

Vote Tertiary Education

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

DEPARTMENT ADMINISTERING THE VOTE: Ministry of Education (A19)

RESPONSIBLE MINISTER FOR MINISTRY OF EDUCATION: Minister of Education

Overview of the Vote

The Minister of Education is responsible for appropriations in Vote Tertiary Education for the 2023/24 financial year covering the following:

- a total of just over \$2,955 million for tuition and training subsidies to improve the skill levels of New Zealanders
- a total of nearly \$366 million to support research and research-led teaching
- a total of just over \$318 million for fees-free study for eligible students, apprentices and trainees
- a total of nearly \$78 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 just over \$69 million for services from the Tertiary Education Commission (TEC)
- 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 \$45 million provision to account for the fair value write down and impairment of concessionary loans and advances to Tertiary Education Institutions
- a total of nearly \$33 million for services from Education New Zealand
- a total of just over \$27 million to improve the relevance to industry of tertiary education provision
- a total of just over \$21 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
- a total of nearly \$21 million for scholarships and other awards in the tertiary sector
- a \$20 million (of a \$220 million) concessionary Crown loan to Te Pūkenga for the purpose of implementing an IT transformation programme
- a \$15 million capital grant 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 \$14 million for services from the Ministry of Education
- a total of \$12 million to support the educational delivery and outcomes of wānanga, and
- a total of nearly \$8 million capital grant to the TEC to develop 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	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Departmental Output Expenses			
Stewardship and Oversight of the Tertiary Education System (M26) (A19) This appropriation is limited to providing advice and services to support Ministers to discharge their portfolio responsibilities relating to tertiary and international education, as well as administrative and oversight activities including research and monitoring the tertiary education system.	19,451	19,451	14,489
Total Departmental Output Expenses	19,451	19,451	14,489
Non-Departmental Output Expenses			
Administration of and Support for the Tertiary Education and Careers Systems (M26) (A19) This appropriation is limited to giving effect to the Tertiary Education Strategy by effectively investing in, monitoring, informing and influencing the tertiary education and careers systems, managing the Crown's ownership interest in tertiary education institutions, and providing advice and support to Ministers.	80,507	80,507	69,480
Centres of Research Excellence (M26) (A19) This appropriation is limited to the purchase of cooperative and collaborative tertiary research in areas of research strength in the tertiary education sector through the contestable Centres of Research Excellence Fund.	49,800	49,800	49,800
International Education Programmes (M26) (A19) This appropriation is limited to delivery of services in respect of international education, including promotion, information, research and professional development, both in New Zealand and overseas, for the purpose of delivering an excellent student experience, achieving sustainable growth and developing global citizens.	36,984	32,968	32,517
Strategic Support for National and Regional Priorities (M26) (A19) 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.	42,526	42,526	77,418
Support for Wānanga (M26) (A19) 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.	42,325	42,325	12,000
Tertiary Education Research and Research-Based Teaching (M26) (A19) This appropriation is limited to funding research and research-based teaching on the basis of measured research quality in tertiary education organisations.	315,000	315,000	315,000
Tertiary Sector / Industry Collaboration Projects (M26) (A19) This appropriation is limited to funding activities that improve the relevance to industry of tertiary education provision.	28,831	26,719	27,088
University-led Innovation (M26) (A19) This appropriation is limited to supporting universities to attract entrepreneurial academics to drive collaboration between universities and established and emerging businesses.	4,359	4,348	751
Workforce Development Councils (M26) (A19) This appropriation is limited to expenses incurred on Workforce Development Councils setting up their organisations and performing their statutory functions.	65,000	65,000	65,000

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Establishment of a Single National Vocational Education Institution (M26) (A19) This appropriation is limited to operating funding for establishing a single national vocational education institution.	16,000	16,000	-
Total Non-Departmental Output Expenses	681,332	675,193	649,054
Benefits or Related Expenses			
Tertiary Scholarships and Awards (M26) (A19) This appropriation is limited to providing scholarships and other awards in the tertiary sector to students, researchers and teachers, within New Zealand and internationally.	20,413	20,087	20,629
Total Benefits or Related Expenses	20,413	20,087	20,629
Non-Departmental Other Expenses			
Fair Value Write Down and Impairment of Loans and Advances to Tertiary Education Institutions (M26) (A19) This appropriation is limited to fair value write downs on concessionary and suspensory loans and advances to tertiary education institutions, as well as any subsequent impairment.	-	-	45,000
Fees-free Payments (M26) (A19) This appropriation is limited to ensuring fees-free study for eligible students, apprentices and trainees.	387,135	350,762	318,339
Total Non-Departmental Other Expenses	387,135	350,762	363,339
Non-Departmental Capital Expenditure			
Support for a Single National Vocational Education Institution (M26) (A19) This appropriation is limited to capital injections for a single national vocational education institution.	25,000	25,000	15,000
Tertiary Education Institutions' Proceeds from Disposal of Crown Assets (M26) (A19) This appropriation is limited to investing in Tertiary Education Institutions (TEIs) their share of the proceeds from the disposal of assets used by TEIs that are or were previously held in Crown title.	-	-	21,426
Vocational Education Data System (M26) (A19) This appropriation is limited to providing capital to the Tertiary Education Commission for the development and delivery of an information technology system to support the implementation of a unified funding system for the vocational education system.	-	-	7,850
Careers System Online (M26) (A19) This appropriation is limited to the development and delivery of an online careers planning tool by the Tertiary Education Commission.	2,000	2,000	-
Total Non-Departmental Capital Expenditure	27,000	27,000	44,276
Multi-Category Expenses and Capital Expenditure			
Tertiary Tuition and Training MCA (M26) (A19) 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.	2,880,118	2,852,062	2,955,312
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.	91,169	87,642	95,461
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.	274,556	228,896	303,353

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
<i>Qualification Delivery</i> 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.	2,514,393	2,535,524	2,556,498
Total Multi-Category Expenses and Capital Expenditure	2,880,118	2,852,062	2,955,312
Total Annual Appropriations and Forecast Permanent Appropriations	4,015,449	3,944,555	4,047,099

Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Non-Departmental Capital Expenditure		
Crown Loan to Support the Transformation of Te Pūkenga (M26) (A19) This appropriation is limited to the provision of a concessionary Crown loan to Te Pūkenga for the purpose of implementing an IT transformation programme. Commences: 03 July 2023 Expires: 30 June 2028	Original Appropriation	220,000
	Adjustments to 2021/22	-
	Adjustments for 2022/23	-
	Adjusted Appropriation	220,000
	Actual to 2021/22 Year End	-
	Estimated Actual for 2022/23	-
	Estimate for 2023/24	20,000
	Estimated Appropriation Remaining	200,000

Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Annual Appropriations and Forecast Permanent Appropriations	4,015,449	3,944,555	4,047,099
Total Forecast MYA Non-Departmental Capital Expenditure	-	-	20,000
Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations	4,015,449	3,944,555	4,067,099

Supporting Information

Part 1 - Vote as a Whole

1.1 - New Policy Initiatives

Policy Initiative	Appropriation	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	
Address Historic Research Funding Concerns for Te Wānanga o Aotearoa	Support for Wānanga Non-Departmental Output Expense	6,325	-	-	-	-	
Continuing Support for Apprenticeships (see also Vote Social Development in the Social Services and Community Sector)	Administration of and Support for the Tertiary Education and Careers Systems Non-Departmental Output Expense	-	300	300	-	-	
Cost Adjustment to Tertiary Tuition and Training Subsidies	Strategic Support for National and Regional Priorities Non-Departmental Output Expense	-	1,900	3,800	3,800	3,800	
	Tertiary Sector / Industry Collaboration Projects Non-Departmental Output Expense	-	180	360	360	360	
	Tertiary Tuition and Training MCA Access to and Success in Tertiary Education	-	4,126	4,375	4,375	4,375	
	Foundation and Community Education	-	7,382	14,762	14,762	14,762	
	Qualification Delivery Non-Departmental Output Expenses	-	60,615	122,619	125,645	128,671	
	Disestablishing Funds for the Entrepreneurial Universities Initiative	University-led Innovation Non-Departmental Output Expense	-	(2,900)	(4,359)	(4,359)	(4,359)
	Disestablishment of Centres of Asia-Pacific Excellence	Tertiary Sector / Industry Collaboration Projects Non-Departmental Output Expense	-	-	(10,000)	(10,000)	(10,000)
Increased Funding for Tertiary Education and Training Enrolments	Tertiary Tuition and Training MCA Qualification Delivery	-	50,000	90,348	40,347	-	
	Non-Departmental Output Expense	-	-	-	-	-	
Public Sector Pay Adjustment - Vote Tertiary Education Remuneration Cost Pressure	Stewardship and Oversight of the Tertiary Education System Departmental Output Expense	-	615	751	751	751	

Policy Initiative	Appropriation	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Return of Exemplary Initial Teacher Education Programme Funding	Tertiary Sector / Industry Collaboration Projects Non-Departmental Output Expense	-	(2,520)	(2,520)	(2,520)	(2,520)
Returning Underspend from the Fees-Free Entitlement	Fees-free Payments Non-Departmental Other Expense	-	(70,000)	(70,000)	(70,000)	(70,000)
Supporting the Transformation of Te Pūkenga	Fair Value Write Down and Impairment of Loans and Advances to Tertiary Education Institutions Non-Departmental Other Expense	-	45,000	-	-	-
	Crown Loan to Support the Transformation of Te Pūkenga (MYA) Non-Departmental Capital Expenditure	-	20,000	50,000	50,000	50,000
Training Incentive Allowance - Supporting Eligible People to Study (see also Vote Social Development in the Social Services and Community Sector)	Tertiary Tuition and Training MCA Qualification Delivery Non-Departmental Output Expense	-	-	3,573	7,146	7,146
Total Initiatives		6,325	114,698	204,009	160,307	122,986

1.2 - Trends in the Vote

Summary of Financial Activity

	2018/19	2019/20	2020/21	2021/22	2022/23		2023/24			2024/25	2025/26	2026/27
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Final Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Appropriations												
Output Expenses	512,768	551,156	615,899	648,502	700,783	694,644	14,489	649,054	663,543	673,930	670,026	670,026
Benefits or Related Expenses	20,598	17,071	14,852	19,547	20,413	20,087	N/A	20,629	20,629	20,678	20,692	20,692
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	318,539	370,087	344,946	494,559	387,135	350,762	-	363,339	363,339	318,339	318,339	318,339
Capital Expenditure	102,050	42,250	33,284	70,150	27,000	27,000	-	64,276	64,276	60,000	50,000	100,000
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	2,345,779	3,594,511	1,723,673	2,780,926	2,880,118	2,852,062	-	2,955,312	2,955,312	2,985,536	2,937,144	2,899,823
<i>Other Expenses</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Expenditure</i>	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Appropriations	3,299,734	4,575,075	2,732,654	4,013,684	4,015,449	3,944,555	14,489	4,052,610	4,067,099	4,058,483	3,996,201	4,008,880
Crown Revenue and Capital Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	24,790	4,358	543	3,136	1,958	1,958	N/A	3,266	3,266	3,266	3,266	3,266
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Crown Revenue and Capital Receipts	24,790	4,358	543	3,136	1,958	1,958	N/A	3,266	3,266	3,266	3,266	3,266

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

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

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

1.3 - Analysis of Significant Trends

Significant changes in departmental and non-departmental appropriations related to tertiary and international education between 2018/19 and 2026/27 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 for tertiary education or training 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 (Te Pūkenga - New Zealand Institute of Skills and Technology).

Non-Departmental Output Expenses

Most tertiary education and training funding is through non-departmental output expenses with the majority of that providing tuition and training subsidies (approximately 81%) or supporting research-led teaching (approximately 12%).

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

- implementation by the Tertiary Education Commission (TEC) of the 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
- provision to implement the Government's commitment to give tertiary education organisations greater certainty over funding 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, bringing together 16 institutes of technology and polytechnics (initially as subsidiaries) to create an integrated and collaborative network of vocational education
 - creating industry-governed Workforce Development Councils (WDCs) to ensure vocational education meets the needs of industry and give a stronger voice to Māori business and iwi development
 - providing 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 for:
 - additional tertiary education enrolments from 1 January 2021 to 31 December 2023 resulting from the impact of COVID-19
 - Group Training Schemes (over 2019/20 and 2020/21) to retain apprentices during the COVID-19 economic recovery
 - a Student Hardship Fund in 2020 to provide temporary financial assistance for tertiary students facing hardship from the impacts of COVID-19. The Fund was extended to 2021 by the reprioritisation of underspends within the Vote in 2020/21 and new funding in Budget 2021
 - Transitional Industry Training Organisations and WDC-led projects (from 2019/20 to 2021/22) to develop local and industry training responses to COVID-19
- continuing support from 2021/22 for wānanga to undertake research and educational delivery that protects and advances mātauranga Māori, and
- cessation of Centres of Asian-Pacific Excellence from 2024/25.

Benefits or Related Expenses

Changes in benefits or related expenses are largely related to:

- 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
- some fees-free funding was moved from 2020/21 to 2019/20 as part of giving tertiary education organisations greater certainty over funding in 2020, regardless of any impact on domestic student numbers resulting from COVID-19 (see also related comments under Non-Departmental Output Expenses above)
- impairment of a concessionary loan by the Crown to the Unitec Institute of Technology in 2018/19
- provision of targeted fees-free support for vocational training and apprenticeships through the Training and Apprenticeship Fund (from 2020 to 2022)
- payments to Te Wānanga o Raukawa in 2020/21 and 2021/22 to support the resolution of Waitangi Tribunal Claim WAI 2698
- 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 supporting domestic tertiary learners from the impacts of COVID-19, and
- fair value write down of concessionary loan by the Crown to Te Pūkenga in 2023/24.

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 earthquakes
- financial support payments for Tai Poutini Polytechnic, Whitireia New Zealand, Unitec Institute of Technology and Western Institute of Technology at Taranaki spread between 2017/18 and 2021/22
- capital injections from 2019/20 to 2023/24 to establish and support Te Pūkenga to create an integrated and collaborative network of vocational education
- investing the share of proceeds from the disposal of Crown assets from 2020/21 to 2023/24 into the Tertiary Institutions that used those assets
- capital injections to the TEC from 2020/21 to 2024/25 for development of Tiro Whetū, an online careers planning system for learners and workers, and an information technology system to support the implementation of the unified funding system for vocational education from 2023, and
- concessionary Crown loan facility between 2023/24 and 2027/28 to Te Pūkenga to support it to implement an IT transformation programme that results in an integrated network of education and training delivery across Aotearoa New Zealand.

Crown Revenue

The major changes in Crown Revenue relate mainly to:

- 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 in 2021 and 2022 due to the impact of COVID-19 on the international education sector.

Part 2 - Details of Departmental Appropriations

2.1 - Departmental Output Expenses

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

Scope of Appropriation

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

Expenses and Revenue

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	19,451	19,451	14,489
Revenue from the Crown	18,701	18,701	14,489
Revenue from Others	750	750	-

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve 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

	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Stewardship of the Tertiary Education System			
The satisfaction rating given by the Minister of Education with the overall performance of the Ministry (see Note 1)	7	7	7
Policy Advice			
Internal assessment of the quality of the Ministry's policy advice (see Note 2):			
• mean	Mean of 4 out of 5	4	Mean of 4 out of 5
• distribution target of scores - less than 10% scoring 2.5 or under, at least 90% scoring 3 or above, and at least 40% scoring 4 or above	Achieved	Achieved	Achieved
Satisfaction of the portfolio Minister with the policy advice service (see Note 3)	4	4	4
Research, Data Analysis and Monitoring			
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	0.3%	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

Assessment of Performance	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
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	Good	Quality is assessed as 'Good' or better
The satisfaction rating given by the Minister of Education for the quality and timeliness of support for Ministerial delegations and visits (see Note 1)	7	7	7
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	98%	98%	98%
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 (see Note 6)	70%	70%	80%

Note 1 - The rating measures the Minister's 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 the Minister's 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.

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 Level 3 and above.

Note 5 - This review is based on 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 ratings for all outputs reviewed.

Note 6 - This measure relies on actions that are often outside of the Ministry's control. The budget standard for 2023/24 has been adjusted to take this into account. The budget standard will be a staged increase over a number of years to get to 95%.

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	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Public Sector Pay Adjustment - Vote Tertiary Education Remuneration Cost Pressure	2023/24	-	615	751	751	751
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	650	-	-	-	-
Pastoral Care of Domestic Tertiary Students - Funding for Code Administration and Disputes Resolution Scheme	2020/21	300	300	300	300	300
Programme for International Assessment of Adult Competencies	2019/20	2,712	131	-	-	-

Reasons for Change in Appropriation

The decrease in this appropriation for 2023/24 is due to:

- nearing the completion of data collection for the Programme for International Assessment of Adult Competencies (\$2.581 million decrease)
- a transfer in 2022/23 from non-departmental output expense Tertiary Sector / Industry Collaboration Projects to support the development of a proposed new legislative framework for the Wānanga sector and for recognising the expertise and advice that wānanga have provided in co-designing the framework (\$1.500 million decrease)
- a transfer from 2021/22 to 2022/23 for the delayed 2022 funding round for student wellbeing initiatives for international students following the COVID-19 border restrictions (\$750,000 decrease)
- provision in 2022/23 for the Reform of Vocational Education work programme (\$650,000 decrease), and
- provision in 2022/23 for a capital to operating swap for changes in the accounting treatment for Software as a Service (\$96,000 decrease).

The decrease is partially offset by provision in Budget 2023 for remuneration cost pressures to give effect to the Public Sector Pay Adjustment (\$615,000 increase).

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

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	80,507	80,507	69,480

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve an effective and well-managed tertiary education and careers systems in Aotearoa.

How Performance will be Assessed and End of Year Reporting Requirements

	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Percentage of payments Tertiary Education Commission (TEC) makes to tertiary education organisations that are made within agreed timeframes	At least 99.5%	At least 99.5%	At least 99.5%
Percentage of careers system stakeholders who agree that TEC's online information and tools are accessible and useful (see Note 1)	At least 86%	At least 81%	At least 81%
The satisfaction rating given by the Minister of Education on TEC's advice related to the careers system (see Notes 2 and 3)	New measure	At least 7 out of 10 (Baseline year)	At least 7 out of 10
The satisfaction rating given by the Minister of Education on TEC's monitoring advice related to Te Pūkenga and tertiary education institutions (see Note 3)	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 TEC (see Note 3)	At least 7 out of 10	At least 7 out of 10	At least 7 out of 10

Note 1 - The 2023/24 Budget Standard for this measure has been updated to reflect the 2022/23 Estimated Actual.

Note 2 - This new measure relates to TEC's statutory role to provide advice to the Minister on sector performance and is specific to advice provided regarding the careers system. The intent of this new measure is to demonstrate that TEC is effectively monitoring the careers system and providing well-informed advice to the Minister.

Note 3 - The survey rating measures the Minister's satisfaction with the quality of advice on a scale from 1 to 10, where 1 means unsatisfied and 10 means extremely satisfied.

Narrative performance assessment

A narrative assessment approach has been implemented for the following two measures. This approach enables a higher focus on the intent of the measures and the provision of more detailed contextual information regarding how measures will be assessed and reported. It will also provide an opportunity for narrative performance results reporting in TEC's annual report and enable a fuller performance story to be told.

New measure:

Annual assessments are undertaken to understand the financial viability risk for tertiary education organisations which receive over \$50,000 in TEC funding, and Workforce Development Councils (WDCs).

TEC monitors the financial viability of the organisations it funds. The outputs of TEC's financial monitoring inform TEC investment process as well as, where appropriate, engagement and interventions to understand, monitor and respond to risks at both an organisation and system level. This work helps to ensure a financially resilient tertiary education sector and protects learners' interests. This measure replaces the previous survey measure which was limited to measuring the transparency and accessibility of the audit processes.

What we want to achieve (2023/24 Budget Standard):

All tertiary education organisations (receiving over \$50,000 in TEC funding) and Workforce Development Councils are assessed at least once a year against the relevant financial monitoring framework or requirement.

Information regarding the assessment of organisations during the financial year will be provided both as a narrative under this appropriation, and in the monitoring section, in TEC's annual report.

Prior year information:

Financial information from all tertiary education institutions (TEIs) was received and reviewed by the TEC. Of the 201 private training establishments (PTEs) with 2023 funding allocations that exceed \$50,000, TEC has received and reviewed financial information of 199. The outstanding two PTEs are overdue in submitting the required information to TEC. WDCs were established in October 2021, with their first annual reports prepared for the nine-month period to 30 June 2022. Therefore, financial information was not available in the period to 30 June 2022. However, TEC has since reviewed all six WDCs' annual reports, as well as operating budgets for the financial year to 30 June 2023.

New measure:

Evidence that the Tertiary Education Commission's investment decisions give effect to WDC advice.

This new measure is intended to demonstrate that Workforce Development Council (WDC) advice on investment priorities informs TEC's investment. TEC is also required to have regard to WDC advice when assessing Investment Plans and to give effect to WDC advice on the mix of vocational education and training. Part (a) below of this measure replaces our prior survey measure that was limited to assessing the overall usefulness of TEC's Plan Guidance and Toolkit.

What we want to achieve (2023 calendar year Budget Standard):

The narrative in TEC's Annual Report will provide information to demonstrate that:

- a) Plan Guidance reflects WDC national and regional advice
- b) Targeted priorities committed to in Investment Plans reflect WDC national and regional priorities.

Plan Guidance describes the information that tertiary education organisations (TEOs) are expected to provide in their Investment Plans and explains how this information will be assessed. TEO Investment Plans inform funding decisions. They include a TEO's mission and role, strategic intentions, the activities and programmes they will carry out and how performance will be measured.

Prior year information:

Supplementary Plan Guidance for investment in 2023 reflected WDC national and regional advice. <https://www.tec.govt.nz/assets/Forms-templates-and-guides/Investment-Toolkit/Supplementary-Plan-Guidance-for-investment-in-2023.pdf> (see pages 9 to 13).

No prior year information is available for the targeted priorities measure as 2023 will be the first year that we will identify targeted priorities committed to in Investment Plans and assess the extent to which they reflect WDC priorities.

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	2022/23 Final Budgeted \$000	2022/23 Estimated Actual \$000	2023/24 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Tertiary Education Commission	80,398	80,398	69,371	Ongoing
Non-Government Organisations				
Māori Education Trust	109	109	109	Ongoing
Total	80,507	80,507	69,480	

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Continuing Support for Apprenticeships	2023/24	-	300	300	-	-
Apprenticeship Boost Initiative - Extending the Programme	2022/23	600	300	-	-	-
Reform of Vocational Education - Transition and Integration Phase	2021/22	12,018	2,400	2,400	2,400	2,400
Targeted Training and Apprenticeship Fund	2020/21	504	-	-	-	-
Careers System Online: Tiro Whetu	2020/21	4,345	4,425	4,425	4,425	4,425
Raising the Profile and Strengthening the Pipeline into Vocational Education	2019/20	700	-	-	-	-

Reasons for Change in Appropriation

The decrease in this appropriation for 2023/24 is mainly due to:

- provision (\$12,018 million in 2022/23 reducing to \$2.400 million baseline funding from 2023/24) for the Reform of Vocational Education work programme (\$9.618 million decrease)
- provision ending in 2022/23 for initiatives to raise the profile and strengthen the pipeline into the vocational education system (\$700,000 decrease)
- provision for implementation and operation of the Targeted Training and Apprenticeship Fund over 2020-2022 (\$489,000 in 2020/21, \$1.372 million in 2021/22 and \$504,000 in 2022/23) funded through a transfer from non-departmental other expense Fees-free Payments (within Tertiary Tuition and Training MCA) (\$504,000 decrease), and
- provision in 2022/23 for co-ordination of emergency management and search and rescue training (\$185,000 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

	2022/23		2023/24
	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

	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Total number of doctoral students aligned to the Centres of Research Excellence completing qualifications during the current funding period (see Notes 1, 2, 3, 4 and 5)	At least baseline year	194	194 + 5%

Note 1 - The 2022/23 Final Budgeted Standard and the 2022/23 Estimated Actual refer to the 2022 calendar year. The 2023/24 Budget Standard refers to the 2023 calendar year and has been updated to reflect the 2022 Estimated Actual.

Note 2 - The current funding round runs from 1 July 2021 to 31 December 2028.

Note 3 - The 2021 baseline figure of 255 represents the total number of doctoral students completing qualifications in 2021. This includes six months of completions of the previous CoREs and six months of the new CoREs.

Note 4 - The decrease in qualification completions, compared to last year, is likely due to two of the 10 CoREs being brand new and only having four completions in 2022. It is anticipated that the completion rate for the two new CoREs will grow as they mature in the next two to three years.

Note 5 - The CoREs impact statement measure has been retired as the doctoral qualification measure is a more meaningful outcome-focused measure with two years of comparative data available.

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	2022/23 Final Budgeted \$000	2022/23 Estimated Actual \$000	2023/24 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Tertiary Education Institution hosts of Centres of Research Excellence (varies between 7-11 during the period)	49,800	49,800	49,800	31 December 2028
Total	49,800	49,800	49,800	

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

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	36,984	32,968	32,517

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 Education New Zealand's international education activities.

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
International students have access to timely, relevant and useful information to support their New Zealand education experience (see Note 1)	New measure	New measure	Achieved
ENZ's support is valued by the international education sector (see Note 2)	New measure	New measure	Greater than or equal to 75%
ENZ's key connections and partnerships in targeted markets contribute to a connected New Zealand (see Note 3)	New measure	New measure	Achieved
Maintain brand preference in targeted markets (see Note 4)	New measure	New measure	Achieved

Note 1 - This measure is based on the response to a series of detailed questions in the International Student Experience Survey. It reflects ENZ's contribution to Goal One of the New Zealand International Education Strategy 2022-2030. This is a new measure that reflects ENZ's contribution to Goal One of the New Zealand International Education Strategy 2022-2030, which was refreshed in June 2022. It will capture a new metric for measuring ENZ's performance and therefore we are unable to estimate a target.

Note 2 - This measure is based on the response to a series of detailed questions in the International Education Sector Survey. This is a new measure that reflects ENZ's contribution to Goal Two of the New Zealand International Education Strategy 2022-2030, which was refreshed in June 2022. While it is a new measure, the target for 2023/24 has been estimated based on two of ENZ's performance measures for the 2022/23 year, where we measured specific aspects of the international education sector's satisfaction with ENZ's services and products.

Note 3 - This is a new measure that demonstrates how New Zealand's international connections in targeted markets contribute to the rebuild of international education in line with Goal Three, and Focus Areas One and Two, of the refreshed New Zealand International Education Strategy 2022-2030. It will capture a new metric for measuring ENZ's performance and therefore we are unable to estimate a target.

Note 4 - This measure is based on the outcomes of the ENZ Brand Health Survey. It is a new measure that reflects ENZ's contribution to Focus Areas One and Two of the New Zealand International Education Strategy 2022-2030, which was refreshed in June 2022. It will capture a new metric for measuring ENZ's performance and therefore we are unable to estimate a target. It is aligned with, but not comparable to, ENZ's performance measure for 2022/23 which was 'Prospective international students' preference for a New Zealand education is increased'.

End of Year Performance Reporting

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

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
International Education Strategic Recovery: Diversification of International Education Products and Services	2020/21	4,000	-	-	-	-
Support for Tertiary Students Affected by Provider Failure	2019/20	1,500	750	750	750	750

Reasons for Change in Appropriation

The decrease in this appropriation for 2023/24 is due to:

- the end of time-limited funding from the COVID-19: Response and Recovery Fund (\$1.850 million in 2020/21, \$4.150 million in 2021/22 and finally \$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 (\$4 million decrease), and
- a transfer from 2021/22 to 2022/23 to support international tertiary students affected by failure of Private Training Establishments (\$750,000 decrease).

The decrease is partially offset by a transfer to the Ministry of Business, Innovation and Employment for The New Zealand Story initiative in 2022/23 (\$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

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	42,526	42,526	77,418

Components of the Appropriation

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
National and regional skills priorities	22,018	22,768	35,954
Programme Development and Maintenance Fund	19,008	19,758	38,964
Fund to support growth and proficiency of te reo Māori (Level 5 and above)	1,500	-	2,500
Total	42,526	42,526	77,418

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

Assessment of Performance	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
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)	Achieved	Achieved	Achieved
Te Pūkenga's annual report shows progress towards meeting:			
<ul style="list-style-type: none"> • charter obligations, including providing a national network of provision (see Notes 1, 2 and 3) 	New measure	New measure	Achieved
<ul style="list-style-type: none"> • national and regional skills priorities (see Notes 1 and 2) 	New measure	New measure	Achieved
Reports from funded organisations show progress towards meeting national and regional priorities (see Notes 1, 2, 4 and 5)	New measure	New measure	Achieved

Note 1 - The 2022/23 Final Budgeted Standard and the 2022/23 Estimated Actual refer to the 2022 calendar year. The 2023/24 Budget Standard refers to the 2023 calendar year.

Note 2 - Implementation of the unified funding system for vocational education and training commenced on 1 January 2023. Consequently, no prior year data is available. Reporting against these measures will reflect 2023 calendar year funding received by Te Pūkenga and private training establishments.

Note 3 - Te Pūkenga's charter requires that it provides a national network of provision, offering in each region a mix of education and training, including on-the-job, face-to-face, and distance delivery. This provision should be accessible to the learners of that region and meet the needs of its learners, industries, and communities. It is also required to maintain a high-quality, coherent network of infrastructure that meets regional skills needs.

Note 4 - 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 and in subsequent funding applications.

Note 5 - TEC 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	2022/23 Final Budgeted \$000	2022/23 Estimated Actual \$000	2023/24 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Universities (8)	375	-	-	2023
Wānanga (3)	2,276	-	-	2023
Te Pūkenga - New Zealand Institute of Skills and Technology	25,086	24,711	50,818	2023
Non-Government Organisations				
Private Training Establishments	14,789	17,815	26,600	2023
Total	42,526	42,526	77,418	

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Cost Adjustment to Tertiary Tuition and Training Subsidies	2023/24	-	1,900	3,800	3,800	3,800
Māori Language Education Funding to Support Provision and Growth	2022/23	1,500	2,500	3,000	3,000	3,000
Cost Adjustment to Tertiary Tuition and Training Subsidies	2022/23	1,016	2,028	2,034	2,030	2,030
Ensuring the Viability of Vocational Education and Training	2021/22	36,200	73,200	73,200	73,200	73,200

Reasons for Change in Appropriation

The increase in this appropriation for 2023/24 is due to:

- the implementation of the unified funding system for vocational education and training from 1 January 2023 (\$37 million increase)
- increases in tuition and training subsidy rates to support tertiary providers to manage increases in delivery costs, comprising 2.75% from January 2023 (Budget 2022) and 5% from January 2024 (Budget 2023) along with a phased increase to 15% for level 3 and above delivery of mātauranga Māori provision (including te reo Māori), to be phased over four years (totalling \$2.912 million increase), and
- Māori language education funding in Budget 2022 to support provision and growth (\$1 million increase).

The increase is partially offset by the earlier recognition of Private Training Establishment (PTE) transitional funding as an expense in full in 2022/23 rather than over 2022/23 and 2023/24 (\$6.020 million decrease).

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 āhuatanga Māori according to tikanga Māori.

Expenses

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	42,325	42,325	12,000

Components of the Appropriation

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Wānanga Research Capability Fund (see Note 1)	6,000	3,000	-
Grants under Section 556 of the Education and Training Act 2020 (see Note 2)	36,325	39,325	12,000
Total	42,325	42,325	12,000

Note 1 - The Wānanga Research Capability Fund has been subsumed into section 556 grants from the start of 2023.

Note 2 - A total of \$12 million of support grants payable to wānanga over the 2023 and 2024 calendar years have been recognised in 2022/23 as required by accounting standards (see Reasons for Change in Appropriation below).

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

	2022/23		2023/24
	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 2022/23 Final Budgeted Standard and the 2022/23 Estimated Actual refer to the 2022 calendar year. The 2023/24 Budget Standard refers to the 2023 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	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Address Historic Research Funding Concerns for Te Wānanga o Aotearoa	2022/23	6,325	-	-	-	-
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	4,000	4,000	4,000	4,000	4,000
Continued Support to the Wānanga Sector	2021/22	5,000	6,000	6,000	6,000	6,000

Reasons for Change in Appropriation

The decrease in this appropriation for 2023/24 is due to:

- the recognition of expenditure in the 2022/23 financial year support grants payable under section 556 of the Education and Training Act 2020 to each wānanga over the 2023 and 2024 calendar years (\$24 million), and
- a one-off grant in 2022/23 under section 556 of the Education and Training Act 2020 to support Te Wānanga o Aotearoa to undertake activities to protect, enhance and disseminate mātauranga Māori (\$6.325 million).

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

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	315,000	315,000	315,000

Components of the Appropriation

	2022/23		2023/24
	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

	2022/23		2023/24
	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 2022/23 Final Budgeted Standard and the 2022/23 Estimated Actual refer to the 2022 calendar year. The 2023/24 Budget Standard refers to the 2023 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	2022/23 Final Budgeted \$000	2022/23 Estimated Actual \$000	2023/24 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Universities (8)	304,173	303,932	304,137	Investment plans up to 3 years
Wānanga (3)	738	702	647	Investment plans up to 3 years
Te Pūkenga - New Zealand Institute of Skills and Technology	8,776	8,951	8,768	Investment plans up to 3 years
Non-Government Organisations				
Private Training Establishments	1,313	1,415	1,448	Investment plans up to 3 years
Total	315,000	315,000	315,000	

Conditions on Use of Appropriation

Reference	Conditions
Cabinet decision	<p>Funding in this appropriation is provided as part of the bulk grant to tertiary education organisations to recognise research performance. All degree-awarding tertiary education organisations are eligible for funding.</p> <p>The Performance-Based Research Fund is allocated on the basis of three measures:</p> <ul style="list-style-type: none"> Quality Evaluation - a periodic peer assessment of the research contribution of individual teaching and research staff (this will comprise 55% of funding in 2023 and 2024) Research Degree Completions - a measure of the number of research-based post-graduate degree completions (this will comprise 25% of funding in 2023 and 2024) External Research Income - a measure of income received for the purposes of conducting research (this will comprise 20% of funding in 2023 and 2024).

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

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	28,831	26,719	27,088

Components of the Appropriation

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Centres of Asia-Pacific Excellence	10,000	10,000	10,000
Māori and Pasifika Trades Training	8,055	5,943	7,332
National Centre for Tertiary Teaching Excellence	3,556	3,556	3,556
Quality Teaching Agenda	1,020	1,020	-
Establishment of Centres of Vocational Excellence	5,000	5,000	5,000
Adult and Community Education (ACE) Aotearoa	1,200	1,200	1,200
Total	28,831	26,719	27,088

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

	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
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 Notes 1 and 2)	At least baseline year	9,535	At least 9,535

Note 1 - The 2022/23 Final Budgeted Standard and the 2022/23 Estimated Actual refer to the 2022 calendar year. The 2023/24 Budget Standard refers to the 2023 calendar year and has been updated to reflect the 2022 Estimated Actual.

Note 2 - The Centres of Asia Pacific Excellence outcome statements measure has been retired because the 'individual participation in activities measure' now has two years of comparative data available and is a more meaningful outcome-focused measure.

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	2022/23 Final Budgeted \$000	2022/23 Estimated Actual \$000	2023/24 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Universities (8)	13,556	14,648	13,556	Range from 3 to 6 years
Wānanga (3)	449	209	435	Plans up to 3 years
Te Pūkenga - New Zealand Institute of Skills and Technology	10,918	9,156	9,988	Plans up to 3 years
Non-Government Organisations				
Private Training Establishments	3,908	2,706	3,109	Plans up to 3 years
Total	28,831	26,719	27,088	

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Disestablishment of Centres of Asia-Pacific Excellence	2024/25	-	-	(10,000)	(10,000)	(10,000)
Cost Adjustment to Tertiary Tuition and Training Subsidies	2023/24	-	180	360	360	360
Return of Exemplary Initial Teacher Education Programme Funding	2023/24	-	(2,520)	(2,520)	(2,520)	(2,520)
Cost Adjustment to Tertiary Tuition and Training Subsidies	2022/23	60	157	194	194	194
Adult and Community Education - A Modern Approach to Night Classes	2020/21	1,000	1,000	1,000	1,000	1,000
Cost Adjustment for Tuition Subsidies	2020/21	82	82	82	82	82
Reform of Vocational Education - Management of Fiscal Implications	2019/20	5,000	5,000	5,000	5,000	5,000

Reasons for Change in Appropriation

The decrease in the appropriation for 2023/24 is mainly due to the return of post-graduate exemplary initial teacher education programme funding of \$2.520 million per annum from 2023/24.

Conditions on Use of Appropriation

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

University-led Innovation (M26) (A19)

Scope of Appropriation

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

Expenses

	2022/23		2023/24	2024/25	2025/26	2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Total Appropriation	4,359	4,348	751	-	-	-

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

	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Entrepreneurial Universities' annual reports are reviewed and appropriate action is taken (see Notes 1, 2 and 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 2022/23 Final Budgeted Standard and the 2022/23 Estimated Actual refer to the 2022 calendar year. The 2023/24 Budget Standard refers to the 2023 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	2022/23 Final Budgeted \$000	2022/23 Estimated Actual \$000	2023/24 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Universities (8)	4,359	4,328	751	2023
Total	4,359	4,328	751	

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Disestablishing Funds for the Entrepreneurial Universities Initiative	2023/24	-	(2,900)	(4,359)	(4,359)	(4,359)

Reasons for Change in Appropriation

The decrease in this appropriation for 2023/24 is due to decisions in Budget 2019 to discontinue the Entrepreneurial Universities initiative with the final contracts to end in 2023.

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

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	65,000	65,000	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

	2022/23		2023/24
	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	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Establishing Workforce Development Councils to Support COVID-19 Recovery	2020/21	65,000	65,000	65,000	65,000	65,000

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

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	20,413	20,087	20,629

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 as the appropriation is one from which resources will be provided to a person or entity other than a department, a functional chief executive, an Office of Parliament, or a Crown entity 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	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Dawn Raids Apology - Maintaining and Growing Tūlī Takes Flight and Pacific Education Foundation Scholarships	2022/23	55	271	320	334	334
Dawn Raids Apology - Establish Tūlī Takes Flight Education Scholarships for Pacific People	2021/22	490	490	490	490	490

Reasons for Change in Appropriation

The increase in this appropriation for 2023/24 is due to increased provision in Budget 2022 to maintain and grow the Tūlī Takes Flight and Pacific Education Foundation Scholarships.

3.4 - Non-Departmental Other Expenses

Fair Value Write Down and Impairment of Loans and Advances to Tertiary Education Institutions (M26) (A19)

Scope of Appropriation

This appropriation is limited to fair value write downs on concessionary and suspensory loans and advances to tertiary education institutions, as well as any subsequent impairment.

Expenses

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	45,000

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve fair value write-downs on loans to tertiary education institutions as well as any subsequent impairment in accordance with accounting standards.

How Performance will be Assessed and End of Year Reporting Requirements

	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Fair value write-down of loans to tertiary education institutions and any subsequent impairments of loan value will be in accordance with accounting standards	New measure	New measure	Achieved

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Minister of Education in a report appended to the Ministry of Education Annual Report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Supporting the Transformation of Te Pūkenga	2023/24	-	45,000	-	-	-

Reasons for Change in Appropriation

This new appropriation provides for a non-cash accounting adjustment to recognise the fair value write down for the interest-free \$220 million concessionary Crown loan facility to Te Pūkenga under multi-year non-departmental capital expenditure appropriation Crown Loan to Support the Transformation of Te Pūkenga.

Fees-free Payments (M26) (A19)

Scope of Appropriation

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

Expenses

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	387,135	350,762	318,339

Components of the Appropriation

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
First-year Fees-free payments	387,135	245,058	318,339
Targeted Training and Apprenticeship Fund	-	105,704	-
Total	387,135	350,762	318,339

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

	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Average fees-free payment (including GST) received by first-year fees-free learners (see Notes 1, 2 and 3)	At least \$6,637	\$6,730	At least \$7,057

Note 1 - The 2022/23 Final Budgeted Standard and the 2022/23 Estimated Actual refer to the 2022 calendar year. The 2023/24 Budget Standard refers to the 2023 calendar year and has been updated to reflect the 2022 Estimated Actual.

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 Apprenticeship Fund (TTAF) measure has been retired as TTAF funding ceased at the end of December 2022.

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	2022/23 Final Budgeted \$000	2022/23 Estimated Actual \$000	2023/24 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Universities (8)	226,353	170,632	200,128	Plans up to 3 years
Wānanga (3)	638	-	640	Plans up to 3 years
Te Pūkenga - New Zealand Institute of Skills and Technology	81,018	126,201	66,269	Plans up to 3 years
Non-Government Organisations				
Private Training Establishments	66,096	39,444	51,302	Plans up to 3 years
Transitional Industry Training Organisations	13,030	14,485	-	Plans up to 3 years
Total	387,135	350,762	318,339	

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Returning Underspend from the Fees-Free Entitlement	2023/24	-	(70,000)	(70,000)	(70,000)	(70,000)
Raising the Profile and Strengthening the Pipeline into Vocational Education	2019/20	(700)	-	-	-	-

Reasons for Change in Appropriation

The decrease in this appropriation for 2023/24 is mainly due to a baseline reduction in Budget 2023 for forecast underspends on Fees-free Payments (\$70 million decrease).

3.5 - Non-Departmental Capital Expenditure

Crown Loan to Support the Transformation of Te Pūkenga (M26) (A19)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Crown Loan to Support the Transformation of Te Pūkenga (M26) (A19) This appropriation is limited to the provision of a concessional Crown loan to Te Pūkenga for the purpose of implementing an IT transformation programme. Commences: 03 July 2023 Expires: 30 June 2028	Original Appropriation	220,000
	Adjustments to 2021/22	-
	Adjustments for 2022/23	-
	Adjusted Appropriation	220,000
	Actual to 2021/22 Year End	-
	Estimated Actual for 2022/23	-
	Estimate for 2023/24	20,000
	Estimated Appropriation Remaining	200,000

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve provision of a concessional Crown loan to Te Pūkenga - New Zealand Institute of Skills and Technology.

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
Te Pūkenga submits reports that show it is meeting targets and milestones specified in its loan agreement with the Crown	New measure	New measure	Achieved

End of Year Performance Reporting

Performance information for this appropriation will be reported by Te Pūkenga - New Zealand Institute of Skills and Technology in its Annual Report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Supporting the Transformation of Te Pūkenga	2023/24	-	20,000	50,000	50,000	50,000

Reasons for Change in Appropriation

This new appropriation provides Te Pūkenga with an interest-free Crown loan of up to \$220 million to support it to implement an IT transformation programme that results in an integrated network of education and training delivery across Aotearoa New Zealand.

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

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	25,000	25,000	15,000

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

	2022/23		2023/24
	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	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Te Pūkenga - New Zealand Institute of Skills and Technology Capital Investment Fund	2022/23	25,000	15,000	-	-	-

Reasons for Change in Appropriation

The decrease in this appropriation for 2023/24 is due to phasing of 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

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	21,426

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

	2022/23		2023/24
	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 Minister of Education in a report appended to the Ministry of Education 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

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	7,850

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

Narrative performance assessment

A new narrative assessment approach has been used for this measure. This approach enables a higher focus on the intent of this programme and the provision of more detailed contextual information regarding how the measure will be assessed and reported. It will also provide an opportunity for narrative performance results reporting in the TEC's annual report and enable a fuller performance story to be told.

Measure:

The development of information technology capability to support the implementation of the unified funding system for vocational education is progressing.

The unified funding system (UFS) is the final element of structural change to be delivered as part of the Reform of Vocational Education (RoVE). Completion and implementation of a long-term technical solution for the UFS is a multi-year project.

2023/2024 Budget Standard:

The second phase will be completed in time to enable the tertiary education organisations to submit additional unified funding system data to the Tertiary Education Commission from July 2024.

The second phase involves standardising processes for collecting provider-based and work-based data from tertiary education organisations (TEOs). This will enable the collection of commitments from TEOs in mid-2024 for the 2025 investment round and the collection of performance data from January 2025.

Information regarding completion of the second phase of this programme will be provided as a narrative under this appropriation, in TEC's annual report.

Prior year information:

During 2021/22, the tactical solution for collection of commitments data was completed and the development of the tactical solution for the collection of actuals data was commenced.

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	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Reform of Vocational Education - Transition and Integration Phase	2021/22	-	7,850	5,000	-	-

Reasons for Change in Appropriation

The increase in this appropriation for 2023/24 reflects the timing of the capital injection to the Tertiary Education Commission of \$13.850 million over four years (\$1 million in 2021/22, \$7.850 million in 2023/24 and \$5 million in 2024/25) to develop an information technology system to support the implementation of the Unified Funding System for vocational education from 2025.

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.

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.

Expenses, Revenue and Capital Expenditure

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,880,118	2,852,062	2,955,312
Non-Departmental Output Expenses			
Access to and Success in Tertiary Education	91,169	87,642	95,461
Foundation and Community Education	274,556	228,896	303,353
Qualification Delivery	2,514,393	2,535,524	2,556,498

Components of the Appropriation

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Access to and Success in Tertiary Education			
Equity Funding for level 7 (degree) and above	15,720	15,673	16,507
Learner funding for levels 3-7 (non-degree) and industry training	65,593	64,591	68,714
Māori and Pasifika Trades Training Top Up	9,856	7,378	10,240

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Foundation and Community Education			
Adult and Community Education	28,385	27,746	29,553
Gateway	23,011	19,433	23,908
Literacy and Numeracy	39,559	31,138	40,857
English for Speakers of Other Languages	20,173	15,731	20,662
Emergency Management Pool	1,451	1,346	1,701
Foundation Education	161,977	133,502	186,672
Qualification Delivery			
Qualifications at level 3-7 (non-degree) and industry training	809,643	900,810	879,981
Qualifications at level 7 (degree) and above	1,702,382	1,631,894	1,673,961
Section 556 grants for School of Dance and School of Drama	2,368	2,820	2,556
Total	2,880,118	2,852,062	2,955,312

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

	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Tertiary course completion rate (see Note 1):			
<ul style="list-style-type: none"> Course completion rate for provider-based learners (see Note 2) 	At least 81.2%	79.2%	At least 79.2%
<ul style="list-style-type: none"> Credit achievement rate for work-based learners (see Note 3) 	At least 66.6%	66.2%	At least 66.2%

Note 1 - The 2022/23 Final Budgeted Standard and the 2022/23 Estimated Actual refer to the 2022 calendar year. The 2023/24 Budget Standard refers to the 2023 calendar year.

Note 2 - The 2022 calendar year estimated result for provider-based learners reflects course completion by Student Achievement Component and Youth Guarantee-funded learners. Results will reflect the new unified funding system from the 2023 calendar year onwards.

Note 3 - The 2022 calendar year estimated result for work-based learners will reflect credit achievement by learners funded through the Industry Training Fund. Results will reflect the new unified funding system from the 2023 calendar year onwards.

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

Assessment of Performance	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
Non-Departmental Output Expenses			
Access to and Success in Tertiary Education			
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 35%	44%	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"> Māori (relative to combined non-Māori and non-Pacific learners' results) (see Note 4) 	New measure	New measure	Baseline year
<ul style="list-style-type: none"> Pacific (relative to combined non-Māori and non-Pacific learners' results) (see Note 5) 	New measure	New measure	Baseline year
Foundation and Community Education			
This category is intended to achieve improvement in foundational skills for learners by funding education and training programmes.			
Percentage of learners accessing at least the minimum desired range (hours) of provision (see Notes 1 and 8):			
<ul style="list-style-type: none"> Intensive Literacy And Numeracy 	At least 58.53%	65.7%	At least 65.7%
<ul style="list-style-type: none"> Workplace Literacy and Numeracy (tertiary education organisation-led) 	At least 70.17%	60.7%	At least 60.7%
<ul style="list-style-type: none"> English for Speakers of Other Languages 	At least 91.25%	92.4%	At least 92.4%
Number of Adult Community Education learner hours (see Note 1)	At least 973,788	1,001,459	At least 1,001,459
Youth Guarantee - Percentage of Youth Guarantee learners completing qualifications at Level 2 or 3 (see Note 1)	At least 62.0%	62.0%	At least 62.0%
Qualification Delivery			
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:			
<ul style="list-style-type: none"> All learners 	At least 66.1%	65.4%	At least 65.4%
<ul style="list-style-type: none"> Industry trainees 	At least 69.1%	69.5%	At least 69.5%
<ul style="list-style-type: none"> Apprentices 	At least 54.9%	53.1%	At least 53.1%
<ul style="list-style-type: none"> Māori (relative to combined non-Māori and non-Pacific learners' results) (see Note 6) 	No more than -5.6 percentage points	-6.8 percentage points	No more than -6.8 percentage points
<ul style="list-style-type: none"> Pacific (relative to combined non-Māori and non-Pacific learners' results) (see Note 7) 	No more than -1.5 percentage points	-2.3 percentage points	No more than -2.3 percentage points

Assessment of Performance	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
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 59.1%	58.1%	At least 58.1%
• Māori learners (relative to combined non-Māori and non-Pacific learners' results) (see Note 6)	No more than -1.4 percentage points	-3.2 percentage points	No more than -3.2 percentage points
• Pacific learners (relative to combined non-Māori and non-Pacific learners' results) (see Note 7)	No more than -4.1 percentage points	-3.8 percentage points	No more than -3.8 percentage points
Qualification completion (cohort based) (see Note 1) - percentage of funded students completing qualifications:			
Level 7 degree and above:			
• All learners	At least 61.9%	62.8%	At least 62.8%
• Māori learners (relative to combined non-Māori and non-Pacific learners' results) (see Note 6)	No more than -14.8 percentage points	-14.0 percentage points	No more than -14.0 percentage points
• Pacific learners (relative to combined non-Māori and non-Pacific learners' results) (see Note 7)	No more than -19.3 percentage points	-19.2 percentage points	No more than -19.2 percentage points

Note 1 - The 2022/23 Final Budgeted Standard and the 2022/23 Estimated Actual refer to the 2022 calendar year. The 2023/24 Budget Standard refers to the 2023 calendar year.

Note 2 - This measure reflects the learner component of the unified funding system (UFS) which came 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 - No prior year (2022 calendar year) estimated actual data is available as this new measure relates to UFS funding which didn't come into effect until 1 January 2023. The first year of reporting against the unified funding system, learner component measures will reflect 2023 calendar year learner 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.

Service Providers for the Multi-Category Appropriation

Provider	2022/23 Final Budgeted \$000	2022/23 Estimated Actual \$000	2023/24 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Universities (8)	1,463,148	1,736,848	1,706,333	Plans up to 3 years
Wānanga (3)	166,915	99,632	158,162	Plans up to 3 years
Te Pūkenga - New Zealand Institute of Skills and Technology	797,451	645,652	717,257	Plans up to 3 years
Schools	28,188	24,058	29,063	Plans up to 3 years
Government Training Establishment	3,020	2,393	3,062	Plans up to 3 years
Non-Government Organisations				
Private Training Establishments	367,472	295,499	322,845	Plans up to 3 years
Rural Education Activities Programmes (13)	3,532	3,486	3,874	Plans up to 3 years
Employers	10,701	8,417	10,424	Plans up to 3 years
Community Education Providers	4,162	4,559	4,292	Plans up to 3 years
Transitional Industry Training Organisations	35,529	31,518	-	Plans up to 3 years
Total	2,880,118	2,852,062	2,955,312	

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	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Training Incentive Allowance - Supporting Eligible People to Study	2024/25	-	-	3,573	7,146	7,146
Cost Adjustment to Tertiary Tuition and Training Subsidies	2023/24	-	72,123	141,756	144,782	147,808
Increased Funding for Tertiary Education and Training Enrolments	2023/24	-	50,000	90,348	40,347	-
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	38,268	74,033	73,505	73,376	73,376
Improving the System for Refugee Family Reunification: Policy Proposals	2022/23	757	1,137	2,272	2,272	2,272
Tertiary Education and Training - Increased Funding for Enrolments	2021/22	56,343	56,343	-	-	-
Ensuring the Viability of Vocational Education and Training	2021/22	30,822	24,121	23,545	23,545	23,545
Transfer of Unspent Workforce Development Councils Funding to the Industry Training Fund	2021/22	21,000	-	-	-	-
Cost Adjustment to Tertiary Tuition and Training Subsidies	2021/22	31,892	31,254	31,256	31,256	31,256
Resettling Afghan Evacuees: Settlement Support, COVID-19, and Options to Extend New Zealand's Response	2021/22	544	-	-	-	-
Extending the Pilot of the Community Organisation Refugee Sponsorship Category	2021/22	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	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	3,220	3,377	3,846	3,846	3,846
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	9,364	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

Reasons for Change in Appropriation

The increase in this appropriation for 2023/24 is mainly due to:

- 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), 2.75% from January 2023 (Budget 2022) and 5% from January 2024 (Budget 2023) along with a phased increase to 15% for level 3 and above delivery of mātauranga Māori provision (including te reo Māori) totalling \$107.250 million increase, and
- increased funding in Budget 2023 for tertiary education and training enrolments to be close to the level of demand expected in 2024 and slightly less than currently expected in 2025 (\$50 million increase).

The increase is partially offset by:

- the end of time-limited 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 (\$79.450 million in 2020/21, \$140.500 million in 2021/22, \$87.600 million in 2022/23 and \$26.550 million in 2023/24) resulting from the impact of COVID-19 (\$61.050 million decrease), and
- the end of time-limited funding in 2022/23 from the COVID-19: Response and Recovery Fund to the Industry Training Fund to manage demand for apprenticeships in 2022 (\$21 million decrease).

Conditions on Use of Appropriation

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