

VOTE *Education*

Education

Overview

Appropriations sought for Vote Education in 2006/07 total \$8,969.079 million. This is to be spent as follows:

- \$1,497.802 million (16.70% of the Vote) on the purchase of services from the Ministry of Education (depreciation and capital charge on school accommodation and special education services being the most significant costs).
- \$705.276 million (7.86% of the Vote) on the purchase of educational services from central education Crown entities and other non-departmental providers.
- \$89.083 million (0.99% of the Vote) on allowances, bursaries, scholarships and grants.
- \$6,587.441 million (73.45% of the Vote) on the provision of educational services from schools, early childhood education providers, tertiary education institutions and other education providers, as well as other expenses.
- \$89.477 million (1.00% of the Vote) on capital for other education organisations.

The Ministry expects to collect \$73.515 million of Crown revenue in 2006/07.

Details of how the appropriations are to be applied appear in Parts B1, C, D, and E of this Vote. Details of Crown revenue appear in Part F.

Terms and Definitions Used

10-Year Property Plan	A plan that includes all the property work (prioritised as costed projects) the school's board of trustees wants to undertake over a 10-year horizon to support the school's strategic goals
5-Year Property Programme	A funding agreement between the Ministry and a school's board of trustees, based on the first half of the 10-year Property Plan
AAA	Approvals, Accreditation and Audit functions for the New Zealand Qualifications Authority
Capability Development Funds	Capability Development Funds delivered by the Tertiary Education Commission include Innovation and Development Fund, E-learning Collaborative Development Fund, Performance Based Research Development Fund, Private Training Establishments (PTE) Strategic Fund and Partnerships for Excellence facility
Chartered early childhood education centres and services	Centres and services that undertake to adhere to Desirable Objectives and Practices as prescribed by the Minister and set out in their charter documents. Chartered centres and services are eligible to receive funding through the Ministry
CoRE	Centres of Research Excellence
e-asTTle	An electronic, Internet-based version of the Assessment Tools for Teaching and Learning tool
ECD	Early Childhood Development (ECD) was integrated with the Ministry of Education from 1 October 2003. ECD was disestablished on 6 April 2004, through the Education (Disestablishment of Early Childhood Development Board) Amendment Act 2004
ECE	Early Childhood Education
Education Crown entities	Includes the New Zealand Qualifications Authority (NZQA), New Zealand Teachers Council, Tertiary Education Commission (TEC) and Career Services
EFTS	Equivalent Full-Time Student
ESOL	English for Speakers of Other Languages
FTTE	Full-time Teacher Equivalent
GIF	Growth and Innovation Framework
ICT	Information and Communications Technologies
Integrated school	A school that is integrated into the State system in terms of the Private Schools Conditional Integration Act 1975
ITO	Industry Training Organisation
ITP	Institutes of Technology and Polytechnics
Kura kaupapa Māori	A State school in which the principal language of instruction is te reo Māori (the Māori language)
LEOTC	Learning Experiences Outside the Classroom
Licensed early childhood education centres	Centres which meet all the health, safety and management requirements of the Education (Early Childhood Centres) Regulations 1990
MIS	Managed Internet Service
National Qualifications Framework	The National Qualifications Framework (NQF) is designed to provide nationally recognised, consistent standards and qualifications, and recognition and credit for learning
NCEA	The National Certificate of Educational Achievement (NCEA) is a qualification on New Zealand's NQF. NCEA is achievement-based and national standards have been set in each area of learning. When students achieve these standards they earn credits toward their NCEA qualification. In school curriculum subjects they can do more than achieve a standard - they can achieve with merit or excellence grades
NZCER	New Zealand Council for Educational Research
NZQA	New Zealand Qualifications Authority
ORRS	Ongoing and Reviewable Resourcing Schemes - schemes that help students who have very high or high ongoing special education needs by providing extra teaching, specialist programming, therapy and education support wherever the student attends school
PAFT	Parents as First Teachers

PBRF	Performance Based Research Fund
POD	Property Occupancy Document - formal record of rights and responsibilities of the board of trustees in relation to school property
Private School	A school governed by an independent board which is registered as meeting specified standards and receives some State funding but charges tuition fees
Probe	Project Probe is the implementation of regional broadband Internet access for schools
PTE	Private Training Establishment - an establishment, other than a State tertiary education institution, that provides post-school education and vocational training
REAP	Rural Education Activities Programme
Resource Teacher: Learning and Behaviour	Specially trained teacher who works with schools to assist students who have learning and behaviour difficulties
SES	Specialist Education Services (disestablished from 28 February 2002)
Standard Training Measure	In industry training this is equivalent to 120 NQF credits on an approved structured training programme
STEP	Statement of Tertiary Education Priorities
Teachers Council	New Zealand Teachers Council
TEC	The Tertiary Education Commission was established on 1 January 2003
TEI	Tertiary Education Institution - includes colleges of education, polytechnics, universities and wananga
TEO	Tertiary Education Organisation
TES	Tertiary Education Strategy - this, together with the Statement of Tertiary Education Priorities, aims to improve the focus, connectivity and capability of the tertiary sector as a whole
TKI	Te Kete Ipurangi, the Online Learning Centre - a portal and website for teachers
UNESCO	United Nations Educational, Scientific and Cultural Organisation
Unit Standard	Nationally recognised requirements to be met in a particular learning area, resulting in credits leading up to the award of a National Certificate
Wananga	Māori tertiary education institution
Whakaaro Mātauranga	Māori Education Strategy - Think learning - a programme made up of a team of Pouwhakataki (school community liaison) and a broad information campaign

Footnotes

Note 1	The cost for output expense Provision of School Sector Property in 2006/07 includes funding for capital charge on land and buildings of \$686.634 million. This was \$725.403 million in 2005/06.
Note 2	The cost for output expense Provision of Teacher and Caretaker Housing in 2006/07 includes funding for capital charge on land and buildings of \$10.250 million. This was \$11.615 million in 2005/06.
Note 3	The education Crown entities monitored under output expense Ownership Advice on Public Education Sector Entities include the New Zealand Qualifications Authority (NZQA) and Career Services.
Note 4	There are currently 13 special schools, established under section 95 of the Education Act 1989, for which the Minister appoints various numbers of board members.
Note 5	Under output expenses Purchasing of Services on Behalf of the Crown and Tertiary and International Policy and Ownership Advice purchasing agreements may include contracts of services, documents of accountability, Memoranda of Understanding, letters of agreement etc.
Note 6	The education Crown entities from which services are purchased under output expense Purchasing of Services on Behalf of the Crown are the NZQA, Career Services and New Zealand Teachers Council.
Note 7	Rural Education Activities Programmes (REAPs) are incorporated societies that provide services to early childhood education centres/services, schools and community education services, and coordinate educational activities across the sectors in a number of rural districts.
Note 8	Output expense Centres of Research Excellence is new in 2006/07. This funding was previously appropriated under Education Research Initiatives.

Note 9	Under output expense Curriculum Support the smaller number of District Truancy Service contracts in 2006/07 reflects a change in the method of selecting providers that will result in a reduction in the number of contracts by February 2007.
Note 10	Under output expense Curriculum Support the increase in number of schools and students receiving services under Books in Homes is owing to the programme being extended to cover all decile 1-3 schools.
Note 11	Under output expense Curriculum Support a planned expansion of numeracy sustainability projects in 2006 is the reason for the increase in the numbers of schools to be involved.
Note 12	Under output expense Curriculum Support the number of schools receiving support in the use of ICT under the digital opportunities programme has increased because of additional schools joining the programmes during the year, particularly the Mindspring programme.
Note 13	The decrease in funding for output expense Curriculum Support is mainly owing to provision for software licensing being only for six months until 31 December 2006.
Note 14	The increased funding under output expense Developing Strategic Coherence Across the Tertiary Sector in 2006/07 is mainly owing to implementation of a National Centre for Tertiary Teaching Excellence, implementing changes to tertiary education funding and regulation and changes in cost allocations between outputs.
Note 15	The decrease in funding for output expense Education Research Initiatives is owing to the establishment of a new appropriation in 2006/07 for the Centres of Research Excellence programme.
Note 16	Under output expense Management of Grants and Contracts the student component funding and research funds being disbursed to tertiary education service providers by the TEC are mainly appropriated in Other Expenses Tertiary Education and Training and Performance Based Research Fund (PBRF).
Note 17	Under output expense Professional Development and Support appropriateness and effectiveness mean: <ul style="list-style-type: none"> • Appropriateness: the extent to which the programmes' aims are consistent with the needs of the client. • Effectiveness: the extent to which the programmes fulfilled their aims.
Note 18	The increase in funding for output expense professional development and support in 2006/07 is owing to a combination of increases for school advisory services, Te Kotahitanga project, implementing an ICT strategy for ECE, and literacy, numeracy and education for sustainability programmes, partially offset by funding related to 2005/06 only for Diploma in Specialist Subjects (Secondary Teacher) and implementation of a professional learning strategy.
Note 19	Under output expenses Provision of Information and Advisory Services and Tertiary and International Advisory Services appropriateness and effectiveness mean: <ul style="list-style-type: none"> • Appropriateness: the extent to which the focus of the information provided is consistent with the users' needs. • Effectiveness: <ul style="list-style-type: none"> – accuracy - all material facts are included and are accurate – timeliness - information is provided within the times required.
Note 20	The reduction in funding for 2006/07 in output expense Provision of Information and Advisory Services is owing to a combination of transfers to Tertiary and International Advisory Services, other planned reductions in funding for those programmes, partially offset by additional funding for Career Services.
Note 21	The Family Start initiatives under output expense Supporting Parenting are being run jointly by the Ministries of Health, Education and Social Development and the Department of Child, Youth and Family Services.
Note 22	Under output expense Supporting Parenting the reduction in the number of families in other parent support programmes is owing to the Anau Ako Pasifika programme ceasing in 2005.
Note 23	Under output expense Supporting Parenting appropriateness and effectiveness mean: <ul style="list-style-type: none"> • Appropriateness: the extent to which the services'/programmes' aims are consistent with the needs of the clients/consumers. • Effectiveness: the extent to which the services/programmes fulfilled their aims.
Note 24	Output expense Tertiary and International Advisory Services is a new appropriation in 2006/07. In previous years most of this funding was appropriated under Provision of Information and Advisory Services.
Note 25	The increased funding for output expense Training for Designated Groups in 2006/07 mainly reflects increased demand for industry training places and modern apprenticeships and ongoing expansion of Gateway.

Note 26	Increased funding for Career Services in 2006/07 reflects provision for quality careers advice for students, and promoting better tertiary education and trade training decisions.
Note 27	Increased funding for TEC in 2006/07 mainly reflects provision for implementing a National Centre for Tertiary Teaching Excellence and changes to tertiary education funding and regulation.
Note 28	Equity funding for the early childhood education (ECE) sector was introduced in 2002 to provide additional support for community-based services. The equity funding components are weighted as follows: <ul style="list-style-type: none"> • 50% of the fund toward low socio-economic communities • 25% of the fund toward special education needs and non-English-speaking backgrounds • 15% of the fund toward languages and cultures other than English • 10% of the fund toward isolation.
Note 29	The increase in the other expense appropriation Early Childhood Education mainly reflects changes in bulk funding owing to the expected growth in funded child hours combined with an increase in the proportion of hours taken at higher quality funding rates and an increase in funding rates.
Note 30	The appropriation for other expense Primary Education in 2006/07 has increased mainly owing to a combination of higher teacher salaries as a result of the second tranche of the collective agreements, timing of term dates in each financial year, provision for staffing improvements and higher rates.
Note 31	The appropriation for other expense Secondary Education in 2006/07 has increased through a combination of higher teacher salaries as a result of the second tranche of the collective agreements, timing of term dates in each financial year, additional full-time teacher equivalents (FTEs) owing to 2005 staffing improvements and an increase in funding rates.
Note 32	The appropriation for other expense Special Needs Support in 2006/07 has increased mainly owing to higher teacher salaries as a result of the second tranche of the collective agreements and more ESOL funding. The remainder of the change is largely related to rolls at regular schools.
Note 33	In the tertiary tuition funding table in Part D: <ul style="list-style-type: none"> • the Equivalent Full-Time Student (EFTS) places are actuals for the 2005 academic year. In addition to the EFTS shown in the field of study table there are 9,774 EFTS enrolled in community education programmes • the student component funding figures for 2006/07 assume 0.2% decrease in EFTS places for 2006 and a further 5.0% decrease for 2007 • the number of funded EFTS on a degree or higher level (level 4/5) are forecast to stay at the 2005 level in 2006 and to increase by 0.6% in 2007 • the proportion of sub-degree EFTS will decline from 51.2% of all EFTS in 2005, to 49.9% in 2007.
Note 34	The reduction in student component tuition subsidies for community education programmes is owing to tertiary education institutions being eligible for the Adult and Community Education pool from 1 January 2006. This funding is appropriated under other expense Adult and Community Education.

Minister Portfolio Table

26	Minister of Education
68	Minister for Tertiary Education

Education

VOTE MINISTER: Minister of Education and Minister for Tertiary Education

ADMINISTERING DEPARTMENT: Ministry of Education

The Minister of Education is the Responsible Minister for the Ministry of Education

Part A - Statement of Objectives and Trends

Part A1 - Objectives for Vote

Government Goals

Vote Education contributes to each of three themes that shape the Government's priorities for the next decade - economic transformation, families - young and old, and national identity.

Economic Transformation

The economic transformation theme focuses on progressing New Zealand to a high income, knowledge based market economy, which is both innovative and creative and provides a unique quality of life to all New Zealanders.

Outputs funded through Vote Education contribute to developing a skilled and adaptable workforce, and the creation and application of knowledge. This is essential to deliver on the goals of:

- growing globally competitive firms
- world-class infrastructure
- innovative and productive workplaces, underpinned by high standards in education, skills and research
- an internationally competitive city - Auckland
- environmental sustainability.

Families - Young and Old

The government's goals in this area focus on ensuring that all families, young and old, have the support and choices they need to be secure and be able to reach their full potential in New Zealand's knowledge based economy. Improved educational outcomes will contribute toward:

- strong families
- healthy confident kids
- safe communities
- better health for all
- positive ageing.

National Identity

The government's goals focus on ensuring that all New Zealanders are able to take pride in who and what we are, through our arts, culture, film, sports and music, our appreciation of our natural environment, our understanding of our history and our stance on international issues. The teaching and learning, research and knowledge creation outcomes supported by Vote Education's outputs contribute to New Zealand's national identity in who we are, what we do, where we live and how we are seen by the world.

Outcomes for Vote Education

The Minister of Education and the Minister for Tertiary Education are purchasing outputs from Vote Education to deliver on these government goals.

The 2003 government policy statement *Education Priorities for New Zealand* sets two overarching goals for the New Zealand education system: to build an education system that equips New Zealanders with 21st century skills; and to reduce systematic underachievement in education.

The education system is expected to deliver results for New Zealand in four key areas:

- All New Zealanders with strong foundations for future learning.
- High levels of achievement by all school leavers.
- New Zealanders engage in learning throughout their lives and develop as a highly skilled workforce.
- Make a strong contribution to our knowledge-base, especially in key areas of national development.

These goals are reflected and elaborated in the Early Childhood Strategic Plan, the Schooling Strategy and the Tertiary Education Strategy, and in the priorities for action in each sector.

Early Childhood Education and Schooling

The *Early Childhood Education Strategic Plan* is framed around three goals:

- increase participation in quality ECE services
- improve quality of ECE services
- promote collaborative relationships.

The *Schooling Strategy's* goal is: *All students achieving their potential*. The strategy's three priorities are:

- all students experience effective teaching
- children's learning is nurtured by families and whānau
- evidence-based practice.

Specific areas of focus for policy development and improved performance in the early childhood education and schooling sectors are:

- effective teaching
- foundations and knowledge
- parents and family/whānau
- strong professional leadership
- teaching and learning in secondary schools

- resourcing
- staying at school
- discipline.

Outcome indicators that the early childhood and schooling sector outputs purchased through Vote Education aim to improve include measures of:

- participation in quality early childhood education services
- student engagement and retention, behaviour and social outcomes in schools
- levels of achievement in all curriculum areas, and especially in literacy and numeracy
- achievement of qualifications by school leavers
- the quality of teaching and teacher capability
- family and community engagement in education.

Tertiary Education and Training

The *Tertiary Education Strategy* and the *Statement of Tertiary Education Priorities* set out the government's long-term goals and immediate priorities for the performance of the tertiary education system. The current Statement of Tertiary Education Priorities calls on Government agencies and tertiary education providers to focus on:

- improving the quality of teaching
- ensuring access to education and training that is relevant to the needs of students and employers and to local and national goals
- enabling knowledge, teaching, and research activities to better support innovation and the social, economic, environmental and intellectual development of New Zealand.

Specific areas of focus for policy development and improved performance in the tertiary education sector are:

- defining more clearly the distinctive roles of different provider types and individual institutions
- stronger links between funding and measures of outcomes and performance in relation to providers' agreed plans and defined roles
- more predictable and sustainable funding over time for both providers and government
- more rigorous reporting and monitoring around institutional performance
- strengthened quality assurance.

Outcome indicators that the tertiary education sector outputs purchased through Vote Education aim to improve include measures of:

- participation, completion and achievement across the range of tertiary education and training qualifications
- the relevance and responsiveness of tertiary education programmes to New Zealand's skill needs
- levels of tertiary education and training qualifications in the adult population

- levels of literacy, numeracy and foundation skills across the adult population
- the quality of teaching
- the quantity, quality and relevance of research outputs in the tertiary education sector.

A range of outputs contribute, individually and collectively, to the achievement of the above outcomes. These outputs, which are provided by the Ministry, education Crown entities and a range of other providers include:

- policy advice that is aimed at identifying priorities for improving educational outcomes and developing options for improving the effectiveness of the education system
- the key interventions available to influence educational outcomes. These interventions fall into four broad categories including the:
 - provision and management of resources
 - administration of legislation and regulations
 - provision of information and advice
 - provision of special education services.

These outputs and the key areas of focus within each output expense are described in the table below.

Links Between Departmental Output Expenses and the Outcomes for Vote Education

Within each of the Ministry of Education's outputs the areas being focused on to contribute to the Government's key goals are:

Output Expenses	Key Areas of Focus
Administration of Education Regulations	Of particular significance in 2006/07 will be ongoing development of new enrolment management systems, maintaining planning and reporting arrangements for schools, continuing to address the high level of Māori suspensions and encouraging better engagement with the education system for students at risk.
Administration of Education Sector Resourcing	The major focus for the year will be on disbursing funding and making improvements to resourcing systems including education service payroll, development of new ECE funding frameworks, particularly for implementation of the 20 hours free ECE policy, and provision of training and support for new administrative and funding systems. Also included will be improved ICT shared services for the sector.
Ownership Advice on Public Education Sector Entities Purchasing of Services on Behalf of the Crown	Of particular importance this year will be improving monitoring of schools and managing interventions.

Output Expenses	Key Areas of Focus
<p>Policy Advice</p>	<p>Defining the key outcomes required from education to contribute to Government's economic and social goals for New Zealand. This includes development of:</p> <ul style="list-style-type: none"> • a draft revised national curriculum for schools for consultation • policy related to the development of all students as successful school leavers • advice on embedding the schooling strategy in the sector and the Ministry. <p>Monitoring trends and patterns in educational outcomes across the system and building the evidence-base to inform policy development and professional practice across the sector including:</p> <ul style="list-style-type: none"> • ongoing engagement in national and international studies of educational achievement • evaluation of the effectiveness of specific policies • ongoing implementation of iterative Best Evidence Synthesis programme. <p>Advice on the design and implementation of regulatory and resourcing frameworks including:</p> <ul style="list-style-type: none"> • ongoing review of legislation • regulatory review of the ECE sector • ongoing work to improve schools resourcing policies and a review of special education resourcing systems • analysis and fine tuning of specific resourcing policies to ensure value for money and alignment with government goals and priorities. <p>Advice on policies and programmes to build the capability of education professionals and education providers including:</p> <ul style="list-style-type: none"> • evidence-based advice on supporting teachers' and principals' professional practice including building their capability to meet diverse students' needs • teacher supply and workforce development issues in the early childhood and school sectors • working with the sector to support ongoing professional capability development of teachers through terms and conditions of teachers' work • research and development for Mātauranga Māori education. <p>Advice on policies and programmes to support learners and their families and communities including:</p> <ul style="list-style-type: none"> • review of strategies supporting students at-risk of educational underachievement and to support high achievers • development of a framework to support families and communities' engagement in education.

Output Expenses	Key Areas of Focus
Provision of Information	<p>The major focus for 2006/07 is on:</p> <ul style="list-style-type: none"> • attracting more people into the teaching profession, particularly for early childhood and secondary education in particular subject areas • ongoing implementation of local and national information programmes for parents, whānau, families and communities • support for quality teaching of literacy and numeracy • developing an Internet-capable version of Assessment Tools for Teaching and Learning (e-asTTle) • ongoing implementation of Te Kete Ipurangi (TKI) and other ICT initiatives such as implementing an e-learning action plan for schools and improving school administration systems including their ability to manage National Certificate of Educational Achievement (NCEA) data.
Provision of School Sector Property Provision of Teacher and Caretaker Housing	<p>Key initiatives for 2006/07 will be:</p> <ul style="list-style-type: none"> • improving the quality of school property through completing the five-year property programme • ensuring there is sufficient property, particularly in areas of roll growth including the completion of area strategies • compliance with National Environmental Standards that come into effect on 1 October 2006 • development of a School Property Guide and strategy for special schools • completion of stage 2 of the network infrastructure upgrade programme.
Special Education Services	<p>Of particular importance in 2006/07 will be:</p> <ul style="list-style-type: none"> • provision of quality special education services to children and young people • implementation of a quality framework for the provision of services • building the capability of the sector • continued development of standard practice policies and procedures.
Tertiary and International Policy and Ownership Advice	<p>Of particular importance in 2006/07 will be:</p> <ul style="list-style-type: none"> • development of the next Tertiary Education Strategy 2008-2013 • participation in the Adult Literacy and Life (ALL) Skills Survey • ongoing establishment of an international network of Education Counsellors.
Tertiary Information Services	<p>Of particular importance in 2006/07 will be ongoing ICT coordination and support services for tertiary education agencies.</p>

Links Between Non-Departmental Output Expenses and the Outcomes for Vote Education

Within each output expense being purchased from third parties the areas being focused on to contribute to the Government's key goals are:

Output Expenses	Key Areas of Focus
Administration of National Assessment for Secondary Qualifications	Address and improve quality of provision and decision-making and lift educational achievement through administration and moderation of secondary qualifications, including ongoing implementation of the NCEA.
Centres of Research Excellence	Improve educational outcomes and strengthen innovation through: <ul style="list-style-type: none"> • building a skilled workforce that contributes to a robust and innovative economy and supports the knowledge economy • promoting high-quality, strategically focused research in the tertiary sector and encouraging the transfer of knowledge.
Curriculum Support	Support teaching practice by making education programmes more widely available including purchase of Microsoft and Apple licences and partial payment for personal computers for many teachers.
Developing Strategic Coherence Across the Tertiary Sector	Improve educational outcomes and innovation by improving the focus, connectivity and capability of the tertiary sector as a whole. In 2006/07 this will largely focus on: <ul style="list-style-type: none"> • improving funding and regulatory systems for the sector • developing research capability in strategically relevant areas • establishing a centre of teaching excellence • promoting improvements in adult and community education.
Education Research Initiatives	Improve educational outcomes and strengthen innovation through building the knowledge base.
Management of Grants and Contracts	Improve educational outcomes and support innovation by negotiation and management of contracts on behalf of the Crown to ensure the effective use of resources and the responsive implementation of education programmes.
Professional Development and Support	Support quality teaching and achievement for all students by providing: <ul style="list-style-type: none"> • professional development for teachers • advisory services for teachers and managers in schools and early childhood education services • in 2006/07 this includes a continuing focus on improving Māori education, implementation of education for sustainability programmes and piloting a senior subject advisor service.
Provision of Information and Advisory Services	Address and improve quality of provision and decision-making and lift educational achievement by providing information and general advocacy services to the public, community groups, industry and the education community. The major area of focus in this output is careers information - including quality careers advice for students and promoting better tertiary education and trade training decisions.
School Transport	Improve educational outcomes by providing school transport services to eligible students attending State and integrated schools.
Stewardship of the New Zealand Qualifications System	Improve educational outcomes by effective stewardship of the qualifications system including development, management and monitoring of quality assurance processes.

Output Expenses	Key Areas of Focus
Supporting Parenting	Improve educational outcomes through targeting services to break cycles of disadvantage, strengthen families and improve the educational outcomes of children at risk, by developing parenting skills to enhance children’s development and education.
Tertiary and International Advisory Services	Address and improve quality of provision and decision-making and lift educational achievement by providing information and general advocacy services to the public, community groups, industry and the education community. The major areas of focus in this output are industry training initiatives and international education.
Training for Designated Groups	Improve educational outcomes and innovation through building a skilled workforce, improving literacy and numeracy skills, strengthening pathways for students to further education and training, continued investment in industry training and development of new training arrangements.

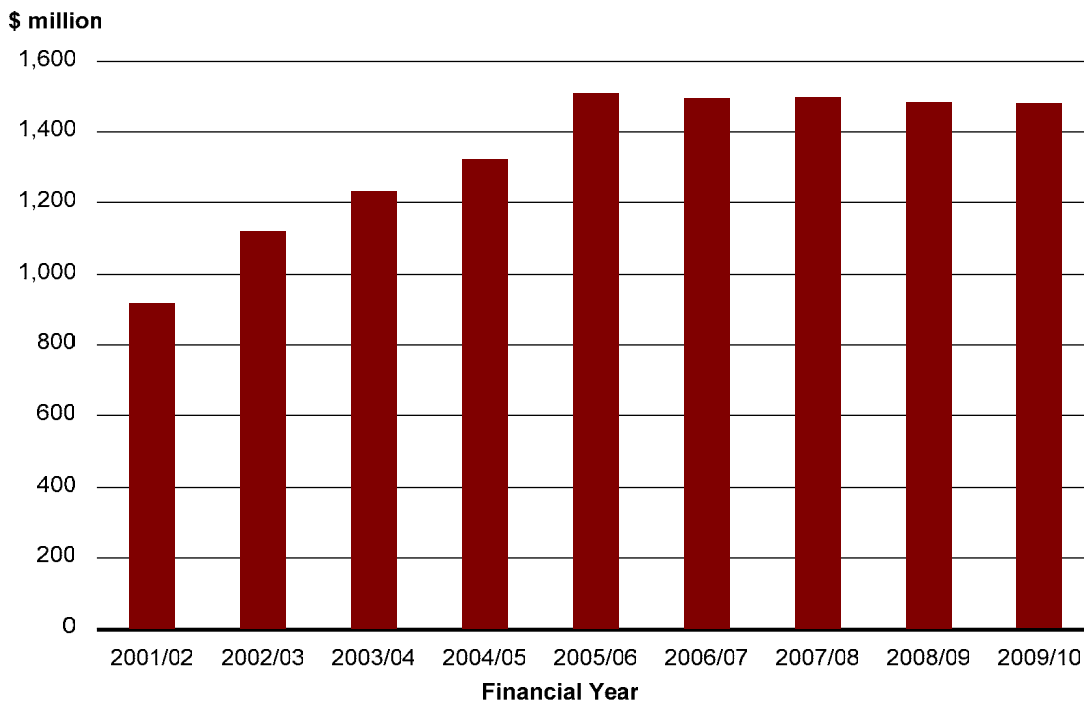
Part A2 - Trends in Vote

Introduction

The departmental and Crown flows in Vote Education are detailed in the trends table below and generally show steady increases in outputs purchased and other expenses incurred by the Crown. The table also shows increases in capital expenditure in the tertiary sector.

Departmental Expenditure 2001/02 - 2006/07

Figure 1 - Trends in departmental expenditure



Source: Ministry of Education

The growth in departmental output expenditure across 2001/02 to 2006/07 is principally reflected in the costs of providing school land and buildings and other facilities. These costs include:

- the capital charge on the value of the property portfolio, which has increased as a result of:
 - the increased value of the property portfolio, resulting from additional government investment in schools and the annual revaluation of the portfolio
 - being partially offset by changes in the capital charge rate (from 9% for 2001/02, 8.5% for 2002/03 and 2003/04, 8% in 2004/05 and 2005/06 and 7.5% for 2006/07) and by the sale of core teacher housing to school boards of trustees.
- depreciation, which has also increased in line with the growth in the value of the school property portfolio. From 2002/03 the basis of the calculation of depreciation changed and is now based on separate components rather than averaged over the entire asset. This has increased expenses by approximately \$67 million per annum, although offset by a corresponding decrease in the level of capital funding.

During 2001/02 the Crown entity Specialist Education Services (SES) was disestablished and merged with the Ministry. A new departmental output expense was established for special education services including targeted funding for students with special education needs verified for the Ongoing and Reviewable Resourcing Schemes (ORRS).

Over this period other changes to funding are owing to a combination of:

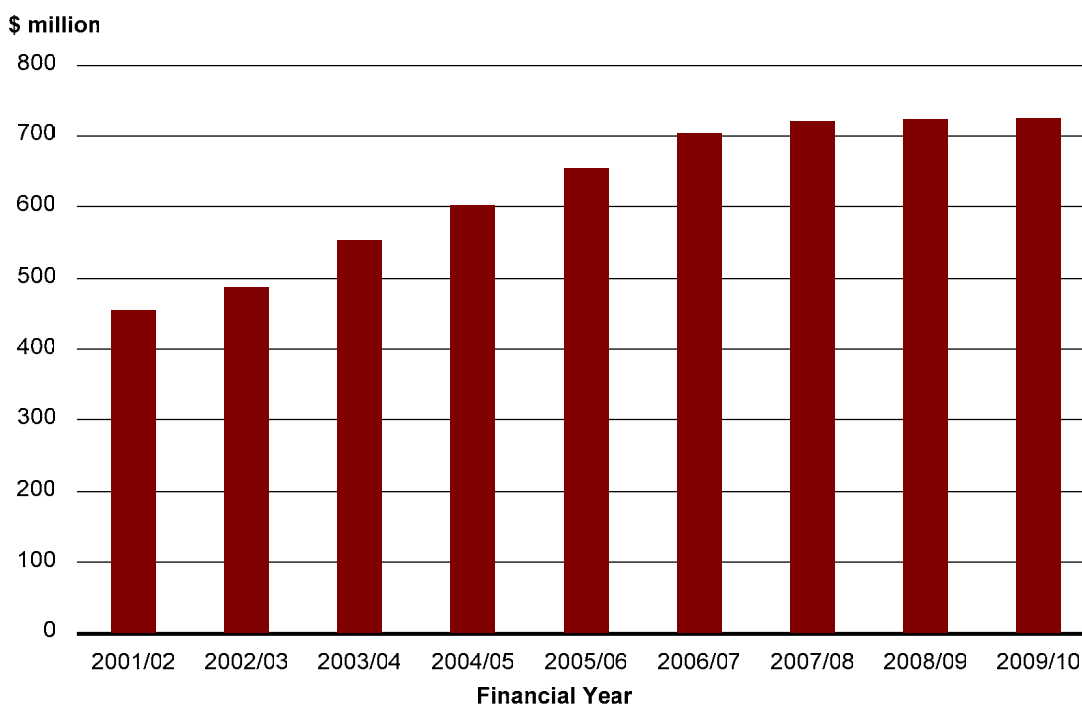
- Māori education initiatives including Te Mana information programme, Māori liaison officers (pouwhakataki), and other programmes to promote immersion education options
- monitoring institutions in the compulsory and tertiary sectors at risk of educational or financial failure and managing appropriate interventions, including enhanced monitoring and interventions for effective schools
- initiatives to increase the supply of teachers and address specific skill shortages
- greater communication of Government education policies, notably in the areas of teacher supply and literacy, and an education information programme for families and communities
- provision of additional curriculum support material including support for ICT in schools and ongoing development of TKI - the teaching and learning web portal
- improved administrative systems for the compulsory sector including roll and funding information and electronic data transfer as well as improving sector capability and development of new education payroll systems, and establishment of a central advisory service for payroll
- investment in Ministry infrastructure, including document management and web infrastructure
- development of international education including strategy, resourcing, bilateral and multilateral links and establishing overseas representation to improve coverage of key education partner countries and regions
- research and development for adult foundation learning (literacy, numeracy and language)
- increased engagement in new and ongoing national and international studies of educational achievement, including the Third International Maths and Science Study, the Programme for International Student Achievement and the Adult Literacy and Life Skills Survey

- work on tertiary education policy including the Tertiary Education Advisory Commission and establishment of the TEC. The TEC was established on 1 January 2003 and the Ministry's resourcing and some monitoring functions were transferred to the new agency from that date
- other significant tertiary programmes over the forecast period include provision of e-learning and support for effective teaching and learning in the sector
- development of an electronic, Internet-based version of Assessment Tools for Teaching and Learning (e-asTTle)
- implementation of a range of policies for students with special education needs including provision for increased rates for teacher aides, adjustments to ORRS funding levels, supplementary learning support and reducing challenging behaviour policies as well as settlement of several collective agreements
- integration of the Crown entity ECD from 1 October 2003
- ongoing implementation of new ECE regulatory and funding systems for the early childhood education sector as well as implementation of an ICT strategy
- initiatives to improve teacher capability focused on the capability of specialist teachers and teacher educators, and applying quality teaching practice.

Non-Departmental Expenditure 2001/02 - 2006/07

Non-departmental outputs

Figure 2 - Trends in non-departmental output expenditure



Source: Ministry of Education

Non-departmental output expenses show a steady growth over the period, principally owing to:

- additional resources to support curriculum initiatives and teacher professional development
- ICT initiatives including the laptops for teachers programme and increased professional development opportunities for the school and early childhood education sectors

- further development of programmes to support parenting and to promote participation in early childhood education
- growth in the industry training fund and other work-based education and training initiatives (for example, the Modern Apprenticeships and Gateway programmes)
- the Centres of Research Excellence (CoRE) initiative
- implementation of regional broadband Internet services (Project Probe) between 2003/04 and 2005/06
- steady growth in the cost of school transport services
- additional funding for careers services including improved career information
- activities of the TEC, which was established on 1 January 2003. This includes developing new steering, funding and support mechanisms for the sector as well as taking over resourcing functions from the Ministry of Education and continuing the functions of the former Skill New Zealand.

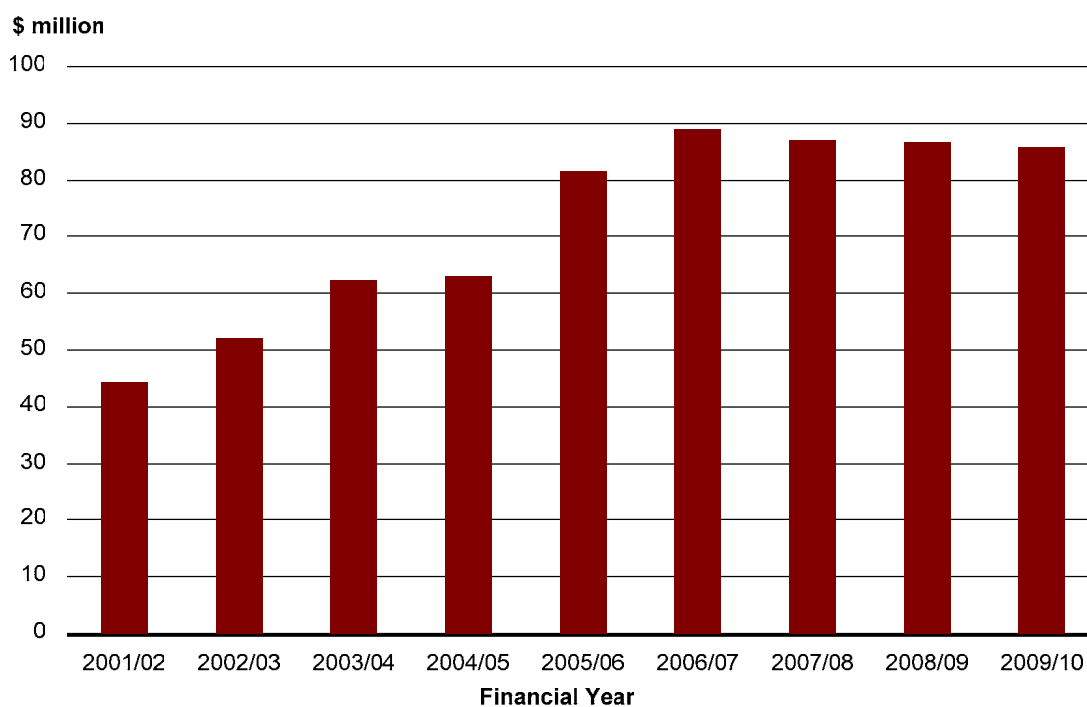
But this is partially offset by transferring the costs of SES to departmental output expenses during 2001/02 and 2002/03 after its merger with the Ministry from 28 February 2002.

Benefits and other unrequited expenses

Growth in benefit expenses is largely related to provision of tertiary doctoral and enterprise scholarships, trainee medical intern grants and initiatives to attract students to careers in teaching. The number of national study awards available to existing teachers has also risen steadily as a result of settlement of collective agreements.

International scholarships and awards were introduced in 2004/05 for academics, teachers and students to study abroad as well as expanding opportunities for top students to study here.

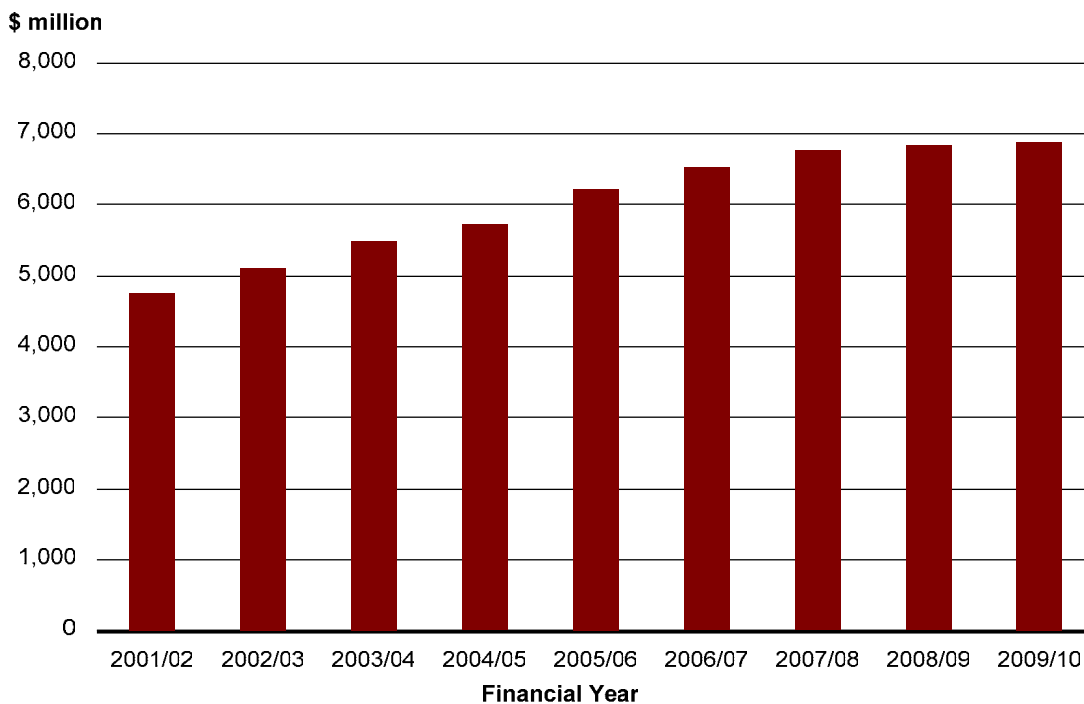
Figure 3 - Trends in benefits and other unrequited expenses



Source: Ministry of Education

Other expenses

Figure 4 - Trends in other expenses



Source: Ministry of Education

Other expense appropriations account for most funding under Vote Education. Increases in these appropriations for the period under review mainly reflect:

- roll-related increases in early childhood education sessional payments and school operations funding, as well as revised funding rates
- implementation of the early childhood education strategic plan with provision for a new funding framework from April 2005 including access to 20 hours free ECE from 2007 and provision for grants to assist community groups to upgrade their facilities
- provision for improved staffing in schools starting in 2001 following recommendations from the School Staffing Review Group. Changes for secondary teachers were completed in 2006 with changes for primary teachers to be completed by 2008
- the impact of wage settlements for teachers and principals
- increased numbers of tertiary students at the beginning of the period, with the growth rate declining significantly at the end owing to caps on certain courses and a limit placed upon sub-degree funding in the middle of 2005. There have also been increases in per-student funding provided to institutions to sustain quality while stabilising student fees and assistance to tertiary education institutions (TEI) for making strategic changes required by the new tertiary education environment
- promoting research through continued growth in targeted PBRF funding, as announced in 2003.

These increases are partially offset by transfers of ORRS funding to departmental output expenses when the Ministry became sole fundholder after the merger with SES.

Capital expenditure

The major changes in capital expenditure over the period relate to:

- investment in tertiary institutions including assistance to TEIs at financial risk and support for public/private ventures under the Partnerships for Excellence facility
- consideration for the inadequate capitalisation of wananga and provision for their future needs
- support for establishment of CoREs
- assistance for institutions to prepare for the new tertiary education environment envisaged by the Tertiary Education Strategy (TES)
- the sale of core teacher housing stock to schools and disposal of other housing assets with significant funding in 2004/05 and 2005/06
- investment in education Crown entities such as the TEC, Career Services and the NZQA.

The apparent reduction in the forecast years is mainly owing to most appropriations being determined only on an annual basis.

Revenue

Significant changes between years include recoveries from Crown entities, levies to support an export education industry body, recoveries from foreign fee-paying students and repayment of interest and principal on loans to TEIs. Withdrawals of equity are also shown following the merger of SES with the Ministry in 2001/02 and of Skill New Zealand with TEC in 2002/03 respectively.

The change between 2005/06 and 2006/07 (see Part F for details) is mainly owing to lower forecast recoveries required from Crown entities.

Impact on the Crown's Financial Performance and Position

The Crown's financial performance and position are recorded in the fiscal forecasts that appear in the Government's periodic *Economic and Fiscal Updates* and in the *Financial Statements of the Government of New Zealand* (B.3, B.6 and B.11). The nature of the impact of flows in Vote Education on the Crown's financial performance and position is outlined below.

Statement of financial performance

Appropriations for outputs, benefits and other expenses in this Vote contribute to Education Expenses (by functional classification).

Statement of financial position

Influences on the statement of financial position include:

- investment by the Crown in school property and Crown entities
- changes in accruals and prepayments arising from the timing of expenditure including advances to schools and early childhood education services, and teacher salaries including holiday pay.

Statement of cash flows

This statement reveals the cash impact of flows arising from operating, investing and financing activities (excluding non-cash expenses such as depreciation, provision for write-downs and asset revaluations).

The Crown's combined cash flow statement is also affected by cash movements generated by the Ministry from the sale and purchase of assets, principally in the property works programme.

New Policy Initiatives by Appropriation

Initiative	Appropriation as shown in Part B	\$000 increase/(decrease)				
		2005/06	2006/07	2007/08	2008/09	2009/10
2006/07 School Property Business Case	Capital Expenditure - Schools Furniture and Equipment	20,000	10,962	2,981	2,212	-
	Departmental Output Expense - Provision of School Sector Property	-	7,103	14,618	14,618	14,618
	Other Expenses to be Incurred by the Crown - Integrated Schools Property	-	3,811	725	725	725
	Other Expenses to be Incurred by the Crown - Primary Education	-	58	217	308	449
	Impact on Net Asset Schedule - Capital Investment	-	127,000	-	-	-
2007 School Staffing Improvements	Capital Expenditure - Schools Furniture and Equipment	-	531	-	-	-
	Departmental Output Expense - Administration of Education Sector Resourcing	-	46	63	63	63
	Departmental Output Expense - Provision of School Sector Property	-	418	604	604	604
	Other Expenses to be Incurred by the Crown - Primary Education	-	10,935	25,790	25,800	25,800
	Impact on Net Asset Schedule - Capital Investment	-	5,247	-	-	-
Aligning Student Support with Funded Qualifications	Other Expenses to be Incurred by the Crown - Tertiary Education and Training	-	734	1,644	1,881	1,972
Annual Adjustment to Schools' Operational Funding	Non-Departmental Output Expense - Curriculum Support	-	52	104	104	104
	Other Expenses to be Incurred by the Crown - Primary Education	-	7,089	13,923	13,943	14,078
	Other Expenses to be Incurred by the Crown - Secondary Education	-	5,226	10,348	10,332	10,337
	Other Expenses to be Incurred by the Crown - Special Needs Support	-	1,428	2,846	2,846	2,847
Better Tertiary Education and Trade Training Decisions	Non-Departmental Output Expense - Provision of Information and Advisory Services	-	2,520	3,396	3,396	3,413
Bonded Merit Scholarships Increased to 1,000	Departmental Output Expense - Policy Advice	-	-	60	-	-
Books in Homes	Non-Departmental Output Expense - Curriculum Support	-	84	168	252	252
Building Research Capability in Strategically Relevant Areas	Other Expenses to be Incurred by the Crown - Capability Development Funds	-	2,341	2,341	2,340	-
Capability Development Funds	Capital Expenditure - Capability Development Funds - Capital	-	-	(6,222)	(6,222)	(6,222)
Carter Observatory	Non-Departmental Output Expense - Curriculum Support	-	125	-	-	-

Initiative	Appropriation as shown in Part B	\$'000 increase/(decrease)				
		2005/06	2006/07	2007/08	2008/09	2009/10
Crown Response to Universal College of Learning's Request for Crown Assistance	Capital Expenditure - UCOL	-	3,000	-	-	-
	Other Expenses to be Incurred by the Crown - Tertiary Education and Training	1,500	1,500	-	-	-
Developing an Outcomes Framework for Bilingual (Māori-English) Education	Departmental Output Expense - Policy Advice	-	264	240	-	-
Domestic Status for New International Doctoral Students	Other Expenses to be Incurred by the Crown - Performance Based Research Fund	1,250	2,500	2,500	2,500	2,500
Early Childhood Education Funding Sustainability Adjustment	Other Expenses to be Incurred by the Crown - Early Childhood Education	-	7,081	7,374	7,613	7,723
Education (Hostels) Regulations 2005	Departmental Output Expense - Administration of Education Regulations	-	120	10	10	94
Education for Sustainability (Environmental Education)	Non-Departmental Output Expense - Professional Development and Support	-	1,023	3,261	4,407	4,407
Enrolment Management System	Departmental Output Expense - Administration of Education Regulations	-	227	2,651	1,982	1,982
	Impact on Net Asset Schedule - Capital Investment	-	850	3,635	-	-
Enterprise Scholarship Savings	Benefits and Other Unrequited Expenses - Tertiary Scholarships	(6,064)	(4,064)	(4,064)	(4,064)	(4,064)
Establishment of the Advanced Network and Capability Building by Users	Capital Expenditure - Capability Development Funds - Capital	(7,376)	-	-	-	-
Expanding Gateway Opportunities to all State Secondary Schools	Non-Departmental Output Expense - Management of Grants and Contracts	-	930	930	930	459
	Non-Departmental Output Expense - Training for Designated Groups	-	(385)	1,367	1,933	1,933
Expansion of Te Kotahitanga Professional Development Programme	Departmental Output Expense - Purchasing of Services on Behalf of the Crown	60	120	60	-	-
	Non-Departmental Output Expense - Professional Development and Support	1,222	4,107	3,220	-	-
Expansion of Te Kotahitanga: Improving Māori Education	Departmental Output Expense - Purchasing of Services on Behalf of the Crown	-	-	73	103	103
	Non-Departmental Output Expense - Management of Grants and Contracts	-	(100)	(333)	(334)	(337)
	Non-Departmental Output Expense - Professional Development and Support	-	-	1,810	4,381	4,470
	Benefits and Other Unrequited Expenses - Māori and Pacific Island Scholarships and Bursaries	-	(2,100)	(4,597)	(4,655)	(4,690)
Expansion of the Virtual Learning Network	Departmental Output Expense - Provision of Information	-	346	293	173	-

Initiative	Appropriation as shown in Part B	\$000 increase/(decrease)				
		2005/06	2006/07	2007/08	2008/09	2009/10
Free Early Childhood Education Extension and Implementation	Departmental Output Expense - Administration of Education Sector Resourcing	-	2,112	2,307	1,781	680
	Departmental Output Expense - Provision of Information	-	522	50	-	-
	Other Expenses to be Incurred by the Crown - Early Childhood Education	-	-	56,498	59,458	63,667
Funding Changes for All Day Kindergartens	Departmental Output Expense - Administration of Education Sector Resourcing	-	-	119	119	119
Funding Increase for the Ongoing and Reviewable Resourcing Schemes and Behaviour Initiative	Departmental Output Expense - Special Education Services	-	1,116	2,231	2,231	2,231
Funding Industry Training Growth	Non-Departmental Output Expense - Training for Designated Groups	-	2,222	4,444	4,444	4,444
Funding Some Students with Physical Disabilities	Other Expenses to be Incurred by the Crown - Special Needs Support	-	900	900	-	-
Funding Tertiary Education Provision for Dental Therapists and Undergraduate Veterinary Science	Other Expenses to be Incurred by the Crown - Tertiary Education and Training	779	1,631	1,728	1,756	1,756
Funding the Transfer of Wanganui Polytechnic Rangahaua Programmes to Te Wananga o Raukawa	Capital Expenditure - Rangahaua	2,122	-	-	-	-
Furniture and Equipment Funding for Integrated Schools	Other Expenses to be Incurred by the Crown - Integrated Schools Property	4,000	1,000	1,000	1,000	1,000
Further Savings in Tertiary Education	Benefits and Other Unrequited Expenses - Tertiary Scholarships	(1,000)	-	-	-	-
	Non-Departmental Output Expense - Developing Strategic Coherence Across the Tertiary Sector	(2,696)	2,400	296	-	-
	Non-Departmental Output Expense - Training for Designated Groups	(7,022)	-	-	-	-
	Other Expenses to be Incurred by the Crown - Adult and Community Education	(979)	-	-	-	-
	Other Expenses to be Incurred by the Crown - Tertiary Education and Training	(6,666)	-	-	-	-
Gifted and Talented Student Initiatives: Additional Resources	Non-Departmental Output Expense - Curriculum Support	250	500	500	350	200
Group Special Education Field Staff Settlement: Appropriations	Departmental Output Expense - Special Education Services	1,504	3,368	5,145	5,674	5,769
Group Special Education Service Pressures	Departmental Output Expense - Special Education Services	-	1,131	1,345	1,345	1,345
Group Special Education Support Workers' Settlement: Appropriations	Departmental Output Expense - Special Education Services	241	277	277	277	277
Interim Funding to Rural Education Activities Programmes	Non-Departmental Output Expense - Curriculum Support	-	260	260	-	-

Initiative	Appropriation as shown in Part B	\$000 increase/(decrease)				
		2005/06	2006/07	2007/08	2008/09	2009/10
International Education: Promotional Activities in India	Non-Departmental Output Expense - Provision of Information and Advisory Services	350	-	-	-	-
Investment in Ministry of Education Document Management and Web Infrastructure	Departmental Output Expense - Administration of Education Regulations	45	178	228	228	228
	Departmental Output Expense - Administration of Education Sector Resourcing	157	617	790	790	790
	Departmental Output Expense - Ministerial Services	15	58	74	74	74
	Departmental Output Expense - Ownership Advice on Public Education Sector Entities	74	290	371	371	371
	Departmental Output Expense - Policy Advice	111	435	557	557	557
	Departmental Output Expense - Provision of Information	193	2,048	2,367	2,367	2,367
	Departmental Output Expense - Provision of School Sector Property	29	116	148	148	148
	Departmental Output Expense - Provision of Teacher and Caretaker Housing	1	4	5	5	5
	Departmental Output Expense - Purchasing of Services on Behalf of the Crown	29	116	148	148	148
	Departmental Output Expense - Special Education Services	499	1,965	2,515	2,515	2,515
Learning and Achievement for Pasifika in the Mainstream	Departmental Output Expense - Provision of Information	-	541	1,055	1,618	1,618
Learning Experiences Outside the Classroom (LEOTC)	Non-Departmental Output Expense - Curriculum Support	-	156	156	156	-
Learning for Living: Literacy, Numeracy and Language for Adults	Benefits and Other Unrequited Expenses - Tertiary Scholarships	360	720	720	720	720
	Departmental Output Expense - Policy Advice	644	914	590	123	123
	Departmental Output Expense - Provision of Information	150	250	-	-	-
	Non-Departmental Output Expense - Management of Grants and Contracts	253	303	303	253	253
	Non-Departmental Output Expense - Stewardship of the New Zealand Qualifications System	200	200	-	-	-
	Other Expenses to be Incurred by the Crown - Tertiary Education and Training	6,150	11,650	13,300	13,300	13,300
Modern Apprenticeships Expansion	Non-Departmental Output Expense - Management of Grants and Contracts	-	950	950	950	950
	Non-Departmental Output Expense - Training for Designated Groups	-	2,288	7,001	10,567	10,741

Initiative	Appropriation as shown in Part B	\$000 increase/(decrease)				
		2005/06	2006/07	2007/08	2008/09	2009/10
New Zealand School of Dance and Toi Whakaari: New Zealand Drama School: Additional Funding	Other Expenses to be Incurred by the Crown - Tertiary Education and Training	531	353	408	464	464
Partnerships for Excellence - 2004/2006 Partnership Proposals	Capital Expenditure - Agriculture and Life Sciences Partnership	8,950	-	-	-	-
	Capital Expenditure - National Institute of Innovation in ICT	-	3,000	5,000	1,700	-
	Capital Expenditure - Institute of Technology TradeFIT	300	580	3,814	-	-
	Capital Expenditure - Future - Focused New Zealand Equine Industry	5,000	-	-	-	-
	Capital Expenditure - National Institute for Health Innovation	-	7,000	-	-	-
	Capital Expenditure - Centre for Plastics Innovation and Technology	-	1,500	2,000	1,000	500
Performance Based Research Fund - Additional Funding	Other Expenses to be Incurred by the Crown - Performance Based Research Fund	-	3,388	6,775	6,775	6,775
Pilot for Senior Subject Advisor Service	Departmental Output Expense - Provision of Information	-	530	220	-	-
	Non-Departmental Output Expense - Professional Development and Support	-	1,880	1,870	-	-
Playcentre Funding Adjustment	Departmental Output Expense - Administration of Education Sector Resourcing	-	3	3	3	3
	Other Expenses to be Incurred by the Crown - Early Childhood Education	-	538	896	1,254	1,254
PROBE Satellite - Broadband Over Satellite	Non-Departmental Output Expense - Curriculum Support	-	350	350	-	-
Project Early	Departmental Output Expense - Special Education Services	-	46	29	29	-
	Non-Departmental Output Expense - Supporting Parenting	-	91	179	179	90
Project Kaikohe	Non-Departmental Output Expense - Supporting Parenting	-	111	111	111	111
Quality Careers Advice for Students	Departmental Output Expense - Provision of Information	-	237	382	203	-
	Departmental Output Expense - Purchasing of Services on Behalf of the Crown	-	282	266	220	-
	Non-Departmental Output Expense - Provision of Information and Advisory Services	-	1,943	2,701	1,356	-

Initiative	Appropriation as shown in Part B	\$'000 increase/(decrease)				
		2005/06	2006/07	2007/08	2008/09	2009/10
Reprioritisation of Education Expenditure	Benefits and Other Unrequited Expenses - National Study Awards	(301)	-	-	-	-
	Departmental Output Expense - Administration of Education Sector Resourcing	-	(644)	(644)	(644)	(644)
	Departmental Output Expense - Provision of Information	-	(1,075)	(1,431)	(1,431)	(350)
	Departmental Output Expense - Provision of School Sector Property	-	(9,336)	(9,336)	(9,336)	(9,336)
	Departmental Output Expense - Special Education Services	-	(4,153)	(3,463)	(2,768)	(2,768)
	Non-Departmental Output Expense - Curriculum Support	-	(454)	(435)	(435)	(435)
	Non-Departmental Output Expense - Professional Development and Support	(1,342)	(2,289)	(4,073)	(7,604)	(6,054)
	Other Expenses to be Incurred by the Crown - Early Childhood Education	(859)	(11,259)	(15,259)	(859)	(859)
	Other Expenses to be Incurred by the Crown - Primary Education	(1,427)	(1,178)	(1,178)	(1,178)	(1,178)
	Other Expenses to be Incurred by the Crown - Secondary Education	(1,300)	(1,300)	(1,300)	(1,300)	(1,300)
	Other Expenses to be Incurred by the Crown - Special Needs Support	(792)	(3,375)	(2,925)	(2,295)	(2,295)
	Benefits and Other Unrequited Expenses - Study Abroad Awards	(92)	-	-	-	-
	Non-Departmental Output Expense - Supporting Parenting	(243)	(434)	(434)	(434)	(434)
	Other Expenses to be Incurred by the Crown - Schooling Improvement	(2,700)	(550)	(550)	(300)	(300)
	Benefits and Other Unrequited Expenses - Mapihi Pounamu	(400)	-	-	-	-
	Benefits and Other Unrequited Expenses - Teacher Trainee Scholarships	(234)	(234)	(234)	(234)	(234)
School Support Services (SSS) Baseline Funding	Non-Departmental Output Expense - Professional Development and Support	-	870	1,740	1,740	1,740
Schooling Strategy	Departmental Output Expense - Provision of Information	438	-	-	-	-
Schools Collective Agreements and Extension of Diploma in Specialist Subjects (Secondary Teacher)	Benefits and Other Unrequited Expenses - National Study Awards	595	-	-	-	-
	Departmental Output Expense - Administration of Education Sector Resourcing	20	-	-	-	-
	Non-Departmental Output Expense - Professional Development and Support	832	-	-	-	-
	Other Expenses to be Incurred by the Crown - Adult and Community Education	300	300	300	300	300
	Other Expenses to be Incurred by the Crown - Secondary Education	2,500	2,500	-	-	-
	Other Expenses to be Incurred by the Crown - Special Needs Support	500	500	500	500	500

Initiative	Appropriation as shown in Part B	\$000 increase/(decrease)				
		2005/06	2006/07	2007/08	2008/09	2009/10
Schools Information and Communication Technology Network Infrastructure Upgrade	Departmental Output Expense - Provision of School Sector Property	235	115	-	-	-
Schools Integrated Data	Departmental Output Expense - Administration of Education Sector Resourcing	1,396	1,617	1,352	1,352	1,352
	Impact on Net Asset Schedule - Capital Investment	2,750	1,225	-	-	-
Schools Payroll Project Cluster Stage 1	Departmental Output Expense - Administration of Education Sector Resourcing	5,469	11,605	13,910	8,085	6,687
	Impact on Net Asset Schedule - Capital Investment	7,038	16,440	5,857	1,734	-
Secondary Futures	Departmental Output Expense - Policy Advice	-	1,226	1,171	1,136	-
Sector ICT Shared Services	Departmental Output Expense - Administration of Education Sector Resourcing	-	3,485	3,238	3,238	3,238
	Impact on Net Asset Schedule - Capital Investment	-	3,000	1,500	-	-
Special Education Local Coordinators	Departmental Output Expense - Special Education Services	-	647	1,424	1,305	1,305
Survey of Special Education Resourcing	Departmental Output Expense - Policy Advice	-	271	519	-	-
Tackling Disruptive Behaviour in Schools	Departmental Output Expense - Administration of Education Sector Resourcing	-	229	308	291	291
	Departmental Output Expense - Policy Advice	-	269	81	-	-
	Departmental Output Expense - Provision of Information	-	250	50	-	-
	Departmental Output Expense - Special Education Services	-	533	436	90	-
	Non-Departmental Output Expense - Professional Development and Support	-	-	285	285	-
	Other Expenses to be Incurred by the Crown - Special Needs Support	-	500	1,000	2,000	2,000
Te Wananga o Aotearoa: Short Term Crown Loan	Capital Expenditure - Te Wananga o Aotearoa	4,000	4,000	-	-	-
Tertiary Education Sub-Degree Provision: Adult and Community Education and Short Awards	Other Expenses to be Incurred by the Crown - Adult and Community Education	17,778	26,667	17,778	17,778	17,778
	Other Expenses to be Incurred by the Crown - Tertiary Education and Training	(34,984)	(67,903)	(66,636)	(67,970)	(67,970)

Initiative	Appropriation as shown in Part B	\$'000 increase/(decrease)				
		2005/06	2006/07	2007/08	2008/09	2009/10
Tertiary Education Sub-Degree Provision: Managing the Change and Reinvestment	Departmental Output Expense - Ownership Advice on Public Education Sector Entities	1,500	1,500	1,500	-	-
	Departmental Output Expense - Policy Advice	173	154	129	104	104
	Non-Departmental Output Expense - Developing Strategic Coherence Across the Tertiary Sector	600	600	600	600	600
	Non-Departmental Output Expense - Stewardship of the New Zealand Qualifications System	826	1,076	951	951	951
	Non-Departmental Output Expense - Training for Designated Groups	5,045	14,252	17,778	17,778	17,778
	Other Expenses to be Incurred by the Crown - Tertiary Education and Training	28,889	22,223	22,223	22,223	22,223
Tertiary Education Sub-Degree Provision: Student Component Funding	Other Expenses to be Incurred by the Crown - Tertiary Education and Training	(14,233)	(39,798)	(65,125)	(82,348)	(82,348)
The Correspondence School: Additional Grant	Other Expenses to be Incurred by the Crown - Primary Education	320	-	-	-	-
	Other Expenses to be Incurred by the Crown - Secondary Education	747	-	-	-	-
The Correspondence School: Additional Operational Funding	Other Expenses to be Incurred by the Crown - Primary Education	391	-	-	-	-
	Other Expenses to be Incurred by the Crown - Secondary Education	1,309	-	-	-	-
The Le@rning Federation - Extension	Departmental Output Expense - Administration of Education Sector Resourcing	-	1,387	1,367	1,366	-
Transfer of Funds from the Export Education Levy Trust Account	Non-Departmental Output Expense - Tertiary and International Advisory Services	-	450	-	-	-
Upskilling the Workforce	Benefits and Other Unrequited Expenses - Tertiary Scholarships	-	800	800	800	-
	Departmental Output Expense - Provision of Information	-	-	(972)	(972)	(972)
	Non-Departmental Output Expense - Management of Grants and Contracts	-	280	1,112	1,142	1,112
	Non-Departmental Output Expense - Stewardship of the New Zealand Qualifications System	-	75	320	320	170
	Non-Departmental Output Expense - Training for Designated Groups	-	1,000	2,000	4,600	7,400
	Other Expenses to be Incurred by the Crown - Tertiary Education and Training	-	1,000	2,000	2,000	2,000
Wellington Institute of Technology: Crown Loan Request	Capital Expenditure - WelTec	9,000	-	-	-	-
Western Institute of Technology at Taranaki: Crown Loan Request	Capital Expenditure - Western Institute of Technology at Taranaki	4,800	5,200	-	-	-
Total Initiatives		63,710	246,463	153,652	126,410	119,265

Part B - Statement of Appropriations

Summary of Financial Activity

	2001/02	2002/03	2003/04	2004/05	2005/06		2006/07 Appropriations to be Used				2007/08	2008/09	2009/10	
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budget \$000	Estimated Actual \$000	By the Department Administering the Vote		For Non-Departmental Transactions		Total \$000	Estimated \$000	Estimated \$000	Estimated \$000
							Annual \$000	Other \$000	Annual \$000	Other \$000				
Appropriations														
Output Expenses	1,374,678	1,610,991	1,788,969	1,928,501	2,165,350	2,163,442	1,497,802	-	705,276	-	2,203,078	2,222,742	2,210,199	2,209,337
Benefits and Other Unrequited Expenses	44,436	52,038	62,431	62,880	81,671	81,671	N/A	N/A	89,083	-	89,083	86,954	86,767	85,932
Borrowing Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Other Expenses	4,818,876	5,160,338	5,549,113	5,787,705	6,258,751	6,231,378	-	-	6,587,441	-	6,587,441	6,827,540	6,887,296	6,944,726
Capital Expenditure	102,908	112,731	57,182	150,870	136,241	130,458	N/A	N/A	89,477	-	89,477	28,031	18,148	11,736
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	-	N/A	N/A	-	-	-	-
Total Appropriations	6,340,898	6,936,098	7,457,695	7,929,956	8,642,013	8,606,949	1,497,802	-	7,471,277	-	8,969,079	9,165,267	9,202,410	9,251,731
Crown Revenue and Receipts														
Tax Revenue	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-
Non-Tax Revenue	15,880	14,307	18,222	51,944	56,574	56,574	N/A	N/A	N/A	N/A	49,168	49,056	49,028	49,312
Capital Receipts	10,637	7,913	2,100	1,400	23,054	23,054	N/A	N/A	N/A	N/A	24,347	1,704	5,395	400
Total Crown Revenue and Receipts	26,517	22,220	20,322	53,344	79,628	79,628	N/A	N/A	N/A	N/A	73,515	50,760	54,423	49,712

Part B1 - Details of Appropriations

Appropriations	2005/06				2006/07		Scope of 2006/07 Appropriations
	Budget		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Departmental Output Expenses (General)							
Administration of Education Regulations (M26)	13,288	-	13,288	-	13,576		- Administration of legislative and regulatory controls in the education system focused on protecting the rights of students, parents and other caregivers. This includes licensing early childhood education (ECE) services, registering and integrating private schools and processing applications for various exemptions. It also includes ensuring that children and young people (aged 6 to 16) are enrolled in registered schools. Reason for Change: Mainly relating to implementation of the Student Enrolment and Data Exchange programme.
Administration of Education Sector Resourcing (M26)	77,857	-	76,689	-	85,556		- Administering the distribution of resources to education service providers, consumers (students, parents and other caregivers) and employees of State and integrated schools. This involves determining the appropriate level of resources, delivery of those resources (both in cash and in kind) and monitoring ongoing eligibility. Also included are an education payroll service, an e-administration support service for schools, support to improve access to responsive, quality early childhood education services, a risk-management scheme for school contents, and industrial relations services. Reason for Change: Mainly for ongoing implementation of a schools' payroll project (\$6.1m increase), provision for shared ICT services for education sector agencies (\$3.5m increase) and implementation and systems development for the 20 free hours of ECE funding policy (\$2.1m increase). These are partially offset by no further delivery planned for the Atawhaingia Te Pa Harakeke (Nurture the Family) programme (\$1.1m decrease) and one-off funding adjustments in 2005/06 (\$1.4m decrease).
Ministerial Services (M26)	3,659	-	3,659	-	3,339		- Purchase of services and support to assist the Minister to meet his obligations to Parliament primarily through drafting replies to questions and inquiries put to the Minister and Associate(s), or responding to inquiries directly, as requested by the Minister. Reason for Change: Transfer of funds to new output expense Tertiary and International Policy and Ownership Advice.

Appropriations	2005/06				2006/07		Scope of 2006/07 Appropriations
	Budget		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Ownership Advice on Public Education Sector Entities (M26)	20,063	-	20,063	-	17,303	-	<p>Purchase of ownership advice on education sector entities including judgements about long-run and strategic capability, and the educational and financial viability of individual entities, and collectively as a portfolio. This also involves negotiating and monitoring ownership accountability documents, and working with governing bodies and management. Managing the establishment, closure and merger of public education sector entities is also included.</p> <p>Reason for Change: Mainly transfer of funds to new output expense Tertiary and International Policy and Ownership Advice (\$2.7m decrease).</p>
Policy Advice (M26)	39,991	-	39,991	-	31,128	-	<p>Purchase of policy advice in relation to the regulatory and policy frameworks for the education system as a whole, learning outcomes including curriculum matters, assessment approaches and qualifications, resourcing arrangements for providers and individuals within the education system, and governance and management arrangements for State-owned providers.</p> <p>Reason for Change: Mainly owing to the transfer of some programmes to new output expense Tertiary and International Policy and Ownership Advice (\$9.5m decrease) and reductions related to a range of other policy work (\$2.3m decrease). These are partially offset by planned increases related to existing projects (\$0.7m increase), some new work (\$1.2m increase) and ongoing investment in Ministry infrastructure (\$1.0m increase).</p>
Provision of Information (M26)	56,821	-	56,531	-	53,023	-	<p>Provision of information services as a specific government intervention to address information gaps and other inequalities among consumers and providers of education services. This information is intended to improve education-related decision-making by students, parents and other caregivers to better inform expectations about students' learning and achievement, and to strengthen provider capability and make them more responsive to learners. This also involves the provision of information to people interested in careers as teachers.</p> <p>Reason for Change: Transfers to new tertiary and international education output expenses (\$10.8m decrease) partially offset by increases for continued development of an electronic, Internet-based version of Assessment Tools for Teaching and Learning (e-asTTle) (\$1.4m increase); new initiatives (\$2.1m increase), ongoing investment in Ministry infrastructure (\$2.0m increase), and one-off funding adjustments in 2005/06 (\$1.0m increase).</p>

Appropriations	2005/06				2006/07		Scope of 2006/07 Appropriations
	Budget		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Provision of School Sector Property (M26)	1,102,244	-	1,102,244	-	1,068,120	-	<p>- Providing the property portfolio for the State school sector by managing the existing property portfolio through the Works Programme, focusing on upgrades and improvements to maintain the current quality of the portfolio (see Note 1). This also includes purchasing and constructing new property to meet the demands of schooling or demographic change.</p> <p>Reason for Change: Mainly owing to changes in capital charge including a change in the rate (\$45.6m decrease) partially offset by continuing investment in school property assets (\$6.8m increase).</p>
Provision of Teacher and Caretaker Housing (M26)	17,102	-	17,102	-	15,540	-	<p>- Managing rental housing provided to teachers, principals and caretakers. This includes property maintenance, rent collection, administration of the teacher housing pool and the identification and disposal of surplus housing (see Note 2).</p> <p>Reason for Change: Mainly reduced capital charge owing to a combination of the effect of transferring houses to school boards of trustees (\$0.7m decrease) and a lower rate of capital charge applying in 2006/07 (\$0.7m decrease).</p>
Purchasing of Services on Behalf of the Crown (M26)	12,093	-	12,093	-	11,593	-	<p>- Facilitating the purchase of services from third parties by the Minister. This includes advising on purchasing strategies, negotiating terms and conditions of purchase agreements with a range of education service providers and monitoring and reporting on the performance of the provider.</p>
Special Education Services (M26)	166,200	-	166,100	-	172,981	-	<p>- Provides a nationally coordinated network to assist children and young people with special education and developmental needs to participate and be included successfully in their education facility and community, achieve to the best of their ability, and develop the skills and confidence to participate in society.</p> <p>Reason for Change: Mainly owing to a combination of increased investment in Ministry infrastructure (\$2.3m increase), increased services in the early childhood education sector (\$2.8m increase), impact of recent collective agreements for support workers and field staff (\$1.9m increase), provision to offset other funding pressures and maintain service levels (\$1.1m increase), partially offset by adjustments to funding for the Ongoing and Reviewable Resourcing Schemes, Behaviour Initiative and Supplementary Learning Support programmes (\$1.8m decrease).</p>
Tertiary and International Policy and Ownership Advice (M68)	-	-	-	-	16,634	-	<p>- Provision of policy advice and research in regard to the tertiary and international education sectors and issues; ownership, purchase and monitoring advice in regard to delivery agencies for those sectors and tertiary Crown entities, and ministerial services.</p> <p>Reason for Change: A new appropriation in 2006/07.</p>

	2005/06				2006/07		Scope of 2006/07 Appropriations
	Budget		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Appropriations							
Tertiary Information Services (M68)	-	-	-	-	9,009	-	- Provision of information services as a specific government intervention to address information gaps and other inequalities among consumers and providers of tertiary and international education services. Reason for Change: A new appropriation in 2006/07.
Total Departmental Output Expenses (General)	1,509,318	-	1,507,760	-	1,497,802	-	
Non-Departmental Output Expenses							
Administration of National Assessment for Secondary Qualifications (M26)	25,501	-	25,501	-	25,324	-	- Provision for the New Zealand Qualifications Authority (NZQA) to oversee the setting of standards for qualifications in secondary schools and setting and conducting examinations and assessments.
Centres of Research Excellence (M68)	-	-	-	-	22,745	-	- Purchase of cooperative and collaborative tertiary research through the contestable Centres of Research Excellence (CoRE) Fund. Reason for Change: This funding was previously appropriated under Output Expense Education Research Initiatives.
Curriculum Support (M26)	67,190	-	67,190	-	62,423	-	- Purchase of supplementary educational programmes for schools and communities to ensure wider access to these opportunities. Reason for Change: Mainly owing to provision for the school software licensing agreements being for the six months to the end of 2006.
Developing Strategic Coherence Across the Tertiary Sector (M68)	18,110	-	17,760	-	24,236	-	- Development, evaluation and implementation by the Tertiary Education Commission (TEC) of a range of steering and support mechanisms for the tertiary education sector. This is to give effect to the Tertiary Education Strategy (TES) and Statement of Tertiary Education Priorities (STEP) and improve the focus, connectivity and capacity of the sector. Reason for Change: Mainly owing to delays in programmes from 2005/06 for implementing a new centre for tertiary teaching excellence (\$3.6m increase) and changes to tertiary education funding and regulation (\$1.5m increase).
Education Research Initiatives (M26)	25,879	-	25,879	-	3,230	-	- Purchase of research about teaching and learning in our educational institutions and independent research on education issues, policies and practices. Reason for Change: Funding related to CoREs has been transferred to a separate Output Expense appropriation Centres of Research Excellence.
Management of Grants and Contracts (M68)	13,680	-	13,680	-	13,334	-	- Contract negotiation and management services on behalf of the Crown for the delivery of tertiary education and training programmes, including allocation and disbursement of funds and monitoring the performance of providers against contracts and agreements.

Appropriations	2005/06				2006/07		Scope of 2006/07 Appropriations
	Budget		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Professional Development and Support (M26)	105,062	-	105,062	-	108,217	-	<p>Delivery of professional development and advisory support to staff, managers and parents in ECE services and in schools, to support effective teaching and enhance self-management.</p> <p>Reason for Change: A combination of increases for school advisory services (\$2.7m increase), continuing Te Kotahitanga project (\$2.0m increase), implementing an ICT strategy for ECE (\$1.2m increase), and literacy, numeracy and education for sustainability programmes (\$2.6m increase), partially offset by funding related to 2005/06 only for Diploma in Specialist Subjects (Secondary Teacher) (\$2.3m decrease) and implementation of a professional learning strategy (\$3.1m decrease).</p>
Provision of Information and Advisory Services (M26)	29,232	-	29,232	-	25,307	-	<p>Providing information on the government's education policy and programmes and general information, advisory programmes and services to the public, community groups, industry and the education community.</p> <p>Reason for Change: A combination of transfers to new Output Expense appropriation Tertiary and International Advisory Services (\$5.8m decrease), other planned reductions in funding for these programmes (\$1.7m decrease) partially offset by additional funding for Career Services programmes (\$3.6m increase).</p>
School Transport (M26)	117,022	-	117,022	-	118,098	-	<p>Purchase of services to transport eligible students to and from State and integrated schools. Also included are payments to schools that manage their own transport services and payments to parents/caregivers to compensate for the costs of taking children to school where other transport services are unsuitable or unavailable.</p>
Stewardship of the New Zealand Qualifications System (M26)	11,138	-	11,138	-	10,661	-	<p>Provision of services by NZQA to support the qualifications system, including the development, implementation and maintenance of arrangements for national qualifications, including the Register of Quality Assured Qualifications, and development and management of quality assurance processes.</p>
Supporting Parenting (M26)	20,918	-	20,918	-	21,057	-	<p>Purchasing programmes, such as Parents as First Teachers (PAFT) and Family Start, and advice and support, which enhance the role of parents/caregivers in the development of their children and promote the value of quality early childhood education experiences.</p>
Tertiary and International Advisory Services (M68)	-	-	-	-	8,110	-	<p>Providing information and advisory services in respect to tertiary education and international education policies and programmes to the public, community groups, industry, the education community, Crown entities and other government departments.</p> <p>Reason for Change: A new appropriation in 2006/07.</p>

	2005/06				2006/07		
	Budget		Estimated Actual		Vote		
Appropriations	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	Scope of 2006/07 Appropriations
Training for Designated Groups (M68)	222,300	-	222,300	-	262,534	-	- Purchasing training linked to the National Qualifications Framework and the purchase of both on-job and off-job training places including delivery of fully or partially funded training places. Reason for Change: Mainly owing to increased demand for industry training places and modern apprenticeships as well as ongoing expansion of Gateway.
Total Non-Departmental Output Expenses	656,032	-	655,682	-	705,276	-	
Benefits and Other Unrequited Expenses							
Boarding Allowances and Bursaries (M26)	8,226	-	8,226	-	8,425	-	- Provides an annual allowance to subsidise boarding fees and some travel costs of primary and secondary students who must live away from home to receive their education, either because of the distance of the nearest school or bus service from their home, or because certain approved subjects are not available at their local school. Bursaries are awarded according to the School Boarding Bursaries Regulations 1972.
Home Schooling Allowances (M26)	4,434	-	4,434	-	5,334	-	- Provides an allowance payable to parents/caregivers of children in full-time correspondence programmes for primary and secondary education and to parents/caregivers of children receiving their primary and secondary education at home (where a certificate of exemption from enrolment has been approved under section 21 of the Education Act 1989). Reason for Change: One-off savings in 2005/06.
International Student Scholarship Scheme (M68)	2,408	-	2,408	-	3,740	-	- Scholarships available to international students wishing to study in New Zealand. Details of the criteria and selection process for the scheme are available from Education New Zealand. Reason for Change: planned increases in funding as the programme builds.
Māori and Pacific Island Scholarships and Bursaries (M68)	5,507	-	5,507	-	3,407	-	- Programmes to provide scholarships and bursaries to Māori and Pasifika students, according to established criteria. The programmes include Manaaki Tauria, Māori Education Trust and Polynesian and Pacific Island Education Foundation Scholarships, Ngarimu VC and Māori Battalion Memorial Scholarship Fund and Māori and Polynesian Scholarships. Reason for Change: A reduction in Manaaki Tauria as the programme is wound down.
Mapihi Pounamu (M26)	2,850	-	2,850	-	3,250	-	- Assistance to at-risk secondary school-aged students aged 14 and above, who face barriers to learning to ensure that they participate and achieve in education. The scheme is administered by the Ministry of Education. Reason for Change: One-off savings in 2005/06.

	2005/06				2006/07		
	Budget		Estimated Actual		Vote		
Appropriations	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	Scope of 2006/07 Appropriations
National Study Awards (M26)	21,658	-	21,658	-	22,135	-	- Provision for the costs of study awards, sabbaticals and fellowships for teachers, including replacement of the teacher while on study leave. Awards include those linked to teachers' collective agreements and approved prestigious awards. Priorities, criteria and selection processes are published by the Ministry of Education.
Queen Elizabeth II Study Awards (M68)	100	-	100	-	100	-	- Awards for training assistance in a Commonwealth country provided to technicians under The Queen Elizabeth II Technicians' Study Award Act 1970.
Remission of Fees (M26)	1,235	-	1,235	-	-	-	- For student examination fees remitted in cases of hardship. Reason for Change: This funding is now appropriated as an Other Expense.
Study Abroad Awards (M68)	1,394	-	1,394	-	2,543	-	- Awards granted to provide assistance to top scholars, researchers and teachers to undertake placements abroad and to participate in reciprocal education exchange arrangements with partner countries in selected areas of priority study, teaching and research. The criteria and selection process are available from Education New Zealand and AFS Intercultural Programmes New Zealand. Reason for Change: Increases in funding as the programmes expand as planned.
Targeted Education and Training Grants (M68)	80	-	80	-	80	-	- Initiatives to provide living support for students at risk who need to move away from home to pursue alternative education options. The criteria and process for these grants are available from the Tertiary Education Commission.
Targeted Individual Entitlement (M26)	57	-	57	-	-	-	- Provides assistance to students from low-income families to attend private schools. The programme has ended but current recipients will continue to be assisted until the end of their studies. Reason for Change: There is no appropriation in 2006/07.
Teacher Trainee Scholarships (M26)	14,315	-	14,315	-	14,542	-	- Scholarships and allowances for students undertaking teacher training education, and loan support payments to teachers. The criteria and process for awarding scholarships are published by the Ministry of Education.
Tertiary Scholarships (M68)	19,157	-	19,157	-	25,277	-	- Scholarships payable to tertiary students, including Enterprise, Top Achiever Doctoral, European Union Exchange, Learning for Living and Mathematics and Science scholarships; Trainee Medical Intern grants and School Achievers awards. The criteria and process for these awards are available from the Tertiary Education Commission. Reason for Change: A combination of additional funding for Learning for Living (\$0.8m increase), planned increases in Trainee Medical Intern Grant (\$2m increase) and one-off savings in 2005/06 (\$3m increase).

Appropriations	2005/06				2006/07		Scope of 2006/07 Appropriations
	Budget		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Tertiary Teaching Awards (M68)	200	-	200	-	200	-	- Awards to recognise outstanding tertiary education teachers as selected by a committee appointed by the Minister of Education and according to approved criteria and guidelines as published by NZQA.
United World Scholarships (M26)	50	-	50	-	50	-	- Scholarships for attendance at United World Colleges.
Total Benefits and Other Unrequited Expenses	81,671	-	81,671	-	89,083	-	
Other Expenses to be Incurred by the Crown							
Adult and Community Education (M68)	36,985	-	36,985	-	49,200	-	- Providing funding for delivery of community and adult education courses through tertiary education institutions, schools and other agencies. Reason for Change: Mainly owing to tertiary education institutions being eligible for the Adult and Community Education pool from 1 January 2006 (\$8.9m increase).
Capability Development Funds (M68)	21,610	-	21,610	-	25,852	-	- Assistance to providers to develop their capability, especially support for Tertiary Education Organisations (TEOs) and others to contribute to the goals of the Tertiary Education Strategy (TES) and adapt to the changing environment - including the innovation and development and e-learning initiatives, Growth and Innovation Framework initiatives, development of research capability in strategically relevant areas, and Institutes of Technology and Polytechnics Business Links Fund. The Export Education Innovations Fund is also included. Reason for Change: Mainly provision for building research capability in strategically relevant areas (\$2.3m increase) and other planned movements in specific funds (\$1.9m increase).
Early Childhood Education (M26)	522,240	-	522,240	-	589,774	-	- Subsidising early childhood education services for children under six years of age from licensed and chartered early childhood education services (including centres and chartered home-based care networks) and from licence-exempt centres. Also included are several targeted funds. Reason for Change: Mainly owing to the change in bulk funding owing to the expected growth in funded child hours combined with an increase in the proportion of hours taken at higher quality funding rates (\$56m increase) and an increase in rates (\$8m increase).

Appropriations	2005/06				2006/07		Scope of 2006/07 Appropriations
	Budget		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Early Childhood Grants (M26)	18,015	-	18,015	-	14,434	-	<p>Assistance is provided to ECE groups for developing accommodation including the establishment of new centres, or to increase the capacity or improve the standard of accommodation in existing centres. The criteria and selection process are published by the Ministry of Education.</p> <p>Reason for Change: Owing to supplementary funding for this programme being provided until 2005/06 only (\$3.6m decrease).</p>
Integrated Schools Property (M26)	35,927	-	35,927	-	36,921	-	<p>Provision for modernisation of existing property at integrated schools as part of a funding regime negotiated with the proprietors of integrated schools. Funding to assist in the expansion of the network is also included.</p>
Interest Subsidy for Schools (M26)	1,486	-	1,486	-	1,486	-	<p>Provides a subsidy on interest payments for borrowing by private schools for approved property-related projects. Administration costs are also included.</p>
New Zealand Teachers Council (M26)	178	-	178	-	178	-	<p>Operating grant to assist the Teachers Council to carry out its leadership function.</p>
Performance Based Research Fund (M68)	165,196	-	165,196	-	189,728	-	<p>Funding for research in the tertiary education sector to raise the quality and focus of research as well as provide incentives for improved investment in basic research.</p> <p>Reason for Change: An increase in the overall pool of funding for allocation to TEOs, more Equivalent Full-Time Students (EFTS) receiving the research top-up and an increase in the average research top-up rate.</p>
Primary Education (M26)	1,982,701	-	1,982,499	-	2,061,925	-	<p>Delivering the curriculum for Years 0 to 8 (new entrant to Form 2) to pupils of State, integrated and private schools, and The Correspondence School. Provides roll-based operations funding to schools, teacher and management salaries, support costs and supplementary funding programmes.</p> <p>Reason for Change: Mainly owing to a combination of higher teacher salaries as a result of the second tranche of the collective agreements (\$45m increase), timing of term dates (\$14m increase) in each financial year, provision for staffing improvements (\$11m increase) and higher funding rates (\$7m increase).</p>
Remission of Fees (M26)	-	-	-	-	1,273	-	<p>Payment to NZQA for student examination fees remitted in cases of hardship.</p> <p>Reason for Change: Previously appropriated as a Benefit Expense.</p>
Residual Management Unit Payments (M26)	575	-	575	-	178	-	<p>Payments for outstanding commitments of the former Department of Education and Education Boards. This includes the costs of maintaining buildings owned by the former Department or Boards, accommodation leases and legal costs.</p> <p>Reason for Change: The expiry of leases on some properties.</p>

Appropriations	2005/06				2006/07		Scope of 2006/07 Appropriations
	Budget		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
School Transport (M26)	1,113	-	1,113	-	1,113	-	- Payments to teachers who, as Bus Controllers, assist in the provision of school transport assistance.
Schooling Improvement (M26)	11,972	-	11,972	-	14,122	-	- School support and schooling improvement projects to improve the capability of schools and clusters and their responsiveness to the needs of their communities. These include iwi-strengthening education projects. Most projects are developed in the context of a business case. Reason for Change: One-off savings in 2005/06.
Secondary Education (M26)	1,526,064	-	1,526,005	-	1,599,801	-	- Delivering the curriculum for Years 9 to 13 (Forms 3 to 7) to pupils of State, integrated and private schools, and The Correspondence School. Provides roll-based operations funding to schools, teacher and management salaries, support costs and supplementary funding programmes. Reason for Change: Mainly owing to a combination of higher teacher salaries as a result of the second tranche of the collective agreements (\$34m increase), timing of term dates in each financial year (\$22m increase), additional full-time teacher equivalents (FTTE) owing to 2005 staffing improvements (\$11m increase), and an increase in funding rates (\$5m increase).
Special Needs Support (M26)	247,363	-	247,363	-	257,093	-	- Providing additional resources to enable students with special education needs to participate in education including supplementary resources for special education needs, residential services, English for Speakers of Other Languages (ESOL) and alternative education programmes. Reason for Change: Mainly owing to higher teacher salaries as a result of the second tranche of the collective agreements (\$4m increase) and more ESOL funding (\$3m increase). The remainder of the change is largely related to rolls at regular schools.
Tertiary Education and Training (M68)	1,682,749	-	1,655,637	-	1,740,030	-	- Providing funding for teaching and learning by subsidising EFTS places in approved courses and programmes. Also included is funding for base grants to State tertiary institutions, strategic development initiatives, community education programmes and for depreciation on Crown-owned tertiary assets. Reason for Change: A combination of an increased proportion of EFTS taking more expensive courses partially offset by a smaller proportion undertaking sub-degree and category 5.1 courses.
UNESCO (M26)	1,577	-	1,577	-	2,083	-	- Annual membership contribution to United Nations Educational, Scientific and Cultural Organisation's (UNESCO's) international administration and programme of activities of the National Commission including participation in regional and international activities. Reason for Change: Different assumptions about exchange rates for international subscriptions.

	2005/06				2006/07		
	Budget		Estimated Actual		Vote		
Appropriations	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	Scope of 2006/07 Appropriations
University of Auckland Starpath Project (M68)	3,000	-	3,000	-	2,250	-	- Funding under the Partnerships for Excellence facility to support the Starpath initiatives at the University of Auckland. Reason for Change: Differences between years in the agreed funding profile for the initiative.
Total Other Expenses to be Incurred by the Crown	6,258,751	-	6,231,378	-	6,587,441	-	
Capital Expenditure							
Agriculture and Life Sciences Partnership (M68)	8,950	-	8,950	-	-	-	- A suspensory loan for an Agriculture and Life Sciences Partnership between Massey University and Lincoln University under the Partnerships for Excellence facility. Reason for Change: There is no appropriation in 2006/07.
Capability Development Funds - Capital (M68)	5,068	-	5,068	-	6,222	-	- Support for Tertiary Education Organisations (TEOs) and others to contribute to the goals of the Tertiary Education Strategy (TES) and adapt to the changing environment through the innovation and development, and e-learning initiatives. Reason for Change: Owing to a transfer to another Vote in the previous financial year.
Capital Contributions to Wananga (M68)	-	-	-	-	10,000	-	- Capital contribution towards the purchase of buildings and equipment for wananga. Reason for Change: Funding was transferred from previous years owing to continuing discussions on funding requirements.
Centre for Plastics Innovation and Technology (M68)	-	-	-	-	1,500	-	- A suspensory loan under the Partnerships for Excellence facility for a Centre for Plastics Innovation and Technology at the University of Auckland. Reason for Change: A new appropriation in 2006/07.
Future - Focused New Zealand Equine Industry (M68)	5,000	-	5,000	-	-	-	- A suspensory loan under the Partnerships for Excellence facility for a Future-Focused New Zealand Equine Industry project at Massey University. Reason for Change: There is no appropriation in 2006/07.
Institute of Technology TradeFIT (M68)	300	-	300	-	580	-	- A suspensory loan for TradeFIT - a trades learning and innovation centre at the Christchurch Polytechnic Institute of Technology under the Partnerships for Excellence facility. Reason for Change: Difference between years in the agreed funding profile for the initiative.
National Centre of Excellence in Wood Processing (M68)	2,000	-	2,000	-	1,000	-	- Capital funding to complete the National Centre of Excellence in Wood Processing where a number of new programmes central to the Wood Processing Strategy will be delivered. Reason for Change: Difference between years in the agreed funding profile for the initiative.

Appropriations	2005/06				2006/07		Scope of 2006/07 Appropriations
	Budget		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
National Institute for Health Innovation (M68)	-	-	-	-	7,000	-	- A suspensory loan under the Partnerships for Excellence facility for the National Institute for Health Innovation at the University of Auckland. Reason for Change: A new appropriation in 2006/07.
National Institute of Innovation in ICT (M68)	-	-	-	-	3,000	-	- A suspensory loan for a National Institute of Innovation in ICT at the University of Canterbury under the Partnerships for Excellence facility. Reason for Change: A new appropriation in 2006/07.
NZQA Technology (M26)	2,800	-	2,800	-	-	-	- Investment in improved information systems for the New Zealand Qualifications Authority (NZQA). Reason for Change: There is no appropriation in 2006/07.
Otago University Leading Thinkers (M68)	6,629	-	6,629	-	11,246	-	- Suspensory loan to fund the University of Otago Leading Thinkers programme under the Partnerships for Excellence facility. Reason for Change: Differences between years in the agreed payment profile for this funding that also depends on the institution collecting private donations.
Property Disposal Incentives Scheme (M26)	7,900	-	7,900	-	7,000	-	- Payments to schools of a share of the proceeds from the sale of their surplus school property assets. Reason for Change: The expected timing of disposal of surplus teacher and caretaker housing.
Rangahaua (M68)	2,122	-	1,709	-	-	-	- To facilitate the transfer of the Rangahaua programme from the former Wanganui Polytechnic to Te Wananga o Raukawa. Reason for Change: There is no appropriation in 2006/07.
School Support Project (M26)	1,880	-	1,880	-	1,880	-	- Capital costs of implementing approved school support and schooling improvement projects (other than costs related to school property assets).
Schools Furniture and Equipment (M26)	44,356	-	44,356	-	20,849	-	- Provides funds to schools for new furniture and equipment when capital works (including remodelling/upgrading of existing property and new school property) are approved. Reason for Change: Funding in the previous year included a one-off adjustment to fully recognise outstanding school entitlements.
Te Wananga o Aotearoa (M68)	4,000	-	-	-	4,000	-	- Provision of a Crown loan to assist the wananga to manage its immediate cash flow problems.
Teacher and Caretaker Housing (M26)	29,000	-	29,000	-	-	-	- Provision for transferring ownership of teacher housing to school boards of trustees. Reason for Change: The transfers were completed during 2005/06.

	2005/06				2006/07		
	Budget		Estimated Actual		Vote		
Appropriations	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	Scope of 2006/07 Appropriations
Tertiary Education Commission (M68)	2,436	-	2,436	-	-	-	- Funding for the development of the new information systems for the Tertiary Education Commission. Reason for Change: There is no appropriation in 2006/07.
UCOL (M68)	-	-	-	-	3,000	-	- Recompense the Universal College of Learning for the purchase of land for the purpose of tertiary education in Wanganui. Reason for Change: A new appropriation in 2006/07.
University of Auckland Institute for Innovation in Biotechnology (M68)	-	-	-	-	7,000	-	- Suspensory loan under the Partnerships for Excellence facility for the establishment of a biotechnology and innovation centre for graduate training and research at the University of Auckland. Reason for Change: Differences between years reflect the expected timing of the matching funding from the private sector.
WelTec (M68)	9,000	-	9,000	-	-	-	- To assist the Wellington Institute of Technology to meet its financial obligations during 2005 and 2006. Reason for Change: There is no appropriation in 2006/07.
Western Institute of Technology at Taranaki (M68)	4,800	-	3,430	-	5,200	-	- Financial assistance to the tertiary education institution to manage cash flow issues. Reason for Change: Differences between years in the agreed funding profile for the institution.
Total Capital Expenditure	136,241	-	130,458	-	89,477	-	
Total Appropriations	8,642,013	-	8,606,949	-	8,969,079	-	

Part C - Explanation of Appropriations for Output Expenses

Part C1 - Departmental Output Expenses

Administration of Education Regulations

In this output the Minister of Education will purchase services to administer a range of legislative and regulatory controls in the education system that focus on protecting the rights of students, parents and other caregivers that are not administered by the Ministry of Education in the course of delivering other services.

The provision of this output involves exercising judgements over whether early childhood education services, private schools and home-based education providers are able to commence operation in the first instance and continue to operate. The administration of education regulations has an emphasis on licensing and revoking the licences of early childhood education services and registering, de-registering and integrating private schools, and includes the approval of attendance dues charged by integrated schools. The output includes actions to resolve situations of non-compliance by these private education service providers with their obligations under the regulatory framework for education. Compliance concerns may arise through third-party public reports on the performance of the providers, such as those prepared by the Education Review Office, formal notifications of non-compliance and complaints by consumers.

This output involves processing applications for variations provided for in legislation and regulations. These applications relate to exemptions for students who are of compulsory school age and who apply to be exempted from attendance at a registered school; enrolment schemes, variations to school terms and holidays and variations to integration agreements.

This output also includes a range of actions relating to ensuring that children and young people (aged 6 to 16 years) receive their right to education by being enrolled in a registered school. These actions include exercising direction orders for suspended students, confirming the non-enrolled status of children and young people, assisting parents and other caregivers to re-enrol these children and young people or apply for an exemption from enrolment, and hearing appeals by consumers against the impact of enrolment schemes. The actions also include linking young people to appropriate alternative education options. The output may include initiating actions to enforce enrolment obligations through the prosecution of parents.

Administration of Education Sector Resourcing

In this output the Minister of Education will purchase services to administer the distribution of resources to participants in the early childhood and school sectors, consumers (students, parents and other caregivers), providers and employees of State and integrated schools. The resources administered through the output are appropriated as *Other Expenses to be Incurred by the Crown* and *Benefits and Other Unrequited Expenses*.

The output involves determining the level of resources payable in particular circumstances, delivery of those resources through a range of mechanisms and monitoring ongoing eligibility for the resources. The resourcing for education service consumers and providers includes universal and targeted resourcing entitlements, tuition subsidies, staffing entitlements, provision for specific programmes and other entitlements determined by the characteristics of individual students. The resources also include payments to students, parents and other caregivers to support access to education, such as through boarding allowances and scholarships. Payments of non-salary allowances and reimbursements to

employees/teachers are made under the terms of individual and collective employment agreements and in the form of study awards.

The output also provides a support service to principals and support staff in schools to ensure that schools have the capability to work with e-administration systems. The support includes training in the skills required to use web-based applications and an integrated contact centre for the support of e-administration.

For the early childhood education (ECE) sector this output includes facilitators working with targeted communities and providing resources to improve access to responsive, quality ECE services through the establishment of new services, and support for existing services.

In addition, this output includes the provision of an education payroll service, administration of a risk-management scheme for school contents for State and integrated schools and provision of industrial relations services for the schools sector and kindergartens.

Ministerial Services

In this output the Minister of Education will purchase ministerial services and support to assist the Minister to meet the obligations to Parliament that are associated with the responsibilities of a Minister of the Crown. Ministerial services are provided primarily through drafting replies to questions and inquiries put to the Minister and Associate Minister of Education or through responding to inquiries directly, as requested by the Minister. Questions and inquiries include parliamentary questions and petitions, select committee examinations and inquiries, requests to Ministers for information under legislative provisions and general correspondence (ministerials) from the public.

The output also includes the provision of advisory support to the Minister in Cabinet committees and select committees.

Ownership Advice on Public Education Sector Entities

In this output the Minister of Education will purchase ownership advice on the service delivery capability and financial viability of public education sector entities, comprising State and integrated schools and education Crown entities (see Note 3).

Advising and reporting on the ownership performance of the governing bodies encompass judgements about the strategic capability of the entities and, in particular, the educational viability of those entities providing education services and the financial viability and long-term capability of the entities, both on an individual basis and collectively as a portfolio. The provision of ownership advice includes advising on ministerial appointments to the governing bodies of central education Crown entities, and some special schools, and on expectations for each board of trustee's appointment (see Note 4).

Educational viability includes the entities' ability to perform as a quality provider in terms of leadership, aligned learning environment, focus on achievement and focus on learning pathways.

This output involves providing ownership advice to determine the ownership objectives for individual entities in the public education sector portfolio, negotiating ownership accountability documents and reviewing annual reports and other performance reports on individual public education sector entities.

This output also involves taking follow-up action with governing bodies and management, as necessary, to address any material problems. Follow-up action may also involve managing external interventions to improve the capability and financial viability of public education sector entities where the governing bodies have been unable to resolve the performance issues without such intervention. External interventions may include application of statutory interventions (requiring a board or council to provide information or

prepare an action plan, appointing an advisor/Crown observer or limited statutory manager to the board, or replacing the board or council with a commissioner) or preparing a business case to support requests for a capital injection or loan.

External interventions include school cluster initiatives that seek significantly improved student achievement through sustainable schooling improvement.

This output also involves regular reporting to the Minister on the ownership performance of the public education sector portfolio and includes managing the establishment, closure, and merger of public education sector entities. It also includes assistance with the preparation of consolidated Crown financial statements for schools.

Policy Advice

In this output the Minister of Education will purchase timely and relevant policy advice. Policy advice will be provided to the Minister and the Government through briefings and policy papers on a wide range of issues relating to various aspects of New Zealand's public education system (excluding tertiary and international education). Policy advice provided under this output will anticipate future opportunities and pressures, identify priorities for improvement, develop options for improving the effectiveness of New Zealand's education system and recommend appropriate legislative expression of education policy. Policy advice will seek to align education, health, welfare, labour market and other social policy interventions.

In addition to the core business of policy analysis and advice, this output includes:

- the provision of associated legislative advice
- advice on the implementation of Government policy
- conducting consultation processes with sector stakeholders and the general public to gather information that will feed into policy advice and Government decision-making
- the initial promulgation of Government policy where such communication is clearly separate from supporting the ongoing implementation of the policy
- ongoing oral and written briefings and preparation of speech notes not provided in the course of delivering other services.

In order to provide high quality policy advice, in both the short and medium terms, this output includes:

- the systematic collation of information covering various aspects of the performance of the education system
- analysis, research and evaluation of the impact of current and potential Government interventions on education outcomes
- monitoring developments in related areas of social policy and issues emerging internationally in education.

Policy advice will be provided in relation to the regulatory and policy frameworks for the public education system as a whole; learning outcomes including curriculum matters, assessment approaches and qualifications; resourcing arrangements for education providers and individuals within the education system; and governance and management arrangements for State-owned providers.

Provision of Information

In this output the Minister of Education will purchase services to provide information to both consumers and providers of education services. The provision of information is a specific Government intervention to address information gaps and other asymmetries between the various participants in the education system as well as to improve the quality of provision and decision-making.

The information provided to consumers includes information on the New Zealand education system and the New Zealand curriculum and aggregate achievement and systems performance information. This information is intended to improve education-related decision-making by students, parents and other caregivers, and to better inform expectations about students' learning and achievement. This includes information specifically targeted to Māori parents, whānau and communities, and Pasifika families, parents, students and communities.

The information provided to education service providers (organisations and individuals) includes examples of good practice on governance and management matters, curriculum-related guidelines, aggregate achievement information and systems performance information. This information is intended to strengthen the capability of providers, increase cooperation and collaboration, and lead to greater responsiveness to the expectations and needs of consumers. This output also involves the provision of information for people interested in careers as teachers to encourage participation in the teacher labour market.

This output involves collating, analysing and presenting information in the forms most useful to the above range of audiences and purposes, including print and electronic publications and seminars that are not provided in the course of delivering other services. This output involves applying critical judgement as part of adding value to information collected by the Ministry of Education, in the course of delivering other services, and by other entities, such as the New Zealand Qualifications Authority (NZQA) and Statistics New Zealand.

All information provided under this output will be in areas of existing Government policy and will be information that is not provided by way of normal communication and relationship-management with the sector in the course of delivering other services.

Provision of School Sector Property

In this output the Minister of Education will purchase services in relation to the provision of the property portfolio (land, buildings and other facilities, excluding school contents and teacher and caretaker housing) for the State school sector. Property is provided predominantly through management of the existing property portfolio, focusing on upgrades and improvements to sustain the current quality of the portfolio and on the purchase and construction of new property to expand the portfolio's capacity to meet the demands of schooling or demographic changes.

Property is provided for schooling under the conditions of a Property Occupancy Document (POD). Under a POD responsibility for maintenance of school sector property rests with the respective board of trustees, resourced through a component of their operations grant.

The school sector property portfolio comprises approximately 2,300 State schools (non-integrated). In addition, there are approximately 280 sites occupied by early childhood education services. The school sector property portfolio has a capital value of \$9,000 million including \$6,600 million worth of improvements. The total replacement value of the portfolio is approximately \$12,000 million.

Also included in this output is the identification and disposal of surplus State school sector property.

Provision of Teacher and Caretaker Housing

In this output the Minister of Education will purchase services to provide houses that are available to be rented by teachers, principals and caretakers. The teacher/principal housing portfolio has two components - houses that are identified as core and those that are non-core. Core houses are provided as an incentive for the recruitment and retention of principals and teachers, particularly in isolated areas, and as a security measure. For non-core houses the output includes executing new tenancy agreements, collecting and accounting for rentals received and the associated maintenance and capital works (including purchase and disposal). Schools are responsible for providing these services for caretaker houses and are funded for their maintenance as a component of their operating grant. Core housing is the responsibility of schools to manage as owners, except in those circumstances where ownership has yet to be transferred from the Ministry.

Purchasing of Services on Behalf of the Crown

In this output the Minister of Education will purchase the facilitation of purchasing services from third parties and education Crown entities. The resources that are provided to purchase these services are appropriated as *Non-Departmental Output Expenses*.

The purchasing of services involves providing purchasing advice to the Minister to determine respective purchasing strategies and negotiating the terms and conditions of various forms of purchasing agreements (see Note 5), including specifying the nature and expected performance dimensions of the services to be supplied. Purchasing agreements are negotiated with a range of suppliers:

- education Crown entities (see Note 6)
- education service providers such as Te Kohanga Reo National Trust, the Royal New Zealand Foundation for the Blind, Pacific Islands and Polynesian Education Foundation, School Support Services, Teacher Refresher Course Committee, Association of Colleges of Education in New Zealand, and services provided through the Rural Education Activities Programme (REAP) (see Note 7)
- other public and private providers of a range of services, as determined by the Minister.

Purchasing agreements are negotiated with these suppliers in respect of a range of services such as education programmes for students, coordinated purchases for the schools sector, such as software licences, professional development programmes for providers and teachers, research to build knowledge about teaching and learning in our educational institutions, school transport services, parental support programmes and truancy services to support schools in addressing student attendance and absenteeism issues. The Minister may specify both the services to be purchased and a preferred supplier, or the broad nature of the services to be purchased. In the latter case the output also involves managing a contestable tendering process to identify a preferred supplier and may include recommending the preferred supplier to the Minister.

The output involves development and ongoing management of the purchase agreements and, in particular, monitoring each service provider's performance and, for agreements signed by the Minister, reporting to the Minister on provider performance. For some of the purchase agreements managed under this expense the output includes the development of the strategic direction of the purchasing arrangement in question. Information on provider performance informs subsequent purchasing strategies.

Special Education Services

In this output the Minister of Education will purchase quality special education services for children and young people and their families through development of a network of learning support that will provide coordinated and integrated services to children and young people who need them.

Under this output the Ministry will provide a wide range of services and support, both directly and indirectly, to children and young people with special education and developmental needs. The services are to assist these children and young people to:

- participate and be included successfully in their education facilities and communities
- achieve to the best of their abilities
- develop the skills and confidence to participate in society.

These services will be responsive to local needs while also delivering national consistency and leadership. The Ministry will also provide strong professional support for the specialists who work in the sector.

To provide these services the Ministry will work closely with families, whānau, caregivers, iwi, communities, schools, early childhood educators, and agencies. There is also a key role in building the capability of the people, educators and organisations that are critical to the care, development and education of the children and young people with special education needs.

Tertiary and International Policy and Ownership Advice

In this output the Minister for Tertiary Education will purchase:

Timely and relevant **policy advice** through briefings and policy papers on a wide range of issues relating to various aspects of the tertiary and international education system. This policy advice will anticipate future opportunities and pressures, identify priorities for improvement, develop options for improving the effectiveness of tertiary education and recommend appropriate legislative expression of tertiary education policy. Policy advice will seek to align tertiary and international education with other social and economic policy, for example, labour market, research and innovation, health, and welfare.

In addition to the core business of policy analysis and advice, this output includes:

- the provision of associated legislative advice
- advice on the implementation of Government tertiary and international education policy
- conducting consultation processes with sector stakeholders and the general public
- the initial promulgation of Government policy where such communication is clearly separate from supporting the ongoing implementation of the policy
- ongoing oral and written briefings and preparation of speech notes not provided in the course of delivering other services.

In order to provide high quality policy advice, in both the short and medium terms, this output includes:

- the systematic collation of information covering various aspects of the performance of the tertiary and international education system
- analysis, research and evaluation of the impact of current and potential Government interventions on tertiary and international education outcomes

- monitoring developments in related areas of social policy and issues emerging internationally in tertiary and international education.

Policy advice will be provided, in consultation with the Tertiary Education Commission (TEC) and NZQA as appropriate, in relation to the strategic policy and regulatory frameworks for the tertiary and international education system; learning outcomes including curriculum matters, assessment approaches and qualifications; and governance and management arrangements for public tertiary and international education providers. Policy advice will also be provided in relation to student loans, allowances and scholarships in consultation with the Ministry of Social Development and Inland Revenue as appropriate.

Ownership advice on the service delivery capability and financial viability of tertiary education institutions (TEIs) and the TEC and monitoring of the Crown's risk. Risk in this context is the risk to a TEI's ongoing viability in fulfilling its mission such that additional government support may be required. Advising and reporting in this context encompasses judgements about the strategic capability of the entities and, in particular, the educational viability of those entities providing education services and the financial viability and long-term capability of the entities, both on an individual basis and collectively as a portfolio.

This output includes monitoring advice related to the performance of the TEC. This involves negotiating accountability documents including Statement of Intent and Output Agreement (and any subsequent variations), reviewing quarterly and annual reports, and other performance reports.

Advice will be provided relating to the appointment of Ministerial appointees to TEI Councils and the TEC.

This output also involves taking follow-up action with governing bodies and management, as necessary, to address any material problems. Follow-up action may also involve managing external interventions to improve the capability and financial viability of tertiary education sector entities where the governing bodies have been unable to resolve the performance issues without such intervention. External interventions may include application of statutory interventions (requiring a board or council to provide information or prepare an action plan, appointing an advisor/Crown observer or limited statutory manager to the board, or replacing the board or council with a commissioner) or preparing a business case to support requests for a capital injection or loan. Provision of governance and management training for TEI Councils and management teams is also included.

This output also involves regular reporting to the Minister on performance of the tertiary education sector portfolio and includes managing the establishment, closure and merger of these entities and the disposal of surplus assets held by TEIs.

Facilitation of **purchasing services** from third parties and education Crown entities. The purchasing of services involves providing purchasing advice to the Minister to determine respective purchasing strategies and negotiating the terms and conditions of various forms of purchasing agreements (see Note 5), including specifying the nature and expected performance dimensions of the services to be supplied. Purchasing agreements are negotiated with a range of suppliers:

- Tertiary Education Commission
- public and private tertiary and international education service providers such as tertiary education institutions (TEIs), private training establishments and Education New Zealand Trust.

Purchasing agreements are negotiated with these suppliers in respect of a range of services. The Minister may specify both the services to be purchased and a preferred supplier, or the broad nature of the services to be purchased. In the latter case the output also involves managing a contestable tendering process to identify a preferred supplier and may include recommending the preferred supplier to the Minister.

The output involves development and ongoing management of the purchase agreements and, in particular, monitoring each service provider's performance and, for agreements signed by the Minister, reporting to the Minister on provider performance. For some of the purchase agreements managed under this expense the output includes the development of the strategic direction of the purchasing arrangement in question. Information on provider performance informs subsequent purchasing strategies.

Ministerial services and support to assist the Minister to meet the obligations to Parliament that are associated with the responsibilities of a Minister of the Crown. Ministerial services are provided primarily through drafting replies to questions and inquiries put to the Minister and Associate Minister for Tertiary Education or through responding to inquiries directly, as requested by the Minister. Questions and inquiries include parliamentary questions and petitions, select committee examinations and inquiries, requests to Ministers for information under legislative provisions and general correspondence (ministerials) from the public. The output also includes the provision of advisory support to the Minister in Cabinet committees and select committees.

The resources that are provided to purchase these services are appropriated as *Non-Departmental Output Expenses*, *Other Expenses to be Incurred by the Crown* and *Benefits and Other Unrequited Expenses*. Resources for the tertiary education sector are generally managed by the TEC.

Tertiary Information Services

In this output the Minister for Tertiary Education will purchase services to provide information to both consumers and providers of tertiary education services. The provision of information is a specific Government intervention to address information gaps and other asymmetries between the various participants in the education system as well as to improve the quality of provision and decision-making.

The information provided to tertiary education service providers (organisations and individuals) includes examples of good practice on governance and management matters, aggregate achievement information and system performance information. This information is intended to strengthen the capability of providers, increase cooperation and collaboration, and lead to greater responsiveness to the expectations and needs of consumers.

This output involves collating, analysing and presenting information in the forms most useful for tertiary and international education providers (including governing bodies, managers and teachers) and consumers. While the information provided would primarily be in the form of print and electronic publications, it may also involve holding seminars with groups of consumers and providers. This output involves applying critical judgement as part of adding value to information collected by the Ministry of Education, in the course of delivering other services, and by other entities, such as NZQA, the TEC and Education New Zealand. The output also involves the provision of general information on the New Zealand education system, guidelines for addressing a wide range of governance and management matters, and aggregate achievement and performance information.

All information provided under this output will be in areas of existing Government policy and will be information that is not provided by way of normal communication and relationship-management with the tertiary and international education sectors in the course of delivering other services.

Part C2 - Non-Departmental Output Expenses

Administration of National Assessment for Secondary Qualifications

Under this output the Minister of Education purchases the following services from the New Zealand Qualifications Authority (NZQA):

- overseeing the assessment for national qualifications in secondary schools including the National Certificates on the National Qualifications Framework and the Scholarship examination
- setting and conducting examinations and assessments as considered necessary for the performance of its functions
- enhancing and maintaining systems that ensure valid and consistent internal and external assessment for candidates in secondary schools
- monitoring and regular review of New Zealand curriculum achievement and scholarship standards, in close collaboration with the Ministry of Education.

The funding provided by the Government is supplemented by fees charged to those sitting secondary school qualifications.

Quantity, quality and cost

Performance Measures	Performance Standards 2006/07	Performance Standards 2005/06
Quantity		
Implement and deliver internal and external assessment systems for the National Certificate for Educational Achievement (NCEA) and Scholarship according to published timelines.	All internal and external assessment systems for NCEA and Scholarship delivered to published timelines.	New measure in 2006/07.
Number of candidates assessed for NCEA levels 1, 2 and 3 and the Scholarship examination.	Approximately 150,000 candidates in the 2006 academic year.	146,000
Percentage of candidates' results published within timelines.	100%	100%
Quality		
Level of successful appeals against moderator judgements (as a percentage of the number of moderator judgements made).	Less than 1%.	Less than 1% of an anticipated 60,000 moderator judgements made on marked student work.
Level of successful appeals against students' results in external assessment (as a percentage of the total number of secondary external assessments sat).	Less than 1%.	Less than 1% of the approximately 2 million secondary school external assessment results in the 2005 academic year.

Cost

	2005/06 \$000	2006/07 \$000
Total output class expenses	25,501	25,324
Total output class revenues	-	-

Major provider (\$ million)

New Zealand Qualifications Authority.

Centres of Research Excellence

Under this output the Minister for Tertiary Education purchases research from the contestable Centres of Research Excellence Fund. The Fund will support leading-edge, international standard innovative research that fosters excellence and contributes both to New Zealand's economic and social development and to knowledge transfer. The research may be in any area including the social sciences and humanities. The Centres of Research Excellence (CoRE) are to be primarily, but not exclusively, inter-institutional research networks, with the researchers working together on a commonly agreed work programme.

Quantity, quality, timeliness and cost

Performance Measures	Performance Standards 2006/07	Performance Standards 2005/06
<p>Quantity</p> <p>Research programmes to be advanced in accordance with the agreed timeframe in the contract (or in any variations to the contract) between each CoRE and TEC.</p>	<p>Each CoRE will advance its research programmes in accordance with the agreed timeframe in the contract (or in any variations to the contract) between the Centres and the TEC (or its agent).</p>	<p>Each CoRE will advance its research programmes in accordance with the agreed timeframe in the contract (or in any variations to the contract) between the Centres and the TEC (or its agent).</p>
<p>Quality</p> <p>Each CoRE to achieve an ongoing research capability that is recognised as excellent by international standards.</p> <p>Each CoRE to undertake research activity of excellent quality which contributes to New Zealand's social and economic development and to knowledge transfer.</p>	<p>Each CoRE will achieve an ongoing research capability that is recognised as excellent by international standards.</p> <p>Each CoRE will undertake research activity of excellent quality that contributes to New Zealand's social and economic development and to knowledge transfer.</p>	<p>Each CoRE will achieve an ongoing research capability that is recognised as excellent by international standards.</p> <p>Each CoRE will undertake research activity of excellent quality that contributes to New Zealand's social and economic development and to knowledge transfer.</p>

Cost

	2005/06 \$000	2006/07 \$000
Total output class expenses (see Note 8)	-	22,745
Total output class revenues	-	-

Major provider (\$ million)

Seven Centres of Research Excellence (\$21.412).

Curriculum Support

Under this output the Minister of Education purchases supplementary educational programmes for schools and communities including:

- proposal pools to provide support for lower decile primary schools participating in the numeracy projects
- programmes supporting information and communications technologies (ICT) initiatives in schools, including digital opportunities, central purchase of software licences and provision of laptops for secondary school teachers and some other teachers, particularly for Years 3 to 13
- provision of managed Internet services to schools
- Learning Experiences Outside the Classroom (LEOTC)
- truancy management services and programmes to reduce suspension rates
- the Rural Education Activities Programme (REAP).

Other support programmes include Books in Homes, Sports and Arts Coordinators and contracts for delivering language programmes and delivery of programmes supporting Pasifika bilingual learners in mainstream classrooms.

Quantity, quality, timeliness and cost

Performance Measures	Performance Standards 2006/07	Performance Standards 2005/06
Quantity		
Number of District Truancy Service contracts (see Note 9).	30 - 60	110 - 130
Number of students receiving LEOTC services.	350,000 - 400,000	350,000 - 400,000
Schools and students receiving services under Books in Homes (see Note 10).	420 - 490 schools. 87,000 - 103,000 students.	420 - 450 schools. 83,000 students.
Schools receiving funding for Arts Coordinators.	305 - 330	305 - 330
Schools involved in extension to SportsFit Coordinators.	390 - 440	390 - 440
Student Engagement Initiative:		
<ul style="list-style-type: none"> Reduce suspensions of Māori students for schools with high Māori suspension rates. 	1% reduction.	1% reduction.
<ul style="list-style-type: none"> Reduce the student truancy rate in schools. 	Reduce rates to:	Reduce rates to:
Truancy data is collected every two years for each territorial authority as a basis for comparing changes in rates. Data collection is in December 2004 and December 2006 for reporting by May the following year.	<ul style="list-style-type: none"> Primary: less than 1.7% Intermediate: less than 2% Secondary: less than 7.05% by December 2007. 	<ul style="list-style-type: none"> Primary: less than 1.7% Intermediate: less than 2% Secondary: less than 7.05% by December 2006.
<ul style="list-style-type: none"> Reduce the early leaving exemption (ELX) rate. ELX rates are reported in February each year. 	For targeted schools reduce ELX rates to less than 11% by December 2007.	For targeted schools reduce ELX rates to less than 11% by December 2006.
Number of schools receiving at risk innovations programmes.	130 - 160	130 - 160
Schools involved in Numeracy Projects/ sustaining numeracy developments (see Note 11).	1,400 - 1,800	600 - 800
Number of other curriculum support programmes.	12 - 20	12 - 20
Percentage of eligible teachers (at least a half full-time equivalent) who have laptops.	72% - 80% of eligible teachers.	72% - 80% of eligible teachers.
Primary teachers receiving professional development in physical activity.	1,600 - 2,000 teachers.	1,800 - 2,200 teachers.
Microsoft software licences will be provided free to all State and integrated schools that enrol.	Licences for 80,000 - 100,000 PCs.	Licences for 80,000 - 110,000 PCs.
Licences for Apple Software will be provided free to all State and integrated schools that enrol.	Up to 20,000 computers.	Up to 20,000 computers.
Licences for E-trust Anti-virus software will be provided free to all State and integrated schools that enrol.	100,000 licence subscriptions by schools.	100,000 licence subscriptions by schools.
Schools receiving support in use of ICT under the digital opportunities programme (see Note 12).	95	53
Schools will have the opportunity to access a managed Internet and collaborative environment.	100% of schools will be approached. 80% of schools will have a Managed Internet Service (MIS) by 31 December 2006.	100% of schools will be approached. 80% of schools will have a MIS by 31 December 2005.

Performance Measures	Performance Standards 2006/07	Performance Standards 2005/06
Quality		
Programmes delivered to targets specified in contracts with providers.	95% of contracts will be delivered to contract specifications.	95% of contracts will be delivered to contract specifications.
Participating teachers report increased confidence and capability with ICT.	95% of participating teachers report increased confidence and capability.	95% of participating teachers report increased confidence and capability.
Timeliness		
A register will be maintained of personal computers eligible to receive Microsoft and Apple licensed software.	A count will be made by 31 December 2006 and this will establish the licence fee (up to the capped contract price) for the 2007 calendar year. A report will be submitted to the Minister by 1 February 2007.	A count will be made by 31 December 2005 and this will establish the licence fee (up to the capped contract price) for the 2006 calendar year. A report will be submitted to the Minister by 1 February 2006.
Programmes delivered within timelines where specified in contracts with providers.	95%	95%
State and integrated schools will have access to a range of software tools to manage Internet access.	80% of all State and integrated schools to have a range of software tools and an MIS by 31 December 2006.	80% of all State and integrated schools to have a range of software tools and an MIS by 31 December 2005.

Cost

	2005/06 \$000	2006/07 \$000
Total output class expenses (see Note 13)	67,190	62,423
Total output class revenues	-	-

Major providers (\$ million)

Laptops for teachers programme (\$17.167); Microsoft and Apple Licence Agreements (\$3.540); 695 to 770 schools with Arts or Sports Coordinators (\$7.111); 120 to 140 providers of truancy services (\$5.153); 55 to 75 providers for LEOTC (\$5.120); Reading, Writing and Maths proposals pool (\$4.642); 13 REAPs (\$3.770).

Developing Strategic Coherence Across the Tertiary Sector

Under this output the Minister for Tertiary Education purchases from the Tertiary Education Commission (TEC) the development, evaluation and implementation of a range of steering and support mechanisms to give effect to the Government's strategic direction for tertiary education as prescribed in the Tertiary Education Strategy (TES) and Statement of Tertiary Education Priorities (STEP).

The Government is seeking to improve the focus, connectivity and capability of the tertiary sector as a whole so that it is well placed to respond to the challenges of modern society. The work covered by this output will contribute to improving learner access and achievement, the relevance of provision and the quality of the learning experience through facilitating enhanced cooperation and collaboration across the sector, development of strategic capabilities and alignment of funding with the TES and National goals. The output includes a level of capability management in the tertiary sector to ensure a match between the overall level of education and training provision and the TES. This requires:

- Analysis of the capability of the sector, and of individual tertiary education organisations (TEOs) within it.
- An assessment of the overall fit with the TES in terms of capability and capacity.

- Processes that will promote rationalisation of areas of over-supply or development of capability where there are gaps in provision.
- Enhanced relationships, partnerships and linkages with business and other external stakeholders, including more effective partnership relationships with Māori communities.

This output also includes provision of advice by the Commission to the Minister for Tertiary Education on the strategic direction of the tertiary education system, including tertiary education policy and regulatory matters.

Quantity, Quality, Timeliness and Cost

Performance Measures	Performance Standards 2006/07	Performance Standards 2005/06
Quality		
Negotiation and renewal of charters expiring at the end of 2005 for funding in 2006 and subsequent years and approval of profiles for 2006. Charters and profiles received and assessed by the TEC and results reported to Ministers.	As agreed in the TEC Output Agreement.	As agreed in the TEC Output Agreement.
The TEC's progress against its work programme including strategic funding, capability development, and advice and research (including strategic reviews) supporting implementation of the TES and the STEP.	TEC reports to Ministers quarterly on progress against the TES and STEP work programme as set out in the Statement of Intent and Output Agreement.	TEC reports to Ministers quarterly on progress against the TES and STEP work programme as detailed in the Statement of Intent.
Capability development funds are correctly targeted at high priority areas.	All capability development funds applications are implemented in accordance with determinations specified by the Minister for Tertiary Education.	All capability development funds applications are implemented in accordance with determinations specified by the Minister for Tertiary Education.
Capability development funds are managed in accordance with legislation and determination and design standards stated in the Output Agreement.	All capability funding to TEOs complies with legislation, determinations and the standards set in the TEC Output Agreement.	All capability funding to TEOs complies with legislation, determinations and the standards set in the TEC Output Agreement.
Implement strategic funds and monitor and evaluate their performance including determining if funds are spent in alignment with the original reason for fund allocation.	Strategic funds achieve agreed objectives, comply with funding requirements and are monitored and reported to the Minister for Tertiary Education.	Strategic funds achieve agreed objectives, comply with funding requirements and are monitored and reported to the Minister for Tertiary Education.
Quality and coverage of provision of advice on the TES and STEP and strategic issues identified from charter and profile assessments.	Provision of advice on strategic issues impacting on the tertiary education system is delivered as per the standards set in the TEC Output Agreement.	Provision of advice on strategic issues impacting on the tertiary education system is delivered as per the standards set in the TEC Output Agreement.
Quantity		
Charters and profiles from tertiary education providers received and assessed by the TEC.	Charters - an estimated 110 - 115. Profiles - an estimated 320 - 350.	Charters - at least 77. Profiles - at least 500.
Timeliness		
Charters and profiles received and evaluated by the TEC.	Charters and profiles approved by 15 December 2006.	Charters and profiles approved by 15 December 2005.

Cost

	2005/06 \$000	2006/07 \$000
Total output class expenses (see Note 14)	18,110	24,236
Total output class revenues	-	-

Major provider (\$ million)

Tertiary Education Commission.

Education Research Initiatives

Under this output the Minister of Education purchases research programmes aimed at building knowledge about, and capacity and capability in, teaching and learning in our educational institutions and independent research on issues, policies and practices contributing to the effectiveness of education in New Zealand.

Quantity, quality, timeliness and cost

Performance Measures	Performance Standards 2006/07	Performance Standards 2005/06
<p>Quantity and Timeliness</p> <p>Research projects will be completed or advanced to the position agreed in the annual Purchase Agreement between the New Zealand Council for Educational Research (NZCER) and the Ministry including any variations to that Agreement.</p> <p>Research projects will be completed or advanced to the position agreed by the Board of the Teaching and Learning Research Initiative. The Ministry is managing a contract with NZCER to provide programme coordination for the Initiative.</p>	<p>Projects completed or otherwise advanced as specified in the Purchase Agreement (or any agreed modification).</p> <p>The Board for the Teaching and Learning Research Initiative agrees on an annual programme of research and the programme coordination team, NZCER, implements the agreed programme.</p>	<p>Projects completed or otherwise advanced as specified in the Purchase Agreement (or any agreed modification).</p> <p>The Board for the Teaching and Learning Research Initiative agrees on an annual programme of research and the programme coordination team, NZCER, implements the agreed programme.</p>
<p>Quality</p> <p>NZCER research projects comply with systematic internal quality assurance processes and key tasks/documents that are supported by external peers.</p> <p>Sign-off on NZCER research projects by the Director of NZCER or nominee.</p> <p>The programme of research funded through the Teaching and Learning Research Initiative both delivers research projects and builds a research capability that is recognised as excellent by local and international standards and supports the aims and objectives of the Initiative.</p>	<p>100% compliance.</p> <p>100% signed off.</p> <p>NZCER will ensure delivery of a programme of research and related activity of excellent quality that will contribute to the goals of the Initiative and to knowledge transfer, in accordance with the direction of the Board of the Teaching and Learning Research Initiative.</p>	<p>100% compliance.</p> <p>100% signed off.</p> <p>NZCER will ensure delivery of a programme of research and related activity of excellent quality that will contribute to the goals of the Initiative and to knowledge transfer, in accordance with the direction of the Board of the Teaching and Learning Research Initiative.</p>

Cost

	2005/06 \$000	2006/07 \$000
Total output class expenses (see Note 15)	25,879	3,230
Total output class revenues	-	-

Major provider (\$ million)

NZCER (\$1.452).

Management of Grants and Contracts

Under this output the Minister for Tertiary Education purchases contract negotiation and management services for the delivery of education and training programmes including the administration of scholarships and the disbursement of funds in accordance with determinations made by the Minister.

The work covered by this output will contribute to improving learner access and achievement, the relevance of provision and the quality of the learning experience through effective and efficient management of funding processes. This work includes:

- accurate and timely distribution of government funding to Tertiary Education Organisations (TEOs)
- effective management of contracts with TEOs in accordance with agreed objectives and performance parameters, including safeguarding public funding distributed to TEOs.

The major programmes under this output include:

- disbursement of funding to the tertiary sector including student component funding, scholarships and research funding
- allocation and monitoring of Adult and Community Education (including provision through schools) and literacy/English for Speakers of Other Languages (ESOL) grants
- monitoring the performance of TEOs against their funding agreements
- provision of funds to ITOs for training services to industry including Modern Apprenticeships
- the purchase of Youth Training, Gateway and Skill Enhancement programmes
- management of the Centres of Research Excellence Fund
- management of Nga Kaiarataki Pathfinders and adult literacy programmes
- administration of scholarships and tertiary teaching awards.

Quantity, quality, timeliness and cost

Performance Measures	Performance Standards 2006/07	Performance Standards 2005/06
Quantity		
Number of industry training, Youth Training, Skill Enhancement and Modern Apprenticeships service providers.	To be reported on as agreed in the TEC Output Agreement.	To be reported on as agreed in the TEC Output Agreement.
Student component resourcing payments will be made to tertiary education service providers (see Note 16).	Up to eight universities. Up to 21 polytechnics. Up to two colleges of education. Up to three wananga. 230 - 260 Private Training Establishments (PTEs). An estimated 10 other providers of tertiary education services.	Up to eight universities. Up to 21 polytechnics. Up to two colleges of education. Up to three wananga. 230 - 260 PTEs. An estimated 10 other providers of tertiary education services.
Number of tertiary scholarship applications administered.	As agreed in the TEC Output Agreement.	As agreed in the TEC Output Agreement.

Performance Measures	Performance Standards 2006/07	Performance Standards 2005/06
Quality		
Percentage of providers with written agreements that include programme/service requirements, milestone dates (when appropriate) and payment schedule/method.	100%	100%
Prices are based on a competitive tender process or benchmarking (including sessional payments) or full-cost disclosure by the provider (not including student component funding).	100% compliance.	100% compliance.
Resource allocation audits in relation to tertiary education and training, Performance Based Research Fund (PBRF) and scholarships will be completed for 10 - 15% of tertiary education service providers.	As agreed in the TEC Output Agreement.	As agreed in the TEC Output Agreement.
Actions identified from resource allocation audits will be followed up by the TEC.	Within three months of the audit completion.	Within three months of the audit completion.
Implementation and monitoring of strategic funding decisions and student component requirements as directed by the Minister for Tertiary Education.	As agreed in the TEC Output Agreement.	As agreed in the TEC Output Agreement.
Funding and monitoring of adult and community education provision through schools.	An exceptions report will be delivered to the Minister at the end of each quarter.	An exceptions report will be delivered to the Minister at the end of each quarter.
All contracts with providers meet the specifications outlined in the TEC Output Agreement.	100% compliance.	100% compliance.
All student component resourcing payments to tertiary education service providers based on returns from TEOs will be determined, calculated and delivered with no less than 98% accuracy in respect of:	<ul style="list-style-type: none"> the amounts of the payments funding delivered to the correct provider the number of returns and other information. 	<ul style="list-style-type: none"> the amounts of the payments funding delivered to the correct provider the number of returns and other information.
Timeliness		
Timeliness of funding allocation payments to tertiary education providers.	As agreed in the TEC Output Agreement.	As agreed in the TEC Output Agreement.

Cost

	2005/06 \$000	2006/07 \$000
Total output class expenses	13,680	13,334
Total output class revenues	-	-

Major providers (\$ million)

Tertiary Education Commission (\$12.920).

Professional Development and Support

Under this output the Minister of Education purchases professional development and advisory support for staff, managers and parents in early childhood education services and in schools to support effective teaching and enhance self-management. Services provided under this output include:

- ongoing school support services focusing on school self-management, effective teaching in curriculum-specific contexts and Māori education
- provision of financial support to encourage students training as secondary teachers to undertake practicums in isolated or Auckland schools

- provision to re-train current primary teachers for the ECE education sector and re-train secondary teachers returning to teaching
- national professional development courses focusing on effective teaching in curriculum-specific contexts, school and classroom management and assessment of student learning
- short-term support for the implementation of new curriculum statements and curriculum policy
- professional support for early childhood education services
- Māori language training
- teacher exchange programmes and study awards
- mental health programmes with particular emphasis on drug education
- professional support for senior secondary teaching and assessment.

Quantity, quality, timeliness and cost

Performance Measures	Performance Standards 2006/07	Performance Standards 2005/06
Quantity		
Number of hours of ongoing school support.	180,000 - 220,000	180,000 - 220,000
Number of Teacher Refresher Course Committee participant days for national professional development.	3,200 - 3,600	3,200 - 3,600
Number of hours for professional support for senior secondary teaching.	3,000	New measure in 2006/07.
ECE Centres of Innovation.	10	6
ECE ICT professional learning programmes.	5 - 8 clusters.	New measure in 2006/07.
Professional learning programmes to support implementation of ECE Assessment for Learning Exemplars.	2 - 5	3
Number of professional development support programmes.	42 - 55	42 - 55
Number of teacher exchange programmes.	20 - 30	20 - 30
Number of teachers assisted to re-train including:	Up to 275.	Up to 275 plus 45 primary teachers converted to secondary teaching.
• primary teachers converted to ECE	55	55
• former teachers returning to the teaching workforce.	220	220
Number of practicums carried out in isolated or Auckland secondary schools.	Up to 30% of trainees at any one provider.	Up to 30% of trainees at any one provider.
Quality		
Programmes delivered to targets specified in contracts with providers.	95% of contracts will be delivered to contract specifications.	95% of contracts will be delivered to contract specifications.
Teachers and early childhood education staff satisfied with the appropriateness and effectiveness (see Note 17) of professional development programmes as assessed by survey.	80% of responses received will indicate satisfaction.	80% of responses received will indicate satisfaction.
Timeliness		
Programmes delivered within timelines where specified in contracts with providers.	95%	95%

Cost

	2005/06 \$000	2006/07 \$000
Total output class expenses (see Note 18)	105,062	108,217
Total output class revenues	-	-

Major providers (\$ million)

Thirty to one hundred providers of teacher professional development programmes and resources (\$49.145); School Advisory Services (\$26.374); Early Childhood Advisory and Training Fund (\$5.246).

Provision of Information and Advisory Services

Under this output the Minister of Education purchases services to provide information on government education policy and programmes, general information, advisory programmes and services to the public, community groups, industry, Crown entities, other government agencies and other stakeholders. These services include:

- communications - education Crown entities and other providers provide information and advisory services to stakeholders on Government education policy matters. This includes:
 - advice and support to assist with the development of groups and/or organisations, or that leads to the development and implementation of services consistent with Government policy
 - the promotion of qualifications, quality assurance procedures and quality management systems for education and training
 - assisting in the development of post-school pathways
 - the promotion and dissemination of current policy
 - provision of careers services including career information
 - assistance with licensing and chartering for early childhood education providers
 - administration of disbursements to kohanga reo for provision of early childhood education
 - disseminating relevant information to school principals and boards of trustees to improve performance and capability
 - management of databases and provision of statistical data.
- ministerial servicing - education Crown entities deliver information within agreed timeframes on request to the Minister and Associate Ministers, the Ministry of Education, Select Committees and other government agencies
- policy advice to the Minister and Associate Ministers - education Crown entities provide policy advice to the Ministers on operational issues and other relevant issues as required (unless delivered in the context of other output expenses).

Quantity, quality, timeliness and cost

Performance Measures	Performance Standards 2006/07	Performance Standards 2005/06
Quantity		
Numbers of draft replies, responses to Ministerial correspondence and submissions produced.	As agreed in the Output Agreement with each provider.	As agreed in the Output Agreement with each provider.
Output levels for information and advisory services to the public, community groups, industry, the education community, Crown entities and other government departments.	As agreed in the Output Agreement with each provider.	As agreed in the Output Agreement with each provider.
Quality		
Recipients of the service express satisfaction with the appropriateness and effectiveness (see Note 19) of the information or advice (or another quality measure as agreed with each provider).	As agreed in the Output Agreement with each provider.	As agreed in the Output Agreement with each provider.
Draft responses for Ministerial correspondence, Parliamentary Questions and Official Information Act requests acceptable to the Minister in terms of content and technical accuracy.	95% of draft responses accepted by the Minister.	95% of draft responses accepted by the Minister.
Programmes delivered to targets specified in contracts with providers.	95% of contracts will be delivered to contract specifications.	95% of contracts will be delivered to contract specifications.
Timeliness		
Percentage of Ministerial, Select Committee and inter-agency correspondence prepared within the required timeframes.	As agreed in the Output Agreement with each provider.	As agreed in the Output Agreement with each provider.
Information and advisory services provided within the agreed timeframes.	As agreed in the Output Agreement with each provider.	As agreed in the Output Agreement with each provider.
Programmes delivered within timelines where specified in contracts with providers.	95%	95%

Cost

	2005/06 \$000	2006/07 \$000
Total output class expenses (see Note 20)	29,232	25,307
Total output class revenues	-	-

Major providers (\$ million)

Career Services (\$15.963); New Zealand Qualifications Authority (\$2.347); Kohanga Reo National Trust (\$2.560).

School Transport

Under this output the Minister of Education purchases services to transport eligible students to and from State and integrated schools. The outputs include service payments to school transport contractors and to schools which manage their own transport services, as well as payment of conveyancing allowances and special education assistance claims to compensate the parents or caregivers of eligible students where suitable school transport services are not available to their children.

Quantity, quality, timeliness and cost

Performance Measures	Performance Standards 2006/07	Performance Standards 2005/06
Quantity		
School transport routes:		
<ul style="list-style-type: none"> Contracted daily bus routes. 	1,500 - 1,700	1,500 - 1,700
<ul style="list-style-type: none"> Contracted routes transporting students to manual training. 	700 - 850	700 - 850
<ul style="list-style-type: none"> Directly resourced routes. 	550 - 650	550 - 650
Number of conveyancing allowance approvals.	6,000 - 8,000	7,500 - 8,500
Number of special education assistance approvals.	5,500 - 6,500	5,000 - 6,000
Quality and Timeliness		
Services are provided according to contract terms:		
<ul style="list-style-type: none"> Contracted bus services provided for authorised days that schools are open. 	Fewer than 0.5% of Ministry-contracted bus routes fail to operate during the year.	Fewer than 0.5% of Ministry-contracted bus routes fail to operate during the year.
<ul style="list-style-type: none"> Directly resourced bus services provided for authorised days that schools are open. 	Fewer than 0.5% of Ministry-contracted bus routes fail to operate during the year.	Fewer than 0.5% of Ministry-contracted bus routes fail to operate during the year.

Cost

	2005/06 \$000	2006/07 \$000
Total output class expenses	117,022	118,098
Total output class revenues	-	-

Major providers

Central Motorways Ltd; Gobus Ltd; Invercargill Passenger Transport Ltd; McDermotts Coaches Ltd; Murphy Buses Ltd; Nelson Suburban Bus Company; Ritchies Transport Holdings; Tranzit Group Ltd; Waipawa Buses Ltd.

Stewardship of the New Zealand Qualifications System

Under this output the Minister of Education purchases services from the NZQA relating to the stewardship of the New Zealand Qualifications System. These services include:

- the development, implementation and maintenance of arrangements for national qualifications including the New Zealand Register of Quality Assured Qualifications and the National Qualifications Framework
- the development and management of quality assurance processes. For example, the management of relationships with quality assurance bodies and education agencies, the monitoring and audit of quality assurance bodies, and processes associated with the Qualifications Authority's Approvals, Accreditation and Audit functions
- work with other agencies to monitor and support providers potentially at risk, and managing complaints from students enrolled in wananga and PTEs

- policy liaison with national and international standard setting and assessment bodies to achieve benchmarking of skill standards and mutual recognition of standards and qualifications
- development of qualifications in areas of Government priority such as Māori, Pasifika and foundation learning.

Quantity, quality and cost

Performance Measures	Performance Standards 2006/07	Performance Standards 2005/06
<p>Quantity</p> <p>Develop, maintain, review and support standards and standards-based qualifications in agreed areas of Government priority.</p>	As agreed in Output Agreement with the NZQA.	As agreed in Output Agreement with the NZQA.
<p>Quality</p> <p>Current databases used for Approvals, Accreditation and Audit (AAA) core business processes have been replaced by Education Organisation System (an Education Sector ICT project).</p> <p>Systems availability of the New Zealand Register of Quality Assured Qualifications database is maintained.</p>	<p>All AAA core business processes are successfully working through the Education Organisation System by 31 December 2006.</p> <p>The Resman and Apollo legacy databases have been replaced.</p> <p>To the level specified in the Output Agreement with the NZQA.</p>	<p>New measure in 2006/07.</p> <p>To the level specified in the Output Agreement with the NZQA.</p>

Cost

	2005/06 \$000	2006/07 \$000
Total output class expenses	11,138	10,661
Total output class revenues	-	-

Major provider (\$ million)

New Zealand Qualifications Authority.

Supporting Parenting

Under this output the Minister of Education purchases programmes including Parents as First Teachers (PAFT) and Family Start (see Note 21), and advice and support to enhance the role of parents in the development of their children and to promote the value of quality ECE experiences. The output is directed at parents and caregivers of young children, Māori parents and caregivers and community groups (including those wishing to establish early childhood education services).

Quantity, quality and cost

Performance Measures	Performance Standards 2006/07	Performance Standards 2005/06
Quantity		
Number of families involved in PAFT programmes.	7,500 - 8,000	7,500 - 8,000
Number of families supported under Family Start.	900 - 1,000	900 - 1,000
Number of families in other parent support programmes (see Note 22).	970 - 1,130	1,200 - 1,500
Number of playgroups and Māori and Pasifika groups supported.	800 - 900	500 - 800
Number of contracts for reducing barriers to participation in Māori and Pasifika communities.	At least 25 contracts with community groups.	At least 25 contracts with community groups.
Number of early childhood education services providing parent support and development.	8 - 18	7 - 9
Quality		
Participants satisfied with the programmes attended or services received in terms of appropriateness and effectiveness (see Note 23) as assessed by survey.	95% of responses received will indicate satisfaction.	95% of responses received will indicate satisfaction.
PAFT programmes will operate according to the criteria specified in the PAFT manual, <i>Programme Planning and Implementation Guide</i> .	100% of programmes.	100% of programmes.

Cost

	2005/06 \$000	2006/07 \$000
Total output class expenses	20,918	21,057
Total output class revenues	-	-

Major providers (\$ million)

The Correspondence School (\$2.219); 39 providers of PAFT programmes (\$6.484); 6 providers of Family Start programmes (\$4.892); 25 to 30 community groups under reducing barriers to participation programmes (\$2.800).

Tertiary and International Advisory Services

Under this output the Minister for Tertiary Education purchases information and advisory services from the Tertiary Education Commission for the public, community groups, industry, Crown entities, other Government agencies and other stakeholders. These services include:

- promotion and dissemination of current tertiary policy and programmes
- disseminating relevant information to tertiary education providers to improve performance and capability
- assisting in the development of post-school pathways
- maintenance of the Learning and Assessment Centres
- improved quality, relevance and coverage of industry training

- other services such as skill shortages information within industry, and building skills for youth to transition to the workforce
- ministerial servicing.

This output also includes the purchase from Education New Zealand Trust of:

- information and advisory services to international students, governments and government agencies of other countries and international and multinational education organisations on New Zealand government international education policy and programmes, and
- provision of professional development services to improve sector capability.

Quantity, quality, timeliness and cost

Performance Measures	Performance Standards 2006/07	Performance Standards 2005/06
Quantity		
Numbers of draft replies, responses to Ministerial correspondence and submissions produced.	As agreed in the Output Agreement with each provider.	As agreed in the Output Agreement with each provider.
Output levels for information and advisory services to the public, community groups, industry, the education community, Crown entities and other government departments.	As agreed in the Output Agreement with each provider.	As agreed in the Output Agreement with each provider.
Quality		
Recipients of the service express satisfaction with the appropriateness and effectiveness (see Note 19) of the information or advice (or another quality measure as agreed with each provider).	As agreed in the Output Agreement with each provider.	As agreed in the Output Agreement with each provider.
Draft responses for ministerial correspondence, Parliamentary Questions and Official Information Act requests acceptable to the Minister in terms of content and technical accuracy.	95% of draft responses accepted by the Minister.	95% of draft responses accepted by the Minister.
Timeliness		
Percentage of ministerial, Select Committee and inter-agency correspondence prepared within the required timeframes.	As agreed in the Output Agreement with each provider.	As agreed in the Output Agreement with each provider.
Information and advisory services provided within the agreed timeframes.	As agreed in the Output Agreement with each provider.	As agreed in the Output Agreement with each provider.

Cost

	2005/06 \$000	2006/07 \$000
Total output class expenses (see Note 24)	-	8,110
Total output class revenues	-	-

Major providers (\$ million)

Tertiary Education Commission (\$4.681); Education New Zealand Trust (\$3.429).

Training for Designated Groups

Under this output the Minister for Tertiary Education purchases training linked to the National Qualifications Framework including the delivery of fully or partially funded on-job and off-job training places. Specific funds or programmes within this output include the Industry Training Fund, Youth Training, Skill Enhancement, Modern Apprenticeships programme, Gateway and Nga Kaiarataki Pathfinders.

Quantity, quality and cost

Performance Measures	Performance Standards 2005/06	Performance Standards 2004/05
Quantity		
Total training places offered:		
<ul style="list-style-type: none"> Modern Apprenticeships Skill Enhancement Youth Training Gateway 	11,000 by December 2007. 650 - 750 trainees. 4,900 For 2006 there will be at least 7,500 placements among 206 schools. For 2007 there will be at least 10,000 placements among 280 schools.	9,000 650 - 750 trainees. 4,900 For 2005 there will be at least 6,000 placements among 168 schools. For 2006 there will be at least 7,500 placements among 190 schools.
<ul style="list-style-type: none"> Nga Kaiarataki Pathfinders Industry Training. 	At least 120. 120,000 - 135,000 trainees.	At least 150. At least 115,000.
Industry training standard training measures. A standard training measure is equivalent to 120 National Qualifications Framework credits on an approved structured training programme.	50,000 - 60,000 Standard Training Measures.	As agreed in the TEC Output Agreement.
Average number of National Qualifications Framework credits achieved.	As agreed in the TEC Output Agreement.	As agreed in the TEC Output Agreement.
Quality		
Number of credits on the National Qualifications Framework achieved, on average, by trainees participating in the Youth Training programme.	20 credits.	20 credits.
Percentage of Youth Training and Skill Enhancement trainees moving to further education and training within two months of leaving the training programmes.	As agreed in the TEC Output Agreement.	As agreed in the TEC Output Agreement.
Number of credits on the National Qualifications Framework achieved, on average, by trainees participating in the Skill Enhancement programme.	60 credits.	60 credits.

Cost

	2005/06 \$000	2006/07 \$000
Total output class expenses (see Note 25)	222,300	262,534
Total output class revenues	-	-

Major providers (\$ million)

ITOs, polytechnics and PTEs for Industry Training Fund (\$141.744); Youth Training (\$62.220); Modern Apprenticeships - Training Fund and Coordinators (\$37.856); accredited providers for Skill Enhancement (\$7.308); Gateway (\$12.195); Nga Kaiarataki Pathfinders (\$1.211).

Part C3 - Central Education Crown Entities

The following table summarises funding allocated to Crown entities where the information may not be readily ascertained from the detail in Part B1, Part C2 or Part D3.

Central Education Crown Entities	2005/06 Vote \$000	2005/06 Estimated Actual \$000	2006/07 Vote \$000
Career Services (see Note 26)	12,404	12,404	15,963
New Zealand Qualifications Authority (NZQA)	38,986	38,986	38,332
Tertiary Education Commission (TEC) (see Note 27)	35,639	35,639	37,156

Part D - Explanation of Appropriations for Other Operating Flows

Part D1 - Benefits and Other Unrequited Expenses

Analysis of Māori and Pacific Island Scholarships and Bursaries

The following table details forecast expenditure between the various programmes that comprise the Māori and Pacific Island Scholarships and Bursaries appropriation.

Māori and Pacific Island Scholarships and Bursaries	2005/06 Vote \$000	2005/06 Estimated Actual \$000	2006/07 Vote \$000
Manaaki Tauiira	4,188	4,188	2,088
Māori Education Trust Scholarships	664	664	664
Ngarimu VC and 28th (Māori) Battalion Memorial Scholarship Fund	54	54	54
Polynesian and Pacific Island Education Foundation	75	75	75
Māori and Polynesian Scholarships	526	526	526
Total	5,507	5,507	3,407

Analysis of Tertiary Scholarships

The following table details forecast expenditure on the various programmes that comprise the Tertiary Scholarships appropriation.

Tertiary Scholarships	2005/06 Vote \$000	2005/06 Estimated Actual \$000	2006/07 Vote \$000
Enterprise Scholarships	2,000	2,000	4,000
Top Achiever Doctoral Scholarships	9,000	9,000	10,000
Science and Mathematics Scholarships and School Achievers Awards	750	750	750
European Union Exchange Scholarships	200	200	200
Trainee Medical Intern Grant	6,847	6,847	8,807
Learning for Living	360	360	1,520
Total	19,157	19,157	25,277

Analysis of International Student Scholarship Scheme and Study Abroad Awards

The following table details forecast expenditure in the appropriations for International Student Scholarships and Study Abroad Awards for New Zealand students which will increase student mobility between New Zealand and other countries.

International Student Scholarship Scheme	2004/05 Vote \$000	2004/05 Estimated Actual \$000	2005/06 Vote \$000
New Zealand International Postgraduate Research Scholarships	1,733	1,733	2,905
International Student Undergraduate Scholarships	675	675	835
Total	2,408	2,408	3,740

Study Abroad Awards	2005/06 Vote \$000	2005/06 Estimated Actual \$000	2006/07 Vote \$000
Tertiary programmes	779	779	900
Secondary programmes	515	515	1,543
Fulbright Platinum Triangle Scholarship	100	100	100
Total	1,394	1,394	2,543

Part D3 - Other Expenses

Early Childhood Education

Under this appropriation the Minister of Education subsidises early childhood education (ECE) services for children under six years of age from licensed and chartered early childhood education services (including centres and chartered home-based care networks) and from licence-exempt centres. The expenses include:

- Licensed Early Childhood Education (under two) - provision of ECE for children under two years of age by licensed and chartered early childhood education services.
- Licensed Early Childhood Education (two and over) - provision of ECE for children over two years of age by licensed and chartered early childhood education services.
- Licence-exempt Early Childhood Education - provision of ECE for children under six years of age by licence-exempt services.
- Targeted funding - including Equity funding for community-based ECE (see Note 28); Annual Top-up for Isolated Services for licensed rural services; Provisionally Registered Teachers Support Grant for provisionally registered teachers in teacher-led services; and funding for teacher supply initiatives.

Quantity, quality and cost

Performance Measures	Performance Standards 2006/07	Performance Standards 2005/06
Quantity		
Subsidised hours provided by licensed and chartered early childhood education services:		
<ul style="list-style-type: none"> Kindergarten Playcentres Education and care centres Home-based Nga kohanga reo 	24 million - 26 million 3 million - 3.5 million 70 million - 73 million 9 million - 9.5 million 11 million - 12.2 million	23.5 million - 24.5 million 3 million - 3.5 million 63 million - 66 million 8.5 million - 9 million 12.5 million - 13.5 million
Hours of ECE provided by licence-exempt centres.	3 million - 4 million	2 million - 3 million
Quality		
Early childhood education centres/services will provide services to the level and standard specified and agreed in their negotiated and approved charters.	99.5% of all licences and charters will remain valid in respect of compliance with the standards.	99.5% of all licences and charters will remain valid in respect of compliance with the standards.

Cost

Hourly Rates per Child	Rate until 30 June 2006		Rate from 1 July 2006	
	Under 2	2 and Over	Under 2	2 and Over
GST exclusive				
All-day teacher-led centre-based services				
100% registered teachers	\$8.43	\$4.71	\$9.37	\$5.33
80 - 99% registered teachers	\$8.07	\$4.30	\$8.91	\$4.80
50 - 79% registered teachers	\$7.24	\$3.63	\$7.82	\$3.92
25 - 49% registered teachers	\$6.32	\$3.17	\$6.63	\$3.32
0 - 24% registered teachers	\$5.74	\$2.88	\$5.95	\$2.99
Protected rate	\$5.79	\$2.90	-	-
Sessional teacher-led centre-based services				
100% registered teachers	\$7.84	\$4.31	\$8.72	\$4.71
80 - 99% registered teachers	\$7.51	\$3.52	\$8.29	\$3.84
50 - 79% registered teachers	\$6.74	\$3.10	\$7.27	\$3.29
25 - 49% registered teachers	\$5.88	\$2.82	\$6.17	\$2.92
0 - 24% registered teachers	\$5.34	\$2.64	\$5.48	\$2.69
Protected rate	\$5.79	\$2.90	\$5.79	\$2.90
Teacher-led home-based care services				
Quality	\$6.12	\$3.16	\$6.40	\$3.35
Standard	\$5.39	\$2.80	\$5.62	\$2.96
Playcentres				
Quality	\$5.95	\$2.98	\$6.46	\$3.24
Standard	\$5.21	\$2.61	\$5.67	\$2.84

Hourly Rates per Child GST exclusive	Rate until 30 June 2006		Rate from 1 July 2006	
	Under 2	2 and Over	Under 2	2 and Over
Other parent-led licensed services				
Quality	\$5.95	\$2.98	\$6.17	\$3.09
Standard	\$5.21	\$2.61	\$5.40	\$2.71
Parent-led licence-exempt services				
All licence-exempt services	\$1.21	\$1.21	\$1.25	\$1.25

Please note that the funding rates above are GST exclusive. Services will receive a GST inclusive rate.

A service's funding rate depends on its operating structure. Factors that affect the rate are:

- the type of ECE service (teacher-led or parent-led, centre-based or home-based)
- the age of children (under 2, or 2 and over)
- hours of provision (all-day or sessional)
- for teacher-led centre-based services, the proportion of hours worked by teachers who are registered and ECE qualified; for teacher-led home-based and parent-led services, whether they meet the quality funding criteria set out in the ECE Funding Handbook.

The value of the provisionally registered teachers' grant will remain at \$3,344 per annum.

	Other Expense Cost	\$000
2006/07	Licensed Early Childhood Education (under two) to be provided within	169,658
2006/07	Licensed Early Childhood Education (two and over) to be provided within	401,229
2006/07	Licence-exempt Early Childhood Education to be provided within	3,729
2006/07	Targeted Funding Pool to be provided within	15,158
2006/07	Total other expense to be provided within (see Note 29)	589,774
2005/06	Total other expense to be provided within	522,240

Major providers

Licensed and chartered services include: 613 to 623 kindergartens (including mobile services) managed through 33 associations of which Auckland, Waikato, Central North Island, Wellington and Canterbury are the largest; 475 to 490 playcentres; 1,765 to 1,825 education and care services (including 41 casual services); 186 to 216 home-based networks, of which about 51% are organised through Barnardos; 490 to 511 kohanga reo managed through Te Kohanga Reo National Trust.

Licence-exempt services include: 10 to 30 kohanga reo managed through Te Kohanga Reo National Trust; 820 to 835 Pasifika language groups, playgroups and other services.

Primary Education

Under this appropriation the Minister of Education provides funding (excluding major maintenance and capital expenditure on school land and buildings) for the delivery of the curriculum by State, integrated, and private primary, intermediate, composite, special and correspondence schools for pupils from Years

1 to 8 (new entrant to Form 2). This includes provision for roll-based operational funding to schools, teacher and management salaries, support costs and supplementary funding programmes.

The Minister of Education requires school boards of trustees to provide students with opportunities to achieve the objectives and goals of the New Zealand Curriculum (gazetted syllabuses and/or national curriculum statements) and of programmes organised by the schools to respond to the needs of their students (the school curriculum).

Quantity, quality, timeliness and cost

Performance Measures	Performance Standards 2006/07	Performance Standards 2005/06
<p>Quantity</p> <p>Number of students to receive the curriculum as at census dates 1 July 2006 and 1 March 2007.</p>	477,300 - 484,600	476,400 - 483,500
<p>Quality</p> <p>State and integrated schools will meet legislative standards of performance and standards agreed in charters as indicated by the number of:</p> <ul style="list-style-type: none"> actions under section 64 (Education Act 1989) to effect and enforce the charter actions under section 107 (Education Act 1989) to appoint a Commissioner to manage the school. 	<p>99.5% of all registered State and integrated schools will meet the required standards under section 64 of the Education Act 1989.</p> <p>99.5% of all registered State and integrated schools will be governed by boards of trustees.</p>	<p>99.5% of all registered State and integrated schools will meet the required standards under section 64 of the Education Act 1989.</p> <p>99.5% of all registered State and integrated schools will be governed by boards of trustees.</p>
<p>Timeliness</p> <p>Schools to remain open for the delivery of the curriculum in terms of the National Education Guidelines.</p>	The equivalent of 394 half-days per annum in the 2006/07 financial year.	The equivalent of 394 half-days per annum in the 2005/06 financial year.

Cost

	Other Expense Cost	\$000
2006/07	Total other expense to be provided within (see Note 30)	2,061,925
2005/06	Total other expense to be provided within	1,982,701

Major providers (\$ million)

The Correspondence School (\$5.367); 42 private primary schools and 47 other private schools with primary pupils (\$12.954); 102 State and integrated composite schools; 2,017 State and integrated primary schools.

Secondary Education

Under this appropriation the Minister of Education provides funding (excluding major maintenance and capital expenditure on school land and buildings) for the delivery of the curriculum by State, integrated, and private secondary, composite, special and correspondence schools for pupils from Years 9 to 13 (Form 3 to Form 7). This includes provision for roll-based operational funding to schools, teacher and management salaries, support costs and supplementary funding programmes.

The Minister of Education requires school boards of trustees to provide students with opportunities to achieve the objectives and goals of the New Zealand Curriculum (gazetted syllabuses and/or national curriculum statements) and of programmes organised by the school to respond to the needs of their students (the school curriculum).

Quantity, quality, timeliness and cost

Performance Measures	Performance Standards 2006/07	Performance Standards 2005/06
<p>Quantity</p> <p>Number of students to receive the curriculum as at census dates 1 July 2006 and 1 March 2007.</p>	272,000 - 281,700	277,800 - 284,000
<p>Quality</p> <p>State and integrated schools will meet legislative standards of performance and standards agreed in charters as indicated by the number of:</p> <ul style="list-style-type: none"> actions under section 64 (Education Act 1989) to effect and enforce the charter actions under section 107 (Education Act 1989) to appoint a Commissioner to manage the school. 	<p>99.5% of all registered State and integrated schools will meet the required standards under section 64 of the Education Act 1989.</p> <p>99.5% of all registered State and integrated schools will be governed by boards of trustees.</p>	<p>99.5% of all registered State and integrated schools will meet the required standards under section 64 of the Education Act 1989.</p> <p>99.5% of all registered State and integrated schools will be governed by boards of trustees.</p>
<p>Timeliness</p> <p>Schools to remain open for the delivery of the curriculum in terms of the National Education Guidelines.</p>	The equivalent of 380 half-days per annum in the 2006/07 financial year.	The equivalent of 380 half-days per annum in the 2005/06 financial year.

Cost

	Other Expense Cost	\$000
2006/07	Total other expense to be provided within (see Note 31)	1,599,801
2005/06	Total other expense to be provided within	1,526,064

Major providers (\$ million)

The Correspondence School (\$24.109); 19 private secondary schools and 50 other private schools with secondary pupils (\$24.366); 102 State and integrated composite schools; 332 State and integrated secondary schools.

Special Needs Support

Under this appropriation the Minister of Education provides additional services and resources to enable students with special education needs to participate in education. These are:

- supplementary resources for learners with special education needs provided to schools, including the Special Education Grant and special education teachers. Access to these resources is regulated by school boards of trustees
- programmes and services for students in residential special schools
- services and resources such as English for Speakers of Other Languages (ESOL) and alternative education programmes for students with other special education needs.

Quantity, quality, timeliness and cost

Performance Measures	Performance Standards 2006/07	Performance Standards 2005/06
Quantity		
Numbers of Resource Teachers: Learning and Behaviour.	700 - 800	700 - 800
Number of students in residential care.	300 - 400	300 - 400
Number of ESOL learners funded.	24,000 - 29,000	24,000 - 29,000
Link alienated young people to alternative educational programmes.	3,000 - 3,500	3,000 - 3,500
Quality		
Resources targeted and delivered according to documented criteria.	100%	100%
Timeliness		
Resources for services will be delivered according to documented timeframes.	100% compliance.	100% compliance.

Cost

	Other Expense Cost	\$000
2006/07	Total other expense to be provided within (see Note 32)	257,093
2005/06	Total other expense to be provided within	247,363

Major providers (\$ million)

The Correspondence School (\$3.019); 100 to 130 providers of alternative education programmes (\$17.957).

Tertiary Education and Training

Under this appropriation funding is provided to tertiary education organisations to support teaching and learning, and a range of strategic development initiatives the Government wishes them to undertake. Funding is provided in accordance with determinations from the Minister of Education.

Current policy is focused upon:

- supporting the alignment of the tertiary education system with the Tertiary Education Strategy (TES), the economic transformation agenda and the skill needs of New Zealand business and industry
- a regulatory environment that fosters provision that is of high quality and relevance
- strong management and accountability of tertiary education organisations
- improving adult literacy and other foundation skills.

Funding for teaching and learning

Student component funding is paid to approved providers for students studying in approved courses and programmes as a subsidy towards the cost of tuition. The delivery of student component funding is being considered in a wider work programme on the next steps of the tertiary education reforms. Any changes will take effect from 2008.

Student component funding:

- is provided to tertiary education organisations as a bulk fund covering tuition for all domestic students, regardless of age, enrolled in approved programmes at universities, polytechnics, colleges of education, wananga, private training establishments and other tertiary education providers
- applies only to providers and qualifications that meet quality assurance and financial viability criteria
- is allocated to private providers
 - within a ring-fenced allocation of \$144 million in the 2006 calendar year
 - at a rate excluding the notional capital contribution that makes up 9.5% of student component funding.

Student component funding supports tertiary education and training in the following fields of study:

- Science and Applied Science comprising Agriculture, Horticulture, Science and Veterinary Science.
- Arts and Performing Arts comprising Arts, Humanities, Social Sciences, Languages, Advanced Studies for Teachers, General Education, Music, Fine Arts and Design.
- Technology and Design comprising Architecture, Quantity Surveying, Engineering, Technology and Industry Training.
- Health Professions comprising Health Sciences and health-related professions (including Dentistry and Medicine).
- Business and Law comprising Business, Accountancy, Office Systems/Secretarial, Management, Computing, Data Processing and Law.
- Teacher Education for pre-service early childhood, primary and secondary training and for specialist teachers.

Designated tuition funds are paid as grants to approved providers to support students studying, and to provide associated quality and provider capability development, in specific programmes and courses in:

- adult literacy
- adult and community education
- adult ESOL.

Strategic Development Funding

Special Supplementary Grants are paid to public tertiary education institutions (TEIs) for a range of specified purposes including:

- to improve tertiary education outcomes for Māori and Pasifika peoples
- to improve participation and achievement in tertiary education for students with disabilities.

Institutional Base Grants are paid to all public TEIs to contribute towards basic running costs incurred, regardless of size.

Student component funding			
Field of Study (see Note 33)	EFTS Places	2005/06 \$000	2006/07 \$000
Science and Applied Science	24,636	229,234	240,265
Arts and Performing Arts	93,412	504,382	528,650
Technology and Design	22,331	189,704	198,833
Health Professions	14,445	162,063	169,862
Business and Law	63,566	351,925	368,859
Teacher Education	11,841	84,058	88,103
Designated tuition and strategic development grants	230,231	1,521,366	1,594,572
Grants and special supplementary grants		71,057	66,538
Total funding		1,592,423	1,661,110

Quality Reinvestment Fund

The Quality Reinvestment Fund supports Institutes of Technology and Polytechnics (ITPs) and wananga to build capability and reposition their provision so that there is a network of sustainable, quality provision of certificate and diploma level tertiary education that is aligned with the Statement of Tertiary Education Priorities.

Community education

Funding is provided as a subsidy towards the cost of non-formal learning activities for adults through:

Community Education Programmes	2005/06 \$000	2006/07 \$000
Student component tuition subsidies (see Note 34)	21,751	-
Other community education funding	16,480	26,825
Total funding from Tertiary Education and Training appropriation	38,231	26,825

Performance Based Research Fund

The Performance Based Research Fund (PBRF) is provided as part of the bulk grant to each Tertiary Education Organisation (TEO). This grant is a contribution towards the cost of research that underpins teaching and learning at degree and postgraduate levels.

The PBRF is allocated on the basis of the research performance of TEOs. It is allocated as follows:

- 60% on the basis of rewards to encourage the quality of research
- 25% of the allocation on the basis of postgraduate research degree completions
- 15% of the allocation on the basis of external research income earned by the organisation.

The PBRF is being phased in between 2004 and 2007. The transition of 'research top-up' funding from the student component to the PBRF will be 50 percent in 2006 and fully complete in 2007.

	2005/06 \$000	2006/07 \$000
Research Funding (from EFTS-based tuition subsidies)		
Total research	165,196	189,728

Capability Development Fund

The Capability Development Fund assists providers to develop their capability. The funding includes:

- support for TEOs and others to contribute to the goals of the TES and to adapt to the changing environment. These programmes are mainly the innovation and development and e-learning initiatives
- pilots to assist the tertiary education sector develop stronger relationships with, build commercial and entrepreneurial skills within and transfer knowledge to the Growth and Innovation Framework sectors
- promoting better performance and strategic alignment for Institutes of Technology and Polytechnics (ITP) and better and more productive joint working relationships with business through the ITP Business Links Fund
- building research capability within TEIs in subjects revealed by the PBRF to be significant nationwide gaps in areas of strategic relevance to New Zealand's development
- support for new product development and service development and relationship or partnership development in new markets or niches through the Export Education Innovations Fund.

Capability Development Funds	2005/06 Vote \$000	2005/06 Estimated Actual \$000	2006/07 Vote \$000
Innovation and Development Fund	10,721	10,721	8,889
Growth and Innovation Framework Initiatives	5,867	5,867	7,822
Institutes of Technology and Polytechnics Business Links Fund	4,355	4,355	6,133
Development of Research Capability in Strategically Relevant Areas	-	-	2,341
Export Education Innovations Fund	667	667	667
Total	21,610	21,610	25,852

Significant Tertiary Education Funding

The following table summarises major funding programmes allocated to TEIs and other tertiary education and training providers where the information may not be readily ascertained from the detail in Part B1, Part C2 or Part D3.

Significant Providers and Programmes	2005/06 Vote \$000	2005/06 Estimated Actual \$000	2006/07 Vote \$000
Tertiary Education and Training and Performance Based Research Fund appropriations			
• University EFTS	888,266	888,266	948,952
• Polytechnic EFTS	569,207	545,631	565,293
• Colleges of education EFTS	26,007	26,007	26,422
• Other tertiary education providers	21,923	21,923	17,852
• Private training establishment EFTS	121,065	121,065	142,194
• Wananga EFTS	164,150	160,614	163,508
• Other	5,232	5,232	13,442
Sub-total	1,795,850	1,768,738	1,877,663
Depreciation on Crown assets	52,095	52,095	52,095
Total	1,847,945	1,820,833	1,929,758
Industry Training (Output expense Training for Designated Groups)			
• Industry Training Fund	118,314	118,314	141,744
• Youth Training	57,776	57,776	62,220
• Skill Enhancement	5,530	5,530	7,308
• Modern Apprenticeships	30,689	30,689	37,856
• Gateway	8,780	8,780	12,195
• Nga Kaiarataki Pathfinders	1,211	1,211	1,211
Total	222,300	222,300	262,534
Centres of Research Excellence (Part of output expense Education Research Initiatives in 2005/06)	22,649	22,649	22,745

Part E - Explanation of Capital Flows

Part E1 - Explanation of Movements in Departmental Net Asset Schedules

Details of Net Asset Schedule for Ministry of Education	Estimated Actual 2005/06 \$000	Projected 2006/07 \$000	Explanation of Projected Movements in 2006/07
Opening Balance	9,244,048	9,313,816	
Capital Injections	78,288	161,056	Capital injections include funding for the schools property works programme (\$132.247 million) and systems developments, primarily for the schools payroll project and resourcing systems.
Capital Withdrawals	(8,520)	-	Capital withdrawals relate to the sale of teacher and caretaker housing to school boards of trustees. No withdrawal is forecast for 2006/07.
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
Closing Balance	9,313,816	9,474,872	

Part E2 - Statement of Estimated and Forecast Net Worth of Entities Owned

	Balance Date	Estimated Net Worth 2006 \$000	Forecast Net Worth 2007 \$000
Crown Entities:			
Career Services	30 June	3,434	3,434
Tertiary Education Commission	30 June	18,179	18,161
New Zealand Qualifications Authority	30 June	14,727	15,227
New Zealand Teachers Council	30 June	3,847	4,066
State schools	31 December	1,261,279	1,361,847
State tertiary institutions	31 December	5,151,807	5,312,733

Changes in the Crown entities' forecast net worth result from estimated surpluses or deficits from normal operations.

Part F - Crown Revenue and Receipts

Part F1 - Current and Capital Revenue and Capital Receipts

	2005/06		2006/07	Description of 2006/07 Crown Revenue
	Budgeted \$000	Estimated Actual \$000	Budget \$000	
Non-Tax Revenue				
Charter Fees Early Childhood Education	30	30	30	Charter application and amendment fees received from early childhood education (ECE) services.
Crown Entity Recoveries	5,595	5,595	-	Recoveries from Crown entities of operating surpluses and unspent funding relating to previous financial years. Reason for Change: There is no revenue expected in 2006/07.
Education Residual Management Unit Receipts	346	346	24	Rental received from leased buildings belonging to the former Department of Education or Education Boards. Reason for Change: The expiry of some leases.
Export Education Levies	3,510	3,510	3,950	Levies charged to education institutions offering education services to foreign students.
Miscellaneous Receipts	1,505	1,505	350	Those other Crown receipts which are not separately identified. Reason for Change: There were some one-off recoveries in 2005/06.
Overseas Students' Fees	7,841	7,841	6,942	Fees paid by foreign students attending New Zealand primary and secondary schools (excluding integrated schools) for the use of Crown-owned assets.
Payroll Receipts	25	25	25	Recovery of debts arising from overpayment of teachers' salaries during previous financial years.
Roll Audit and Staffing Recoveries	110	110	110	Recoveries of funding outside the current year from ECE services and schools owing to auditing and correction of rolls on which entitlements for funding are based.
State Sector Retirement Savings Scheme Recoveries	34,856	34,856	36,898	Revenue received from State Services Commission to pay for teachers' State Sector Retirement Savings Scheme contributions. Reason for Change: Increases in the number of teachers entering the scheme and the average level of contributions.
Tertiary Investments - Interest	2,756	2,756	839	Interest paid by Tertiary Education Institutions (TEIs) on loans received from the Crown. Reason for Change: Owing to different levels of outstanding loans forecast for the year.
Total Non-Tax Revenue	56,574	56,574	49,168	
Capital Receipts				
Tertiary Investments - Repayments	23,054	23,054	24,347	Repayments on loans and advances made to TEIs.
Total Capital Receipts	23,054	23,054	24,347	
Total Crown Revenue and Receipts	79,628	79,628	73,515	

Part G - Statement of Reconciliations

Part G1 - Changes in Appropriation Categories

Four new output expense appropriations have been added to Vote Education from 2006/07 to separate activities that are the responsibility of the Minister for Tertiary Education from other education funding. The effect of these new appropriations if they had applied in 2005/06 is illustrated in the tables below.

2005/06 Cumulative Vote in Old (2005/06) Structure	\$000	Structure Changes	\$000	Cumulative Vote in New (2006/07) Structure	2005/06 \$000	2006/07 \$000
Non-Departmental Output Expenses						
Centres of Research Excellence	-	Transfer from Education Research Initiatives	22,649	Centres of Research Excellence	22,649	22,745
Education Research Initiatives	25,879	Transfer to Centres of Research Excellence	(22,649)	Education Research Initiatives	3,230	3,230
Management of Grants and Contracts	13,680	Transfer to Provision of Information and Advisory Services	(587)	Management of Grants and Contracts	13,093	13,334
Professional Development and Support	105,062	Transfer to Tertiary and International Advisory Services	(798)	Professional Development and Support	104,264	108,217
Provision of Information and Advisory Services	29,232	Transfer to Tertiary and International Advisory Services	(8,071)	Provision of Information and Advisory Services	21,748	25,307
		Transfer from Management of Grants and Contracts	587			
Tertiary and International Advisory Services	-	Transfer from Professional Development and Support	798	Tertiary and International Advisory Services	8,869	8,110
		Transfer from Provision of Information and Advisory Services	8,071			
Other Non-Departmental Output Expenses	482,179			Other Non-Departmental Output Expenses	482,179	524,333
Total Non-Departmental Output Expenses	656,032		-	Total Non-Departmental Output Expenses	656,032	705,276
Departmental Output Expenses						
Administration of Education Regulations	13,288	Transfer to Tertiary and International Policy and Ownership Advice	(47)	Administration of Education Regulations	13,241	13,576
Administration of Education Sector Resourcing	77,857	Transfer to Tertiary and International Policy and Ownership Advice	(958)	Administration of Education Sector Resourcing	76,899	85,556
Ministerial Services	3,659	Transfer to Tertiary and International Policy and Ownership Advice	(381)	Ministerial Services	3,278	3,339
Ownership Advice on Public Education Sector Entities	20,063	Transfer to Tertiary and International Policy and Ownership Advice	(3,683)	Ownership Advice on Public Education Sector Entities	16,380	17,303

2005/06 Cumulative Vote in Old (2005/06) Structure	\$000	Structure Changes	\$000	Cumulative Vote in New (2006/07) Structure	2005/06 \$000	2006/07 \$000
Policy Advice	39,991	Transfer to Tertiary and International Policy and Ownership Advice	(9,268)	Policy Advice	30,723	31,128
Provision of Information	56,821	Transfer to Tertiary and International Policy and Ownership Advice Transfer to Tertiary Information Services	(1,373) (9,423)	Provision of Information	46,025	53,023
Purchasing of Services on Behalf of the Crown	12,093	Transfer to Tertiary and International Policy and Ownership Advice	(602)	Purchasing of Services on Behalf of the Crown	11,491	11,593
Special Education Services	166,200	Transfer to Tertiary and International Policy and Ownership Advice	(22)	Special Education Services	166,178	172,981
Tertiary and International Policy and Ownership Advice	-	Transfer from Administration of Education Regulations Transfer from Administration of Education Sector Resourcing Transfer from Ministerial Services Transfer from Ownership Advice on Public Education Sector Entities Transfer from Policy Advice Transfer from Provision of Information Transfer from Purchasing of Services on Behalf of the Crown Transfer from Special Education Services	47 958 381 3,683 9,268 1,373 602 22	Tertiary and International Policy and Ownership Advice	16,334	16,634
Tertiary Information Services	-	Transfer from Provision of Information	9,423	Tertiary Information Services	9,423	9,009
Other Departmental Output Expenses	1,119,346			Other Departmental Output Expenses	1,119,346	1,083,660
Total Departmental Output Expenses	1,509,318		-	Total Departmental Output Expenses	1,509,318	1,497,802