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# Vote Tertiary 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 for Tertiary Education, Skills and Employment is required to prepare a report in relation to the provision of certain non-departmental appropriations supplied to the Crown for Vote Tertiary 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 in the House by 19 October 2017 and presented to the House as soon as practicable following publication.

In the Estimates of Appropriations 2016/17 for Vote Tertiary Education, performance information from the Tertiary Education Commission for the attached appropriations is required to be reported by the Minister for Tertiary Education, Skills and Employment. 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 against budget covering each category of the appropriation
- statement of service performance .

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

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# Statement of Expenses incurred against Budget

for the year ended 30 June 2017

<b>Tertiary Tuition and Training MCA</b>	<b>2016</b>	<b>2017</b>	<b>2017</b>
	<b>Actual</b>	<b>Budget<sup>1</sup></b>	<b>Actual</b>
	\$000	\$000	\$000
<b>Non-departmental output expenses</b>			
Community Education	75,133	72,751	72,751
Tertiary Education: Student Achievement Component	2,069,092	2,085,205	2,085,205
Training for Designated Groups	312,325	307,716	307,716
<b>Total Multi-Category Expenses</b>	<b>2,456,550</b>	<b>2,465,672</b>	<b>2,465,672</b>

This is a new multi-category appropriation (MCA) in 2016/17 created by combining three former non-departmental output expense appropriations that now form the categories of the MCA.

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<sup>1</sup> These are the appropriations from the Supplementary Estimates, adjusted for any transfers under section 26A of the Public Finance Act.

# Statements of Service Performance

## Multi-Category Expenses and Capital Expenditure

### Tertiary Tuition and Training

#### *Overarching Purpose Statement*

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

#### *Scope of Appropriation*

##### *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.

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

This appropriation is intended to contribute to improved lifetime outcomes of New Zealanders through the provision of skills from tertiary education, training, foundation learning programmes and community education.

#### *Output performance measures and standards*

Performance measure	Budget standard 2016/17	Actual performance 2016/17	Performance 2015/16	Comment
<b>Tertiary Tuition and Training</b>				
Proportion of 25-34-year-olds with advanced trade qualifications, diplomas and degrees (at Level 4 or above).	60% for the year ending December 2018	57.2% for the year ending December 2016	New measure	<b>On track</b>
<b>Community Education</b>				
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.				
Adult and community education – Number of funded domestic equivalent full-time students in Tertiary Education Institutions-based programmes (including Search and Rescue and Emergency Management short courses) per calendar year (see Note 1).	2,000 ±5%	1,724	Revised measure	<b>Not achieved</b> Due to the late signing of contracts for recommended Emergency Management training providers, training did not begin until late in 2016. This has meant that full delivery of the allocation was not achieved in 2016.
Literacy and numeracy – Total number of funded learners per calendar year (see Note 1).	15,100 ±5%	14,567	New measure	<b>Achieved</b>
<b>Tertiary Education: Student Achievement Component</b>				
This category is intended to achieve learners' attainment of recognised tertiary qualifications by funding education and training opportunities.				

Performance measure	Budget standard 2016/17	Actual performance 2016/17	Performance 2015/16	Comment
Number of domestic equivalent full-time students at Levels 1 and 2 (see Notes 1 and 2).	12,500 ±5%	11,510	Revised measure	<b>Not achieved</b> Difficulties in recruitment were experienced by providers during 2016. One large private training establishment ceased to operate in the 2016 calendar year.
Number of domestic equivalent full-time students at Level 3 and above by sub-sector (see Notes 1 and 2):				
• Universities	110,500 ±5%	116,977	Revised measure	<b>Achieved</b> The TEC has used its ability to allocate 10% of funding in each sub-sector to other sub-sectors and has allocated more funding to the universities and wānanga than is reflected in Budget baselines. Therefore delivery above forecast was expected.
• Institutes of Technology and Polytechnics	52,800 ±5%	54,139	Revised measure	<b>Achieved</b>
• Wānanga	17,600 ±5%	18,668	Revised measure	<b>Achieved</b> The TEC has used its ability to allocate 10% of funding in each sub-sector to other sub-sectors and has allocated more funding to the universities and wānanga than is reflected in Budget baselines. Therefore delivery above forecast was expected.
• Private Training Establishments.	21,300 ±5%	20,538	Revised measure	<b>Achieved</b>
Total domestic equivalent full-time students at New Zealand Qualifications Framework Level 3 and above (see Notes 1 and 3).	212,900	210,322	Revised measure	<b>Achieved</b>
<b>Training for Designated Groups</b>				
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.				
Total training (see Note 1):				
• Industry Training – funded standard training measures (see Note 4)	27,100 ±5%	27,533	New measure	<b>Achieved</b>
• Apprentices – funded standard training measures (see Note 4)	15,500 ±5%	16,170	Revised measure	<b>Achieved</b>
• Youth Guarantee – total funded equivalent full-time students	9,200 ±5%	8,853	Revised measure	<b>Achieved</b>
• Gateway – total participants and number of schools.	13,200 ±5% in up to 375 schools	13,662 In 367 schools	Revised measure	<b>Achieved</b>

Note 1 – 2016/17 Budget Standard and 2016/17 Actual Performance refer to the 2016 calendar year. 2015/16 Actual Performance refers to the 2015 calendar year.

Note 2 – The Student Achievement Component 2016/17 Budget Standards are shown at 95% of expected delivery.

Note 3 – The 2016/17 Budget Standard total number of equivalent full-time students is calculated by adding together all Student Achievement Component commitments made by providers made by providers in their Investment Plans.

Note 4 – Standard training measure is the amount of training required for a trainee to achieve 120 National Qualifications Framework credits. Funding is based on the number of standard training measures arranged by an industry training organisation in a calendar year.