

Vote Tertiary Education

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

APPROPRIATION ADMINISTRATOR: Ministry of Education

RESPONSIBLE MINISTER FOR MINISTRY OF EDUCATION: Minister of Education

Overview of the Vote

The Minister of Education is responsible for appropriations in Vote Tertiary Education for the 2018/19 financial year covering the following:

- a total of nearly \$16 million for services from the Ministry of Education
- a total of nearly \$64 million for services from the Tertiary Education Commission
- a total of nearly \$31 million for services from Education New Zealand
- a total of just over \$2,903 million for tuition and industry training subsidies and research funding provided to tertiary education organisations, funding to help universities recruit world-leading entrepreneurial academics, and services from the adult and community education sector and other non-departmental providers
- a total of over \$23 million for tertiary scholarships, international education and other grants
- a total of just over \$52 million for capital grants to the sector to support the post-earthquake rebuild of the University of Canterbury and continued provision to the West Coast, and
- a total of nearly \$355 million for first-year fees-free study for eligible students, apprentices and trainees.

Details of these appropriations are set out in Parts 3-4.

Details of Appropriations and Capital Injections

Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Non-Departmental Output Expenses			
Access to Tertiary Education (M26) This appropriation is limited to improving access to tertiary education and training.	26,449	24,258	25,549
Administration of and Support for the Tertiary Education and Careers Systems (M26) This appropriation is limited to giving effect to the Tertiary Education Strategy by effectively investing in, monitoring, informing and influencing the tertiary education and careers systems, managing the Crown's ownership interest in tertiary education institutions, and providing advice and support to Ministers.	-	-	64,014
Centres of Research Excellence (M26) This appropriation is limited to the purchase of cooperative and collaborative tertiary research in areas of research strength in the tertiary education sector through the contestable Centres of Research Excellence Fund.	49,800	49,800	49,800
International Education Programmes (M26) This appropriation is limited to delivery of services in respect of international education, including promotion, information, research and professional development, both in New Zealand and overseas, for the purpose of managing and increasing the flow of international students and promoting international education linkages.	30,689	30,689	30,897
Tertiary Education Research and Research-Based Teaching (M26) This appropriation is limited to funding research and research-based teaching on the basis of measured research quality in tertiary education organisations and supporting Wānanga research capability.	316,500	316,500	316,500
Tertiary Sector / Industry Collaboration Projects (M26) This appropriation is limited to funding activities that improve the relevance to industry of tertiary education provision.	27,778	24,625	25,601
University-led Innovation (M26) This appropriation is limited to supporting universities to attract entrepreneurial academics to drive collaboration between universities and established and emerging businesses.	10,833	1,292	10,833
Administration of and Support for the Careers System (M26) This appropriation is limited to investing in, monitoring, informing and influencing the careers system.	18,775	18,775	-
Administration of and Support for the Tertiary Sector (M26) This appropriation is limited to giving effect to the Tertiary Education Strategy by investing in tertiary education, monitoring and maintaining the Government's ownership interest in tertiary education institutions, and advice and support to Ministers.	50,865	50,865	-
Total Non-Departmental Output Expenses	531,689	516,804	523,194

Titles and Scopes of Appropriations by Appropriation Type	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Benefits or Related Expenses			
Awards for Outbound New Zealand Students (M26) This appropriation is limited to awards granted to provide assistance to scholars, researchers and teachers to undertake placements abroad and to participate in reciprocal education exchange arrangements with partner countries in selected areas of priority study, teaching and research.	5,040	5,040	5,040
Scholarships for Inbound International Students (M26) This appropriation is limited to scholarships available to international students wishing to study in New Zealand.	800	800	800
Support to Apprentices (M26) This appropriation is limited to payments to New Zealand Apprentices and other participants in workplace-based training, including Māori and Pasifika Trades Trainees, towards their tools and other training related costs.	1,036	1,036	2,190
Tertiary Scholarships and Awards (M26) This appropriation is limited to providing scholarships for tertiary students and other awards in the tertiary sector, and the provision of scholarships and bursaries to Māori and Pasifika students. It includes training assistance under Queen Elizabeth II Study Awards and recognition of outstanding tertiary education teachers.	14,732	14,732	15,568
Total Benefits or Related Expenses	21,608	21,608	23,598
Non-Departmental Capital Expenditure			
Support for Tai Poutini Polytechnic (M26) This appropriation is limited to a capital injection into Tai Poutini Polytechnic to support its cash flow.	6,450	6,450	2,050
Support for the University of Canterbury (M26) This appropriation is limited to the rebuild of the Science and Engineering Facilities at the University of Canterbury.	-	-	50,000
Support for Lincoln University (M26) This appropriation is limited to the rebuild of the science facilities at Lincoln University.	65,000	-	-
Total Non-Departmental Capital Expenditure	71,450	6,450	52,050

Titles and Scopes of Appropriations by Appropriation Type	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Multi-Category Expenses and Capital Expenditure			
Stewardship of the Tertiary Education System MCA (M26)	12,377	12,377	15,727
The single overarching purpose of this appropriation is to provide services that contribute towards a well-functioning tertiary education system.			
Departmental Output Expenses			
<i>Policy Advice</i>	4,856	4,856	7,171
This category is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on Tertiary Education and international education related matters.			
<i>Research, Data Analysis and Monitoring</i>	7,521	7,521	8,556
This category is limited to the production and dissemination of research and data analysis, monitoring and reporting on tertiary education at a system-wide level, and the provision of services (other than policy advice) to support the work of other agencies and Ministers in discharging their responsibilities for tertiary education and international education related matters.			
Tertiary Tuition and Training MCA (M26)	2,736,094	2,671,130	2,829,593
The overarching purpose of this appropriation is to fund tertiary tuition and training that leads to improvements in New Zealanders' skill levels.			
Non-Departmental Output Expenses			
<i>Community Education</i>	73,476	70,666	73,258
This category is limited to funding for adult and community education and literacy, numeracy and English language provision.			
<i>Tertiary Education: Student Achievement Component</i>	2,054,192	2,045,338	2,086,474
This category is limited to funding for teaching and learning services for enrolled students in approved courses at tertiary education organisations to achieve recognised tertiary qualifications.			
<i>Training for Designated Groups</i>	298,526	293,190	315,161
This category is limited to the purchasing and arranging of training linked to the New Zealand Qualifications Framework and the purchase of both on-job and off-job training places, including delivery of fully or partially funded training places and other industry-training related projects.			
Non-Departmental Other Expenses			
<i>Fees-free Payments</i>	309,900	261,936	354,700
This category is limited to ensuring fees-free study for eligible students, apprentices and trainees.			
Total Multi-Category Expenses and Capital Expenditure	2,748,471	2,683,507	2,845,320
Total Annual and Permanent Appropriations	3,373,218	3,228,369	3,444,162

Supporting Information

Part 1 - Vote as a Whole

1.1 - New Policy Initiatives

Policy Initiative	Appropriation	2017/18 Final Budgeted \$000	2018/19 Budget \$000	2019/20 Estimated \$000	2020/21 Estimated \$000	2021/22 Estimated \$000
Addressing Teacher Supply (see also Vote Education in the Education and Workforce Sector and Vote Social Development in Social Services and Community Sector)	Tertiary Sector / Industry Collaboration Projects Non-Departmental Output Expense	(1,500)	-	-	-	-
Community Organisation Refugee Sponsorship Category (see also Vote Education and Vote Labour Market in the Education and Workforce Sector, Vote Social Housing and Vote Social Development in the Social Services and Community Sector and Vote Health in the Health Sector)	Tertiary Tuition and Training MCA Community Education Non-Departmental Output Expense	53	53	53	-	-
Education Portfolio Work Programme (see also Vote Education in the Education and Workforce Sector)	Stewardship of the Tertiary Education System MCA Policy Advice Departmental Output Expense	-	350	-	-	-
Financial Impacts of the 100 Days Tertiary Education Package (see also Vote Social Development and Vote Social Housing in the Social Services and Community Sector and Vote Revenue in the Finance and Government Administration Sector)	Administration of and Support for the Tertiary Sector Non-Departmental Output Expense Administration of and Support for the Tertiary Education and Careers Systems Non-Departmental Output Expense Stewardship of the Tertiary Education System MCA Policy Advice Departmental Output Expense Research, Data Analysis and Monitoring Departmental Output Expense Tertiary Tuition and Training MCA Tertiary Education: Student Achievement Component Non-Departmental Output Expense Fees-free Payments Non-Departmental Other Expense	3,702	- 4,087 1,965 1,035 - - 309,900	- 3,720 1,965 1,035 - - 16,600 388,100	- 3,720 1,480 520 40,100 407,000	- 3,720 1,480 520 54,000 417,700

Policy Initiative	Appropriation	2017/18 Final Budgeted \$000	2018/19 Budget \$000	2019/20 Estimated \$000	2020/21 Estimated \$000	2021/22 Estimated \$000
Funding to Support the Changes to the Careers System (see also Vote Education in the Education and Workforce Sector)	Administration of and Support for the Careers System Non-Departmental Output Expense	18,775	-	-	-	-
	Administration of and Support for the Tertiary and Careers Systems Non-Departmental Output Expense	-	14,049	13,500	13,500	13,500
Lincoln University AgResearch Joint Facility Project: Crown Capital Investment	Support for Lincoln University Non-Departmental Capital Expenditure	65,000	-	15,000	5,000	-
Pasifika Education Centre: Funding Transfer (see also Vote Pacific Peoples in the Social Services and Community Sector)	Tertiary Tuition and Training MCA Community Education Non-Departmental Output Expense	(563)	-	-	-	-
Reprioritisation - 2017/18 Underspends and Recoveries in Tertiary Tuition and Training Multi-Category Appropriation	Tertiary Tuition and Training MCA Community Education Non-Departmental Output Expense	(3,300)	-	-	-	-
	Tertiary Education: Student Achievement Component Non-Departmental Output Expense	(22,900)	-	-	-	-
	Training for Designated Groups Non-Departmental Output Expense	(21,300)	-	-	-	-
Reprioritisation - Education New Zealand Contribution to the Kea Network, New Zealand Story, and Chair of Malay Studies	International Education Programmes Non-Departmental Output Expense	-	(175)	(275)	(275)	(275)
Reprioritisation - Prime Minister's Scholarships for Asia	Awards for Outbound New Zealand Students Benefit or Related Expense	-	(500)	(500)	(500)	(500)
Reprioritisation - Tertiary Tuition and Training Multi-Category Appropriation	Tertiary Tuition and Training MCA Community Education Non-Departmental Output Expense	-	(350)	(700)	(700)	(700)
	Tertiary Education: Student Achievement Component Non-Departmental Output Expense	-	(7,000)	(14,000)	(14,000)	(14,000)
	Training for Designated Groups Non-Departmental Output Expense	-	(5,000)	(10,000)	(10,000)	(10,000)

Policy Initiative	Appropriation	2017/18 Final Budgeted \$000	2018/19 Budget \$000	2019/20 Estimated \$000	2020/21 Estimated \$000	2021/22 Estimated \$000
Tai Poutini Polytechnic Capital Injection	Support for Tai Poutini Polytechnic Non-Departmental Capital Expenditure	6,450	2,050	-	-	-
Total Initiatives		354,317	365,264	414,498	445,845	465,445

1.2 - Trends in the Vote

Summary of Financial Activity

	2013/14	2014/15	2015/16	2016/17	2017/18		2018/19			2019/20	2020/21	2021/22
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Final Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Appropriations												
Output Expenses	403,077	423,599	449,691	476,598	531,689	516,804	-	523,194	523,194	520,684	519,200	519,075
Benefits or Related Expenses	31,522	35,913	18,190	17,612	21,608	21,608	N/A	23,598	23,598	23,915	23,914	23,914
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	2,895	1,377	-	-	-	-	-	-	-	-	-	-
Capital Expenditure	19,700	117,870	85,825	19,100	71,450	6,450	-	52,050	52,050	15,000	5,000	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	2,397,376	2,421,020	2,475,854	2,478,460	2,438,571	2,421,571	15,727	2,474,893	2,490,620	2,498,429	2,523,246	2,537,292
<i>Other Expenses</i>	-	-	-	-	309,900	261,936	-	354,700	354,700	388,100	407,000	417,700
<i>Capital Expenditure</i>	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Appropriations	2,854,570	2,999,779	3,029,560	2,991,770	3,373,218	3,228,369	15,727	3,428,435	3,444,162	3,446,128	3,478,360	3,497,981
Crown Revenue and Capital Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	8,932	14,736	15,478	8,296	3,552	3,552	N/A	1,000	1,000	1,000	1,000	1,000
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Crown Revenue and Capital Receipts	8,932	14,736	15,478	8,296	3,552	3,552	N/A	1,000	1,000	1,000	1,000	1,000

Note - where restructuring of the vote has occurred then, to the extent practicable, prior years information has been restated as if the restructuring had occurred before the beginning of the period covered. In this instance Total Appropriations for the Budgeted and Estimated Actual year may not equal Total Appropriations in the Details of Appropriations and Capital Injections.

Adjustments to the Summary of Financial Activity Table Due to Vote Restructuring

There have been no restructuring adjustments to prior year's information in the Summary of Financial Activity table.

1.3 - Analysis of Significant Trends

Significant changes in departmental and non-departmental appropriations related to tertiary and international education between 2013/14 and 2021/22 are discussed briefly below.

Departmental Output Expenses

Movements in departmental output expenses largely relate to:

- transfer of underspends in 2012/13 to 2013/14 to fund the development of a creative industries vocational pathway and associated materials
- participation in the OECD Programme for International Assessment of Adult Competencies concluding in 2015/16
- progress on the Tertiary Information Future State work programme that commenced in 2013/14, and
- implementation of the Government's first-year fees-free policy from 1 January 2018.

The departmental output expenses were transferred to a multi-category appropriation from 2016/17.

Non-Departmental Output Expenses

Most tertiary education funding is through non-departmental output expenses. Three significant non-departmental output expenses were transferred to the Tertiary Tuition and Training multi-category appropriation from 2016/17.

The major changes to these appropriations over the trend period are principally owing to:

- expansion of the Youth Guarantee programme, including provision of fees-free places at tertiary institutions offset by transfers into the new Secondary-Tertiary Interface appropriation in Vote Education to fund Trades Academy places from 2013
- initiatives to revitalise the industry training system, introduce New Zealand Apprenticeships in 2014 and expand Māori and Pasifika Trades Training between 2013/14 and 2019/20
- ensuring the country's skills base supports the needs of industry and encourages innovation - strengthening provision in areas of specific priority, such as engineering, science, agriculture and health sciences, with targeted increases to relevant tuition subsidies, the establishment of Information and Communication Technology graduate schools from mid-2015, and closing the gap in funding between private training and public providers in 2013 and 2014
- funding for beneficiaries to be referred to specialist English for Speakers of Other Language providers, or to address intensive literacy and numeracy needs and for Student Achievement Component fees-free provision for 20 to 24-year-olds at New Zealand Qualifications Framework Level 1-2 (transferred from Vote Social Development from 2013/14)
- additional funding for research, including increasing the Performance-Based Research Fund to \$315 million from 2018 and increasing the number of Centres of Research Excellence (CoRE) from 2016, including the establishment of one focused on Māori research

- increased funding for international education, including promotions from 2013
- funding for Centres of Asia-Pacific Excellence from 2017
- funding from 2017 to help New Zealand universities recruit world-leading entrepreneurial academics
- additional English language course provision following the response to the Syrian refugee crisis and an increased quota of refugees to 1,000 places from 2018/19
- integrating Careers New Zealand into the Tertiary Education Commission from 2017/18, and
- additional tuition subsidy funding for expected growth related to making the first year of tertiary education or training fees-free for new students from 1 January 2018.

Benefits or Related Expenses

Changes in benefits or related expenses are largely related to:

- an apprenticeships 're-boot' between 2013/14 and 2014/15 and support for other apprentices
- addressing pressures on Medical Trainee Intern Grants from 2015/16
- delivering support to graduate-entry students affected by seven EFTS limit in long undergraduate programmes in 2015, and
- recategorising the Prime Minister's Scholarships for Asia from non-departmental output expense International Education Programmes, expanding the fund and establishing the Prime Minister's Scholarships for other regions from 2016/17.

Non-Departmental Other Expenses

Significant changes in these appropriations mainly reflect:

- funding to support mergers of Tertiary Education Institutions that ceased in 2013/14
- University of Auckland Starpath Project funding that ceased in 2014/15, and
- making the first year of tertiary education or training fees-free for new students from 1 January 2018 (under the Tertiary Tuition and Training multi-category appropriation).

Non-Departmental Capital Expenditure

The major changes in non-departmental capital expenditure relate mainly to:

- assisting Christchurch tertiary education institutions to rebuild facilities after the impact of the 2010 and 2011 earthquakes, and
- support for Tai Poutini Polytechnic from 2016/17 to 2018/19.

Crown Revenue

Significant changes between years mainly reflect recoveries of surplus grants funding from the Tertiary Education Commission and the tertiary education sector, and a share of earthquake-related insurance settlements from the University of Canterbury as provided for in their capital funding agreement.

1.4 - Reconciliation of Changes in Appropriation Structure

2017/18 Appropriations in the 2017/18 Structure	2017/18 (Current) \$000	Old Structure		New Structure		
		Appropriations to which Expenses (or Capital Expenditure) have been Moved from or to	Amount Moved \$000	2017/18 Appropriations in the 2018/19 Structure	2017/18 (Restated) \$000	2018/19 \$000
Non-Departmental Output Expenses				Non-Departmental Output Expense		
Administration of and Support for the Careers System	18,775	Transferred to Administration of and Support for the Tertiary Education and Careers Systems	(18,775)			
Administration of and Support for the Tertiary Sector	50,865	Transferred to Administration of and Support for the Tertiary Education and Careers Systems	(50,865)			
		Transferred from Administration of and Support for the Careers System	18,775	Administration of and Support for the Tertiary Education and Careers Systems	69,640	64,014
		Transferred from Administration of and Support for the Tertiary Sector	50,865			
Total Changes in Appropriations	69,640		-		69,640	64,014

Two non-departmental output expenses (Administration of and Support for the Careers System and Administration of and Support for the Tertiary Sector) have been combined into a single appropriation (Administration of and Support for the Tertiary Education and Careers Systems) for all services from the Tertiary Education Commission.

Explanations of the reasons for changing the appropriation structure are noted in the details of each appropriation in Parts 3-4.

1.5 - Relationship between Individual Appropriations and the Work Programmes

Long term outcomes and objectives	Contributing to one or two objectives	Contributing to all objectives
<p>The education system is relevant and reaches all children and students</p> <ul style="list-style-type: none"> • High quality regulatory, funding and institutional arrangements • High quality curriculum and qualifications frameworks • High quality infrastructure • Information and data enabling good decision-making 	<ul style="list-style-type: none"> • Support for Tai Poutini Polytechnic (M26) • Support for the University of Canterbury (M26) 	<ul style="list-style-type: none"> • Access to Tertiary Education (M26) • Administration of and Support for the Tertiary Education and Careers Systems (M26) • International Education Programmes (M26) • Tertiary Scholarships and Awards (M26) • Stewardship of the Tertiary Education System MCA (M26) • Tertiary Tuition and Training MCA (M26) • Support to Apprentices (M26)
<p>Every child and student achieves educational success</p> <ul style="list-style-type: none"> • Informed and supportive parents, whānau, iwi, communities and employers • Effective teaching and educational leadership • High participation and engagement • All learners achieving and progressing to their potential 		
<p>New Zealanders have skills and knowledge for work and life</p> <ul style="list-style-type: none"> • Skills match labour market needs • Socially and culturally confident and competent people • Internationally credible skills and institutions • High quality research and innovation 	<ul style="list-style-type: none"> • Centres of Research Excellence (M26) • Tertiary Education Research and Research-Based Teaching (M26) • Tertiary Sector / Industry Collaboration Projects (M26) • University-led Innovation (M26) • Awards for Outbound New Zealand Students (M26) • Scholarships for Inbound International Students (M26) 	

Part 3 - Details of Non-Departmental Appropriations

3.1 - Non-Departmental Output Expenses

Access to Tertiary Education (M26)

Scope of Appropriation

This appropriation is limited to improving access to tertiary education and training.

Expenses

	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	26,449	24,258	25,549

Components of the Appropriation

	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Equity Loading	17,149	15,948	17,149
Māori and Pasifika Trades Training Top Up	9,300	8,310	8,400
Total	26,449	24,258	25,549

What is Intended to be Achieved with this Appropriation

This appropriation is intended to improve access to tertiary education and training for Tertiary Education Strategy priority learners.

How Performance will be Assessed and End of Year Reporting Requirements

	2017/18		2018/19
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Māori and Pasifika Trades Training			
Percentage of learners per calendar year progressing from Māori and Pasifika Trades Training to trades-related employment via New Zealand Apprenticeships and managed apprenticeships, other industry training at Level 3 and above, or further study at New Zealand Qualifications Framework Level 4 and above (see Note 1).	Baseline year	39%	Improve on last year's result

Note 1 - 2017/18 Final Budget Standard and 2017/18 Estimated Actual refer to the 2017 calendar year. 2018/19 Budget Standard refers to the 2018 calendar year.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Tertiary Education Commission in its annual report.

Service Providers

Provider	2017/18 Final Budgeted \$000	2017/18 Estimated Actual \$000	2018/19 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Universities (8)	10,378	9,774	10,553	Plans up to three years
Wānanga (3)	5,173	1,856	2,067	Plans up to three years
Institutes of Technology and Polytechnics (16)	9,879	10,809	10,864	Plans up to three years
Non-Government Organisations				
Private Training Establishments	1,019	1,819	2,065	Plans up to three years
Total	26,449	24,258	25,549	

The table above shows the main service providers for this appropriation.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2017/18 Final Budgeted \$000	2018/19 Budget \$000	2019/20 Estimated \$000	2020/21 Estimated \$000	2021/22 Estimated \$000
Previous Government						
Māori and Pasifika Trades Training Contingency Funding Drawdown	2016/17	2,400	2,400	2,400	2,400	2,400

Reasons for Change in Appropriation

The \$900,000 decrease in this appropriation for 2018/19 is due to a transfer from 2016/17 to 2017/18 for the Māori and Pasifika Trades Training Fees Top-up Fund.

Conditions on Use of Appropriation

Reference	Conditions
Section 159L Education Act 1989	Funding is allocated by the Tertiary Education Commission in accordance with funding determinations issued by the Minister of Education.

Administration of and Support for the Tertiary Education and Careers Systems (M26)

Scope of Appropriation

This appropriation is limited to giving effect to the Tertiary Education Strategy by effectively investing in, monitoring, informing and influencing the tertiary education and careers systems, managing the Crown's ownership interest in tertiary education institutions, and providing advice and support to Ministers.

Expenses

	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	64,014

Comparators for Restructured Appropriation

Vote, Type and Title of Appropriation	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Vote Tertiary Education: Non-Departmental Output Expense: Administration of and Support for the Careers System	18,775	18,775	-
Vote Tertiary Education: Non-Departmental Output Expense: Administration of and Support for the Tertiary Sector	50,865	50,865	-
Total	69,640	69,640	64,014

What is Intended to be Achieved with this Appropriation

This appropriation is intended to ensure New Zealand has effective and well-managed tertiary education and careers systems.

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2017/18		2018/19
	Final Budgeted Standard	Estimated Actual	Budget Standard
Monitor and Evaluate			
Percentage of Tertiary Education Commission-funded tertiary education organisations who agree that they were kept informed throughout the monitoring process.	New measure	New measure	Baseline year
Information and Insight			
Percentage of users who agree that the content on the careers.govt.nz website is relevant to their needs.	80%	80%	80%
Percentage of education organisations surveyed who agree that the Tertiary Education Commission's information tools are accessible and useful.	New measure	New measure	Baseline year

Assessment of Performance	2017/18		2018/19
	Final Budgeted Standard	Estimated Actual	Budget Standard
Influence			
Percentage of education organisations accessing career development resources and services that agree this has helped improve their careers services.	80%	80%	80%
Percentage of employers who agree that a Tertiary Education Commission initiative has helped improve their organisation's / industry's connection with stakeholders in the careers system.	New measure	New measure	Baseline year
Invest			
Percentage of Tertiary Education Commission-funded tertiary education organisations who agree that the guidance and engagement received was useful to inform their investment plan process.	New measure	New measure	Baseline year
Percentage of payments the Tertiary Education Commission makes to tertiary education organisations that are accurate and timely.	100%	100%	100%
Supporting Government Stakeholders and Ministers			
The overall satisfaction rating given by the Minister of Education on the Tertiary Education Commission (as per the Common Satisfaction Survey) (see Note 1).	Maintain or increase	Maintain or increase	Maintain or increase

Note 1 - The Common Satisfaction Survey rating measures Ministers' satisfaction with the quality, timeliness and value for money of advice on a scale from 1 to 10, where 1 means unsatisfied and 10 means extremely satisfied. The 2016/17 result was 7.5 out of 10.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Tertiary Education Commission in its annual report.

Service Providers

Provider	2017/18 Final Budgeted \$000	2017/18 Estimated Actual \$000	2018/19 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Tertiary Education Commission	69,531	69,531	63,905	Ongoing
Non-Government Organisations				
Māori Education Trust	109	109	109	Ongoing
Total	69,640	69,640	64,014	

The table above shows the main service providers for this appropriation.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2017/18 Final Budgeted \$000	2018/19 Budget \$000	2019/20 Estimated \$000	2020/21 Estimated \$000	2021/22 Estimated \$000
Current Government						
Financial Impacts of the 100 Days Tertiary Education Package	2017/18	3,702	4,087	3,720	3,720	3,720
Previous Government						
Funding to Support the Changes to the Careers System	2017/18	18,775	14,049	13,500	13,500	13,500
International Connections for New Zealanders	2016/17	-	125	-	125	-
Engineering Education to Employment	2016/17	400	400	400	-	-
Share of Costs for Budget 2015 Whole-of-Government Initiatives	2015/16	(75)	(54)	(54)	(54)	(54)
Expanding the Youth Literacy and Numeracy Assessment Tool	2014/15	330	330	330	330	330
Supporting Better Public Services and the Business Growth Agenda within Vote Tertiary Education	2013/14	411	-	-	-	-

Reasons for Change in Appropriation

This is a new appropriation in 2018/19 of \$64.014 million that has been created by combining the non-departmental output expense appropriations Administration of and Support for the Careers System and Administration of and Support for the Tertiary Sector. The reorganisation of appropriations for 2018/19 is also set out in Part 1.4 - Reconciliation of Changes in Appropriation Structure.

The \$5.626 million decrease in this appropriation for 2018/19 compared to the equivalent appropriation in 2017/18 is mainly due to a combination of:

- one-off provision in 2017/18 for the integration of Careers New Zealand functions into the Tertiary Education Commission (\$4 million decrease)
- provision for quality evaluation of the Performance-Based Research Fund in 2017/18 (\$1 million decrease)
- funds transferred from Vote Education to support the changes to the careers system being higher in 2017/18 than in 2018/19 (\$726,000 decrease)
- reduced funding for supporting Better Public Services and the Business Growth Agenda within Vote Tertiary Education (\$411,000 decrease), and
- partly offset by several small increases including provision for first-year fees-free tertiary education and training (\$385,000 increase) and managing International Connections for New Zealanders (\$125,000 increase).

Centres of Research Excellence (M26)

Scope of Appropriation

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

Expenses

	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	49,800	49,800	49,800

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the delivery of high quality research by purchasing cooperative and collaborative research in areas of research strength in the tertiary education sector, with a focus on Tertiary Education Strategy priorities.

How Performance will be Assessed and End of Year Reporting Requirements

	2017/18		2018/19
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Centres of Research Excellence annual reports are reviewed and appropriate action is taken (see Notes 1 and 2).	Achieved	Achieved	Achieved

Note 1 - 2017/18 Final Budget Standard and 2017/18 Estimated Actual refer to the 2017 calendar year. 2018/19 Budget Standard refers to the 2018 calendar year.

Note 2 - Plans are reviewed against milestones and key performance indicators set in research plans. Reviews look at progress on delivery towards policy objectives and long-term outcomes.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Tertiary Education Commission in its annual report.

Service Providers

Provider	2017/18 Final Budgeted \$000	2017/18 Estimated Actual \$000	2018/19 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Tertiary Education Institution hosts of Centres of Research Excellence (varies between 7-11 during the period)	49,800	49,800	49,800	1 January 2021
Total	49,800	49,800	49,800	

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2017/18 Final Budgeted \$000	2018/19 Budget \$000	2019/20 Estimated \$000	2020/21 Estimated \$000	2021/22 Estimated \$000
Previous Government						
Improving the Performance of the Centres of Research Excellence Fund	2014/15	3,169	3,169	3,169	3,169	3,169
Establish Additional Centres of Research Excellence	2014/15	14,941	14,941	14,941	14,941	14,941

International Education Programmes (M26)*Scope of Appropriation*

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

Expenses

	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	30,689	30,689	30,897

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve enhanced social, cultural and economic benefits to New Zealand through New Zealand international education activities.

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2017/18		2018/19
	Final Budgeted Standard	Estimated Actual	Budget Standard
The economic value from New Zealand's international education sector (see Note 1).	Increase to \$4,500 million	\$4,500 million	\$4,600 million
Percentage of users that agree Education New Zealand's services and support have added value (see Note 2).	More than 2016/17 result	At least 75%	At least 75%
The proportion of students who were satisfied or very satisfied with their overall experience (see Note 3).	Revised measure	Revised measure	At least 85%
The number of international students enrolled to study outside Auckland (see Note 4).	New measure	48,000	Increase compared to 2017

Note 1 - The 2025 target is \$5,000 million (Leadership Statement for International Education, Goal 1).

Note 2 - The 2016/17 result was 75%.

Note 3 - This measure applies to any sectors surveyed in 2018/19 as not all sectors are surveyed every year. Recent sector results are published in Education New Zealand's Annual Report.

Note 4 - 2017/18 Estimated Actual refers to the 2017 calendar year.

End of Year Performance Reporting

Performance information for this appropriation will be reported by Education New Zealand in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2017/18 Final Budgeted \$000	2018/19 Budget \$000	2019/20 Estimated \$000	2020/21 Estimated \$000	2021/22 Estimated \$000
Current Government						
Reprioritisation - Education New Zealand Contribution to the Kea Network, New Zealand Story and Chair of Malay Studies	2018/19	-	(175)	(275)	(275)	(275)
Previous Government						
Strengthening the Foundations for Sustainable Growth of International Education	2017/18	1,700	1,700	1,700	1,700	1,700

Reasons for Change in Appropriation

The \$208,000 increase in this appropriation for 2018/19 is due to Education New Zealand reducing funding contributions, relative to 2017/18, to the Kea Network and the New Zealand Story and ceasing contributions to the Chair of Malay Studies.

Tertiary Education Research and Research-Based Teaching (M26)

Scope of Appropriation

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

Expenses

	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	316,500	316,500	316,500

Components of the Appropriation

	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Performance-Based Research Fund			
• Quality Evaluation	173,250	173,250	173,250
• Research Degree Completions	78,750	78,750	78,750
• External Research Income	63,000	63,000	63,000
Wānanga Research Capability Fund	1,500	1,500	1,500
Total	316,500	316,500	316,500

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve an increase in, or maintain the quality of, research and research-based teaching and learning and to improve investment in research within the tertiary sector.

How Performance will be Assessed and End of Year Reporting Requirements

	2017/18		2018/19
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Research degree completions (measured by Performance-Based Research Fund (PBRF)-eligible research degree completions) (see Note 1).	3,900 ± 5%	3,900 ± 5%	Previous year actual ± 5%
Percentage increase in amount of external research income for PBRF-eligible providers (see Note 1).	2% - 4%	2% - 4%	2%

Note 1 - 2017/18 Final Budget Standard and 2017/18 Estimated Actual refer to the 2017 calendar year. 2018/19 Budget Standard refers to the 2018 calendar year.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Tertiary Education Commission in its annual report.

Service Providers

Provider	2017/18 Final Budgeted \$000	2017/18 Estimated Actual \$000	2018/19 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Universities (8)	306,788	307,032	306,938	Investment plans up to three years
Wānanga (3)	2,040	2,050	2,048	Investment plans up to three years
Institutes of Technology and Polytechnics (16)	7,146	6,889	7,009	Investment plans up to three years
Non-Government Organisations				
Private Training Establishments	526	529	505	Investment plans up to three years
Total	316,500	316,500	316,500	

The table above shows the main service providers for this appropriation.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2017/18 Final Budgeted \$000	2018/19 Budget \$000	2019/20 Estimated \$000	2020/21 Estimated \$000	2021/22 Estimated \$000
Previous Government						
Increasing the Performance-Based Research Fund	2017/18	15,000	15,000	15,000	15,000	15,000

Conditions on Use of Appropriation

Reference	Conditions
Cabinet decision	<p>Funding in this appropriation is provided as part of the bulk grant to tertiary education organisations to recognise research performance. All degree-awarding tertiary education organisations are eligible for funding.</p> <p>The Performance-Based Research Fund is allocated on the basis of three measures:</p> <ul style="list-style-type: none"> • Quality Evaluation - a periodic peer assessment of the research contribution of individual teaching and research staff (this will comprise 55% of funding in 2018 and 2019) • Research Degree Completions - a measure of the number of research-based postgraduate degree completions (this will comprise 25% of funding in 2018 and 2019) • External Research Income - a measure of income received for the purposes of conducting research (this will comprise 20% of funding in 2018 and 2019).

Tertiary Sector / Industry Collaboration Projects (M26)

Scope of Appropriation

This appropriation is limited to funding activities that improve the relevance to industry of tertiary education provision.

Expenses

	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	27,778	24,625	25,601

Components of the Appropriation

	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Centres of Asia-Pacific Excellence	9,875	9,875	10,000
Māori and Pasifika Trades Training	6,163	4,925	5,009
National Centre for Tertiary Teaching Excellence	3,556	3,556	3,556
Quality Teaching Agenda	3,393	1,593	2,520
Information and Communications Technology Graduate Schools (Development and Delivery)	2,537	2,422	2,005
Engineering Graduates	1,129	1,129	1,449
Other Funding	1,125	1,125	1,062
Total	27,778	24,625	25,601

What is Intended to be Achieved with this Appropriation

This appropriation is intended to support the development of knowledge and skills that are required by learners and employers, with a focus on Tertiary Education Strategy priorities.

How Performance will be Assessed and End of Year Reporting Requirements

	2017/18		2018/19
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Number of domestic equivalent full-time students in Information and Communications Technology graduate schools per calendar year (see Note 1).	300 ± 5%	223	300 ± 5%
Centres of Asia Pacific Excellence annual reports are reviewed and appropriate action is taken (see Notes 1 and 2).	New measure	New measure	Achieved

Note 1 - 2017/18 Final Budget Standard and 2017/18 Estimated Actual refer to the 2017 calendar year. 2018/19 Budget Standard refers to the 2018 calendar year.

Note 2 - Plans are reviewed against milestones and key performance indicators set in research plans. Review looks at progress on delivery towards policy objectives and long-term outcomes.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Tertiary Education Commission in its annual report.

Service Providers

Provider	2017/18 Final Budgeted \$000	2017/18 Estimated Actual \$000	2018/19 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Universities (8)	17,497	17,006	18,029	Range from three to six years
Wānanga (3)	305	316	305	Range from three to six years
Institutes of Technology and Polytechnics (16)	5,237	4,593	5,070	Plans up to three years
Non-Government Organisations				
Industry Training Organisations	770	552	334	Plans up to three years
Private Training Establishments	3,969	2,158	1,863	Plans up to three years
Total	27,778	24,625	25,601	

The table above shows the main service providers for this appropriation.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2017/18 Final Budgeted \$000	2018/19 Budget \$000	2019/20 Estimated \$000	2020/21 Estimated \$000	2021/22 Estimated \$000
Current Government						
Addressing Teacher Supply	2017/18	(1,500)	-	-	-	-
Previous Government						
International Connections for New Zealanders	2016/17	9,875	10,000	9,875	10,000	10,000
Enabling Further Growth of Māori and Pasifika Trades Training	2015/16	810	810	810	810	810
Investing to increase the number of engineering graduates	2015/16	1,129	1,449	500	-	-
Information and Communications Technology Graduate Schools	2015/16	2,537	2,005	1,771	1,771	1,771

Reasons for Change in Appropriation

The \$2.177 million decrease in this appropriation for 2018/19 is mainly due to:

- a transfer from the Māori and Pasifika Trades Training (MPTT) Tools Subsidy fund to the MPTT Consortium fund under benefit or related expense: Support to Apprentices in 2017/18 (\$1.154 million), and
- provision for establishment of exemplary postgraduate initial teacher education programmes in 2017/18 (\$873,000).

Conditions on Use of Appropriation

Reference	Conditions
Section 159L Education Act 1989	Funding is allocated by the Tertiary Education Commission in accordance with funding determinations issued by the Minister of Education.

University-led Innovation (M26)*Scope of Appropriation*

This appropriation is limited to supporting universities to attract entrepreneurial academics to drive collaboration between universities and established and emerging businesses.

Expenses

	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	10,833	1,292	10,833

What is Intended to be Achieved with this Appropriation

This appropriation is intended to help New Zealand universities to recruit world-leading entrepreneurial academics, with a track record of working with industry to turn research into commercial innovation, with a focus on Tertiary Education Strategy priorities.

How Performance will be Assessed and End of Year Reporting Requirements

	2017/18		2018/19
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Entrepreneurial Universities' annual reports are reviewed and appropriate action is taken (see Notes 1 to 3).	Revised measure (Baseline year)	Achieved	Achieved

Note 1 - Entrepreneurial Universities are universities receiving funding through the Entrepreneurial Universities initiative.

Note 2 - 2017/18 Final Budget Standard and 2017/18 Estimated Actual refer to the 2017 calendar year. 2018/19 Budget Standard refers to the 2018 calendar year.

Note 3 - Plans are reviewed against milestones and key performance indicators set in their Programme Maps and Annual Approach to Activity. Reviews look at progress on delivery towards policy objectives and long-term outcomes.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Tertiary Education Commission in its annual report.

Service Providers

Provider	2017/18 Final Budgeted \$000	2017/18 Estimated Actual \$000	2018/19 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Universities (8)	10,833	1,292	10,833	Plans up to five years
Total	10,833	1,292	10,833	

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2017/18 Final Budgeted \$000	2018/19 Budget \$000	2019/20 Estimated \$000	2020/21 Estimated \$000	2021/22 Estimated \$000
Previous Government						
Building Entrepreneurial Universities	2016/17	10,833	10,833	10,834	10,000	10,000

3.2 - Non-Departmental Benefits or Related Expenses**Awards for Outbound New Zealand Students (M26)***Scope of Appropriation*

This appropriation is limited to awards granted to provide assistance to scholars, researchers and teachers to undertake placements abroad and to participate in reciprocal education exchange arrangements with partner countries in selected areas of priority study, teaching and research.

Expenses

	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	5,040	5,040	5,040

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve access to wider international educational opportunities for skilled New Zealanders to enhance their existing skills.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under section 15D(2)(b)(ii) of the Public Finance Act 1989, as additional performance information is unlikely to be informative because this appropriation is solely for payments of Study Abroad Awards and the Prime Minister's Scholarships for Asia fund and for other regions under the Education Act 1989.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2017/18 Final Budgeted \$000	2018/19 Budget \$000	2019/20 Estimated \$000	2020/21 Estimated \$000	2021/22 Estimated \$000
Current Government						
Reprioritisation - Prime Minister's Scholarships for Asia	2018/19	-	(500)	(500)	(500)	(500)
Previous Government						
International Connections for New Zealanders	2016/17	2,000	2,500	2,500	2,500	2,500

Scholarships for Inbound International Students (M26)*Scope of Appropriation*

This appropriation is limited to scholarships available to international students wishing to study in New Zealand.

Expenses

	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	800	800	800

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve an increase in New Zealand's economic value from international students studying in New Zealand.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under section 15D(2)(b)(ii) of the Public Finance Act 1989, as additional performance information is unlikely to be informative because this appropriation is solely for payments of the New Zealand International Student Doctoral Research Scholarship under the Education Act 1989.

Support to Apprentices (M26)*Scope of Appropriation*

This appropriation is limited to payments to New Zealand Apprentices and other participants in workplace-based training, including Māori and Pasifika Trades Trainees, towards their tools and other training related costs.

Expenses

	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,036	1,036	2,190

What is Intended to be Achieved with this Appropriation

This appropriation is intended to assist people establishing a career in industry by providing financial assistance.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under section 15D(2)(b)(ii) of the Public Finance Act 1989, as additional performance information is unlikely to be informative because this appropriation is solely for payments to Māori and Pasifika Trades Trainees towards the cost of tools and other training-related costs under the Education Act 1989.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2017/18 Final Budgeted \$000	2018/19 Budget \$000	2019/20 Estimated \$000	2020/21 Estimated \$000	2021/22 Estimated \$000
Previous Government						
Enabling Further Growth of Māori and Pasifika Trades Training	2015/16	(810)	(810)	(810)	(810)	(810)

Reasons for Change in Appropriation

The \$1.154 million increase in the appropriation for 2018/19 is due to the transfer of funding in 2017/18 from the Māori and Pasifika Trades Training (MPTT) Tools Subsidy fund to the MPTT Consortium fund, under non-departmental output expense: Tertiary Sector / Industry Collaboration Projects, to meet increased project coordination costs.

Tertiary Scholarships and Awards (M26)*Scope of Appropriation*

This appropriation is limited to providing scholarships for tertiary students and other awards in the tertiary sector, and the provision of scholarships and bursaries to Māori and Pasifika students. It includes training assistance under Queen Elizabeth II Study Awards and recognition of outstanding tertiary education teachers.

Expenses

	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	14,732	14,732	15,568

What is Intended to be Achieved with this Appropriation

This appropriation is intended to provide a stipend for domestic sixth-year medical trainee interns and other scholarships.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under section 15D(2)(b)(ii) of the Public Finance Act 1989, as additional performance information is unlikely to be informative because this appropriation is solely for payments of Tertiary Scholarships and Awards under the Education Act 1989.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2017/18 Final Budgeted \$000	2018/19 Budget \$000	2019/20 Estimated \$000	2020/21 Estimated \$000	2021/22 Estimated \$000
Previous Government						
Trainee Medical Intern Grants	2018/19	-	433	866	866	866
Trainee Medical Intern Grants	2017/18	255	509	509	509	509
Delivering Support to Graduate-Entry Students Affected by seven EFTS Limit to Complete Long Undergraduate Programmes	2015/16	40	144	1	-	-
Trainee Medical Intern Grants	2015/16	1,669	1,714	1,741	1,741	1,741
Additional Medical Student Places	2015/16	947	947	947	947	947

Reasons for Change in Appropriation

The \$836,000 increase in the appropriation for 2018/19 is mainly due to the additional medical student places provided for in Budget 2014 (\$433,000) and Budget 2013 (\$254,000).

3.5 - Non-Departmental Capital Expenditure

Support for Tai Poutini Polytechnic (M26)

Scope of Appropriation

This appropriation is limited to a capital injection into Tai Poutini Polytechnic to support its cash flow.

Capital Expenditure

	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	6,450	6,450	2,050

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the continued operation of Tai Poutini Polytechnic.

How Performance will be Assessed and End of Year Reporting Requirements

	2017/18		2018/19
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Tai Poutini Polytechnic submits milestone reports as described in its funding agreement that show it is meeting the targets from its funding agreement.	Achieved	Achieved	Achieved

End of Year Performance Reporting

Performance information for this appropriation will be reported by Tai Poutini Polytechnic in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2017/18 Final Budgeted \$000	2018/19 Budget \$000	2019/20 Estimated \$000	2020/21 Estimated \$000	2021/22 Estimated \$000
Current Government						
Tai Poutini Polytechnic Capital Injection	2017/18	6,450	2,050	-	-	-

Reasons for Change in Appropriation

Capital injection of \$8.500 million over two years (2017/18 and 2018/19) to keep Tai Poutini Polytechnic operating while work continues on the sustainability of polytechnic and the Crown Manager continues to make operational and educational improvements. This funding is in addition to the \$3.600 million capital injection provided in 2016/17 to maintain provision on the West Coast while future options for Tai Poutini Polytechnic are considered.

The \$4.400 million decrease in this appropriation for 2018/19 is due to the different cash flow requirements between years that the additional funding was allocated for.

Support for the University of Canterbury (M26)

Scope of Appropriation

This appropriation is limited to the rebuild of the Science and Engineering Facilities at the University of Canterbury.

Capital Expenditure

	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	50,000

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve effective investment in rebuilding the University of Canterbury's Science and Engineering Facilities.

How Performance will be Assessed and End of Year Reporting Requirements

	2017/18		2018/19
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Achieving business case milestones in building science and engineering facilities.	New measure	New measure	Achieved

End of Year Performance Reporting

Performance information for this appropriation will be reported by the University of Canterbury in its annual report.

Reasons for Change in Appropriation

The \$50 million appropriation for 2018/19 is the last instalment of the Crown's contribution to the rebuilding of the University of Canterbury's Science and Engineering facilities following the 2010 and 2011 earthquakes.

Part 4 - Details of Multi-Category Expenses and Capital Expenditure

Multi-Category Expenses and Capital Expenditure

Stewardship of the Tertiary Education System (M26)

Overarching Purpose Statement

The single overarching purpose of this appropriation is to provide services that contribute towards a well-functioning tertiary education system.

Scope of Appropriation

Departmental Output Expenses

Policy Advice

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

Research, Data Analysis and Monitoring

This category is limited to the production and dissemination of research and data analysis, monitoring and reporting on tertiary education at a system-wide level, and the provision of services (other than policy advice) to support the work of other agencies and Ministers in discharging their responsibilities for tertiary education and international education related matters.

Expenses, Revenue and Capital Expenditure

	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	12,377	12,377	15,727
Departmental Output Expenses			
Policy Advice	4,856	4,856	7,171
Research, Data Analysis and Monitoring	7,521	7,521	8,556
Funding for Departmental Output Expenses			
Revenue from the Crown	11,627	11,627	14,977
Policy Advice	4,856	4,856	7,171
Research, Data Analysis and Monitoring	6,771	6,771	7,806
Revenue from Others	750	750	750
Research, Data Analysis and Monitoring	750	750	750

What is Intended to be Achieved with this Appropriation

This appropriation is intended to provide advice to Ministers to support decision-making, managing the Government's investment in the tertiary education sector, and monitoring and oversight of the sector.

How Performance will be Assessed for this Appropriation

Assessment of Performance	2017/18		2018/19
	Final Budgeted Standard	Estimated Actual	Budget Standard
The satisfaction rating given by the Minister of Education with the overall performance of the Ministry (see Note 1).	7	7	7

Note 1 - The rating measures Ministers' satisfaction on a scale of 1 to 10, where 1 means unsatisfactory and 10 means extremely satisfied.

What is Intended to be Achieved with each Category and How Performance will be Assessed

Assessment of Performance	2017/18		2018/19
	Final Budgeted Standard	Estimated Actual	Budget Standard
Departmental Output Expenses			
Policy Advice			
This category is intended to achieve the provision of quality advice to the Minister to ensure that tertiary education policy and programmes support the performance of the tertiary education system.			
Independent assessment of the quality of the Ministry's policy advice (see Note 1).	75%	75%	75%
The satisfaction rating given by Ministers for the quality and timeliness of policy advice (as per the Common Satisfaction Survey) (see Note 2).	7	7	7
The total cost per hour per person of producing policy outputs (see Note 3).	Up to \$155	Up to \$155	Up to \$155
Research, Data Analysis and Monitoring			
This category is intended to contribute to a shared strategic direction and alignment across the tertiary education system.			
Forecasts of student loans and student allowances are accurate within an agreed average of actual values.	Accurate within $\pm 3\%$ of actual values	Accurate within $\pm 3\%$ of actual values	Accurate within $\pm 3\%$ of actual values
The satisfaction rating given by the Minister of Education on the quality of monitoring advice provided by the Ministry about Crown agencies (see Note 4).	7	7	7
The quality and range of the Ministry's analytical outputs is assessed through an independent expert review (see Note 5).	Quality is assessed as 'Good' or better	Quality is assessed as 'Good' or better	Quality is assessed as 'Good' or better
The satisfaction rating given by Ministers for the quality and timeliness of support for ministerial delegations and visits (see Note 4).	7	7	7
The percentage of Ministerial correspondence replies, Parliamentary question replies and Ministerial Official Information Act replies completed within the timeframes agreed between the Ministry and the Office of the Minister.	95%	95%	95%
The percentage of Ministerial correspondence replies, Parliamentary question replies and Ministerial Official Information Act replies provided that are factually accurate, meet any legislative requirements, and contain no avoidable errors, as measured by acceptance rates by the Office of the Minister.	95%	95%	95%

Note 1 - The independent assessment of the Ministry's policy advice will have a technical robustness score, using the measurement of robustness provided by the Treasury.

Note 2 - The Common Satisfaction Survey rating measures Ministers' satisfaction with the quality, timeliness and value for money of policy advice on a scale from 1 to 10, where 1 means unsatisfied and 10 means extremely satisfied.

Note 3 - This measure provides the total cost of an hour of professional staff time devoted to both policy advice and other policy outputs. Total cost includes the cost of labour, overheads, support staff, direct costs and outsourced work to support production.

Note 4 - The rating measures Ministers' satisfaction on a scale from 1 to 10, where 1 means unsatisfied and 10 means extremely satisfied.

Note 5 - Based on a five-point rating scale: 1 = 'Very poor'; 2 = 'Poor'; 3 = 'Acceptable'; 4 = 'Good'; 5 = 'Very good'.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Education in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2017/18 Final Budgeted \$000	2018/19 Budget \$000	2019/20 Estimated \$000	2020/21 Estimated \$000	2021/22 Estimated \$000
Current Government						
Education Portfolio Work Programme	2018/19	-	350	-	-	-
Financial Impacts of the 100 Days Tertiary Education Package	2018/19	-	3,000	3,000	2,000	2,000
Previous Government						
Share of Costs for Budget 2015 Whole-of-Government Initiatives	2015/16	(5)	(5)	(4)	(4)	(4)

Reasons for Change in Appropriation

The \$3.350 million increase in this appropriation for 2018/19 is mainly due to provision for the Ministry of Education to support the implementation of the Government's first-year fees-free policy from 1 January 2018 (\$3 million).

Tertiary Tuition and Training (M26)

Overarching Purpose Statement

The overarching purpose of this appropriation is to fund tertiary tuition and training that leads to improvements in New Zealanders' skill levels.

Scope of Appropriation

Non-Departmental Output Expenses

Community Education

This category is limited to funding for adult and community education and literacy, numeracy and English language provision.

Tertiary Education: Student Achievement Component

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

Training for Designated Groups

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

Non-Departmental Other Expenses

Fees-free Payments

This category is limited to ensuring fees-free study for eligible students, apprentices and trainees.

Expenses, Revenue and Capital Expenditure

	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,736,094	2,671,130	2,829,593
Non-Departmental Output Expenses			
Community Education	73,476	70,666	73,258
Tertiary Education: Student Achievement Component	2,054,192	2,045,338	2,086,474
Training for Designated Groups	298,526	293,190	315,161
Non-Departmental Other Expenses			
Fees-free Payments	309,900	261,936	354,700

Components of the Appropriation

	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Community Education			
Adult and Community Education	21,877	20,675	22,890
Literacy and Numeracy Provision	36,198	35,116	34,048
English for Speakers of Other Languages	13,446	13,197	14,015
Migrant Levy	426	426	426
Emergency Management Pool	1,529	1,252	1,879
Tertiary Education: Student Achievement Component			
Provision at Levels 1 and 2	80,680	73,925	93,386
Provision at Levels 3 and above			
• Universities (see Note 1)	1,187,511	1,228,508	1,199,329
• Institutes of Technology and Polytechnics	470,831	448,699	477,261
• Wānanga	131,775	125,307	126,874
• Private Training Establishments	176,100	162,625	182,329
Information and Communications Technology Graduate Programmes	5,031	4,053	5,031
Grants under section 321 of the Education Act	2,264	2,221	2,264
Training for Designated Groups			
Industry Training Fund	181,251	179,622	185,551
Youth Guarantee	98,562	95,132	110,597
Gateway	18,713	18,436	19,013
Fees-free Payments	309,900	261,936	354,700
Total	2,736,094	2,671,130	2,829,593

Note 1 - The cost of funding International Doctor of Philosophy (PhD) students is estimated to be \$52 million in 2017/18 and \$56 million in 2018/19.

What is Intended to be Achieved with this Appropriation

The overarching intention is to contribute to improved lifetime outcomes of New Zealanders through the provision of skills from tertiary education, training, foundation learning programmes and community education, with a focus on Tertiary Education Strategy priorities.

How Performance will be Assessed for this Appropriation

Assessment of Performance	2017/18		2018/19
	Final Budgeted Standard	Estimated Actual	Budget Standard
Proportion of 25 to 34-year-olds with advanced trade qualifications, diplomas and degrees (at Level 4 or above) (see Note 1).	60% for the year ending December 2018	57.7% for the year ending December 2017	60% for the year ending December 2018

Note 1 - 2017/18 Final Budget Standard and 2017/18 Estimated Actual refer to the 2017 calendar year. 2018/19 Budget Standard refers to the 2018 calendar year.

What is Intended to be Achieved with each Category and How Performance will be Assessed

Assessment of Performance	2017/18		2018/19
	Final Budgeted Standard	Estimated Actual	Budget Standard
Non-Departmental Output Expenses			
Community Education			
This category is intended to achieve improvement in literacy and numeracy skills for learners who have low skills in these areas by funding foundational learning programmes.			
Percentage of learners accessing the desired range (hours) of provision (see Notes 1 and 2):			
<ul style="list-style-type: none"> Intensive literacy and numeracy 	New measure	New measure	Baseline year
<ul style="list-style-type: none"> Workplace Literacy and Numeracy (tertiary education organisation - led) 	New measure	New measure	Baseline year
<ul style="list-style-type: none"> English for Speakers of Other Languages. 	New measure	New measure	Baseline year
Tertiary Education: Student Achievement Component			
This category is intended to achieve learners' attainment of recognised tertiary qualifications by funding education and training opportunities.			
Qualification Completion (cohort based) (see Notes 1, 3, 4, 5 and 6) - Percentage of Student Achievement Component-funded students completing qualifications:			
Level 4 to 7 non-degree			
<ul style="list-style-type: none"> All learners 	New measure	56%	Improve on previous year's result
<ul style="list-style-type: none"> Māori (relative to combined non-Māori and non-Pasifika results) 	New measure	55%	Improve on previous year's result
<ul style="list-style-type: none"> Pasifika (relative to combined non-Māori and non-Pasifika results). 	New measure	56%	Improve on previous year's result
Level 7 degree and above			
<ul style="list-style-type: none"> All learners 	New measure	61%	Improve on previous year's result
<ul style="list-style-type: none"> Māori (relative to combined non-Māori and non-Pasifika results) 	New measure	51%	Improve on previous year's result
<ul style="list-style-type: none"> Pasifika (relative to combined non-Māori and non-Pasifika results). 	New measure	48%	Improve on previous year's result

Assessment of Performance	2017/18		2018/19
	Final Budgeted Standard	Estimated Actual	Budget Standard
Training for Designated Groups			
This category is intended to achieve an increase in the number of young people and employees with qualifications valued by employers through investing in training.			
Industry Training (cohort based) (see Notes 1, 3, 7 and 8) - Percentage completing programmes:			
<ul style="list-style-type: none"> All learners 	New measure	69%	Improve on previous year's result
<ul style="list-style-type: none"> Industry trainees 	New measure	69%	Improve on previous year's result
<ul style="list-style-type: none"> Apprentices 	New measure	59%	Improve on previous year's result
<ul style="list-style-type: none"> Māori (relative to combined non-Māori and non-Pasifika results) 	New measure	66%	Improve on previous year's result
<ul style="list-style-type: none"> Pasifika (relative to combined non-Māori and non-Pasifika results). 	New measure	74%	Improve on previous year's result
Youth Guarantee - Percentage of Youth Guarantee learners completing qualifications at Level 2 or 3 (see Note 1).	New measure	New measure	Baseline year
Gateway - Total participants and number of schools (see Note 1).	13,200 ± 5% in up to 375 schools	13,548 in up to 378 schools	13,100 ± 5% in up to 378 schools
Non-Departmental Other Expenses			
Fees-free Payments			
This category is intended to contribute to removing barriers to participation by making tertiary education more affordable.			
Percentage increase in first-time (see Notes 3 and 9) domestic learners (including industry training) at Level 3 and above (see Note 1):			
<ul style="list-style-type: none"> All learners 	New measure	New measure	Baseline year
<ul style="list-style-type: none"> Māori (relative to combined non-Māori and non-Pasifika results) 	New measure	New measure	Baseline year
<ul style="list-style-type: none"> Pasifika (relative to combined non-Māori and non-Pasifika results). 	New measure	New measure	Baseline year

Note 1 - 2017/18 Final Budget Standard and 2017/18 Estimated Actual refer to the 2017 calendar year. 2018/19 Budget Standard refers to the 2018 calendar year.

Note 2 - Desired range of hours relates to the optimal hours of learning needed to make an impact on an individual's learning.

Note 3 - These are new measures for 2018/19 and will be reviewed as part of the Tertiary Education Commission's continuous improvement of measures programme.

Note 4 - The Tertiary Education Commission anticipates 2017 qualification completion results will be similar to 2016 results and have therefore reported the 2017 Estimated Actuals to be the same as 2016 actual results.

Note 5 - 2017 estimated percentage of combined non-Māori and non-Pasifika Student Achievement Component-funded students completing qualifications is:

- Level 4 to 7 non-degree 57%
- Level 7 degree and above 64%.

Note 6 - This uses a new cohort based methodology for qualification completions. Unlike the Equivalent Full Time Student-weighted qualification completion rate, the new methodologies provide a more meaningful reflection of a tertiary education organisation's performance. Cohort based measures track individual enrolments in qualifications and are not susceptible to rate changes due to external factors such as fluctuations in enrolment patterns throughout the year.

Note 7 - This uses a new cohort based methodology for industry training programme completion. The new methodology for the programme completion rate provides a more meaningful reflection of an industry training organisation's performance. Unlike the nominal credit-weighted programme completion rate, the cohort based measure tracks individual enrolments in programmes. It is not susceptible to external factors such as fluctuations in enrolment patterns throughout the year.

Note 8 - 2017 estimated percentage of combined non-Māori and non-Pasifika completing industry training programmes is 69%.

Note 9 - First time learners as defined by current learner eligibility criteria for fees-free - see www.feesfree.govt.nz/faqs/.

Service Providers for the Multi-Category Appropriation

Provider	2017/18 Final Budgeted \$000	2017/18 Estimated Actual \$000	2018/19 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Universities (8)	1,375,738	1,377,034	1,427,515	Plans up to three years
Wānanga (3)	188,469	178,358	183,159	Plans up to three years
Institutes of Technology and Polytechnics (16)	609,461	575,751	624,502	Plans up to three years
Schools	22,635	22,394	23,104	Plans up to three years
Government Training Establishment	1,581	290	144	Plans up to three years
Non-Government Organisations				
Private Training Establishments	347,408	324,076	373,140	Plans up to three years
Rural Education Activities Programmes (13)	2,492	2,442	2,545	Plans up to three years
Employers	9,017	10,680	7,240	Plans up to three years
Community Education Providers	1,640	1,472	1,920	Plans up to three years
Industry Training Organisations	177,653	178,633	186,324	Plans up to three years
Total	2,736,094	2,671,130	2,829,593	

The table above shows the main service providers for this appropriation.

End of Year Performance Reporting

Performance information for this appropriation from the Tertiary Education Commission will be included in a report appended to the Ministry of Education's annual report. It will also be reported by the Tertiary Education Commission in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2017/18 Final Budgeted \$000	2018/19 Budget \$000	2019/20 Estimated \$000	2020/21 Estimated \$000	2021/22 Estimated \$000
Current Government						
Reprioritisation - Tertiary Tuition and Training Multi-Category Appropriation	2018/19	-	(12,350)	(24,700)	(24,700)	(24,700)
Financial Impacts of the 100 Days Tertiary Education Package	2017/18	309,900	354,700	404,700	447,100	471,700
Reprioritisation - 2017/18 Underspends and Recoveries in Tertiary Tuition and Training MCA	2017/18	(47,500)	-	-	-	-
Pasifika Education Centre: Funding Transfer	2017/18	(563)	-	-	-	-
Community Organisation Refugee Sponsorship Category	2017/18	53	53	53	-	-
Previous Government						
The Next Three-Year (2016/17-2018/19) Refugee Quota Programme	2018/19	-	525	1,050	1,575	1,575
Funding for Employment-based Initial Teacher Education	2017/18	(719)	(1,913)	(1,896)	(703)	-
Tuition Subsidy Increase	2017/18	9,905	19,810	19,810	19,810	19,810
Expanding the Youth Literacy and Numeracy Assessment Tool	2017/18	(330)	(330)	(330)	(330)	(330)
Workplace Literacy and Numeracy	2016/17	3,500	-	-	-	-
New Funding for Targeted Tuition Subsidy Increases	2016/17	5,000	5,000	5,000	5,000	5,000
More New Zealand Apprentices	2016/17	2,700	4,500	6,300	7,200	7,200
Utilise Headroom Arising from Reduced Demand for Tertiary Education	2016/17	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
Response to Syrian Refugee Crisis: Implementation	2015/16	1,513	757	379	131	-
Funding for Additional Trades Academy Places	2015/16	(4,610)	(4,610)	(4,610)	(4,610)	(4,610)
Targeted Tuition Increases for Science, Agriculture and some Health Sciences	2015/16	24,500	24,500	24,500	24,500	24,500
Investing to Increase the Number of Engineering Graduates	2015/16	1,300	2,925	3,900	3,900	3,900
Re-Allocation of Youth Guarantee Fees- Free Places to Fund Additional Trades Academy Places in Vote Education	2014/15	(6,050)	(6,050)	(6,050)	(6,050)	(6,050)
Reduction of Baseline Student Achievement Component Level 3 and above	2014/15	(5,300)	(5,300)	(5,300)	(5,300)	(5,300)
Additional Medical Student Places	2014/15	4,535	5,920	6,609	6,609	6,609
Funding Rate Increases to Science, Agriculture and Health Science	2014/15	23,800	23,800	23,800	23,800	23,800

Reasons for Change in Appropriation

The \$93.499 million increase in this appropriation for 2018/19 is mainly due to a combination of:

- underspends and recoveries from provider-based programmes due to demand and/or delivery of programmes being lower than the level able to be funded in 2017/18 (\$47.500 million increase)
- increased provision for the first-year fees-free policy (\$44.800 million increase)
- a one percent increase in tuition subsidy rates at qualification Level 3 and above in Budget 2017 (\$9.905 million increase)
- a transfer in 2017/18 to non-departmental output expense Tertiary Education Research and Research-Based Teaching to provide for the full cost of increasing the Performance-Based Research Fund to \$15 million annually from 1 January 2018 in Budget 2017 (\$7.500 million increase)
- a forecast decline in demand for provider-based programmes in 2018/19 (\$12.350 million decrease), and
- transfer from 2016/17 to 2017/18 to manage the transition to meet increased demand for employer-led workplace literacy and numeracy delivery (\$3.500 million decrease).

Conditions on Use of Appropriation

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