



Vote Education

**Report in Relation to Non-Departmental Appropriations
for the year ended 30 June 2021**

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 2020/21 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. It outlines what was achieved for each appropriation against what was intended to be achieved, as set out in the Estimates of Appropriations for Vote Education and any subsequent changes through the Supplementary Estimates.

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 2021

	2020	2021	2021
Appropriation Title	Actual	Budget ¹	Actual
	\$000	\$000	\$000
Non-departmental output expenses			
Contribution to the Education Council of Aotearoa New Zealand	10,616	12,157	12,157
Early Learning Education	1,990,223	2,157,324	2,119,895
School Transport	207,561	225,339	216,266
Schooling Improvement	6,929	32,282	24,757
Support for Early Learning Providers	6,672	14,926	3,325
Supporting Parenting	10,158	9,174	9,041
Non-departmental other expense			
Integrated Schools Property	70,963	85,275	72,786
Education Providers with COVID-19-Related Losses of Income	5,613	38,789	21,132
Non-departmental capital expenditure			
School Support Project	102	1,880	-
Schools Furniture and Equipment	34,255	53,000	47,656

Explanations for significant variances against Budget are provided below.

Non-departmental output expenses

- **Early Learning Education** was \$37.4 million (1.7%) under budget, mainly due to unspent funding for the reintroduction of the Childcare for Essential Workers scheme, an in-principle transfer to 2021/22 was requested to cover the risk that COVID-19 may impact on service sustainability in the medium term. In addition, the actual Funded Child Hours being lower than what was projected in the over 2 category and a cohort of 3-4 years old exiting the system and not being replaced due to lower birth rates.
- **Support for Early Learning Providers** was \$11.6 million (77.7%) under budget, mainly due to an underspend in relation to the accommodation for early learning services for which an in-principle transfer to 2021/22 has been requested.

Non-departmental other expenses

- **Education Providers with COVID-19-Related Losses of Income** was \$17.7 million (45.5%) under budget, mainly due to fewer applications for the school hostel wage subsidy scheme than expected. An in-principle transfer to 2021/22 was sought to support the viability of early learning services that are essential to the network and would otherwise close without additional, one-off financial support.
- **Integrated Schools Property** was \$12.5 million (14.6%) under budget, mainly due to delays resulting from long-term lease negotiations for one charter school transitioning to Integrated Schools Property and property related costs associated with Learning Support Coordinators (LSC) roles in schools and unspent funds relating to the National Growth Plan. An in-principle transfer to 2021/22 has been requested.

¹ These are the appropriations from the Supplementary Estimates.

Statements of Service Performance

Non-Departmental Output Expenses

Contribution to the Teaching Council of Aotearoa New Zealand

Scope of Appropriation

This appropriation is limited to a contribution towards the Teaching 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 2020/21	Actual performance 2020/21	Performance 2019/20	Comment
The percentage of new registrations and renewals of practising certificates processed within 20 working days.	65%	64%	43%	Not achieved The percentage of applications processed in less than 20 days in the last quarter has been close to 90%; however, this was not quite enough to bring the year to date performance up to the budget standard.
The percentage of decisions on referrals to the Disciplinary Tribunal that are made within eight months of the referral to the Disciplinary Tribunal.	50%	42%	48%	Not achieved The volume of cases being referred to the Disciplinary Tribunal has resulted in decisions taking longer to be made. The Council is investigating how this can be improved.

Early Learning

Scope of Appropriation

This appropriation is limited to subsidising delivery of early learning services for children under six years of age by licensed and certificated services, and the provision of related funds to such services.

What is intended to be achieved with this Appropriation

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

Output performance measures and standards

Performance measure	Budget standard 2020/21	Actual performance 2020/21	Performance 2019/20	Comment
Percentage of licenced early learning services that are identified as being in breach of regulatory standards at that point in time (see Note 1).	2% or less	1.48%	1.97%	Achieved
Percentage of children attending early learning services for 10 or more hours a week on average at age 3 and at age 4 (see Note 2):				
<ul style="list-style-type: none"> All children <ul style="list-style-type: none"> at age 3 at age 4 Māori <ul style="list-style-type: none"> at age 3 at age 4 Pacific <ul style="list-style-type: none"> at age 3 at age 4 Lower socio-economic status <ul style="list-style-type: none"> at age 3 at age 4 				Not achieved The decline in the 2020/21 intensity measures mirrors an overall reduction in ECE attendance. The Ministry is actively monitoring attendance and staff in our regional network continue to work with early learning services to ensure they are providing parents and whānau with assurance that early learning services are operating in line with public health requirements. As part of Budget 2020/21, the Ministry distributed \$50 million via the Urgent Response Fund to support learners affected by the COVID-19 lockdowns. The funding addressed urgent needs in over 2,700 schools, kura and early learning services me ngā kōhanga reo. The Urgent Response Fund was available under four categories focused on attendance and reengagement: attendance, wellbeing to support attendance, cultural wellbeing to support attendance, re-engagement in learning.
	Maintain or improve	68%	New Measure (74.3%)	
	Maintain or improve	76%	New Measure (84%)	
	Improve	57%	New Measure (61.9%)	
	Improve	62%	New Measure (68%)	
	Improve	57%	New Measure (67.3)	
	Improve	65%	New Measure (73.6%)	
	Improve	62%	New Measure (65.8%)	
	Improve	69%	New Measure (74.2%)	

Note 1 - Services not meeting standards are put on a provisional or suspended licence and an improvement plan is implemented. Licences are cancelled if improvements are not complied with within a maximum of 12 months.

Note 2 – These measures are based on StatsNZ estimates of the total population of children aged 4 and 5 each year, and their participation intensity from Ministry records in the preceding year. It is assumed that 33% of children have addresses in low socioeconomic areas. These measures do not include attendance from services that do not report their data through the Early Learning Information system, such as ngā kōhanga reo or playgroups.

The following information is an indication of expected numbers and is provided for context only.

Indicator	Forecast activity 2020/21	Actual 2020/21	Actual 2019/20
Subsidised hours provided by licensed and chartered early childhood education services ² :			
• kindergartens	25 million-29 million	28.1 million	27.1 million
• playcentres	2.4 million-2.8 million	2.3 million	2.4 million
• education and care centres	144 million-145 million	163.6 million	160.8 million
• home based	24 million-25 million	17.2 million	20.1 million
• kōhanga reo	10 million-11 million	10.5 million	10.9 million
• hours of early childhood education provided by certified playgroups.	1.5 million-2 million	0.99 million	1.1 million

² The confirmed year-end data is not available until November 2021, when early learning services provide their June 'wash-up' hours. The reported figure represents actual hours data for July 2020 to May 2021, and the projected hours for June 2021.

School Transport

Scope of Appropriation

This appropriation is limited to transporting eligible students to and from State and state integrated schools and associated facilities.

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 for eligible students.

Output performance measures and standards

Performance measure	Budget standard 2020/21	Actual performance 2020/21	Performance 2019/20	Comment
Percentage of journeys per annum completed without safety incident, in the provision of transport options to eligible students.	99.9%	99.99%	99.99%	Achieved

Schooling Improvement

Scope of Appropriation

This appropriation is limited to school support and schooling improvement projects, including iwi-strengthening education projects, to improve the capability of schools and school clusters and their responsiveness to the needs of their communities.

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 2020/21	Actual performance 2020/21	Performance 2019/20	Comment
Number of education work plans, developed through the Ministry partnering with iwi and hapu, that focus on strengthening educationally powerful connections for Māori learners to participate, engage and achieve as Māori in and through the education system.	60	74	63	Achieved

Performance measure	Budget standard 2020/21	Actual performance 2020/21	Performance 2019/20	Comment
Percentage of community leaders that report high levels of engagement in schools' and early learning services' decision-making (see Note 1)	Baseline year	Building community relationships ready for launch and employing community co-researchers has taken longer than anticipated to set up in this financial year. This delayed the collation of community perspectives however, Kaiaromatawai (community evaluators) have now been engaged for three communities. The Ministry's evaluation partner is working closely with the kaiaromatawai to build their knowledge and skills before they gather and analyse community insights.	New measure	Not achieved The evaluation framework under development will include indications of the levels of engagement between community leaders and schools/ services as well as understanding of kaupapa Māori and critical consciousness. Qualitative insights received in our quarterly reporting show that communities are engaged in the Kaupapa.
Percentage of early learning services and school leaders that report increased understanding of critical consciousness and kaupapa Māori and their impact on Māori success as Māori in education (see Notes 1 and 2)	Baseline year	Refer commentary above	New measure	Not achieved Refer commentary above

Note 1 – The measure relates to the six communities participating in Te Hurihanganui, which is designed to strengthen equity and lift achievement for Māori students.

Note 2 – Critical consciousness is understanding the role of power, privilege and prejudice in creating, sustaining and disrupting racism and inequity in New Zealand.

Support for Early Learning Providers

Scope of Appropriation

This appropriation is limited to assisting early childhood education services and other bodies corporate that provide child places for early childhood education.

What is intended to be achieved with this Appropriation

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

Output performance measures and standards

Performance measure	Budget standard 2020/21	Actual performance 2020/21	Performance 2019/20	Comment
Number of contracted early childhood education child places created to meet the needs of targeted communities as a result of the Targeted Assistance Programme.	550-720	133	565	Not achieved Cost increases have made building expansion less attractive to the private sector, resulting in a noticeable decline in Targeted Assistance Programme (TAP) applications since 2016. ³

³ The TAP is a property assistance programme, financially supporting the construction of new or expanded licensed early learning services. The TAP funding rates have not changed since they were set in 2010. By comparison, between June 2009 and March 2021 the Construction Price Index has risen 20% and construction industry wages have risen 18%.

Supporting Parenting

Scope of Appropriation

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

What is intended to be achieved with this Appropriation

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

Output performance measures and standards

Performance measure	Budget standard 2020/21	Actual performance 2020/21	Performance 2019/20	Comment
Number of children enrolled in early childhood education as a result of the Engaging Priority Families programme.	870-1,000	774	879	Not achieved The result is lower than the budget standard reflecting the lower overall participation in early learning as a consequence of COVID-19 related concerns. The result was also affected by the procurement process to renew contracted providers. Unsuccessful providers had to reduce their caseloads in the lead up to the contract ending. For new providers, that commenced in January, their results were delayed as they built up their relationships with communities.
Families receiving the Home Interaction Programme for Parents and Youngsters (HIPPY):				
• number of families receiving the HIPPY programme in 2020	1,795	1,980	2,049	Achieved
• percentage of parents participating in the HIPPY programme who report feeling more confident supporting their children's learning.	85%	86%	85.6%	Achieved

Non-Departmental Other Expenses

Integrated Schools Property

Scope of Appropriation

This appropriation is limited to providing funding to proprietors of integrated schools for capital upgrade, including modernisation, of their existing school property and facilities as well as expansion of the network of integrated schools.

What is intended to be achieved with this Appropriation

This appropriation is intended to provide funding to the proprietors of integrated schools so they can ensure their learners have equitable (comparable to State schools) access to quality learning environments.

Output performance measures and standards

Performance measure	Budget standard 2020/21	Actual performance 2020/21	Performance 2019/20	Comment
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).	95%	96%	97%	Achieved

Conditions on Use of Appropriation

Reference	Conditions
Cabinet decision	<p>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.</p> <p>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.</p>

Education Providers with COVID-19-Related Losses of Income

Scope of Appropriation:

This appropriation is limited to providing grants as determined by Cabinet to education providers who have suffered a loss of income as a result of COVID-19.

Intention Statement:

This appropriation is intended to support schools/providers that are experiencing financial hardship due to COVID-19, enabling them to remain financially viable and minimise disruption for students and staff.

Output performance measures and standards

Performance measure	Budget standard 2020/21	Actual performance 2020/21	Performance 2019/20	Comment
Percentage of all eligible schools provided with transition funding (see Note 1)	100%	100%	New measure	Achieved

Note 1 – The funding provided transitional support to contribute towards staff costs and ensure continuity of education and pastoral care for international students still in New Zealand.

Non-Departmental Capital Expenditure

School Support Project

Scope of Appropriation

This appropriation is limited to 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 2020/21	Actual performance 2020/21	Performance 2019/20	Comment
Percentage of schools that receive emergency financial support because they are unable to meet their immediate financial obligations that are then able to meet these obligations:				
• immediately (see Note 1)	100%	100%	Revised measure	Achieved
• sustained over four years (see Note 2).	Maintain or improve position over 4 years	100%	Revised measure	Achieved

Note 1 – Immediately means restoration of a school or kura’s “working capital” (being current assets less current liabilities) to a positive position, based on both the annual financial statement or most recent quarterly management reports (whichever is more recent).

Note 2 – This means a school has managed to remain in a positive financial position (defined as a minimum of positive working capital maintained), based on the annual audited financial statements. Where the most recent or current year annual financial statements are not available the most recent quarterly management reports will act as a substitute source of information.

Schools Furniture and Equipment

Scope of Appropriation

This appropriation is limited to providing funding to schools for new furniture and equipment when capital works have been approved or to fund the replacement of furniture and equipment.

What is intended to be achieved with this Appropriation

This appropriation is paid to schools with the intention that they use the funds to pay for furniture and equipment that is fit for purpose and supports educational achievement.

Output performance measures and standards

Performance measure	Budget standard 2020/21	Actual performance 2020/21	Performance 2019/20	Comment
Schools are paid their furniture and equipment funding in accordance with their Five-Year Agreement budget allocation or Policy One funding:				
• accurately	98%	100%	100%	Achieved
• on time.	98%	100%	100%	Achieved

The following information is an indication of expected numbers and is provided for context only:

Indicator	Forecast activity 2020/21	Actual 2020/21	Actual 2019/20
Number of schools receiving furniture and equipment grants to fit-out new, renewed, or replaced teaching and non-teaching spaces as part of approved capital projects.	100-150	187	123
Number of schools receiving funding to upgrade and modernise their furniture and equipment through their Five-Year Agreement budget allocation or Policy One funding.	1,000 – 1,200 State and State-integrated schools	1,150	1,125