

Vote Tertiary Education

APPROPRIATION MINISTER(S): Minister of Education (M26)

APPROPRIATION ADMINISTRATOR: Ministry of Education

RESPONSIBLE MINISTER FOR MINISTRY OF EDUCATION: Minister of Education

Overview of the Vote

The Minister of Education is responsible for appropriations in Vote Tertiary Education for the 2019/20 financial year covering the following:

- a total of nearly \$17 million for services from the Ministry of Education
- a total of just over \$63 million for services from the Tertiary Education Commission
- a total of nearly \$33 million for services from Education New Zealand
- a total of nearly \$2,929 million tuition and industry training subsidies and research funding provided to tertiary education organisations, funding to help universities recruit world-leading entrepreneurial academics, and services from the adult and community education sector and other non-departmental providers
- a total of just over \$346 million for first year fees-free study for eligible students, apprentices and trainees
- a total of over \$20 million for tertiary scholarships, international education and other grants, and
- a total of \$80 million for capital grants to the sector to support the post-earthquake rebuild of the Lincoln University and provide financial support to the Unitec Institute of Technology.

Details of these appropriations are set out in Parts 2-4.

Details of Appropriations and Capital Injections

Annual Appropriations and Forecast Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Non-Departmental Output Expenses			
Access to Tertiary Education (M26) This appropriation is limited to improving access to tertiary education and training.	24,159	22,757	25,549
Administration of and Support for the Tertiary Education and Careers Systems (M26) This appropriation is limited to giving effect to the Tertiary Education Strategy by effectively investing in, monitoring, informing and influencing the tertiary education and careers systems, managing the Crown's ownership interest in tertiary education institutions, and providing advice and support to Ministers.	69,199	69,199	63,158
Centres of Research Excellence (M26) This appropriation is limited to the purchase of cooperative and collaborative tertiary research in areas of research strength in the tertiary education sector through the contestable Centres of Research Excellence Fund.	49,800	49,800	49,800
International Education Programmes (M26) This appropriation is limited to delivery of services in respect of international education, including promotion, information, research and professional development, both in New Zealand and overseas, for the purpose of delivering an excellent student experience, achieving sustainable growth and developing global citizens.	34,564	34,564	32,797
Tertiary Education Research and Research-Based Teaching (M26) This appropriation is limited to funding research and research-based teaching on the basis of measured research quality in tertiary education organisations and supporting Wānanga research capability.	326,500	326,500	318,750
Tertiary Sector / Industry Collaboration Projects (M26) This appropriation is limited to funding activities that improve the relevance to industry of tertiary education provision.	27,805	26,830	27,332
University-led Innovation (M26) This appropriation is limited to supporting universities to attract entrepreneurial academics to drive collaboration between universities and established and emerging businesses.	5,772	5,091	9,979
Total Non-Departmental Output Expenses	537,799	534,741	527,365
Benefits or Related Expenses			
Awards for Outbound New Zealand Students (M26) This appropriation is limited to awards granted to provide assistance to scholars, researchers and teachers to undertake placements abroad and to participate in reciprocal education exchange arrangements with partner countries in selected areas of priority study, teaching and research.	5,040	3,984	3,984
Scholarships for Inbound International Students (M26) This appropriation is limited to scholarships available to international students wishing to study in New Zealand.	800	800	600
Tertiary Scholarships and Awards (M26) This appropriation is limited to providing scholarships for tertiary students and other awards in the tertiary sector, and the provision of scholarships and bursaries to Māori and Pasifika students. It includes training assistance under Queen Elizabeth II Study Awards and recognition of outstanding tertiary education teachers.	15,568	15,568	15,885

Titles and Scopes of Appropriations by Appropriation Type	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Support to Apprentices (M26) This appropriation is limited to payments to New Zealand Apprentices and other participants in workplace-based training, including Māori and Pasifika Trades Trainees, towards their tools and other training related costs.	108	108	-
Total Benefits or Related Expenses	21,516	20,460	20,469
Non-Departmental Other Expenses			
Impairment of Loans to Tertiary Education Institutions (M26) This appropriation is limited to impairment expenses associated with Crown decisions about repayment of existing Crown loans to tertiary education institutions.	35,000	35,000	-
Total Non-Departmental Other Expenses	35,000	35,000	-
Non-Departmental Capital Expenditure			
Support for Lincoln University (M26) This appropriation is limited to the rebuild of the science facilities at Lincoln University.	-	-	65,000
Support for Unitec Institute of Technology (M26) This appropriation is limited to providing a loan facility for Unitec to support its cash flow and manage normal operations and restructuring costs.	35,000	35,000	15,000
Support for Tai Poutini Polytechnic (M26) This appropriation is limited to a capital injection into Tai Poutini Polytechnic to support its cash flow.	2,050	2,050	-
Support for the University of Canterbury (M26) This appropriation is limited to the rebuild of the Science and Engineering Facilities at the University of Canterbury.	50,000	50,000	-
Support for Whitireia New Zealand (M26) This appropriation is limited to providing a capital injection for Whitireia New Zealand to support its cash flow and manage normal operations and organisational change.	15,000	15,000	-
Total Non-Departmental Capital Expenditure	102,050	102,050	80,000
Multi-Category Expenses and Capital Expenditure			
Stewardship of the Tertiary Education System MCA (M26) The single overarching purpose of this appropriation is to provide services that contribute towards a well-functioning tertiary education system.	15,727	15,727	16,678
Departmental Output Expenses			
Policy Advice This category is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on Tertiary Education and international education related matters.	7,171	7,171	6,821
Research, Data Analysis and Monitoring This category is limited to the production and dissemination of research and data analysis, monitoring and reporting on tertiary education at a system-wide level, and the provision of services (other than policy advice) to support the work of other agencies and Ministers in discharging their responsibilities for tertiary education and international education related matters.	8,556	8,556	9,857

Titles and Scopes of Appropriations by Appropriation Type	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Tertiary Tuition and Training MCA (M26) The single overarching purpose of this appropriation is to fund tertiary tuition and training that leads to improvements in New Zealanders' skill levels.	2,622,598	2,622,598	2,843,408
Non-Departmental Output Expenses			
<i>Community Education</i> This category is limited to funding for adult and community education and literacy, numeracy and English language provision.	71,834	71,834	74,566
<i>Tertiary Education: Student Achievement Component</i> This category is limited to funding for teaching and learning services for enrolled students in approved courses at tertiary education organisations to achieve recognised tertiary qualifications.	1,974,205	1,974,205	2,115,387
<i>Training for Designated Groups</i> This category is limited to the purchasing and arranging of training linked to the New Zealand Qualifications Framework and the purchase of both on-job and off-job training places, including delivery of fully or partially funded training places and other industry-training related projects.	276,324	276,324	307,323
Non-Departmental Other Expenses			
<i>Fees-free Payments</i> This category is limited to ensuring fees-free study for eligible students, apprentices and trainees.	300,235	300,235	346,132
Total Multi-Category Expenses and Capital Expenditure	2,638,325	2,638,325	2,860,086
Total Annual Appropriations and Forecast Permanent Appropriations	3,334,690	3,330,576	3,487,920

Supporting Information

Part 1 - Vote as a Whole

1.1 - New Policy Initiatives

Policy Initiative	Appropriation	2018/19 Final Budgeted \$000	2019/20 Budget \$000	2020/21 Estimated \$000	2021/22 Estimated \$000	2022/23 Estimated \$000
Computers in Homes	Tertiary Tuition and Training MCA					
	Community Education	1,000	1,000	-	-	-
	Non-Departmental Output Expense					
Crown Support for Unitec Institute of Technology and Whitireia New Zealand	Impairment of Loans to Tertiary Education Institutions	35,000	-	-	-	-
	Non-Departmental Other Expense					
	Support for Unitec Institute of Technology	35,000	15,000	-	-	-
	Non-Departmental Capital Expenditure					
	Support for Whitireia New Zealand	15,000	-	-	-	-
	Non-Departmental Capital Expenditure					
Drawdown the Wānanga Research Aspirations Contingency	Tertiary Education Research and Research-Based Teaching	10,000	2,250	4,500	4,500	2,250
	Non-Departmental Output Expense					
Export Education Levy: Addressing Pressures and Consultation on Proposed Increases (see also Vote Education in the Education and Workforce Sector)	International Education Programmes	4,000	2,000	-	-	-
	Non-Departmental Output Expense					
Extension of Student Loans Borrowing Limits (see also Vote Revenue in the Finance and Government Administration Sector and Vote Social Development in the Social Services and Community Sector)	Tertiary Tuition and Training MCA					
	Tertiary Education: Student Achievement Component	(3,757)	(3,877)	(4,220)	(4,442)	(4,682)
	Non-Departmental Output Expense					

Policy Initiative	Appropriation	2018/19 Final Budgeted \$000	2019/20 Budget \$000	2020/21 Estimated \$000	2021/22 Estimated \$000	2022/23 Estimated \$000
Home-Based ECE Review - Improving the Quality of Home-Based Early Childhood Education (see also Vote Revenue in the Finance and Government Administration Sector and Vote Social Development in the Social Services and Community Sector)	Tertiary Tuition and Training MCA					
	Tertiary Education: Student Achievement Component	227	608	1,803	2,004	623
	Non-Departmental Output Expense					
	Tertiary Sector / Industry Collaboration Projects	-	500	500	-	-
	Non-Departmental Output Expense					
Increasing Tertiary Tuition and Training Subsidies - Maintaining Quality Tertiary Education	Tertiary Tuition and Training MCA					
	Community Education	-	696	1,393	1,393	1,393
	Non-Departmental Output Expense					
	Tertiary Education: Student Achievement Component	-	18,833	37,665	37,665	37,665
	Non-Departmental Output Expense					
	Training for Designated Groups	-	2,582	5,164	5,164	5,164
	Non-Departmental Output Expense					
Māori and Pasifika Trades Training: Improving Learner Support from 2019	Tertiary Sector / Industry Collaboration Projects	952	2,762	1,904	1,904	1,904
	Non-Departmental Output Expense					
	Support to Apprentices	(2,082)	(2,190)	(2,190)	(2,190)	(2,190)
	Benefit or Related Expense					
Programme for International Assessment of Adult Competencies	Stewardship of the Tertiary Education System MCA					
	Research, Data Analysis and Monitoring					
	Departmental Output Expense	-	1,300	422	3,777	131
	Non-Departmental Output Expense					
	Tertiary Tuition and Training MCA					
	Training for Designated Groups	(5,630)	-	-	-	-
	Non-Departmental Output Expense					
Reform of Vocational Education	Administration of and Support for the Tertiary Education and Careers Systems	5,000	-	-	-	-
	Non-Departmental Output Expense					
	Tertiary Tuition and Training MCA					
	Fees-free Payments	(5,000)	-	-	-	-
	Non-Departmental Other Expense					

Policy Initiative	Appropriation	2018/19 Final Budgeted \$000	2019/20 Budget \$000	2020/21 Estimated \$000	2021/22 Estimated \$000	2022/23 Estimated \$000
Refugee Quota Increase: Drawdown Contingency for Increased Settlement Services (see also Vote Education and Vote Labour Market in the Education and Workforce Sector, Vote Business, Science and Innovation in the Economic Development and Infrastructure Sector, Vote Health in the Health Sector, Vote Housing and Urban Development, Vote Social Development and Vote Oranga Tamariki in the Social Services and Community Sector, and Vote Internal Affairs in the Finance and Government Administration Sector)	Tertiary Tuition and Training MCA					
	Community Education Non-Departmental Output Expense	-	-	1,157	1,688	3,220
Reprioritisation of Funding - 2018/19 Underspends in Tertiary Education Commission (TEC) Administered Funding	Access to Tertiary Education Non-Departmental Output Expense	(1,390)	-	-	-	-
Reprioritisation of Funding - Accounting Treatment of Recovery Exemption Expiration	Tertiary Tuition and Training MCA Tertiary Education: Student Achievement Component Non-Departmental Output Expense	(95,000)	-	-	-	-
Reprioritisation of Funding - Entrepreneurial Universities	University-led Innovation Non-Departmental Output Expense	(5,061)	(855)	-	(650)	(5,641)
Reprioritisation of Funding - Fees-Free Tertiary Education and Training	Tertiary Tuition and Training MCA Fees-free Payments Non-Departmental Other Expense	(49,465)	(41,968)	(42,854)	(33,484)	(29,361)
Reprioritisation of Funding - Information and Communication Technology (ICT) Graduate Schools	Tertiary Sector / Industry Collaboration Projects Non-Departmental Output Expense	(424)	(161)	(271)	(271)	(271)
	Tertiary Tuition and Training MCA Tertiary Education: Student Achievement Component Non-Departmental Output Expense	(645)	(978)	(3,009)	(5,031)	(5,031)
Reprioritisation of Funding - International Teacher Exchanges to Support Foreign Language Learning	Awards for Outbound New Zealand Students Benefit or Related Expense	-	(1,056)	(1,056)	(1,056)	(1,056)
Reprioritisation of Funding - New Zealand International Doctoral Research Scholarships	Scholarships for Inbound International Students Benefit or Related Expense	-	(200)	(500)	(800)	(800)

Policy Initiative	Appropriation	2018/19 Final Budgeted \$000	2019/20 Budget \$000	2020/21 Estimated \$000	2021/22 Estimated \$000	2022/23 Estimated \$000
Reprioritisation of Funding - Tertiary Tuition and Training Multi-Category Appropriation 2018/19 Underspend	Tertiary Tuition and Training MCA					
	Community Education Non-Departmental Output Expense	(2,239)	-	-	-	-
	Tertiary Education: Student Achievement Component Non-Departmental Output Expense	(28,304)	-	-	-	-
	Training for Designated Groups Non-Departmental Output Expense	(29,457)	-	-	-	-
Streamlining Secondary-Tertiary Learning Opportunities for 2019 (see also Vote Education in the Education and Workforce Sector)	Tertiary Tuition and Training MCA					
	Training for Designated Groups Non-Departmental Output Expense	(3,750)	(7,500)	(7,500)	(7,500)	(7,500)
Teacher Supply - Continuing to Increase the Levels of Teacher Supply for the Future (see also Vote Education in the Education and Workforce Sector)	Tertiary Tuition and Training MCA					
	Tertiary Education: Student Achievement Component Non-Departmental Output Expense	-	2,624	5,268	7,316	9,364
Tuition Subsidy Increase for Levels 3 and Above	Tertiary Tuition and Training MCA					
	Tertiary Education: Student Achievement Component Non-Departmental Output Expense	15,843	-	-	-	-
Total Initiatives		(110,182)	(8,630)	(1,824)	9,987	5,182

1.2 - Trends in the Vote

Summary of Financial Activity

	2014/15	2015/16	2016/17	2017/18	2018/19		2019/20			2020/21	2021/22	2022/23
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Final Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Appropriations												
Output Expenses	428,650	449,124	476,598	515,850	537,799	534,741	-	527,365	527,365	525,833	524,558	517,317
Benefits or Related Expenses	33,913	16,190	17,612	17,837	21,516	20,460	N/A	20,469	20,469	20,168	19,868	19,868
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	1,377	-	-	-	35,000	35,000	-	-	-	-	-	-
Capital Expenditure	117,870	85,825	19,100	6,450	102,050	102,050	-	80,000	80,000	15,000	5,000	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	2,423,587	2,475,854	2,478,460	2,433,988	2,338,090	2,338,090	16,678	2,497,276	2,513,954	2,561,600	2,579,326	2,577,639
<i>Other Expenses</i>	-	-	-	129,982	300,235	300,235	-	346,132	346,132	364,146	384,216	388,339
<i>Capital Expenditure</i>	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Appropriations	3,005,397	3,026,993	2,991,770	3,104,107	3,334,690	3,330,576	16,678	3,471,242	3,487,920	3,486,747	3,512,968	3,503,163
Crown Revenue and Capital Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	14,736	15,478	8,296	8,760	14,746	14,746	N/A	1,122	1,122	1,122	1,122	1,122
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Crown Revenue and Capital Receipts	14,736	15,478	8,296	8,760	14,746	14,746	N/A	1,122	1,122	1,122	1,122	1,122

Note - where restructuring of the vote has occurred then, to the extent practicable, prior years information has been restated as if the restructuring had occurred before the beginning of the period covered. In this instance Total Appropriations for the Budgeted and Estimated Actual year may not equal Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations in the Details of Appropriations and Capital Injections.

Adjustments to the Summary of Financial Activity Table Due to Vote Restructuring

There have been no restructuring adjustments to prior year's information in the Summary of Financial Activity table.

1.3 - Analysis of Significant Trends

Significant changes in departmental and non-departmental appropriations related to tertiary and international education between 2014/15 and 2022/23 are discussed briefly below.

Departmental Output Expenses

Movements in departmental output expenses largely relate to:

- participation in the Organisation for Economic Co-operation and Development (OECD) Programme for International Assessment of Adult Competencies from 2012/13 to 2015/16 and from 2019/20 to 2022/23, and
- implementation of the Government's first-year fees-free policy from 1 January 2018.

The departmental output expenses were transferred to a multi-category appropriation from 2016/17.

Non-Departmental Output Expenses

Most tertiary education funding is through non-departmental output expenses. Three significant non-departmental output expenses were transferred to the Tertiary Tuition and Training multi-category appropriation from 2016/17.

The major changes to these appropriations over the trend period are principally owing to:

- ensuring the country's skills base supports the needs of industry and encourages innovation - strengthening provision in areas of specific priority, such as engineering, science, agriculture and health sciences, with targeted increases to relevant tuition subsidies, provision for about 5,500 more apprentices by 2020, and the establishment of Information and Communication Technology Graduate Schools
- additional funding for research, including increasing the Performance-Based Research Fund from 2018 and increasing the number of Centres of Research Excellence (CoRE) from 2015, including the establishment of one focused on Māori research in 2016
- additional funding for International Connections for New Zealanders, including Centres of Asia-Pacific Excellence from 2017
- funding from 2017 to help New Zealand universities recruit world-leading entrepreneurial academics
- integrating Careers New Zealand into the Tertiary Education Commission from 2017/18
- implementation of first-year fees-free policy from 1 January 2018, and
- additional English language course provision following the response to the Syrian refugee crisis and an increased quota of refugees to 1,000 places from 2018/19 and to 1,500 per year from July 2020.

Benefits or Related Expenses

Changes in benefits or related expenses are largely related to:

- end of apprenticeships 're-boot' programme in 2014/15
- addressing pressures on Medical Trainee Intern Grants from 2015/16
- recategorising the Prime Minister's Scholarships for Asia from non-departmental output expense International Education Programmes, expanding the fund and establishing the Prime Minister's Scholarships for other regions from 2016/17, and
- the transfer of the Māori and Pasifika Trades Training (MPTT) Tools Subsidy fund to the MPTT Consortium fund (in non-departmental output expense Tertiary Sector/Industry Collaboration Projects) from 2019.

Non-Departmental Other Expenses

Significant changes in these appropriations mainly reflect:

- making the first year of tertiary education or training fees-free for new students from 1 January 2018 (under the Tertiary Tuition and Training multi-category appropriation), and
- provision for impairment of the concessionary loan by the Crown to Unitec Institute of Technology in 2018/19.

Non-Departmental Capital Expenditure

The major changes in non-departmental capital expenditure relate mainly to:

- assisting Christchurch tertiary education institutions to rebuild facilities after the impact of the 2010 and 2011 earthquakes, and
- financial support for Tai Poutini Polytechnic from 2016/17 to 2018/19, Whitireia New Zealand in 2018/19 and Unitec Institute of Technology in 2018/19 and 2019/20.

Crown Revenue

Significant changes between years mainly reflect recoveries of surplus grants funding from the Tertiary Education Commission and the tertiary education sector.

1.5 - Relationship between Individual Appropriations and the Work Programmes

Long term outcomes and objectives	Contributing to one or two objectives	Contributing to all objectives
<p>The education system is relevant and reaches all children and students</p> <ul style="list-style-type: none"> • High quality regulatory, funding and institutional arrangements • High quality curriculum and qualifications frameworks • High quality infrastructure • Information and data enabling good decision-making 	<ul style="list-style-type: none"> • Support for Lincoln University (M26) • Support for the Unitec Institute of Technology (M26) 	<ul style="list-style-type: none"> • Access to Tertiary Education (M26) • Administration of and Support for the Tertiary Education and Careers Systems (M26) • International Education Programmes (M26) • Tertiary Scholarships and Awards (M26) • Stewardship of the Tertiary Education System MCA (M26)
<p>Every child and student achieves educational success</p> <ul style="list-style-type: none"> • Informed and supportive parents, whānau, iwi, communities and employers • Effective teaching and educational leadership • High participation and engagement • All learners achieving and progressing to their potential 		<ul style="list-style-type: none"> • Tertiary Tuition and Training MCA (M26)
<p>New Zealanders have skills and knowledge for work and life</p> <ul style="list-style-type: none"> • Skills match labour market needs • Socially and culturally confident and competent people • Internationally credible skills and institutions • High quality research and innovation 	<ul style="list-style-type: none"> • Centres of Research Excellence (M26) • Tertiary Education Research and Research-Based Teaching (M26) • Tertiary Sector / Industry Collaboration Projects (M26) • University-led Innovation (M26) • Awards for Outbound New Zealand Students (M26) • Scholarships for Inbound International Students (M26) 	

Part 3 - Details of Non-Departmental Appropriations

3.1 - Non-Departmental Output Expenses

Access to Tertiary Education (M26)

Scope of Appropriation

This appropriation is limited to improving access to tertiary education and training.

Expenses

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	24,159	22,757	25,549

Components of the Appropriation

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Equity Loading	17,149	15,890	17,149
Māori and Pasifika Trades Training Top Up	7,010	6,867	8,400
Total	24,159	22,757	25,549

What is Intended to be Achieved with this Appropriation

This appropriation is intended to improve access to tertiary education and training for Tertiary Education Strategy priority learners.

How Performance will be Assessed and End of Year Reporting Requirements

	2018/19		2019/20
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Māori and Pasifika Trades Training			
Percentage of learners per calendar year progressing from Māori and Pasifika Trades Training to New Zealand Apprenticeships and managed apprenticeships, other industry training at Level 3 and above, or further study at New Zealand Qualifications Framework Level 4 and above (see Notes 1 and 2).	Improve on last year's result	Not improved on last year's result	Improve on previous year's result

Note 1 - 2018/19 Final Budgeted Standard and 2018/19 Estimated Actual refer to the 2018 calendar year. 2019/20 Budget Standard refers to the 2019 calendar year.

Note 2 - It is estimated that the 2018 percentage of learners progressing to trades-related employment, other industry training or further study will not improve - 2017 (41%), Estimated Actual 2018 (37%).

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Tertiary Education Commission in its annual report.

Service Providers

Provider	2018/19 Final Budgeted \$000	2018/19 Estimated Actual \$000	2019/20 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Universities (8)	10,553	10,087	12,323	Investment plans up to 3 years
Wānanga (3)	2,067	1,940	2,322	Investment plans up to 3 years
Institutes of Technology and Polytechnics (16)	10,169	8,846	8,702	Investment plans up to 3 years
Non-Government Organisations				
Private Training Establishments	1,370	1,884	2,202	Investment plans up to 3 years
Total	24,159	22,757	25,549	

The table above shows the main service providers for this appropriation.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2018/19 Final Budgeted \$000	2019/20 Budget \$000	2020/21 Estimated \$000	2021/22 Estimated \$000	2022/23 Estimated \$000
Current Government						
Reprioritisation of Funding - 2018/19 Underspends in Tertiary Education Commission (TEC) Administered Funding	2018/19	(1,390)	-	-	-	-
Previous Government						
Māori and Pasifika Trades Training Contingency Funding Drawdown	2016/17	2,400	2,400	2,400	2,400	2,400

Conditions on Use of Appropriation

Reference	Conditions
Section 159L Education Act 1989	Funding is allocated by the Tertiary Education Commission in accordance with funding determinations issued by the Minister of Education.

Administration of and Support for the Tertiary Education and Careers Systems (M26)

Scope of Appropriation

This appropriation is limited to giving effect to the Tertiary Education Strategy by effectively investing in, monitoring, informing and influencing the tertiary education and careers systems, managing the Crown's ownership interest in tertiary education institutions, and providing advice and support to Ministers.

Expenses

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	69,199	69,199	63,158

What is Intended to be Achieved with this Appropriation

This appropriation is intended to ensure New Zealand has effective and well-managed tertiary education and careers systems.

How Performance will be Assessed and End of Year Reporting Requirements

	2018/19		2019/20
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Percentage of Tertiary Education Commission-funded tertiary education organisations who agree that auditing processes were made transparent and information was accessible throughout the process.	Baseline year	Baseline year	Improve on previous year's result
Percentage of tertiary education organisations who agree that the Tertiary Education Commission's information products, tools and plan guidance were useful to prepare their investment plans.	Baseline year	Baseline year	Improve on previous year's result
Percentage of careers system stakeholders who agree that the Tertiary Education Commission online information and tools are accessible and useful.	New measure	New measure	Improve on previous year's result
Percentage of payments the Tertiary Education Commission makes to tertiary education organisations that are accurate and timely.	100%	100%	100%
The overall satisfaction rating given by the Minister of Education on the Tertiary Education Commission (see Note 1).	Maintain or increase	Maintain or increase	Maintain or increase

Note 1 - The survey measures Ministers' satisfaction with the quality of advice on a scale from 1 to 10, where 1 means unsatisfied and 10 means extremely satisfied. The 2017/18 result was 8 out of 10.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Tertiary Education Commission in its annual report.

Service Providers

Provider	2018/19 Final Budgeted \$000	2018/19 Estimated Actual \$000	2019/20 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Tertiary Education Commission	69,090	69,090	63,049	Ongoing
Non-Government Organisations				
Māori Education Trust	109	109	109	Ongoing
Total	69,199	69,199	63,158	

The table above shows the main service providers for this appropriation.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2018/19 Final Budgeted \$000	2019/20 Budget \$000	2020/21 Estimated \$000	2021/22 Estimated \$000	2022/23 Estimated \$000
Current Government						
Reform of Vocational Education	2018/19	5,000	-	-	-	-
Financial Impacts of the 100 Days Tertiary Education Package	2017/18	4,087	3,720	3,720	3,720	3,720
Previous Government						
Funding to Support the Changes to the Careers System	2017/18	14,049	13,500	13,500	13,500	13,500
International Connections for New Zealanders	2016/17	125	-	125	-	-
Engineering Education to Employment	2016/17	400	400	-	-	-
Share of Costs for Budget 2015 Whole-of-Government Initiatives	2015/16	(54)	(54)	(54)	(54)	(54)

Reasons for Change in Appropriation

The \$6.041 million decrease in this appropriation for 2019/20 is mainly due to:

- provision for scoping of the reform of vocational education in 2018/19 (\$5 million)
- funds transferred from Vote Education in 2018/19 for a one year increase to support the changes to the careers system (\$549,000), and
- reduced provision for administration of first-year fees-free tertiary education and training (\$367,000).

Centres of Research Excellence (M26)

Scope of Appropriation

This appropriation is limited to the purchase of cooperative and collaborative tertiary research in areas of research strength in the tertiary education sector through the contestable Centres of Research Excellence Fund.

Expenses

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	49,800	49,800	49,800

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the delivery of high quality research by purchasing cooperative and collaborative research in areas of research strength in the tertiary education sector, with a focus on Tertiary Education Strategy priorities.

How Performance will be Assessed and End of Year Reporting Requirements

	2018/19		2019/20
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Centres of Research Excellence annual reports are reviewed and appropriate action is taken (see Notes 1 and 2).	Achieved	Achieved	Achieved

Note 1 - 2018/19 Final Budgeted Standard and 2018/19 Estimated Actual refer to the 2018 calendar year. 2019/20 Budget Standard refers to the 2019 calendar year.

Note 2 - Annual reports are reviewed against milestones and key performance indicators set in research plans. Reviews look at progress on delivery towards policy objectives and long-term outcomes.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Tertiary Education Commission in its annual report.

Service Providers

Provider	2018/19 Final Budgeted \$000	2018/19 Estimated Actual \$000	2019/20 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Tertiary Education Institution hosts of Centres of Research Excellence (varies between 7-11 during the period)	49,800	49,800	49,800	1 January 2021
Total	49,800	49,800	49,800	

International Education Programmes (M26)

Scope of Appropriation

This appropriation is limited to delivery of services in respect of international education, including promotion, information, research and professional development, both in New Zealand and overseas, for the purpose of delivering an excellent student experience, achieving sustainable growth and developing global citizens.

Expenses

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	34,564	34,564	32,797

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve enhanced social, cultural and economic benefits to New Zealand through New Zealand international education activities.

How Performance will be Assessed and End of Year Reporting Requirements

	2018/19		2019/20
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
The economic value from New Zealand's international education sector (see Note 1).	\$4,600 million	\$5,100 million	\$5,100 million
Percentage of facilitated customers that agree Education New Zealand's services and support have added value (see Note 2).	At least 75%	At least 75%	At least 75%
The percentage of international students who were satisfied or very satisfied with their overall experience (see Note 3).	At least 85%	At least 85%	88% - 95%
The percentage of international students enrolled to study outside Auckland (see Note 4).	Increase compared to 2017	Increase compared to 2017	Increase compared to 2018

Note 1 - The 2025 target is \$6,000 million (International Education Strategy, Goal 2).

Note 2 - 'Facilitated customers' are large education providers, peak bodies and regional partners that Education New Zealand business development managers work actively with to provide growth-focused services and targeted support.

Note 3 - This measure applies to any sectors surveyed in 2019/20 as not all sectors may be surveyed every year. Recent sector results are published in Education New Zealand's annual report.

Note 4 - 2018/19 Estimated Actual refers to the 2018 calendar year.

End of Year Performance Reporting

Performance information for this appropriation will be reported by Education New Zealand in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2018/19 Final Budgeted \$000	2019/20 Budget \$000	2020/21 Estimated \$000	2021/22 Estimated \$000	2022/23 Estimated \$000
Current Government						
Export Education Levy: Addressing Pressures and Consultation on Proposed Increases	2018/19	4,000	2,000	-	-	-
Reprioritisation - Education New Zealand Contribution to the Kea Network, New Zealand Story and Chair of Malay Studies	2018/19	(175)	(275)	(275)	(275)	(275)
Previous Government						
Strengthening the Foundations for Sustainable Growth of International Education	2017/18	1,700	1,700	1,700	1,700	1,700

Reasons for Change in Appropriation

The \$1.767 million decrease in this appropriation for 2019/20 is mainly due to a reduced provision for temporary advances to the Export Education Levy Fund (funded by capital withdrawals from the Ministry of Education) to meet unexpectedly high international student reimbursement costs (\$2 million).

Tertiary Education Research and Research-Based Teaching (M26)

Scope of Appropriation

This appropriation is limited to funding research and research-based teaching on the basis of measured research quality in tertiary education organisations and supporting Wānanga research capability.

Expenses

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	326,500	326,500	318,750

Components of the Appropriation

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Performance-Based Research Fund			
• Quality Evaluation	173,250	173,250	173,250
• Research Degree Completions	78,750	78,750	78,750
• External Research Income	63,000	63,000	63,000
Wānanga Research Capability Fund	1,500	1,500	3,750
Grant under section 321 of the Education Act to Te Wānanga o Raukawa	10,000	10,000	-
Total	326,500	326,500	318,750

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve an increase in, or maintain the quality of, research and research-based teaching and learning and to improve investment in research within the tertiary sector.

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2018/19		2019/20
	Final Budgeted Standard	Estimated Actual	Budget Standard
Research degree completions (measured by Performance-Based Research Fund (PBRF)-eligible research degree completions) (see Note 1).	Previous year actual \pm 5%	Previous year actual \pm 5%	Previous year actual \pm 5%
Percentage increase in amount of external research income for PBRF-eligible providers (see Note 1).	2%	3% - 5%	3% - 5%

Note 1 - 2018/19 Final Budgeted Standard and 2018/19 Estimated Actual refer to the 2018 calendar year. 2019/20 Budget Standard refers to the 2019 calendar year.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Tertiary Education Commission in its annual report.

Service Providers

Provider	2018/19 Final Budgeted \$000	2018/19 Estimated Actual \$000	2019/20 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Universities (8)	306,686	306,686	306,435	Investment plans up to 3 years
Wānanga (3)	12,032	12,032	4,267	Investment plans up to 3 years
Institutes of Technology and Polytechnics (16)	7,269	7,269	7,528	Investment plans up to 3 years
Non-Government Organisations				
Private Training Establishments	513	513	520	Investment plans up to 3 years
Total	326,500	326,500	318,750	

The table above shows the main service providers for this appropriation.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2018/19 Final Budgeted \$000	2019/20 Budget \$000	2020/21 Estimated \$000	2021/22 Estimated \$000	2022/23 Estimated \$000
Current Government						
Wānanga Research Aspirations	2018/19	10,000	2,250	4,500	4,500	2,250
Previous Government						
Increasing the Performance-Based Research Fund	2017/18	15,000	15,000	15,000	15,000	15,000

Reasons for Change in Appropriation

The \$7.750 million decrease in this appropriation is due to a combination of:

- a grant under section 321 of the Education Act 1989 to Te Wānanga o Raukawa in 2018/19 (\$10 million decrease), and
- increasing the Wānanga Research Capability Fund by \$4.500 million per annum for three years only beginning from the 2020 academic year (\$2.250 million increase).

Conditions on Use of Appropriation

Reference	Conditions
Cabinet decision	<p>Funding in this appropriation is provided as part of the bulk grant to tertiary education organisations to recognise research performance. All degree-awarding tertiary education organisations are eligible for funding.</p> <p>The Performance-Based Research Fund is allocated on the basis of three measures:</p> <ul style="list-style-type: none"> • Quality Evaluation - a periodic peer assessment of the research contribution of individual teaching and research staff (this will comprise 55% of funding in 2019 and 2020) • Research Degree Completions - a measure of the number of research-based post-graduate degree completions (this will comprise 25% of funding in 2019 and 2020), and • External Research Income - a measure of income received for the purposes of conducting research (this will comprise 20% of funding in 2019 and 2020).

Tertiary Sector / Industry Collaboration Projects (M26)

Scope of Appropriation

This appropriation is limited to funding activities that improve the relevance to industry of tertiary education provision.

Expenses

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	27,805	26,830	27,332

Components of the Appropriation

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Centres of Asia-Pacific Excellence	10,000	10,000	9,875
Māori Pasifika Trade Training	5,961	5,925	7,771
National Centre for Tertiary Teaching Excellence	3,556	3,556	3,556
Quality Teaching Agenda	4,196	4,196	2,520
Information and Communication Technology Graduate Schools (Development and Delivery)	1,581	1,581	1,610
Engineering Graduates	1,449	1,032	500
Other Funding	1,062	540	1,500
Total	27,805	26,830	27,332

What is Intended to be Achieved with this Appropriation

This appropriation is intended to support the development of knowledge and skills that are required by learners and employers, with a focus on Tertiary Education Strategy priorities.

How Performance will be Assessed and End of Year Reporting Requirements

	2018/19		2019/20
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Number of domestic equivalent full-time students in Information and Communication Technology Graduate Schools per calendar year (see Note 1).	300 ± 5%	206	Improve on previous year's result
Centres of Asia Pacific Excellence annual reports are reviewed and appropriate action is taken (see Notes 1 and 2).	Achieved	Achieved	Achieved

Note 1 - 2018/19 Final Budgeted Standard and 2018/19 Estimated Actual refer to the 2018 calendar year. 2019/20 Budget Standard refers to the 2019 calendar year.

Note 2 - Annual reports are reviewed against milestones and key performance indicators set in annual plans. Reviews look at progress on delivery towards policy objectives and long-term outcomes.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Tertiary Education Commission in its annual report.

Service Providers

Provider	2018/19 Final Budgeted \$000	2018/19 Estimated Actual \$000	2019/20 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Universities (8)	19,131	19,223	17,596	Investment plans range from 3 to 6 years
Wānanga (3)	354	327	418	Investment plans up to 3 years
Institutes of Technology and Polytechnics (16)	5,730	4,770	6,361	Investment plans up to 3 years
Non-Government Organisations				
Industry Training Organisations	484	470	-	Investment plans up to 3 years
Private Training Establishments	2,106	2,040	2,957	Investment plans up to 3 years
Total	27,805	26,830	27,332	

The table above shows the main service providers for this appropriation.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2018/19 Final Budgeted \$000	2019/20 Budget \$000	2020/21 Estimated \$000	2021/22 Estimated \$000	2022/23 Estimated \$000
Current Government						
Home-Based ECE Review - Improving the Quality of Home-Based Early Childhood Education	2019/20	-	500	500	-	-
Reprioritisation of Funding - Information and Communication Technology (ICT) Graduate Schools	2018/19	(424)	(161)	(271)	(271)	(271)
Māori and Pasifika Trades Training: Improving Learner Support from 2019	2018/19	952	2,762	1,904	1,904	1,904
Previous Government						
International Connections for New Zealanders	2016/17	10,000	9,875	10,000	10,000	10,000
Enabling Further Growth of Māori and Pasifika Trades Training	2015/16	810	810	810	810	810
Investing to Increase the Number of Engineering Graduates	2015/16	1,449	500	-	-	-
Information and Communication Technology Graduate Schools	2015/16	2,005	1,771	1,771	1,771	1,771

Reasons for Change in Appropriation

The \$473,000 decrease in this appropriation for 2019/20 is mainly due to a combination of:

- a one-off increase in 2018/19 to support exemplary postgraduate initial teacher education programmes (\$1.676 million decrease)
- a re-sequencing of initiatives to increase the number of engineering graduates (\$949,000 decrease)
- a transfer to 2020/21 to align with funding agreements with universities for the operation of Centres for Asia-Pacific Excellence (\$125,000 decrease)
- the transfer of Māori and Pasifika Trades Training Tools Subsidy funding from benefit or related expense Support to Apprentices to this appropriation from 2019 to enable consortia to improve support for learners (\$1.810 million increase), and
- a Budget 2019 initiative to improve the quality of educator-child interactions in home-based early childhood education by providing funding to tertiary providers to enable the existing educator workforce to upskill to a Level 4 early childhood education qualification (\$500,000 increase).

Conditions on Use of Appropriation

Reference	Conditions
Section 159L Education Act 1989	Funding is allocated by the Tertiary Education Commission in accordance with funding determinations issued by the Minister of Education.

University-led Innovation (M26)

Scope of Appropriation

This appropriation is limited to supporting universities to attract entrepreneurial academics to drive collaboration between universities and established and emerging businesses.

Expenses

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	5,772	5,091	9,979

What is Intended to be Achieved with this Appropriation

This appropriation is intended to help New Zealand universities to recruit world-leading entrepreneurial academics, with a track record of working with industry to turn research into commercial innovation, with a focus on Tertiary Education Strategy priorities.

How Performance will be Assessed and End of Year Reporting Requirements

	2018/19		2019/20
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Entrepreneurial Universities' annual reports are reviewed and appropriate action is taken (see Notes 1 to 3).	Achieved	Achieved	Achieved

Note 1 - Entrepreneurial Universities are universities receiving funding through the Entrepreneurial Universities initiative.

Note 2 - 2018/19 Final Budgeted Standard and 2018/19 Estimated Actual refer to the 2018 calendar year. 2019/20 Budget Standard refers to the 2019 calendar year.

Note 3 - Annual reports are reviewed against milestones and key performance indicators set in their Programme Maps and Annual Approach to Activity. Reviews look at progress on delivery towards policy objectives and long-term outcomes.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Tertiary Education Commission in its annual report.

Service Providers

Provider	2018/19 Final Budgeted \$000	2018/19 Estimated Actual \$000	2019/20 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Universities (8)	5,772	5,091	9,979	Investment plans up to 5 years
Total	5,772	5,091	9,979	

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2018/19 Final Budgeted \$000	2019/20 Budget \$000	2020/21 Estimated \$000	2021/22 Estimated \$000	2022/23 Estimated \$000
Current Government						
Reprioritisation of Funding - Entrepreneurial Universities	2018/19	(5,061)	(855)	-	(650)	(5,641)
Previous Government						
Building Entrepreneurial Universities	2016/17	10,833	10,834	10,000	10,000	10,000

Reasons for Change in Appropriation

The \$4.207 million increase in this appropriation for 2019/20 is to provide for contractual commitments to Entrepreneurial Universities.

3.2 - Non-Departmental Benefits or Related Expenses

Awards for Outbound New Zealand Students (M26)

Scope of Appropriation

This appropriation is limited to awards granted to provide assistance to scholars, researchers and teachers to undertake placements abroad and to participate in reciprocal education exchange arrangements with partner countries in selected areas of priority study, teaching and research.

Expenses

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	5,040	3,984	3,984

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve access to wider international educational opportunities for skilled New Zealanders to enhance their existing skills.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under section 15D(2)(b)(ii) of the Public Finance Act 1989, as additional performance information is unlikely to be informative because this appropriation is solely for payments of Study Abroad Awards and the Prime Minister's Scholarships for Asia fund and for other regions under the Education Act 1989.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2018/19 Final Budgeted \$000	2019/20 Budget \$000	2020/21 Estimated \$000	2021/22 Estimated \$000	2022/23 Estimated \$000
Current Government						
Reprioritisation of Funding - International Teacher Exchanges to Support Foreign Language Learning	2019/20	-	(1,056)	(1,056)	(1,056)	(1,056)
Reprioritisation - Prime Minister's Scholarships for Asia	2018/19	(500)	(500)	(500)	(500)	(500)
Previous Government						
International Connections for New Zealanders	2016/17	2,500	2,500	2,500	2,500	2,500

Reasons for Change in Appropriation

The \$1.056 million decrease in this appropriation for 2019/20 relates to the funding for the International Teacher Exchanges programme to support foreign language learning which has been discontinued due to low numbers of participating teachers and students.

Scholarships for Inbound International Students (M26)

Scope of Appropriation

This appropriation is limited to scholarships available to international students wishing to study in New Zealand.

Expenses

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	800	800	600

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve an increase in New Zealand's economic value from international students studying in New Zealand.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under section 15D(2)(b)(ii) of the Public Finance Act 1989, as additional performance information is unlikely to be informative because this appropriation is solely for payments of the New Zealand International Student Doctoral Research Scholarship under the Education Act 1989.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2018/19 Final Budgeted \$000	2019/20 Budget \$000	2020/21 Estimated \$000	2021/22 Estimated \$000	2022/23 Estimated \$000
Current Government						
Reprioritisation of Funding - New Zealand International Doctoral Research Scholarships	2019/20	-	(200)	(500)	(800)	(800)

Reasons for Change in Appropriation

The \$200,000 decrease in this appropriation for 2019/20 is due to the funding for New Zealand International Doctoral Research Scholarships being phased out. No new scholarships have been awarded since 2017.

Tertiary Scholarships and Awards (M26)

Scope of Appropriation

This appropriation is limited to providing scholarships for tertiary students and other awards in the tertiary sector, and the provision of scholarships and bursaries to Māori and Pasifika students. It includes training assistance under Queen Elizabeth II Study Awards and recognition of outstanding tertiary education teachers.

Expenses

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	15,568	15,568	15,885

What is Intended to be Achieved with this Appropriation

This appropriation is intended to provide a stipend for domestic sixth-year medical trainee interns and other scholarships.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under section 15D(2)(b)(ii) of the Public Finance Act 1989, as additional performance information is unlikely to be informative because this appropriation is solely for payments of Tertiary Scholarships and Awards under the Education Act 1989.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2018/19 Final Budgeted \$000	2019/20 Budget \$000	2020/21 Estimated \$000	2021/22 Estimated \$000	2022/23 Estimated \$000
Previous Government						
Trainee Medical Intern Grants	2018/19	433	866	866	866	866
Trainee Medical Intern Grants	2017/18	509	509	509	509	509
Delivering Support to Graduate-Entry Students Affected by Seven EFTS Limit to Complete Long Undergraduate Programmes	2015/16	144	1	-	-	-
Trainee Medical Intern Grants	2015/16	1,714	1,741	1,741	1,741	1,741
Additional Medical Student Places	2015/16	947	947	947	947	947

3.5 - Non-Departmental Capital Expenditure

Support for Lincoln University (M26)

Scope of Appropriation

This appropriation is limited to the rebuild of the science facilities at Lincoln University.

Capital Expenditure

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	65,000

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve effective investment in rebuilding the science facilities at Lincoln University.

How Performance will be Assessed and End of Year Reporting Requirements

	2018/19		2019/20
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Achieving business case milestones in the rebuild of science facilities at Lincoln University.	New measure	New measure	Achieved

End of Year Performance Reporting

Performance information for this appropriation will be reported by Lincoln University in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2018/19 Final Budgeted \$000	2019/20 Budget \$000	2020/21 Estimated \$000	2021/22 Estimated \$000	2022/23 Estimated \$000
Previous Government						
Lincoln University Science Facilities: Crown Capital Investment	2019/20	-	65,000	15,000	5,000	-

Reasons for Change in Appropriation

New appropriation for the Crown's contribution to the cost of rebuilding the earthquake-damaged science facilities at Lincoln University.

Support for Unitec Institute of Technology (M26)

Scope of Appropriation

This appropriation is limited to providing a loan facility for Unitec to support its cash flow and manage normal operations and restructuring costs.

Capital Expenditure

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	35,000	35,000	15,000

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the continued operation of the Unitec Institute of Technology, providing continuity for students and staff while reviewing options for the future.

How Performance will be Assessed and End of Year Reporting Requirements

	2018/19		2019/20
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance	Achieved	Achieved	Achieved
Unitec Institute of Technology submits quarterly reports which show that it is meeting the performance targets that were agreed as part of the concessionary loan agreement with the Crown.			

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Unitec Institute of Technology in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2018/19 Final Budgeted \$000	2019/20 Budget \$000	2020/21 Estimated \$000	2021/22 Estimated \$000	2022/23 Estimated \$000
Crown Support for Unitec Institute of Technology and Whitireia New Zealand	2018/19	35,000	15,000	-	-	-

Reasons for Change in Appropriation

An interest-free concessionary loan facility for the Unitec Institute of Technology of up to \$50 million over two years to meet its cash shortfall in 2018 and 2019 and support its right-sizing initiatives.

Part 4 - Details of Multi-Category Expenses and Capital Expenditure

4 - Multi-Category Expenses and Capital Expenditure

Stewardship of the Tertiary Education System (M26)

Overarching Purpose Statement

The single overarching purpose of this appropriation is to provide services that contribute towards a well-functioning tertiary education system.

Scope of Appropriation

Departmental Output Expenses

Policy Advice

This category is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on Tertiary Education and international education related matters.

Research, Data Analysis and Monitoring

This category is limited to the production and dissemination of research and data analysis, monitoring and reporting on tertiary education at a system-wide level, and the provision of services (other than policy advice) to support the work of other agencies and Ministers in discharging their responsibilities for tertiary education and international education related matters.

Expenses, Revenue and Capital Expenditure

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	15,727	15,727	16,678
Departmental Output Expenses			
Policy Advice	7,171	7,171	6,821
Research, Data Analysis and Monitoring	8,556	8,556	9,857
Funding for Departmental Output Expenses			
Revenue from the Crown	14,977	14,977	15,928
Policy Advice	7,171	7,171	6,821
Research, Data Analysis and Monitoring	7,806	7,806	9,107
Revenue from Others	750	750	750
Research, Data Analysis and Monitoring	750	750	750

What is Intended to be Achieved with this Appropriation

This appropriation is intended to provide advice to Ministers to support decision-making, managing the Government's investment in the tertiary education sector, and monitoring and oversight of the sector.

How Performance will be Assessed for this Appropriation

	2018/19		2019/20
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
The satisfaction rating given by the Minister of Education with the overall performance of the Ministry (see Note 1).	7	7	7

Note 1 - The rating measures Ministers' satisfaction on a scale of 1 to 10, where 1 means unsatisfactory and 10 means extremely satisfied.

What is Intended to be Achieved with each Category and How Performance will be Assessed

	2018/19		2019/20
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Departmental Output Expenses			
Policy Advice			
This category is intended to achieve the provision of quality advice to the Minister to ensure that tertiary education policy and programmes support the performance of the tertiary education system.			
Internal quarterly assessment of the quality of the Ministry's policy advice (see Note 1).	Mean of 3.5 out of 5	Mean of 3.5 out of 5	Mean of 3.5 out of 5
The satisfaction rating given by Ministers for the quality and timeliness of policy advice (as per the Common Satisfaction Survey) (see Note 2).	7	7	7
Research, Data Analysis and Monitoring			
This category is intended to contribute to a shared strategic direction and alignment across the tertiary education system.			
Forecasts of student loans and student allowances are accurate within an agreed average of actual values.	Accurate within \pm 3% of actual values	Accurate within \pm 3% of actual values	Accurate within \pm 3% of actual values
The satisfaction rating given by the Minister of Education on the quality of monitoring advice provided by the Ministry about Crown agencies (see Note 3).	7	7	7
The quality and range of the Ministry's analytical outputs is assessed through an independent expert review (see Note 4).	Quality is assessed as 'Good' or better	Quality is assessed as 'Good' or better	Quality is assessed as 'Good' or better
The satisfaction rating given by Ministers for the quality and timeliness of support for Ministerial delegations and visits (see Note 3).	7	7	7

Assessment of Performance	2018/19		2019/20
	Final Budgeted Standard	Estimated Actual	Budget Standard
The percentage of Ministerial correspondence replies, Parliamentary question replies and Ministerial Official Information Act replies completed within the timeframes agreed between the Ministry and the Office of the Minister.	95%	95%	95%
The percentage of Ministerial correspondence replies, Parliamentary question replies and Ministerial Official Information Act replies provided that are factually accurate, meet any legislative requirements, and contain no avoidable errors, as measured by acceptance rates by the Office of the Minister.	95%	95%	95%

Note 1 - Based on a five-point scale: 1 = 'Poor'; 2 = 'Borderline'; 3 = 'Adequate'; 4 = 'Good'; 5 = 'Very good'. All agencies are required to use the refreshed Policy Quality Framework from 2019/20 to assess the quality of their policy papers. The Policy Quality Framework is currently being refreshed. The refreshed Framework and guidance will be released before 30 June 2019 and the measure updated in the Supplementary Estimates.

Note 2 - The Common Satisfaction Survey rating measures Ministers' satisfaction with the quality, timeliness and value for money of policy advice on a scale from 1 to 10, where 1 means unsatisfied and 10 means extremely satisfied. All agencies are required to use the refined Ministerial Satisfaction Survey from 2019/20 to assess Ministerial satisfaction with the policy service. The survey is currently under review and the refined survey and guidance will be released before 30 June 2019 and the measure updated in the Supplementary Estimates.

Note 3 - The rating measures Ministers' satisfaction on a scale from 1 to 10, where 1 means unsatisfied and 10 means extremely satisfied.

Note 4 - Based on a five-point rating scale: 1 = 'Very poor'; 2 = 'Poor'; 3 = 'Acceptable'; 4 = 'Good'; 5 = 'Very good'.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Education in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2018/19 Final Budgeted \$000	2019/20 Budget \$000	2020/21 Estimated \$000	2021/22 Estimated \$000	2022/23 Estimated \$000
Current Government						
Programme for International Assessment of Adult Competencies	2019/20	-	1,300	422	3,777	131
Education Portfolio Work Programme	2018/19	350	-	-	-	-
Financial Impacts of the 100 Days Tertiary Education Package	2018/19	3,000	3,000	2,000	2,000	2,000
Previous Government						
Share of Costs for Budget 2015 Whole-of-Government Initiatives	2015/16	(5)	(4)	(4)	(4)	(4)

Reasons for Change in Appropriation

The \$951,000 increase in this appropriation for 2019/20 is mainly due to provision for participation in the programme for International Assessment of Adult Competencies (\$1.300 million).

Tertiary Tuition and Training (M26)

Overarching Purpose Statement

The single overarching purpose of this appropriation is to fund tertiary tuition and training that leads to improvements in New Zealanders' skill levels.

Scope of Appropriation

Non-Departmental Output Expenses

Community Education

This category is limited to funding for adult and community education and literacy, numeracy and English language provision.

Tertiary Education: Student Achievement Component

This category is limited to funding for teaching and learning services for enrolled students in approved courses at tertiary education organisations to achieve recognised tertiary qualifications.

Training for Designated Groups

This category is limited to the purchasing and arranging of training linked to the New Zealand Qualifications Framework and the purchase of both on-job and off-job training places, including delivery of fully or partially funded training places and other industry-training related projects.

Non-Departmental Other Expenses

Fees-free Payments

This category is limited to ensuring fees-free study for eligible students, apprentices and trainees.

Expenses, Revenue and Capital Expenditure

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,622,598	2,622,598	2,843,408
Non-Departmental Output Expenses			
Community Education	71,834	71,834	74,566
Tertiary Education: Student Achievement Component	1,974,205	1,974,205	2,115,387
Training for Designated Groups	276,324	276,324	307,323
Non-Departmental Other Expenses			
Fees-free Payments	300,235	300,235	346,132

Components of the Appropriation

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Community Education			
Adult and Community Education	23,428	23,428	23,935
Literacy and Numeracy Provision	34,362	34,362	34,688
English for Speakers of Other Languages	12,421	12,421	14,022
Migrant Levy	213	213	213
Emergency Management Pool	1,410	1,410	1,708
Tertiary Education: Student Achievement Component			
Provision at Levels 1 and 2	72,533	72,533	93,238
Provision at Levels 3 and above			
• Universities	1,185,069	1,185,069	1,270,522
• Institutes of Technology and Polytechnics	419,916	419,916	450,247
• Wānanga	118,141	118,141	119,432
• Private Training Establishments	170,822	170,822	174,639
Information and Communications Technology Graduate Programmes	3,650	3,650	4,475
Grants under section 321 of the Education Act	4,074	4,074	2,834
Training for Designated Groups			
Industry Training Fund	180,624	180,624	185,870
Youth Guarantee	77,579	77,579	102,599
Gateway	18,121	18,121	18,854
Fees-free Payments	300,235	300,235	346,132
Total	2,622,598	2,622,598	2,843,408

What is Intended to be Achieved with this Appropriation

The overarching intention is to contribute to improved lifetime outcomes of New Zealanders through the provision of skills from tertiary education, training, foundation learning programmes and community education, with a focus on Tertiary Education Strategy priorities.

How Performance will be Assessed for this Appropriation

	2018/19		2019/20
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Percentage of Student Achievement Component-funded and Youth Guarantee-funded learners who complete 75% of their courses (see Note 1).	New measure	New measure	Improve on previous year's result

Note 1 - 2018/19 Final Budgeted Standard and 2018/19 Estimated Actual refer to the 2018 calendar year. 2019/20 Budget Standard refers to the 2019 calendar year.

What is Intended to be Achieved with each Category and How Performance will be Assessed

Assessment of Performance	2018/19		2019/20
	Final Budgeted Standard	Estimated Actual	Budget Standard
Non-Departmental Output Expenses			
Community Education			
This category is intended to achieve improvement in literacy and numeracy skills for learners who have low skills in these areas by funding foundational learning programmes.			
Percentage of learners accessing the desired range (hours) of provision (see Notes 1 and 2):			
<ul style="list-style-type: none"> Intensive Literacy and Numeracy 	Baseline year	66%	Improve on previous year's result
<ul style="list-style-type: none"> Workplace Literacy and Numeracy (tertiary education organisation-led) 	Baseline year	61%	Improve on previous year's result
<ul style="list-style-type: none"> English for Speakers of Other Languages. 	Baseline year	97%	Improve on previous year's result
Tertiary Education: Student Achievement Component			
This category is intended to achieve learners' attainment of recognised tertiary qualifications by funding education and training opportunities.			
Qualification Completion (cohort based) (see Note 1) - Percentage of Student Achievement Component-funded students completing qualifications:			
Level 4 to 7 non-degree:			
<ul style="list-style-type: none"> all learners 	Improve on previous year's result	Not improved on previous year (54%)	Improve on previous year's result
<ul style="list-style-type: none"> Māori learners (relative to combined non-Māori and non-Pacific learners' results) (see Note 3) 	Improve on previous year's result	Not improved on previous year (-2% points)	Improve on previous year's result
<ul style="list-style-type: none"> Pacific learners (relative to combined non-Māori and non-Pacific learners' results) (see Note 4). 	Improve on previous year's result	There is no parity gap	Maintain previous year's result
Level 7 degree and above:			
<ul style="list-style-type: none"> all learners 	Improve on previous year's result	Improved on previous year (62%)	Improve on previous year's result
<ul style="list-style-type: none"> Māori learners (relative to combined non-Māori and non-Pacific learners' results) (see Note 3) 	Improve on previous year's result	Not improved on previous year (-16% points)	Improve on previous year's result
<ul style="list-style-type: none"> Pacific learners (relative to combined non-Māori and non-Pacific learners' results) (see Note 5). 	Improve on previous year's result	Not improved on previous year (-16% points)	Improve on previous year's result

Assessment of Performance	2018/19		2019/20
	Final Budgeted Standard	Estimated Actual	Budget Standard
Training for Designated Groups			
This category is intended to achieve an increase in the number of young people and employees with qualifications valued by employers through investing in training.			
Industry Training (cohort based) (see Note 1) - Percentage completing programmes:			
<ul style="list-style-type: none"> all learners 	Improve on previous year's result	Not improved on previous year (68%)	Improve on previous year's result
<ul style="list-style-type: none"> industry trainees 	Improve on previous year's result	Not improved on previous year (70%)	Improve on previous year's result
<ul style="list-style-type: none"> apprentices 	Improve on previous year's result	Not improved on previous year (45%)	Improve on previous year's result
<ul style="list-style-type: none"> Māori (relative to combined non-Māori and non-Pacific learners' results) (see Note 3) 	Improve on previous year's result	Not improved on previous year (-7% points)	Improve on previous year's result
<ul style="list-style-type: none"> Pacific (relative to combined non-Māori and non-Pacific learners' results) (see Note 4) 	Improve on previous year's result	There is no parity gap	Maintain previous year's result
Youth Guarantee - Percentage of Youth Guarantee learners completing qualifications at Level 2 or 3 (see Note 1).	Baseline year	59%	Maintain or improve on previous year's result
Non-Departmental Other Expenses			
Fees-free Payments			
This category is intended to contribute to removing barriers to participation by making tertiary education more affordable.			
Percentage increase in first-time domestic learners (including industry training) at Level 3 and above (see Note 1 and 6):			
<ul style="list-style-type: none"> all learners 	Baseline year	Baseline year	Improve on previous year's result
<ul style="list-style-type: none"> Māori learners (relative to combined non-Māori and non-Pacific learners' results) (see Note 3) 	Baseline year	Baseline year	Improve on previous year's result
<ul style="list-style-type: none"> Pacific learners (relative to combined non-Māori and non-Pacific learners' results) (see Note 5). 	Baseline year	Baseline year	Improve on previous year's result

Note 1 - 2018/19 Final Budgeted Standard and 2018/19 Estimated Actual refer to the 2018 calendar year. 2019/20 Budget Standard refers to the 2019 calendar year.

Note 2 - Desired range of hours relates to the optimal hours of learning needed to make an impact on an individual's learning.

Note 3 - This is a measure of the percentage point gap between the percentage of Māori learners completing qualifications and the percentage of combined non-Māori and non-Pacific learners completing qualifications - the desired trend is for the percentage point gap to decrease.

Note 4 - This is a measure of the percentage point gap between the percentage of Pacific learners completing qualifications and the percentage of combined non-Māori and non-Pacific learners completing qualifications - the desired trend is for there to continue to be no parity gap.

Note 5 - This is a measure of the percentage point gap between the percentage of Pacific learners completing qualifications and the percentage of combined non-Māori and non-Pacific learners completing qualifications - the desired trend is for the percentage point gap to decrease.

Note 6 - First-time learners as defined by current learner eligibility criteria for fees-free (see www.feesfree.govt.nz/faqs).

Service Providers for the Multi-Category Appropriation

Provider	2018/19 Final Budgeted \$000	2018/19 Estimated Actual \$000	2019/20 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Universities (8)	1,334,388	1,334,388	1,472,553	Plans up to 3 years
Wānanga (3)	176,540	176,540	184,621	Plans up to 3 years
Institutes of Technology and Polytechnics (16)	575,659	575,659	626,225	Plans up to 3 years
Schools	22,141	22,141	22,929	Plans up to 3 years
Government Training Establishment	1,322	1,322	1,316	Plans up to 3 years
Non-Government Organisations				
Private Training Establishments	326,352	326,352	342,506	Plans up to 3 years
Rural Education Activities Programmes (13)	2,483	2,483	2,797	Plans up to 3 years
Employers	6,255	6,255	9,226	Plans up to 3 years
Community Education Providers	2,600	2,600	2,766	Plans up to 3 years
Industry Training Organisations	174,858	174,858	178,469	Plans up to 3 years
Total	2,622,598	2,622,598	2,843,408	

The table above shows the main service providers for this appropriation.

End of Year Performance Reporting

Performance information for this appropriation from the Tertiary Education Commission will be included in a report appended to the Ministry of Education's annual report. It will also be reported by the Tertiary Education Commission in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2018/19 Final Budgeted \$000	2019/20 Budget \$000	2020/21 Estimated \$000	2021/22 Estimated \$000	2022/23 Estimated \$000
Current Government						
Refugee Quota Increase: Increased Settlement Services	2020/21	-	-	1,157	1,688	3,220
Teacher Supply - Continuing to Increase the Levels of Teacher Supply for the Future	2019/20	-	2,624	5,268	7,316	9,364
Increasing Tertiary Tuition and Training Subsidies - Maintaining Quality Tertiary Education	2019/20	-	22,111	44,222	44,222	44,222
Home-Based ECE Review - Improving the Quality of Home-Based Early Childhood Education	2018/19	227	608	1,803	2,004	623
Reprioritisation of Funding - Tertiary Tuition and Training Multi-Category Appropriation 2018/19 Underspends	2018/19	(60,000)	-	-	-	-
Reprioritisation of Funding - Information and Communication Technology (ICT) Graduate Schools	2018/19	(645)	(978)	(3,009)	(5,031)	(5,031)
Reprioritisation of Funding - Fees-Free Tertiary Education and Training	2018/19	(49,465)	(41,968)	(42,854)	(33,484)	(29,361)
Reprioritisation of Funding - Accounting Treatment of Recovery Exemption Expiration	2018/19	(95,000)	-	-	-	-
Programme for International Assessment of Adult Competencies	2018/19	(5,630)	-	-	-	-
Reform of Vocational Education	2018/19	(5,000)	-	-	-	-
Streamlining Secondary-Tertiary Learning Opportunities from 2019	2018/19	(3,750)	(7,500)	(7,500)	(7,500)	(7,500)
Extending the seven EFTS borrowing limit for students in long programmes	2018/19	(3,757)	(3,877)	(4,220)	(4,442)	(4,682)
Computers in Homes	2018/19	1,000	1,000	-	-	-
Tuition Subsidy Increase for Level 3 and Above	2018/19	15,843	-	-	-	-
Reprioritisation - Tertiary Tuition and Training Multi-Category Appropriation	2018/19	(12,350)	(24,700)	(24,700)	(24,700)	(24,700)
Financial Impacts of the 100 Days Tertiary Education Package	2017/18	354,700	404,700	447,100	471,700	471,700
Community Organisation Refugee Sponsorship Category	2017/18	53	53	-	-	-
Previous Government						
The Next Three-Year (2016/17 to 2018/19) Refugee Quota Programme	2018/19	525	1,050	1,575	1,575	1,575
Funding for Employment-based Initial Teacher Education	2017/18	(1,913)	(1,896)	(703)	-	-
Tuition Subsidy Increase	2017/18	19,810	19,810	19,810	19,810	19,810
Expanding the Youth Literacy and Numeracy Assessment Tool	2017/18	(330)	(330)	(330)	(330)	(330)
New Funding for Targeted Tuition Subsidy Increases	2016/17	5,000	5,000	5,000	5,000	5,000
More New Zealand Apprentices	2016/17	4,500	6,300	7,200	7,200	7,200

Policy Initiative	Year of First Impact	2018/19 Final Budgeted \$000	2019/20 Budget \$000	2020/21 Estimated \$000	2021/22 Estimated \$000	2022/23 Estimated \$000
Utilise Headroom Arising from Reduced Demand for Tertiary Education	2016/17	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
Response to Syrian Refugee Crisis: Implementation	2015/16	757	379	131	-	-
Funding for Additional Trades Academy Places	2015/16	(4,610)	(4,610)	(4,610)	(4,610)	(4,610)
Targeted Tuition Increases for Science, Agriculture and some Health Sciences	2015/16	24,500	24,500	24,500	24,500	24,500
Investing to Increase the Number of Engineering Graduates	2015/16	2,925	3,900	3,900	3,900	3,900

Reasons for Change in Appropriation

The \$220.810 million increase in this appropriation for 2019/20 is mainly due to a combination of:

- one-off savings in 2018/19 due to the end of the funding recovery exemption applied to tertiary education institutions affected by the Canterbury earthquakes (\$95 million increase)
- increased provision for the first-year fees-free policy (\$62.497 million increase)
- one-off savings in 2018/19 in non-departmental output expenses due to 2018 calendar year enrolments being lower than the level budgeted for (\$60 million increase)
- a 1.8% increase in tuition and training subsidy rates from 1 January 2020 for Adult and Community Education, Student Achievement Component funding at all qualification levels, Youth Guarantee and Gateway programmes, and the Industry Training Fund (\$22.111 million increase)
- a transfer in 2018/19 only to departmental output expense Research, Data Analysis and Monitoring (in Stewardship of the Tertiary Education System MCA) for participation in the OECD Programme for International Assessment of Adult Competencies (\$5.630 million increase)
- provision for initiatives to alleviate teacher supply pressures in Budget 2019 (\$2.624 million increase)
- provision for more apprentices in Budget 2016 (\$1.800 million increase)
- a one-off increase in 2018/19 to help fund a 1.6% increase in tuition subsidy rates at qualification Level 3 and above in 2019 (\$15.843 million decrease)
- a forecast decline in demand for provider-based programmes in 2019/20 (\$12.350 million decrease), and
- a transfer to Vote Education non-departmental output expense Secondary-Tertiary Interface to fund 1,060 additional Trades Academy places from 2019 by discontinuing the DualPathways Pilot (\$3.750 million decrease).

Conditions on Use of Appropriation

Reference	Conditions
Section 159L Education Act 1989	<p>Funding is allocated by the Tertiary Education Commission in accordance with funding determinations issued by the Minister of Education.</p> <p>Tertiary Education: Student Achievement Component provides for the Government's share of the cost of delivering courses to students. The amount that a provider receives through this component is calculated on the basis of the nature of the programme and the approved volume of teaching and learning.</p>