

VOTE *Tertiary Education*

Terms and Definitions Used

NCEA	National Certificate of Educational Achievement – to be the only state awarded qualification for all school leavers
National Qualifications Framework	A register of national qualifications and standards for learner attainment
QAAZ	Quality Assurance Authority of New Zealand

Footnote

Note 1	Appropriation numbers in Part B are inclusive of GST (where applicable).
---------------	--

Tertiary 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)

Summary of 1999/2000 Appropriations

	Appropriations to be Used				Total Appropriations \$000
	By the Department Administering the Vote		For Non-Departmental Transactions		
Types of Appropriation	Annual \$000	Other \$000	Annual \$000	Other \$000	
Operating Flows	-	-	-	-	-
Classes of Outputs to be Supplied	12,604	-	159,943	-	172,547
Benefits and Other Unrequited Expenses	-	-	7,370	-	7,370
Borrowing Expenses	-	-	-	-	-
Other Expenses	-	-	1,262,786	-	1,262,786
Capital Flows	-	-	-	-	-
Capital Contributions	-	-	174,393	-	174,393
Purchase or Development of Capital Assets	-	-	-	-	-
Repayment of Debt	-	-	-	-	-
Total Appropriations for 1999/2000	12,604	-	1,604,492	-	1,617,096
Total 1999/2000 Main Estimates Appropriations	17,717	-	1,639,419	-	1,657,136

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	
Departmental Output Classes (Mode B Gross)							
D1 Policy Advice	7,534	-	(4,415)	-	3,119	-	Purchase of timely and relevant policy advice on various aspects of the tertiary education system, by anticipating future opportunities and pressures, identifying priorities for improvement, developing options for improving the effectiveness of New Zealand's tertiary education system and recommending appropriate legislative change. The decrease in appropriation is mainly due to transferring funds to 2000/01 for valuation of tertiary institution assets. The total cost of the project is also less than originally expected. A transfer to output class D5 Provision of Information for further work on the "Where It's At" public information campaign is also reflected. These are partially offset by funding for establishment of the Tertiary Education Advisory Committee and for an experts working party on adult literacy.
D2 Ministerial Services	321	-	-	-	321	-	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.
D3 Purchasing of Services on Behalf of the Crown	63	-	-	-	63	-	Facilitating the purchase of services from third parties by the Minister. This includes advising on purchasing strategy, negotiating terms and conditions of purchase agreements and monitoring and reporting on performance of the provider.
D4 Ownership Advice on Tertiary Education Sector Entities	2,099	-	(274)	-	1,825	-	Purchase of ownership advice on the long-run capability and financial viability of tertiary education sector entities (tertiary education institutions and education Crown entities) on an individual basis, and collectively as a portfolio. The decrease in this appropriation mainly relates to a decision not to proceed with establishment of the Quality Assurance Authority of New Zealand (QAANZ), partially offset by some minor recosting of Ministry outputs.

D5 Provision of Information	79	-	151	-	230	-	This output class involves the provision of information as a specific intervention to address information gaps and other inequalities between participants in the tertiary education system to increase consumer awareness, improve student decision-making, better inform expectations about students' learning and achievement, strengthen the capability of providers and increase their responsiveness to consumers. The change in appropriation reflects work not completed last year on the "Where It's At" public information campaign. This was funded by a transfer from output class D1 Policy Advice.
D6 Administration of Tertiary Education Sector Resourcing	7,621	-	(575)	-	7,046	-	Administering the distribution of resources to participants in the tertiary education sector, including consumers (students). This can involve determining the appropriate level of resources, delivery of those resources through a range of mechanisms and monitoring of ongoing eligibility. The reduction in appropriation mainly relates to lower than expected expenditure on administration of student loans, primarily because of fewer claims for course costs than expected. This was partially offset by funding for administration of additional tertiary education scholarships and some minor recosting of Ministry outputs.
Total Appropriations for Departmental Output Classes (Mode B Gross)	17,717	-	(5,113)	-	12,604	-	
Non-Departmental Output Classes							
O1 Provision of Tertiary Information and Advisory Services	13,813	-	-	-	13,813	-	Providing information on the Government's tertiary education policy and programmes and general advisory services to the public, community groups, industry and to the education community. Also includes general services to the Minister and Associates.
O2 Management of Grants and Contracts	6,897	-	-	-	6,897	-	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. Also includes administration of some scholarships and awards.
O3 Development and Registration of Standards and Qualifications	4,276	-	(1,300)	-	2,976	-	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. The decrease in appropriation is due to a fiscally neutral transfer of funding, arising from changes to the National Certificate of Educational Achievement (NCEA), to O4 Training for Designated Groups.

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	
Non-Departmental Output Classes – cont'd							
O4 Training for Designated Groups	139,657	-	(3,400)	-	136,257	-	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. The decrease in appropriation mainly reflects savings in Industry Training programmes used for the Bright Futures package. This is partially offset by a transfer from O3 Development and Registration of Standards and Qualifications owing to resurgence in demand on the Industry Training Fund.
Total Appropriations for Non-Departmental Output Classes	164,643	-	(4,700)	-	159,943	-	
Benefits and Other Unrequited Expenses							
Tertiary Scholarships	5,686	-	1,684	-	7,370	-	Programmes to provide scholarships and bursaries to Māori and Pacific Island tertiary students, according to established criteria. The programmes include Manaaki Tauira, Māori Education Trust and Polynesian and Pacific Island Education Foundation Scholarships, Ngarimu VC Scholarship Fund, Māori and Pacific Island Scholarships. The increase in this appropriation reflects additional tertiary education scholarships as part of the Bright Futures initiatives.
Total Appropriations for Benefits and Other Unrequited Expenses	5,686	-	1,684	-	7,370	-	
Other Expenses to be Incurred by the Crown							
Community Education	17,357	-	-	-	17,357	-	Providing funding for delivery of community and adult education courses through schools and other agencies.

Tertiary Education and Training	1,226,109	-	18,779	-	1,244,888	-	Providing funding for teaching and accompanying research by subsidising equivalent full-time student places in approved courses and programmes. Also includes funding for base grants to State tertiary institutions and for other tertiary education and training services. The increase in this appropriation is mainly the result of an increase in the average cost of tuition subsidies, provision for initial language training for Kosovo Albanian refugees and a higher rate of dentistry subsidy to recognise the costs of dentistry clinical training. These are partly offset by reductions in special supplementary grants and the impact of lower than expected enrolments.
Write-off of Student Loan Debt	-	-	541	-	541	-	Write-off of unrecoverable student loan debt.
Total Appropriations for Other Expenses to be Incurred by the Crown	1,243,466	-	19,320	-	1,262,786	-	
Capital Contributions to Other Persons or Organisations							
Capital Contributions to Wananga	-	-	5,610	-	5,610	-	Contributions toward the cost of buildings and equipment for two wananga to meet their forecast 2000 growth in student numbers.
Quality Assurance Authority of New Zealand	100	-	(100)	-	-	-	Capital investment in establishing a new Crown entity – QAANZ. The change in appropriation reflects a decision not to proceed with establishment of a separate quality agency.
Student Loans	225,524	-	(57,949)	-	167,575	-	Provides funds to eligible tertiary students to assist with the costs of tuition fees, course-related expenses and living costs. These loans are repayable at a set rate on income earned over a set threshold. The reduction in this appropriation is the result of lower than expected numbers of loan accounts, fees and level of entitlement drawn. This appropriation relates to the first half of 1999/2000 only. From 1 January 2000 the student loans scheme has been administered by the Department of Work and Income.
Wairarapa Community Polytechnic Second Crown Loan	-	-	1,208	-	1,208	-	Financial assistance for the Polytechnic by way of a repayable Crown loan.
Total Appropriations for Capital Contributions to Other Persons or Organisations	225,624	-	(51,231)	-	174,393	-	
Total Appropriations	1,657,136	-	(40,040)	-	1,617,096	-	

Part F - Crown Revenue and Receipts

Part F1 - Current and Capital Revenue and Receipts

	1999/2000			Explanation of 1999/2000 Crown Revenue
	Main Estimates	Supplementary Estimates	Total Budgeted	
	\$000	\$000	\$000	
Current Revenue				
Non-Tax Revenue				
Crown Entity Recoveries	-	2,745	2,745	Recoveries from Crown entities of operating surpluses and unspent funding relating to previous financial years. The change in revenue reflects recoveries from the Education and Training Support Agency related to undelivered outputs that were not known prior to the 1999 Budget.
Student Loans - Accumulated Interest	23,923	-	23,923	Interest charged on student loans between the date the advance is made and the date the loan is transferred to the Inland Revenue Department.
Student Loans - Administration Fee	923	-	923	Administration fee charged when a student loan facility is first drawn.
Tertiary Investments - Interest	23	-	23	Interest paid by Tertiary Education Institutions on loans received from the Crown.
Tertiary Recoveries	-	600	600	Recovery of funding paid during previous financial years for services that were not delivered. These recoveries had not been identified prior to the 1999 Budget.
Total Non-Tax Revenue	24,869	3,345	28,214	
Total Current Revenue	24,869	3,345	28,214	
Capital Receipts				
Asset Sales	3,500	-	3,500	Proceeds from disposal of Crown assets.
Student Loans - Repayment of Principal	13,180	-	13,180	Repayment of student loan principal made prior to the loans being transferred to the Inland Revenue Department.
Tertiary Investments - Repayments	567	-	567	Repayments on loans and advances made to Tertiary Education Institutions.
Total Capital Receipts	17,247	-	17,247	
Total Crown Revenue and Receipts	42,116	3,345	45,461	