

Vote Tertiary Education

APPROPRIATION MINISTER(S): Minister of Education (M26), Minister for Tertiary Education (M68)

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 is responsible for appropriations in Vote Tertiary Education for the 2026/27 financial year covering the following:

- a total of nearly \$14 million for services from the Ministry of Education
- a total of nearly \$68 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 \$24 million to support the educational delivery and outcomes of wānanga
- a total of \$33 million to support the establishment of industry standard-setting organisations and performance of their legislated functions
- a total of just over \$17 million for scholarships and other awards in the tertiary sector
- a total of nearly \$9 million to improve the relevance to industry of tertiary education provision, and
- a total of nearly \$3,275 million for tuition and training subsidies to improve the skill levels of New Zealanders.

The Minister of Education is responsible for appropriations in Vote Tertiary Education for the 2026/27 financial year covering a total of nearly \$33 million for services from Education New Zealand.

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	2025/26		2026/27
	Final Budgeted \$'000	Estimated Actual \$'000	Budget \$'000
Departmental Output Expenses			
Stewardship and Oversight of the Tertiary Education System (M68) (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.	13,201	13,201	13,803
Total Departmental Output Expenses	13,201	13,201	13,803
Non-Departmental Output Expenses			
Administration of and Support for the Tertiary Education and Careers System (M68) (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 system, managing the Crown's ownership interest in tertiary education institutions, and providing advice and support to Ministers.	67,100	67,100	67,954
Centres of Research Excellence (M68) (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
Industry Standards-Setting Functions (M68) (A19) This appropriation is limited to expenses incurred in setting up industry standards-setting organisations and performing their statutory functions.	25,000	25,000	33,000
Support for Wānanga (M68) (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.	24,000	24,000	24,000
Tertiary Education Research and Research-Based Teaching (M68) (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 (M68) (A19) This appropriation is limited to funding activities that improve the relevance to industry of tertiary education provision.	8,937	7,762	8,937
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.	28,869	24,853	-
Re-establishing the New Vocational Education and Training Network (M68) (A19) This appropriation is limited to supporting the establishment of polytechnics and the transition of work-based learning from the New Zealand Institute of Skills and Technology into industry skills boards.	14,000	2,000	-
Workforce Development Councils (M68) (A19) This appropriation is limited to expenses incurred on Workforce Development Councils setting up their organisations and performing their statutory functions.	943	108	-
Total Non-Departmental Output Expenses	533,649	515,623	498,691

Titles and Scopes of Appropriations by Appropriation Type	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Benefits or Related Expenses			
Tertiary Scholarships and Awards (M68) (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.	16,742	16,062	17,242
Total Benefits or Related Expenses	16,742	16,062	17,242
Non-Departmental Other Expenses			
Fees-free Payments (M68) (A19) This appropriation is limited to ensuring fees-free study for eligible students, apprentices and trainees.	6,169	5,598	-
Transition of Work-based Learning into Industry Skills Boards (M68) (A19) This appropriation is limited to recognising the operating balance impact from transferring assets to support the transition of work-based learning from the New Zealand Institute of Skills and Technology into industry skills boards.	72,280	72,280	-
Total Non-Departmental Other Expenses	78,449	77,878	-
Non-Departmental Capital Expenditure			
Recapitalisation of the New Vocational Education and Training Network (M68) (A19) This appropriation is limited to supporting the establishment of polytechnics and the transition of work-based learning from the New Zealand Institute of Skills and Technology into industry skills boards.	25,200	6,000	-
Support for Lincoln University (M68) (A19) This appropriation is limited to the rebuild of the science facilities at Lincoln University.	5,000	5,000	-
Support for Polytechnic Property Management (M68) (A19) This appropriation is limited to supporting polytechnics to repair, build or acquire facilities for their operations.	16,900	16,900	-
Tertiary Education Commission - Final-year Fees Free (M68) (A19) This appropriation is limited to development of systems to support the implementation of the final-year Fees Free scheme.	2,087	2,087	-
Tertiary Education Institutions' Proceeds from Disposal of Crown Assets (M68) (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.	20,616	6,350	-
Total Non-Departmental Capital Expenditure	69,803	36,337	-

Titles and Scopes of Appropriations by Appropriation Type	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Multi-Category Expenses and Capital Expenditure			
International Students and Education Programmes MCA (M26) (A19) The single overarching purpose of this appropriation is to support international students and education for the purpose of delivering an excellent student experience, achieving sustainable growth and developing global citizens.	-	-	32,759
<i>Non-Departmental Output Expenses</i>			
<i>Export Education Services and Systems</i> This category is limited to funding to support the development, promotion, and quality assurance of the export education sector; administration of services (including allowed reimbursement) for International Students, and administration costs associated with the Export Education Levy.	-	-	8,903
<i>Marketing, Research, Information, and Services for International Education</i> This category is limited to funding Education New Zealand (Manapou ki te Ao) for the delivery of strategies, advice and activities relating to international education.	-	-	23,856
Tertiary Tuition and Training MCA (M68) (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.	3,310,719	3,235,476	3,274,909
<i>Non-Departmental Output Expenses</i>			
<i>Access to and Success in Tertiary Education</i> 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.	94,148	100,530	89,163
<i>Foundation and Community Education</i> This category is limited to funding for adult and community education, literacy, numeracy and English language provision, and other foundation education programmes.	329,811	314,574	331,458
<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.	2,886,760	2,820,372	2,854,288
Total Multi-Category Expenses and Capital Expenditure	3,310,719	3,235,476	3,307,668
Total Annual Appropriations and Forecast Permanent Appropriations	4,022,563	3,894,577	3,837,404

Supporting Information

Part 1 - Vote as a Whole

1.1 - New Policy Initiatives

Policy Initiative	Appropriation	2025/26 Final Budgeted \$000	2026/27 Budget \$000	2027/28 Estimated \$000	2028/29 Estimated \$000	2029/30 Estimated \$000
Industry Skills Boards - Aligning Funding with Strategic Activities	Industry Standards-Setting Functions Non-Departmental Output Expense	-	3,000	-	-	-
International Education Appropriations in Vote Tertiary Education	International Education Programmes Non-Departmental Output Expense International Students and Education Programmes MCA Export Education Services and Systems Marketing, Research, Information, and Services for International Education Non-Departmental Output Expenses	32	(28,932)	(28,932)	(28,932)	(28,932)
		-	8,903	2,212	2,212	2,212
		-	23,856	23,856	23,856	23,856
Ngarimu VC & 28th (Māori) Battalion Memorial Scholarships Fund - Scholarships Expansion	Tertiary Scholarships and Awards Benefits or Related Expenses	-	100	100	100	100
Recapitalisation of the Vocational Education and Training Network	Re-establishing the New Vocational Education and Training Network Non-Departmental Output Expense Transition of Work-based Learning into Industry Skills Boards Non-Departmental Other Expense Recapitalisation of the New Vocational Education and Training Network Non-Departmental Capital Expenditure Support for Polytechnic Property Management Non-Departmental Capital Expenditure	14,000	-	-	-	-
		72,280	-	-	-	-
		25,200	-	-	-	-
		16,900	-	-	-	-

Policy Initiative	Appropriation	2025/26 Final Budgeted \$000	2026/27 Budget \$000	2027/28 Estimated \$000	2028/29 Estimated \$000	2029/30 Estimated \$000
Strategically Important Provision Funding	Workforce Development Councils	(12,057)	-	-	-	-
	Non-Departmental Output Expense					
	Tertiary Tuition and Training MCA					
	Qualification Delivery	-	-	2,925	3,044	3,044
	Non-Departmental Output Expense					
Tertiary Education - Increases to Tertiary Fees and Foundation Education Subsidies	Tertiary Tuition and Training MCA					
	Foundation and Community Education	-	3,506	7,010	7,010	7,010
	Non-Departmental Output Expense					
Tertiary Education Volume Pressures - Funding Additional Demand	Tertiary Tuition and Training MCA					
	Access to and Success in Tertiary Education	-	1,500	3,000	3,000	3,000
	Qualification Delivery	72,280	110,215	91,026	-	-
	Non-Departmental Output Expenses					
Vote Tertiary Education - Baseline Savings	Stewardship and Oversight of the Tertiary Education System	-	(260)	(260)	(260)	(260)
	Departmental Output Expense					
	Administration of and Support for the Tertiary Education and Careers Systems	-	(1,336)	(1,336)	(1,336)	(1,336)
	Non-Departmental Output Expense					
	Tertiary Tuition and Training MCA					
	Qualification Delivery	-	-	(6,242)	(12,485)	(12,485)
	Non-Departmental Output Expense					
Vote Tertiary Education - Reprioritising Funding to Deliver on Government Priorities	Stewardship and Oversight of the Tertiary Education System	200	1,062	1,063	-	-
	Departmental Output Expense					
	Tertiary Tuition and Training MCA					
	Qualification Delivery	-	(1,090)	(1,235)	-	-
	Non-Departmental Output Expense					
Total Initiatives		188,835	120,524	93,187	(3,791)	(4,651)

1.2 - Trends in the Vote

Summary of Financial Activity

	2021/22	2022/23	2023/24	2024/25	2025/26		2026/27			2027/28	2028/29	2029/30
	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	610,838	658,454	622,253	587,466	517,981	503,971	13,803	498,691	512,494	506,195	505,132	505,132
Benefits or Related Expenses	19,547	20,276	19,905	20,557	16,742	16,062	N/A	17,242	17,242	17,519	18,383	19,288
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	494,559	347,064	350,603	148,830	78,449	77,878	-	-	-	-	-	-
Capital Expenditure	70,150	27,000	23,641	8,257	69,803	36,337	-	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	2,818,590	2,820,029	2,941,808	3,148,667	3,339,588	3,260,329	-	3,307,668	3,307,668	3,251,394	3,158,799	3,159,929
<i>Other Expenses</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Expenditure</i>	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Appropriations	4,013,684	3,872,823	3,958,210	3,913,777	4,022,563	3,894,577	13,803	3,823,601	3,837,404	3,775,108	3,682,314	3,684,349
Crown Revenue and Capital Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	3,136	6,479	12,036	12,237	6,856	6,856	N/A	3,356	3,356	3,356	3,356	3,356
Capital Receipts	-	-	-	62,000	-	-	N/A	-	-	-	-	-
Total Crown Revenue and Capital Receipts	3,136	6,479	12,036	74,237	6,856	6,856	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

	2021/22 Adjustments \$000	2022/23 Adjustments \$000	2023/24 Adjustments \$000	2024/25 Adjustments \$000	2025/26 Final Budgeted Adjustments \$000	2025/26 Estimated Actual Adjustments \$000
Appropriations						
Output Expenses	(37,664)	(32,158)	(27,629)	(25,846)	(28,869)	(28,869)
Benefits or Related Expenses	-	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-
Capital Expenditure	-	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)						
<i>Output Expenses</i>	37,664	32,158	27,629	25,846	28,869	28,869
<i>Other Expenses</i>	-	-	-	-	-	-
<i>Capital Expenditure</i>	-	-	-	-	-	-
Total Appropriations	-	-	-	-	-	-
Crown Revenue and Capital Receipts						
Tax Revenue	-	-	-	-	-	-
Non-Tax Revenue	-	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-
Total Crown Revenue and Capital Receipts	-	-	-	-	-	-

The adjustments in the table above reflect the transfer of International Education Programmes output expenses to the International Students and Education Programmes MCA.

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

1.3 - Analysis of Significant Trends

Significant changes in departmental and non-departmental appropriations related to tertiary and international education between 2021/22 and 2029/30 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 2021/22 to 2023/24
- implementation of the previous government's Reform of Vocational Education from 2021/22 to 2022/23 including the establishment of a single national vocational education institution (Te Pūkenga - New Zealand Institute of Skills and Technology)
- transfer of funding from 2022/23 for delivery of international tertiary student wellbeing initiatives and a dispute resolution service to non-departmental output expense International Education Programmes
- transfer of funding from 2023/24 for delivery of a domestic tertiary student dispute resolution service to non-departmental output expense Qualification Delivery (in the Tertiary Tuition and Training MCA), 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:

- increases in tuition and training subsidy rates to support tertiary providers to manage increases in delivery costs
- implementation of the previous government's Reform of Vocational Education from 2019/20, including:
 - funding from 2019/20 to 2022/23 for establishing Te Pūkenga, bringing together 16 institutes of technology and polytechnics (initially as subsidiaries) to create a single national vocational education institution
 - funding from 2021/22 to establish 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
 - funding from 2021/22 to ensure the viability of vocational education and training (VET) and implement a Unified Funding System for VET from 1 January 2023
- funding in 2021/22 and 2022/23 from the COVID-19: Response and Recovery Fund for international education strategic recovery
- funding in 2021/22 to extend the Student Hardship Fund to provide temporary financial assistance for tertiary students facing hardship from the impacts of COVID-19 for the 2021 calendar year
- funding in 2021/22 from the Immigration Levy to support migrant settlement and integration services

- decision in Budget 2019 to discontinue the Entrepreneurial Universities initiative with the final contracts to end in 2023
- funding in 2022/23 for a one-off grant 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
- cessation of funding for Centres of Asia-Pacific Excellence from 2023/24 in Budget 2023
- increase in the funding cap for medical school enrolments to support an additional 50 students per annum from 2024, a further 25 students from 2025, and a further 25 students from 2026
- funding for an increase to tertiary education subsidy rates at degree level and above in targeted areas of provision from 2024, initially time-limited over two years (funded from underspends in 2022/23) and then extended to outyears at a lower level of funding for priority provision in Budget 2025
- Tertiary Education Commission (TEC) and Education New Zealand (ENZ) efficiency savings from 2024/25 in Budget 2024
- cessation of funding for Centres of Vocational Excellence and Workplace Development Councils from 2025/26 in Budget 2024
- funding in 2026/27 for TEC to undertake the previously scheduled quality evaluation of the Performance-Based Research Fund (PBRF), which has since been cancelled. This funding will now be retained to support implementation of any policy changes to the PBRF
- funding from 2025/26 for TEC to implement and administer the final-year fees-free scheme that replaced first-year fees-free scheme from 1 January 2025
- discontinuation of the Strategic Component of the Unified Funding System for Vocational Education and Training (VET) from 1 January 2025 and transfer of the funding appropriated for it to increase per-learner delivery component subsidy rates for provider-based and extramural (including online) VET delivery
- reprioritisation of funding from 2025/26 to support strategically important vocational education and training provision following the disestablishment of Te Pūkenga
- funding in Budget 2025 in 2025/26 to support the transfer of industry standards-setting functions from Workplace Development Councils to, and to support the establishment of, Industry Skills Boards. Additionally, reprioritisation of funding in Budget 2025 from work-based learning delivery to industry standards-setting functions from 1 January 2026
- operating funding in 2025/26 drawn down from the Te Pūkenga disestablishment and transition contingency established in Budget 2024 to support the establishment of the new polytechnic and work-based training organisations in the redesigned vocational education and training network, which began operating on 1 January 2026, and
- increased funding in Budget 2026 to fund the forecast increase in demand for tertiary education and training enrolments in 2026 and 2027 and formula-based equity funding to support the additional demand in the system per year from 2026.

Benefits or Related Expenses

Changes in benefits or related expenses are largely related to:

- establishing academic and vocational scholarships for New Zealanders of Pacific heritage from 2022 to commemorate the Dawn Raids
- increase in the funding cap for medical school enrolments to support an additional 50 students per annum from 2024, a further 25 students from 2025, and a further 25 students from 2026
- ceasing the Prime Minister's Scholarships for Asia and Latin America from 1 July 2025 in Budget 2025, and
- provision in Budget 2026 for an additional five Ngarimu VC & 28th (Māori) Battalion Memorial Scholarships, increasing the number to fourteen to be awarded annually from 2026.

Non-Departmental Other Expenses

Almost entirely all of the funding for non-departmental other expenses until 2025/26 was for the first-year Fees Free scheme. This scheme has been replaced with the final-year Fees Free scheme and funding for non-departmental other expense Fees free Payments transferred to Vote Revenue administered by Inland Revenue.

Funding for Fees free payments is largely demand driven however funding in 2021/22 included targeted fees-free support for vocational training and apprenticeships through the Training and Apprenticeship Fund.

In 2023/24 there was a one-off other expense appropriation for derecognition of investment in Te Wānanga o Raukawa upon establishment as a non-Crown Entity Wānanga on 1 January 2024.

Appropriation in 2025/26 to recognise the operating balance impact of transferring assets to support the transition of work-based learning from Te Pūkenga (a Crown entity) into industry skills boards (non-Crown Entities).

Non-Departmental Capital Expenditure

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

- assisting Lincoln University in 2021/22 and 2025/26 to rebuild facilities after the impact of earthquakes
- capital injections to Te Pūkenga in 2022/23 and 2023/24 to modernise physical infrastructure across its network of former Institutes of Technology and Polytechnics
- capital injections to the TEC from 2021/22 to 2025/26 for development of Tahatū, an online careers planning system for learners and workers, and new information technology systems to support the implementation of the unified funding system for vocational education and the implementation of the final-year Fees Free scheme
- investing the share of proceeds from the disposal of (former) Crown assets in 2021/22, 2023/24 and 2025/26 into the institutions that managed those assets, and
- recapitalisation of the new vocational education and training network in 2025/26 following the disestablishment of Te Pūkenga.

Crown Revenue and Capital Receipts

The major changes in Crown Revenue relate mainly to:

- level of recoveries of surplus grants funding from the TEC and the tertiary education sector, and
- level of cost recoveries from the Export Education Levy Fund.

For a few years to 2022 cost recoveries from the Export Education Levy Fund were suspended due to the impact of COVID-19 on the international education sector.

The \$62 million capital receipt in 2024/25 was from TEC's grants Balance Sheet facility used to meet its funding obligations. This was reprioritised in Budget 2025 to help fund forecast demand for Tertiary Education enrolments from 2025 onwards.

1.4 - Reconciliation of Changes in Appropriation Structure

2025/26 Appropriations in the 2025/26 Structure	2025/26 (Current) \$000	Old Structure		New Structure		
		Appropriations to which Expenses (or Capital Expenditure) have been Moved from or to	Amount Moved \$000	2025/26 Appropriations in the 2026/27 Structure	2025/26 (Restated) \$000	2026/27 \$000
Non-Departmental Output Expense				Multi-Category Expenses and Capital Expenditure		
				International Students and Education Programmes		
				Non-Departmental Output Expenses		
International Education Programmes	28,869	Transferred to Export Education Services and Systems category of International Students and Education Programmes MCA	(1,252)	Export Education Services and Systems (funded by Export Education Levy)	1,252	8,903
		Transferred to Marketing, Research, Information, and Services for International Education category of International Students and Education Programmes MCA	(27,617)	Marketing, Research, Information, and Services for International Education (funded by revenue Crown)	27,617	23,856
		Transferred from International Education Programmes	28,869			
Total Changes in Appropriations	28,869		-		28,869	32,759

The non-departmental output expense appropriation International Education and Programmes has been replaced with a new multi-category appropriation (MCA) International Students and Education Programmes. The MCA has two non-departmental output expense categories to reflect Crown funded and Export Education Levy funded activities, and delivery responsibilities and statutory boundaries.

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

Part 2 - Details of Departmental Appropriations

2.1 - Departmental Output Expenses

Stewardship and Oversight of the Tertiary Education System (M68) (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

	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	13,201	13,201	13,803
Revenue from the Crown	13,201	13,201	13,803
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

	2025/26		2026/27
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Stewardship of the Tertiary Education System			
The satisfaction rating given by the portfolio Minister/s with the overall performance of the Ministry (see Note 1)	At least 3 out of 5	At least 3 out of 5	At least 3 out of 5
Policy Advice			
Internal assessment of the quality of the Ministry's policy advice (see Note 2)			
Mean	72%	72%	72%
Distribution target of scores - less than 10% scoring 2.5 or under, at least 90% at scoring 3 or above, and at least 25% scoring 4 or above	Achieved	Achieved	Achieved
Satisfaction of the portfolio Minister/s with the policy advice service (see Note 3)	At least 4 out of 5	At least 4 out of 5	At least 4 out of 5

Assessment of Performance	2025/26		2026/27
	Final Budgeted Standard	Estimated Actual	Budget Standard
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	Accurate within +/-3% of actual values	Accurate within +/- 3% of actual values
The satisfaction rating given by the portfolio Minister/s on the quality of monitoring advice provided by the Ministry about Crown agencies (see Note 1)	At least 3 out of 5	At least 3 out of 5	At least 3 out of 5
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
Quality of Ministerial Services content measured by acceptance rates by the Office of the Minister/s	95%	99%	95%
Timely delivery of Ministerial Services to the Office of the Minister/s	95%	98%	95%
Legislative timeframes met for Official information Act requests	95%	98%	95%

Note 1 - The rating measures the Minister's satisfaction on a scale of 1 to 5, where 1 means needs significant improvement and 5 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 needs significant improvement 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.

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	2025/26 Final Budgeted \$000	2026/27 Budget \$000	2027/28 Estimated \$000	2028/29 Estimated \$000	2029/30 Estimated \$000
Current Government						
Vote Tertiary Education - Baseline Savings	2026/27	-	(260)	(260)	(260)	(260)
Vote Tertiary Education - Reprioritising Funding to Deliver on Government Priorities	2025/26	200	1,062	1,063	-	-
Departmental Savings - Ministry of Education (Tertiary)	2024/25	(1,193)	(1,193)	(1,193)	(1,193)	(1,193)
Previous Government						
Public Sector Pay Adjustment - Vote Tertiary Education Remuneration Cost Pressure	2023/24	751	751	751	751	751

Reasons for Change in Appropriation

The increase in this appropriation for 2026/27 is mainly due a reprioritisation of \$2.325 million funding (\$200,000 in 2025/26, \$1,062 million in 2026/27 and \$1.063 million in 2027/28) from the Tertiary Tuition and Training MCA to support the Ministry of Education to deliver on Government priorities.

Part 3 - Details of Non-Departmental Appropriations

3.1 - Non-Departmental Output Expenses

Administration of and Support for the Tertiary Education and Careers System (M68) (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 system, managing the Crown's ownership interest in tertiary education institutions, and providing advice and support to Ministers.

Expenses

	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	67,100	67,100	67,954

What is Intended to be Achieved with this Appropriation

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

How Performance will be Assessed and End of Year Reporting Requirements

	2025/26		2026/27
	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 account holders who agree that Tahatū Career Navigator provides useful careers information and tools (see Note 1)	New measure	70%	75%
The satisfaction rating given by the responsible Minister on the TEC's advice related to the careers system (see Note 2)	At least 3 out of 5	At least 3 out of 5	At least 3 out of 5
The overall satisfaction rating given by the responsible Minister on the TEC (see Note 2)	At least 3 out of 5	At least 3 out of 5	At least 3 out of 5

Note 1 - The intention of this measure is to track the usefulness of New Zealand's new careers website Tahatū Career Navigator www.tahatu.govt.nz, profiling nearly 100 school subjects, over 4,000 qualifications and more than 800 career ideas. An account holder is someone who has created a My kete account in Tahatū.govt.nz and agreed to receive surveys. A Likert scale is used to measure people's attitudes toward usefulness by asking them to rate their level of agreement on a structured scale (1-5/strongly disagree to strongly agree).

Note 2 - The survey rating measures Ministers' satisfaction with the quality of advice on a scale from 1 to 5, (1: never; 2: some of the time; 3: about half the time; 4: most of the time; 5: always).

Disclosure - The TEC's careers.govt.nz website and associated measures has been retired and replaced with the new measure above, focused on TEC's new careers website Tahatū Career Navigator which went live to all New Zealanders at the end of 2025.

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 Industry Standards-Settings Boards (ISBs)

Disclosure: The wording of this measure has been updated to reflect the disestablishment of Workforce Development Councils and the establishment of Industry Standard-setting Boards from 1 January 2026

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	2025/26 Final Budgeted \$000	2025/26 Estimated Actual \$000	2026/27 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Tertiary Education Commission	66,991	66,991	67,845	Ongoing
Non-Government Organisations				
Māori Education Trust	109	109	109	Ongoing
Total	67,100	67,100	67,954	

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2025/26 Final Budgeted \$000	2026/27 Budget \$000	2027/28 Estimated \$000	2028/29 Estimated \$000	2029/30 Estimated \$000
Current Government						
Vote Tertiary Education - Baseline Savings	2026/27	-	(1,336)	(1,336)	(1,336)	(1,336)
Supporting Strategically Important Vocational Education and Training: Funding Reprioritisation	2025/26	(3,475)	(4,050)	(4,050)	(4,050)	(4,050)
Apprenticeship Boost Scheme Continuation	2025/26	600	600	600	600	600
Final-year Fees Free - Finalising TEC Administration Costs and Clarifying Policy Parameters	2024/25	(1,982)	1,020	1,020	1,020	1,020
Fees-Free - Replacing First-Year with Final-Year Fees-Free	2024/25	3,537	-	-	-	-
Baseline Efficiency Savings - Tertiary Education Commission	2024/25	(3,720)	(3,720)	(3,720)	(3,720)	(3,720)
Previous Government						
Public Sector Pay Adjustment - Vote Tertiary Education Remuneration Cost Pressure	2023/24	2,875	2,875	2,875	2,875	2,875

Reasons for Change in Appropriation

The increase in the appropriation for 2026/27 is mainly due to provision of \$3.300 million for the previously scheduled Performance-Based Research Fund (PBRF) quality evaluation round, which has since been cancelled. This funding will now be retained to support implementation of any policy changes to the PBRF.

The increase is partially offset by Budget 2026 baseline savings (\$1.336 million decrease).

Centres of Research Excellence (M68) (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

	2025/26		2026/27
	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

	2025/26		2026/27
	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)	110 +/- 5%	150	150 +/- 5%

Note 1 - The 2025/26 Final Budgeted Standard and the 2025/26 Estimated Actual refer to the 2025 calendar year. The 2026/27 Budget Standard refers to the 2026 calendar year and has been updated to reflect the 2025 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	2025/26 Final Budgeted \$000	2025/26 Estimated Actual \$000	2026/27 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	

Industry Standards-Setting Functions (M68) (A19)*Scope of Appropriation*

This appropriation is limited to expenses incurred in setting up industry standards-setting organisations and performing their statutory functions.

Expenses

	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	25,000	25,000	33,000

What is Intended to be Achieved with this Appropriation

This appropriation is intended to support the establishment of industry standard-setting organisations and the performance of their legislated functions.

How Performance will be Assessed and End of Year Reporting Requirements

	2025/26		2026/27
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
All Industry standards-setting organisations funded through this appropriation 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 industry standards-setting organisation plans to undertake standards-setting and quality assurance, strategic workforce analysis and planning, and advice and representation functions.

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	2025/26 Final Budgeted \$000	2026/27 Budget \$000	2027/28 Estimated \$000	2028/29 Estimated \$000	2029/30 Estimated \$000
Industry Skills Boards - Aligning Funding with Strategic Activities	2026/27	-	3,000	-	-	-
Funding for Industry Standard-Setting Functions	2025/26	25,000	30,000	30,000	30,000	30,000

Reasons for Change in Appropriation

The \$8 million increase in this appropriation in 2026/27 is due to:

- funding \$30 million per annum for the industry standard-setting functions from 2026/27 (\$5 million), and
- provision to support Industry Skills Boards' Strategic Workforce Analysis and Planning function during their initial establishment (\$3 million in 2026/27 only).

Support for Wānanga (M68) (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

	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	24,000	24,000	24,000

Components of the Appropriation

	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Grants under Section 556 of the Education and Training Act 2020	24,000	24,000	24,000
Total	24,000	24,000	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

	2025/26		2026/27
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Wānanga annual reports demonstrate appropriate use of funding in compliance with the funding conditions (see Notes 1 and 2)	Achieved	Achieved	Achieved

Note 1 - The 2025/26 Final Budgeted Standard and the 2025/26 Estimated Actual refer to the 2025 calendar year. The 2026/27 Budget Standard refers to the 2027 calendar year.

Note 2 - The wording of this measure has been updated to reflect the change to on-plan funding provided through TEC's Investment Plan process.

End of Year Performance Reporting

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

Tertiary Education Research and Research-Based Teaching (M68) (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

	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	315,000	315,000	315,000

Components of the Appropriation

	2025/26		2026/27
	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

Assessment of Performance	2025/26		2026/27
	Final Budgeted Standard	Estimated Actual	Budget Standard
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 2025/26 Final Budgeted Standard and the 2025/26 Estimated Actual refer to the 2025 calendar year. The 2026/27 Budget Standard refers to the 2026 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	2025/26 Final Budgeted \$000	2025/26 Estimated Actual \$000	2026/27 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Universities (8)	303,993	303,451	304,167	Plans up to 3 years
Wānanga (3)	1,207	2,058	1,625	Plans up to 3 years
Institutes of Technology and Polytechnics (ITPs)	8,356	7,866	7,682	Plans up to 3 years
Non-Government Organisations				
Private Training Establishments	1,444	1,625	1,526	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 2025 and 2026) • Research Degree Completions - a measure of the number of research-based post-graduate degree completions (this will comprise 25% of funding in 2025 and 2026) • External Research Income - a measure of income received for the purposes of conducting research (this will comprise 20% of funding in 2025 and 2026).

Tertiary Sector / Industry Collaboration Projects (M68) (A19)

Scope of Appropriation

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

Expenses

	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	8,937	7,762	8,937

Components of the Appropriation

	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Māori and Pasifika Trades Training	7,737	6,562	7,737
Adult and Community Education (ACE) Aotearoa	1,200	1,200	1,200
Total	8,937	7,762	8,937

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

	2025/26		2026/27
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
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 and 2)	At least 40.9%	36.4%	More than 39.7%

Note 1 - The 2025/26 Final Budgeted Standard and the 2025/26 Estimated Actual refer to the 2025 calendar year. The 2026/27 Budget Standard refers to the 2026 calendar year.

Note 2 - The TEC wants learner progression to stabilise and begin to trend upwards.

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	2025/26 Final Budgeted \$000	2025/26 Estimated Actual \$000	2026/27 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Wānanga (3)	299	272	399	Plans up to 3 years
Institutes of Technology and Polytechnics (ITPs)	5,835	4,774	5,335	Plans up to 3 years
Non-Government Organisations				
Private Training Establishments	2,803	2,716	3,203	Plans up to 3 years
Total	8,937	7,762	8,937	

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2025/26 Final Budgeted \$000	2026/27 Budget \$000	2027/28 Estimated \$000	2028/29 Estimated \$000	2029/30 Estimated \$000
Current Government						
Supporting Strategically Important Vocational Education and Training: Funding Reprioritisation	2025/26	(3,556)	(3,556)	(3,556)	(3,556)	(3,556)
Centres of Vocational Excellence - Reprioritisation of Funding	2025/26	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
Managing Tertiary Education and Training System Pressures: Increased Subsidies	2024/25	188	188	188	188	188
Previous Government						
Disestablishment of Centres of Asia-Pacific Excellence	2024/25	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Cost Adjustment to Tertiary Tuition and Training Subsidies	2023/24	360	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	194	194	194	194	194

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

3.2 - Non-Departmental Benefits or Related Expenses

Tertiary Scholarships and Awards (M68) (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

	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	16,742	16,062	17,242

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	2025/26 Final Budgeted \$000	2026/27 Budget \$000	2027/28 Estimated \$000	2028/29 Estimated \$000	2029/30 Estimated \$000
Current Government						
Ngarimu VC & 28th (Māori) Battalion Memorial Scholarships Fund - Scholarships Expansion	2026/27	-	100	100	100	100
Delivering Quality and Timely Primary Care: Next Steps and Implementation	2029/30	-	-	-	-	555
Training 25 More Doctors	2028/29	-	-	-	292	642
Ceasing funding for the Prime Minister's Scholarships	2025/26	(3,750)	(3,750)	(3,750)	(3,750)	(3,750)
Previous Government						
Increasing Medical School Enrolments for the 2024 Intake	2027/28	-	-	477	1,049	1,049
Dawn Raids Apology - Maintaining and Growing Tuli Takes Flight and Pacific Education Foundation Scholarships	2022/23	334	334	334	334	334

Reasons for Change in Appropriation

The increase in appropriation for 2026/27 is due to:

- a transfer from 2025/26 for the 2026 round of the National Tertiary Teaching Excellence Awards (\$400,000), and
- provision for an additional five Ngarimu VC and 28th (Māori) Battalion Memorial Scholarships, increasing the number to fourteen to be awarded annually (\$100,000).

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

4 - Multi-Category Expenses and Capital Expenditure

International Students and Education Programmes (M26) (A19)

Overarching Purpose Statement

The single overarching purpose of this appropriation is to support international students and education for the purpose of delivering an excellent student experience, achieving sustainable growth and developing global citizens.

Scope of Appropriation

Non-Departmental Output Expenses

Export Education Services and Systems

This category is limited to funding to support the development, promotion, and quality assurance of the export education sector; administration of services (including allowed reimbursement) for International Students, and administration costs associated with the Export Education Levy.

Marketing, Research, Information, and Services for International Education

This category is limited to funding Education New Zealand (Manapou ki te Ao) for the delivery of strategies, advice and activities relating to international education.

Expenses, Revenue and Capital Expenditure

	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	32,759
Non-Departmental Output Expenses			
Export Education Services and Systems	-	-	8,903
Marketing, Research, Information, and Services for International Education	-	-	23,856

Comparators for Restructured Appropriation

Vote, Type and Title of Appropriation	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Vote Tertiary Education: Non-Departmental Output Expense: International Education Programmes	28,869	24,853	-
Total	28,869	24,853	32,759

What is Intended to be Achieved with this Appropriation

The overarching intention of this appropriation is to enable enhanced social, cultural and economic benefits to New Zealand through supporting sustainable growth of the international education sector, by promoting New Zealand as a study destination, supporting development and quality of the export education sector, and supporting International students.

How Performance will be Assessed for this Appropriation

Assessment of Performance	2025/26		2026/27
	Final Budgeted Standard	Estimated Actual	Budget Standard
The percentage growth of the value of Export Education (see Note 1)	New measure	New measure	Greater or equal to 7% compared to previous year

Note 1 - This measure aligns with the growth required to meet the Government Target under the International Education Going for Growth Plan.

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

Assessment of Performance	2025/26		2026/27
	Final Budgeted Standard	Estimated Actual	Budget Standard
Non-Departmental Output Expenses			
Export Education Services and Systems			
This category is intended to support the development, promotion, and quality assurance of the export education sector; administration of services (including allowed reimbursement) for International Students, and administration costs associated with the Export Education Levy.			
Funds are administered in accordance with the relevant legislation (see Note 1)	New measure	New measure	Achieved
Marketing, Research, Information, and Services for International Education			
This category is intended to achieve enhanced social, cultural and economic benefits to New Zealand through Education New Zealand's international education activities.			
Education New Zealand's (ENZ) support is valued by the international education sector (see Note 2)	Greater than or equal to 75%	Greater than or equal to 75%	Greater than or equal to 75%
The proportion of prospective students rating New Zealand among their top three choices of study destination (see Note 3)	20%	20%	20%

Disclosure - 2025/26 Budget standards of performance measures relating to appropriations prior to the appropriation restructure have been stated in this table.

Note 1 - Section 540 of the Education and Training Act 2020 describes how the export education levy may be applied.

Note 2 - This measure aligns with the International Education Going for Growth Plan.

Note 3 - This measure aligns with Education New Zealand's Statement of Intent 2025-2029 and Statement of Performance Expectations and the International Education Going for Growth Plan.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Education and Education New Zealand in their annual reports.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2025/26 Final Budgeted \$000	2026/27 Budget \$000	2027/28 Estimated \$000	2028/29 Estimated \$000	2029/30 Estimated \$000
Current Government						
International Education Appropriations in Vote Tertiary Education	2025/26	32	3,827	(2,864)	(2,864)	(3,724)
Supporting Strategically Important Vocational Education and Training: Funding Reprioritisation	2025/26	(1,350)	(1,350)	(1,350)	(1,350)	(1,350)
Baseline Efficiency Savings - Education New Zealand	2024/25	(2,325)	(2,325)	(2,325)	(2,325)	(2,325)

Reasons for Change in Appropriation

This is a new appropriation in 2026/27 of \$32.759 million created by replacing the former non-departmental output expense appropriation International Education Programmes. The reorganisation of appropriations for 2026/27 is also set out in Part 1.4 - Reconciliation of Changes in Appropriation Structure.

The \$3.890 million increase in this appropriation for 2026/27 compared to equivalent appropriation in 2025/26 is mainly due to provision for Tertiary education spending to support the Going for Growth Plan (\$6 million increase).

The increase is partially offset by reduced provision for EEL promotion, marketing, research and industry development (\$3.266 million decrease).

Tertiary Tuition and Training (M68) (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

	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	3,310,719	3,235,476	3,274,909
Non-Departmental Output Expenses			
Access to and Success in Tertiary Education	94,148	100,530	89,163
Foundation and Community Education	329,811	314,574	331,458
Qualification Delivery	2,886,760	2,820,372	2,854,288

Components of the Appropriation

	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Access to and Success in Tertiary Education			
Equity Funding for level 7 (degree) and above	16,921	16,255	18,421
Learner funding for levels 3-7 (non-degree) and industry training	63,240	71,325	59,990
Māori and Pasifika Trades Training Top Up	10,752	9,716	10,752
Tuwhitia Accelerating Learner Success Fund	3,235	3,234	-
Foundation and Community Education			
Adult and Community Education	31,376	29,391	32,225
Gateway	23,983	22,849	24,605
Literacy and Numeracy	42,680	34,919	43,578
English for Speakers of Other Languages	22,800	21,492	23,387
Emergency Management Pool	1,713	1,650	1,757
Foundation Education	207,259	204,273	205,906
Qualification Delivery			
Qualifications at level 3-7 (non-degree) and industry training	905,275	839,833	880,182
Qualifications at level 7 (degree) and above	1,951,625	1,945,272	1,960,346
Section 556 grants for School of Dance and School of Drama	2,620	3,034	2,620
Te Tahua o Te Reo Kairangi Fund	1,940	1,938	840
Domestic Tertiary Student Dispute Resolution Scheme	300	295	300
Support for the viability of strategically important vocational education provision	25,000	30,000	10,000
Total	3,310,719	3,235,476	3,274,909

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	2025/26		2026/27
	Final Budgeted Standard	Estimated Actual	Budget Standard
Tertiary course completion rate (see Note 1)			
Course completion rate for provider-based learners	At least 83.8%	85.2%	More than 85.2%
Credit achievement rate for work-based learners	At least 77.4%	79.5%	More than 79.5%

Note 1 - The 2025/26 Final Budgeted Standard and the 2025/26 Estimated Actual refer to the 2025 calendar year. The 2026/27 Budget Standard refers to the 2026 calendar year and has been updated to reflect the 2025 Estimated Actual.

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

Assessment of Performance	2025/26		2026/27
	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 Māori and Pacific learners enrolled in Levels 3-7 non-degree of the following modes of delivery (compared to percentage of non-Māori, non-Pacific learners enrolled) (see Notes 1 and 2):			
Māori - work-based	At least 19.9%	19.7%	More than 19.7%
Māori - provider-based	At least 28.5%	27.0%	More than 27.0%
Pacific - work-based	At least 9.6%	9.6%	More than 9.6%
Pacific - provider-based	At least 11.1%	11.6%	More than 11.6%
Non-Māori non-Pacific - work-based	At least 70.5%	71.6%	More than 71.6%
Non-Māori non-Pacific - provider-based	At least 60.4%	63.9%	More than 63.9%
Percentage of learners with low prior achievement enrolled in Levels 3-7 non-degree of the following modes of delivery (see Notes 1 and 3):			
Work-based	At least 44.1%	43.0%	More than 43.0%
Provider-based	At least 36.9%	35.1%	More than 35.1%

Assessment of Performance	2025/26		2026/27
	Final Budgeted Standard	Estimated Actual	Budget Standard
Foundation and Community Education			
This category is intended to achieve improvement in foundational skills for learners by funding education and training programmes.			
Number of learners participating in literacy and numeracy programmes (see Notes 1 and 4)	At least 13,520	12,867	More than 12,867
Number of Adult and Community Education learner hours (see Note 1)	At least 1,066,895	1,046,098	More than 1,046,098
Youth Guarantee - Percentage of Youth Guarantee learners completing qualifications at Level 2 or 3 (see Note 1)	At least 64.7%	69.7%	More than 69.7%
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:			
All learners	At least 56.9%	54.0%	More than 54.0%
Industry trainees	At least 61.6%	64.9%	More than 64.9%
Apprentices	At least 43.9%	38.3%	More than 43.1%
Māori and Pacific learners compared to non-Māori non-Pacific learners:			
Māori learners	New measure	49.3%	More than 49.3%
Pacific learners	New measure	50.7%	More than 50.7%
Non-Māori non-Pacific learners	New measure	55.7%	More than 55.7%
Qualification completion (cohort based) (see Note 1) - percentage of funded students completing qualifications			
Level 4 to 7 non-degree:			
All learners	At least 55.3%	55.8%	More than 55.8%
Māori and Pacific learners compared to non-Māori non-Pacific learners:			
Māori learners	New measure	53.3%	More than 53.3%
Pacific learners	New measure	50.3%	More than 50.3%
Non-Māori non-Pacific learners	New measure	57.6%	More than 57.6%
Qualification completion (cohort based) (see Note 1) - percentage of funded students completing qualifications:			
Level 7 degree and above:			
All learners	At least 63.1%	61.9%	More than 61.9%
Māori and Pacific learners compared to non-Māori non-Pacific learners:			
Māori learners	New measure	51.0%	More than 51.0%
Pacific learners	New measure	47.2%	More than 47.2%
Non-Māori non-Pacific learners	New measure	65.1%	More than 65.1%

Note 1 - The 2025/26 Final Budgeted Standard and the 2025/26 Estimated Actual refer to the 2025 calendar year. The 2026/27 Budget Standard refers to the 2026 calendar year and has been updated to reflect 2025 Estimated Actual.

Note 2 - This measure tracks the proportional movement in Māori and Pacific learner enrolments (compared to non-Māori, non-Pacific learners) as an indicator of access to Vocational Education and Training.

Note 3 - This measure tracks the proportional movement in learner enrolments with low prior achievement as an indicator of access to Vocational Education and Training.

Note 4 - This high-level measure reflects the overall number of learners receiving any form of literacy or numeracy training. It will track the overall number of learners participating in the following three literacy and numeracy programmes. Intensive Literacy and Numeracy; Workplace Literacy and Numeracy - Tertiary Education Organisation Led; and English for Speakers of other Languages.

Disclosure - The presentation of programme and qualification completion rate information for Māori learners and Pacific learners compared to non-Māori non-Pacific learners has been changed to make it clearer and easier for the reader to understand and to ensure consistency in the way ethnicity information is presented throughout the Tertiary Tuition and Training appropriation.

Narrative performance assessment

New Measure: *Eligible polytechnics are funded to support them to maintain strategically important provision.*

Note 1 - This new fund was established in August 2025 to provide support for polytechnics to maintain provision that is strategically important during the transition from the New Zealand Institute of Skills and Technology to a network of regional polytechnics.

Service Providers for the Multi-Category Appropriation

Provider	2025/26 Final Budgeted \$000	2025/26 Estimated Actual \$000	2026/27 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Universities (8)	1,770,797	1,692,106	1,732,421	2026
Wānanga (3)	222,319	193,113	188,349	2026
Institutes of Technology and Polytechnics (ITPs)	756,833	721,261	597,248	2026
Schools	27,996	27,489	29,423	2026
Government Training Establishments	3,245	1,650	1,757	2026
Non-Government Organisations				
Private Training Establishments	512,468	586,660	709,036	2026
Rural Education Activities Programmes (13)	4,207	4,139	4,253	2026
Employers	8,088	4,499	7,802	2026
Community Education Providers	4,466	4,264	4,320	2026
Domestic Tertiary Student Dispute Resolution Service	300	295	300	2026
Total	3,310,719	3,235,476	3,274,909	

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	2025/26 Final Budgeted \$000	2026/27 Budget \$000	2027/28 Estimated \$000	2028/29 Estimated \$000	2029/30 Estimated \$000
Current Government						
Vote Tertiary Education - Baseline Savings	2027/28	-	-	(6,242)	(12,485)	(12,485)
Strategically Important Provision Funding	2027/28	-	-	2,925	3,044	3,044
Vote Tertiary Education - Reprioritising Funding to Deliver on Government Priorities	2026/27	-	(1,090)	(1,235)	-	-
Tertiary Education - Increases to Tertiary Fees and Foundation Education Subsidies	2026/27	-	3,506	7,010	7,010	7,010
Tertiary Education Volume Pressures - Funding Additional Demand	2025/26	72,280	111,715	94,026	3,000	3,000
Funding for Industry Standard-Setting Functions	2025/26	(15,000)	(30,000)	(30,000)	(30,000)	(30,000)
Funding an Increase to Targeted Higher Education Tuition Subsidies	2025/26	9,193	18,386	18,386	18,386	18,386
Delivering Quality and Timely Primary Care: Next Steps and Implementation	2025/26	434	1,297	2,151	3,191	4,412
Increased Funding for Tertiary Education and Training Enrolments	2025/26	60,533	45,159	2,855	2,855	2,855
Tertiary Education Tuition and Training Subsidy Increase - Targeted Cost Adjustments	2025/26	30,362	60,723	60,723	60,723	60,723
Supporting Strategically Important Vocational Education and Training: Funding Reprioritisation	2024/25	12,175	12,840	9,075	8,956	8,956
Vocational Education and Training Reforms: Consultation Options	2024/25	81,826	81,826	81,826	81,826	81,826
Adult and Community Education in Schools Co-ordination - Reprioritisation of Funding	2024/25	(500)	(500)	(500)	(500)	(500)
Training 25 More Doctors	2024/25	1,281	2,099	3,112	4,303	4,896
Managing Tertiary Education and Training System Pressures: Increased Subsidies	2024/25	74,306	72,619	72,674	72,674	72,674
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	(445)	(445)	(445)	(445)	(445)

Policy Initiative	Year of First Impact	2025/26 Final Budgeted \$000	2026/27 Budget \$000	2027/28 Estimated \$000	2028/29 Estimated \$000	2029/30 Estimated \$000
Previous Government						
Training Incentive Allowance - Supporting Eligible People to Study	2024/25	7,146	7,146	7,146	7,146	7,146
Time-Limited Tuition Subsidy Increase for Degree and above	2023/24	32,000	-	-	-	-
Increasing Medical School Enrolments for the 2024 Intake	2023/24	3,515	5,336	7,547	8,755	8,931
Cost Adjustment to Tertiary Tuition and Training Subsidies	2023/24	144,782	147,808	147,808	147,808	147,808
Increased Funding for Tertiary Education and Training Enrolments	2023/24	40,347	-	-	-	-
Cost Adjustment to Tertiary Tuition and Training Subsidies	2022/23	73,376	73,376	73,376	73,376	73,376
Improving the System for Refugee Family Reunification: Policy Proposals	2022/23	2,272	2,272	2,272	2,272	2,272

Reasons for Change in Appropriation

The decrease in this appropriation for 2026/27 is mainly due to:

- provision in Budget 2023 for tertiary education and training enrolments to be close to the level of demand expected between 2023 and 2025 calendar years (\$40.347 million decrease)
- provision in Budget 2026 for Tertiary Education Commission's Balance Sheet Mechanism in 2025/26 to support additional demand in the system (\$40 million decrease)
- funding for an increase to tertiary education subsidy rates at degree level and above in targeted areas of provision, reducing from \$41.193 million in 2025/26 to \$18.386 million in 2026/27 (\$22.807 million decrease)
- an adjustment to the funding settings for redesigned vocational education and training system for qualification delivery in 2026 and 2027. This brought forward funding that would have fallen in 2026/27 to 2025/26 but has no impact on the funding available to support institutes of technology and polytechnics in 2026 and 2027 (\$20 million decrease)
- provision in Budget 2025 to fund the forecast increase in demand for tertiary education and training enrolments in 2025 and 2026 and fund approximately 175 additional Youth Guarantee EFTS per year from 2025 (\$15.374 million decrease), and
- reprioritisation of \$30 million per annum from work-based learning delivery to provide funding for industry standards-setting functions from 1 January 2026 (\$15 million decrease).

The decrease is partially offset by:

- increased funding in Budget 2026 to fund the forecast increase in demand for tertiary education and training enrolments in 2026 and 2027 (\$77.935 million increase) and formula-based equity funding to support the additional demand in the system (\$1.500 million increase)
- increases in tuition and training subsidy rates to support tertiary providers to manage increases in delivery costs comprising:
 - targeted 3% increases from January 2026 (Budget 2025) for priority delivery at degree level and above and foundation levels, and \$17 million for increases to subsidies for priority delivery at Levels 3 to 7 (non-degree), to support providers to sustain the quality of provision in targeted fields and further invest in priority areas (\$30.361 million increase)
 - targeted 2% increases from January 2027 (Budget 2026) for foundation education provision, alongside enabling tertiary education providers to increase tuition and training fees for learners by up to 6% in 2027 (\$3.506 million increase)
 - 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) (\$3.026 million increase), and
- an increase in the funding cap to support an additional 50 medical school enrolments from 1 January 2024 (\$1.821 million increase).

Conditions on Use of Appropriation

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