
Date 18 September 2018

Circular 2018/06

Category Resourcing

Private School Subsidy Funding 2019

This circular is about	Private School Subsidy Funding for 2019
This circular replaces	Private School Subsidy Funding 2018
The action needed is	Please note the information
It is intended for	Proprietors and principals of private schools
For more information	Enquiries about the private school subsidy should be directed to the Ministry of Education's contact centre:

Contact Centre
Resourcing Division
Ministry of Education
PO Box 1666
Wellington
Phone 04 463 8383
Fax 04 463 8374
Email resourcing@education.govt.nz

Introduction

This circular provides schools with information about private school subsidy funding for 2019.

School financial year and payment schedule

The 2019 funding year commences on 1 January 2019 and concludes on 31 December 2019. Quarterly instalments will be paid in advance, at the beginning of each funding period, as shown below:

Date paid (2019)	Period covered	Number of months funded	Percentage paid of remaining grant
3 Jan	January - March	3 months	25.0%
1 Apr	April - June	3 months	33.3%
1 Jul	July - September	3 months	50.0%
1 Oct	October - December	3 months	100.0%

This payment method ensures that when an entitlement is adjusted, either up or down, the board of trustees will receive 100% of the school's entitlement in the current year.

Change of bank account number

If a school's bank account number changes, a Change of Bank Account form must be completed and sent directly to:

The Finance Division, PO Box 1666, Wellington.

Forms are available at <http://www.education.govt.nz/school/running-a-school/resourcing/operational-funding/operational-funding-payments/>

GST queries

Operational funding entitlement and instalment notices display the entitlement for each component as a GST exclusive amount. This change was implemented in 2012 to support schools in their financial planning.

Boards are required to account for GST on the full amount received. If you have questions about GST or other tax obligations, please consult:

Education Centres: A Tax Guide for Organisations that Provide Education (IR253), available from the Inland Revenue Department's website at www.ird.govt.nz.

Per-student subsidy rate calculation

Calculation of rate

Subsidy funding is provided at a set rate per student.

The per-student rate is set by taking the fixed government appropriation – currently set at approximately \$47.8 million – and dividing it by the likely demand.

The likely demand is the mid-point between the actual roll and schools' predicted roll for the following year. For 2019, this is the 2018 actual roll and schools' predicted for 2019.

Per-student subsidy rates for 2019

The per-student rates are set at four levels to recognise the cost of curriculum delivery at each year level.

This table shows the per-student subsidy rates for the 2019 year:

Year level	2019 funding rate GST exclusive	2019 funding rate GST inclusive
Years 1-6	1,005.73	1,156.59
Years 7-8	1,101.33	1,266.53
Years 9-10	1,409.45	1,620.87
Years 11-15	2,140.61	2,461.70

Rolls used for funding provision

Funding roll

Boards are funded on what is considered to be the peak roll.

- July roll - primary schools
- March roll - intermediate, area, composite and secondary schools

Predicted funding roll

Until the appropriate roll is available, boards receive a provisional funding allocation using their predicted roll. The predicted roll is a school's estimate of student numbers. This roll is submitted with the July roll return in the previous year.

Funding is reallocated once the peak roll is available.

New entrant adjustment

A new entrant adjustment is added to the actual roll for primary and composite schools. This adjustment is used to estimate the number of new entrants likely to enrol between the date of the roll being used and 10 October. A factor is applied to the year 1 roll with the result rounded up to the nearest whole number.

Example:

- Where a March roll is used, a new entrant factor of eleven-twelfths is applied to the year 1 roll. The result is rounded up to the nearest whole number.
- Where a July roll is used, a new entrant factor of five-eighteenths is applied to the year 1 roll. The result is rounded up to the nearest whole number.

Rolls used to calculate funding payment

School type	January instalment	April instalment	July instalment	October instalment
Primary	predicted roll submitted in July roll return	predicted roll submitted in July roll return	actual roll submitted in March 1 roll return	actual roll submitted in July 1 roll return
Intermediate, area/composite, secondary	predicted roll submitted in July roll return	predicted roll submitted in July roll return	actual roll submitted in March 1 roll return	actual roll submitted in March 1 roll return

Other grants and supplementary resources

As part of Budget 2018 the Government is ending the payment of particular Operational Grant components to private schools, with these payments ceasing at the beginning of the 2019 school year.

The components that will be removed from payments to private schools from the beginning of the 2019 school year are:

- Kiwisport
- Māori Language Programme funding
- NCEA Grant

The per-student subsidy for private schools is not affected by this change.

ORS

Boards receive funding for students verified as having high or very high ongoing special education needs through the Ongoing Resourcing Scheme (ORS). This is equivalent to the ORS staffing entitlement for state and state integrated schools.

Contact your local Special Education Office for further information.

Export Education Levy

The Export Education Levy is payable by any education provider that enrolls international fee-paying students. This includes private schools. The Levy is calculated as 0.45% of tuition fee income (excluding GST). State and state-integrated schools pay the Export Education Levy as a component of their International Student Levy.

The Export Education Levy goes to an export education fund used by the industry for the promotion, capability development, and research and quality assurance.

Levy collection process

The ENROL database is used to calculate the Export Education Levy. All international fee-paying students who pay a tuition fee to the school must be recorded on ENROL regardless of the number of tuition weeks they are enrolled for. The only exception is for students on visitor's visa who are in New Zealand for 2 weeks or less and do not pay the school any fee and also GROUP students who are hosted by your school. (GROUP students are reported on an RS13G spreadsheet which can be obtained by emailing eel.administrator@education.govt.nz).

Because ENROL is being used to calculate the Export Education Levy, schools are required to enter a "Weekly Tuition Fee (GST excl)" for each international student. This is because the Export Education Levy is based on tuition fees.

The Export Education Levy is collected on a trimester basis. This means that schools will have the deduction of the levy spread over 3 trimesters.

Nominal start and end dates to the school year are used in the calculation of the levy so that the correct levy amount is calculated over the year.

Private schools will be emailed shortly after the end of each trimester a RS16P spreadsheet which will list all international fee-paying students enrolled in the trimester. This allows the school to check the accuracy of the list of students. One week later schools will be emailed the final RS16 spreadsheet which will be used to determine the final amount of levy to be deducted

Trimester 1

For 2019, Trimester 1 will use the nominal start date of 29 January and go through to 13 April. The levy amount due will be deducted from the July subsidy payment to private schools.

Trimester 2

Trimester 2 covers the period from 1 May to 31 July. The levy amount due will be deducted from the October subsidy payment to private schools.

Trimester 3

Trimester 3 covers the period from 1 August to the nominal end date of the school year. The nominal end dates for 2018 are 17 December for primary/intermediate schools and 10 December for secondary/composite/special schools. The levy amount due for Trimester 3 will be deducted from the subsidy payment to private schools in the January of the following year.

Further information

Please refer any queries to:
Administrator International Levies,
Phone 04 463 8073
Email eel.administrator@education.govt.nz

Issued by

Natasha Barnett, Group Manager Resourcing Division, Te Wāhanga Whakarato Rawa

Ministry of Education, Mātauranga House, 33 Bowen Street, Wellington, P O Box 1666, Wellington 6140, New Zealand, Phone 04 463 8383, Fax 04 463 8374, Email resourcing@education.govt.nz