

# *Information Supporting the Supplementary Estimates*

## *Vote Education*

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MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister of Education (M26)

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

	2011/12				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
<b>Appropriations</b>					
Output Expenses	2,204,122	(2,625)	4,055	1,430	2,205,552
Benefits and Other Unrequited Expenses	63,116	N/A	(5,554)	(5,554)	57,562
Borrowing Expenses	-	-	-	-	-
Other Expenses	6,539,485	-	(34,250)	(34,250)	6,505,235
Capital Expenditure	573,135	(46,088)	(1,687)	(47,775)	525,360
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
<b>Total Appropriations</b>	<b>9,379,858</b>	<b>(48,713)</b>	<b>(37,436)</b>	<b>(86,149)</b>	<b>9,293,709</b>
<b>Crown Revenue and Capital Receipts</b>					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	72,799	N/A	(317)	(317)	72,482
Capital Receipts	-	N/A	-	-	-
<b>Total Crown Revenue and Capital Receipts</b>	<b>72,799</b>	<b>N/A</b>	<b>(317)</b>	<b>(317)</b>	<b>72,482</b>

## 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*

	2011/12		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	256,515	677	257,192
Revenue from Crown	253,183	677	253,860
Revenue from Other	3,332	-	3,332

##### *Reasons for Change in Appropriation*

This appropriation increased by \$677,000 to \$257.192 million for 2011/12. The increase in funding is mainly owing to a combination of:

- an increase in funding rates for school-based teacher aides (\$1.212 million increase)
- changes in funding for the Positive Behaviour for Learning programme net of transfers to 2012/13 (\$386,000 increase)
- increased provision for communications and learning services carried forward from the previous year (\$235,000 increase)
- provision for managing a change programme for residential special schools (\$200,000 increase)
- other changes to cost allocations between departmental output expense appropriations (\$291,000 increase), and
- reallocation of resources between departmental output expense appropriations arising from the recommendations of the early childhood education taskforce and following establishment of the Student Achievement Function (\$1.922 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*

	2011/12		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	1,353,815	73	1,353,888
Revenue from Crown	1,350,526	(7,045)	1,343,481
Revenue from Other	3,289	-	3,289

### *Reasons for Change in Appropriation*

This appropriation increased by \$73,000 to \$1,353.888 million for 2011/12. The increase in funding is owing to writing off some school property assets that are no longer economic to repair (\$7.118 million increase). This is almost entirely offset by:

- reduced capital charge reflecting delays in undertaking some property works projects (\$3.287 million decrease)
- transfers of funding to subsequent financial years (\$3.200 million decrease), mainly related to delays with the defective buildings programme, and
- changes to cost allocations between departmental output expense appropriations (\$558,000 decrease).

## 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*

	2011/12		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	34,136	(397)	33,739
Revenue from Crown	33,689	(397)	33,292
Revenue from Other	447	-	447

*Reasons for Change in Appropriation*

This appropriation decreased by \$397,000 to \$33.739 million for 2011/12. The decrease in funding is owing to changes to cost allocations between departmental output expense appropriations.

**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*

	2011/12		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	75,624	7,119	82,743
Revenue from Crown	73,623	7,119	80,742
Revenue from Other	2,001	-	2,001

*Reasons for Change in Appropriation*

This appropriation increased by \$7.119 million to \$82.743 million for 2011/12. The increase in funding is mainly owing to a combination of:

- reallocation of resources between departmental output expense appropriations arising from the recommendations of the early childhood education taskforce and following establishment of the Student Achievement Function (\$3.844 million increase)
- provision for developing the business case for the Network for Learning and managing the tendering process (\$3.371 million increase)
- other changes to cost allocations between departmental output expense appropriations (\$870,000 increase)
- provision for the proposals stage of the Early Learning Information project (\$440,000 increase)

- a transfer to 2012/13 as a result of delays in the schools' payroll project (\$1.397 million decrease), and
- a transfer to 2012/13 as a result of delays in the long-term work programme (\$765,000 decrease).

## 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 teachers and principals.

### *Expenses and Revenue*

	2011/12		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	79,347	(11,221)	68,126
Revenue from Crown	79,182	(11,311)	67,871
Revenue from Other	165	90	255

### *Reasons for Change in Appropriation*

This appropriation decreased by \$11.221 million to \$68.126 million for 2011/12. The decrease in funding is mainly owing to:

- delays related to cross-school networks to share knowledge and best practice for National Standards (\$3.500 million decrease)
- delays related to networks for sharing knowledge and best practice to support the roll out of the Youth Guarantee (\$2.600 million decrease)
- slower than expected roll out of a shared qualifications pathway at the secondary/tertiary interface (\$2.415 million decrease)
- reallocation of resources between departmental output expense appropriations arising from the recommendations of the early childhood education taskforce and following establishment of the Student Achievement Function (\$1.569 million decrease), and
- other changes to cost allocations between departmental output expense appropriations (\$1.227 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*

	2011/12		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	13,048	1,124	14,172
Revenue from Crown	12,898	1,124	14,022
Revenue from Other	150	-	150

*Reasons for Change in Appropriation*

This appropriation increased by \$1.124 million to \$14.172 million for 2011/12. The increase in funding is owing to changes to cost allocations between departmental output expense appropriations.

**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 increased by \$2.333 million to \$64.622 million for 2011/12. This increase is mainly owing to transfers of truancy funding from non-departmental other expenses Primary Education and Secondary Education for the new Student Attendance and Engagement service (\$2.506 million increase).

**Professional Development and Support (M26)***Scope of Appropriation*

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

*Reasons for Change in Appropriation*

This appropriation increased by \$365,000 to \$87.982 million for 2011/12. This increase is mainly owing to a combination of:

- a transfer from non-departmental other expense Special Needs Support for induction training for new cluster managers and lead school principals and board of trustees for the Resource Teachers: Learning and Behaviour service (\$603,000 increase)
- reduced contribution required from Vote Education for the Confidential Listening and Assistance Service (\$276,000 increase)
- a transfer to non-departmental other expense Primary Education for reading recovery - tutor and teacher training and support approved as part of Budget 2011 (\$435,000 decrease), and

- a transfer to departmental output expense Interventions for Target Student Groups to enable greater flexibility and process efficiency around delivering the Tips for Autism programme (\$79,000 decrease).

## Provision of Information and Advisory Services (M26)

### *Scope of Appropriation*

This appropriation is limited to providing a range of stakeholders with information, capability building and advisory services related to education policies and programmes. This includes careers information, advice and guidance services, information on qualifications, assessment and quality assurance, communication and information services for the sensory sector as well as mobility, orientation and habilitation services, and support to assist with management, governance, licensing and capacity of providers. Services from Career Services and New Zealand Qualifications Authority for Government Ministers are also included.

### *Reasons for Change in Appropriation*

This appropriation increased by \$1.112 million to \$23.751 million for 2011/12 as a result of the application of new capital charge rules for Crown entities to the New Zealand Qualifications Authority.

## 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 \$238,000 to \$171.749 million for 2011/12 owing to:

- increased costs for transporting children with special education needs and for additional travel in Christchurch arising from the earthquakes (\$2.750 million increase), and
- almost entirely offset by reduced claims for daily bus routes (\$1.925 million decrease) and technology services (\$587,000 decrease).

## Service Academies (M26)

### *Scope of Appropriation*

This appropriation is limited to providing military-focused programmes for disengaged or disengaging senior students in secondary schools.

### *Reasons for Change in Appropriation*

This appropriation increased by \$469,000 to \$2.419 million for 2011/12 to fund the New Zealand Defence Force component of service academies from 2012.

## Supporting Parenting (M26)

### *Scope of Appropriation*

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

### *Reasons for Change in Appropriation*

This appropriation decreased by \$462,000 to \$5.262 million for 2011/12. This decrease is mainly owing to:

- a transfer to non-departmental other expense Support for Early Childhood Education Providers for additional support for the Targeted Assistance for Participation programme (\$333,000 decrease), and
- a transfer of funding to departmental output expense Strategic Leadership in the Sector for extending support for the Growing Up in New Zealand longitudinal study (\$150,000 decrease).

## Part 3 - Details for Benefits and Other Unrequited Expenses

### Part 3.2 - Non-Departmental Benefits and Other Unrequited Expenses

#### Boarding Allowances and Bursaries (M26)

##### *Scope of Appropriation*

Provides an annual allowance to subsidise boarding fees and some travel costs of primary and secondary students who must live away from home to receive their education, either because of the distance of the nearest school or bus service from their home, or because certain approved subjects are not available at their local schools. Bursaries are awarded according to the School Boarding Bursaries Regulations 1972.

##### *Reasons for Change in Appropriation*

This appropriation decreased by \$250,000 to \$7.819 million for 2011/12. The decrease in appropriation is owing to a transfer to benefit and other unrequited expenses Mapihi Pounamu to meet higher than expected demand in that appropriation.

#### Mapihi Pounamu (M26)

##### *Scope of Appropriation*

Assistance to at-risk students enrolled in school level Year 9 and above, who face barriers to learning, to ensure they participate and achieve in education. The scheme is administered by the Ministry of Education.

##### *Reasons for Change in Appropriation*

This appropriation increased by \$250,000 to \$3.500 million for 2011/12. The increase in appropriation is owing to a transfer from benefit and other unrequited expenses Boarding Allowances and Bursaries to meet higher than expected demand from students seeking financial assistance.

#### 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 \$73,000 to \$25.780 million for 2011/12 related to settlement of Secondary Teachers', Area School Principals' and Area School Teachers' 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 \$5.627 million to \$11.135 million for 2011/12. The decrease in funding is owing to:

- a transfer to departmental output expense Support and Resources for Education Providers to fund an extension of the existing payroll contract (\$5.294 million decrease), and
- assistance for Christchurch students undertaking tertiary study who are facing serious hardship as a consequence of the earthquakes, transferred to Vote Tertiary Education - benefits and other unrequited expenses Tertiary Scholarships and Awards (\$333,000 decrease).

## Part 5 - Details and Expected Results for Other Expenses

### Part 5.2 - Non-Departmental Other Expenses

#### 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*

The appropriation decreased by \$82.927 million to \$1,312.418 million in 2011/12. The decrease is mainly owing to a combination of:

- lower growth in volume of hours of early childhood education than expected (\$109.343 million decrease)
- slower than expected uptake of 20 hours early childhood education by playcentres and kōhanga reo services (\$27.829 million decrease), and
- increase in the cost per hour of early childhood education through changes in the proportion of hours for under-twos and over-twos and faster movement towards the Government goal of services having at least 80% of teachers registered (\$55.382 million increase).

#### Integrated Schools Property (M26)

##### *Scope of Appropriation*

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

##### *Reasons for Change in Appropriation*

This appropriation increased by \$3.852 million to \$57.289 million for 2011/12. The increase is mainly owing to funding transferred from the previous financial year for the Schools Network Upgrade Project (\$2.500 million increase) and increased property grants to proprietors of integrated schools (\$889,000 increase).

#### 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*

The appropriation increased by \$11.649 million to \$2,741.794 million in 2011/12. The increase is mainly owing to a combination of:

- increased effective average rates for teachers and principals and expected incremental creep (\$15.393 million increase)
- settlement of the Secondary Teachers', Area School Principals' and Area School Teachers' Collective Agreements (\$3.658 million increase)
- redistribution of salaries funding over the non-departmental other expense appropriations for Primary Education, Secondary Education and Special Needs Support (\$3.627 million increase)
- additional funding for costs of changes in school classifications, integrations and closures (\$4.400 million increase)
- a transfer from the previous financial year after delays in support for students to meet literacy and numeracy standards (\$2.400 million increase)
- an increase in the rates for accident compensation levies (\$1.147 million increase), and
- lower national school roll projections (\$20.508 million decrease).

### **School Transport Bus Controllers (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 \$53,000 to \$754,000 for 2011/12 owing to revised estimates of entitlements for bus controllers.

### **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*

The appropriation increased by \$25.521 million to \$2,032.020 million in 2011/12. The increase is mainly owing to a combination of:

- settlement of the Secondary Teachers', Area School Principals' and Area School Teachers' Collective Agreements (\$35.902 million increase)
- increased effective average rates for teachers and principals and expected incremental creep (\$7.159 million increase)

- additional funding for costs of changes in school classifications, integrations and closures (\$2.660 million increase)
- additional funding for support of Wanganui Collegiate school (\$1.500 million increase)
- an increase in the rates for accident compensation levies (\$825,000 increase)
- lower national school roll projections (\$12.189 million decrease)
- redistribution of salaries funding over the non-departmental other expense appropriations for Primary Education, Secondary Education and Special Needs Support (\$5.753 million decrease)
- a transfer to Vote Tertiary Education (non-departmental output expense Tertiary Education Grants and Other Funding) to reflect higher than predicted enrolments in tertiary-led Trade Academies (\$2.355 million decrease), and
- a transfer of truancy funding to non-departmental output expense Curriculum Support for the new Student Attendance and Engagement service (\$2.053 million decrease).

## Special Needs Support (M26)

### *Scope of Appropriation*

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

### *Reasons for Change in Appropriation*

The appropriation increased by \$3.693 million to \$321.443 million in 2011/12. The increase is mainly owing to a combination of:

- redistribution of salaries funding over the non-departmental other expense appropriations for Primary Education, Secondary Education and Special Needs Support (\$2.126 million increase)
- increased effective average rates for teachers and principals and expected incremental creep (\$1.763 million increase)
- additional funding for costs of changes in school classifications, integrations and closures (\$1.260 million increase)
- increased roll projections for special education schools (\$1.023 million increase)
- settlement of the Secondary Teachers', Area School Principals' and Area School Teachers' Collective Agreements (\$778,000 increase)
- transfer of funding for the Positive Behaviour for Learning programme to departmental output expense Interventions for Target Student Groups (\$2.795 million decrease), and
- a transfer to non-departmental output expense Professional Development and Support for induction training for new cluster managers and lead schools principals and board of trustees for the Resource Teacher: Learning and Behaviour service (\$603,000 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 the 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.

### *Reasons for Change in Appropriation*

This appropriation increased by \$4.015 million to \$26.647 million for 2011/12. This increase is mainly owing to:

- transfers from non-departmental other expense Early Childhood Education and non-departmental output expense Supporting Parenting to meet higher than expected demand for Targeted Assistance for Participation (\$2.315 million increase), and
- a transfer of funding from the previous financial year (\$1.700 million increase).

## 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*

	2011/12		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	31,460	(22,260)	9,200
Property, Plant and Equipment	492,729	(14,223)	478,506
Intangibles	23,082	(9,605)	13,477
Other	-	-	-
<b>Total Appropriation</b>	<b>547,271</b>	<b>(46,088)</b>	<b>501,183</b>

##### *Reasons for Change in Appropriation*

The appropriation decreased by \$46.088 million to \$501.183 million for 2011/12 owing to a combination of:

- delays in various projects - notably for defective buildings, new schools and site purchases (\$78 million decrease)
- additional funding for the School Network Upgrade Project (\$6.224 million increase), and
- increased expenditure carried over from previous years (\$23.688 million increase).

### Part 6.2 - Non-Departmental Capital Expenditure

#### 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 \$3.850 million to \$1.661 million for 2011/12 owing to a transfer to subsequent years reflecting changes in the expected timing of property sales.

## 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 \$2.163 million to \$20.636 million for 2011/12 mainly owing to a transfer from the previous year financial year for the School Network Upgrade Project.