

Performance Information for Appropriations

Vote Tertiary Education

MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister for Tertiary Education, Skills and Employment (M14)

ADMINISTERING DEPARTMENT: Ministry of Education

MINISTER RESPONSIBLE FOR MINISTRY OF EDUCATION : Minister of Education

Part 1 - Summary of the Vote

Part 1.1 - Overview of the Vote

The Minister for Tertiary Education, Skills and Employment is responsible for appropriations in Vote Tertiary Education for the 2012/13 financial year covering the following:

- a total of nearly \$13 million for services from the Ministry of Education
- a total of just over \$2,787 million for student achievement component and research funding provided to tertiary education institutions, educational services from the Tertiary Education Commission and services from the adult and community education sector and other non-departmental providers including Education New Zealand
- a total of just over \$15 million for tertiary scholarships, international education and other grants, and
- a total of nearly \$4 million for miscellaneous grants to the sector.

Details of these appropriations are set out in Parts 2-6 below.

Part 1.2 - High-Level Objectives of the Vote

The Ministry will focus on implementing a set of specific policies and programmes to deliver on key education outcomes determined by the Government. Those related to Vote Tertiary Education are:

- Attainment of useful qualifications

A useful qualification enables young people to take steps into employment, training or higher-level education. Increasing the number of young people achieving National Certificate of Educational Achievement Level 2 or equivalent qualifications that meet the needs of employers, is critical to New Zealand's economic growth. Young people must then be supported and encouraged to gain higher-level qualifications.

- Ongoing development and attainment of skills

Tertiary education has significant economic and social benefits for individuals and New Zealand as a society. Increasing the number of 25-34-year-olds with a qualification at level 4 or above on the New Zealand Qualifications Framework is critical.

- Increasing the contribution of the tertiary and international education sectors to economic growth

International education, innovation and research are drivers of productivity and growth and are critical to New Zealand's economy. The focus will be on continuing to strengthen the contribution of these key education areas to the Government's economic growth priorities.

The table below shows how the Government priorities, education outcomes and the appropriations interconnect. Only the appropriations most significant in terms of expenditure, or impact, on each priority are listed.

Government Priorities and Outcomes - Links to Appropriations

Government Priorities	Government Outcomes	Appropriations
<p>Economic growth that delivers greater prosperity, security and opportunities for New Zealanders.</p> <p>Developing the skills to enable citizens to reach their full potential and contribute to the economy and society.</p> <p>Providing better public services by improving educational achievement, getting disengaged young people back on track and improving the lives of vulnerable children.</p>	Attainment of useful qualifications	<p>Departmental</p> <p>Policy Advice</p> <p>Non-Departmental</p> <p>Tertiary Education: Student Achievement Component</p> <p>Training for Designated Groups</p>
<p>Developing the skills to enable citizens to reach their full potential and contribute to the economy and society.</p> <p>Economic growth that delivers greater prosperity, security and opportunities for New Zealanders.</p>	Ongoing development and attainment of skills	<p>Departmental</p> <p>Policy Advice</p> <p>Strategic Leadership in the Tertiary System</p> <p>Non-Departmental</p> <p>Adult and Community Education</p> <p>Centres of Research Excellence</p> <p>International Education Programmes</p> <p>Performance-Based Research Fund</p> <p>Tertiary Education Grants and Other Funding</p> <p>Tertiary Education: Student Achievement Component</p> <p>Training for Designated Groups</p>
<p>Developing the skills to enable citizens to reach their full potential and contribute to the economy and society.</p> <p>Economic growth that delivers greater prosperity, security and opportunities for New Zealanders.</p>	Increasing the contribution of the tertiary and international education sectors to economic growth	<p>Departmental</p> <p>Policy Advice</p> <p>Strategic Leadership in the Tertiary System</p> <p>Non-Departmental</p> <p>Centres of Research Excellence</p> <p>International Education Programmes</p> <p>Performance-Based Research Fund</p> <p>Tertiary Education Grants and Other Funding</p> <p>Tertiary Education: Student Achievement Component</p> <p>Training for Designated Groups</p>

Part 1.3 - Trends in the Vote

Summary of Financial Activity

	2007/08	2008/09	2009/10	2010/11	2011/12		2012/13			2013/14	2014/15	2015/16
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Appropriations												
Output Expenses	-	-	-	-	2,741,212	2,704,212	12,945	2,787,369	2,800,314	2,808,646	2,824,346	2,836,614
Benefits and Other Unrequited Expenses	-	-	-	-	17,132	17,132	N/A	15,419	15,419	15,122	15,759	15,935
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	1,150	1,150	-	3,950	3,950	1,000	990	-
Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Total Appropriations	-	-	-	-	2,759,494	2,722,494	12,945	2,806,738	2,819,683	2,824,768	2,841,095	2,852,549
Crown Revenue and Capital Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	-	-	-	-	11,055	11,055	N/A	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Crown Revenue and Capital Receipts	-	-	-	-	11,055	11,055	N/A	-	-	-	-	-

In addition to what is in the preceding table, the table following includes for the years 2007/08 to 2010/11 all amounts relating to appropriations, revenue and receipts that were in those years in Vote Education but from 2011/12 are in Vote Tertiary Education.

	2007/08	2008/09	2009/10	2010/11	2011/12		2012/13			2013/14	2014/15	2015/16
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Appropriations												
Output Expenses	1,109,652	1,934,794	2,005,412	2,187,078	2,741,212	2,704,212	12,945	2,787,369	2,800,314	2,808,646	2,824,346	2,836,614
Benefits and Other Unrequited Expenses	24,728	32,345	22,797	16,825	17,132	17,132	N/A	15,419	15,419	15,122	15,759	15,935
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	1,437,212	776,754	801,861	547,060	1,150	1,150	-	3,950	3,950	1,000	990	-
Capital Expenditure	127,890	150,380	34,493	17,864	-	-	-	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Total Appropriations	2,699,482	2,894,273	2,864,563	2,768,827	2,759,494	2,722,494	12,945	2,806,738	2,819,683	2,824,768	2,841,095	2,852,549
Crown Revenue and Capital Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	10,872	14,750	48,263	14,441	11,055	11,055	N/A	-	-	-	-	-
Capital Receipts	6,802	22,621	1,000	1,554	-	-	N/A	-	-	-	-	-
Total Crown Revenue and Capital Receipts	17,674	37,371	49,263	15,995	11,055	11,055	N/A	-	-	-	-	-

New Policy Initiatives

Policy Initiative	Appropriation	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
2011/12 Unallocated Funding and Christchurch Trades Training Contingency (see also Vote Social Development in the Social Development and Housing Sector)	Training for Designated Groups Non-Departmental Output Expense	(2,260)	-	-	-	-
Adult and Community Education in Community Organisations	Adult and Community Education Non-Departmental Output Expense	-	300	500	700	700
Efficiency Savings Ministry of Education	Policy Advice Departmental Output Expense	-	(227)	(225)	(225)	(225)
	Strategic Leadership in the Tertiary System Departmental Output Expense	-	(187)	(196)	(196)	(196)
Establishment of the New Crown Agency for International Education - Education New Zealand (see also Vote Economic Development in the Economic Development and Infrastructure Sector)	Establishment of the International Education Crown Agent Departmental Output Expense	150	-	-	-	-
	Strategic Leadership in the Tertiary System Departmental Output Expense	(2,950)	(3,540)	(3,540)	(3,540)	(3,540)
	International Education Programmes Non-Departmental Output Expense	3,217	4,040	4,040	4,040	4,040
Extend the Youth Guarantee	Tertiary Education: Student Achievement Component Non-Departmental Output Expense	-	(4,985)	(14,955)	(21,934)	(23,928)
	Training for Designated Groups Non-Departmental Output Expense	-	7,844	23,531	34,513	37,650
Increase Funding Rates for Engineering	Tertiary Education: Student Achievement Component Non-Departmental Output Expense	-	5,990	11,990	11,990	11,990
Increase Funding Rates for Science	Tertiary Education: Student Achievement Component Non-Departmental Output Expense	-	2,427	4,853	4,853	4,853
Increasing the Size of the Performance-based Research Fund	Performance-Based Research Fund Non-Departmental Output Expense	-	6,250	18,750	31,250	43,750
Increasing the Subsidy for Pilot Training	Tertiary Education: Student Achievement Component Non-Departmental Output Expense	-	204	408	408	408

Policy Initiative	Appropriation	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
	Managing the Government's Investment in the Tertiary Education Sector Non-Departmental Output Expense	-	30	-	-	-
Managing Demand at Universities in 2013	Tertiary Education: Student Achievement Component Non-Departmental Output Expense	-	4,456	4,456	-	-
	Training for Designated Groups Non-Departmental Output Expense	(8,912)	-	-	-	-
New Zealand Benchmarking Tool	Managing the Government's Investment in the Tertiary Education Sector Non-Departmental Output Expense	-	1,260	1,260	-	-
Programme for International Assessment of Adult Competencies	Strategic Leadership in the Tertiary System Departmental Output Expense	-	850	1,560	2,520	330
Reducing the Funding Rate Difference Between Public and Private Providers	Tertiary Education: Student Achievement Component Non-Departmental Output Expense	-	4,218	8,431	8,427	8,427
Remove Funding for Adult and Community Education in Universities	Adult and Community Education Non-Departmental Output Expense	-	(772)	(1,543)	(1,543)	(1,543)
Trades Training - Skills for Canterbury Initiatives in 2011/12 and 2012/13 (see also Vote Social Development in the Social Development and Housing Sector and Vote Revenue in the Finance and Government Administration Sector)	Tertiary Education: Student Achievement Component Non-Departmental Output Expense	5,418	5,418	-	-	-
	Training for Designated Groups Non-Departmental Output Expense	(15,722)	-	-	-	-
Tutor Support for Special Education	Tertiary Education: Student Achievement Component Non-Departmental Output Expense	-	617	635	704	671
Unallocated Funding from Literacy, Language and Numeracy Top-ups	Adult and Community Education Non-Departmental Output Expense	-	(3,200)	(6,399)	(6,399)	(6,399)
Grand Total		(21,059)	30,993	53,556	65,568	76,988

Analysis of Significant Trends

Vote Tertiary Education was established from 2011/12 with appropriations transferred from Vote Education.

Significant changes in departmental and non-departmental appropriations related to tertiary and international education between 2007/08 and 2015/16 are discussed briefly below.

Departmental Expenditure

Movements in departmental expenditure largely relate to:

- international education initiatives, including the establishment of a new Crown entity - Education New Zealand - from 2011/12, and
- transfers of some activities between the Ministry of Education and the Tertiary Education Commission.

Non-Departmental Outputs

Increases in non-departmental output expenses are principally owing to:

- transfer of tertiary student achievement component funding from non-departmental other expense appropriations from 1 January 2008, which accounts for the significant change in 2007/08 and 2008/09. Further transfers of enrolment-related funding (the top-slice) occurred from January 2011
- Adult and Community Education, Performance-Based Research Fund and Tertiary Education Grants and Other Funding also being transferred from other expenses from 2011/12
- growth in work-based education and training initiatives (eg, the Industry Training Fund and Modern Apprenticeships) more than offset by phasing out some programmes from 2009/10, removal of regulatory compliance training from 2012 and further reducing industry training funding to align with estimated demand in 2013
- implementation of the Youth Guarantee, including provision of fees-free places at tertiary institutions
- additional funding for research, increasing the Performance-Based Research Fund to \$300 million annually by 2016
- targeted increases in tuition subsidies for engineering and science and beginning to close the gap in funding between private training and public providers
- increases in operating funding for the Tertiary Education Commission to implement the tertiary sector reforms, a substantial reduction in funding from 2009/10 onward and reduction in policy advice from 2010/11, and
- increased funding for international education, including promotions.

Benefits and Other Unrequited Expenses

Changes in benefit expenses are largely related to:

- provision of tertiary doctoral and enterprise scholarships and trainee medical intern grants up to 2008/09 but with a phase out of tertiary doctoral and enterprise scholarships from 2009/10, and
- phasing out of doctoral research and undergraduate international student scholarships and capping tertiary study abroad awards from 2009/10.

Non-Departmental Other Expenses

Non-departmental other expense appropriations account for most tertiary education funding in the initial years of the forecast period. Changes in these appropriations mainly reflect a combination of:

- increased funding for tertiary education and training programmes up to 2008/09 owing to a combination of increased numbers of tertiary students and increases in per-student funding, strategic assistance to tertiary education institutions to adjust to the new tertiary education environment and growth in targeted Performance-Based Research Fund funding
- reducing the level of growth in tertiary education spending from Budget 2009. The impact of these reductions was spread across all tertiary education funding areas but with a particular focus on those increased in Budget 2008, and
- a provision from 2010/11 to maintain the volume of Equivalent Full-time Students (EFTS) and increase numbers of EFTS in some sectors, as well as a one-off increase to the subsidy for EFTS places. These were offset by ceasing or further reducing most capability funding pools.

Tertiary student achievement component funding was transferred to non-departmental output expenses from 1 January 2008. Other enrolment-related funding (the top-slice) was transferred to outputs from 1 January 2011.

From 2011/12 Adult and Community Education, Performance-Based Research Fund and Tertiary Education Grants and Other Funding appropriations were also transferred to non-departmental output expenses.

Non-Departmental Capital Expenditure

The major changes in non-departmental capital expenditure over the period relate to:

- investment in tertiary education institutions, including assistance to institutions at financial risk, support for campus redevelopments, support for establishment of Centres of Research Excellence and support for public/private ventures under the Partnerships for Excellence facility, and
- consideration for the inadequate capitalisation of Wānanga and provision for their future needs.

Revenue

Significant changes between years include recoveries from the Tertiary Education Commission and the sector and repayment of principal on loans to tertiary education institutions.

Part 1.4 - Reconciliation of Changes in Appropriation Structure

2011/12 Appropriations in the 2011/12 Structure	2011/12 (Current) \$000	Appropriations to which Expenses (or Capital Expenditure) have been Moved from or to	Amount Moved \$000	2011/12 Appropriations in the 2012/13 Structure	2011/12 (Restated) \$000	2012/13 \$000
Departmental Output Expenses						
Strategic Leadership in the Tertiary System	12,885	Transferred to Policy Advice	(5,453)	Strategic Leadership in the Tertiary System	7,432	7,600
		Transferred from Strategic Leadership in the Tertiary System	5,453	Policy Advice	5,572	5,345
		Transferred from Strategic Leadership in the Sector Vote Education	119			
Total Changes in Appropriations	13,035		119		13,154	12,945

Departments were required to reorganise their appropriations from 2012/13 to clearly separate policy outputs, based on a common definition of policy advice, to standardise the recording of policy expenditure across the public sector.

The above table shows the impact on Ministry output expense appropriations for Vote Tertiary Education if the common definition had been applied in 2011/12.

Explanations of the reasons for changing the appropriation structure are noted in the details of each appropriation in Parts 2-6.

Part 2 - Details and Expected Performance for Output Expenses

Part 2.1 - Departmental Output Expenses

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
Outcome: Attainment of useful qualifications Impacts: <ul style="list-style-type: none"> Increased student engagement and retention in education. More school leavers with National Certificate of Educational Achievement Level 2 (or above) qualifications. Improved outcomes for Māori learners, Pasifika learners, learners with special education needs and learners from low socio-economic backgrounds. Fewer young people who are not in education, training or employment. 	Policy Advice
Outcome: Ongoing development and attainment of skills Impacts: <ul style="list-style-type: none"> Tertiary education better aligned with the needs of the labour market. Greater contribution of the international education sector to New Zealand's economy. More people aged under 25 achieving qualifications at level 4 and above. More international students choosing to study in New Zealand. 	Policy Advice Strategic Leadership in the Tertiary System
Outcome: Increasing the contribution of the tertiary and international education sectors to economic growth Impacts: <ul style="list-style-type: none"> Tertiary education better aligned with the needs of the labour market. Greater contribution of the international education sector to New Zealand's economy. More young people aged under 25 achieving qualifications at level 4 and above. More international students choosing to study in New Zealand. Improved outcomes for Māori learners, Pasifika learners, learners with special education needs and learners from low socio-economic backgrounds. Fewer young people who are not in education, training or employment. 	Policy Advice Strategic Leadership in the Tertiary System

For further information on the intended impacts, outcomes and objectives of the departmental output expense appropriations, please see the Statement of Intent for the Ministry of Education.

Policy Advice (M14)

Scope of Appropriation

This appropriation is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on Tertiary Education related matters.

Expenses and Revenue

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	5,345
Revenue from Crown	-	-	5,345
Revenue from Other	-	-	-

Reasons for Change in Appropriation

This appropriation has been established from 2012/13 to consolidate Ministry policy advice activity under one output expense appropriation (see Part 1.4 Reconciliation of Changes in Appropriation Structure for details) (\$5.572 million increase) partly offset by implementation from 2012/13 of efficiency savings agreed in Budget 2011 (\$227,000 decrease).

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Policy will be delivered according to the work programme (and any subsequent amendments) negotiated between the Minister for Tertiary Education, Skills and Employment and the Secretary for Education relating to priority areas for the tertiary and international education sectors.	100%	100%	100%
The quality of the Ministry's policy advice to the Minister for Tertiary Education, Skills and Employment will be externally assessed through the annual New Zealand Institute of Economic Research review.	>7.0/10	>7.0/10	All papers reviewed achieve a score of >7/10
The Minister for Tertiary Education, Skills and Employment is satisfied with the quality of briefings, reports and policy advice provided (see Note 1).	Feedback survey shows a rating of 'satisfied' or higher for policy quality	Feedback survey shows a rating of 'satisfied' or higher for policy quality	All papers rated by the Minister obtain a rating of 'acceptable' or higher
The quality of the Ministry's policy advice will be internally assessed using the policy rubric of the Ka Hikitia Measurable Gains Framework. The assessment will use a representative sample of the Ministry's policy advice to Education Ministers and Cabinet committees and will be undertaken by a selection of staff from the Ministry.	N/A	An assessment of papers is completed by August 2012 to provide an initial baseline result for the Ministry. A metric for improvement will then be confirmed and be reported against annually thereafter	An assessment of papers is completed by August 2012 to provide an initial baseline result for the Ministry. A metric for improvement will then be confirmed and be reported against annually thereafter
Policy advice will be provided within the agreed timeframes.	100%	100%	100%

Note 1 - 2012/13 is based on a five-part rating scale: 1. 'Very Poor'. 2. 'Poor'. 3. 'Acceptable'. 4. 'Good'. 5. 'Very Good'. For 2011/12 the standards were: 1. 'Very unsatisfied'. 2. 'Unsatisfied'. 3. 'Somewhat satisfied'. 4. 'Satisfied'. 5. 'Very satisfied'.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Efficiency Savings Ministry of Education	2012/13	-	(227)	(225)	(225)	(225)
Savings - Reduce Policy Advice Expenditure (see Note 1)	2010/11	(239)	(239)	(239)	(239)	(239)

Note 1 - Initiatives prior to 2011/12 were originally appropriated under Strategic Leadership in the Tertiary System.

Strategic Leadership in the Tertiary System (M14)

Scope of Appropriation

This appropriation is limited to 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, 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

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	12,885	12,885	7,600
Revenue from Crown	12,877	12,877	7,600
Revenue from Other	8	8	-

Reasons for Change in Appropriation

The decrease in the appropriation between 2011/12 and 2012/13 is mainly owing to a combination of:

- movement of policy advice activity to a separate departmental output expense appropriation (Policy Advice) from 2012/13 (see Part 1.4 Reconciliation of Changes in Appropriation Structure for details) (\$5.453 million decrease)
- full-year effect of transferring functions related to international education to the new Crown entity - Education New Zealand (under non-departmental output expense International Education Programmes) from 1 September 2011 (\$590,000 decrease), and
- participation in a programme for international assessment of adult competencies (\$850,000 increase).

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Cross-tertiary Agency Coordination			
The Ministry is effective in leading tertiary education agencies to: <ul style="list-style-type: none"> determine, and deliver on, a shared strategic direction for the tertiary education sector, and address issues of alignment within the sector. 	<p>All tertiary education agencies' accountability documents and business plans show evidence of the shared strategic direction for education</p> <p>Education agency Annual Reports show evidence of implementation of programmes within the agreed shared direction for education</p> <p>Relevant senior managers from tertiary education agencies report satisfaction with the Ministry's leadership and coordination of the sector in regular independent assessments</p>	<p>All tertiary education agencies' accountability documents and business plans show evidence of the shared strategic direction for education</p> <p>Education agency Annual Reports show evidence of implementation of programmes within the agreed shared direction for education</p> <p>Relevant senior managers from tertiary education agencies report satisfaction with the Ministry's leadership and coordination of the sector in regular independent assessments</p>	<p>All tertiary education agencies' accountability documents and business plans show evidence of the shared strategic direction for education</p> <p>Education agency Annual Reports show evidence of implementation of programmes within the agreed shared direction for education</p> <p>Relevant senior managers from tertiary education agencies report satisfaction with the Ministry's leadership and coordination of the sector in regular independent assessments</p>
Tertiary and International Research and Analysis			
All major research and analysis projects are internally and externally reviewed for quality and are determined to have met their objectives and be aligned with the Ministry's priorities.	100%	100%	100%
Research programmes are provided within the agreed timeframes.	100%	100%	100%
Monitoring the Tertiary System			
Critical forecasts of enrolment trends and expenditure are accurate.	Within an average of 3% and a maximum of 5% of actual values up to 12 months after being forecast	Within an average of 3% and a maximum of 5% of actual values up to 12 months after being forecast	Within an average of 3% and a maximum of 5% of actual values up to 12 months after being forecast
Monitoring reports are published annually on agreed dates.	N/A	100%	100%
The Government's ownership interest in Crown entities (Tertiary Education Commission (TEC) and Education New Zealand (ENZ)) is explicitly measured and monitored through risk profiling and performance monitoring reports that are prepared every six months and submitted to the Minister for Tertiary Education, Skills and Employment.	100%	100%	100%
The Ministry's work supporting Crown entities shows improvements in their accountability documents and strategic planning.	N/A	Office of the Auditor-General audit feedback for each Crown entity indicates improvement	Office of the Auditor-General audit feedback for each Crown entity indicates improvement
Analysis of, and comment on, the performance of the TEC and ENZ is provided to the Minister within agreed timeframes.	100%	100%	100%
The membership of Crown entity boards is regularly reviewed and nominations are made for boards three months prior to terms expiring.	100%	100%	100%

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Provision of Tertiary and Other Information			
Public monitoring and analysis reports and key statistics will be made available to the public on the Ministry's website www.educationcounts.govt.nz .	100%	100%	100%
Support for International Education			
International students studying in New Zealand are safe and provided with appropriate advice and support.	Regular evaluations and Education Review Office (ERO) reports confirm that 100% of providers meet the quality standards set out in the Code of Practice for the Pastoral Care of International Students	Regular evaluations and ERO reports confirm that 100% of providers meet the quality standards set out in the Code of Practice for the Pastoral Care of International Students	Regular evaluations and ERO reports confirm that 100% of providers meet the quality standards set out in the Code of Practice for the Pastoral Care of International Students
International students studying in New Zealand are satisfied with their experience of living and studying in New Zealand.	N/A	Regular international student surveys report positive overall satisfaction rating	Regular international student surveys report positive overall satisfaction rating
Bilateral partners are satisfied with the quality of the Ministry's role in the relationship partnership.	Positive feedback received from the Ministry of Foreign Affairs and Trade posts and partner governments	Positive feedback received from the Ministry of Foreign Affairs and Trade posts and partner governments	Positive feedback received from the Ministry of Foreign Affairs and Trade posts and partner governments
International obligations and commitments are delivered on time, as specified in bilateral and multilateral agreements with other countries.	100%	100%	100%
Support for the Tertiary Minister			
Ministerial services will be provided in the following ranges:			
• Select Committee questions, inquiries and petitions.	150 - 250	10 - 30	10 - 30
• Parliamentary questions.	40 - 80	40 - 80	40 - 80
• Statutory information.	20 - 30	20 - 30	20 - 30
• Briefing notes.	900 - 1,100	900 - 1,100	900 - 1,100
• Ministerial correspondence.	400 - 500	400 - 500	400 - 500
The content of ministerial services provided will be factually accurate and appropriate in style and content for the individual Minister, consistent with the Ministry's Ministerial Guidelines.	The rate of rejection of Ministerial services from the office of the Minister will be less than 2% of all services provided	The rate of rejection of Ministerial services from the office of the Minister will be less than 2% of all services provided	The rate of rejection of Ministerial services from the office of the Minister will be less than 2% of all services provided
Ministerial support for the Minister for Tertiary Education, Skills and Employment and Parliament, and its committees, will be provided within agreed and/or statutory timeframes.	At least 95% will meet agreed timeframes	At least 95% will meet agreed timeframes	At least 95% will meet agreed timeframes

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Programme for International Assessment of Adult Competencies	2012/13	-	850	1,560	2,520	330
Efficiency Savings Ministry of Education	2012/13	-	(187)	(196)	(196)	(196)
Establishment of the New Crown Agency for International Education - Education New Zealand	2011/12	(2,950)	(3,540)	(3,540)	(3,540)	(3,540)
European Union / New Zealand Mobility Projects	2008/09	(200)	-	-	-	-
Savings - Reduce Support Function Expenditure	2009/10	(460)	(460)	(460)	(460)	(460)
Savings - International Education	2009/10	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)
Previous Government						
Savings Identified in Vote Education (Tertiary)	2008/09	(500)	(500)	(500)	(500)	(500)
Taxation of Foreign Allowances	2008/09	1,025	1,025	1,025	1,025	1,025
Development of Information Technology Systems and Data Collection to Support Tertiary Reforms	2007/08	210	210	210	210	210
Education Diplomacy - Gulf Region	2007/08	600	600	600	600	600
European Union / New Zealand Mobility Projects	2007/08	100	-	-	-	-

Note 1 - Initiatives prior to 2011/12 were originally appropriated in Vote Education.

Part 2.2 - Non-Departmental Output Expenses

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
Outcome: Attainment of useful qualifications Impacts: <ul style="list-style-type: none"> Increased student engagement and retention in education. More school leavers with National Certificate of Educational Achievement Level 2 (or above) qualifications. Improved outcomes for Māori learners, Pasifika learners, learners with special education needs and learners from low socio-economic backgrounds. Fewer young people who are not in education, training or employment. 	Managing the Government's Investment in the Tertiary Education Sector (see Note 1) Tertiary Education: Student Achievement Component (see Note 1) Training for Designated Groups (see Note 1)

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
<p>Outcome: Ongoing development and attainment of skills</p> <p>Impacts:</p> <ul style="list-style-type: none"> • Tertiary education better aligned with the needs of the labour market. • Greater contribution of the international education sector to New Zealand's economy. • More young people aged under 25 achieving qualifications at level 4 and above. • More international students choosing to study in New Zealand. 	<p>Adult and Community Education (see Note 1)</p> <p>Centres of Research Excellence (see Note 1)</p> <p>International Education Programmes (see Note 2)</p> <p>Managing the Government's Investment in the Tertiary Education Sector (see Note 1)</p> <p>Ownership Monitoring of Tertiary Education Institutions (see Note 1)</p> <p>Performance-Based Research Fund (see Note 1)</p> <p>Tertiary Education and Training Advice (see Note 1)</p> <p>Tertiary Education Grants and Other Funding (see Note 1)</p> <p>Tertiary Education: Student Achievement Component (see Note 1)</p> <p>Training for Designated Groups (see Note 1)</p>
<p>Outcome: Increasing the contribution of the tertiary and international education sectors to economic growth</p> <p>Impacts:</p> <ul style="list-style-type: none"> • Tertiary education better aligned with the needs of the labour market. • Greater contribution of the international education sector to New Zealand's economy. • More young people aged under 25 achieving qualifications at level 4 and above. • More international students choosing to study in New Zealand. • Improved outcomes for Māori learners, Pasifika learners, learners with special education needs and learners from low socio-economic backgrounds. • Fewer young people who are not in education, training or employment. 	<p>Centres of Research Excellence (see Note 1)</p> <p>International Education Programmes (see Note 2)</p> <p>Managing the Government's Investment in the Tertiary Education Sector (see Note 1)</p> <p>Performance-Based Research Fund (see Note 1)</p> <p>Tertiary Education Grants and Other Funding (see Note 1)</p> <p>Tertiary Education: Student Achievement Component (see Note 1)</p> <p>Training for Designated Groups (see Note 1)</p>

Note 1 - For further information on the intended impacts, outcomes and objectives of the non-departmental output expense appropriations, please see the Statement of Intent for the Tertiary Education Commission.

Note 2 - For further information on the intended impacts, outcomes and objectives of the non-departmental output expense appropriations, please see the Statement of Intent for Education New Zealand.

Adult and Community Education (M14)

Scope of Appropriation

This appropriation is limited to providing funding for delivery of non-formal adult and community education activities and services, including literacy and numeracy, and English for Speakers of Other Languages training, through tertiary education organisations, schools, and employers.

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	65,142	65,142	58,217
Adult and Community Education in Tertiary Education Institutions	8,889	8,889	8,117
Adult and Community Education in Communities	13,544	13,544	13,844
Migrant Levy	426	426	426
English for Speakers of Other Languages	2,500	2,500	5,000
Workplace Literacy Fund	18,498	18,498	15,745
Literacy and Numeracy Provision	21,285	21,285	15,085

Reasons for Change in Appropriation

The decrease in appropriation for 2012/13 is owing to a combination of:

- a reduction in adult and community education funding as agreed in Budget 2009 (\$3.700 million decrease)
- reduced funds for literacy, language and numeracy top-ups (\$3.200 million decrease)
- changes to workplace literacy funding (\$2.053 million decrease)
- remove funding for adult and community education in universities (\$772,000 decrease), and
- full-year effect of increases for refugees' English for Speakers of Other Languages programmes from Budget 2011 (\$2.500 million increase).

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
School-based adult and community education			
Participation by learners in school-based programmes.	24,000	24,000	24,000
Percentage of learners from the priority groups identified in the Tertiary Education Strategy (Māori, Pasifika, second-chance learners, learners with English language needs, learners with no formal qualifications).	50%	50%	50%

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Literacy and numeracy			
Intensive Literacy and Numeracy - total number of learners.	5,100	5,100	5,100
Intensive Literacy and Numeracy - learners show an improvement in literacy and numeracy skills as measured against the Adult Literacy and Numeracy Learning Progressions.	80%	80%	80%
Workplace Literacy Fund - total number of learners.	8,900	8,900	8,900
Workplace Literacy Fund - learners who complete programme.	80%	80%	80%

Conditions on Use of Appropriation

Reference	Conditions
Section 159L Education Act 1989	Funding is allocated by the Tertiary Education Commission in accordance with funding determinations issued by the Minister for Tertiary Education, Skills and Employment.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Adult and Community Education in Community Organisations	2012/13	-	300	500	700	700
Unallocated Funding from Literacy, Language and Numeracy Top-ups	2012/13	-	(3,200)	(6,399)	(6,399)	(6,399)
Remove Funding for Adult and Community Education in Universities	2012/13	-	(772)	(1,543)	(1,543)	(1,543)
Funding for Refugees' English for Speakers of Other Languages Programmes	2011/12	2,500	5,000	5,000	5,000	5,000
Amend the Consumer Price Index Adjustments to Tertiary Education Funding	2009/10	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)
Reduce the Growth in Funding for Literacy, Language and Numeracy Programmes from 2009/10	2009/10	(21,400)	(25,100)	(25,100)	(25,100)	(25,100)
Remove Specific Small Funds to Reduce Administration Costs	2009/10	(178)	(178)	(178)	(178)	(178)
Savings - Reduce Funding for Adult and Community Education	2009/10	(21,802)	(21,802)	(21,802)	(21,802)	(21,802)
Previous Government						
Addressing University Cost Pressures	2008/09	1,901	1,901	1,901	1,901	1,901
Skills Strategy - Literacy, Language and Numeracy	2008/09	39,000	39,000	39,000	39,000	39,000

Note 1 - Initiatives prior to 2011/12 were originally appropriated in Vote Education.

Centres of Research Excellence (M14)

Scope of Appropriation

This appropriation is limited to the purchase of cooperative and collaborative tertiary research in areas of research strength in the tertiary education sector through the contestable Centres of Research Excellence Fund.

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	33,716	33,716	31,690

Reasons for Change in Appropriation

The decrease in appropriation between 2011/12 and 2012/13 is owing to different levels of funding between each year agreed in contracts with each centre.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
The Annual Plans of each Centre of Research Excellence covering agreed reporting areas are approved by the Tertiary Education Commission by March of each year.	100%	100%	100%
Centres of Research Excellence demonstrate collaborative research, creating significant levels of knowledge transfer (as measured by qualitative review of Centres of Research Excellence Annual Reports).	100%	100%	100%

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Remove Specific Small Funds to Reduce Administration Costs	2009/10	(1,333)	(1,333)	(1,333)	(1,333)	(1,333)
Previous Government						
2006/07 Centres of Research Excellence Selection Round Funding	2007/08	12,026	10,000	10,000	10,000	10,000

Note 1 - Initiatives prior to 2011/12 were originally appropriated in Vote Education.

International Education Programmes (M14)

Scope of Appropriation

This appropriation is limited to delivery of services in respect of international education, including promotion, information, research and professional development, both in New Zealand and overseas, for the purpose of managing and increasing the flow of international students and promoting international education linkages.

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	15,223	15,223	21,622

Reasons for Change in Appropriation

The increase in appropriation is owing to:

- increased provision for international education promotions, with some funds specifically allocated to supporting Christchurch providers (\$5.500 million increase)
- the full-year impact of establishing Education New Zealand as a new Crown entity, effective from 1 September 2011 (\$823,000 increase), and
- provision for the Chair of Malay Studies, transferred from non-departmental output expense Tertiary Education Grants and Other Funding (\$76,000 increase).

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Quantity			
International promotions activities delivered according to agreed annual programme of work described in the Output Agreement with the provider.	100%	100%	100%
Quality			
Recipients express satisfaction with the appropriateness and effectiveness of the information or advice provided. <ul style="list-style-type: none"> • Appropriateness: the extent to which the focus of the information provided is consistent with users' needs. • Effectiveness: accuracy - all material facts are included and are accurate; timeliness - information is provided within the times required. 	Detailed quarterly reports on service delivery Annual survey on stakeholder satisfaction with services delivered	Detailed quarterly reports on service delivery Annual survey on stakeholder satisfaction with services delivered	Detailed quarterly reports on service delivery Annual survey on stakeholder satisfaction with services delivered
International promotions and other activities designed and delivered according to the procedures specified in the agreed annual work programme.	100%	100%	100%

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Timeliness			
Information and advisory services provided within the agreed timeframes.	As agreed in the Output Agreement with the provider	As agreed in the Output Agreement with the provider	As agreed in the Output Agreement with the provider

Conditions on Use of Appropriation

Reference	Conditions
Cabinet decision	<p>This appropriation follows Cabinet decisions in 2004 to fund a work programme for the development of the international education sector and 2011 decisions to create a Crown agent and increase the promotion of the sector.</p> <p>The work programme includes support for promotions, market research, professional development, and operational funding for the Crown entity - Education New Zealand.</p> <p>The work programme is managed by Education New Zealand, which has responsibility for international education promotions and marketing, education representation, sector development and scholarships and business innovation programmes.</p>

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Establishment of the New Crown Agency for International Education - Education New Zealand	2011/12	3,217	4,040	4,040	4,040	4,040
International Education Promotions	2011/12	10,000	10,000	10,000	10,000	10,000
International Education Promotions	2010/11	2,000	2,000	2,000	2,000	2,000
Savings - International Education (see Note 1)	2009/10	(450)	(450)	(450)	(450)	(450)
Previous Government						
Savings - International Education	2009/10	(150)	(150)	(150)	(150)	(150)
International Education Promotions	2008/09	450	450	450	450	450
International Education Promotions	2007/08	500	500	500	500	500

Note 1 - This initiative was originally appropriated under non-departmental other expense Tertiary Education Grants and Other Funding.

Note 2 - Initiatives prior to 2011/12 were originally appropriated in Vote Education.

Managing the Government's Investment in the Tertiary Education Sector (M14)

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

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	35,912	35,912	33,312
Tertiary Education Commission	35,803	35,803	33,203
Māori Education Trust	109	109	109

Reasons for Change in Appropriation

The decrease in appropriation is mainly owing to a reduction in the funding for literacy, language and numeracy programmes as agreed in Budget 2009 (\$2.710 million decrease).

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Plans for tertiary education organisations demonstrate evidence of alignment with employer, community and learner needs.	100%	100%	100%
Plans for tertiary education organisations include targets for improving achievement rates for priority groups in the Tertiary Education Strategy.	100%	100%	100%
Percentage of Plans submitted for funding approval that have a funding decision made by 1 December.	98%	98%	98%
Payments are made to tertiary education organisations as per the agreed contractual terms and conditions.	100%	100%	100%
Tertiary Education Commission Customer Satisfaction Survey results. Percentage of respondents either 'satisfied' or 'very satisfied' (see Note 1).	N/A	65%	70%
Number of tertiary education organisations audited by the Tertiary Education Commission.	25 - 30 audits	25 - 30 audits	25 - 30 audits
Programme evaluations and cost-benefit studies are completed in accordance with the 2012/13 Programme Evaluation Plan.	3 - 5 evaluations and studies completed	3 - 5 evaluations and studies completed	3 - 5 evaluations and studies completed

Note 1 - Scale 1 to 5: 1 is very dissatisfied. 2 is somewhat dissatisfied. 3 is neither satisfied or dissatisfied (neutral). 4 is satisfied. 5 is very satisfied

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
New Zealand Benchmarking Tool	2012/13	-	1,260	1,260	-	-
Increasing the Subsidy for Pilot Training	2012/13	-	30	-	-	-
Contribution to the Establishment and Operating Costs of the Productivity Commission	2010/11	(140)	(150)	(150)	(150)	(150)
Reduce the Growth in Funding for Literacy, Language and Numeracy Programmes from 2009/10	2009/10	(2,300)	(5,010)	(5,010)	(5,010)	(5,010)
Reduce the Tertiary Education Commission's Operating Funding Through Streamlined Services	2009/10	(3,583)	(3,583)	(3,583)	(3,583)	(3,583)
Savings - Reduce or Cease Small Funds with High Compliance Costs	2009/10	(420)	(420)	(420)	(420)	(420)
Previous Government (see Note 1)						
Skills Strategy - Literacy, Language and Numeracy	2008/09	5,498	5,498	5,498	5,498	5,498
Tertiary Education Commission: Policy Advice and Leadership of Tertiary Reforms	2008/09	5,175	5,175	5,175	5,175	5,175
Development of Information Technology Systems and Data Collections to Support Tertiary Reforms	2007/08	300	300	300	300	300
Strengthening Infrastructure and Provision to Upskill the Workforce	2007/08	1,115	1,195	1,280	1,280	1,280

Note 1 - Prior to 2008/09 these initiatives were originally appropriated under the non-departmental output expenses Developing Strategic Coherence Across the Tertiary Sector and Management of Grants and Contracts.

Note 2 - Initiatives prior to 2011/12 were originally appropriated in Vote Education.

Ownership Monitoring of Tertiary Education Institutions (M14)*Scope of Appropriation*

This appropriation is limited to monitoring and advisory services - including interventions - on the Government's ownership interest in tertiary education institutions.

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,567	2,567	2,567

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Ownership monitoring advice will be delivered in accordance with quality characteristics (see Conditions on Use of Appropriation below) as recorded in 'Dispatch Box'.	N/A	100%	100%
Percentage of statutory interventions approved at the appropriately delegated level.	N/A	100%	100%

Conditions on Use of Appropriation

Reference	Conditions
Characteristics of Quality Advice	
Purpose	The purpose of the paper is clear - for instance, what decision is being sought and by when.
Audience awareness and readability	The paper is customer-focused, pitched at the right level of detail and framed in terms of how it fits with previous advice and communications with the Minister. The paper is free of jargon and unexplained acronyms and uses simple sentence construction and short paragraphs. Key messages are readily apparent to the reader.
Objectives	The paper sets out clear policy objectives that identify the outcome(s) the proposal is trying to achieve. These objectives inform the criteria against which policy options are assessed. The objectives demonstrate an awareness of, and attendance to, Ministry priorities and Government policy, including Ka Hikitia Managing for Success, the Pasifika Education Plan, and the Disability Strategy.
Presentation	The format meets specific requirements and templates, for example, as set by Cabinet Office or the Minister. Correct grammar and spelling will be used. Numbers are accurate and internally consistent.
Consultation	All appropriate parties have been consulted.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Reduce the Tertiary Education Commission's Operating Funding Through Streamlined Services	2009/10	(1,908)	(1,908)	(1,908)	(1,908)	(1,908)
Previous Government						
Tertiary Education Commission: Policy Advice and Leadership of Tertiary Reforms	2008/09	1,500	1,500	1,500	1,500	1,500

Note 1 - Initiatives prior to 2011/12 were originally appropriated in Vote Education.

Performance-Based Research Fund (M14)

Scope of Appropriation

This appropriation is limited to funding research and research-based teaching on the basis of measured research quality in tertiary education organisations.

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	250,000	250,000	256,250
Quality Evaluation element	150,000	150,000	153,750
Research Degree Completions element	62,500	62,500	64,062
External Research Income element	37,500	37,500	38,438

Reasons for Change in Appropriation

The increase in the appropriation for 2012/13 is owing to beginning to increase the Fund to an annual total of \$300 million by 2016.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Research degree completions (measured by Performance-Based Research Fund (PBRF) - eligible research degree completions).	3,200	3,200	3,350
Percentage increase in amount of external income for PBRF - eligible providers (see Note 1).	4%	4%	4%

Note 1 - External research income is reported historically. The increase from 2008 to 2009 was 10%. The average annual increase between 2005 and 2009 was 10%.

This appropriation is intended to support increased quality of research and research-based teaching and learning and to provide incentives for improving investment in research in the tertiary sector.

Specific outcomes include increased:

- quality of research (as measured by the Quality Evaluation)
- research degree completions, and
- external research income generated by tertiary education organisations.

The quality of research is measured six-yearly through the Performance-Based Research Fund Quality Evaluation.

Conditions on Use of Appropriation

Reference	Conditions
Cabinet decision	Funding in this appropriation is provided as part of the bulk grant to tertiary education organisations on the basis of research performance. All degree-awarding tertiary education organisations are eligible for funding.
	<p>The Performance-Based Research Fund is allocated on the basis of three measures:</p> <ul style="list-style-type: none"> • 60% of the allocation on the basis of performance in the PBRF Quality Evaluation to encourage the quality of research • 25% of the allocation on the basis of postgraduate research degree completions, and • 15% of the allocation on the basis of external research income earned by the organisation.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Increasing the Size of the Performance-based Research Fund	2012/13	-	6,250	18,750	31,250	43,750
Amend the Consumer Price Index Adjustments to Tertiary Education Funding	2009/10	(6,900)	(6,900)	(6,900)	(6,900)	(6,900)
Performance Based Research Fund	2009/10	7,083	7,083	7,083	7,083	7,083
Previous Government						
Increasing the Performance Based Research Fund	2007/08	13,000	13,000	13,000	13,000	13,000
Supporting Research by Expanding the Performance Based Research Fund	2007/08	4,000	4,000	4,000	4,000	4,000

Note 1 - Initiatives prior to 2011/12 were originally appropriated in Vote Education under non-departmental other expenses Performance Based Research Fund and Tertiary Education Organisation Component: Performance Based Research Fund.

Tertiary Education and Training Advice (M14)

Scope of Appropriation

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

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	3,837	3,837	3,837

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Number of ministerial-related items provided to the office of the Minister for Tertiary Education, Skills and Employment.	1,150	1,150	1,150
Advice on tertiary sector and tertiary education in general will be delivered in accordance with quality characteristics (refer to Conditions on Use of Appropriation below) as recorded in 'Dispatch Box'.	N/A	100%	100%

Conditions on Use of Appropriation

Reference	Conditions
Characteristics of Quality Advice	
Purpose	The purpose of the paper is clear - for instance, what decision is being sought and by when.
Audience awareness and readability	The paper is customer-focused, pitched at the right level of detail and framed in terms of how it fits with previous advice and communications with the Minister. The paper is free of jargon and unexplained acronyms and uses simple sentence construction and short paragraphs. Key messages are readily apparent to the reader.
Objectives	The paper sets out clear policy objectives that identify the outcome(s) the proposal is trying to achieve. These objectives inform the criteria against which policy options are assessed. The objectives demonstrate an awareness of, and attendance to, Government priorities and policy, including Ka Hikitia - Managing for Success, the Pasifika Education Plan, and the Disability Strategy.
Presentation	The format meets specific requirements and templates, for example, as set by Cabinet Office or the Minister. Correct grammar and spelling will be used. Numbers are accurate and internally consistent.
Consultation	All appropriate parties have been consulted.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Reprioritised Tertiary Education Commission Policy Advice Expenditure	2010/11	(500)	(500)	(500)	(500)	(500)
Reduce the Tertiary Education Commission's Operating Funding Through Streamlined Services	2009/10	(1,884)	(1,884)	(1,884)	(1,884)	(1,884)
Previous Government						
Tertiary Education Commission: Policy Advice and Leadership of Tertiary Reforms	2008/09	400	400	400	400	400

Note 1 - Initiatives prior to 2011/12 were originally appropriated in Vote Education under non-departmental output expense Tertiary Education and Training Policy Advice.

Tertiary Education Grants and Other Funding (M14)

Scope of Appropriation

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

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	35,754	35,754	34,370
National Centre for Tertiary Teaching Excellence	4,577	4,577	3,556
Trade Academies	7,356	7,356	10,551
Equity Loading	14,600	14,600	14,600
Other Funding	9,221	9,221	5,663

Reasons for Change in Appropriation

The decrease in appropriation for 2012/13 is owing to a combination of:

- a reduction to the permanent ongoing funding level for several programmes that were originally transferred from non-departmental other expense Tertiary Education Organisation Component - Capability Fund from 1 January 2011 - including the Encouraging and Supporting Innovation and Industry Training Organisation Strategic Leadership funds (\$3.492 million decrease)
- annual funding for the National Centre for Tertiary Teaching Excellence also stabilising (\$1.021 million decrease), and
- changes in the level of funding for Trade Academies between years (\$3.195 million increase).

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Agreements are consistent with need and purpose of fund.	Achieved	Achieved	Achieved
Clear objectives and measures for the use of funding are agreed in plans (or other mechanisms, such as funding agreements) for tertiary education organisations.	100%	100%	100%

This appropriation includes a broad range of funds with specific targeted impacts primarily aimed at improving educational outcomes for priority learner groups and enhancing the educational capability of tertiary education organisations.

Conditions on Use of Appropriation

Reference	Conditions
Section 159L Education Act 1989	Funding is allocated by the Tertiary Education Commission in accordance with funding determinations issued by the Minister for Tertiary Education, Skills and Employment.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Youth Guarantee - Trades Academies, Service Academies and Sector Pathways	2010/11	2,971	8,196	10,763	11,076	11,076
Drawing Down Contingency Funding for Trade Academies and the MIT Tertiary High School for 2011	2010/11	2,030	-	-	-	-
Supporting Tertiary Study for Students with Special Education Needs	2010/11	292	146	-	-	-
Tertiary Assets Technical Adjustment	2010/11	(51,037)	(51,037)	(51,037)	(51,037)	(51,037)
European Union / New Zealand Mobility Projects	2008/09	200	-	-	-	-
Remove Specific Small Funds to Reduce Administration Costs	2009/10	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Amend the Consumer Price Index Adjustments to Tertiary Education Funding	2010/11	(200)	(200)	(200)	(200)	(200)
Savings - Reduce or Cease Small Funds with High Compliance Costs	2009/10	(89)	(89)	(89)	(89)	(89)
Savings - Reduce or Cease Small Funds with High Compliance Costs	2010/11	(816)	(816)	(816)	(816)	(816)

Note 1 - Initiatives prior to 2011/12 were originally appropriated in Vote Education under non-departmental other expense Tertiary Education Grants and Other Funding.

Tertiary Education: Student Achievement Component (M14)*Scope of Appropriation*

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

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,011,862	2,004,862	2,021,907
Universities	1,105,241	1,105,241	558,208
Institutes of Technology and Polytechnics	555,814	555,814	281,334
Wānanga	161,489	161,489	81,049
Private Training Establishments	172,795	169,795	88,537
Youth Guarantee (see Note 2)	16,523	12,523	-
Provision at levels 1 and 2 (see Note 1)	-	-	58,174
Provision at level 3 and above (see Note 1)	-	-	954,605

Reasons for Change in Appropriation

The increase in appropriation for 2012/13 is owing to a combination of:

- the full-year effect of the Budget 2011 initiative to increase tuition subsidies (\$13.410 million increase)
- further tuition funding increases in Budget 2012 for private training establishments, to bring their funding rates closer to those of public providers, and for engineering and science students (\$12.635 million increase)
- provision for increased demand in universities during 2013 funded by a transfer from non-departmental output expense Training for Designated Groups (\$4.456 million increase), and
- transferring Youth Guarantee funding to non-departmental output expense Training for Designated Groups (\$21.595 million decrease) for students who transfer from fee-paying to fees-free places as provided in Budget 2011 and 2012.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Number of Domestic Equivalent Full-time Students (EFTS) by sub-sector:			
• Universities.	119,125 ± 3%	118,974	59,272 ± 3%
• Institutes of Technology and Polytechnics (ITP).	66,563 ± 3%	66,990	33,681 ± 3%
• Wānanga.	24,661 ± 3%	24,714	12,277 ± 3%
• Private Training Establishments.	24,981 ± 3%	24,506	12,491 ± 3%
• Youth Guarantee (see Note 2).	1,341 ± 3%	1,172	-
Number of Domestic EFTS at level 3 and above by sub-sector (see Note 1):			
• Universities.	-	-	55,771 ± 5%
• Institutes of Technology and Polytechnics (ITP).	-	-	27,142 ± 5%
• Wānanga.	-	-	8,280 ± 5%
• Private Training Establishments.	-	-	11,450 ± 5%
Number of Domestic EFTS at levels 1 and 2 (see Note 1).	-	-	8,084 ± 3%
Total EFTS	236,671 ± 3%	236,356	233,816 (see Note 1)
Numbers of EFTS at levels 1 - 3 on the New Zealand Qualifications Framework in ITP and Wānanga courses with embedded literacy and numeracy (see Note 3).	20,000 EFTS in ITPs and Wānanga	24,308	N/A (see Note 3)

Note 1 - From the 2013 calendar year the Tertiary Education: Student Achievement Component appropriation is structured primarily by level on the New Zealand Qualifications Framework rather than sub-sector. There will be a defined funding pool for education at levels 1 and 2, and a further funding pool for levels 3 and above. For levels 3 and above the standards estimate the number of EFTS to be delivered by each sub-sector.

Total EFTS is the expected number of EFTS that will be achieved in the Student Achievement Component. The sub-sector standards do not add to total EFTS because of the ±3% and ±5% tolerances.

For comparison, the table below represents how the Budget standard information would have been presented had the policy change to move from sub-sectors to levels not been made. The table is for comparative purposes only.

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Number of Domestic Equivalent Full-time Students (EFTS) by sub-sector:			
• Universities.	119,125 ±3%	118,974	118,207 ±3%
• Institutes of Technology and Polytechnics (ITP).	66,563 ±3%	66,990	66,325 ±3%
• Wānanga.	24,661 ±3%	24,714	24,538 ±3%
• Private Training Establishments.	24,981 ±3%	24,506	24,746 ±3%
• Youth Guarantee (see Note 2).	1,341 ±3%	1,172	-
Total EFTS	236,671 ±3%	236,356	233,816
Numbers of EFTS at levels 1 - 3 on the New Zealand Qualifications Framework in ITP and Wānanga courses with embedded literacy and numeracy.	20,000 EFTS in ITPs and Wānanga	24,308	N/A

Note 2 - Youth Guarantee funding has been transferred from the non-departmental output expense Tertiary Education: Student Achievement Component to Training for Designated Groups from the 2012 calendar year. Funding in 2011/12 for the Youth Guarantee is therefore split across these two appropriations.

Note 3 - From 2013, embedded language, literacy and numeracy at levels 1 and 2 is a requirement of funding. Therefore this performance measure is no longer relevant.

Conditions on Use of Appropriation

Reference	Conditions
Section 159L Education Act 1989	Funding is allocated by the Tertiary Education Commission in accordance with funding determinations issued by the Minister for Tertiary Education, Skills and Employment. The Tertiary Education: Student Achievement Component provides for the Government's share of the cost of delivering courses to students. The amount that a provider receives through this component is calculated on the basis of the nature of the programme and the approved volume of teaching and learning.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Reducing the Funding Rate Difference Between Public and Private Providers	2012/13	-	4,218	8,431	8,427	8,427
Extend the Youth Guarantee	2012/13	-	(4,985)	(14,955)	(21,934)	(23,928)
Increase Funding Rates for Engineering	2012/13	-	5,990	11,990	11,990	11,990
Increase Funding Rates for Science	2012/13	-	2,427	4,853	4,853	4,853
Increasing the Subsidy for Pilot Training	2012/13	-	204	408	408	408
Tutor Support for Special Education	2012/13	-	617	635	704	671
Managing Demand at Universities in 2013	2012/13	-	4,456	4,456	-	-
Trades Training - Skills for Canterbury Initiatives in 2011/12 and 2012/13	2011/12	5,418	5,418	-	-	-
Targeted Tuition Subsidy Increases - Degrees and Postgraduate Study	2011/12	13,410	26,820	26,820	26,820	26,820
Additional Equivalent Full-Time Students - Private Training Establishments	2011/12	2,625	5,250	5,250	5,250	5,250
Equalising the Funding Rate for Postgraduate Courses Across Subsectors	2011/12	1,630	3,260	3,260	3,260	3,260
Youth Guarantee - Increasing the Number of Fees-Free Places	2011/12	(16,524)	(33,134)	(33,177)	(33,177)	(33,177)
Additional Medical Student Places	2011/12	723	2,147	3,650	5,230	6,762
Focusing Industry Training Funding and Responding to Demand in the University Sector	2010/11	12,957	5,671	-	-	-
Youth Guarantee - Additional 500 Places	2010/11	6,676	6,676	6,676	6,676	6,676
Price Increase to Tuition Subsidies	2010/11	41,933	41,963	41,989	42,011	42,011
Maintain 2010 EFTS Baseline in the Universities and Polytechnics	2010/11	35,123	32,331	31,700	31,700	31,700
Savings - Student Support Changes	2010/11	(14,103)	(11,214)	(11,656)	(11,656)	(11,656)
Additional Equivalent Full-Time Students - Tuition Subsidies	2010/11	10,069	10,069	10,069	10,069	10,069
Savings - Reduce Funding Ratio for Other Tertiary Education Providers	2010/11	(505)	(804)	(949)	(949)	(949)
20 Additional Medical Places	2010/11	1,052	1,789	2,564	3,315	3,685
Youth Guarantee - Maintain Baseline	2011/12	3,094	9,281	12,374	12,374	12,374
Simplifying the Tertiary Education Funding System	2010/11	272,088	271,184	271,030	271,216	271,216
Appropriation of Youth Guarantee Funding	2009/10	12,380	12,380	12,380	12,380	12,380
Additional Youth Guarantee Places	2009/10	7,780	2,593	-	-	-
Amend the Consumer Price Index Adjustments to Tertiary Education Funding	2009/10	(46,200)	(46,200)	(46,200)	(46,200)	(46,200)
Withdraw Student Achievement Component Funding for Regulatory Compliance Qualifications from 2011	2010/11	(6,188)	(6,188)	(6,188)	(6,188)	(6,188)
Increasing Medical Training Places	2009/10	4,707	6,745	9,358	10,969	10,969
Savings - International Education	2009/10	(2,689)	(2,689)	(2,689)	(2,689)	(2,689)

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Previous Government						
Addressing University Cost Pressures	2008/09	118,000	118,000	118,000	118,000	118,000
Student Achievement Component: Access in Priority Areas	2008/09	10,111	10,111	10,111	10,111	10,111

Note 1 - Initiatives prior to 2011/12 were originally appropriated in Vote Education.

Training for Designated Groups (M14)

Scope of Appropriation

This appropriation is limited to the purchasing and arranging of training linked to the New Zealand Qualifications Framework and the purchase of both on-job and off-job training places, including delivery of fully or partially funded training places and other industry-training related projects.

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	274,164	244,164	323,597
Industry Training Fund	129,408	109,408	158,087
Modern Apprenticeships	49,299	39,299	49,299
Youth Training/Youth Guarantee	76,444	76,444	97,198
Gateway	19,013	19,013	19,013

Reasons for Change in Appropriation

The increase in the appropriation for 2012/13 is mainly owing to:

- the full-year effect of transferring Youth Guarantee funding from non-departmental output expense Tertiary Education: Student Achievement Component in Budget 2011 (\$16.610 million increase)
- reallocation of industry training funding in 2011/12 only toward Skills for Canterbury initiatives (\$15.722 million increase)
- a transfer from 2011/12 to meet anticipated growth in demand at universities in 2013 under non-departmental output expense Tertiary Education: Student Achievement Component (\$8.912 million increase), and
- extending the Youth Guarantee (\$7.844 million increase), including a further transfer from non-departmental output expense Tertiary Education: Student Achievement Component to fund students transferring from fee-paying to fees-free places.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Total training:			
• Industry Training - standard training measures (see Note 1).	52,000	52,000	40,000
• Modern Apprenticeships - total trainees.	12,500	12,500	10,500
• Youth Guarantee - total places (see Note 2).	5,500	5,500	7,930
• Gateway - total participants.	11,000 - 12,500 in 365 schools	11,000 - 12,500 in 365 schools	11,000 - 12,500 in 365 schools
Average number of New Zealand Qualifications Framework credits achieved per industry trainee.	20	20	20
Average number of New Zealand Qualifications Framework credits achieved per Youth Guarantee trainee.	20	20	20
Average number of New Zealand Qualifications Framework credits achieved per Gateway participant.	10	10	10

Note 1 - Standard training measure is the amount of training required for a trainee to achieve 120 National Qualifications Framework credits. Funding is based on the number of standard training measures provided by an industry training organisation in a calendar year.

Note 2 - Youth Guarantee funding was transferred from non-departmental output expense Tertiary Education: Student Achievement Component to Training for Designated Groups from 2012. Funding in 2011/12 for Youth Guarantee was therefore split across these two appropriations. Funding for the 2012 academic year will provide up to 7,500 Youth Guarantee places.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Extend the Youth Guarantee	2012/13	-	7,844	23,531	34,513	37,650
Managing Demand at Universities in 2013	2011/12	(8,912)	-	-	-	-
Trades Training - Skills for Canterbury Initiatives in 2011/12 and 2012/13	2011/12	(15,722)	-	-	-	-
2011/12 Unallocated Funding and Christchurch Trades Training Contingency	2011/12	(2,260)	-	-	-	-
Industry Training Fund - Removal of Regulatory Compliance Training from 2012	2011/12	(4,400)	(9,500)	(9,500)	(9,500)	(9,500)
Reduced Industry Training Fund from 2013	2012/13	-	(11,500)	(23,100)	(23,100)	(23,100)
Youth Guarantee - Increasing the Number of Fees-Free Places	2011/12	16,524	33,134	33,177	33,177	33,177
Focusing Industry Training Funding and Responding to Demand in the University Sector	2010/11	(19,385)	-	-	-	-
Amend the Consumer Price Index Adjustments to Tertiary Education Funding	2009/10	(7,600)	(7,600)	(7,600)	(7,600)	(7,600)
Cease Funding for Skill Enhancement from 2010	2009/10	(4,308)	(4,308)	(4,308)	(4,308)	(4,308)

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government - cont'd						
Reduce the Growth in Funding for Literacy, Language and Numeracy Programmes from 2009/10	2010/11	(1,600)	(2,600)	(2,600)	(2,600)	(2,600)
Remove Specific Small Funds to Reduce Administration Costs	2009/10	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)
Previous Government						
Skills Strategy - Literacy, Language and Numeracy	2010/11	1,000	1,000	1,000	1,000	1,000
Addressing University Cost Pressures	2008/09	12,955	12,955	12,955	12,955	12,955
Changes to Forecast Baseline Funding for Tertiary Education Institutions	2008/09	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)
Savings Identified in Vote Education (Tertiary)	2008/09	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
Supporting Industry Training Volume Growth	2007/08	20,000	20,000	20,000	20,000	20,000

Note 1 - Initiatives prior to 2011/12 were originally appropriated in Vote Education.

Summary of Service Providers for Non-Departmental Outputs

Provider	2011/12 Budgeted \$000	2011/12 Estimated Actual \$000	2012/13 Budget \$000	Reporting Mechanism	Expiry of Funding Commitment
Crown Entities					
Tertiary Education Commission:				Provider's annual report	Ongoing
<ul style="list-style-type: none"> Managing the Government's Investment in the Tertiary Education Sector (part). 	35,803	35,803	33,203		
<ul style="list-style-type: none"> Ownership Monitoring of Tertiary Education Institutions. 	2,567	2,567	2,567		
<ul style="list-style-type: none"> Tertiary Education and Training Advice. 	3,837	3,837	3,837		
Tertiary Education Commission - distributing these funds to tertiary education institutions and other providers:				Provider's annual report	
<ul style="list-style-type: none"> Adult and Community Education. 	65,142	65,142	58,217		Investment plans up to three years
<ul style="list-style-type: none"> Centres of Research Excellence. 	33,716	33,716	31,690		Six contracts in effect from July 2008 until July 2014 One contract runs until January 2015
<ul style="list-style-type: none"> Performance-Based Research Fund. 	250,000	250,000	256,250		Investment plans up to three years Quality evaluation assessment every six years

Provider	2011/12 Budgeted \$000	2011/12 Estimated Actual \$000	2012/13 Budget \$000	Reporting Mechanism	Expiry of Funding Commitment
<ul style="list-style-type: none"> Tertiary Education Grants and Other Funding. 	35,754	35,754	34,370		Investment plans up to three years
<ul style="list-style-type: none"> Tertiary Education: Student Achievement Component. 	2,011,862	2,004,862	2,021,907		Investment plans up to three years
<ul style="list-style-type: none"> Training for Designated Groups. 	274,164	244,164	323,597		Industry Training Fund, Modern Apprenticeships, Gateway - tertiary education organisations on one year Plans Youth Guarantee - providers on Plans up to two years
Education New Zealand				Provider's annual report	Ongoing
<ul style="list-style-type: none"> International Education Programmes (part in 2011/12 - see Note 1). 	13,879	13,879	21,622		
Non-Government Organisations					
Māori Education Trust:					
<ul style="list-style-type: none"> Managing the Government's Investment in the Tertiary Sector (part). 	109	109	109	No report required	Ongoing

Note 1 - The Crown entity Education New Zealand was established from 1 September 2011. The balance of funding in 2011/12 was paid to the Education New Zealand Trust.

The above table summarises funding to be allocated through Vote Tertiary Education to non-departmental providers, along with an indication of the mechanism to be used for reporting actual performance and (where determined) the length of the funding commitment.

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: Attainment of useful qualifications</p> <p>Impacts:</p> <ul style="list-style-type: none"> Increased student engagement and retention in education. More school leavers with National Certificate of Educational Achievement Level 2 (or above) qualifications. Improved outcomes for Māori learners, Pasifika learners, learners with special education needs and learners from low socio-economic backgrounds. Fewer young people who are not in education, training or employment. 	<p>Study Abroad Awards</p> <p>Tertiary Scholarships and Awards</p>
<p>Outcome: Ongoing development and attainment of skills</p> <p>Impacts:</p> <ul style="list-style-type: none"> Tertiary education better aligned with the needs of the labour market. Greater contribution of the international education sector to New Zealand's economy. More young people aged under 25 achieving qualifications at level 4 and above. More international students choosing to study in New Zealand. 	<p>International Student Scholarship Scheme</p> <p>Tertiary Scholarships and Awards</p>
<p>Outcome: Increasing the contribution of the tertiary and international education sectors to economic growth</p> <p>Impacts:</p> <ul style="list-style-type: none"> Tertiary education better aligned with the needs of the labour market. Greater contribution of the international education sector to New Zealand's economy. More young people aged under 25 achieving qualifications at level 4 and above. More international students choosing to study in New Zealand. Improved outcomes for Māori learners, Pasifika learners, learners with special education needs and learners from low socio-economic backgrounds. Fewer young people who are not in education, training or employment. 	<p>International Student Scholarship Scheme</p> <p>Study Abroad Awards</p> <p>Tertiary Scholarships and Awards</p>

International Student Scholarship Scheme (M14)

Scope of Appropriation

This appropriation is limited to scholarships available to international students wishing to study in New Zealand. Details of the criteria and selection process for the scheme are available from Education New Zealand.

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,600	1,600	800

Reasons for Change in Appropriation

The decrease in appropriation is owing to Budget 2009 decisions to phase out undergraduate and doctoral research scholarships over several years (\$800,000 decrease).

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Savings - International Education	2009/10	(2,900)	(3,700)	(3,700)	(3,700)	(3,700)

Note 1 - Initiatives prior to 2011/12 were originally appropriated in Vote Education.

Study Abroad Awards (M14)*Scope of Appropriation*

This appropriation is limited to awards granted to provide assistance to top scholars, researchers and teachers to undertake placements abroad and to participate in reciprocal education exchange arrangements with partner countries in selected areas of priority study, teaching and research. The criteria and selection process are available from Education New Zealand and AFS Intercultural Programmes New Zealand.

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,290	1,290	1,290

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Savings - International Education	2009/10	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)

Note 1 - Initiatives prior to 2011/12 were originally appropriated in Vote Education.

Tertiary Scholarships and Awards (M14)

Scope of Appropriation

This appropriation is limited to providing scholarships for tertiary students and other awards in the tertiary sector, and the provision of scholarships and bursaries to Māori and Pasifika students. It includes training assistance under Queen Elizabeth II Study Awards and recognition of outstanding tertiary education teachers. The guidelines, criteria and process for the various scholarships and awards are available from the Ministry of Education or the Tertiary Education Commission.

Expenses

	2011/12		2012/13	2013/14	2014/15	2015/16
	Budgeted \$000	Estimated Actual \$000	Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Total Appropriation	14,242	14,242	13,329	13,032	13,669	13,845
Trainee Medical Intern Grant	9,231	9,231	9,766	10,569	11,639	11,815
Top Achiever Doctoral Scholarships	2,148	2,148	900	100	-	-
Enterprise Scholarships	500	500	300	-	-	-
Science and Mathematics Scholarships and School Achievers Awards	750	750	750	750	750	750
Queen Elizabeth II Study Awards	100	100	100	100	100	100
Tertiary Teaching Awards	200	200	200	200	200	200
Māori Education Scholarships	664	664	664	664	664	664
Ngārimu VC and 28th (Māori) Battalion Memorial Scholarship Fund	217	217	217	217	217	217
Polynesian and Pacific Island Education Foundation	75	75	75	75	75	75
Māori and Polynesian Scholarships	24	24	24	24	24	24
Canterbury Earthquake Scholarships	333	333	333	333	-	-

Reasons for Change in Appropriation

The decrease in appropriation for 2012/13 is mainly owing to a combination of:

- continuing to phase out the Top Achiever Doctoral Scholarships programme as agreed in Budget 2009 (\$1.248 million decrease), and
- changes to Trainee Medical Intern Grant funding based on approved numbers of trainees (\$534,000 increase).

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Additional Medical Student Places	2015/16	-	-	-	-	474
20 Additional Medical Places	2014/15	-	-	-	237	574
Close off Top Achiever Doctoral Scholarships	2009/10	(7,852)	(10,000)	(10,000)	(10,000)	(10,000)
Reduce the Growth in Funding for Literacy, Language and Numeracy Programmes from 2009/10	2009/10	(1,980)	(1,980)	(1,980)	(1,980)	(1,980)
Savings - Reduce or Cease Small Funds with High Compliance Costs	2009/10	(284)	(284)	(284)	(284)	(284)
Previous Government						
Accelerating High-Technology Industry Development: Trilateral Projects	2009/10	(3,700)	(3,900)	(3,900)	(3,900)	(3,900)
Skills Strategy - Literacy, Language and Numeracy	2008/09	2,000	2,000	2,000	2,000	2,000
Strengthening the Ngārimu VC and 28th (Māori) Battalion Memorial Scholarship	2007/08	163	163	163	163	163

Note 1 - Initiatives above were originally appropriated in Vote Education, mainly under appropriation Tertiary Scholarships, with the last initiative being appropriated under Māori and Pacific Island Scholarships and Bursaries.

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
Outcome: Ongoing development and attainment of skills Impacts: <ul style="list-style-type: none"> • Tertiary education better aligned with the needs of the labour market. • Greater contribution of the international education sector to New Zealand's economy. • More young people aged under 25 achieving qualifications at level 4 and above. • More international students choosing to study in New Zealand. 	Auckland University Starpath Project (see Note 1) Tertiary Education Institution Merger Support (see Note 1)

Note 1 - For further information on the intended impacts, outcomes and objectives of the non-departmental other expense appropriations, please see the Statement of Intent for the Tertiary Education Commission.

Auckland University Starpath Project (M14)

Scope of Appropriation

This appropriation is limited to funding to support the Starpath initiatives at the University of Auckland.

Expenses

	2011/12		2012/13	2013/14	2014/15	2015/16
	Budgeted \$000	Estimated Actual \$000	Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Total Appropriation	-	-	2,450	1,000	990	-

Reasons for Change in Appropriation

The increase in appropriation for 2012/13 is owing to the funding agreement with the institution having different amounts for each year and contributions from third parties, which are required to match the Crown funding, being received more slowly than expected.

Expected Results

	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Project milestones are met according to funding agreement.	100%	100%	100%
Funding agreement monitored and action taken as required.	Achieved	Achieved	Achieved

Tertiary Education Institutions Merger Support (M14)

Scope of Appropriation

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

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,000	1,000	1,500

Reasons for Change in Appropriation

The increase in appropriation is because the merger between Tairāwhiti Polytechnic and the Eastern Institute of Technology will take until 2013 to fully implement (\$500,000 increase).

Expected Results

	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Merger milestones are met according to funding agreements.	Achieved	Achieved	Achieved

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Incorporation of Tairāwhiti Polytechnic into the Eastern Institute of Technology	2010/11	2,500	-	-	-	-

Note 1 - Initiatives prior to 2011/12 were originally appropriated in Vote Education.

Reporting Mechanisms

Appropriation	Reporting Mechanism
Tertiary Education Institutions Merger Support	Annual report of the Tertiary Education Commission, annual reports of tertiary education institutions, where applicable
Auckland University Starpath Project	Annual report of the Tertiary Education Commission, annual report of the University of Auckland

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