

Vote Education

APPROPRIATION MINISTER(S): Minister of Education (M26)

APPROPRIATION ADMINISTRATOR: Ministry of Education

RESPONSIBLE MINISTER FOR MINISTRY OF EDUCATION: Minister of Education

Supplementary Estimates of Appropriations

Details of Appropriations

Annual and Permanent Appropriations

| Titles and Scopes of Appropriations by Appropriation Type | 2013/14 | | |
|---|------------------------------|---|--------------------------|
| | Estimates Budget \$000 | Supplementary Estimates Budget \$000 | Total Budget \$000 |
| Departmental Output Expenses | | | |
| Interventions for Target Student Groups (M26) 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. | 270,170 | 4,867 | 275,037 |
| Policy Advice (M26) 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 Education related matters. | 11,719 | 57 | 11,776 |
| School Property Portfolio Management (M26) 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. | 1,423,602 | 39,410 | 1,463,012 |
| Strategic Leadership in the Sector (M26) 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, monitoring the sector and select Crown entities, and supporting the Minister of Education and Associate Minister to meet their obligations to Parliament. | 26,961 | 6,915 | 33,876 |
| Support and Resources for Education Providers (M26) 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. | 92,802 | 20,040 | 112,842 |
| Support and Resources for Teachers (M26) 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. | 79,468 | (11,254) | 68,214 |
| Support and Resources for the Community (M26) 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. | 13,181 | 1,362 | 14,543 |
| Total Departmental Output Expenses | 1,917,903 | 61,397 | 1,979,300 |
| Departmental Capital Expenditure | | | |
| Ministry of Education - Capital Expenditure PLA (M26) 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. | 600,798 | (74,000) | 526,798 |
| Total Departmental Capital Expenditure | 600,798 | (74,000) | 526,798 |

| Titles and Scopes of Appropriations by Appropriation Type | 2013/14 | | |
|--|------------------------------|---|--------------------------|
| | Estimates Budget \$000 | Supplementary Estimates Budget \$000 | Total Budget \$000 |
| Non-Departmental Output Expenses | | | |
| Curriculum Support (M26) Purchase of supplementary educational programmes for schools and communities to ensure wider access to these opportunities. | 61,609 | (2,570) | 59,039 |
| Education Research Initiatives (M26) Purchase of research about teaching and learning in our educational institutions and independent research on education issues, policies and practices. | 3,008 | - | 3,008 |
| Professional Development and Support (M26) 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. | 97,359 | (2,450) | 94,909 |
| Provision of Information and Advisory Services (M26) 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 Careers New Zealand and New Zealand Qualifications Authority for Government Ministers are also included. | 23,559 | 200 | 23,759 |
| Qualifications Support Structures (M26) This appropriation is limited to the New Zealand Qualifications Authority overseeing the setting of standards and New Zealand qualifications. It also includes standard-setting and qualifications development responsibility, recognition and review of qualifications, records management processes to support the New Zealand Qualifications Framework, and participation in the promotion of the New Zealand qualifications system to key education and immigration partner countries. | 6,049 | - | 6,049 |
| Quality Assurance (M26) This appropriation is limited to the provision by the New Zealand Qualifications Authority of quality assurance services to support the New Zealand qualifications system that include ongoing development and management of quality assurance processes, monitoring and managing providers at risk and the ongoing refinement and maintenance of the quality assurance framework. | 4,370 | 391 | 4,761 |
| School Managed Network Funding (M26) This appropriation is limited to supporting schools' purchase of a core package of managed network services from the provider of the managed network service. | 11,500 | (5,400) | 6,100 |
| School Transport (M26) 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. | 178,583 | (2,200) | 176,383 |
| Secondary School Assessments (M26) This appropriation is limited to the New Zealand Qualifications Authority overseeing assessment for national secondary school qualifications, including the National Certificate of Educational Achievement and Scholarship examinations, and the moderation of internal and external school assessments. | 26,480 | - | 26,480 |
| Secondary-Tertiary Interface (M26) This appropriation is limited to delivery of programmes of learning at the secondary-tertiary interface, including programmes offered in partnership by schools and tertiary education organisations. | 50,858 | - | 50,858 |

| Titles and Scopes of Appropriations by Appropriation Type | 2013/14 | | |
|--|------------------------------|---|--------------------------|
| | Estimates Budget \$000 | Supplementary Estimates Budget \$000 | Total Budget \$000 |
| Non-Departmental Output Expenses - cont'd | | | |
| Service Academies (M26) This appropriation is limited to providing military-focused programmes for disengaged or disengaging senior students in secondary schools. | 3,640 | - | 3,640 |
| Supporting Parenting (M26) 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. | 5,676 | 592 | 6,268 |
| Total Non-Departmental Output Expenses | 472,691 | (11,437) | 461,254 |
| Benefits and Other Unrequited Expenses | | | |
| Boarding Allowances (M26) This appropriation is limited to an annual allowance to subsidise boarding fees, some travel and other costs such as additional tutoring and counselling for students who face significant challenges accessing appropriate education that will assist them to achieve NCEA level 2 or equivalent. These students 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 of unsatisfactory circumstances in their home and social environment affecting their educational, social or emotional development. | - | 5,660 | 5,660 |
| Boarding Allowances and Bursaries (M26) 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. | 8,069 | (5,215) | 2,854 |
| Home Schooling Allowances (M26) Provides an allowance payable to parents/caregivers of children in full-time correspondence programmes for primary and secondary education and to parents/caregivers of children receiving their primary and secondary education at home (where a certificate of exemption from enrolment has been approved under section 21 of the Education Act 1989). | 5,577 | (695) | 4,882 |
| Mapihi Pounamu (M26) 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. | 3,250 | (1,625) | 1,625 |
| National Study Awards (M26) 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. | 21,474 | (1,657) | 19,817 |
| Puawaitanga Scholarships (M26) This appropriation is limited to providing an annual scholarship for high-potential priority secondary students, who demonstrate leadership potential, to attend one of the Māori boarding schools. | - | 576 | 576 |
| Scholarships for Students to Attend Private Schools (M26) Assistance to students from low-income families to attend private secondary schools. | 4,126 | - | 4,126 |
| Teacher Trainee Scholarships (M26) 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. | 3,852 | (3,027) | 825 |
| United World Scholarships (M26) Scholarships for attendance at United World Colleges. | 50 | - | 50 |
| Total Benefits and Other Unrequited Expenses | 46,398 | (5,983) | 40,415 |

| Titles and Scopes of Appropriations by Appropriation Type | 2013/14 | | |
|--|------------------------------|---|--------------------------|
| | Estimates Budget \$000 | Supplementary Estimates Budget \$000 | Total Budget \$000 |
| Non-Departmental Other Expenses | | | |
| Early Childhood Education (M26) 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. | 1,480,809 | 34,528 | 1,515,337 |
| Integrated Schools Property (M26) 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. | 59,947 | (2,245) | 57,702 |
| Interest Subsidy for Schools (M26) Provides a subsidy on interest payments for borrowing by private and State integrated schools for approved property-related projects. Administration costs are also included. | 237 | - | 237 |
| New Zealand Teachers Council (M26) Operating grant to assist the Teachers Council to carry out its leadership function. | 178 | - | 178 |
| Primary Education (M26) 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. | 2,755,880 | 13,773 | 2,769,653 |
| Remission of Fees (M26) Payment to the New Zealand Qualifications Authority for student examination fees remitted in cases of hardship. | 1,288 | - | 1,288 |
| School Transport Bus Controllers (M26) Payments to teachers who, as bus controllers, assist in the provision of school transport assistance. | 698 | (53) | 645 |
| Schooling Improvement (M26) School support and schooling improvement projects to improve the capability of schools and school clusters and their responsiveness to the needs of their communities. These include iwi-strengthening education projects. | 9,684 | (2,222) | 7,462 |
| Secondary Education (M26) 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. | 1,999,024 | 28,040 | 2,027,064 |
| Special Needs Support (M26) 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. | 335,042 | 729 | 335,771 |
| Support for Early Childhood Education Providers (M26) 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. | 19,882 | (1,430) | 18,452 |
| UNESCO (M26) Annual membership contribution to United Nations Educational, Scientific and Cultural Organisation's international administration, and a programme of activities of the National Commission, including participation in regional and international activities. | 2,083 | - | 2,083 |
| Total Non-Departmental Other Expenses | 6,664,752 | 71,120 | 6,735,872 |

| Titles and Scopes of Appropriations by Appropriation Type | 2013/14 | | |
|---|------------------------------|---|--------------------------|
| | Estimates Budget \$000 | Supplementary Estimates Budget \$000 | Total Budget \$000 |
| Non-Departmental Capital Expenditure | | | |
| Property Disposal Incentives Scheme (M26) Payments to schools of a share of the proceeds from the sale of their surplus school property assets. | 3,511 | (949) | 2,562 |
| School Support Project (M26) Capital costs of implementing approved school support and schooling improvement projects (other than costs related to school property assets). | 1,880 | (1,880) | - |
| Schools Furniture and Equipment (M26) Provides funds to schools for new furniture and equipment when capital works (including remodelling/upgrading of existing property and new school property) are approved. | 20,297 | 28 | 20,325 |
| The Network for Learning Limited (M26) This appropriation is limited to the establishment of and provision of ongoing investment funding for a Crown-owned company which will provide a managed network of access to ultra-fast broadband and enhanced managed services to schools. | 5,500 | - | 5,500 |
| Total Non-Departmental Capital Expenditure | 31,188 | (2,801) | 28,387 |
| Total Annual and Permanent Appropriations | 9,733,730 | 38,296 | 9,772,026 |

Details of Projected Movements in Departmental Net Assets

Ministry of Education

| Details of Net Asset Schedule | 2013/14 Main Estimates Projections \$000 | 2013/14 Supplementary Estimates Projections \$000 | Explanation of Projected Movements in 2013/14 |
|---|---|---|--|
| Opening Balance | 10,958,011 | 11,107,947 | Supplementary Estimates opening balance reflects the audited results as at 30 June 2013. |
| Capital Injections | 97,196 | 133,642 | The increase in injections is mainly owing to provision for new primary schools and additional classrooms for roll-growth (\$33.608 million) as part of the school property work programme, and an operating to capital swap for development of the Progress and Consistency Tool (\$3 million). |
| Capital Withdrawals | - | (174,500) | The withdrawal is to temporarily return Christchurch insurance settlement funding to the Crown. |
| Surplus to be Retained (Deficit Incurred) | - | 71,977 | The surplus is from the additional Christchurch insurance settlement funding received in 2013/14 (\$81.977 million) net of a deficit of \$10 million related to additional costs of legal action over defective buildings. |
| Other Movements | - | - | |
| Closing Balance | 11,055,207 | 11,139,066 | |

Supporting Information

Part 1 - Vote as a Whole

1.2 - Trends in the Vote

Summary of Financial Activity

| | 2013/14 | | | | |
|---|--------------------|---------------------------------------|---|--------------------------------|------------------|
| | Estimates \$000 | Supplementary Estimates | | | Total \$000 |
| | | Departmental Transactions \$000 | Non- Departmental Transactions \$000 | Total Transactions \$000 | |
| Appropriations | | | | | |
| Output Expenses | 2,390,594 | 61,397 | (11,437) | 49,960 | 2,440,554 |
| Benefits and Other Unrequited Expenses | 46,398 | N/A | (5,983) | (5,983) | 40,415 |
| Borrowing Expenses | - | - | - | - | - |
| Other Expenses | 6,664,752 | - | 71,120 | 71,120 | 6,735,872 |
| Capital Expenditure | 631,986 | (74,000) | (2,801) | (76,801) | 555,185 |
| Intelligence and Security Department Expenses and Capital Expenditure | - | - | N/A | - | - |
| Multi-Category Expenses and Capital Expenditure (MCA) | | | | | |
| <i>Output Expenses</i> | - | - | - | - | - |
| <i>Other Expenses</i> | - | - | - | - | - |
| <i>Capital Expenditure</i> | - | N/A | - | - | - |
| Total Appropriations | 9,733,730 | (12,603) | 50,899 | 38,296 | 9,772,026 |
| Crown Revenue and Capital Receipts | | | | | |
| Tax Revenue | - | N/A | - | - | - |
| Non-Tax Revenue | 7,885 | N/A | - | - | 7,885 |
| Capital Receipts | - | N/A | - | - | - |
| Total Crown Revenue and Capital Receipts | 7,885 | N/A | - | - | 7,885 |

1.4 - Reconciliation of Changes in Appropriation Structure

| Estimates | 2013/14 (Estimates) \$000 | Supplementary Estimates (Changes during the year) | Amount Moved \$000 | New Structure | 2013/14 (Restated) \$000 |
|---|---------------------------------|---|--------------------------|--------------------------|--------------------------------|
| Benefits and Other Unrequited Expenses | | | | | |
| Boarding Allowances and Bursaries | 8,069 | Transferred to Boarding Allowances | (4,035) | | 4,034 |
| Mapihi Pounamu | 3,250 | Transferred to Boarding Allowances | (1,625) | | 1,625 |
| | | - Transferred from Boarding Allowances and Bursaries | 4,035 | Boarding Allowances | 5,660 |
| | | - Transferred from Mapihi Pounamu | 1,625 | | - |
| | | - Transferred from Schooling Improvement Non-Departmental Other Expense | 576 | Puawaitanga Scholarships | 576 |
| Non-Departmental Other Expenses | | | | | |
| Schooling Improvement | 9,684 | Transferred to Puawaitanga Scholarships Benefits and Other Unrequited Expenses | (576) | | 9,108 |
| Total Changes in Appropriations | 21,003 | | - | | 21,003 |

Explanations of the reasons for changing the appropriation structure are noted in the details of each appropriation in Parts 2-4.

Mapping the Layout of the 2013/14 Supplementary Estimates to the Layout of the 2013/14 Estimates

| Supplementary Estimates Structure 2013/14 | | Estimates Structure 2013/14 | |
|---|---|-----------------------------|---|
| Part # | Part Name | Part # | Part Name |
| 2.1 | Departmental Output Expenses | 2.1 | Departmental Output Expenses |
| 2.2 | Departmental Other Expenses | 5.1 | Departmental Other Expenses |
| 2.3 | Departmental Capital Expenditure and Capital Injections | 6.1 | Departmental Capital Expenditure |
| 3.1 | Non-Departmental Output Expenses | 2.2 | Non-Departmental Output Expenses |
| 3.2 | Non-Departmental Benefits and Other Unrequited Expenses | 3.2 | Non-Departmental Benefits and Other Unrequited Expenses |
| 3.3 | Non-Departmental Borrowing Expenses | 4.2 | Non-Departmental Borrowing Expenses |
| 3.4 | Non-Departmental Other Expenses | 5.2 | Non-Departmental Other Expenses |
| 3.5 | Non-Departmental Capital Expenditure | 6.2 | Non-Departmental Capital Expenditure |
| 4 | Multi-Category Expenses and Capital Expenditure | N/A | Did not exist in the Estimates |

Part 2 - Details of Departmental Appropriations

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

| | 2013/14 | | |
|------------------------|--------------------|-------------------------------------|----------------|
| | Estimates \$000 | Supplementary Estimates \$000 | Total \$000 |
| Total Appropriation | 270,170 | 4,867 | 275,037 |
| Revenue from the Crown | 268,470 | 4,867 | 273,337 |
| Revenue from Others | 1,700 | - | 1,700 |

Reasons for Change in Appropriation

This appropriation increased by \$4.867 million to \$275.037 million mainly owing to a combination of:

- provision through Achievement 2013 for an engagement strategy and to provide support to individual students who might not otherwise achieve NCEA Level 2 (\$1.405 million increase)
- transfer from 2012/13 owing to delays in the project to replace the Education Sector Authorisation and Authentication software after changes in the ownership of the product that was to be used (\$1 million increase)
- transfers from non-departmental other expense Special Needs Support for additional work arising from the transformation of the Resource Teachers Learning and Behaviour Service (\$600,000 increase) and to cover the cost of resources provided to teachers under the Incredible Years programme (\$500,000 increase)
- ongoing implementation of the Integrated Change Management Programme originally planned for 2012/13 (\$510,000 increase)
- settlement of the Field Staff Collective Agreement (\$201,000 increase)
- transfer from 2012/13 for development of a revised qualification/training programme for Advisors of Deaf Children (\$200,000 increase), and
- transfer from non-departmental other expense Secondary Education for implementation of the National Mentoring Service to support Māori and Pasifika learners (\$200,000 increase).

Policy Advice (M26)

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 Education related matters.

Reasons for Change in Appropriation

This appropriation increased by \$57,000 to \$11.776 million owing to minor increases for the Early Learning Taskforce (transferred from departmental output expense Support and Resources for the Community) and the Integrated Change Management Programme carried forward from 2012/13 (\$57,000 increase).

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

| | 2013/14 | | |
|------------------------|--------------------|-------------------------------------|----------------|
| | Estimates \$000 | Supplementary Estimates \$000 | Total \$000 |
| Total Appropriation | 1,423,602 | 39,410 | 1,463,012 |
| Revenue from the Crown | 1,420,416 | 25,112 | 1,445,528 |
| Revenue from Others | 3,186 | 4,298 | 7,484 |

Reasons for Change in Appropriation

This appropriation increased by \$39.410 million to \$1,463.012 million mainly owing to a combination of:

- increased capital charge related to revaluation of the property portfolio from 2012/13 (\$15.602 million increase)
- legal and other costs associated with weather-tightness issues surrounding negligent design, construction, management certification practices and product liability affecting school buildings (\$13.348 million increase)
- increased costs of programme management and detailed engineering evaluations for the schools infrastructure renewal programme funded by adjustments in out years (\$10.500 million increase)
- transfer from non-departmental other expense Primary Education for unitary charge and finance costs relating to the construction of two new schools at Hobsonville Point under the Public Private Partnerships arrangement (\$1.145 million increase)

- funding for three new primary schools and provision for additional classrooms to meet roll-growth pressures (\$1 million increase)
- transfer to 2014/15 for costs associated with the programme to improve the Ministry's asset management maturity involving development of the modern learning environment and asset condition frameworks and corresponding assessment methodologies (\$1.789 million decrease), and
- transfer funds relating to the schools network upgrade project to Departmental Net Assets (\$1.076 million 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, 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

| | 2013/14 | | |
|------------------------|--------------------|-------------------------------------|----------------|
| | Estimates \$000 | Supplementary Estimates \$000 | Total \$000 |
| Total Appropriation | 26,961 | 6,915 | 33,876 |
| Revenue from the Crown | 26,951 | 6,915 | 33,866 |
| Revenue from Others | 10 | - | 10 |

Reasons for Change in Appropriation

This appropriation increased by \$6.915 million to \$33.876 million mainly owing to:

- funding carried forward from 2012/13 for a value-for-money programme (\$3.400 million increase)
- hosting the International Teaching Summit and associated events (\$2.160 million increase), and
- supporting transition to a new professional body for teachers (\$594,000 increase).

Support and Resources for Education Providers (M26)

Scope of Appropriation

Expenditure on policies, regulations and services focused on the governance, management and operation of education providers. This includes managing regulations, administering the distribution of resources, delivering services that support school management - including industrial relations and education payroll - and working with providers to resolve underperformance.

Expenses and Revenue

| | 2013/14 | | |
|------------------------|--------------------|-------------------------------------|----------------|
| | Estimates \$000 | Supplementary Estimates \$000 | Total \$000 |
| Total Appropriation | 92,802 | 20,040 | 112,842 |
| Revenue from the Crown | 91,662 | 20,040 | 111,702 |
| Revenue from Others | 1,140 | - | 1,140 |

Reasons for Change in Appropriation

This appropriation increased by \$20.040 million to \$112.842 million mainly owing to:

- additional funding for remediation, investment in the sector (including eliminating the transaction backlog), future-focused improvements and increased operational expenditure related to Novopay (\$26.547 million increase)
- transfer from operating to capital funding to complete development of the Progress and Consistency Tool (\$3 million decrease)
- delays with the Learning with Digital Technologies Programme developing materials for the managed network mainly because of the network taking longer than expected to be established (\$1.683 million decrease)
- other consequential delays with the transition of schools to the managed network resulting in some work being pushed back to 2014/15, as well as the National Education Network Trial continuing past 30 June (\$1.008 million decrease), and
- some providers taking longer than expected to modify their products to work with the Early Learning Information System resulting in some expenditure being delayed until 2014/15 and some reallocations to other activities (\$841,000 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

| | 2013/14 | | |
|------------------------|--------------------|-------------------------------------|----------------|
| | Estimates \$000 | Supplementary Estimates \$000 | Total \$000 |
| Total Appropriation | 79,468 | (11,254) | 68,214 |
| Revenue from the Crown | 79,458 | (11,254) | 68,204 |
| Revenue from Others | 10 | - | 10 |

Reasons for Change in Appropriation

This appropriation decreased by \$11.254 million to \$68.214 million mainly owing to a combination of:

- provision for the Mutukaroa initiative to accelerate learning progress and achievement for students in years 1 to 3 (\$1.125 million increase)
- implementation of Ka Hikitia - Accelerating Success 2013-2017 and the Pasifika Education Plan 2013-2017, including funds carried over from 2012/13 (\$1.260 million increase)
- provision for accelerating NCEA Level 2 achievement as part of the implementation of the Youth Guarantee (\$1 million increase)
- transfer of funding to departmental output expense Support and Resources for Education Providers for additional operational costs of Novopay (\$9.199 million decrease)
- transfers to subsequent years after delays in development of the Progress and Consistency Tool (\$3.700 million decrease), and
- delays with alignment of achievement standards to Te Mārautanga o Aotearoa (the Māori-medium curriculum) pushing some costs out to 2015/16 (\$1.580 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

| | 2013/14 | | |
|------------------------|--------------------|-------------------------------------|----------------|
| | Estimates \$000 | Supplementary Estimates \$000 | Total \$000 |
| Total Appropriation | 13,181 | 1,362 | 14,543 |
| Revenue from the Crown | 13,171 | 1,362 | 14,533 |
| Revenue from Others | 10 | - | 10 |

Reasons for Change in Appropriation

This appropriation increased by \$1.362 million to \$14.543 million mainly owing to:

- implementation of Ka Hikitia - Accelerating Success 2013-2017 and the Pacific Education Plan 2013-2017 (\$1.090 million increase), and
- a transfer from departmental output expense Support and Resources for Education Providers to support the Early Learning Taskforce to increase early childhood education participation (\$242,000 increase).

2.3 - Departmental Capital Expenditure and Capital Injections

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

| | 2013/14 | | |
|-------------------------------|--------------------|-------------------------------------|----------------|
| | Estimates \$000 | Supplementary Estimates \$000 | Total \$000 |
| Forests/Agricultural | - | - | - |
| Land | 3,505 | - | 3,505 |
| Property, Plant and Equipment | 559,498 | (74,000) | 485,498 |
| Intangibles | 13,185 | - | 13,185 |
| Other | 24,610 | - | 24,610 |
| Total Appropriation | 600,798 | (74,000) | 526,798 |

Capital Injections and Movements in Departmental Net Assets

Ministry of Education

| Details of Net Asset Schedule | 2013/14 Main Estimates Projections \$000 | 2013/14 Supplementary Estimates Projections \$000 | Explanation of Projected Movements in 2013/14 |
|---|---|---|--|
| Opening Balance | 10,958,011 | 11,107,947 | Supplementary Estimates opening balance reflects the audited results as at 30 June 2013. |
| Capital Injections | 97,196 | 133,642 | The increase in injections is mainly owing to provision for new primary schools and additional classrooms for roll-growth (\$33.608 million) as part of the school property work programme, and an operating to capital swap for development of the Progress and Consistency Tool (\$3 million). |
| Capital Withdrawals | - | (174,500) | The withdrawal is to temporarily return Christchurch insurance settlement funding to the Crown. |
| Surplus to be Retained (Deficit Incurred) | - | 71,977 | The surplus is from the additional Christchurch insurance settlement funding received in 2013/14 (\$81.977 million) net of a deficit of \$10 million related to additional costs of legal action over defective buildings. |
| Other Movements | - | - | |
| Closing Balance | 11,055,207 | 11,139,066 | |

Part 3 - Details of Non-Departmental Appropriations

3.1 - Non-Departmental Output Expenses

Curriculum Support (M26)

Scope of Appropriation

Purchase of supplementary educational programmes for schools and communities to ensure wider access to these opportunities.

Reasons for Change in Appropriation

This appropriation decreased by \$2.570 million to \$59.039 million for 2013/14 owing to:

- a transfer of funding to departmental output expense Support and Resources for Education Providers for additional costs related to Novopay (\$1.025 million decrease)
- a reduction in funding for other education priorities (\$1 million decrease)
- a transfer to non-departmental other expense Special Needs Support to consolidate all resourcing provided to Blind and Low Vision Education Network, New Zealand under a single appropriation (\$365,000 decrease), and
- a transfer to Vote Communications to support enhanced connectivity for the three schools on the Chatham Islands (\$180,000 decrease).

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 decreased by \$2.450 million to \$94.909 million for 2013/14 owing to a combination of:

- a reduction in funding for other education priorities (\$3.300 million decrease)
- a transfer to 2014/15 and 2015/16 for Building on Success after delays in finalising arrangements with the consortium of providers for this programme, which is intended to generate equity and accelerate achievement of Māori learners in secondary education (\$400,000 decrease), and
- lifting student achievement in mathematics/pangarau and science/putaiao through extending the Accelerated Learning in Maths programme (\$500,000 increase) and developing Communities of Mathematical Inquiry (\$750,000 increase).

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 Careers New Zealand and New Zealand Qualifications Authority for Government Ministers are also included.

Reasons for Change in Appropriation

This appropriation increased by \$200,000 to \$23.759 million for 2013/14 to fund a self-assessment tool being hosted online by Careers New Zealand.

Quality Assurance (M26)

Scope of Appropriation

This appropriation is limited to the provision by the New Zealand Qualifications Authority of quality assurance services to support the New Zealand qualifications system that include ongoing development and management of quality assurance processes, monitoring and managing providers at risk and the ongoing refinement and maintenance of the quality assurance framework.

Reasons for Change in Appropriation

This appropriation increased by \$391,000 to \$4.761 million for 2013/14 owing to the administration of the Code of Practice for the Pastoral Care of International Students transferring from the Ministry of Education (Vote Tertiary Education, departmental output expense Strategic Leadership in the Tertiary System) to the New Zealand Qualifications Authority.

School Managed Network Funding (M26)

Scope of Appropriation

This appropriation is limited to supporting schools' purchase of a core package of managed network services from the provider of the managed network service.

Reasons for Change in Appropriation

This appropriation decreased by \$5.400 million to \$6.100 million for 2013/14 owing to delays in rolling out the managed network. To fund the increased number of schools transitioning to the network in subsequent years, funds have been transferred in 2015/16 (\$3 million) and 2016/17 (\$2.400 million).

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 decreased by \$2.200 million to \$176.383 million for 2013/14 owing to a combination of:

- lower than expected index-based price adjustments to contract prices (\$4.118 million decrease)
- other adjustments, including updated route payment information for directly resourced schools, additional kura, the impact of projected roll growth on conveyance allowances and the impact of actual rates paid (\$1.373 million decrease), and
- increased costs of transport for students with special education needs, including additional kilometres travelled each day, transition to new operators in several locations and provision for additional clusters since January 2013 (\$3.291 million increase).

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 increased by \$592,000 to \$6.268 million for 2013/14. The increase mainly relates to:

- a provision for improving literacy and numeracy outcomes for families with children under five (\$350,000 increase)
- supporting development of strong relationships between parties connected to a child's life, including whānau, early childhood education services and schools (\$420,000 increase), and
- a transfer to Early Childhood Education Community Participation projects under non-departmental other expense Early Childhood Education (\$140,000 decrease).

3.2 - Non-Departmental Benefits and Other Unrequited Expenses

Boarding Allowances (M26)

Scope of Appropriation

This appropriation is limited to an annual allowance to subsidise boarding fees, some travel and other costs such as additional tutoring and counselling for students who face significant challenges accessing appropriate education that will assist them to achieve NCEA level 2 or equivalent. These students 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 of unsatisfactory circumstances in their home and social environment affecting their educational, social or emotional development.

Expenses

| | 2013/14 | | |
|---------------------|--------------------|-------------------------------------|----------------|
| | Estimates \$000 | Supplementary Estimates \$000 | Total \$000 |
| Total Appropriation | - | 5,660 | 5,660 |

Reasons for Change in Appropriation

This new appropriation of \$5.660 million was established from 1 January 2014, funded by transfers from benefits and other unrequited expenses appropriations Boarding Allowances and Bursaries (\$4.035 million) and Mapihi Pounamu (\$1.625 million).

Conditions on Use of Appropriation

| Reference | Conditions |
|------------------|--|
| Cabinet decision | <p>Students are eligible where living away from home is deemed to provide a greater chance of achieving NCEA level 2. Students will be awarded an allowance after being assessed by a panel including external parties or agencies. The key assessment areas are: Achievement; Participation; Behaviour; Relationships; Access; Environment; Personal factors.</p> <p>Assistance may also be available to contribute to the cost of travelling at the beginning and end of term between home and the place of board.</p> |

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 \$5.215 million to \$2.854 million for 2013/14 owing to a transfer to a new benefits and other unrequited expenses appropriation Boarding Allowances from 1 January 2014 (\$4.035 million decrease) and a lower than expected demand (\$1.180 million decrease).

This appropriation will be discontinued after the 2013/14 year.

Home Schooling Allowances (M26)

Scope of Appropriation

Provides an allowance payable to parents/caregivers of children in full-time correspondence programmes for primary and secondary education and to parents/caregivers of children receiving their primary and secondary education at home (where a certificate of exemption from enrolment has been approved under section 21 of the Education Act 1989).

Reasons for Change in Appropriation

This appropriation decreased by \$695,000 to \$4.882 million for 2013/14 owing to a lower than expected level of payments to The Correspondence School supervisors.

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 decreased by \$1.625 million to \$1.625 million for 2013/14 owing to a transfer to a new benefits and other unrequited expenses appropriation Boarding Allowances from 1 January 2014.

This appropriation will be discontinued after the 2013/14 year.

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 decreased by \$1.657 million to \$19.817 million for 2013/14 owing to a combination of:

- a transfer of funding to departmental output expense Support and Resources for Education Providers for additional costs related to Novopay (\$1.500 million decrease)
- a reduction in funding for other education priorities (\$273,000 decrease), and
- settlement of various collective agreements covering teachers, principals and others (\$116,000 increase).

Puawaitanga Scholarships (M26)

Scope of Appropriation

This appropriation is limited to providing an annual scholarship for high-potential priority secondary students, who demonstrate leadership potential, to attend one of the Māori boarding schools.

Expenses

| | 2013/14 | | |
|---------------------|--------------------|-------------------------------------|----------------|
| | Estimates \$000 | Supplementary Estimates \$000 | Total \$000 |
| Total Appropriation | - | 576 | 576 |

Reasons for Change in Appropriation

This new appropriation of \$576,000 (funded by a transfer from non-departmental other expense Schooling Improvement) was established from 1 January 2014 to provide opportunities for 90 young learners with potential to learn and live in a rich cultural boarding environment.

Conditions on Use of Appropriation

| Reference | Conditions |
|------------------|--|
| Cabinet decision | <p>The scholarships would be offered to young people who demonstrate leadership potential, based on the schools' criteria, which may include:</p> <ul style="list-style-type: none"> • leadership skills and potential • academic achievement and potential • cultural strengths • sporting skills, and • reports or recommendations from contributing schools. <p>Scholarships cover boarding fees and an allowance for other costs.</p> <p>Each boarding school may only have 15 students in receipt of the Puawaitanga Scholarship enrolled at any one time.</p> <p>The Ministry will provide schools with guidelines to develop their selection criteria. The Ministry will also monitor compliance to these criteria and monitor the performance of the schools and the recipients of the scholarship.</p> |

Teacher Trainee Scholarships (M26)

Scope of Appropriation

Scholarships and allowances for students undertaking teacher training education, and loan support payments to teachers. The criteria and process for awarding scholarships are published by the Ministry of Education.

Reasons for Change in Appropriation

This appropriation decreased by \$3.027 million to \$825,000 for 2013/14 mainly owing to a transfer of funding to departmental output expense Support and Resources for Education Providers for additional costs related to Novopay (\$2.700 million decrease).

3.4 - 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

This appropriation increased by \$34.528 million to \$1,515.337 million for 2013/14 mainly owing to a combination of:

- additional forecasted funded hours equivalent reflecting latest information on actual hours used, changes in the distribution of hours across funding categories, as well as for updated population and labour market projections (\$33.880 million increase)
- extension from 2012/13 to 2013/14 of initial projects under targeted participation initiatives to increase demand for early childhood education services in priority communities (\$2.400 million increase)
- provision for the flow-on from the settlement of the primary teachers' collective agreement to kindergarten teachers (\$1.698 million increase)
- development of Māori medium teaching resources (\$1.504 million increase)
- provision for programmes to engage and target vulnerable Māori children under the age of three and their whānau in high quality, culturally relevant early childhood education originally planned for 2012/13 (\$700,000 increase)
- additional funding for Early Childhood Education Community Participation projects transferred from non-departmental output expense Supporting Parenting (\$140,000 increase) and non-departmental other expense Support for Early Childhood Education Providers (\$130,000 increase)
- deferring Early Childhood Education Outcomes-based Purchase Agreements (\$4 million decrease)
- lower than expected average price of funded child hours (\$1.374 million decrease), and
- fewer full-time equivalent students forecast for The Correspondence School than expected (\$487,000 decrease).

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 decreased by \$2.245 million to \$57.702 million for 2013/14 owing to the network upgrade of integrated schools progressing more slowly than expected resulting in a transfer of funding to 2014/15 (\$2.245 million decrease).

Primary Education (M26)

Scope of Appropriation

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

Reasons for Change in Appropriation

This appropriation increased by \$13.773 million to \$2,769.653 million for 2013/14. The increase is mainly owing to a combination of:

- settlement of Teacher and Principal Collective Agreements but mainly related to primary teachers (\$22.688 million increase)
- a redistribution of salaries funding from other expense appropriations Secondary Education and Special Needs Support (\$5.745 million increase)
- establishment of the first tranche of Partnership Schools/Kura Hourua (\$1.252 million increase)
- the impact of lower than expected projections for national school rolls on operations grants and teacher funding, as well as other adjustments to forecast assumptions (\$12.235 million decrease)
- a transfer of funding to departmental output expense Support and Resources for Education Providers for additional costs related to Novopay (\$1.823 million decrease)
- transfer to departmental output expense School Property Portfolio Management for unitary charge and finance costs relating to the construction of two new schools at Hobsonville Point under the Public Private Partnerships arrangement (\$1.145 million decrease), and
- savings in the School Classification, Integration and Closure Contingency funding (\$710,000 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 \$645,000 for 2013/14 owing to reduced estimates of entitlements for bus controllers.

Schooling Improvement (M26)

Scope of Appropriation

School support and schooling improvement projects to improve the capability of schools and school clusters and their responsiveness to the needs of their communities. These include iwi-strengthening education projects.

Reasons for Change in Appropriation

This appropriation decreased by \$2.222 million to \$7.462 million for 2013/14 owing to:

- the transfer of the Community Based Language Initiatives programme to Vote Māori Affairs to be managed by Te Taura Whiri i te Reo Māori in conjunction with other programmes (\$1.646 million decrease), and
- a transfer to a new benefits and other unrequited expenses appropriation Puawaitanga Scholarships from 1 January 2014 (\$576,000 decrease).

Secondary Education (M26)

Scope of Appropriation

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

Reasons for Change in Appropriation

This appropriation increased by \$28.040 million to \$2,027.064 million for 2013/14 owing to a combination of:

- impact of higher than expected national school roll projections on teacher salaries and school operations grants (\$20.018 million increase)
- establishment of the first tranche of Kura Hourua/Partnership Schools (\$7.978 million increase)
- settlement of Teacher and Principal Collective Agreements but mainly related to primary teachers (\$2.559 million increase)
- a redistribution of salaries funding to other expense appropriation Primary Education (\$1.605 million decrease), and
- savings in the School Classification, Integration and Closure Contingency funding (\$910,000 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

This appropriation increased by \$729,000 to \$335.771 million for 2013/14 owing to a combination of:

- the impact of higher than expected projections for teacher and principal salary rates as well as other adjustments to forecast assumptions (\$4.859 million increase)
- settlement of Teacher and Principal Collective Agreements but mainly related to primary teachers (\$995,000 increase)
- draw down from the contingency for Accelerating Education for Priority Learners that supports a critical period of development for children (birth to eight years old) and focuses on supporting a successful journey through education (\$450,000 increase)
- a transfer from non-departmental output expense Curriculum Support to consolidate all resourcing provided to Blind and Low Vision Education Network, New Zealand under a single appropriation (\$365,000 increase)
- a redistribution of salaries funding to other expense appropriation Primary Education (\$4.140 million decrease)
- transfers to departmental output expense Interventions for Target Student Groups for additional work arising from the transformation of the Resource Teachers Learning and Behaviour Service (\$600,000 decrease)
- the cost of resources provided to teachers under the Incredible Years programme transferred to departmental output expense Interventions for Target Student Groups (\$500,000 decrease)
- savings in the School Classification, Integration and Closure Contingency funding (\$400,000 decrease), and
- a transfer of funding to departmental output expense Support and Resources for Education Providers for additional costs related to Novopay (\$300,000 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 decreased by \$1.430 million to \$18.452 million for 2013/14 owing to:

- savings in the Targeted Assistance for Participation programme (\$900,000 decrease)
- savings in the Canterbury Renewal Early Childhood Education Consultation (\$400,000 decrease), and
- a transfer to Early Childhood Education Community Participation projects under non-departmental other expense Early Childhood Education (\$130,000 decrease).

3.5 - 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 \$949,000 to \$2.562 million for 2013/14 owing to changes in the expected timing of property sales.

School Support Project (M26)

Scope of Appropriation

Capital costs of implementing approved school support and schooling improvement projects (other than costs related to school property assets).

Reasons for Change in Appropriation

This appropriation was transferred entirely to departmental output expense Support and Resources for Education Providers for additional costs related to Novopay (\$1.880 million decrease).

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 \$28,000 to \$20.325 million for 2013/14 owing to a combination of:

- funding for three new primary schools and new classrooms to accommodate roll-growth pressures (\$1.628 million increase), and
- a transfer to 2014/15 related to the School Network Upgrade Project after slower than expected progress with upgrading wiring infrastructure and internet data networks at integrated schools (\$1.600 million decrease).