

Vote Tertiary Education

APPROPRIATION MINISTER(S): Minister for Universities (M14), Minister of Education (M26), Minister for Vocational Education (M119)

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	2024/25		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Departmental Output Expenses			
Stewardship and Oversight of the Tertiary Education System (M119) (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.	13,012	-	13,012
Total Departmental Output Expenses	13,012	-	13,012
Non-Departmental Output Expenses			
Administration of and Support for the Tertiary Education and Careers Systems (M119) (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.	78,024	(8,504)	69,520
Centres of Research Excellence (M119) (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
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.	30,282	(255)	30,027
Strategic Support for National and Regional Priorities (M119) (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.	83,832	(42,412)	41,420
Support for Wānanga (M119) (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.	24,000	-	24,000
Tertiary Education Research and Research-Based Teaching (M119) (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 (M119) (A19) This appropriation is limited to funding activities that improve the relevance to industry of tertiary education provision.	17,399	-	17,399
Workforce Development Councils (M119) (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	663,337	(51,171)	612,166

	2024/25		
	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 (M14) (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.	20,678	750	21,428
Total Benefits or Related Expenses	20,678	750	21,428
Non-Departmental Other Expenses			
Fees-free Payments (M14) (A19) This appropriation is limited to ensuring fees-free study for eligible students, apprentices and trainees.	129,591	23,409	153,000
Total Non-Departmental Other Expenses	129,591	23,409	153,000
Non-Departmental Capital Expenditure			
Support for Lincoln University (M14) (A19) This appropriation is limited to the rebuild of the science facilities at Lincoln University.	5,000	-	5,000
Tertiary Education Commission - Final-year Fees Free (M119) (A19) This appropriation is limited to development of systems to support the implementation of the final-year Fees Free scheme.	-	3,257	3,257
Tertiary Education Institutions' Proceeds from Disposal of Crown Assets (M14) (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.	1,240	19,376	20,616
Vocational Education Data System (M119) (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.	5,000	-	5,000
Total Non-Departmental Capital Expenditure	11,240	22,633	33,873
Multi-Category Expenses and Capital Expenditure			
Tertiary Tuition and Training MCA (M119) (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.	3,089,226	33,680	3,122,906
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.	99,149	203	99,352
<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.	312,228	(185)	312,043
<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.	2,677,849	33,662	2,711,511
Total Multi-Category Expenses and Capital Expenditure	3,089,226	33,680	3,122,906
Total Annual Appropriations and Forecast Permanent Appropriations	3,927,084	29,301	3,956,385

Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Non-Departmental Capital Expenditure		
Crown Loan to Support the Transformation of Te Pūkenga (M119) (A19) 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 2023/24	(220,000)
	Adjustments for 2024/25	-
	Adjusted Appropriation	-
	Actual to 2023/24 Year End	-
	Estimated Actual for 2024/25	-
	Estimate for 2025/26	-
	Estimated Appropriation Remaining	-

Supporting Information

Part 1 - Vote as a Whole

1.2 - Trends in the Vote

Summary of Financial Activity

	2024/25				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	676,349	-	(51,171)	(51,171)	625,178
Benefits or Related Expenses	20,678	N/A	750	750	21,428
Borrowing Expenses	-	-	-	-	-
Other Expenses	129,591	-	23,409	23,409	153,000
Capital Expenditure	11,240	-	22,633	22,633	33,873
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Multi-Category Expenses and Capital Expenditure (MCA)					
<i>Output Expenses</i>	3,089,226	-	33,680	33,680	3,122,906
<i>Other Expenses</i>	-	-	-	-	-
<i>Capital Expenditure</i>	-	N/A	-	-	-
Total Appropriations	3,927,084	-	29,301	29,301	3,956,385
Crown Revenue and Capital Receipts					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	3,356	N/A	-	-	3,356
Capital Receipts	-	N/A	-	-	-
Total Crown Revenue and Capital Receipts	3,356	N/A	-	-	3,356

Part 2 - Details of Departmental Appropriations

2.1 - Departmental Output Expenses

Stewardship and Oversight of the Tertiary Education System (M119) (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.

How Performance will be Assessed and End of Year Reporting Requirements

	2024/25		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
The satisfaction rating given by the Minister for Tertiary Education and Skills with the overall performance of the Ministry (see Note 1)	7	Deleted measure	Deleted measure
The satisfaction rating given by the Portfolio Minister/s with the overall performance of the Ministry(see Note 1)	Revised measure	7	7
Satisfaction of the portfolio Minister with the policy advice service (see Note 1)	4	Deleted measure	Deleted measure
Satisfaction of the portfolio Minister/s with the policy advice service (see Note 1)	Revised measure	4	4
The satisfaction rating given by the Minister for Tertiary Education and Skills on the quality of monitoring advice provided by the Ministry about Crown agencies (see Note 1)	7	Deleted measure	Deleted measure
The satisfaction rating given by the Portfolio Minister/s on the quality of monitoring advice provided by the Ministry about Crown agencies (see Note 1)	Revised measure	7	7
Percentage of Ministerial correspondence replies, Parliamentary question replies and Ministerial Official Information Act replies completed within the timeframes agreed between the Ministry and the Office of the Minister (see Note 1)	95%	Deleted measure	Deleted measure
Timely delivery of Ministerial Services to the Office of the Minister/s (see Note 1)	Revised measure	95%	95%
Percentage of Ministerial correspondence replies, Parliamentary question replies and Ministerial Official Information Act replies provided that are factually accurate, meet any legislative requirements, and contain no avoidable errors, as measured by acceptance rates by the Office of the Minister (see Note 1)	95%	Deleted measure	Deleted measure
Quality of Ministerial Services content measured by acceptance rates by the Office of the Minister/s (see Note 1)	Revised measure	95%	95%
Percentage of requests made to the Ministry under the Official Information Act responded to within the legislative timeframes (see Note 1)	95%	Deleted measure	Deleted measure
Legislative timeframes met for Official information Act requests (see Note 1)	Revised measure	95%	95%

	2024/25		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
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 2)	98%	Deleted measure	Deleted measure
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)	70%	Deleted measure	Deleted measure

Note 1 - Three performance measures relating to Ministerial satisfaction survey have been revised to reflect the change in portfolio (Minister for Vocational Education and Minister for Universities). Three performance measures relating to timeliness of response to Ministerial services requests have been revised to simplify the wording of the measure.

Note 2 - Two performance measures relating to timeliness on proactive releases have been deleted as these are not legislatively required. These measures will continue to be monitored for internal reporting purposes.

Part 3 - Details of Non-Departmental Appropriations

3.1 - Non-Departmental Output Expenses

Administration of and Support for the Tertiary Education and Careers Systems (M119) (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 decreased by \$8.504 million to \$69.520 million for 2024/25 due to revisions to TEC administration costs appropriated in Budget 2024 and required split between operating and capital expenditure for the final-year Fees Free scheme (\$9.189 million decrease). This also reflects Cabinet decisions for Inland Revenue to administer the final-year Fees-Free scheme.

The decrease is partially offset by a transfer from Vote Social Development and Employment for administration of the Apprenticeship Boost Initiative (\$500,000 increase), 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 (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 decreased by \$255,000 to \$30.027 million for 2024/25 due to a transfer to Vote Business, Science and Innovation for The New Zealand Story initiative.

Strategic Support for National and Regional Priorities (M119) (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 decreased by \$42.412 million to \$41.420 million for 2024/25 due to the:

- discontinuation of the Strategic Component of the Unified Funding System for Vocational Education and Training (VET) from 1 January 2025 and transfer of the funding appropriated for it to non-departmental output expense Qualification Delivery (in Tertiary Tuition and Training MCA) to increase per-learner delivery component subsidy rates for provider-based and extramural (including online) VET delivery (\$40.912 million), and
- transfer of funding from 1 January 2025 for Te Tahua o Te Reo Kairangi (Te Tahua) fund to support growth and proficiency of te reo Māori (at qualification level 5 and above) to non-departmental output expense Qualification Delivery (in the Tertiary Tuition and Training MCA) (\$1.500 million).

3.2 - Non-Departmental Benefits or Related Expenses

Tertiary Scholarships and Awards (M14) (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 increased by \$750,000 to \$21.428 million for 2024/25 due to a transfer from non-departmental output expense Qualification Delivery (in the Tertiary Tuition and Training MCA) to meet increased demand for Medical Trainee Intern Grants payable to final-year medicine students.

3.4 - Non-Departmental Other Expenses

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 increased by \$23.409 million to \$153 million due to provision to ensure equitable coverage for closing the first-year Fees Free scheme on 31 December 2024 through a one-year sunset period until 31 December 2025 for eligible learners enrolled in study or training in 2024 with remaining entitlement, and who continue the same programme of study in 2025 (\$25 million increase).

The increase is partially offset by the transfer of funding for the final-year Fees Free scheme to Vote Revenue as Inland Revenue will be administering the final-year Fees-Free scheme (\$1.591 million decrease).

3.5 - Non-Departmental Capital Expenditure

Tertiary Education Commission - Final-year Fees Free (M119) (A19)

Scope of Appropriation

This appropriation is limited to development of systems to support the implementation of the final-year Fees Free scheme.

Capital Expenditure

	2024/25		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	3,257	3,257

What is Intended to be Achieved with this Appropriation

This appropriation is intended to enable the Tertiary Education Commission's role in implementing systems and processes to support the delivery of the final-year Fees Free scheme.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted as the appropriation is one from which resources will be provided to a person or entity other than a department, a functional chief executive, an Office of Parliament, or a Crown entity under s15D(2)(b)(iii) of the PFA, as the amount of this appropriation for non-departmental capital expenditure is less than \$15 million.

Reasons for Change in Appropriation

This appropriation (\$3.257 million in 2024/25 and further \$2.087 million in 2025/26) was established as part of an operating-to-capital swap of funding appropriated in Budget 2024 for the implementation of the final-year Fees Free scheme.

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 increased by \$19.376 million to \$20.616 million due to a transfer to ensure sufficient funding is available to distribute proceeds from the disposal of assets used by Tertiary Education Institutions.

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

4 - Multi-Category Expenses and Capital Expenditure

Tertiary Tuition and Training (M119) (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

	2024/25		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	3,089,226	33,680	3,122,906
Non-Departmental Output Expenses			
Access to and Success in Tertiary Education	99,149	203	99,352
Foundation and Community Education	312,228	(185)	312,043
Qualification Delivery	2,677,849	33,662	2,711,511

Reasons for Change in Appropriation

This appropriation increased by \$33.680 million to \$3,122.906 million for 2024/25 due to:

- discontinuation of the Strategic Component of the Unified Funding System for Vocational Education and Training (VET) from 1 January 2025 and the transfer of the funding appropriated for it under non-departmental output expense Strategic Support for National and Regional Priorities to increase per-learner delivery component subsidy rates for provider-based and extramural (including online) VET delivery (\$40.912 million increase), and
- transfer funding from 1 January 2025 for Te Tahua o Te Reo Kairangi (Te Tahua) fund to support growth and proficiency of te reo Māori (at qualification level 5 and above) from non-departmental output expense Strategic Support for National and Regional Priorities (\$1.500 million increase).

The increase is partially offset by:

- reprioritisation of uncommitted Accelerating Learner Success Fund (Tūwhitia) funding to establish a fund from 2025/26 to support strategically important vocational education and training provision following the disestablishment of Te Pūkenga (\$7.797 million decrease)
- a transfer to benefits or related expense Tertiary Scholarships and Awards to meet increased demand for Medical Trainee Intern Grants payable to final-year medicine students (\$750,000 decrease), and
- 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 decrease).