

VOTE *Education*

Education

Overview

Appropriations sought for Vote Education in 2001/02 total \$7,009.886 million. This is to be spent as follows:

- \$1,005.332 million (14.34% of the Vote) on the purchase of services from the Ministry of Education (depreciation and capital charge on school accommodation being the most significant costs).
- \$535.741 million (7.64% of the Vote) on the purchase of educational services from central education Crown entities and other non-departmental providers.
- \$49.463 million (0.71% of the Vote) on allowances, bursaries, scholarships, and grants.
- \$5,250.295 million (74.90% 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.
- \$131.099 million (1.87% of the Vote) on additional capital investment in schools.
- \$37.956 million (0.54% of the Vote) on capital for other organisations.

The Ministry expects to collect \$6.887 million of Crown revenue in 2001/02.

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

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
10-Year Property Plan	A plan that includes all the property work (prioritised as costed projects) the board wants to undertake over a 10-year horizon to support the school's strategic goals
ACC	Accident Compensation Corporation
BEST	Behaviour Education Support Team
Central education Crown entities	Includes ECD, Skill New Zealand, NZQA, SES, and Career Services
Chartered early childhood 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 document. Chartered centres and services are eligible to receive funding through the Ministry
ECD	Early Childhood Development
EFTS	Equivalent full-time student
ESOL	English for speakers of other languages
ICT	Information and communication technologies
ITO	Industry Training Organisation
Integrated school	A school that is integrated into the State system in terms of the Private Schools Conditional Integration Act 1975
Kura kaupapa Māori	A Māori 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 centres	Centres which meet all the health, safety, and management requirements of the Education (Early Childhood Centres) Regulations 1990
National Qualifications Framework	A new structure for senior secondary, industry, and tertiary education qualifications, using nationally agreed unit standards to award credits towards National Certificates, National Diplomas, or Degrees
NCEA	National Certificate of Educational Achievement – new secondary, standards-based qualification
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
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 that receives some state funding but charges tuition fees

Terms and Definitions Used (continued)

Private training establishment	An establishment, other than a State tertiary institution, that provides post-school education and vocational training
REAP	Rural Education Activities Programme
RTL B	Resource Teachers: Learning and Behaviour – specially trained teachers who work with schools to assist students who have learning and behaviour difficulties
SES	Specialist Education Services
Te Kete Ipurangi	The On-line Learning Centre – a portal web site for teachers
TEI	Tertiary education institution – includes colleges of education, polytechnics, universities, and wananga
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
UNESCO	United Nations Educational, Scientific, and Cultural Organisation
Wananga	Māori tertiary education institution

Footnotes

Note 1	The cost for D8 Provision of School Sector Property in 2001/02 includes funding for capital charge on land and buildings of \$557.121 million (GST inclusive). This was \$605.725 million in 2000/01.
Note 2	The cost for D9 Provision of Teacher and Caretaker Housing in 2001/02 includes funding for capital charge on land and buildings of \$20.739 million (GST inclusive). This was \$22.620 million in 2000/01.
Note 3	Under output class D3 Purchasing of Services on Behalf of the Crown, purchasing agreements may include contracts of services, documents of accountability, Memoranda of Understanding, letters of agreement, etc.
Note 4	The central education Crown entities from which services are purchased under output class D3 are Early Childhood Development (ECD), New Zealand Qualifications Authority (NZQA), Skill New Zealand, Career Services, Specialist Education Services (SES), and the proposed Education Council (subject to legislation).
Note 5	Rural Education Activity Programmes (REAPs) are incorporated societies that provide services to early childhood centres/services, schools, and community education services and coordinate educational activities across the sectors, in a number of rural districts.
Note 6	The Crown entities monitored under output class D4 Ownership Advice on Public Education Sector Entities include Learning Media Ltd, ECD, SES, NZQA, Skill New Zealand, Career Services, Teacher Registration Board and the proposed Education Council (subject to legislation).
Note 7	There are currently 15 special schools, established under section 95 of the Education Act 1989, for which the Minister appoints various numbers of board members.

Footnotes (continued)

- Note 8** Output class O1 Professional Development and Support mainly comprises programmes previously appropriated under O2 Curriculum Support (See Part G for details).
- Note 9** Under output class O1, appropriateness and effectiveness mean:
 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 10** In 2001/02 a substantial part of output class O2 relating to teacher professional development has been appropriated under a separate class – O1 Professional Development and Support.
- Note 11** The decrease in O3 Assessment of Entitlements or Eligibility for 2001/02 reflects additional funding provided in 2000/01 only to assist with preparations for the National Certificate of Educational Achievement (NCEA).
- Note 12** Under output class O5 Provision of Information and Advisory Services, appropriateness and effectiveness mean:
 Appropriateness: the extent to which the focus of the information provided is consistent with the users' needs.
 Effectiveness: accuracy - all material facts are included and are accurate; timeliness - information is provided within the times required.
- Note 13** The increase in funding for output class O6 Management of Grants and Contracts mainly relates to forecast growth in the Modern Apprenticeships programme begun last year.
- Note 14** The Family Start initiatives under output class O7 Supporting Parenting are being run jointly by the Ministries of Health, Education, and Social Policy, the Department of Child, Youth and Family Services and ECD.
- Note 15** In 2001/02 the number of families assisted under the Parents as First Teachers (PAFT) programme in output class O7 has been reduced to expand alternative parenting support and development programmes.
- Note 16** Under output class O7, appropriateness and effectiveness mean:
 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 17** The increased funding for output class O7 in 2001/02 is mainly due to increased funding for initiatives started in 2000/01 to address barriers to the participation of Māori and Pacific children in early childhood education.
- Note 18** The increased funding for output class O10 Training for Designated Groups in 2001/02 reflects an expansion of the Industry Training Fund and provision for more second-chance education. In addition, there is the expected growth of the Modern Apprenticeships programme initiated last year.
- Note 19** Under output class O11 Education Research Initiatives, the funding for New Zealand Council for Educational Research was previously appropriated under output class Advice on Educational Policy.
- Note 20** Increased funding for Career Services in 2001/02 mainly relates to expansion of a free career guidance service to adults. In addition, the funds reflect the full year effect of initiatives from the 2000 Budget – implementing Careerpoint and increasing capability.

Footnotes (continued)

- Note 21** The increased funding for Skill New Zealand relates to the expected growth in the Modern Apprenticeships programme.
- Note 22** The reduced funding in 2001/02 for NZQA relates to additional funding provided in 2000/01 to assist with preparations for the NCEA.
- Note 23** Under Māori and Pacific Island Scholarships and Bursaries:
- the Manaaki Akonga Rua programme will cease at the end of 2001
 - the Secondary Māori and Polynesian Scholarships will cease at the end of 2001, with current holders of scholarships transferring to the Government Boarding Bursaries programme.
- Note 24** Equity funding for community-based early childhood education will be implemented from January 2002.
- Note 25** From 1 July 2001, sessional hour funding rates for early childhood education will increase by 2.8%.
- Note 26** In 2001/02 some programmes previously appropriated under Other Expenses Primary Education and Secondary Education have been transferred to other appropriations. These include study support centres, school support and schooling improvement projects, and Mapihi Pounamu (see Part G for details).
- Note 27** The removal of bulk funding has seen a significant movement between salaries and operations funding between 2000/01 and 2001/02. The overall change in schools funding reflects the removal of bulk funding, lower forecast rolls, and provision for the triennial Board of Trustees elections in 2000/01 only. These are almost entirely offset by higher forecast teacher entitlements, increases to the schools operations grant, and other government decisions.
- Note 28** Funding for the Correspondence School in 2000/01 included \$2.0 million for the school to implement a change management strategy.
- Note 29** The change in private schools funding between 2000/01 and 2001/02 relates to lower forecast rolls and the way in which roll changes in 2001 and 2002 have been spread between financial years.
- Note 30** In the tertiary tuition funding table:
- the Equivalent Full-time Student (EFTS) places are actuals for the 2000 academic year
 - the tuition funding figures for 2001/02 assume 6.8% growth in EFTS places for 2001 and 1.2% growth for 2002.
- Note 31** In the 2001/02 property works programme, "Other" comprises work on Special Education and Full Service Schools projects. In 2000/01 the work related to Special Education and Social Workers in Schools projects.
- Note 32** Components of the core capital works programme include: new works, including health and safety issues, access for the disabled and building modernisation; education development initiatives; risk-management and financial assistance programmes; and provision for emergency works.
- Note 33** Projects carried forward from one financial year to the next have been committed in the year programmed but the cash is not required until the following year.

Education

VOTE MINISTER: Minister of 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 Education

Government Strategic Framework

Vote Education primarily contributes to the following overarching strategic goals:

- **Improve New Zealanders' Skills**
Foster education and training to enhance and improve the nation's skills so that all New Zealanders have the best possible future in a changing world.
- **Reduce Inequalities in Health, Education, Employment, and Housing**
Reduce the inequalities that currently divide our society and offer a good future for all by better coordination of strategies across sectors and by supporting and strengthening the capacity of Māori and Pacific Island communities.

In addition, expenditure in Vote Education also contributes to the following objectives:

- Restore Trust in Government and Provide Strong Social Services.
- Strengthen National Identity and Uphold the Principles of the Treaty of Waitangi.
- Grow an Inclusive, Innovative Economy for the Benefit of All.

Outcomes for Vote Education

The Minister is purchasing outputs from Vote Education to achieve the following outcomes:

More children gaining strong learning foundations

The Government recognises that access to, and participation in, quality early childhood education is critical for many children to gain a good education foundation. Particular emphasis will be placed on increasing the participation levels of Māori and Pacific children in early childhood education over the next five years, as they have lower participation rates than the population generally.

Another priority is for children to have gained a strong foundation in literacy and numeracy, and become confident learners as a result of their early childhood education and during their first four years at school so that they succeed in their later education.

The ongoing development of a national literacy and numeracy strategy, access to parent support, adult and community education, and Māori language policies will also be important areas of focus.

The development and implementation of a comprehensive assessment policy, which includes exemplars and diagnostic tools for literacy and numeracy learning, will help teachers and schools with the setting of challenging, but realistic, goals and learning objectives for students, and for the monitoring of their achievement.

More students participating in and achieving in education

For a significant proportion of the population, an increased involvement with education is essential both for personal success and for social cohesion.

Areas of focus include reducing levels of suspensions, continuing to improve access, support and services for people with special needs, raising participation in tertiary education, increasing participation and achievement through adult literacy, and adult and community education.

Work on the New Zealand Curriculum will focus on achievement and appropriate regulation.

Better quality schools and teachers

Good education outcomes require quality early childhood education services, good schools, and a high-quality tertiary sector. Quality services are linked to quality teaching. Raising the overall quality of education provision will be integral to a number of areas of work.

These areas of work include focusing schools on learning outcomes through implementation of National Administration Guidelines and school reporting requirements, increasing the introduction of Information and Communication Technologies (ICT) practices into schools to enhance student learning, implementing a strengthened schools monitoring programme, continuing the implementation of major school support, and strengthening education projects.

Work to further develop the professional capability of teachers will include enhancing the quality of principal leadership, implementation of the Education Council, and ongoing development of Te Kete Ipurangi and a wider range of curriculum exemplars.

More people continuing to develop their capabilities

This Government will encourage people to continue to develop and enhance their lives, improve their employability, and develop skills and enterprises needed for New Zealand to have long-term prosperity. The tertiary sector, in particular, has a key role to play in working with people to further develop their capabilities.

Across the tertiary sector, work will focus on improved industry training, adult and community education, adult literacy, Wananga, resourcing of tertiary education and approaches to student fee stabilisation, and lifting participation of Māori and Pacific students. Developing Centres of Research Excellence will be a key initiative.

Families and communities more strongly engaged in education

The Government aims to increase the capability of families and communities and ensure that their links with the education system are strengthened.

By strengthening family, and community, understanding and ability to engage with the education system, children can be better supported during their formative education experiences and in developing high longer-term expectations regarding education. Better integration of education, health and social policies is important, as are improved relationships between education institutions and communities and business.

Māori education

The Government will ensure that a Māori perspective is reflected across all education policy areas, as increased success of Māori in education remains a key priority.

Important to achieving better outcomes for Māori education will be ongoing development of iwi partnerships. These partnerships strengthen the role and increase the involvement and authority of Māori (whanau, hapu, and iwi) in education, while allowing the development of more tailored approaches to the design and implementation of policy within different rohe.

A range of outputs contributes individually and collectively to the above outcomes. These outputs, which are provided by both the Ministry and a range of external 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 that are available to influence educational outcomes. These interventions fall into three broad categories, including the:
 - provision and management of resources
 - administration of legislative and regulations
 - provision of information and advice.

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

Links Between Departmental Output Classes and the Government's Education Outcomes

The links between the Government's key goals and the Ministry of Education's classes of outputs are shown in the table below:

Output Classes	Key Areas of Focus
D1 Policy Advice	<ul style="list-style-type: none"> • Development of the Early Childhood Strategic Plan and associated implementation plans • Further policy development arising from the Wylie review of special education, including aspects of quality • Review of policy frameworks for school improvement • Review of strategies supporting students at risk of educational underachievement • Extension of literacy and numeracy strategies to higher year levels

Output Classes	Key Areas of Focus
D1 Policy Advice - cont'd	<ul style="list-style-type: none"> • Stocktake of the New Zealand Curriculum • Further development of the school sector ICT strategy • Further development of the Māori Education Strategy framework • Development of framework for Pacific capability building • Joint policy work/processes that may arise from the review of the Education Review Office (ERO) • Review of strategies for pre-service and in-service teacher professional development • Advising the government on the ongoing development of a strategy for the tertiary sector and responding to specific proposals from the Tertiary Education Advisory Commission • Review of Training Opportunities Programme and Youth Training to assess how to better meet the needs of low qualified, unemployed people • Launch of the adult literacy strategy and response to the findings of the Adult Learning Working Group.
D3 Purchasing of Services on Behalf of the Crown D4 Ownership Advice on Public Sector Entities	<p>Of particular importance this year will be:</p> <ul style="list-style-type: none"> • Ongoing schooling improvement work with iwi, including key initiatives for the Far North, East Coast, Tuhoe, and Tuwharetoa. • Improving the effectiveness of schools with young Māori and Pacific students. • Improving monitoring of schools.
D5 Provision of Information	<p>The major focus for 2001/02 is on:</p> <ul style="list-style-type: none"> • Attracting more people into the teaching profession, particularly Māori and Pacific peoples in particular subject areas. • Implementing local and national information campaigns for Whakaaro Matauranga. • Ongoing implementation of Te Kete Ipurangi and other ICT initiatives. • Implementing the NCEA.
D6 Administration of Education Regulations	<p>Of particular significance in 2001/02 will be effectively managing the introduction of new legislation, which will impact on the compulsory sector and to address the high level of Māori suspensions.</p>

D7 Administration of Education Sector Resourcing	The major focus for the year will be on disbursing new funding, including equity funding in the early childhood sector, and renewal of administrative funding systems.
D8 Provision of School Sector Property D9 Teacher and Caretaker Housing	Key initiatives for 2001/02 will be improving the quality of school property through implementation of five-year property agreements, and ensuring there is sufficient property, particularly in secondary schools with emerging roll growth.

Links Between Non-Departmental Output Classes and the Government's Education Outcomes

The links between the Government's outcomes and the classes of outputs purchased from third parties are shown in the table below:

Output Classes	Key Areas of Focus
O1 Professional Development and Support	Ensure effective use of resources and responsive implementation of educational programmes by providing: <ul style="list-style-type: none"> • Professional development for teachers. • Management and advisory services for managers in schools and early childhood services.
O2 Curriculum Support	Improve educational outcomes by making education programmes more widely available.
O3 Assessment of Entitlements or Eligibility	Improve educational outcomes for children at risk through administration and moderation of school qualifications and assessments of targeted resources.
O4 School Transport	Improve educational outcomes for children at risk by providing school transport services to eligible students attending State and integrated schools.
O5 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.
O6 Management of Grants and Contracts	Improve educational outcomes 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.
O7 Supporting Parenting	Improve educational outcomes through targeting services to break cycles of disadvantage, strengthen families, and improve the educational outcome of children at risk, by developing parenting skills to enhance children's development and education.

Output Classes	Key Areas of Focus
O8 Specialist Support Services	Improve educational outcomes for children at risk of education failure by providing specialist and technical support for teachers and agencies educating students with special needs.
O9 Development and Registration of Standards and Qualifications	Improve educational outcomes by reviewing, maintaining, and registering unit standards and qualifications on the National Qualifications Framework.
O10 Training for Designated Groups	Improve educational outcomes through building a skilled workforce, improving literacy and numeracy skills, providing for training linked to the National Qualifications Framework, providing for on-job and off-job training, and development of new training arrangements.
O11 Education Research Initiatives	<p>Improve educational outcomes through:</p> <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. This will largely focus on the introduction of Centres of Research Excellence.

Part A2 - Trends in Vote Education

Introduction

The departmental and Crown flows in Vote Education are detailed in the trends table and generally show steady increases in outputs purchased and other expenses incurred by the Crown. The table also shows increases in capital contributions for the property works programme and for student loans until 1999/2000.

In 1996/97 and 1997/98, there was a major shift between outputs purchased and other expenses incurred by the Crown, owing to reclassification of expenditure on early childhood education, school salary and operating costs, and tertiary education and training subsidies. This technical change followed a legal interpretation by the Crown Law Office of the criteria for the appropriation of non-departmental output classes under the Public Finance Act 1989.

In 1999/2000 post-school activities were incorporated into a separate Vote Tertiary Education, mainly comprising tertiary tuition subsidies and student loans. From 2000/01 these appropriations again appear in Vote Education. The following commentary discusses both Votes together.

Expenditure and Revenue Trends: 1996/97 to 2001/02

Departmental outputs

The growth in departmental output expenditure across 1996/97 to 2001/02 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
 - partially offset by changes in the capital charge rate (from 11.5% for 1996/97 to 11% for 1997/98 and 1998/99, 10% for 1999/2000 and 2000/01, and 9% for 2001/02)
- depreciation, which has also increased in line with the growth in the value of the school property portfolio
- deferred works and glazing maintenance.

There has also been funding for:

- additional activities including:
 - the design and operation of instruments for monitoring student achievement
 - the development and implementation of a single, unified system of national qualifications (NCEA) for secondary schools

- implementation of Special Education 2000, including communication of the policy, evaluation programmes, and assessing the eligibility of special needs students applying for the Ongoing and Reviewable Resourcing Schemes (ORRS). Recently, there has also been a review of the policy and, arising from that, a decision was made to bring the functions of Specialist Education Services into the Ministry as a separate directorate
 - implementing the recommendations of the Maths and Science Taskforce and the Literacy Taskforce
 - Māori education initiatives, including the Māori Education Strategy, establishment of new kura kaupapa Māori, 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
- an increase in the cost of teacher payroll services
 - 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
 - provision of additional curriculum support material, including support for ICT in schools and provision of a web site for teachers – Te Kete Ipurangi.

Also included in the later years are increased costs of student loans and allowances administration in 1998/99 and 1999/2000 (these programmes have now been transferred to the Department of Work and Income) and provision for the valuation of tertiary assets.

Non-departmental outputs

The reduction in funding for non-departmental output classes from 1996/97 to 1997/98 primarily reflects the transfer of some major non-departmental output classes to Other Expenses as described above. From 1998/99, a substantial part of Training Opportunities Programme funding was also transferred to Vote Work and Income.

These changes have been partially offset by steady growth in other outputs, principally due to:

- additional resources to support curriculum initiatives, teacher professional development, and training for boards of trustees
- further development of programmes to support parenting such as Family Start
- development of the Skill New Zealand strategy and other industry training initiatives (for example, Skill Enhancement and Modern Apprenticeships)
- some special education outputs being brought back to outputs as a new class Specialist Support Services from 1999/2000.

Benefits and other unrequited expenses

The significant movement in these costs over the period relates primarily to student allowances. Increases in tertiary enrolments have led to higher numbers of students receiving allowances, particularly in polytechnics and universities. There has also been a later trend towards more expensive allowances, arising from increases in the numbers of mature students (over 25 years of age) and students with dependants, who are not subject to parental income tests.

However, from 1 January 1999, administration of these allowances became the responsibility of the Department of Work and Income, and the appropriation was transferred to Vote Work and Income from that date.

After that, growth in benefit expenses is largely related to provision of new tertiary doctoral and enterprise scholarships and to initiatives to attract students to a career in teaching.

Other expenses

The increases to other expenses that occurred in 1997/98 result from the full transfer of early childhood, schools, and tertiary expenditure from non-departmental output classes, for the technical reasons outlined above. Other increases over 1997/98 mainly reflect:

- roll-related increases in early childhood education sessional payments and school operations funding, as well as revised funding rates
- the impact of wage settlements for teachers and principals and a change to the formulae for bulk funding (the Fully Funded Option)
- increased numbers of tertiary students, with the cap on funded places being removed from 1999. There has also been funding provided to institutions to stabilise student fees.

Capital contributions

The major changes in capital contributions relate to a continuing investment in:

- school land and buildings to meet roll growth and changes to staff-student ratios
- student loans.

However, from 1 January 2000, administration of student loans became the responsibility of the Department of Work and Income.

Revenue

Interest revenue, establishment fees, and repayments related to student loans have been steadily increasing throughout the review period. However, this revenue appears in Vote Work and Income from 1999/2000.

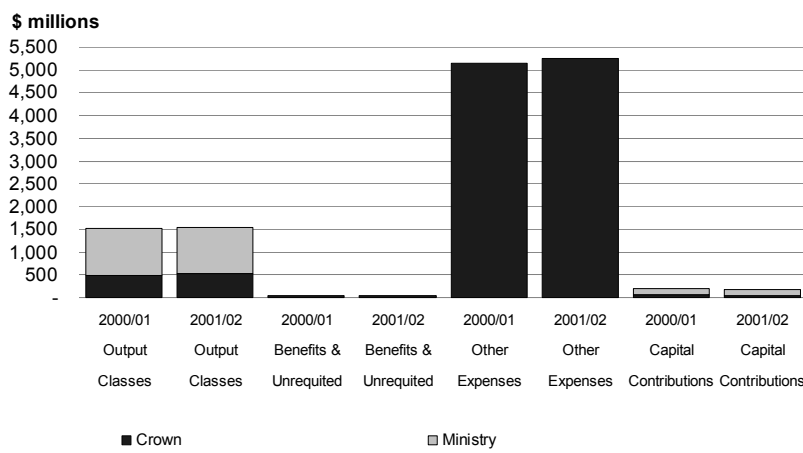
Other significant changes between years include asset sales, recoveries from Crown entities (\$21.0 million in 1998/99), Accident Compensation Corporation (ACC) experience rating rebates, and recoveries from foreign fee-paying students.

Analysis by Appropriation Type: 2000/01 and 2001/02 Compared

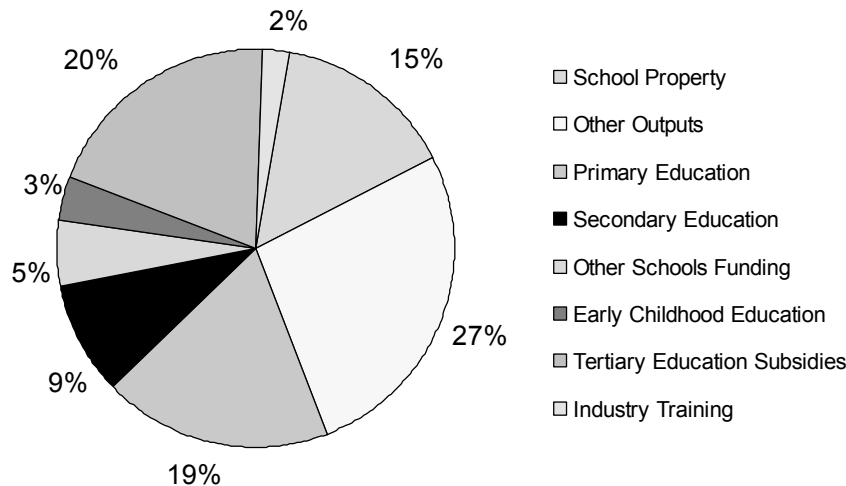
Total appropriations for Vote Education in 2001/02 are \$7,009.886 million, an increase of \$103.291 million over 2000/01. This reflects:

- costs of additional school accommodation required by roll growth
- new initiatives costing approximately \$77.973 million this year (plus increased investment in school property assets), mainly for increasing the capability and effectiveness of teachers and school leadership, improving resourcing in the early childhood and school sectors, and encouraging participation in tertiary education by keeping it affordable and promoting the knowledge economy.

Figure 1 - Comparison of total appropriations: 2000/01 and 2001/02



Source: Ministry of Education

Figure 2 - Analysis of 2001/02 appropriations by sector

Source: Ministry of Education

Departmental outputs

Appropriations for the purchase of departmental outputs in 2001/02 are \$1,005.332 million (including GST), which is \$35.289 million less than in 2000/01 (see Part B1 for details).

This change is mainly due to reduced capital charge on school property assets and Ministry chattels, through a change in the rate to 9%, although this is partially offset by the growth in the value of the school property portfolio. The reduced capital charge has been further offset by:

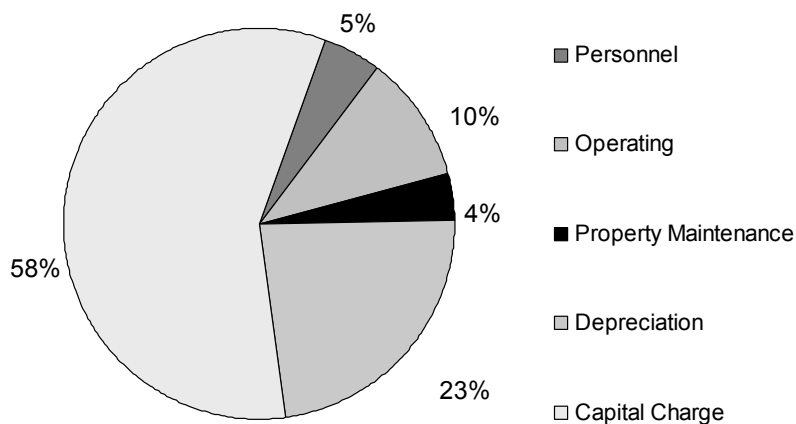
- higher depreciation, largely due to increased investment in new schools and classrooms to meet roll growth
- increased costs of the teacher payroll service
- full implementation of the local and national information campaigns to provide better information and support to Māori parents and students about how to enhance access to a quality education
- further teacher supply initiatives, including communications initiatives to promote teaching as a profession
- development of exemplars of student work and diagnostic tools for providing information to improve teaching and learning programmes and for reporting to parents
- increased support for ICT, particularly for expansion of materials available on the web site Te Kete Ipurangi.

In addition, there is provision for working with clusters of tertiary institutions and researchers as Centres of Research Excellence, developing quality assurance systems for adult literacy and better measurements of the gains from these programmes, promotion of education and training exports, and implementation of improved school planning and reporting requirements.

These have been partially offset by reductions due to the end of programmes in 2000/01, notably:

- provision for a systematic valuation of tertiary assets which Ministers decided not to complete at this time
- development of the NCEA – implementation of the new qualification will begin from 2002
- an information campaign focused on literacy and numeracy and the work of the Literacy Taskforce
- the initial work on bringing the functions of SES into the Ministry as a separate directorate.

Figure 3 - Analysis of 2001/02 departmental expenditure



Source: Ministry of Education

Non-departmental outputs

Appropriations for the purchase of non-departmental outputs for 2001/02 have increased by \$54.099 million to \$535.741 million (see Part B1 for details). This is mainly owing to:

- an increase in the Industry Training Fund and provision for additional second-chance education programmes. The funding for the Modern Apprenticeships and Gateway programmes also increase substantially
- increased professional development opportunities for teachers and principals, focused on high priority areas including the implementation of NCEA
- funding for Centres of Research Excellence

- expansion of a free career guidance service for adults
- the full-year effect of programmes to address barriers to Māori and Pacific children participating in early childhood education
- the full-year effect of other initiatives from the 2000 Budget, such as expansion of ICT clusters and provision for Sports and Arts Coordinators.

Benefits and other unrequited expenses

Funding of \$49.463 million has been appropriated in 2001/02 for benefits and other unrequited expenses (see Part B1 for details). This is an increase of \$12.894 million over 2000/01. This is mainly due to increased numbers of tertiary doctoral and enterprise scholarships being available and additional scholarships for trainee teachers. Also, the Targeted Individual Entitlement and Mapihi Pounamu programmes have been transferred from Other Expenses from this year onwards.

Other expenses

Other expenses are \$5,250.295 million, an increase of \$97.703 million between 2000/01 and 2001/02 (see Part B1 for details). This is mainly owing to:

- an increase in per-pupil funding rates for schools and early childhood education services
- implementation of equity funding in the early childhood education sector
- other roll-related increases in early childhood education sessional payments and school operations funding
- increased funding for improving responsiveness of schools to Māori and Pacific students
- provision for increased EFTS places, particularly in the private training sector, and higher funding rates to limit growth in fees
- increased funding for adult literacy initiatives.

These increases have been partially offset by the transfer of some programmes to Benefit Expenses and to Output Classes (see Part G for details).

Capital contributions

Capital contributions to other persons or organisations for 2001/02 total \$37.956 million, which is \$32.272 million less than for 2000/01 (see Part B1 for details). This is mainly due to there being fewer loans or capital injections to the tertiary sector in 2001/02.

The capital injection into the Ministry, which owns and manages the school property portfolio, is \$131.099 million in 2001/02 compared to \$124.943 million in 2000/01. The capital is primarily for construction of new schools and additional classrooms to meet the requirements of school roll growth.

Revenue

Revenue and receipts for Vote Education are \$6.887 million in 2001/02, which is \$8.832 million lower than for 2000/01 (see Part F for details). This is mainly owing to lower forecast recoveries required from Crown entities or tertiary institutions and to lower asset sales in 2001/02.

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.10 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 output classes, 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. In previous years student loan advances (less any provisions for write-down) were also reflected, but these are now in Vote Work and Income
- changes in accruals and prepayments arising from the timing of expenditure, including advances to schools and early childhood 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.

Trends in Vote Education - Summary of Appropriations and Crown Revenue

Types of Appropriation	1996/97	1997/98	1998/99	1999/2000	2000/01		2001/02 Appropriations to be Used					
	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	
							Annual \$000	Other \$000	Annual \$000	Other \$000		
Operating Flows												
Classes of Outputs to be Supplied	4,270,079	1,368,226	1,312,785	1,428,573	1,522,263	1,519,590	1,005,332	-	535,741	-	1,541,073	
Benefits and Other Unrequited Expenses	351,086	376,867	237,076	27,577	36,569	36,569	N/A	N/A	49,463	-	49,463	
Borrowing Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	
Other Expenses	1,069,450	4,353,904	4,602,755	4,856,396	5,152,592	5,133,982	-	-	5,250,295	-	5,250,295	
Capital Flows												
Capital Contributions	738,995	840,166	753,608	310,526	195,171	175,171	131,099	-	37,956	-	169,055	
Purchase or Development of Capital Assets	1,417	623	-	-	-	-	N/A	N/A	-	-	-	
Repayment of Debt	-	-	-	-	-	-	N/A	N/A	-	-	-	
Total Appropriations	6,431,027	6,939,786	6,906,224	6,623,072	6,906,595	6,865,312	1,136,431	-	5,873,455	-	7,009,886	
Total Crown Revenue and Receipts	67,473	86,913	103,429	58,540	15,719	15,719	N/A	N/A	N/A	N/A	6,887	

Part B - Statement of Appropriations

Part B1 - Details of 2001/02 Appropriations

Appropriations	2000/01				2001/02		Description of 2001/02 Appropriations
	Vote		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Departmental Output Classes (Mode B Gross)							
D1 Policy Advice	40,485	-	38,186	-	37,148	-	Purchase of timely and relevant policy advice on various aspects of the education system, by anticipating future opportunities and pressures, identifying priorities for improvement, developing options for improving the effectiveness of New Zealand's education system and recommending appropriate legislative change. Policy advice will be provided 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.
D2 Ministerial Services	3,218	-	3,218	-	3,213	-	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.
D3 Purchasing of Services on Behalf of the Crown	5,714	-	5,714	-	7,448	-	Facilitating the purchase of services from third parties by the Minister. This can include advising on purchasing strategy, negotiating terms and conditions of purchase agreements with a range of education service providers, and monitoring and reporting on performance of the provider.

<p>D4 Ownership Advice on Public Education Sector Entities</p>	<p>16,190</p>	<p>-</p>	<p>16,032</p>	<p>-</p>	<p>17,723</p>	<p>- Purchase of ownership advice on education sector entities. Ownership perspectives include judgements about the long-run capability of the entities and, in particular, the educational viability of those entities providing education services, and the financial viability and strategic capability of the entities both on an individual basis and collectively as a portfolio. The output class also involves:</p> <ul style="list-style-type: none"> ● advising on ministerial appointments to various governing bodies ● advising on the ownership objectives for individual entities, negotiating ownership accountability documents, and reviewing reports ● taking follow-up action with governing bodies and management ● managing the establishment, closure, and merger of public education sector entities.
<p>D5 Provision of Information</p>	<p>32,630</p>	<p>-</p>	<p>32,414</p>	<p>-</p>	<p>35,917</p>	<p>- Provision of information to both the consumers and providers of education services as a specific government intervention to address information gaps and other inequalities among the various participants in the education system. This information is intended to:</p> <ul style="list-style-type: none"> ● improve education-related decision-making by students, parents, and other caregivers, and to better inform expectations about students' learning and achievement ● strengthen the capability of providers and lead to greater responsiveness to the expectations and needs of learners. <p>The output class also involves the provision of information to people interested in careers as teachers.</p>
<p>D6 Administration of Education Regulations</p>	<p>4,640</p>	<p>-</p>	<p>4,640</p>	<p>-</p>	<p>5,168</p>	<p>- Administration of the range of legislative and regulatory controls in the education system that are focused on protecting the rights of students, parents, and other caregivers, and which are not administered by the Ministry in the course of delivering other services. This includes procedures for licensing early childhood services, registering and integrating private schools, and processing applications for various exemptions under the law. It also includes a range of actions related to ensuring that children and young people (aged 6 – 16) receive their right to education by being enrolled in a registered school.</p>

Part B1 - Details of 2001/02 Appropriations (continued)

	2000/01			2001/02		
	Vote		Estimated Actual	Vote		Other \$000
	Annual \$000	Other \$000		Annual \$000	Other \$000	
Appropriations						
Departmental Output Classes (Mode B Gross) – cont'd						
D7 Administration of Education Sector Resourcing	42,329	-	42,329	45,558	-	Description of 2001/02 Appropriations
						Administering the distribution of resources to education service providers, consumers (students, parents, and other caregivers), and employees of State and integrated schools. This can involve determining the appropriate level of resources, delivery of those resources (both in cash and in kind) and monitoring of ongoing eligibility. Also included in the output class are the provision of an education payroll service, administration of a risk-management scheme for school contents, and the provision of industrial relations services.
D8 Provision of School Sector Property	858,891	-	858,891	820,043	-	Providing the property portfolio for the State school sector by: <ul style="list-style-type: none"> ● 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) ● purchasing and constructing new property through the Roll Growth Programme. The reduction in the appropriation is mainly due to a change in the rate of capital charge.
D9 Provision of Teacher and Caretaker Housing	36,524	-	36,524	33,114	-	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).
Total Appropriations for Departmental Output Classes (Mode B Gross)	1,040,621	-	1,037,948	1,005,332	-	

Non-Departmental Output Classes									
O1 Professional Development and Support	-	-	-	-	-	91,345	-	-	Delivery of professional development and advisory support to staff, managers, and parents in early childhood services and in schools; to enhance self-management and to implement and give support to the curriculum. In 2000/01 these programmes were mainly appropriated under O2 Curriculum Support.
O2 Curriculum Support	93,546	-	93,546	-	-	32,943	-	-	Purchase of supplementary education programmes for schools and communities to ensure wider access to these opportunities. Programmes include Books in Homes, Learning Experiences Outside the Classroom, and truancy management services. In 2000/01 this output class also included teacher professional development and advisory services, now appropriated under a separate output class.
O3 Assessment of Entitlements or Eligibility	9,219	-	9,219	-	-	8,246	-	-	Assessing and determining eligibility for secondary school qualifications, special education resources, and delivery of correct entitlements.
O4 School Transport	102,836	-	102,836	-	-	106,804	-	-	Payments to contractors for provision of school transport services to State and integrated schools for eligible students, payments to schools who 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.
O5 Provision of Information and Advisory Services	21,507	-	21,507	-	-	20,432	-	-	Providing information on the Government's educational policy and programmes and general advisory services to the public, community groups, industry, and the education community.
O6 Management of Grants and Contracts	9,965	-	9,965	-	-	10,644	-	-	Contract negotiation and management services on behalf of the Crown, including the awarding of contracts, monitoring the performance of those contracts, and management of payments to third parties.
O7 Supporting Parenting	23,507	-	23,507	-	-	25,490	-	-	Purchasing programmes, such as Parents as First Teachers (PAFT), 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.
O8 Specialist Support Services	65,485	-	65,485	-	-	65,652	-	-	Provision of specialist services to support teachers, parents, and agencies for children with special education needs.
O9 Development and Registration of Standards and Qualifications	4,726	-	4,726	-	-	4,726	-	-	Development, maintenance, and review of unit standards and qualifications for registration on the National Qualifications Framework, and the establishment and support of national standard-setting bodies.

Part B1 - Details of 2001/02 Appropriations (continued)

	2000/01			2001/02		
	Vote		Estimated Actual	Vote		Other \$000
	Annual \$000	Other \$000		Annual \$000	Other \$000	
Appropriations						Description of 2001/02 Appropriations
Non-Departmental Output Classes – cont'd						
O10 Training for Designated Groups	149,418	-	149,418	166,026	-	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.
O11 Education Research Initiatives	-	-	-	3,433	-	Purchase of cooperative and collaborative tertiary research through a contestable fund - Centres of Research Excellence Fund. Also included is independent research on the effectiveness of education, previously appropriated under Advice on Educational Policy.
Advice on Educational Policy	1,433	-	1,433	-	-	Providing advice on education policy issues and independent research on the effectiveness of education. In 2001/02, this programme is appropriated under O11 Education Research Initiatives.
Total Appropriations for Non-Departmental Output Classes	481,642	-	481,642	535,741	-	
Benefits and Other Unrequited Expenses						
Boarding Allowances and Bursaries	5,350	-	5,350	5,618	-	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 the local school.
Home Schooling Allowances	4,629	-	4,629	5,090	-	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.

Māori and Pacific Island Scholarships and Bursaries	6,454	-	6,454	-	5,886	-	Programmes to provide scholarships and bursaries to Māori and Pacific secondary students, according to established criteria. The programmes include Manaaki Tauria, Māori Education Trust and Polynesian and Pacific Island Education Foundation Scholarships, Ngārimu VC and Māori Battalion Memorial Scholarship Fund, and Māori and Polynesian Scholarships.
Mapihi Pounamu	-	-	-	-	3,000	-	Assistance to Māori students who face barriers to learning - either through difficult home circumstances or being from a low-income family living in an isolated area - to ensure that they participate and achieve in education. This was previously appropriated under Other Expense appropriations: Primary Education and Secondary Education.
National Study Awards	13,479	-	13,479	-	11,871	-	Provision for the costs of teacher study awards, including the replacement of the teacher while on study leave. In 2001/02, teacher trainee programmes have been moved to a new appropriation - Teacher Trainee Scholarships.
Queen Elizabeth II Study Awards	100	-	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	650	-	650	-	650	-	For student examination fees remitted in cases of hardship.
Targeted Individual Entitlement	-	-	-	-	2,164	-	Provides assistance to students from low-income families to attend a private school. The programme has been stopped but current recipients are being grandparented to the end of their studies. This was previously appropriated under Primary Education and Secondary Education.
Teacher Trainee Scholarships	-	-	-	-	4,615	-	Study scholarships and allowances awarded to students entering into teacher training. Some of these programmes have previously been appropriated under National Study Awards.
Tertiary Scholarships	5,857	-	5,857	-	10,239	-	Enterprise, Top Achiever Doctoral, Mathematics and Science scholarships, and School Achievers awards.
Tertiary Teaching Awards	-	-	-	-	200	-	Award to recognise outstanding tertiary education teachers.
United World Scholarships	50	-	50	-	30	-	Scholarships for attendance at United World Colleges. This programme has now ceased with current recipients being grandparented.
Total Appropriations for Benefits and Other Unrequited Expenses	36,569	-	36,569	-	49,463	-	

Part B1 - Details of 2001/02 Appropriations (continued)

	2000/01			2001/02		
	Vote		Estimated Actual	Vote		Other \$000
	Annual \$000	Other \$000		Annual \$000	Other \$000	
Appropriations						Description of 2001/02 Appropriations
Other Expenses to be Incurred by the Crown						
Community Education	20,254	-	20,254	20,863	-	Providing funding for delivery of community and adult education courses through schools and other agencies.
Early Childhood Education	322,539	-	322,539	348,022	-	Subsidising early childhood education services for children under six years of age from licensed and chartered early childhood centres and from licence-exempt centres.
Early Childhood Grants	8,835	-	8,835	8,835	-	Assistance is provided to early childhood 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.
Integrated Schools Property	26,869	-	26,869	27,140	-	Provision for property maintenance at integrated schools as part of a funding regime negotiated with the proprietors of integrated schools.
Interest Subsidy for Schools	2,350	-	2,350	2,640	-	Subsidises interest payments for borrowing by private schools for approved property-related projects.
Primary Education	1,845,963	-	1,841,353	1,832,502	-	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. In 2001/02, some programmes have been moved to other appropriations, including Schooling Improvement, O2 Curriculum Support, and Mapihi Pounamu.
Residual Management Unit Payments	1,400	-	1,400	1,260	-	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.
School Transport	1,247	-	1,247	1,236	-	Payments to teachers who, as Bus Controllers, assist in the provision of school transport assistance.

Schooling Improvement	-	-	-	-	15,408	-	-	-	-	School support and schooling improvement projects to improve the capability of schools and clusters and their responsiveness to the needs of the community. These include iwi strengthening education projects. Most projects are developed in the context of a business case. This funding was previously appropriated under Other Expenses: Primary Education, Secondary Education, and Special Needs Support.
Secondary Education	1,284,590	-	1,280,590	-	1,270,169	-	-	-	-	- 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. In 2001/02, some programmes have been moved to other appropriations, including Schooling Improvement, O2 Curriculum Support, and Mapihi Pounamu.
Special Needs Support	288,564	-	288,564	-	288,156	-	-	-	-	- Providing additional resources to enable students with special 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. In 2001/02, some programmes have been moved to other appropriations, including Schooling Improvement and O2 Curriculum Support.
Tertiary Education and Training	1,346,557	-	1,336,557	-	1,432,129	-	-	-	-	- 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.
UNESCO	1,935	-	1,935	-	1,935	-	-	-	-	- Annual membership contribution to UNESCO's international administration and programme of activities of the National Commission, including participation in regional and international activities.
Restructuring of School Support Services	1,212	-	1,212	-	-	-	-	-	-	- Assistance to current providers of School Support Services to address issues associated with restructuring to enable School Support Services to be more responsive to any new policy. There is no appropriation in 2001/02.
Settlement of Wananga Capital Establishment Claim	277	-	277	-	-	-	-	-	-	- Reimbursement of expenses related to the Wananga claim with respect to past capital expenditure. There is no appropriation in 2001/02.
Total Appropriations for Other Expenses to be Incurred by the Crown	5,152,592	-	5,133,982	-	5,250,295	-	-	-	-	

Part B1 - Details of 2001/02 Appropriations (continued)

	2000/01			2001/02		
	Vote		Estimated Actual	Vote		Other \$000
	Annual \$000	Other \$000		Annual \$000	Other \$000	
Appropriations						Description of 2001/02 Appropriations
Capital Contributions to the Department						
Capital Investment	124,943	-	104,943	131,099	-	Mainly provides for construction of additional primary schools, permanent and relocatable classrooms, and other facilities required to meet roll growth.
Total Appropriations for Capital Contributions to the Department	124,943	-	104,943	131,099	-	
Capital Contributions to Other Persons or Organisations						
Aoraki Polytechnic	500	-	500	300	-	Capital injection to assist the institution to restructure its balance sheet and reduce its level of debt.
New Polytechnic	8,000	-	8,000	17,000	-	For assistance with the costs involved in disestablishing the Central Institute of Technology and incorporating it within the Hutt Valley Polytechnic - the new institution will be known as the Wellington Institute of Technology.
Property Disposal Incentives Scheme	2,000	-	2,000	2,500	-	Payments to schools of a share of the proceeds from the sale of their surplus school property assets.
School Support Project	1,900	-	1,900	1,900	-	Capital costs of implementing approved school support and schooling improvement projects (other than costs related to school property assets).
Schools Furniture and Equipment	14,856	-	14,856	14,856	-	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.
Wairarapa Polytechnic Future	4,600	-	4,600	1,400	-	Capital injection to meet the costs of the disestablishment of Wairarapa Community Polytechnic and its incorporation into the Universal College of Learning.

Capital Contributions to Wananga	19,122	-	19,122	-	-	-	-	-	Capital contribution towards the purchase of buildings and equipment for Wananga. There is no appropriation in 2001/02.
Central Institute of Technology	2,950	-	2,950	-	-	-	-	-	The appropriation addressed the Central Institute of Technology's cash flow problems in the 2000 academic year while the institution developed robust long-term financial solutions. There is no appropriation in 2001/02.
Taranaki Polytechnic	8,400	-	8,400	-	-	-	-	-	Financial assistance to the Polytechnic by way of a Crown loan and new capital to assist with restructuring its operations. There is no appropriation in 2001/02.
Wanganui Regional Polytechnic	7,900	-	7,900	-	-	-	-	-	Assistance with bridging finance to manage cash flow problems while the institution developed robust long-term financial solutions. There is no appropriation in 2001/02.
Total Appropriations for Capital Contributions to Other Persons or Organisations	70,228	-	70,228	-	-	37,956	-	-	
Total Appropriations	6,906,595	-	6,865,312	-	-	7,009,886	-	-	

Part C - Explanation of Appropriations for Output Classes

Part C1 - Departmental Output Classes

For a more detailed analysis of Departmental Output Classes, including financial and non-financial performance measures, please refer to the Ministry of Education's *Departmental Forecast Report*.

Output Class D1 - Policy Advice

Description

In this class of outputs, 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. Policy advice provided under this output class 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 class includes:

- the provision of associated legislative advice
- advice on the implementation of government policy
- 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 class 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.

Output Class D2 - Ministerial Services

Description

In this output class, 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 Ministers 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 class also includes the provision of advisory support to the Minister in Cabinet committees and select committees.

Output Class D3 - Purchasing of Services on Behalf of the Crown

Description

In this output class, the Minister of Education will purchase the facilitation of purchasing services from third parties and central education Crown entities. The resources that are provided to purchase these services are appropriated as non-departmental output classes.

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 3), including specifying the nature and expected performance dimensions of the services to be supplied. Purchasing agreements are negotiated with a range of suppliers:

- central education Crown entities (see note 4).
- education service providers such as Te Kohanga Reo National Trust Board, 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 of New Zealand and services provided through Rural Education Activity Programmes (see note 5).
- 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 policy advice, education programmes for students, professional development programmes for providers and teachers, research activities in tertiary providers, school transport services, 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 class 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 purchasing 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 class, the output includes the development of the strategic direction of the purchasing arrangement in question. Information on provider performance informs subsequent purchasing strategies.

Output Class D4 - Ownership Advice on Public Education Sector Entities

Description

In this class of outputs, the Minister of Education will purchase ownership advice on the service delivery capability and financial viability of public education sector entities, comprising State tertiary education sector entities (TEIs), State and integrated schools, and central education Crown entities (see note 6). 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, tertiary education sector entities, and some special schools, and on expectations for each board of trustees appointment (see note 7).

This class of outputs 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. The class of outputs also involves taking follow-up action with governing bodies and management, as necessary, to address any material problems. Follow-up action may include the provision of informal advisory and facilitation services, requiring more frequent selective reporting. It 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 the preparation of business cases to support requests for a capital injection or loan, the appointment of additional members, advisors, or observers to governing bodies, or the appointment of commissioners or statutory managers.

This class of outputs 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, and the disposal of a small number of surplus assets held by TEIs prior to 1989.

Output Class D5 - Provision of Information

Description

In this class of outputs, 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 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, whanau, and communities, and Pacific 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, and aggregate achievement information. This information is intended to strengthen the capability of providers and lead to greater responsiveness to the expectations and needs of consumers. The output class also involves the provision of information for people interested in careers as teachers, to encourage participation in the teacher labour market. This includes information targeted at Māori and Pacific peoples interested in careers as teachers.

The output class 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. The output class 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 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.

Output Class D6 - Administration of Education Regulations

Description

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

The provision of this output class involves exercising judgements over whether early childhood 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 services and registering, de-registering, and integrating private schools, and includes the approval of attendance dues charged by integrated schools. The output class 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.

The output class 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.

The output class 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.

Output Class D7 - Administration of Education Sector Resourcing

Description

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

The output class 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.

In addition, this class of outputs includes the provision of an education payroll service, administration of a risk-management scheme for school contents, and provision of industrial relations services. These three services are provided in respect of State and integrated schools.

Output Class D8 - Provision of School Sector Property

Description

In this class of outputs, 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 maintain 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 demographic changes.

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

The school sector property portfolio comprises approximately 2,300 State schools (non-integrated). In addition, there are approximately 300 sites occupied by early childhood services. The school sector property portfolio has a capital value (based on a government valuation) of \$6,000 million, including \$5,000 million worth of improvements. The total replacement value of the portfolio is approximately \$8,000 million.

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

Output Class D9 - Provision of Teacher and Caretaker Housing

Description

In this output class, the Minister of Education will purchase services to provide houses that are available to be rented by teachers, principals, and caretakers. The housing portfolio, some 2,500 houses with a value of approximately \$200 million, has two components – houses that are identified with a particular school and houses that are available to a cluster of schools. Rental houses are provided as an incentive for the recruitment and retention of teachers, particularly in isolated areas, and as a security measure. The output includes executing new tenancy agreements, collecting and accounting for rentals received, and the associated maintenance and capital works (including purchase and disposal).

Under the POD, responsibility for maintenance of school-specific housing rests with the respective board of trustees, resourced through a component of the operations grant for schools.

Part C2 - Non-Departmental Output Classes

Output Class 01 – Professional Development and Support

Under this class of outputs, the Minister of Education purchases professional development and advisory support to staff, managers, and parents in early childhood services and in schools, to enhance self-management, and implement and give support to the curriculum (see note 8). This includes:

- ongoing school support services focusing on school self-management, curriculum and Māori education
- national professional development courses focusing on curriculum delivery, school and classroom management, and assessment of student learning
- short-term support for the implementation of new curriculum statements and curriculum policy
- early childhood services professional support
- Māori language training
- training programmes for special education teachers
- teacher exchange programmes and study awards
- mental health programmes with particular emphasis on drug education.

Quantity, quality, timeliness, and cost

Performance Measures	Performance Standards 2001/02	Performance Standards 2000/01
Quantity		
Number of hours of ongoing school support.	200,000–240,000	200,000–240,000
Number of TRCC participant days for national professional development.	3,400–4,000	3,700–4,000
Number of professional development support programmes.	150–180	100–130
Number of teacher exchange programmes.	20–30	20–30
Implementation of training programmes for special education teachers.	650–700 special education teachers receiving Resource Teachers: Learning and Behaviour (RTLB) training.	650–700 special education teachers receiving Resource Teachers: Learning and Behaviour (RTLB) training.
Number of schools receiving training and support for managing students with moderate speech-language difficulties.	As agreed in the Purchase Agreement with SES.	As agreed in the Purchase Agreement with SES.

Performance Measures	Performance Standards 2001/02	Performance Standards 2000/01
<u>Quality</u>		
Programmes delivered to targets specified in contracts with providers.	95% of contracts will be delivered to contracts specifications.	95% of contracts will be delivered to contracts specifications.
Teachers and early childhood staff satisfied with the appropriateness and effectiveness (see note 9) of professional development programmes, as assessed by survey.	80% of responses received will indicate satisfaction.	80% of responses received will indicate satisfaction.
<u>Timeliness</u>		
Programmes delivered within timelines where specified in contracts with providers.	95%	95%

Cost

	Output Class Cost	\$000
2001/02	Total output class to be provided within (GST inclusive)	91,345
2000/01	Total output class to be provided within (GST inclusive)	-

Major providers (\$ million GST inclusive)

Thirty to 100 providers of teacher professional development programmes and resources (\$43.332); School Advisory Services (\$24.154); Early Childhood Advisory and Training Fund (\$8.429).

Output Class O2 – Curriculum Support

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

- Rural Education Activities Programmes
- Books in Homes
- Learning Experiences Outside the Classroom (LEOTC)
- Sports and Arts Coordinators
- truancy management and programmes to reduce suspension rates
- Study Support Centres
- proposal pools for innovative programmes to assist student at risk and reading, writing, and maths programmes.

Quantity, quality, timeliness, and cost

Performance Measures	Performance Standards 2001/02	Performance Standards 2000/01
<u>Quantity</u>		
Number of truancy contracts.	110–130	110–130
Number of class groups receiving LEOTC services.	16,000–20,000 class groups will receive LEOTC services.	16,000–20,000 class groups will receive LEOTC services.
Schools and students receiving services under Books in Homes	At least 250 schools At least 56,000 students	At least 250 schools At least 56,000 students
Schools receiving funding for Arts Coordinators	180–210 schools	160-190 schools
Schools involved in extension to SportsFit Sports Coordinators	320–350 schools	310-330 schools
Schools involved in Māori suspension reduction programmes	18–20 clusters	18–20 clusters
Number of contracts for students at risk innovations	30–45	30–45
Schools delivering innovative reading, writing and maths programmes	490–520 schools	490–520 schools
Study support centres established and maintained	120–150 centres	120–150 centres
Number of other curriculum support programmes.	12–20	25–35
<u>Quality</u>		
Programmes delivered to targets specified in contracts with providers.	95% of contracts will be delivered to contracts specifications.	95% of contracts will be delivered to contracts specifications.
<u>Timeliness</u>		
Programmes delivered within timelines where specified in contracts with providers.	95%	95%

Cost

	Output Class Cost	\$000
2001/02	Total output class to be provided within (GST inclusive) (see note 10)	32,943
2000/01	Total output class to be provided within (GST inclusive)	93,546

Major providers (\$ million GST inclusive)

45 to 55 providers for LEOTC (\$5.604); 13 REAPs (\$3.524); 120 to 140 providers of truancy services (\$5.504); Reading, Writing and Maths proposals pool (\$4.860); 500 to 570 schools with Arts or Sports Coordinators (\$3.000).

Output Class O3 - Assessment of Entitlements or Eligibility

Under this class of outputs, the Minister of Education requires education agencies to determine eligibility for secondary school qualifications and special education resources, and to deliver the correct entitlements. The outputs in this class are:

- Assessments for Qualifications – assessments by NZQA for secondary school qualifications, including the production and distribution of examination papers, quality control, and review procedures to enable the assessment of candidates, the assessment of scripts, and the notification of results.
- Special Education Assessment – preliminary assessment provided for some learners with ongoing high to very high special education needs, assessment provided in relation to transport, boarding bursaries, Correspondence School and suspended students, and assessment provided for the allocation of equipment for learners with special education needs.

Quantity, quality, and cost

Performance Measures	Performance Standards 2001/02	Performance Standards 2000/01
<u>Quantity</u>		
Number of candidates for secondary school qualifications assessed.	As agreed in Purchase Agreement with NZQA.	As agreed in Purchase Agreement with NZQA.
Number of assessments made for learners with high or very high special education needs.	Up to 19,000 assessments for 8,500–11,500 children	Up to 19,000 assessments for 8,500–11,500 children
<u>Quality</u>		
Percentage of special education assessments made according to established protocols.	100%	100%

Cost

	Output Class Cost	\$000
2001/02	Assessments for Qualifications to be provided within (GST inclusive)	6,419
2001/02	Special Education Assessment to be provided within (GST inclusive)	1,827
2001/02	Total output class to be provided within (GST inclusive) (see note 11)	8,246
2000/01	Total output class to be provided within (GST inclusive)	9,219

Major providers (\$ million GST inclusive)

NZQA (\$6.419); SES (\$1.111).

Output Class O4 - School Transport

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

Quantity, quality, timeliness, and cost

Performance Measures	Performance Standards 2001/02	Performance Standards 2000/01
<u>Quantity</u>		
School transport routes:		
<ul style="list-style-type: none"> Contracted daily bus routes. 	1,500–1,600	1,500–1,600
<ul style="list-style-type: none"> Contracted routes transporting students to manual training. 	650–750	650–750
<ul style="list-style-type: none"> Directly resourced routes. 	550–650	550–650
Number of conveyancing allowance approvals.	10,000–11,000	10,000–11,000
Number of special education assistance approvals.	5,800–6,800	5,800–6,800
<u>Quality and Timeliness</u>		
Services are provided according to contract terms:		
<ul style="list-style-type: none"> Contracted bus services provided for authorised days that schools are open. 	Reports of failure received about less than 0.5% of Ministry bus routes during the year.	Reports of failure received about less than 0.5% of Ministry bus routes during the year.
<ul style="list-style-type: none"> Directly resourced bus services provided for authorised days that schools are open. 	Reports of failure received about less than 0.5% of directly resourced school transport during the year.	Reports of failure received about less than 0.5% of directly resourced school transport during the year.

Cost

	Output Class Cost	\$000
2001/02	Total output class to be provided within (GST inclusive)	106,804
2000/01	Total output class to be provided within (GST inclusive)	102,836

Major providers

Central Motorways Ltd; Madge Coachlines Ltd; McDermotts Coaches Ltd; Murphy Buses Ltd; Ritchies Transport Holdings; Transbay Coaches Ltd; Transit Group Ltd; Waipawa Buses Ltd.

Output Class O5 - Provision of Information and Advisory Services

Under this class of outputs, the Minister of Education purchases services to provide information on government education policy and programmes and general advisory services to the public, community groups, industry, the education community, Crown entities, and other government departments. These services involve:

- 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
- promotion and/or dissemination of current policy
- provision of careers services, including career information
- disseminating information to school principals and boards of trustees
- management of databases and provision of statistical data
- an advocacy service, dealing with inquiries and complaints that arise from students and their parents/caregivers in the education sector.

Quantity, quality, and cost

Performance Measures	Performance Standards 2001/02	Performance Standards 2000/01
<u>Quantity</u> Number of recipients of information initiatives and advice.	As specified in Purchase Agreements with each provider.	As specified in Purchase Agreements with each provider.
<u>Quality</u> Recipients of the service express satisfaction with the appropriateness and effectiveness (see note 12) of the information or advice or another quality measure, as agreed with each provider.	85%-95% (dependant on provider) of responses received from surveyed recipients will indicate satisfaction or another quality standard, as agreed with each provider.	95% of responses received from surveyed recipients will indicate satisfaction or another quality standard, as agreed with each provider.

Cost

	Output Class Cost	\$000
2001/02	Total output class to be provided within (GST inclusive)	20,432
2000/01	Total output class to be provided within (GST inclusive)	21,507

Major providers (\$ million GST inclusive)

ECD (\$1.375); Career Services (\$8.032); Skill New Zealand (\$4.350); NZQA (\$1.771); Te Kohanga Reo National Trust (\$1.860).

Output Class O6 - Management of Grants and Contracts

Under this class of outputs, the Minister of 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. The major output in this class is for coordination of Industry Education and Training Programmes, including purchase of Youth Training and Skill Enhancement programmes, provision of funds to Industry Training Organisations (ITOs) for training services to industry, and management of Modern Apprenticeships. Other programmes under this class of outputs include:

- administration of disbursements to kohanga reo for the provision of early childhood education, plus the allocation and management of loans
- administration of payments for early childhood education delivered by licence-exempt services
- administration of payments to early intervention and special education providers
- management of contracts with providers of programmes, including PAFT and Family Start
- administration of bursaries and scholarships for eligible Māori and Pacific Island students
- administration of tertiary teaching awards
- coordination of the e-learning strategy in the tertiary sector.

Quantity, quality, and cost

Performance Measures	Performance Standards 2001/02	Performance Standards 2000/01
<u>Quantity</u>		
Number of industry training, Youth Training, Skill Enhancement and Modern Apprenticeships service providers.	As agreed in Skill New Zealand's Document of Accountability.	As agreed in Skill New Zealand's Document of Accountability.
Number of kohanga reo administered through the contract (includes licence-exempt).	600–700	650–750
Number of licence-exempt services paid.	1,300–1,600	1,300–1,600
Number of early intervention service providers.	12–17	12–17
Number of PAFT contracts.	15–30	35–42
Number of Family Start contracts.	As agreed in contracts with ECD, Department of Child, Youth and Family Services, and Ministry of Health.	As agreed in contracts with ECD, Department of Child, Youth and Family Services, and Ministry of Health.
Number of Māori and Pacific Island Scholarship applications administered.	12,200–13,100	12,200–13,100

Performance Measures	Performance Standards 2001/02	Performance Standards 2000/01
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.	100% compliance.	100% compliance.

Cost

	Output Class Cost	\$000
2001/02	Industry Training to be provided within (GST inclusive)	8,842
2001/02	Other Grants and Contracts Management to be provided within (GST inclusive)	1,802
2001/02	Total output class to be provided within (GST inclusive) (see note 13)	10,644
2000/01	Total output class to be provided within (GST inclusive)	9,965

Major providers (\$ million GST inclusive)

Skill New Zealand – industry training (\$6.610) and modern apprenticeships (\$2.232).

Output Class O7 - Supporting Parenting

Under this class of outputs the Minister of Education purchases programmes including PAFT and Family Start (see note 14), and advice and support to enhance the role of parents in the development of their children and to promote the value of quality early childhood education experiences. The output class is directed at parents of young children, Māori parents, parents of learners with special needs, and community groups (including those wishing to establish early childhood services).

Quantity, quality, and cost

Performance Measures	Performance Standards 2001/02	Performance Standards 2000/01
Quantity		
Number of families involved in PAFT programmes (see note 15).	8,650–9,150	9,000–9,500
Number of families supported under Family Start.	700–1,000	700–1,000
Number of families in other parent support programmes.	1,650–1,900	1,650–1,900
Number of playgroups and Māori and Pacific groups supported, as outlined in the Purchase Agreement with ECD	750–850	750–850
Number of parents of learners with special needs supported.	As agreed in the SES Document of Accountability.	As agreed in the SES Document of Accountability.
Number of contracts for reducing barriers to participation in Māori and Pacific communities.	15–25 contracts with community groups. 2–4 contracts with ECD.	10–15 contracts with community groups. 2–4 contracts with ECD.
Quality		
Participants satisfied with the programmes attended or services received in terms of appropriateness and effectiveness (see note 16), 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

	Output Class Cost	\$000
2001/02	Total output class to be provided within (GST inclusive) (see note 17)	25,490
2000/01	Total output class to be provided within (GST inclusive)	23,507

Major providers (\$ million GST inclusive)

Correspondence School (\$2.086); ECD (\$3.008); 12 providers of PAFT programmes (\$8.612); Family Start programmes (\$5.781); 25 to 35 community groups under Early Childhood Needs Assistance programmes (\$3.250).

Output Class O8 - Specialist Support Services

Under this class of outputs, the Minister of Education purchases specialist services to support teachers, parents, and agencies for children with special education needs.

This includes:

- early intervention programmes and advice, guidance, and support to early childhood education centres
- advice, guidance, and support for RTLBs
- assistance to early childhood centres and schools in the management of traumatic incidents, such as suicide or violent offending
- specialist services for students with speech-language disorders
- specialist services for students with severe behaviour difficulties
- assistance to schools in the prevention of violence
- specialist services to students with hearing impairment.

Quantity, quality, and cost

Performance Measures	Performance Standards 2001/02	Performance Standards 2000/01
<p><u>Quantity and Quality</u></p> <p>Coordinated childhood specialist services will be provided to service standards, as agreed between the Minister and SES, and will be assessed as positive by parents of children receiving the services.</p>	<p>11,000–12,000 children receiving early childhood specialist services.</p> <p>75% of parents are positive about the SES role in supporting their child's transition to school.</p>	<p>9,500–12,000 children receiving early childhood specialist services.</p> <p>75% of parents are positive about the SES role in supporting their child's transition to school.</p>
<p>Support to early childhood education centres provided in accordance with the service objectives, as outlined in the SES Document of Accountability.</p>	<p>120–140 centres receiving advice and support.</p> <p>75% of objectives met as assessed through discussion with the centre.</p>	<p>120–140 centres receiving advice and support.</p> <p>75% of objectives met as assessed through discussion with the centre.</p>
<p>Assistance to early childhood centres and schools in the management of traumatic incidents until a management plan has been developed and is assessed as appropriate and effective through survey.</p>	<p>As agreed in the Purchase Agreement with SES.</p> <p>90% of early childhood centres and schools are satisfied with the appropriateness and effectiveness of the service provided.</p>	<p>As agreed in the Purchase Agreement with SES.</p> <p>90% of early childhood centres and schools are satisfied with the appropriateness and effectiveness of the service provided.</p>
<p>Specialist services for students with communication disorders provided in accordance with SES service standards.</p>	<p>6,000–7,000 students receiving specialist services.</p>	<p>6,000–7,000 students receiving specialist services.</p>

Performance Measures	Performance Standards 2001/02	Performance Standards 2000/01
<u>Quantity and quality (cont'd)</u>		
Specialist services provided to students with hearing impairment.	1,000–1,200 students receiving specialist services.	1,000–1,200 students receiving specialist services.
Behaviour Education Support Team (BEST) and Centres for Extra Support teams will provide assistance to students identified as having severe and challenging behaviours.	6,000–7,000 students receiving the service. 85% of students receiving the assistance from a BEST team will remain in their local community school after six months.	5,000–7,000 students receiving the service. 85% of students receiving the assistance from a BEST team will remain in their local community school after six months.
Schools supported by SES through the Eliminating Violence programme.	35–45	35–45

Cost

	Output Class Cost	\$000
2001/02	Total output class to be provided within (GST inclusive)	65,652
2000/01	Total output class to be provided within (GST inclusive)	65,485

Major providers (\$ million GST inclusive)

SES (\$56.587); 11 to 15 providers of early childhood moderation services (\$9.065).

Output Class O9 - Development and Registration of Standards and Qualifications

Under this class of outputs, the Minister of Education purchases the registration, maintenance, and review of unit standards and qualifications for the National Qualifications Framework, support for national standards-setting bodies, and other outputs to support the development and implementation of the National Qualifications Framework.

Quantity, quality, timeliness, and cost

Performance Measures	Performance Standards 2001/02	Performance Standards 2000/01
<u>Quantity</u>		
Number of qualifications and unit standards registered.	As agreed in Purchase Agreement with NZQA.	As agreed in Purchase Agreement with NZQA.
<u>Quality</u>		
Percentage of qualifications and unit standards registered on the National Qualifications Framework according to published criteria.	100%	100%

Performance Measures	Performance Standards 2001/02	Performance Standards 2000/01
<u>Timeliness</u> Percentage of qualifications registered within timeframes agreed in the Purchase Agreement with NZQA.	100%	100%

Cost

	Output Class Cost	\$000
2001/02	Total output class to be provided within (GST inclusive)	4,726
2000/01	Total output class to be provided within (GST inclusive)	4,726

Major provider (\$ million GST inclusive)

NZQA (\$4.726).

Output Class O10 - Training for Designated Groups

Under this class of outputs, the Minister of 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, and Modern Apprenticeships.

Quantity, quality and cost

Performance Measures	Performance Standards 2001/02	Performance Standards 2000/01
<u>Quantity</u> Total training places offered:		
• Modern Apprenticeships	3,000	500–1,300
• Skill Enhancement	650–750	600–700
• Youth Training	4,900–5,500	4,900–5,500
• Gateway.	1,300–1,600	500–600
Industry training standard training measures. A standard training measure is equivalent to 120 National Qualifications Framework credits on an approved structured training programme.	21,000–26,000 standard training measures.	20,000–24,000 standard training measures.
Average number of National Qualifications Framework credits achieved.	As agreed in Skill New Zealand's Document of Accountability.	As agreed in Skill New Zealand's Document of Accountability.

Performance Measures	Performance Standards 2001/02	Performance Standards 2000/01
Quality		
Number of credits on the National Qualifications Framework achieved, on average, by trainees participating in the Youth Training programme.	20 credits	15 credits
Number of credits on the National Qualifications Framework achieved, on average, by trainees participating in the Skill Enhancement programme.	60 credits	60 credits

Cost

	Output Class Cost	\$000
2001/02	Total output class to be provided within (GST inclusive) (see note 18)	166,026
2000/01	Total output class to be provided within (GST inclusive)	149,418

Major providers (\$ million GST inclusive)

ITOs, polytechnics and Private Training Establishments for Industry Training Fund (\$78.763); accredited providers for Skill Enhancement (\$9.734), Youth Training (\$65.223), and Modern Apprenticeship – Training Fund and Coordinators (\$8.631).

Output Class O11 – Education Research Initiatives

Under this class of output, the Minister of Education purchases tertiary 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 are to be primarily, but not exclusively, inter-institutional research networks, with the researchers working together on a commonly agreed work programme. The output class also includes 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 2001/02	Performance Standards 2000/01
<u>Quantity and timeliness</u>		
Centres of Research Excellence to be established.	3–6 Centres of Research Excellence will be established.	Not applicable in 2000/01.
Research programmes to be advanced in accordance with the agreed timeframe in the contract (or in any variations to the contract) between each Centre of Research Excellence and the Ministry (or its agent).	Each Centre of Research Excellence 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 Ministry (or its agent).	Not applicable in 2000/01.
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.	Projects completed or otherwise advanced as specified in the Purchase Agreement (or any agreed modification).	Projects completed or otherwise advanced as specified in the Purchase Agreement (or any agreed modification).
<u>Quality</u>		
Each Centre of Research Excellence to achieve an ongoing research capability that is recognised as excellent by international standards.	Each Centre of Research Excellence will achieve an ongoing research capability that is recognised as excellent by international standards.	Not applicable in 2000/01
Each Centre of Research Excellence to undertake research activity of excellent quality, which contributes to New Zealand's social and economic development and to knowledge transfer.	Each Centre of Research of Excellence will undertake research activity of excellent quality, which contributes to New Zealand's social and economic development and to knowledge transfer.	Not applicable in 2000/01
NZCER research projects comply with systematic internal quality assurance processes and key tasks/documents, which are supported by external peers.	100% compliance.	100% compliance.
Sign-off on NZCER research projects by the Director of NZCER or nominee.	100% signed off.	100% signed off.

Cost

	Output Class Cost	\$000
2001/02	Centres of Research Excellence to be provided within (GST inclusive)	2,000
2000/01	Research on Education to be provided within (GST inclusive)	1,433
2001/02	Total output class to be provided within (GST inclusive)	3,433
2000/01	Total output class to be provided within (GST inclusive) - estimate (see note 19)	1,433

Major provider (\$ million GST inclusive)

3 to 6 Centres of Research Excellence (\$2.000); NZCER (\$1.433).

Part C3 - Significant Providers and Programmes

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

Significant Providers and Programmes	2000/01 Vote \$000	2000/01 Estimated Actual \$000	2001/02 Vote \$000
<u>Central Education Crown Entities</u>			
ECD	5,055	5,055	5,055
SES	63,071	63,071	63,619
Career Services (see note 20)	6,742	6,742	8,032
Skill New Zealand (see note 21)	12,507	12,507	13,192
NZQA (see note 22)	14,691	14,691	13,616
<u>Other Agencies</u>			
New Zealand School Trustees Association	600	600	600
Te Kohanga Reo National Trust Board	4,935	4,935	4,935

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 (see note 23)	2000/01 Vote \$000	2000/01 Estimated Actual \$000	2001/02 Vote \$000
Manaaki Tauira	4,300	4,300	4,300
Manaaki Akonga Rua	300	300	-
Māori Education Scholarships	664	664	664
Ngarimu VC and 28 th (Māori) Battalion Memorial Scholarship Fund	54	54	54
Polynesian and Pacific Island Education Foundation	75	75	75
Secondary Māori and Polynesian Scholarships	535	535	267
Tertiary Māori and Polynesian Scholarships	526	526	526
Total	6,454	6,454	5,886

Analysis of Tertiary Scholarships

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

Tertiary Scholarships	2000/01 Vote \$000	2000/01 Estimated Actual \$000	2001/02 Vote \$000
Enterprise Scholarships	1,574	1,574	2,622
Top Achiever Doctoral Scholarships	3,333	3,333	6,667
Science and Mathematics Scholarships and School Achievers Awards	950	950	950
Total	5,857	5,857	10,239

Other information regarding these appropriations is provided in Part B1.

Part D3 - Other Expenses

Other Expense - Early Childhood Education

Under this appropriation, the Minister of Education subsidises early childhood education services for children under six years of age from licensed and chartered early childhood centres and from licence-exempt centres. The expenses include:

- Licensed Early Childhood Education (under two) – provision of early childhood education for children under two years of age by licensed and chartered early childhood services
- Licensed Early Childhood Education (two and over) – provision of early childhood education for children over two years of age by licensed and chartered early childhood services
- Licence-Exempt Early Childhood Education – provision of early childhood education for children under six years of age by licence-exempt services
- Equity funding for community-based early childhood education (see note 24).

Quantity, quality, and cost

Performance Measures	Performance Standards 2001/02	Performance Standards 2000/01
<p>Quantity</p> <p>Subsidised hours provided by licensed and chartered early childhood services:</p> <ul style="list-style-type: none"> • Kindergarten • Playcentres • Education and care centres • Home-based • Nga kohanga reo 	<p>22 million–23 million</p> <p>3 million–4 million</p> <p>51 million–52 million</p> <p>6.5 million–7 million</p> <p>14 million–15 million</p>	<p>22 million–23 million</p> <p>3 million–4 million</p> <p>48 million–49 million</p> <p>7 million–7.5 million</p> <p>14 million–15 million</p>
<p>Hours of early childhood education provided by licence-exempt centres.</p>	<p>3 million–4 million</p>	<p>2 million–3 million</p>
<p>Quality</p> <p>Early childhood centres/services will provide services to the level and standard specified and agreed in their negotiated and approved charter.</p>	<p>99.5% of all licences and charters will remain valid in respect of compliance with the standards.</p>	<p>99.5% of all licences and charters will remain valid in respect of compliance with the standards.</p>

Cost

Hourly Rates for Children	Rate 1	Rate 2	Rate 3
Rates until 30 June 2001			
Under two years	\$5.18	\$5.76	-
Two years and over	\$2.60	\$2.88	-
In kindergarten	-	-	\$3.46
In licence-exempt centres	\$1.07	-	-
Rates from 1 July 2001 (see note 25)			
Under two years	\$5.33	\$5.92	-
Two years and over	\$2.67	\$2.96	-
In kindergarten	-	-	\$3.56
In licence-exempt centres	\$1.10	-	-

Rate 1: basic rate for licensed and chartered services

Rate 2: rate for services meeting criteria for staff qualification and staff-to-child ratios that are higher than licensing requirements

Rate 3: rate for kindergartens

	Other Expense Cost	\$000
2001/02	Licensed Early Childhood Education (under two) to be provided within (GST inclusive)	93,778
2001/02	Licensed Early Childhood Education (two and over) to be provided within (GST inclusive)	248,934
2001/02	Licence-Exempt Early Childhood Education to be provided within (GST inclusive)	3,310
2001/02	Equity Funding Pool to be provided within (GST inclusive)	2,000
2001/02	Total other expense to be provided within (GST inclusive)	348,022
2000/01	Total other expense to be provided within (GST inclusive)	322,539

Major providers

Licensed and chartered services include: 595 to 605 kindergartens (including mobile services) managed through 36 to 40 associations of which Auckland, Waikato, Central North Island, Wellington, and Canterbury are the largest associations; 510 to 530 playcentres; 1,400 to 1,480 education and child centres; 190 to 230 home-based networks, of which about 90% are organised through Barnardos; 550 to 600 kohanga reo managed through Te Kohanga Reo National Trust Board.

Licence-exempt services include: 20 to 40 kohanga reo managed through Te Kohanga Reo National Trust Board; 650 to 750 Pacific language groups, playgroups and other services.

Other Expense - 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 school to respond to the needs of their students (the school curriculum).

Quantity, quality, timeliness, and cost

Performance Measures	Performance Standards 2001/02	Performance Standards 2000/01
<p><u>Quantity</u></p> <p>Number of students to receive the curriculum as at census dates 1 July 2001 and 1 March 2002.</p>	480,000–486,000	483,000–485,000
<p><u>Quality</u></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.</p> <p>99.5% of all registered State and integrated schools will be governed by a board 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.</p> <p>99.5% of all registered State and integrated schools will be governed by a board of trustees.</p>
<p><u>Timeliness</u></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 2001/02 financial year.	The equivalent of 394 half-days per annum in the 2000/01 financial year.

Cost

	Other Expense Cost	\$000
2001/02	Total other expense to be provided within (GST inclusive) (see note 26)	1,832,502
2000/01	Total other expense to be provided within (GST inclusive)	1,845,963

Major providers (\$ million GST inclusive)

Correspondence School (\$4.989); 40 to 50 private primary schools and 40 to 50 other private schools with primary pupils (\$13.928); 70 to 80 State and integrated composite schools; 2,180 to 2,200 State and integrated primary schools.

Other Expense - 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 2001/02	Performance Standards 2000/01
<p>Quantity</p> <p>Number of students to receive the curriculum as at census dates 1 July 2001 and 1 March 2002.</p>	246,000–255,000	242,000–248,000
<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.</p> <p>99.5% of all registered State and integrated schools will be governed by a board 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.</p> <p>99.5% of all registered State and integrated schools will be governed by a board 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 2001/02 financial year.	The equivalent of 380 half-days per annum in the 2000/01 financial year.

Cost

	Other Expense Cost	\$000
2001/02	Total other expense to be provided within (GST inclusive) (see note 26)	1,270,169
2000/01	Total other expense to be provided within (GST inclusive)	1,284,590

Major providers (\$ million GST inclusive)

Correspondence School (\$20.944); 10 to 20 private secondary schools and 40 other private schools with secondary pupils (\$25.094); 70 to 80 State and integrated composite schools; 315 to 325 State and integrated secondary schools.

Other Expense - Special Needs Support

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

- coordinated specialist services to students assessed as eligible for the ORRS. These resources are allocated according to established criteria
- 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 ESOL and alternative education programmes for students with other special needs.

Quantity, quality, timeliness, and cost

Performance Measures	Performance Standards 2001/02	Performance Standards 2000/01
<u>Quantity</u>		
Students in the ORRS.	6,500–7,500	6,500–7,500
Resource Teachers: Learning and Behaviour.	700–800	700–800
Number of students in residential care.	300–400	300–400
Number of ESOL learners funded.	22,000–27,000	22,000–27,000
Number of students in alternative education programmes.	1,750–1,850	1,750–1,850
<u>Quality</u>		
Resources targeted and delivered according to documented criteria.	100%	100%
<u>Timeliness</u>		
Resources for services will be delivered according to documented timeframes.	100% compliance.	100% compliance.

Cost

	Other Expense Cost	\$000
2001/02	Total other expense to be provided within (GST inclusive)	288,156
2000/01	Total other expense to be provided within (GST inclusive)	288,564

Major providers (\$ million GST inclusive)

Correspondence School (\$3.115); 100 to 130 providers of alternative education programmes (\$19.883); 70 to 80 special education fund-holders (\$69.291).

Significant Compulsory Education Programmes

The following table summarises funding allocated to particular compulsory education programmes of interest where the information may not be readily ascertained from the detail in Part B1, Part C2, or Part D3.

Table of Compulsory Education Resourcing	2000/01 Vote \$000	2000/01 Estimated Actual \$000	2001/02 Vote \$000
Centrally funded teachers' salaries	1,810,238	1,810,238	2,279,364
Schools - bulk funding of teachers' salaries	536,176	536,176	-
Schools - operational funding	944,440	936,440	1,008,404
(see note 27)	3,290,854	3,282,854	3,287,768
Some programmes included in schools operational funding are:			
• ESOL	12,221	12,221	11,383
• ICT grant	10,390	10,390	10,057
• Māori language resources	13,819	13,819	15,947
• ORRS	66,110	66,110	69,291
• Secondary-Tertiary Alignment Resource	23,873	23,873	23,334
• Special education grants	38,456	38,456	38,462
• Targeted Funding for Educational Achievement	51,925	51,925	51,770
• Targeted Rural Funding	6,604	6,604	6,762
Other funds allocated to schools include:			
• Truancy programme	5,504	5,504	5,504
• Alternative education	19,092	19,092	19,883
• Correspondence school (see note 28)	33,017	33,017	31,134
• Private schools (see note 29)	41,596	41,596	39,022
	99,209	99,209	95,543
Total compulsory education resourcing	3,390,063	3,382,063	3,383,311

Other Expenses - Tertiary Education and Training

Under this appropriation, tuition subsidies for students studying approved courses and programmes are paid to approved providers as a subsidy towards the cost of tuition and supporting research. Funding is also provided for other tertiary education and training services and base grants for State tertiary education institutions.

Current policy is focused upon delivering:

- opportunities for all students to access quality tertiary education with particular initiatives to encourage Māori and Pacific peoples participation and achievement
- a system that recognises and responds to the diversity of students and their learning needs
- improved quality assurance in teaching, research, and qualifications
- improved management and accountability of tertiary institutions
- encouragement for research-based study through higher subsidy rates
- improving adult literacy and other foundation skills.

Key policies include the following:

- Government subsidies are provided to institutions 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.
- Government subsidies apply only to providers and qualifications that meet quality assurance and financial viability criteria.
- Tuition subsidies are allocated at the same rates for either public or recognised private providers.
- Subsidy payments are linked to actual enrolments at each institution.
- Supplementary grants are paid to TEIs to improve tertiary education outcomes for Māori and Pacific peoples and tertiary students with disabilities.

Tuition

Funding is provided as a subsidy towards the cost of tertiary education and training tuition through:

- EFTS-based funding 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.
- Other funding (such as grants and special supplementary grants).

Field of Study (see note 30)	EFTS Places	2000/01 \$000	2001/02 \$000
Science and Applied Science	19,419	183,903	193,466
Arts and Performing Arts	56,674	316,686	332,929
Technology and Design	18,033	155,726	163,823
Health Professions	12,161	142,663	149,793
Business and Law	54,655	300,758	316,392
Teacher Education	12,461	86,926	92,085
Grants and special supplementary grants		24,625	41,441
Total tuition funding		1,211,287	1,289,929

Research

Funding is provided as a subsidy towards the cost of tertiary education and training research which supports learning at degree level and above through:

Research Funding (from EFTS-based tuition subsidies)	2000/01 \$000	2001/02 \$000
Undergraduate courses	25,480	26,276
Taught postgraduate courses	24,548	25,329
Research-based courses	67,032	67,928
Total research	117,060	119,533

Community education

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

Community Education Programmes	2000/01 \$000	2001/02 \$000
EFTS-based tuition subsidies	11,402	11,989
Other tertiary education provider funding	6,808	10,678
Total funding from Tertiary Education and Training appropriation	18,210	22,667

Community Education Programmes (cont'd)	2000/01 \$000	2001/02 \$000
School community education funding	14,649	15,251
Correspondence School adult education funding	3,895	3,906
REAP community education funding	1,710	1,710
Total funded from Community Education appropriation	20,254	20,867
Total community education	38,464	43,534

Significant Tertiary Education Funding

The following table summarises funding 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	2000/01 Vote \$000	2000/01 Estimated Actual \$000	2001/02 Vote \$000
University EFTS	741,605	731,605	761,134
Polytechnic EFTS	357,232	357,232	364,154
Colleges of education EFTS	58,677	58,677	59,288
Special supplementary grants	43,437	43,437	61,119
Other tertiary education providers	10,795	10,795	14,582
Teacher supply initiatives	900	900	900
Private training EFTS	112,047	112,047	142,349
Wananga EFTS	21,864	21,864	28,603
Total	1,346,557	1,336,557	1,432,129

Part E - Explanation of Appropriations for Capital Flows

Part E1 - Capital Contributions

Capital Contribution to the Department

Investment in School Property	2000/01 Vote \$000	2000/01 Estimated Actual \$000	2002/02 Vote \$000
Roll growth/expansion programme:			
• New classrooms	37,500	37,500	15,200
• New schools	84,400	84,400	29,800
• Site purchases and site works	40,900	40,900	12,200
• Primary Property Guide	18,000	18,000	20,000
• Secondary Property Guide	-	-	20,000
• Kura kaupapa Māori, schools of special character, and change of class	15,000	15,000	25,000
• Secondary/Intermediate redevelopments	23,600	23,600	-
• 5-Year Property Programme	45,000	45,000	186,000
• Financial Assistance Scheme	22,000	22,000	10,000
• School Support	-	-	15,000
• Other (see note 31)	3,000	3,000	3,000
	289,400	289,400	336,200
Core capital works programme (see note 32)	146,700	146,700	57,000
Plus completion of projects from previous years (see note 33)	199,500	199,500	353,300
Less projects carried forward to next year	(333,300)	(353,300)	(414,500)
Total capital programme	302,300	282,300	332,000
Less funds available from depreciation, asset sales and cash on hand	(179,300)	(179,300)	(207,000)
Capital contribution required	123,000	103,000	125,000

The capital contribution to the Ministry of Education for 2001/02 for investment in school property is \$125 million. The capital programme focuses on the delivery of new school accommodation and enhancement of existing accommodation to support school-age population growth through:

- the construction of approximately 95 additional classrooms at primary, composite, and secondary schools (76, 2, and 17 respectively) required for roll growth in schools with the greatest shortfall

- the purchase of three sites (two to settle in 2001/02) and the associated site works required for schools needed in the future
- the continued implementation of the new property guide for primary schools
- commencement of the implementation of a new property guide for secondary schools (subject to Government approval)
- the establishment of new kura kaupapa Māori and other special character schools, and extending current kura to wharekura
- extension of the 5-year property programme to a further 450 schools
- the advance construction of nine new schools for opening in 2002 or 2003
- Financial Assistance Scheme building projects related to modernisation where boards share the cost with the Government
- supporting the property needs of struggling schools.

The capital injection required for 2000/01 was reduced by \$20 million from \$123 million, mainly due to delays in:

- finalising some purchases of new school sites
- reaching agreement on the scope of work for some modernisation projects and for some primary school guide deficiency rectification projects.

This reduction is reflected in a higher value of projects carried forward to next year.

The balance of the Capital Contribution to the Department for 2001/02 (\$6.099 million) relates to building a data warehouse for the tertiary sector, monitoring performance in the compulsory sector, including supporting new planning and reporting requirements for schools, and delivering equity funding to the early childhood sector.

Net Worth of Entities Owned

Statement of Estimated and Forecast Net Worth

	Balance Date	Estimated Net Worth 2001 \$ million	Forecast Net Worth 2002 \$ million
Ministry of Education	30 June	5,667.744	5,798.843
<u>Crown Entities:</u>			
Career Services	30 June	2.057	2.057
Early Childhood Development	30 June	2.220	2.290
Skill New Zealand	30 June	5.170	5.170
Learning Media Ltd	30 June	4.093	5.539
New Zealand Qualifications Authority	30 June	14.997	11.646
Specialist Education Services	30 June	10.293	10.458
Teacher Registration Board	30 June	0.543	0.508
State schools	31 December	926.800	1,010.000
State tertiary institutions	31 December	2,336.000	2,411.000

The increase in net worth for the Ministry of Education (\$131.099 million) mainly reflects increased investment in school land and buildings to meet roll growth.

Other 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 Receipts

	2000/01		2001/02	Description of 2001/02 Crown Revenue
	Budgeted \$000	Estimated Actual \$000	Budget \$000	
Current Revenue				
Non-Tax Revenue				
ACC Levy Rebate	820	820	820	ACC levy experience-rating rebate for teachers.
Charter Fees Early Childhood Education	30	30	30	Charter application and amendment fees received from early childhood services.
Education Residual Management Unit Receipts	463	463	300	Rental received from leased buildings belonging to the former Department of Education or Education Boards.
Learning Media Limited	364	364	1,446	Annual dividends to be received from Learning Media Ltd. The increased revenue reflects a higher forecast surplus and a higher proportion to be returned to the Crown than for 2000/01.
Miscellaneous Receipts	350	350	350	Those other Crown receipts which are not separately identified.
Overseas Students' Fees	3,191	3,191	3,191	Fees paid by foreign students attending New Zealand primary and secondary schools (excluding integrated schools) for the use of Crown-owned assets.
Payroll Receipts	300	300	250	Recovery of debts arising from overpayment of teachers' salaries during previous financial years.
Roll Audit Recovery	710	710	110	Recoveries of funding outside the current year from early childhood services and schools owing to auditing and correction of rolls on which entitlements for funding are based. The level of recoveries in 2000/01 was unexpectedly high and is not likely to be repeated this year.
Tertiary Investments - Interest	18	18	13	Interest paid by TEIs on loans received from the Crown.
Crown Entity Recoveries	3,925	3,925	-	Recoveries from Crown entities of operating surpluses and unspent funding relating to previous financial years. There is no revenue expected in 2001/02.

Immigration Resettlement and Research Fund	1,333	1,333	-	-	Payment from the Fund towards the cost of funding ESOL in the compulsory sector. There is no revenue expected in 2001/02.
Tertiary Recoveries	943	943	-	-	Recovery of EFTS and other funding paid during previous financial years for services that were not delivered. No revenue is expected in 2001/02.
Total Non-Tax Revenue	12,447	12,447	6,510	6,510	
Total Current Revenue	12,447	12,447	6,510	6,510	
Capital Receipts					
Asset Sales	1,700	1,700	300	300	Proceeds from disposal of Crown assets.
Tertiary Investments - Repayments	1,572	1,572	77	77	Repayments on loans and advances made to TEIs.
Total Capital Receipts	3,272	3,272	377	377	
Total Crown Revenue and Receipts	15,719	15,719	6,887	6,887	

Part G - Statement of Reconciliations

Part G1 - Changes in Appropriation Categories

In 2001/02, a new Non-Departmental Output Class has been established for professional development for teachers and management in the early childhood and compulsory education sectors as well as for boards of trustees. The provision of advisory support and guidance has also been included. Most of these programmes were previously appropriated under output class Curriculum Support.

The output class Advice on Educational Policy has been subsumed into a new research output class – Education Research Initiatives.

Expenditure on schooling improvement and strengthening education projects has also been incorporated into a separate Other Expense appropriation – Schooling Improvement – for increased transparency. These programmes were previously appropriated under Primary Education, Secondary Education, and Special Needs Support appropriations.

Funding for TeachNZ scholarships and other allowances for trainee teachers has been separated out from other teacher study awards into a new appropriation – Teacher Trainee Scholarships.

Finally, several other programmes from the Primary Education, Secondary Education, and Special Needs Support appropriations have been reclassified to Output Classes or Benefit Expenses. These include funding for study support centres, literacy and maths proposals pool, students at risk innovations pool, Mapihi Pounamu, and Targeted Individual Entitlement programmes.

Part G1 - Changes in Appropriations

2000/01 Cumulative Vote in Old (2000/01) Structure	\$000	Structure Changes	\$000	Cumulative Vote in New (2001/02) Structure	2000/01 \$000	2001/02 \$000
<u>Non-Departmental Output Classes</u>				<u>Non-Departmental Output Classes</u>		
O1 Advice on Educational Policy	1,433	O11 Education Research Initiatives	(1,433)			
		O2 Curriculum Support	75,099	O1 Professional Development and Support	77,999	91,345
		O5 Provision of Information and Advisory Services	2,900			
O2 Curriculum Support	93,546	O1 Professional Development and Support	(75,099)		28,463	32,943
		Primary Education	2,340			
		Secondary Education	870			
		Special Needs Support	6,806			
O5 Provision of Information and Advisory Services	21,507	O1 Professional Development and Support	(2,900)		18,607	20,432
		O1 Advice on Educational Policy	1,433	O11 Education Research Initiatives	1,433	3,433
Other output classes	365,156				365,156	387,588
Total Non-Departmental Output Classes	481,642				491,658	535,741
<u>Benefits and Other Unrequited Expenses</u>				<u>Benefits and Other Unrequited Expenses</u>		
		Primary Education	861	Mapihi Pounamu	2,330	3,000
		Secondary Education	1,469			

Part G1 - Changes in Appropriations (continued)

2000/01 Cumulative Vote in Old (2000/01) Structure	\$000	Structure Changes	\$000	Cumulative Vote in New (2001/02) Structure	2000/01 \$000	2001/02 \$000
<u>Benefits and Other Unrequited Expenses – cont'd</u>				<u>Benefits and Other Unrequited Expenses</u>		
National Study Awards	13,479	Primary Education Secondary Education Teacher Trainee Scholarships	992 1,754 (2,232)	Targeted Individual Entitlement	2,746	2,164
Other benefit expenses	23,090	Teacher Trainee Scholarships	2,232	Teacher Trainee Scholarships	2,232	4,615
Total Benefit Expenses	36,569				41,645	27,813
<u>Non-Departmental Other Expenses</u>				<u>Non-Departmental Other Expenses</u>		49,463
Primary Education	1,845,963	O2 Curriculum Support Mapihi Pounamu Targeted Individual Entitlement Schooling Improvement	(2,340) (861) (992) (8,018)		1,833,752	1,832,502
Secondary Education	1,284,590	O2 Curriculum Support Mapihi Pounamu Targeted Individual Entitlement Schooling Improvement	(870) (1,469) (1,754) (4,630)		1,275,867	1,270,169
Special Needs Support	288,564	O2 Curriculum Support Schooling Improvement	(6,806) (350)		281,408	288,156
		Primary Education Secondary Education Special Needs Support	8,018 4,630 350	Schooling Improvement	12,998	15,408

Other expenses	1,733,475				1,733,475	1,844,060
Total Non-Departmental Other Expenses	5,152,592				5,137,500	5,250,295
Capital Contributions to Other Persons or Organisations	70,228				70,228	37,956
Total Non-Departmental Appropriations	5,741,031				5,741,031	5,873,455