

Information Supporting the Supplementary Estimates

Vote Education

MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister of Education (M26), Minister for Tertiary Education (M68)

ADMINISTERING DEPARTMENT: Ministry of Education

MINISTER RESPONSIBLE FOR MINISTRY OF EDUCATION: Minister of Education

Part 1 - Summary of the Vote

Part 1.3 - Trends in the Vote

Summary of Financial Activity

	2008/09				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	3,906,097	76,031	(14,677)	61,354	3,967,451
Benefits and Other Unrequited Expenses	85,392	N/A	(5,056)	(5,056)	80,336
Borrowing Expenses	-	-	-	-	-
Other Expenses	6,191,576	-	214,179	214,179	6,405,755
Capital Expenditure	592,417	97,904	77,955	175,859	768,276
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Total Appropriations	10,775,482	173,935	272,401	446,336	11,221,818
Crown Revenue and Capital Receipts					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	53,494	N/A	18,239	18,239	71,733
Capital Receipts	23,693	N/A	(1,080)	(1,080)	22,613
Total Crown Revenue and Capital Receipts	77,187	N/A	17,159	17,159	94,346

Part 2 - Details and Expected Performance for Output Expenses

Part 2.1 - Departmental Output Expenses

Interventions for Target Student Groups (M26)

Scope of Appropriation

Expenditure on policies and services focused on targeted student groups' or individuals' participation in education. This includes providing services to individuals with special education and developmental needs, providing alternative education options, working with individuals and relevant stakeholders to resolve participation issues, and administering scholarships and awards for individuals.

Expenses and Revenue

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	223,538	(3,742)	219,796
Revenue from Crown	219,099	(2,642)	216,457
Revenue from Other	4,439	(1,100)	3,339

Reasons for Change in Appropriation

This appropriation will decrease by \$3.742 million to \$219.796 million for 2008/09. The decrease in appropriation is mainly owing to a combination of:

- changes in cost allocations between output classes transferring funding to output School Property Portfolio Management (\$1.961 million decrease)
- a transfer to Non-Departmental Output Expense Curriculum Support for non-enrolled truancy services (\$1.950 million decrease)
- a reduction in the value of services provided to third parties, including assessments for the Independent Youth Benefit Allowance and specialist educational assessments (\$1.100 million decrease)
- reduced costs for the Tackling Disruptive Behaviour initiative, including transfers to subsequent years (\$730,000 decrease)
- partly offset by provision for settlement of the Special Education Field Staff and Service Managers collective agreements (\$1.913 million increase).

School Property Portfolio Management (M26)

Scope of Appropriation

Expenditure on goods and services focused on providing the land, buildings and other facilities that make up the property portfolio of the State school sector. This includes purchasing and constructing new property, upgrading existing property to maintain the quality of the portfolio, disposing of surplus property, and managing teacher and caretaker housing.

Expenses and Revenue

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	1,141,943	81,002	1,222,945
Revenue from Crown	1,138,563	76,702	1,215,265
Revenue from Other	3,380	4,300	7,680

Reasons for Change in Appropriation

This appropriation will increase by \$81.002 million to \$1,222.945 million for 2008/09. The increase in appropriation is mainly owing to:

- the upward revaluation of school sector property at the end of June 2008 resulting in increased depreciation and capital charge partly offset by the impact of timing changes on capital charge (\$71.362 million increase)
- expenditure incurred during the year related to the disposal of surplus properties (\$4.300 million increase)
- expenditure from previous years relating to the disposal of surplus properties funded by transfers from other output classes (\$3.436 million increase)
- funding for additional costs related to design and construction of Albany Senior High School (\$1.904 million increase).

Strategic Leadership in the Sector (M26)

Scope of Appropriation

Expenditure on policies and services focused on the Ministry's leadership role in the education sector. This includes enhancing the Ministry's coordination with other sector and Government agencies and forums, undertaking research and analysis, developing strategic policy, monitoring the sector and select crown entities, and supporting the Minister of Education and Associate Minister to meet their obligations to Parliament.

Expenses and Revenue

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	33,080	(418)	32,662
Revenue from Crown	32,751	(418)	32,333
Revenue from Other	329	-	329

Reasons for Change in Appropriation

This appropriation will decrease by \$418,000 to \$32.662 million for 2008/09. The decrease in appropriation is mainly owing to:

- a transfer to the Education Review Office to maintain its capability (\$150,000 decrease)
- a transfer to 2009/10 for the longitudinal evaluation of the Early Childhood Strategic Plan (\$100,000 decrease)
- changes in cost allocations between output classes transferring funding to output School Property Portfolio Management (\$154,000 decrease).

Strategic Leadership in the Tertiary System (M68)

Scope of Appropriation

Expenditure on policies and services focused on the Ministry's leadership role in the tertiary system. This includes enhancing coordination with sector and Government agencies and forums, undertaking research and analysis, developing strategic policy, monitoring the system, providing information on tertiary and international education services, representing the education sector internationally, supporting international students, and supporting Ministers to meet their obligations to Parliament.

Expenses and Revenue

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	16,186	(338)	15,848
Revenue from Crown	16,186	(338)	15,848
Revenue from Other	-	-	-

Reasons for Change in Appropriation

This appropriation will decrease by \$338,000 to \$15.848 million for 2008/09. The decrease in appropriation is mainly owing to:

- changes in cost allocations between output classes transferring funding to output School Property Portfolio Management (\$257,000 decrease)

- a transfer of funding for the European Union - New Zealand mobility project to Non-Departmental Other Expense Tertiary Education Grants and Other Funding (\$100,000 decrease)
- a transfer from the previous financial year owing to delays in the retendering of a student loan valuation and modelling contract (\$100,000 increase).

Support and Resources for Education Providers (M26)

Scope of Appropriation

Expenditure on policies, regulations and services focused on the governance, management and operation of education providers. This includes managing regulations, administering the distribution of resources, delivering services that support school management - including industrial relations and education payroll, and working with providers to resolve underperformance.

Expenses and Revenue

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	69,726	(871)	68,855
Revenue from Crown	68,285	(1,017)	67,268
Revenue from Other	1,441	146	1,587

Reasons for Change in Appropriation

This appropriation will decrease by \$871,000 to \$68.855 million for 2008/09. The decrease in appropriation is mainly owing to a combination of:

- changes in cost allocations between output classes transferring funding to output School Property Portfolio Management (\$621,000 decrease)
- a transfer to the Education Review Office to maintain its capability (\$606,000 decrease)
- a change in timing for the Ministry's support to Tokelau project (\$146,000 increase)
- a transfer from the previous financial year after delays in the publication of early childhood education licensing criteria (\$112,000 increase).

Support and Resources for Teachers (M26)

Scope of Appropriation

Expenditure on policies and services focused on supporting the work and enhancing the capability of teachers. This includes providing curriculum and achievement standards, teaching resources, professional development, and administering scholarships and awards for existing teachers and principals.

Expenses and Revenue

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	64,833	401	65,234
Revenue from Crown	64,692	401	65,093
Revenue from Other	141	-	141

Reasons for Change in Appropriation

This appropriation will increase by \$401,000 to \$65.234 million for 2008/09. The increase in funding is mainly owing to:

- support for the Netsafe initiative under the Digital Strategy 2.0 (\$700,000 increase)
- changes in cost allocations between output classes transferring funding to output School Property Portfolio Management (\$292,000 decrease).

Support and Resources for the Community (M26)*Scope of Appropriation*

Expenditure on policies and programmes focused on the community's knowledge of and participation in the education system. This includes engaging with, providing information and support to, and delivering education courses to the community.

Expenses and Revenue

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	18,726	(3)	18,723
Revenue from Crown	18,585	(3)	18,582
Revenue from Other	141	-	141

Reasons for Change in Appropriation

This appropriation will decrease by \$3,000 to \$18.723 million. The change in appropriation is mainly owing to changes in cost allocations between output classes transferring funding to output School Property Portfolio Management (\$151,000 decrease) partly offset by a transfer from the previous financial year after delays in the translations of Team-Up website material (\$140,000 increase).

Part 2.2 - Non-Departmental Output Expenses

Curriculum Support (M26)

Scope of Appropriation

Purchase of supplementary educational programmes for schools and communities to ensure wider access to these opportunities.

Expenses

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	71,310	1,220	72,530

Reasons for Change in Appropriation

This appropriation will increase by \$1.220 million to \$72.530 million for 2008/09. The increase is owing to:

- a transfer from Departmental Output Expense Interventions for Target Student Groups for non-enrolled truancy services (\$1.950 million increase)
- the Secondary Schools Arts Coordinators fund being included in secondary and area schools' operations grants under Non-Departmental Other Expense Secondary Education (\$0.730 million decrease).

Managing the Government's Investment in the Tertiary Education Sector (M68)

Scope of Appropriation

This appropriation is limited to developing, implementing and managing an investment system that aligns planning, funding, monitoring and quality assurance of tertiary education in accordance with the provisions of the Education Act 1989 and other relevant legislation.

Expenses

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	58,772	(5,037)	53,735

Reasons for Change in Appropriation

This appropriation will decrease by \$5.037 million to \$53.735 million for 2008/09. The decrease in funding is mainly owing to:

- a transfer to 2009/10 after delays in the benchmarking project for Institutes of Technology and Polytechnics (\$3.700 million decrease)

- a transfer of funding for the Skills Strategy Programme Office to Vote Labour (\$1.140 million decrease)
- a transfer to Non-Departmental Other Expense Adult and Community Education as a result of rationalising some tertiary education programmes (\$197,000 decrease).

Professional Development and Support (M26)

Scope of Appropriation

Delivery of professional development and advisory support to staff, managers and parents in early childhood education services and in schools, to support effective teaching and enhance self-management.

Expenses

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	114,000	(9,406)	104,594

Reasons for Change in Appropriation

This appropriation will decrease by \$9.406 million to \$104.594 million for 2008/09. The decrease in appropriation for 2008/09 is mainly owing to lower than expected demand for the Diploma in Specialist Subjects (Secondary Teacher) (\$8.836 million decrease).

Provision of Information and Advisory Services (M26)

Scope of Appropriation

Providing information on government education policy and programmes, general information, advisory programmes, and services to the public, community groups, industry and the education community.

Expenses

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	25,082	1,180	26,262

Reasons for Change in Appropriation

This appropriation will increase by \$1.180 million to \$26.262 million for 2008/09. The increase in funding is to provide for the phased introduction of a careers education programme in all secondary schools.

Qualifications Support Structures (M26)

Scope of Appropriation

Provision for the New Zealand Qualifications Authority to oversee the setting of standards and standards based qualifications. This includes recognition and review of qualifications, records management processes to support the Register of Quality Assured Qualifications and National Qualifications Framework, and participation in the promotion of the New Zealand National Qualifications system to key education and immigration partner countries.

Expenses

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	6,949	29	6,978

Reasons for Change in Appropriation

This appropriation will increase by \$29,000 to \$6.978 million for 2008/09. The increase in funding is owing to transfers from Vote Foreign Affairs and Trade for support for negotiation of international trade agreements (\$29,000 increase).

School Transport (M26)

Scope of Appropriation

Purchase of services to transport eligible students to and from State and integrated schools. Also included are payments to schools that manage their own transport services and payments to parents/caregivers to compensate for the costs of taking children to school where other transport services are unsuitable or unavailable.

Expenses

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	138,176	10,242	148,418

Reasons for Change in Appropriation

This appropriation will increase by \$10.242 million to \$148.418 million for 2008/09. The increase in funding is mainly owing to:

- higher than expected index-based adjustments to contract prices for daily services (\$6.538 million increase)

- higher than expected rates for transport services for students with special education needs as more taxi operators reach the threshold for reviews under their 2008 contracts (\$1.793 million increase)
- higher than expected numbers of schools opting for directly resourced transport (\$1.304 million increase).

Tertiary Education: Student Achievement Component (M68)

Scope of Appropriation

This appropriation is limited to teaching and learning services for enrolled students in approved courses at tertiary education organisations to achieve recognised tertiary qualifications.

Expenses

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	1,532,862	(20,532)	1,512,330

Reasons for Change in Appropriation

This appropriation will decrease by \$20.532 million to \$1,512.330 million for 2008/09. The decrease in funding is mainly owing to a combination of:

- a transfer to Non-Departmental Other Expense Tertiary Education Organisation Component - Capability Fund for 2009 and 2010 (\$9.348 million decrease)
- a net transfer of unspent funding to 2009/10 for reallocation under Investment Plans (\$8.934 million decrease)
- a transfer to Non-Departmental Output Expense Training for Designated Groups to purchase additional targeted training places through the Youth Training programme to maintain the 2009 level of funding for the programme (\$2.250 million decrease).

Training for Designated Groups (M68)

Scope of Appropriation

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.

Expenses

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	295,168	7,627	302,795

Reasons for Change in Appropriation

This appropriation will increase by \$7.627 million to \$302.795 million for 2008/09. The increase in funding is owing to a combination of:

- maintaining the existing levels of targeted training places purchased in 2009 largely from transfers of unspent funding from the previous financial year and from Non-Departmental Output Expense Tertiary Education; Student Achievement Component (\$8.277 million increase)
- partly offset by a transfer to 2009/10 to reflect a change in timing of modern apprenticeships contracts over 2009 (\$650,000 decrease).

Part 3 - Details for Benefits and Other Unrequited Expenses

Part 3.2 - Non-Departmental Benefits and Other Unrequited Expenses

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
<p>Outcome: Relevant and efficient tertiary education provision that meets student and industry needs.</p> <p>Impacts:</p> <ul style="list-style-type: none"> • People with tertiary qualifications achieving positive labour market returns. • New Zealand maintaining comparability with other Organisation for Economic Cooperation and Development countries on a set of indicators for high quality tertiary education. • A broad range of New Zealanders accessing tertiary education at higher levels - especially among those from groups currently under-represented at higher levels. • Increased numbers of students completing tertiary qualifications at higher levels. • The affordability of and access to tertiary education supported by the student support system. • Tertiary education providers working in partnership with industry and employers • Ongoing increases in the levels of student achievement per dollar invested in tertiary education. • Greater levels of achievement for those learners who are currently leaving school without Level 2 National Certificate of Educational Achievement. 	Fee Reimbursement Payments

Fee Reimbursement Payments (M68)

Scope of Appropriation

Ex-gratia payments to specific domestic students for the loss of prepaid tuition fees as a result of the failure of Private Training Establishments. Applications for fee reimbursement are considered on a case-by-case basis according to the policy criteria and decision-making process set out on the New Zealand Qualifications Authority website.

Expenses

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	55	55

Reasons for Change in Appropriation

The appropriation was approved during 2008/09 for students who lost domestic student fees through the failure of a tertiary provider (\$55,000 increase).

Teacher Trainee Scholarships (M26)*Scope of Appropriation*

Scholarships and allowances for students undertaking teacher training education, and loan support payments to teachers. The criteria and process for awarding scholarships are published by the Ministry of Education.

Expenses

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	10,427	(5,111)	5,316

Reasons for Change in Appropriation

The appropriation will decrease by \$5.111 million to \$5.316 million for 2008/09. This decrease is owing to lower than expected uptake for TeachNZ Scholarships (\$5.111 million decrease).

Part 5 - Details and Expected Results for Other Expenses

Part 5.2 - Non-Departmental Other Expenses

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
<p>Outcome: Relevant and efficient tertiary education provision that meets student and industry needs.</p> <p>Impacts:</p> <ul style="list-style-type: none"> • People with tertiary qualifications achieving positive labour market returns. • New Zealand maintaining comparability with other Organisation for Economic Cooperation and Development countries on a set of indicators for high quality tertiary education. • A broad range of New Zealanders accessing tertiary education at higher levels - especially among those from groups currently under-represented at higher levels. • Increased numbers of students completing tertiary qualifications at higher levels. • The affordability of and access to tertiary education supported by the student support system. • Tertiary education providers working in partnership with industry and employers. • Ongoing increases in the levels of student achievement per dollar invested in tertiary education. • Greater levels of achievement for those learners who are currently leaving school without Level 2 National Certificate of Educational Achievement. 	Impairment of Loans to Tertiary Education Institutions

Adult and Community Education (M68)

Scope of Appropriation

This appropriation is limited to providing funding for delivery of community and adult education courses including literacy and English for speakers of other languages training through tertiary education institutions, schools and other agencies.

Expenses

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	76,573	1,084	77,657

Reasons for Change in Appropriation

This appropriation will increase by \$1.084 million to \$77.657 million for 2008/09. The increase in funding is owing to transfers from Non-Departmental Other Expense Tertiary Education Grants and Other Funding (\$887,000 increase) and Non-Departmental Output Expense Managing the Government's Investment in the Tertiary Education Sector (\$197,000 increase) as a result of rationalising some tertiary education programmes.

Early Childhood Education (M26)

Scope of Appropriation

Subsidising early childhood education services for children under six years of age from licensed and chartered early childhood education services (including centres and chartered home-based care networks) and from licence-exempt centres. Also included are several targeted funds.

Expenses

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	897,509	131,619	1,029,128

Reasons for Change in Appropriation

This appropriation will increase by \$131.619 million to \$1,029.128 million for 2008/09. The increase in funding is mainly owing to a combination of:

- higher than expected growth in funded hours of early childhood education as a consequence of more children attending and children attending for longer hours (\$90.310 million increase)
- increased take-up of 20 hours of early childhood education (\$40.073 million increase)
- more child hours than expected funded at higher rates, including more kindergartens moving from providing sessional to all-day services (\$10.487 million increase)
- more early childhood education services than expected registered for GST (\$7.371 million decrease).

Impairment of Loans to Tertiary Education Institutions (M68)

Scope of Appropriation

This appropriation is limited to impairment expenses associated with Crown decisions about repayment of existing Crown loans to tertiary education institutions.

Expenses

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	36	36

Reasons for Change in Appropriation

This is a new appropriation in 2008/09, initially reflecting impairment of a Crown loan to Northland Polytechnic (\$36,000 increase).

Integrated Schools Property (M26)

Scope of Appropriation

Provision for modernisation of existing property at integrated schools as part of a funding regime negotiated with the proprietors of integrated schools. Funding to assist in the expansion of the network is also included.

Expenses

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	51,563	21,051	72,614

Reasons for Change in Appropriation

This appropriation will increase by \$21.051 million to \$72.614 million for 2008/09. The increase in funding is mainly owing to:

- a contribution from the Crown toward the cost of construction of Sancta Maria College (\$18.888 million increase)
- an increase in maintenance funding for proprietors of integrated schools arising from the revaluation of school sector property at the end of June 2008 (\$2.163 million increase).

Interest Subsidy for Schools (M26)

Scope of Appropriation

Provides a subsidy on interest payments for borrowing by private schools for approved property-related projects. Administration costs are also included.

Expenses

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	740	(93)	647

Reasons for Change in Appropriation

This appropriation will decrease by \$93,000 to \$647,000 for 2008/09. The decrease is owing to lower than expected interest rates reducing subsidies payable on school loans (\$93,000 decrease).

Primary Education (M26)

Scope of Appropriation

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.

Expenses

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	2,342,195	47,032	2,389,227

Reasons for Change in Appropriation

This appropriation will increase by \$47.032 million to \$2,389.227 million for 2008/09. The increase in appropriation is mainly owing to:

- the impact of different term date assumptions on teachers' holiday pay calculations (\$39.686 million increase)
- transfers from mainly Special Needs Support to Primary Education for revised cost reallocations (\$3.365 million increase).

School Transport (M26)

Scope of Appropriation

Payments to teachers who, as Bus Controllers, assist in the provision of school transport assistance.

Expenses

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	953	(1)	952

Reasons for Change in Appropriation

This appropriation will decrease by \$1,000 to \$952,000 owing to revised estimates of entitlements for bus controllers.

Schooling Improvement (M26)

Scope of Appropriation

School support and schooling improvement projects to improve the capability of schools and clusters and their responsiveness to the needs of their communities. These include iwi-strengthening education projects. Most projects are developed in the context of a business case.

Expenses

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	12,985	437	13,422

Reasons for Change in Appropriation

This appropriation will increase by \$437,000 to \$13.422 million for 2008/09. The increase in appropriation is owing to:

- a transfer of savings incorrectly allocated from Budget 2008 to Non-Departmental Other Expense Secondary Education (\$587,000 increase)
- a transfer to the Education Review Office to maintain its capability (\$150,000 decrease).

Secondary Education (M26)

Scope of Appropriation

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.

Expenses

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	1,811,432	(2,014)	1,809,418

Reasons for Change in Appropriation

This appropriation will decrease by \$2.014 million to \$1,809.418 million for 2008/09. The decrease in appropriation is mainly owing to a combination of:

- reduced funding owing to lower than expected rolls (\$5.708 million decrease)
- lower than expected demand for the Diploma in Specialist Subjects (Secondary Teacher) (\$4.324 million decrease)

- a transfer to Primary Education for revised cost allocations between appropriations (\$1.596 million decrease)
- the impact of different term date assumptions on teachers' holiday pay calculations (\$2.545 million increase)
- an increase in the per-unit funding rate for the Secondary Tertiary Alignment Resource (\$2.987 million increase)
- an increase in the Correspondence School rolls (\$4.830 million increase).

Special Needs Support (M26)

Scope of Appropriation

Providing additional resources to enable students with special education needs to participate in education including supplementary resources for special education needs, residential services, English for Speakers of Other Languages and alternative education programmes.

Expenses

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	293,862	(3,553)	290,309

Reasons for Change in Appropriation

This appropriation will decrease by \$3.553 million to \$290.309 million for 2008/09. The decrease in appropriation is mainly owing to a combination of:

- reduced funding owing to lower than expected rolls (\$6.213 million decrease)
- a transfer to Primary Education for revised cost allocations between appropriations (\$3.314 million decrease)
- the impact of different term date assumptions on teachers' holiday pay calculations (\$2.990 million increase)
- higher than expected average fortnightly payments rates for teachers (\$3.056 million increase).

Tertiary Education Grants and Other Funding (M68)

Scope of Appropriation

This appropriation is limited to contributions for capability development initiatives for tertiary education organisations (where this is outside the formal Investment Plan process); support for international education providers through the Export Education Innovations Fund; and other miscellaneous tertiary education grants and programmes. Also included is funding for depreciation on Crown-owned tertiary assets.

Expenses

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	68,101	(1,718)	66,383

Reasons for Change in Appropriation

This appropriation will decrease by \$1.718 million to \$66.383 million for 2008/09. The decrease in appropriation is mainly owing to the transfer of some programmes to other appropriations, specifically:

- Non-Departmental Other Expense Adult and Community Education (\$887,000 decrease)
- Non-Departmental Other Expense Tertiary Education Organisation Component - Capability Fund (\$851,000 decrease).

Tertiary Education Organisation Component - Capability Fund (M68)*Scope of Appropriation*

This appropriation is limited to financial contributions to the cost of tertiary education organisations maintaining and enhancing their capability to deliver quality and relevance, and to develop their specific and distinctive roles in the network of tertiary education provision.

Expenses

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	377,641	20,299	397,940

Reasons for Change in Appropriation

This appropriation will increase by \$20.299 million to \$397.940 million for 2008/09. The increase in funding is owing to a combination of:

- the conversion of capital from the Institutes of Technology and Polytechnics Distinctive Contributions appropriation to operating to support the network of regional Institutes of Technology and Polytechnics (\$10 million increase)
- a reallocation of capital from the Quality Reinvestment Programme appropriation to operating under the Supporting Change component (\$6.172 million increase)
- a transfer of unspent funding from the previous year mainly for the Tertiary Education Institution Base Investment element (\$4.486 million increase)
- a transfer from the Non-Departmental Output Expense Tertiary Education: Student Achievement Component for the wānanga sub-sector (\$3.794 million increase)
- a transfer from the Non-Departmental Other Expense Tertiary Education Grants and Other Funding after rationalising some tertiary education programmes (\$851,000 increase)
- partly offset by a transfer to 2009/10 owing to delays in the expenditure against the Priorities for Focus element to meet approved Investment Plan expenditure (\$5.464 million decrease).

Part 6 - Details and Expected Results for Capital Expenditure

Part 6.1 - Departmental Capital Expenditure

Ministry of Education - Capital Expenditure PLA (M26)

Scope of Appropriation

This appropriation is limited to the purchase or development of assets by and for the use of the Ministry of Education, as authorised by section 24(1) of the Public Finance Act 1989.

Capital Expenditure

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	5,500	22,549	28,049
Property, Plant and Equipment	463,583	72,511	536,094
Intangibles	14,345	2,844	17,189
Other	-	-	-
Total Appropriation	483,428	97,904	581,332

Reasons for Change in Appropriation

This appropriation will increase by \$97.904 million to \$581.332 million for 2008/09. The increase is mainly owing to:

- capital transfers from 2007/08 to 2008/09 after the purchase of several new school sites was deferred (\$43 million increase)
- additional funding for school property works as a result of bringing forward infrastructure spending (\$28 million increase) and disposal of surplus school property assets (\$20 million increase).

Part 6.2 - Non-Departmental Capital Expenditure

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
<p>Outcome: Relevant and efficient tertiary education provision that meets student and industry needs.</p> <p>Impacts:</p> <ul style="list-style-type: none"> • People with tertiary qualifications achieving positive labour market returns. • New Zealand maintaining comparability with other Organisation for Economic Cooperation and Development countries on a set of indicators for high quality tertiary education. • A broad range of New Zealanders accessing tertiary education at higher levels - especially among those from groups currently under-represented at higher levels. • Increased numbers of students completing tertiary qualifications at higher levels. • The affordability of and access to tertiary education supported by the student support system. • Tertiary education providers working in partnership with industry and employers. • Ongoing increases in the levels of student achievement per dollar invested in tertiary education. • Greater levels of achievement for those learners who are currently leaving school without Level 2 National Certificate of Educational Achievement. 	<p>Auckland University of Technology Campus Developments (M68)</p> <p>Nelson Marlborough Institute of Technology Visual Arts and Media Block (M68)</p> <p>NorthTec Financial Assistance (M68)</p> <p>NorthTec Futures Trades Investment (M68)</p> <p>Te Wānanga o Raukawa (M68)</p> <p>UCOL Whanganui Campus Redevelopment (M68)</p> <p>Wānanga and Institutes of Technology and Polytechnics Infrastructure Fund (M68)</p> <p>Western Institute of Technology at Taranaki - Financial Assistance (M68)</p>
<p>Outcome: The Ministry is capable, efficient and responsive in achieving education priorities.</p> <p>Impacts:</p> <ul style="list-style-type: none"> • Ministers and central agencies expressing greater confidence in the Ministry's policy advice. • A better integration of strategic policy advice in operational policy matters. • Effective use of evidence in policy development. • The Ministry of Education being seen as an employer of choice by policy analysts in the public service. 	<p>Property Disposal Incentives Scheme (M26)</p>

Auckland University of Technology Campus Developments (M68)

Scope of Appropriation

This appropriation is limited to financial assistance for Auckland University of Technology to acquire a campus in the Counties Manukau region and to develop a centre of applied research and sport excellence on the Millennium Institute of Sport and Health campus.

Capital Expenditure

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	37,000	37,000

Reasons for Change in Appropriation

This is a new appropriation in 2008/09 for the purchase of a site for a university campus in Counties Manukau and to further develop research capabilities with the Millennium Institute of Sport and Health (\$37 million increase).

Expected Results

	2008/09		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Purchase a 50% share in Millennium Institute of Sport and Health to develop an education, research and training facility for elite athletes in NZ (\$000s)	-	12,000	12,000
Purchase of Carter Holt Harvey site for a Counties Manukau University Campus (\$000s)	-	25,000	25,000
Acquire title to Counties Manukau Campus	-	By 31 December 2008	By 31 December 2008
Open Counties Manukau Campus	-	31 March 2009	31 March 2009
Develop education strategy, academic plan, and project plan for the first three years of operation	-	By 30 June 2009	By 30 June 2009

Conditions on Use of Appropriation

Reference	Conditions
Suspensory Loan Agreement between Auckland University of Technology and Joint Finance and Tertiary Education Ministers	This is a capital injection by the Crown in the form of a suspensory loan which is subject to performance conditions the Auckland University of Technology must satisfy before the suspensory loan may be converted to equity.

College of Education Mergers (M68)*Scope of Appropriation*

Provision of support for transition and related costs of the mergers of Dunedin College of Education and University of Otago and Christchurch College of Education and University of Canterbury.

Capital Expenditure

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	5,000	(5,000)	-

Reasons for Change in Appropriation

This appropriation of \$5 million was carried forward to 2009/10 owing to delays in negotiating access arrangements between institutions and contracts for refurbishing or rebuilding a library (\$5 million decrease).

Institutes of Technology and Polytechnics Distinctive Contributions (M68)

Scope of Appropriation

Capital funding to support strategic change in the Institutes of Technology and Polytechnics sector. This includes capital funding for plant and equipment, information systems, and shared infrastructure amongst Institutes of Technology and Polytechnics to enhance the capability and distinctive contributions of the sector in line with the Tertiary Education Strategy.

Capital Expenditure

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	40,000	(36,900)	3,100

Reasons for Change in Appropriation

This appropriation will decrease by \$36.900 million to \$3.100 million. The decrease in appropriation is owing to:

- the conversion of capital funding to operating funding to support the regional network of provision for Institutes of Technology and Polytechnics (\$40 million decrease)
- a transfer to the capital expenditure appropriation Wānanga and Institutes of Technology and Polytechnics Infrastructure Fund for infrastructure development projects (\$1.400 million decrease)
- partly offset by a transfer to 2008/09 of the unspent balance from 2007/08 owing to delays in developing the functional and performance criteria to guide investment in systems and infrastructure under this appropriation (\$4.500 million increase).

Nelson Marlborough Institute of Technology Visual Arts and Media Block (M68)

Scope of Appropriation

This appropriation is limited to the construction of the Visual Arts and Media facility at the Nelson campus of Nelson Marlborough Institution of Technology.

Capital Expenditure

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	5,000	5,000

Reasons for Change in Appropriation

This is a new appropriation in 2008/09. The funding is part of decisions by the previous Government to support tertiary education and training in Nelson and Marlborough through the local Polytechnic (Nelson Marlborough Institute of Technology) and particularly for the construction of a new Visual Arts and Media Block (\$5 million increase).

Expected Results

	2008/09		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Contribution to development of Visual Arts and Media Block (\$000)	-	5,000	5,000
Comply with any loan agreement signed between the Crown and Nelson Marlborough Institute of Technology.	-	Achieved	Achieved

NorthTec Financial Assistance (M68)*Scope of Appropriation*

This appropriation is limited to restructuring of Crown assistance to NorthTec, to enable its ongoing viability and improvements in provision of education, especially in trades training.

Capital Expenditure

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	5,001	5,001

Reasons for Change in Appropriation

This is a new appropriation in 2008/09. The funding is part of a suite of decisions by the previous Government to support tertiary education and training in Northland through the local Polytechnic (NorthTec), addressing its viability and improvements in provision of education (\$5.001 million increase).

Expected Results

	2008/09		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Conversion of existing loan to equity (\$000)	-	5,001	5,001
Comply with any loan agreement signed between the Crown and Northland Polytechnic.	-	Achieved	Achieved

NorthTec Future Trades Investment (M68)

Scope of Appropriation

This appropriation is limited to the retrofit of a Future Trades training facility at 19 Dyer Street, Whangarei to be leased by NorthTec.

Capital Expenditure

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	3,500	3,500

Reasons for Change in Appropriation

This is a new appropriation in 2008/09. The funding is part of a suite of decisions by the previous Government to support tertiary education and training in Northland through the local Polytechnic (NorthTec) and particularly to expand and improve the quality of its trades training provision (\$3.5 million increase).

Expected Results

	2008/09		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Contribution to development of future trades training facility (\$000)	-	3,500	3,500
Comply with any loan agreement signed between the Crown and Northland Polytechnic.	-	Achieved	Achieved

Property Disposal Incentives Scheme (M26)

Scope of Appropriation

Payments to schools of a share of the proceeds from the sale of their surplus school property assets.

Capital Expenditure

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	3,300	3,300

Reasons for Change in Appropriation

This appropriation will increase to \$3.300 million in 2008/09. The increase is owing to disposal of more properties than expected during the year, which has been funded by a transfer from departmental capital (\$3.300 million increase).

Quality Reinvestment Programme (M68)*Scope of Appropriation*

Support for Institutes of Technology and Polytechnics and Wānanga through the Quality Reinvestment Programme to develop and maintain a high quality network of tertiary education provision aligned with the core roles of the sector as expressed in the Tertiary Education Strategy.

Capital Expenditure

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	17,500	(2,077)	15,423

Reasons for Change in Appropriation

This appropriation will decrease by \$2.077 million to \$15.423 million for 2008/09. The decrease in appropriation is mainly owing to a combination of:

- a transfer to the Supporting Change element in Non-Departmental Other Expense Tertiary Education Organisation Component - Capability Fund (\$6.172 million decrease)
- partly offset by a transfer to 2008/09 of the unspent balance from 2007/08 owing to funding agreements under this programme that extend beyond the two years originally expected (\$4.095 million increase).

Redevelopment of Whitireia Community Polytechnic Porirua Campus (M68)*Scope of Appropriation*

This appropriation is limited to redevelopment of the trades training facilities and the construction of a new Health Education and Social Services block at the Porirua campus of Whitireia Community Polytechnic.

Capital Expenditure

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	1,080	(1,080)	-

Reasons for Change in Appropriation

This appropriation of \$1.080 million was carried forward to 2009/10 owing to a delay in the sale of property that will offset the planned capital injection (\$1.080 million decrease).

Te Wānanga o Raukawa (M68)

Scope of Appropriation

This appropriation is limited to the settlement of the Te Wānanga o Raukawa claim with respect to bringing buildings, plant and equipment up to a standard comparable with other tertiary education institutions, and to secure its ongoing viability and sustainability.

Capital Expenditure

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	50,649	50,649

Reasons for Change in Appropriation

This is a new appropriation in 2008/09. Funding has been appropriated to compensate the wānanga for expenditure incurred to date on facilities, to bring its facilities to a standard comparable with other tertiary institutions and to meet additional capital requirements (\$50.649 million increase).

Expected Results

	2008/09		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Capital growth plan - to construct buildings and purchasing assets that enhances the capital of Te Wānanga o Raukawa to a standard comparable with other tertiary education institutions.	-	32,679	32,679
Assignment - a portion of the settlement from Te Wānanga o Raukawa Council to Te Wānanga o Raukawa Foundation	-	17,970	17,970

Conditions on Use of Appropriation

Reference	Conditions
Cabinet decision	<p>The settlement brings to a close all negotiations with Te Wānanga o Raukawa in regard to the Wai 718 claim seeking wānanga capital establishment funding comparable to other tertiary education institutions.</p> <p>The settlement includes a provision that \$17.970 million of the settlement funds be assigned by Te Wānanga o Raukawa Council to a suitable recipient body, provided that the statutory requirements for an assignment are first met.</p> <p>Statutory requirements include that the recipient body must be defined in such a way that it assists Te Wānanga o Raukawa to contribute to the ongoing survival of Māori as a people in its provision of educational services to the founding iwi.</p>

UCOL Whanganui Campus Redevelopment (M68)*Scope of Appropriation*

Crown support for the development of the Universal College of Learning Whanganui Campus.
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Capital Expenditure

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	1,000	1,000

Reasons for Change in Appropriation

This appropriation will increase to \$1 million in 2008/09. Unspent loan funding from 2007/08 was transferred to 2008/09 and 2009/10 reflecting the terms of the Crown loan agreement under which the risk management loan is available until December 2009 (\$1 million increase).

University of Auckland Institute for Innovation in Biotechnology (M68)*Scope of Appropriation*

Suspensory loan under the Partnerships for Excellence facility for the establishment of a biotechnology and innovation centre for graduate training and research at the University of Auckland.

Capital Expenditure

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	1,000	5,000	6,000

Reasons for Change in Appropriation

This appropriation will increase by \$5 million to \$6 million in 2008/09. Funding was transferred from the previous financial year owing to delays in the programme (\$5 million increase).

Wānanga and Institutes of Technology and Polytechnics Infrastructure Fund (M68)*Scope of Appropriation*

This appropriation is limited to funding infrastructure development projects, including development of systems, by Wānanga and Institutes of Technology and Polytechnics that fulfil legislative requirements, address government requirements applied to either sub-sector, or fulfil commitments under individual Investment Plans.

Capital Expenditure

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	3,494	3,494
Institutes of Technology and Polytechnics Sector	-	2,397	2,397
Wānanga Sector	-	1,097	1,097

Reasons for Change in Appropriation

This is a new appropriation in 2008/09. The funding is part of a suite of decisions to support tertiary institutions to implement projects to build infrastructure that will improve their capability to fulfil government requirements (\$3.494 million increase).

Expected Results

	2008/09		
	Estimates Standard \$000	Supplementary Estimates Standard \$000	Total Standard \$000
Replacement of assets directly related to engineering and trades.	-	1,000	1,000
Improved management of information systems for institution-wide data management and reporting, including key performance indicators.	-	922	922
Information technology upgrades to link into shared and collaborative systems.	-	400	400
Implementation of new library and learning commons.	-	398	398
Development of online student management and support systems.	-	370	370
Development of real time assessment tool.	-	205	205
Development of information systems for multi campus environments.	-	199	199

Conditions on Use of Appropriation

Reference	Conditions
Cabinet decision	Only projects approved by Cabinet will be funded through this appropriation.

WelTec Financial Assistance (M68)*Scope of Appropriation*

Restructuring of Crown assistance to WelTec through the conversion of loans to equity to help secure its sustainability.

Capital Expenditure

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	4,500	(4,150)	350

Reasons for Change in Appropriation

This appropriation will decrease by \$4.150 million to \$350,000 in 2008/09. Provision for the conversion of the current Crown loan to equity has been transferred to 2009/10 as the institution will not meet the conditions for conversion until then (\$4.150 million decrease).

Western Institute of Technology at Taranaki (M68)*Scope of Appropriation*

Financial assistance to the Western Institute of Technology at Taranaki to manage cash flow issues.

Capital Expenditure

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	4,400	(4,400)	-

Reasons for Change in Appropriation

This appropriation will decrease by \$4.400 million in 2008/09. Funding related to an underwrite facility has been transferred to 2009/10 because the facility is available until December 2009 (\$4 million decrease). The balance of the loan is no longer required (\$400,000 decrease).

Western Institute of Technology at Taranaki - Financial Assistance (M68)*Scope of Appropriation*

This appropriation is limited to restructuring of Crown assistance to Western Institute of Technology at Taranaki.

Capital Expenditure

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	17,618	17,618

Reasons for Change in Appropriation

This is a new appropriation in 2008/09. The funding is part of a suite of decisions by the previous Government to support tertiary education and training in Taranaki through the local Polytechnic (Western Institute of Technology at Taranaki), addressing its viability and improvements in provision of education (\$18.018 million increase) partly offset by a reduction of the value of the loan (\$400,000 decrease).

Expected Results

	2008/09		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Conversion of existing loan to equity and underwriting loan to ANZ bank (\$000)	-	17,618	17,618
Comply with any loan agreement signed between the Crown and Western Institute of Technology at Taranaki.	-	Achieved	Achieved

Reporting Mechanisms

Appropriation	Reporting Mechanism
Auckland University of Technology Campus Developments (M68)	Annual report of the tertiary education institution
Nelson Marlborough Institute of Technology Visual Arts and Media Block (M68)	Annual report of the tertiary education institution
NorthTec Financial Assistance (M68)	Annual report of the tertiary education institution
NorthTec Futures Trades Investment (M68)	Annual report of the tertiary education institution
Property Disposal Incentives Scheme	Annual report of individual schools where applicable
Te Wānanga o Raukawa (M68)	Annual report of the tertiary education institution
UCOL Whanganui Campus Redevelopment (M68)	Annual report of the tertiary education institution
Wānanga and Institutes of Technology and Polytechnics Infrastructure Fund (M68)	Annual report of the Tertiary Education Commission, annual reports of individual tertiary education institutions where applicable
Western Institute of Technology at Taranaki - Financial Assistance (M68)	Annual report of the tertiary education institution

The above table indicates the mechanisms to be used for reporting actual results for each non-departmental capital expenditure appropriation.