

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

Titles and Scopes of Appropriations by Appropriation Type	2022/23		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Departmental Output Expenses			
Stewardship and Oversight of the Tertiary Education System (M26) (A19) This appropriation is limited to providing advice and services to support Ministers to discharge their portfolio responsibilities relating to tertiary and international education, as well as administrative and oversight activities including research and monitoring the tertiary education system.	18,171	1,280	19,451
Total Departmental Output Expenses	18,171	1,280	19,451
Non-Departmental Output Expenses			
Administration of and Support for the Tertiary Education and Careers Systems (M26) (A19) This appropriation is limited to giving effect to the Tertiary Education Strategy by effectively investing in, monitoring, informing and influencing the tertiary education and careers systems, managing the Crown's ownership interest in tertiary education institutions, and providing advice and support to Ministers.	79,522	985	80,507
Centres of Research Excellence (M26) (A19) This appropriation is limited to the purchase of cooperative and collaborative tertiary research in areas of research strength in the tertiary education sector through the contestable Centres of Research Excellence Fund.	49,800	-	49,800
Establishment of a Single National Vocational Education Institution (M26) (A19) This appropriation is limited to operating funding for establishing a single national vocational education institution.	16,000	-	16,000
International Education Programmes (M26) (A19) This appropriation is limited to delivery of services in respect of international education, including promotion, information, research and professional development, both in New Zealand and overseas, for the purpose of delivering an excellent student experience, achieving sustainable growth and developing global citizens.	35,547	1,437	36,984
Strategic Support for National and Regional Priorities (M26) (A19) This appropriation is limited to supporting the tertiary education sector to respond to national and regional priorities, including maintaining and developing innovative programmes of learning.	39,516	3,010	42,526
Support for Wānanga (M26) (A19) This appropriation is limited to supporting wānanga in the tertiary education system to undertake teaching and research that maintains, advances and disseminates knowledge regarding āhuatanga Māori according to tikanga Māori.	23,000	19,325	42,325
Tertiary Education Research and Research-Based Teaching (M26) (A19) This appropriation is limited to funding research and research-based teaching on the basis of measured research quality in tertiary education organisations.	315,000	-	315,000
Tertiary Sector / Industry Collaboration Projects (M26) (A19) This appropriation is limited to funding activities that improve the relevance to industry of tertiary education provision.	30,271	(1,440)	28,831
University-led Innovation (M26) (A19) This appropriation is limited to supporting universities to attract entrepreneurial academics to drive collaboration between universities and established and emerging businesses.	4,359	-	4,359
Workforce Development Councils (M26) (A19) This appropriation is limited to expenses incurred on Workforce Development Councils setting up their organisations and performing their statutory functions.	65,000	-	65,000
Total Non-Departmental Output Expenses	658,015	23,317	681,332

	2022/23		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Benefits or Related Expenses			
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.	20,413	-	20,413
Total Benefits or Related Expenses	20,413	-	20,413
Non-Departmental Other Expenses			
Fees-free Payments (M26) (A19) This appropriation is limited to ensuring fees-free study for eligible students, apprentices and trainees.	387,135	-	387,135
Total Non-Departmental Other Expenses	387,135	-	387,135
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.	2,000	-	2,000
Support for a Single National Vocational Education Institution (M26) (A19) This appropriation is limited to capital injections for a single national vocational education institution.	25,000	-	25,000
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.	20,026	(20,026)	-
Vocational Education Data System (M26) (A19) This appropriation is limited to providing capital to the Tertiary Education Commission for the development and delivery of an information technology system to support the implementation of a unified funding system for the vocational education system.	7,850	(7,850)	-
Total Non-Departmental Capital Expenditure	54,876	(27,876)	27,000
Multi-Category Expenses and Capital Expenditure			
Tertiary Tuition and Training MCA (M26) (A19) The single overarching purpose of this appropriation is to support and fund tertiary tuition and training that results in improvements in New Zealanders' skill levels.	2,880,363	(245)	2,880,118
Non-Departmental Output Expenses			
<i>Access to and Success in Tertiary Education</i> This category is limited to improving access to and success in tertiary education and training for learners underserved by the tertiary system, particularly those identified in the Tertiary Education Strategy.	73,229	17,940	91,169
<i>Foundation and Community Education</i> This category is limited to funding for adult and community education, literacy, numeracy and English language provision, and other foundation education programmes.	292,741	(18,185)	274,556
<i>Qualification Delivery</i> This category is limited to funding for teaching, training and learning services that support enrolled students at tertiary education organisations to achieve recognised tertiary qualifications and credentials.	2,514,393	-	2,514,393
Total Multi-Category Expenses and Capital Expenditure	2,880,363	(245)	2,880,118
Total Annual Appropriations and Forecast Permanent Appropriations	4,018,973	(3,524)	4,015,449

Supporting Information

Part 1 - Vote as a Whole

1.2 - Trends in the Vote

Summary of Financial Activity

	2022/23				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	676,186	1,280	23,317	24,597	700,783
Benefits or Related Expenses	20,413	N/A	-	-	20,413
Borrowing Expenses	-	-	-	-	-
Other Expenses	387,135	-	-	-	387,135
Capital Expenditure	54,876	-	(27,876)	(27,876)	27,000
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Multi-Category Expenses and Capital Expenditure (MCA)					
<i>Output Expenses</i>	2,880,363	-	(245)	(245)	2,880,118
<i>Other Expenses</i>	-	-	-	-	-
<i>Capital Expenditure</i>	-	N/A	-	-	-
Total Appropriations	4,018,973	1,280	(4,804)	(3,524)	4,015,449
Crown Revenue and Capital Receipts					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	3,266	N/A	(1,308)	(1,308)	1,958
Capital Receipts	-	N/A	-	-	-
Total Crown Revenue and Capital Receipts	3,266	N/A	(1,308)	(1,308)	1,958

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

	2022/23		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	18,171	1,280	19,451
Revenue from the Crown	17,421	1,280	18,701
Revenue from Others	750	-	750

How Performance will be Assessed and End of Year Reporting Requirements

	2022/23		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
<i>Research, Data Analysis and Monitoring</i>			
Percentage of Official Information Act requests made to the Ministry released on the Ministry's website within 10 working days, where a decision has been made to publicly release the information (see Note 1)	100%	(2%)	98%
Percentage of Education Reports and Briefing Notes to Ministers proactively released and published online within 30 business days of final decisions being taken by Ministers, unless there is good reason not to publish all or part of the material, or to delay the release beyond 30 business days (see Note 2)	100%	(30%)	70%
<i>Policy Advice</i>			
Internal quarterly assessment of the quality of the Ministry's policy advice (see Notes 3 and 4):			
<ul style="list-style-type: none"> mean 	Mean of 4 out of 5	Measure removed	Measure removed
<ul style="list-style-type: none"> distribution target of scores - less than 10% scoring 2.5 or under with 90% scoring 3 or above, and over 40% scoring 4 or above 	Achieved	Measure removed	Measure removed
Internal assessment of the quality of the Ministry's policy advice (see Notes 3 and 4):			
<ul style="list-style-type: none"> mean 	New measure	Mean of 4 out of 5	Mean of 4 out of 5
<ul style="list-style-type: none"> distribution target of scores - less than 10% scoring 2.5 and under, at least 90% at scoring 3 or above, and at least 40% scoring 4 and or above 	New measure	Achieved	Achieved
Satisfaction of the portfolio Minister with the policy advice service (see Note 5)	Maintain or improve	4	4

Note 1 - The budget standard for 2022/23 has been adjusted to account for the human element in a manual release process.

Note 2 - This measure relies on actions that are often outside of the Ministry's control. The budget standard for 2022/23 has been adjusted to take this into account. The budget standard will be a staged increase over a number of years to get to 95%.

Note 3 - The wording of this measure has been updated in 2022/23 to align with the equivalent measure in Vote Education.

Note 4 - Based on a five-point scale: 1 = Unacceptable; 2 = Poor; 3 = Acceptable; 4 = Good; 5 = Outstanding. All agencies are required to use the refreshed Policy Quality Framework to assess the quality of their policy papers.

Note 5 - The standard has changed from 'maintain or improve' to a fixed target in 2022/23. The Ministerial Policy Satisfaction Survey assesses the Minister's satisfaction with the services provided by the policy function on a scale from 1 to 5, where 1 means unsatisfied and 5 means extremely satisfied.

Reasons for Change in Appropriation

This appropriation increased by \$1.280 million to \$19.451 million due to:

- a transfer from non-departmental output expense Tertiary Sector / Industry Collaboration Projects to support the development of a proposed new legislative framework for the Wānanga sector and for recognising the expertise and advice that wānanga have provided in co-designing the framework (\$1.500 million increase), and
- a transfer from 2021/22 due to delays in the funding round for student wellbeing initiatives for international students following the COVID-19 border restrictions (\$750,000 increase).

The increase was partially offset by the transfer of funding from 2023 for delivery of Student Wellbeing initiatives and the Dispute Resolution Service to non-departmental output expense international education programmes as external services providers are used (\$970,000 decrease).

Part 3 - Details of Non-Departmental Appropriations

3.1 - Non-Departmental Output Expenses

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 \$985,000 to \$80.507 million for 2022/23 due to:

- a transfer from Vote Pacific Peoples for the delivery of a Budget 2022 initiative to support the continuation of a bespoke Pacific migrant support service (\$800,000), and
- a transfer from output expense Foundation and Community Education (in Tertiary Tuition and Training MCA) for the co-ordination of emergency management and search and rescue training (\$185,000).

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 \$1.437 million to \$36.984 million for 2022/23 due to:

- a transfer of Export Education Levy funding in 2023 for student wellbeing initiatives for international students and the Dispute Resolution Service for international students. This transfer is from the departmental output expense Stewardship and Oversight of the Tertiary Education System. The delivery of these services is within the scope of non-departmental output expense appropriation International Education Programmes (\$970,000 increase), and
- a transfer from 2021/22 to support international tertiary students affected by failure of Private Training Establishments (\$750,000 increase).

The increase is partially offset by a transfer to the Ministry of Business, Innovation and Employment for The New Zealand Story initiative (\$283,000 decrease).

Strategic Support for National and Regional Priorities (M26) (A19)

Scope of Appropriation

This appropriation is limited to supporting the tertiary education sector to respond to national and regional priorities, including maintaining and developing innovative programmes of learning.

Reasons for Change in Appropriation

This appropriation increased by \$3.010 million to \$42.526 million due to the earlier recognition of Private Training Establishment (PTE) transitional funding as an expense in full in 2022/23 rather than over 2022/23 and 2023/24. The expense is recognised when contracts are signed with PTEs. Earlier recognition makes no changes to the amount the PTEs will receive or when payments will occur. Transitional funding is to support PTEs to adapt their delivery as part of moving to the Unified Funding System for vocational education and training.

Support for Wānanga (M26) (A19)

Scope of Appropriation

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

Reasons for Change in Appropriation

This appropriation increased by \$19.325 million to \$42.325 million due to:

- timing of expenditure recognition for medium-term support grants paid under section 556 of the Education and Training Act 2020 to Te Wānanga o Raukawa, Te Wānanga o Aotearoa and Te Whare Wānanga o Awanuiārangi. The necessary accounting treatment of this funding requires the full expense of medium-term support funding to be allocated to each wānanga over the 2023 and 2024 calendar years to be recognised in 2022/23 (\$13 million), and
- a one-off grant under section 556 of the Education and Training Act 2020 to support Te Wānanga o Aotearoa to undertake activities to protect, enhance and disseminate mātauranga Māori (\$6.325 million).

This increase is met by bringing forward \$12 million from 2023/24 and the draw down of \$7.325 million from the Addressing Inequitable Funding of Wānanga contingency set aside in Budget 2021.

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 decreased by \$1.440 million to \$28.831 million for 2022/23 due to a transfer to departmental output expense Stewardship and Oversight of the Tertiary Education System. This is to support the development of a proposed new legislative framework for the Wānanga sector and for recognising the expertise and advice that wānanga have provided in co-designing the framework (\$1.500 million decrease).

The decrease was partially offset by a transfer from non-departmental output expense Access to and Success in Tertiary Education (in the Tertiary Education and Training MCA) for a 2.75% increase in tuition and training subsidy rates from 1 January 2023 for Māori and Pasifika Trades Training (\$60,000 increase).

3.4 - Non-Departmental Other Expenses

Fees-free Payments (M26) (A19)

Scope of Appropriation

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

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2022/23		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Average fees-free payment per learner for first year of education or training (see Notes 1, 2 and 3)	At least \$6,637	Measure removed	Measure removed
Average fees-free payment (including GST) received by first-year fees-free learners (see Notes 1, 2 and 3)	New measure	At least \$6,637	At least \$6,637

Note 1 - This measure has been replaced for 2022/23. The replacement measure is consistent with what is included in TEC's Statement of Performance Expectations.

Note 2 - The performance measure for fees-free is the average benefit to the learner from fees-free payments. This is the fee payment for education or training that they no longer need to meet through their own finances, or from student support. As fees charged by tertiary education organisations to learners are inclusive of GST, this average fee payment figure also includes GST.

Note 3 - The Targeted Training and Apprenticeship Fund (TTAF) part of this measure has been retired as TTAF funding ceased at the end of December 2022.

3.5 - Non-Departmental Capital Expenditure

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.

Reasons for Change in Appropriation

This appropriation decreased by \$20.026 million due to delays in the sales expected by TEIs which are now expected to occur after 30 June 2023. The entire appropriation has therefore been transferred from 2022/23 to 2023/24.

Vocational Education Data System (M26) (A19)

Scope of Appropriation

This appropriation is limited to providing capital to the Tertiary Education Commission for the development and delivery of an information technology system to support the implementation of a unified funding system for the vocational education system.

Reasons for Change in Appropriation

This appropriation decreased by \$7.850 million due to the design phase of the build taking longer than expected with extended sector engagement being necessary to ensure the new system will efficiently interface with providers' student data systems. The entire appropriation has consequently been transferred from 2022/23 to 2023/24 and 2024/25.

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 support and fund tertiary tuition and training that results in improvements in New Zealanders' skill levels.

Scope of Appropriation

Non-Departmental Output Expenses

Access to and Success in Tertiary Education

This category is limited to improving access to and success in tertiary education and training for learners underserved by the tertiary system, particularly those identified in the Tertiary Education Strategy.

Foundation and Community Education

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

Qualification Delivery

This category is limited to funding for teaching, training and learning services that support enrolled students at tertiary education organisations to achieve recognised tertiary qualifications and credentials.

Expenses, Revenue and Capital Expenditure

	2022/23		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	2,880,363	(245)	2,880,118
Non-Departmental Output Expenses			
Access to and Success in Tertiary Education	73,229	17,940	91,169
Foundation and Community Education	292,741	(18,185)	274,556
Qualification Delivery	2,514,393	-	2,514,393

Reasons for Change in Appropriation

This appropriation decreased by \$245,000 to \$2,880.118 million for 2022/23 due to:

- a transfer to non-departmental output expense Administration of and Support for the Tertiary Education and Careers Systems for co-ordination of emergency management and search and rescue training (\$185,000), and
- a transfer to non-departmental output expense Tertiary Sector / Industry Collaboration Projects for a 2.75% increase in tuition and training subsidy rates from 1 January 2023 for Māori and Pasifika Trades Training (\$60,000).

The \$18 million change in the indicative spending profile within the MCA reflects a transfer from Youth Guarantee underspends to meet the expense recognition requirement for the Learner Component of the Unified Funding System for vocational education and training for the 2023 calendar year in the 2022/23 fiscal year.