

# *Vote Tertiary Education*

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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 2022/23 financial year covering the following:

- a total of just over \$2,880 million for tuition and training subsidies to improve the skill levels of New Zealanders
- a total of just over \$387 million for fees-free study for eligible students, apprentices, and trainees
- a total of just over \$369 million to support research and research-led teaching
- a total of just over \$18 million for services from the Ministry of Education
- a total of nearly \$80 million for services from the Tertiary Education Commission (TEC)
- a total of \$16 million for establishing Te Pūkenga - New Zealand Institute of Skills and Technology as a single national vocational institution, including transition of its subsidiaries into a consolidated network of delivery of vocational education
- a total of nearly \$36 million for services from Education New Zealand
- a total of nearly \$40 million to support the tertiary education sector to respond to national and regional priorities, including maintaining and developing innovative programmes of vocational education
- a total of \$23 million to support the educational delivery and outcomes of wānanga
- a total of just over \$30 million to improve the relevance to industry of tertiary education provision
- a total of \$65 million for Workforce Development Councils to ensure the vocational education system meets industry needs and gives a stronger voice to Māori business and iwi development
- a total of just over \$20 million for scholarships and other awards in the tertiary sector
- a total of just over \$387 million for fees-free study for eligible students, apprentices, and trainees
- a \$25 million capital injection to Te Pūkenga - New Zealand Institute of Skills and Technology to modernise physical infrastructure across its network of former Institutes of Technology and Polytechnics
- a total of just over \$20 million for investing in Tertiary Education Institutions (TEIs) their share of the proceeds from disposal of assets used by TEIs that are or were previously held in Crown title, and
- a total of nearly \$10 million for capital injections to 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	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Departmental Output Expenses</b>			
<b>Stewardship and Oversight of the Tertiary Education System (M26) (A19)</b> 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.	16,978	16,978	<b>18,171</b>
<b>Total Departmental Output Expenses</b>	16,978	16,978	18,171
<b>Non-Departmental Output Expenses</b>			
<b>Administration of and Support for the Tertiary Education and Careers Systems (M26) (A19)</b> 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.	76,701	76,701	<b>79,522</b>
<b>Centres of Research Excellence (M26) (A19)</b> 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	<b>49,800</b>
<b>Establishment of a Single National Vocational Education Institution (M26) (A19)</b> This appropriation is limited to operating funding for establishing a single national vocational education institution.	16,000	16,000	<b>16,000</b>
<b>International Education Programmes (M26) (A19)</b> 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.	38,414	38,414	<b>35,547</b>
<b>Strategic Support for National and Regional Priorities (M26) (A19)</b> This appropriation is limited to supporting the tertiary education sector to respond to national and regional priorities, including maintaining and developing innovative programmes of learning.	-	-	<b>39,516</b>
<b>Support for Wānanga (M26) (A19)</b> This appropriation is limited to supporting wānanga in the tertiary education system to undertake teaching and research that maintains, advances and disseminates knowledge regarding āhukatanga Māori according to tikanga Māori.	30,000	30,000	<b>23,000</b>
<b>Tertiary Education Research and Research-Based Teaching (M26) (A19)</b> This appropriation is limited to funding research and research-based teaching on the basis of measured research quality in tertiary education organisations.	321,000	321,000	<b>315,000</b>
<b>Tertiary Sector / Industry Collaboration Projects (M26) (A19)</b> This appropriation is limited to funding activities that improve the relevance to industry of tertiary education provision.	46,802	46,802	<b>30,271</b>
<b>University-led Innovation (M26) (A19)</b> This appropriation is limited to supporting universities to attract entrepreneurial academics to drive collaboration between universities and established and emerging businesses.	8,255	8,255	<b>4,359</b>

Titles and Scopes of Appropriations by Appropriation Type	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Workforce Development Councils (M26) (A19)</b> This appropriation is limited to expenses incurred on Workforce Development Councils setting up their organisations and performing their statutory functions.	50,150	50,150	<b>65,000</b>
<b>Access to Tertiary Education (M26) (A19)</b> This appropriation is limited to improving access to tertiary education and training.	74,415	74,415	-
<b>Total Non-Departmental Output Expenses</b>	711,537	711,537	658,015
<b>Benefits or Related Expenses</b>			
<b>Tertiary Scholarships and Awards (M26) (A19)</b> This appropriation is limited to providing scholarships and other awards in the tertiary sector to students, researchers and teachers, within New Zealand and internationally.	20,113	20,113	<b>20,413</b>
<b>Total Benefits or Related Expenses</b>	20,113	20,113	20,413
<b>Non-Departmental Other Expenses</b>			
<b>Fees-free Payments (M26) (A19)</b> This appropriation is limited to ensuring fees-free study for eligible students, apprentices and trainees.	-	-	<b>387,135</b>
<b>Support for Te Wananga o Raukawa (M26) (A19)</b> This appropriation is limited to payments to Te Wananga o Raukawa to support the resolution of WAI 2698.	1,000	1,000	-
<b>Total Non-Departmental Other Expenses</b>	1,000	1,000	387,135
<b>Non-Departmental Capital Expenditure</b>			
<b>Careers System Online (M26) (A19)</b> This appropriation is limited to the development and delivery of an online careers planning tool by the Tertiary Education Commission.	4,500	4,500	<b>2,000</b>
<b>Support for a Single National Vocational Education Institution (M26) (A19)</b> This appropriation is limited to capital injections for a single national vocational education institution.	4,157	4,157	<b>25,000</b>
<b>Tertiary Education Institutions' Proceeds from Disposal of Crown Assets (M26) (A19)</b> 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.	5,940	5,940	<b>20,026</b>
<b>Vocational Education Data System (M26) (A19)</b> 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.	1,000	1,000	<b>7,850</b>
<b>Support for Lincoln University (M26) (A19)</b> This appropriation is limited to the rebuild of the science facilities at Lincoln University.	60,000	60,000	-
<b>Total Non-Departmental Capital Expenditure</b>	75,597	75,597	54,876

Titles and Scopes of Appropriations by Appropriation Type	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Multi-Category Expenses and Capital Expenditure</b>			
<b>Tertiary Tuition and Training MCA (M26) (A19)</b>	3,249,995	3,203,004	<b>2,880,363</b>
The single overarching purpose of this appropriation is to support and fund tertiary tuition and training that results in improvements in New Zealanders' skill levels.			
<b>Non-Departmental Output Expenses</b>			
<i>Access to and Success in Tertiary Education</i>	-	-	73,229
This category is limited to improving access to and success in tertiary education and training for learners underserved by the tertiary system, particularly those identified in the Tertiary Education Strategy.			
<i>Foundation and Community Education</i>	-	-	292,741
This category is limited to funding for adult and community education, literacy, numeracy and English language provision, and other foundation education programmes.			
<i>Qualification Delivery</i>	-	-	2,514,393
This category is limited to funding for teaching, training and learning services that support enrolled students at tertiary education organisations to achieve recognised tertiary qualifications and credentials.			
<i>Community Education</i>	86,376	86,376	-
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>	2,336,032	2,336,032	-
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>	306,243	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.			
<b>Non-Departmental Other Expenses</b>			
<i>Fees-free Payments</i>	521,344	474,353	-
This category is limited to ensuring fees-free study for eligible students, apprentices and trainees.			
<b>Total Multi-Category Expenses and Capital Expenditure</b>	3,249,995	3,203,004	2,880,363
<b>Total Annual Appropriations and Forecast Permanent Appropriations</b>	4,075,220	4,028,229	4,018,973

# Supporting Information

## Part 1 - Vote as a Whole

### 1.1 - New Policy Initiatives

	Appropriation	2021/22 Final Budgeted \$000	2022/23 Budget \$000	2023/24 Estimated \$000	2024/25 Estimated \$000	2025/26 Estimated \$000
Apprenticeship Boost Initiative - Extending the Programme (see also Vote Social Development in the Social Services and Community Sector)	<b>Administration of and Support for the Tertiary Education and Careers Systems</b> Non-Departmental Output Expense	-	600	300	-	-
Converting the Western Institute of Technology at Taranaki's (WITT) Crown Loan to Equity	<b>Support for a Single National Vocational Education Institution</b> Non-Departmental Capital Expenditure	4,157	-	-	-	-
Cost Adjustment to Tertiary Tuition and Training Subsidies	<b>Strategic Support for National and Regional Priorities</b> Non-Departmental Output Expense <b>Tertiary Tuition and Training MCA</b>	-	1,016	2,028	2,034	2,030
	Access to and Success in Tertiary Education Non-Departmental Output Expense	-	2,258	2,499	2,544	2,546
	Foundation and Community Education Non-Departmental Output Expense	-	3,783	7,702	7,844	7,844
	Qualification Delivery Non-Departmental Output Expense	-	32,287	63,989	63,311	63,180
COVID-19: Additional Financial Support for Domestic Tertiary Learners	<b>Access to Tertiary Education</b> Non-Departmental Output Expense <b>Tertiary Tuition and Training MCA</b>	20,000	-	-	-	-
	Fees-free Payments Non-Departmental Other Expense	(20,000)	-	-	-	-
Dawn Raids Apology - Establish TuĪ Takes Flight Education Scholarships for Pacific People (see also Vote Education in the Education and Workforce Sector)	<b>Stewardship and Oversight of the Tertiary Education System</b> Departmental Output Expense <b>Tertiary Scholarships and Awards</b>	35	35	35	35	35
	Benefit or Related Expense	245	490	490	490	490

		2021/22 Final Budgeted \$000	2022/23 Budget \$000	2023/24 Estimated \$000	2024/25 Estimated \$000	2025/26 Estimated \$000
	Appropriation					
Dawn Raids Apology - Maintaining and Growing Tūli Takes Flight and Pacific Education Foundation Scholarships (see also Vote Education in the Education and Workforce Sector)	<b>Tertiary Scholarships and Awards</b> Benefit or Related Expense	-	55	271	320	334
Drawdown the International Education Recovery Contingency: Diversification of International Education Products and Services	<b>International Education Programmes</b> Non-Departmental Output Expense	4,150	4,000	-	-	-
Funding to Te Wānanga o Aotearoa and Te Whare Wānanga o Awanuiārangi	<b>Support for Wānanga</b> Non-Departmental Output Expense	12,000	-	-	-	-
Improving the System for Refugee Family Reunification: Policy Proposals (see also Vote Education and Vote Labour Market in the Education and Workforce Sector)	<b>Tertiary Tuition and Training MCA</b> Foundation and Community Education Non-Departmental Output Expense	-	757	1,137	2,272	2,272
Māori Language Education Funding to Support Provision and Growth (see also Vote Education in the Education and Workforce Sector)	<b>Strategic Support for National and Regional Priorities</b> Non-Departmental Output Expense	-	1,500	2,500	3,000	3,000
Medium-term Funds for Te Wānanga o Aotearoa and Te Whare Wānanga o Awanuiārangi	<b>Support for Wānanga</b> Non-Departmental Output Expense	8,000	8,000	8,000	8,000	8,000
Migrant Settlement and Integration Services for 2021/22: Funding from the Immigration Levy (see also Vote Education and Vote Labour Market in the Education and Workforce Sector)	<b>Administration of and Support for the Tertiary Education and Careers Systems</b> Non-Departmental Output Expense <b>Tertiary Tuition and Training MCA</b> Community Education Non-Departmental Output Expense	2,177  426	-  -	-  -	-  -	-  -
Resettling Afghan Evacuees: Settlement Support, COVID-19, and Options to Extend New Zealand's Response (see also Vote Education and Vote Labour Market in the Education and Workforce Sector, and Vote Oranga Tamariki and Vote Social Development in the Social Services and Community Sector)	<b>Tertiary Tuition and Training MCA</b> Community Education Non-Departmental Output Expense Foundation and Community Education Non-Departmental Output Expense	638  -	-  544	-  -	-  -	-  -
Te Pūkenga - New Zealand Institute of Skills and Technology Capital Investment Fund	<b>Support for a Single National Vocational Education Institution</b> Non-Departmental Capital Expenditure	-	25,000	15,000	-	-

	Appropriation	2021/22 Final Budgeted \$000	2022/23 Budget \$000	2023/24 Estimated \$000	2024/25 Estimated \$000	2025/26 Estimated \$000
Tertiary Education and Training - Increased Funding for Enrolments	<b>Tertiary Tuition and Training MCA</b>					
	Access to and Success in Tertiary Education	-	4,157	4,157	-	-
	Non-Departmental Output Expense					
	Tertiary Education: Student Achievement Component	(40,000)	-	-	-	-
	Non-Departmental Output Expense					
	Qualification Delivery	-	52,186	52,186	-	-
	Non-Departmental Output Expense					
Whakatapu Mātauranga Fund for Te Wānanga o Raukawa	<b>Support for Wānanga</b>	6,000	4,000	4,000	4,000	4,000
	Non-Departmental Output Expense					
Total Initiatives		(2,172)	140,668	164,294	93,850	93,731



## 1.2 - Trends in the Vote

### Summary of Financial Activity

	2017/18	2018/19	2019/20	2020/21	2021/22		2022/23			2023/24	2024/25	2025/26
	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
<b>Appropriations</b>												
Output Expenses	505,122	512,768	551,156	615,899	654,100	654,100	18,171	658,015	676,186	680,021	685,404	681,800
Benefits or Related Expenses	17,837	20,598	17,071	14,852	20,113	20,113	N/A	20,413	20,413	20,629	20,678	20,692
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	129,982	318,539	370,087	344,946	522,344	475,353	-	387,135	387,135	388,339	388,339	388,339
Capital Expenditure	6,450	102,050	42,250	33,284	75,597	75,597	-	54,876	54,876	20,000	5,000	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	2,444,716	2,345,779	3,594,511	1,723,673	2,803,066	2,803,066	-	2,880,363	2,880,363	2,833,346	2,750,053	2,745,063
<i>Other Expenses</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Expenditure</i>	-	-	-	-	-	-	N/A	-	-	-	-	-
<b>Total Appropriations</b>	3,104,107	3,299,734	4,575,075	2,732,654	4,075,220	4,028,229	18,171	4,000,802	4,018,973	3,942,335	3,849,474	3,835,894
<b>Crown Revenue and Capital Receipts</b>												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	8,760	24,790	4,358	543	-	-	N/A	3,266	3,266	3,266	3,266	3,266
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
<b>Total Crown Revenue and Capital Receipts</b>	8,760	24,790	4,358	543	-	-	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

	2017/18 Adjustments \$000	2018/19 Adjustments \$000	2019/20 Adjustments \$000	2020/21 Adjustments \$000	2021/22 Final Budgeted Adjustments \$000	2021/22 Estimated Actual Adjustments \$000
<b>Appropriations</b>						
Output Expenses	(23,080)	(23,646)	(53,276)	(42,283)	(74,415)	(74,415)
Benefits or Related Expenses	-	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-
Other Expenses	129,982	283,539	370,087	337,646	521,344	475,353
Capital Expenditure	-	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)						
<i>Output Expenses</i>	23,080	23,646	53,276	42,283	74,415	74,415
<i>Other Expenses</i>	(129,982)	(283,539)	(370,087)	(337,646)	(521,344)	(475,353)
<i>Capital Expenditure</i>	-	-	-	-	-	-
<b>Total Appropriations</b>	-	-	-	-	-	-
<b>Crown Revenue and Capital Receipts</b>						
Tax Revenue	-	-	-	-	-	-
Non-Tax Revenue	-	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-
<b>Total Crown Revenue and Capital Receipts</b>	-	-	-	-	-	-

The adjustments in the table above reflect the transfer of Access to Tertiary Education output expense to a new category within the Tertiary Tuition and Training MCA and the transfer of Fees-free Payments from a category in the Tertiary Tuition and Training MCA to a separate other expense appropriation.

The prior year information in the Summary of Financial Activity table has been restated to reflect the current Vote structure. The table shows how past expenditure would have changed if the restructured appropriations had been in place.

## 1.3 - Analysis of Significant Trends

Significant changes in departmental and non-departmental appropriations related to tertiary and international education between 2017/18 and 2025/26 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.

### *Non-Departmental Output Expenses*

Most tertiary education and training funding is through non-departmental output expenses with the majority of that on tuition and training subsidies (approximately 81%) and to support research-led teaching (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 from 2017/18
- 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 transfers 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 had no impact on the funding available in 2021 or the 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 (initially as subsidiaries of NZIST) to create an integrated and collaborative network of vocational education
  - Workforce Development Councils (WDCs), industry-governed bodies to ensure vocational education meets the needs of industry and give a stronger voice to Māori business and iwi development
  - 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 the 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 (which was extended to 2021 by the reprioritisation of underspends within the Vote in 2020/21 and new funding in Budget 2021)
  - for Transitional Industry Training Organisations and WDC led projects (from 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
- a transfer to non-departmental output expense Access to and Success in Tertiary Education (category of Tertiary Tuition and Training MCA) to extend the Student Hardship Fund for tertiary students facing hardship from the impacts of COVID-19 for the 2021 calendar year
- cessation of international student doctoral research scholarships from 2021/22, and
- establishing academic and vocational scholarships for New Zealanders of Pacific heritage from 2022 to commemorate the Dawn Raids.

### *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 a 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 (from 2020/21 to 2021/22) from the COVID-19: Response and Recovery Fund to provide targeted fees-free support for vocational training and apprenticeships
- payments to Te Wānanga o Raukawa in 2020/21 and 2021/22 to support the resolution of Waitangi Tribunal Claim WAI 2698, and
- a transfer in 2021/22 to non-departmental output expense Access to and Success in Tertiary Education (category of Tertiary Tuition and Training MCA) to increase the Student Hardship Fund to support domestic tertiary learners from the impacts of COVID-19.

### *Non-Departmental Capital Expenditure*

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

- assisting Canterbury University in 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 2017/18 to 2019/20, Whitireia New Zealand in 2018/19 and 2019/20, Unitec Institute of Technology in 2018/19 and 2019/20 and Western Institute of Technology at Taranaki in 2021/22
- capital injections in 2019/20, 2020/21, 2022/23 and 2024/25 to establish and support Te Pūkenga - New Zealand Institute of Skills and Technology to create an integrated and collaborative network of vocational education
- investing in Tertiary Education Institutions (TEIs) from 2020/21 to 2022/23 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 the unified funding system for vocational education from 2023.

### *Crown Revenue*

The major changes in Crown Revenue relate mainly to:

- level of recoveries of surplus grants funding from the TEC and the tertiary education sector, and
- suspension of just over \$3 million per annum cost recoveries from the Export Education Levy Fund for 2020/21 and 2021/22 due to the impact of COVID-19 on the international education sector.

## 1.4 - Reconciliation of Changes in Appropriation Structure

To support the implementation of a unified funding system for vocational education from 2023, a range of changes in appropriation structure of Vote Tertiary Education have been implemented from 2022/23 as follows:

- Revising the categories of the Tertiary Tuition and Training MCA to implement the unified funding system for vocational education, including:
  - Creating one category (Qualification Delivery) for all tuition funding above level three and all training. Prior to 2022/23, this funding was in different categories of the Tertiary Tuition and Training MCA: the Tertiary Education: Student Achievement Component; and Training for Designated Groups, respectively.
  - Bringing the Access to Tertiary Education appropriation into the Tertiary Tuition and Training MCA supports setting up the learner component of the unified funding system within the Tertiary Tuition and Training MCA; the category name has been broadened to Access to and Success in Tertiary Education to better reflect the aims of the learner component.
  - Creating one category for all Foundation and Community Education focusing on basic skills acquisition. This combines components of the (former) Community Education category of the Tertiary Tuition and Training MCA along with Youth Guarantee and Gateway components of the (former) Training for Designated Groups category of the Tertiary Tuition and Training MCA and the qualification level 1 and 2 component of the (former) Tertiary Education: Student Achievement Component category of the Tertiary Tuition and Training MCA.

Alongside these changes to implement the unified funding system for vocational education other changes to appropriations within the Vote are also coming into effect from 2022/23:

- Consolidating funding for wānanga by transferring the Wānanga Research Capability Fund from the Tertiary Education Research and Research-Based Teaching appropriation into the Support for Wānanga appropriation.
- Creating a new appropriation for Fees-free Payments outside of the Tertiary Tuition and Training MCA.

These changes in appropriation structure are shown in the following table:

	2021/22 (Current) \$000	Old Structure		New Structure		
		Appropriations to which Expenses (or Capital Expenditure) have been Moved from or to	Amount Moved \$000	2021/22 Appropriations in the 2022/23 Structure	2021/22 (Restated) \$000	2022/23 \$000
Non-Departmental Output Expenses				Non-Departmental Output Expenses		
<b>Access to Tertiary Education</b>	74,415	Transferred to Access to and Success in Tertiary Education category in Tertiary Tuition and Training MCA	(74,415)			
<b>Support for Wānanga</b>	30,000	Transferred from Tertiary Education Research and Research-Based Teaching	6,000	<b>Support for Wānanga</b>	36,000	23,000

		Old Structure		New Structure		
2021/22 Appropriations in the 2021/22 Structure	2021/22 (Current) \$000	Appropriations to which Expenses (or Capital Expenditure) have been Moved from or to	Amount Moved \$000	2021/22 Appropriations in the 2022/23 Structure	2021/22 (Restated) \$000	2022/23 \$000
<b>Tertiary Education Research and Research-Based Teaching</b>	321,000	Transferred to Support for Wānanga	(6,000)	<b>Tertiary Education Research and Research-Based Teaching</b>	315,000	315,000
				Non-Departmental Other Expenses		
		Transferred from Fees-free Payments category in Tertiary Tuition and Training MCA	521,344	<b>Fees-free Payments</b>	521,344	387,135
Multi-Category Expenses and Capital Expenditure				Multi-Category Expenses and Capital Expenditure		
<b>Tertiary Tuition and Training MCA</b>				<b>Tertiary Tuition and Training MCA</b>		
Non-Departmental Other Expenses						
Fees-free Payments	521,344	Transferred to Fees-free Payments	(521,344)			
Non-Departmental Output Expenses				Non-Departmental Output Expenses		
Community Education	86,376	Transferred to Foundation and Community Education	(86,376)			
Tertiary Education: Student Achievement Component	2,336,032	Transferred to Foundation and Community Education	(90,999)			
		Transferred to Qualification Delivery	(2,245,033)			
Training for Designated Groups	306,243	Transferred to Foundation and Community Education	(97,107)			
		Transferred to Qualification Delivery	(209,136)			
		Transferred from Access to Tertiary Education	74,415	Access to and Success in Tertiary Education	74,415	73,229
		Transferred from Community Education	86,376	Foundation and Community Education	274,482	292,741
		Transferred from Tertiary Education: Student Achievement Component	90,999			
		Transferred from Training for Designated Groups	97,107			
		Transferred from Tertiary Education: Student Achievement Component	2,245,033	Qualification Delivery	2,454,169	2,514,393
		Transferred from Training for Designated Groups	209,136			
<b>Total Changes in Appropriations</b>	<b>3,675,410</b>		-		<b>3,675,410</b>	<b>3,605,498</b>

Additionally, a new non-departmental output expense appropriation has been created for the strategic component of the unified funding system (Strategic Support for National and Regional Priorities) to support the vocational education sector to respond to national and regional priorities, including maintaining and developing innovative programmes of learning. There is no comparable funding for this appropriation in the 2021/22 Vote structure. Baseline funding for this appropriation has been provided by the rebalance of vocational education and training tuition subsidies in the unified funding system, including funding from Budget 2021.

Explanations of the reasons for changing the appropriation structure are noted in the details of each appropriation in Parts 2-4.



## 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*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	16,978	16,978	18,171
Revenue from the Crown	16,228	16,228	17,421
Revenue from Others	-	-	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*

	2021/22		2022/23
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
<b>Stewardship of the Tertiary Education System</b>			
The satisfaction rating given by the Minister of Education with the overall performance of the Ministry (see Note 1).	7	7	7
<b>Policy Advice</b>			
Internal quarterly assessment of the quality of the Ministry's policy advice (see Note 2):			
<ul style="list-style-type: none"> <li>mean</li> </ul>	Mean of 4 out of 5	Mean of 4 out of 5	Mean of 4 out of 5
<ul style="list-style-type: none"> <li>distribution target of scores - less than 10% scoring 2.5 and under with 90% at 3 or above, and over 40% scoring 4 and above.</li> </ul>	Achieved	Achieved	Achieved
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	2021/22		2022/23
	Final Budgeted Standard	Estimated Actual	Budget Standard
<b>Research, Data Analysis and Monitoring</b>			
Forecast demand for tertiary education at Levels 3 and above is accurate within an agreed average of actual values (see Note 4).	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 5).	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.	100%	100%	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.	100%	100%	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.	100%	100%	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 = Unacceptable; 2 = Poor; 3 Acceptable; 4 = Good; 5 = Outstanding. 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 from 1 July 2019, with guidance available on the Department of Prime Minister and Cabinet Policy Project website.

Note 4 - This forecast is for equivalent full-time student (EFTS) places delivered in provider-based tertiary education and training at New Zealand Qualification Framework qualification Level 3 and above (previously known as the forecast for Student Achievement Component-funded EFTS at Level 3 and above).

Note 5 - Based on reviews of a sample of analytical and research outputs, independently assessed on a five-point rating scale: 1 = 'Very poor'; 2 = 'Poor'; 3 = 'Acceptable'; 4 = 'Good'; 5 = 'Very good'. The annual result will be an average of the ratings for all the outputs reviewed.

### *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	2021/22 Final Budgeted \$000	2022/23 Budget \$000	2023/24 Estimated \$000	2024/25 Estimated \$000	2025/26 Estimated \$000
Dawn Raids Apology - Education Scholarships for Pacific People	2021/22	35	35	35	35	35
Reform of Vocational Education - Transition and Integration Phase	2021/22	900	650	-	-	-
Pastoral Care of Domestic Tertiary Students - Funding for Code Administration and Disputes Resolution Scheme	2020/21	400	300	300	300	300
Programme for International Assessment of Adult Competencies	2019/20	743	2,712	131	-	-
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 \$1.193 million increase in this appropriation for 2022/23 is due to a combination of:

- the progression of the Programme for International Assessment of Adult Competencies (PIAAC) (\$1.969 million increase)
- a transfer from 2020/21 to 2021/22 for international education recovery planning (\$400,000 decrease)
- the progression of the Reform of Vocational Education work programme (\$250,000 decrease)
- a transfer from 2020/21 to 2021/22 for development of the Domestic Tertiary Student Dispute Resolution Scheme (\$100,000 decrease), and
- change in provision (\$122,000 in 2021/22 to \$96,000 in 2022/23) for capital to operating swap for changes in the accounting treatment for Software as a Service (\$26,000 decrease).

## Part 3 - Details of Non-Departmental Appropriations

### 3.1 - Non-Departmental Output Expenses

#### 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*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	76,701	76,701	79,522

##### *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*

	2021/22		2022/23
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Percentage of Tertiary Education Commission-funded tertiary education organisations who agree that auditing processes were made transparent and information was accessible throughout the process (see Note 1):			
• Transparent	Revised measure	At least 79%	At least 79%
• Accessible	Revised measure	At least 80%	At least 80%
Percentage of tertiary education organisations who agree that the Tertiary Education Commission's investment toolkit and plan guidance were very useful to prepare their investment plans:			
• toolkit	At least 34%	At least 45%	At least 45%
• plan guidance.	At least 35%	At least 52%	At least 52%
Percentage of careers system stakeholders who agree that Tertiary Education Commission online information and tools are accessible and useful.	At least 78%	At least 86%	At least 86%
Percentage of payments the Tertiary Education Commission makes to tertiary education organisations that are made within agreed timeframes.	At least 99.5%	At least 99.5%	At least 99.5%
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).	At least 7 out of 10	At least 7 out of 10	At least 7 out of 10
The overall satisfaction rating given by the Minister of Education on the Tertiary Education Commission (see Note 2).	At least 7 out of 10	At least 7 out of 10	At least 7 out of 10

For 2022/23, Budget Standards have been updated to reflect 2021/22 Estimated Actuals.

Note 1 - For 2022/23, two sub-measures have been introduced for more transparent reporting.

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.

### *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	2021/22 Final Budgeted \$000	2021/22 Estimated Actual \$000	2022/23 Budget \$000	Expiry of Resourcing Commitment
<b>Crown Entities</b>				
Tertiary Education Commission	76,592	76,592	79,413	Ongoing
<b>Non-Government Organisations</b>				
Māori Education Trust	109	109	109	Ongoing
<b>Total</b>	<b>76,701</b>	<b>76,701</b>	<b>79,522</b>	

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2021/22 Final Budgeted \$000	2022/23 Budget \$000	2023/24 Estimated \$000	2024/25 Estimated \$000	2025/26 Estimated \$000
Apprenticeship Boost Initiative - Extending the Programme	2022/23	-	600	300	-	-
Migrant Settlement and Integration Services for 2021/22: Funding from the Immigration Levy	2021/22	2,177	-	-	-	-
Reform of Vocational Education - Transition and Integration Phase	2021/22	9,032	12,018	2,400	2,400	2,400
Targeted Training and Apprenticeship Fund	2020/21	1,372	504	-	-	-
Careers System Online: Tiro Whetu	2020/21	1,550	4,345	4,425	4,425	4,425
Apprenticeship Support Programme: Design and Implementation of the Mana in Mahi Expansion and the Apprenticeship Boost Initiative	2020/21	300	-	-	-	-
Transitional Industry Training Organisation and Workforce Development Council-Led COVID-19 Response Projects	2019/20	30	-	-	-	-
Raising the Profile and Strengthening the Pipeline into Vocational Education	2019/20	700	700	-	-	-

### *Reasons for Change in Appropriation*

The \$2.821 million increase in this appropriation for 2022/23 is due to a combination of:

- provision (\$9.032 million in 2021/22 and \$12.018 million in 2022/23) for the Reform of Vocational Education work programme (\$2.986 million increase)
- provision (\$1.550 million in 2021/22 and \$4.345 million in 2022/23) for development and delivery of Tiro Whetū, an online careers planning system to support learners and workers to plan and manage their careers (\$2.795 million increase)
- provision to support the Ministry of Social Development's implementation of the Apprenticeship Boost Initiative (\$600,000 in 2020/21, \$300,000 in 2021/22 and \$600,000 in 2022/23) 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 increase)
- provision in 2021/22 only from the Immigration Levy to support migrant settlement and integration services (\$2.177 million 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 the Tertiary Tuition and Training MCA) (\$868,000 decrease)
- provision in 2021/22 only for coordination of emergency management and search and rescue training (\$185,000 decrease), and
- 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 (\$30,000 decrease).

### **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*

	2021/22		2022/23
	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*

	2021/22		2022/23
	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)	Achieved	Achieved	Achieved
Total number of doctoral students aligned to the Centres of Research Excellence completing qualification during the current funding period (see Notes 1, 3 and 4)	Baseline year	Baseline year	At least baseline year result

Note 1 - The 2021/22 Final Budgeted Standard and the 2021/22 Estimated Actual refer to the 2021 calendar year. The 2022/23 Budget Standard refers to the 2022 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 baseline figure represents 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	2021/22 Final Budgeted \$000	2021/22 Estimated Actual \$000	2022/23 Budget \$000	Expiry of Resourcing Commitment
<b>Crown Entities</b>				
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
<b>Total</b>	<b>49,800</b>	<b>49,800</b>	<b>49,800</b>	

## **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*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	16,000	16,000	16,000

*What is Intended to be Achieved with this Appropriation*

This appropriation is intended to establish the Te Pūkenga - New Zealand Institute of Skills and Technology as a leading provider of vocational education, including work-based and online learning.

*How Performance will be Assessed and End of Year Reporting Requirements*

	2021/22		2022/23
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Te Pūkenga submits reports that show it is meeting the targets and milestones in its funding agreement with the Crown.	Achieved	Achieved	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	2021/22 Final Budgeted \$000	2022/23 Budget \$000	2023/24 Estimated \$000	2024/25 Estimated \$000	2025/26 Estimated \$000
Reform of Vocational Education: Further Investment in the New Zealand Institute of Skills and Technology	2020/21	16,000	16,000	-	-	-

**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*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	38,414	38,414	35,547

*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*

Assessment of Performance	2021/22		2022/23
	Final Budgeted Standard	Estimated Actual	Budget Standard
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:			
<ul style="list-style-type: none"> <li>the number of international students studying towards a New Zealand qualification onshore and offshore (see Note 1)</li> </ul>	New measure	New measure	Baseline year
<ul style="list-style-type: none"> <li>improved confidence and resilience within the international education sector (see Note 2)</li> </ul>	Achieved	Achieved	Achieved
<ul style="list-style-type: none"> <li>facilitating cross-government collaboration via the Chief Executives' group and strengthening links with International Ministers.</li> </ul>	Achieved	Achieved	Achieved
The economic contribution from New Zealand's international education sector (see Note 3).	\$1,200 million	\$1,200 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 4).	At least 75%	At least 75%	At least 75%
The percentage of international students who were satisfied or very satisfied with their overall experience (see Note 5).	Increase	Increase	Increase
The percentage of international students enrolled to study outside Auckland (see Note 6).	Maintain	48%	Maintain

Note 1 - For 2022/23, this sub-measure has been updated to replace onshore international student numbers with the numbers of international students studying with New Zealand providers both onshore and offshore, reflecting the New Zealand International Education Strategy's focus on building a diversified, resilient and sustainable sector.

Note 2 - Education New Zealand surveys the international education sector annually to understand the current state of sector performance. As a result of COVID-19, Education New Zealand will specifically include questions about capacity and capability, as well as confidence.

Note 3 - The 2021/22 Estimated Actual refers to the 2021 calendar year. The 2025 target is \$6 million (International Education Strategy, Goal 2). Education New Zealand is reassessing the broader impact of international education as part of the sector rebuild and has refreshed the valuation methodology to reflect this. COVID-19 has greatly impacted the overall number of international students in New Zealand, so the actual target will continue to be substantially lower than the pre-COVID-19 period. This reassessment is based on data as at 1 February 2022. Education New Zealand have made a number of assumptions about students retained from 2021 and the number of students able to enter the country in 2022.

Note 4 - '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 5 - This measure is based on the response to the question International students are positive about their overall experience studying with New Zealand as part of the International Student satisfaction survey.

Note 6 - The 2021/22 Estimated Actual refers to the 2021 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	2021/22 Final Budgeted \$000	2022/23 Budget \$000	2023/24 Estimated \$000	2024/25 Estimated \$000	2025/26 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	4,150	4,000	-	-	-
Support for Tertiary Students Affected by Provider Failure	2019/20	750	750	750	750	750
Reprioritisation - Education New Zealand Contribution to the Kea Network, New Zealand Story and Chair of Malay Studies	2018/19	(275)	(275)	(275)	(275)	(275)

### Reasons for Change in Appropriation

The \$2.867 million decrease in this appropriation for 2022/23 is due to a combination of:

- provision in 2021/22 from the COVID-19: Response and Recovery Fund to support international education communications, marketing, and brand awareness so that 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 decrease)
- decrease in provision from the COVID-19: Response and Recovery Fund (\$4.150 million in 2021/22 to \$4 million in 2022/23) 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 (\$150,000 decrease), and
- a transfer to the Ministry of Business, Innovation and Employment for The New Zealand Story initiative in 2021/22 (\$283,000 increase).

### Strategic Support for National and Regional Priorities (M26) (A19)

#### Scope of Appropriation

This appropriation is limited to supporting the tertiary education sector to respond to national and regional priorities, including maintaining and developing innovative programmes of learning.

#### Expenses

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	39,516

There is no comparable funding for this appropriation in the 2021/22 Vote structure. See *Reasons for Change in Appropriation*.

### *Components of the Appropriation*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
National and Regional Skills Priorities	-	-	19,008
Programme Development and Maintenance Fund	-	-	19,008
Fund to Support Growth and Proficiency of Te reo Māori (Level 5 and above)	-	-	1,500
Total	-	-	39,516

### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to support the tertiary sector to make progress against Government strategies and priorities, including the objectives of the Reform of Vocational Education and the outcomes of Maihi Karauna.

### *How Performance will be Assessed and End of Year Reporting Requirements*

	2021/22		2022/23
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Regional and national skills priorities based on advice from Workforce Development Councils (WDCs), Regional Skills Leadership Groups (RSLGs) and Iwi Māori are available to inform investment decisions (see Note 1)	New measure	New measure	Achieved
Te Pūkenga's annual report shows progress towards meeting:			
<ul style="list-style-type: none"> <li>charter obligations, including providing a national network of provision (see Notes 2, 3 and 4)</li> </ul>	New measure	New measure	New measure in 2023/24
<ul style="list-style-type: none"> <li>national and regional skills priorities (see Notes 2 and 3)</li> </ul>	New measure	New measure	New measure in 2023/24
Reports from funded organisations show progress towards meeting national and regional priorities (see Notes 2, 3, 5 and 6)	New measure	New measure	New measure in 2023/24

This new appropriation includes the strategic element of the unified funding system (UFS) for vocational education, which comes into effect from 1 January 2023. The UFS is part of the Reform of Vocational Education. An initial performance measure has been included for 2022/23, while indicating the more substantive measures proposed for 2023/24.

Note 1 - The 2022/23 result of this financial year measure will be reported in the Tertiary Education Commission's 2022/23 annual report.

Note 2 - For this measure the 2021/22 Final Budgeted Standard and the 2021/22 Estimated Actual refer to the 2021 calendar year. The 2022/23 Budget Standard refers to the 2022 calendar year.

Note 3 - The unified funding system for vocational education and training will be implemented from 1 January 2023. The first year of reporting against these measures will reflect 2023 calendar year funding received by Te Pūkenga and private training establishments. These measures will first be reported in the Tertiary Education Commissions 2023/24 annual report, so will reflect 2023 calendar year results.

Note 4 - Te Pūkenga's charter requires that it provides a national network of provision, including offering in each region a mix of education and training in each region, including on-the-job, face-to-face and distance delivery that is accessible and meets the needs of its learners, industries and communities, and maintains a high-quality, coherent network of infrastructure that meets regional skills needs.

Note 5 - This performance measure applies to Private Training Establishments. Funding objectives and progress milestones will be identified, monitored and reported on as part of ongoing reporting, as well as in subsequent funding applications.

Note 6 - The Tertiary Education Commission will work with the wānanga to allocate programme development and maintenance funding. Reporting on this funding will not be included in this measure, but will be included in wānanga annual reports, which are reviewed against milestones and key performance indicators set in Investment Plans.

### *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	2021/22 Final Budgeted \$000	2021/22 Estimated Actual \$000	2022/23 Budget \$000	Expiry of Resourcing Commitment
<b>Crown Entities</b>				
Universities (8)	-	-	375	To be determined
Wānanga (3)	-	-	2,276	To be determined
Te Pūkenga - New Zealand Institute of Skills and Technology	-	-	25,086	To be determined
<b>Non-Government Organisations</b>				
Private Training Establishments	-	-	11,779	To be determined
<b>Total</b>	-	-	<b>39,516</b>	

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2021/22 Final Budgeted \$000	2022/23 Budget \$000	2023/24 Estimated \$000	2024/25 Estimated \$000	2025/26 Estimated \$000
Māori Language Education Funding to Support Provision and Growth	2022/23	-	1,500	2,500	3,000	3,000
Cost Adjustment to Tertiary Tuition and Training Subsidies	2022/23	-	1,016	2,028	2,034	2,030
Ensuring the Viability of Vocational Education and Training	2021/22	-	36,200	73,200	73,200	73,200

### *Reasons for Change in Appropriation*

This new appropriation in 2022/23 is one of the necessary changes to the appropriation structure of Vote Tertiary Education to implement the unified funding system for vocational education, a core part of the Reform of Vocational Education.

This appropriation contains the strategic components of the unified funding system. It has been established from the reallocation of funding for Budget 2021 initiative 'Ensuring the Viability of Vocational Education and Training' of \$36.200 million and repurposing \$800,000 for the Qualification Development

Fund from appropriation Tertiary Sector / Industry Collaboration Projects. The reorganisation of appropriations for 2022/23 is set out in Part 1.4 - Reconciliation of Changes in Appropriation Structure.

Additional baseline funding was provided in Budget 2022 to support Māori language education provision and growth.

### Support for Wānanga (M26) (A19)

#### *Scope of Appropriation*

This appropriation is limited to supporting wānanga in the tertiary education system to undertake teaching and research that maintains, advances and disseminates knowledge regarding āhuetanga Māori according to tikanga Māori.

#### *Expenses*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	30,000	30,000	23,000

#### *Comparators for Restructured Appropriation*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Vote, Type and Title of Appropriation			
Vote Tertiary Education: Non-Departmental Output Expense: Tertiary Education Research and Research-Based Teaching (Component: Wānanga Research Capability Fund)	6,000	6,000	-
Total	36,000	36,000	23,000

#### *Components of the Appropriation*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Wānanga Research Capability Fund	6,000	6,000	6,000
Grants under Section 556 of the Education and Training Act 2020	30,000	30,000	17,000
Total	36,000	36,000	23,000

#### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to support wānanga as a system of delivery, including supporting its critical role in protecting and revitalising te reo Māori and mātauranga Māori.

#### *How Performance will be Assessed and End of Year Reporting Requirements*

	2021/22		2022/23
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Wānanga annual reports are reviewed and appropriate action is taken (see Notes 1 and 2)	Achieved	Achieved	Achieved

Note 1 - The 2021/22 Final Budgeted Standard and the 2021/22 Estimated Actual refer to the 2021 calendar year. The 2022/23 Budget Standard refers to the 2022 calendar year.

Note 2 - 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	2021/22 Final Budgeted \$000	2022/23 Budget \$000	2023/24 Estimated \$000	2024/25 Estimated \$000	2025/26 Estimated \$000
Medium-term Funds for Te Wānanga o Aotearoa and Te Whare Wānanga o Awanuiārangi	2021/22	8,000	8,000	8,000	8,000	8,000
Whakatupu Mātauranga Fund for Te Wānanga o Raukawa	2021/22	6,000	4,000	4,000	4,000	4,000
Addressing Te Whare Wānanga o Awanuiārangi's Historic Research Funding Concerns	2021/22	12,000	-	-	-	-
Continued Support to the Wānanga Sector	2021/22	4,000	5,000	6,000	6,000	6,000

### *Reasons for Change in Appropriation*

The baseline for this appropriation was increased through the transfer of the Wānanga Research Capability Fund, as shown in the Comparators for Restructured Appropriation table above. The reorganisation of appropriations for 2022/23 is also set out in Part 1.4 - Reconciliation of Changes in Appropriation Structure.

The \$13 million decrease in this appropriation in 2022/23 compared to equivalent appropriation in 2021/22 is due to a combination of:

- a one-off grant in 2021/22 under section 556 of the Education and Training Act 2020 to support Te Whare Wānanga o Awanuiārangi to undertake activities to protect, enhance and disseminate mātaurangi Māori (\$12 million decrease)
- phasing the Whakatupu Mātauranga Fund of \$4 million per annum from the 2022 calendar year for grants under section 556 of the Education and Training Act 2020 to support Te Wānanga o Raukawa to implement or expand its whakatupu mātauranga, whakahaere and hei whakamaunga atu activities (\$2 million decrease), and
- provision of grants paid under section 556 of the Education and Training Act 2020 to Te Wānanga o Aotearoa and Te Whare Wānanga o Awanuiārangi (\$4 million in 2021/22 and \$5 million in 2022/23) to support progress of Te Hono Wānanga while work on co-designing a more sustainable funding solution is undertaken (\$1 million increase).

## 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.

### *Expenses*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	321,000	321,000	315,000

### *Components of the Appropriation*

	2021/22		2022/23
	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
Total	315,000	315,000	315,000

### *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*

	2021/22		2022/23
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
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 - The 2021/22 Final Budgeted Standard and the 2021/22 Estimated Actual refer to the 2021 calendar year. The 2022/23 Budget Standard refers to the 2022 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	2021/22 Final Budgeted \$000	2021/22 Estimated Actual \$000	2022/23 Budget \$000	Expiry of Resourcing Commitment
<b>Crown Entities</b>				
Universities (8)	303,975	304,076	304,173	Investment plans up to 3 years
Wānanga (3)	756	739	738	Investment plans up to 3 years
Te Pūkenga - New Zealand Institute of Skills and Technology	9,040	8,919	8,776	Investment plans up to 3 years
<b>Non-Government Organisations</b>				
Private Training Establishments	1,229	1,266	1,313	Investment plans up to 3 years
<b>Total</b>	<b>315,000</b>	<b>315,000</b>	<b>315,000</b>	

*Reasons for Change in Appropriation*

This appropriation previously included the Wānanga Research Capability Fund. The reorganisation of appropriations for 2022/23 is also set out in Part 1.4 - Reconciliation of Changes in Appropriation Structure.

*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"> <li>• Quality Evaluation - a periodic peer assessment of the research contribution of individual teaching and research staff (this will comprise 55% of funding in 2022 and 2023)</li> <li>• Research Degree Completions - a measure of the number of research-based post-graduate degree completions (this will comprise 25% of funding in 2022 and 2023)</li> <li>• External Research Income - a measure of income received for the purposes of conducting research (this will comprise 20% of funding in 2022 and 2023).</li> </ul>

**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*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	46,802	46,802	30,271



### *Components of the Appropriation*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Centres of Asia-Pacific Excellence	10,000	10,000	10,000
COVID-19 Response Projects	10,872	10,872	-
Māori and Pasifika Trades Training	8,995	8,995	7,995
National Centre for Tertiary Teaching Excellence	3,556	3,556	3,556
Quality Teaching Agenda	2,384	2,384	2,520
Establishment of Centres of Vocational Excellence	5,000	5,000	5,000
Support the establishment of Workforce Development Councils (WDCs)	3,850	3,850	-
Adult and Community Education (ACE) Aotearoa	1,200	1,200	1,200
Qualification Development Fund	800	800	-
Other Funding	145	145	-
<b>Total</b>	<b>46,802</b>	<b>46,802</b>	<b>30,271</b>

### *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*

	2021/22		2022/23
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
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)	Achieved	Achieved	Achieved
Total number of individuals participating in Centres of Asia-Pacific Excellence business and educational initiatives that support New Zealand's effectiveness in the Asia-Pacific market (see Note 1)	Baseline year	Baseline year	At least baseline year

Note 1 - The 2021/22 Final Budgeted Standard and the 2021/22 Estimated Actual refer to the 2021 calendar year. The 2022/23 Budget Standard refers to the 2022 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 out 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	2021/22 Final Budgeted \$000	2021/22 Estimated Actual \$000	2022/23 Budget \$000	Expiry of Resourcing Commitment
<b>Crown Entities</b>				
Universities (8)	13,556	13,556	13,556	Range from 3 to 6 years
Wānanga (3)	505	505	449	Plans up to 3 years
Te Pūkenga - New Zealand Institute of Skills and Technology	12,582	12,582	10,858	Plans up to 3 years
<b>Non-Government Organisations</b>				
Transitional Industry Training Organisations and WDC Establishment Boards	1,766	1,766	-	
Private Training Establishments	18,393	18,393	5,408	Plans up to 3 years
<b>Total</b>	<b>46,802</b>	<b>46,802</b>	<b>30,271</b>	

*Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2021/22 Final Budgeted \$000	2022/23 Budget \$000	2023/24 Estimated \$000	2024/25 Estimated \$000	2025/26 Estimated \$000
Establishing Workforce Development Councils to Support COVID-19 Recovery	2020/21	3,850	-	-	-	-
Adult and Community Education - A Modern Approach to Night Classes	2020/21	1,000	1,000	1,000	1,000	1,000
Enhanced Induction Programme for Newly Graduated Teachers with Reduced Practicum Experience	2020/21	2,113	-	-	-	-
Cost Adjustment for Tuition Subsidies	2020/21	82	82	82	82	82
Transitional Industry Training Organisation and Workforce Development Council-Led COVID-19 Response Projects	2019/20	10,872	-	-	-	-
Reform of Vocational Education - Management of Fiscal Implications	2019/20	5,000	5,000	5,000	5,000	5,000
Home-Based ECE Review - Improving the Quality of Home-Based Early Childhood Education	2019/20	145	-	-	-	-
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 \$16.531 million decrease in this appropriation for 2022/23 is due to a combination of:

- provision in 2021/22 for Transitional Industry Training Organisations and Workforce Development Council led projects to develop local and industry training responses to COVID-19 (\$10.872 million decrease)

- provision in 2021/22 for the establishment of Workforce Development Councils (WDCs) by the Establishment Boards for WDCs and WDC Establishment Unit (\$3.850 million decrease)
- transfer of \$2 million per annum over 2020 - 2022 from non-departmental output expense Tertiary Education: Student Achievement Component (in the Tertiary Tuition and Training MCA) to maintain funding levels for Māori and Pasifika Trades Training consortia until 2022 (\$1 million decrease)
- baseline funding for the Qualifications Development Fund was transferred to non-department output expense Strategic Support for National and Regional Priorities and repurposed to support programme development as part of the unified funding system (\$800,000 decrease)
- a transfer from 2020/21 to 2021/22 for tertiary education providers to develop home-based Early Childhood Education programmes in languages other than English and Māori, such as Tongan and Samoan and enable the existing educator workforce to upskill to a Level 4 early childhood education qualification (\$145,000 decrease), and
- 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) (\$136,000 increase).

### *Conditions on Use of Appropriation*

Reference	Conditions
Education and Training Act 2020	Funding is allocated by the Tertiary Education Commission in accordance with funding mechanisms 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*

	2021/22		2022/23	2023/24	2024/25	2025/26
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Total Appropriation	8,255	8,255	4,359	3,651	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*

	2021/22		2022/23
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Entrepreneurial Universities' annual reports are reviewed and appropriate action is taken (see Notes 1 to 3).	Achieved	Achieved	Achieved

Note 1 - Entrepreneurial Universities are universities receiving funding through the Entrepreneurial Universities initiative. Funding will end with the completion of the current contracts, over the next few years.

Note 2 - The 2021/22 Final Budgeted Standard and the 2021/22 Estimated Actual refer to the 2021 calendar year. The 2022/23 Budget Standard refers to the 2022 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	2021/22 Final Budgeted \$000	2021/22 Estimated Actual \$000	2022/23 Budget \$000	Expiry of Resourcing Commitment
<b>Crown Entities</b>				
Universities (8)	8,255	8,255	4,359	Plans up to 5 years
<b>Total</b>	<b>8,255</b>	<b>8,255</b>	<b>4,359</b>	

### *Reasons for Change in Appropriation*

The \$3.896 million decrease in this appropriation for 2022/23 is due to the reprioritisation of unallocated funding for Entrepreneurial Universities.

## **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*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	50,150	50,150	65,000

### *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*

	2021/22		2022/23
	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 each year (see Note 1)	Achieved	Achieved	Achieved

Note 1 - Approved Operational Plans will set out how each Workforce Development Council 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	2021/22 Final Budgeted \$000	2022/23 Budget \$000	2023/24 Estimated \$000	2024/25 Estimated \$000	2025/26 Estimated \$000
Establishing Workforce Development Councils to Support COVID-19 Recovery	2020/21	50,150	65,000	65,000	65,000	65,000

### *Reasons for Change in Appropriation*

The \$14.850 million increase in this appropriation for 2022/23 is due to Workforce Development Councils reaching capacity to fulfil all their statutory functions.

## 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*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	20,113	20,113	20,413

#### *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.

#### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2021/22 Final Budgeted \$000	2022/23 Budget \$000	2023/24 Estimated \$000	2024/25 Estimated \$000	2025/26 Estimated \$000
Dawn Raids Apology - Maintaining and Growing Tūlī Takes Flight and Pacific Education Foundation Scholarships	2022/23	-	55	271	320	334
Dawn Raids Apology - Establish Tūlī Takes Flight Education Scholarships for Pacific People	2021/22	245	490	490	490	490

#### *Reasons for Change in Appropriation*

The \$300,000 increase in this appropriation for 2022/23 is mainly due to provision of \$490,000 annually from 2022 for academic and vocational scholarships (Tūlī Takes Flight Scholarships) for New Zealand citizens of indigenous Pacific heritage to commemorate the Dawn Raids.

## 3.4 - Non-Departmental Other Expenses

### Fees-free Payments (M26) (A19)

#### *Scope of Appropriation*

This appropriation is limited to ensuring fees-free study for eligible students, apprentices and trainees.
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#### *Expenses*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	387,135

#### *Comparators for Restructured Appropriation*

Vote, Type and Title of Appropriation	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Vote Tertiary Education: Non-Departmental Other Expense: Fees-free Payments category of Tertiary Education and Training MCA	521,344	474,353	
Total	521,344	474,353	387,135

#### *Components of the Appropriation*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
First-year Fees-free Payments	361,344	235,190	387,135
Targeted Training and Apprenticeship Fund	160,000	239,163	-
Total	521,344	474,353	387,135

#### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to contribute to removing barriers to participation by making tertiary education more affordable.

#### *How Performance will be Assessed and End of Year Reporting Requirements*

Assessment of Performance	2021/22		2022/23
	Final Budgeted Standard	Estimated Actual	Budget Standard
Average fees-free payment per learner for first year of education or training (see Notes 1 and 2)	At least \$6,168.80	\$6,637	At least \$6,637
Number of learners in Targeted Training and Apprentices Fund- eligible apprenticeships (see Note 1 and 3)	At least 48,765	77,595	At least 77,595

Note 1 - The 2021/22 Final Budgeted Standard and the 2021/22 Estimated Actual refer to the 2021 calendar year. The 2022/23 Budget Standard has been updated to reflect the 2021/22 Estimated Actual, and refers to the 2022 calendar year.

Note 2 - 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 3 - The Targeted Training and Apprentices Fund (TTAF) began in July 2020. Between July 2020 and 31 December 2021, 183,055 unique learners (including 85,355 apprentices, 54,745 industry trainees and 50,950 provider-based learners) have been supported by TTAF (not all of these learners will be currently training as this is a cumulative figure). Learners can be enrolled in more than one year and will be counted in each year. The sum of the 2020 and 2021 apprenticeships numbers do not equal the total apprenticeships number (85,355) as the total removes double counted learners.

### *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	2021/22 Final Budgeted \$000	2021/22 Estimated Actual \$000	2022/23 Budget \$000	Expiry of Resourcing Commitment
<b>Crown Entities</b>				
Universities (8)	177,201	161,229	226,353	Plans up to 3 years
Wānanga (3)	459	418	638	Plans up to 3 years
Te Pūkenga - New Zealand Institute of Skills and Technology	208,965	190,130	81,018	Plans up to 3 years
<b>Non-Government Organisations</b>				
Private Training Establishments	72,133	65,631	66,096	Plans up to 3 years
Employers	3,777	3,437	-	
Transitional Industry Training Organisations	58,809	53,508	13,030	Plans up to 3 years
<b>Total</b>	<b>521,344</b>	<b>474,353</b>	<b>387,135</b>	

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2021/22 Final Budgeted \$000	2022/23 Budget \$000	2023/24 Estimated \$000	2024/25 Estimated \$000	2025/26 Estimated \$000
COVID-19: Additional Financial Support for Domestic Tertiary Learners	2021/22	(20,000)	-	-	-	-
Targeted Training and Apprenticeship Fund	2020/21	160,000	-	-	-	-
Raising the Profile and Strengthening the Pipeline into Vocational Education	2019/20	(2,200)	(700)	-	-	-
Reprioritisation of Funding - Fees-Free Tertiary Education and Training	2018/19	(33,484)	(29,361)	(29,361)	(29,361)	(29,361)



### *Reasons for Change in Appropriation*

This is a new appropriation in 2022/23 created by moving the Fees-free Payments category from the Tertiary Tuition and Training MCA as shown in the Comparators for Restructured Appropriation table above. This separates an entitlement to eligible learners from the volume-based components of the unified funding system for vocational education in the Tertiary Tuition and Training MCA. The reorganisation of appropriations for 2022/23 is also set out in Part 1.4 - Reconciliation of Changes in Appropriation Structure.

The \$134.209 million decrease in this appropriation for 2022/23 is mainly due to a combination of:

- the Targeted Training and Apprenticeship Fund ending at the end of 2022 (\$160 million decrease), and
- a transfer in 2021/22 only to non-departmental output expense Access to and Success in Tertiary Education (category of Tertiary Tuition and Training MCA) to increase the Student Hardship Fund to support domestic tertiary learners from the impacts of COVID-19 (\$20 million increase).

## 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*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	4,500	4,500	2,000

#### *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*

	2021/22		2022/23
	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 (see Note 1)	Achieved	Partially Achieved	Achieved

Note 1 - The Careers System Online Initiative Product Roadmap sets out the suite of integrated web-based tools and datasets that will be developed and delivered over future years. The roadmap focuses on building the core system first, delivering the ability to explore career advice pages, tertiary study and training options, career options and make a personalised career plan. The launch of a beta site (launched in parallel to careers.govt.nz) is expected in 2023.

#### *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	2021/22 Final Budgeted \$000	2022/23 Budget \$000	2023/24 Estimated \$000	2024/25 Estimated \$000	2025/26 Estimated \$000
Careers System Online: Tiro Whetū	2020/21	4,500	2,000	-	-	-

### *Reasons for Change in Appropriation*

The \$2.500 million decrease in this appropriation reflects the timing of the capital injections to the Tertiary Education Commission of \$15 million over three years (\$8.500 million in 2020/21, \$4.500 million in 2021/22 and \$2 million in 2022/23) 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 a Single National Vocational Education Institution (M26) (A19)**

#### *Scope of Appropriation*

This appropriation is limited to capital injections for a single national vocational education institution.

#### *Capital Expenditure*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	4,157	4,157	25,000

#### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to enable the Te Pūkenga - New Zealand Institute of Skills and Technology to establish and build the core infrastructure to deliver an integrated and collaborative network of vocational education.

#### *How Performance will be Assessed and End of Year Reporting Requirements*

	2021/22		2022/23
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Te Pūkenga submits reports that show it is meeting the targets and milestones from its funding agreement with the Crown.	Achieved	Achieved	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	2021/22 Final Budgeted \$000	2022/23 Budget \$000	2023/24 Estimated \$000	2024/25 Estimated \$000	2025/26 Estimated \$000
Te Pūkenga - New Zealand Institute of Skills and Technology Capital Investment Fund	2022/23	-	25,000	15,000	-	-
Converting the Western Institute of Technology at Taranaki's (WITT) Crown Loan to Equity	2021/22	4,157	-	-	-	-

### *Reasons for Change in Appropriation*

The \$20.843 million increase in this appropriation for 2022/23 is mainly due to provision in Budget 2022 for capital injections to Te Pūkenga - New Zealand Institute of Skills and Technology of \$40 million over two years (\$25 million in 2022/23 and \$15 million in 2023/24) to modernise its physical infrastructure across its network of former Institutes of Technology and Polytechnics as part of implementing the Government's Reform of Vocational Education.

### **Tertiary Education Institutions' Proceeds from Disposal of Crown Assets (M26) (A19)**

#### *Scope of Appropriation*

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.

#### *Capital Expenditure*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	5,940	5,940	20,026

#### *What is Intended to be Achieved with this Appropriation*

This appropriation is to enable the Ministry of Education to honour obligations under agreements with TEIs with respect to property sales, and act in accordance with decisions by Ministers with respect to property sale proceeds.

#### *How Performance will be Assessed and End of Year Reporting Requirements*

	2021/22		2022/23
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
The Ministry of Education meets property sales obligations agreed with TEIs and abides by Ministers' decisions regarding payment of asset sale proceeds (see Note 1).	Achieved	Achieved	Achieved

Note 1 - Where a TEI property sale results in sale proceeds being paid to the Ministry, the Ministry will meet its obligations under any agreement (including an agreement pursuant to the Crown Asset Transfer and Disposal Policy) to pay those sale proceeds, or any percentage share of those sale proceeds:

- to the TEI in accordance with the terms and conditions set out in the agreement, or
- to the Treasury, if the agreement requires the Crown to retain a percentage share of the sale proceeds and the Minister of Finance and the Minister of Education jointly determine a percentage of the sale proceeds should be retained by the Crown.

#### *End of Year Performance Reporting*

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

### *Reasons for Change in Appropriation*

This appropriation varies from year-to-year to make provision for the expected fiscally neutral transfers to Tertiary Education Institutions (TEIs) of their share of proceeds the Ministry of Education has received from the sale of certain land and/or buildings used by TEIs that are or were previously in Crown title. An appropriation is required for the transfer of public money to TEIs despite being fiscally neutral to the Crown.

### **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*

	2021/22		2022/23	2023/24	2024/25	2025/26
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Total Appropriation	1,000	1,000	7,850	5,000	-	-

#### *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*

	2021/22		2022/23
	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 progressing (see Note 1)	Achieved	Achieved	Achieved

Note 1 - The first phase will be completed in time to enable the Tertiary Education Commission systems to recognise unified funding system funded learning from January 2023.

#### *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	2021/22 Final Budgeted \$000	2022/23 Budget \$000	2023/24 Estimated \$000	2024/25 Estimated \$000	2025/26 Estimated \$000
Reform of Vocational Education - Transition and Integration Phase	2021/22	1,000	7,850	5,000	-	-

*Reasons for Change in Appropriation*

The \$6.850 million increase in this appropriation reflects the timing of the capital injection to the Tertiary Education Commission of \$13.850 million over three years (\$1 million in 2021/22, \$7.850 million in 2022/23 and \$5 million in 2023/24) from the COVID-19: Response and Recovery Fund for development of the Vocational Education Data System.

# 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 support and fund tertiary tuition and training that results in improvements in New Zealanders' skill levels.

#### *Scope of Appropriation*

##### **Non-Departmental Output Expenses**

###### *Access to and Success in Tertiary Education*

This category is limited to improving access to and success in tertiary education and training for learners underserved by the tertiary system, particularly those identified in the Tertiary Education Strategy.

###### *Community Education*

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

###### *Foundation and Community Education*

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

###### *Qualification Delivery*

This category is limited to funding for teaching, training and learning services that support enrolled students at tertiary education organisations to achieve recognised tertiary qualifications and credentials.

###### *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*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	<b>3,249,995</b>	<b>3,203,004</b>	<b>2,880,363</b>
<b>Non-Departmental Output Expenses</b>			
Access to and Success in Tertiary Education	-	-	73,229
Community Education	86,376	86,376	-
Foundation and Community Education	-	-	292,741
Qualification Delivery	-	-	2,514,393
Tertiary Education: Student Achievement Component	2,336,032	2,336,032	-
Training for Designated Groups	306,243	306,243	-
<b>Non-Departmental Other Expenses</b>			
Fees-free Payments	521,344	474,353	-

*Comparators for Restructured Appropriation*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Vote, Type and Title of Appropriation			
Vote Tertiary Education: Non-Departmental Output Expense: Access to Tertiary Education	74,415	74,415	
<b>Total</b>	<b>2,803,066</b>	<b>2,803,066</b>	<b>2,880,363</b>

*Components of the Appropriation*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Access to and Success in Tertiary Education</b>			
Equity Funding for Level 7 (degree) and Above	7,650	7,650	15,720
Learner Funding for Levels 3-7 (non degree) and Industry Training	31,860	31,860	47,593
Māori and Pasifika Trades Training Top Up	9,102	9,102	9,916
Student Hardship Grants	25,803	25,803	-
<b>Foundation and Community Education</b>			
Adult and Community Education	27,330	27,330	28,385
Gateway	22,564	22,564	23,011
Literacy and Numeracy	38,941	38,941	39,559
English for Speakers of Other Languages	18,075	18,075	20,173
Immigration Levy	426	426	-
Emergency Management Pool	1,604	1,604	1,636
Foundation Education	165,542	165,542	179,977
<b>Qualification Delivery</b>			
Qualifications at Level 3-7 (non degree) and Industry Training	749,514	749,514	809,643
Qualifications at Level 7 (degree) and Above	1,702,301	1,702,301	1,702,382
Section 556 of the Education and Training Act 2020 Grants for School of Dance and School of Drama	2,354	2,354	2,368
<b>Total</b>	<b>2,803,066</b>	<b>2,803,066</b>	<b>2,880,363</b>



### *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*

Assessment of Performance	2021/22		2022/23
	Final Budgeted Standard	Estimated Actual	Budget Standard
Tertiary course completion rate (see Notes 1 and 2):			
<ul style="list-style-type: none"> <li>Course completion rate for provider-based learners (see Note 3)</li> </ul>	New measure	81.2%	At least 81.2%
<ul style="list-style-type: none"> <li>Credit achievement rate for work-based learners (see Note 4)</li> </ul>	New measure	66.6%	At least 66.6%

Note 1 - The 2021/22 Final Budgeted Standard and the 2021/22 Estimated Actual refer to the 2021 calendar year. The 2022/23 Budget Standards have been updated to reflect the 2021/22 Estimated Actual and refers to the 2022 calendar year.

Note 2 - In future years, this course completion measure will reflect the new funding system commencing in 2023. The result for this measure reported in the Tertiary Education Commission's 2022/23 annual report will reflect the 2022 calendar year and 2022 funding system.

Note 3 - The 2022 calendar year result for provider-based learners will reflect course completion by Student Achievement Component and Youth Guarantee funded learners. From the 2023 calendar year onwards results will reflect the new unified funding system.

Note 4 - The 2022 calendar year result for work-based learners will reflect credit achievement by learners funded through the Industry Training Fund. From the 2023 calendar year onwards results will reflect the new unified funding system.

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

Assessment of Performance	2021/22		2022/23
	Final Budgeted Standard	Estimated Actual	Budget Standard
<b>Non-Departmental Output Expenses</b>			
<b>Access to and Success in Tertiary Education</b>			
This category is intended to improve equity in access and success in tertiary education and 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 34%	35%	At least 35%
Proportion of Māori and Pacific full-time equivalent learners at Levels 3-7 (non-degree) enrolled in the work-based modes of delivery (including pathways to work) (see Notes 1, 2 and 3):			
<ul style="list-style-type: none"> <li>Māori (relative to combined non-Māori and non-Pacific learners' results) (see Note 4)</li> </ul>	New measure	New measure	New measure in 2023/24
<ul style="list-style-type: none"> <li>Pacific (relative to combined non-Māori and non-Pacific learners' results) (see Note 5)</li> </ul>	New measure	New measure	New measure in 2023/24

Assessment of Performance	2021/22		2022/23
	Final Budgeted Standard	Estimated Actual	Budget Standard
<b>Foundation and Community Education</b>			
This category is intended to achieve improvement in foundational skills for learners by funding education and training programmes.			
Percentage of learners accessing the desired range (hours) of provision (see Notes 1 and 8):			
• Intensive Literacy And Numeracy	At least 53%	58.53%	At least 58.53%
• Workplace Literacy and Numeracy (tertiary education organisation-led)	At least 63%	70.17%	At least 70.17%
• English for Speakers of Other Languages	At least 93%	91.25%	At least 91.25%
Number of Adult Community Education learner hours (see Note 1)	At least 873,338	973,788	At least 973,788
Youth Guarantee - Percentage of Youth Guarantee learners completing qualifications at Level 2 or 3 (see Note 1).	At least 60%	62%	At least 62%
<b>Qualification Delivery</b>			
This category is intended to achieve learners' attainment of recognised tertiary qualifications and credentials by funding education and training opportunities.			
Industry Training (see Note 1) - percentage completing programmes:			
• All learners	At least 67%	66.1%	At least 66.1%
• Industry trainees	At least 69%	69.1%	At least 69.1%
• Apprentices	At least 55.5%	54.9%	At least 54.9%
• Māori (relative to combined non-Māori and non-Pacific learners' results) (see Note 6)	No more than -5% points	-5.6 percentage points	No more than -5.6 percentage points
• Pacific (relative to combined non-Māori and non-Pacific learners' results) (see Note 7).	No more than -1.5% points	-1.5 percentage points	No more than -1.5 percentage points
Qualification completion (cohort based) (see Notes 1 and 9) - percentage of funded students completing qualifications:			
Level 4 to 7 non-degree:			
• All learners	At least 56.6%	59.1%	At least 59.1%
• Māori learners (relative to combined non-Māori and non-Pacific learners' results) (see Note 6)	Maintain no parity gap	-1.4 percentage points	No more than -1.4 percentage points
• Pacific learners (relative to combined non-Māori and non-Pacific learners' results) (see Note 7).	No more than -1% point	-4.1 percentage points	No more than -4.1 percentage points
Qualification completion (cohort based) (see Notes 1 and 9) - percentage of funded students completing qualifications:			
Level 7 degree and above:			
• All learners	At least 61.0%	61.9%	At least 61.9%
• Māori learners (relative to combined non-Māori and non-Pacific learners' results) (see Note 6)	No more than -15.5% points	-14.8 percentage points	No more than -14.8 percentage points
• Pacific learners (relative to combined non-Māori and non-Pacific learners' results) (see Note 7).	No more than -16.8% points	-19.3 percentage points	No more than -19.3 percentage points

The changes to the categories of the Tertiary Tuition and Training MCA are to give effect to the implementation of the unified funding system for vocational education, part of the Reform of Vocational Education. The new funding arrangements come into effect for the 2023 calendar year and will be reflected in the performance results for the 2023/24 financial year. These changes bring together funding for provider-based tuition at levels 3-7 (non-degree) on the New Zealand Qualification framework and funding for all industry training (previously in a separate category), to contribute to creating a strong, unified, sustainable vocational education system that delivers the skills that learners, employers and communities need to thrive.

Note 1 - 2021/22 Final Budgeted Standard and 2021/22 Estimated Actual refer to the 2021 calendar year. The 2022/23 Budget Standards have been updated to reflect the 2021/22 Estimated Actual and refer to the 2022 calendar year.

Note 2 - This new measure reflects the learner component of the unified funding system which comes into effect from 1 January 2023 and is part of the Reform of Vocational Education. This measure combines the enrolment results for two modes of delivery:

- Work-based mode of delivery - learners study mainly in the workplace with supported self-directed learning.
- Work-based Pathway to Work mode of delivery - learners have completed some study in the provider-based mode. Providers assist learners to find jobs with training agreements and support them to establish their learning in the workplace.

Note 3 - The unified funding system will be implemented from 1 January 2023. The first year of reporting against these UFS learner component measures will reflect 2023 calendar year learner component funding received by providers. These measures will first be reported against in the Tertiary Education Commissions 2023/24 annual report which will reflect 2023 calendar year measure results. Consequently, results of the above measures will not appear in the Tertiary Education Commission's 2022/23 annual report, which will reflect 2022 calendar year results.

Note 4 - This is a measure of the percentage point gap between the percentage of Māori learners enrolled in work-based modes of delivery and the percentage of combined non-Māori and non-Pacific learners enrolled in work-based modes of delivery - 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 enrolled in work-based modes of delivery and the percentage of combined non-Māori and non-Pacific learners enrolled in work-based modes of delivery - the desired trend is for the percentage point gap to decrease.

Note 6 - 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 7 - 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 8 - Desired range of hours relates to the optimal hours of learning needed to make an impact on an individual's learning.

Note 9 - The wording of this measure has been broadened slightly to enable future reporting on the delivery component of unified funding system coming into effect on 1 January 2023. The 2022 calendar year result will relate to Student Achievement Component-funded learners. The measurement is based on the equivalent full-time students (EFTS) value of the course. Future results for this measure will reflect the new funding system changes commencing in January 2023.

### *Service Providers for the Multi-Category Appropriation*

Provider	2021/22 Final Budgeted \$000	2021/22 Estimated Actual \$000	2022/23 Budget \$000	Expiry of Resourcing Commitment
<b>Crown Entities</b>				
Universities (8)	1,433,256	1,433,256	1,463,148	Plans up to 3 years
Wānanga (3)	161,547	161,547	166,915	Plans up to 3 years
Te Pūkenga - New Zealand Institute of Skills and Technology	708,025	708,025	797,451	Plans up to 3 years
Schools	27,012	27,012	28,188	Plans up to 3 years
Government Training Establishment	2,776	2,776	3,020	Plans up to 3 years
<b>Non-Government Organisations</b>				
Private Training Establishments	346,626	346,626	367,717	Plans up to 3 years
Rural Education Activities Programmes (13)	3,569	3,569	3,532	Plans up to 3 years
Employers	10,328	10,328	10,701	Plans up to 3 years
Community Education Providers	3,803	3,803	4,162	Plans up to 3 years
Transitional Industry Training Organisations	106,124	106,124	35,529	Plans up to 3 years
<b>Total</b>	<b>2,803,066</b>	<b>2,803,066</b>	<b>2,880,363</b>	

### *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	2021/22 Final Budgeted \$000	2022/23 Budget \$000	2023/24 Estimated \$000	2024/25 Estimated \$000	2025/26 Estimated \$000
Reinstating the Training Incentive Allowance for levels 4 to 7 on the New Zealand Qualifications Framework	2023/24	-	-	5,517	4,861	-
Cost Adjustment to Tertiary Tuition and Training Subsidies	2022/23	-	38,328	74,190	73,699	73,570
Improving the System for Refugee Family Reunification: Policy Proposals	2022/23	-	757	1,137	2,272	2,272

Policy Initiative	Year of First Impact	2021/22 Final Budgeted \$000	2022/23 Budget \$000	2023/24 Estimated \$000	2024/25 Estimated \$000	2025/26 Estimated \$000
Tertiary Education and Training - Increased Funding for Enrolments	2021/22	(40,000)	56,343	56,343	-	-
Ensuring the Viability of Vocational Education and Training	2021/22	29,420	30,822	24,121	23,545	23,545
Transfer of Unspent Workforce Development Councils Funding to the Industry Training Fund	2021/22	21,000	21,000	-	-	-
COVID-19: Additional Financial Support for Domestic Tertiary Learners	2021/22	20,000	-	-	-	-
Cost Adjustment to Tertiary Tuition and Training Subsidies	2021/22	16,346	31,892	31,254	31,256	31,256
Resettling Afghan Evacuees: Settlement Support, COVID-19, and Options to Extend New Zealand's Response	2021/22	638	544	-	-	-
Migrant Settlement and Integration Services for 2021/22: Funding from the Immigration Levy	2021/22	426	-	-	-	-
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)	(5,000)
Meeting Increased Learner Need for Tertiary Education	2020/21	140,500	87,600	26,550	-	-
Cost Adjustment for Tuition Subsidies	2020/21	40,198	40,198	40,198	40,198	40,198
Adult and Community Education - A Modern Approach to Night Classes	2020/21	3,563	3,563	3,563	3,563	3,563
Refugee Quota Increase: Increased Settlement Services	2020/21	1,688	3,220	3,377	3,846	3,846
Extending the Temporary Hardship Fund for Learners in Tertiary Education	2020/21	5,803	-	-	-	-
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	7,316	9,364	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	2,004	623	623	623	623
Reprioritisation of Funding - Information and Communication Technologies (ICT) Graduate Schools	2018/19	(5,031)	(5,031)	(5,031)	(5,031)	(5,031)
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	(4,442)	(4,682)	(4,682)	(4,682)	(4,682)
Reprioritisation - Tertiary Tuition and Training Multi-Category Appropriation	2018/19	(24,700)	(24,700)	(24,700)	(24,700)	(24,700)
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

### *Reasons for Change in Appropriation*

To implement the changes to the unified funding system the categories of the Tertiary Education and Training MCA have been revised, the components of the Access to Tertiary Education appropriation have been moved into the MCA, and the Fees-free Payments category has been moved to a new appropriation outside the MCA. This is shown in the Expenses, Revenue and Capital Expenditure table and Comparators for Restructured Appropriation table above. The reorganisation of appropriations for 2022/23 is also set out in Part 1.4 - Reconciliation of Changes in Appropriation Structure.

The \$77.297 million increase in this appropriation in 2022/23 compared to equivalent appropriation in 2021/22 is due to a combination of:

- provision in Budget 2022 to fund higher demand for tertiary education and training in prioritised areas in 2023 than could otherwise be funded (\$56.343 million increase)
- increases in tuition and training subsidy rates to support tertiary providers to manage increases in delivery costs, comprising 1.2% from January 2022 (Budget 2021) and 2.75% from January 2023 (Budget 2022) (totalling \$53.874 million increase)
- one-off savings in 2021/22 in provider-based programmes being transferred to 2022/23 due to 2022 calendar year enrolments being lower than the level budgeted for (\$40 million increase)
- provision for initiatives to alleviate teacher supply pressures in Budget 2019 (\$2.048 million increase)
- provision for an increase in the refugee quota programme (\$1.532 million increase)
- provision to implement the unified funding system for vocational education from 1 January 2023 (\$1.402 million increase)
- transfer (from savings in Student Achievement Component Level 1-2) to non-departmental output expense Tertiary Sector/Industry Collaboration Projects to maintain current funding for Māori and Pasifika Trades Training consortia until 2022 (transfer of \$2 million in 2021/22 reducing to \$1 million in 2022/23) (\$1 million increase)
- reprioritisation of recoveries in Māori and Pasifika Trades Training in 2021/22 (\$1 million increase)
- provision for improving the system for refugee family reunification (\$757,000 increase)
- a transfer in 2021/22 only to non-departmental output expense Administration of and Support for the Tertiary Education and Careers Systems for coordination of search and emergency management training (\$185,000 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 (\$52.900 million decrease)
- provision in 2021/22 for the Student Hardship Fund to support domestic tertiary learners from the impacts of COVID-19, comprising \$5.803 million in Budget 2021 and \$20 million transfer from non-departmental other expense Fees-free Payments Component (in the Tertiary Tuition and Training MCA) (\$25.803 million decrease)

- decrease in provision from \$2.004 million in 2021/22 to \$623,000 in 2022/23 for 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 ECE qualification (\$1.381 million decrease)
- allocation of funding in 2021/22 only from the Immigration Levy to support migrant settlement and integration services (\$426,000 decrease)
- increase in transfer to Vote Social Development to extend the seven-equivalent full-time students borrowing limit for students in long programmes from \$4.442 million in 2021/22 to \$4.682 million in 2021/22 (\$240,000 decrease), and
- decrease in provision from \$638,000 in 2021/22 to \$544,000 in 2022/23 for resettling Afghanistan evacuees through delivery English for Speakers of Other Languages tuition (\$94,000 decrease).

### *Conditions on Use of Appropriation*

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