

Vote Tertiary Education

APPROPRIATION MINISTER(S): Minister for Tertiary Education and Skills (M14)

DEPARTMENT ADMINISTERING THE VOTE: Ministry of Education (A19)

RESPONSIBLE MINISTER FOR MINISTRY OF EDUCATION: Minister of Education

Overview of the Vote

The Minister for Tertiary Education and Skills is responsible for appropriations in Vote Tertiary Education for the 2024/25 financial year covering the following:

- a total of just over \$13 million for services from the Ministry of Education
- a total of nearly \$78 million for services from the Tertiary Education Commission (TEC)
- a total of nearly \$365 million to support research and research-led teaching
- a total of just over \$30 million for services from Education New Zealand
- a total of nearly \$84 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 \$24 million to support the educational delivery and outcomes of wānanga
- a total of just over \$17 million to improve the relevance to industry of tertiary education provision
- a total of \$65 million for Workforce Development Councils to ensure the vocational education system meets industry needs and gives a stronger voice to Māori business and iwi development
- a total of nearly \$21 million for scholarships and other awards in the tertiary sector
- a total of nearly \$130 million for fees-free study for eligible students
- a \$5 million capital grant to Lincoln University to complete the rebuild of its science facilities following the 2010 and 2011 Canterbury earthquakes
- a total of just over \$1 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 \$5 million capital grant to the TEC to develop a vocational education data system, and
- a total of just over \$3,089 million for tertiary tuition and training subsidies to improve the skill levels of New Zealanders.

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	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Departmental Output Expenses			
Stewardship and Oversight of the Tertiary Education System (M14) (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.	14,189	14,189	13,012
Total Departmental Output Expenses	14,189	14,189	13,012
Non-Departmental Output Expenses			
Administration of and Support for the Tertiary Education and Careers Systems (M14) (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.	72,123	72,123	78,024
Centres of Research Excellence (M14) (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 (M14) (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.	32,324	28,379	30,282
Strategic Support for National and Regional Priorities (M14) (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.	78,132	78,132	83,832
Support for Wānanga (M14) (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 āhuatanga Māori according to tikanga Māori.	12,000	12,000	24,000
Tertiary Education Research and Research-Based Teaching (M14) (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 (M14) (A19) This appropriation is limited to funding activities that improve the relevance to industry of tertiary education provision.	17,088	17,088	17,399
Workforce Development Councils (M14) (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
University-led Innovation (M14) (A19) This appropriation is limited to supporting universities to attract entrepreneurial academics to drive collaboration between universities and established and emerging businesses.	751	707	-
Total Non-Departmental Output Expenses	642,218	638,229	663,337

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Benefits or Related Expenses			
Tertiary Scholarships and Awards (M14) (A19)	20,629	20,629	20,678
This appropriation is limited to providing scholarships and other awards in the tertiary sector to students, researchers and teachers, within New Zealand and internationally.			
Total Benefits or Related Expenses	20,629	20,629	20,678
Non-Departmental Other Expenses			
Fees-free Payments (M14) (A19)	293,339	283,339	129,591
This appropriation is limited to ensuring fees-free study for eligible students, apprentices and trainees.			
Derecognition of Wānanga (M14) (A19)	67,512	67,512	-
This appropriation is limited to the loss from derecognising an investment if a Wānanga is re-established as a non-Crown Entity Wānanga.			
Total Non-Departmental Other Expenses	360,851	350,851	129,591
Non-Departmental Capital Expenditure			
Support for Lincoln University (M14) (A19)	-	-	5,000
This appropriation is limited to the rebuild of the science facilities at Lincoln University.			
Tertiary Education Institutions' Proceeds from Disposal of Crown Assets (M14) (A19)	20,186	810	1,240
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.			
Vocational Education Data System (M14) (A19)	7,850	7,850	5,000
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.			
Support for a Single National Vocational Education Institution (M14) (A19)	15,000	15,000	-
This appropriation is limited to capital injections for a single national vocational education institution.			
Total Non-Departmental Capital Expenditure	43,036	23,660	11,240
Multi-Category Expenses and Capital Expenditure			
Tertiary Tuition and Training MCA (M14) (A19)	2,945,109	2,943,682	3,089,226
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.			
Non-Departmental Output Expenses			
<i>Access to and Success in Tertiary Education</i>	100,461	100,889	99,149
This category is limited to improving access to and success in tertiary education and training for learners underserved by the tertiary system, particularly those identified in the Tertiary Education Strategy.			
<i>Foundation and Community Education</i>	301,234	295,094	312,228
This category is limited to funding for adult and community education, literacy, numeracy and English language provision, and other foundation education programmes.			
<i>Qualification Delivery</i>	2,543,414	2,547,699	2,677,849
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.			
Total Multi-Category Expenses and Capital Expenditure	2,945,109	2,943,682	3,089,226
Total Annual Appropriations and Forecast Permanent Appropriations	4,026,032	3,991,240	3,927,084

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 (M14) (A19)	Original Appropriation	220,000
This appropriation is limited to the provision of a concessionary Crown loan to Te Pūkenga for the purpose of implementing an IT transformation programme.	Adjustments to 2022/23	-
	Adjustments for 2023/24	(220,000)
Commences: 03 July 2023	Adjusted Appropriation	-
Expires: 30 June 2028	Actual to 2022/23 Year End	-
	Estimated Actual for 2023/24	-
	Estimate for 2024/25	-
	Estimated Appropriation Remaining	-

Supporting Information

Part 1 - Vote as a Whole

1.1 - New Policy Initiatives

Policy Initiative	Appropriation	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Adult and Community Education in Schools Co-ordination - Reprioritisation of Funding	Tertiary Tuition and Training MCA Foundation and Community Education Non-Departmental Output Expense	-	(250)	(500)	(500)	(500)
Adult Literacy Educator Grant - Reprioritisation of Funding	Tertiary Tuition and Training MCA Foundation and Community Education Non-Departmental Output Expense	(434)	(445)	(445)	(445)	(445)
Apprenticeship Boost Scheme Continuation (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	-	-	600	600	600
Approval of a Time-limited Higher Education Collaboration Fund (previous government)	Strategic Support for National and Regional Priorities Non-Departmental Output Expense Tertiary Tuition and Training MCA Qualification Delivery Non-Departmental Output Expense	1,000 (5,000)	3,000 -	1,000 -	- -	- -
Baseline Efficiency Savings - Education New Zealand	International Education Programmes Non-Departmental Output Expense	-	(2,325)	(2,325)	(2,325)	(2,325)
Baseline Efficiency Savings - Tertiary Education Commission	Administration of and Support for the Tertiary Education and Careers Systems Non-Departmental Output Expense	-	(3,720)	(3,720)	(3,720)	(3,720)
Centres of Asia-Pacific Excellence (CAPEs) One-off Accounting Impact - Reprioritisation of Funding	Tertiary Sector / Industry Collaboration Projects Non-Departmental Output Expense	(10,000)	-	-	-	-

Policy Initiative	Appropriation	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Centres of Vocational Excellence - Reprioritisation of Funding	Tertiary Sector / Industry Collaboration Projects Non-Departmental Output Expense	-	-	(5,000)	(5,000)	(5,000)
Departmental Savings - Ministry of Education (Tertiary) (see also Vote Education in the Education and Workforce Sector)	Stewardship and Oversight of the Tertiary Education System Departmental Output Expense	-	(1,182)	(1,193)	(1,193)	(1,193)
Establishing a Tūwhitia - Accelerating Learner Success Fund	Tertiary Tuition and Training MCA					
	Access to and Success in Tertiary Education	5,000	5,000	-	-	-
	Qualification Delivery Non-Departmental Output Expenses	(5,000)	(5,000)	-	-	-
Fees-Free - Replacing First-Year with Final-Year Fees-Free (see also Vote Social Development in the Social Services and Community Sector and Vote Revenue in the Finance and Government Administration Sector)	Administration of and Support for the Tertiary Education and Careers Systems	449	9,189	3,537	-	-
	Non-Departmental Output Expense					
	Fees-free Payments Non-Departmental Other Expense	-	(188,748)	(267,686)	(249,493)	(200,673)
Gateway Fund - Reprioritisation of Funding	Tertiary Tuition and Training MCA					
	Foundation and Community Education Non-Departmental Output Expense	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Higher Education Collaboration Fund - Reprioritisation of Funding	Strategic Support for National and Regional Priorities Non-Departmental Output Expense	(1,000)	(3,000)	(1,000)	-	-
Increasing Medical School Enrolments for the 2024 Intake (see also Vote Health in the Health Sector, Vote Social Development in the Social Services and Community Sector and Vote Revenue in the Finance and Government Administration Sector)	Tertiary Tuition and Training MCA					
	Qualification Delivery Non-Departmental Output Expense	677	2,067	3,515	5,336	7,547
	Tertiary Scholarships and Awards Benefits or Related Expenses	-	-	-	-	477

Policy Initiative	Appropriation	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Managing Tertiary Education and Training System Pressures: Increased Subsidies	Strategic Support for National and Regional Priorities	-	998	1,996	1,996	1,996
	Non-Departmental Output Expense					
	Tertiary Sector / Industry Collaboration Projects	-	94	188	188	188
	Non-Departmental Output Expense					
	Tertiary Tuition and Training MCA					
	Access to and Success in Tertiary Education	-	2,165	2,296	2,296	2,296
	Foundation and Community Education	-	3,876	7,753	7,753	7,753
	Qualification Delivery	-	33,038	64,257	62,570	62,625
	Non-Departmental Output Expenses					
Public Sector Pay Adjustment - Vote Tertiary Education Remuneration Cost Pressure	Administration of and Support for the Tertiary Education and Careers Systems	2,009	2,875	2,875	2,875	2,875
	Non-Departmental Output Expense					
Te Pūkenga Transformation Programme - Return of Funding	Fair Value Write Down and Impairment of Loans and Advances to Tertiary Education Institutions	(63,000)	-	-	-	-
	Non-Departmental Other Expense					
	Crown Loan to Support the Transformation of Te Pūkenga (MYA)	(20,000)	(50,000)	(50,000)	(50,000)	(50,000)
	Non-Departmental Capital Expenditure					
Time-Limited Tuition Subsidy Increase for Degree and above	Tertiary Tuition and Training MCA					
	Qualification Delivery	32,000	64,000	32,000	-	-
	Non-Departmental Output Expense					

Policy Initiative	Appropriation	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Training 25 More Doctors (see also Vote Health in the Health Sector, Vote Social Development in the Social Services and Community Sector and Vote Revenue in the Finance and Government Administration Sector)	Tertiary Tuition and Training MCA					
	Qualification Delivery	-	439	1,281	2,099	3,112
	Non-Departmental Output Expense					
Underspends within Vote Tertiary Education - Return of Funding	Tertiary Tuition and Training MCA					
	Qualification Delivery	(36,061)	-	-	-	-
	Non-Departmental Output Expense					
	Fees-free Payments	(25,000)	-	-	-	-
	Non-Departmental Other Expense					
Whakahau Matauranga (Te Wānanga o Raukawa) 2023 / Education (Te Wānanga o Raukawa) Order 2023	Derecognition of Wānanga	67,512	-	-	-	-
	Non-Departmental Other Expense					
Workforce Development Councils - Return of Funding	Workforce Development Councils	-	-	(65,000)	(65,000)	(65,000)
	Non-Departmental Output Expense					
Total Initiatives		(58,348)	(129,429)	(277,071)	(293,463)	(240,887)

1.2 - Trends in the Vote

Summary of Financial Activity

	2019/20	2020/21	2021/22	2022/23	2023/24		2024/25			2025/26	2026/27	2027/28
	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	551,156	615,899	648,502	690,612	656,407	652,418	13,012	663,337	676,349	601,774	601,537	598,237
Benefits or Related Expenses	17,071	14,852	19,547	20,276	20,629	20,629	N/A	20,678	20,678	20,692	20,692	21,169
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	370,087	344,946	494,559	347,064	360,851	350,851	-	129,591	129,591	50,653	68,846	117,666
Capital Expenditure	42,250	33,284	70,150	27,000	43,036	23,660	-	11,240	11,240	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	3,594,511	1,723,673	2,780,926	2,787,871	2,945,109	2,943,682	-	3,089,226	3,089,226	3,046,101	2,977,732	2,981,011
<i>Other Expenses</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Expenditure</i>	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Appropriations	4,575,075	2,732,654	4,013,684	3,872,823	4,026,032	3,991,240	13,012	3,914,072	3,927,084	3,719,220	3,668,807	3,718,083
Crown Revenue and Capital Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	4,358	543	3,136	6,479	3,356	3,356	N/A	3,356	3,356	3,356	3,356	3,356
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Crown Revenue and Capital Receipts	4,358	543	3,136	6,479	3,356	3,356	N/A	3,356	3,356	3,356	3,356	3,356

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 2019/20 and 2027/28 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 Reform of Vocational Education from 2019/20 to 2022/23 including the establishment of a single national vocational education institution (Te Pūkenga - New Zealand Institute of Skills and Technology), and
- Ministry of Education efficiency savings from 2024/25 in Budget 2024.

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 or supporting research-led teaching.

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

- 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 previous government's 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 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
- continuing support from 2021/22 for wānanga to undertake research and educational delivery that protects and advances mātauranga Māori
- cessation of Centres of Asia-Pacific Excellence from 2023/24
- reallocation of under-utilised funds in 2022/23 to provide a time limited increase to funding rates for degree-level and above study in 2024 and 2025 calendar years
- Tertiary Education Commission (TEC) and Education New Zealand efficiency savings from 2024/25 in Budget 2024, and
- cessation of funding for Centres of Vocational Excellence and Workplace Development Councils from 2025/26 in Budget 2024.

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:

- 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)
- 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
- derecognition of investment in Te Wānanga o Raukawa upon establishment as a non-Crown Entity Wānanga on 1 January 2024
- replacing first-year with final-year fees-free for tertiary education from the 2025 calendar year in Budget 2024.

Non-Departmental Capital Expenditure

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

- assisting 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 in 2019/20 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 2024/25 into the Tertiary Institutions that used those assets, and
- 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.

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 (M14) (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

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	14,189	14,189	13,012
Revenue from the Crown	14,189	14,189	13,012
Revenue from Others	-	-	-

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

	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Stewardship of the Tertiary Education System			
The satisfaction rating given by the Minister for Tertiary Education and Skills 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	72%
• distribution target of scores - less than 10% scoring 2.5 or under, at least 90% scoring 3 or above, and 25% or more scoring 4 and 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

Assessment of Performance	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
The satisfaction rating given by the Minister for Tertiary Education and Skills on the quality of monitoring advice provided by the Ministry about Crown agencies (see Note 1)	7	7	7
The quality and range of the Ministry's analytical outputs is assessed through an independent expert review (see Note 5)	Quality is assessed as 'Good' or better	Good	Quality is assessed as 'Good' or better
The satisfaction rating given by the Minister for Tertiary Education and Skills for the quality and timeliness of support for international visits and engagements (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	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Current Government						
Departmental Savings - Ministry of Education (Tertiary)	2024/25	-	(1,182)	(1,193)	(1,193)	(1,193)
Previous Government						
Public Sector Pay Adjustment - Vote Tertiary Education Remuneration Cost Pressure	2023/24	615	751	751	751	751
Dawn Raids Apology - Education Scholarships for Pacific People	2021/22	35	35	35	35	35
Pastoral Care of Domestic Tertiary Students - Funding for Code Administration and Disputes Resolution Scheme	2020/21	300	300	300	300	300

Reasons for Change in Appropriation

The decrease in this appropriation for 2024/25 is mainly due to Ministry of Education efficiency savings (\$1.182 million).

Part 3 - Details of Non-Departmental Appropriations

3.1 - Non-Departmental Output Expenses

Administration of and Support for the Tertiary Education and Careers Systems (M14) (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

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	72,123	72,123	78,024

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

	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Percentage of payments the 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 the TEC's online information and tools are useful (see Note 1)	At least 81%	At least 86%	At least 86%
The satisfaction rating given by the responsible Minister on the TEC's advice related to the careers system (see Note 2)	At least 7 out of 10	At least 7 out of 10	At least 7 out of 10
The satisfaction rating given by the responsible Minister on the TEC's monitoring advice related to tertiary education institutions (see Notes 2 and 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 responsible Minister on the TEC (see Note 2)	At least 7 out of 10	At least 7 out of 10	At least 7 out of 10

Note 1 - The 2024/25 Budget Standard for this measure has been updated to reflect the 2023/24 Estimated Actual.

Note 2 - The survey rating measures the responsible Minister's satisfaction with the quality of advice on a scale from 1 to 10, where 1 means unsatisfied and 10 means extremely satisfied.

Note 3 - The TEC's 2022/23 survey question asked of the Minister included reference to advice related to Te Pūkenga. As the Government has committed to begin disestablishing Te Pūkenga as part of its 100-day plan, specific reference to Te Pūkenga has been removed from this measure in 2024/25. Nevertheless, Te Pūkenga is classified as a tertiary education institution so remains covered by this measure until any disestablishment.

Narrative performance assessment

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 the TEC's financial monitoring inform the 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.

What we want to achieve (2024/25 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:

The TEC received and reviewed financial information from all tertiary education institutions. Of the 219 private training establishments (PTEs) with over \$50,000 of funding in 2023, TEC has received and reviewed financial information from 205. Six of the 14 PTEs overdue in submitting the required information to the TEC provided their last financial report but their forecast is outstanding.

WDCs audited annual reports for the period ending 30 June 2023 were provided by the end of December 2023. TEC has reviewed all six annual reports and the operating budgets up to 30th June 2023. At the end of April/beginning of May 2023, TEC also reviewed the five-year forecasts for the WDCs until the 2026/2027 period.

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.

What we want to achieve (2024 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, and
- (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:

For the 2024 investment year, the WDCs and Regional Skills Leadership Groups (RSLGs) provided investment advice to the TEC. This advice was received in December 2022 and April 2023.

Initial thematic advice which informed broader priorities was published in TEC's "Plan Guidance for providers submitting Plans for funding from 1 January 2024" (<https://www.tec.govt.nz/assets/Forms-templates-and-guides/Plan-guidance-and-toolkit-2024/Plan-Guidance-for-2024-FINAL-PDF.pdf>). Advice covering specific areas of provision to change (increase/decrease) was later published as targeted priorities in TEC's "Supplementary Plan Guidance for providers submitting Plans for funding from 1 January 2024" (<https://www.tec.govt.nz/assets/Forms-templates-and-guides/Plan-guidance-and-toolkit-2024/2023-06-19-Supplementary-Plan-Guidance-for-2024-revised.pdf>).

These priorities formed part of the assessment criteria that TEC used to assess Investment Plans, additional funding requests and Strategic Component Fund applications, for 2024 investment.

Disclosure: No RSLGs advice for investment beyond 2025 will be received as RSLGs were disestablished in 2024. Advice to inform 2025 investment was received before RSLGs were disestablished.

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	2023/24 Final Budgeted \$000	2023/24 Estimated Actual \$000	2024/25 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Tertiary Education Commission	72,014	72,014	77,915	Ongoing
Non-Government Organisations				
Māori Education Trust	109	109	109	Ongoing
Total	72,123	72,123	78,024	

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Current Government						
Apprenticeship Boost Scheme Continuation	2025/26	-	-	600	600	600
Fees-Free - Replacing First-Year with Final-Year Fees-Free	2024/25	449	9,189	3,537	-	-
Baseline Efficiency Savings - Tertiary Education Commission	2024/25	-	(3,720)	(3,720)	(3,720)	(3,720)

Policy Initiative	Year of First Impact	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Previous Government						
Public Sector Pay Adjustment - Vote Tertiary Education Remuneration Cost Pressure	2023/24	2,009	2,875	2,875	2,875	2,875
Continuing Support for Apprenticeships	2023/24	300	300	-	-	-
Apprenticeship Boost Initiative - Extending the Programme	2022/23	300	-	-	-	-
Reform of Vocational Education - Transition and Integration Phase	2021/22	2,400	2,400	2,400	2,400	2,400
Targeted Training and Apprenticeship Fund	2020/21	-	-	-	-	-
Careers System Online: Tiro Whetu	2020/21	4,425	4,425	4,425	4,425	4,425

Reasons for Change in Appropriation

The increase in this appropriation for 2024/25 is mainly due to provision in Budget 2024 for administration costs for replacing first-year Fees-Free with final-year Fees-Free (\$8.740 million increase). The increase is partially offset by Tertiary Education Commission efficiency savings in Budget 2024 (\$3.720 million decrease).

Centres of Research Excellence (M14) (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

	2023/24		2024/25
	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

	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Total number of doctoral students aligned to the Centres of Research Excellence completing qualification during the current funding period (see Notes 1 and 2)	194 +/- 5%	170	180 +/- 5%

Note 1 - The 2023/24 Final Budgeted Standard and the 2023/24 Estimated Actual refer to the 2023 calendar year. The 2024/25 Budget Standard refers to the 2024 calendar year and has been updated to reflect the 2023 Estimated Actual.

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

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	2023/24 Final Budgeted \$000	2023/24 Estimated Actual \$000	2024/25 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 (M14) (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

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	32,324	28,379	30,282

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

	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
International students have access to relevant information to support their New Zealand education experience (see Note 1)	Achieved	Achieved	Achieved
Education New Zealand's (ENZ) support is valued by the international education sector	Greater than or equal to 75%	Greater than or equal to 75%	Greater than or equal to 75%
ENZ's key connections and partnerships in markets contribute to a connected New Zealand (see Note 2)	Achieved	Achieved	Achieved
Maintain brand preference in markets we operate in (see Note 2)	Achieved	Achieved	Achieved
The economic contribution from international education is increased (see Note 3)	New measure	New measure	Establish baseline

Note 1 - This is a wording change from the previous year. ENZ has dropped reference to "timely and useful" and retained "relevant" to better align with ENZ's legislative functions.

Note 2 - This is a wording change from the previous year. ENZ has dropped "targeted market" to align with the new terminology adopted in the market assessment model.

Note 3 - This is a new quantitative measure to enable ENZ to measure its progress towards the Government's objective for doubling the export value outcome.

End of Year Performance Reporting

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

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Current Government						
Baseline Efficiency Savings - Education New Zealand	2024/25	-	(2,325)	(2,325)	(2,325)	(2,325)

Reasons for Change in Appropriation

The decrease in this appropriation for 2024/25 is mainly due to the Education New Zealand efficiency savings in Budget 2024 (\$2.325 million).

Strategic Support for National and Regional Priorities (M14) (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

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	78,132	78,132	83,832

Components of the Appropriation

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
National and regional skills priorities	35,954	32,785	39,917
Programme Development and Maintenance Fund	39,678	42,847	40,915
Fund to support growth and proficiency of te reo Māori (Level 5 and above)	2,500	2,500	3,000
Total	78,132	78,132	83,832

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

	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Regional and national skills priorities based on advice from Workforce Development Councils (WDCs), Regional Skills Leadership Groups (RSLGs) and Iwi Māori are available to inform investment decisions (see Notes 1 and 2)	Achieved	Achieved	Achieved
Reports from strategic component funded organisations show progress towards meeting national and regional skills priorities (see Notes 1, 3 and 4)	Achieved	Achieved	Achieved

Note 1 - The 2023/24 Final Budgeted Standard and the 2023/24 Estimated Actual refer to the 2023 calendar year. The 2024/25 Budget Standard refers to the 2024 calendar year.

Note 2 - No RSLGs advice for investment beyond 2025 will be received as RSLGs were disestablished in 2024. Advice to inform 2025 investment was received before RSLGs were disestablished.

Note 3 - This performance measure initially applied to private training establishments only. As the Government has committed to begin disestablishing Te Pūkenga as part of its 100-day plan the original measure related to it has been retired (see disclosure note below). Consequently, we have expanded this measure to include all organisations that receive strategic component funding. As Te Pūkenga receives this funding, information on progress towards meeting regional and national skills priorities will be covered by this measure until any disestablishment. Funding objectives and progress milestones will be identified, monitored and reported on as part of ongoing reporting.

Note 4 - We will work with wānanga to allocate programme development and maintenance funding. Reporting on this funding will not be included under this measure. It will be included in Wānanga annual reports, which are reviewed against milestones and key performance indicators set in Investment Plans and reported under the Support for Wānanga appropriation.

Disclosure: As the Government has committed to begin disestablishing Te Pūkenga, the Te Pūkenga measure relating to meeting charter obligations and meeting national and regional skills priorities, has been retired. Information related to progress being made towards meeting national and regional skills priorities will be reported on under the expanded measure above (see Note 3).

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	2023/24 Final Budgeted \$000	2023/24 Estimated Actual \$000	2024/25 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Universities (8)	696	696	746	2024
Wānanga (3)	5,678	5,678	6,093	2024
Te Pūkenga - New Zealand Institute of Skills and Technology	45,158	52,085	55,885	2024
Non-Government Organisations				
Private Training Establishments	26,600	19,673	21,108	2024
Total	78,132	78,132	83,832	

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Current Government						
Managing Tertiary Education and Training System Pressures: Increased Subsidies	2024/25	-	998	1,996	1,996	1,996
Higher Education Collaboration Fund - Reprioritisation of Funding	2023/24	(1,000)	(3,000)	(1,000)	-	-
Previous Government						
Approval of a Time-limited Higher Education Collaboration Fund	2023/24	1,000	3,000	1,000	-	-
Cost Adjustment to Tertiary Tuition and Training Subsidies	2023/24	1,900	3,800	3,800	3,800	3,800
Māori Language Education Funding to Support Provision and Growth	2022/23	2,500	3,000	3,000	3,000	3,000
Cost Adjustment to Tertiary Tuition and Training Subsidies	2022/23	2,028	2,034	2,030	2,030	2,030
Ensuring the Viability of Vocational Education and Training	2021/22	73,200	73,200	73,200	73,200	73,200

Reasons for Change in Appropriation

The increase in this appropriation for 2024/25 is mainly due to:

- 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 (\$3.010 million)
- increases in tuition and training subsidy rates in Budget 2023 to support tertiary providers to manage increases in delivery costs, comprising 5% from January 2024 along with a targeted increase of 15% for level 3 and above delivery of mātauranga Māori provision (including te reo Māori), to be phased over four years (\$1.900 million), and
- a 2.5% increase to tertiary education and training subsidies on 1 January 2025 (\$998,000).

Support for Wānanga (M14) (A19)

Scope of Appropriation

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

Expenses

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	12,000	12,000	24,000

Components of the Appropriation

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Grants under Section 556 of the Education and Training Act 2020	12,000	12,000	24,000
Total	12,000	12,000	24,000

What is Intended to be Achieved with this Appropriation

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

How Performance will be Assessed and End of Year Reporting Requirements

	2023/24		2024/25
	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 2023/24 Final Budgeted Standard and the 2023/24 Estimated Actual refer to the 2023 calendar year. The 2024/25 Budget Standard refers to the 2024 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	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Previous Government						
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
Whakatapu 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	6,000	6,000	6,000	6,000	6,000

Reasons for Change in Appropriation

The increase in this appropriation for 2024/25 is due to timing of expenditure recognition for medium-term support grants paid under section 556 of the Education and Training Act 2020 to each wānanga. The necessary accounting treatment of this funding required the full expense of medium-term support funding allocated to each wānanga over the 2023 and 2024 calendar years to be recognised in 2022/23 so \$12 million of the appropriation for 2023/24 was brought forward to 2022/23.

Tertiary Education Research and Research-Based Teaching (M14) (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

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	315,000	315,000	315,000

Components of the Appropriation

	2023/24		2024/25
	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

	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Postgraduate 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 2023/24 Final Budgeted Standard and the 2023/24 Estimated Actual refer to the 2023 calendar year. The 2024/25 Budget Standard refers to the 2024 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	2023/24 Final Budgeted \$000	2023/24 Estimated Actual \$000	2024/25 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Universities (8)	304,137	304,238	304,238	2024
Wānanga (3)	647	750	750	2024
Te Pūkenga - New Zealand Institute of Skills and Technology	8,768	8,574	8,574	2024
Non-Government Organisations				
Private Training Establishments	1,448	1,438	1,438	2024
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 2024 and 2025) • Research Degree Completions - a measure of the number of research-based post-graduate degree completions (this will comprise 25% of funding in 2024 and 2025) • External Research Income - a measure of income received for the purposes of conducting research (this will comprise 20% of funding in 2024 and 2025).

Tertiary Sector / Industry Collaboration Projects (M14) (A19)

Scope of Appropriation

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

Expenses

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	17,088	17,088	17,399

Components of the Appropriation

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Māori and Pasifika Trades Training	7,332	7,332	7,643
National Centre for Tertiary Teaching Excellence	3,556	3,556	3,556
Centres of Vocational Excellence	5,000	5,000	5,000
Adult and Community Education (ACE) Aotearoa	1,200	1,200	1,200
Total	17,088	17,088	17,399

What is Intended to be Achieved with this Appropriation

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

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Percentage of learners per calendar year progressing from Māori and Pacific Trades Training (MPTT) to New Zealand apprenticeships, other industry training at level 3 or above, or further study at New Zealand Qualifications and Credentials Framework level 4 and above (see Notes 1, 2 and 3)	At least 35%	41.06%	39%

Note 1 - The 2023/24 Final Budgeted Standard and the 2023/24 Estimated Actual refer to the 2023 calendar year. The 2024/25 Budget Standard refers to the 2024 calendar year.

Note 2 - Māori and Pacific Trades Training (MPTT) funding is split between two appropriations, the Tertiary Sector / Industry Collaboration Projects and the Tertiary Tuition and Training Multi-Category Appropriation (Category: Access to and Success in Tertiary Education). When reviewing our measures, the TEC realised the MPTT measure of learner progression is more closely aligned with the Brokerage Success payments made under the industry collaboration appropriation than the MPTT funding under the Tertiary Tuition and Training appropriation. Consequently, the progression measure has been moved to this industry collaboration appropriation. Brokerage Success is a payment under this appropriation for the successful transition of a student into New Zealand apprenticeships or other work-based training at levels 3 or above.

Note 3 - The high 2022 and 2023 transition rates are likely due to COVID-19 and the incentives offered through the Targeted Training and Apprenticeship Fund (TTAF). With the ending of the TTAF funded tuition in December 2022, we expect progression to trend downward, gradually returning to pre-COVID-19 levels of 35% - 37%.

Disclosure statement: The measure relating to Centres of Asia-Pacific Excellence (CAPEs) has been retired as the funding for CAPEs ceased on 24 June 2024.

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	2023/24 Final Budgeted \$000	2023/24 Estimated Actual \$000	2024/25 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Universities (8)	3,556	3,556	3,556	Range from 3 to 6 years
Wānanga (3)	435	254	274	Plans up to 3 years
Te Pūkenga - New Zealand Institute of Skills and Technology	9,988	7,141	7,288	Plans up to 3 years
Non-Government Organisations				
Private Training Establishments	3,109	6,137	6,281	Plans up to 3 years
Total	17,088	17,088	17,399	

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Current Government						
Centres of Vocational Excellence - Reprioritisation of Funding	2025/26	-	-	(5,000)	(5,000)	(5,000)
Managing Tertiary Education and Training System Pressures: Increased Subsidies	2024/25	-	94	188	188	188
Centres of Asia-Pacific Excellence (CAPEs) One-off Accounting Impact - Reprioritisation of Funding	2023/24	(10,000)	-	-	-	-
Previous Government						
Disestablishment of Centres of Asia-Pacific Excellence	2024/25	-	(10,000)	(10,000)	(10,000)	(10,000)
Cost Adjustment to Tertiary Tuition and Training Subsidies	2023/24	180	360	360	360	360
Return of Exemplary Initial Teacher Education Programme Funding	2023/24	(2,520)	(2,520)	(2,520)	(2,520)	(2,520)
Cost Adjustment to Tertiary Tuition and Training Subsidies	2022/23	157	194	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

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 for Tertiary Education and Skills.

Workforce Development Councils (M14) (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

	2023/24		2024/25
	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

	2023/24		2024/25
	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	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Current Government						
Workforce Development Councils - Return of Funding	2025/26	-	-	(65,000)	(65,000)	(65,000)
Previous Government						
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 (M14) (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

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	20,629	20,629	20,678

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	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Previous Government						
Increasing Medical School Enrolments for the 2024 Intake	2027/28	-	-	-	-	477
Dawn Raids Apology - Maintaining and Growing Tūlī Takes Flight and Pacific Education Foundation Scholarships	2022/23	271	320	334	334	334
Dawn Raids Apology - Establish Tūlī Takes Flight Education Scholarships for Pacific People	2021/22	490	490	490	490	490

3.4 - Non-Departmental Other Expenses

Fees-free Payments (M14) (A19)

Scope of Appropriation

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

Expenses

	2023/24		2024/25	2025/26	2026/27	2027/28
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Total Appropriation	293,339	283,339	129,591	50,653	68,846	117,666

What is Intended to be Achieved with this Appropriation

This appropriation is intended to support participation and achievement in tertiary education by reducing the cost of study for those who complete their qualifications.

How Performance will be Assessed and End of Year Reporting Requirements

	2023/24		2024/25
	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 and 2)	At least \$7,057	\$6,255.89	At least \$6,255.89

Note 1 - The 2023/24 Budgeted Standard and the 2023/24 Estimated Actual refer to the 2023 calendar year. The 2024/25 Budget Standard refers to the 2024 calendar year and has been updated to reflect the 2023 Estimated Actual.

Note 2 - The performance measure for Fees-Free is the average benefit to eligible learners 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.

Disclosure: The Fees-Free scheme is transitioning from a first-year fees-free payment to a final-year fees-free payment from 2025. The measure above relates to learners undertaking their study under the original policy settings (first-year learners in the 2024 calendar year), before the policy changes from 2025. The Fees-Free measure in next year's estimates will reflect the policy change and relate to learners undertaking their final year of study to complete their qualifications in the 2025 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	2023/24 Final Budgeted \$000	2023/24 Estimated Actual \$000	2024/25 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Universities (8)	185,128	182,150	83,311	2024
Wānanga (3)	640	7,300	3,339	2024
Te Pūkenga - New Zealand Institute of Skills and Technology	62,269	56,971	26,056	2024
Non-Government Organisations				
Private Training Establishments	45,302	36,918	16,885	2024
Total	293,339	283,339	129,591	

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Current Government						
Fees-Free - Replacing First-Year with Final-Year Fees-Free	2024/25	-	(188,748)	(267,686)	(249,493)	(200,673)
Underspends within Vote Tertiary Education - Return of Funding	2023/24	(25,000)	-	-	-	-
Previous Government						
Returning Underspends from the Fees-Free Entitlement	2023/24	(70,000)	(70,000)	(70,000)	(70,000)	(70,000)

Reasons for Change in Appropriation

The decrease in this appropriation for 2024/25 is due to decision in Budget 2024 to stop first-year Fees-Free for tertiary education from 2025 and replace it with final-year Fees-Free (\$188.748 million).

3.5 - Non-Departmental Capital Expenditure

Support for Lincoln University (M14) (A19)

Scope of Appropriation

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

Capital Expenditure

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	5,000

What is Intended to be Achieved with this Appropriation

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

How Performance will be Assessed and End of Year Reporting Requirements

	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Achieving business case milestones in the rebuild of science facilities at Lincoln University.	Achieved	Achieved	Achieved

End of Year Performance Reporting

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

Reasons for Change in Appropriation

The \$5 million appropriation for 2024/25 is the last instalment of the Crown's contribution (in total \$80 million) to the rebuilding of the Lincoln University Science Facilities following the 2010 and 2011 Canterbury earthquakes.

Tertiary Education Institutions' Proceeds from Disposal of Crown Assets (M14) (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

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	20,186	810	1,240

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

	2023/24		2024/25
	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 Tertiary Education and Skills 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 Tertiary Education and Skills 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 (M14) (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

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	7,850	7,850	5,000

What is Intended to be Achieved with this Appropriation

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

How Performance will be Assessed and End of Year Reporting Requirements

Narrative performance assessment

Measure:

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

Completion and implementation of a long-term technical solution to provide a more flexible data collection and reporting system is a multi-year project.

What the TEC wants to achieve (2023/24 Budget Standard):

The TEC wants to modernise the way it collects, keeps, uses and shares data, and future-proof its investment and monitoring data ecosystem across the entire tertiary sector. This better places the TEC to respond to future funding system changes, while supporting its two core functions - investment and monitoring.

The second phase involves standardising processes for collecting provider and work-based data from tertiary education organisations (TEOs).

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:

In 2022/23, the TEC continued designing and building the strategic solution in conjunction with TEOs and their student/trainee management system vendors.

Disclosure: The wording of this measure and what we want to achieve has been updated to more clearly reflect the broad nature of this programme of work and its impacts across the tertiary sector.

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	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Reform of Vocational Education - Transition and Integration Phase	2021/22	7,850	5,000	-	-	-

Reasons for Change in Appropriation

The decrease in this appropriation for 2024/25 reflects the timing of the capital injection to the Tertiary Education Commission of \$13.850 million over four years (\$1 million in 2021/22, \$0 in 2022/23, \$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 (M14) (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

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,945,109	2,943,682	3,089,226
Non-Departmental Output Expenses			
Access to and Success in Tertiary Education	100,461	100,889	99,149
Foundation and Community Education	301,234	295,094	312,228
Qualification Delivery	2,543,414	2,547,699	2,677,849

Components of the Appropriation

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Access to and Success in Tertiary Education			
Equity Funding for level 7 (degree) and above	16,507	15,864	16,916
Learner funding for levels 3-7 (non-degree) and industry training	68,714	72,169	66,612

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Māori and Pasifika Trades Training Top Up	10,240	7,856	10,621
Tūwhitia Accelerating Learner Success Fund	5,000	5,000	5,000
Foundation and Community Education			
Adult and Community Education	29,034	29,393	30,353
Gateway	22,408	21,843	23,298
Literacy and Numeracy	40,857	37,549	42,139
English for Speakers of Other Languages	20,662	17,897	22,177
Emergency Management Pool	1,601	1,569	1,765
Foundation Education	186,672	186,843	192,496
Qualification Delivery			
Qualifications at level 3-7 (non-degree) and industry training	833,688	792,262	899,671
Qualifications at level 7 (degree) and above	1,706,870	1,752,176	1,775,258
Section 556 grants for School of Dance and School of Drama	2,556	2,961	2,620
Domestic Tertiary Dispute Resolution Scheme	300	300	300
Total	2,945,109	2,943,682	3,089,226

What is Intended to be Achieved with this Appropriation

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

How Performance will be Assessed for this Appropriation

Assessment of Performance	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Tertiary course completion rate (see Note 1):			
• Course completion rate for provider-based learners	At least 79.2%	81.7%	At least 81.7%
• Credit achievement rate for work-based learners	At least 66.2%	72.6%	At least 72.6%

Note 1 - The 2023/24 Final Budgeted Standard and the 2023/24 Estimated Actual refer to the 2023 calendar year. The 2024/25 Budget Standard refers to the 2024 calendar year and has been updated to reflect the 2023 Estimated Actual.

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

Assessment of Performance	2023/24		2024/25
	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.			
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 and 2)			
<ul style="list-style-type: none"> Māori (relative to combined non-Māori and non-Pacific learners' results) (see Note 3) 	Baseline year	-10.8 percentage points	No more than -10.8 percentage points
<ul style="list-style-type: none"> Pacific (relative to combined non-Māori and non-Pacific learners' results) (see Note 4) 	Baseline year	-14.7 percentage points	No more than -14.7 percentage points
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 7)			
<ul style="list-style-type: none"> Intensive Literacy and Numeracy 	At least 65.7%	58.6%	At least 58.6%
<ul style="list-style-type: none"> Workplace Literacy and Numeracy (tertiary education organisation-led) 	At least 60.7%	62.7%	At least 62.7%
<ul style="list-style-type: none"> English for Speakers of Other Languages 	At least 92.4%	92.1%	At least 92.1%
Number of Adult Community Education learner hours (see Note 1)	At least 1,001,459	1,056,032	At least 1,056,032
Youth Guarantee - Percentage of Youth Guarantee learners completing qualifications at Level 2 or 3 (see Note 1)	At least 62.0%	63.7%	At least 63.7%
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 65.4%	59.7%	At least 59.7%
<ul style="list-style-type: none"> Industry trainees 	At least 69.5%	63.6%	At least 63.6%
<ul style="list-style-type: none"> Apprentices 	At least 53.1%	49.0%	At least 49.0%
<ul style="list-style-type: none"> Māori (relative to combined non-Māori and non-Pacific learners' results) (see Note 5) 	No more than -6.8 percentage points	-9.2 percentage points	No more than -9.2 percentage points
<ul style="list-style-type: none"> Pacific (relative to combined non-Māori and non-Pacific learners' results) (see Note 6) 	No more than -2.3 percentage points	-7.1 percentage points	No more than -7.1 percentage points

Assessment of Performance	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Qualification completion (cohort based) (see Note 1) - percentage of funded students completing qualifications:			
Level 4 to 7 non-degree:			
• All learners	At least 58.1%	58.2%	At least 58.2%
• Māori learners (relative to combined non-Māori and non-Pacific learners' results) (see Note 5)	No more than -3.2 percentage points	-2.7 percentage points	No more than -2.7 percentage points
• Pacific learners (relative to combined non-Māori and non-Pacific learners' results) (see Note 6)	No more than -3.8 percentage points	-2.4 percentage points	No more than -2.4 percentage points
Qualification completion (cohort based) (see Note 1) - percentage of funded students completing qualifications:			
Level 7 degree and above:			
• All learners	At least 62.8%	62.1%	At least 62.1%
• Māori learners (relative to combined non-Māori and non-Pacific learners' results) (see Note 5)	No more than -14.0 percentage points	-14.5 percentage points	No more than -14.5 percentage points
• Pacific learners (relative to combined non-Māori and non-Pacific learners' results) (see Note 6)	No more than -19.2 percentage points	-18.4 percentage points	No more than -18.4 percentage points

Note 1 - The 2023/24 Final Budgeted Standard and the 2023/24 Estimated Actual refer to the 2023 calendar year. The 2024/25 Budget Standard refers to the 2024 calendar year and has been updated to reflect 2023 Estimated Actual.

Note 2 - This measure combines the enrolment results for two modes of delivery:

- Work based mode of delivery: Learner's 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 - 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 4 - 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 5 - 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 6 - 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 7 - 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	2023/24 Final Budgeted \$000	2023/24 Estimated Actual \$000	2024/25 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Universities (8)	1,574,369	1,572,232	1,655,282	2024
Wānanga (3)	168,434	169,746	177,654	2024
Te Pūkenga - New Zealand Institute of Skills and Technology	750,437	753,873	789,558	2024
Schools	27,563	26,378	25,871	2024
Government Training Establishment	2,877	2,878	3,015	2024
Non-Government Organisations				
Private Training Establishments	403,599	401,676	420,183	2024
Rural Education Activities Programmes (13)	3,874	4,058	4,244	2024
Employers	9,364	8,331	8,717	2024
Community Education Providers	4,292	4,210	4,402	2024
Domestic Tertiary Dispute Resolution Service	300	300	300	2024
Total	2,945,109	2,943,682	3,089,226	

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	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Current Government						
Adult and Community Education in Schools Co-ordination - Reprioritisation of Funding	2024/25	-	(250)	(500)	(500)	(500)
Training 25 More Doctors	2024/25	-	439	1,281	2,099	3,112
Managing Tertiary Education and Training System Pressures: Increased Subsidies	2024/25	-	39,079	74,306	72,619	72,674
Underspends within Vote Tertiary Education - Return of Funding	2023/24	(36,061)	-	-	-	-
Gateway Fund - Reprioritisation of Funding	2023/24	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Adult Literacy Educator Grant - Reprioritisation of Funding	2023/24	(434)	(445)	(445)	(445)	(445)

Policy Initiative	Year of First Impact	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Previous Government						
Training Incentive Allowance - Supporting Eligible People to Study	2024/25	-	3,573	7,146	7,146	7,146
Time-Limited Tuition Subsidy Increase for Degree and above	2023/24	32,000	64,000	32,000	-	-
Approval of a Time-limited Higher Education Collaboration Fund	2023/24	(5,000)	-	-	-	-
Increasing Medical School Enrolments for the 2024 Intake	2023/24	677	2,067	3,515	5,336	477
Cost Adjustment to Tertiary Tuition and Training Subsidies	2023/24	72,123	141,756	144,782	147,808	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	74,033	73,505	73,376	73,376	73,376
Improving the System for Refugee Family Reunification: Policy Proposals	2022/23	1,137	2,272	2,272	2,272	2,272
Tertiary Education and Training - Increased Funding for Enrolments	2021/22	56,343	-	-	-	-
Ensuring the Viability of Vocational Education and Training	2021/22	24,121	23,545	23,545	23,545	23,545
Transfer of Unspent Workforce Development Councils Funding to the Industry Training Fund	2021/22	-	-	-	-	-
Cost Adjustment to Tertiary Tuition and Training Subsidies	2021/22	31,254	31,256	31,256	31,256	31,256
Extending the Pilot of the Community Organisation Refugee Sponsorship Category	2021/22	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	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	3,377	3,846	3,846	3,846	3,846

Reasons for Change in Appropriation

The increase in this appropriation for 2024/25 is mainly due to:

- increases in tuition and training subsidy rates to support tertiary providers to manage increases in delivery costs comprising:
 - 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) (\$69.633 million increase)

- time limited 4% increase in 2024 and 2025 calendar years for degree-level and above funded by unspent 2022/23 appropriations for Tertiary Tuition and Training MCA and Fees-Free payments due to the decline in in domestic enrolments (\$32 million increase)
- 2.5% from January 2025 (Budget 2024) (\$39.079 million increase)
- 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 (\$40.348 million increase), and
- return of unspent funding appropriated for tertiary education and training subsidies in 2023/24 due to enrolments in 2023 being lower than the level able to be funded (\$36.061 million increase).

The increase is partially offset by:

- provision in Budget 2022 to fund higher forecast demand for tertiary education and training in prioritised areas in 2023 only, particularly work-based learning such as apprenticeships (\$56.343 million decrease), and
- the end of time-limited funding in 2023/24 from the COVID-19: Response and Recovery Fund to manage the cost of additional tertiary education enrolments from 1 January 2021 to 31 December 2023 resulting from the impact of COVID-19 (\$26.550 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 for Tertiary Education and Skills.