

# *Vote Tertiary Education*

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APPROPRIATION MINISTER(S): Minister for Tertiary Education and Skills (M14)

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	2023/24		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
<b>Departmental Output Expenses</b>			
<b>Stewardship and Oversight of the Tertiary Education System (M14) (A19)</b> 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.	14,489	(300)	14,189
<b>Total Departmental Output Expenses</b>	14,489	(300)	14,189
<b>Non-Departmental Output Expenses</b>			
<b>Administration of and Support for the Tertiary Education and Careers Systems (M14) (A19)</b> 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.	69,480	2,643	72,123
<b>Centres of Research Excellence (M14) (A19)</b> 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
<b>International Education Programmes (M14) (A19)</b> This appropriation is limited to delivery of services in respect of international education, including promotion, information, research and professional development, both in New Zealand and overseas, for the purpose of delivering an excellent student experience, achieving sustainable growth and developing global citizens.	32,517	(193)	32,324
<b>Strategic Support for National and Regional Priorities (M14) (A19)</b> 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.	77,418	714	78,132
<b>Support for Wānanga (M14) (A19)</b> 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.	12,000	-	12,000
<b>Tertiary Education Research and Research-Based Teaching (M14) (A19)</b> 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
<b>Tertiary Sector / Industry Collaboration Projects (M14) (A19)</b> This appropriation is limited to funding activities that improve the relevance to industry of tertiary education provision.	27,088	(10,000)	17,088
<b>University-led Innovation (M14) (A19)</b> This appropriation is limited to supporting universities to attract entrepreneurial academics to drive collaboration between universities and established and emerging businesses.	751	-	751
<b>Workforce Development Councils (M14) (A19)</b> This appropriation is limited to expenses incurred on Workforce Development Councils setting up their organisations and performing their statutory functions.	65,000	-	65,000
<b>Total Non-Departmental Output Expenses</b>	649,054	(6,836)	642,218

	2023/24		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
<b>Benefits or Related Expenses</b>			
<b>Tertiary Scholarships and Awards (M14) (A19)</b>	20,629	-	20,629
This appropriation is limited to providing scholarships and other awards in the tertiary sector to students, researchers and teachers, within New Zealand and internationally.			
<b>Total Benefits or Related Expenses</b>	20,629	-	20,629
<b>Non-Departmental Other Expenses</b>			
<b>Derecognition of Wānanga (M14) (A19)</b>	-	67,512	67,512
This appropriation is limited to the loss from derecognising an investment if a Wānanga is re-established as a non-Crown Entity Wānanga.			
<b>Fair Value Write Down and Impairment of Loans and Advances to Tertiary Education Institutions (M14) (A19)</b>	45,000	(45,000)	-
This appropriation is limited to fair value write downs on concessionary and suspensory loans and advances to tertiary education institutions, as well as any subsequent impairment.			
<b>Fees-free Payments (M14) (A19)</b>	318,339	(25,000)	293,339
This appropriation is limited to ensuring fees-free study for eligible students, apprentices and trainees.			
<b>Total Non-Departmental Other Expenses</b>	363,339	(2,488)	360,851
<b>Non-Departmental Capital Expenditure</b>			
<b>Support for a Single National Vocational Education Institution (M14) (A19)</b>	15,000	-	15,000
This appropriation is limited to capital injections for a single national vocational education institution.			
<b>Tertiary Education Institutions' Proceeds from Disposal of Crown Assets (M14) (A19)</b>	21,426	(1,240)	20,186
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.			
<b>Vocational Education Data System (M14) (A19)</b>	7,850	-	7,850
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.			
<b>Total Non-Departmental Capital Expenditure</b>	44,276	(1,240)	43,036
<b>Multi-Category Expenses and Capital Expenditure</b>			
<b>Tertiary Tuition and Training MCA (M14) (A19)</b>	2,955,312	(10,203)	2,945,109
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.			
<b>Non-Departmental Output Expenses</b>			
<i>Access to and Success in Tertiary Education</i>	95,461	5,000	100,461
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.			
<i>Foundation and Community Education</i>	303,353	(2,119)	301,234
This category is limited to funding for adult and community education, literacy, numeracy and English language provision, and other foundation education programmes.			
<i>Qualification Delivery</i>	2,556,498	(13,084)	2,543,414
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.			
<b>Total Multi-Category Expenses and Capital Expenditure</b>	2,955,312	(10,203)	2,945,109
<b>Total Annual Appropriations and Forecast Permanent Appropriations</b>	4,047,099	(21,067)	4,026,032

## Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<b>Non-Departmental Capital Expenditure</b>		
<b>Crown Loan to Support the Transformation of Te Pūkenga (M14) (A19)</b>	Original Appropriation	220,000
This appropriation is limited to the provision of a concessionary Crown loan to Te Pūkenga for the purpose of implementing an IT transformation programme.	Adjustments to 2022/23	-
	Adjustments for 2023/24	(220,000)
Commences: 03 July 2023	Adjusted Appropriation	-
Expires: 30 June 2028	Actual to 2022/23 Year End	-
	Estimated Actual for 2023/24	-
	Estimate for 2024/25	-
	Estimated Appropriation Remaining	-

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

	2023/24		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Total Annual Appropriations and Forecast Permanent Appropriations	4,047,099	(21,067)	4,026,032
Total Forecast MYA Non-Departmental Capital Expenditure	20,000	(20,000)	-
<b>Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations</b>	<b>4,067,099</b>	<b>(41,067)</b>	<b>4,026,032</b>

# Supporting Information

## Part 1 - Vote as a Whole

### 1.2 - Trends in the Vote

#### Summary of Financial Activity

	2023/24				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
<b>Appropriations</b>					
Output Expenses	663,543	(300)	(6,836)	(7,136)	656,407
Benefits or Related Expenses	20,629	N/A	-	-	20,629
Borrowing Expenses	-	-	-	-	-
Other Expenses	363,339	-	(2,488)	(2,488)	360,851
Capital Expenditure	64,276	-	(21,240)	(21,240)	43,036
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Multi-Category Expenses and Capital Expenditure (MCA)					
<i>Output Expenses</i>	2,955,312	-	(10,203)	(10,203)	2,945,109
<i>Other Expenses</i>	-	-	-	-	-
<i>Capital Expenditure</i>	-	N/A	-	-	-
<b>Total Appropriations</b>	<b>4,067,099</b>	<b>(300)</b>	<b>(40,767)</b>	<b>(41,067)</b>	<b>4,026,032</b>
<b>Crown Revenue and Capital Receipts</b>					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	3,266	N/A	90	90	3,356
Capital Receipts	-	N/A	-	-	-
<b>Total Crown Revenue and Capital Receipts</b>	<b>3,266</b>	<b>N/A</b>	<b>90</b>	<b>90</b>	<b>3,356</b>

## Part 2 - Details of Departmental Appropriations

### 2.1 - Departmental Output Expenses

#### **Stewardship and Oversight of the Tertiary Education System (M14) (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.

##### *Reasons for Change in Appropriation*

This appropriation decreased by \$300,000 to \$14.189 million for 2023/24 due to a transfer to non-departmental output expense Qualification Delivery (in the Tertiary Tuition and Training MCA) for delivery of a Disputes Resolution Scheme for domestic tertiary students to resolve contractual and financial disputes with tertiary education providers.

## Part 3 - Details of Non-Departmental Appropriations

### 3.1 - Non-Departmental Output Expenses

#### Administration of and Support for the Tertiary Education and Careers Systems (M14) (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 \$2.643 million to \$72.123 million for 2023/24 due to:

- provision for settlement of Public Sector Pay Adjustment negotiations for Tertiary Education Commission-related collective agreements (\$2.009 million increase)
- provision for administration costs for replacing first-year Fees-Free with final-year Fees-Free (\$449,000), and
- a transfer from non-departmental output expense Foundation and Community Education (in Tertiary Tuition and Training MCA) for co-ordination of emergency management and search and rescue training (\$185,000 increase).

#### International Education Programmes (M14) (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 decreased by \$193,000 to \$32.324 million for 2023/24 due to a transfer to the Ministry of Business, Innovation and Employment for The New Zealand Story initiative (\$283,000 decrease). The decrease was partially offset by provision for administration of the Export Education Levy, funded by levy revenue (\$90,000 increase).

## **Strategic Support for National and Regional Priorities (M14) (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 \$714,000 to \$78.132 million for 2023/24 due to a transfer from 2022/23 for the Te Wānanga o Aotearoa Programme Development Maintenance Fund.

## **Tertiary Sector / Industry Collaboration Projects (M14) (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 \$10 million to \$17.088 million for 2023/24 due to the accounting implication of the decision in Budget 2023 to discontinue the Centres of Asia-Pacific Excellence programme from 1 July 2024. That decision meant that there was no contractual commitment for 2024/25 to be recognised as an expense in 2023/24. This saving is additional to \$10 million per annum savings recognised in Budget 2023 for 2024/25 and outyears.



## 3.4 - Non-Departmental Other Expenses

### Derecognition of Wānanga (M14) (A19)

#### *Scope of Appropriation*

This appropriation is limited to the loss from derecognising an investment if a Wānanga is re-established as a non-Crown Entity Wānanga.

#### *Expenses*

	2023/24		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	67,512	67,512

#### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to contribute to Wānanga being re-established as a non-Crown entity.

#### *How Performance will be Assessed and End of Year Reporting Requirements*

An exemption was granted from the end-of-year performance information requirements under PFA section 15D (2) (b) (ii) as performance information is not likely to be informative in light of the nature of the transaction or causal event giving rise to the expense.

#### *Reasons for Change in Appropriation*

This new appropriation of \$67.512 million is for the loss to the Crown from derecognising the investment in Te Wānanga o Raukawa upon establishment as a non-Crown Entity Wānanga on 1 January 2024.

### Fair Value Write Down and Impairment of Loans and Advances to Tertiary Education Institutions (M14) (A19)

#### *Scope of Appropriation*

This appropriation is limited to fair value write downs on concessionary and suspensory loans and advances to tertiary education institutions, as well as any subsequent impairment.

#### *Reasons for Change in Appropriation*

The decrease in this appropriation by \$45 million to \$0 for 2023/24 is due to the decision not to provide a concessionary loan facility to Te Pūkenga pending its disestablishment.

## **Fees-free Payments (M14) (A19)**

### *Scope of Appropriation*

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

### *Reasons for Change in Appropriation*

This appropriation decreased by \$25 million to \$293.339 million for 2023/24 due to return of funding appropriated in 2023/24 that has not been spent due to enrolments in 2023 being lower than the level able to be funded.

## 3.5 - Non-Departmental Capital Expenditure

### Crown Loan to Support the Transformation of Te Pūkenga (M14) (A19)

#### *Scope of Appropriation and Expenses*

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<b>Crown Loan to Support the Transformation of Te Pūkenga (M14) (A19)</b> This appropriation is limited to the provision of a concessionary Crown loan to Te Pūkenga for the purpose of implementing an IT transformation programme.  Commences: 03 July 2023  Expires: 30 June 2028	Original Appropriation	220,000
	Adjustments to 2022/23	-
	Adjustments for 2023/24	(220,000)
	Adjusted Appropriation	-
	Actual to 2022/23 Year End	-
	Estimated Actual for 2023/24	-
	Estimate for 2024/25	-
	Estimated Appropriation Remaining	-

#### *Reasons for Change in Appropriation*

The decrease in this appropriation by \$20 million for 2023/24 and \$200 million for 2025/26 to 2027/28 to \$0 is due to the decision not to provide a concessionary loan facility to Te Pūkenga pending its disestablishment.

### Tertiary Education Institutions' Proceeds from Disposal of Crown Assets (M14) (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 \$1.240 million to \$20.186 million for 2023/24 due to a delay in the sale of prefabs at the Auckland University of Technology. The funding has been transferred to 2024/25.

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

## 4 - Multi-Category Expenses and Capital Expenditure

### Tertiary Tuition and Training (M14) (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*

	2023/24		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
<b>Total Appropriation</b>	<b>2,955,312</b>	<b>(10,203)</b>	<b>2,945,109</b>
<b>Non-Departmental Output Expenses</b>			
Access to and Success in Tertiary Education	95,461	5,000	100,461
Foundation and Community Education	303,353	(2,119)	301,234
Qualification Delivery	2,556,498	(13,084)	2,543,414

### *Reasons for Change in Appropriation*

This appropriation decreased by \$10.203 million to \$2,945.109 million for 2023/24 due to:

- return of funding appropriated for tertiary education and training subsidies in 2023/24 that has not been spent due to enrolments in 2023 being lower than the level able to be funded (\$36.061 million decrease)
- a transfer to non-departmental output expense Strategic Support for National and Regional Priorities to establish a time-limited Higher Education Collaboration Fund to support collaboration by higher education providers to maintain and enhance learners' accessibility to programmes and capability (\$5 million decrease)
- reprioritisation of unutilised funding for Gateway in Budget 2024 (\$1.500 million decrease)
- reprioritisation of the Adult Literacy Educator Fund in Budget 2024 (\$434,000 decrease), and
- 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).

The decrease is partially offset by:

- a 4% increase in tuition subsidies for degree-level and above to support tertiary providers in 2024 and 2025 (\$32 million increase)
- provision for 50 additional medical school places from 1 January 2024 (\$677,000 increase), and
- provision for delivery of a Disputes Resolution Scheme for domestic tertiary students to resolve contractual and financial disputes with tertiary education providers (\$300,000 increase).