2026 school year. NCEA achievement data shows that learners who receive five years of ESOL support achieve NCEA Level 2 at levels at or above those of English first-language speakers. Without funding, there may be negative impacts on engagement and achievement for learners. Beyond 2026, the Ministry of Education is undertaking policy work to drive greater value for money from existing ESOL spending, which may reduce the need for additional funding at future Budgets.	10.0	2.5	-	10.0	2.5	-	3	3	3
	17332	Service Or Policy Cost Escalation	Kiwisaver - cost pressure	This initiative funds the cost pressure from changes to the default rate of KiwiSaver contributions announced in Budget 25, which will increase contributions from 3% to 3.5% from 1 April 2026. The funding will address the increased employer costs for: - Teachers and principals employed by state and state integrated school boards that are funded from staffing entitlement. - Non-teaching staff and over entitlement teachers employed by school boards, where the additional costs will not have been budgeted for and cannot be absorbed from within schools' baselines without impacting on the support of teaching and learning or risking a reduction of hours. [33]	Included	We recommend scaling this initiative, which would fund increased KiwiSaver costs for frontline education staff due to the default contribution rate rising to 3.5%. Our scaled option would exclude funding for staff directly employed by the Ministry of Education. This is consistent with the approach taken in other portfolios, with agencies meeting costs from existing baselines.	[33]			157.2	39.3	-	3	3	4

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Education	17333	Service Or Policy Cost Escalation	Schools Payroll - compliance & remediation cost pressure	"This initiative provides funding to progress the work initiated by the Ministry in 2016 to address the known payroll issues, determine individual remediation entitlements and disburse an estimated $377.56 million to school employees owed a remediation payment (at 30/6/25).	Included	We recommend scaling this initiative, which would allow the Ministry to sustain progress in its Holidays Act compliance work programme (e.g. making remediation payments). Our scaled option would provide funding for 2026/27 only, as the anticipated costs in this year are higher, and so reprioritisation would likely result in adverse impacts on service provision elsewhere. If no funding is provided this Budget, there is a risk that this work programme may stall or stop, and specialist staff may not be retained, which would extend the Ministry's non-compliance.	15.4	3.9	0.1	10.4	2.6	-	2	3	3
	17334	New Service Or Policy	Excellence Awards for Schools, Kura and Teachers	This new initiative funds 32 Excellence Awards for Schools, Kura and Teachers. The awards will celebrate excellence in schooling, recognise schools, kura, and/or individuals that are successfully implementing educational priorities, and share examples of successful, transferable, and transformative best practice(s) that are improving learning outcomes for school-aged learners. The funding establishes the awards programme across the compulsory schooling sector, provides the actual awards, and provides operational funding for ongoing management and delivery of the programme. The initiative also includes the reprioritisation of funding for the New Appointments National Panel which is being disestablished on 27 January 2026.	Excluded	We recommend not supporting this initiative. The awards are intended to recognise and share best practice in the education system, and promote teacher retention. However, there are existing programmes which already achieve some of these aims, such as prestigious study awards and grants, and the Schools Onsite Training Programme. Furthermore, previous iterations of such an award (e.g. the Prime Minister's Education Excellence Awards) indicate the sector's engagement with the proposed awards will likely be low and the awards are administratively complex. Therefore, the benefits of rewarding and improving visibility of best practice are likely outweighed by the fiscal costs.	2.2	0.6	0.0	-	-	-	2	3	3
	17335	New Service Or Policy	[33]									-	4	3	3
	[38]														
	17337	Service Or Policy Cost Escalation	Ngarimu VC & 28th (Māori) Battalion Memorial Scholarships Fund – Scholarships Expansion	This initiative will deliver an additional five Ngarimu VC & 28th (Māori) Battalion Memorial Scholarships, increasing the number to fourteen to be awarded annually. This initiative will also support a small increase to the allocation of the prizes for annual schools' video and waiata composition competitions. The competitions are a pathway in fostering confidence on a future in tertiary education. The Ngarimu VC & 28th (Māori) Battalion Memorial Scholarships are granted annually for the purpose of promoting the study and encouraging the maintenance of the Māori language and of Māori history, tradition, and culture. The scholarships align with the Government's priorities by focusing on achievement in education.	Excluded	We recommend not supporting this initiative, which would fund an additional five scholarships annually (and increases the prizes available for a video and waiata contest). We acknowledge there has been additional demand for these scholarships, but other (albeit mostly more generic) support is available to students to help them fund their tertiary studies, as well as specific initiatives to encourage the study of Māori language, history, culture and traditions. On balance, we consider there are more urgent needs within the broader education portfolio that should be prioritised for investment.	0.4	0.1	-	-	-	-	2	2	3

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Education	17338	New Service Or Policy	NZQA: Implementing the new secondary school qualification	This initiative provides funding for NZQA to complete Phase One to support the implementation of the proposed new secondary school qualifications. This includes development of, and then testing in the 2027 academic year, sample assessments for the new 'Phase 5' curriculum subjects, and engagement with the sector, including securely sharing these resources through our portal for feedback with schools participating in the testing.	Included	We recommend supporting this initiative. We consider additional funding is necessary due to the need to develop new external assessments for the secondary school qualification set to be introduced by 2029. We understand that the Minister of Education will be making decisions on the new qualification in the first half of 2026. We have recommended the Minister also makes decisions on the roles and responsibilities for developing assessments for the new secondary school qualification as part of this decision-making. Revising division of responsibilities before funding is appropriated will help to ensure there is efficient and consistent delivery of the new qualification. There is a risk these decisions are delayed, which can be mitigated by placing this funding in a tagged contingency.	8.4	2.1	-	8.4	2.1	-	3	4	3
	17339	New Capital Investment	NZQA: Strategic Technology Enhancement Project	This initiative removes the risk associated with the New Zealand Qualification Authority's 20-year-old nationally significant legacy IT system (electronic Qualifications Authority (eQA)) by delivering modern flexible systems to support core business functions via the Strategic Technology Enhancement Project (STEP). STEP will integrate with wider education sector and social sector data and information. This initiative will allow NZQA to employ specialist skills, vendors and upskill existing staff to develop institutional knowledge to address risks posed by NZQA's aging legacy IT system (eQA). The initiative will deliver core functions to support future changes to our national qualification system due to roll out from 2028/29.	Included	We recommend supporting this initiative in full but to be held in a tagged contingency to allow further engagement with the Government Chief Digital Officer (GCDO) to address its concerns. Delaying this investment will constrain NZQA's ability to deliver the new qualification for 2029 and we understand the Minister of Education considers this investment as a critical requirement for replacing NCEA. At least four years of lead time is required. We recommend funding is provisioned this Budget in a tagged contingency to ensure further consultation with the GCDO prior to completing an Approval to Deliver. This will allow for NZQA to align STEP with the digital target state for the public sector prior to project delivery, without delaying initial procurement processes.	[37]						3	4	3
	17341	New Service Or Policy	Professional Standards setting function – new Ministry regulatory function	This initiative provides funding to establish and operate a Professional Standards Setting function in the Ministry of Education. The initiative is required to deliver the transfer of education workforce regulatory functions from the Teaching Council to the Ministry. This was announced by the Minister of Education in 2025, with legislative changes coming into effect in July 2026. While regulatory functions are transferring from the Council, funding is not. The initiative funds 25.3 subject matter specialist and delivery staff (14.3 FTEs and 11 contractors) to establish and deliver this new function. The specialist knowledge and skills required are not currently available within the Ministry, and the breadth of the functions transferred means that additional FTE and capability is required.	Included	We recommend scaling this initiative to provide time-limited funding for one year. This will ensure that the Ministry of Education can fulfill its education workforce regulatory functions from July 2026, as agreed by Cabinet. We recommend the Ministry completes an analysis of resourcing requirements and funding options, in time to inform Budget 2027 decisions. This function transfer has created an ongoing pressure for the Crown, as these costs can no longer be met from fees and levies collected by the Teaching Council. To inform a permanent funding solution, analysis should examine both the merits and practicalities of Crown versus third party revenue funding options, including ensuring consistency with other regulated professions.	17.8	4.4	0.3	3.9	1.0	0.3	3	3	3
	17342	New Service Or Policy	Expanding VET delivery for secondary school students	This initiative provides funding to expand Secondary-Tertiary programmes (Trades Academies). These provide industry focused learning for secondary students. Trades Academies support positive post-school outcomes for students participating in them. However, capacity in these programmes is limited and there is inconsistent access across regions and industry areas. This initiative would increase capacity in existing Trades Academy programmes first in 2027 (by 1,650 places, and a further 3,350 in 2028), before establishing a small number of new programmes from 2028 to help fill gaps in supply. This initiative is a key part of supporting access to new industry-led subjects, as part of the proposed new subject-based qualifications to replace NCEA.	Included	We recommend supporting this initiative, which expands the number of Trades Academy places by 5,000. There is strong evidence of Trades Academy programmes improving learners' outcomes. SIA comment: This initiative expands a current initiative that has regular monitoring in place and was successfully evaluated using IDI data. SIA considers this evaluation is likely to meet Level 2 (Evidence indicates measurable changes in outcomes), provided the Ministry has developed an evidence-based Theory of Change. This initiative provides an example of measuring and monitoring outcomes using the IDI and comparing to a meaningful baseline to show effectiveness. A series of operational changes and changes to measures mean that it is difficult to form a consistent long-term view of performance.	44.6	11.1	0.0	44.6	11.1	0.0	4	3	3
	[37]														

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Education	17344	New Service Or Policy	Senior Secondary Subjects Curriculum Resources Support Package for Phase 4/5	This funding will support quality teaching and learning of Phases 4/5 (Years 9–13) in all secondary curriculum subjects for the New Zealand Curriculum and Te Marautanga o Aotearoa. The development of resources will be sequenced over a four-year period in alignment with curriculum implementation. This includes enhancements to improve and maintenance of the curriculum website Tāhūrangi to ensure teaching and learning resources are aligned to the refreshed curriculum, visible and accessible; a fund for schools and kura to purchase English and Te Reo Rangatira texts to support implementation of the refreshed curricula and development of a resource package that includes activities and teacher guidance.	Included	We recommend scaling this initiative, which would fund resources for secondary teaching and learning, and help schools purchase approved texts. Our scaled option would fund the development and distribution of fewer resources and would not fund schools' new texts. Teacher feedback indicates that providing support will be important for the successful implementation of the new curriculum. Our recommended option also ensures there is some support for teachers while incentivising the Ministry to prioritise the production of the highest value resources.	53.7	13.4	7.5	14.0	3.5	-	3	4	3
	17347	New Service Or Policy	Foundations for Educational Success: Pathway to 2030	This initiative builds on recent gains and further strengthens teaching and learning as part of achieving the Government's target of 80% of students at curriculum level by 2030. It includes: 1.A pilot of maths & pāngarau hubs 2.Maths kits to every class in year 0-8 3.A Digital Maths Practice Tool business case 4.A times table and division check 5.Maths knowledge and practice modules for teachers 6.An additional 36 FTTE for targeted maths and pāngarau support 7.PLD for High Impact Pedagogies 8.PLD for smarter data use aimed at school and kura leaders 9.Structured literacy decodables and readers 10.Expanding the digital writing solution to Y4-10 11.Expanding the Maths and Pāngarau Acceleration programme to include Y9-	Included	We recommend scaling this initiative. The submitted initiative would fund professional development and resources for teaching and learning (e.g. literacy and numeracy tools) while our scaled option would limit funding to supports that have evidence of positive impacts on educational outcomes or which fill a critical gap in services. The other components largely scale up programmes that are yet to be launched or have only just begun.	120.2	30.1	0.4	50.0	12.5	-	2	4	3
	17348	Service Or Policy Cost Escalation	School Onsite Training Programme - cost pressures	[33] This initiative also provides an [33] cost pressure increase for the 528 places in the 2026/27 cohort on the programme.	Included	We recommend supporting this initiative, which provides [33] , and provides a cost adjustment to account for a 12% increase in teacher training fees. Funding is critical and urgent for Budget 2026 as current teacher supply projections (from February 2025) show 330 additional secondary school teachers will be required by 2027. Noting that updated teacher supply and demand forecasts are expected to be available soon, we recommend that funding for this initiative is contingent on placements being appropriately targeted in line with updated forecasts.	[33]						3	3	3
	[33]														
Education Review Office	17123	New Service Or Policy	Schools of Concern – addressing achievement, attendance, and child safety	This initiative will establish a Schools of Concern Programme that provides more targeted specialist work in underperforming schools. These schools are disproportionately contributing to poor achievement and attendance rates. Under this initiative, Schools of Concern will have bespoke, independent and more frequent reviews by specialist reviewers to provide quick identification of issues and high-quality, actionable recommendations designed to address key problems and improve school and student outcomes. This will support key Government targets relating to achievement and attendance and will maximise the benefit of the Government's investment in legislative change that requires the Ministry of Education to act in response to an ERO recommendation.	Excluded	We recommend deferring this initiative which would add [33] FTE to the Education Review Office (ERO) to increase quantity and depth of reviews of schools of concern. We understand the pressing need to invest in interventions in schools of concern, as around 10% of schools account for almost a quarter of school leavers without NCEA Level 2. However, we do not consider more reviews will lead to better outcomes, as the evidence to date shows that existing Ministry of Education-led interventions from ERO's reviews does not lead to improved outcomes (e.g. in most cases, there is no improvement in NCEA Level 2 achievement). ERO will report to the Minister of Education in June 2026 on intervention options, and we recommend any further investment be informed by this report.	16.8	4.2	-	-	-	-	2	3	3

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Education Review Office	17124	New Service Or Policy	Hostels – increasing child safety	This funding will allow for more robust regulatory oversight for hostels and private schools to respond to recommendations made by the Royal Commission Inquiry into Abuse in State Care. The funding will allow investment in specialist capability supported by technology and data analytics to provide a risk-based and responsive regulatory service to mitigate child safety risk in these education settings.	Excluded	We recommend deferring this initiative which would add [33] FTE to increase quantity and depth of reviews of school hostels. As part of the Education and Training (System Reform) Amendment Bill, the Education Review Office (ERO) will take on regulatory responsibility for hostels in the latter half of 2026. Alongside this, the Ministry of Education is currently leading a review of hostel regulations (timing is TBC). We expect this review to address issues with current regulatory settings, including a review of hostel licensing fees to reflect the cost of the licensing function that ERO will take on. Therefore, deferring this initiative will allow the review's findings to be considered prior to further investment.	12.3	3.1	-	-	-	-	2	3	3
	17126	New Service Or Policy	Early Childhood Education Regulation IT System Replacement	This initiative will allow for the minimum viable product replacement for the IT system that is required for the provision of early learning provider regulatory services. The existing system used for early learning provider regulatory services is at end-of-life and will soon become unsupported. Funding is sought for establishment only, and ongoing costs will be covered by baseline funding.	Included	We recommend supporting this initiative which would fund an IT system enabling the Education Review Office (ERO) to stand up its new regulatory functions for licensing early childhood education services. We consider funding to be critical and urgent this Budget, as ERO is set to take on these new functions in the first half of 2026. ERO using existing Ministry of Education IT systems is not a viable long-term solution as these systems are unstable and no longer supported by the vendor. If not funded, ERO would risk critical service delivery failure as it would have to use the Ministry's system past its life, risking loss of licensing information and having to return to paper-based processes.	[37]						3	3	3

[33]