

Vote Education

APPROPRIATION MINISTER(S): Minister of Education (M26), Minister Responsible for Novopay (M91)

APPROPRIATION ADMINISTRATOR: Ministry of Education

RESPONSIBLE MINISTER FOR MINISTRY OF EDUCATION: Minister of Education

Details of Appropriations and Capital Injections

Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2014/15		
	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.	267,765	12,296	280,061
Payroll Services (M26) This appropriation is limited to expenditure on policies and legislative requirements to deliver payroll services to school employees. This includes providing support, advice and services to ensure school staff are paid accurately and on time.	15,763	25,375	41,138
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.	11,653	3,204	14,857
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.	1,441,060	82,904	1,523,964
Stewardship of the Education System (M26) This appropriation is limited to services (other than policy advice) provided by the Ministry of Education in its role as steward of the education system (other than tertiary education). It includes services to support Ministers in discharging their portfolio responsibilities (other than policy decision-making).	31,293	2,712	34,005
Support and Resources for Education Providers (M26) This appropriation is limited to expenditure on policies, regulations and services focused on the governance, management and operation of education providers.	69,809	(5,875)	63,934
Support and Resources for Parents and the Community (M26) This appropriation is limited to expenditure on policies and programmes focused on parents' and the community's knowledge of and participation in the education system.	13,167	(856)	12,311
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.	75,430	2,438	77,868
Total Departmental Output Expenses	1,925,940	122,198	2,048,138
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.	662,962	(13,000)	649,962
Total Departmental Capital Expenditure	662,962	(13,000)	649,962

Titles and Scopes of Appropriations by Appropriation Type	2014/15		
	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.	63,556	325	63,881
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.	102,931	(2,294)	100,637
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.	23,937	500	24,437
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.	4,774	-	4,774
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.	22,200	400	22,600
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.	182,730	4,000	186,730
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	250	26,730
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.	55,625	4,546	60,171

Titles and Scopes of Appropriations by Appropriation Type	2014/15		
	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.	5,711	-	5,711
Total Non-Departmental Output Expenses	500,641	7,727	508,368
Benefits or Related Expenses			
Boarding Allowances (M26) This appropriation is limited to an annual allowance to subsidise boarding fees, travel costs and additional tutoring, counselling and related costs for students who face significant challenges accessing appropriate education that will assist them to achieve NCEA level 2 or equivalent.	11,319	-	11,319
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).	5,128	-	5,128
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.	19,027	-	19,027
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 selected Māori boarding schools.	1,152	-	1,152
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.	4,460	(3,686)	774
United World Scholarships (M26) Scholarships for attendance at United World Colleges.	50	-	50
Total Benefits or Related Expenses	45,262	(3,686)	41,576
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.	1,582,882	24,460	1,607,342
Impairment of Debts and Assets and Debt Write-Offs (M26) This appropriation is limited to bad debt write-offs for Crown debt and to impairment of Crown debt or other assets arising from objective evidence of one or more loss events that occurred after the initial recognition of the Crown debt or asset, and the loss event (or events) has had a reliably measurable impact on the estimated future cash flows of the debt or other asset.	-	3,600	3,600

	2014/15		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
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.	65,679	484	66,163
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.	116	-	116
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.	2,884,314	13,790	2,898,104
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.	535	-	535
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.	5,735	-	5,735
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.	2,060,909	5,041	2,065,950
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.	335,018	4,748	339,766
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.	14,976	-	14,976
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	6,953,713	52,123	7,005,836

Titles and Scopes of Appropriations by Appropriation Type	2014/15		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Non-Departmental Capital Expenditure			
Education Payroll Ltd Capital (M91) This appropriation is limited to capital investment in a Crown-owned company which will manage delivery of education sector payroll services.	-	28,400	28,400
Property Disposal Incentives Scheme (M26) Payments to schools of a share of the proceeds from the sale of their surplus school property assets.	1,549	2,693	4,242
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	(1,500)	380
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.	22,730	6,850	29,580
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.	3,000	-	3,000
Total Non-Departmental Capital Expenditure	29,159	36,443	65,602
Total Annual and Permanent Appropriations	10,117,677	201,805	10,319,482

Capital Injection Authorisations

	2014/15		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Ministry of Education - Capital Injection (M26)	200,656	(33,202)	167,454

Supporting Information

Part 1 - Vote as a Whole

1.2 - Trends in the Vote

Summary of Financial Activity

	2014/15				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	2,426,581	122,198	7,727	129,925	2,556,506
Benefits or Related Expenses	45,262	N/A	(3,686)	(3,686)	41,576
Borrowing Expenses	-	-	-	-	-
Other Expenses	6,953,713	-	52,123	52,123	7,005,836
Capital Expenditure	692,121	(13,000)	36,443	23,443	715,564
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	10,117,677	109,198	92,607	201,805	10,319,482
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

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

	2014/15		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	267,765	12,296	280,061
Revenue from the Crown	266,065	10,143	276,208
Revenue from Others	1,700	1,253	2,953

Reasons for Change in Appropriation

This appropriation increased by \$12.296 million to \$280.061 million owing to a combination of:

- transfers from benefits or related expense Teacher Trainee Scholarships and non-departmental output expense Professional Development and Support for growing demand for services under the Ongoing Resourcing Scheme funding (\$4.300 million increase)
- transfers from non-departmental other expenses Primary Education and Secondary Education for additional teacher aide support for up to 1,500 students (\$2.500 million increase)
- changes to cost allocations between departmental output expense appropriations (\$1.898 million increase)
- other adjustments, mainly transfers from non-departmental other expense Special Needs Support related to operation of the Incredible Years programme and provision of an Intensive Wrap-around Service for students with special education needs (\$1.445 million increase)
- additional funds to maintain existing services, offsetting an earlier contribution of seed funding for social sector trials (\$1.253 million increase), and
- provision for potential costs arising from a review of the Balance Sheet (\$900,000 increase).

Payroll Services (M26)

Scope of Appropriation

This appropriation is limited to expenditure on policies and legislative requirements to deliver payroll services to school employees. This includes providing support, advice and services to ensure school staff are paid accurately and on time.

Expenses and Revenue

	2014/15		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	15,763	25,375	41,138
Revenue from the Crown	15,763	18,375	34,138
Revenue from Others	-	7,000	7,000

Reasons for Change in Appropriation

This appropriation increased by \$25.375 million to \$41.138 million to cover increased operational expenditure and expenditure associated with the transition of payroll services from Talent 2 NZ Ltd to Education Payroll Ltd. This is partly funded from a \$7 million cash payment from Talent 2 NZ Ltd, received as part of the settlement relating to Novopay. The Novopay settlement also included assets valued at \$22.400 million which have been transferred to Education Payroll Limited.

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.

Expenses and Revenue

	2014/15		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	11,653	3,204	14,857
Revenue from the Crown	11,653	3,204	14,857
Revenue from Others	-	-	-

How Performance will be Assessed and End of Year Reporting Requirements

	2014/15		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Performance Measures			
The total cost per hour per person of producing policy outputs.	\$112	\$8 - \$23	\$120 - \$135

Reasons for Change in Appropriation

This appropriation increased by \$3.204 million to \$14.857 million owing to changes to cost allocations between departmental output expense appropriations.

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

	2014/15		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	1,441,060	82,904	1,523,964
Revenue from the Crown	1,431,235	71,602	1,502,837
Revenue from Others	9,825	17,637	27,462

Reasons for Change in Appropriation

This appropriation increased by \$82.904 million to \$1,523.964 million owing to:

- increased capital charge (\$58.300 million increase) and depreciation (\$14 million increase) related to revaluation of the school property portfolio at 30 June 2014
- additional legal costs associated with weather-tightness issues (\$6.902 million increase)
- increased provision for rationalisation of school property funded by additional third party revenue (\$3.500 million increase), and
- other smaller adjustments mainly for potential costs arising from review of the Balance Sheet and a transfer to capital for improvements to school transport systems (\$202,000 net increase).

Stewardship of the Education System (M26)

Scope of Appropriation

This appropriation is limited to services (other than policy advice) provided by the Ministry of Education in its role as steward of the education system (other than tertiary education). It includes services to support Ministers in discharging their portfolio responsibilities (other than policy decision-making).

Expenses and Revenue

	2014/15		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	31,293	2,712	34,005
Revenue from the Crown	31,283	2,712	33,995
Revenue from Others	10	-	10

Reasons for Change in Appropriation

This appropriation increased by \$2.712 million to \$34.005 million owing to a combination of:

- changes to cost allocations between departmental output expense appropriations (\$3.282 million increase)
- a transfer from departmental output expense Support and Resources for Education Providers for business case development (\$430,000 increase), and
- transfer to 2015/16 for the transition from the New Zealand Teachers Council to the new professional body for teachers Education Council of Aotearoa New Zealand (\$1 million decrease).

Support and Resources for Education Providers (M26)

Scope of Appropriation

This appropriation is limited to expenditure on policies, regulations and services focused on the governance, management and operation of education providers.

Expenses and Revenue

	2014/15		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	69,809	(5,875)	63,934
Revenue from the Crown	68,669	(6,775)	61,894
Revenue from Others	1,140	-	1,140

Reasons for Change in Appropriation

This appropriation decreased by \$5.875 million to \$63.934 million owing to a combination of:

- changes to cost allocations between departmental output expense appropriations (\$5.735 million decrease)
- various transfers of activity to 2014/15 from previous years or from 2014/15 to subsequent years (\$610,000 net decrease)
- a transfer to departmental output expense Stewardship of the Education System for business case development (\$430,000 decrease), and
- provision for potential costs arising from review of the Balance Sheet (\$900,000 increase).

Support and Resources for Parents and the Community (M26)*Scope of Appropriation*

This appropriation is limited to expenditure on policies and programmes focused on parents' and the community's knowledge of and participation in the education system.

Expenses and Revenue

	2014/15		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	13,167	(856)	12,311
Revenue from the Crown	13,157	(856)	12,301
Revenue from Others	10	-	10

Reasons for Change in Appropriation

This appropriation decreased by \$856,000 to \$12.311 million owing to changes to cost allocations between departmental output expense appropriations.

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

	2014/15		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	75,430	2,438	77,868
Revenue from the Crown	75,420	(662)	74,758
Revenue from Others	10	2,200	2,210

Reasons for Change in Appropriation

This appropriation increased by \$2.438 million to \$77.868 million owing to a combination of:

- provision for implementation of achievement, retention and transition initiatives of Youth Guarantee Networks and Vocational Pathways (\$2.200 million increase)
- provision for potential costs arising from review of the Balance Sheet (\$900,000 increase)
- funding to design and develop professional standards, establish external expert panels and to develop processes for the selection and appointment to new roles under the Investing in Educational Success programme (\$762,000 increase)
- other adjustments, mainly for transfers into 2014/15 from the previous financial year (\$441,000 net increase), and
- changes to cost allocations between departmental output expense appropriations (\$1.865 million decrease).

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

	2014/15		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	25,000	25,000
Property, Plant and Equipment	653,166	(38,000)	615,166
Intangibles	9,796	-	9,796
Other	-	-	-
Total Appropriation	662,962	(13,000)	649,962

Reasons for Change in Appropriation

The appropriation decreased by \$13 million to \$649.962 million mainly owing to the implementation of design and review panels and delays in land acquisition associated with the Christchurch Schools rebuild partially offset by increased roll growth activity, unforeseen capital work and special needs modifications to the existing portfolio, all of which are largely demand-driven programmes of work.

Capital Injections and Movements in Departmental Net Assets

Ministry of Education

Details of Net Asset Schedule	2014/15 Main Estimates Projections \$000	2014/15 Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2014/15
Opening Balance	11,139,066	11,831,258	Supplementary Estimates opening balance reflects the audited results as at 30 June 2014.
Capital Injections	200,656	167,454	The decrease in injections is owing to delays in land acquisition, related to the Christchurch schools rebuild programme (\$48.762 million decrease) partly offset by funds carried forward from 2013/14 for purchase of new sites (\$13.790 million increase) as well as other minor transfers and injections (\$1.770 million increase).
Capital Withdrawals	-	(31,075)	The withdrawal is to return assets transferred to the Ministry from Talent 2 NZ Limited for the ongoing operation of Education Payroll Ltd (\$22.400 million) and withdrawals from the Ministry of Education toward the setting up of Education Payroll Ltd and continuing operation of the schools payroll (\$8.675 million).
Surplus to be Retained (Deficit Incurred)	-	26,035	The surplus is from assets recovered from Talent 2 NZ Limited for the operation of Education Payroll Ltd (\$22.400 million) and gains on sale mainly from disposal of surplus school sector land (\$7.235 million) less provision for impairment of assets (\$3.600 million).
Other Movements	-	-	
Closing Balance	11,339,722	11,993,672	

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 increased by \$325,000 to \$63.881 million owing to the establishment of a contestable fund to support Asian language learning.

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 \$2.294 million to \$100.637 million owing to a combination of:

- transfer of the Accelerated Learning in Maths programme to non-departmental other expense Primary Education (\$2.280 million decrease)
- a transfer to departmental output expense Interventions for Target Student Groups to offset the cost of growing demand for the Ongoing Resourcing Scheme (\$614,000 decrease), and
- transfer from 2013/14 for Building on Success (\$600,000 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.

How Performance will be Assessed and End of Year Reporting Requirements

Performance Measures	2014/15		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Careers New Zealand			
Number of New Zealand-based web visits to the Careers New Zealand website.	3.6 million	0.4 million	4.0 million
Percentage of users who agree that the Careers New Zealand website is easy to use.	New Measure	75%	75%
Percentage of users who agree that the Careers New Zealand website is relevant to their needs.	New Measure	75%	75%
Number of schools and tertiary education organisations receiving career development support.	Replacement Measure	250	250
Number of schools and tertiary organisations receiving customised assistance.	62	(62)	-
Number of schools and tertiary organisations receiving professional development assistance.	300	(300)	-
Percentage of schools and tertiary education providers that agree Careers New Zealand's career development support was useful.	New Measure	82%	82%
Total advisory services delivered through phone, webchat, social media and text message.	Replacement Measure	30,000	30,000
Advice and guidance services provided to groups and individuals.	30,000	(30,000)	-
Percentage of individuals who say the advice met their career-related needs.	New Measure	82%	82%
Number of Career Capable Communities initiatives.	4	(4)	-
Number of Career networks in place or under development during the financial year.	8	(8)	-
Number of community organisations, iwi organisations and employers receiving customised assistance.	25	(25)	-
Number of community organisations, iwi organisations and employers receiving professional development assistance.	100	(100)	-
Number of families, whānau aiga receiving customised assistance.	500 families	(500)	-
Percentage of groups and organisations receiving customised assistance and professional development assistance from Careers New Zealand are satisfied that this has helped them deliver improved career development services.	82%	(82%)	-

Reasons for Change in Appropriation

This appropriation increased by \$500,000 to \$24.437 million owing to a transfer from 2013/14 for projects to provide independent advice on Government priority areas.

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 increased by \$400,000 to \$22.600 million owing to a transfer from 2013/14 following a delayed milestone by the network provider for the Managed Network Service for schools. This will be paid out once achieved to the satisfaction of The Network for Learning Limited. This did not impact the rollout of the managed network which is ahead of target.

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 \$4 million to \$186.730 million mainly owing to a combination of:

- higher levels of demand and increased distances (\$1.800 million increase)
- replacing inadequate transport services (\$1.700 million increase), and
- unforeseen payment for previous years (\$500,000 increase).

Secondary School Assessments (M26)*Scope of Appropriation*

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.

Reasons for Change in Appropriation

This appropriation increased by \$250,000 to \$26.730 million owing to provision for unpaid National Certificate of Educational Achievement fees of Youth Guarantee students transferred from non-departmental output expense Training for Designated Groups in Vote Tertiary Education.

Secondary-Tertiary Interface (M26)

Scope of Appropriation

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.

Reasons for Change in Appropriation

This appropriation increased by \$4.546 million to \$60.171 million owing to a reallocation of Youth Guarantee Fees-Free places from non-departmental other expense Secondary Education and non-departmental output expense Training for Designated Groups in Vote Tertiary Education to fund additional Trades Academy places.

3.2 - Non-Departmental Benefits or Related Expenses

Teacher Trainee Scholarships (M26)

Scope of Appropriation

Scholarships and allowances for students undertaking teacher training education, and loan support payments to teachers.

Reasons for Change in Appropriation

This appropriation decreased by \$3.686 million to \$774,000 owing to a transfer to departmental output expense Interventions for Target Student Groups to offset the cost of growing demand for the Ongoing Resourcing Scheme.

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 \$24.460 million to \$1,607.342 million owing to a combination of:

- updated population projections, stronger than expected growth in labour market activities and continuing success of Early Childhood Education participation programmes (\$24.672 million increase)
- adjustments in equity funding mainly reflecting the outcome of the 2014 Equity Index review (\$2.979 million increase), and
- changes in the distribution of services across funding bands (\$3.191 million decrease).

Impairment of Debts and Assets and Debt Write-Offs (M26)

Scope of Appropriation

This appropriation is limited to bad debt write-offs for Crown debt and to impairment of Crown debt or other assets arising from objective evidence of one or more loss events that occurred after the initial recognition of the Crown debt or asset, and the loss event (or events) has had a reliably measurable impact on the estimated future cash flows of the debt or other asset.

Expenses

	2014/15		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	3,600	3,600

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the write-off of Crown debt and recognition of impairment losses to reflect the recoverable value of Crown debt and other assets as at the end of a financial year.

End of Year Performance Reporting

An exemption was granted under s.15D(2)(b)(ii) of the Public Finance Act, as additional performance information is unlikely to be informative because this appropriation is solely for impairment of Crown debts and other assets as required or the write-off of irrecoverable debts.

Reasons for Change in Appropriation

This new appropriation of \$3.600 million was created during 2014/15 to provide for potential costs arising from review of the non-departmental Balance Sheet.

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 \$484,000 to \$66.163 million owing to a combination of:

- a grant toward development of St David's Presbyterian School (\$2 million increase)
- additional Policy One funding arising from the increased valuation of school sector property at 30 June 2014 (\$984,000 increase), and
- a transfer to non-departmental capital expenditure Schools Furniture and Equipment for costs of school network upgrades (\$2.500 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 \$13.790 million to \$2,898.104 million owing to a combination of:

- a change in teacher entitlements and operations grants owing to higher than predicted primary student numbers and decile adjustments (\$9.938 million increase)
- implementation of Investing in Educational Success to raise student achievement (\$2.685 million increase)
- funding for four partnership schools/Kura Hourua to open in 2015 (\$2.398 million increase)
- transfer from non-departmental output expense Professional Development and Support for the Accelerated Learning in Maths programme (\$2.280 million increase)
- a redistribution of salaries funding to non-departmental other expense Special Needs Support (\$2.511 million decrease), and
- transfer to departmental output expense Intervention for Target Student Groups for additional teacher aide support for up to 1,500 students (\$1 million 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 \$5.041 million to \$2,065.950 million owing to a combination of:

- funding for four Partnership Schools/Kura Hourua to open in 2015 (\$4.526 million increase)
- a change in teacher entitlements and operations grants owing to higher predicted secondary student numbers and decile adjustments (\$3.227 million increase)
- implementation of Investing in Educational Success to raise student achievement (\$1.098 million increase)
- transfer to 2014/15 from 2013/14 for the National Mentoring Service to support Māori and Pasifika learners (\$271,000 increase)
- a redistribution of salaries funding to non-departmental other expense Special Needs Support (\$1.560 million decrease)

- transfer of Youth Guarantee Fees-Free places to non-departmental output expense Secondary Tertiary Interface (\$1.521 million decrease) to fund additional Trades Academy places, and
- transfer to departmental output expense Intervention for Target Student Groups for additional teacher aide support for up to 1,500 students (\$1 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

This appropriation increased by \$4.748 million to \$339.766 million owing to a combination of:

- a redistribution of salaries funding from non-departmental other expenses Primary Education and Secondary Education (\$4.071 million increase)
- a change in teacher entitlements and operations grants due to higher predicted primary student numbers and decile adjustments (\$1.557 million increase), and
- transfer to departmental output expense Interventions for Target Student Groups for the Incredible Years Teachers programme for teachers dealing with disruptive behaviour and provision of an Intensive wrap-around service for students with special education needs (\$880,000 decrease).

3.5 - Non-Departmental Capital Expenditure

Education Payroll Ltd Capital (M91)

Scope of Appropriation

This appropriation is limited to capital investment in a Crown-owned company which will manage delivery of education sector payroll services.

Capital Expenditure

	2014/15		Total \$000
	Estimates \$000	Supplementary Estimates \$000	
Total Appropriation	-	28,400	28,400

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the investment funding of Education Payroll Ltd through the purchase of shares.

How Performance will be Assessed and End of Year Reporting Requirements

Performance Measures	2014/15		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Purchase of 100 ordinary shares in Education Payroll Ltd.	New Measure	100 shares	100 shares

End of Year Performance Reporting

Performance information for this appropriation will be reported by Education Payroll Ltd in its annual report.

Reasons for Change in Appropriation

This new appropriation of \$28.400 million was established during 2014/15 for the investment of capital in a new Crown company, Education Payroll Ltd, comprising \$6 million for working capital, and a transfer of net assets of \$22.400 million, received from Talent 2 NZ Ltd as part of the settlement relating to Novopay (this settlement also included the cash payment of \$7 million disclosed as Revenue from Others within departmental output expense Payroll Services).

Note - Funding for the transfer of net assets is reported under section 2.3 - Departmental Capital Expenditure and Capital Injections.

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 increased by \$2.693 million to \$4.242 million owing to a combination of:

- funding to provide for school Boards of Trustees with land or houses to receive a payout under the existing disposal incentives scheme instead of a five-year agreement remedy (\$5.693 million increase), and
- a transfer to Schools Furniture and Equipment appropriation to meet increased entitlements arising from the Roll Growth and Major Redevelopment programmes (\$3 million decrease).

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 decreased by \$1.500 million to \$380,000 owing to a combination of:

- a contribution to investment funding for a new Crown company - Education Payroll Ltd (\$1 million decrease), and
- a transfer to departmental output expense Interventions for Target Student Groups for additional teacher aide support for up to 1,500 students (\$500,000 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 \$6.850 million to \$29.580 million owing to a combination of:

- a transfer from the Property Disposal Incentive Scheme appropriation to meet increased demand for additional classrooms in areas of roll growth or major redevelopment (\$3 million increase)
- a transfer from non-departmental other expense Integrated Schools Property for the Schools Network Upgrade Project (\$2.500 million increase), and
- provision for improved wireless connectivity in schools (\$1.350 million increase).

