

Vote Tertiary Education

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

DEPARTMENT ADMINISTERING THE VOTE: Ministry of Education (A19)

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 2021/22 financial year covering the following:

- a total of just over \$16 million for services from the Ministry of Education
- a total of just over \$77 million for services from the Tertiary Education Commission (TEC)
- a total of \$48 million for establishing Workforce Development Councils (WDCs) to give industry greater leadership across the vocational education and training system
- a total of nearly \$35 million for services from Education New Zealand
- a total of \$10 million for establishing Te Pūkenga - New Zealand Institute of Skills and Technology (NZIST), a single national vocational institution, and transitioning its subsidiaries into a consolidated network of delivery of vocational education
- a total of nearly \$3,239 million for tuition and industry training subsidies and research funding provided to tertiary education organisations and services from the adult and community education sector and other non-departmental providers
- a total of just over \$541 million for first year fees-free study for eligible students, apprentices and trainees
- a total of \$1 million for Te Wānanga o Raukawa to support the resolution of Waitangi Tribunal Claim WAI 2698
- a total of nearly \$20 million for scholarships and other awards in the tertiary sector, and
- a total of nearly \$74 million for capital grants to the sector to support the rebuild of the earthquake-damaged science facilities at Lincoln University and for the TEC to develop an online careers planning tool and a vocational education data system.

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	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Departmental Output Expenses			
Stewardship and Oversight of the Tertiary Education System (M26) (A19) This appropriation is limited to providing advice and services to support Ministers to discharge their portfolio responsibilities relating to tertiary and international education, as well as administrative and oversight activities including research and monitoring the tertiary education system.	16,614	16,614	16,321
Total Departmental Output Expenses	16,614	16,614	16,321
Non-Departmental Output Expenses			
Access to Tertiary Education (M26) (A19) This appropriation is limited to improving access to tertiary education and training.	44,862	42,857	44,415
Administration of and Support for the Tertiary Education and Careers Systems (M26) (A19) 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.	82,033	82,033	77,339
Centres of Research Excellence (M26) (A19) 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
Establishment of a Single National Vocational Education Institution (M26) (A19) This appropriation is limited to operating funding for establishing a single national vocational education institution.	69,082	69,082	10,000
International Education Programmes (M26) (A19) 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.	35,364	35,364	34,547
Support for Wānanga (M26) (A19) This appropriation is limited to supporting wānanga in the tertiary education system to maintain, advance and disseminate mātauranga Māori according to tikanga Māori.	-	-	4,000
Tertiary Education Research and Research-Based Teaching (M26) (A19) 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.	321,000	321,000	321,000
Tertiary Sector / Industry Collaboration Projects (M26) (A19) This appropriation is limited to funding activities that improve the relevance to industry of tertiary education provision.	53,552	33,937	42,435
University-led Innovation (M26) (A19) This appropriation is limited to supporting universities to attract entrepreneurial academics to drive collaboration between universities and established and emerging businesses.	9,199	9,198	9,350

Titles and Scopes of Appropriations by Appropriation Type	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Workforce Development Councils (M26) (A19) This appropriation is limited to expenses incurred on Workforce Development Councils setting up their organisations and performing their statutory functions.	-	-	48,000
Support for Private Training Establishments of Strategic Importance (M26) (A19) This appropriation is limited to support for Private Training Establishments which offer international education delivery and are of strategic importance to New Zealand.	8,083	8,083	-
Total Non-Departmental Output Expenses	672,975	651,354	640,886
Benefits or Related Expenses			
Tertiary Scholarships and Awards (M26) (A19) This appropriation is limited to providing scholarships and other awards in the tertiary sector to students, researchers and teachers, within New Zealand and internationally.	17,759	17,759	19,868
Scholarships for Inbound International Students (M26) (A19) This appropriation is limited to scholarships available to international students wishing to study in New Zealand.	300	300	-
Total Benefits or Related Expenses	18,059	18,059	19,868
Non-Departmental Other Expenses			
Support for Te Wānanga o Raukawa (M26) (A19) This appropriation is limited to payments to Te Wānanga o Raukawa to support the resolution of WAI 2698.	7,300	7,300	1,000
Total Non-Departmental Other Expenses	7,300	7,300	1,000
Non-Departmental Capital Expenditure			
Careers System Online (M26) (A19) This appropriation is limited to the development and delivery of an online careers planning tool by the Tertiary Education Commission.	8,500	8,500	6,500
Support for Lincoln University (M26) (A19) This appropriation is limited to the rebuild of the science facilities at Lincoln University.	10,000	10,000	60,000
Vocational Education Data System (M26) (A19) This appropriation is limited to providing capital to the Tertiary Education Commission for the development and delivery of an information technology system to support the implementation of a unified funding system for the vocational education system.	-	-	7,300
Support for a Single National Vocational Education Institution (M26) (A19) This appropriation is limited to capital injections for a single national vocational education institution.	20,000	20,000	-
Tertiary Education Institutions' Proceeds from Disposal of Crown Assets (M26) (A19) This appropriation is limited to investing in Tertiary Education Institutions (TEIs) their share of the proceeds from the disposal of assets used by TEIs that are or were previously held in Crown title.	17,000	17,000	-
Total Non-Departmental Capital Expenditure	55,500	55,500	73,800

Titles and Scopes of Appropriations by Appropriation Type	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Multi-Category Expenses and Capital Expenditure			
Tertiary Tuition and Training MCA (M26) (A19)	2,058,614	1,998,284	3,309,116
The single overarching purpose of this appropriation is to fund tertiary tuition and training that leads to improvements in New Zealanders' skill levels.			
Non-Departmental Output Expenses			
<i>Community Education</i>	51,183	49,945	85,497
This category is limited to funding for adult and community education and literacy, numeracy and English language provision.			
<i>Tertiary Education: Student Achievement Component</i>	1,423,178	1,418,061	2,376,032
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.			
<i>Training for Designated Groups</i>	157,029	154,358	306,243
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			
<i>Fees-free Payments</i>	427,224	375,920	541,344
This category is limited to ensuring fees-free study for eligible students, apprentices and trainees.			
Total Multi-Category Expenses and Capital Expenditure	2,058,614	1,998,284	3,309,116
Total Annual Appropriations and Forecast Permanent Appropriations	2,829,062	2,747,111	4,060,991

Supporting Information

Part 1 - Vote as a Whole

1.1 - New Policy Initiatives

Policy Initiative	Appropriation	2020/21 Final Budgeted \$000	2021/22 Budget \$000	2022/23 Estimated \$000	2023/24 Estimated \$000	2024/25 Estimated \$000
Adult and Community Education -A Modern Approach to Night Classes	Tertiary Sector / Industry Collaboration Projects	500	1,000	1,000	1,000	1,000
	Non-Departmental Output Expense					
	Tertiary Tuition and Training MCA					
	Community Education	1,782	3,563	3,563	3,563	3,563
	Non-Departmental Output Expense					
Apprenticeship Support Programme: Design and Implementation of the Mana in Mahi Expansion and the Apprenticeship Boost Initiative (see also Vote Social Development in the Social Services and Community Sector)	Administration of and Support for the Tertiary Education and Careers Systems	600	300	-	-	-
	Non-Departmental Output Expense					
Careers System Online: Tiro Whetū	Administration of and Support for the Tertiary Education and Careers Systems	1,160	1,550	4,345	4,425	4,425
	Non-Departmental Output Expense					
	Careers System Online	8,500	6,500	-	-	-
	Non-Departmental Capital Expenditure					
Continued Support to the Wānanga Sector	Support for Wānanga	-	4,000	5,000	6,000	6,000
	Non-Departmental Output Expense					
	Tertiary Education Research and Research-Based Teaching	-	-	2,250	4,500	4,500
	Non-Departmental Output Expense					

Policy Initiative	Appropriation	2020/21 Final Budgeted \$000	2021/22 Budget \$000	2022/23 Estimated \$000	2023/24 Estimated \$000	2024/25 Estimated \$000
Cost Adjustment to Tertiary Tuition and Training Subsidies	Access to Tertiary Education	-	156	311	311	311
	Non-Departmental Output Expense					
	Tertiary Tuition and Training MCA					
	Community Education	-	514	1,035	1,032	1,033
	Non-Departmental Output Expense					
	Tertiary Education: Student Achievement Component	-	14,142	27,478	26,423	26,424
	Non-Departmental Output Expense					
COVID-19 Recovery: New Careers Guidance Services	Training for Designated Groups	-	1,534	3,068	3,488	3,488
	Non-Departmental Output Expense					
COVID-19 Recovery: New Careers Guidance Services	Administration of and Support for the Tertiary Education and Careers Systems	3,370	-	-	-	-
	Non-Departmental Output Expense					
	Tertiary Tuition and Training MCA					
	Training for Designated Groups	(3,370)	-	-	-	-
COVID-19 Tertiary Education Grant Funding Transfer	Non-Departmental Output Expense					
	Access to Tertiary Education	(4,100)	-	-	-	-
	Non-Departmental Output Expense					
	Tertiary Sector / Industry Collaboration Projects	(1,100)	-	-	-	-
	Non-Departmental Output Expense					
	Tertiary Tuition and Training MCA					
	Community Education	(40,200)	-	-	-	-
	Non-Departmental Output Expense					
	Tertiary Education: Student Achievement Component	(829,482)	-	-	-	-
	Non-Departmental Output Expense					
	Training for Designated Groups	(138,000)	-	-	-	-
Non-Departmental Output Expense						
Fees-free Payments	(89,700)	-	-	-	-	
Non-Departmental Other Expense						
Education Holidays Act Remediation Payments (see also Vote Education in the Education and Workforce Sector)	Stewardship and Oversight of the Tertiary Education System	221	-	-	-	-
	Departmental Output Expense					

Policy Initiative	Appropriation	2020/21 Final Budgeted \$000	2021/22 Budget \$000	2022/23 Estimated \$000	2023/24 Estimated \$000	2024/25 Estimated \$000
Enhanced Induction Programme for Newly Graduated Teachers with Reduced Practicum Experience (Funded from Uncommitted Postgraduate Initial Teacher Education Programmes Funding)	Tertiary Sector / Industry Collaboration Projects	2,656	2,113	-	-	-
	Tertiary Sector / Industry Collaboration Projects Non-Departmental Output Expense	(2,520)	(2,249)	-	-	-
Ensuring the Viability of Vocational Education and Training	Access to Tertiary Education Non-Departmental Output Expense	-	11,000	22,000	22,000	22,000
	Tertiary Tuition and Training MCA Training for Designated Groups Non-Departmental Output Expense	-	7,420	14,840	14,840	14,840
	Vocational Education and Training Component Non-Departmental Output Expense	-	-	30,182	60,481	59,905
Establishing Workforce Development Councils to Support COVID-19 Recovery	Tertiary Sector / Industry Collaboration Projects Non-Departmental Output Expense	4,000	6,000	-	-	-
	Workforce Development Councils Non-Departmental Output Expense	42,000	48,000	65,000	65,000	65,000
Extending the Temporary Hardship Fund for Learners in Tertiary Education	Access to Tertiary Education Non-Departmental Output Expense	4,197	5,803	-	-	-
	University-led Innovation Non-Departmental Output Expense	(2,088)	-	-	-	-
	Tertiary Scholarships and Awards Benefit or Related Expense	(2,109)	-	-	-	-
International Education Strategic Recovery: Funding for NZ Learners to Access English Language Courses	Tertiary Tuition and Training MCA Community Education Non-Departmental Output Expense	1,500	-	-	-	-
International Education Strategic Recovery: Communications, Marketing and Brand Awareness	International Education Programmes Non-Departmental Output Expense	-	3,000	-	-	-
International Education Strategic Recovery: Diversification of International Education Products and Services	International Education Programmes Non-Departmental Output Expense	1,850	-	-	-	-

Policy Initiative	Appropriation	2020/21 Final Budgeted \$000	2021/22 Budget \$000	2022/23 Estimated \$000	2023/24 Estimated \$000	2024/25 Estimated \$000
International Education Strategic Recovery: Immediate Targeted Support for Private Training Establishments	Administration of and Support for the Tertiary Education and Careers Systems	100	-	-	-	-
	Non-Departmental Output Expense					
	Support for Private Training Establishments of Strategic Importance	8,083	-	-	-	-
	Non-Departmental Output Expense					
Meeting Increased Learner Need for Tertiary Education	Tertiary Tuition and Training MCA					
	Community Education	750	1,200	900	450	-
	Non-Departmental Output Expense					
	Tertiary Education: Student Achievement Component	96,200	174,300	121,700	43,600	-
	Non-Departmental Output Expense					
	Training for Designated Groups	(17,500)	(35,000)	(35,000)	(17,500)	-
	Non-Departmental Output Expense					
Pastoral Care of Domestic Tertiary Students - Funding for Code Administration and Disputes Resolution Scheme (see also Vote Education in the Education and Workforce Sector)	Stewardship and Oversight of the Tertiary Education System	150	300	300	300	300
	Departmental Output Expense					
Payments to Te Wānanga o Raukawa to Support the Resolution of WAI 2698	Support for Te Wānanga o Raukawa	7,300	1,000	-	-	-
	Non-Departmental Other Expense					
Reform of Vocational Education: Further Investment in the New Zealand Institute of Skills and Technology	Establishment of a Single National Vocational Education Institution	55,182	10,000	-	-	-
	Non-Departmental Output Expense					
	Support for a Single National Vocational Education Institution	20,000	-	-	-	-
	Non-Departmental Capital Expenditure					
Reform of Vocational Education - Transition and Integration Phase (see also Vote Education in the Education and Workforce Sector)	Stewardship and Oversight of the Tertiary Education System	-	900	650	-	-
	Departmental Output Expense					
	Administration of and Support for the Tertiary Education and Careers Systems	-	12,032	9,018	2,400	2,400
	Non-Departmental Output Expense					
	Vocational Education Data System	-	7,300	4,550	2,000	-
	Non-Departmental Capital Expenditure					

Policy Initiative	Appropriation	2020/21 Final Budgeted \$000	2021/22 Budget \$000	2022/23 Estimated \$000	2023/24 Estimated \$000	2024/25 Estimated \$000
Reinstating the Training Incentive Allowance for levels 4 to 7 on the New Zealand Qualifications Framework (see also Vote Social Development in the Social Services and Community Sector and Vote Revenue in the Finance and Government Administration Sector)	Tertiary Tuition and Training MCA					
	Training for Designated Groups Non-Departmental Output Expense	-	-	-	5,517	4,861
Support for Group Training Schemes to Retain Apprentices in Preparation of Post-COVID-19 Economic Recovery	Access to Tertiary Education Non-Departmental Output Expense	16,292	-	-	-	-
Targeted Training and Apprenticeship Fund	Tertiary Tuition and Training MCA					
	Fees-free Payments Non-Departmental Other Expense	160,000	160,000	-	-	-
Transfer of Unspent Workforce Development Councils' Funding to the Industry Training Fund	Workforce Development Councils	(42,000)	-	-	-	-
	Non-Departmental Output Expense					
	Tertiary Tuition and Training MCA Training for Designated Groups Non-Departmental Output Expense	-	21,000	21,000	-	-
Transitional Industry Training Organisation and Workforce Development Council-Led COVID-19 Response Projects	Administration of and Support for the Tertiary Education and Careers Systems	300	30	-	-	-
	Non-Departmental Output Expense					
	Tertiary Sector / Industry Collaboration Projects Non-Departmental Output Expense	10,000	3,000	-	-	-
Total Initiatives		(725,476)	470,408	303,190	249,830	220,050

1.2 - Trends in the Vote

Summary of Financial Activity

	2016/17	2017/18	2018/19	2019/20	2020/21		2021/22			2022/23	2023/24	2024/25
	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	489,386	528,202	536,414	604,432	689,589	667,968	16,321	640,886	657,207	650,325	641,502	645,971
Benefits or Related Expenses	17,612	17,837	20,598	17,071	18,059	18,059	N/A	19,868	19,868	19,868	19,868	19,868
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	-	-	35,000	-	7,300	7,300	-	1,000	1,000	-	-	-
Capital Expenditure	19,100	6,450	102,050	42,240	55,500	55,500	-	73,800	73,800	4,550	2,000	5,000
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	2,465,672	2,421,636	2,322,133	3,541,235	1,631,390	1,622,364	-	2,767,772	2,767,772	2,771,255	2,725,540	2,697,946
<i>Other Expenses</i>	-	129,982	283,539	370,087	427,224	375,920	-	541,344	541,344	387,135	388,339	388,339
<i>Capital Expenditure</i>	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Appropriations	2,991,770	3,104,107	3,299,734	4,575,065	2,829,062	2,747,111	16,321	4,044,670	4,060,991	3,833,133	3,777,249	3,757,124
Crown Revenue and Capital Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	8,296	8,760	24,790	4,358	3,266	-	N/A	3,266	3,266	3,266	3,266	3,266
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Crown Revenue and Capital Receipts	8,296	8,760	24,790	4,358	3,266	-	N/A	3,266	3,266	3,266	3,266	3,266

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 years' 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 2016/17 and 2024/25 are discussed briefly below.

Departmental Output Expenses

Movements in departmental output expenses largely relate to:

- participation in the Organisation for Economic Cooperation and Development's (OECD's) Programme for the International Assessment of Adult Competencies (PIAAC) from 2019/20 to 2023/24
- implementation of the Government's first-year fees-free policy from 1 January 2018, and
- implementation of the Reform of Vocational Education from 2019/20 including the establishment of a single national vocational education institution bringing together the existing 16 institutes of technology and polytechnics.

Non-Departmental Output Expenses

Most tertiary education funding is through non-departmental output expenses with the majority of that on tuition and industry training subsidies (approximately 81%) and research and innovation (approximately 12%).

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 and provision for about 5,500 more apprentices by 2020
- integrating Careers New Zealand into the Tertiary Education Commission (TEC) from 2017/18
- implementation of first-year fees-free policy from 1 January 2018
- reallocation of under-utilised Youth Guarantee fees-free places to fund 2,000 additional Trades Academy places in Vote Education from 2020
- fiscally neutral transfer of funding from 2020/21 to 2019/20 to implement the Government's commitment to give tertiary education organisations funding certainty in 2020, regardless of any impact on domestic student numbers resulting from COVID-19. This commitment required a change in accounting treatment to recognise the full 2020 calendar year funding expense at 30 June 2020. It brought forward six months of funding that would have fallen in 2020/21 but has no impact on the funding available in 2021 and timing of cash payments to tertiary education organisations

- implementation of the Reform of Vocational Education from 2019/20, including establishing:
 - Te Pūkenga - New Zealand Institute of Skills and Technology (NZIST), bringing together 16 institutes of technology and polytechnics as subsidiaries of NZIST to create an integrated and collaborative network of vocational education
 - WDCs, industry-governed bodies to ensure vocational education meets the needs of industry and employers
 - Centres of Vocational Excellence, to drive innovation and excellence in teaching and learning and improve links to industry and communities
 - funding from 2021/22 to ensure the viability of vocational education and training and implement a Unified Funding System for vocational education from 1 January 2023
- funding from the COVID-19: Response and Recovery Fund:
 - to manage the cost of additional tertiary education enrolments from 1 January 2021 to 31 December 2023 resulting from the impact of COVID-19
 - to support Group Training Schemes (over 2019/20 and 2020/21) to retain apprentices during COVID-19 economic recovery
 - to establish a Student Hardship Fund for 2020 to provide temporary financial assistance for tertiary students facing hardship from the impacts of COVID-19. The fund was extended to 2021 by the reprioritisation of underspends within the Vote in 2020/21 and funding in Budget 2021
 - for Transitional Industry Training Organisations and WDC led projects (over 2019/20 to 2021/22) to develop local and industry training responses to COVID-19, and
- funding from 2021/22 to continue support for Wānanga to undertake research and educational delivery that protects and advances mātauranga Māori.

Benefits or Related Expenses

Changes in benefits or related expenses are largely related to:

- addressing pressures on Medical Trainee Intern Grants from 2017/18
- 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
- a transfer to non-departmental output expense Access to Tertiary Education to extend the Student Hardship Fund to provide temporary financial assistance for tertiary students facing hardship from the impacts of COVID-19 for the 2021 calendar year, and
- cessation of international student doctoral research scholarships from 2021/22.

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
- impairment of the concessionary loan by the Crown to the Unitec Institute of Technology in 2018/19
- fiscally neutral transfer of funding for Fees-free Payments from 2020/21 to 2019/20 to implement the Government's commitment to give tertiary education organisations funding certainty in 2020, regardless of any impact on domestic student numbers resulting from COVID-19 (see also earlier comments under Non-Departmental Output Expenses above)
- provision for the Targeted Training and Apprenticeship Fund (over 2020/21 and 2021/22) from the COVID-19: Response and Recovery Fund to provide targeted fees-free support for vocational training and apprenticeships, and
- payments to Te Wānanga o Raukawa in 2020/21 and 2021/22 to support the resolution of Waitangi Tribunal Claim WAI 2698.

Non-Departmental Capital Expenditure

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

- assisting Canterbury University in 2016/17 and 2018/19 and Lincoln University from 2019/20 to 2024/25 to rebuild facilities after the impact of the 2010 and 2011 earthquakes
- financial support for Tai Poutini Polytechnic from 2016/17 to 2019/20, Whitireia New Zealand in 2018/19 and 2019/20 and Unitec Institute of Technology in 2018/19 and 2019/20
- capital injections in 2019/20 and 2020/21 to establish Te Pūkenga - New Zealand Institute of Skills and Technology (NZIST), bringing together 16 institutes of technology and polytechnics as subsidiaries of NZIST to create an integrated and collaborative network of vocational education
- investing in Tertiary Education Institutions (TEIs) in 2020/21 their share of the proceeds from the disposal of assets used by TEIs that are or were previously held in Crown title, and
- capital injections to the TEC from 2020/21 to 2023/24 to develop Tiro Whetū, an online careers planning system to support learners and workers to plan and manage their careers, and an information technology system to support the implementation of a Unified Funding System for vocational education from 2023.

Crown Revenue

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

Part 2 - Details of Departmental Appropriations

2.1 - Departmental Output Expenses

Stewardship and Oversight of the Tertiary Education System (M26) (A19)

Scope of Appropriation

This appropriation is limited to providing advice and services to support Ministers to discharge their portfolio responsibilities relating to tertiary and international education, as well as administrative and oversight activities including research and monitoring the tertiary education system.

Expenses and Revenue

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	16,614	16,614	16,321
Revenue from the Crown	15,864	15,864	15,571
Revenue from Others	750	-	750

What is Intended to be Achieved with this Appropriation

This appropriation is intended to provide high-quality and timely 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 and End of Year Reporting Requirements

	2020/21		2021/22
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
<i>Stewardship of the Tertiary Education System</i>			
The satisfaction rating given by the Minister of Education with the overall performance of the Ministry (see Note 1).	7	7	7
<i>Policy Advice</i>			
Internal quarterly assessment of the quality of the Ministry's policy advice (see Note 2).	Mean of 3.5 out of 5	Mean of 3.6 out of 5	Mean of 4 out of 5
Satisfaction of the portfolio Minister with the policy advice service (see Note 3).	Maintain or improve	Maintain or improve	Maintain or improve

Assessment of Performance	2020/21		2021/22
	Final Budgeted Standard	Estimated Actual	Budget Standard
Research, Data Analysis and Monitoring			
Forecasts of student loans and student allowances are accurate within an agreed average of actual values.	Accurate within +/-3% of actual values	Accurate within +/- 3% of actual values	Accurate within +/- 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 1).	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 1).	7	7	7
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%
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%
Percentage of requests made to the Ministry under the Official Information Act responded to within the legislative timeframes.	New measure	98.9%	100%
Percentage of Official Information Act requests made to the Ministry released on the Ministry's website within 10 working days, where a decision has been made to publicly release the information.	New measure	New measure	100%
Percentage of Education Reports and Briefing notes to Ministers proactively released and published online within 30 business days of final decisions being taken by Ministers, unless there is good reason not to publish all or part of the material, or to delay the release beyond 30 business days.	New measure	New measure	100%

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

Note 2 - 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 to assess the quality of their policy papers.

Note 3 - The Ministerial Policy Satisfaction Survey assesses Ministers' satisfaction with the services provided by the policy function on a scale from 1 to 5, where 1 means unsatisfied and 5 means extremely satisfied. The survey contains a common set of questions to be used by all policy agencies, with guidance available on the Department of Prime Minister and Cabinet Policy Project website.

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	2020/21 Final Budgeted \$000	2021/22 Budget \$000	2022/23 Estimated \$000	2023/24 Estimated \$000	2024/25 Estimated \$000
Reform of Vocational Education - Transition and Integration Phase	2021/22	-	900	650	-	-
Education Holidays Act Remediation Payments	2020/21	221	-	-	-	-
Pastoral Care of Domestic Tertiary Students - Funding for Code Administration and Disputes Resolution Scheme	2020/21	150	300	300	300	300
Programme for International Assessment of Adult Competencies	2019/20	805	743	2,712	131	-
Reform of Vocational Education - Management of Fiscal Implications	2019/20	1,060	-	-	-	-
Financial Impacts of the 100 Days Tertiary Education Package	2018/19	2,000	2,000	2,000	2,000	2,000

Reasons for Change in Appropriation

The \$293,000 decrease in this appropriation for 2021/22 is due to a combination of:

- provision in 2020/21 only for remediation payments associated with historic non-compliance of the Ministry's payroll system with the Holidays Act 2003 (\$221,000 decrease)
- reduced provision for the Reform of Vocational Education work programme (\$160,000 decrease)
- the progression of the Programme for International Assessment of Adult Competencies (\$62,000 decrease), and
- provision for the operation of a Disputes Resolution Scheme to resolve contractual and financial disputes between domestic tertiary students and tertiary education providers (\$150,000 increase).

Part 3 - Details of Non-Departmental Appropriations

3.1 - Non-Departmental Output Expenses

Access to Tertiary Education (M26) (A19)

Scope of Appropriation

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

Expenses

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	44,862	42,857	44,415

Components of the Appropriation

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Equity Loading	13,677	17,607	28,510
Māori and Pasifika Trades Training Top-Up	9,441	3,833	10,102
Group Training Schemes	16,292	15,965	-
Student Hardship Grant	4,197	4,197	5,803
Grant under section 556 of the Education and Training Act 2020 to Southern Institute of Technology to operate Telford	1,255	1,255	-
Total	44,862	42,857	44,415

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

	2020/21		2021/22
	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 Note 1).	At least 35%	34%	At least 34%

Note 1 - 2020/21 Final Budgeted Standard and 2020/21 Estimated Actual refer to the 2020 calendar year. 2021/22 Budget Standard refers to the 2021 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	2020/21 Final Budgeted \$000	2020/21 Estimated Actual \$000	2021/22 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Universities (8)	13,036	12,671	20,221	Plans up to 3 years
Wānanga (3)	2,151	2,406	3,758	Plans up to 3 years
Te Pūkenga - New Zealand Institute of Skills and Technology (including its 16 Institute of Technology and Polytechnic subsidiaries)	10,735	9,964	17,141	Plans up to 3 years
Non-Government Organisations				
Private Training Establishments	18,940	17,816	3,295	Plans up to 3 years
Total	44,862	42,857	44,415	

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2020/21 Final Budgeted \$000	2021/22 Budget \$000	2022/23 Estimated \$000	2023/24 Estimated \$000	2024/25 Estimated \$000
Ensuring the Viability of Vocational Education and Training	2021/22	-	11,000	22,000	22,000	22,000
Cost Adjustment to Tertiary Tuition and Training Subsidies	2021/22	-	156	311	311	311
Extending the Temporary Hardship Fund for Learners in Tertiary Education	2020/21	4,197	5,803	-	-	-
Cost Adjustment for Tuition Subsidies	2020/21	188	376	376	376	376
Support for Group Training Schemes to Retain Apprentices in Preparation of Post-COVID-19 Economic Recovery	2019/20	16,292	-	-	-	-
COVID-19 Tertiary Education Grant Funding Transfer	2019/20	(4,100)	-	-	-	-
Crown Support for Southern Institute of Technology to Operate Telford in 2020 and 2021	2019/20	1,255	-	-	-	-

Reasons for Change in Appropriation

The \$447,000 decrease in this appropriation for 2021/22 is due to a combination of:

- provision in 2020/21 to support group training schemes to retain apprentices during COVID-19 economic recovery (\$16.292 million decrease)
- provision in 2020/21 to support the Southern Institute of Technology to operate the Telford farm training campus up until 31 December 2021 (\$1.255 million decrease)
- a transfer from 2019/20 to 2020/21 for the settlement of project deliverables on equity grant contracts delayed due to the COVID-19 lockdown (\$500,000 decrease)
- provision to ensure the viability of the vocational education and training system and implement the new Unified Funding System under the Reform of Vocational Education work programme (\$11 million increase)
- provision in 2019/20 to implement the Government's commitment to give tertiary education organisations funding certainty in 2020, regardless of any impact on domestic student numbers resulting from COVID-19. This brought forward six months of funding that would have fallen in 2020/21 but has no impact on the funding available in 2021 or 2022 (\$4.100 million increase)
- provision (\$4.197 million in 2020/21 and \$5.803 million in 2021/22) to extend the Student Hardship Fund to provide temporary financial assistance for tertiary students facing hardship from the impacts of COVID-19 for the 2021 calendar year (\$1.606 million increase)
- a transfer of \$1.962 million in 2021 and \$1.100 million in 2022 and outyears from non-departmental output expense Tertiary Education: Student Achievement Component (in the Tertiary Tuition and Training MCA) for an increase to the Māori and Pasifika Trades Training (MPTT) Fees Top-Up rate from 1 January 2021 (\$550,000 increase), and
- increases in tuition and training subsidy rates for Equity Loading and MPTT Top-Up funding, comprising 1.6% from 1 January 2021 (Budget 2020) and 1.2% from 1 January 2022 (Budget 2021) (totalling \$344,000 increase).

Conditions on Use of Appropriation

Reference	Conditions
Section 419 of the Education and Training Act 2020	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) (A19)

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

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	82,033	82,033	77,339

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

	2020/21		2021/22
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Percentage of Tertiary Education Commission-funded tertiary education organisations that agree that auditing processes were made transparent and information was accessible throughout the process (see Note 1).	At least 82%	At least 82%	At least 82%
Percentage of tertiary education organisations that agree that the Tertiary Education Commission's investment toolkit and plan guidance were very useful to prepare their investment plans (see Note 1):			
• toolkit	At least 34%	At least 34%	At least 34%
• plan guidance.	At least 35%	At least 35%	At least 35%
Percentage of careers system stakeholders who agree that the Tertiary Education Commission online information and tools are useful (see Note 1).	At least 78%	At least 78%	At least 78%
The satisfaction rating given by the Minister of Education on the TEC's monitoring advice related to Te Pūkenga and tertiary education institutes (see Note 2).	New measure	New measure	At least 7 out of 10
Percentage of payments the Tertiary Education Commission makes to tertiary education organisations that are made within agreed timeframes.	100%	99.89%	At least 99.5%
The overall satisfaction rating given by the Minister of Education on the Tertiary Education Commission (see Note 2).	7	At least 7 out of 10	At least 7 out of 10

Note 1 - The Tertiary Education Commission are unable to report 2020/21 estimated actual percentages as results data is not yet available. Progress is measured through annual customer surveys held between April and June each year. No data is collected during the year. The Tertiary Education Commission want to see 2021/22 results be the same or better than the 2020/21 actual results (which will be reported in their annual report for the year ended 30 June 2021).

Note 2 - The survey rating 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 2019/20 result for the Minister's overall satisfaction rating of the Tertiary Education Commission 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	2020/21 Final Budgeted \$000	2020/21 Estimated Actual \$000	2021/22 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Tertiary Education Commission	81,924	81,924	77,230	Ongoing
Non-Government Organisations				
Māori Education Trust	109	109	109	Ongoing
Total	82,033	82,033	77,339	

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2020/21 Final Budgeted \$000	2021/22 Budget \$000	2022/23 Estimated \$000	2023/24 Estimated \$000	2024/25 Estimated \$000
Reform of Vocational Education - Transition and Integration Phase	2021/22	-	12,032	9,018	2,400	2,400
Targeted Training and Apprenticeship Fund	2020/21	489	1,372	504	-	-
International Education Strategic Recovery: Immediate Targeted Support for Private Training Establishments	2020/21	100	-	-	-	-
Careers System Online: Tiro Whetu	2020/21	1,160	1,550	4,345	4,425	4,425
Apprenticeship Support Programme: Design and Implementation of the Mana in Mahi Expansion and the Apprenticeship Boost Initiative	2020/21	600	300	-	-	-
COVID-19 Recovery: New Careers Guidance Services	2020/21	3,370	-	-	-	-
Transitional Industry Training Organisation and Workforce Development Council-Led COVID-19 Response Projects	2019/20	300	30	-	-	-
Reform of Vocational Education - Management of Fiscal Implications	2019/20	11,607	-	-	-	-
Raising the Profile and Strengthening the Pipeline into Vocational Education	2019/20	2,338	700	700	-	-
Financial Impacts of the 100 Days Tertiary Education Package	2017/18	3,720	3,720	3,720	3,720	3,720
Previous National-led Government						
Funding to Support the Changes to the Careers System	2017/18	13,500	13,500	13,500	13,500	13,500

Reasons for Change in Appropriation

The \$4.694 million decrease in this appropriation for 2021/22 is due to a combination of:

- provision in 2020/21 only for direct one-to-one careers guidance services to help workers displaced by COVID-19 understand their skills, develop a clear careers plan, gain the confidence and understanding to search for a new job, and then get back into work (\$3.370 million decrease)
- provision for an integrated marketing and promotion campaign (\$2.338 million in 2020/21 and \$700,000 in 2021/22) to raise the profile and strengthen the pipeline into the vocational education system (\$1.638 million decrease)
- provision to pilot delivery of the Work Connect career mentoring programme for Pacific migrants through to June 2021 (\$304,000 decrease)
- provision to support the Ministry of Social Development's implementation of the Apprenticeship Boost Initiative (\$600,000 in 2020/21 and \$300,000 in 2021/22) to support employers to keep first and second-year apprentices employed and training towards their qualification, training the skilled workforces needed to recover from the impacts of COVID-19 (\$300,000 decrease)
- provision (\$300,000 in 2020/21 and \$30,000 in 2021/22) for implementation of Transitional Industry Training Organisations and WDC led projects, funded through non-departmental output expense Tertiary Sector/ Industry Collaboration Projects, to develop local and industry training responses to COVID-19 (\$270,000 decrease)
- provision in 2020/21 only for coordination of emergency management and search and rescue training (\$185,000 decrease)
- provision in 2020/21 only for managing International Connections for New Zealanders (\$125,000 decrease)
- provision in 2020/21 only from the COVID-19: Response and Recovery Fund for implementation of an initiative to support Private Training Establishments in New Zealand's tertiary education sector that offer international education delivery and are of strategic importance (\$100,000 decrease)
- expense transfers from 2020/21 (\$800,000) and 2021/22 (\$900,000) to 2024/25 to manage and deliver the Performance Based Research Fund (\$100,000 decrease)
- provision for implementation and operation of the Targeted Training and Apprenticeship Fund over 2020-2022 (\$489,000 in 2020/21, \$1.372 million in 2021/22 and \$504,000 in 2022/23) funded through a transfer from non-departmental other expense Fees-free Payments (within Tertiary Tuition and Training MCA) (\$883,000 increase)
- provision (\$11.607 million in 2020/21 and \$12.032 million in 2021/22) for the Reform of Vocational Education work programme (\$425,000 increase), and
- provision (\$1.160 million in 2020/21 to \$1.550 million in 2021/22) for development and delivery of an online careers planning tool (\$390,000 increase).

Centres of Research Excellence (M26) (A19)

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

	2020/21		2021/22
	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

	2020/21		2021/22
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
All Centres of Research Excellence show progress towards achieving the impacts stated in their Impact Statements (see Notes 1 and 2).	New measure	New measure	Achieved
Total number of doctoral students aligned to the Centres of Research Excellence completing qualification during the current funding period (see Notes 3 and 4).	New measure	New measure	Baseline year

Note 1 - 2020/21 Final Budgeted Standard and 2020/21 Estimated Actual refer to the 2020 calendar year. 2021/22 Budget Standard refers to the 2021 calendar year.

Note 2 - Progress against impact statements is reported by each Centre of Research Excellence (CoRE) in their annual report. Annual reports are assessed against the milestones and key performance indicators set in research plans and the quantitative measures included in the CoRE's Performance Measurement Framework.

Note 3 - The current funding round runs from 1 July 2021 to 31 December 2028.

Note 4 - The start date of the new CoRE's funding round was impacted by COVID-19 and delayed to 1 July 2021. The 2021/22 baseline figure will represent six months of student completions.

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	2020/21 Final Budgeted \$000	2020/21 Estimated Actual \$000	2021/22 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	31 December 2028
Total	49,800	49,800	49,800	

Establishment of a Single National Vocational Education Institution (M26) (A19)*Scope of Appropriation*

This appropriation is limited to operating funding for establishing a single national vocational education institution.

Expenses

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	69,082	69,082	10,000

What is Intended to be Achieved with this Appropriation

This appropriation is intended to establish the New Zealand Institute of Skills and Technology (Te Pūkenga) as a leading provider of off-job, work-based and online learning.

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2020/21		2021/22
	Final Budgeted Standard	Estimated Actual	Budget Standard
Te Pūkenga submits reports that show it is meeting the targets and milestones in its funding agreement with the Crown.	New measure	New measure	Achieved

End of Year Performance Reporting

Performance information for this appropriation will be reported by Te Pūkenga in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2020/21 Final Budgeted \$000	2021/22 Budget \$000	2022/23 Estimated \$000	2023/24 Estimated \$000	2024/25 Estimated \$000
Reform of Vocational Education: Further Investment in the New Zealand Institute of Skills and Technology	2020/21	55,182	10,000	-	-	-
New Zealand Institute of Skills and Technology: Approval of Necessary Funding	2019/20	13,900	-	-	-	-

Reasons for Change in Appropriation

The \$59.082 million decrease in this appropriation for 2021/22 is due to the phasing of \$90.182 million to Te Pūkenga - New Zealand Institute of Skills and Technology (NZIST) over three years (\$11.100 million in 2019/20, \$69.082 million in 2020/21 and \$10 million in 2021/22) to progress its establishment, transition its subsidiaries into a consolidated network of delivery, and to progress planning for its transformation, including supporting greater delivery of on-job learning, to deliver better outcomes for learners, employers and New Zealand, and support communities and the economy to recover from the impacts of COVID-19.

International Education Programmes (M26) (A19)

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

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	35,364	35,364	34,547

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

	2020/21		2021/22
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Supporting the rebuild of the international education sector by leading the implementation of the Government's Strategic Recovery Plan's 'Transforming to a more sustainable future state' workstream, with:			
• an increase in onshore international student numbers	New measure	New measure	Achieved
• improved confidence and resilience within the international education sector (see Note 1)	New measure	New measure	Achieved
• facilitating cross-government collaboration via the Chief Executives' group and strengthening links with International Ministers.	New measure	New measure	Achieved
The economic contribution from New Zealand's international education sector (see Note 2).	\$4,940 million	\$2,247 million	\$1,200 million
Percentage of facilitated customers who agree Education New Zealand's services and support have added value to their organisation (see Note 3).	At least 85%	75%	At least 75%

Assessment of Performance	2020/21		2021/22
	Final Budgeted Standard	Estimated Actual	Budget Standard
The percentage of international students who were very satisfied with their overall experience (see Note 4).	At least 63%	63%	Increase
The percentage of international students enrolled to study outside Auckland (see Note 5).	Increase compared to 2019	52%	Maintain

Note 1 - Education New Zealand plans to survey the international sector.

Note 2 - The 2020/21 Estimated Actual refers to the 2020 calendar year. The 2025 target is \$6 million (International Education Strategy, Goal 2). Education New Zealand is reassessing the broader contribution as part of the rebuild and will refresh the valuation methodology to reflect this. In addition, COVID-19 has greatly impacted the overall number of students in New Zealand, so the actual target will be substantially lower than in previous years. This is based on data as at 1 February 2021. Education New Zealand have made a number of assumptions about students retained from 2020 and the number of students able to enter the country in 2021.

Note 3 - '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 4 - This is measured by an online survey of New Zealanders from across the country to explore their perceptions about the benefits of international education and international students to New Zealand.

Note 5 - 2020/21 Estimated Actual refers to the 2020 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	2020/21 Final Budgeted \$000	2021/22 Budget \$000	2022/23 Estimated \$000	2023/24 Estimated \$000	2024/25 Estimated \$000
International Education Strategic Recovery: Communications, Marketing and Brand Awareness	2021/22	-	3,000	-	-	-
International Education Strategic Recovery: Diversification of International Education Products and Services	2020/21	1,850	-	-	-	-
Support for Tertiary Students Affected by Provider Failure	2019/20	1,000	750	750	750	750
Export Education Levy: Addressing Pressures and Consultation on Proposed Increases	2018/19	2,000	-	-	-	-
Reprioritisation - Education New Zealand Contribution to the Kea Network, New Zealand Story and Chair of Malay Studies	2018/19	(275)	(275)	(275)	(275)	(275)
Previous National-led 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 \$817,000 decrease in this appropriation for 2021/22 is due to a combination of:

- provision for a temporary advance to the Export Education Levy Fund in 2020/21 (funded by capital withdrawals from the Ministry of Education) to ensure international student reimbursement claims can be met (\$2 million decrease)
- provision from the COVID-19: Response and Recovery Fund in 2020/21 only to support the diversification of international education products and services, including the development and delivery of a unified digital platform, exploration, market testing and analysis, and the delivery of offshore licensed education institutions (\$1.850 million decrease)
- decrease in provision from \$1 million in 2020/21 to \$750,000 in 2021/22 to support international tertiary students if they are affected by failure of Private Training Establishments (\$250,000 decrease)
- provision from the COVID-19: Response and Recovery Fund to support international education communications, marketing and brand awareness so that the government can drive and convert demand when circumstances allow and ensure that New Zealand's brand reputation does not diminish while borders are closed (\$3 million increase), and
- a transfer to the Ministry of Business, Innovation and Employment for The New Zealand Story initiative in 2020/21 (\$283,000 increase).

Support for Wānanga (M26) (A19)

Scope of Appropriation

This appropriation is limited to supporting wānanga in the tertiary education system to maintain, advance and disseminate mātauranga Māori according to tikanga Māori.

Expenses

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	4,000

What is Intended to be Achieved with this Appropriation

This appropriation is intended to support wānanga to undertake research and educational delivery that protects and advances mātauranga Māori.

How Performance will be Assessed and End of Year Reporting Requirements

	2020/21		2021/22
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Wānanga annual reports are reviewed and appropriate action is taken (see Note 1).	New measure	New measure	Achieved

Note 1 - Annual reports are reviewed against milestones and key performance indicators set in Investment 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.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2020/21 Final Budgeted \$000	2021/22 Budget \$000	2022/23 Estimated \$000	2023/24 Estimated \$000	2024/25 Estimated \$000
Continued Support to the Wānanga Sector	2021/22	-	4,000	5,000	6,000	6,000

Reasons for Change in Appropriation

This new appropriation, established in Budget 2021, will continue support for Wānanga to undertake research and educational delivery that protects and advances mātauranga Māori.

Tertiary Education Research and Research-Based Teaching (M26) (A19)

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

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	321,000	321,000	321,000

Components of the Appropriation

	2020/21		2021/22
	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	6,000	6,000	6,000
Total	321,000	321,000	321,000

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	2020/21		2021/22
	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 +/- 5%	Previous year actual +/- 5%	Previous year actual +/- 5%
Percentage increase in amount of external research income for PBRF-eligible providers (see Note 1).	3% - 5%	3% - 5%	3% - 5%

Note 1 - 2020/21 Final Budgeted Standard and 2020/21 Estimated Actual refer to the 2020 calendar year. 2021/22 Budget Standard refers to the 2021 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	2020/21 Final Budgeted \$000	2020/21 Estimated Actual \$000	2021/22 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Universities (8)	305,045	303,975	303,975	Investment plans up to 3 years
Wānanga (3)	6,756	6,756	6,756	Investment plans up to 3 years
Te Pūkenga - New Zealand Institute of Skills and Technology (including its 16 Institute of Technology and Polytechnic subsidiaries)	7,970	9,040	9,040	Investment plans up to 3 years
Non-Government Organisations				
Private Training Establishments	1,229	1,229	1,229	Investment plans up to 3 years
Total	321,000	321,000	321,000	

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2020/21 Final Budgeted \$000	2021/22 Budget \$000	2022/23 Estimated \$000	2023/24 Estimated \$000	2024/25 Estimated \$000
Continued Support to the Wānanga Sector	2022/23	-	-	2,250	4,500	4,500
Drawdown the Wānanga Research Aspirations Contingency	2018/19	4,500	4,500	-	-	-
Previous National-led Government						
Increasing the Performance-Based Research Fund	2017/18	15,000	15,000	15,000	15,000	15,000

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 2021 and 2022) • Research Degree Completions - a measure of the number of research-based post-graduate degree completions (this will comprise 25% of funding in 2021 and 2022) • External Research Income - a measure of income received for the purposes of conducting research (this will comprise 20% of funding in 2021 and 2022).

Tertiary Sector / Industry Collaboration Projects (M26) (A19)*Scope of Appropriation*

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

Expenses

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	53,552	33,937	42,435

Components of the Appropriation

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Centres of Asia-Pacific Excellence	10,000	10,125	10,000
COVID-19 Response Projects	13,000	1,608	3,000
Māori and Pasifika Trades Training	7,854	3,775	8,995
National Centre for Tertiary Teaching Excellence	3,556	3,556	3,556
Quality Teaching Agenda	2,656	2,656	2,384
ICT Graduate Schools (Development and Delivery)	2,250	750	1,500
Establishment of Centres of Vocational Excellence	5,000	5,000	5,000
Support the establishment of Workforce Development Councils (WDCs)	5,700	5,700	6,000
Other Funding	3,536	767	2,000
Total	53,552	33,937	42,435

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

Assessment of Performance	2020/21		2021/22
	Final Budgeted Standard	Estimated Actual	Budget Standard
All Centres of Asia, Pacific Excellence show progress towards achieving delivery of their specific long-term outcomes as stated in their Outcomes Statements (see Notes 1 and 2).	New measure	New measure	Achieved
Total number of individuals participating in Centre of Asia, Pacific Excellence activities that supported business and educational initiatives that support New Zealand's effectiveness to develop skills or capability to enhance their effectiveness as participants in the Asia-Pacific market (see Note 1).	New measure	New measure	Baseline year

Note 1 - 2020/21 Final Budgeted Standard and 2020/21 Estimated Actual refer to the 2020 calendar year. 2021/22 Budget Standard refers to the 2021 calendar year.

Note 2 - Progress against long-term outcomes is reported by each Centre of Asia, Pacific Excellence (CAPE) in their annual report. Annual reports are assessed against the milestones and key performance indicators set in annual plans and the CAPE's Performance Measurement Framework.

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	2020/21 Final Budgeted \$000	2020/21 Estimated Actual \$000	2021/22 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Universities (8)	19,103	17,119	17,648	Range from 3 to 6 years
Wānanga (3)	821	214	494	Plans up to 3 years
Te Pūkenga - New Zealand Institute of Skills and Technology (including its 16 Institute of Technology and Polytechnic subsidiaries)	4,606	7,606	11,291	Plans up to 3 years
Non-Government Organisations				
Industry Training Organisations and WDC Establishment Boards	25,480	1,730	3,791	Plans up to 3 years
Private Training Establishments	3,542	7,268	9,211	Plans up to 3 years
Total	53,552	33,937	42,435	

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2020/21 Final Budgeted \$000	2021/22 Budget \$000	2022/23 Estimated \$000	2023/24 Estimated \$000	2024/25 Estimated \$000
Establishing Workforce Development Councils to Support COVID-19 Recovery	2020/21	4,000	6,000	-	-	-
Adult and Community Education - A Modern Approach to Night Classes	2020/21	500	1,000	1,000	1,000	1,000
Enhanced Induction Programme for Newly Graduated Teachers with Reduced Practicum Experience	2020/21	2,656	2,113	-	-	-
Cost Adjustment for Tuition Subsidies	2020/21	41	82	82	82	82
Transitional Industry Training Organisation and Workforce Development Council-Led COVID-19 Response Projects	2019/20	13,000	3,000	-	-	-
COVID-19 Tertiary Education Grant Funding Transfer	2019/20	(1,100)	-	-	-	-
Reform of Vocational Education - Management of Fiscal Implications	2019/20	6,700	5,000	5,000	5,000	5,000
Home-Based ECE Review - Improving the Quality of Home-Based Early Childhood Education	2019/20	1,000	-	-	-	-
Reprioritisation of Funding - Information and Communication Technologies (ICT) Graduate Schools	2018/19	(271)	(271)	(271)	(271)	(271)
Māori and Pasifika Trades Training: Improving Learner Support from 2019	2018/19	1,904	1,904	1,904	1,904	1,904

Reasons for Change in Appropriation

The \$11.117 million decrease in this appropriation for 2021/22 is due to a combination of:

- provision for Transitional Industry Training Organisations and Workforce Development Council (WDC) led projects (\$13 million in 2020/21 and \$3 million in 2021/22) to develop local and industry training responses to COVID-19 (\$10 million decrease)
- transfers from 2019/20 to 2020/21 due to delays to the final reports of ICT Graduate Schools, Qualifications Development Fund and Engineering Education to Employment initiative disrupted by the COVID-19 lockdown (\$1.786 million decrease)
- provision in 2020/21 only to implement 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 (\$1 million decrease)
- reprioritisation of \$4.769 million (\$2.520 million in 2020/21 and \$2.249 million in 2021/22) in this appropriation for postgraduate Initial Teacher Education (ITE) programmes for an enhanced induction programme for ITE graduates who have had their practicum placement disrupted by COVID-19 (\$2.656 million in 2020/21 and \$2.113 million in 2021/22) (\$272,000 decrease)
- provision in 2019/20 to implement the Government's commitment to give tertiary education organisations funding certainty in 2020, regardless of any impact on domestic student numbers resulting from COVID-19. This brought forward six months of funding that would have fallen in 2020/21 but has no impact on the funding available in 2021 or 2022 (\$1.100 million increase)

- provision from the COVID-19: Response and Recovery Fund for building the capability of providers and expanding the range of government-funded Adult and Community Education to better meet the learning needs of New Zealanders (\$500,000 increase)
- provision for the establishment of WDCs (\$5.700 million in 2020/21 and \$6 million in 2021/22) to give industry greater leadership across the vocational education and training system and help ensure the delivery of the skills industries need to recover from the impact of COVID-19. WDCs are a foundational component of the Government's Reform of Vocational Education (\$300,000 increase), and
- a 1.6% increase in tuition and training subsidy rates from 1 January 2021 for MPTT funding (\$41,000 increase).

Conditions on Use of Appropriation

Reference	Conditions
Section 419 of the Education and Training Act 2020	Funding is allocated by the Tertiary Education Commission in accordance with funding determinations issued by the Minister of Education.

University-led Innovation (M26) (A19)

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

	2020/21		2021/22	2022/23	2023/24	2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Total Appropriation	9,199	9,198	9,350	4,359	4,359	4,359

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

	2020/21		2021/22
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance	Achieved	Achieved	Achieved
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 - 2020/21 Final Budgeted Standard and 2020/21 Estimated Actual refer to the 2020 calendar year. 2021/22 Budget Standard refers to the 2021 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	2020/21 Final Budgeted \$000	2020/21 Estimated Actual \$000	2021/22 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Universities (8)	9,199	9,198	9,350	Plans up to 5 years
Total	9,199	9,198	9,350	

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2020/21 Final Budgeted \$000	2021/22 Budget \$000	2022/23 Estimated \$000	2023/24 Estimated \$000	2024/25 Estimated \$000
Reprioritisation of Funding - Entrepreneurial Universities	2018/19	-	(650)	(5,641)	(5,641)	(5,641)

Reasons for Change in Appropriation

The \$151,000 increase in this appropriation for 2021/22 is due to:

- a transfer in 2020/21 to non-departmental output expense Access to Tertiary Education to extend the Student Hardship Fund to provide temporary financial assistance for tertiary students facing hardship from the impacts of COVID-19 for the 2021 calendar year (\$2.088 million increase)
- an expense transfer from 2019/20 to 2020/21 to finalise Entrepreneurial Universities grant contracts delayed by the COVID-19 lockdown (\$1.287 million decrease), and
- the reprioritisation of unallocated funding for Entrepreneurial Universities in Budget 2019 (\$650,000 decrease).

Workforce Development Councils (M26) (A19)

Scope of Appropriation

This appropriation is limited to expenses incurred on Workforce Development Councils setting up their organisations and performing their statutory functions.

Expenses

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	48,000

What is Intended to be Achieved with this Appropriation

This appropriation is intended to enable Workforce Development Councils to provide a clear industry and workplace voice into the vocational education and training system.

How Performance will be Assessed and End of Year Reporting Requirements

	2020/21		2021/22
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
All Workforce Development Councils have approved and funded Operational Plans in place by 30 June 2022 (see Note 1).	New measure	New measure	Achieved

Note 1 - Approved Operational Plans will set out how each Workforce Development Council (WDC) plans to undertake key functions, industry engagement and strategic planning.

End of Year Performance Reporting

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

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2020/21 Final Budgeted \$000	2021/22 Budget \$000	2022/23 Estimated \$000	2023/24 Estimated \$000	2024/25 Estimated \$000
Transfer of Unspent Workforce Development Councils Funding to the Industry Training Fund	2020/21	(42,000)	-	-	-	-
Establishing Workforce Development Councils to Support COVID-19 Recovery	2020/21	42,000	48,000	65,000	65,000	65,000

Reasons for Change in Appropriation

This appropriation was established by the COVID-19: Response and Recovery Fund at Budget 2020 for the establishment of WDCs to give industry greater leadership across the vocational education and training system, and help ensure the delivery of the skills industries need to recover from the impact of COVID-19 as a foundational component of the Government's Reform of Vocational Education. Due to the impacts of COVID-19 and taking a more collaborative approach to their establishment, WDCs were not established in 2020 as envisaged at Budget 2020. The resulting underspend has been transferred to the Industry Training Fund (in the Tertiary Tuition and Training MCA) to allow it to support a similar level of apprenticeships in 2022 as in 2021.

3.2 - Non-Departmental Benefits or Related Expenses

Tertiary Scholarships and Awards (M26) (A19)

Scope of Appropriation

This appropriation is limited to providing scholarships and other awards in the tertiary sector to students, researchers and teachers, within New Zealand and internationally.

Expenses

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	17,759	17,759	19,868

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve access to wider 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 Tertiary Scholarships and Awards under the Education and Training Act 2020.

Reasons for Change in Appropriation

The \$2.109 million increase in the appropriation for 2021/22 is due to a transfer in 2020/21 to non-departmental output expense Access to Tertiary Education to extend the Student Hardship Fund to provide temporary financial assistance for tertiary students facing hardship from the impacts of COVID-19 for the 2021 calendar year.

3.4 - Non-Departmental Other Expenses

Support for Te Wānanga o Raukawa (M26) (A19)

Scope of Appropriation

This appropriation is limited to payments to Te Wānanga o Raukawa to support the resolution of WAI 2698.

Expenses

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	7,300	7,300	1,000

What is Intended to be Achieved with this Appropriation

This appropriation is intended to ensure progress towards resolving concerns raised in the Te Wānanga o Raukawa Whakatupu Mātauranga (WAI 2698) claim.

How Performance will be Assessed and End of Year Reporting Requirements

	2020/21		2021/22
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Te Wānanga o Raukawa provides an annual report on the use of this funding to the Tertiary Education Commission.	Achieved	Achieved	Achieved

End of Year Performance Reporting

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

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2020/21 Final Budgeted \$000	2021/22 Budget \$000	2022/23 Estimated \$000	2023/24 Estimated \$000	2024/25 Estimated \$000
Payments to Te Wānanga o Raukawa to Support the Resolution of WAI 2698	2020/21	7,300	1,000	-	-	-

Reasons for Change in Appropriation

The \$6.300 million decrease in this appropriation reflects the allocation of expenditure (over 2020/21 and 2021/22) for the \$8.300 million funding to Te Wānanga o Raukawa to support the resolution of Waitangi Tribunal Claim WAI 2698.

3.5 - Non-Departmental Capital Expenditure

Careers System Online (M26) (A19)

Scope of Appropriation

This appropriation is limited to the development and delivery of an online careers planning tool by the Tertiary Education Commission.

Capital Expenditure

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	8,500	8,500	6,500

What is Intended to be Achieved with this Appropriation

This appropriation is intended to support New Zealanders to have a personalised lifelong career plan, to help them easily understand and navigate career options and learning pathways throughout their lives.

How Performance will be Assessed and End of Year Reporting Requirements

	2020/21		2021/22
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
A suite of integrated web-based tools and datasets is developed and delivered as scheduled in the Careers System Online Initiative Product Roadmap (Note 1).	New measure	New measure	Achieved

Note 1 - The Product Roadmap sets out the tools and datasets that will be developed and delivered over the three year period. These tools include the job-to-job tool for workers which will enable them to see other jobs that their skills are transferable to. Delivery of this tool was prioritised as part of the Tertiary Education Commission's response to COVID-19. The Tertiary Education Commission is scheduled to deliver the job-to-job tool to workers early in 2021. The online planning tool for secondary school learners, their influencers and schools will be the second deliverable of the wider Careers System Online Initiative and is scheduled to be delivered by the middle of 2022. The measure will be reviewed for 2022/23 to reflect on the usefulness/performance of the new system.

End of Year Performance Reporting

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

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2020/21 Final Budgeted \$000	2021/22 Budget \$000	2022/23 Estimated \$000	2023/24 Estimated \$000	2024/25 Estimated \$000
Careers System Online: Tiro Whetū	2020/21	8,500	6,500	-	-	-

Reasons for Change in Appropriation

The \$2 million decrease in this appropriation reflects the timing of the capital injection to the TEC of \$15 million over two years (\$8.500 million in 2020/21 and \$6.500 million in 2021/22) from the COVID-19: Response and Recovery Fund to develop Tiro Whetū, an online careers planning system to support learners and workers to plan and manage their careers.

Support for Lincoln University (M26) (A19)

Scope of Appropriation

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

Capital Expenditure

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	10,000	10,000	60,000

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

	2020/21		2021/22
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Achieving business case milestones in the rebuild of science facilities at Lincoln University.	Achieved	Achieved	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	2020/21 Final Budgeted \$000	2021/22 Budget \$000	2022/23 Estimated \$000	2023/24 Estimated \$000	2024/25 Estimated \$000
Lincoln University Science Facilities Rebuild: Capital Funding Confirmation	2019/20	10,000	60,000	-	-	5,000

Reasons for Change in Appropriation

The \$50 million increase in this appropriation reflects the timing of the Crown's overall \$80 million contribution (in instalments over 2019/20 to 2024/25) to the cost of rebuilding the earthquake-damaged science facilities at Lincoln University.

Vocational Education Data System (M26) (A19)

Scope of Appropriation

This appropriation is limited to providing capital to the Tertiary Education Commission for the development and delivery of an information technology system to support the implementation of a unified funding system for the vocational education system.

Capital Expenditure

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	7,300

What is Intended to be Achieved with this Appropriation

This appropriation is intended to enable the development of a robust information technology system to support the delivery of vocational education.

How Performance will be Assessed and End of Year Reporting Requirements

	2020/21		2021/22
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
The development of information technology capability to support the implementation of the unified funding system for vocational education is underway (see Note 1).	New measure	New measure	Achieved

Note 1 - The Tertiary Education Commission is scheduled to deliver an information technology system to support implementation of the unified funding system for vocational education from 2023. The measure will be reviewed for 2022/23 to reflect specific timeframes for delivery.

End of Year Performance Reporting

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

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2020/21 Final Budgeted \$000	2021/22 Budget \$000	2022/23 Estimated \$000	2023/24 Estimated \$000	2024/25 Estimated \$000
Reform of Vocational Education - Transition and Integration Phase	2021/22	-	7,300	4,550	2,000	-

Reasons for Change in Appropriation

This new appropriation provides a capital injection to the TEC of \$13.850 million over three years (\$7.300 million in 2021/22, \$4.550 million in 2022/23 and \$2 million in 2023/24) to develop an information technology system to support the implementation of a Unified Funding System for vocational education.

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

4 - Multi-Category Expenses and Capital Expenditure

Tertiary Tuition and Training (M26) (A19)

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

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,058,614	1,998,284	3,309,116
Non-Departmental Output Expenses			
Community Education	51,183	49,945	85,497
Tertiary Education: Student Achievement Component	1,423,178	1,418,061	2,376,032
Training for Designated Groups	157,029	154,358	306,243
Non-Departmental Other Expenses			
Fees-free Payments	427,224	375,920	541,344

Components of the Appropriation

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Community Education			
Adult and Community Education	9,405	14,415	27,515
Literacy and Numeracy Provision	32,958	24,608	38,941
English for Speakers of Other Languages	7,911	10,022	17,437
Immigration Levy	126	213	-
Emergency Management Pool	783	687	1,604
Tertiary Education: Student Achievement Component			
Provision at Levels 1 and 2	66,036	62,166	90,999
Provision at Levels 3 and above			
Universities	777,548	829,200	1,348,864
Te Pūkenga - New Zealand Institute of Skills and Technology (including its 16 Institute of Technology and Polytechnic subsidiaries)	353,288	310,760	559,356
Wānanga	91,474	75,404	149,659
Private Training Establishments	130,192	136,961	224,715
Information and Communications Technology Graduate Programmes	2,318	1,159	85
Grants under section 556 of the Education and Training Act 2020	2,322	2,411	2,354
Training for Designated Groups			
Industry Training Fund	105,820	105,820	209,136
Youth Guarantee	38,648	38,027	74,543
Gateway	12,561	10,511	22,564
Fees-free Payments			
First-year Fees-free Payments	267,224	179,517	381,344
Targeted Training and Apprenticeship Fund	160,000	196,403	160,000
Total	2,058,614	1,998,284	3,309,116

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

	2020/21		2021/22
	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).	At least 73%	81.3%	81.3%

Note 1 - 2020/21 Final Budgeted Standard and 2020/21 Estimated Actual refer to the 2020 calendar year. 2021/22 Budget Standard refers to the 2021 calendar year.

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

	2020/21		2021/22
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
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 	At least 62.6%	53%	At least 53%
<ul style="list-style-type: none"> Workplace Literacy and Numeracy (tertiary education organisation-led) 	At least 60.8%	63%	At least 63%
<ul style="list-style-type: none"> English for Speakers of Other Languages. 	At least 95.6%	93%	At least 93%
Number of Adult Community learner hours (see Note 3).	New measure	873,338	At least 873,338
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 	At least 58.2%	56.6%	At least 56.6%
<ul style="list-style-type: none"> Māori learners (relative to combined non-Māori and non-Pacific learners' results) (see Note 4) 	Maintain no parity gap	3.7% points	Maintain no parity gap
<ul style="list-style-type: none"> Pacific learners (relative to combined non-Māori and non-Pacific learners' results) (see Note 5). 	No more than -2.1% points	-1% points	No more than -1% points

Assessment of Performance	2020/21		2021/22
	Final Budgeted Standard	Estimated Actual	Budget Standard
Level 7 degree and above:			
<ul style="list-style-type: none"> all learners 	At least 60.7%	61.0%	At least 61.0%
<ul style="list-style-type: none"> Māori learners (relative to combined non-Māori and non-Pacific learners' results) (see Note 4) 	No more than -16% points	-15.2% points	No more than -15.2% points
<ul style="list-style-type: none"> Pacific learners (relative to combined non-Māori and non-Pacific learners' results) (see Note 5). 	No more than -16.5% points	-16.8% points	No more than -16.8% points
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 	At least 68%	67%	At least 67%
<ul style="list-style-type: none"> industry trainees 	At least 70%	69%	At least 69%
<ul style="list-style-type: none"> apprentices 	At least 61%	55.5%	At least 55.5%
<ul style="list-style-type: none"> Māori (relative to combined non-Māori and non-Pacific learners' results) (see Note 4) 	No more than -6% points	-5% points	No more than -5% points
<ul style="list-style-type: none"> Pacific (relative to combined non-Māori and non-Pacific learners' results) (see Note 5). 	Maintain no parity gap	-1.5% points	No more than -1.5% points
Youth Guarantee - Percentage of Youth Guarantee learners completing qualifications at Level 2 or 3 (see Note 1).	At least 60%	57%	At least 60%
Non-Departmental Other Expenses			
Fees-free Payments			
This category is intended to contribute to removing barriers to participation by making tertiary education more affordable.			
Average fees-free payment per learner for first year of education or training (see Notes 1 and 6).	\$5,787	\$6,180.80	At least \$6,180.80
Number of learners in Targeted Training and Apprentices Fund-eligible apprenticeships (see Note 7).	New measure	New measure	At least 48,765

Note 1 - 2020/21 Final Budgeted Standard and 2020/21 Estimated Actual refer to the 2020 calendar year. 2021/22 Budget Standard refers to the 2021 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 - 2020 learner hours were impacted by the COVID-19 pandemic. The Tertiary Education Commission are wanting to see an increase on the 2019 pre-COVID-19 pandemic result of 1,325,557 learner hours.

Note 4 - This is a measure of the percentage point gap between the percentage of Māori learners completing qualifications (or industry training programmes) and the percentage of combined non-Māori and non-Pacific learners completing qualifications (or industry training programmes) - the desired trend is for the percentage point gap to decrease.

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

Note 6 - The performance measure for Fees-free is the average benefit to the learner from Fees-free payments. This is the fee payment for education or training that they no longer need to meet through their own finances, or from student support. As fees charged by tertiary education organisations to learners are inclusive of GST, this average fee payment figure also includes GST.

Note 7 - The Targeted Training and Apprenticeship Fund (TTAF) came into effect at 1 July 2020. The number of learners in TTAF-eligible apprenticeships during the six month period (July to December 2020) is estimated to have been 53,635. The aim of TTAF is to minimise the impact of COVID-19 on apprentice numbers. The Tertiary Education Commission are expecting to limit the decline in apprentice numbers to no more than 5% of the pre-COVID 19 number of 51,332. Consequently 'at least 48,765' learners in apprenticeships is their target.

Service Providers for the Multi-Category Appropriation

Provider	2020/21 Final Budgeted \$000	2020/21 Estimated Actual \$000	2021/22 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Universities (8)	971,846	969,992	1,602,180	Plans up to 3 years
Wānanga (3)	119,197	107,600	196,896	Plans up to 3 years
Te Pūkenga - New Zealand Institute of Skills and Technology (including its 16 Institute of Technology and Polytechnic subsidiaries)	437,083	399,293	719,409	Plans up to 3 years
Schools	15,931	12,774	26,789	Plans up to 3 years
Government Training Establishment	1,292	1,272	2,961	Plans up to 3 years
Non-Government Organisations				
Private Training Establishments	253,427	252,407	427,818	Plans up to 3 years
Rural Education Activities Programmes (13)	1,447	1,774	2,858	Plans up to 3 years
Employers	9,427	5,902	7,947	Plans up to 3 years
Community Education Providers	5,319	1,830	4,499	Plans up to 3 years
Industry Training Organisations	243,645	245,440	317,759	Plans up to 3 years
Total	2,058,614	1,998,284	3,309,116	

End of Year Performance Reporting

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

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2020/21 Final Budgeted \$000	2021/22 Budget \$000	2022/23 Estimated \$000	2023/24 Estimated \$000	2024/25 Estimated \$000
Reinstating the Training Incentive Allowance for levels 4 to 7 on the New Zealand Qualifications Framework	2023/24	-	-	-	5,517	4,861
Transfer of Unspent Workforce Development Councils' Funding to the Industry Training Fund	2021/22	-	21,000	21,000	-	-
Ensuring the Viability of Vocational Education and Training	2021/22	-	7,420	45,022	75,321	74,745
Cost Adjustment to Tertiary Tuition and Training Subsidies	2021/22	-	16,190	31,581	30,943	30,945
Extending the Pilot of the Community Organisation Refugee Sponsorship Category	2021/22	-	283	283	283	-
Reform of Vocational Education - Management of Fiscal Implications	2021/22	-	(5,000)	(5,000)	(5,000)	(5,000)
Targeted Training and Apprenticeship Fund	2020/21	160,000	160,000	-	-	-
Meeting Increased Learner Need for Tertiary Education	2020/21	79,450	140,500	87,600	26,550	-
International Education Strategic Recovery: Funding for NZ Learners to Access English Language Courses	2020/21	1,500	-	-	-	-
Cost Adjustment for Tuition Subsidies	2020/21	19,908	39,822	39,822	39,822	39,822
COVID-19 Recovery: New Careers Guidance Services	2020/21	(3,370)	-	-	-	-
Adult and Community Education - A Modern Approach to Night Classes	2020/21	1,782	3,563	3,563	3,563	3,563
Refugee Quota Increase: Increased Settlement Services	2020/21	1,157	1,688	3,220	3,377	3,846
COVID-19 Tertiary Education Grant Funding Transfer	2019/20	(1,097,382)	-	-	-	-
Crown Support for Southern Institute of Technology to Operate Telford in 2020 and 2021	2019/20	(1,255)	-	-	-	-
Raising the Profile and Strengthening the Pipeline into Vocational Education	2019/20	(6,033)	(2,200)	(700)	-	-
Re-Allocation of Youth Guarantee Fees-Free Places to Fund Additional Trades Academy Places in Vote Education	2019/20	(13,646)	(13,646)	(13,646)	(13,646)	(13,646)
Teacher Supply - Continuing to Increase the Levels of Teacher Supply for the Future	2019/20	5,268	7,316	9,364	9,364	9,364
Increasing Tertiary Education Tuition and Training Subsidies - Maintaining Quality Tertiary Education	2019/20	44,222	44,222	44,222	44,222	44,222
Home-Based ECE Review - Improving the Quality of Home-Based Early Childhood Education	2018/19	1,803	2,004	623	623	623
Reprioritisation of Funding - Information and Communication Technologies (ICT) Graduate Schools	2018/19	(3,009)	(5,031)	(5,031)	(5,031)	(5,031)
Reprioritisation of Funding - Fees-Free Tertiary Education and Training	2018/19	(42,854)	(33,484)	(29,361)	(29,361)	(29,361)
Streamlining Secondary-Tertiary Learning Opportunities from 2019	2018/19	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)
Extending the Seven EFTS Borrowing Limit for Students in Long Programmes	2018/19	(4,220)	(4,442)	(4,682)	(4,682)	(4,682)

Policy Initiative	Year of First Impact	2020/21 Final Budgeted \$000	2021/22 Budget \$000	2022/23 Estimated \$000	2023/24 Estimated \$000	2024/25 Estimated \$000
Computers in Homes	2018/19	500	-	-	-	-
Reprioritisation - Tertiary Tuition and Training Multi-Category Appropriation	2018/19	(24,700)	(24,700)	(24,700)	(24,700)	(24,700)
Financial Impacts of the 100 Days Tertiary Education Package	2017/18	447,100	471,700	471,700	471,700	471,700
Previous National-led Government						
The Next Three-Year (2016/17 to 2018/19) Refugee Quota Programme	2018/19	1,575	1,575	1,575	1,575	1,575
Funding for Employment-based Initial Teacher Education	2017/18	(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)
Changes to Levy Funding Allocations and Processes for Migrant Settlement Services from 2017/18	2017/18	-	(426)	(426)	(426)	(426)

Reasons for Change in Appropriation

The \$1,250.502 million increase in this appropriation for 2021/22 is mainly due to a combination of:

- provision in 2019/20 to implement the Government's commitment to give tertiary education organisations funding certainty in 2020, regardless of any impact on domestic student numbers resulting from COVID-19. This brought forward six months of funding that would have fallen in 2020/21 but has no impact on the funding available in 2021 or 2022 (\$1,097.382 million increase)
- provision from the COVID-19: Response and Recovery Fund to manage the cost of additional tertiary education enrolments from 1 January 2021 to 31 December 2023 (\$79.450 million in 2020/21, \$140.500 million in 2021/22, \$87.600 million in 2022/23 and \$26.550 million in 2023/24) resulting from the impact of COVID-19 (\$61.050 million increase)
- increases in tuition and training subsidy rates for Adult and Community Education, Student Achievement Component funding at all qualification levels, Youth Guarantee and Gateway programmes, and the Industry Training Fund, comprising 1.6% from January 2021 (Budget 2020) and 1.2% from January 2022 (Budget 2021) (totalling \$36.104 million increase)
- increased provision for the first-year fees-free policy (\$33.970 million increase)
- a transfer of \$42 million unspent funding appropriated from the COVID-19: Response and Recovery Fund for establishment of WDCs in 2020/21 to the Industry Training Fund to manage demand for apprenticeships in 2022 (\$21 million increase)
- provision to ensure the viability of vocational education and training (\$7.420 million increase)
- transfer of under-utilised Fees-Free Payments to non-departmental output expense Administration of and Support for the Tertiary Education and Careers Systems, Vote Education departmental output expense Support and Resources for Teachers (in Improved Quality Teaching and Learning MCA) and Vote Social Development to raise the profile and strengthen the pipeline into vocational education system (transfer of \$6.033 million in 2020/21 reducing to \$2.200 million in 2021/22) (\$3.833 million increase)

- a transfer of under-utilised Youth Guarantee fees-free funding in 2020/21 to non-departmental output expense Administration of and Support for the Tertiary Education and Careers Systems to fund direct one-to-one careers guidance services to help workers displaced by COVID-19 understand their skills, develop a clear careers plan, gain the confidence and understanding to search for a new job, and then get back into work (\$3.370 million increase)
- provision for initiatives to alleviate teacher supply pressures in Budget 2019 (\$2.048 million increase)
- provision from the COVID-19: Response and Recovery Fund for building the capability of providers and expanding the range of government-funded Adult and Community Education to better meet the learning needs of New Zealanders (\$1.781 million increase)
- a transfer in 2020/21 to non-departmental output expense Access to Tertiary Education to support the Southern Institute of Technology to deliver primary industry training programmes at Telford for 2020 and 2021 (\$1.255 million increase)
- transfers from 2019/20 into 2020/21 for work programmes disrupted due to the COVID-19 lockdown:
 - literacy and numeracy provision (\$5.645 million decrease)
 - industry training-related projects (\$3.540 million decrease)
 - increased investment in Gateway and Trades Academy places by 2,000 from 7,250 to 9,250 per annum (\$1.384 million decrease)
- a transfer of \$5 million per annum (from the Student Achievement Component) from 2021/22 to non-departmental output expense Tertiary Sector / Industry Collaboration Projects for the operation of Centres of Vocational Excellence to drive innovation and excellence in teaching and learning and improve links to industry and communities (\$5 million decrease)
- reduced provision for Information and Communications Technology Graduate Schools (\$2.233 million decrease), and
- provision in 2020/21 from the COVID-19: Response and Recovery Fund to provide funding for learners to access English language courses, including partners and dependants of New Zealand citizens and residents on specific visas, who intend to live in New Zealand long-term (\$1.500 million decrease).

Conditions on Use of Appropriation

Reference	Conditions
Section 419 of the Education and Training Act 2020	<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>