

Vote 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	2018/19		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Departmental Output Expenses			
Place-Based Initiative - Te Tai Tokerau, Northland (M26) This appropriation is limited to the delivery of services to help achieve the outcomes of the Te Tai Tokerau, Northland Place-Based Initiative and the operational support of that initiative.	-	842	842
School Property Portfolio Management (M26) This appropriation is limited to support and advice for schools on property issues; managing and supporting the purchase and construction of new property; and upgrades to existing property and disposal of surplus property; managing teacher and caretaker housing; and other services provided by the Ministry of Education in its stewardship of the land, buildings and other facilities that comprise the State school sector property portfolio.	1,826,444	64,354	1,890,798
Services to Other Agencies RDA (M26) This appropriation is limited to the provision of services by the Ministry of Education to government departments and other agencies where those services are not within the scope of another departmental output expense appropriation in Vote Education.	4,483	(2,473)	2,010
Support and Resources for Education Providers (M26) This appropriation is limited to expenditure on policies, regulations and services focused on the governance, management and operation of education providers.	114,141	7,591	121,732
Support and Resources for Parents and the Community (M26) This appropriation is limited to expenditure on support focused on increasing informed engagement by families and communities in their children's educational outcomes.	11,760	-	11,760
Total Departmental Output Expenses	1,956,828	70,314	2,027,142
Departmental Capital Expenditure			
Ministry of Education - Capital Expenditure PLA (M26) This appropriation is limited to the purchase or development of assets by and for the use of the Ministry of Education, as authorised by section 24(1) of the Public Finance Act 1989.	1,111,195	(141,984)	969,211
Total Departmental Capital Expenditure	1,111,195	(141,984)	969,211
Non-Departmental Output Expenses			
Contribution to the Education Council of Aotearoa New Zealand (M26) This appropriation is limited to a contribution towards the Education Council of Aotearoa New Zealand carrying out its leadership and other statutory functions for the teaching profession and education.	15,242	15	15,257
Early Childhood Education (M26) This appropriation is limited to subsidising delivery of early childhood education services for children under six years of age by licensed and chartered early childhood education services and by licence-exempt and certificated centres and the provision of related funds to such services and centres.	1,975,651	(52,598)	1,923,053
Primary Education (M26) This appropriation is limited to providing roll-based operations funding to schools, teacher and management salaries, support costs and supplementary funding programmes to enable the delivery of the National Curriculum to all students for Years 0 to 8.	3,293,423	(4,038)	3,289,385

	2018/19		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
School Managed Network Funding (M26) This appropriation is limited to supporting schools' purchase of a core package of managed network services from the provider of the managed network service.	28,750	-	28,750
School Risk Management Scheme (M26) This appropriation is limited to the expenses incurred in purchasing reinsurance and settling claims under the school risk management scheme, in accordance with sections 78D to 78F of the Education Act 1989.	-	5,000	5,000
School Transport (M26) This appropriation is limited to transporting eligible students to and from State and state integrated schools and associated facilities.	189,950	16,000	205,950
Schooling Improvement (M26) This appropriation is limited to school support and schooling improvement projects, including iwi-strengthening education projects, to improve the capability of schools and school clusters and their responsiveness to the needs of their communities.	7,465	747	8,212
Secondary Education (M26) This appropriation is limited to providing roll-based operations funding to schools, teacher and management salaries, support costs and supplementary funding programmes to enable the delivery of the National Curriculum to all students for Years 9 to 13.	2,314,569	(1,039)	2,313,530
Secondary-Tertiary Interface (M26) This appropriation is limited to delivery of programmes of learning at the secondary-tertiary interface.	74,512	6,479	80,991
Support for Early Childhood Education Providers (M26) This appropriation is limited to assisting early childhood education services and other bodies corporate that provide child places for early childhood education.	11,226	-	11,226
Supporting Parenting (M26) This appropriation is limited to delivery of specific programmes and providing advice and support that enhances the role of parents/caregivers in the development of their children.	9,329	-	9,329
UNESCO (M26) This appropriation is limited to providing administration and a programme of activities of the (New Zealand) National Commission of the United Nations Educational, Scientific and Cultural Organisation, including annual membership contribution to international administration and participation in regional and international activities.	2,083	-	2,083
Total Non-Departmental Output Expenses	7,922,200	(29,434)	7,892,766
Benefits or Related Expenses			
Home Schooling Allowances (M26) This appropriation is limited to allowances for parents/caregivers of children in full-time correspondence programmes for primary and secondary education and parents/caregivers of children receiving their primary and secondary education at home (where a certificate of exemption from enrolment has been approved under section 21 of the Education Act 1989).	5,128	650	5,778
Scholarships and Awards for Students (M26) This appropriation is limited to scholarships and allowances for school students, including subsidies toward fees and travel costs and programmes.	16,266	-	16,266
Scholarships and Awards for Teachers and Trainees (M26) This appropriation is limited to study awards, sabbaticals and fellowships for teachers and scholarships and allowances for students undertaking teacher training education.	20,420	-	20,420
Total Benefits or Related Expenses	41,814	650	42,464

	2018/19		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Non-Departmental Other Expenses			
Impairment of Debts and Assets and Debt Write-Offs (M26) This appropriation is limited to bad debt write-offs for Crown debt and to impairment of Crown debt or other assets arising from objective evidence of one or more loss events that occurred after the initial recognition of the Crown debt or asset, and the loss event (or events) has had a reliably measurable impact on the estimated future cash flows of the debt or other asset.	2,000	-	2,000
Integrated Schools Property (M26) This appropriation is limited to providing funding to proprietors of integrated schools for capital upgrade, including modernisation, of their existing school property and facilities as well as expansion of the network of integrated schools.	73,551	3,054	76,605
Total Non-Departmental Other Expenses	75,551	3,054	78,605
Non-Departmental Capital Expenditure			
School Support Project (M26) This appropriation is limited to capital costs of implementing approved school support and schooling improvement projects (other than costs related to school property assets).	1,880	-	1,880
Schools Furniture and Equipment (M26) This appropriation is limited to providing funding to schools for new furniture and equipment when capital works have been approved or to fund the replacement of furniture and equipment.	35,812	11,635	47,447
Total Non-Departmental Capital Expenditure	37,692	11,635	49,327
Multi-Category Expenses and Capital Expenditure			
Improved Quality Teaching and Learning MCA (M26) The overarching purpose of this appropriation is to improve the quality of teaching and learning for children and young people aged 0-18 years.	246,026	17,570	263,596
Departmental Output Expenses			
Support and Resources for Teachers This category is limited to expenditure on policies and services focused on supporting the work and enhancing the capability of teachers.	89,664	12,421	102,085
Non-Departmental Output Expenses			
Curriculum Support This category is limited to the purchase of supplementary educational programmes for schools and communities to ensure wider access to these opportunities	56,252	(4,176)	52,076
Professional Development and Support This category is limited to the delivery of professional development and advisory support to early childhood education services and schools to support effective teaching and enhance self-management.	100,110	9,325	109,435

	2018/19		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Outcomes for Target Student Groups MCA (M26) The overarching purpose of this appropriation is to improve outcomes for targeted student groups.	753,617	20,691	774,308
Departmental Output Expenses			
<i>Interventions for Target Student Groups</i> This category is limited to expenditure on policies and services focused on targeted student groups or individuals' participation in education.	291,686	9,793	301,479
Non-Departmental Output Expenses			
<i>Learning Support</i> This category is limited to providing additional resources to enable students with additional learning needs to participate in education.	448,615	10,898	459,513
<i>Service Academies</i> This category is limited to providing military-focused programmes for disengaged or disengaging senior students in secondary schools.	3,640	-	3,640
<i>Students Attendance and Engagement</i> This category is limited to providing services to support increased attendance for non-attending students.	9,676	-	9,676
Oversight and Administration of the Qualifications System MCA (M26) The single overarching purpose of this appropriation is to provide effective oversight and administration of the qualifications system by the New Zealand Qualifications Authority.	42,639	8,000	50,639
Non-Departmental Output Expenses			
<i>Provision of Communication and Advice</i> This category is limited to communication and advice related to education policies, programmes and services that are the responsibility of the New Zealand Qualifications Authority.	3,448	-	3,448
<i>Qualifications Support Structures</i> This category is limited to the New Zealand Qualifications Authority overseeing the setting of standards and New Zealand qualifications development, recognition and review of qualifications, and contributing to the maintenance and promotion of the New Zealand qualifications system.	6,049	-	6,049
<i>Quality Assurance</i> This category is limited to the provision by the New Zealand Qualifications Authority of quality assurance services and maintenance of the quality assurance framework, to support the New Zealand qualifications system.	5,094	-	5,094
<i>Secondary School Assessments</i> This category is limited to the New Zealand Qualifications Authority overseeing assessment for national secondary school qualifications, including the National Certificate of Educational Achievement and Scholarship examinations, and the moderation of internal and external school assessments.	28,048	8,000	36,048

Titles and Scopes of Appropriations by Appropriation Type	2018/19		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Oversight of the Education System MCA (M26)	62,495	8,734	71,229
The overarching purpose of this appropriation is to provide policy advice, research, monitoring and related services that enable Ministers to discharge their responsibilities for a well-functioning education system (excluding tertiary education).			
Departmental Output Expenses			
<i>Ministerial Services</i>	5,211	-	5,211
This category is limited to the provision of services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities.			
<i>Monitoring the Education System</i>	12,428	6,064	18,492
This category is limited to the monitoring and reporting on education at a system-wide level to support Ministers in discharging their responsibilities for education related matters.			
<i>Policy Advice</i>	21,995	2,120	24,115
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 education related matters.			
<i>Research and Analysis</i>	19,353	550	19,903
This category is limited to the production and dissemination of research and data analysis to support the work of other agencies and Ministers in discharging their responsibilities for education related matters.			
Non-Departmental Output Expenses			
<i>Education Research Initiatives</i>	3,008	-	3,008
This category is limited to the purchase of research about teaching and learning in our educational institutions and independent research on education issues, policies and practices.			
<i>Independent Advice on Government Priority Areas</i>	500	-	500
This category is limited to the provision, independently of the Ministry of Education, of advice (including second opinion advice and contributions to policy advice led by other agencies, advice on operational matters and expert review service advice) to support decision-making by Ministers on government priority areas.			
Total Multi-Category Expenses and Capital Expenditure	1,104,777	54,995	1,159,772
Total Annual Appropriations and Forecast Permanent Appropriations	12,250,057	(30,770)	12,219,287

Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Non-Departmental Output Expenses		
Teacher-Led Innovation fund (M26) This appropriation is limited to supporting teacher-led innovation and classroom-based research of innovative teaching practices. Commences: 01 July 2015 Expires: 30 June 2020	Original Appropriation	10,000
	Adjustments to 2017/18	7,615
	Adjustments for 2018/19	(8,160)
	Adjusted Appropriation	9,455
	Actual to 2017/18 Year End	7,345
	Estimated Actual for 2018/19	2,110
	Estimate for 2019/20	-
	Estimated Appropriation Remaining	-
Non-Departmental Capital Expenditure		
Schools Payroll Sustainability Loan (M26) This appropriation is limited to making a loan to Education Payroll Limited to undertake the Education Payroll Development Programme. Commences: 01 October 2017 Expires: 30 September 2020	Original Appropriation	13,225
	Adjustments to 2017/18	-
	Adjustments for 2018/19	-
	Adjusted Appropriation	13,225
	Actual to 2017/18 Year End	-
	Estimated Actual for 2018/19	6,000
	Estimate for 2019/20	4,225
	Estimated Appropriation Remaining	3,000

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

	2018/19		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Total Annual Appropriations and Forecast Permanent Appropriations	12,250,057	(30,770)	12,219,287
Total Forecast MYA Non-Departmental Output Expenses	4,740	(2,630)	2,110
Total Forecast MYA Non-Departmental Capital Expenditure	5,442	558	6,000
Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations	12,260,239	(32,842)	12,227,397

Capital Injection Authorisations

	2018/19		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Ministry of Education - Capital Injection (M26)	313,263	(89,645)	223,618

Supporting Information

Part 1 - Vote as a Whole

1.2 - Trends in the Vote

Summary of Financial Activity

	2018/19				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	9,883,768	70,314	(32,064)	38,250	9,922,018
Benefits or Related Expenses	41,814	N/A	650	650	42,464
Borrowing Expenses	-	-	-	-	-
Other Expenses	75,551	-	3,054	3,054	78,605
Capital Expenditure	1,154,329	(141,984)	12,193	(129,791)	1,024,538
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Multi-Category Expenses and Capital Expenditure (MCA)					
<i>Output Expenses</i>	1,104,777	30,948	24,047	54,995	1,159,772
<i>Other Expenses</i>	-	-	-	-	-
<i>Capital Expenditure</i>	-	N/A	-	-	-
Total Appropriations	12,260,239	(40,722)	7,880	(32,842)	12,227,397
Crown Revenue and Capital Receipts					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	8,205	N/A	(122)	(122)	8,083
Capital Receipts	-	N/A	-	-	-
Total Crown Revenue and Capital Receipts	8,205	N/A	(122)	(122)	8,083

Part 2 - Details of Departmental Appropriations

2.1 - Departmental Output Expenses

Place-Based Initiative - Te Tai Tokerau, Northland (M26)

Scope of Appropriation

This appropriation is limited to the delivery of services to help achieve the outcomes of the Te Tai Tokerau, Northland Place-Based Initiative and the operational support of that initiative.

Expenses and Revenue

	2018/19		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	842	842
Revenue from the Crown	-	842	842
Revenue from Others	-	-	-

How Performance will be Assessed and End of Year Reporting Requirements

Performance Measures	2018/19		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Number of contracts agreed and operationally in place to provide ongoing local support arrangements in priority communities: Otangarei, Kaikohe and Kaitaia/Te Hiku.	New measure	3 contracts by 31 December 2018	3 contracts by 31 December 2018
Daily and High Risk triage table Packages of Support agreed and operationally in place each from four agencies.	New measure	4 packages by 31 December 2018	4 packages by 31 December 2018

End of Year Performance Reporting

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

Reasons for Change in Appropriation

This appropriation increased to \$842,000 for 2018/19 due to:

- a transfer from 2017/18 arising from delays in the implementation of the Kāinga Ora operating model (\$800,000), and
- funding to implement the exit strategy transferring the Kāinga Ora model to the South Auckland Social Wellbeing Board (\$42,000).

School Property Portfolio Management (M26)

Scope of Appropriation

This appropriation is limited to support and advice for schools on property issues; managing and supporting the purchase and construction of new property; and upgrades to existing property and disposal of surplus property; managing teacher and caretaker housing; and other services provided by the Ministry of Education in its stewardship of the land, buildings and other facilities that comprise the State school sector property portfolio.

Expenses and Revenue

	2018/19		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	1,826,444	64,354	1,890,798
Revenue from the Crown	1,823,258	48,836	1,872,094
Revenue from Others	3,186	21,851	25,037

How Performance will be Assessed and End of Year Reporting Requirements

Performance Measures	2018/19		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Percentage of State schools with a utilisation ratio between 75% and 105% as an indicator of the effective use of the school property portfolio (see Note 1).	65%	Discontinued measure	-
Percentage of State schools where the number of entitled teaching spaces (based on their rolls) is between 75% and 105% of the number of physical teaching spaces (see Note 1).	Replacement measure	65%	65%
Percentage of State school buildings with property-related elements of Innovative Learning Environment assessments showing a functionality score of '3' or better (see Note 2).	65%	No change to Standard. See Replacement Note 2.	65%
Percentage of State school buildings with a maintenance index of '3' or better as an indicator of the relative maintenance requirements for buildings in the school property portfolio (see Note 3).	85%	Discontinued measure	-
Percentage of State school buildings with an assessed maintenance forecast for the next 10 years that is no more than 20% of their replacement value, as an indicator of condition (see Note 3).	Replacement measure	85%	85%

DISCONTINUED Note 1 - Utilisation is expressed as the ratio of the number of classrooms a school is entitled to relative to its actual number of classrooms at the school. Classroom entitlement is calculated based on maximum roll figures, school types, Māori immersion rolls, special needs and technology aspects of the school. This measure covers about 70% of State schools in total and excludes schools with 100 or fewer students and schools which are less than 10 years old. Schools with enrolments of 100 students or fewer are excluded because small variations in enrolments will result in major changes in utilisation, and new schools are excluded because they would have been built in anticipation of future need for increased space.

REPLACEMENT Note 1 - This is a measure of the funding efficiency of teaching space provision in the school property portfolio, and does not directly measure the user experience at schools (eg, overcrowding). Running the large school property portfolio is expensive and good utilisation performance helps to minimise this cost. The target range of 75% to 105% recognises that below 75% there is likely to be excess capacity, which may be inefficient to operate or may be expensive to remove, and above 105% there may be a need for new teaching spaces to be built. The measure excludes schools with 100 or fewer students and new schools because our policy settings allow for different (lower) levels of utilisation for operational reasons. Nevertheless, the measure covers more than 90% of State schools by area, and nearly 95% by student enrolments.

DISCONTINUED Note 2 - The functionality measure is based on property-related elements of Innovative Learning Environment (ILE) assessments conducted by accredited assessors at the time each school prepares its 10-year property plan (10YPP). This measure is only available for a subset of schools at present (covering about 60% of State school buildings) but will be progressively applied across all schools as part of the property planning cycle. The functionality of buildings is scored on a nominal scale of 1 to 5 (1 being the highest functionality rating) based on the extent to which the building is assessed as being compliant (0%, 50% or 100%) with requirements for Designing Quality Learning Space (DQLS), Health and Hygiene (H&H) and Flexible Learning Spaces (FLS). A rating of 1 applies to buildings which comply with DQLS, H&H and FLS criteria. A rating of 2 applies to buildings which score 100% for both DQLS and H&H criteria. A rating of 3 applies to buildings which have either a score of at least 50% for both DQLS and H&H criteria or 100% for one of these criteria. A rating of 4 applies to buildings which score 50% for one of the DQLS and H&H criteria. A rating of 5 applies to buildings which score 0% for both DQLS and H&H criteria.

REPLACEMENT Note 2 - This is a measure of the functionality of school property based on the most recent Innovative Learning Environment (ILE) assessments undertaken. ILE assessments are undertaken every five years for most schools as part of their 10-year property planning process. The functionality of buildings is scored on a nominal scale of 1 to 5 (1 being the highest functionality rating) based on the extent to which the building is assessed as being compliant (0%, 50% or 100%) with requirements for Designing Quality Learning Space (DQLS), Health and Hygiene (H&H) and Flexible Learning Spaces (FLS). A rating of 1 applies to buildings which comply with DQLS, H&H and FLS criteria. A rating of 2 applies to buildings which score 100% for both DQLS and H&H criteria. A rating of 3 applies to buildings which have either a score of at least 50% for both DQLS and H&H criteria or 100% for one of these criteria. A rating of 4 applies to buildings which score 50% for one of the DQLS and H&H criteria. A rating of 5 applies to buildings which score 0% for both DQLS and H&H criteria. This measure covers the majority of school buildings (around 67% of buildings by area), and is increasing each year as more schools re-enter the 10-year property planning process.

DISCONTINUED Note 3 - The maintenance index is based on a nationwide physical inspection of school buildings. It is the ratio of each building's forward 10-year cost for maintaining the building to current standards relative to its replacement cost. The higher the ratio, the greater the degree of maintenance required. All other things being equal, a building with a higher ratio will tend to indicate poorer condition than a building with a lower ratio. This measure represents over 95% of total replacement value and about 70% of the number of buildings in the entire State school portfolio, excluding about 10,000 minor buildings such as sheds and covered walkways. For reporting purposes, building indices are shown on a scale from 1 to 5 (1 being the highest rating, defined as follows: 1 is an index of less than 5%, 2 is 5-10%, 3 is 10-20%, 4 is 20-30%, and 5 is over 30%).

REPLACEMENT Note 3 - This is a measure of the relative level of maintenance required across the portfolio based on the most recent condition assessments undertaken. Condition assessments are undertaken every five years for most schools as part of their 10-year property planning process. State school buildings with 10-year maintenance requirements that cost no more than 20% of their replacement value indicates these assets are being sustainably well maintained. The measure covers around 85% of buildings by area across 97% of schools. Exclusions are: minor school buildings (such as sheds, ancillary buildings and covered ways) with a replacement cost under \$100,000; buildings that are classified as only requiring minimal maintenance or those that have been "mothballed"; and low value maintenance jobs (less than \$5,000).

Reasons for Change in Appropriation

This appropriation increased by \$64.354 million to \$1,890.798 million for 2018/19 due to a combination of:

- increased depreciation (\$30 million increase) and capital charge (\$17.685 million increase) related to the upward revaluation of the school property portfolio at 30 June 2018
- increased provision for the management of the school property portfolio, offset by gains from the sale of surplus properties (\$13.394 million increase)
- increased provision for the management of the school property portfolio, offset by funding from successful legal claims associated with weather-tightness issues in schools (\$4.616 million increase)
- provision for the leasing of temporary accommodation to allow for the decanting of students during major capital work projects (\$4 million increase)
- increased provision for rental arrangements where building construction solutions are not available or are uneconomic (\$3.970 million increase)
- a transfer from non-departmental output expense Secondary Education (\$3.784 million increase) and increased funding (\$350,000 increase) to address the migration of charter schools to the State system
- a property write-off cost for Auckland Normal Intermediate Fire (\$1.300 million increase) and insurance proceeds for Westland High (\$225,000 increase)
- increased settlement services to accommodate an increased refugee quota (\$420,000 increase), and
- reduced capital charge resulting from slower-than-expected draw down of capital injections following delays in the capital expenditure programme (\$15.390 million decrease).

Services to Other Agencies RDA (M26)

Scope of Appropriation

This appropriation is limited to the provision of services by the Ministry of Education to government departments and other agencies where those services are not within the scope of another departmental output expense appropriation in Vote Education.

Reasons for Change in Appropriation

This appropriation decreased by \$2.473 million to \$2.010 million for 2018/19 due to a lower level of support services than forecast being provided to government departments and other government or education agencies for 2018/19.

Support and Resources for Education Providers (M26)

Scope of Appropriation

This appropriation is limited to expenditure on policies, regulations and services focused on the governance, management and operation of education providers.

Expenses and Revenue

	2018/19		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	114,141	7,591	121,732
Revenue from the Crown	113,001	7,591	120,592
Revenue from Others	1,140	-	1,140

Reasons for Change in Appropriation

This appropriation increased by \$7.591 million to \$121.732 million for 2018/19 due to a combination of:

- provision for managing pay equity claims across education sector (\$3.403 million increase)
- transfer from departmental output expense category Interventions for Target Student Groups in Outcomes for Target Student Groups MCA to ensure effective support to schools and early childhood centres (\$2.500 million increase)
- capital to operating swap for Education Sector Technology Infrastructure Project (\$1.850 million increase)
- transfers from 2017/18 for the Education Payroll Sustainability programme (\$1 million increase), schools Cloud transformation (\$800,000 increase), operating model review (\$236,000 increase), and corporate transformation programme (\$109,000 increase)
- additional funding to address current pressures on teacher supply (\$800,000 increase)
- support for additional kōhanga reo capacity and capability (\$200,000 increase), and
- net transfers from 2017/18 to 2018/19 and from 2018/19 to 2019/20 for investigation work on the Holidays Act 2003 (\$3.307 million decrease).

Support and Resources for Parents and the Community (M26)

Scope of Appropriation

This appropriation is limited to expenditure on support focused on increasing informed engagement by families and communities in their children's educational outcomes.

How Performance will be Assessed and End of Year Reporting Requirements

Performance Measures	2018/19		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Percentage of families receiving targeted information and support who, after receipt of such support, report that they are more confident and better equipped to support their children's learning and make informed decisions about learning pathways (see Note 1):			
<ul style="list-style-type: none"> all 	80%	Discontinued measure	-
<ul style="list-style-type: none"> Māori 	80%	Discontinued measure	-
<ul style="list-style-type: none"> Pasifika. 	80%	Discontinued measure	-
Percentage of families receiving targeted information and support who, after receipt of such support, report that they are more confident and better equipped to support their children's learning and make informed decisions about learning pathways (see Note 1).	Replacement measure	80%	80%
Percentage of families who, after receiving targeted communications from schools, report: (see Note 2)			
<ul style="list-style-type: none"> increased confidence in their ability to support their child's learning 	New measure	80%	80%
<ul style="list-style-type: none"> increased satisfaction with the quality of information they receive. 	New measure	80%	80%

DISCONTINUED Note 1 - As measured by the percentage of participants who showed a 'positive' or higher rating in initiative evaluation surveys, using a five-point scale where 4 is deemed 'positive'.

REPLACEMENT Note 1 - This measure covers parents and families participating in a programme at a Pacific PowerUP hub.

Note 2 - This measure covers parents and families of children attending one of four schools receiving a co-designed pilot communications package.

2.3 - Departmental Capital Expenditure and Capital Injections

Ministry of Education - Capital Expenditure PLA (M26)

Scope of Appropriation

This appropriation is limited to the purchase or development of assets by and for the use of the Ministry of Education, as authorised by section 24(1) of the Public Finance Act 1989.

Capital Expenditure

	2018/19		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	49,800	40,868	90,668
Property, Plant and Equipment	1,027,750	(175,718)	852,032
Intangibles	33,645	(7,134)	26,511
Other	-	-	-
Total Appropriation	1,111,195	(141,984)	969,211

How Performance will be Assessed and End of Year Reporting Requirements

Performance Measures	2018/19		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Percentage of State schools with a utilisation ratio between 75% and 105% as an indicator of the effective use of the school property portfolio (see Note 1).	65%	Discontinued measure	-
Percentage of State schools where the number of entitled teaching spaces (based on their rolls) is between 75% and 105% of the number of physical teaching spaces (see Note 1).	Replacement measure	65%	65%
Percentage of State school buildings with property-related elements of Innovative Learning Environment assessments showing a functionality score of '3' or better (see Note 2).	65%	No change to Standard. See Replacement Note 2.	65%
Percentage of State school buildings with a maintenance index of '3' or better as an indicator of the relative maintenance requirements for buildings in the school property portfolio (see Note 3).	85%	Discontinued measure	-
Percentage of State school buildings with an assessed maintenance forecast for the next 10 years that is no more than 20% of their replacement value, as an indicator of condition (see Note 3).	Replacement measure	85%	85%

DISCONTINUED Note 1 - Utilisation is expressed as the ratio of the number of classrooms a school is entitled to relative to its actual number of classrooms at the school. Classroom entitlement is calculated based on maximum roll figures, school types, Māori immersion rolls, special needs and technology aspects of the school. This measure covers about 70% of State schools in total and excludes schools with 100 or fewer students and schools which are less than 10 years old. Schools with enrolments of 100 students or fewer are excluded because small variations in enrolments will result in major changes in utilisation, and new schools are excluded because they would have been built in anticipation of future need for increased space.

REPLACEMENT Note 1 - This is a measure of the funding efficiency of teaching space provision in the school property portfolio, and does not directly measure the user experience at schools (eg, overcrowding). Running the large school property portfolio is expensive and good utilisation performance helps to minimise this cost. The target range of 75% to 105% recognises that below 75% there is likely to be excess capacity, which may be inefficient to operate or may be expensive to remove, and above 105% there may be a need for new teaching spaces to be built. The measure excludes schools with 100 or fewer students and new schools because our policy settings allow for different (lower) levels of utilisation for operational reasons. Nevertheless, the measure covers more than 90% of State schools by area, and nearly 95% by student enrolments.

DISCONTINUED Note 2 - The functionality measure is based on property-related elements of Innovative Learning Environment (ILE) assessments conducted by accredited assessors at the time each school prepares its 10-year property plan (10YPP). This measure is only available for a subset of schools at present (covering about 60% of State school buildings) but will be progressively applied across all schools as part of the property planning cycle. The functionality of buildings is scored on a nominal scale of 1 to 5 (1 being the highest functionality rating) based on the extent to which the building is assessed as being compliant (0%, 50% or 100%) with requirements for Designing Quality Learning Space (DQLS), Health and Hygiene (H&H) and Flexible Learning Spaces (FLS). A rating of 1 applies to buildings which comply with DQLS, H&H and FLS criteria. A rating of 2 applies to buildings which score 100% for both DQLS and H&H criteria. A rating of 3 applies to buildings which have either a score of at least 50% for both DQLS and H&H criteria or 100% for one of these criteria. A rating of 4 applies to buildings which score 50% for one of the DQLS and H&H criteria. A rating of 5 applies to buildings which score 0% for both DQLS and H&H criteria.

REPLACEMENT Note 2 - This is a measure of the functionality of school property based on the most recent Innovative Learning Environment (ILE) assessments undertaken. ILE assessments are undertaken every five years for most schools as part of their 10-year property planning process. The functionality of buildings is scored on a nominal scale of 1 to 5 (1 being the highest functionality rating) based on the extent to which the building is assessed as being compliant (0%, 50% or 100%) with requirements for Designing Quality Learning Space (DQLS), Health and Hygiene (H&H) and Flexible Learning Spaces (FLS). A rating of 1 applies to buildings which comply with DQLS, H&H and FLS criteria. A rating of 2 applies to buildings which score 100% for both DQLS and H&H criteria. A rating of 3 applies to buildings which have either a score of at least 50% for both DQLS and H&H criteria or 100% for one of these criteria. A rating of 4 applies to buildings which score 50% for one of the DQLS and H&H criteria. A rating of 5 applies to buildings which score 0% for both DQLS and H&H criteria. This measure covers the majority of school buildings (around 67% of buildings by area), and is increasing each year as more schools re-enter the 10-year property planning process.

DISCONTINUED Note 3 - The maintenance index is based on a nationwide physical inspection of school buildings. It is the ratio of each building's forward 10-year cost for maintaining the building to current standards relative to its replacement cost. The higher the ratio, the greater the degree of maintenance required. All other things being equal, a building with a higher ratio will tend to indicate poorer condition than a building with a lower ratio. This measure represents over 95% of total replacement value and about 70% of the number of buildings in the entire State school portfolio, excluding about 10,000 minor buildings such as sheds and covered walkways. For reporting purposes, building indices are shown on a scale from 1 to 5 (1 being the highest rating, defined as follows: 1 is an index of less than 5%, 2 is 5-10%, 3 is 10-20%, 4 is 20-30%, and 5 is over 30%).

REPLACEMENT Note 3 - This is a measure of the relative level of maintenance required across the portfolio based on the most recent condition assessments undertaken. Condition assessments are undertaken every five years for most schools as part of their 10-year property planning process. State school buildings with 10-year maintenance requirements that cost no more than 20% of their replacement value indicates these assets are being sustainably well maintained. The measure covers around 85% of buildings by area across 97% of schools. Exclusions are: minor school buildings (such as sheds, ancillary buildings and covered ways) with a replacement cost under \$100,000; buildings that are classified as only requiring minimal maintenance or those that have been "mothballed"; and low value maintenance jobs (less than \$5,000).

Reasons for Change in Appropriation

This appropriation decreased by \$141.984 million to \$969.211 million for 2018/19 due to a combination of:

- delays in construction of new schools, roll-growth classrooms and school redevelopments primarily due to capacity constraints within the construction industry (\$183.790 million decrease)
- escalating land costs and a move to earlier land acquisition to improve preparation and planning for new school construction (\$40.868 million increase), and
- the purchase and roll-out of new Information and Communications Technology (ICT) devices for staff, ongoing development of the Education Resourcing System, and upgrade of the school property asset management system (\$938,000 increase).

Capital Injections and Movements in Departmental Net Assets

Ministry of Education

Details of Net Asset Schedule	2018/19 Main Estimates Projections \$000	2018/19 Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2018/19
Opening Balance	17,746,137	18,016,209	Supplementary Estimates opening balance reflects the audited results as at 30 June 2018.
Capital Injections	313,263	223,618	The \$89.645 million decrease in injections is due to a combination of: delays in the school property capital works expansion programme covering new schools and roll-growth classrooms (\$106.852 million decrease) and transfers from 2017/18 for the Christchurch Schools Rebuild programme (\$12 million increase), school property capital works programme for additional non-teaching space (\$3.703 million increase) and development of the Integrated Education Data programme (\$1.504 million increase).
Capital Withdrawals	(20,774)	(35,784)	The \$15.010 million increase in withdrawals is due to transfers to: departmental output expense School Property Portfolio Management for leasing costs for short-term accommodation to decant students during refurbishment or renovation of an existing school building (\$4 million) and the Cash for Buildings funding programme (\$3.970 million); departmental output expense Support and Resources for Education Providers for Education Sector Technology Infrastructure programme (\$1.850 million); and non-departmental output expenses International Education Programme to implement Export Education Levy policy (\$4 million), Contribution to the Education Council of Aotearoa New Zealand (\$1.190 million).
Surplus to be Retained (Deficit Incurred)	(266)	(23,007)	The \$22.741 million increase in net deficit is due to a remeasurement of net unrealised loss on interest rate swap derivatives with the New Zealand Debt Management Office (\$29.074 million deficit) partly offset by the insurance proceeds from fire damage to Westland High School (\$3.275 million surplus) and retention of third party contributions to the development of particular school building assets (\$3.058 million surplus).
Other Movements	-	-	
Closing Balance	18,038,360	18,181,036	

Part 3 - Details of Non-Departmental Appropriations

3.1 - Non-Departmental Output Expenses

Contribution to the Education Council of Aotearoa New Zealand (M26)

Scope of Appropriation

This appropriation is limited to a contribution towards the Education Council of Aotearoa New Zealand carrying out its leadership and other statutory functions for the teaching profession and education.

Reasons for Change in Appropriation

This appropriation increased by \$15,000 to \$15.257 million for 2018/19 due to a combination of:

- a transfer from 2017/18 for slower-than-expected issue or renewal of practising certificates for individual teachers (\$1.500 million increase)
- increased operating cost related to the Education Council Online Services tool offset by departmental capital withdrawal (\$1.190 million increase), and
- a transfer to non-departmental output expense Primary Education to provide for additional teacher supply initiatives (\$2.675 million decrease).

Early Childhood Education (M26)

Scope of Appropriation

This appropriation is limited to subsidising delivery of early childhood education services for children under six years of age by licensed and chartered early childhood education services and by licence-exempt and certificated centres and the provision of related funds to such services and centres.

Reasons for Change in Appropriation

This appropriation decreased by \$52.598 million to \$1,923.053 million for 2018/19 due to a combination of:

- revised population projections based on lower 2018 outturns data and changes in the mix of expenditure between service types, subsidy types and ages of children (\$53.447 million decrease)
- adjustments in equity funding due to a reduction in eligible hours and targeted funding in line with the overall reduction in forecast volumes (\$1.944 million decrease)
- support for additional kōhanga reo capacity and capability (\$2.497 million increase), and
- provision for a cost adjustment to home-based early childhood education services on the quality rate (\$296,000 increase).

Primary Education (M26)

Scope of Appropriation

This appropriation is limited to providing roll-based operations funding to schools, teacher and management salaries, support costs and supplementary funding programmes to enable the delivery of the National Curriculum to all students for Years 0 to 8.

Reasons for Change in Appropriation

This appropriation decreased by \$4.038 million to \$3,289.385 million for 2018/19 due to a combination of:

- return of savings in Investing in Education Success (\$28.613 million decrease)
- a transfer to non-departmental output expense Contribution to the Education Council of Aotearoa New Zealand in 2019/20 to meet the funding agreement extension of the Teaching Council (\$6.271 million decrease)
- impacts of lower-than-expected national roll projections on teacher salaries and school operations grants (\$5.465 million decrease)
- a transfer to departmental output expense category Monitoring the Education System in Oversight of the Education System MCA to meet the balance of the operating model review (\$1.100 million decrease) and to provide additional ICT operational costs in developing the repository for the Student Information Sharing initiative (\$1 million decrease)
- transfers to non-departmental capital expenditure Schools Furniture and Equipment (\$1.109 million decrease) and non-departmental output expense Schooling Improvement (\$127,000 decrease) to address the financial implication of the migration of charter schools to the State system
- a transfer to non-departmental output expense category Learning Support in Outcomes for Target Student Groups MCA to fund an evaluation of the Napier Student Managed Move Service over four years (\$710,000 decrease)
- provision for schools payroll Holidays Act remediation payments (\$28.559 million increase)
- additional funding to address current pressures on teacher supply (\$5.712 million increase)
- a transfer from 2017/18 to fund one-off costs of the migration of charter schools to the State system (\$4.357 million increase), and
- transfers from 2017/18 for School Management Systems (\$1.229 million increase) and Induction and Mentoring Programme (\$500,000 increase).

School Risk Management Scheme (M26)

Scope of Appropriation

This appropriation is limited to the expenses incurred in purchasing reinsurance and settling claims under the school risk management scheme, in accordance with sections 78D to 78F of the Education Act 1989.

Expenses

	2018/19		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	5,000	5,000

What is Intended to be Achieved with this Appropriation

This appropriation is intended to provide insurance protection for participating State and State-integrated schools.

How Performance will be Assessed and End of Year Reporting Requirements

Performance Measures	2018/19		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
The scheme financially breaks even over a reasonable period of time.	New measure	Achieved over five years	Achieved over five years

End of Year Performance Reporting

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

Reasons for Change in Appropriation

This new appropriation of \$5 million was created during 2018/19 to provide for purchasing reinsurance and settling claims under the school risk management scheme.

School Transport (M26)

Scope of Appropriation

This appropriation is limited to transporting eligible students to and from State and state integrated schools and associated facilities.

Reasons for Change in Appropriation

This appropriation increased by \$16 million to \$205.950 million for 2018/19 due to a combination of:

- increased funding to cater for additional students with high and complex needs and subsequent increased kilometres travelled each day (\$8 million), and
- an upward movement in the global rate adjustment (GRA) as calculated by the New Zealand Transport Agency (\$8 million). GRA is built into school transport contracts to compensate operators and schools for fluctuations in fuel prices, wage increases, changes in Road User Charges, and other operating costs during the contractual period.

Schooling Improvement (M26)

Scope of Appropriation

This appropriation is limited to school support and schooling improvement projects, including iwi-strengthening education projects, to improve the capability of schools and school clusters and their responsiveness to the needs of their communities.

Reasons for Change in Appropriation

This appropriation increased by \$747,000 to \$8.212 million for 2018/19 due to transfers from non-departmental output expenses Primary Education (\$127,000) and Secondary Education (\$620,000) to address the financial implications of the migration of charter schools to the State system.

Secondary Education (M26)

Scope of Appropriation

This appropriation is limited to providing roll-based operations funding to schools, teacher and management salaries, support costs and supplementary funding programmes to enable the delivery of the National Curriculum to all students for Years 9 to 13.

Reasons for Change in Appropriation

This appropriation decreased by \$1.039 million to \$2,313.530 million for 2018/19 due to a combination of:

- return of savings in Investing in Education Success (\$15.190 million decrease)
- impacts of lower-than-expected national roll projections on teacher salaries and school operations grants (\$15.792 million decrease)
- transfers to address the financial implications of the migration of charter schools to the State system:
 - departmental output expenses School Property Portfolio Management (\$3.784 million decrease) and Monitoring the Education System category in Oversight of the Education System MCA (\$1.100 million decrease)
 - non-departmental capital expenditure School Furniture and Equipment (\$2.509 million decrease)
 - non-departmental output expenses Schooling Improvement (\$620,000 decrease) and Curriculum Support category in Improved Quality Teaching and Learning MCA (\$24,000 decrease)
 - non-departmental other expense Integrated School Property (\$420,000 decrease)
- a transfer to non-departmental output expense Contribution to the Education Council of Aotearoa New Zealand in 2019/20 to meet the funding agreement extension of the Teaching Council (\$3.329 million decrease)
- a transfer to non-departmental output expense Secondary-Tertiary Interface to fund 1,060 additional Trades Academy places from 2019 (\$2.729 million decrease)
- a transfer to departmental output expense category Monitoring the Education System in Oversight of the Education System MCA to meet the cost of improving the data warehousing infrastructure under the Education Monitoring Programmes (\$500,000 decrease)
- transfers to departmental output expense category Research and Analysis in Oversight of the Education System MCA (\$300,000 decrease) and non-departmental output expense Learning Support in Outcomes for Target Student Groups MCA (\$77,000 decrease) to fund an evaluation of the Napier Student Managed Move Service over four years
- provision for schools payroll Holidays Act remediation payments (\$28.559 million increase)
- a transfer from 2017/18 to fund one-off costs of the migration of charter schools to the State system (\$15.594 million increase)
- additional funding to address current pressures on teacher supply (\$695,000 increase), and
- transfers from 2017/18 for the Mentoring Programme (\$250,000 increase) and School Management Systems and Induction (\$237,000 increase).

Secondary-Tertiary Interface (M26)

Scope of Appropriation

This appropriation is limited to delivery of programmes of learning at the secondary-tertiary interface.

Reasons for Change in Appropriation

This appropriation increased by \$6.479 million to \$80.991 million for 2018/19 due to funding for 1,060 additional Trades Academy places from 2019.

Supporting Parenting (M26)

Scope of Appropriation

This appropriation is limited to delivery of specific programmes and providing advice and support that enhances the role of parents/caregivers in the development of their children.

How Performance will be Assessed and End of Year Reporting Requirements

Performance Measures	2018/19		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Percentage of families from priority areas that are engaged in identifying their information and support needs, and co-designing targeted information and support specific to their needs (see Note 1).	75%	Discontinued measure	-
Families receiving the Home Interaction Programme for Parents and Youngsters (HIPPY):			
<ul style="list-style-type: none"> number of families receiving the HIPPY programme in 2018 	Replacement measure	1,795	1,795
<ul style="list-style-type: none"> percentage of families receiving the HIPPY programme in 2018 that transition to an early childhood service. 	Replacement measure	85%	85%

DISCONTINUED Note 1 - The selection of priority areas is informed by data (eg, poor education outcomes/low engagement with education institutions), evidence of apparent distinct needs (eg, among Māori, Pasifika and other ethnic groups), and evidence of disadvantage (eg, geographic isolation or limited internet access).

Teacher-Led Innovation fund (M26)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Teacher-Led Innovation fund (M26) This appropriation is limited to supporting teacher-led innovation and classroom-based research of innovative teaching practices. Commences: 01 July 2015 Expires: 30 June 2020	Original Appropriation	10,000
	Adjustments to 2017/18	7,615
	Adjustments for 2018/19	(8,160)
	Adjusted Appropriation	9,455
	Actual to 2017/18 Year End	7,345
	Estimated Actual for 2018/19	2,110
	Estimate for 2019/20	-
	Estimated Appropriation Remaining	-

Reasons for Change in Appropriation

Funding for this multi-year appropriation is no longer required as the applications for this fund have been steadily reducing and surplus funding is available following the last application round in 2019.

3.2 - Non-Departmental Benefits or Related Expenses

Home Schooling Allowances (M26)

Scope of Appropriation

This appropriation is limited to allowances for parents/caregivers of children in full-time correspondence programmes for primary and secondary education and parents/caregivers of children receiving their primary and secondary education at home (where a certificate of exemption from enrolment has been approved under section 21 of the Education Act 1989).

Reasons for Change in Appropriation

This appropriation increased by \$650,000 to \$5.778 million for 2018/19 due to an increasing number of children being home schooled.

3.4 - Non-Departmental Other Expenses

Integrated Schools Property (M26)

Scope of Appropriation

This appropriation is limited to providing funding to proprietors of integrated schools for capital upgrade, including modernisation, of their existing school property and facilities as well as expansion of the network of integrated schools.

Reasons for Change in Appropriation

This appropriation increased by \$3.054 million to \$76.605 million for 2018/19 due to:

- increased Policy One funding (for capital upgrade of school buildings) arising from the higher valuation of State school sector property at 30 June 2018 (\$2.634 million), and
- a transfer from non-departmental output expense Secondary Education to address the financial implications of the migration of charter schools to the State system (\$420,000).

3.5 - Non-Departmental Capital Expenditure

Schools Furniture and Equipment (M26)

Scope of Appropriation

This appropriation is limited to providing funding to schools for new furniture and equipment when capital works have been approved or to fund the replacement of furniture and equipment.

Reasons for Change in Appropriation

This appropriation increased by \$11.635 million to \$47.447 million for 2018/19 due to:

- transfers from 2017/18 arising from charter schools requiring furniture and equipment funding due to increasing rolls (\$3.987 million), the timing of furniture and equipment claims from schools for roll-growth projects (\$3 million), and the timing of delivery for seven schools under the Christchurch Schools Rebuild programme (\$1.030 million), and
- transfers from non-departmental output expenses Primary Education and Secondary Education to address the financial implications of the migration of charter schools to the State system (\$3.618 million).

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

4 - Multi-Category Expenses and Capital Expenditure

Improved Quality Teaching and Learning (M26)

Overarching Purpose Statement

The overarching purpose of this appropriation is to improve the quality of teaching and learning for children and young people aged 0-18 years.

Scope of Appropriation

Departmental Output Expenses

Support and Resources for Teachers

This category is limited to expenditure on policies and services focused on supporting the work and enhancing the capability of teachers.

Non-Departmental Output Expenses

Curriculum Support

This category is limited to the purchase of supplementary educational programmes for schools and communities to ensure wider access to these opportunities

Professional Development and Support

This category is limited to the delivery of professional development and advisory support to early childhood education services and schools to support effective teaching and enhance self-management.

Expenses, Revenue and Capital Expenditure

	2018/19		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	246,026	17,570	263,596
Departmental Output Expenses			
Support and Resources for Teachers	89,664	12,421	102,085
Non-Departmental Output Expenses			
Curriculum Support	56,252	(4,176)	52,076
Professional Development and Support	100,110	9,325	109,435
Funding for Departmental Output Expenses			
Revenue from the Crown	89,654	12,421	102,075
Support and Resources for Teachers	89,654	12,421	102,075
Revenue from Others	10	-	10
Support and Resources for Teachers	10	-	10

Reasons for Change in Appropriation

This appropriation increased by \$17.570 million to \$263.596 million for 2018/19 due to a combination of:

- transfers from 2017/18 for:
 - centrally-funded professional learning and development (\$14.900 million increase)
 - operating model and investment management framework (\$1.500 million increase)
 - Investing in Educational Success targeted change management support (\$1 million increase)
 - Progress and Consistency Tool and Te Waharoa Ararau (\$820,000 increase)
 - Te Ahu o Te Reo Māori (\$700,000 increase)
 - Progress Approach Across the Schooling System (\$530,000 increase)
 - continuation of corporate transformation programme (\$508,000 increase)
 - iwi-related initiatives (\$275,000 increase)
- increased funding for workplace register (\$545,000 increase)
- a transfer from non-departmental output expense Secondary Education to address the financial implications of the migration of charter schools to the State system (\$24,000 increase), and
- a net transfer to and from non-departmental output expense Primary Education in relation to teacher supply initiatives (\$3.232 million decrease).

Outcomes for Target Student Groups (M26)

Overarching Purpose Statement

The overarching purpose of this appropriation is to improve outcomes for targeted student groups.

Scope of Appropriation

Departmental Output Expenses

Interventions for Target Student Groups

This category is limited to expenditure on policies and services focused on targeted student groups or individuals' participation in education.

Non-Departmental Output Expenses

Learning Support

This category is limited to providing additional resources to enable students with additional learning needs to participate in education.

Service Academies

This category is limited to providing military-focused programmes for disengaged or disengaging senior students in secondary schools.

Students Attendance and Engagement

This category is limited to providing services to support increased attendance for non-attending students.

Expenses, Revenue and Capital Expenditure

	2018/19		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	753,617	20,691	774,308
Departmental Output Expenses			
Interventions for Target Student Groups	291,686	9,793	301,479
Non-Departmental Output Expenses			
Learning Support	448,615	10,898	459,513
Service Academies	3,640	-	3,640
Students Attendance and Engagement	9,676	-	9,676
Funding for Departmental Output Expenses			
Revenue from the Crown	289,986	9,613	299,599
Interventions for Target Student Groups	289,986	9,613	299,599
Revenue from Others	1,700	180	1,880
Interventions for Target Student Groups	1,700	180	1,880

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

	2018/19		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
Departmental Output Expenses			
Interventions for Target Student Groups			
This category is intended to achieve equitable participation and outcomes in education for targeted student groups.			
Children and young people who have received learning support are better supported to attend early learning/kāhui ako/kura/school, as reported by (see Note 1):			
<ul style="list-style-type: none"> parents 	73	Discontinued measure	-
<ul style="list-style-type: none"> educators. 	73	Discontinued measure	-
Children and young people who have received learning support are better supported to attend their early learning service (as reported by the parent) or school (as reported by the specialist staff) (see Note 1).	Replacement measure	73%	73%

	2018/19		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
Children and young people who have engaged in learning support are more engaged in lessons and activities at early learning/kāhui ako/kura/school, as reported by (see Note 1):			
• parents	73	Discontinued measure	-
• educators.	73	Discontinued measure	-
Children and young people who have received learning support are more engaged in lessons and activities at their early learning service/school, as reported by the specialist staff (see Note 1).	Replacement measure	73%	73%
Children and young people who have received learning support have demonstrated progress in their learning and achievement at early learning/kāhui ako/kura/school, as reported by (see Note 1):			
• parents	73	Discontinued measure	-
• educators.	66	Discontinued measure	-
Children and young people who have received learning support have demonstrated progress in their learning and achievement at their early learning service/school, as reported by the specialist staff (see Note 1).	Replacement measure	73%	73%
Families/whānau who have engaged in learning support have had more involvement in decisions about the child's learning at early learning/kāhui ako/kura/school, as reported by (see Note 1):			
• parents	83	Discontinued measure	-
• educators.	76	Discontinued measure	-
Families/whānau of children and young people who have received learning support have been involved in decisions about the child's learning, as reported by the parent (see Note 2).	Replacement measure	Service quality score of 83	Service quality score of 83

DISCONTINUED Note 1 - Our survey uses the questions and methodology of the State Services Commission Kiwis Count survey which measures the satisfaction of New Zealanders with public services. It uses a Service Quality Score methodology to ensure the overall satisfaction score takes into account all responses, including those who indicate neither satisfaction nor dissatisfaction.

REPLACEMENT Note 1 - The result is based on the percentage of children and young people who have demonstrated a positive shift in scores before and after receiving an eligible Learning Support service.

NEW Note 2 - Our survey uses the questions and methodology of the State Services Commission Kiwis Count survey which measures the satisfaction of New Zealanders with public services. It uses a Service Quality Score methodology to ensure the overall satisfaction score takes into account all responses, including those who indicate neither satisfaction nor dissatisfaction.

Reasons for Change in Appropriation

This appropriation increased by \$20.691 million to \$774.308 million for 2018/19 due to a combination of:

- provision for schools payroll Holidays Act remediation payments (\$6.347 million increase)
- impacts of higher-than-expected national roll projections on teacher salaries and school operations grants (\$6.086 million increase)
- transfers from 2017/18 for:
 - Expanding Behavioural Service to focus on children aged 0 to 8 (\$4.075 million increase)
 - continuation of the operating model and investment management framework (\$1.800 million increase)
 - Te Kawa Matakura programme (\$570,000 increase)
 - meeting the cost of the pay equity programme (\$350,000 increase)
 - continuation of the finance transformation programme (\$300,000 increase)
 - funding delayed settlement of outstanding historic abuse claims (\$241,000 increase)
 - School Management Systems (\$34,000 increase)
- provision for additional costs associated with field staff collective agreement (\$1.712 million increase)
- provision to address critical cost and demand pressures for children and young people (\$800,000 increase)
- increased fund to resolve historic claim abuse in the schooling system (\$507,000 increase)
- increased ICT equipment lease and travel costs funded from realised gain on the sale of motor vehicles and ICT equipment (\$180,000 increase)
- a transfer from non-departmental output Primary Education to fund an evaluation of the Napier Student Managed Move Service over four years (\$131,000 increase)
- provision for additional settlement services to accommodate the increased refugee quota (\$58,000 increase), and
- a transfer to departmental output expense Support and Resources for Education Providers to ensure effective support to schools and early childhood centres (\$2.500 million decrease).

Oversight and Administration of the Qualifications System (M26)

Overarching Purpose Statement

The single overarching purpose of this appropriation is to provide effective oversight and administration of the qualifications system by the New Zealand Qualifications Authority.

Scope of Appropriation

Non-Departmental Output Expenses

Provision of Communication and Advice

This category is limited to communication and advice related to education policies, programmes and services that are the responsibility of the New Zealand Qualifications Authority.

Qualifications Support Structures

This category is limited to the New Zealand Qualifications Authority overseeing the setting of standards and New Zealand qualifications development, recognition and review of qualifications, and contributing to the maintenance and promotion of the New Zealand qualifications system.

Quality Assurance

This category is limited to the provision by the New Zealand Qualifications Authority of quality assurance services and maintenance of the quality assurance framework, to support the New Zealand qualifications system.

Secondary School Assessments

This category is limited to the New Zealand Qualifications Authority overseeing assessment for national secondary school qualifications, including the National Certificate of Educational Achievement and Scholarship examinations, and the moderation of internal and external school assessments.

Expenses, Revenue and Capital Expenditure

	2018/19		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	42,639	8,000	50,639
Non-Departmental Output Expenses			
Provision of Communication and Advice	3,448	-	3,448
Qualifications Support Structures	6,049	-	6,049
Quality Assurance	5,094	-	5,094
Secondary School Assessments	28,048	8,000	36,048

Reasons for Change in Appropriation

This appropriation increased by \$8 million to \$50.639 million for 2018/19 due to a transfer from Vote Tertiary Education to fund a one-year continuation of National Certificate of Education Achievement online programme.

Oversight of the Education System (M26)

Overarching Purpose Statement

The overarching purpose of this appropriation is to provide policy advice, research, monitoring and related services that enable Ministers to discharge their responsibilities for a well-functioning education system (excluding tertiary education).

Scope of Appropriation

Departmental Output Expenses

Ministerial Services

This category is limited to the provision of services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities.

Monitoring the Education System

This category is limited to the monitoring and reporting on education at a system-wide level to support Ministers in discharging their responsibilities for education related matters.

Policy Advice

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 education related matters.

Research and Analysis

This category is limited to the production and dissemination of research and data analysis to support the work of other agencies and Ministers in discharging their responsibilities for education related matters.

Non-Departmental Output Expenses

Education Research Initiatives

This category is limited to the purchase of research about teaching and learning in our educational institutions and independent research on education issues, policies and practices.

Independent Advice on Government Priority Areas

This category is limited to the provision, independently of the Ministry of Education, of advice (including second opinion advice and contributions to policy advice led by other agencies, advice on operational matters and expert review service advice) to support decision-making by Ministers on government priority areas.

Expenses, Revenue and Capital Expenditure

	2018/19		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	62,495	8,734	71,229
Departmental Output Expenses			
Ministerial Services	5,211	-	5,211
Monitoring the Education System	12,428	6,064	18,492
Policy Advice	21,995	2,120	24,115
Research and Analysis	19,353	550	19,903
Non-Departmental Output Expenses			
Education Research Initiatives	3,008	-	3,008
Independent Advice on Government Priority Areas	500	-	500
Funding for Departmental Output Expenses			
Revenue from the Crown	58,977	8,734	67,711
Ministerial Services	5,201	-	5,201
Monitoring the Education System	12,428	6,064	18,492
Policy Advice	21,995	2,120	24,115
Research and Analysis	19,353	550	19,903
Revenue from Others	10	-	10
Ministerial Services	10	-	10

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

	2018/19		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
Departmental Output Expenses			
Policy Advice			
This category is intended to achieve the provision of quality advice to the Minister and ensure that education policy and programmes support the performance of the education system.			
Independent assessment of the quality of the Ministry's policy advice (see Note 1).	75%	Discontinued measure	-
Internal quarterly assessment of the quality of the Ministry's policy advice (see Note 1).	Replacement measure	Mean of 3.5 out of 5	Mean of 3.5 out of 5

DISCONTINUED Note 1 - The independent assessment of the Ministry's policy advice will have a technical robustness score, using the measurement of robustness provided by the Treasury.

REPLACEMENT Note 1 - Based on a five-point scale: 1 = 'Poor'; 2 = 'Borderline'; 3 = 'Adequate'; 4 = 'Good'; 5 = 'Very good'.

Reasons for Change in Appropriation

This appropriation increased by \$8.734 million to \$71.229 million for 2018/19 due to:

- transfers from 2017/18 for the continuation of education monitoring programmes (\$2.464 million), the education policy work programme (\$1.120 million) and the funding review (\$1 million)
- a transfer from non-departmental output expense Primary Education to meet the balance of the operating model review (\$1.100 million), and to provide additional ICT operational costs in developing the repository for the Student Information Sharing initiative (\$1 million)
- a transfer from non-departmental output expense Secondary Education (\$1.100 million) and provision to address the migration of charter schools to the State system, and
- a transfer from non-departmental output expense Secondary Education to meet the cost of improving data warehousing infrastructure (\$500,000), and to fund an evaluation of the Napier Student Managed Move Service (\$50,000).

