



Vote Education

Report in Relation to Non-Departmental Appropriations for the year ended 30 June 2022

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 2021/22 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.

Contents

Statement of Expenses and Capital Expenditure incurred against Budget.....	4
Non-departmental Output Expenses	4
Non-departmental Other Expenses	4
Non-Departmental Output Expenses	5
Contribution to Other Education-Related Organisations	5
Early Learning	6
School Transport.....	8
Schooling Improvement.....	9
Support for Early Learning Providers.....	10
Supporting Parenting.....	11
Non-Departmental Other Expenses	12
Integrated Schools Property	12
Education Providers with COVID-19-Related Losses of Income.....	13
Non-Departmental Capital Expenditure	14
School Support Project.....	14
Schools Furniture and Equipment	15

Statement of Expenses and Capital Expenditure incurred against Budget

for the year ended 30 June 2022

	2021	2022	2022
Appropriation Title	Actual	Budget ¹	Actual
	\$000	\$000	\$000
Non-departmental output expenses			
Contribution to Other Education-Related Organisations	17,113 ²	11,848	11,832
Early Learning Education	2,119,895	2,299,303	2,238,026
School Transport	216,266	224,242	209,848
Schooling Improvement	24,757	25,700	19,967
Support for Early Learning Providers	3,325	12,926	2,975
Supporting Parenting	9,041	9,107	6,436
Non-departmental other expenses			
Integrated Schools Property	72,786	120,605	108,767
Education Providers with COVID-19-Related Losses of Income	21,132	14,938	3,602
Non-departmental capital expenditure			
School Support Project	-	1,630	1,209
Schools Furniture and Equipment	47,656	53,775	50,874

Explanations for significant variances against Budget are provided below.

Non-departmental Output Expenses

- **Early Learning Education** was \$61.300 million (2.7%) under budget, mainly due to actual funded child hours being lower than budgeted for. Underspends also include an unspent contingency fund amount of \$27.000 million and savings from the childcare for essential workers fund of \$13.000 million.
- **Support for Early Learning Providers** was \$9.900 million (76.7%) under budget, mainly due to an underspend in the Te Hurihanganui budget due to implementation challenges caused by the COVID-19 environment.

Non-departmental Other Expenses

- **Education Providers with COVID-19-Related Losses of Income** was \$11.300 million (75.8%) under budget, mainly due to the uptake of the application-based wage subsidy scheme being lower than expected.
- **Integrated Schools Property** was \$11.800 million (9.8%) under budget, mainly due to the completion of the Learning Support Coordinator programme and delay in Policy 2 funding for classroom assistance.

¹ These are the appropriations from the Supplementary Estimates.

² The non-departmental output expenses "Contribution to the Teaching Council of Aotearoa New Zealand", "UNESCO" and "Education Research Initiatives" were transferred from the Oversight of the Education System MCA to a new "Contributions to Other Education-related Organisations" appropriation in 2021/22. Comparative numbers were restated to reflect the change.

Non-Departmental Output Expenses

Contribution to Other Education-Related Organisations

Scope of Appropriation

This appropriation is limited to a contribution to the services provided by education-related organisations that benefit the New Zealand education system and fulfil obligations to the United Nations Educational, Scientific and Cultural Organisation (UNESCO).

What is intended to be achieved with this Appropriation

This appropriation is intended to provide services to teachers, administrators and institutions that benefit the New Zealand education system, as well as support UNESCO-related activities.

Output performance measures and standards

Performance 2020/21	Performance measure	Budget standard 2021/22	Actual performance 2021/22	Comment
New measure	System availability to teachers of the Teaching Council's online teacher portal Hapori Matatū	98%	99%	Achieved
New measure	The percentage of users who find using Hapori Matatū very easy or easy to use (see Note 1)	65%	59%	Not achieved
Not achieved: This was a new measure added in 2021/22. The Teaching Council set the target at 65%, which was slightly above where survey results were tracking. They are considering how the system can be made better so that more teachers will find it easy or very easy to use.				
New measure	The New Zealand Council for Education Research (NZCER) provides quarterly and annual updates of progress on research initiatives funded through their government grant Te Pae Tawhiti	Achieved	NZCER have provided us with all quarterly and annual updates of progress on research initiatives funded through Te Pae Tawhiti for the 2021/22 financial year.	Achieved

Note 1 – This is measured on a five-point scale: 1 = Very Hard to Use; 2 = Hard to Use; 3 = Neither easy or hard to use; 4 = Easy to Use; and 5 = Very Easy to Use.

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 2020/21	Performance measure	Budget standard 2021/22	Actual performance 2021/22	Comment
1.48%	Percentage of licensed early learning services that are identified as being in breach of regulatory standards at that point in time (see Note 1)	2% or less	1.35%	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): ³			
	• All children			
68%	○ at age 3	Maintain or improve	67%	Not achieved
76%	○ at age 4	Maintain or improve	74%	Not achieved
	• Māori			
57%	○ at age 3	Improve	55%	Not achieved
62%	○ at age 4	Improve	62%	Not achieved
	• Pacific			
57%	○ at age 3	Improve	52%	Not achieved
65%	○ at age 4	Improve	59%	Not achieved
	• Lower socio-economic status			
62%	○ at age 3	Improve	60%	Not achieved
69%	○ at age 4	Improve	67%	Not achieved

Not achieved: The closure of early learning services because of COVID-19 and the ongoing effects of child and staff sickness are expected to have impacted the results (explanation to be confirmed when final results received).

Participation Intensity has continued to be impacted by COVID-19 through shifts in alert levels, the requirements of the COVID protection framework settings and increased illness due to COVID and other illness.

Note 1 - Services not meeting standards are put on a provisional or suspended licence and an improvement plan is implemented. Licences are cancelled if expected 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.

Actual 2020/21	Indicator	Forecast activity 2021/22	Actual 2021/22
	Subsidised hours provided by licensed and certificated early learning services:		
28.1 million	• kindergartens	25 – 29 million	28 million
2.3 million	• playcentres	2.4 – 2.8 million	2.4 million
163.6 million	• education and care centres	144 – 145 million	166.9 million
17.2 million	• home-based	24 – 25 million	15.9 million
10.5 million	• kōhanga reo	10 – 11 million	10.6 million
0.99 million	• certificated playgroups	1.5 – 2 million	0.77 million

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 reduce barriers to learning by providing safe transportation for eligible students.

Output performance measures and standards

Performance 2020/21	Performance measure	Budget standard 2021/22	Actual performance 2021/22	Comment
99.99%	Percentage of journeys per annum completed without safety incident, in the provision of transport options to eligible students	99.9%	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 2020/21	Performance measure	Budget standard 2021/22	Actual performance 2021/22	Comment
74	Number of education work plans, developed through the Ministry partnering with iwi and hapū, that focus on strengthening educationally powerful connections for Māori learners to participate, engage and achieve as Māori in and through the education system	60	62	Achieved
Baseline year – Not achieved	Percentage of community leaders who report high levels of engagement in schools' and early learning services' decision-making (see Note 1)	Maintain and improve	Not available	Not available See commentary below.
Baseline year – Not achieved	Percentage of early learning services and school leaders who report increased understanding of critical consciousness and kaupapa Māori and their impact on Māori success as Māori in education (see Notes 1 and 2)	Maintain and improve	Not available	Not available See commentary below.

Not available: The interim evaluation report was provided late June 2022. Insufficient evidence was provided by the implementation partner, Poutama Pounamu, to appropriately assess this measure. Poutama Pounamu had not proactively sought approval from participants to release information to the evaluation and believed there would be an ethics breach if evidence was supplied.

This issue is being resolved with the implementation partner to allow the provision of historical data (where consent is given) and future data also. In addition, Poutama Pounamu have enhanced their data collection methods to evaluate these two measures themselves.

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 learning.

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 2020/21	Performance measure	Budget standard 2021/22	Actual performance 2021/22	Comment
133	Number of contracted child places created to meet the needs of targeted communities as a result of the Targeted Assistance Programme (TAP).	550-720	389	Not achieved

Not achieved: In 2021/22 the Ministry went out to tender to award TAP funding through two tranches. Tranche 2 for TAP funding was released on Government Electronic Tender Service (GETS) in February 2022; however, due to delays, these contracts will not be awarded until 2022/23 which will account for the decrease in number of providers.

Conditions on Use of Appropriation

Reference	Conditions
Education and Training Act 2020	<p>Partial-funding stream - grants to provide incentives or partial contributions towards the total cost of creating early childhood education places in low socio-economic status areas. The locations are determined by the Ministry of Education and include areas with many children missing out on early childhood education. Assistance under this stream shall be preferred and may cover a wide range of activities.</p> <p>Low-cost, high-value stream - grants to provide assistance by capitalising on low-cost but high-value community-driven proposals to create additional early childhood education places, with a maximum grant limit of \$100,000. The locations are determined by the Ministry of Education.</p>

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 2020/21	Performance measure	Budget standard 2021/22	Actual performance 2021/22	Comment
774	Number of children enrolled in early learning as a result of the Engaging Priority Families programme	870-1,000	906	Achieved
Families receiving the Home Interaction Programme for Parents and Youngsters (HIPPY):				
1,980	<ul style="list-style-type: none"> number of families receiving the HIPPY programme in 2021 	1,795	1,541	Not achieved
86%	<ul style="list-style-type: none"> percentage of parents participating in the HIPPY programme who report feeling more confident supporting their children's learning 	85%	91%	Achieved
Not achieved: Due to the COVID-19 lockdowns and restrictions that were in place, the full caseload for HIPPY was not met.				

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 2020/21	Performance measure	Budget standard 2021/22	Actual performance 2021/22	Comment
96%	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) (see Note 1)	95%	97%	Achieved

Note 1 – Proprietors of integrated schools are responsible, as owners, for the upkeep of their schools including capital works. Although the Ministry has no ownership interest, we do financially assist proprietors to meet their ownership obligations through Policy 1 funding. The attestation process is a high-level means to ensure proprietors are legally certifying that they are using the funding for its intended purpose.

Conditions on Use of Appropriation

Reference	Conditions
Cabinet Decision	Policy One - Property grants to proprietor 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.

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.

What is intended to be achieved with this Appropriation

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 disruptions to students and staff.

Output performance measures and standards

Performance 2020/21	Performance measure	Budget standard 2021/22	Actual performance 2021/22	Comment
New measure	Percentage of all eligible schools accessing the school hostel wage subsidy scheme (see Note 1)	80%	49%	Not Achieved
Not achieved: In this case, 49% of eligible state and state-integrated schools applied for the Hostel Staff Wage Subsidy in Term 3 2021. 100% of these applications were assessed and paid. The Ministry of Education action to promote this fund included website information and direct contact to eligible schools from local offices. Some of the eligible schools would have accessed the Ministry of Social Development Wage subsidy instead as many were also eligible for this subsidy. The Ministry of Education does not hold the data of schools that accessed that wage subsidy.				

Note 1 – Eligible schools are assessed through an application process that provides assurance that they meet the criteria for the scheme.

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 2020/21	Performance measure	Budget standard 2021/22	Actual performance 2021/22	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:			
100%	<ul style="list-style-type: none">immediately (see Note 1)	100%	100%	Achieved
100%	<ul style="list-style-type: none">sustained over four years (see Note 2)	Maintain or improve position over 4 years (100%)	100%	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 2020/21	Performance measure	Budget standard 2021/22	Actual performance 2021/22	Comment
	Schools are paid their furniture and equipment funding in accordance with their Five-Year Agreement budget allocation or Policy One funding:			
100%	• accurately	98%	100%	Achieved
100%	• on-time	98%	100%	Achieved
New measure (16%)	Percentage of schools which have received network hardware replacement through Te Mana Tūhono programme (see Note 1)	Increasing percentage	27%	Achieved

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

Actual 2020/21	Indicator	Forecast activity 2021/22	Actual 2021/22
187	Number of schools receiving furniture and equipment grants to fitout new, renewed, or replaced teaching and non-teaching spaces as part of approved capital projects.	100-150	141
1,150	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	1,193
New indicator	Number of 'opt in' State and State-integrated schools that have received network hardware replacement during the year (see Note 2)	450–650	285

Note 1 - Te Mana Tūhono is a long-term programme of support that removes the burden on schools to monitor, maintain and manage their networks. Initiated in 2020/21, this four-year programme is an 'opt in' service to replace school ICT hardware, including network switches and wireless connections in schools, which is being rolled out across New Zealand State and State-integrated schools. It also provides new cybersecurity upgrades and support includes robust internet filtering, threat protection and firewall, plus a dedicated Service Desk/ Helpdesk team to operate inside the school(s).

Note 2 - As Te Mana Tūhono is a four-year programme, approximately 20-30% of schools will receive upgrades each year from 2020/21 through to 2023/24