Education Report: Ministry of Education 2018/19 First Quarter Report
(1 July to 30 September 2018)

<table>
<thead>
<tr>
<th>Purpose</th>
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<tbody>
<tr>
<td>This paper sets out what was achieved for the first quarter of 2018/19 against the Ministry’s draft Output Plan 2018/19 for Vote Education and Vote Tertiary Education. It includes financial and non-financial performance reporting against agreed budget standards.</td>
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<table>
<thead>
<tr>
<th>Summary</th>
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<tbody>
<tr>
<td>Our performance results to 30 September 2018 show:</td>
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<tr>
<td>• the majority of performance measures are on track, with three Vote Education measures at risk of not achieving for year-end</td>
</tr>
<tr>
<td>• total expenditure for the year to 30 September 2018 was under budget:</td>
</tr>
<tr>
<td>- $40.8 million (1.3%) for Vote Education</td>
</tr>
<tr>
<td>- $52.5 million (6.4%) for Vote Tertiary Education.</td>
</tr>
<tr>
<td>This report also includes a request to update some Estimates measures.</td>
</tr>
<tr>
<td>The next report you will receive on the Ministry’s performance will be the report for the quarter ending 31 December 2018.</td>
</tr>
</tbody>
</table>
Recommended Actions

The Ministry of Education recommends that you:

a. **note** the attached Ministry of Education 2018/19 First Quarter Report (Appendix B) which provides:
   i. reporting on the progress against the work priorities set out in the draft Output Plan 2018/19, which is currently being updated with feedback from your office
   ii. exceptions reporting on Vote Education and Vote Tertiary Education performance measures
   iii. an update on the Vote Education and Vote Tertiary Education financial position as at 30 September 2018

b. **approve** the requested changes to Estimates measures set out in Appendix A

   - Approved/Not approved

c. **agree** to the proactive release of the report and attachments.

   - Release/Not release

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

30/11/2018

Hon Chris Hipkins
Minister of Education

31/11/18
Education Report: Ministry of Education 2018/19 First Quarter Report  
(1 July to 30 September 2018)

Background

1. We formally report four times a year on progress in relation to the deliverables set out in the Output Plan, along with spending against budget. The draft Output Plan 2018/19 was provided for review on 11 September (METIS 1133270 refers) and is currently being updated with feedback from your office.

2. The quarterly report provides a record of performance for the quarter and highlights any key issues or opportunities for discussion. Performance measures are reported on an exceptions basis. Typically we are asked to provide copies of the quarterly report to Select Committee as part of the Annual Review process, and the document is usually proactively released.

Quarterly Performance Information

3. The 2018/19 First Quarter Report as set out in Appendix B provides an update on:
   - progress against work priorities as set out in the draft Output Plan 2018/19 (pages 3 to 22)
   - Vote Education (pages 23 to 24) and Vote Tertiary Education (page 28) performance measures, reporting on an exceptions basis
   - Departmental and non-departmental expenditure to 30 September 2018 for Vote Education (pages 25 to 27) and Vote Tertiary Education (pages 28 to 29).

4. Over the quarter, we focused on delivering on the Education Work Programme and your priorities, including:
   - promoting participation in the Korero Matauranga online survey, which received over 16,000 responses
   - supporting fono and wānanga on the future of education, the review of home-based early childhood education and the launch of the Learning and Disability Support Action Plan
   - supporting the Education Amendment Bill through Select Committee stage, and the Teaching Council Bill through the final stages in the House
   - publishing a New Zealand summary report, based on the OECD’s Education at a Glance report
   - preparing a draft School Property Strategy to 2030 as part of the reform of school property
   - reprinting more Dual Language resources to cater for the demand from Pacific learners
   - developing initial advice on a long term approach to providing fees-free tertiary education
   - launching the International Education Strategy at the New Zealand International Education Conference.

5. The majority of performance measures are on track, with three Vote Education measures at risk of not achieving for year-end as set out on pages 23 to 24.
6. Total expenditure for the year to 30 September 2018 was:
   - $40.8 million (1.3%) under budget for Vote Education, mainly due to delays in departmental capital expenditure
   - $52.5 million (6.4%) under budget for Vote Tertiary Education, mainly due to student enrolments being lower than expected.

Proposed changes to Estimates measures

7. Since you approved the Estimates of Appropriations measures in April 2018, we have identified some measures where change is required. The proposed changes are largely the result of feedback from our auditors. There are also some where a new appropriation was introduced in the October Baseline Update which requires measures to be set for year-end reporting. Some of these changes were included in the draft Ministry of Education Output Plan you were provided in September (METIS 1133270).

8. While the measures cannot be formally changed until the Supplementary Estimates process in April 2019, we would like your early approval to these changes so we can make sure the appropriate monitoring and reporting processes are in place.

Enclosures:
Appendix A: Proposed changes to the 2018/19 Estimates measures
Appendix B: Ministry of Education First Quarter Report 2018/19
### Appendix A: Proposed changes to the 2018/19 Estimates measures

**Vote Education**

#### D04 Support and Resources for Parents and the Community

Reported in the Ministry of Education Annual Report

<table>
<thead>
<tr>
<th>Ref</th>
<th>Measure</th>
<th>Budget Standard</th>
<th>Explanation</th>
<th>Group</th>
<th>Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>D04-1</td>
<td>Percentage of families receiving targeted information and support who, after receipt of such support, report that they are more confident and better equipped to support their children’s learning and make informed decisions about learning pathways (see Note). DELETE sub-measures - all - Māori - Pasifika. DELETE Note - As measured by the percentage of participants who showed a ‘positive’ or higher rating in initiative evaluation surveys, using a five point scale where 4 is deemed ‘positive’. REPLACEMENT Note – This measure covers parents and families participating in a programme at a Pasifika PowerUP hub.</td>
<td>80%</td>
<td>The targeted information and support provided through this appropriation in 2018/19 will be as part of the Pasifika PowerUP programme. The categories of ‘all’ and ‘Māori’ can no longer be measured in a robust way.</td>
<td>PICI</td>
<td>Approved Not Approved</td>
</tr>
<tr>
<td>New</td>
<td>NEW measure PERCENTAGE OF FAMILIES WHO, AFTER RECEIVING TARGETED COMMUNICATIONS FROM SCHOOLS, REPORT: • increased confidence in their ability to support their child’s learning • increased satisfaction with the quality of information they receive)(see Note). Note – This measure covers parents and families of children attending one of four schools receiving a co-designed pilot communications package.</td>
<td>80%</td>
<td>Given the change in scope of the above measure, this new measure provides additional evidence of the benefits from investment in this appropriation.</td>
<td>PICI</td>
<td>Approved Not Approved</td>
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School Payroll Sustainability Loan
Reported in the Education Payroll Limited Annual Report

<table>
<thead>
<tr>
<th>Ref</th>
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<th>Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DELETE MEASURE Number of future-proofing or sustainability-related issues identified as &quot;high&quot; priority or above in the annual audit.</td>
<td>0</td>
<td>Since the Estimates were finalised the Ministry’s external auditors advised the EPL measure creates a conflict of interest in their audit of the education payroll and their central assurance work in relation to school financial statements. Effectively they would be assessing their own prioritisation of issues identified in the annual education payroll audit. There are 3 other measures for the Appropriation and the Ministry is satisfied the measure can be deleted without compromising the performance and impact assessment intended in the Estimates.</td>
<td>EIS</td>
<td>Approved Not Approved</td>
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</table>

M03 Oversight of the Education System
Reported in the Ministry of Education Annual Report

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>M03-06</td>
<td>DELETE MEASURE Independent assessment of the quality of the Ministry’s policy advice (see Note 2) Note 2 – The independent assessment of the Ministry’s policy advice will have a technical robustness score, using the measure of robustness provided by the Treasury.</td>
<td>75%</td>
<td>In 2016 and 2017, the Ministry ran an internal assessment in parallel to the independent assessment of the quality of its policy advice. Both methodologies used very similar criteria and results showed no significant differences. As a result, for 2018/19, the Ministry plans to run the internal assessment only, which allows more timely feedback on the quality of the policy advice. The result for 2017/18 was 3.22 out of 5.</td>
<td>ESP</td>
<td>Approved Not Approved</td>
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</tbody>
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<table>
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<tr>
<th>Ref</th>
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<th>Approval</th>
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<tbody>
<tr>
<td></td>
<td>REPLACEMENT MEASURE Internal quarterly assessment of the quality of the Ministry’s policy advice (see Note 2) Note 2 – Based on a five-point scale: 1 = ‘Poor’; 2 = ‘Borderline’; 3 = ‘Adequate’; 4 = ‘Good’; 5 = ‘Very good’.</td>
<td>Mean of 3.5 out of 5</td>
<td></td>
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Place-Based Initiative – Te Tai Tokerau, Northland
Reported in the Ministry of Education Annual Report

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>New</td>
<td>Provide ongoing local support arrangements in priority communities: Otangarei, Kaitaia and KaitaiaTe Hiku.</td>
<td>Three contracts agreed and operational by 31 December 2018</td>
<td>In March 2018, Cabinet approved funding for the extension of this appropriation for 2018/19 with measures required to support this investment.</td>
<td>SE&amp;S</td>
<td>Approved Not Approved</td>
</tr>
<tr>
<td>New</td>
<td>Daily and High Risk triage table Packages of Support each from four agencies.</td>
<td>Four packages agreed and operational by 31 December 2018</td>
<td></td>
<td>SE&amp;S</td>
<td>Approved Not Approved</td>
</tr>
</tbody>
</table>
**Vote Tertiary Education**

**M01  Stewardship of the Tertiary Education System**
Reported in the Ministry of Education Annual Report

<table>
<thead>
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<th>Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>M01-02</td>
<td>DELETE MEASURE</td>
<td>75%</td>
<td>In 2016 and 2017, the Ministry ran an internal assessment in parallel to the independent assessment of the quality of its policy advice. Both methodologies used very similar criteria and results showed no significant differences. As a result, for 2018/19, the Ministry plans to run the internal assessment only, which allows more timely feedback on the quality of the policy advice. The result for 2017/18 was 3.22 out of 5.</td>
<td>GAVC</td>
<td>Approved</td>
</tr>
<tr>
<td></td>
<td>REPLACEMENT MEASURE</td>
<td>Mean of 3.5 out of 5</td>
<td></td>
<td></td>
<td>Not Approved</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Note 1 – The independent assessment of the Ministry’s policy advice will have a technical robustness score, using the measure of robustness provided by the Treasury.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Note 1 – Based on a five-point scale: 1 = ‘Poor’; 2 = ‘Borderline’; 3 = ‘Adequate’; 4 = ‘Good’; 5 = ‘Very good’.</td>
<td></td>
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In 2016 and 2017, the Ministry ran an internal assessment in parallel to the independent assessment of the quality of its policy advice. Both methodologies used very similar criteria and results showed no significant differences. As a result, for 2018/19, the Ministry plans to run the internal assessment only, which allows more timely feedback on the quality of the policy advice. The result for 2017/18 was 3.22 out of 5.

Note 1 – Based on a five-point scale: 1 = ‘Poor’; 2 = ‘Borderline’; 3 = ‘Adequate’; 4 = ‘Good’; 5 = ‘Very good’.
Ministry of Education

Performance Report
for the first quarter ending 30 September 2018

Purpose
We shape an education system that delivers equitable and excellent outcomes
Purpose of the report
The report provides the Minister of Education with a quarterly update on what was achieved against the draft Ministry’s Output Plan 2018/19. It provides an update on work programme priorities agreed with Ministers for 2018/19 and includes financial and non-financial performance reporting against agreed budget standards.
The education system is relevant and reaches all children and students

Contributing Votes: Education and Tertiary Education

Key achievements during the quarter

High quality regulatory, funding and institutional arrangements

Building a strategic vision for New Zealand’s education system

Key achievements in progressing the Education Summits and National Conversation | Kōrero Mātauranga during Quarter 1 included:

- supporting the Guardians of the Education Conversation | Kōrero Mātauranga to refine, articulate and build shared ownership of a long term vision for learning
- promoting participation in the Kōrero Mātauranga online survey, which was extended to 31 October and received over 16,000 responses
- continuing engagement with Summit participants and other stakeholders, sharing key findings in relation to the Education Work Programme, such as releasing the Summits Insights A3 and a series of documents on findings from the Summit events and Kōrero Mātauranga online survey
- working with the Department of Corrections to engage with people in correctional facilities, on probation or on community service to hear diverse views on education
- developing engagement toolkits and holding workshops to build capability for effective engagement with people with disabilities
- supporting fono and wānanga on the future of education, the review of home-based early childhood education and the launch of the Learning and Disability Support Action Plan.

Between July and September 2018, we planned Phase One of the two phase National Education and Learning Priorities (NELP) consultation. During Quarter 1, this involved developing a communications plan and a draft National Education and Learning Priorities tile for use on the Education Conversation | Kōrero Mātauranga website. Phase One (in October and November 2018) focused on face-to-face engagements with children and young people, particularly with groups that have not been engaged with yet as part of the Education Conversation | Kōrero Mātauranga. Engagements with peak bodies are also happening over this time.

Reviewing key parts of the education system

To support the Tomorrow’s Schools Review, we have continued to provide policy and secretariat support to the Tomorrow’s Schools Independent Taskforce. During the quarter, the Taskforce focused on stakeholder engagement to help inform the review. This included over 200 meetings with a broad range of stakeholders from Kaitaia to Invercargill, and attending Ministry-held fono and wānanga. Input was also sought via a submissions and survey process. Analysis of these engagements will be completed in Quarter 2.

The Ministerial Advisory Group and the Early Childhood Advisory Committee met in August 2018 to workshop the draft Early Learning Strategic Plan. The plan was provided to you, for consideration by Cabinet at the end of October 2018. Key achievements during Quarter 1 include:

- conducting a qualitative and quantitative public survey between June and July 2018 which received 2,456 responses
- undertaking consultation with key regional staff and external contacts to organise sector and public hui for all Ministry regions
- planning for the consultation period, which is scheduled for November 2018 to January 2019
- supporting the Ministerial Advisory Group, who met five times during the quarter, and Reference Group, who met three times during the quarter.
Public consultation on options, for the review of home-based early childhood education, ran between 21 August and 30 September 2018. We received just under 1,700 responses to the short survey, which included 64 responses in Chinese and 27 in Korean. We also received 249 detailed responses and submissions. We held face-to-face engagements in Auckland, Hamilton, Tauranga, Wellington, Christchurch and Dunedin, as well as video conferences with Kaitaia, Whangarei, Napier, Nelson/Blenheim, and Taupō. Around 450 service providers and 300 educators and visiting teachers attended these engagements.

Following the NCEA Review CoLab event in July 2018, we focused on targeted engagement with those who were not reached as well as needed through the initial phase of engagement. This has included further engagement with Pacific and Asian communities, disability and learning support communities, and outreach in the Cook Islands and Niue (where NCEA is also used).

We have worked closely with the Professional Advisory Group (PAG) and Ministerial Advisory Group (MAG) to support both groups to shape their views on the review, and identify change areas of interest, ahead of providing advice to you in February 2019. We have provided both groups with a suite of briefs on key evidence and policy challenges, which they have used as the basis for policy discussions through a series of facilitated workshops.

We are planning public engagements on tertiary education in late 2018, as a continuation of Kōrero Mātauranga. This will feed into a new Tertiary Education Strategy.

Amending the Education Act

The Education Amendment Bill has been supported through Select Committee stage and material for the final stages has been provided to your office. The Education Legislation Bill is now the Education Amendment Bill No.2. It has been supported to First Reading stage and has been referred to the Education and Workforce Select committee. We are preparing initial briefing material.

The Teaching Council Bill has been supported through the final stages in the House. The Planning and Reporting regulations (resulting from the Education Update Amendment Act 2017) are being developed and advice is due to be provided to you in November 2018.

Strengthening accountability

To strengthen accountability in the early childhood sector, during the last quarter we:

- issued guidance on the requirements for persons responsible in home-based services, which clearly stated the information needed to demonstrate compliance
- used the new frontline service delivery capacity approved in Budget 2017 to conduct licence assessments on Auckland home-based service providers.

Partnership schools

We continue to carry out our contract management role with existing Partnership Schools and are providing support as they transition from Partnership School status. We are finalising mutual termination agreements with some sponsors, while the remaining contracts will automatically terminate on the last day of Term 4, 2018. We are also supporting 11 schools as they prepare to open in 2019, and one more school in 2020. Governance facilitators for the first 11 schools have been appointed to support the Establishment Boards, and we have regular teleconferences to monitor and discuss issues and progress.

The Education Amendment Bill, which includes staff transition provisions for former Partnership Schools, is being supported through final stages in the House. A Cabinet paper has been prepared seeking agreement to specify schools to whom the staff transition provisions apply.

Supporting Treaty claims

We have been working with the Ministry of Justice, Te Puni Kokiri and education agencies to support claim discussions between the Crown Lead and negotiators from Te Kōhanga Reo National Trust. This has included contributing to advice, led by the Ministry of Justice, to the Minister for Crown / Māori Relations.

We provided regular advice to Ministers over the last quarter on the Wananga Raukawa Treaty claim. Progress has been made in clarifying the claim with Raukawa, and a decision paper is being prepared for Cabinet in December 2018 on the parameters for resolving the claim.
We have completed an initial analysis of potential claims that may be included in the Māori Education Kaupapa Inquiry and a review of relevant Waitangi Tribunal jurisprudence. We are currently awaiting direction from the Waitangi Tribunal about the hearing schedule for this inquiry.

**Improving the flexibility and responsiveness of the tertiary education system**

The Student Loan Scheme valuation, as at 30 June 2018, was completed in August 2018. In conjunction with Inland Revenue, we provided advice to relevant Ministers on changes to the student loan income repayment thresholds and treatment of historical debts.

We are supporting the development of a strategy and roadmap for institutes of technology and polytechnics, which will be delivered by the Tertiary Education Commission (TEC). A stronger, more viable institutes of technology and polytechnics sector will contribute to improved skills development in New Zealand. During the last quarter we supported TEC to deliver Ministerial advice on options for sector change, which will inform Government decision making in the next quarter.

**Reviewing funding systems**

Progress continues on the development of the new Education Resourcing System (ERS), which will replace the current aged funding system (EDUMIS) by 2020. During Quarter 1, the first stage of the solution, where Ministry staff enter applications for playgroup funding and relief teacher applications for sick leave for schools, was successfully deployed.

We have continued to investigate how wider education system settings should address equity. We have engaged on the equity work across the Ministry, with other social sector agencies and with the Independent Taskforce on Tomorrow’s Schools. Alongside this, we have continued to refine the equity index and have identified some areas within the Ministry where the equity index can be used as a factor in allocating resources, for example professional learning and development and discretionary spending in school property.

We have commenced planning for the recalibration of school deciles and early childhood education Equity Index ratings once Census 2018 data is available. Statistics New Zealand has announced that the release of Census 2018 data will be delayed due to low response rates and data quality issues. It now appears highly unlikely Census data will be provided in the timeframes required to recalibrate deciles and Equity Index ratings for implementation from the beginning of the 2020 school year. We are exploring options to work around this.

**Delivering an effective payroll service**

Following detailed root cause analysis of the Holidays Act non-compliance, a large number of issues have been identified and more may be discovered as work continues. The final position on these issues will substantially impact the ultimate cost and timing of remediation. We are continuing to work with the Labour Inspectorate to finalise a Memorandum of Understanding outlining our commitment to identifying and remedying Holidays Act breaches.

The independent quality assurance for the Education Payroll Development Programme (EPDP) you requested started mid-October 2018. It will assess whether the programme remains on track, whether the key risks are being managed and if the expected benefits will be achieved. It will also advise on whether the EdPay software solution (the new user interface) has any impact on the original joined up vision of the Education System Digital Strategy, and how best to provide assurance on the programme going forward.

We continue to provide support as Education Payroll Limited progresses individual work packages and completes its re-plan of the programme.

**High quality curriculum and qualifications frameworks**

Implementing the early childhood curriculum

The one year Te Whāriki implementation contract with CORE Education ended in June 2018. The Education Review Office has recently released a report which explored how early learning services were engaging with the updated Te Whāriki. The report found that uptake of professional learning and development was high and that leaders and kaikōmata reported a high degree of awareness of, and growing confidence, to begin to work with Te Whāriki.

Te Kōhanga Reo Trust completed their contract to provide implementation support for Te Whāriki a te Kōhanga Reo in September 2018. The Trust and individual kōhanga reo have recorded positive shifts in practice, particularly in te reo Māori capability.
CORE have been contracted to maintain and develop Te Whāriki online for a further two years, which is vital to ensure that services are provided with resources to support their professional practice.

**Strengthening the curriculum**

The Curriculum, Progress and Achievement Ministerial Advisory Group (MAG) has now met six times. Following the initial engagement phase in June 2018, led by the Curriculum, Progress and Achievement Reference Group, the MAG provided a report to you detailing its preliminary thinking and advice on ways forward. It has developed nine ‘Emerging Ideas’, which are being tested with the sector through a second phase of engagement in October and November 2018. The feedback from this engagement will inform the MAG’s report and their set of recommendations to you in December 2018.

In September 2018, Cabinet agreed to extend the scope of the MAG to provide a report in May 2019 with advice on information needs across the full system in relation to students’ progress and achievement in Years 1 to 10.

The Local Curriculum Design Toolkit, which includes four English-medium and four Māori-medium tools, provides Kāhui Ako, kura, schools and early learning kaiako and teachers with a resource to review/co-design a local curriculum with their community that will engage all learners and reflect their identities, culture and language, and those of their whānau.

Training has been provided to 12 Expert Partners who work with Kāhui Ako, who have each trained the other Expert Partners in their organisations. The original twelve Expert Partners have signalled to us that they are working intensively with Kāhui Ako on the Toolkit.

A group of 12 principals who expressed willingness to learn more about the Toolkit were brought together to learn more about the available tools. These principals indicated where we could improve the Toolkit, which we have now included in current and future design work.

**Incorporating digital technologies into the curriculum**

We are in the process of completing the rollout of the first phase of the NCEA Level 1 online learning modules pilot. The National Digital Championships – delivered as Tahi Rua Toru Tech – were open for regional entries in Terms 2 and 3 of 2018, with learners participating through curriculum-based programmes in their schools. The Championships will culminate in a national event in November 2018.

**Promoting progress tools**

New features have been introduced to the progress and achievement tools, which have provided us with opportunities to re-focus the tools to identify and support progress in relation to the National Curriculum. Over the last quarter this included:

- supporting regional office staff to have a greater understanding of the progress tools to use in their work with schools, kura and Kāhui Ako
- providing direct support to schools and Kāhui Ako to implement the tools
- working with a Sector Focus Group of principals and teachers to seek input on Progress and Consistency Tool developments and communications processes
- upgrading our communications approach to reflect upgrades to the progress tools in April and October 2018
- regularly providing examples of successful implementation in our publications and social media.

**Supporting Māori-medium learning**

Work is underway to refresh Tau Mai Te Reo as part of the overall Education Work Programme. The focus in Quarter 1 was on engagement with whānau, hapū and iwi Māori through the Māori Education wānanga. This work is also closely connected with the development of the Maihi Karauna.

We have received the draft report from Te Anga Tupuranga developers including the concept designs for the learning progression framework. The next steps, in 2019, are to develop the content for Te Anga Tupuranga and to test these with the Māori-medium sector. The developers have highlighted gaps in the research, including the need to identify the constant aspects that have supported and continue to support Māori ways of being, knowing and doing.

A Te Reo Maori Online Hub is being designed and built to support teaching and learning in and through te reo Māori, with key users identified as kaiako, akonga, their whānau, hapū and iwi. It will be a “one-stop-
shop” for all te reo Māori resources and offer new and innovative ways for users to interact with these resources. Following business case approval in July 2018, we began building on CWP (the official web platform for the New Zealand Government) in August 2018. The project is progressing and on track to be completed by April 2019.

Communities of Learning | Kāhui Ako

Highlights for Communities of Learning | Kāhui Ako at the end of Quarter 1 include:
- 214 Communities of Learning encompassing every education region, with 1,757 schools and over 616,000 children and young people, 650 early learning services and 11 tertiary providers
- 150 achievement challenges endorsed, and another six close to endorsement.

A new and revised set of Community of Learning development maps were released in August 2018. These maps provide guidance for Kāhui Ako across four stages of development – Establishing, Developing, Embedding and Fully Functioning – in 6 foundational domains – Teaching, Leading, Evidence, Pathways, Partnering and Building. The maps provide examples of what progress might look like across the development stages in each of the domains, where to go to get additional resources and self-guiding tools.

Information and data enabling good decision-making

Administering and providing analysis of data

We continued the first phase of building out our centralised education data warehouse (EVa) and migration of existing critical data stores into that warehouse. The initial focus is on capturing core information around our learners, providers and workforce which will position EVa as the authoritative source of information for the education sector. EVa currently holds most data about tertiary learners and their post-compulsory learning journey. In addition, we have added our provider information to show provider type, such as early childhood centre or school. It also contains school types and provider contact information. The recent addition of teacher vacancy information allows views of the workforce demand around New Zealand.

The Programme for International Student Assessment (PISA) assesses the reading, mathematical and science literacy of 15 year old students. The data collection period for PISA 2018 ran from 23 July 2018 for a period of 8 weeks, and is being followed with 5 weeks of marking assessment items. Early preparations for PISA 2021 have also begun, including the process of deciding which optional component parts New Zealand will take part in.

The Progress in International Reading Literacy Study (PIRLS) provides information on the reading literacy of Year 5 students. The main development activity in the last quarter involved a review of reading material suitable for either a paper or digital assessment. Scoping our participation in digitalPIRLS is also underway.

The Trends in International Mathematics and Science Study (TIMSS) provides information on the mathematics and science achievement of students in Years 5 and 9. We have confirmed the 160 primary and composite schools that will participate in TIMSS 2019 Year 5 between 29 October and the end of November 2018. We have also finalised the personalised assessments and questionnaires for the over 5,000 students selected, as well as the documents needed to support the administration of TIMSS in these schools. Year 9 schools will participate in 2019 and will be contacted in November 2018.

The OECD’s Education at a Glance report was released in September 2018. A New Zealand summary report, produced with support and consultation across the Ministry, was published on Education Counts at the same time as the international report. Student enrolment, teacher staffing and education finance data has been provided to OECD for the 2019 Education at a Glance publication.

We continued to report and monitor tertiary education system performance. During Quarter 1, this involved:
- completing reporting on the tertiary sector for 2017 and updating Education Counts
- updating statistics on the participation, achievement and field of specialisation for industry training learners
- publishing data relating to qualification completion, such as rates of progression to further study and qualifications gained by demographic
- publishing four reports:
  - a series of fact sheets on the tertiary education workforce
  - two reports looking at factors associated with participation and...
achievement in higher-level tertiary education for students up to the age of 20 years old

- a report on Pacific adult’s literacy, numeracy and problem solving skills from the Survey of Adult skills.

Developing a repository of learner information

The Student Information Sharing Initiative (SISI) project is focused on developing a national repository of core learner information. This will enable data that is currently held within Student Management Systems (SMS) to follow children and young people as they move through the education system. Subject to future funding, SISI will start with schools, with the potential to be expanded so information is shared between early learning services, schools and tertiary institutions. Two rollouts are now under development. These early stage rollouts will reduce the risks involved with a full rollout by testing the SISI learner repository, as well as delivering tangible benefits to the schools involved.

Providing planning and reporting guidance

Updated planning and reporting guidance for schools has been available online since late July 2018. It was developed in consultation with the New Zealand School Trustees Association (NZSTA) and the Education Review Office. The guidance includes key principles of strategic planning and reflective questions for boards. NZSTA have workshops available to support boards with planning and reporting.

Using outcomes data for industry training

The Ministry has developed an approach to using outcomes data for industry training. We provided a paper to you seeking agreement on consultation with the sector on the proposed approach. Outcome measures for industry training have also been developed. These will enable better decision making on learning options and will provide industry training organisations with information they can use to improve their service to learners and employers.

High quality infrastructure

Reforming school property

We have prepared a draft School Property Strategy to 2030 that is a long-term plan for school property, as well as a draft Cabinet paper with a package of proposals to comprehensively reform school property. Detailed implementation planning is underway.

PWC submitted a report outlining a five-year direction for asset management systems and we have now begun to plan work programmes aligned to the outcomes identified in the report.

Maintaining and developing the Crown’s property portfolio

In the quarter, we completed:

- five redevelopments across the country (Newmarket School, Remuera School, Sherwood School, Te Hihi School and Awapuni School)
- two new school expansion projects (Hingaia Peninsula School and Shotover Primary School)
- one roll growth project (Mangere East School).

As at 30 September 2018, 272 investment projects with project values over $1 million were in the design or construction phase at 264 schools.

The weather-tightness strategy has been approved and an implementation plan to support it has been developed and is underway. Procurement of panels and training is scheduled to be completed in late 2018.

An implementation plan has been adopted for the replacement of portable modular classrooms.

The Optical Network Trial is being planned in two schools in Christchurch. Initial designs have been completed and we are currently discussing and reviewing the implementation plan.

All Partnership Schools are being transitioned into the State system. So far, 10 schools have been approved as designated character schools and two schools have been approved as state integrated schools. We aim to have leases in place by December 2018 for the 10 designated character schools.
We have completed the first phase of the new National Education Growth Plan which will be presented to Ministers in November 2018.

**Contributing to the Canterbury rebuild**

We are on track to complete the $1.137 billion Christchurch Schools Rebuild Programme within the 10-year timeframe, with the programme slightly ahead of schedule as at 30 September 2018. As at 30 September 2018, we had spent $479 million (or 51%) of the development budget made available for the programme.

During Quarter 1, we completed projects at four schools (Beckenham School, Te Waka Unua School, Spreydon School and Kaiapoi High Karanga Mai Teen Parent Unit) bringing the total to 30 completed. Construction continues at 25 of the 115 schools covered by the programme. Of the remaining schools, 43 are at various stages of planning and design and only 17 schools are yet to enter the programme.

**Delivering school transport**

Work has commenced on the procurement of the school bus service beyond 2020. Regional stakeholder workshops have been undertaken and we are developing options for changes in service levels. Advice is being prepared about the proposed passenger boarding system. Real time tracking of buses is operational with some minor system refinements still to be finalised, and some service operator data provision requirements still to be improved.
Every child and student achieves educational success

Contributing Votes: Education and Tertiary Education

Indicator 1: Increase participation in Early Childhood Education (ECE)

Indicator 2: Increase the skills of the working age population, and more specifically increase the proportion of 18 year olds with National Certificate of Educational Achievement (NCEA) Level 2 or equivalent qualifications

Updates for Indicator 2 are only available annually for the academic year.
Key achievements during the quarter

**High participation and engagement**

All learners achieving and progressing to their potential

**Increasing attendance and engagement**

Contracts for the Attendance Service are being renewed until 2021. Providers report to the Ministry on progress six-monthly and yearly. Regional relationship managers have ongoing discussions with providers about re-engaging young people that have been referred.

We are progressing a number of pieces of work which will enable us to support schools to improve attendance and engagement. These include:

- improving the education settings for at-risk students
- raising the profile of attendance and engagement in how we work to support the improvement of schools
- monitoring attendance data and targeting resources accordingly
- brokering services between schools, the community and other agencies
- individual intervention for high priority and at-risk children, including working with Oranga Tamariki, the Ministry of Health, New Zealand Police, the Ministry of Social Development, and monitoring transitions.

**Improving disability and learning support**

The draft Disability and Learning Support Action Plan aims to develop an inclusive education system where children and young people with additional learning needs are welcome and their achievement, progress and wellbeing is valued and supported.

In September 2018, Cabinet agreed to targeted consultation in September and October 2018 with key stakeholders, including unions, the education sector and disability groups, to inform the content for the final Action Plan. The draft Action Plan includes a number of priorities for the next few years, which were developed in response to feedback from parents and whānau, and organisations and groups from the education and disability sectors. Actions will need to be achieved within available funding, and sequenced and phased in over time.

Engagement on the draft Action Plan ran until 31 October 2018. The draft Action Plan and an online survey about proposed actions is available in te reo Māori, New Zealand Sign Language and eight other languages on the Education Conversation website. We are also holding engagement meetings and workshops with education unions and peak bodies, young people, parent and disability sector groups, disabled people’s organisations, and Ministerial and other advisory groups associated with the Education Work Programme.

We are continuing to implement the new Learning Support Delivery Model. The model was designed in response to feedback received in 2015 from parents, students and the education and disability sectors. It draws on a number of other models in place across Government which have highlighted the value of flexibility and responsiveness to the local community. The model has six key elements:

- family and whānau connection points to help navigate the system
- a single plan to support each child or young person to achieve their learning goals
- working together to identify needs and set priorities across learning communities
- more flexibility to create support that is innovative and responsive
- facilitation to bring together local education and service providers to work collaboratively
- sharing data to get a clear picture of local needs, resources and response options.

The model is currently being implemented by the Ministry working collaboratively with approximately 150 groups of early learning services, schools and kura, including 140 Kāhui Ako. These groups include more than 460 early learning services and 1,175 schools and kura. In many of these locations the implementation is in the early stages, however there are promising examples of new levels of collaboration on learning support across education providers, and better access to health and other social services for children and young people in some locations.

In April 2018, Cabinet agreed that a prototype of the transformed disability support system would be located in MidCentral District Health Board (DHB), commencing 1 October 2018.
This DHB intersects with two Education regions, Taranaki / Whanganui / Manawatu and Wellington. We have been closely involved in the development of the key elements of the MidCentral Prototype (now called Mana Whaiwhai). This has included:

- sharing information and key contacts on Mana Whaiwhai website
- ensuring disabled learners are connected across health and education systems
- working to bring health and education supports closer together
- partnering and worked in partnership with families and whānau
- planning so transitions are more effectively supported.

The Learning Support Delivery Model provides the basis for the Ministry’s involvement in and interface with Mana Whaiwhai. There is strong alignment between the six key elements of the Delivery Model and Mana Whaiwhai.

Supporting Māori and Pasifika students to participate and achieve in education

Work is underway to refresh Ka Hikitia as part of the overall Education Work Programme. The focus in Quarter 1 was on engagement with whānau, hapū and iwi Māori through the Māori Education wānanga. We have now completed 38 wānanga. Our next step is to confirm the strategic framework for Ka Hikitia.

Since July 2018, the Ministry of Education has engaged ten Mātanga, individual experts in Māori education, each bringing a diverse range of relevant expertise on ‘what works’ to support Māori achieving educational success as Māori. They are producing design principles and a blueprint for influencing system levers, particularly to address cultural bias, support equity, and accelerate Māori educational achievement. So far, the Mātanga have undertaken research, investigations and wānanga to consolidate emerging themes to be considered in the design principles and system blueprint.

Māori Tū Mauri Ora programmes are for those ākonga identified as needing extra support to accelerate their progress in Te Reo Matatini and Pāngarau. The current programmes are due to expire at the end of Term 4 in 2018, and the Providers’ contracts on 31 January 2019. New agreements will be established for implementation from the beginning of February 2019.

We have completed a redesign of Mauri Tū, Mauri Ora. The data collected to date tells us that while some of our ākonga are showing a positive shift in achievement, other ākonga continue to underachieve.

The first suite of Te Aho Ngārahu resources are ready to launch, with the first being launched by Minister Davis in November 2018. The remaining will follow over the next three months to complete round one by March 2019.

The evaluation of Te Aho Ngārahu 2017 has been completed, which has informed the improvements to the process for 2018. Round two is utilising unfunded resources from round one and will be available by the end of 2019. In early 2019, we will go back to the community to seek applications for round three.

The pilot for Te Rāngai Kāhui Ako ā-Iwi ended in July 2018. An evaluation of the pilot to capture all learnings has been undertaken with the final report due to be completed by the end of October 2018.

Work has been completed to enable the Iwi and Māori Education Relationships (IMER) fund to be devolved to the regions from January 2019. It will be known as the Toikuranui Investment fund. The new name, which reflects the new intent of the fund, means “Learning Excellence. Creating the opportunity and environment for learning to thrive.”

Toikuranui has undergone a significant shift, with the focus now on realigning the investment objectives to Whakapūmautia, Papakōwhaitia, Tau ana to support Iwi, hapū and Māori organisations in initiatives that contribute to strengthening educationally powerful connections for Māori learners and enabling Māori learners to participate, engage and achieve as Māori in and through the education system.

As part of the partnering process, iwi, hapū and Māori may be involved with the Ministry in the assessment of funding applications, allocation and monitoring the delivery of successful applications. These will be seen in formalised agreements that better reflects what iwi, hapū and Māori organisations consider the best way to deliver programmes of learning and initiatives designed by iwi, hapū and Māori organisations.

The pilot for Te Rāngai Kāhui Ako ā-Iwi ended in July 2018. Some examples of action planning and implementation from the pilot include:
- in Waikato:
  o Raukawa are focused on language in the home and influencing the reo of the kaikako, with one of their key objectives being to promote and help their uri (descendants) into the teaching profession
  o Waikato-Tainui planned to produce more reo resources for whānau and improve their relationships with kura
  o Ngāti Haua held a language symposium to begin iwi language planning, of which Te Rāngai Kāhui Ako ā-Iwi was a key element

- in Tairāwhiti:
  o a Māori-medium education conference (Maru Whakatipua) was held in Gisborne in August 2018 to assist the design and development of a ‘customised’ Tairāwhiti Māori medium education teacher training pathway.

An evaluation of the pilot to capture all learnings has been undertaken, with the final report due to be completed by the end of October 2018.

We have also provided a range of briefings and advice covering issues and opportunities to raise Māori educational achievement.

The targeted Pacific community and group engagements in July and August 2018 were attended by just over 2,000 Pacific people with over 13,000 comments collected on their views on education (of which, 16% of the comments came from children and young people). The analysis of the engagement findings will be included in the development of the strategic direction for Pacific Education.

Engagement with several priority work streams within the overall Education Work Programme to support their engagement with Pacific education issues is ongoing.

We have reprinted more Dual Language resources to support Pacific learners in English-medium classrooms. The five sets of flip books were developed in English, and Gagana Sāmoa, Lea Faka-Tonga, Gagana Tokelau, Vagahau Niue and Cook Islands Māori. The reprint caters for the huge demand of Auckland primary schools who are part of the Pasifika Early Literacy Project as well as for requests from schools outside Auckland. The dual language books aim to support early learning and literacy learning of Pacific students, and improve teacher capability to support students in Pacific second language acquisition, literacy and cultural competencies. The texts are supported with online resources, including professional learning videos and information for parents.

The Ministry has proposed a number of short, medium and long-term options to best support Pacific languages in education. These are currently under consideration.

Providing additional support through targeted initiatives

The School Improvement Framework is now well embedded. Action plans have been developed with 668 schools who were identified as a priority for Ministry support. Each term, Directors of Education and their teams review all schools and their capabilities regarding leadership, governance, teaching and learning and relationships within the school and with the community. Support is ongoing and targeted to where it is most needed.

Contracts for Alternative Education are being renewed until 2020. The Ministry supports providers by holding annual discussions with managing schools about improving educational outcomes for their cohort.

Early findings showed the Year 9 Plus initiative established a basis for future positive outcomes for vulnerable youth with complex needs. Now in its third year, tauira retention in the initiative remains high with 82% of the cohort, currently in Year 11, still receiving active support. Most attrition is due to relocation. Continued whānau involvement is evident with some parents requesting Year 9 Plus tools to track their child’s education progress. With a growing number of tauira turning 16 and leaving secondary school, tailored pathways are being developed to keep the cohort engaging in education.

Year 9 Plus has joined the interagency place-based initiative to work towards system improvement across Tairāwhiti. The purpose of the interagency work is to develop a collective response in Tairāwhiti to enable whānau to flourish.

In March 2018, Cabinet approved funding for each of the three Place Based Initiatives (PBIs) and the National Support Team to...
December 2018, while further consideration was given to the future approach to social investment by Ministers. We continue to be represented on the governance group of all three PBIs.

**Improving wellbeing**

We are working closely with the Department of Prime Minister and Cabinet (DMPC) on the development, engagement and subsequent implementation of the Child and Youth Wellbeing Strategy. This includes leadership of two areas:

- children are free from racism, discrimination and stigma
- children are thriving socially, emotionally and developmentally in the early years (ages 2 to 6).

We have assisted DPMC in gathering information on work other agencies are currently doing or will do to help contribute to the Strategy. We are also sharing our insights from Kōrero Mātauranga with DPMC, both from what we have heard and what we have learnt about effective engagement processes.

We are also making connections and contributions to other work areas to ensure alignment with the Child and Youth Wellbeing Strategy, for example the draft Long Term Investment Plan, the Budget approach, the draft Early Learning Strategic Plan and the Education Workforce Strategy.

**Effective teaching and educational leadership**

**Developing an Education Workforce Strategy**

During Quarter 1, the Education Workforce Strategy Governance Group (EWSG) met three times. This included a workshop focused on Māori-medium and another focused on English-medium. We developed a vision for the future and identified aspects of the system that the strategy will address for the Māori-medium workforce. The English-medium workshop produced a draft paper describing the capabilities that learners (aged 0 to 18 years) will need to support their learning in 2032 and beyond.

Short and medium term priorities relating to teacher supply are progressing well, with changes to existing initiatives agreed by you in October 2018.

**Addressing teacher supply**

The Government has committed an extra $10.5 million, on top of the $29.5 million already announced, meaning $40 million has now been provided to address teacher supply. This will support more graduates into permanent teaching positions, help experienced teachers get back into the profession, attract New Zealand teachers back from overseas, and encourage overseas-trained teachers to come and teach in New Zealand. Key achievements include:

- allocating 60 places in the Auckland APPA Provisionally Certified Teacher Project for 2019 (60 places were also available in 2018). The project ensures new provisionally certified teachers are well supported into their first role
- changing the School Finders’ Fee so that it is more accessible when recruiting for overseas teachers. The Finders’ Fee is now available to schools, regardless of whether the overseas teacher is approved for an overseas relocation grant. Of the 94 Finder’s Fee applications, 68 have been approved
- launching an Overseas Recruitment Campaign in September 2018, with an initial target of 400. Recruitment agencies are contracted to undertake targeted recruitment which is subsidised by the Ministry
- expanding the Voluntary Bonding Scheme to include newly graduated teachers who start teaching in state and state-integrated Auckland-based decile 2 and 3 schools, nationwide in a Māori medium setting or in defined subjects.

Other teacher supply initiatives continue to progress well, including:

- the expansion of the Teach First NZ programme which recruits top graduates and professionals into schools where they teach, while completing a postgraduate teaching qualification
- the National Beginning Teachers Project which supports beginner teachers to teach in areas where there are teacher shortages, or in schools with subject shortages, with a $10,000 grant for the school to allow the beginning teacher to shadow and/or be mentored by an experienced teacher
- the Recruitment, Retention, and Responsibility National Fund (3RNF)
which has been in place since January 2018 and provides financial support for practitioners with limited authority to teach (LAT). To date, 5 applications have been approved

- the Overseas Relocation Grant (ORG) allows teachers to claim a maximum up to $5,000 for overseas teacher and $7,000 for New Zealanders to come home. There has been 287 ORG applications, of which 283 have been approved, since the beginning of 2018 including 69 for New Zealand trained teachers coming home.

**Improving professional learning and development**

We are enhancing the professional learning and development (PLD) service in partnership with the education sector. Salesforce has been identified as the preferred Solutions Software Platform to replace the current PLD Journal ICT system. A business mandate and business case have been approved and the project is now in the Initiation Phase. Workshops and hui are planned to ensure that all service enhancements are developed in partnership with the sector.

**Supporting high quality and innovative teaching**

Te reo Māori and Māori-medium education networks of expertise are local networks used by kaiako and tumuaki to support and improve their teaching practice. The focus is on building teacher professional knowledge and practice to support their capability in kura and Kāhui Ako at regional and national levels. Research around what makes a good Te Reo Māori and Māori-medium network of expertise to inform the delivery of networks across the motu has been completed and we are drafting an implementation plan to start January 2019.

We have been supporting the Tomorrow’s Schools Taskforce in their thinking about the establishment of the Education Advisory Service and College of Educational Leadership. At the request of the Taskforce, we provided them with a background paper about professional learning and development in the New Zealand education system and international examples of best practice, as well as papers on potential roles and functions of the Service and the College, and their possible form and location.

We have been working with other education agencies to develop a cross-agency work programme on initial teacher education (ITE). We provided you with advice on priorities for the work programme. We also provided feedback to the Teaching Council on their draft new ITE programme approval requirements.

The **Best Evidence Synthesis programme** strengthens the evidence base that informs education practice and policy in New Zealand. Key achievements during Quarter 1 include:

- completing six new best evidence in action videos, which demonstrate critical success factors in a marae-based implementation of Te Pānui Ngātahi | Reading Together
- developing, filming and presenting a multi-media presentation for the Kaitiaki Group as part of the new generation Te Kotahitanga professional development initiative
- advising decision makers on the evidence of effective implementation of the Pacific-led ‘Developing Mathematical Inquiry Communities’ feature, which won a Mathematics Education Research Group of Australasia Award in July 2018.

**Te Ahu o Te Reo Māori** will lift capability across the system for delivering quality te reo Māori education. We have completed two Think Tank hui of Mātanga Māori to inform the conceptual design of this kaupapa. Minister Davis is considering next steps.

**Informed and supportive parents, whānau, iwi, communities & employers**

We released 10 new research and/or evaluation reports in Quarter 1. These reports covered topics such as achieving in high-level tertiary education, Ngā Kura o Aotearoa, behavioural insights to reduce unjustified school absences and how New Zealand’s education system compares to other OECD countries. The new reports released this quarter received a total of 1,515 page views and 673 downloads.
New Zealanders have skills and knowledge for work and life

**Contributing Votes**: Education, Tertiary Education

**Key indicators**

**Indicator 3**: Increase the skills of the working age population, and more specifically increase the proportion of 25 to 34 year olds with advanced trade qualifications, diplomas and degrees (at Level 4 or above)

![Graph showing trend of skills development](image)

**Latest results**

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<td>58.4%</td>
<td>58.9%</td>
<td>59.3%</td>
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**Indicator 4**: Decrease the proportion of youth not in employment, education or training

![Graph showing trend of youth in employment](image)

**Latest results**

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<th>20 to 24 year olds</th>
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<th>Mar 2018</th>
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<th>Sep 2018</th>
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<td>14.5%</td>
<td>14.3%</td>
<td>14.5%</td>
<td>13.9%</td>
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</tr>
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</table>
Skills match labour market needs

Socially and culturally confident and competent people

As part of the review of vocational education and training (VET), we provided advice to you about issues in the VET sector. This was informed by significant engagement with users of the system, and provided options for further exploration. This advice helps government to consider changes to result in a VET system that is more coherent and acts as a single system focused on meeting the needs of employers and learners. The VET review has worked in dialogue with the Tertiary Education Commission’s ITP Roadmap 2020 project.

We provided advice to Cabinet, and worked with the Tertiary Education Commission and the sector to make changes to the fees-free policy for 2019. We have developed initial advice on a long term approach to fees-free tertiary education and training.

Through Te Kawa Matakura, we will develop a programme and qualification for secondary students who exhibit excellence in te ao Māori. We have completed two Think Tank hui of Mātanga Māori to inform the conceptual design of this kaupapa. Minister Davis is considering next steps.

The School Leavers Toolkit strengthens pathways through secondary education into further education and/or employment. Progress so far includes:

- building a coherent picture of what is currently offered in civics education, financial literacy and capability, and work-ready skills
- commencing scoping for relevant curriculum products, particularly for civics education in Years 9 and 10
- supporting other related work programmes, such as the NCEA review, to identify opportunities to integrate components of the Toolkit in other areas
- beginning an engagement programme with 12 schools which runs until November 2018 and is focused on co-designing, prototyping and testing models of and tools for curriculum integration of Toolkit content
- scoping and initial design for a web platform to host Toolkit products, to ensure easy access for schools and kura.

Following the strategy session in June 2018, we engaged with schooling and careers stakeholders as we develop advice on a set of actions to improve the quality and effectiveness of school-based careers systems. Ministers have since commissioned further interagency advice around transitions, with any changes to foundation education to be considered as part of this work.

We are delivering the initial actions of a rolling 3-year approach to reviewing the tertiary education funding system. These changes include:

- removing competitive tendering for Student Achievement Component (SAC) funding
- increasing funding rates for SAC 1 and 2
- removing performance-linked funding from 2019.

Internationally credible skills and institutions

The International Education Strategy was launched at the New Zealand International Education Conference in August 2018. The Strategy was well received by the delegates at the Conference. Work on an Implementation Plan has commenced and is on track to be delivered to International Education Ministers in December 2018.

The second funding round for the International Student Wellbeing Strategy (ISWS) was opened, with the themes of safety and mental health. Over 84 Expressions of Interest were received, and successful funding proposals will be announced in November 2018.

During Quarter 1, projects from the ISWS 2018 funding round continued to be implemented. This included mental health support for international students, radio/podcast programmes made by/for international students and a social media campaign on the importance of inclusion.

Consultation on options for raising the Export Education Levy (EEL) rate opened in September 2018. An increase in EEL revenue is needed to safeguard educational quality and New Zealand’s reputation as a study destination.
We continued to provide advice and support for New Zealand international engagement on education issues. A key focus in Quarter 1 was your visit to China in July 2018. The trip reaffirmed the high value of the China/New Zealand education relationship and to raise our profile as a provider of high quality education.

We also supported visits from nine delegations from across Asia, Europe and the Americas. The delegations connected on a range of areas across our education system including tertiary and vocational education, early childhood education, community engagement, the education work programme, bilateral education relationships, and 21st century digital education.

The UNESCO National Commission welcomed two new Commissioners to the board in July 2018, in the Education and Social Science areas. Dr Carol Mutch was appointed as Education Commissioner and Professor Tagaloatele Peggy Fairbairn-Dunlop has taken over as Social Sciences Commissioner.

**High quality research and innovation**

Terms of Reference for the review of the Performance-Based Research Fund were agreed by Cabinet and published in September 2018.
Effective stewardship of the education system

Contributing Votes: Education, Tertiary Education

Key achievements during the quarter

Lead the design for the future of education
Over the last quarter, we continued to support the Education Conversation and other reviews under the Education Work Programme, as part of the work to develop a long-term vision for learning in New Zealand (see page 3).

The Education System Digital Strategy, Transforming Education for the Digital Age, sets out a vision for a highly connected, interdependent education system that equips students with skills for the future, fosters students’ identity, language and culture, and prepares students to participate as successful citizens in the 21st century. Key achievements during Quarter 1 include:
- completing an overview of current and planned ICT investments through to 2022 in collaboration with the New Zealand Qualifications Authority, the Tertiary Education Payroll Limited and the Teaching Council of Aotearoa New Zealand. This will be used by the Education System Digital Strategy Board to plan the work programme and asset investments for future financial years
- successfully transitioning to the new Education Sector Logon Service. This initiative recently won the IPANZ 2018 Public Sector Project of the Year Award for superior performance and exceptional execution
- beginning scoping and stakeholder engagement to create a seamless, interoperable digital environment that gives educators and students 24/7 access to their online portfolios, and the tools and resources that support their work
- commencing three pilots, in Christchurch, Naenae and the Bay of Plenty, to inform the development of a solution to close the digital equity gap for the 100,000 school age students who currently do not have access to the internet at home
- progressively providing Ministry staff with mobile devices to enable more flexible working models.

Embed continuous improvement
Key achievements in embedding continuous improvement during Quarter 1 include:
- supporting and promoting participation in the Education Conversation │ Kōrero Mātauranga, and sharing key findings with the Education Work Programme
- developing continuous improvement frameworks, based on legislative requirements and Ministry policy/service standards, to improve the quality of services we provide.

Lead the development of a capable workforce for early childhood and schooling
During the last quarter, we continued work to create an Education Workforce Strategy that will develop a capable workforce for early childhood and schooling (see page 14).

We also continued to progress initiatives to address teacher supply. This will support more graduates into permanent teaching positions, help experienced teachers get back into the profession, attract New Zealand teachers back from overseas, and encourage overseas-trained teachers to come and teach in New Zealand (see pages 14-15 for more detail).

Adopt optimal service delivery
To make the professional learning and development (PLD) service more effective and efficient, we have developed a new service design approach. This will ensure the service works well and is easy to use for our customers. A pilot project to help bring non-traditional providers such as iwi into the PLD service has commenced, and a selective procurement Request for Proposals process to build evaluative capability has been released.

Invest to support access to learning
This quarter, the focus has been on taking a more strategic and joined up approach to identifying and preparing potential initiatives for Budget 2019, whilst being mindful of the reviews currently underway across the Education system and the potential impact of those reviews.

We have also had to consider the impact of other changes across government, such as changes in the Oranga Tamariki operating
model and its impact on educational outcomes. This has involved working with other agencies such as the Ministry of Justice, Oranga Tamariki, the Education Review Office and Sport New Zealand to develop packages aimed at improving child wellbeing and improving equity of outcomes for all learners.

In developing our package of Budget initiatives we considered how we could best meet the Governments focus on wellbeing. In doing this, we prioritised our initiatives based on which initiatives would have the greatest impact on the following Government priorities:

- lifting Māori and Pacific incomes, skills and opportunities
- reducing child poverty and improving child wellbeing, including family violence
- supporting mental wellbeing for all New Zealanders, with a special focus on under 24 year olds.

These priority areas, along with unavoidable cost pressures, form our initial budget package.

We also identified areas where funding could be reprioritised. To do this, we reviewed the 2017 reprioritisation process and reconsidered initiatives that were identified but not progressed from that process.
Building capability for the future

**Responsible Minister for the Ministry:** Minister of Education

**Key achievements during the quarter**

**Strong leadership and clear strategic direction**

We are working with the Leadership Development Centre on an ongoing basis considering how best to support system-wide strategic leadership with appropriate development programmes. We recently partnered with Inland Revenue on a joint programme for some of our Tier 2 and 3 leaders aimed at strengthening leadership across the public sector.

During the last quarter we held Te Ohu Taki | Senior Leaders’ Day, which brought our Tier 2 and 3 leaders together to focus on collective leadership of the Ministry.

**Capable and engaged staff**

**Strong brand and reputation**

There was a strong focus on bargaining during Quarter 1 as we progress negotiations with three unions on four Collective Agreements. We also successfully reached settlement on the pay equity claim for our support workers. While the current bargaining environment is complex, we are taking the opportunity to actively engage with our unions about terms and conditions of employment that support the attraction and retention of great people.

We procured a new employee experience measurement tool that supports a more proactive and responsive approach to staff engagement, helping us better understand how our people feel about working for us and how we can better support them in the workplace. The first surveys implemented using this tool will benchmark new people's experience of their first 100 days with us, and canvass the views of staff leaving the Ministry.

**Creating a great place to work**

Our senior leadership team have recently undertaken professional development to enhance their understanding of the Ministry’s obligations under the Treaty of Waitangi.

The wellbeing of our staff continues to be a key priority. During the last quarter, our focus has been on promoting mental health awareness. As well as representing the Ministry at the All of Government Health and Safety conference on “Mental Health and Wellbeing at work”, we ran a significant campaign involving our senior leadership during Mental Health Awareness week in October 2018.

Implementation of the Ministry's Diversity and Inclusion Framework and supporting programme of work is well underway. A Diversity and Inclusion Committee and wider network have been established, and are leading development of priorities and key outcomes for the work programme. During Quarter 1, we supported staff to form a Disabilities Network that will help guide us in meeting our obligations to make the Ministry’s premises, channels and services accessible to all, as part of our commitment to the Accessibility Charter.

We continue to focus on closing our gender and ethnic pay gap as part of our annual remuneration review process. We review remuneration reports on a quarterly basis, focusing on like for like work, and identifying and actively addressing any gaps found at an individual level. Our gender pay gap based on like for like work is now 6% on average.

We are also developing tools and resources to reduce unconscious bias influencing recruitment and selection, to ensure no one is disadvantaged and to support a more diverse future workforce.

**Agile and responsive**

A business case has been developed to procure a Human Resource Information System that will significantly improve the efficiency and accuracy of all people management processes.

During Quarter 1, we significantly enhanced our Conflict of Interest resources and processes to ensure we meet recent requirements introduced by the State Services Commission. We are now undertaking a training programme for all staff as part of our annual declaration process.

**Good financial and resource management**

The Ministry’s Annual Report 2018, along with the Ministerial Reports on Non-Departmental Appropriations for Vote Education and Vote Tertiary Education, were tabled in the House and published online on 18 October 2018. The Annual Report provides integrated performance information on the Ministry’s achievements over 2017/18.
The Ministry incurred no unappropriated expenditure in 2017/18 and realised a net operating surplus of $46.830 million, which was largely due to school property contributions arising from unallocated gains on sale, weather-tightness recoveries and third party development contributions. We received an unqualified opinion from our external auditors, EY, and maintained a ‘good’ rating for our management control environment, as well as our financial and non-financial systems and controls.

We have completed our October Baseline update (OBU) submission. Vote Education reflected significant increases following confirmation of 2017/18 in-principle transfers to the 2018/19 baseline. It also reflected an increase for the capital charge and depreciation resulting from revaluation of school land and buildings at 30 June 2018. Vote Tertiary Education reflected Crown Support for Unitec Institute of Technology through a concessionary loan and for Whitireia New Zealand through a capital injection.

We continue to prepare for our Investor Confidence Rating (ICR) assessment, which will be undertaken in November 2018. The ICR is a Treasury assessment of the performance of investment intensive agencies in managing investments and assets that are critical to the delivery of public services. We have made some improvements, but are not anticipating an increase in our overall rating in this round of assessment.

We are committed to providing flexible working environments supported by technology. Offices in Kaitaia, Whangarei, Thames and the Wellington region are in various stages of planning and delivery. Contracts have also been finalised for temporary office space in the Wellington CBD. A parallel work stream is underway to finalise the Wellington region accommodation in the longer term and achieve synergy with co-location to two main sites.

**Good information management and systems and processes**

New governance models for health, safety, security and privacy have been established. Working groups with representatives from across the Ministry have met and are now working on review of guidelines and policies in health, safety, security and privacy. New monthly reporting formats for information have been revised and implemented.

A key project to focus on development of privacy policy, a roadmap for the future and privacy by design from the outset of projects is underway. An assessment of the Ministry’s Protective Security threats and risks has also been completed and is informing our security planning.

Office site security inspections are also being undertaken to provide assurance of the Ministry’s physical environment and to ensure risks are being well controlled.

**A risk management framework** for identifying and managing health, safety, security and privacy risks at all levels has been developed and will be implemented during the next six months.

A specialist driver training provider has been engaged to work with the Ministry to enhance driving capability. A suite of e-learning modules to build skills and knowledge around a range of key areas of driving behaviours, including winter driving and managing fatigue while driving, are covered.

Ten staff attended the first All of Government Health and Safety conference on “Unleashing the power of engagement, employee engagement in health and safety”. Maggie Scott, a Ministry health and safety representative was given special recognition for her leadership and passion about health and safety in the Ministry.
## Vote performance for the first quarter 2018/19

### Vote Education

**Output performance measures**

<table>
<thead>
<tr>
<th>Measure</th>
<th>YTD on track</th>
<th>YTD not on track</th>
<th>Year-end forecast at risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output performance measures with results available at the end of this quarter&lt;sup&gt;1&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Measure

<table>
<thead>
<tr>
<th>Measure</th>
<th>Current result</th>
<th>Year end forecast</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of decisions on proposed statutory interventions under Part 7A of the Education Act 1989 that are made within three months of the confirmed Education Review Office report being published, or request from boards of trustees, or referral from the sector, or determination by the Ministry.</td>
<td>![Achievement]</td>
<td>![Achievement]</td>
<td>Two of the 10 decisions made so far this year have taken longer than three months, due to: 1) difficulties finding an appointee with the right skills and experience to address the risks at the school 2) a mutually agreed decision to await the results of an upcoming ERO report as this would provide useful evidence that would ensure the intervention was targeted at the right level.</td>
</tr>
<tr>
<td>Average number of days eligible children and young people wait to receive a Ministry-provided specialist learning support service after the request for support.</td>
<td>![Achievement]</td>
<td>![Achievement]</td>
<td>We continue to monitor data to ensure timely response and consistency of data entry requirements. We are working on the flexible pathway approach which allows differentiation of service delivery to match specific support needs. We are also supporting regional practitioners to share challenges and solutions to meet service demand while maintaining quality early intervention practices.</td>
</tr>
<tr>
<td>Percentage of students who have been returned to schooling within 40 days following an exclusion.</td>
<td>![Achievement]</td>
<td>![Achievement]</td>
<td>The budget standard is not being met due to: 1) difficulties contacting or engaging with students/whānau 2) care and protection issues delaying enrolment 3) schools refusing enrolment due to students displaying serious behavioural issues 4) geographical isolation meaning a lack of options for schooling.</td>
</tr>
</tbody>
</table>

### Notes

1 Results for some measures are not available until the end of later quarters or year-end e.g. following the completion of annual surveys.
We are working with Oranga Tamariki to keep children enrolled at school where possible or to re-enrol children. This will be supported by the National Care Standards which come into effect July 2019. We are also reviewing service guidance to ensure it is up to date, relevant and provides appropriate support to regions.

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.

<table>
<thead>
<tr>
<th>Budget Standard</th>
<th>As at September 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>95%</td>
</tr>
</tbody>
</table>

We continue to experience unprecedented high volumes of Ministerial correspondence and written parliamentary questions (WPQs).

We are monitoring our resource levels and are identifying process improvements in order to respond and meet service level requirements.

We have processed 976 Ministerials as at 30 September:
- 11 of 677 (1.6%) pieces of correspondence were submitted over the 20 day performance measure
- 44 of 260 (17%) WPQs were late
- 4 of 39 (10%) Minister Official Information Act responses fell short of the deadline to the Minister's office.

Asset performance measures

Average time to resolve priority 1 faults.

<table>
<thead>
<tr>
<th>Budget Standard</th>
<th>As at September 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>90 minutes</td>
</tr>
</tbody>
</table>

Regional office outages of several hours in July and August 2018 have affected the year to date result, but the average time is expected to decrease as the year progresses.

Output indicators – variations from expected results

Number of State schools receiving furniture and equipment grants to fit out new or additional teaching and non-teaching spaces as part of approved expansion projects.

<table>
<thead>
<tr>
<th>Forecast (Year End)</th>
<th>As at September 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>100-150</td>
</tr>
</tbody>
</table>

Activity levels will fluctuate as the year progresses depending on demand from state schools.
### Vote Education Expenditure Against Appropriations

<table>
<thead>
<tr>
<th>Departmental Output Expenses</th>
<th>Year to Date</th>
<th>Full Year</th>
<th>Year to Date</th>
<th>Full Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual $m</td>
<td>Budget $m</td>
<td>Variance $m</td>
<td>%</td>
</tr>
<tr>
<td>Place-Based Initiative - Te Tai Tokerau, Northland</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>School Property Portfolio Management</td>
<td>456.3</td>
<td>454.7</td>
<td>(1.6)</td>
<td>(0.4%)</td>
</tr>
<tr>
<td>Services to Other Agencies</td>
<td>0.4</td>
<td>1.1</td>
<td>0.7</td>
<td>63.6%</td>
</tr>
<tr>
<td>Support and Resources for Education Providers</td>
<td>26.2</td>
<td>24.6</td>
<td>(1.6)</td>
<td>(6.5%)</td>
</tr>
<tr>
<td>Support and Resources for Parents and the Community</td>
<td>2.7</td>
<td>3.0</td>
<td>0.3</td>
<td>10.0%</td>
</tr>
<tr>
<td><strong>Total Departmental Output Expenses</strong></td>
<td><strong>485.6</strong></td>
<td><strong>483.4</strong></td>
<td><strong>(2.2)</strong></td>
<td><strong>(0.5%)</strong></td>
</tr>
<tr>
<td>Departmental Capital Expenditure</td>
<td>231.5</td>
<td>280.6</td>
<td>49.1</td>
<td>17.5%</td>
</tr>
<tr>
<td>Non-Departmental Output Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution to the Education Council of Aotearoa New Zealand</td>
<td>5.1</td>
<td>1.4</td>
<td>(3.7)</td>
<td>(264.3%)</td>
</tr>
<tr>
<td>Early Childhood Education</td>
<td>507.3</td>
<td>512.9</td>
<td>5.6</td>
<td>1.1%</td>
</tr>
<tr>
<td>Primary Education</td>
<td>855.6</td>
<td>868.4</td>
<td>12.8</td>
<td>1.5%</td>
</tr>
<tr>
<td>School Managed Network Funding</td>
<td>7.2</td>
<td>7.2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>School Transport</td>
<td>51.4</td>
<td>48.9</td>
<td>(2.5)</td>
<td>(5.1%)</td>
</tr>
<tr>
<td>Schooling Improvement</td>
<td>4.2</td>
<td>1.6</td>
<td>(2.6)</td>
<td>(162.5%)</td>
</tr>
<tr>
<td>Secondary Education</td>
<td>602.9</td>
<td>606.1</td>
<td>3.2</td>
<td>0.5%</td>
</tr>
<tr>
<td>Secondary - Tertiary Interface</td>
<td>18.0</td>
<td>15.5</td>
<td>(2.5)</td>
<td>(16.1%)</td>
</tr>
<tr>
<td>Support for Early Childhood Education Providers</td>
<td>0.1</td>
<td>0.5</td>
<td>0.4</td>
<td>80.0%</td>
</tr>
<tr>
<td>Supporting Parenting</td>
<td>5.1</td>
<td>2.5</td>
<td>(2.6)</td>
<td>(104.0%)</td>
</tr>
<tr>
<td>UNESCO</td>
<td>-</td>
<td>0.1</td>
<td>0.1</td>
<td>100.0%</td>
</tr>
<tr>
<td><strong>Total Non-Departmental Output Expenses</strong></td>
<td><strong>2,056.9</strong></td>
<td><strong>2,065.1</strong></td>
<td><strong>8.2</strong></td>
<td><strong>0.4%</strong></td>
</tr>
<tr>
<td>Non-Departmental Benefits or Related Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home School Allowances</td>
<td>1.1</td>
<td>1.6</td>
<td>0.5</td>
<td>31.3%</td>
</tr>
<tr>
<td>Scholarships and Awards for Students</td>
<td>3.4</td>
<td>4.8</td>
<td>1.4</td>
<td>29.2%</td>
</tr>
<tr>
<td>Scholarships and Awards for Teachers and Trainees</td>
<td>4.7</td>
<td>6.0</td>
<td>1.3</td>
<td>21.7%</td>
</tr>
<tr>
<td><strong>Total Non-Departmental Benefits or Related Expenses</strong></td>
<td><strong>9.2</strong></td>
<td><strong>12.4</strong></td>
<td><strong>3.2</strong></td>
<td><strong>25.8%</strong></td>
</tr>
<tr>
<td>Non-Departmental Other Expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impairment of Debts and Assets and Debt Write-Offs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Integrated Schools Property</td>
<td>27.8</td>
<td>26.9</td>
<td>(0.9)</td>
<td>(3.3%)</td>
</tr>
<tr>
<td><strong>Total Non-Departmental Other Expenditure</strong></td>
<td><strong>27.8</strong></td>
<td><strong>26.9</strong></td>
<td><strong>(0.9)</strong></td>
<td><strong>(3.3%)</strong></td>
</tr>
<tr>
<td>Non-Departmental Capital Expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>School Support Project</td>
<td>0.2</td>
<td>-</td>
<td>(0.2)</td>
<td>-</td>
</tr>
<tr>
<td>Schools Furniture &amp; Equipment</td>
<td>11.8</td>
<td>7.8</td>
<td>(4.0)</td>
<td>(51.3%)</td>
</tr>
<tr>
<td><strong>Total Non-Departmental Capital Expenditure</strong></td>
<td><strong>12.0</strong></td>
<td><strong>7.8</strong></td>
<td><strong>(4.2)</strong></td>
<td><strong>(53.8%)</strong></td>
</tr>
<tr>
<td>Multi-Category Expenses and Capital Expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improved Quality Teaching and Learning</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support and Resources for Teachers</td>
<td>23.1</td>
<td>19.5</td>
<td>(3.6)</td>
<td>(18.5%)</td>
</tr>
<tr>
<td>Curriculum Support</td>
<td>15.7</td>
<td>13.3</td>
<td>(2.4)</td>
<td>(18.0%)</td>
</tr>
<tr>
<td>Professional Development and Support</td>
<td>24.6</td>
<td>23.4</td>
<td>(1.2)</td>
<td>(5.1%)</td>
</tr>
</tbody>
</table>
The page contains a table and a commentary section. The table outlines various educational outcomes and expenses, while the commentary discusses the under-budget expenditure for Vote Education and the reasons behind it.

### Table: Education Outcomes and Expenditure

<table>
<thead>
<tr>
<th>Category</th>
<th>Outcome</th>
<th>Target</th>
<th>Under/Over</th>
<th>% Change</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Improved Quality Teaching and Learning</td>
<td>63.4</td>
<td>56.2</td>
<td>-</td>
<td>(7.2)</td>
<td>246.1</td>
</tr>
<tr>
<td>Interventions for Target Student Groups</td>
<td>72.9</td>
<td>72.9</td>
<td>-</td>
<td>(0.0)</td>
<td>291.7</td>
</tr>
<tr>
<td>Learning Support</td>
<td>125.7</td>
<td>125.6</td>
<td>(0.1)</td>
<td>(0.1%)</td>
<td>448.6</td>
</tr>
<tr>
<td>Service Academies</td>
<td>0.8</td>
<td>1.5</td>
<td>0.7</td>
<td>46.7%</td>
<td>3.6</td>
</tr>
<tr>
<td>Students Attendance and Engagement</td>
<td>2.9</td>
<td>2.3</td>
<td>(0.6)</td>
<td>(26.1%)</td>
<td>9.7</td>
</tr>
<tr>
<td>Total Outcomes for Target Student Groups</td>
<td>202.3</td>
<td>202.3</td>
<td>(0.0)</td>
<td>(0.0%)</td>
<td>753.6</td>
</tr>
<tr>
<td>Oversight and Administration of the Qualifications System</td>
<td>11.2</td>
<td>10.4</td>
<td>(0.8)</td>
<td>(7.7%)</td>
<td>42.5</td>
</tr>
<tr>
<td>Provision of Communication and Advice</td>
<td>0.7</td>
<td>0.6</td>
<td>(0.1)</td>
<td>(16.7%)</td>
<td>3.4</td>
</tr>
<tr>
<td>Qualifications Support Structures</td>
<td>1.5</td>
<td>1.6</td>
<td>0.1</td>
<td>6.3%</td>
<td>6.0</td>
</tr>
<tr>
<td>Quality Assurance</td>
<td>2.0</td>
<td>1.3</td>
<td>(0.7)</td>
<td>(53.8%)</td>
<td>5.1</td>
</tr>
<tr>
<td>Secondary School Assessments</td>
<td>7.0</td>
<td>6.9</td>
<td>(0.1)</td>
<td>(1.4%)</td>
<td>28.0</td>
</tr>
<tr>
<td>Total Oversight and Administration of the Qualifications System</td>
<td>16.9</td>
<td>14.6</td>
<td>(2.3)</td>
<td>(15.8%)</td>
<td>62.5</td>
</tr>
<tr>
<td>Oversight of the Education System</td>
<td>293.8</td>
<td>283.5</td>
<td>(10.3)</td>
<td>(3.6%)</td>
<td>1,104.7</td>
</tr>
<tr>
<td>Ministerial Services</td>
<td>1.4</td>
<td>1.5</td>
<td>0.1</td>
<td>6.7%</td>
<td>5.2</td>
</tr>
<tr>
<td>Monitoring the Education System</td>
<td>3.5</td>
<td>2.3</td>
<td>(1.2)</td>
<td>(52.2%)</td>
<td>12.4</td>
</tr>
<tr>
<td>Policy Advice</td>
<td>4.8</td>
<td>4.5</td>
<td>(0.3)</td>
<td>(6.7%)</td>
<td>22.0</td>
</tr>
<tr>
<td>Research and Analysis</td>
<td>6.3</td>
<td>5.6</td>
<td>(0.7)</td>
<td>(12.5%)</td>
<td>19.4</td>
</tr>
<tr>
<td>Education Research Initiatives</td>
<td>0.9</td>
<td>0.7</td>
<td>(0.2)</td>
<td>(28.6%)</td>
<td>3.0</td>
</tr>
<tr>
<td>Independent Advice on Government Priority Areas</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td>0.5</td>
</tr>
<tr>
<td>Total Oversight of the Education System</td>
<td>16.9</td>
<td>14.6</td>
<td>(2.3)</td>
<td>(15.8%)</td>
<td>62.5</td>
</tr>
<tr>
<td>Multi-Category Expenses and Capital Expenditure</td>
<td>293.8</td>
<td>283.5</td>
<td>(10.3)</td>
<td>(3.6%)</td>
<td>1,104.7</td>
</tr>
<tr>
<td>Teacher-Led Innovation Fund</td>
<td>2.6</td>
<td>0.5</td>
<td>(2.1)</td>
<td>(420.0%)</td>
<td>4.7</td>
</tr>
<tr>
<td>Schools Payroll Sustainability Loan</td>
<td>2.0</td>
<td>2.0</td>
<td>-</td>
<td></td>
<td>5.4</td>
</tr>
<tr>
<td>Total Multi-Year Appropriations</td>
<td>4.6</td>
<td>2.5</td>
<td>(2.1)</td>
<td>(84.0%)</td>
<td>10.1</td>
</tr>
<tr>
<td>Total Vote Education</td>
<td>3,121.4</td>
<td>3,162.2</td>
<td>40.8</td>
<td>1.3%</td>
<td>12,260.2</td>
</tr>
</tbody>
</table>

### Commentary

Total expenditure for Vote Education is under budget by $40.8 million (1.3%). Significant areas of under-spend are:

a. **Departmental Capital Expenditure** – $49.1 million, largely due to delays associated with the following:
   i. $36.9 million, due to timing of roll growth tranche announcements, site constraints (especially in the Auckland region), site conditions and relocating the two schools in Christchurch (now targeted for Term 2 2019, previously Term 1)
   ii. $8.5 million, settlement of two land purchases, now expected in November 2018
   iii. $3.7 million, intended for the delivery of and reconfiguration of the ICT work plan.

b. **Primary Education** – $12.8 million, mainly due to teacher salaries being lower than forecast volumes

c. **Early Childhood Education** – $5.6 million, as the demand for early childhood education hours is lower than forecasted. A demand driven change reducing the forecast by $25 million has been submitted through the October Baseline Update

d. **Secondary Education** – $3.2 million, mainly due to teacher salaries being lower than forecast volumes,
partially offset by over-spends in:

a. **Schools Furniture and Equipment** – $4.0 million, mainly due to earlier than expected claims of grants for new schools and schools in the Christchurch rebuild. Additional funding of $8.017 million was sought in the October Baseline Update

b. **Contribution to the Education Council of Aotearoa New Zealand** – $3.7 million, mainly due to timing of payments related to the Education Council funding agreement. Additional funding of $1.500 million was sought in the October Baseline Update

c. **Support and Resources for Teachers** – $3.6 million, mainly due to the timing of delivery of various projects. Additional funding of $5.333 million was sought in the October Baseline Update

d. **Supporting Parenting** – $2.6 million, mainly due to an earlier payment for the Home Interaction Programme for Parents and Youngsters than originally forecast

e. **Schooling Improvement** – $2.6 million, mainly due to timing of contract milestone payments

f. **School Transport** – $2.5 million, mainly due to increased demand for Specialised School Transport Assistance. As this is a change in forecast expenditure and school transport is a demand driven appropriation, we intend to seek an increase in appropriation in the 2019 March Baseline Update

g. **Secondary–Tertiary Interface** – $2.5 million, mainly due to changes in the secondary and tertiary delivery proportions. Additional funding has been requested through the October Baseline Update to support the increased delivery undertaken at school for the 2018 calendar year.

The October Baseline Update was submitted to the Minister of Finance on 15 October 2018. The next Quarterly Report will reflect the approved October Baseline changes and also forecast year end outturns of expenditure.
### Vote Tertiary Education

#### Output performance measures

<table>
<thead>
<tr>
<th>YTD on track</th>
<th>YTD not on track</th>
<th>Year-end forecast at risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Output performance measures with results available at the end of this quarter

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### Vote Tertiary Education Expenditure Against Appropriations

<table>
<thead>
<tr>
<th></th>
<th>Year to Date</th>
<th>Full Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual $m</td>
<td>Budget $m</td>
</tr>
<tr>
<td><strong>Non-Departmental Output Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Access to Tertiary Education</td>
<td>6.0</td>
<td>5.5</td>
</tr>
<tr>
<td>Administration of and Support for the Tertiary Education and Careers Systems</td>
<td>16.1</td>
<td>15.7</td>
</tr>
<tr>
<td>Centres of Research Excellence</td>
<td>12.4</td>
<td>12.5</td>
</tr>
<tr>
<td>International Education programmes</td>
<td>7.7</td>
<td>7.8</td>
</tr>
<tr>
<td>Tertiary Education Research and Research-Based Teaching</td>
<td>79.1</td>
<td>76.0</td>
</tr>
<tr>
<td>Tertiary Sector / Industry Collaboration Projects</td>
<td>6.7</td>
<td>7.0</td>
</tr>
<tr>
<td>University-led Innovation</td>
<td>0.6</td>
<td>3.4</td>
</tr>
<tr>
<td><strong>Total Non-Departmental Output Expenses</strong></td>
<td><strong>128.6</strong></td>
<td><strong>127.9</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Non-Departmental Benefits or Related Expenses</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Awards for Outbound New Zealand Students</td>
<td>1.6</td>
<td>1.0</td>
</tr>
<tr>
<td>Scholarships for Inbound International Students</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Support to Apprentices</td>
<td>-</td>
<td>0.9</td>
</tr>
<tr>
<td>Tertiary Scholarships and Awards</td>
<td>2.6</td>
<td>2.3</td>
</tr>
<tr>
<td><strong>Total Non-Departmental Benefits or Related Expenses</strong></td>
<td><strong>4.4</strong></td>
<td><strong>4.4</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Non-Departmental Capital Expenditure</strong></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Support for Tai Poutini Polytechnic</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2.1</td>
</tr>
<tr>
<td>Support for Unitech Institute of Technology</td>
<td>10.0</td>
<td>10.0</td>
<td>-</td>
<td>-</td>
<td>35.0</td>
</tr>
<tr>
<td>Support for the University of Canterbury</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>50.0</td>
</tr>
<tr>
<td>Support for Whitireia New Zealand</td>
<td>3.0</td>
<td>3.0</td>
<td>-</td>
<td>-</td>
<td>15.0</td>
</tr>
<tr>
<td><strong>Total Non-Departmental Capital Expenditure</strong></td>
<td><strong>13.0</strong></td>
<td><strong>13.0</strong></td>
<td>-</td>
<td>-</td>
<td><strong>102.1</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Multi-Category Expenses and Capital Expenditure</strong></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Stewardship of the Tertiary Education System MCA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Policy Advice</td>
<td>2.2</td>
<td>1.8</td>
<td>(0.4)</td>
<td>(22.2%)</td>
<td>7.2</td>
</tr>
<tr>
<td>Research, Data Analysis and Monitoring</td>
<td>1.4</td>
<td>1.8</td>
<td>0.4</td>
<td>22.2%</td>
<td>8.6</td>
</tr>
<tr>
<td><strong>Total Stewardship of the Tertiary Education System</strong></td>
<td><strong>3.6</strong></td>
<td><strong>3.6</strong></td>
<td>-</td>
<td>-</td>
<td><strong>15.8</strong></td>
</tr>
<tr>
<td>Tertiary Tuition and Training MCA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community Education</td>
<td>17.7</td>
<td>16.6</td>
<td>(1.1)</td>
<td>(6.6%)</td>
<td>73.2</td>
</tr>
<tr>
<td>Tertiary Education: Student Achievement Component</td>
<td>509.1</td>
<td>528.0</td>
<td>18.9</td>
<td>3.6%</td>
<td>2,086.5</td>
</tr>
</tbody>
</table>

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2 Results for some measures are not available until the end of later quarters or year-end e.g. following the completion of annual surveys.
Commentary

Total expenditure for Vote Tertiary Education is below budget by $52.5 million (6.4%). Significant areas of under-spend are below and are largely timing differences:

a. **Fees-free Payments** – $24.4 million, mainly due to a lower than expected rate of student uptake

b. **Tertiary Education: Student Achievement Component** – $18.9 million, mainly due to student enrolments being lower than forecast. Recoveries are made from providers with lower than forecast enrolments

c. **Training for Designated Groups** – $11.0 million, mainly due to student enrolments being lower than forecast. Recoveries are made from providers with lower than forecast enrolments

d. **University-led Innovation** – $2.8 million, mainly due to funding requests from the Tertiary Education Commission being made later than originally forecast, partially offset by an over-spend in

e. **Tertiary Education Research and Research-Based Teaching** – $3.1 million, also mainly due to drawdowns from the Tertiary Education Commission coming in earlier than expected.

An in-principle transfer of $65 million in non-departmental capital expenditure relating to the Support for Lincoln University appropriation was sought and previously agreed by joint Ministers in June 2018 [METIS 1120499 dated 5 June 2018 refers]. This relates to delays in the completion and submission of an Implementation Business Case which requires Ministerial endorsement.

The October Baseline Update was submitted to the Minister of Finance on 15 October 2018. The next Quarterly Report will reflect the approved October Baseline changes and also forecast year end outturns of expenditure.