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# Vote Education

**Report in Relation to Non-Departmental Appropriations  
for the year ended 30 June 2017**

Presented to the House of Representatives pursuant to Section 19B of the Public Finance Act 1989.

## Background

Pursuant to Section 19B of the Public Finance Act 1989, the Minister of Education is required to prepare a report in relation to the provision of certain non-departmental appropriations supplied to the Crown for Vote Education. Non-departmental outputs are outputs (goods and services) purchased from a provider other than the Ministry of Education who is administering the appropriation. The provider may be a government agency, a non-governmental organisation or a private sector organisation.

The information must be published by 20 October 2017 and presented to the House as soon as practicable following publication.

In the Estimates of Appropriations 2016/17 for Vote Education, performance information for the attached appropriations is required to be reported by the Minister of Education. This report is appended to the Ministry of Education's Annual Report for the purpose of tabling in the House.

This Report has been prepared in line with the requirements set out in Section 19C of the Public Finance Act 1989. It includes:

- a statement of expenses and capital expenditure incurred against budget for each appropriation
- statements of service performance.

The performance information contained in this report has not been audited.

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# Statement of Expenses and Capital Expenditure incurred against Budget

for the year ended 30 June 2017

Appropriation Title	2016 Actual <sup>1</sup> \$000	2017 Budget <sup>2</sup> \$000	2017 Actual \$000
<b>Non-departmental output expenses</b>			
Contribution to the Education Council of Aotearoa New Zealand	4,636	13,586	8,164
Provision of Information and Advisory Services	24,126	24,335	23,669
School Transport	184,828	186,895	185,581
Secondary-Tertiary Interface	66,425	74,512	72,271
Supporting Parenting	4,503	9,329	8,628
Teacher-Led Innovation Fund (multi-year appropriation)	1,915	2,890	2,590
<b>Non-departmental other expenses</b>			
Early Childhood Education	1,720,518	1,814,257	1,784,929
Integrated Schools Property	57,744	67,893	63,798
Primary Education	2,963,181	3,045,689	3,021,839
Schooling Improvement	5,168	5,253	5,118
Secondary Education	2,146,624	2,163,569	2,138,817
Support for Early Childhood Education Providers	9,903	11,226	11,089
<b>Non-departmental capital expenditure</b>			
School Support Project	175	832	832
Schools Furniture and Equipment	25,711	41,549	33,432

Explanations for significant variances against Budget are provided below.

## Non-departmental output expenses

**Contribution to the Education Council of Aotearoa New Zealand** was \$5.4 million (40%) under budget; mainly due to the fact that the costs associated with the Secretary for Education's agreement to cover the cost of any fees set by the Education Council, for the purposes of issuing or renewing the practicing certificates of eligible teachers and principals, was less than forecast. The appropriation was increased during the year to cover the cost of an increased number of practicing certificates following the successive settlement of other Teachers' and Principals' Collective Agreements. However, the number of claims for certificate fees received during the year was still less than forecast; total expenditure being driven by both the timing of applications and the date of expiry of certificates. While there was a lower than expected claim against the budget to date, a higher cost is expected in subsequent years.

## Non-departmental other expenses

**Early Childhood Education** was \$29.4 million (2%) under budget mainly due to payments to the Homebased providers being significantly lower than expected.

**Secondary Education** was \$24.8 million (1%) under budget mainly due to lower salary rates and/or

<sup>1</sup> The 2016 Actuals have been re-classified in the 2017 Appropriation Structure for comparative purposes.

<sup>2</sup> These are the appropriations from the Supplementary Estimates, adjusted for any transfers under section 26A of the Public Finance Act.

full time teacher equivalents being lower than originally forecast.

**Primary Education** was \$23.9 million (1%) under budget mainly due to lower salary rates and/or full time teacher equivalents being lower than originally forecast.

**Integrated School Property** was \$4.1 million (6%) under budget mainly due to less Integrated Roll Growth funding applications than expected and timing delays with the construction of Stage two at an integrated school in Takanini.

### **Non-departmental capital expenditure**

**Schools Furniture and Equipment** was \$8.1 million (20%) under budget mainly due to delays in delivery across the eight projects in the New Schools programme.

# Statements of Service Performance

## Non-Departmental Output Expenses

### Contribution to the Education Council of Aotearoa New Zealand

#### *Scope of Appropriation*

This appropriation is limited to a contribution towards the Education Council of Aotearoa New Zealand carrying out its leadership and other statutory functions for the teaching profession and education.

#### *What is intended to be achieved with this Appropriation*

This appropriation is intended to achieve effective professional leadership, investment in teacher professional capability, support and administration of the education profession across the early childhood and schooling sectors and support for activities directed at raising the status of the teaching profession.

#### *Output performance measures and standards*

Performance measure	Budget standard 2016/17	Actual performance 2016/17	Performance 2015/16	Comment
Percentage of participants in the appraisal of principals workshops who have made, or intend to make, significant or complete changes to their principal review/appraisal practice during 2016 (see Note 1).	65%	45%	New measure	<b>Not achieved</b> Based on the Evaluation Report 2017: 45% made complete or significant change. Overall, a total of 97% made or intended to make some changes as a result of attending the workshops
Number of practising certificate fees paid by the Crown as a result of the settlement of collective agreements for the sector (see Note 2).	8,500	13,740 <sup>3</sup>	New measure	<b>Achieved</b>

Note 1 - The result will be based on the response to a survey to be carried out during the post-project evaluation where the options will be 'No change', 'Minor change', 'Significant change' and 'Complete change'. Participants in the workshops will be school principals and members of Boards of Trustees.

Note 2 - The appropriation includes monies to cover the cost of fees set by the Education Council, pursuant to section 364(1) of the Education Act 1989, for the purposes of issuing or renewing practising certificates.

<sup>3</sup> The additional number of practicing certificate fees paid reflects the settlement of additional Teachers' and Principals' Collective Agreements during the year. The initial target was not updated and is difficult to forecast as the pattern of issue and renewal is not linear but dependent on timing for individual teachers.

## Provision of Information and Advisory Services

### Scope of Appropriation

This appropriation is limited to the provision of information and advisory services related to education policies and programmes that are the responsibility of Careers New Zealand or the New Zealand Qualifications Authority, support by those two agencies to Ministers to discharge their portfolio responsibilities (other than policy decision-making), and services and support provided by other education sector bodies to raise student achievement and improve governance and capacity of providers.

### What is intended to be achieved with this Appropriation

This appropriation is intended to achieve informed learning and work choices through the provision of information and advisory services to individuals, education providers and organisations.

### Output performance measures and standards

Performance measure	Budget standard 2016/17	Actual performance 2016/17	Performance 2015/16	Comment
<b>Careers New Zealand</b>				
Number of New Zealand-based web visits to the Careers New Zealand website.	4.4 million	4.45 million	4.24 million	<b>Achieved</b>
Percentage of users who agree that the content on the Careers New Zealand website is relevant to their needs.	80%	79%	80%	<b>Not achieved</b> The year end result is within 5% of target, which was within Careers New Zealand's tolerance range for 2016/17
Percentage of education providers that have used Careers New Zealand programmes and services who agree that the programmes and services have helped improve the quality of their career education provision.	80%	90%	83%	<b>Achieved</b>
Percentage of participating employers/employment organisations that agree Careers New Zealand's initiatives have been effective in improving connections between education and employment.	80%	88%	82%	<b>Achieved</b>
<b>New Zealand Qualifications Authority (NZQA)</b>				
The delivery of an information programme on the following: quality assurance, the New Zealand Qualifications Framework, Te Rautaki Māori, NZQA's Pasifika Plan, NCEA and other government education policy for which NZQA has responsibility (see Note 1).	100%	100%	100%	<b>Achieved</b>

Note 1 - The information programme established for 2016/17 includes a range of workshops, online and hard copy material. The quantity of individual materials such as brochures and resource kits is dependent upon demand. NZQA's performance standard is to deliver 100% on its published programme.

## School Transport

### *Scope of Appropriation*

Purchase of services to transport eligible students to and from State and integrated schools. Also included are payments to schools that manage their own transport services and payments to parents/caregivers to compensate for the costs of taking children to school where other transport services are unsuitable or unavailable.

### *What is intended to be achieved with this Appropriation*

This appropriation is intended to achieve maximum attendance at schools by ensuring transport options are available.

### *Output performance measures and standards*

Performance measure	Budget standard 2016/17	Actual performance 2016/17	Performance 2015/16	Comment
<b>Quantity</b>				
Percentage of journeys per annum completed without incident, in the provision of safe transport options to students who face transportation barriers.	99.9%	99.99%	New measure	<b>Achieved</b>

The following activity information relates to output volume measures that are demand-driven and therefore outside the control of the Ministry of Education.

Performance measure	Budget standard 2016/17	Actual performance 2016/17	Performance 2015/16
The number of bus routes provided per annum.	2,700 – 2,850	2,784	Revised measure



## Secondary-Tertiary Interface

### *Scope of Appropriation*

This appropriation is limited to delivery of programmes of learning at the secondary-tertiary interface, including programmes offered in partnership by schools and tertiary education organisations.

### *What is intended to be achieved with this Appropriation*

This appropriation is intended to achieve an increase in school students' continuing education to a tertiary level.

### *Output performance measures and standards*

Performance measure	Budget standard 2016/17	Actual performance 2016/17	Performance 2015/16	Comment
Number of secondary-tertiary programme places purchased per calendar year.	6,190	6,190	5,250 places in 2015	<b>Achieved</b> As at 1 June 2017, 6,638 students had participated in a Secondary Tertiary Programme using the 6,190 funded places. If students leave they are replaced by other students. This allows more students to benefit from the programme (rather than being limited to the basic number funded).

## Supporting Parenting

### *Scope of Appropriation*

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

### *What is intended to be achieved with this Appropriation*

This appropriation is intended to achieve improved support by parents, family and whānau for their children's education.

### *Output performance measures and standards*

Performance measure	Budget standard 2016/17	Actual performance 2016/17	Performance 2015/16	Comment
Number of children enrolled in early childhood education as a result of the Engaging Priority Families (EPF) programme.	960 - 1,200	747	1,189 children	<b>Not Achieved</b> 1,360 children were enrolled in ECE through EPF during the 2016-2017 year. 747 of these children were still attending ECE or had enrolled in school at the end of June 2017. As contracts ended in December 2016 it is unknown whether the remaining children were still attending or had enrolled in school or another ECE. New EPF contracts began in January 2017, with new caseloads numbers.
The percentage of whānau attending NCEA and whānau workshops who report they feel more confident and better equipped to support their children's learning (see Note 1).	95%	95%	100%	<b>Achieved</b>

Note 1 – NCEA and whānau workshops are jointly organised by agencies including the New Zealand Qualifications Authority, Tertiary Education Commission, Te Puni Kokiri, Careers New Zealand and the Ministry of Education.

## Teacher-Led Innovation Fund (Multi-Year Appropriation)

### *Scope and Period of Appropriation*

This appropriation is limited to supporting teacher-led innovation and classroom-based research of innovative teaching practices.

Commences: 01 July 2015

Expires: 30 June 2020

### *What is intended to be achieved with this Appropriation*

This appropriation is intended to achieve innovative practice in order to improve learning outcomes, particularly for Māori students, Pasifika students, those with special education needs and those from low socio-economic backgrounds.

### *Output performance measures and standards*

Performance measure	Budget standard 2016/17	Actual performance 2016/17	Performance 2015/16	Comment
Percentage of completed research projects which resulted in the spread of new teaching practices since initiation of the fund.	95%	96%	100%	<b>Achieved</b> Of the 27 projects completed and reviewed so far, 26 have resulted in the spread of new teaching practices.

# Non-Departmental Other Expenses

## Early Childhood Education

### *Scope of Appropriation*

Subsidising early childhood education services for children under six years of age from licensed and chartered early childhood education services (including centres and chartered home-based care networks) and from licence-exempt and certificated centres. Also included are several targeted funds.

### *What is intended to be achieved with this Appropriation*

This appropriation is intended to achieve access to early childhood education for all young children.

### *Output performance measures and standards*

Performance measure	Budget standard 2016/17	Actual performance 2016/17	Performance 2015/16	Comment
Percentage of ECE centres/services providing services to the standard required to meet regulatory requirements.	98%	98%	99%	<b>Achieved</b>
Percentage of children enrolled in ECE who are allocated their National Student Numbers.	98%	98%	New measure	<b>Achieved</b>

The following activity information relates to output volume measures that are demand-driven and therefore outside the control of the Ministry of Education.

Performance measure	Budget standard 2016/17	Actual performance 2016/17	Performance 2015/16
Subsidised hours provided by licensed and chartered Early Childhood Education (ECE) services <sup>4</sup> :			
• Kindergartens	25 million - 28 million	26.7 million	26.2 million
• Playcentres	2.5 million - 3 million	2.6 million	2.7 million
• Education and care centres	137 million - 151 million	145.4 million	130.0 million
• Home based	26 million - 29 million	23.6 million	22.7 million
• Kōhanga Reo	10 million - 13 million	10.7 million	11.0 million
• Hours of ECE provided by certified playgroups.	1.8 million - 2 million	1.6 million <sup>5</sup>	1.7 million (demand driven)

<sup>4</sup> The 2016/17 figures are estimates. Finalised data will be published on Education Counts ([www.educationcounts.govt.nz/statistics/early-childhood-education/finances](http://www.educationcounts.govt.nz/statistics/early-childhood-education/finances)) when available.

<sup>5</sup> Consumed hours have been steadily falling over previous years. Under consumed hours provide for increased special grants.

## Integrated Schools Property

### Scope of Appropriation

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

### What is intended to be achieved with this Appropriation

This appropriation is intended to achieve a school property infrastructure that ensures a fit-for-purpose learning environment.

### Output performance measures and standards

Performance measure	Budget standard 2016/17	Actual performance 2016/17	Performance 2015/16	Comment
Number of integrated schools receiving funding to maintain their school properties to a consistent standard as for State schools (Policy One, see Conditions on Use of Appropriation).	300 - 350	329	New measure	<b>Achieved</b>

The following activity information relates to output volume measures that are demand-driven and therefore outside the control of the Ministry of Education.

Performance measure	Budget standard 2016/17	Actual performance 2016/17	Performance 2015/16
Number of new teaching spaces provided at integrated schools to alleviate pressures from increasing student rolls in the school network (Policy Two, see Conditions on Use of Appropriation).	5 - 15	3 <sup>6</sup>	New measure

### Conditions on Use of Appropriation

Reference	Conditions
Cabinet decision	Policy One - Property grants to proprietors of integrated schools are determined by formula, taking into account a per-student rate (based on depreciation on State school sector buildings) and numbers of students in each school.
	Policy Two - Discretionary property grant for expanding existing schools and establishment of new schools where the investment will reduce pressure for further expenditure in the State school network. Funding is provided under a Memorandum of Agreement. A construction completion certificate must be provided to the Ministry of Education.

<sup>6</sup> The Ministry does not have control over the number of applications or approvals for Policy Two funding. The Ministry assesses the eligibility of integrated school proprietors' applications for Policy Two funding. If approved and subject to availability of funding, these applications are paid out.

## Primary Education

### Scope of Appropriation

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

### What is intended to be achieved with this Appropriation

This appropriation is intended to achieve a consistent education programme for students in all schools from Years 0 to 8, including providing resources to the classroom.

### Output performance measures and standards

Performance measure	Budget standard 2016/17	Actual performance 2016/17	Performance 2015/16	Comment
Percentage of enrolled students achieving National Standards:				<b>Not achieved</b>
• Reading	78.6%	77.8%	New measure	The Ministry is maintaining a focus on progress and achievement for those students not achieving. The Ministry is promoting the Progress and Consistency Tool (PaCT) to help teachers make dependable judgements on student progress, which is the basis for these results.
• Maths	76.7%	75.4%	New measure	
• Writing	71.8%	71.2%	New measure	

The following activity information relates to output volume measures that are demand-driven and therefore outside the control of the Ministry of Education.

Performance measure	Budget standard 2016/17	Actual performance 2016/17	Performance 2015/16
Number of students to receive the curriculum as at census date of 1 July.	490,000	490,507	493,352
Average number of Full-time Teacher Equivalents teaching in primary schools (excluding The Correspondence School and private schools).	25,600	26,620	25,844

## Schooling Improvement

### *Scope of Appropriation*

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

### *What is intended to be achieved with this Appropriation*

This appropriation is intended to achieve improved education outcomes through supporting schools in their responsiveness to the needs of their communities, including iwi-strengthening projects.

### *Output performance measures and standards*

Performance measure	Budget standard 2016/17	Actual performance 2016/17	Performance 2015/16	Comment
Number of shared investments with iwi in initiatives for Māori learners and their whānau to make direct and tangible improvements in Māori education outcomes.	20 iwi	31 iwi	34 iwi	<b>Achieved</b>

## Secondary Education

### Scope of Appropriation

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

### What is intended to be achieved with this Appropriation

This appropriation is intended to achieve a consistent education programme for students in all schools from Years 9 to 13, including providing resources to the classroom.

### Output performance measures and standards

Performance measure	Budget standard 2016/17	Actual performance 2016/17	Performance 2015/16	Comment
Percentage of 18-year-olds with NCEA Level 2 or equivalent will increase in comparison to the current percentage:				
• All	83.7%	84.6%	83.3%	<b>Achieved</b>
• Māori	74.0%	74.3%	71.7%	<b>Achieved</b>
• Pasifika.	81.0%	78.7%	77.6%	<b>Not Achieved</b> Despite a solid improvement from 77.6% in 2015 the ambitious target for 2016 was not quite achieved. The Ministry is continuing to seek improvement in NCEA Level 2 results for Pasifika.

The following activity information relates to output volume measures that are demand-driven and therefore outside the control of the Ministry of Education.

Performance measure	Budget standard 2016/17	Actual performance 2016/17	Performance 2015/16
Number of students to receive the curriculum as at census date of 1 March.	272,000	288,386	285,487
Average number of Full-time Teacher Equivalents teaching in secondary schools (excluding The Correspondence School and private schools).	21,000	25,743	21,260



## Support for Early Childhood Education Providers

### Scope of Appropriation

This appropriation is limited to assisting early childhood education services and other bodies corporate in the provision of child places for early childhood education. Priority will be given to providers in communities that have low levels of participation in early childhood education, to increase the number of child places and therefore availability of early childhood education. The criteria and selection process for each type of assistance are published by the Ministry of Education.

### What is intended to be achieved with this Appropriation

This appropriation is intended to achieve increased participation in early childhood education (ECE) through increasing capacity in the ECE system.

### Output performance measures and standards

Performance measure	Budget standard 2016/17	Actual performance 2016/17	Performance 2015/16	Comment
Cost per child place created through the Targeted Assistance Participation programme.	\$12,000 - \$16,000	\$7,847.46	\$12,324	<b>Not achieved</b> Result for this measure is an average across three programmes. This year, funding for one of the three programmes was not available (as it was committed to other priority initiatives); therefore the average cost is much lower than last year.
Number of children participating in ECE as a result of the Targeted Assistance Participation Programme.	500	2,296	New measure	<b>Achieved</b> The higher than expected enrolments into ECE as a result of TAP could be attributed to more than one child utilising a "child place created" or a large number of TAP child places being completed and available for enrolments during 16/17 year. The nature of TAP means that enrolments for builds funded and/or completed in previous years are included in the count while the estimate reflects what was invested for the single year.

# Non-Departmental Capital Expenditure

## School Support Project

### *Scope of Appropriation*

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

### *What is intended to be achieved with this Appropriation*

This appropriation is intended to achieve the provision of support for schools that are at financial risk.

### *Output performance measures and standards*

Performance measure	Budget standard 2016/17	Actual performance 2016/17	Performance 2015/16	Comment
Percentage of schools receiving emergency support that are able to meet immediate financial obligations.	100%	100%	New measure	<b>Achieved</b>

## Schools Furniture and Equipment

### Scope of Appropriation

Provides funds to schools for new furniture and equipment when capital works (including remodelling/upgrading of existing property and new school property) are approved.

### What is intended to be achieved with this Appropriation

This appropriation is intended to achieve the supply of furniture and equipment to schools where the capital plans have been approved.

### Output performance measures and standards

Performance measure	Budget standard 2016/17	Actual performance 2016/17	Performance 2015/16	Comment
Percentage of State schools with a property condition of 'Fair' or better, as an indicator of the condition of the school property portfolio (See Note 1).	80%	93%	New measure	<b>Achieved</b>

Note 1 – Together, these measures indicate the impact made by the provision of capital for furniture and equipment, because funding for furniture and equipment is approved as part of the business cases for new and upgrades to teaching spaces.

The following activity information relates to output volume measures that are demand-driven and therefore outside the control of the Ministry of Education.

Performance measure	Budget standard 2016/17	Actual performance 2016/17	Performance 2015/16
Number of schools receiving furniture and equipment grants for expansion projects (See Note 1).	100 - 150	134	New measure
Number of schools receiving furniture and equipment grants for maintenance projects through their Five-Year-Agreements.	800 – 1,100	834	New measure