

Vote Tertiary Education

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

DEPARTMENT ADMINISTERING THE VOTE: Ministry of Education (A19)

RESPONSIBLE MINISTER FOR MINISTRY OF EDUCATION: Minister of Education

Details of Appropriations and Capital Injections

Annual Appropriations and Forecast Permanent Appropriations

	2020/21		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Departmental Output Expenses			
Stewardship and Oversight of the Tertiary Education System (M26) (A19)	16,087	527	16,614
This appropriation is limited to providing advice and services to support Ministers to discharge their portfolio responsibilities relating to tertiary and international education, as well as administrative and oversight activities including research and monitoring the tertiary education system.			
Total Departmental Output Expenses	16,087	527	16,614
Non-Departmental Output Expenses			
Access to Tertiary Education (M26) (A19)	26,992	17,870	44,862
This appropriation is limited to improving access to tertiary education and training.			
Administration of and Support for the Tertiary Education and Careers Systems (M26) (A19)	74,707	7,326	82,033
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.			
Centres of Research Excellence (M26) (A19)	74,700	(24,900)	49,800
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.			
Establishment of a Single National Vocational Education Institution (M26) (A19)	13,900	55,182	69,082
This appropriation is limited to operating funding for establishing a single national vocational education institution.			
International Education Programmes (M26) (A19)	31,797	3,567	35,364
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.			
Support for Private Training Establishments of Strategic Importance (M26) (A19)	-	8,083	8,083
This appropriation is limited to support for Private Training Establishments which offer international education delivery and are of strategic importance to New Zealand.			
Tertiary Education Research and Research-Based Teaching (M26) (A19)	321,000	-	321,000
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.			
Tertiary Sector / Industry Collaboration Projects (M26) (A19)	33,030	20,522	53,552
This appropriation is limited to funding activities that improve the relevance to industry of tertiary education provision.			
University-led Innovation (M26) (A19)	10,000	(801)	9,199
This appropriation is limited to supporting universities to attract entrepreneurial academics to drive collaboration between universities and established and emerging businesses.			
Total Non-Departmental Output Expenses	586,126	86,849	672,975

	2020/21		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Benefits or Related Expenses			
Scholarships for Inbound International Students (M26) (A19) This appropriation is limited to scholarships available to international students wishing to study in New Zealand.	300	-	300
Tertiary Scholarships and Awards (M26) (A19) This appropriation is limited to providing scholarships and other awards in the tertiary sector to students, researchers and teachers, within New Zealand and internationally.	19,868	(2,109)	17,759
Total Benefits or Related Expenses	20,168	(2,109)	18,059
Non-Departmental Other Expenses			
Support for Te Wānanga o Raukawa (M26) (A19) This appropriation is limited to payments to Te Wānanga o Raukawa to support the resolution of WAI 2698.	-	7,300	7,300
Total Non-Departmental Other Expenses	-	7,300	7,300
Non-Departmental Capital Expenditure			
Careers System Online (M26) (A19) This appropriation is limited to the development and delivery of an online careers planning tool by the Tertiary Education Commission.	-	8,500	8,500
Support for a Single National Vocational Education Institution (M26) (A19) This appropriation is limited to capital injections for a single national vocational education institution.	-	20,000	20,000
Support for Lincoln University (M26) (A19) This appropriation is limited to the rebuild of the science facilities at Lincoln University.	10,000	-	10,000
Tertiary Education Institutions' Proceeds from Disposal of Crown Assets (M26) (A19) This appropriation is limited to investing in Tertiary Education Institutions (TEIs) their share of the proceeds from the disposal of assets used by TEIs that are or were previously held in Crown title.	-	17,000	17,000
Total Non-Departmental Capital Expenditure	10,000	45,500	55,500
Multi-Category Expenses and Capital Expenditure			
Tertiary Tuition and Training MCA (M26) (A19) The single overarching purpose of this appropriation is to fund tertiary tuition and training that leads to improvements in New Zealanders' skill levels.	2,908,420	(849,806)	2,058,614
Non-Departmental Output Expenses			
Community Education This category is limited to funding for adult and community education and literacy, numeracy and English language provision.	81,891	(30,708)	51,183
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.	2,168,941	(745,763)	1,423,178
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.	299,475	(142,446)	157,029
Non-Departmental Other Expenses			
Fees-free Payments This category is limited to ensuring fees-free study for eligible students, apprentices and trainees.	358,113	69,111	427,224
Total Multi-Category Expenses and Capital Expenditure	2,908,420	(849,806)	2,058,614
Total Annual Appropriations and Forecast Permanent Appropriations	3,540,801	(711,739)	2,829,062

Supporting Information

Part 1 - Vote as a Whole

1.2 - Trends in the Vote

Summary of Financial Activity

	2020/21				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	602,213	527	86,849	87,376	689,589
Benefits or Related Expenses	20,168	N/A	(2,109)	(2,109)	18,059
Borrowing Expenses	-	-	-	-	-
Other Expenses	-	-	7,300	7,300	7,300
Capital Expenditure	10,000	-	45,500	45,500	55,500
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Multi-Category Expenses and Capital Expenditure (MCA)					
<i>Output Expenses</i>	2,550,307	-	(918,917)	(918,917)	1,631,390
<i>Other Expenses</i>	358,113	-	69,111	69,111	427,224
<i>Capital Expenditure</i>	-	N/A	-	-	-
Total Appropriations	3,540,801	527	(712,266)	(711,739)	2,829,062
Crown Revenue and Capital Receipts					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	3,266	N/A	-	-	3,266
Capital Receipts	-	N/A	-	-	-
Total Crown Revenue and Capital Receipts	3,266	N/A	-	-	3,266

Part 2 - Details of Departmental Appropriations

2.1 - Departmental Output Expenses

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

Scope of Appropriation

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

Expenses and Revenue

	2020/21		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	16,087	527	16,614
Revenue from the Crown	15,337	527	15,864
Revenue from Others	750	-	750

Reasons for Change in Appropriation

This appropriation increased by \$527,000 to \$16.614 million for 2020/21 due to a combination of:

- provision for remediation payments associated with historic non-compliance of the Ministry's payroll system with the Holidays Act 2003 (\$221,000 increase)
- provision for the Reform of Vocational Education work programme (\$210,000 increase)
- provision for the operation of a Disputes Resolution Scheme to resolve contractual and financial disputes between domestic tertiary students and tertiary education providers (\$150,000 increase), and
- changes to the timing of some aspects of the Programme for the International Assessment of Adult Competencies (\$54,000 decrease).

Part 3 - Details of Non-Departmental Appropriations

3.1 - Non-Departmental Output Expenses

Access to Tertiary Education (M26) (A19)

Scope of Appropriation

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

Reasons for Change in Appropriation

This appropriation increased by \$17.870 million to \$44.862 million for 2020/21 due to a combination of:

- provision to support group training schemes to retain apprentices during COVID-19 economic recovery (\$16.292 million increase)
- transfers from non-departmental output expense University-led Innovation and benefit or related expense Tertiary Scholarships and Awards for \$2.088 million and \$2.109 million respectively to extend the Student Hardship Fund to provide temporary financial assistance for tertiary students facing hardship from the impacts of COVID-19 for the 2021 calendar year (\$4.197 million increase)
- a transfer from Non-Departmental output expense Tertiary Education: Student Achievement Component (in the Tertiary Tuition and Training MCA) for an increase to the Māori and Pasifika Trades Training Fees Top-Up rate from 1 January 2021 (\$981,000 increase)
- a transfer from 2019/20 to 2020/21 for the settlement of project deliverables on equity grant contracts delayed due to the COVID-19 lockdown (\$500,000 increase), and
- 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, resulting in appearance of higher funding in 2019/20 offset by lower funding in 2020/21 but without any impact on cash provided in 2020 (\$4.100 million decrease).

Administration of and Support for the Tertiary Education and Careers Systems (M26) (A19)

Scope of Appropriation

This appropriation is limited to giving effect to the Tertiary Education Strategy by effectively investing in, monitoring, informing and influencing the tertiary education and careers systems, managing the Crown's ownership interest in tertiary education institutions, and providing advice and support to Ministers.

Reasons for Change in Appropriation

This appropriation increased by \$7.326 million to \$82.033 million for 2020/21 due to a combination of:

- provision for direct one-to-one careers guidance services to help workers displaced by COVID-19 understand their skills, develop a clear careers plan, gain the confidence and understanding to search for a new job, and then get back into work, funded from non-departmental output expense Training for Designated Groups (within Tertiary Tuition and Training MCA) (\$3.370 million increase)
- a transfer from 2019/20 for the Reform of Vocational Education work programme (\$1.907 million increase)
- provision for development and delivery of an online careers planning tool (\$1.160 million increase)
- provision to support the Ministry of Social Development's implementation of the Apprenticeship Boost Initiative to support employers to keep first and second year apprentices employed and training towards their qualification, as part of managing the impacts of COVID-19 (\$600,000 increase)
- provision for implementation of the Targeted Training and Apprenticeship Fund, funded from non-departmental other expense Fees-free Payments (within Tertiary Tuition and Training MCA) (\$489,000 increase)
- a transfer from 2019/20 for an integrated marketing and promotion campaign to raise the profile and strengthen the pipeline into the vocational education system (\$333,000 increase)
- provision for implementation of Transitional Industry Training Organisations and Workforce Development Council (WDC) led projects to develop training responses to the impact of COVID-19, funded from non-departmental output expense Tertiary Sector / Industry Collaboration Projects (\$300,000 increase)
- transfer from output expense Community Education (in Tertiary Tuition and Training MCA) for coordination of emergency management and search and rescue training (\$185,000 increase)
- provision from the COVID-19: Response and Recovery Fund for implementation of an initiative to support Private Training Establishments in New Zealand's tertiary education sector that offer international education delivery and are of strategic importance (\$100,000 increase)
- a transfer of funding to 2024/25 to better reflect the timing of costs for the Quality Evaluation phase of managing the Performance-Based Research Fund (\$800,000 decrease), and
- a change in the Tertiary Education Commission's (TEC's) capital charge rate from 6% to 5% with effect from 1 July 2020 (\$318,000 decrease).

Centres of Research Excellence (M26) (A19)

Scope of Appropriation

This appropriation is limited to the purchase of cooperative and collaborative tertiary research in areas of research strength in the tertiary education sector through the contestable Centres of Research Excellence Fund.

Reasons for Change in Appropriation

This appropriation decreased by \$24.900 million to \$49.800 million for 2020/21 due to a fiscally neutral transfer to bring forward funding into 2019/20 from 2020/21 to implement a six-month extension of contracts with 10 Centres of Research Excellence (COREs) due to the impact of COVID-19. Cash flow to the COREs was unaffected.

Establishment of a Single National Vocational Education Institution (M26) (A19)

Scope of Appropriation

This appropriation is limited to operating funding for establishing a single national vocational education institution.

Reasons for Change in Appropriation

This appropriation increased by \$55.182 million to \$69.082 million for 2020/21 due to the provision of \$55.182 million this year (with a further \$10 million in 2021/22) to Te Pūkenga - New Zealand Institute of Skills and Technology (NZIST) to progress its establishment, transition its subsidiaries into a consolidated network of delivery, and to progress planning for its transformation, including supporting greater delivery of on-job learning, to deliver better outcomes for learners, employers and New Zealand, and support communities and the economy to recover from the impacts of COVID-19.

International Education Programmes (M26) (A19)

Scope of Appropriation

This appropriation is limited to delivery of services in respect of international education, including promotion, information, research and professional development, both in New Zealand and overseas, for the purpose of delivering an excellent student experience, achieving sustainable growth and developing global citizens.

Reasons for Change in Appropriation

This appropriation increased by \$3.567 million to \$35.364 million for 2020/21 due to a combination of:

- provision for a temporary advance to the Export Education Levy Fund in 2020/21 (funded by capital withdrawals from the Ministry of Education) to ensure international student reimbursement claims can be met (\$2 million increase)
- provision from the COVID-19: Response and Recovery Fund to support the diversification of international education products and services, including the development and delivery of a unified digital platform, exploration, market testing and analysis, and the delivery of offshore licensed education institutions (\$1.850 million increase), and
- a transfer to the Ministry of Business, Innovation and Employment for The New Zealand Story initiative (\$283,000 decrease).

Support for Private Training Establishments of Strategic Importance (M26) (A19)

Scope of Appropriation

This appropriation is limited to support for Private Training Establishments which offer international education delivery and are of strategic importance to New Zealand.

Expenses

	2020/21		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	8,083	8,083

What is Intended to be Achieved with this Appropriation

This appropriation is intended to support and facilitate the recovery of international education.

How Performance will be Assessed and End of Year Reporting Requirements

	2020/21		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
Final reports from the Private Training Establishments indicate funds have been spent as set out in their funding outcome letters.	New measure	Achieved	Achieved

End of Year Performance Reporting

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

Reasons for Change in Appropriation

This new appropriation of \$8.083 million, funded from the COVID-19: Response and Recovery Fund, provides targeted funding and support to Private Training Establishments that offer international education delivery and are of strategic importance, to facilitate the recovery of international education.

Tertiary Sector / Industry Collaboration Projects (M26) (A19)

Scope of Appropriation

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

Reasons for Change in Appropriation

This appropriation increased by \$20.522 million to \$53.552 million for 2020/21 due to a combination of:

- provision for Transitional Industry Training Organisations and WDC led projects to develop local and industry training responses to COVID-19 (\$13 million increase)
- provision for the establishment of WDCs to give industry greater leadership across the vocational education and training system and help ensure the delivery of the skills industries need to recover from the impact of COVID-19 as a foundational component of the Government's Reform of Vocational Education (\$5.700 million increase)
- transfers from 2019/20 due to delays to the final reports of ICT Graduate Schools, Qualifications Development Fund and Engineering Education to Employment initiative disrupted by the COVID-19 lockdown (\$1.786 million increase)
- provision from the COVID-19: Response and Recovery Fund for building the capability of providers and expanding the range of government-funded Adult and Community Education to better meet the learning needs of New Zealanders (\$500,000 increase)
- a transfer from 2019/20 for a Budget 2019 initiative to improve the quality of educator-child interactions in home-based early childhood education by providing funding to tertiary providers to enable the existing educator workforce to upskill to a Level 4 early childhood education qualification (\$500,000 increase)
- reprioritisation of \$4.769 million (\$2.520 million in 2020/21 and \$2.249 million in 2021/22) in this appropriation for postgraduate Initial Teacher Education (ITE) programmes for an enhanced induction programme for ITE graduates who have had their practicum placement disrupted by COVID-19 (\$2.656 million in 2020/21 and \$2.113 million in 2021/22) (\$136,000 increase), and
- 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, resulting in appearance of higher funding in 2019/20 offset by lower funding in 2020/21 but without any impact on cash provided in 2020 (\$1.100 million decrease).

University-led Innovation (M26) (A19)

Scope of Appropriation

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

Reasons for Change in Appropriation

This appropriation decreased by \$801,000 to \$9.199 million for 2020/21 due to a combination of:

- a transfer to Non-Departmental output expense Access to Tertiary Education to extend the Student Hardship Fund to provide temporary financial assistance for tertiary students facing hardship from the impacts of COVID-19 for the 2021 calendar year (\$2.088 million decrease), and
- an expense transfer from 2019/20 to finalise Entrepreneurial Universities grant contracts delayed by the COVID-19 lockdown (\$1.287 million increase).

3.2 - Non-Departmental Benefits or Related Expenses

Tertiary Scholarships and Awards (M26) (A19)

Scope of Appropriation

This appropriation is limited to providing scholarships and other awards in the tertiary sector to students, researchers and teachers, within New Zealand and internationally.

Reasons for Change in Appropriation

This appropriation decreased by \$2.109 million to \$17.759 million for 2020/21 due to a transfer to non-departmental output expense Access to Tertiary Education to extend the Student Hardship Fund to provide temporary financial assistance for tertiary students facing hardship from the impacts of COVID-19 for the 2021 calendar year.

3.4 - Non-Departmental Other Expenses

Support for Te Wānanga o Raukawa (M26) (A19)

Scope of Appropriation

This appropriation is limited to payments to Te Wānanga o Raukawa to support the resolution of WAI 2698.

Expenses

	2020/21		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	7,300	7,300

What is Intended to be Achieved with this Appropriation

This appropriation is intended to ensure progress towards resolving concerns raised in the Te Wānanga o Raukawa Whakatupu Mātauranga (WAI 2698) claim.

How Performance will be Assessed and End of Year Reporting Requirements

	2020/21		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
Te Wānanga o Raukawa provides an annual report on the use of this funding to the Tertiary Education Commission.	New measure	Achieved	Achieved

End of Year Performance Reporting

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

Reasons for Change in Appropriation

This new appropriation is to ensure progress towards resolving concerns raised in the Te Wānanga o Raukawa Whakatupu Mātauranga (WAI 2698) claim, by providing for:

- an ex gratia payment of \$300,000 in 2020/21 to Te Wānanga o Raukawa to recognise the costs it has incurred in relation to WAI 2698, and
- additional funding to Te Wānanga o Raukawa in support of their delivery on their mission and role to reclaim, rejuvenate and expand the mātauranga continuum (\$7 million in 2020/21 and \$1 million in 2021/22).

3.5 - Non-Departmental Capital Expenditure

Careers System Online (M26) (A19)

Scope of Appropriation

This appropriation is limited to the development and delivery of an online careers planning tool by the Tertiary Education Commission.

Capital Expenditure

	2020/21		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	8,500	8,500

What is Intended to be Achieved with this Appropriation

This appropriation is intended to support New Zealanders to have a personalised lifelong career plan, to help them easily understand and navigate career options and learning pathways throughout their lives.

How Performance will be Assessed and End of Year Reporting Requirements

	2020/21		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
The online careers planning tool for secondary schools is developed and ready for testing.	New measure	Achieved	Achieved

End of Year Performance Reporting

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

Reasons for Change in Appropriation

A capital injection to the TEC of \$15 million over two years (\$8.500 million in 2020/21 and \$6.500 million in 2021/22) from the COVID-19: Response and Recovery Fund to develop Tiro Whetū, an online careers planning system to support learners and workers to plan and manage their careers.

Support for a Single National Vocational Education Institution (M26) (A19)

Scope of Appropriation

This appropriation is limited to capital injections for a single national vocational education institution.

Capital Expenditure

	2020/21		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	20,000	20,000

What is Intended to be Achieved with this Appropriation

This appropriation is intended to enable the New Zealand Institute of Skills and Technology (Te Pūkenga) to establish and build the core infrastructure to deliver an integrated and collaborative network of vocational education, including to support the sustainability of its subsidiary entities.

How Performance will be Assessed and End of Year Reporting Requirements

	2020/21		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
Te Pūkenga submits reports that show it is meeting the targets and milestones in its funding agreement with the Crown.	New measure	Achieved	Achieved

End of Year Performance Reporting

Performance information for this appropriation will be reported by Te Pūkenga in its annual report.

Reasons for Change in Appropriation

A capital injection of \$20 million to Te Pūkenga for the establishment and operation of key systems to support its financial operations and data analysis capabilities.

Tertiary Education Institutions' Proceeds from Disposal of Crown Assets (M26) (A19)

Scope of Appropriation

This appropriation is limited to investing in Tertiary Education Institutions (TEIs) their share of the proceeds from the disposal of assets used by TEIs that are or were previously held in Crown title.

Capital Expenditure

	2020/21		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	17,000	17,000

What is Intended to be Achieved with this Appropriation

This appropriation is intended to enable the Ministry of Education to honour obligations under agreements with TEIs with respect to property sales, and act in accordance with decisions by Ministers with respect to property sale proceeds.

How Performance will be Assessed and End of Year Reporting Requirements

	2020/21		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
The Ministry of Education meets property sales obligations agreed with TEIs and abides by Ministers' decisions regarding payment of asset sale proceeds (see Note 1).	New measure	Achieved	Achieved

Note 1 - Where a TEI property sale results in sale proceeds being paid to the Ministry, the Ministry will meet its obligations under any agreement (including an agreement pursuant to the Crown Asset Transfer and Disposal Policy) to pay those sale proceeds, or any percentage share of those sale proceeds:

- to the TEI in accordance with the terms and conditions set out in the agreement, or
- to the Treasury, if the agreement requires the Crown to retain a percentage share of the sale proceeds and the Minister of Finance and the Minister of Education jointly determine a percentage of the sale proceeds should be retained by the Crown.

End of Year Performance Reporting

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

Reasons for Change in Appropriation

This new appropriation in 2020/21 for \$17 million provides for the expected fiscally neutral transfers to TEIs of proceeds the Crown has received from the sale of certain land and/or buildings used by TEIs that are or were previously in Crown title.

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

4 - Multi-Category Expenses and Capital Expenditure

Tertiary Tuition and Training (M26) (A19)

Overarching Purpose Statement

The single overarching purpose of this appropriation is to 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

	2020/21		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	2,908,420	(849,806)	2,058,614
Non-Departmental Output Expenses			
Community Education	81,891	(30,708)	51,183
Tertiary Education: Student Achievement Component	2,168,941	(745,763)	1,423,178
Training for Designated Groups	299,475	(142,446)	157,029
Non-Departmental Other Expenses			
Fees-free Payments	358,113	69,111	427,224

Reasons for Change in Appropriation

This appropriation decreased by \$849.806 million to \$2,058.614 million for 2020/21 due to a combination of:

- 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, resulting in appearance of higher funding in 2019/20 offset by lower funding in 2020/21 but without any impact on cash provided in 2020 (\$1,097.382 million decrease)
- a transfer of under-utilised Youth Guarantee fees-free funding to non-departmental output expense Administration of and Support for the Tertiary Education and Careers Systems to fund direct one-to-one careers guidance services to help workers displaced by COVID-19 understand their skills, develop a clear careers plan, gain the confidence and understanding to search for a new job, and then get back into work (\$3.370 million decrease)
- a transfer of first-year fees-free funding to non-departmental output expense Administration of and Support for the Tertiary Education and Careers Systems over 2020-2022 for implementation and operation of the Targeted Training and Apprenticeship Fund (\$1.189 million decrease)
- a transfer of Student Achievement Component funding to non-departmental output expense Access to Tertiary Education to fund an increase to the Māori and Pasifika Trades Training Fees Top-Up rate from 1 January 2021 (\$981,000 decrease)
- a transfer to non-departmental output expense Administration of and Support for the Tertiary Education and Careers Systems for coordination of emergency management and search and rescue training (\$185,000 decrease)
- provision of \$160 million per annum in 2020/21 and 2021/22 from the COVID-19: Response and Recovery Fund for the Targeted Training and Apprenticeship Fund to provide targeted fees-free support for vocational training and apprenticeships (\$160 million increase)
- provision from the COVID-19: Response and Recovery Fund to manage the cost of additional tertiary education enrolments from 1 January 2021 resulting from the impact of COVID-19 (\$79.450 million increase)
- transfers from 2019/20 into 2020/21 for work programmes disrupted due to the COVID-19 lockdown:
 - literacy and numeracy provision (\$5.645 million increase)
 - industry training-related projects (\$3.540 million increase)
 - increased investment in Gateway and Trades Academy places by 2,000 from 7,250 to 9,250 per annum (\$1.384 million increase)
- provision from the COVID-19: Response and Recovery Fund for building the capability of providers and expanding the range of government-funded Adult and Community Education to better meet the learning needs of New Zealanders (\$1.782 million increase), and
- provision from the COVID-19: Response and Recovery Fund to provide funding for learners to access English language courses, including partners and dependants of New Zealand citizens and residents on specific visas, who intend to live in New Zealand long term (\$1.500 million increase).