

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

	2010/11				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	4,406,435	(103,989)	(28,770)	(132,759)	4,273,676
Benefits and Other Unrequited Expenses	73,288	N/A	(3,621)	(3,621)	69,667
Borrowing Expenses	-	-	-	-	-
Other Expenses	6,750,126	14,720	270,102	284,822	7,034,948
Capital Expenditure	739,634	(48,788)	20,649	(28,139)	711,495
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Total Appropriations	11,969,483	(138,057)	258,360	120,303	12,089,786
Crown Revenue and Capital Receipts					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	69,570	N/A	13,131	13,131	82,701
Capital Receipts	1,080	N/A	(411)	(411)	669
Total Crown Revenue and Capital Receipts	70,650	N/A	12,720	12,720	83,370

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 additional funding for the support of students with special education 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

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	237,396	4,998	242,394
Revenue from Crown	234,064	4,998	239,062
Revenue from Other	3,332	-	3,332

Reasons for Change in Appropriation

This appropriation increased by \$4.998 million to \$242.394 million for 2010/11 mainly owing to a combination of:

- provision for supporting 1,000 additional students aged five to eight (\$4 million increase)
- funding settlement of staff collective agreements (\$1.018 million increase)
- training additional advisors on deaf children (\$600,000 increase), and
- changes to cost allocations between departmental output expense appropriations (\$1.073 million decrease).

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

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	1,364,193	(105,786)	1,258,407
Revenue from Crown	1,360,904	(110,182)	1,250,722
Revenue from Other	3,289	4,396	7,685

Reasons for Change in Appropriation

This appropriation decreased by \$105.786 million to \$1,258.407 million for 2010/11 mainly owing to:

- changes in capital charge, largely reflecting the impact of revaluation and impairment of defective buildings at 30 June 2010 (\$77.627 million decrease)
- delays in the school property rationalisation project with expenditure now expected to occur over the next several years (\$22.959 million decrease)
- a slower start than expected on a national survey of defective buildings, which is now due to finish at the end of next financial year (\$11.501 million decrease)
- provision for costs arising from the February 2011 earthquake (\$4.396 million increase), and
- changes to cost allocations between departmental output expense appropriations (\$1.575 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 sector 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

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	31,476	2,605	34,081
Revenue from Crown	31,029	2,605	33,634
Revenue from Other	447	-	447

Reasons for Change in Appropriation

This appropriation increased by \$2.605 million to \$34.081 million for 2010/11 mainly owing to changes to cost allocations between departmental output expense appropriations (\$2.755 million increase).

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 sector 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

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	13,890	2,402	16,292
Revenue from Crown	13,882	2,402	16,284
Revenue from Other	8	-	8

Reasons for Change in Appropriation

This appropriation increased by \$2.402 million to \$16.292 million for 2010/11 mainly owing to:

- changes to cost allocations between departmental output expense appropriations (\$1.494 million increase), and
- transfer of policy advice activities from the Tertiary Education Commission to the Ministry of Education (\$788,000 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

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	85,669	(10,917)	74,752
Revenue from Crown	83,668	(10,917)	72,751
Revenue from Other	2,001	-	2,001

Reasons for Change in Appropriation

This appropriation decreased by \$10.917 million to \$74.752 million for 2010/11 mainly owing to a combination of:

- a transfer to 2011/12 as a result of delays in the schools' payroll project (\$10.127 million decrease)
- changes to cost allocations between departmental output expense appropriations (\$2.912 million decrease)
- a transfer to departmental output expense Support and Resources for Teachers to develop the Student Achievement Function (\$1.063 million decrease)
- a transfer to 2011/12 as a result of delays in the long-term work programme (\$1.022 million decrease), and
- programme management costs related to ultra-fast broadband in schools (\$3.881 million 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

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	59,528	3,522	63,050
Revenue from Crown	59,363	3,522	62,885
Revenue from Other	165	-	165

Reasons for Change in Appropriation

This appropriation increased by \$3.522 million to \$63.050 million for 2010/11 owing to a combination of:

- transfers from other appropriations to develop the Student Achievement Function in order to continue to raise student achievement by directly working with schools and kura (\$6.140 million increase), and
- changes to cost allocations between departmental output expense appropriations (\$2.757 million 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

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	14,378	(813)	13,565
Revenue from Crown	14,228	(813)	13,415
Revenue from Other	150	-	150

Reasons for Change in Appropriation

This appropriation decreased by \$813,000 to \$13.565 million for 2010/11 owing to a combination of:

- a transfer to departmental output expense Support and Resources for Teachers for the Student Achievement Function (\$2 million decrease)
- changes to cost allocations between departmental output expense appropriations (\$918,000 increase), and
- a transfer of funding from the previous financial year after a delay in developing support material on the National Standards for parents, family and whānau (\$250,000 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.

Reasons for Change in Appropriation

This appropriation decreased by \$1.372 million to \$63.835 million for 2010/11. This decrease is mainly owing to:

- a transfer to departmental output expense Support and Resources for Teachers to develop the Student Achievement Function (\$1.090 million decrease), and
- a transfer to non-departmental other expense Special Needs Support for Alternative Education programmes (\$765,000 decrease).

Education Research Initiatives (M26)

Scope of Appropriation

Purchase of research about teaching and learning in our educational institutions and independent research on education issues, policies and practices.

Reasons for Change in Appropriation

This appropriation increased by \$28,000 to \$3.008 million for 2010/11 as a result of a revision to the level of funding allocated to departmental output expense Strategic Leadership in the Sector to support the longitudinal study Growing Up in New Zealand.

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.

Reasons for Change in Appropriation

This appropriation increased by \$1.550 million to \$36.080 million for 2010/11. This increase is owing to:

- a transfer from 2009/10 for performance benchmarking of Tertiary Education Institutions as a consequence of delays in the programme (\$1.250 million increase), and
- provision for the detailed planning and initiation of event-driven information collection systems (\$300,000 increase).

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.

Reasons for Change in Appropriation

This appropriation increased by \$205,000 to \$22.547 million for 2010/11 as a result of expanding provision for cochlear implant habilitation.

Qualifications Support Structures (M26)

Scope of Appropriation

Provision for the New Zealand Qualifications Authority to oversee the setting of standards and standards based qualifications. It also includes standard-setting responsibility, 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.

Reasons for Change in Appropriation

This appropriation increased by \$13,000 to \$6.062 million for 2010/11 owing to a transfer from Vote Foreign Affairs and Trade for support for negotiation of international trade agreements.

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.

Reasons for Change in Appropriation

This appropriation increased by \$1.906 million to \$162.178 million for 2010/11. This increase relates to:

- provisions for increased road user charges (\$993,000 increase)
- provision for additional transport costs arising from the Canterbury earthquakes (\$890,000 increase)
- higher costs for index-based adjustments (\$426,000 increase), and
- other adjustments, including the impact of lower than expected primary school rolls and lower levels of other claims (\$403,000 decrease).

Supporting Parenting (M26)

Scope of Appropriation

This appropriation is limited to purchasing delivery of specific programmes, and providing advice and support which enhance the role of parents/caregivers in the development of their children and promote the value of quality education experiences.

Reasons for Change in Appropriation

This appropriation decreased by \$1.490 million to \$3.768 million for 2010/11 mainly as a result of delays in the Engaging Priority Families programme and a consequential transfer of funds to outyears (\$1.400 million decrease).

Tertiary Education and Training Policy Advice (M68)

Scope of Appropriation

This appropriation is limited to providing advice and support to Ministers on the tertiary sector and tertiary education and training issues.

Reasons for Change in Appropriation

This appropriation decreased by \$1.091 million to \$4.546 million for 2010/11 mainly owing to a transfer to departmental output expense Strategic Leadership in the Tertiary System after the Tertiary Education Commission's policy function was transferred to the Ministry of Education.

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.

Reasons for Change in Appropriation

This appropriation increased by \$7.381 million to \$1,834.868 million for 2010/11 to address demand pressures for additional undergraduate university places.

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.

Reasons for Change in Appropriation

This appropriation decreased by \$35.900 million to \$268.507 million for 2010/11 owing to a reprioritisation of the Industry Training Fund to fund additional undergraduate university places.

Part 3 - Details for Benefits and Other Unrequited Expenses

Part 3.2 - Non-Departmental Benefits and Other Unrequited Expenses

National Study Awards (M26)

Scope of Appropriation

Provision for the costs of study awards, sabbaticals and fellowships for teachers, including replacement of the teacher while on study leave. Awards include those linked to teachers' collective agreements and approved prestigious awards. Priorities, criteria and selection processes are published by the Ministry of Education.

Reasons for Change in Appropriation

This appropriation increased by \$35,000 to \$24.681 million for 2010/11 owing to a provision for settlement of teachers and principals' collective agreements.

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.

Reasons for Change in Appropriation

This appropriation decreased by \$3 million to \$4.027 million for 2010/11 owing to a transfer to Vote Social Development to enable StudyLink to continue to make scholarship payments to recipients and providers.

Tertiary Scholarships (M68)

Scope of Appropriation

This appropriation is limited to providing scholarships for tertiary students. The criteria and process for the awards are available from the Tertiary Education Commission.

Reasons for Change in Appropriation

This appropriation decreased by \$656,000 to \$16.259 million for 2010/11 owing to a transfer to non-departmental other expense Tertiary Education Grants and Other Funding for Adult Literacy Educator Grants.

Part 5 - Details and Expected Results for Other Expenses

Part 5.1 - Departmental Other Expenses

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
<p>Outcome: The Ministry is capable, efficient and responsive to achieve education priorities.</p> <p>Impacts:</p> <ul style="list-style-type: none"> All children, including those with disabilities and special education needs, achieve their full potential through education. Improved efficiency in the way the Ministry operates. Improved cost-effectiveness of the Government's expenditure in education. 	Recovery from February 2011 Christchurch Earthquake

Recovery from February 2011 Christchurch Earthquake (M26)

Scope of Appropriation

This appropriation is limited to writing off, or making good damage to, departmental assets and re-establishing school operations in Christchurch following the 22 February 2011 earthquake.

Expenses

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	14,720	14,720

Reasons for Change in Appropriation

This new appropriation of \$14.720 million provides for making good earthquake damage to schools and writing off assets badly damaged or destroyed in the earthquake.

Expected Results

	2010/11		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Estimated value of emergency repairs - including temporary sewerage solutions (\$000)	-	4,720	4,720
Estimated value of assets to be written off (\$000)	-	10,000	10,000

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 labour market needs.</p> <p>Impacts:</p> <ul style="list-style-type: none"> Improved efficiency within the tertiary funding system and student support system. Increased numbers of students completing tertiary qualifications at higher levels. 	Support for International Students
<p>Outcome: Increasing opportunity for children to participate in quality early childhood education.</p> <p>Impacts:</p> <ul style="list-style-type: none"> The proportion of Māori, Pasifika and children from low socio-economic areas attending high quality early childhood education rising to levels consistent with the general population. 	Support for Early Childhood Education Providers

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.

Reasons for Change in Appropriation

This appropriation decreased by \$582,000 to \$69.071 million for 2010/11. The decrease in funding is mainly owing to a transfer to 2011/12 of funding for the Workplace Literacy Fund (\$481,000).

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 and certificated centres. Also included are several targeted funds.

Reasons for Change in Appropriation

This appropriation increased by \$121.486 million to \$1,385.394 million for 2010/11. The increase in funding is mainly owing to a combination of:

- increased average weekly hours attended and a higher proportion of hours being claimed by children receiving 20 Hours Early Childhood Education (\$91.696 million increase)
- higher than expected participation and an increase in average weekly hours attended by under-two-year-olds (\$24.970 million increase)
- increased average weekly hours attended by over-two-year-olds (\$6.976 million increase)
- provision for settlement of the kindergarten teachers collective agreement (\$2.841 million increase), and
- a transfer of funding to create the new non-departmental other expense Support for Early Childhood Education Providers (\$6.067 million decrease).

Early Childhood Grants (M26)

Scope of Appropriation

Assistance is provided to early childhood education groups for developing accommodation including the establishment of new centres, or to increase the capacity or improve the standard of accommodation in existing centres. The criteria and selection process are published by the Ministry of Education.

Reasons for Change in Appropriation

This appropriation of \$13.783 million was transferred entirely to the new non-departmental other expense Support for Early Childhood Education Providers.

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.

Reasons for Change in Appropriation

This appropriation increased by \$5.796 million to \$55.051 million for 2010/11. The increase is mainly owing to additional funding for the School Network Upgrade Project (\$5.350 million).

Interest Subsidy for Schools (M26)

Scope of Appropriation

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

Reasons for Change in Appropriation

This appropriation decreased by \$220,000 to \$220,000 for 2010/11. The decrease in funding is owing to lower than expected interest rates.

Primary Education (M26)

Scope of Appropriation

Delivering the curriculum for Years 0 to 8 (new entrant to Form 2) to pupils of State, integrated, private schools and The Correspondence School. Provides roll-based operations funding to schools, teacher and management salaries, support costs and supplementary funding programmes.

Reasons for Change in Appropriation

This appropriation increased by \$93.564 million to \$2,700.264 million for 2010/11. The increase in funding is mainly owing to a combination of:

- provision for settlement of the teachers and principals' collective agreements (\$37.270 million increase)
- an update to the accounting methodology of calculating primary holiday pay to reflect the collective agreement (\$32.695 million increase)
- higher than expected salary rates (\$12.924 million increase)
- provision for additional costs arising from the Canterbury earthquake (\$8.026 million increase)
- higher than expected rates for retirement scheme subsidies (\$4.976 million increase)
- higher than expected staffing rolls (\$2.969 million increase), and
- lower than expected student numbers (\$6.797 million decrease).

School Transport (M26)*Scope of Appropriation*

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

Reasons for Change in Appropriation

This appropriation decreased by \$22,000 to \$817,000 for 2010/11 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.

Reasons for Change in Appropriation

This appropriation decreased by \$4.309 million to \$9.263 million for 2010/11. The decrease in funding is owing to a transfer to departmental output expense Support and Resources for Teachers to develop the Student Achievement Function (\$3.459 million decrease) and a transfer to the interim response fund under non-departmental other expense Special Needs Support to assist Christchurch students (\$850,000 decrease).

Secondary Education (M26)

Scope of Appropriation

Delivering the curriculum for Years 9 to 13 (Forms 3 to 7) to pupils of State, integrated, private schools and The Correspondence School. Provides roll-based operations funding to schools, teacher and management salaries, support costs and supplementary funding programmes.

Reasons for Change in Appropriation

This appropriation increased by \$43.177 million to \$1,992.109 million for 2010/11. The increase in funding is mainly owing to a combination of:

- higher than expected staffing rolls (\$21.847 million increase)
- higher than expected student numbers mainly as a result of higher retention of students in senior secondary schools (\$7.054 million increase)
- provision for additional costs arising from the Canterbury earthquake (\$6.608 million increase)
- higher rates for retirement scheme subsidies and a higher uptake of KiwiSaver (\$3.813 million increase), and
- transfers from non-departmental other expenses Primary Education and Special Needs Support reflecting growth in enrolments in The Correspondence School (\$2.781 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.

Reasons for Change in Appropriation

This appropriation increased by \$4.096 million to \$312.384 million for 2010/11. The increase in funding is mainly owing to:

- an update to the accounting methodology of calculating primary holiday pay to reflect the collective agreement (\$2.219 million increase)
- provision for settlement of the primary teachers and primary principals' collective agreements (\$1.905 million increase)
- increase in the interim response fund to support Christchurch students (\$1.440 million increase)
- provision for other costs arising from the Canterbury earthquake including support for residential special schools (\$1.175 million increase)
- increased funding for Alternative Education transferred from non-departmental output expense Professional Development and Support (\$965,000 increase)
- higher than expected student numbers (\$374,000 increase)

- a redistribution of salaries funding with non-departmental other expenses Primary Education and Secondary Education (\$1.469 million decrease)
- delays in the Positive Behaviour for Learning programme shifting costs to subsequent years (\$1.180 million decrease), and
- a decrease in average rates for teacher salaries (\$1.013 million decrease).

Support for Early Childhood Education Providers (M26)

Scope of Appropriation

This appropriation is limited to assisting early childhood education services and other bodies corporate in provision of child places for early childhood education. Priority will be given to providers in communities that have low levels of participation in early childhood education, to increase the number of child places and therefore availability of early childhood education. The criteria and selection process for each type of assistance are published by the Ministry of Education.

Expenses

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	12,000	12,000
Full Funding Stream	-	9,300	9,300
Partial Funding Stream	-	-	-
Low-cost, High-value Stream	-	700	700
Ministerial Discretionary Fund	-	2,000	2,000

Reasons for Change in Appropriation

This is a new appropriation in 2010/11 of \$12 million to provide for targeted assistance for participation in the Early Childhood Education sector, funded by transfers from non-departmental other expenses Early Childhood Grants and Early Childhood Education.

Expected Results

	2010/11		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Main Funding Stream			
Number of child places created	-	238 - 275	238 - 275
Number of early childhood education services established	-	14	14
Cost per service	-	\$814,200	\$814,200
Estimated places targeted to increase participation	-	80 - 100%	80 - 100%
Discretionary Fund			
Number of child places retained (or created)	-	50 - 100	50 - 100
Number of services assisted	-	1 - 2	1 - 2
Estimated cost per created place	-	\$10,000 - 20,000	\$10,000 - 20,000

Conditions on Use of Appropriation

Reference	Conditions
Cabinet decision	Full funding stream - grants to create early childhood education (ECE) places to make an immediate, high-impact difference in areas of the very highest need. The locations are determined by the Ministry of Education and include areas with the highest numbers of children missing out on ECE.
	Partial funding stream - grants to provide incentives or partial contributions towards the total cost of creating ECE places in low socio-economic status areas. The locations are determined by the Ministry of Education and include areas with many children missing out on ECE. Assistance under this stream shall be preferred and may cover a wide range of activities.
	Low-cost, high-value stream - grants to provide assistance by capitalising on low-cost but high-value community-driven proposals to create additional ECE places, with a maximum grant limit of \$100,000. The locations are determined by the Ministry of Education.
	Discretionary fund - grants to provide assistance to ECE services in Canterbury affected by earthquake.

Support for International Students (M68)

Scope of Appropriation

This appropriation is limited to provision of additional support to international students and their families affected by the Christchurch earthquake, including grants toward costs not covered by ACC, insurance or other support and refunds of tuition and other fees.

Expenses

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	2,000	2,000

Reasons for Change in Appropriation

This is a new appropriation in 2010/11 of \$2 million to support international students and their families affected by the Christchurch earthquake.

Expected Results

	2010/11		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
All agreed costs met for qualifying families.	-	100%	100%

Tertiary Education Grants and Other Funding (M68)

Scope of Appropriation

This appropriation is limited to providing contestable funding and miscellaneous funding to tertiary education organisations.

Reasons for Change in Appropriation

This appropriation increased by \$5.209 million to \$26.440 million for 2010/11. The increase in funding is mainly owing to:

- a decision to fund the tertiary education and coordination components of Trade Academies and Manukau Institute of Technology's Tertiary High School (\$2.730 million)
- a transfer from non-departmental other expense Tertiary Education Organisation Component: Capability Fund, which ceased at the end of 2010, related to capability programmes that continue in 2010 (\$1.404 million).

Tertiary Education Institutions Merger Support (M68)

Scope of Appropriation

This appropriation is limited to providing support toward the additional costs related to the merger of particular tertiary education institutions.

Expenses

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	5,000	5,000

Reasons for Change in Appropriation

This is a new appropriation in 2010/11 of \$5 million to provide support for the costs of merging Tairāwhiti Polytechnic and the Eastern Institute of Technology.

Expected Results

	2010/11		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Merger milestones are met according to funding agreements		Achieved	Achieved

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.

Reasons for Change in Appropriation

This appropriation increased by \$1.130 million to \$195.456 million for 2010/11. The increase in funding is mainly owing to a combination of:

- a transfer of funding from the previous year following delays in some programmes (\$2.534 million increase), and
- a transfer to non-departmental other expense Tertiary Education Grants and Other Funding for capability programmes that continue through that appropriation in 2011, after this appropriation ceased at the end of 2010 (\$1.404 million decrease).

University of Auckland Starpath Project (M68)

Scope of Appropriation

Funding under the Partnerships for Excellence programme to support the Starpath initiatives at the University of Auckland.

Reasons for Change in Appropriation

This appropriation decreased by \$4.440 million to \$1.210 million in 2010/11 owing to extending the timeframe for this project to 2014/15 and consequential transfers of funds to subsequent financial years.

Reporting Mechanisms

Appropriation	Reporting Mechanism
Support for Early Childhood Education Providers (M26)	Section 32A
Support for International Students (M68)	No report required
Tertiary Education Institutions Merger Support (M68)	Annual reports of the tertiary education institutions

The above table indicates the mechanisms to be used for reporting actual performance for each non-departmental other expenses appropriation.

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

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	47,000	(39,000)	8,000
Property, Plant and Equipment	646,534	(4,207)	642,327
Intangibles	19,058	(5,581)	13,477
Other	-	-	-
Total Appropriation	712,592	(48,788)	663,804

Reasons for Change in Appropriation

This appropriation decreased by \$48.788 million to \$663.804 million for 2010/11, mainly owing to a combination of:

- delays in the school property works programme, including defective buildings (\$32 million decrease) and other programmes (\$21.890 million decrease)
- converting capital funding to an operating stream to provide for leased accommodation rather than provide a building (\$3.210 million decrease), and
- continued implementation of ultra-fast broadband in schools (\$8.481 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 labour market needs.</p> <p>Impacts:</p> <ul style="list-style-type: none"> • Improved efficiency within the tertiary funding system and student support system. • Increased numbers of students completing tertiary qualifications at higher levels. 	Te Whare Wānanga o Awanuiāraangi Treaty Settlement

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.

Reasons for Change in Appropriation

This appropriation decreased by \$1.022 million to \$4.375 million for 2010/11 owing to a transfer to subsequent years reflecting changes in the expected timing of property sales.

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.

Reasons for Change in Appropriation

This appropriation increased by \$1.621 million to \$2.696 million for 2010/11 owing to a transfer from 2009/10 as a result of delays in the programme.

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.

Reasons for Change in Appropriation

This appropriation decreased by \$411,000 to \$669,000 for 2010/11 owing to the proceeds from sale of property, that determined the amount of the capital injection, being lower than expected.

Schools Furniture and Equipment (M26)

Scope of Appropriation

Provides funds to schools for new furniture and equipment when capital works (including remodelling/upgrading of existing property and new school property) are approved.

Reasons for Change in Appropriation

This appropriation increased by \$5.961 million to \$23.571 million for 2010/11 mainly owing to additional funding for the School Network Upgrade Project (\$5.970 million).

Te Whare Wānanga o Awanuiarangi Treaty Settlement (M68)

Scope of Appropriation

This appropriation is limited to the full and final settlement of Te Whare Wānanga o Awanuiarangi in regards to the Waitangi Tribunal Claim (Wai 718) seeking Wānanga capital establishment funding comparable to other tertiary education institutions and the repatriation of funds.

Capital Expenditure

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	14,500	14,500

Reasons for Change in Appropriation

This is a new appropriation of \$14.500 million in 2010/11 for completion of the capital works that will bring the wānanga's buildings and equipment to a standard comparable with other tertiary institutions.

Expected Results

	2010/11		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Capital growth plan - completion of the total capital works identified in the business case to bring the buildings and equipment of Te Whare Wānanga o Awanuiarangi to a standard comparable with other tertiary education institutions (\$000).	-	\$14,500	\$14,500

Conditions on Use of Appropriation

Reference	Conditions
Cabinet Decisions	The settlement brings to a close all negotiations with Te Whare Wānanga o Awanuiarangi in regard to the Wai 718 claim seeking wānanga capital establishment funding comparable to other tertiary education institutions.
	This settlement will support the building of a noho centre, a library, a large lecture theatre, enrolment centre and academic registry, marketing and exhibition centre, site works and landscaping allowing the institution to be more sustainable in the long term.

Reporting Mechanisms

Appropriation	Reporting Mechanism
Te Whare Wānanga o Awanuiarangi Treaty Settlement	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.