



Vote Education

**Report in Relation to Non-Departmental Appropriations
for the year ended 30 June 2018**

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

Background

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

In the Estimates of Appropriations 2017/18 for Vote Education, performance information for the attached appropriations is required to be reported by the Minister of Education. This report is appended to the Ministry of Education's Annual Report for the purpose of tabling in the House.

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

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

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

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Statement of Expenses and Capital Expenditure incurred against Budget

for the year ended 30 June 2018

Appropriation Title	2017	2018	2018
	Actual	Budget	Actual
	\$000	\$000	\$000
Non-departmental output expenses			
Contribution to the Education Council of Aotearoa New Zealand	8,164	15,042	11,895
Provision of Information and Advisory Services	23,669	10,943	10,654
School Transport	185,581	198,450	194,827
Secondary-Tertiary Interface	72,271	74,512	73,946
Supporting Parenting	8,628	9,329	8,946
Teacher-Led Innovation Fund (multi-year appropriation)	2,590	4,000	2,840
Non-departmental other expenses			
Early Childhood Education	1,784,929	1,869,448	1,825,604
Integrated Schools Property	63,798	71,201	69,241
Primary Education	3,021,839	3,196,982	3,142,842
Schooling Improvement	5,118	5,853	4,968
Secondary Education	2,138,817	2,247,057	2,202,841
Support for Early Childhood Education Providers	11,089	11,826	8,961
Non-departmental capital expenditure			
School Support Project	832	1,880	579
Schools Furniture and Equipment	33,432	36,578	25,922

Explanations for significant variances against Budget are provided below.

Non-departmental output expenses

- **Contribution to the Education Council of Aotearoa New Zealand** was \$3.1 million (21%) under budget, mainly due to lower claims for the reimbursement of Teacher Practicing Certificate fees.
- **School Transport** was \$3.6 million (2%) under budget, mainly due to efficiency savings in daily bus services and a slightly lower full year cost for transporting students with learning support needs.

Non-departmental other expenses

- **Early Childhood Education** was \$43.8 million (2%) under budget, mainly due to a lower number of actual Funded Child Hours (FCH) than forecast.
- **Primary Education** was \$54.1 million (2%) under budget, mainly due to lower salary rates and/or full time teacher equivalents, and bulk operational grants being lower than anticipated.
- **Secondary Education** was \$44.2 million (2%) under budget, mainly due to lower salary rates and/or full time teacher equivalents, and bulk operational grants being lower than anticipated.

Non-departmental capital expenditure

- **Schools Furniture and Equipment** was \$10.7 million (29%) under budget, mainly due to the timing of grants for new schools and roll growth.

Statements of Service Performance

Non-Departmental Output Expenses

Contribution to the Education Council of Aotearoa New Zealand

Scope of Appropriation

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

What is intended to be achieved with this Appropriation

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

Output performance measures and standards

Performance measure	Budget standard 2017/18	Actual performance 2017/18	Performance 2016/17	Comment
The percentage of applications for issue and renewal of practising certificates submitted for appraisal by professional leaders that are reviewed under the auditing and moderation process.	10%	10%	New measure	Achieved
The percentage of new registrations and renewals of practising certificates processed within 20 working days.	65%	61%	New measure	Not achieved A backlog developed during the peak renewal period, which impacted average processing times. Process improvements were put in place and processing times have started to improve as a result. The Education Council expect to see significant further improvement once a new online tool is fully implemented.
The average length of time between referral to the Disciplinary Tribunal and the decision date of the Disciplinary Tribunal decisions made in the reporting period, in months.	8 months	6.4 months	New measure	Achieved

Provision of Information and Advisory Services

Scope of Appropriation

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

What is intended to be achieved with this Appropriation

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

Output performance measures and standards¹

Performance measure	Budget standard 2017/18	Actual performance 2017/18	Performance 2016/17	Comment
The proportion of survey respondents who agree/strongly agree that information they received from the New Zealand Qualifications Authority met their needs (see Note 1).	75%	67.5%	New measure	Not achieved The target set was aspirational. NZQA has several initiatives in place that will help them achieve this target over time.

Note 1 - Survey respondents are stakeholders including employers, education providers, students and families. Information received covers the full range of advice, data, communication and instruction that the New Zealand Qualifications Authority provides to its customers to support their relationship, business and interaction with the New Zealand Qualifications Authority.

¹ Due to the merger of Careers New Zealand with the Tertiary Education Commission on 1 July 2017, funding and performance measures for the provision of information and advisory services related to education policies and programmes that are the responsibility of Careers New Zealand have been transferred from Vote Education to Vote Tertiary Education.

School Transport

Scope of Appropriation

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

What is intended to be achieved with this Appropriation

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

Output performance measures and standards

Performance measure	Budget standard 2017/18	Actual performance 2017/18	Performance 2016/17	Comment
Percentage of journeys per annum completed without incident, in the provision of safe transport options to students who face transportation barriers.	99.9%	99.99%	99.99%	Achieved

Secondary-Tertiary Interface

Scope of Appropriation

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

What is intended to be achieved with this Appropriation

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

Output performance measures and standards

Performance measure	Budget standard 2017/18	Actual performance 2017/18	Performance 2016/17	Comment
Number of secondary-tertiary programme places purchased per calendar year.	6,190 in 2017	6,190 in 2017	6,190 in 2016	Achieved

Supporting Parenting

Scope of Appropriation

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

What is intended to be achieved with this Appropriation

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

Output performance measures and standards

Performance measure	Budget standard 2017/18	Actual performance 2017/18	Performance 2016/17	Comment
Number of children enrolled in early childhood education as a result of the Engaging Priority Families programme.	870 - 1,000	584	747	Not achieved The Engaging Priority Families (EPF) initiative is working with 3 to 5 year old children/tamariki who are not participating in Early Childhood Educational (ECE) services. Contracted providers have 963 children registered in the EPF initiative. Of those children, 584 children commenced in an ECE service during the year. The contracted providers continue to work with the other registered families.
Percentage of families from priority areas that are engaged in identifying their information and support needs, and co-designing targeted information and support specific to their needs (see Note 1).	75%	Not measured	New measure	Not measured It was not possible to measure this result. In 2017/18, however, progress was made in identifying high-level information and support needs of parents and whānau. This market research is being used to inform engagement with families and communities in 2018/19. Replacement performance measures are being developed.

Note 1 - The selection of priority areas is informed by data (eg, poor education outcomes/low engagement with education institutions), evidence of apparent distinct needs (eg, among Māori, Pasifika and other ethnic groups), and evidence of disadvantage (eg, geographic isolation or limited internet access).

Teacher-Led Innovation Fund (Multi-Year Appropriation)

Scope and Period of Appropriation

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

Commences: 01 July 2015

Expires: 30 June 2020

What is intended to be achieved with this Appropriation

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

Output performance measures and standards

Performance measure	Budget standard 2017/18	Actual performance 2017/18	Performance 2016/17	Comment
Percentage of completed research projects which resulted in the spread of new teaching practices since initiation of the fund (see Note 1).	95%	88%	96%	Not achieved Of the 49 completed Teacher-led Innovation Fund projects, 43 resulted in the spread of new teaching practices, while six projects were terminated. Four of these projects cited staff turnover or competing priorities as the reason for termination.

Note 1 - The Teacher-led Innovation Fund is set for a five year period with projects running over one, two and three year periods.

Non-Departmental Other Expenses

Early Childhood Education

Scope of Appropriation

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

What is intended to be achieved with this Appropriation

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

Output performance measures and standards

Performance measure	Budget standard 2017/18	Actual performance 2017/18	Performance 2016/17	Comment
Percentage of early childhood education centres/services providing services to the standard required to meet regulatory requirements.	98%	98%	98%	Achieved

The following information is provided for context only:

Indicator	Forecast activity 2017/18	Actual 2017/18	Actual 2016/17
Subsidised hours provided by licensed and chartered early childhood education services:			
• kindergartens	25 million - 29 million	26.9 million ²	26.7 million
• playcentres	2.4 million - 2.8 million	2.5 million ²	2.7 million
• education and care centres	144 million - 160 million	151.0 million ²	130.0 million
• home based	23 million - 29 million	23.3 million ²	22.7 million
• kōhanga reo	9 million - 13 million	10.7 million ²	11.0 million
• hours of early childhood education provided by certified playgroups.	1.5 million - 2 million	1.5 million	1.7 million

² This result is an early estimate, based on actual figures from July 2017 to May 2018, and estimated figures for the month of June 2018.

Integrated Schools Property

Scope of Appropriation

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

What is intended to be achieved with this Appropriation

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

Output performance measures and standards

Performance measure	Budget standard 2017/18	Actual performance 2017/18	Performance 2016/17	Comment
All integrated school proprietors confirm that funding received under Policy One has been used to maintain their school properties to a consistent standard as for State schools (Policy One, see Conditions on Use of Appropriation).	All	All	Revised measure	Achieved

The following information is provided for context only:

Indicator	Forecast activity 2017/18	Actual 2017/18	Actual 2016/17
New teaching spaces provided to integrated schools to alleviate pressures from increasing student rolls in the network are within allocated budget (Policy Two, see Conditions on Use of Appropriation).	Up to 7 grants	0	3

Conditions on Use of Appropriation

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

Primary Education

Scope of Appropriation

This appropriation is limited to providing roll-based operations funding to schools, teacher and management salaries, support costs and supplementary funding programmes to enable the delivery of the National Curriculum to all students for Years 0 to 8.

What is intended to be achieved with this Appropriation

This appropriation is intended to deliver relevant curriculum for all Year 0 to 8 students in all schools, through the development of tailored programmes and resources to meet the needs of all students.

Output performance measures and standards

Performance measure	Budget standard 2017/18	Actual performance 2017/18	Performance 2016/17	Comment
Participation in primary education - The percentage of students attending school regularly (see Note 1):				
• all students	70%	66.8%	New measure	Not achieved Primary schools had the highest levels of regular attendance out of all school types. Overall, both justified and unjustified absences increased from 2016. However, the change was larger for justified absences. Absences for medical reasons accounted for almost 5% of all class time in Term 2 of 2017, compared to 4% in each of the three previous years.
• Māori students	70%	55.2%	New measure	
• Pasifika students	70%	55.5%	New measure	
Percentage of School Analysis of Variance Reports received (see Note 2).	90%	90%	New measure	Achieved
The percentage of primary schools receiving additional funding for Māori language resourcing Levels 1 and 2 (see Notes 3 and 4).	Baseline year	12%	New measure	Baseline established
The percentage of children who complete Years 1 to 8 in Māori-medium education (see Notes 4 and 5).	Baseline year	84%	New measure	Baselined established

Note 1 - Attending regularly is defined as attending at least 90% of the time. This is assessed by measuring attendance across the whole of Term 2.

Note 2 - School Analysis of Variance Reports report on a school's performance compared to agreed performance goals.

Note 3 - This measure covers State and State-integrated schools only and is based on the 2017 calendar year. Funding is allocated based on information on the level of Māori language learning which schools provide in their roll returns, subject to an annual auditing and verification process to confirm the appropriate level of funding.

Note 4 - There are five levels of funding, based on hours the curriculum is taught in Te Reo Māori per week. Levels 1 and 2 are described below:

- Level 1 - more than 20 and up to 25 hours
- Level 2 - more than 12.5 and up to 20 hours.

Note 5 - This measure covers State and State-integrated schools only and is based on the 2017 calendar year.

The following information is provided for context only:

Indicator	Forecast activity 2017/18	Actual 2017/18	Actual 2016/17
Number of Year 1 - 8 students in English-medium receiving the National Curriculum (see Note 1).	510,000	497,795	Revised indicator
Number of Year 1 - 8 students in Māori-medium receiving the Ngā Whanaketanga Rumaki Māori (see Note 1).	15,160	15,862	New indicator
Total number of Full-time Teacher Equivalents teaching Years 0 - 8 (see Note 2).	26,300	Not measured	26,620
Number of primary schools receiving additional funding for Māori language resourcing Levels 1 and 2 (see Note 3).	257	257	New indicator

Note 1 - This is calculated from the July School Roll returns.

Note 2 - This number includes English-medium and Māori-medium, but excludes Partnership Schools | Kura Hourua, Te Kura Correspondence School, private schools and composite schools or schools that pro-rata their roll. The calculation is based on a survey conducted in the first pay run of April.

Note 3 - This indicator covers State and State-integrated schools only and is based on the 2017 calendar year. There are five levels of funding, based on hours the curriculum is taught in Te Reo Māori per week. Levels 1 and 2 are described below:

- Level 1 - more than 20 and up to 25 hours
- Level 2 - more than 12.5 and up to 20 hours.

Schooling Improvement

Scope of Appropriation

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

What is intended to be achieved with this Appropriation

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

Output performance measures and standards

Performance measure	Budget standard 2017/18	Actual performance 2017/18	Performance 2016/17	Comment
Percentage of Māori learners that are supported through our shared investments with iwi that make measurable achievement gains (see Note 1).	75%	86%	New measure	Achieved

Note 1 - These learners are identified in the contracts with iwi and are monitored towards attainment of National Standards and/or National Certificate of Educational Achievement.

Secondary Education

Scope of Appropriation

This appropriation is limited to providing roll-based operations funding to schools, teacher and management salaries, support costs and supplementary funding programmes to enable the delivery of the National Curriculum to all students for Years 9 to 13.

What is intended to be achieved with this Appropriation

This appropriation is intended to deliver relevant curriculum for all Year 9 to 13 students in all schools, through the development of tailored programmes and resources to meet the needs of all students.

Output performance measures and standards

Performance measure	Budget standard 2017/18	Actual performance 2017/18	Performance 2016/17	Comment
Percentage of 18-year-olds with NCEA Level 2 or equivalent:				
• all	Improve on previous year's result	84.9%	84.6%	Achieved
• Māori	Improve on previous year's result	75.6%	74.3%	Achieved
• Pasifika.	Improve on previous year's result	78.7%	78.7%	Maintained Overall, Pasifika students continue to achieve at a level slightly above Māori students and slightly below the overall level for all students.
Percentage of school leavers with NCEA Level 2 and a Vocational Pathways Award.	30%	34.4%	New measure	Achieved
Percentage of school leavers progressing directly from NCEA Level 2 and 3 or equivalent to Level 4 or above tertiary study.	55%	55.6%	New measure	Achieved

The following information is provided for context only:

Indicator	Forecast activity 2017/18	Actual 2017/18	Actual 2016/17
Number of students receiving Year 9 - 13 curriculum (see Note 1).	275,000	284,327	288,386
Total number of Full-time Teacher Equivalents teaching Years 9 - 13 (see Note 2).	21,700	Not measured	25,743
Number of 18-year-olds with NCEA Level 2 or equivalent:			
• all students	53,200	52,203	New indicator

Indicator	Forecast activity 2017/18	Actual 2017/18	Actual 2016/17
• Māori students	5,800	10,776	New indicator
• Pasifika students.	10,700	5,625	New indicator

Note 1 - This is calculated from the March School Roll returns.

Note 2 - This number includes English-medium and Māori-medium, but excludes Partnership Schools | Kura Hourua, Te Kura Correspondence School and private schools. The calculation is based on a survey conducted in the first pay run of April.

Support for Early Childhood Education Providers

Scope of Appropriation

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

What is intended to be achieved with this Appropriation

This appropriation is intended to achieve increased participation in early childhood education by creating more licensed child places through grants in the early childhood education sector.

Output performance measures and standards

Performance measure	Budget standard 2017/18	Actual performance 2017/18	Performance 2016/17	Comment
Cost per child place created through the Targeted Assistance Participation programme.	\$12,000 - \$16,000	\$12,189.50	\$7,847.46	Achieved

Non-Departmental Capital Expenditure

School Support Project

Scope of Appropriation

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

What is intended to be achieved with this Appropriation

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

Output performance measures and standards

Performance measure	Budget standard 2017/18	Actual performance 2017/18	Performance 2016/17	Comment
Percentage of schools receiving emergency support that are able to meet immediate financial obligations.	100%	100%	100%	Achieved

Schools Furniture and Equipment

Scope of Appropriation

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

What is intended to be achieved with this Appropriation

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

Output performance measures and standards

Performance measure	Budget standard 2017/18	Actual performance 2017/18	Performance 2016/17	Comment
Percentage of State school buildings with a maintenance index of '3' or better as an indicator of the relative maintenance requirements for buildings in the school property portfolio (see Note 1).	85%	96%	New measure	Achieved

Note 1 - The maintenance index is based on a nationwide physical inspection of school buildings. It is the ratio of each building's forward 10-year cost for maintaining the building to current standards relative to its replacement cost. The higher the ratio, the greater the degree of maintenance required. All other things being equal, a building with a higher ratio will tend to indicate poorer condition than a building with a lower ratio. This measure represents over 95% of total replacement value and about 70% of the number of buildings in the entire State school portfolio, excluding about 10,000 minor buildings such as sheds and covered walkways. For reporting purposes, building indices are shown on a scale from 1 to 5 (1 being the highest rating), defined as follows: 1 is an index of less than 5%, 2 is 5-10%, 3 is 10-20%, 4 is 20-30% and 5 is over 30%.

The following information is provided for context only:

Indicator	Forecast activity 2017/18	Actual 2017/18	Actual 2016/17
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 (see Note 1).	100 - 150	107	134
Number of State schools receiving funding to upgrade and modernise their furniture and equipment through their Five-Year-Agreement budget.	800 - 1,100	737	834

Note 1 - Funding is provided to schools for furniture and equipment as part of their capital work approvals for new and additional teaching and non-teaching spaces.