



Education Report: Ministry of Education 2019/20 First Quarter Report (1 July to 30 September 2019)

To:	Hon Chris Hipkins, Minister of Education		
Date:	29 November 2019	Priority:	Low
Security Level:	In Confidence	METIS No:	1210638
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Messaging seen by Communications Team:	No	Round Robin:	No

Purpose

The paper provides a quarterly update on Ministry performance with financial and non-financial performance reporting against agreed 2019/20 Budget standards. It also seeks approval for some additional/revised measures to ensure we can meet 2019/20 year-end reporting expectations.

Summary

The attached Ministry of Education 2019/20 First Quarter Report (Appendix A) provides a narrative report on progress, framed in terms of how the work has contributed to the Government's five objectives. It shows how we are progressing work to deliver on the objectives and responding to the key themes identified through the Education Conversation | Kōrero Mātauranga. It also includes financial and non-financial performance reporting against agreed budget standards for 2019/20.

As at 30 September 2019, we forecast that the Ministry will achieve the majority of our performance measures. Explanations on variances are set out on pages 9 to 14 for Vote Education.

The financial results for the year to 30 September 2019 show:

- total Vote Education expenditure was \$76.1 million (2.3%) over budget
- total Vote Tertiary Education expenditure was \$75.3 million under budget.

The report also seek approval for some additional/revised measures for 2019/20.

Recommended Actions

The Ministry of Education recommends that you:

- a. **note** the attached Ministry of Education 2019/20 First Quarter Report (Appendix A) which provides:
- a. reporting on progress against the Ministry's work priorities and contribution to the Government's five objectives for education
 - b. exceptions reporting on Vote Education and Vote Tertiary Education performance measures
 - c. an update on the Vote Education and Vote Tertiary Education financial position as at 30 September 2019

Noted

- b. **note**, now Cabinet has made further decisions around education system transformation, the Ministry can review work priorities for the balance of the year and update the work programme in discussion with you

Noted

- c. **approve** the additional/revised measures set out in paragraphs 7 to 10 and Appendix B

Approved

- d. **forward** the report to your Associate Ministers of Education, for their information

Agree/Disagree

- e. **agree** to the proactive release of this report and its attachments.

Release/Not release



Emily Fabling
Deputy Secretary
Strategy, Planning and Governance
Ministry of Education

29/11/2019.



Hon Chris Hipkins
Minister of Education

6/1/20

Education Report: Ministry of Education 2019/20 First Quarter Report (1 July to 30 September 2019)

Background

1. The intent of the quarterly report is to provide a record of performance for the quarter of 2019/20, and also to highlight any key issues or opportunities for discussion. Performance measures are reported on an exceptions basis. We are usually asked to provide copies of the quarterly report to Select Committee as part of the Annual Review process and it is intended that the document is proactively released.
2. Typically we have set out detailed work priorities in an annual Output Plan, which has been agreed with you. While we had developed an initial draft 2019/20 Output Plan, in response to a 17 August 2019 letter from Iona Holsted, you agreed to delay this given the work programme and its sequencing could change with Cabinet decisions around education system transformation. Now Cabinet decisions are known, we can review and update the work programme in discussion with you. There is no formal requirement to produce or sign-off the Output Plan and the work priorities can be amended at any time with your agreement.
3. Our 2019/20 First Quarter Report as set out in Appendix A provides an update on:
 - progress against the Ministry's work priorities and contribution to the Government's five objectives for education (pages 3 to 8). This narrative show how we are progressing work to deliver on the objectives and responding to the key themes identified through the Education Conversation | Kōrero Mātauranga
 - Vote Education (pages 9 to 14) and Vote Tertiary Education (page 18) performance measures, reporting on an exceptions basis
 - Departmental and non-departmental expenditure to 30 September 2019 for Vote Education (pages 15 to 17) and Vote Tertiary Education (pages 19 to 20).

Quarterly Performance Information

Work programme highlights

4. The following highlights are examples of how we have progressed the Government's five objectives for education and responding to the key themes identified from the Education Conversation | Kōrero Mātauranga, to 30 September 2019:
 - We developed and released documents seeking feedback on what New Zealanders told us through the Education Conversation | Kōrero Mātauranga – "Shaping a Stronger Education System with New Zealanders" – and commenced an integrated consultation process to make it easier for people to provide their say on the Statement of National Education and Learning Priorities and draft Tertiary Education Strategy.
 - We are giving practical effect to Te Tiriti o Waitangi by integrating the Māori Education Strategic Framework – the underlying basis for Ka Hikitia – into key work including leading the Government's position in response to the Review of Vocational Education and to the report of the Independent Taskforce on Tomorrow's Schools.
 - We progressed the Review of Vocational Education, setting up the New Zealand Institute of Skills and Training Establishment Unit and associated legislation development and governance arrangements.

- We provided advice and support on workforce negotiations, with all teacher and principal collective agreements settled and progress toward pay equity, and announced new Professional Learning and Development priorities to support teachers and leaders.
- We have led on the Prime Minister's announcement that New Zealand History will be taught in all schools and kura from 2022, while delivering the travelling roadshow for Tuia Mātauranga in support of the Tuia 250 commemoration across Aotearoa.
- We continued to bring local early learning services, kohanga reo, schools and kura together with community agencies to identify local needs and resources, to improve learning support (as well as school attendance and engagement).
- We worked collaboratively with other agencies to progress the Government's Child and Youth Wellbeing Strategy, including the development and implementation of a trial food in schools programme in areas with high concentrations of disadvantaged students.

Performance measures

5. The majority of Estimates performance measures are on track, with 13 Vote measures, out of a total of 113 measures, at risk of not being achieved at year-end. The Vote Tertiary Education measures are on track for year end. The Vote Education measures at risk are a mix of Departmental and Non-departmental measures as set out on pages 9 to 14 and summarised below:

Departmental	Non-departmental
<ul style="list-style-type: none"> • participation in early childhood education prior to starting school (four measures with equity breakdown) • students attending primary and secondary school regularly (one overall measure) • accurate and timely resourcing payments to providers (two measures) • Ministerial servicing timeliness (one measure). 	<ul style="list-style-type: none"> • students attending primary school regularly (three measures with equity breakdown) • families in Home Interaction Programme for Parents and Youngsters that transition to an early childhood service (one measure – proposed to be replaced, refer paragraph 10) • timeliness of Teaching Council Disciplinary Tribunal decisions (one measure).

Financial reporting

6. Total expenditure for the year to 30 September 2019 was:
- \$76.1 million (2.3%) over budget for Vote Education, mainly due to teachers' salary settlement costs and signing 10 Year Property Plans earlier than in previous years
 - \$75.3 million (8.7%) under budget for Vote Tertiary Education, mainly due to lower than expected student update and reduced demand.

Updating measures for 2019/20

7. The Ministry is required to have some **additional asset measures** for the Treasury's Investor Confident Rating and reporting in the Ministry's Annual Report. The expectation is that these will be approved by the Responsible Minister and they are set out in Appendix B for your approval.
8. We can also report on **additional measures relevant for Ministers** but not necessarily Parliament. These are reported to you but do not need to be reported in our Annual Report. As agreed with your Office in February 2018, for 2019/20 we are monitoring

and reporting on additional Ministerial correspondence measures for both Votes, in response to your concern about the time taken for correspondents to wait for a reply.

Measure	Standard
"Percentage of Ministerial correspondence replies, Parliamentary question replies and Ministerial Official Information Act replies completed within 10 working days as an agreed internal standard between the Ministry and the Office of the Minister".	60%

9. Budget decisions have created some **new appropriations for 2019/20** which need supporting performance measures for year-end reporting. To ensure monitoring and reporting processes are put in place we are seeking your approval for the following measures, which will then be updated through the Supplementary Estimates:

Appropriation and scope statement	Proposed Intention Statement and Measures
<p>Establishing a Single National Vocational Education Institution (Ministry)</p> <p>This appropriation is limited to expenses incurred in establishing a single national vocational Education Institution</p>	<p>This appropriation is intended to achieve the establishment of a single national vocational education institution as part of the Government's Reform of Vocational Education.</p> <p>Proposed performance measures:</p> <p>A Ministerial Advisory Group to guide the establishment of a single national vocational institution is appointed by 1 September 2019.</p> <p>An inaugural Council for a single national vocational education institution is appointed after the enactment of legislation establishing it as a Tertiary Education Institution.</p> <p>Budget Standard: Achieved</p>

10. When preparing the Vote Education 2018/19 Non-departmental Section 19B Report we found that one of the measures added during 2018/19 for the **Home Interaction Programme for Parents and Youngsters (HIPPY)** was not measuring the information expected. To compensate we reported on a supplementary measure that provides a better indication of the value of the programme. For 2019/20 we would like your approval to formally replace the measure as set out below:

Delete exiting measure	Approve replacement measure
<p>Families receiving the HIPPY programme:</p> <ul style="list-style-type: none"> percentage of families receiving the HIPPY programme in 2019 that transition to an early childhood service. <p>Budget standard: 85%</p>	<p>Families receiving the HIPPY programme:</p> <ul style="list-style-type: none"> percentage of parents participating in the HIPPY programme in 2019 report feeling more confident supporting their children's early learning. <p>Budget standard: 85%</p>

Enclosures:

Appendix A: Ministry of Education 2019/20 First Quarter Report

Appendix B: Vote Education Asset Measures 2019/20

Appendix B

Vote Education – Asset Measures 2019/20

The Ministry is required to have a set of asset measures for ICT and the School Property Portfolio to meet our Investor Confidence Rating (ICR) and other external reporting obligations. These measures have been updated for 2019/20 and will be in ICR reporting to the Treasury and our 2020 Annual Report.

Ref	Type	Performance Measure	Budget Standard	Group
		ICT		
A1	Asset	The percentage of time our critical systems are available (see Note 1).	99.85%	BE&S
A2	Asset	The percentage of time our systems are available.	95%	BE&S
A3	Asset	Peak usage of any one of the Ministry of Education's Wide Area Network bandwidth links.	80%	BE&S
A4	Asset	The Ministry of Education's disk storage capacity – allocated storage.	No more than 90%	BE&S
A5	Asset	The percentage of computers/user devices aged < 5 years.	95%	BE&S
A6	Asset	The percentage of critical systems requiring upgrade within the last 5 years, which have been upgraded (see Note 1).	70%	BE&S
A7	Asset	Number of critical (priority 1) faults per annum.	80	BE&S
A8	Asset	Average time to resolve priority 1 faults.	120 minutes	BE&S
A9	Asset	Annual network penetration test risk level assessment (5 – critical, 4 – high, 3 – medium, 2 – low, 1 – informational).	4	BE&S
		School ICT Network		
A10	Asset	Percentage of eligible schools with ultra-fast broadband connection available (see Note 2).	95%	EIS
A11	Asset	Percentage of eligible schools connected to the managed network (see Note 2)	99.5%	EIS N4L
A12	Asset	Percentage of State schools' teaching spaces with an Innovative Learning Environment rating for ICT of 50% or better (see Note 3).	85%	EIS
		School Property Portfolio		
Est		Refer to the four Estimates measures for the School Property Portfolio Management appropriation.		EIS

Note 1 – The Ministry of Education identifies 12 systems as critical systems.

Note 2 – Eligible schools are defined as State schools, integrated schools and partnership schools. For the purposes of this measure, schools that are not open or do not have a UFB connection do not count as an eligible school. Connected means a school that is connected to the managed network provided by Network for Learning (N4L) directly, or via a shared connection with another eligible school, or through a third party Internet connection with appropriate filtering that is fully funded by the Ministry via N4L.

Note 3 – This is a measure of the functionality of ICT in school buildings based on the most recent Innovative Learning Environment (ILE) assessments undertaken. ILE assessments are undertaken every five years for most schools as part of the 10-year property planning process. ICT functionality is assessed on a 3-point scale: Does not meet ILE standard, Meets approximately 50% of ILE standard, and Meets 100% of ILE standard. This measure covers the majority of school buildings (67% of buildings by area), and is increasing each year as more schools re-enter the 10-year property planning process.

Ministry of Education

Performance Report

For the first quarter ending
30 September 2019

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Purpose of the report

The report provides the Minister of Education with a quarterly update on what was achieved against the Ministry's Statement of Intent 2018-23, the Education Work Programme, the Child and Youth Wellbeing Strategy and approved business plans. Reporting is framed in terms of how the work has contributed to the Government's five objectives for education:

- Learners at the Centre – Learners with their whānau are at the centre of education
- Barrier free access – Great education opportunities and outcomes are within reach for every learner
- Quality teaching and leadership – Quality teaching and leadership makes the difference for learners and their whānau
- Future learning and work – Learning that is relevant to the lives of New Zealanders today and throughout their lives
- World Class inclusive public education – New Zealand education is trusted and sustainable.

The report also includes financial and non-financial performance reporting against agreed budget standards. Non-financial performance reporting is on an exceptions basis only. The majority of performance measures are on track.

Delivering on the Ministry's work programme

Introduction

 Cabinet approved a 30 year vision and updated strategic objectives for Education, informed by the Kōrero Mātauranga. These are set out in the discussion document: **Shaping a Stronger Education System with New Zealanders**, which supports consultation on a draft *Statement of National Education and Learning Priorities* (NELP) and a draft *Tertiary Education Strategy* (TES). The vision and objectives provide a strategic framework to guide decisions across the **Education Work Programme**.

Learners at the Centre – Learners with their whānau are at the centre of education

Key achievements during the quarter

Integrated strategy development with the learner at the centre

-  This quarter we finalised the **Early Learning Action Plan** to ensure that all children have genuine opportunities to learn and develop, in an early learning sector that supports their identity, language and culture
-  An integrated consultation process, seeking feedback on both the draft **NELP** and the draft **TES** started in September. The consultation includes community hui, online surveys, and meetings with key stakeholder groups. TES consultation concluded on 25 October and the NELP consultation concluded on 25 November.

Strengthening the curriculum

 We developed a five year **Curriculum, Progress and Achievement** work programme to understand and strengthen all learners' progress and achievement against the National Curriculum. The work programme was made public in September.

 We engaged with a diverse range of stakeholders to design and implement the National Certificate of Educational Achievement (**NCEA**) Change Package.

We also initiated trials and pilots across four subjects – Level 1 Science, English, Visual Arts and Religious Studies – to test the Review of Achievement Standards process. The outcomes will guide the way we improve achievement standards between now and 2025

Informing and supporting parents, whānau, iwi, communities and employers

Through our existing relationships we're co-designing iwi education plans with some post-Settlement iwi. The plans support specific actions that will promote educational achievement by Māori and Māori.

Working with others enhance hauora | wellbeing

Cross government initiatives to deliver on the **Child and Youth Wellbeing Strategy** this quarter included:

- Inspiring active, healthy and creative children and young people** by working with Manatū Taonga (the Ministry of Culture and Heritage), and Creative New Zealand to establish the Creatives in Schools programme. The programme is now available on the Ministry's website.
- We worked with the Ministry of Justice to identify actions to ensure that **children and young people are accepted, respected and connected**. The actions will develop a platform to:
 - ensure all spaces are physically and emotionally safe, supportive and inclusive
 - build understanding of racism and discrimination, power and privilege
 - transform the way government operates to be equitable and anti-discriminatory.
- Promoting positive and respectful peer relationships, and initiatives to prevent and respond to bullying in schools.** The Bullying Prevention and Response Work Programme for 2019-2022 was approved by the interagency advisory group (in August). Initial work has centred on developing and promoting the Wellbeing@School survey toolkits and strengthening learner agency within bullying prevention efforts. Our new *Wellbeing in Education* webpage situates bullying prevention within the overarching role of Education in supporting wellbeing.
- Increasing child and youth voice and participation** by incorporating advice from the Youth Advisory Group into redesigning Alternative Education.

We worked closely with the Ministry of Health, the Mid Central DHB, and other agencies to implement **Mana Whaikaha**. The collaboration will foster a seamless



interface between the disability support system and the education system. This prototype will run until the end of 2020.

We developed a discussion paper on **student voice** in tertiary education and options to strengthen it; sector consultation began in August.

Barrier free access – Great education opportunities and outcomes are within reach for every learner

Key achievements during the quarter

Supporting schools to increase attendance and engagement

The **Attendance Innovation Project** continues to build enduring working relationships with schools and Kāhui Ako.

We reviewed current **Attendance Service** contracts (that are scheduled to end in December 2019) to test and redesign key aspects of the service, including service location in relation to schools, referral processes, and alignment with the Learning Support Delivery Model for students at-risk of educational disengagement.

Managing School Transport

Work to procure school bus services beyond 2020 is under way; options are being evaluated.

Supporting Māori to succeed as Māori



This quarter we used the **Māori Education Strategic Framework** (the underlying strategic platform for **Ka Hikitia**) to inform key policy initiatives including the Review of Vocational

Education (RoVE); the 3 Year Vision and Objectives for our Education System; the Review of Tomorrow's Schools; the NELP the TES; and the Early Learning Strategic Plan.

Te Hurihanganui is a kaupapa that will support communities to work with the education system to address racism and inequity, improving outcomes for āko ga and their whānau. Budget 2019 included \$42 million over three years to implement and test Te Hurihanganui across six communities. Core design of the kaupapa is now complete, and we are approaching potential communities, seeking their agreement to participate.

Supporting Pacific peoples to succeed



We hosted 28 Fono, consulting diverse Pacific groups to help with developing the **Pacific Education Action Plan**. The plan aims to achieve equity for Pacific learners

and their families, embedding the priorities in key Ministry policy initiatives.

The RoVE, and the draft TES have included Pacific elements, to promote equitable outcomes in the tertiary sector.

We also implemented the first phase of **Tapasā** a resource to help teachers and leaders to work better with Pacific learners.

Through **Tatou Fa'amalosi** funding we supported Pacific events and initiatives, includingoly esti als, speech competitions, resources and mentor programmes.

Supporting those with extra learning needs



Following the July launch of the **Learning Support Action Plan (LSAP)**, the first tranche of 623 **Learning Support Coordinator (LSC)** roles was announced in August. 1,052 schools and kura, grouped in 124 clusters, are eligible to receive one LSC for every ~500 students.

The **Learning Support Delivery Model** brings local early learning services, kōhanga reo, schools and kura together with community agencies to identify local needs and resources and plan support based on what they know works.

- Planning to deliver the **Learning Support Monitoring and Evaluation Strategy** is in place. The programme will: evaluate existing learning support mechanisms
- pilot new learning support screening and assessment tools
- define a monitoring framework, to measure outcomes.

The first stage of **Te Kōhanga Reo National Trust** awareness campaign was successfully completed. This included a series of workshops to help parents, whānau and kaiako to access resources to support tamariki with additional learning needs.

Expanded Behaviour Services aim to improve children's behaviour, learning, achievement and social interactions; we have extended services to children aged 0-2 years and their whānau, and increased services for 3-8 year olds. The delivery process and outcomes are being evaluated.

The **Kauwhata Reo** site was launched in September and has been well received, with ~ 4,000 visits each day. Kauwhata Reo is a central online portal that enables teachers and learners of te reo Māori to access high quality resources in an easy, fun and interactive way. The site has uploaded over 2,000,000 government sector resources, including over 2,000 Ministry of Education te reo Māori resources.



Providing extra targeted support

Over the quarter we provided briefings on **redesigning alternative education** and new intensive support initiatives for at risk young people. We hosted a hui to test the preferred alternative education option with the sector.

Addressing financial barriers

We helped families with the cost of essentials by operationalising the **Education (School Donations) Amendment Bill**, for Boards of Trustees, parents and whānau (of decile 1-7 schools). At the end of September over a quarter of eligible schools had opted into the scheme (mainly primary schools); schools had until 20 November to opt in.

We are developing a pilot **school lunch** programme to test the most effective and efficient ways to deliver lunches in schools where there are high concentrations of disadvantaged students.

We are reviewing the early learning and school funding system to improve equity. In September, Cabinet agreed (in-principle) to replace deciles with the Equity Index from the 2021 or 2022 school year. Technical work on the Equity Index is now complete, and wider sector engagement has begun, initially with principal associations in each region.



We delivered advice on **Fees Free** monitoring and on potential changes to policy settings for 2020.

Quality teaching and leadership – Making the difference for learners and their whānau

Key achievements during the quarter

Developing an education workforce vision and strategy



The **Education Workforce Strategy** aims to deliver a strong, culturally competent, education workforce that drives a world leading, learner-focused education system by 2032. This quarter Ministers agreed a revised timetable and milestones to complete the strategy over 2020; a teacher supply strategy will be delivered by the end of 2019.

Attracting and retaining teachers

We provided advice and support on **workforce negotiations**, bargaining and pay equity. Teacher and principal collective agreements were settled for

Kindergarten Teachers (12 July), Te Aho o te Kura Pounamu Early Childhood Teachers (variations agreed 19 September), Primary Principals (9 August) and Area Principals (28 August).

Professional learning and development

Revised national priorities for **Professional Learning and Development (PLD)** were announced in September, to align with the focus on curriculum, progress and achievement, and to support teachers and leaders. We are developing a PLD package to support sector engagement with the updated Te Whāriki and Te Whāriki a Te Kōhanga Reo.

The PLD service is being enhanced to

- help teachers to meet the needs of Māori
- support schools, kura and Kāhui Ako to develop evaluative capability
- bring non-traditional providers such as iwi into the PLD service. This quarter we finalised agreements with two providers.

Promoting active teaching of hauora/wellbeing in schools

We held the **School Wide PB4L** (Positive Behaviour for Learning) conference to promote practices that enhance students' behaviour, engagement, participation and learning. The conference attracted over 600 registrations. **Huakina Mai** was unveiled at the conference; this is a kaupapa Māori behaviour initiative that promotes collaboration between whānau, schools and iwi to build a positive school culture, based on a Kaupapa Māori world view.

Building a culturally responsive workforce



Te Aho o te Reo Māori ki Te Tonga was launched in Ōtaki, and Waikato, it will help the education workforce to use te reo Māori confidently and correctly, every day, as part of learning programmes.



Future learning and work – Learning that is relevant to the lives of New Zealanders today and throughout their lives

Key achievements during the quarter

Ensuring the curriculum is relevant and responsive for diverse ākonga



In July we formally began working with Ngāti Wai in Te Tai Tokerau to finalise planning to test Te Kawa Matakura in 2020. Programme design is progressing.

We also began work to ensure that **New Zealand's histories** are part of the local curriculum in all schools and kura. Work is already under way to enhance existing resources, as we develop an implementation package for the new content. This includes a portfolio of iwi stories from the four landing sites.

We delivered the travelling roadshow, resources and guidance for **Tuia Mātauranga** in support of the Tuia 250 commemoration, delivering the programme to communities across Aotearoa.

Te Aho Ngārahu provides te reo Māori language resources to kura to support local curriculum subject resources are now available for kura on Kauwhata Reo

We completed the **NCEA Level 1 online learning modules pilot**.

Strengthening pathways through secondary education into further education and/ or employment

We launched a **School Leavers Toolkit** website for students and young people in September. The website supports and empowers young people to access information relating to financial literacy, civics, employability skills and personal wellbeing. The Toolkit supports young people to transition positively into further education, training, employment and life beyond compulsory schooling.

We launched the **Prime Minister's Vocational Excellence Award** nominations for 2019. This Award provides the top vocational student at each school with 2,000

We continued to engage with employers, business and industry to discuss their involvement with education initiatives. We participated in 13 Speedmeets across New Zealand, in partnership with Industry Training Organisations and employers through the **Got a Trade? Got it Made!** Programme. The speedmeets were well received by students, teachers and employers that attended.

We worked with the Ministry of Business Innovation and Employment and the Ministry for Social Development to identify options to improve **foundation tertiary education** for young people and adults who leave school with low or no qualifications. Advice was provided to labour market Ministers, seeking their approval of a first principles review of active labour market policy decisions.

We co-designed a proposal to strengthen university pathways for Māori learners with **Te Kahui Amoku**

Reforming vocational education and training



The **Education (Vocational Education and Training Reform) Amendment** bill was introduced in August and we are working with the select committee to support the passage of the bill.

We created the **New Zealand Institute of Skills and Technology (NZST) Establishment Unit**; sourcing staff, technology, a branded website and office space, and providing back-office support. We provided support for the **NZST Establishment Board**, including a Māori Advisory Group: **Te Taumata Aronui**.

We established the **Funding Reference Group** (made up of sector experts) to initiate a rolling 3-yearly review of the Tertiary funding system, arranging workshops with Māori, Pacific and disabled learners to inform the unified funding system analysis.

We worked with the **Adult and Community Education (ACE)** sector to design a new (draft) vision and identify priorities. This will inform the new tertiary education strategy and future Government investment in ACE.

Internationally credible skills and institutions



We continue to implement the **International Education Strategy** to lift the overall quality of the system and reduce the incidence of provider failure in the future. Initial actions address agent performance; quality assurance for providers, analysis of previous Private Training Entity closures, improved regulatory settings and data and intelligence sharing. Evaluation to date shows that:

- more students were enrolled outside of Auckland
- there were fewer students in total, but the tuition fee revenue increased slightly, suggesting a shift from volume to value.

The National Commission for UNESCO, in collaboration with the Human Rights Commission and Ngāi Tūāhuriri and Ngāi Tahu, held a weekend-long **Youth Diversity Forum** in Christchurch in response to the March 2019 mosque attacks, and provided a platform for a cross ethnic youth discussion on racism and the future of race relations in Aotearoa.



World Class inclusive public education – New Zealand education is trusted and sustainable

Key achievements during the quarter

Improving Early Childhood Education services



In this quarter we discussed options for phasing in the new qualification requirements for home-based Early Childhood Education (ECE) providers with the Home-based Reform Sector Implementation Group.

The first tranche of new ECE training material was delivered to ECE advisers in the Bay of Plenty/Wairariki region. The training included: managing complaints/incidents; licence reclassifications and using our Kbase system to record licensing actions.

The Provider Assessment Group continued to identify and assess high risk home-based ECE providers, including detecting and addressing potential fraud. In this quarter six providers were investigated for potential financial mismanagement.

Improving system governance



The final report of the **Tomorrow's Schools Independent Taskforce** was submitted in July. The Government's response and next steps were subsequently released, along with the

Taskforce's final report, in November.

The **Education Resourcing System (ERS)** Programme delivered on milestone including Additional Relief Teacher Funding (ARTF), operational funding for playgroups and make a-payment functionality. We anticipate that the ERS Programme may not be fully completed by early 2021 as expected. To mitigate this risk, the programme will extend the legacy ED MIS system at least until the end of 2021.

In the quarter we submitted three monitoring reports on education Crown entities and six reports on Board appointments.

Better information for decision making

We released 17 new reports on the **Education Counts website** over the first quarter, including:

- Three He Whakaaro | Education Insights papers, covering the developmental resources of pre-schoolers starting school, discrimination in schools and the new Equity Index.
- Eight papers in the Teaching in New Zealand: findings from international studies series, on topics such as inquiry-based or teacher-directed learning,

same and mixed ability grouping, and similarities and differences between reading literacy instruction in English-language countries.

The new reports released this quarter attracted 4,607 page views and 1,619 downloads.

We developed an **Iwi dashboard** which produces up-to-date data about Māori and/or iwi affiliated learners within a rohe. The dashboard provides a high level summary of learners' early learning participation and school attainment (by iwi and rohe), to support discussions iwi and parents have with schools and kura.

Results of the 2016 **Progress in International Reading Literacy Study (PIRLS)** were released in September. PIRLS provides information on Year 5 students' reading literacy

Education at a Glance 2019 was released internationally, and we released a companion report showing where New Zealand's education system performed above (or below) OECD averages, contextualising the results. The focus for 2019 was tertiary education.

The **Information for Learners** project was modified as a result of recommendations from the RoVE.

Over the first quarter we published **2018 tertiary data** on the Education Counts website including qualification completions broken down by a range of demographic and study-related characteristics.

The **Te Kete Ipurangi (TKI) router** was successfully replaced in October with minimal disruption to the sector, and a technical upgrade to e-asTTle was completed, this provides better functionality for students using iPads to undertake tests.

Ensuring benefits from research and development

An independent panel was appointed to review the **Performance Based Research Fund** (set to be completed in January 2020). The review will ensure that the benefits of research are maximised and shared across New Zealand.

We provided advice to support a funding increase for the **Wānanga Research Capability Fund** (\$6 million per year from 2020). The fund will acknowledge Mātauranga Māori and support wānanga to develop their research capacity and capability, so they can realise their research ambitions. This will make progress towards resolving the WAI 2698 claim.

Managing the school property portfolio

The 2019 Wellbeing Budget made a \$1.2 billion multi-year commitment to build new schools and classrooms, by setting aside funding for the first waves of a 10-year School Property Programme, informed by the **National Education Growth Plan**.





In this quarter, six regional announcements were made and nine regional growth plans were released, with announcements of:

- three new schools
- four expansions
- 490 roll growth classrooms
- 12,492 student places.

This quarter we continued progress with the pilot for the **Quality Learning Environment** assessments (including a performance rating framework) across a range of schools in the Bay of Plenty region. The pilot runs until December.

At 30 September, 258 capital investment projects were in the design or delivery phases and **five redevelopments were completed** across the country.

This is year six of the **Christchurch Schools Rebuild** programme, which will be completed by the end of 2023. At 30 September 2019, \$640 million (68%) of the budget had been spent. Construction continues at 26 of the 115 schools covered by the programme, with 45 schools in the planning and design phase. Two schools are yet to enter the programme.

During the last quarter we developed a procurement plan to contract additional suppliers for our **modular construction programme**. This will increase our capacity to deliver large volumes of modular teaching spaces, in response to roll growth and condition needs.

Payroll services

Education Payroll Limited (EPL) expanded its roll-out of the online payroll service for schools (EdPay) from 26 to 1,200 schools (approximately half the number required to transition from Novopay Online).

We supported EPL to implement collective agreements for secondary, area school, and primary teachers as well as principals.

Building capability and managing responsibly

Over the first quarter our **Strategy and Operating Model** programme focussed on building our capability to listen and respond to the people we serve. We intensified efforts to embed Te Aō Māori in our day-to-day work in four key areas:

- defining partnership
- deepening our understanding of Māori stakeholders
- refreshing Ministry frameworks
- supporting our staff to partner with Māori.

We reviewed and realigned our **People Strategy** to incorporate mātauranga Māori, reflect the employee life

cycle and to take an organisation wide view. Positioning behaviours at the centre of our People Strategy (Tāngata – putting our people first) gives us the foundation to provide clarity about what is expected of our people, what they can expect of us as leaders and what they can expect of each other – **He Huarahi Pai** – a good path for our people.

We broadened the range of sites where we advertise for staff and upgraded our templates and collated, to ensure that we attract a diverse pool of candidates

This quarter we engaged and collaborated with key staff to refresh **Tātai Pou** (our Māori Competency Framework). We continue to implement **Te Ara Whiti** which is our programme of work to build a culturally responsive organisation and ultimately a culturally responsive education system. Our Te Ara Whiti programme covers **Racism Equity** and **Te Tiriti**. Over 900 staff have attended our Racial Equity training and nearly 500 have enrolled for Te Tiriti training. We will increase regional staff access to Te Ara Whiti, to lift our skills in Māori language and tikanga to serve regional communities more effectively.

Between July 1 and September 30 we received 406 media inquiries. This is a 10% increase compared to the same period last year.

Overall in the first quarter, the Ministry responded to Departmental and Ministerial OIA requests within required timeframes 99.5% of the time.

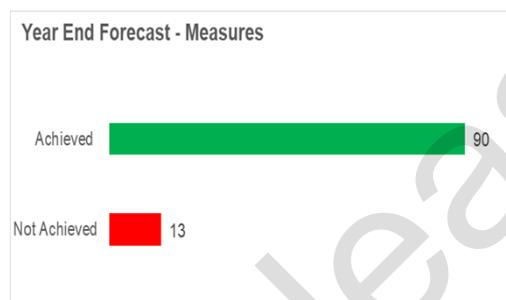
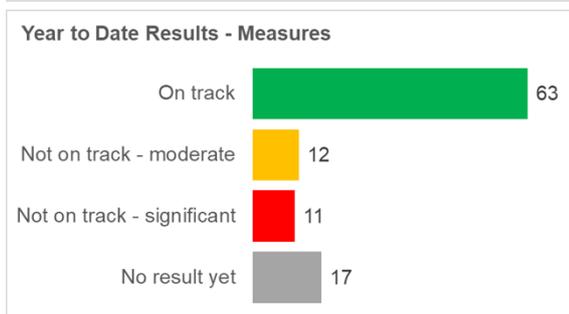
We developed an ICT roadmap to determine the necessary components of an integrated, digitally-enabled education system. The road map will ensure that ICT investments are as efficient as possible.

Treasury confirmed our **Investor Confidence B Rating**.

We signed a lease for space in **1 The Terrace** to accommodate staff when the Justice Centre lease expires. Staff will be relocated by May 2020, consolidating Wellington staff in two buildings in close proximity.

Vote Education performance for the first quarter of 2019/20

Vote Education



The majority of performance measures are on track. Non-financial performance reporting below is on an exceptions basis only. Rows of non-departmental measures are shaded grey. One output indicator (on page 18) shows a variation from expected numbers. It is reported for context only, not as a performance measure.

Departmental measures off track and not forecast to be achieved at year end

Measure not on track	Current result	Year-end forecast	Commentary															
Appropriation: Outcomes for Target Student Groups (multi category appropriation)																		
ED-M02-1 Participation in early childhood education prior to starting school: <table border="1"> <thead> <tr> <th>Students</th> <th>Budget Standard</th> <th>As at September 2019</th> </tr> </thead> <tbody> <tr> <td>All</td> <td>98%</td> <td>97.1%</td> </tr> <tr> <td>Maori</td> <td>98%</td> <td>95.6%</td> </tr> <tr> <td>Pacific</td> <td>98%</td> <td>93.3%</td> </tr> <tr> <td>Deciles 1 to 3</td> <td>98%</td> <td>91.3%</td> </tr> </tbody> </table>	Students	Budget Standard	As at September 2019	All	98%	97.1%	Maori	98%	95.6%	Pacific	98%	93.3%	Deciles 1 to 3	98%	91.3%	● ● ● ●	● ● ● ●	Participation in early childhood education is primarily demand driven and influenced by a range of factors. The procurement plan for this year's Targeted Assistance for Participation Stream 2 funding programme is underway. For this year's tender data analysis has identified pockets of children that were not attending early learning. This analysis is being matched with local knowledge. This year's tender will require applicants to demonstrate how their proposals promote quality early learning, not just an increase in child places. We expect the tender to run to the end of December. The Early Learning Strategy He taonga te tamati is also expected to be finalised later this year.
Students	Budget Standard	As at September 2019																
All	98%	97.1%																
Maori	98%	95.6%																
Pacific	98%	93.3%																
Deciles 1 to 3	98%	91.3%																
ED-M02-2 Participation in primary and secondary education: The percentage of students attending school regularly <i>(Attending regularly is defined as attending at least 90% of half-days. This is measured through a regular Term 2 survey that approximately 80% of schools complete).</i> <table border="1"> <thead> <tr> <th></th> <th>Budget Standard</th> <th>As at September 2019</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>		Budget Standard	As at September 2019				●	●	In 2018 regular attendance stabilised at 63.8% of students, following declines in the two previous surveys. Term 2, 2019 data is being collated and will be available early 2020. Ensuring students are enrolled in and attending school is a shared responsibility and non-attendance is influenced by a range of factors. We are exploring options for improving the Attendance Service, including how									
	Budget Standard	As at September 2019																



Overall	70%	2019 data not yet available			resources to manage attendance could be located closer to schools. Regional offices are focused on attendance and the voice of schools in their continuous improvement work with schools.
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Appropriation: Support and Resources for Education Providers

ED-D03-1.1 / 01.2 All resourcing payments will be accurate and timely in respect of payment amounts, payment to the correct providers, schedules advised to public education service providers or agreements with those providers, timeframes notified to payees, and fulfilling statutory requirements:					Payments were incorrectly calculated for 161 secondary schools totaling \$65,828 underpayment and 61 primary schools totaling approximately \$156,000 underpayment. All payments were promptly rectified. We have implemented a change control process for calculating future payments, which included improved sign-off procedures. We are also investigating the use of system alerts to trigger when expired dates need to be updated in the system.
	Budget Standard	As at September 2019			
Accuracy	100%	97%	●	●	
Timeliness	100%	97%	●	●	

Appropriation: Oversight of the Education System (multi category appropriation) Ministerial Services (category)

ED-M03-2 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.			●	●	We continue to experience unprecedented levels of Ministerial correspondence and written parliamentary questions. In the first quarter, we responded to: <ul style="list-style-type: none"> 101 Written Parliamentary Questions (WPQ), 7 of these were delivered outside the agreed timeframe 25 Ministerial requests, 5 of these were delivered to the Ministers office outside the agreed timeframe. Where there are foreseeable delays to achieving agreed timeframes we alert the Minister's office to this.
	Budget Standard	As at September 2019			
Overall	95%	90.0%			

Non-Debt measures off track and not forecast to be achieved at year end

Measure not on track	Current result	Year-end forecast	Commentary
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Appropriation: Primary Education

ED-N03-1 Participation in primary education – the percentage of students attending school regularly, measured annually:					As above for Measure ED-M02-2 In 2018 regular student attendance was 67.6% for all, 55.5% for Māori and 56.5% for Pacific.
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Students	Budget Standard	As at September 2019			
All	70%		●	●	
Māori	70%	2019 data not yet available	●	●	
Pacific	70%		●	●	
Appropriation: Supporting Parenting					
ED-N10-2 Families receiving the Home Interaction Programme for Parents and Youngsters (HIPPY): <ul style="list-style-type: none"> percentage of families receiving the HIPPY programme in 2019 that transition to an early childhood service. 			●	●	<p>The original target of 85% was based on evidence indicating levels of transition from the HIPPY programme to Early Childhood Education (ECE) services. Further analysis has identified that a large number of HIPPY participants are already engaged with ECE when they join the HIPPY programme. The current year end (to 31 December 2018) result of 33% reflected those families not already in an ECE service, when they enroll with HIPPY, that then join an ECE.</p> <p>The HIPPY programme is part of the Ministry's focus on supporting parents to better engage with their children's educational pathways – parents as first teachers. As HIPPY is more related to quality rather than participation in ECE, we worked with HIPPY to identify a measure that better reflects the quality of the programme. A measure "Parents participating in the HIPPY programme report feeling more confident supporting their children's learning" was added as a supplementary measure in the 2018/19 section 19B report. The result for the first cohort (539 graduating families) was that 87.9% of families felt more confident. We propose to substitute the measure for 2019/20 through the Supplementary Estimates (refer cover briefing paragraph 10).</p>
	Budget Standard	As at September 2019			
	85%	2019 data not yet available			



Appropriation: Contribution to the Teaching Council of Aotearoa New Zealand								
ED-N01-3 Teaching Council The percentage of decisions on referrals to the Disciplinary Tribunal that are made within eight months of the referral to the Disciplinary Tribunal.			Additional resourcing and process improvements since 1 July 2018 have assisted the Disciplinary Tribunal to reach outcomes earlier and for a greater number of cases. The number of cases reaching outcomes per quarter has increased from around 12 to 31, an increase of more than 100%. Of cases referred since 1 July 2018, 5 (16) reached outcomes within 8 months with the remaining reaching outcomes within 12 months, compared to the year to date figure of 39% based on all cases resolved. As at this period there is a backlog of 10 cases, until these are processed they will continue to adversely impact this measure.					
	<table border="1"> <thead> <tr> <th></th> <th>Budget Standard</th> <th>As at September 2019</th> </tr> </thead> <tbody> <tr> <td></td> <td>95%</td> <td>39%</td> </tr> </tbody> </table>			Budget Standard	As at September 2019		95%	39%
	Budget Standard	As at September 2019						
	95%	39%						

Departmental off track but forecast to be achieved at year end

Measure not on track	Current result	Year-end forecast	Commentary
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Appropriation: Outcomes for Target Student Group (multi category appropriation)											
Interventions for Target Student Groups (category)											
ED-M02-4 Average number of days eligible children and young people wait to receive support from the Early Intervention Service after the request for support:	<table border="1"> <thead> <tr> <th>Calendar Days</th> <th>Budget Standard</th> <th>As at September 2019</th> </tr> </thead> <tbody> <tr> <td></td> <td>9</td> <td>106</td> </tr> </tbody> </table>	Calendar Days	Budget Standard	As at September 2019		9	106	●	●		
	Calendar Days	Budget Standard	As at September 2019								
	9	106									
<table border="1"> <thead> <tr> <th>Calendar Days</th> <th>Budget Standard - percentage</th> <th>As at September 2019</th> </tr> </thead> <tbody> <tr> <td>45</td> <td>25%</td> <td>22%</td> </tr> <tr> <td>60</td> <td>40%</td> <td>28.61%</td> </tr> </tbody> </table>	Calendar Days	Budget Standard - percentage	As at September 2019	45	25%	22%	60	40%	28.61%	●	●
Calendar Days	Budget Standard - percentage	As at September 2019									
45	25%	22%									
60	40%	28.61%									

In the first quarter of 2019/20, there was a small drop in the average number of days children wait for service (from 113 days in July to 110.23 days in September).

 High waiting times for Taranaki/Whanganui/Manawatū (176.9 days) and Bay of Plenty/Wairariki (140.5 days) have an impact on the national average, although times in both regions have improved markedly over the last two months. All regions have a plan in place to reduce their waiting times and are implementing new ways of working to achieve this.

 National Office continues to scrutinise performance data for all core learning support services, to understand the factors underpinning service delivery where there are concerns, and further consider what support regions need to meet service expectations.



Appropriation: Support and Resources for Parents and the Community				
ED-D04-2 Percentage of families who, after receiving targeted communications from schools, report increased:				Our overall schedule is moderately off track as the date for the implementation co-design is yet to be agreed. Work with other participating schools remains on track. We are continuing to work with the Kāhui Ako to confirm implementation dates and get the schedule back on track.
	Budget Standard	As at September 2019		
confidence in their ability to support their child's learning	80%	Results will be provided after the annual survey	● ●	
satisfaction with the quality of information they receive	80%		● ●	

Proactively Released



Non-Departmental off track but forecast to be achieved at year end												
Measure not on track	Current result	Year-end forecast	Commentary									
Appropriation: Outcomes for Target Student Groups (multi category appropriation) Students Attendance and Engagement (category)												
<p>ED-M02-12 Percentage of students who have been returned to schooling within:</p> <table border="1"> <thead> <tr> <th>Days following an exclusion:</th> <th>Budget Standard</th> <th>As at September 2019</th> </tr> </thead> <tbody> <tr> <td>40</td> <td>55%</td> <td>45.05%</td> </tr> <tr> <td>75</td> <td>85%</td> <td>80.63%</td> </tr> </tbody> </table>	Days following an exclusion:	Budget Standard	As at September 2019	40	55%	45.05%	75	85%	80.63%	<p>●</p> <p>●</p>	<p>●</p> <p>●</p>	<p>In September there was a slight increase in the percentage of students being returned to schooling within the targets.</p> <p>Work to ensure this target is met includes:</p> <ul style="list-style-type: none"> ensuring schools are notifying the Ministry within the required time frames improving national consistency around best practice for directed enrolments developing a shared approach to enrolling excluded students into Te Kura sharing 'best practice' from the regions.
Days following an exclusion:	Budget Standard	As at September 2019										
40	55%	45.05%										
75	85%	80.63%										
Appropriation: Improved Quality Teaching and Learning (multi category appropriation) Curriculum Support (category)												
<p>M01 - 6 Number of teachers accessing the Digital Technology and Hangarau Matihiko Readiness Programme.</p> <table border="1"> <thead> <tr> <th></th> <th>Budget Standard</th> <th>As at September 2019</th> </tr> </thead> <tbody> <tr> <td>Maintain or improve baseline</td> <td></td> <td>2,56</td> </tr> </tbody> </table> <p><i>Note: 2018/19 base in 16,453 teachers.</i></p>		Budget Standard	As at September 2019	Maintain or improve baseline		2,56	<p>●</p>	<p>●</p>	<p>CORE Education (contracted service provider) suggests two issues may have led to results being slightly off-track:</p> <p>There is some evidence that the sector does not understand that Kia Takatū ā-Matihiko and Digital Readiness are the same thing.</p> <p>CORE Education is mitigating this issue, by ensuring consistency across all collateral (print and digital).</p> <p>Website usability and accessibility issues have been identified.</p> <p>Solutions and additional content required to support the needs of all users is being developed.</p>			
	Budget Standard	As at September 2019										
Maintain or improve baseline		2,56										
Appropriation: Contribution to the Teaching Council of Aotearoa New Zealand												
<p>ED-N01-1 Teaching Council The percentage of applications for issue and renewal of practising certificates submitted for appraisal by professional leaders that are reviewed under the auditing and moderation process.</p>	<p>●</p>	<p>●</p>	<p>This result is on par with the same period last year (Financial year 2018/19), a third of the 4,000 audits required have been completed, and are on track to achieving the target.</p>									



	Budget Standard	As at September 2019			
	10%	3%			
ED-N01-2 Teaching Council The percentage of new registrations and renewals of practising certificates processed within 20 working days.			●	●	The Teaching Council are closely monitoring New Zealand Police vetting processes as we no longer have access to priority vetting services. The standard processing time is 20 working days. The Teaching Council is considering its service expectations and how to optimise vetting requests to ensure the best use of automated police vetting processes that have been developed to date.
	Budget Standard	As at September 2019			
	65%	63%			

Output indicators – variations from expected results				
Indicator		Current result	Year-end forecast	Commentary
ED-N02-2 Subsidised hours provided by licensed and chartered early childhood education services: <ul style="list-style-type: none"> hours of early childhood education provided by certified playgroups. 		●	●	Based on the result to date we are unlikely to reach the 1.5 million expected result (the lower end of the forecast). This is in line with the overall decline of playgroup hours. Whilst we recognise this might reflect changing parental choice, we will continue to engage with regional offices to explore opportunities.
	Expected result	As at September 2019		
Subsidised hours	1.5 - 2 million	22,877		



Vote Education Expenditure against Appropriations

	Year to Date				Full Year			
	Actual	Budget	Variance		Forecast	Budget BEFU	Variance	
	\$m	\$m	\$m	%	\$m	\$m	\$m	%
Departmental Output Expenses								
School Property Portfolio Management	476.5	480.2	3.7	0.8%	1,962.1	1,909.0	(53.1)	(2.8%)
Services to Other Agencies	0.3	0.4	0.1	25.0%	1.8	1	-	-
Support and Resources for Education Providers	28.0	28.3	0.3	1.1%	16.4	125.2	(11.2)	(8.9%)
Support and Resources for Parents and the Community	3.0	3.1	0.1	3.2%	11.8	11.8	-	-
Total Departmental Output Expenses	507.8	512.0	4.2	0.8%	2,112.1	2,047.8	(64.3)	(3.1%)
Departmental Capital Expenditure	246.8	214.9	(31.9)	(14.8%)	1,152.2	1,152.2	-	-
Non-Departmental Output Expenses								
Contribution to the Education Council of Aotearoa New Zealand	3.8	4.3	0	11.6%	10.8	10.8	-	-
Early Childhood Education	518.6	521.7	3.1	0.6%	2,047.5	2,016.5	(31.0)	(1.5%)
Primary Education	946.8	899.3	(47.5)	(5.3%)	3,502.6	3,335.4	(167.2)	(5.0%)
School Risk Management Scheme	0.2	3	1.1	84.6%	5.0	5.0	-	-
School Managed Network Funding	7.2	7.2	-	-	28.8	28.8	-	-
School Transport	55.0	53.1	(1.9)	(3.6%)	216.0	200.0	(16.0)	(8.0%)
Schooling Improvement	0.9	3.9	3.0	76.9%	10.3	21.3	11.0	51.6%
Secondary Education	634.6	621.8	(12.8)	(2.1%)	2,424.7	2,334.4	(90.3)	(3.9%)
Secondary - Tertiary Interface	23.4	21.6	(1.8)	(8.3%)	100.7	88.5	(12.2)	(13.8%)
Support for Early Childhood Education Providers	(1.8)	-	1.8	-	11.2	11.2	-	-
Supporting Parenting	5.3	5.6	0.3	5.4%	9.3	9.3	-	-
UNESCO	0.1	0.1	-	-	2.1	2.1	-	-
Total Non-Departmental Output Expenses	2,194.1	2,139.9	(54.2)	(2.5%)	8,369.0	8,063.3	(305.7)	(3.8%)
Benefits or Related Expense								
Home Schooling Allowances	1.3	1.5	0.2	13.3%	5.8	5.8	-	-
Scholarships and Awards for Students	4.0	3.8	(0.2)	(5.3%)	15.7	15.7	-	-
Scholarships and Awards for Teachers and Trainees	5.8	6.9	1.1	15.9%	25.2	25.2	-	-
Total Benefits or Related Expenses	11.1	12.2	1.1	9.0%	46.7	46.7	-	-
Non-Departmental Other Expenses								
Integrated Schools Property	16.9	20.6	3.7	18.0%	75.9	75.9	-	-
Total Non-Departmental Other Expenses	16.9	20.6	3.7	18.0%	75.9	75.9	-	-
Non-Departmental Capital Expenditure								
School Support Project	-	0.5	0.5	100.0%	1.9	1.9	-	-
Schools Furniture & Equipment	10.3	10.1	(0.2)	(2.0%)	59.4	41.6	(17.8)	(42.8%)



Total Non-Departmental Capital Expenditure	10.3	10.6	0.3	2.8%	61.3	43.5	(17.8)	(40.9%)
Multi-Category Expenses and Capital Expenditure (MCA)								
Improved Quality Teaching and Learning MCA								
Support and Resources for Teachers	28.7	30.3	1.6	5.3%	100.9	74.0	(26.9)	(36.4%)
Curriculum Support	15.8	14.2	(1.6)	(11.3%)	55.2	55.2	-	-
Professional Development and Support	20.3	24.1	3.8	15.8%	98.7	98.7	-	-
Total Improved Quality Teaching and Learning MCA	64.8	68.6	3.8	5.5%	254.8	227.9	(26.9)	(11.8%)
Outcomes for Target Student Groups MCA								
Interventions for Target Student Groups	83.4	81.2	(2.2)	(2.7%)	319.8	317.8	(2.0)	(0.6%)
Learning Support	143.9	142.8	(1.1)	(0.8%)	52.1	80.9	(45.2)	(9.4%)
Service Academies	0.8	1.0	0.2	20.0%	3.8	3.8	-	-
Students Attendance and Engagement	2.5	2.5	-		10.1	10.1	-	-
Total Outcomes for Target Student Groups MCA	230.6	227.5	(3.1)	(1.4%)	859.8	812.6	(47.2)	(5.8%)
Oversight and Administration of the Qualifications System MCA								
Provision of Communications and Advisory Services	0.7	0.7	-		3.4	3.4	-	-
Qualifications Support Structures	1.5	1.5	-		6.0	6.0	-	-
Quality Assurance	1.2	1.4	0.2	14.3%	5.6	5.6	-	-
Secondary School Assessments	20.6	20.6	-		55.3	55.3	-	-
Developing Online Assessment Systems	-	-	-		6.4	6.4	-	-
Total Oversight and Administration of the Qualifications System MCA	4.0	24.2	0.2	0.8%	76.7	76.7	-	-
Oversight of the Education System MCA								
Ministerial Services	1.4	1.3	(0.1)	(7.7%)	4.4	4.4	-	-
Monitoring the Education System	2.5	3.2	0.7	21.9%	11.9	11.9	-	-
Policy Advice	4.8	4.8	-		17.5	17.5	-	-
Research and Analysis	7.9	7.5	(0.4)	(5.3%)	21.5	21.5	-	-
Education Research Initiatives	0.9	0.7	(0.2)	(28.6%)	3.0	3.0	-	-
Independent Advice on Government Priority Areas	-	-	-		0.5	0.5	-	-
Total Oversight of the Education System MCA	17.5	17.5	(0.0)	(0.0%)	58.8	58.8	-	-
Total Multi-Category Expenses and Capital Expenditure (MCA)	336.9	337.8	0.9	0.3%	1,250.1	1,176.0	(74.1)	(6.3%)
Multi-Year Appropriations								
Teacher-led Innovation Fund	0.2	-	(0.2)		0.2	-	(0.2)	-
Schools Payroll Sustainability Loan	-	-	-		4.2	4.2	-	-
Total Multi-Year Appropriations	0.2	-	(0.2)		4.4	4.2	(0.2)	(4.8%)
Total Vote Education	3,318.8	3,242.7	(76.1)	(2.3%)	13,050.2	12,588.1	(462.1)	(3.7%)



Commentary

Total year to date expenditure for Vote Education is over budget by \$76.1 million (2.3%). Significant areas of over-spend are:

- a. **Primary Education** – \$47.5 million (5.3%) overspent, mainly due to teachers' salary settlement costs. The full year forecast reflects various teachers' and principals' collective agreement settlements and the budget will be updated in OBU.
- b. **Departmental Capital Expenditure** – \$31.9 million (14.8%), mainly due to the focus on signing 10 Year Property Plans earlier than in previous years. There have also been some construction projects, such as pipeline on approved school property projects under the five year agreement and school redevelopment programme that have progressed faster than expected.
- c. **Secondary Education** – \$12.8 million (2.1%) overspent, mainly due to teachers' salary settlement costs. The full year forecast reflects various teachers' and principals' collective agreement settlements and the budget will be updated in October Baseline Update (OBU).

Partially offset by underspends in:

- d. **Professional Development and Support** – \$3.8 million (15.8%) underspent but it is expected that the full year spend will close to appropriation as actual spend will be mostly focused in the later quarters of the year. The budget will be updated in OBU.
- e. **Integrated Schools Property** – \$3.7 million (18%) due to a deferral of expenditure for Integrated Schools' expansions.
- f. **School Property Portfolio Management** – \$3.7 million (0.8%) mainly due to timing of funding for the 10 Year Property Plans and Rationalisation.

Full year forecast includes:

- a. **School Property Portfolio Management** – \$53.1 million mainly for increased capital charge and depreciation related to the revaluation of school land, buildings and teacher houses at 30 June 2019.
- b. **Support and Resources for Education Providers** – \$11.2 million increase mainly on 2018/19 in-principle transfers on various programmes. The 2018/19 audited financial statements of the Ministry have now been completed and the in-principle transfers will be confirmed in OBU.
- c. **Early Childhood Education** – \$31 million increase mainly on drawdown of kōhanga reo contingency to support kaupapa Māori education providers and the settlement of various teachers' and principals' collective agreements.
- d. **School Transport** – \$16 million increase mainly for students with learning support needs and an upward movement in the global rate adjustment for other services.
- e. **Schooling Improvement** – \$11 million decrease due to expense transfer and transfer to Support and Resources for Education Providers from 2019/20 to 2020/21 up to 2022/23 for Restarting Te Kotahitanga – Supporting Equitable Outcomes for Māori Learners.
- f. **Secondary-Tertiary Interface** – \$12.2 million increase to fund additional Trades Academy places from 2020.
- g. **Schools Furniture and Equipment** – \$17.8 million increase due to 2018/19 in-principle transfer. The 2018/19 audited financial statements of the Ministry have now been completed and the in-principle transfer will be confirmed in OBU.
- h. **Support and Resources for Teachers** – \$26.9 million increase mainly due to:
 - capital operating swap of \$10 million in response to the significant pressure experienced by the Ministry as a consequence of delivering a significant partly unfunded Education Work Programme and the need to cover inflationary cost increases;
 - transfer from Primary Education of \$8 million to support work programmes for Curriculum Teaching and Learning and,
 - support for a large work programme for the year and currently forecasting \$7 million overspend within the departmental appropriation. We will review forecast further, but this particular appropriation remains of concern. We will report back on our approach to manage this appropriation.
- i. **Outcomes for Target Student Groups** – \$47.2 million increase mainly due to:
 - **Learning Support** – \$45.2 million increase mainly due to drawdown of operating funding for implementing the new Learning Support Coordinator role and the settlement of various teachers' and principals' collective agreements.
 - **Interventions for Target Student Groups** – small overspend due to pressure in departmental appropriation will review forecast but expect to be able to absorb within MCA.

Changes to the above appropriations were sought in OBU and the budget will be updated. The October Baseline update was submitted to the Minister of Finance on 17 October. The next quarterly report will reflect approved changes.



Vote Tertiary Education performance for the first quarter of 2019/20

Vote Tertiary Education

Year to date results



- On track
- Not on track – moderate
- Not on track – significant
- No result yet

Year end forecast



- Achieved
- Not achieved
- Unable to be measured

Vote Tertiary Education has 10 performance measures which are all forecast on track for year end.



Vote Tertiary Education Expenditure against Appropriations

	Year to Date				Full Year			
	Actual	Budget	Variance		Forecast	Budget BEFU	Variance	
	\$m	\$m	\$m	%	\$m	\$m	\$m	%
Departmental Output Expenses								
Establishing a Single National Vocational Education Institution	0.1	-	(0.1)	-	17.1	-	(17.1)	(100%)
Total Departmental Output Expenses	0.1	-	(0.1)	-	17.1	-	(17.1)	-
Non-Departmental Output Expenses								
Access to Tertiary Education	6.3	6.4	0.1	1.6%	25.5	25.5	-	-
Administration of and Support for the Tertiary Education and Careers Systems	15.7	15.8	0.1	0%	72.9	63.2	(9.7)	(15.3%)
Centres of Research Excellence	12.4	12.5	0.1	0.8%	49.8	49.8	-	-
International Education Programmes	7.2	7.7	0.5	6.5%	32.8	32.8	-	-
Tertiary Education Research and Research-Based Teaching	79.1	79.7	0	0.8%	328.8	318.8	(10.0)	(3.1%)
Tertiary Sector / Industry Collaboration Projects	7.0	5	0.5	6.7%	27.3	27.3	-	-
University-led Innovation	1.6	2	0.8	33.3%	10.0	10.0	-	-
Total Non-Departmental Output Expenses	129.3	132.0	2.7	2.0%	547.1	527.4	(19.7)	(3.7%)
Benefits or Related Expenses								
Awards for Outbound New Zealand Students	0.9	0.9	-	-	4.0	4.0	-	-
Scholarships for Inbound International Students	0.2	0.2	-	-	0.6	0.6	-	-
Tertiary Scholarships and Awards	2.4	3.1	0.7	22.6%	15.9	15.9	-	-
Total Benefits or Related Expenses	3.5	4.2	0.7	16.7%	20.5	20.5	-	-
Non-Departmental Capital Expenditure								
Support for Lincoln University	-	-	-	-	65.0	65.0	-	-
Support for Tai Poutini Polytechnic	2.3	-	(2.3)	(100%)	2.3	-	(2.3)	(100%)
Support for Unitec Institute of Technology	-	10.0	10.0	100.0%	15.0	15.0	-	-
Total Non-Departmental Capital Expenditure	2.3	10.0	7.7	77.0%	82.3	80.0	(2.3)	(2.9%)
Multi-Category Expenses and Capital Expenditure (MCA)								
Stewardship of the Tertiary Education System MCA								
Policy Advice	2.7	2.4	(0.3)	(12.5%)	6.8	6.8	-	-
Research, Data Analysis and Monitoring	1.8	1.9	0.1	5.3%	9.9	9.9	-	-
Total Stewardship of the Tertiary Education System MCA	4.5	4.3	(0.2)	(4.7%)	16.7	16.7	-	-
Tertiary Tuition and Training MCA								
Community Education	19.3	18.6	(0.7)	(3.8%)	74.6	74.6	-	-
Tertiary Education: Student Achievement Component	514.6	528.8	14.2	2.7%	2,115.4	2,115.4	-	-



Training for Designated Groups	70.3	76.8	6.5	8.5%	307.3	307.3	-	-
Fees-free Payments	42.0	86.5	44.5	51.4%	346.1	346.1	-	-
Total Tertiary Tuition and Training MCA	646.2	710.7	64.5	9.1%	2,843.4	2,843.4	-	-
Total Multi-Category Expenses and Capital Expenditure (MCA)	650.7	715.0	64.3	9.0%	2,860.1	2,860.1	-	-
Total Vote Tertiary Education	785.9	861.2	75.3	8.7%	3,527.1	3,488.0	(39.1)	(.1%)

Commentary

Total year to date expenditure for Vote Tertiary Education is below budget by \$75.3 million (8.7%). Significant areas of under-spend are:

- a. **Tertiary Training and Tuition – Multi-Category Appropriation (MCA)**
 - *Fees-free Payments* – \$44.5 million (51.4%) underspent due to lower than expected Student update. It is expected that underspends in fees free will be transferred at MBU to fund the set-up of the new NZ Institute of Skills & Technology.
 - *Tertiary Education: Student Achievement Component* – \$14.2 million (2.7%) underspent due to reduced demand.
 - *Training for Designated Groups* – \$6.5 million (8.5%) underspent due to reduced demand.
- b. **Support for Unitec Institute of Technology** – \$10 million (100%) is due to Unitec requesting an amendment to the availability period of Tranche D so that the \$10 million would be available in May 2020 instead of August 2019. The reason for the request was that by this stage Unitec could have a better idea of whether it required this tranche or not to support its ongoing financial viability.
- c. **Establishing a Single National Vocational Education Institution** – this new appropriation was established in July 2019 to fund the Ministry's programme costs related to RoVE for 2019/20 and 2020/21. The budget will be updated in OBU.
- d. **Support for Tai Poutini Polytechnic** – additional capital injection provided to Tai Poutini Polytech to support its financial viability for 2019 funded from the RoVE contingency approved by Joint Ministers in July 2019. The budget will be updated in OBU.

Full year forecast includes increase in appropriation for the following:

- a. **Administration of and Support for Tertiary Education and Careers Systems** – \$9.700 million mainly relates to Tertiary Education Commission's programme costs on Reform of Vocational Education for 2019/20 and 2020/21. The budget will be updated in OBU.
- b. **Tertiary Education Research and Research-Based Teaching** - \$10 million relates to 2018/19 in-principle transfer for Wananga Research Aspirations under section 21 of the Education Act. The 2018/19 audited financial statements of the Ministry have now been completed and the in-principle transfer will be confirmed in OBU.