

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 2020/21 financial year covering the following:

- a total of just over \$16 million for services from the Ministry of Education
- a total of nearly \$75 million for services from the Tertiary Education Commission
- a total of nearly \$14 million for establishing a single national vocational education institution
- a total of nearly \$32 million for services from Education New Zealand
- a total of just over \$3,016 million for tuition and industry training subsidies and research funding provided to tertiary education organisations and services from the adult and community education sector and other non-departmental providers
- a total of just over \$358 million for first year fees-free study for eligible students, apprentices and trainees
- a total of just over \$20 million for scholarships and other awards in the tertiary sector, and
- a \$10 million capital contribution to the cost of rebuilding the earthquake-damaged science facilities at Lincoln University.

Details of these appropriations are set out in Parts 2-4.

Details of Appropriations and Capital Injections

Annual Appropriations and Forecast Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2019/20		2020/21
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Departmental Output Expenses			
Stewardship and Oversight of the Tertiary Education System (M26) This appropriation is limited to providing advice and services to support Ministers to discharge their portfolio responsibilities relating to tertiary and international education, as well as administrative and oversight activities including research and monitoring the tertiary education system.	-	-	16,087
Establishing a Single National Vocational Education Institution (M26) This appropriation is limited to expenses incurred in establishing a single national vocational education institution.	6,000	6,000	-
Total Departmental Output Expenses	6,000	6,000	16,087
Non-Departmental Output Expenses			
Access to Tertiary Education (M26) This appropriation is limited to improving access to tertiary education and training.	29,484	26,791	26,992
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.	72,238	70,238	74,707
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.	24,900	24,900	74,700
Establishment of a Single National Vocational Education Institution (M26) This appropriation is limited to operating funding for establishing a single national vocational education institution.	11,100	11,100	13,900
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 delivering an excellent student experience, achieving sustainable growth and developing global citizens.	34,014	34,014	31,797
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.	331,000	331,000	321,000
Tertiary Sector / Industry Collaboration Projects (M26) This appropriation is limited to funding activities that improve the relevance to industry of tertiary education provision.	32,232	25,828	33,030
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.	9,979	7,526	10,000
Total Non-Departmental Output Expenses	544,947	531,397	586,126

	2019/20		2020/21
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Benefits or Related Expenses			
Scholarships for Inbound International Students (M26) This appropriation is limited to scholarships available to international students wishing to study in New Zealand.	600	600	300
Tertiary Scholarships and Awards (M26) This appropriation is limited to providing scholarships and other awards in the tertiary sector to students, researchers and teachers, within New Zealand and internationally.	16,035	16,035	19,868
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.	3,984	3,984	-
Total Benefits or Related Expenses	20,619	20,619	20,168
Non-Departmental Capital Expenditure			
Support for Lincoln University (M26) This appropriation is limited to the rebuild of the science facilities at Lincoln University.	5,000	5,000	10,000
Support for a Single National Vocational Education Institution (M26) This appropriation is limited to capital injections for a single national vocational education institution.	10,000	10,000	-
Support for Tai Poutini Polytechnic (M26) This appropriation is limited to a capital injection into Tai Poutini Polytechnic to support its cash flow.	7,250	7,250	-
Support for Unitec Institute of Technology (M26) This appropriation is limited to providing a loan facility for Unitec to support its cash flow and manage normal operations and restructuring costs.	15,000	15,000	-
Support for Whitireia New Zealand (M26) This appropriation is limited to providing a capital injection for Whitireia New Zealand to support its cash flow and manage normal operations and organisational change.	5,000	5,000	-
Total Non-Departmental Capital Expenditure	42,250	42,250	10,000
Multi-Category Expenses and Capital Expenditure			
Tertiary Tuition and Training MCA (M26) The single overarching purpose of this appropriation is to fund tertiary tuition and training that leads to improvements in New Zealanders' skill levels.	2,826,598	2,776,598	2,908,420
Non-Departmental Output Expenses			
Community Education This category is limited to funding for adult and community education and literacy, numeracy and English language provision.	78,138	78,220	81,891
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.	2,107,315	2,130,642	2,168,941
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.	299,035	294,379	299,475
Non-Departmental Other Expenses			
Fees-free Payments This category is limited to ensuring fees-free study for eligible students, apprentices and trainees.	342,110	273,357	358,113

Titles and Scopes of Appropriations by Appropriation Type	2019/20		2020/21
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Stewardship of the Tertiary Education System MCA (M26) The single overarching purpose of this appropriation is to provide services that contribute towards a well-functioning tertiary education system.	18,557	18,557	-
Departmental Output Expenses			
<i>Policy Advice</i> 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.	8,321	8,321	-
<i>Research, Data Analysis and Monitoring</i> 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.	10,236	10,236	-
Total Multi-Category Expenses and Capital Expenditure	2,845,155	2,795,155	2,908,420
Total Annual Appropriations and Forecast Permanent Appropriations	3,458,971	3,395,421	3,540,801

Supporting Information

Part 1 - Vote as a Whole

1.1 - New Policy Initiatives

Policy Initiative	Appropriation	2019/20 Final Budgeted \$000	2020/21 Budget \$000	2021/22 Estimated \$000	2022/23 Estimated \$000	2023/24 Estimated \$000
Administration of the Interim Code of Practice for the Pastoral Care of Domestic Tertiary Education Students in 2020 (see also Vote Education in the Education and Workforce Sector)	Tertiary Tuition and Training MCA Training for Designated Groups Non-Departmental Output Expense	(1,465)	-	-	-	-
Cost Adjustment for Tuition Subsidies	Access to Tertiary Education Non-Departmental Output Expense Tertiary Sector / Industry Collaboration Projects Non-Departmental Output Expense Tertiary Tuition and Training MCA Community Education Non-Departmental Output Expense Tertiary Education: Student Achievement Component Non-Departmental Output Expense Training for Designated Groups Non-Departmental Output Expense	-	188	376	376	376
		-	41	82	82	82
		-	562	1,134	1,134	1,134
		-	17,030	34,058	34,058	34,058
		-	2,316	4,630	4,630	4,630
Crown Support for Southern Institute of Technology to Operate Telford in 2020 and 2021	Access to Tertiary Education Non-Departmental Output Expenses Tertiary Tuition and Training MCA Tertiary Education: Student Achievement Component Non-Departmental Output Expense	3,422	1,255	-	-	-
		(3,422)	(1,255)	-	-	-
Crown Support for Whitireia Community Polytechnic	Support for Whitireia New Zealand Non-Departmental Capital Expenditure	5,000	-	-	-	-

Policy Initiative	Appropriation	2019/20 Final Budgeted \$000	2020/21 Budget \$000	2021/22 Estimated \$000	2022/23 Estimated \$000	2023/24 Estimated \$000
Extending the Pilot of the Community Organisation Refugee Sponsorship Category (see also Vote Education and Vote Labour Market in the Education and Workforce Sector, Vote Health in the Health Sector, and Vote Social Development in the Social Services and Community Sector)	Tertiary Tuition and Training MCA					
	Community Education Non-Departmental Output Expense	-	-	283	283	283
Further Crown Support for Tai Poutini Polytechnic	Support for Tai Poutini Polytechnic Non-Departmental Capital Expenditure	7,250	-	-	-	-
Lincoln University Science Facilities Rebuild: Capital Funding Confirmation	Support for Lincoln University Non-Departmental Capital Expenditure	(60,000)	(5,000)	25,000	30,000	-
Raising the Profile and Strengthening the Pipeline into Vocational Education (see also Vote Education in the Education and Workforce Sector and Vote Social Development in the Social Services and Community Sector)	Administration of and Support for the Tertiary Education and Careers Systems Non-Departmental Output Expense	1,050	2,005	700	700	-
	Tertiary Tuition and Training MCA					
	Fees-free Payments Non-Departmental Other Expense	(4,022)	(6,033)	(2,200)	(700)	-
Re-Allocation of Youth Guarantee Fees- Free Places to Fund Additional Trades Academy Places (see also Vote Education in the Education and Workforce Sector)	Tertiary Tuition and Training MCA Training for Designated Groups Non-Departmental Output Expense	(6,823)	(13,646)	(13,646)	(13,646)	(13,646)
Reform of Vocational Education - Management of Fiscal Implications	Establishing a Single National Vocational Education Institution Departmental Output Expense	6,000	-	-	-	-
	Stewardship and Oversight of the Tertiary Education System Departmental Output Expense	-	850	-	-	-
	Administration of and Support for the Tertiary Education and Careers Systems Non-Departmental Output Expense	7,950	9,700	-	-	-
	Establishment of a Single National Vocational Education Institution Non-Departmental Output Expense	11,100	13,900	-	-	-
	Tertiary Sector / Industry Collaboration Projects Non-Departmental Output Expense	3,700	5,000	5,000	5,000	5,000

Policy Initiative	Appropriation	2019/20 Final Budgeted \$000	2020/21 Budget \$000	2021/22 Estimated \$000	2022/23 Estimated \$000	2023/24 Estimated \$000
	Support for a Single National Vocational Education Institution	10,000	-	-	-	-
	Non-Departmental Capital Expenditure					
	Stewardship of the Tertiary Education System MCA					
	Policy Advice	1,500	-	-	-	-
	Departmental Output Expense					
	Tertiary Tuition and Training MCA					
	Tertiary Education: Student Achievement Component	-	-	(5,000)	(5,000)	(5,000)
	Non-Departmental Output Expense					
Support for Tertiary Students Affected by Provider Failure	International Education Programmes	1,500	1,000	750	750	750
	Non-Departmental Output Expense					
Total Initiatives		(17,260)	27,913	51,167	57,667	27,667

1.2 - Trends in the Vote

Summary of Financial Activity

	2015/16	2016/17	2017/18	2018/19	2019/20		2020/21			2021/22	2022/23	2023/24
	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	462,149	489,386	528,202	536,414	569,504	555,954	16,087	586,126	602,213	550,936	537,353	535,653
Benefits or Related Expenses	18,190	17,612	17,837	20,598	20,619	20,619	N/A	20,168	20,168	19,868	19,868	19,868
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	35,000	-	-	-	-	-	-	-	-
Capital Expenditure	85,825	19,100	6,450	102,050	42,250	42,250	-	10,000	10,000	30,000	30,000	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	2,463,396	2,465,672	2,421,636	2,322,133	2,484,488	2,503,241	-	2,550,307	2,550,307	2,580,630	2,583,589	2,584,746
<i>Other Expenses</i>	-	-	129,982	283,539	342,110	273,357	-	358,113	358,113	382,016	387,639	388,339
<i>Capital Expenditure</i>	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Appropriations	3,029,560	2,991,770	3,104,107	3,299,734	3,458,971	3,395,421	16,087	3,524,714	3,540,801	3,563,450	3,558,449	3,528,606
Crown Revenue and Capital Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	15,478	8,296	8,760	24,790	4,195	4,195	N/A	3,266	3,266	3,266	3,266	3,266
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Crown Revenue and Capital Receipts	15,478	8,296	8,760	24,790	4,195	4,195	N/A	3,266	3,266	3,266	3,266	3,266

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 Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations in the Details of Appropriations and Capital Injections.

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

	2015/16 Adjustments \$000	2016/17 Adjustments \$000	2017/18 Adjustments \$000	2018/19 Adjustments \$000	2019/20 Final Budgeted Adjustments \$000	2019/20 Estimated Actual Adjustments \$000
Appropriations						
Output Expenses	12,458	12,788	12,352	15,598	18,557	18,557
Benefits or Related Expenses	-	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-
Capital Expenditure	-	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)						
<i>Output Expenses</i>	(12,458)	(12,788)	(12,352)	(15,598)	(18,557)	(18,557)
<i>Other Expenses</i>	-	-	-	-	-	-
<i>Capital Expenditure</i>	-	-	-	-	-	-
Total Appropriations	-	-	-	-	-	-
Crown Revenue and Capital Receipts						
Tax Revenue	-	-	-	-	-	-
Non-Tax Revenue	-	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-
Total Crown Revenue and Capital Receipts	-	-	-	-	-	-

The adjustments in the table above reflect that the Stewardship of the Tertiary Education System MCA, with two departmental output expense categories (Policy Advice and Research, Data Analysis and Monitoring) has been converted into a single departmental output expense appropriation. The reorganisation of appropriations for 2020/21 is set out in Part 1.4 - Reconciliation of Changes in Appropriation Structure.

The prior year information in the Summary of Financial Activity table has been restated to reflect the current Vote structure.

1.3 - Analysis of Significant Trends

Significant changes in departmental and non-departmental appropriations related to tertiary and international education between 2015/16 and 2023/24 are discussed briefly below.

Departmental Output Expenses

Movements in departmental output expenses largely relate to:

- participation in the Organisation for Economic Co-operation and Development's (OECD's) Programme for the International Assessment of Adult Competencies (PIAAC) from 2019/20 to 2022/23
- implementation of the Government's first-year fees-free policy from 1 January 2018, and
- implementation of Reform of Vocational Education from 2019/20 including the establishment of a single national vocational education institution bringing together the existing 16 Institutes of Technology and Polytechnics.

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:

- 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, provision for about 5,500 more apprentices by 2020, and the establishment of Information and Communication Technology Graduate Schools
- additional funding for research, including increasing the Performance-Based Research Fund from 2018 and increasing the number of Centres of Research Excellence from 2015, including the establishment of one focused on Māori research in 2016
- additional funding for International Connections for New Zealanders, including Centres of Asia-Pacific Excellence from 2017
- funding from 2017 to help New Zealand universities recruit world-leading entrepreneurial academics
- integrating Careers New Zealand into the Tertiary Education Commission from 2017/18
- implementation of first-year fees-free policy from 1 January 2018
- 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 and to 1,500 per year from July 2020
- reallocation of under-utilised Youth Guarantee fees-free places to fund 2,000 additional Trades Academy places in Vote Education from 2020, and
- initial operating funding from 2019/20 to 2020/21 for the establishment and core capability of a single national vocational education institution and to support it to plan and design its network transformation programme.

Benefits or Related Expenses

Changes in benefits or related expenses are largely related to:

- addressing pressures on Medical Trainee Intern Grants from 2017/18
- 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
- the transfer of the Māori and Pasfika Trades Training (MPTT) Tools Subsidy fund to the MPTT Consortium fund (in non-departmental output expense Tertiary Sector/Industry Collaboration Projects) from 2019, and
- cessation of international student doctoral research scholarships from 2021/22.

Non-Departmental Other Expenses

Significant changes in these appropriations mainly reflect:

- 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), and
- provision for impairment of the concessionary loan by the Crown to Unitec Institute of Technology in 2018/19.

Non-Departmental Capital Expenditure

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

- assisting Canterbury tertiary education institutions to rebuild facilities after the impact of the 2010 and 2011 earthquakes
- financial support for Tai Poutini Polytechnic from 2016/17 to 2019/20, Whitireia New Zealand in 2018/19 and 2019/20, Unitec Institute of Technology in 2018/19 and 2019/20, and Southern Institute of Technology to operate Telford in 2020 and 2021, and
- funding in 2019/20 for initial capitalisation and information management capabilities for a single national vocational institution.

Crown Revenue

Significant changes between years mainly reflect recoveries of surplus grants funding from the Tertiary Education Commission and the tertiary education sector.

1.4 - Reconciliation of Changes in Appropriation Structure

2019/20 Appropriations in the 2019/20 Structure	2019/20 (Current) \$000	Old Structure		New Structure		
		Appropriations to which Expenses (or Capital Expenditure) have been Moved from or to	Amount Moved \$000	2019/20 Appropriations in the 2020/21 Structure	2019/20 (Restated) \$000	2020/21 \$000
Multi-Category Expenses and Capital Expenditure						
Stewardship of the Tertiary Education System MCA						
Departmental Output Expenses				- Departmental Output Expense		
<i>Policy Advice</i>	8,321	Transferred to Stewardship and Oversight of the Tertiary Education System	(8,321)			
<i>Research, Data Analysis and Monitoring</i>	10,236	Transferred to Stewardship and Oversight of the Tertiary Education System	(10,236)			
		Transferred from Policy Advice category of the Stewardship of the Tertiary Education System MCA	8,321	Stewardship and Oversight of the Tertiary Education System	18,557	16,087
		Transferred from Research, Data Analysis and Monitoring category of the Stewardship of the Tertiary Education System MCA	10,236			
Benefits or Related Expenses				Benefits or Related Expense		
Tertiary Scholarships and Awards	16,035	Transferred from Awards for Outbound New Zealand Students	3,984	Tertiary Scholarships and Awards	20,019	19,868
Awards for Outbound New Zealand Students	3,984	Transferred to Tertiary Scholarships and Awards	(3,984)		-	-
Total Changes in Appropriations	38,576		-		38,576	35,955

These appropriation structure changes from 2020/21 relate to Cabinet's directive to consolidate appropriations as the first step of modernising the public finance system.

The Stewardship of the Tertiary Education System MCA (with two categories Policy Advice and Research, Data Analysis and Monitoring) has been converted into a single departmental output expense appropriation. There is no longer a requirement for policy advice to be separated from related outputs.

The Awards for Outbound New Zealand Students which is less than \$4 million per annum has been merged with the larger Tertiary Scholarships and Awards. The scope statement for Tertiary Scholarships and Awards has been broadened to cover awards in the tertiary sector to students, researchers and teachers, within New Zealand and internationally.

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

1.5 - Relationship between Individual Appropriations and the Work Programmes

Vote Tertiary Education	Government's Objectives for Education				
	Learners at the Centre	Barrier-free Access	Quality Teaching and Leadership	Future of Learning and Work	World Class Inclusive Public Education
Departmental Output Expenses					
Stewardship and Oversight of the Tertiary Education System	X	X	X	X	X
Non-Departmental Output Expenses					
Access to Tertiary Education		X			
Administration of and Support for the Tertiary Education and Careers Systems	X	X	X	X	X
Centres of Research Excellence					X
Establishment of a Single National Vocational Education Institution	X	X	X	X	X
International Education Programmes	X			X	
Tertiary Education Research and Research-Based Teaching			X		X
Tertiary Sector / Industry Collaboration Projects			X	X	X
University-led Innovation			X	X	X
Benefits or Related Expenses					
Scholarships for Inbound International Students	X				
Tertiary Scholarships and Awards		X	X		
Non-Departmental Capital Expenditure					
Support for Lincoln University					X
Multi-Category Expenses and Capital Expenditure					
Tertiary Tuition and Training MCA	X	X	X	X	X

Part 2 - Details of Departmental Appropriations

2.1 - Departmental Output Expenses

Stewardship and Oversight of the Tertiary Education System (M26)

Scope of Appropriation

This appropriation is limited to providing advice and services to support Ministers to discharge their portfolio responsibilities relating to tertiary and international education, as well as administrative and oversight activities including research and monitoring the tertiary education system.

Expenses and Revenue

	2019/20		2020/21
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	16,087
Revenue from the Crown	-	-	15,337
Revenue from Others	-	-	750

Comparators for Restructured Appropriation

Vote, Type and Title of Appropriation	2019/20		2020/21
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Vote Tertiary Education: Stewardship of the Tertiary Education System MCA	18,557	18,557	-
Total	18,557	18,557	16,087

What is Intended to be Achieved with this Appropriation

This appropriation is intended to provide high-quality and timely 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 and End of Year Reporting Requirements

Assessment of Performance	2019/20		2020/21
	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
Internal quarterly assessment of the quality of the Ministry's policy advice (see Note 2).	Mean of 3.5 out of 5	Mean of 3.5 out of 5	Mean of 3.5 out of 5
Satisfaction of the portfolio Minister with the policy advice service (see Note 3).	Baseline year	Baseline year	Maintain or improve
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

Assessment of Performance	2019/20		2020/21
	Final Budgeted Standard	Estimated Actual	Budget Standard
The satisfaction rating given by the Minister of Education on the quality of monitoring advice provided by the Ministry about Crown agencies (see Note 1).	7	7	7
The quality and range of the Ministry's analytical outputs is assessed through an independent expert review (see Note 4).	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 1).	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%
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 rating measures Ministers' satisfaction on a scale of 1 to 10, where 1 means unsatisfactory and 10 means extremely satisfied.

Note 2 - Based on a five-point scale: 1 = 'Poor'; 2 = 'Borderline'; 3 = 'Adequate'; 4 = 'Good'; 5 = 'Very good'. All agencies are required to use the refreshed Policy Quality Framework to assess the quality of their policy papers.

Note 3 - The Ministerial Policy Satisfaction Survey assesses Ministers' satisfaction with the services provided by the policy function on a scale from 1 to 5, where 1 means unsatisfied and 5 means extremely satisfied. The survey contains a common set of questions to be used by all policy agencies, with guidance available on the Department of Prime Minister and Cabinet Policy Project website.

Note 4 - 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	2019/20 Final Budgeted \$000	2020/21 Budget \$000	2021/22 Estimated \$000	2022/23 Estimated \$000	2023/24 Estimated \$000
Current Government						
Programme for International Assessment of Adult Competencies	2019/20	1,679	859	3,092	-	-
Reform of Vocational Education - Fiscal Implications	2019/20	1,500	850	-	-	-
Financial Impacts of the 100 Days Tertiary Education Package	2018/19	3,000	2,000	2,000	2,000	2,000

Reasons for Change in Appropriation

This is a new appropriation in 2020/21 created by converting the Stewardship of the Tertiary Education System MCA, with two departmental output expense categories (Policy Advice and Data Analysis and Monitoring) into a single departmental output expense appropriation. The reorganisation of appropriations for 2020/21 is also set out in Part 1.4 - Reconciliation of Changes in Appropriation Structure.

The \$2.470 million decrease in this appropriation for 2020/21 compared to the equivalent appropriation in 2019/20 is due to:

- transition to post-implementation baseline funding for the fees-free policy (\$1 million)
- the progression of the Programme for International Assessment of Adult Competencies (PIAAC) (\$820,000), and
- the progression of the Reform of Vocational Education work programme (\$650,000).

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

	2019/20		2020/21
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	29,484	26,791	26,992

Components of the Appropriation

	2019/20		2020/21
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Equity Loading	17,662	16,636	17,277
Māori and Pasifika Trades Training Top Up	8,400	6,733	8,460
Grant under section 321 of the Education Act to Southern Institute of Technology	3,422	3,422	1,255
Total	29,484	26,791	26,992

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

	2019/20		2020/21
	Final Budgeted Standard	Estimated Actual	Budget Standard
Māori and Pasifika Trades Training			
Percentage of learners per calendar year progressing from Māori and Pasifika Trades Training to 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).	Improve on last year's result	Not improved on previous year's result (35%)	At least 35%

Note 1 - 2019/20 Final Budgeted Standard and 2019/20 Estimated Actual refer to the 2019 calendar year. 2020/21 Budget Standard refers to the 2020 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	2019/20 Final Budgeted \$000	2019/20 Estimated Actual \$000	2020/21 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Universities (8)	12,373	10,150	11,106	Plans up to 3 years
Wānanga (3)	2,565	1,643	1,475	Plans up to 3 years
Institutes of Technology and Polytechnics (including the New Zealand Institute of Skills and Technology) (17)	12,324	13,380	12,513	Plans up to 3 years
Non-Government Organisations				
Private Training Establishments	2,222	1,618	1,898	Plans up to 3 years
Total	29,484	26,791	26,992	

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

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2019/20 Final Budgeted \$000	2020/21 Budget \$000	2021/22 Estimated \$000	2022/23 Estimated \$000	2023/24 Estimated \$000
Current Government						
Cost Adjustment for Tuition Subsidies	2020/21	-	188	376	376	376
Crown Support for Southern Institute of Technology to Operate Telford in 2020 and 2021	2019/20	3,422	1,255	-	-	-
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 \$2.492 million decrease in this appropriation for 2020/21 is due to a combination of:

- a transfer of \$3.422 million in 2019/20 and \$1.255 million in 2020/21 from non-departmental output expense Tertiary Education: Student Achievement Component (in the Tertiary Tuition and Training MCA) for a grant under section 321 of the Education Act to support the Southern Institute of Technology to deliver primary industry training programmes at Telford in 2020 and 2021 (\$2.167 million decrease)
- a transfer from 2018/19 to 2019/20 for the Learner Success work programme with a focus on driving better outcomes for Māori and Pacific learners through existing equity funding (\$513,000 decrease), and
- a 1.6% increase in tuition and training subsidy rates from 1 January 2021 for Equity Loading and Māori and Pasifika Trades Training Top Up funding (\$188,000 increase).

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

	2019/20		2020/21
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	72,238	70,238	74,707

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

	2019/20		2020/21
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Percentage of Tertiary Education Commission-funded tertiary education organisations who agree that auditing processes were made transparent and information was accessible throughout the process (see Note 1).	Improve on previous year's result	Improved on previous year's result	At least 82%
Percentage of tertiary education organisations who agree that the Tertiary Education Commission's investment toolkit and plan guidance were very useful to prepare their investment plans (see Note 1):			
• toolkit	Improve on previous year's result	Improved on previous year's result	At least 34%
• plan guidance	Improve on previous year's result	Improved on previous year's result	At least 35%
Percentage of careers system stakeholders who agree that the Tertiary Education Commission online information and tools are useful (see Note 1).	Improve on previous year's result	Improved on previous year's result	At least 78%
Percentage of payments the Tertiary Education Commission makes to tertiary education organisations that are made within agreed timeframes.	100%	99.85%	100%
The overall satisfaction rating given by the Minister of Education on the Tertiary Education Commission (see Note 2).	Maintain or increase	Maintained previous year's result	7

Note 1 - The Tertiary Education Commission is unable to report 2019/20 estimated actual percentages as results data is not available. Progress is measured through annual customer surveys held between April and June each year. No data is collected during the year.

Note 2 - The survey rating measures Ministers' satisfaction with the quality of advice on a scale from 1 to 10, where 1 means unsatisfied and 10 means extremely satisfied. The 2018/19 result was 7 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	2019/20 Final Budgeted \$000	2019/20 Estimated Actual \$000	2020/21 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Tertiary Education Commission	72,129	70,129	74,598	Ongoing
Non-Government Organisations				
Māori Education Trust	109	109	109	Ongoing
Total	72,238	70,238	74,707	

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

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2019/20 Final Budgeted \$000	2020/21 Budget \$000	2021/22 Estimated \$000	2022/23 Estimated \$000	2023/24 Estimated \$000
Current Government						
Raising the Profile and Strengthening the Pipeline into Vocational Education	2019/20	1,050	2,005	700	700	-
Reform of Vocational Education - Management of Fiscal Implications	2019/20	7,950	9,700	-	-	-
Financial Impacts of the 100 Days Tertiary Education Package	2017/18	3,720	3,720	3,720	3,720	3,720
Previous Government						
Funding to Support the Changes to the Careers System	2017/18	13,500	13,500	13,500	13,500	13,500
International Connections for New Zealanders	2016/17	-	125	-	-	-
Engineering Education to Employment	2016/17	400	-	-	-	-

Reasons for Change in Appropriation

The \$2.469 million increase in this appropriation for 2020/21 is due to a combination of:

- provision for the Reform of Vocational Education work programme (\$1.750 million increase)
- provision for initiatives to raise the profile and strengthen the pipeline into the vocational education system (\$955,000 increase)

- provision to pilot delivery of the Work Connect career mentoring programme for Pacific migrants through to June 2021 (\$224,000 increase)
- provision for managing International Connections for New Zealanders in 2020/21 (\$125,000 increase)
- provision for the Engineering Education to Employment initiative to increase the number of engineering graduates in 2019/20 (\$400,000 decrease), and
- provision for co-ordination of search and emergency management training in 2019/20 (\$185,000 decrease).

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

	2019/20		2020/21	2021/22	2022/23	2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Total Appropriation	24,900	24,900	74,700	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

	2019/20		2020/21
	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 - 2019/20 Final Budgeted Standard and 2019/20 Estimated Actual refer to the 2019 calendar year. 2020/21 Budget Standard refers to the 2020 calendar year.

Note 2 - Annual reports 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	2019/20 Final Budgeted \$000	2019/20 Estimated Actual \$000	2020/21 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Tertiary Education Institution hosts of Centres of Research Excellence (varies between 7-11 during the period)	24,900	24,900	74,700	1 January 2021
Total	24,900	24,900	74,700	

Reasons for Change in Appropriation

The \$49.800 million increase in this appropriation for 2020/21 is due to the signing of the 2020 round of contracts for the Centres of Research Excellence occurring after 30 June 2020 and the \$24.900 million expense being recognised in 2020/21 rather than 2019/20. Cash flow to the Centres of Research Excellence in 2020 is unaffected.

Establishment of a Single National Vocational Education Institution (M26)*Scope of Appropriation*

This appropriation is limited to operating funding for establishing a single national vocational education institution.

Expenses

	2019/20		2020/21
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	11,100	11,100	13,900

What is Intended to be Achieved with this Appropriation

This appropriation is intended to establish the New Zealand Institute of Skills and Technology as a leading provider of off-job, work-based and online learning.

How Performance will be Assessed and End of Year Reporting Requirements

	2019/20		2020/21
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
The New Zealand Institute of Skills and Technology submits reports that show it is meeting the targets and milestones in its funding agreement with the Crown.	New measure	New measure	Achieved

End of Year Performance Reporting

Performance information for this appropriation will be reported by the New Zealand Institute of Skills and Technology in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2019/20 Final Budgeted \$000	2020/21 Budget \$000	2021/22 Estimated \$000	2022/23 Estimated \$000	2023/24 Estimated \$000
Current Government						
Reform of Vocational Education - Management of Fiscal Implications	2019/20	11,100	13,900	-	-	-

Reasons for Change in Appropriation

The \$2.800 million increase in this appropriation for 2020/21 is due to the initial phasing of provision for the establishment and core capability of a single national vocational education institution and to support it to plan and design its network transformation programme over 2019/20 to 2020/21.

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 delivering an excellent student experience, achieving sustainable growth and developing global citizens.

Expenses

	2019/20		2020/21
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	34,014	34,014	31,797

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	2019/20		2020/21
	Final Budgeted Standard	Estimated Actual	Budget Standard
The economic contribution from New Zealand's international education sector (see Note 1).	\$5,100 million	\$4,190 million	\$4,940 million
Percentage of facilitated customers that agree Education New Zealand's services and support have added value to their organisation (see Note 2).	At least 75%	At least 85%	At least 85%
The percentage of international students who were very satisfied with their overall experience.	Revised measure	63%	At least 63%
The percentage of international students enrolled to study outside Auckland (see Note 3).	Increase compared to 2018	Increase compared to 2018	Increase compared to 2019

Note 1 - The 2025 target is \$6 million (International Education Strategy, Goal 2).

Note 2 - 'Facilitated customers' are large education providers, peak bodies and regional partners that Education New Zealand business development managers work actively with to provide growth-focused services and targeted support.

Note 3 - 2019/20 Estimated Actual refers to the 2019 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	2019/20 Final Budgeted \$000	2020/21 Budget \$000	2021/22 Estimated \$000	2022/23 Estimated \$000	2023/24 Estimated \$000
Current Government						
Support for Tertiary Students Affected by Provider Failure	2019/20	1,500	1,000	750	750	750
Export Education Levy: Addressing Pressures and Consultation on Proposed Increases	2018/19	2,000	-	-	-	-
Reprioritisation - Education New Zealand Contribution to the Kea Network, New Zealand Story and Chair of Malay Studies	2018/19	(275)	(275)	(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 \$2.217 million decrease in this appropriation for 2020/21 is due to a combination of:

- a temporary advance to the Export Education Levy Fund in 2019/20 (funded by capital withdrawals from the Ministry of Education) to meet unexpectedly high international student reimbursement costs (\$2 million decrease)
- provision to support international tertiary students if they are affected by failure of Private Training Establishments reduced from \$1.500 million in 2019/20 to \$1 million in 2020/21 (\$500,000 decrease), and
- a transfer to the Ministry of Business, Innovation and Employment for The New Zealand Story initiative in 2019/20 (\$283,000 increase).

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

	2019/20		2020/21
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	331,000	331,000	321,000

Components of the Appropriation

	2019/20		2020/21
	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	6,000	6,000	6,000
Grant under section 321 of the Education Act to Te Wānanga o Raukawa	10,000	10,000	-
Total	331,000	331,000	321,000

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

	2019/20		2020/21
	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).	Previous year actual ± 5%	Previous year actual ± 5%	Previous year actual ± 5%
Percentage increase in amount of external research income for PBRF-eligible providers (see Note 1).	2%	3% - 5%	3% - 5%

Note 1 - 2019/20 Final Budgeted Standard and 2019/20 Estimated Actual refer to the 2019 calendar year. 2020/21 Budget Standard refers to the 2020 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	2019/20 Final Budgeted \$000	2019/20 Estimated Actual \$000	2020/21 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Universities (8)	306,435	303,324	305,045	Investment plans up to 3 years
Wānanga (3)	16,517	16,823	6,756	Investment plans up to 3 years
Institutes of Technology and Polytechnics (including the New Zealand Institute of Skills and Technology) (17)	7,528	9,226	7,970	Investment plans up to 3 years
Non-Government Organisations				
Private Training Establishments	520	1,627	1,229	Investment plans up to 3 years
Total	331,000	331,000	321,000	

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

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2019/20 Final Budgeted \$000	2020/21 Budget \$000	2021/22 Estimated \$000	2022/23 Estimated \$000	2023/24 Estimated \$000
Current Government						
Drawdown the Wānanga Research Aspirations Contingency	2018/19	14,500	4,500	4,500	-	-
Previous Government						
Increasing the Performance-Based Research Fund	2017/18	15,000	15,000	15,000	15,000	15,000

Reasons for Change in Appropriation

The \$10 million decrease in this appropriation is due to a grant under section 321 of the Education Act 1989 to Te Wānanga o Raukawa in 2019/20 only.

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 2020 and 2021) • Research Degree Completions - a measure of the number of research-based post-graduate degree completions (this will comprise 25% of funding in 2020 and 2021) • External Research Income - a measure of income received for the purposes of conducting research (this will comprise 20% of funding in 2020 and 2021).

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

	2019/20		2020/21
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	32,232	25,828	33,030

Components of the Appropriation

	2019/20		2020/21
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Centres of Asia-Pacific Excellence	9,875	9,875	10,000
Māori and Pasifika Trades Training	8,771	6,534	8,954
National Centre for Tertiary Teaching Excellence	3,556	3,556	3,556
Quality Teaching Agenda	2,520	2,520	2,520
ICT Graduate Schools (Development and Delivery)	1,610	1,610	1,500
Engineering Graduates	700	233	-
Establishment of Centres of Vocational Excellence	2,000	-	5,000
Establishment of Workforce Development Councils	1,700	500	-
Other Funding	1,500	1,000	1,500
Total	32,232	25,828	33,030

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

Assessment of Performance	2019/20		2020/21
	Final Budgeted Standard	Estimated Actual	Budget Standard
Number of domestic equivalent full-time students in Information and Communication Technology Graduate Schools per calendar year (see Note 1).	Improve on previous year's result	Not improved on previous year's result (195)	At least 195
Centres of Asia Pacific Excellence annual reports are reviewed and appropriate action is taken (see Notes 1 and 2).	Achieved	Achieved	Achieved

Note 1 - 2019/20 Final Budgeted Standard and 2019/20 Estimated Actual refer to the 2019 calendar year. 2020/21 Budget Standard refers to the 2020 calendar year.

Note 2 - Annual reports are reviewed against milestones and key performance indicators set in annual 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	2019/20 Final Budgeted \$000	2019/20 Estimated Actual \$000	2020/21 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Universities (8)	17,696	17,770	18,033	Range from 3 to 6 years
Wānanga (3)	874	329	821	Plans up to 3 years
Institutes of Technology and Polytechnics (including the New Zealand Institute of Skills and Technology) (17)	8,785	5,028	5,402	Plans up to 3 years
Non-Government Organisations				
Industry Training Organisations and Workforce Development Councils	1,700	792	6,043	Plans up to 3 years
Private Training Establishments	3,177	1,909	2,731	Plans up to 3 years
Total	32,232	25,828	33,030	

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

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2019/20 Final Budgeted \$000	2020/21 Budget \$000	2021/22 Estimated \$000	2022/23 Estimated \$000	2023/24 Estimated \$000
Current Government						
Cost Adjustment for Tuition Subsidies	2020/21	-	41	82	82	82
Home-Based ECE Review - Improving the Quality of Home-Based Early Childhood Education	2019/20	500	500	-	-	-
Reform of Vocational Education - Management of Fiscal Implications	2019/20	3,700	5,000	5,000	5,000	5,000
Reprioritisation of Funding - Information and Communication Technologies (ICT) Graduate Schools	2018/19	(161)	(271)	(271)	(271)	(271)
Māori and Pasifika Trades Training: Improving Learner Support from 2019	2018/19	2,762	1,904	1,904	1,904	1,904
Previous Government						
International Connections for New Zealanders	2016/17	9,875	10,000	10,000	10,000	10,000

Reasons for Change in Appropriation

The \$798,000 increase in this appropriation for 2020/21 is mainly due to a combination of:

- provision for the establishment of Centres of Vocational Excellence (\$2 million in 2019/20 and \$5 million in 2020/21) and Workforce Development Councils (\$1.700 million in 2019/20 only) as part of the Reform of Vocational Education (\$1.300 million increase)
- a transfer from non-departmental output expense Tertiary Education: Student Achievement Component (in the Tertiary Tuition and Training MCA) to maintain current funding for Māori and Pasifika Trades Training (MPTT) consortia (\$1 million increase)
- a 1.6% increase in tuition and training subsidy rates from 1 January 2021 for MPTT funding (\$41,000 increase)
- the transfer of under-utilised 2018/19 MPTT Tools Grant funding from benefit or related expense Support to Apprentices to this appropriation in 2019/20 to support MPTT consortia (\$858,000 decrease), and
- funding in 2019/20 for polytechnics to conclude the Budget 2015 Engineering to Employment initiative to raise engineering graduate numbers (\$700,000 decrease).

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

	2019/20		2020/21	2021/22	2022/23	2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Total Appropriation	9,979	7,526	10,000	9,350	4,359	4,359

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

	2019/20		2020/21
	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).	Achieved	Achieved	Achieved

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

Note 2 - 2019/20 Final Budgeted Standard and 2019/20 Estimated Actual refer to the 2019 calendar year. 2020/21 Budget Standard refers to the 2020 calendar year.

Note 3 - Annual reports 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	2019/20 Final Budgeted \$000	2019/20 Estimated Actual \$000	2020/21 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Universities (8)	9,979	7,526	10,000	Plans up to 5 years
Total	9,979	7,526	10,000	

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2019/20 Final Budgeted \$000	2020/21 Budget \$000	2021/22 Estimated \$000	2022/23 Estimated \$000	2023/24 Estimated \$000
Current Government						
Reprioritisation of Funding - Entrepreneurial Universities	2018/19	(855)	-	(650)	(5,641)	(5,641)
Previous Government						
Building Entrepreneurial Universities	2016/17	10,834	10,000	10,000	10,000	10,000

3.2 - Non-Departmental Benefits or Related Expenses

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

	2019/20		2020/21	2021/22	2022/23	2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Total Appropriation	600	600	300	-	-	-

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.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2019/20 Final Budgeted \$000	2020/21 Budget \$000	2021/22 Estimated \$000	2022/23 Estimated \$000	2023/24 Estimated \$000
Current Government						
Reprioritisation of Funding - New Zealand International Doctoral Research Scholarships	2019/20	(200)	(500)	(800)	(800)	(800)

Reasons for Change in Appropriation

The \$300,000 decrease in this appropriation for 2020/21 is due to the funding for New Zealand International Doctoral Research Scholarships being phased out. No new scholarships have been awarded since 2017.

Tertiary Scholarships and Awards (M26)

Scope of Appropriation

This appropriation is limited to providing scholarships and other awards in the tertiary sector to students, researchers and teachers, within New Zealand and internationally.

Expenses

	2019/20		2020/21
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	16,035	16,035	19,868

Comparators for Restructured Appropriation

Vote, Type and Title of Appropriation	2019/20		2020/21
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Vote Tertiary Education: Benefits or Related Expense: Awards for Outbound New Zealand Students	3,984	3,984	-
Total	20,019	20,019	19,868

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve access to wider 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 Tertiary Scholarships and Awards under the Education Act 1989.

Reasons for Change in Appropriation

The former Awards for Outbound New Zealand Students appropriation, that totalled less than \$4 million per annum, has been subsumed into the larger Tertiary Scholarships and Awards. The reorganisation of appropriations for 2020/21 is also set out in Part 1.4 - Reconciliation of Changes in Appropriation Structure.

3.5 - Non-Departmental Capital Expenditure

Support for Lincoln University (M26)

Scope of Appropriation

This appropriation is limited to the rebuild of the science facilities at Lincoln University.

Capital Expenditure

	2019/20		2020/21	2021/22	2022/23	2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Total Appropriation	5,000	5,000	10,000	30,000	30,000	-

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve effective investment in rebuilding the science facilities at Lincoln University.

How Performance will be Assessed and End of Year Reporting Requirements

	2019/20		2020/21
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Achieving business case milestones in the rebuild of science facilities at Lincoln University.	Achieved	Achieved	Achieved

End of Year Performance Reporting

Performance information for this appropriation will be reported by Lincoln University in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2019/20 Final Budgeted \$000	2020/21 Budget \$000	2021/22 Estimated \$000	2022/23 Estimated \$000	2023/24 Estimated \$000
Current Government						
Lincoln University Science Facilities Rebuild: Capital Funding Confirmation	2019/20	(60,000)	(5,000)	25,000	30,000	-
Previous Government						
Lincoln University Science Facilities: Crown Capital Investment	2019/20	65,000	15,000	5,000	-	-

Reasons for Change in Appropriation

The \$5 million increase in this appropriation reflects the timing of the Crown's overall \$80 million contribution (in instalments over 2019/20 to 2024/25) to the cost of rebuilding the earthquake-damaged science facilities at Lincoln University.

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

4 - Multi-Category Expenses and Capital Expenditure

Tertiary Tuition and Training (M26)

Overarching Purpose Statement

The single 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

	2019/20		2020/21
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,826,598	2,776,598	2,908,420
Non-Departmental Output Expenses			
Community Education	78,138	78,220	81,891
Tertiary Education: Student Achievement Component	2,107,315	2,130,642	2,168,941
Training for Designated Groups	299,035	294,379	299,475
Non-Departmental Other Expenses			
Fees-free Payments	342,110	273,357	358,113

Components of the Appropriation

	2019/20		2020/21
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Community Education			
Adult and Community Education	23,794	24,081	24,108
Literacy and Numeracy Provision	38,188	37,607	39,838
English for Speakers of Other Languages	14,022	15,199	15,936
Immigration Levy	426	426	426
Emergency Management Pool	1,708	907	1,583
Tertiary Education: Student Achievement Component			
Provision at Levels 1 and 2	83,710	81,776	83,836
Provision at Levels 3 and above			
• Universities	1,223,399	1,284,829	1,258,902
• Institutes of Technology and Polytechnics (including the New Zealand Institute of Skills and Technology) (17)	481,548	448,823	498,876
• Wānanga	124,420	117,875	128,640
• Private Training Establishments	187,437	191,215	194,047
Information and Communications Technology Graduate Programmes	4,517	1,829	2,318
Grants under section 321 of the Education Act	2,284	4,295	2,322
Training for Designated Groups			
Industry Training Fund	185,870	189,145	192,861
Youth Guarantee	91,542	84,949	84,337
Gateway	21,623	20,285	22,277
Fees-free Payments	342,110	273,357	358,113
Total	2,826,598	2,776,598	2,908,420

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

	2019/20		2020/21
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Percentage of Student Achievement Component-funded and Youth Guarantee-funded learners who complete 75% of their courses (see Note 1).	Improve on previous year's result	Not improved on previous year's result (73%)	At least 73%

Note 1 - 2019/20 Final Budgeted Standard and 2019/20 Estimated Actual refer to the 2019 calendar year. 2020/21 Budget Standard refers to the 2020 calendar year.

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

Assessment of Performance	2019/20		2020/21
	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 	Improve on previous year's results	Not improved on previous year's result (62.6%)	At least 62.6%
<ul style="list-style-type: none"> Workplace Literacy and Numeracy (tertiary education organisation-led) 	Improve on previous year's results	Not improved on previous year's result (60.8%)	At least 60.8%
<ul style="list-style-type: none"> English for Speakers of Other Languages. 	Improve on previous year's results	Not improved on previous year's result (95.6%)	At least 95.6%
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 Note 1) - Percentage of Student Achievement Component-funded students completing qualifications:			
Level 4 to 7 non-degree:			
<ul style="list-style-type: none"> all learners 	Improve on previous year's result	Improved on previous year's result (58.2%)	At least 58.2%
<ul style="list-style-type: none"> Māori learners (relative to combined non-Māori and non-Pacific learners' results) (see Note 3) 	Improve on previous year's result	Improved on previous year's result (+2% points)	Maintain no parity gap
<ul style="list-style-type: none"> Pacific learners (relative to combined non-Māori and non-Pacific learners' results) (see Note 4). 	Improve on previous year's result	Previous year's result not maintained (-2.1%)	No more than -2.1% points
Level 7 degree and above:			
<ul style="list-style-type: none"> all learners 	Improve on previous year's result	Not improved on previous year's result (60.7%)	At least 60.7%
<ul style="list-style-type: none"> Māori learners (relative to combined non-Māori and non-Pacific learners' results) (see Note 3) 	Improve on previous year's result	Not improved on previous year's result (-16%)	No more than -16%
<ul style="list-style-type: none"> Pacific learners (relative to combined non-Māori and non-Pacific learners' results) (see Note 4). 	Improve on previous year's result	Not improved on previous year's result (-16.5%)	No more than -16.5% points

Assessment of Performance	2019/20		2020/21
	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 Note 1) - Percentage completing programmes:			
<ul style="list-style-type: none"> all learners 	Improve on previous year's result	Improved on previous year's result (68%)	At least 68%
<ul style="list-style-type: none"> industry trainees 	Improve on previous year's result	Not improved on previous year's result (70%)	At least 70%
<ul style="list-style-type: none"> apprentices 	Improve on previous year's result	Improved on previous year's result (61%)	At least 61%
<ul style="list-style-type: none"> Māori (relative to combined non-Māori and non-Pacific learners' results) (see Note 4) 	Improve on previous year's result	Improved on previous year's result (-6% points)	No more than -6% points
<ul style="list-style-type: none"> Pacific (relative to combined non-Māori and non-Pacific learners' results) (see Note 6) 	Improve on previous year's result	Maintained previous year's result (1% point)	Maintain no parity gap
Youth Guarantee - Percentage of Youth Guarantee learners completing qualifications at Level 2 or 3 (see Note 1).	Maintain or improve on previous year's results	Improved on previous year's result (60%)	At least 60%
Non-Departmental Other Expenses			
Fees-free Payments			
This category is intended to contribute to removing barriers to participation by making tertiary education more affordable.			
Average fees-free payment per learner for first year of education or training (see Note 7).	At least \$5,759	\$5,787	\$5,787

Note 1 - 2019/20 Final Budgeted Standard and 2019/20 Estimated Actual refer to the 2019 calendar year. 2020/21 Budget Standard refers to the 2020 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 - This is a measure of the percentage point gap between the percentage of Māori learners completing qualifications (or industry training programmes) and the percentage of combined non-Māori and non-Pacific learners completing qualifications (or industry training programmes) - the desired trend is for there to continue to be no parity gap.

Note 4 - This is a measure of the percentage point gap between the percentage of Pacific learners completing qualifications (or industry training programmes) and the percentage of combined non-Māori and non-Pacific learners completing qualifications (or industry training programmes) - the desired trend is for the percentage point gap to decrease.

Note 5 - This is a measure of the percentage point gap between the percentage of Māori learners completing qualifications (or industry training programmes) and the percentage of combined non-Māori and non-Pacific learners completing qualifications (or industry training programmes) - the desired trend is for the percentage point gap to decrease.

Note 6 - This is a measure of the percentage point gap between the percentage of Pacific learners completing qualifications (or industry training programmes) and the percentage of combined non-Māori and non-Pacific learners completing qualifications (or industry training programmes) - the desired trend is for there to continue to be no parity gap.

Note 7 -The performance measure for fees free is the average benefit to the learner from fees free payments. This is the fee payment for education or training that they no longer need to meet through their own finances, or from student support. As fees charged by tertiary education organisations to learners are inclusive of GST, this average fee payment figure also includes GST.

Service Providers for the Multi-Category Appropriation

Provider	2019/20 Final Budgeted \$000	2019/20 Estimated Actual \$000	2020/21 Budget \$000	Expiry of Resourcing Commitment
Crown Entities				
Universities (8)	1,425,472	1,445,418	1,467,966	Plans up to 3 years
Wānanga (3)	185,951	158,041	170,596	Plans up to 3 years
Institutes of Technology and Polytechnics (including the New Zealand Institute of Skills and Technology) (17)	648,488	568,718	682,056	Plans up to 3 years
Schools	25,694	23,718	27,134	Plans up to 3 years
Government Training Establishment	1,316	2,133	2,912	Plans up to 3 years
Non-Government Organisations				
Private Training Establishments	346,419	364,237	314,563	Plans up to 3 years
Rural Education Activities Programmes (13)	2,797	2,653	2,493	Plans up to 3 years
Employers	9,226	10,283	8,230	Plans up to 3 years
Community Education Providers	2,766	3,349	27,629	Plans up to 3 years
Industry Training Organisations	178,469	198,048	204,841	Plans up to 3 years
Total	2,826,598	2,776,598	2,908,420	

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

End of Year Performance Reporting

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

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2019/20 Final Budgeted \$000	2020/21 Budget \$000	2021/22 Estimated \$000	2022/23 Estimated \$000	2023/24 Estimated \$000
Current Government						
Cost Adjustment for Tuition Subsidies	2020/21	-	19,908	39,822	39,822	39,822
Extending the Pilot of the Community Organisation Refugee Sponsorship Category	2020/21	-	-	283	283	283
Refugee Quota Increase: Increased Settlement Services	2020/21	-	1,157	1,688	3,220	3,377
Reform of Vocational Education - Management of Fiscal Implications	2019/20	-	-	(5,000)	(5,000)	(5,000)
Crown Support for Southern Institute of Technology to Operate Telford in 2020 and 2021	2019/20	(3,422)	(1,255)	-	-	-
Raising the Profile and Strengthening the Pipeline into Vocational Education	2019/20	(4,022)	(6,033)	(2,200)	(700)	-
Re-Allocation of Youth Guarantee Fees- Free Places to Fund Additional Trades Academy Places in Vote Education	2019/20	(6,823)	(13,646)	(13,646)	(13,646)	(13,646)
Administration of the Interim Code of Practice for the Pastoral Care of Domestic Tertiary Education Students in 2020	2019/20	(1,465)	-	-	-	-
Teacher Supply - Continuing to Increase the Levels of Teacher Supply for the Future	2019/20	2,624	5,268	7,316	9,364	9,364
Increasing Tertiary Education Tuition and Training Subsidies - Maintaining Quality Tertiary Education	2019/20	22,111	44,222	44,222	44,222	44,222
Home-Based ECE Review - Improving the Quality of Home-Based Early Childhood Education	2018/19	608	1,803	2,004	623	623
Reprioritisation of Funding - Information and Communication Technologies (ICT) Graduate Schools	2018/19	(978)	(3,009)	(5,031)	(5,031)	(5,031)
Reprioritisation of Funding - Fees-Free Tertiary Education and Training	2018/19	(41,968)	(42,854)	(33,484)	(29,361)	(29,361)
Streamlining Secondary-Tertiary Learning Opportunities from 2019	2018/19	(7,500)	(7,500)	(7,500)	(7,500)	
Extending the Seven EFTS Borrowing Limit for Students in Long Programmes	2018/19	(3,877)	(4,220)	(4,442)	(4,682)	(4,682)
Computers in Homes	2018/19	1,072	500	-	-	-
Reprioritisation - Tertiary Tuition and Training Multi-Category Appropriation	2018/19	(24,700)	(24,700)	(24,700)	(24,700)	(24,700)
Financial Impacts of the 100 Days Tertiary Education Package	2017/18	404,700	447,100	471,700	471,700	471,700
Community Organisation Refugee Sponsorship Category	2017/18	53	-	-	-	-

Policy Initiative	Year of First Impact	2019/20 Final Budgeted \$000	2020/21 Budget \$000	2021/22 Estimated \$000	2022/23 Estimated \$000	2023/24 Estimated \$000
Previous Government						
The Next Three-Year (2016/17 to 2018/19) Refugee Quota Programme	2018/19	1,050	1,575	1,575	1,575	1,575
Funding for Employment-based Initial Teacher Education	2017/18	(1,896)	(703)	-	-	-
Tuition Subsidy Increase	2017/18	19,810	19,810	19,810	19,810	19,810
Expanding the Youth Literacy and Numeracy Assessment Tool	2017/18	(330)	(330)	(330)	(330)	(330)
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	6,300	7,200	7,200	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)

Reasons for Change in Appropriation

The \$81.822 million increase in this appropriation for 2020/21 is mainly due to a combination of:

- provision for the first-year fees-free policy (\$41.514 million increase)
- increases in tuition and training subsidy rates for Adult and Community Education, Student Achievement Component funding at all qualification levels, Youth Guarantee and Gateway programmes, and the Industry Training Fund, comprising 1.8% from January 2020 (Budget 2019 \$22.111 million increase) and 1.6% from January 2021 (Budget 2020 \$19.908 million increase)
- provision for initiatives to alleviate teacher supply pressures in Budget 2019 (\$2.644 million increase)
- a transfer of \$4.677 million funding over two years (\$3.422 million in 2019/20 and \$1.255 million in 2020/21) to non-departmental output expense Access to Tertiary Education to support the Southern Institute of Technology to deliver primary industry training programmes for 2020 and 2021 (\$2.167 million increase)
- a transfer in 2019/20 to Vote Education non-departmental output expense Quality Assurance (in Oversight and Administration of the Qualifications System MCA) to fund the New Zealand Qualifications Authority to administer the Interim Code of Practice for the Pastoral Care of Domestic Tertiary Students in 2020 from under-utilised Youth Guarantee fees-free funding (\$1.465 million increase)
- provision for an increase in the refugee quota programme (\$1.381 million increase)
- a Budget 2019 initiative to improve the quality of educator-child interactions in home-based early childhood education by providing funding to tertiary providers to enable the existing educator workforce to upskill to a Level 4 ECE qualification (\$1.195 million increase)
- reduced contribution for employment-based initial teacher education in Vote Education from \$1.896 million in 2019/20 to \$703,000 in 2020/21 (\$1.193 million increase)
- a transfer of under-utilised Youth Guarantee fees-free funding to Vote Education non-departmental output expense Secondary-Tertiary Interface to fund additional Trades Academy places from 2020 (\$6.823 million decrease)

- reduced provision for Information and Communications Technology Graduate Schools (\$2.242 million decrease)
- a transfer of \$12.955 million funding (from under-utilised Fees-free Payments) over 2019/20 to 2022/23 to non-departmental output expense Administration of and Support for the Tertiary Education and Careers Systems, Vote Education departmental output expense Support and Resources for Teachers (in Improved Quality Teaching and Learning MCA) and Vote Social Development to raise the profile and strengthen the pipeline into vocational education system (\$2.011 million decrease), and
- a transfer (from savings in Student Achievement Component Level 1-2) to non-departmental output expense Tertiary Sector / Industry Collaboration Projects to maintain current funding for Māori and Pasifika Trades Training consortia until 2022 (\$1 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>