

VOTE *Education*

Terms and Definitions Used

e-asTTle	An electronic, Internet-based version of Assessment Tools for Teaching and Learning
ECE	Early Childhood Education
EFTS	Equivalent Full-time Student
National Qualifications Framework	The National Qualifications Framework (NQF) is designed to provide nationally recognised, consistent standards and qualifications, and recognition and credit for learning
NZQA	New Zealand Qualifications Authority
Project Probe	Implementation of regional broadband Internet access for schools
STEP	Statement of Tertiary Education Priorities
TEC	Tertiary Education Commission
TEI	Tertiary Education Institution
TEO	Tertiary Education Organisation
TES	Tertiary Education Strategy
UNESCO	United Nations Educational, Scientific and Cultural Organisation

Footnotes

Note 1	The cost for output expense Provision of School Sector Property in 2005/06 includes funding for capital charge on land and buildings of \$725.403 million. This was \$624.589 million at the start of the year.
Note 2	The cost for output expense Provision of Teacher and Caretaker Housing in 2005/06 includes funding for capital charge on land and buildings of \$11.615 million. This was \$14.239 million at the start of the year.

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 B - Statement of Appropriations

Summary of Financial Activity

	2005/06	2005/06 Appropriations to be Used				Total \$000
	Main Estimates \$000	By the Department Administering the Vote		For Non-Departmental Transactions		
		Annual \$000	Other \$000	Annual \$000	Other \$000	
Appropriations						
Output Expenses	2,024,106	1,509,318	-	656,032	-	2,165,350
Benefits and Other Unrequited Expenses	83,299	N/A	N/A	81,671	-	81,671
Borrowing Expenses	-	N/A	N/A	-	-	-
Other Expenses	6,305,367	-	-	6,258,751	-	6,258,751
Capital Expenditure	106,609	N/A	N/A	136,241	-	136,241
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	N/A	N/A	-
Total Appropriations	8,519,381	1,509,318	-	7,132,695	-	8,642,013
Crown Revenue and Receipts						
Tax Revenue	-	N/A	N/A	N/A	N/A	-
Non-Tax Revenue	48,441	N/A	N/A	N/A	N/A	56,574
Capital Receipts	1,400	N/A	N/A	N/A	N/A	23,054
Total Crown Revenue and Receipts	49,841	N/A	N/A	N/A	N/A	79,628

Part B1 - Details of Appropriations

Appropriations	2005/06						Scope of and Reasons for Change in 2005/06 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Departmental Output Expenses (General)							
Administration of Education Regulations (M26)	13,992	-	(704)	-	13,288	-	<p>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.</p> <p>Reason for Change: A combination of timing changes for some projects, delaying costs until 2006/07 (\$0.5m decrease), and reallocations between output appropriations (\$0.2m decrease).</p>
Administration of Education Sector Resourcing (M26)	69,830	-	8,027	-	77,857	-	<p>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, a risk-management scheme for school contents, and industrial relations services.</p> <p>Reason for Change: Additional funding mainly for teacher payroll development and schools' integrated data projects (\$6.4m increase); continuing Atawhaingia Te Pa Harakeke (\$1.1m increase) and reallocations between output appropriations (\$1.2m increase), partially offset by timing changes for some projects, delaying costs until 2006/07 (\$0.9m decrease).</p>
Ministerial Services (M26)	3,724	-	(65)	-	3,659	-	<p>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.</p> <p>Reason for Change: Mainly owing to reallocations between output appropriations (\$0.1m decrease).</p>

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	Main Estimates		Supplementary Estimates		Cumulative Vote		
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Ownership Advice on Public Education Sector Entities (M26)	19,157	-	906	-	20,063	-	<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: Additional funding for managing Crown interventions and for the development of a tertiary network policy (\$1.5m increase) partially offset by reallocations between output appropriations (\$0.6m decrease).</p>
Policy Advice (M26)	39,584	-	407	-	39,991	-	<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: New projects, mainly for tertiary education eg, learning for living (\$0.9m increase), partially offset by delays in some programmes until next year (\$0.2m decrease) and reallocations between output appropriations (\$0.3m decrease).</p>
Provision of Information (M26)	61,721	-	(4,900)	-	56,821	-	<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: Delays for some programmes until next year (\$4.7m decrease) – including development of e-asTTle and participation in the Adult Literacy and Life Skills Survey - and reallocations between output appropriations (\$0.9m decrease). These are partially offset by provision for the schooling strategy and learning for living projects (\$0.6m increase).</p>

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	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Departmental Output Expenses (General) - cont'd							
Provision of School Sector Property (M26)	971,729	-	130,515	-	1,102,244	-	<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 for modernisation purposes and health and safety reasons (see Note 1). This also includes purchasing and constructing new property through the Roll Growth Programme.</p> <p>Reason for Change: Increased capital charge (\$100.9m increase) and depreciation (\$30.1m increase), almost entirely as a result of revaluations of school property assets at the end of 2004/05, less reallocations between output appropriations (\$0.8m decrease).</p>
Provision of Teacher and Caretaker Housing (M26)	16,882	-	220	-	17,102	-	<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 teacher, principal and caretaker housing (see Note 2).</p> <p>Reason for Change: Increased depreciation (\$0.8m increase) and maintenance (\$1.6m increase) owing to fewer houses than expected being identified for transfer to school boards of trustees and delays in completing the transfers, as well as reallocations between output appropriations (\$0.4m increase). These are almost entirely offset by reduced capital charge (\$2.6m decrease) related to the housing that has been transferred.</p>
Purchasing of Services on Behalf of the Crown (M26)	11,753	-	340	-	12,093	-	<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> <p>Reason for Change: Mainly owing to reallocations between output appropriations (\$0.3m increase).</p>
Special Education Services (M26)	163,295	-	2,905	-	166,200	-	<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: Provision for increased salaries arising from settlement of collective agreements (\$1.7m increase); costs related to new corporate systems developments (\$0.5m increase) and reallocations between output appropriations (\$1.2m increase). These are partially offset by delays in the reducing challenging behaviour initiative (\$0.6m decrease).</p>
Total Departmental Output Expenses (General)	1,371,667	-	137,651	-	1,509,318	-	

	2005/06						Scope of and Reasons for Change in 2005/06 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Appropriations							
Non-Departmental Output Expenses							
Administration of National Assessment for Secondary Qualifications (M26)	25,501	-	-	-	25,501	-	- Overseeing the setting of standards for qualifications in secondary schools and setting and conducting examinations and assessments.
Curriculum Support (M26)	66,484	-	706	-	67,190	-	- Purchase of supplementary education programmes for schools and communities to ensure wider access to these opportunities. Reason for Change: Mainly related to funds carried forward from the previous year for Project Probe (\$1.0m increase) and additional resources for gifted and talented student initiatives (\$0.2m increase), partially offset by funds carried forward to 2006/07 for the student at risk innovations pool (\$0.5m decrease).
Developing Strategic Coherence Across the Tertiary Sector (M68)	20,206	-	(2,096)	-	18,110	-	- Development, trialling, evaluation and implementation by the Tertiary Education Commission (TEC) of a range of steering, funding and support mechanisms for the tertiary education sector. This includes applying charters and profiles to give effect to the Tertiary Education Strategy (TES) and Statement of Tertiary Education Priorities (STEP). Reason for Change: Funding carried forward to 2006/07 for funding and regulatory system improvements (\$2.7m decrease), partially offset by funding for working with the sector on effectively implementing changes to sub-degree provision (\$0.6m increase).
Education Research Initiatives (M26)	25,879	-	-	-	25,879	-	- Purchase of cooperative and collaborative tertiary research through the contestable Centres of Research Excellence Fund. Also included is independent research on the effectiveness of education.
Management of Grants and Contracts (M68)	13,708	-	(28)	-	13,680	-	- Contract negotiation and management services on behalf of the Crown including the awarding of contracts, monitoring the performance of those contracts, administration of tertiary tuition subsidies and research funding, and management of other payments to third parties. Reason for Change: Revised outputs for Te Kohanga Reo National Trust (\$0.3m decrease), partially offset by provision for TEC to manage expanded adult literacy learning pool and workplace literacy funds (\$0.3m increase).
Professional Development and Support (M26)	103,893	-	1,169	-	105,062	-	- Delivery of professional development and advisory support to staff, managers and parents in ECE services and in schools, to enhance self-management and to implement and give support to the curriculum. Reason for Change: Expansion of Te Kotahitanga and Diploma in Specialist Subjects (Secondary Teacher) programme (\$2.1m increase), transfers between financial years owing to changes in the timing of several programmes (net \$0.7m increase), partially offset by savings reprioritised to other education initiatives (\$1.6m decrease).

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	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Non-Departmental Output Expenses - cont'd							
Provision of Information and Advisory Services (M26)	28,108	-	1,124	-	29,232	-	- Providing information on the Government's educational policy and programmes and general advisory services to the public, community groups, industry and the education community. Reason for Change: Increased funding for international education promotional activities (\$0.8m increase) and revised outputs for Te Kohanga Reo National Trust (\$0.3m increase).
School Transport (M26)	112,936	-	4,086	-	117,022	-	- Payments to contractors for provision of school transport services to State and integrated schools for eligible students, payments to schools that manage their own bus routes and payments to parents to compensate for the costs of taking children to school where other transport services are unsuitable or unavailable. Reason for Change: Mainly owing to index-based adjustments to contract prices for daily and technology services (\$4.8m increase), partially offset by a reduction in the number of routes managed directly by schools (\$0.5m decrease).
Stewardship of the New Zealand Qualifications System (M26)	10,112	-	1,026	-	11,138	-	- Development and management of quality assurance processes and the development, implementation and maintenance of arrangements for national qualifications including the Register of Quality Assured Qualifications. Reason for Change: Mainly for special focus audits/closure management, auditor professional development with effective teaching and learning focus and changes to over-arching quality assurance related to sub-degree changes (\$0.8m increase) and improved quality assurance arrangements for foundation education (\$0.2m increase).
Supporting Parenting (M26)	21,335	-	(417)	-	20,918	-	- Purchasing programmes, such as Parents as First Teachers and Family Start, and advice and support, which enhance the role of parents in the development of their children and promote the value of quality early childhood education experiences. Reason for Change: Savings in Anau Ako Pasifika reprioritised to other education initiatives (\$0.2m decrease) and funds transferred to Ministry outputs for increased training and support for Family Start family/whānau workers (\$0.2m decrease).

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	Main Estimates		Supplementary Estimates		Cumulative Vote		
Appropriations	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Training for Designated Groups (M68)	224,277	-	(1,977)	-	222,300	-	- 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: Lower than expected demand for the Youth Training, Skill Enhancement and Gateway programmes (\$7.0 million) partially offset by increased provision for industry training and modern apprenticeships (\$5.0 million).
Total Non-Departmental Output Expenses	652,439	-	3,593	-	656,032	-	
Benefits and Other Unrequited Expenses							
Boarding Allowances and Bursaries (M26)	8,226	-	-	-	8,226	-	- 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.
Home Schooling Allowances (M26)	5,384	-	(950)	-	4,434	-	- Provides an allowance payable to caregivers of children in full-time correspondence programmes for primary and secondary education and to parents of children receiving their primary and secondary education at home. Reason for Change: Reduction mainly owing to families claiming less for subsidies related to prior periods than previously expected.
International Student Scholarship Scheme (M68)	2,408	-	-	-	2,408	-	- Scholarships available to international students wishing to study in New Zealand.
Māori and Pacific Island Scholarships and Bursaries (M68)	5,507	-	-	-	5,507	-	- Programmes to provide scholarships and bursaries to Māori and Pasifika secondary students, according to established criteria. The programmes include Manaaki Taura, Māori Education Trust and Polynesian and Pacific Island Education Foundation Scholarships, Ngarimu VC and Māori Battalion Memorial Scholarship Fund and Māori and Polynesian Scholarships.
Mapihi Pounamu (M26)	3,250	-	(400)	-	2,850	-	- Assistance to students who face barriers to learning to ensure that they participate and achieve in education. Reason for Change: Lower than expected demand during the year owing to the introduction of revised eligibility criteria for the scheme.
National Study Awards (M26)	21,364	-	294	-	21,658	-	- Provision for the costs of teacher study awards including replacement of the teacher while on study leave. Reason for Change: Provision for additional awards related to the Diploma in Specialist Subjects (Secondary Teacher) (\$0.6m increase) partially offset by lower than expected demand for some programmes (\$0.3m decrease).

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	Main Estimates		Supplementary Estimates		Cumulative Vote		
Appropriations	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Benefits and Other Unrequited Expenses - cont'd							
Queen Elizabeth II Study Awards (M68)	100	-	-	-	100	-	- Technicians Study Awards for individuals undertaking study in disciplines such as engineering, science, building science, management, design, architecture, dairying, technology, health, forestry, mining, and technologies associated with tourism.
Remission of Fees (M26)	1,235	-	-	-	1,235	-	- For student examination fees remitted in cases of hardship.
Study Abroad Awards (M68)	1,869	-	(475)	-	1,394	-	- 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. Reason for Change: A combination of funding transferred to 2006/07 owing to differences in the academic year between here and overseas (\$0.3m decrease), transfers to Ministry outputs for evaluation and administration costs (\$0.1m decrease) and savings (\$0.1m decrease).
Targeted Education and Training Grants (M68)	80	-	-	-	80	-	- Initiatives to provide living support for students at risk who need to move away from home to pursue alternative education options.
Targeted Individual Entitlement (M26)	63	-	(6)	-	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: This programme ceased at the end of 2005.
Teacher Trainee Scholarships (M26)	14,549	-	(234)	-	14,315	-	- Scholarships and allowances for students undertaking teacher training education, and loan support payments to teachers. Reason for Change: Savings owing to a shortfall in uptake of the retraining for teachers programme.
Tertiary Scholarships (M68)	19,014	-	143	-	19,157	-	- 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. Reason for Change: A combination of trainee medical intern grants transferred from Other Expense Tertiary Education and Training (\$6.8m increase), new Learning for Living scholarships (\$0.4m increase), and lower than expected demand for Enterprise Scholarships and Top Achiever Awards (\$7.1m decrease).
Tertiary Teaching Awards (M68)	200	-	-	-	200	-	- Awards to recognise outstanding tertiary education teachers.
United World Scholarships (M26)	50	-	-	-	50	-	- Scholarships for attendance at United World Colleges.
Total Benefits and Other Unrequited Expenses	83,299	-	(1,628)	-	81,671	-	

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	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Other Expenses to be Incurred by the Crown							
Adult and Community Education (M68)	17,538	-	19,447	-	36,985	-	<p>Providing funding for delivery of community and adult education courses through schools and other agencies.</p> <p>Reason for Change: Mainly owing to tertiary education institutions being eligible for the Adult and Community Education pool from 1 January 2006 (\$17.8m increase) and the transfer of other community pool funding paid to other providers from Other Expense Tertiary Education and Training (\$2.5m increase).</p>
Capability Development Funds (M68)	21,610	-	-	-	21,610	-	<p>Assistance to providers to develop their capability, especially support for Tertiary Education Organisations (TEOs) and others to contribute to the goals of the TES and adapt to the changing environment - through the innovation and development and e-learning initiatives, Growth and Innovation Framework initiatives, and Institutes of Technology and Polytechnics Business Links Fund. The Export Education Innovations Fund is also included.</p>
Early Childhood Education (M26)	483,617	-	38,623	-	522,240	-	<p>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.</p> <p>Reason for Change: Mainly owing to higher than expected proportions of registered teachers in each of the funding bands (\$27.6m increase). Also included are more grants for provisionally registered teachers than expected (\$4.9m increase), a GST adjustment (\$4.7m increase) and additional hours of education delivery (\$2.2m increase).</p>
Early Childhood Grants (M26)	18,015	-	-	-	18,015	-	<p>Assistance is provided to ECE groups for the establishment of new centres, or to increase the capacity of existing centres. Assistance can also be given to improve the standard of accommodation in existing centres.</p>
Integrated Schools Property (M26)	31,497	-	4,430	-	35,927	-	<p>Provision for property maintenance at integrated schools as part of a funding regime negotiated with the proprietors of integrated schools.</p> <p>Reason for Change: Provision for furniture and equipment funding for integrated schools modernisation projects (\$4.0m increase) and an increase in forecast rolls (\$0.4m increase).</p>
Interest Subsidy for Schools (M26)	1,500	-	(14)	-	1,486	-	<p>Subsidises interest payments for borrowing by private schools for approved property-related projects.</p> <p>Reason for Change: An adjustment for GST related to the management of the school loans portfolio.</p>
New Zealand Teachers Council (M26)	178	-	-	-	178	-	<p>Operating grant to assist the Teachers Council to carry out its leadership function.</p>

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	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Other Expenses to be Incurred by the Crown - cont'd							
Performance Based Research Fund (M68)	163,471	-	1,725	-	165,196	-	<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: More Equivalent Full-time Students (EFTS) than expected receiving a research top-up and an increase in the average top-up rate (\$0.5m increase) plus additional funds to offset the reduced fees universities will receive from new international doctoral students who are treated as domestic students (\$1.2m increase).</p>
Primary Education (M26)	1,988,163	-	(5,462)	-	1,982,701	-	<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 fiscally neutral adjustments between appropriations (\$6.4m decrease), eliminating depreciation on teacher housing transferred to boards of trustees (\$2.1m decrease), partially offset by revised salaries and operations funding (\$2.7m increase) generally related to the impact of higher than expected rolls.</p>
Residual Management Unit Payments (M26)	529	-	46	-	575	-	<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: One property was leased for slightly longer than expected.</p>
School Transport (M26)	1,113	-	-	-	1,113	-	<p>Payments to teachers who, as Bus Controllers, assist in the provision of school transport assistance.</p>
Schooling Improvement (M26)	14,672	-	(2,700)	-	11,972	-	<p>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.</p> <p>Reason for Change: Savings owing to lower than expected number of iwi partnerships, school reorganisations, effective schools, and school support projects were reprioritised for other education initiatives.</p>

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Secondary Education (M26)	1,536,401	-	(10,337)	-	1,526,064	-	<p>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.</p> <p>Reason for Change: Mainly owing to changing term dates used in the forecast, moving some expenditure into the next year (\$20.2m decrease), partially offset by revised salaries and operations funding (\$1.8m increase), fiscally neutral adjustments between appropriations (\$5.5m increase), and additional funding for the Correspondence School grants and wage settlements (\$4.5m increase).</p>
Special Needs Support (M26)	249,690	-	(2,327)	-	247,363	-	<p>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 and alternative education programmes.</p> <p>Reason for Change: Mainly owing to a combination of the impact of new school roll forecasts (\$3.5m decrease) partially offset by higher average rates for teachers (\$1.0m increase).</p>
Tertiary Education and Training (M68)	1,775,290	-	(92,541)	-	1,682,749	-	<p>Providing funding for teaching and accompanying research by subsidising EFTS places in approved courses and programmes. Also included is funding for base grants to State tertiary institutions and for other tertiary education and training institutions.</p> <p>Reason for Change: Mainly owing to a combination of lower than expected numbers of students and changes to the average per student cost (\$51.5m decrease), moving adult and community education provision out of student component funding from 1 January 2006 and managing volumes of sub-degree provision (\$64.7m decrease), transfer of Trainee Medical Intern Grant to Tertiary Scholarships (\$6.8m decrease), and reduced provision for Private Training Establishments (\$6.7m decrease), partially offset by support for quality and relevant sub-degree provision aligned with the STEP (\$35.6m increase).</p>
UNESCO (M26)	2,083	-	(506)	-	1,577	-	<p>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.</p> <p>Reason for Change: Lower than expected cost of the annual membership contribution as the result of better than forecast exchange rates (\$0.5m decrease).</p>

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Other Expenses to be Incurred by the Crown - cont'd							
University of Auckland Starpath Project (M68)	-	-	3,000	-	3,000	-	- Funding under the Partnerships for Excellence facility to support the Starpath initiatives at the University of Auckland. Reason for Change: Funding was transferred from a Capital Expenditure appropriation owing to the nature of the project being supported (\$8.8m increase). The timing of this expenditure over the next four years has also been revised (\$5.8m decrease).
Total Other Expenses to be Incurred by the Crown	6,305,367	-	(46,616)	-	6,258,751	-	
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: A new appropriation in 2005/06.
Capability Development Funds - Capital (M68)	12,444	-	(7,376)	-	5,068	-	- Support for TEOs and others to contribute to the goals of the TES and adapt to the changing environment through the innovation and development, and e-learning initiatives. Reason for Change: Funding was transferred to Vote Research, Science and Technology for establishment of the Advanced Network and capability building by users.
Capital Contributions to Wananga (M68)	5,000	-	(5,000)	-	-	-	- Capital contribution towards the purchase of buildings and equipment for wananga. Reason for Change: Funding has been transferred to 2006/07 owing to continuing discussions on whether a suspensory loan is required.
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: A new appropriation in 2005/06.
Institute of Technology TradeFIT (M68)	-	-	300	-	300	-	- 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: A new appropriation in 2005/06.
National Centre of Excellence in Wood Processing (M68)	2,000	-	-	-	2,000	-	- 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.

	2005/06						Scope of and Reasons for Change in 2005/06 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Appropriations							
NZQA Technology (M26)	2,300	-	500	-	2,800	-	- Investment in improved information systems for the New Zealand Qualifications Authority (NZQA). Reason for Change: Funding was transferred from the previous financial year owing to delays in the programme.
Otago University Leading Thinkers (M68)	7,000	-	(371)	-	6,629	-	- Suspensory loan over three years to fund the University of Otago Leading Thinkers programme under the Partnerships for Excellence facility. Reason for Change: Funding has been transferred to 2006/07 owing to the uncertain timing of the private funding contributions on which government disbursements are based.
Property Disposal Incentives Scheme (M26)	26,100	-	(18,200)	-	7,900	-	- Payments to schools of a share of the proceeds from the sale of their surplus school property assets. Reason for Change: Mainly owing to the disposal of fewer non-core houses than previously expected (\$21.1m decrease), partially offset by funds transferred from the previous financial year (\$2.9m increase).
Rangahaua (M68)	-	-	2,122	-	2,122	-	- To facilitate the transfer of the Rangahaua programme from the former Wanganui Polytechnic to Te Wananga o Raukawa. Reason for Change: A new appropriation in 2005/06.
School Support Project (M26)	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)	21,649	-	22,707	-	44,356	-	- Provides funds to schools for new furniture and equipment when approved remodelling/upgrading makes existing furniture and equipment obsolete or when the Ministry of Education provides additional teaching spaces. Reason for Change: A combination of changes in accounting to recognise funding from the time schools are entitled to the capital funding (\$20.0m increase) and a change to the level of GST assumed for this appropriation (\$2.7m increase).
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. Reason for Change: A new appropriation in 2005/06.
Teacher and Caretaker Housing (M26)	15,000	-	14,000	-	29,000	-	- Provision for transferring ownership of teacher housing to school boards of trustees. Reason for Change: Funding was transferred from the previous financial year owing to delays in the programme (\$18.0m increase). This was partially offset by savings owing to lower than expected average prices of remaining houses (\$4.0m decrease).

Appropriations	2005/06						Scope of and Reasons for Change in 2005/06 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Capital Expenditure - cont'd							
Tertiary Education Commission (M68)	2,436	-	-	-	2,436	-	- Funding for the development of the new information systems for the TEC.
University of Auckland Institute for Innovation in Biotechnology (M68)	7,000	-	(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: Funding has been transferred to 2006/07 owing to the uncertain timing of the private funding contributions on which government disbursements are based.
University of Auckland Starpath Project (M68)	3,800	-	(3,800)	-	-	-	- Suspensory loan under the Partnerships for Excellence facility to support the Starpath initiative at the University of Auckland. Reason for Change: This funding was transferred to an Other Expense appropriation of the same name.
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: A new appropriation in 2005/06.
Western Institute of Technology at Taranaki (M68)	-	-	4,800	-	4,800	-	- Financial assistance to the tertiary education institution to manage cash flow issues. Reason for Change: A further Crown loan was required to manage cash flow problems and commence restructuring after appropriate consultation.
Total Capital Expenditure	106,609	-	29,632	-	136,241	-	
Total Appropriations	8,519,381	-	122,632	-	8,642,013	-	

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	2005/06 Main Estimates Projections \$000	2005/06 Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2005/06
Opening Balance	7,995,540	9,244,048	2005/06 Supplementary Estimates opening balance reflects the audited results as at 30 June 2005.
Capital Injections	75,625	78,288	Additional resources for Schools' Payroll and Schools Integrated Data projects, partially offset by delays in development of resourcing systems and single log-on authentication work.
Capital Withdrawals	-	(8,520)	Capital withdrawals relate to the sale of teacher and caretaker housing to school boards of trustees.
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
Closing Balance	8,071,165	9,313,816	

Part F - Crown Revenue and Receipts

Part F1 - Current and Capital Revenue and Capital Receipts

	2005/06			Description of 2005/06 Crown Revenue
	Main Estimates \$000	Supplementary Estimates \$000	Total Budgeted \$000	
Non-Tax Revenue				
Charter Fees Early Childhood Education	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: Repayment of surplus funds related to 2004/05 by the Tertiary Education Commission.
Education Residual Management Unit Receipts	300	46	346	Rental received from leased buildings belonging to the former Department of Education or Education Boards. Reason for Change: The sub-leasing arrangements for one property were for slightly longer than expected.
Export Education Levies	3,510	-	3,510	Levies charged to education institutions offering education services to foreign students.
Learning Media Limited	706	(706)	-	Annual dividends to be received from Learning Media Limited. Reason for Change: Responsibility for Learning Media Limited has been transferred to the Minister of Finance.
Miscellaneous Receipts	350	1,155	1,505	Those other Crown receipts which are not separately identified. Reason for Change: Recoveries from the Accident Compensation Corporation as settlement of outstanding experience rating matters (\$0.7m increase) and from other education service providers for funding from previous years that was not required (\$0.5m increase).
Overseas Students' Fees	10,350	(2,509)	7,841	Fees paid by foreign students attending New Zealand primary and secondary schools (excluding integrated schools) for the use of Crown-owned assets. Reason for Change: Reduced recoveries from schools owing to there being fewer international students than expected.
Payroll Receipts	25	-	25	Recovery of debts arising from overpayment of teachers' salaries during previous financial years.
Roll Audit and Staffing Recoveries	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.

	2005/06			Description of 2005/06 Crown Revenue
	Main Estimates \$000	Supplementary Estimates \$000	Total Budgeted \$000	
State Sector Retirement Savings Scheme Recoveries	32,821	2,035	34,856	Revenue received from State Services Commission to pay for teachers' State Sector Retirement Savings Scheme contributions. Reason for Change: Revised forecast of recoveries owing to more teachers joining the scheme and increased contributions.
Tertiary Investments - Interest	239	2,517	2,756	Interest paid by Tertiary Education Institutions (TEIs) on loans received from the Crown. Reason for Change: Mainly for interest from loans to Te Wananga o Aotearoa (\$0.6m increase) and the Northland Polytechnic (\$1.6m increase).
Total Non-Tax Revenue	48,441	8,133	56,574	
Capital Receipts				
Tertiary Investments - Repayments	1,400	21,654	23,054	Repayments on loans and advances made to TEIs. Reason for Change: Mainly for the projected repayment of Crown loans from Te Wananga o Aotearoa (\$12.0m increase) and the Western Institute of Technology at Taranaki (\$9.3m increase).
Total Capital Receipts	1,400	21,654	23,054	
Total Crown Revenue and Receipts	49,841	29,787	79,628	