

# VOTE *Education*

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## Terms and Definitions Used

<b>ESOL</b>	English for speakers of other languages
<b>GSF</b>	Government Superannuation Fund
<b>Kura kaupapa Māori</b>	A school established where te reo Māori (the Māori language) is the principal language of instruction
<b>NCEA</b>	National Certificate of Educational Achievement – to be the only state awarded qualification for all school leavers
<b>RTL</b>	Resource Teacher: Learning and Behaviour
<b>SES</b>	Specialist Education Services
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organisation

## Footnotes

<b>Note 1</b>	Appropriation numbers in Part B are inclusive of GST (where applicable).
<b>Note 2</b>	Components of the core capital works programme include: deferred works; new works, including health and safety issues, access for the disabled and building modernisation; education development initiatives; risk management and provision for emergency works.
<b>Note 3</b>	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 B - Statement of Appropriations (see note 1)

Types of Appropriation	Appropriations to be Used				Total Appropriations \$000
	By the Department Administering the Vote		For Non-Departmental Transactions		
	Annual \$000	Other \$000	Annual \$000	Other \$000	
<b>Operating Flows</b>					
Classes of Outputs to be Supplied	974,735	-	293,028	-	1,267,763
Benefits and Other Unrequited Expenses	-	-	22,917	-	22,917
Borrowing Expenses	-	-	-	-	-
Other Expenses	-	-	3,663,125	-	3,663,125
<b>Capital Flows</b>					
Capital Contributions	149,319	-	17,816	-	167,135
Purchase or Development of Capital Assets	-	-	-	-	-
Repayment of Debt	-	-	-	-	-
<b>Total Appropriations for 1999/2000</b>	<b>1,124,054</b>	<b>-</b>	<b>3,996,886</b>	<b>-</b>	<b>5,120,940</b>
<b>Total 1999/2000 Main Estimates Appropriations</b>	<b>1,112,666</b>	<b>-</b>	<b>3,845,618</b>	<b>-</b>	<b>4,958,284</b>

## Part B1 - Details of 1999/2000 Appropriations

Appropriations	1999/2000						Purpose of and Reasons for Change in 1999/2000 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
<b>Departmental Output Classes (Mode B Gross)</b>							
D1 Policy Advice	30,288	-	(1,350)	-	28,938	-	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. The decrease in appropriation is due to an extended time line for the development and implementation of the National Certificate of Educational Achievement (NCEA) and a transfer to D4 Ownership Advice on Public Education Sector Entities for legal costs associated with the closure of Mokai School. These are partially offset by increased funding for updating resource banks for student assessment, additional policy work on teacher collective agreements and kura kaupapa Māori management, and research to support further development of the Education Strategy for Māori.
D2 Ministerial Services	3,140	-	(86)	-	3,054	-	Purchase of services and support to assist the Minister meet his obligations to Parliament, primarily through drafting replies to questions and inquiries put to the Minister and Associates, or responding to inquiries directly, as requested by the Minister. The change in appropriation reflects some minor recosting of Ministry outputs.
D3 Purchasing of Services on Behalf of the Crown	4,746	-	484	-	5,230	-	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. The increase in the appropriation mainly relates to managing the implementation of the Māori Education Strategy, partially offset by some minor recosting of Ministry outputs.

D4 Ownership Advice on Public Education Sector Entities	10,850	-	<b>1,125</b>	-	11,975	-	Purchase of ownership advice on state and integrated schools and central education Crown entities including their long-run and strategic capability, and educational and financial viability, on an individual basis and collectively as a portfolio. Additional funding has been agreed for assessment of applications for establishment of new kura kaupapa Māori. Funding has been transferred from Other Expenses (Crown) appropriation Primary Education for implementation of school support initiatives, including the Far North project and from D1 Policy Advice for legal costs associated with the closure of Mokai School. Also included is funding for a review of the Education Review Office.
D5 Provision of Information	18,027	-	<b>1,782</b>	-	19,809	-	This output class involves the provision of information to the consumers and providers of education services, as a specific intervention to address information gaps and other inequalities between them. The output class also involves the provision of information for people interested in careers as teachers. The increase in the appropriation mainly relates to communications campaigns to increase expectations of Māori achievement and provide information to Māori to assist them in supporting and being involved in education and its management. Also included is funding for promoting primary teaching to males and identifying best practice for incorporating ready-made literacy materials into the classroom, partially offset by minor recosting of Ministry outputs.
D6 Administration of Education Regulations	3,319	-	<b>162</b>	-	3,481	-	This output class involves the 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 that are not administered by the Ministry in the course of delivering other services. The change in appropriation reflects some minor recosting of Ministry outputs.

## Part B1 - Details of 1999/2000 Appropriations (continued)

Appropriations	1999/2000						Purpose of and Reasons for Change in 1999/2000 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
D7 Administration of Education Sector Resourcing	35,960	-	842	-	36,802	-	Administering the distribution of resources to education service providers in the early childhood and school sectors, consumers (students, parents and other caregivers) and employees of state and integrated schools. Also included in the output class is the provision of an education payroll service and industrial relations services. The increase in this appropriation reflects implementation of changes to teacher collective agreements and principals remuneration and the increased cost of education service payroll. The Ministry also took over the selection process and contracting for services with accredited service providers for children with high special education needs. These are partially offset by some minor recosting of Ministry outputs.
D8 Provision of School Sector Property	819,543	-	10,298	-	829,841	-	<p>Providing the property portfolio for the State school sector, by:</p> <ul style="list-style-type: none"> <li>managing the existing property portfolio through the Works Programme, focusing on upgrades and improvements for modernisation purposes and health and safety reasons</li> <li>purchasing and constructing new property through the Roll Growth Programme.</li> </ul> <p>The increase in this appropriation is for increased capital charge after revaluation of school property assets. There is also provision for losses on sale of assets and for costs related to establishing new kura kaupapa Māori. These are partially offset by a small transfer of depreciation funding between output classes D8 and D9.</p>

D9 Provision of Teacher and Caretaker Housing	35,974	-	(369)	-	35,605	-	Managing rental housing provided to teachers, principals and caretakers. This includes property maintenance, rent collection and administration of the teacher housing pool. The forecast for income from rents has been reduced due to fewer available houses. This has resulted in a decrease in property management and maintenance expenditure on housing. This has been partially offset by provision for losses on sale and a transfer of depreciation from output class D8.
<b>Total Appropriations for Departmental Output Classes (Mode B Gross)</b>	961,847	-	12,888	-	974,735	-	
<b>Non-Departmental Output Classes</b>							
O1 Advice on Educational Policy	1,433	-	-	-	1,433	-	Purchased independent research on the effectiveness of education.
O2 Curriculum Support	89,484	-	(299)	-	89,185	-	Delivery of 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. The decrease in this appropriation mainly relates to funding transferred to Other Expenses (Crown) for restructuring school support services, and delays in professional development for teachers related to the NCEA and supervision of Resource Teachers: Learning and Behaviour (RTLb). This is partly offset by funding provided for environmental education programmes, a transfer from O5 Provision of Information and Advisory Services for early childhood professional development associated with the early childhood resource The Quality Journey/He Haerenga Whai Hua and increased funding allocated to the Books in Homes programme.

## Part B1 - Details of 1999/2000 Appropriations (continued)

Appropriations	1999/2000						Purpose of and Reasons for Change in 1999/2000 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
O3 Assessment of Entitlements or Eligibility	12,146	-	(1,998)	-	10,148	-	Assessing and determining eligibility for some bursaries or awards including secondary school qualifications, special education resources, and delivery of correct entitlements. The decrease in this appropriation reflects a transfer of funding to Ministry outputs for management of the selection process for children with high special education needs, and timing changes for the implementation of the NCEA.
O4 School Transport	95,215	-	2,625	-	97,840	-	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. The increase in this appropriation relates to an adjustment to the number of school days for 2000 that will fall before 30 June, the forecast impact of higher inflation assumptions on contract rates and provision of assistance for Kosovo Albanian refugee children. These increases are partly offset by lower than expected contract rates.
O5 Provision of Information and Advisory Services	8,797	-	(621)	-	8,176	-	Providing information on the Government's educational policy and programmes and general advisory services to the public, community groups, industry and to the education community. The decrease in the appropriation relates mainly to slower than expected development of a Pacific early childhood teaching qualification and a transfer of funding for early childhood professional development to O2 Curriculum Support. These decreases are partly offset by increased funding for facilitating regional partnerships between business enterprises and schools.



O6 Management of Contracts	1,904	-	(31)	-	1,873	-	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. The decrease in this appropriation reflects the transfer to Ministry outputs of funding for contracting for services with accredited service providers for children with high special education needs.
O7 Supporting Parenting	20,662	-	(26)	-	20,636	-	Purchasing programmes, such as Parents as First Teachers, Family Start and Early 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. The decrease in the appropriation is due to a change to the timing of the Māori Childfind project, partly offset by a minor adjustment to the outputs purchased from the Royal New Zealand Foundation for the Blind.
O8 Specialist Support Services	60,857	-	2,880	-	63,737	-	Provision of specialist services to support teachers, parents and agencies for children with special education needs. The increase in appropriation reflects a transfer from Other Expense: Special Needs Support for core programmes provided by Specialist Education Services (SES) under their document of accountability as a part of Special Education 2000.
<b>Total Appropriations for Non-Departmental Output Classes</b>	290,498	-	2,530	-	293,028	-	
<b>Benefits and Other Unrequited Expenses</b>							
Boarding Allowances and Bursaries	5,350	-	-	-	5,350	-	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, due to either the distance of the nearest school or bus service from their home or certain approved subjects not being available at the local school.

## Part B1 - Details of 1999/2000 Appropriations (continued)

Appropriations	1999/2000						Purpose of and Reasons for Change in 1999/2000 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Home Schooling Allowances	4,955	-	-	-	4,955	-	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	868	-	-	-	868	-	Programmes to provide scholarships and bursaries to Māori and Pacific Island secondary students, according to established criteria. The programmes include Manaaki Akonga Rua, Māori Education Trust and Polynesian and Pacific Island Education Foundation Scholarships, Ngarimu VC Scholarship Fund and Māori and Pacific Island Scholarships.
National Study Awards	9,975	-	1,069	-	11,044	-	Provision for the costs of teacher study awards, including the replacement of the teacher while on study leave. The increase in this appropriation is due to provision of funding for Top Teacher Awards and the flow on effect of settlement of teacher collective employment contracts.
Remission of Fees	650	-	-	-	650	-	For student examination fees remitted in cases of hardship.
United World Scholarships	50	-	-	-	50	-	Scholarships for attendance at United World Colleges.
<b>Total Appropriations for Benefits and Other Unrequited Expenses</b>	21,848	-	1,069	-	22,917	-	

<b>Other Expenses to be Incurred by the Crown</b>							
Early Childhood Education	310,442	-	<b>3,747</b>	-	314,189	-	Subsidising early childhood education services for children under six years of age from licensed and chartered early childhood centres and from licence-exempt centres. The increase in this appropriation is due to higher than expected funded hours per child at licensed childcare services and an adjustment to the forecast number of working days for 2000 that will fall before 30 June.
Early Childhood Grants	6,285	-	<b>3,014</b>	-	9,299	-	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. Additional funding has been provided to assist more Pacific and general early childhood centres.
Integrated Schools Property	21,304	-	<b>1,834</b>	-	23,138	-	Provision of funding for property maintenance at integrated schools as part of a funding regime negotiated with the proprietors of integrated schools. The increase in this appropriation relates to assistance with additional classrooms at integrated schools and an increase in maintenance grants due to implementation of the primary school property guide.
Interest Subsidy for Schools	2,385	-	<b>(290)</b>	-	2,095	-	Subsidises interest payments for borrowings by private schools for approved property-related projects. The decrease in this appropriation reflects a forecast decrease in interest rates charged on these loans.

## Part B1 - Details of 1999/2000 Appropriations (continued)

Appropriations	1999/2000						Purpose of and Reasons for Change in 1999/2000 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Primary Education	1,729,335	-	<b>65,864</b>	-	1,795,199	-	Delivering the curriculum for years zero to eight (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. The increase in the appropriation is mainly due to settlement of the teachers' collective employment contracts and principals' remuneration, a one-off adjustment to holiday pay costs and an additional grant to centrally resourced schools. Also reflected are a slower than expected decline in Government Superannuation Fund (GSF) membership, growth in the number of kura kaupapa Māori, and transfers from Secondary Education and Special Needs Support appropriations for schooling improvement projects. These have been partially offset by slower than expected uptake of bulk funding, lower than expected teacher entitlements and pay rates and reduced costs of workers accident insurance.
Project K Foundation	-	-	<b>2,500</b>	-	2,500	-	Grant to the Project K Foundation capital fund.
Residual Management Unit Payments	1,565	-	<b>275</b>	-	1,840	-	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. Changes to the appropriation reflect higher than expected costs associated with legal actions relating to the former Department of Education.
Restructuring of School Support Services	-	-	<b>1,500</b>	-	1,500	-	Funding to support providers of school support services in addressing outstanding employment-related issues and to enhance their responsiveness to change. This funding was provided from output class O2 Curriculum Support.
School Transport	1,216	-	-	-	1,216	-	Payments to teachers who, as bus controllers, assist in the provision of school transport assistance.

Secondary Education	1,186,961	-	<b>57,797</b>	-	1,244,758	-	Delivering the curriculum for years nine to 13 (form 3 to form 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. The increase in the appropriation is mainly due to settlement of the teachers' collective employment contracts and principals' remuneration, a one-off adjustment to holiday pay costs and an additional grant to centrally resourced schools. Also reflected are a slower than expected decline in GSF membership and increased grant and teacher entitlements due to higher forecast rolls. These have been partially offset by the slower than expected uptake of bulk funding, reduced costs of workers accident insurance and transfers to Primary Education for schooling improvement projects and Special Needs Support for costs of RTLBs.
Special Needs Support	255,588	-	<b>9,868</b>	-	265,456	-	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. The increase in this appropriation mainly reflects further implementation of Special Education 2000 initiatives, including an extension of transition arrangements, and settlement of the teachers' collective employment contracts and principals' remuneration. Also included are a transfer from Other Expense Secondary Education for RTLB costs, provision for ESOL services to Kosovo Albanian refugees and additional ESOL funded from the Settlement Services Fee. These changes have been partially offset by reduced costs of workers accident insurance, lower than forecast staffing entitlement and fiscally neutral transfers to output class Specialist Support Services for programmes delivered by SES under their Document of Accountability.
UNESCO	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.
<b>Total Appropriations for Other Expenses to be Incurred by the Crown</b>	<b>3,517,016</b>	<b>-</b>	<b>146,109</b>	<b>-</b>	<b>3,663,125</b>	<b>-</b>	

**Part B1 - Details of 1999/2000 Appropriations (continued)**

Appropriations	1999/2000						Purpose of and Reasons for Change in 1999/2000 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
<b>Capital Contributions to the Department</b>							
Capital Investment	150,819	-	(1,500)	-	149,319	-	Includes provision for construction of additional primary schools, classrooms including relocatables and other facilities required to meet roll growth. The reduction in appropriation reflects transfers to the Property Disposal Incentives Scheme and Schools Furniture and Equipment.
<b>Total Appropriations for Capital Contributions to the Department</b>	150,819	-	(1,500)	-	149,319	-	
<b>Capital Contributions to Other Persons or Organisations</b>							
Northcote College	-	-	60	-	60	-	Provision of financing to the College to offset the effect of fraudulent losses, to assist with financial consultancy costs and fund legal representation. Changes in the appropriation reflect changes in the timing of the College's financing needs.
Property Disposal Incentives Scheme	-	-	1,000	-	1,000	-	Payments to schools of a share of the proceeds from the sale of their surplus school property assets, met by a reduction to Capital Contributions to the Department.
Schools Furniture and Equipment	14,356	-	500	-	14,856	-	Provides funds to schools for new furniture and equipment when approved remodelling/upgrading makes existing furniture and equipment obsolete or when additional teaching spaces are provided by the Ministry of Education. The increase in the appropriation reflects additional work required in equipping several special schools, met by a reduction to Capital Contributions to the Department.

School Support Project	1,900	-	-	-	1,900	-	Capital costs of implementing approved school support and schooling improvement projects (other than costs related to school property assets).
<b>Total Appropriations for Capital Contributions to Other Persons or Organisations</b>	16,256	-	1,560	-	17,816	-	
<b>Total Appropriations</b>	4,958,284	-	162,656	-	5,120,940	-	

## Part E - Explanation of Appropriations for Capital Flows

### Part E1 - Capital Contributions

#### *Capital Contribution to the Department*

	1999/2000		
	Main Estimates \$000	Supplementary Estimates \$000	Cumulative Vote \$000
Investment in School Property			
Roll Growth Programme:			
• New classrooms	52,800	0	52,800
• New schools	800	0	800
• Site purchases and site works	22,100	(6,400)	15,700
• Administration facilities	20,000	0	20,000
• Kura kaupapa Māori	12,800	0	12,800
• Secondary/intermediate redevelopments	70,000	0	70,000
• Financial Assistance Scheme	35,000	0	35,000
• School Support	9,600	0	9,600
• Other	6,300	0	6,300
	<b>229,400</b>	<b>(6,400)</b>	<b>223,000</b>
Core Capital Works Programme (see note 2)	142,000	2,500	144,500
Plus Completion of Projects from Previous Years (see note 3)	135,600	40,700	176,300
Less Projects Carried Forward to Next Year	(169,000)	(31,300)	(200,300)
Total Capital Programme	338,000	5,500	343,500
Less Funds Available from Depreciation, Asset Sales and Cash on Hand	(188,000)	(7,000)	(195,000)
Capital Contribution Required	150,000	(1,500)	148,500

The reasons for changes to school property work programme allocations are set out below:

#### **New schools, site purchases and site works**

This reflects the settlement of the Auckland Isthmus site in 1998/99 which transferred that portion of the programme into that year.

#### **Completion of projects from previous years**

This reflects the actual level of projects carried forward.

#### **Projects carried forward to next year**

The increase in the level of projects carried forward reflects delays in secondary redevelopment and modernisation programmes.



**Funds available from depreciation, asset sales and cash on hand**

This increase is the result of additional depreciation following the upward revaluation of buildings and funds received from the sale of surplus assets.

**Capital Contribution Required**

The change is the result of the transfer of funds to the Land Disposal Incentive Scheme and to Furniture and Equipment.

## Part F - Crown Revenue and Receipts

### Part F1 - Current and Capital Revenue and Receipts

	1999/2000			Explanation of 1999/2000 Crown Revenue
	Main Estimates \$000	Supplementary Estimates \$000	Total Budgeted \$000	
<b>Current Revenue</b>				
Non-Tax Revenue	-	-	-	
ACC Levy Rebate	820	486	1,306	Accident Compensation Corporation levy experience-rating rebate for teachers. The change in revenue reflects a higher than expected rebate received.
Charter Fees Early Childhood Education	30	-	30	Charter application and amendment fees received from early childhood services.
Crown Entity Recoveries	338	2,255	2,593	Recoveries from Crown entities of operating surpluses and unspent funding relating to previous financial years. The change in revenue reflects recoveries from SES related to undelivered outputs that were not known prior to the 1999 Budget.
Education Residual Management Unit Receipts	680	(6)	674	Recoveries of debts owed to the former Department of Education or Education Boards, and rental received from leased buildings belonging to the former Department or Boards. The change in revenue is due to lower rentals received from sub-leased buildings.
Immigration Resettlement and Research Fund	-	1,500	1,500	Payment from the Fund towards the cost of funding ESOL programmes in the compulsory sector.
Learning Media Limited	866	71	937	Annual dividends to be received from Learning Media Ltd. The change in revenue reflects an increased dividend payment.
Miscellaneous Receipts	908	192	1,100	Those other Crown receipts which are not separately identified. The change in revenue reflects additional recoveries that were not known prior to the 1999 Budget.
Overseas Students' Fees	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	310	(10)	300	Recovery of debts arising from overpayment of teachers' salaries during previous financial years. The reduction in revenue is due to efficiencies resulting in timely recovery of payroll overpayments.
Roll Audit Recovery	110	-	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.
Total Non-Tax Revenue	7,253	4,488	11,741	
<b>Total Current Revenue</b>	<b>7,253</b>	<b>4,488</b>	<b>11,741</b>	
<b>Capital Receipts</b>				
Asset Sales	-	1,200	1,200	Proceeds from disposal of Crown assets.
<b>Total Capital Receipts</b>	<b>-</b>	<b>1,200</b>	<b>1,200</b>	
<b>Total Crown Revenue and Receipts</b>	<b>7,253</b>	<b>5,688</b>	<b>12,941</b>	