

Vote Tertiary Education

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

APPROPRIATION ADMINISTRATOR: Ministry of Education

RESPONSIBLE MINISTER FOR MINISTRY OF EDUCATION: Minister of Education

Details of Appropriations and Capital Injections

Annual Appropriations and Forecast Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2019/20				
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Addition to the Supplementary Estimates Budget \$000	Cumulative Supplementary Estimates Budget \$000	Total Budget \$000
Departmental Output Expenses					
Establishing a Single National Vocational Education Institution (M26) This appropriation is limited to expenses incurred in establishing a single national vocational education institution.	-	6,000	-	6,000	6,000
Total Departmental Output Expenses	-	6,000	-	6,000	6,000
Non-Departmental Output Expenses					
Access to Tertiary Education (M26) This appropriation is limited to improving access to tertiary education and training.	25,549	3,935	27,330	31,265	56,814
Administration of and Support for the Tertiary Education and Careers Systems (M26) 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.	63,158	9,080	30	9,110	72,268
Centres of Research Excellence (M26) 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	(24,900)	24,900	-	49,800
Establishment of a Single National Vocational Education Institution (M26) This appropriation is limited to operating funding for establishing a single national vocational education institution.	-	11,100	-	11,100	11,100
International Education Programmes (M26) 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.	32,797	1,217	-	1,217	34,014
Tertiary Education Research and Research-Based Teaching (M26) This appropriation is limited to funding research and research-based teaching on the basis of measured research quality in tertiary education organisations and supporting Wānanga research capability.	318,750	12,250	-	12,250	331,000
Tertiary Sector / Industry Collaboration Projects (M26) This appropriation is limited to funding activities that improve the relevance to industry of tertiary education provision.	27,332	4,900	4,100	9,000	36,332

	2019/20				
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Addition to the Supplementary Estimates Budget \$000	Cumulative Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type					
University-led Innovation (M26) This appropriation is limited to supporting universities to attract entrepreneurial academics to drive collaboration between universities and established and emerging businesses.	9,979	-	-	-	9,979
Total Non-Departmental Output Expenses	527,365	17,582	56,360	73,942	601,307
Benefits or Related Expenses					
Awards for Outbound New Zealand Students (M26) This appropriation is limited to awards granted to provide assistance to scholars, researchers and teachers to undertake placements abroad and to participate in reciprocal education exchange arrangements with partner countries in selected areas of priority study, teaching and research.	3,984	-	-	-	3,984
Scholarships for Inbound International Students (M26) This appropriation is limited to scholarships available to international students wishing to study in New Zealand.	600	-	-	-	600
Tertiary Scholarships and Awards (M26) This appropriation is limited to providing scholarships for tertiary students and other awards in the tertiary sector, and the provision of scholarships and bursaries to Maori and Pasifika students. It includes training assistance under Queen Elizabeth II Study Awards and recognition of outstanding tertiary education teachers.	15,885	150	-	150	16,035
Total Benefits or Related Expenses	20,469	150	-	150	20,619
Non-Departmental Capital Expenditure					
Support for a Single National Vocational Education Institution (M26) This appropriation is limited to capital injections for a single national vocational education institution.	-	10,000	-	10,000	10,000
Support for Lincoln University (M26) This appropriation is limited to the rebuild of the science facilities at Lincoln University.	65,000	(60,000)	-	(60,000)	5,000
Support for Tai Poutini Polytechnic (M26) This appropriation is limited to a capital injection into Tai Poutini Polytechnic to support its cash flow.	-	7,250	-	7,250	7,250
Support for Unitec Institute of Technology (M26) This appropriation is limited to providing a loan facility for Unitec to support its cash flow and manage normal operations and restructuring costs.	15,000	-	-	-	15,000
Support for Whitireia New Zealand (M26) This appropriation is limited to providing a capital injection for Whitireia New Zealand to support its cash flow and manage normal operations and organisational change.	-	5,000	-	5,000	5,000
Total Non-Departmental Capital Expenditure	80,000	(37,750)	-	(37,750)	42,250

Titles and Scopes of Appropriations by Appropriation Type	2019/20				
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Addition to the Supplementary Estimates Budget \$000	Cumulative Supplementary Estimates Budget \$000	Total Budget \$000
Multi-Category Expenses and Capital Expenditure					
Stewardship of the Tertiary Education System MCA (M26) The single overarching purpose of this appropriation is to provide services that contribute towards a well-functioning tertiary education system.	16,678	1,879	-	1,879	18,557
<i>Departmental Output Expenses</i>					
<i>Policy Advice</i> This category is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on Tertiary Education and international education related matters.	6,821	1,500	-	1,500	8,321
<i>Research, Data Analysis and Monitoring</i> This category is limited to the production and dissemination of research and data analysis, monitoring and reporting on tertiary education at a system-wide level, and the provision of services (other than policy advice) to support the work of other agencies and Ministers in discharging their responsibilities for tertiary education and international education related matters.	9,857	379	-	379	10,236
Tertiary Tuition and Training MCA (M26) The single overarching purpose of this appropriation is to fund tertiary tuition and training that leads to improvements in New Zealanders' skill levels.	2,843,408	(16,810)	1,180,800	1,163,990	4,007,398
<i>Non-Departmental Output Expenses</i>					
<i>Community Education</i> This category is limited to funding for adult and community education and literacy, numeracy and English language provision.	74,566	3,572	40,200	43,772	118,338
<i>Tertiary Education: Student Achievement Component</i> This category is limited to funding for teaching and learning services for enrolled students in approved courses at tertiary education organisations to achieve recognised tertiary qualifications.	2,115,387	(8,072)	912,900	904,828	3,020,215
<i>Training for Designated Groups</i> This category is limited to the purchasing and arranging of training linked to the New Zealand Qualifications Framework and the purchase of both on-job and off-job training places, including delivery of fully or partially funded training places and other industry-training related projects.	307,323	(8,288)	138,000	129,712	437,035
<i>Non-Departmental Other Expenses</i>					
<i>Fees-free Payments</i> This category is limited to ensuring fees-free study for eligible students, apprentices and trainees.	346,132	(4,022)	89,700	85,678	431,810
Total Multi-Category Expenses and Capital Expenditure	2,860,086	(14,931)	1,180,800	1,165,869	4,025,955
Total Annual Appropriations and Forecast Permanent Appropriations	3,487,920	(28,949)	1,237,160	1,208,211	4,696,131

Supporting Information

Part 1 - Vote as a Whole

1.2 - Trends in the Vote

Summary of Financial Activity

	2019/20				
	Estimates \$000	Cumulative Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	527,365	6,000	73,942	79,942	607,307
Benefits or Related Expenses	20,469	N/A	150	150	20,619
Borrowing Expenses	-	-	-	-	-
Other Expenses	-	-	-	-	-
Capital Expenditure	80,000	-	(37,750)	(37,750)	42,250
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Multi-Category Expenses and Capital Expenditure (MCA)					
<i>Output Expenses</i>	2,513,954	1,879	1,078,312	1,080,191	3,594,145
<i>Other Expenses</i>	346,132	-	85,678	85,678	431,810
<i>Capital Expenditure</i>	-	N/A	-	-	-
Total Appropriations	3,487,920	7,879	1,200,332	1,208,211	4,696,131
Crown Revenue and Capital Receipts					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	1,122	N/A	3,073	3,073	4,195
Capital Receipts	-	N/A	-	-	-
Total Crown Revenue and Capital Receipts	1,122	N/A	3,073	3,073	4,195

Part 3 - Details of Non-Departmental Appropriations

3.1 - Non-Departmental Output Expenses

Access to Tertiary Education (M26)

Scope of Appropriation

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

Reasons for Change in Appropriation

This appropriation increased by a further \$27.330 million to \$56.814 million for 2019/20 due to:

- establishment of a Student Hardship Fund to provide temporary financial assistance for tertiary students facing hardship from the impacts of COVID-19 (\$20 million)
- provision to implement the Government's commitment to give tertiary education organisations funding certainty in 2020, regardless of any impact on domestic student numbers resulting from COVID-19. This initiative brings forward by six months funding that would have fallen in 2020/21. It has no impact on the funding paid to providers or the funding available to allocate to providers in 2021 (\$4.100 million), and
- provision to support Group Training Schemes to retain apprentices in preparation for post COVID-19 economic recovery (\$3.230 million).

Administration of and Support for the Tertiary Education and Careers Systems (M26)

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.

Reasons for Change in Appropriation

This appropriation increased by a further \$30,000 to \$72.268 million for 2019/20 due to provision to implement projects led by Transitional Industry Training Organisations and Workforce Development Councils, funded through the Tertiary Sector / Industry Collaboration Projects appropriation, to develop local and industry training responses to COVID-19; design alternative arrangements for apprentices who have lost jobs; design with providers learning pathways that work for industries, and review existing training standards and programme components so they are fit for purpose as short packages of learning or as part of changed pathway designs.

Centres of Research Excellence (M26)

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.

Reasons for Change in Appropriation

This appropriation increased by a further \$24.900 million to \$49.800 million for 2019/20 due to a six-month extension of current contracts with 10 Centres of Research Excellence to allow for delays to the normal contract renegotiation process caused by COVID-19. This reverses the expense transfer to 2020/21 included in the Supplementary Estimates.

Tertiary Sector / Industry Collaboration Projects (M26)

Scope of Appropriation

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

Reasons for Change in Appropriation

This appropriation increased by a further \$4.100 million to \$36.332 million for 2019/20 due to:

- provision for Transitional Industry Training Organisations and Workforce Development Council led projects to develop local and industry training responses to COVID-19; design alternative arrangements for apprentices who have lost jobs; design with providers learning pathways that work for industries, and review existing training standards and programme components so they are fit for purpose as short packages of learning or as part of changed pathway designs (\$3 million), and
- provision to implement the Government's commitment to give tertiary education organisations funding certainty in 2020, regardless of any impact on domestic student numbers resulting from COVID-19. This initiative brings forward by six months funding that would have fallen in 2020/21. It has no impact on the funding paid to providers or the funding available to allocate to providers in 2021 (\$1.100 million).

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

4 - Multi-Category Expenses and Capital Expenditure

Tertiary Tuition and Training (M26)

Overarching Purpose Statement

The single overarching purpose of this appropriation is to fund tertiary tuition and training that leads to improvements in New Zealanders' skill levels.

Scope of Appropriation

Non-Departmental Output Expenses

Community Education

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

Tertiary Education: Student Achievement Component

This category is limited to funding for teaching and learning services for enrolled students in approved courses at tertiary education organisations to achieve recognised tertiary qualifications.

Training for Designated Groups

This category is limited to the purchasing and arranging of training linked to the New Zealand Qualifications Framework and the purchase of both on-job and off-job training places, including delivery of fully or partially funded training places and other industry-training related projects.

Non-Departmental Other Expenses

Fees-free Payments

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

Expenses, Revenue and Capital Expenditure

	2019/20			Total \$000
	Estimates \$000	Supplementary Estimates \$000	Additional Supplementary Estimates \$000	
Total Appropriation	2,843,408	(16,810)	1,180,800	4,007,398
Non-Departmental Output Expenses				
Community Education	74,566	3,572	40,200	118,338
Tertiary Education: Student Achievement Component	2,115,387	(8,072)	912,900	3,020,215
Training for Designated Groups	307,323	(8,288)	138,000	437,035
Non-Departmental Other Expenses				
Fees-free Payments	346,132	(4,022)	89,700	431,810

Components of the Appropriation

	2019/20			Total \$000
	Estimates \$000	Supplementary Estimates \$000	Addition to the Supplementary Estimates \$000	
Community Education				
Adult and Community Education	23,722	72	16,300	40,094
Literacy and Numeracy Provision	34,688	3,500	14,400	52,588
English for Speakers of Other Languages	14,022	-	8,400	22,422
Immigration Levy	426	-	300	726
Emergency Management Pool	1,708	-	800	2,508
Tertiary Education: Student Achievement Component				
Provision at Levels 1 and 2	93,238	(9,528)	19,900	103,610
Provision at Levels 3 and above				
• Universities	1,270,522	(47,123)	557,360	1,780,759
• Institutes of Technology and Polytechnics (including the New Zealand Institute of Skills and Technology) (17)	450,247	31,301	197,542	679,090
• Wānanga	119,432	4,988	51,571	175,991
• Private Training Establishments	174,639	12,798	86,527	273,964
Information and Communications Technology Graduate Programmes	4,475	42		4,517
Grants under section 321 of the Education Act	2,834	(550)		2,284
Training for Designated Groups				
Industry Training Fund	185,870	-	98,600	284,470
Youth Guarantee	102,599	(11,057)	28,300	119,842
Gateway	18,854	2,769	11,100	32,723
Fees-free Payments	346,132	(4,022)	89,700	431,810
Total	2,843,408	(16,810)	1,180,800	4,007,398

Service Providers for the Multi-Category Appropriation

Provider	2019/20				
	Estimates \$000	Supplementary Estimates \$000	Addition to the Supplementary Estimates \$000	Total \$000	Expiry of Resourcing Commitment
Crown Entities					
Universities (8)	1,472,553	(47,081)	593,674	2,019,146	Plans up to 3 years
Wānanga (3)	184,621	1,330	63,285	249,236	Plans up to 3 years
Institutes of Technology and Polytechnics (including the New Zealand Institute of Skills and Technology) (17)	626,225	22,263	241,235	889,723	Plans up to 3 years
Schools	22,929	2,765	12,786	38,480	Plans up to 3 years
Government Training Establishment	1,316	-	1,500	2,816	Plans up to 3 years
Non-Government Organisations					
Private Training Establishments	342,506	3,913	166,334	512,753	Plans up to 3 years
Rural Education Activities Programmes (13)	2,797	-	1,397	4,194	Plans up to 3 years
Employers	9,226	-		9,226	Plans up to 3 years
Community Education Providers	2,766	-	1,989	4,755	Plans up to 3 years
Industry Training Organisations	178,469	-	98,600	277,069	Plans up to 3 years
Total	2,843,408	(16,810)	1,180,800	4,007,398	

The table above shows the main service providers for this appropriation.

Reasons for Change in Appropriation

This appropriation increased by a further \$1,180.800 million to \$4,007.398 million for 2019/20 due to provision to implement the Government's commitment to give tertiary education organisations funding certainty in 2020, regardless of any impact on domestic student numbers resulting from COVID-19. This initiative brings forward by six months funding that would have fallen in 2020/21. It has no impact on the funding paid to providers or the funding available to allocate to providers in 2021.