



## Education Report: Ministry of Education 2019/20 Fourth Quarter Report (1 April to 30 June 2020)

<b>To:</b>	Minister of Education		
<b>Date:</b>	25 August 2020	<b>Priority:</b>	Low
<b>Security Level:</b>	In Confidence	<b>METIS No:</b>	1237049
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<b>Messaging seen by Communications Team:</b>	No	<b>Round Robin:</b>	No

### Purpose

The paper provides a quarterly update on Ministry performance with interim year-end result for financial and non-financial performance reporting against agreed 2019/20 Budget standards.

### Summary

The attached Ministry of Education 2019/20 Fourth Quarter Report (Appendix A) provides interim year-end results for financial and non-financial performance reporting against agreed Budget standards for 2019/20. All performance measures and financial results are provisional and may change as the Annual Report and audit processes are completed for 2019/20.

This report is for noting only, and has no deadline for your review. As agreed in previous years we have not provided a full Quarter Four narrative report on progress given this will be included in the Ministry's draft Annual Report which will come to you for review next month.

As at 30 June 2020, we forecast that the Ministry will achieve 88 of our 117 performance measures. Reporting is on an exceptions basis with explanations on variances for those measures that will not be met set out on pages 3 to 8 and 13.

The report includes both COVID-19 initiatives and related expenditure. The provisional financial results for the year to 30 June 2020 show:

- Total Vote Education expenditure was below the Additional Supplementary Estimates budget by \$134.9 million (1.0%)
- Total Vote Tertiary Education expenditure was below the Additional Supplementary Estimates budget by \$120.7 million (2.6%).

## Recommended Actions

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The Ministry of Education recommends that you:

- a. **note** the attached Ministry of Education 2020/20 Fourth Quarter Report (Appendix A)  
**Noted**
- b. **note** all results are provisional and may change as the Annual Report and year-end audit process is completed for 2019/20  
**Noted**
- c. **note** a draft of the Ministry of Education Annual Report 2020 and associated Non-Departmental report will be provided to you in September  
**Noted**
- d. **agree** not to proactively release the attached Ministry of Education 2019/20 Fourth Quarter Report (Appendix A) given the full information will be included in the Ministry of Education Annual Report 2020 and associated Non-Departmental report.

**Release/Not release**



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

25/08/2020



Hon Chris Hipkins  
**Minister of Education**

14/10/2020

## Education Report: Ministry of Education 2019/20 Fourth Quarter Report (1 April to 30 June 2020)

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### Background

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1. We formally report four times a year on progress in relation to the deliverables, along with spending against budget.
2. The intent of the quarterly report is to provide a record of performance for the quarter but also highlight 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 it is intended that the document is proactively released.
3. The Ministry's Annual Report to Parliament in October 2020 will summarise performance against the expectations set out in the Statement of Intent 2018-2023 and the Information Supporting the Estimates of Appropriations for 2019/20.

### Quarterly Performance Information

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4. The 2019/20 Fourth Quarter Report as set out in Appendix A provides an update on:
  - Vote Education (pages 3 to 8) and Vote Tertiary Education (page 13) performance measures, reporting on an exceptions basis
  - Departmental and non-departmental expenditure to 30 June 2020 for Vote Education (pages 9 to 12) and Vote Tertiary Education (pages 14 to 15).
5. During the last quarter of the year, the Ministry continued to support the sector to respond to COVID-19 and progress the Government's five objectives, with the following key highlights:
  - supporting the sector to successfully transition from Alert Level 3 to Alert Level 1
  - developing and supporting the announcement of various support packages in response to COVID-19, for example:
    - the well-being budget package to provide on the ground support for teachers, their students and whānau in response to the pandemic
    - making a range of training and apprenticeship programmes at sub-degree level free for learners, and providing an Apprenticeship Boost payment to help employers keep and take on new apprentices
  - progressing the Education and Training Act, which is now in force
  - progressing the refresh of Ka Hikitia and Tau mai te Reo, and the Pacific Education Action Plan, which have now been released
  - opening the new Redcliffs School in Christchurch.

### Interim Year-end Results

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6. All performance measures and financial results are provisional and may change as the Annual Report and audit processes are completed for 2019/20. Some measures have been affected by COVID-19 and two are not able to be reported at year-end.
7. As at 30 June 2020, we forecast that the Ministry will achieve 88 of our 117 performance measures as set out below. Explanations on variances are set out on pages 3 to 8 for Vote Education and page 13 for Vote Tertiary Education.

8. The measures not achieved at year end are a mix of Departmental and Non-departmental measures:

<b>Total Measures off track (Year End)</b>	
<b><i>Departmental Measures Not Achieved</i></b>	<b><i>Non-Departmental Measures Not Achieved</i></b>
<ul style="list-style-type: none"> <li>• Participation in ECE (4 measures)</li> <li>• Participation in primary and secondary education (1 measure)</li> <li>• Resourcing payments (2 measures)</li> <li>• Wait times for learning support services (3 measures)</li> <li>• Learning Support satisfaction – parents and educators (4 measures)</li> <li>• Forecasts of student loans and student allowances (1 measure)</li> <li>• Policy advice assessment (2 measures)</li> <li>• Waiting times for the Behaviour Services (1 measures)</li> <li>• Percentage of families receiving targeted communications (2 measures)</li> </ul>	<ul style="list-style-type: none"> <li>• Participation in primary education (3 measures)</li> <li>• Students returned to school following an exclusion (2 measures)</li> <li>• Number of students receiving free and healthy school lunches (1 measure)</li> <li>• Teaching Council – renewal and processing of practising certificates (2 measures)</li> <li>• Teaching Council – referrals to the Disciplinary Tribunal (1 measure)</li> </ul>

9. The Ministry's Annual Report 2020 will report on all Estimates performance measures the Ministry is responsible for and includes reporting on asset measures, required for the Treasury's Investor Confidence Rating.
10. The Ministry has two additional Ministerial servicing measures that we report to you, for information only. The agreed standard between the Ministry and the Office of the Minister is to complete 60% of replies within 10 working days – at year end we had achieved 73% for Vote Education and 60% for Vote Tertiary Education within 10 working days.
11. The provisional financial results for the year to 30 June 2020 show:
- total Vote Education expenditure was below the Additional Supplementary Estimates budget by \$134.9 million (1.0%)
  - total Vote Tertiary Education expenditure was below the Additional Supplementary Estimates budget by \$120.7 million (2.6%).

## Next Steps

12. In September we will provide a briefing with:
- the draft Ministry of Education Annual Report 2020 for your review on a no-surprises basis
  - a Vote Education Non-departmental Appropriations Report for your approval. Pursuant to Section 19B of the Public Finance Act 1989, the Minister of Education is required to present reports about certain non-departmental appropriations supplied to the Crown. This report is appended to the Ministry of Education's Annual Report 2020 when presented to the House.
13. The two reports are due to be published by 21 October 2020.

## Enclosures:

Appendix A: Ministry of Education 2019/20 Fourth Quarter Report

*Ministry of Education*

# *Performance Report*

For the fourth quarter ending  
30 June 2020

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## Purpose of the report

The report provides the Minister of Education with a quarterly update on financial and non-financial performance against agreed budget standards. Non-financial performance reporting is on an exceptions basis only. All results are provisional and may change as the Annual Report and year-end audit process is completed for 2019/20.



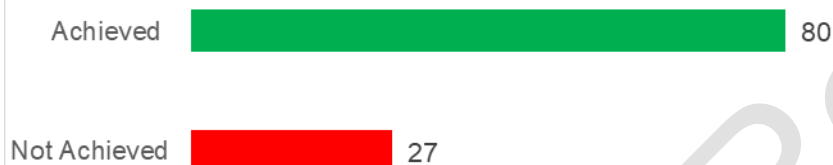
## Vote Education performance for the fourth quarter of 2019/20

### Vote Education

At 30 June 2020, the majority of performance measures were on track to be achieved at year end. However, some measures have been affected by the COVID-19 lockdown response.

Non-financial performance reporting below is on an exceptions basis only. Rows of non-departmental measures are shaded grey. Three output indicators (on page 8) shows a variation from forecast numbers. They are reported for context only, not as performance measures.

#### Year End Forecast - Measures



#### Departmental measures that are off track, and not forecast to be achieved at year end

##### Appropriation: Outcomes for Target Student Groups (multi category appropriation)

##### ED-M02-1: Participation in early childhood education prior to starting school.

Students	Budget Standard	As at 30 June 2020	Year-end status	Commentary
All	98%	97.1%	●	Overall participation has increased slightly from June 2019 (97.0%). Pacific rates have improved over the same period but remain lower than for other groups.
Māori	98%	95.4%	●	
Pacific	98%	93.4%	●	
Deciles 1 to 3	98%	94.5%	●	Between 26 March and 9 June 2020 New Zealand was in lockdown for COVID-19. This may have had some impact on parents reporting regular attendance at ECE.  These measures have been replaced for 2020/21 with improved measures showing the <u>intensity</u> of participation for the different groups, with the percentage of children attending for 10 or more hours a week at aged 3 and aged 4.



Departmental measures that are off track, and not forecast to be achieved at year end				
<b>ED-M02-2:</b> Participation in primary and secondary education: the percentage of students attending school regularly (Attending regularly is defined as attending at least 90% of half days. This is measured through an annual Term 2 survey that approximately 80% of schools complete.				
Students	Budget standard	As at Term 2, 2019	Year-end status	Commentary
Overall	70%	58%	●	<p>Regular attendance fell in 2019 as noted in the Student Attendance Term 2, 2019 report.</p> <p>Ensuring students are enrolled in and attending school is a shared responsibility and non-attendance is influenced by a range of factors.</p> <p>Improvements to participation, attendance and engagement are both a risk and opportunity post COVID-19. After the move to Alert Level 2 in May, we have been closely monitoring attendance. Our regional teams and the Attendance Service are providing support to schools and communications for parents and whānau to support students returning on-site as soon as possible, and have reminded schools that any pattern of non-attendance warrants specific attention.</p>
<b>ED-M02-3.1:</b> Average number of days eligible children and young people wait to receive support after the request for support:				
	Budget standard	As at 30 June 2020	Year-end status	Commentary
Behavior Service	50 calendar days	53.19	●	<p>A small number of regions consistently have higher wait times, which skews the data across the country. There are issues with recruiting specialists in these regions. Action is underway to rectify this, but results are not expected in the short term. Due to COVID-19-related wellbeing issues, we are hearing that requests for enrolment in Te Kura are increasing through the psychosocial gateway. This gateway requires assessment by a psychologist, putting more pressure on their time. Due to the lower number of referrals during COVID-19, we expect a lower average for wait times in the coming months.</p>
<b>ED-M02-4:</b> Average number of days eligible children and young people wait to receive support from the Early Intervention Service after the request for support:				
	Budget Standard	As at 30 June 2020	Year-end status	Commentary
Average calendar days	90	104.21	●	<p>We are disappointed to be finishing the 2019/20 financial year with an average waiting time (104.21 days) that is not significantly lower than where we were at the same time last year (105.39 days).</p> <p>Regions have however made good traction in reducing the number of children on the Early Intervention Service waiting list, particularly those long waiting cases.</p> <p>Having significantly fewer of these long waiting cases to absorb into the average days is likely to reduce the national waiting time figure in the coming months, as well as increase the percentage of children supported within the earlier (45 and 60 day) bands.</p>
Within 45 days	25%	22.07%	●	
Within 60 days	40%	28.70%	●	





Departmental measures that are off track, and not forecast to be achieved at year end

Appropriation: Support and Resources for Education Providers				
ED-D03-1.1 and 1.2: All resourcing payments will be accurate and timely in respect of payment amounts, payment to the correct providers, schedules advised to public education service providers or agreements with those providers, timeframes notified to payees, and fulfilling statutory requirements:				
	Budget standard	As at 30 June 2020	Year-end status	Commentary
Accuracy	100%	99%	●	The most recent quarterly instalment (April) was delivered with 100% accuracy to all eligible schools. The year-end forecast is not met due to an underpayment made in the July 2019 instalment, which was subsequently corrected.
Timeliness	100%	98%	●	
Appropriation: Outcomes for Target Student Groups (multi category appropriation) Interventions for Target Student Groups (category)				
Appropriation: Support and Resources for Parents and the Community				
ED-M02-5.2: People are more confident in knowing how to support their child after Ministry learning support involvement, as reported by:				
	Budget standard	As at 30 June 2020	Year-end status	Commentary
• educators	72	66	●	The data is from the 1st and 2nd quarterly surveys for 2019/20. No additional data is available for reporting at year-end, as the 3rd and 4th quarter surveys were delayed due to COVID-19.
• parents	72	71	●	
ED-M02-6.2: Children and young people made progress in their learning and achievement as a result of specialist learning support, as reported by:				
	Budget standard	As at 30 June 2020	Year-end status	Commentary
• educators	70	68	●	The data is from the 1st and 2nd quarterly surveys for 2019/20. No additional data is available for reporting at year-end, as the 3rd and 4th quarter surveys were delayed due to COVID-19.
ED-M02-7: Parents/whānau were listened to and involved in the decisions about the child's specialist learning support.				
	Budget standard	As at 30 June 2020	Year-end status	Commentary
	83	82	●	The data is from the 1st and 2nd quarterly surveys for 2019/20. No additional data is available for reporting at year-end, as the 3rd and 4th quarter surveys were delayed due to COVID-19.



Departmental measures that are off track, and not forecast to be achieved at year end				
ED-D04-2: Percentage of families who, after receiving targeted communications from schools, report:				
	Budget standard	Annual Result	Year-end status	Commentary
- increased confidence in their ability to support their child's learning	80%	N/A	●	We had planned to survey parents in the pilot schools in May/June to measure increases in confidence and satisfaction. Given the impacts of the COVID-19 pandemic, it was not appropriate to survey parents during this period. As a result, it is not possible to quantify this measure.
- increased satisfaction with the quality of information they receive	80%	N/A	●	The work on the digital toolkit prototype has been delayed with the need to focus our IT support on the COVID-19 response.
Appropriation: Oversight of the Education System (multi category appropriation) Policy Advice (category)				
ED-M03-7: Internal assessment of the quality of the Ministry's policy advice				
	Budget Standard	As at 31 May 2020	Year-end status	Commentary
Internal quarterly assessment	Mean of 3.5 out of 5	3.25	●	The score places most Policy Community papers as 'acceptable' or 'good', meeting most quality standards or most standards, with some elements missing. Continuous improvements processes and regular training are in place. Year-end results are not yet available.

Non-departmental measures that are off track, and not forecast to be achieved at year end				
<b>Appropriation: Primary Education</b>				
<b>ED-N03-1:</b> Participation in primary education – the percentage of students attending school regularly, measured annually:				
Students	Budget standard	As at Term 2 2019 (Final result)	Year-end status	Commentary
All	70%	58%	●	Refer overall commentary on page 4 for associated ED-MO2-2 combined primary/secondary overall measure.
Māori	70%	47.6%	●	
Pacific	70%	46.5%	●	



Non-departmental measures that are off track, and not forecast to be achieved at year end

Appropriation: Outcomes for Target Student Groups (Multi Category appropriation). Student Attendance and Engagement category.

ED-M02-12: Percentage of students who have been returned to schooling within:

Days following an exclusion:	Budget Standard	As at 30 June 2020	Year-end status	Commentary
40 days	55%	45.48%	●	We have collated data that shows that we are meeting the target for most students and are very close with Pacific students. However, the target for our Māori students shows that it takes longer to re-engage them in education; 45% are back into education in 40 days and 77% within 75 days. Regional staff are prioritising attendance and engagement plans post COVID-19, which should also see a shift in these performance measures in particular.  Some regions also continue to build on the working relationship with Te Kura to ensure an efficient enrolment process continues.  Although sector engagement is not able to take place until later in the year, the SSEE <sup>1</sup> guidelines review work is underway to better understand the issues and barriers students in the SSEE process face, and how we can better understand these issues and make improvements.
75 days	85%	79.27%	●	

Appropriation: Outcomes for Target Student Groups (multi category appropriation)

Interventions for Target Student Groups (category)

School Lunch Programme

ED-M02-16: Number of students receiving free and healthy school lunches

	Budget standard	June 30 2020	Year-end status	Commentary
Range	13,000	11,883	●	60 schools have joined the lunches programme and 51 are currently providing lunches to 11,883 students. The remaining schools will begin in Term 3, when the supplier has scaled up to meet the demand after having previously scaled down during lockdown. We will be providing 13,000 lunches per day at that point.

Appropriation: Contribution to the Teaching Council of Aotearoa New Zealand.

ED-N01-3: Teaching Council: the percentage of decisions on referrals to the Disciplinary Tribunal that are made within eight months of the referral to the Disciplinary Tribunal.

	Budget Standard	As at 30 June 2020	Year-end status	Commentary
Referrals	95%	48%	●	The COVID-19 restrictions delayed progress on some 'in person' defended hearings. The appointment of more DT chairs and a focus on clearing a backlog of decisions has improved performance. For the month of June, 79% of outcomes had been reached within 8 months compared with 45% in May.

<sup>1</sup> Stand downs, Suspensions, Exclusions and Expulsions



### Non-departmental measures that are off track, and not forecast to be achieved at year end

**ED-N01-2:** The percentage of new registrations and renewals of practising certificates processed within 20 working days.

	Budget Standard	As at 30 June 2020	Year-end status	Commentary
Practicing certificates – processed	65%	43%	●	An arrangement with the New Zealand Police increased the number of police vets returned within 5 working days which assisted improved processing times, however this was offset by the impact of the COVID-19 pandemic delaying application processing and some initial issues with processing applications through our new online system. These issues have been resolved and current applications are being processed within target timeframes.

**ED-N01-1:** 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.

	Budget Standard	As at 30 June 2020	Year-end status	Commentary
Practicing certificates – reviewed and audited	10%	7.5%	●	Auditing service delivery was impacted by COVID-19 restrictions, with audit reviews ceasing in March. Consequently, the target was not met despite being on-track during the first three quarters of the year.

### Output indicators - variations from expected results

**ED-N02-2.2 and 4:**

Subsidised hours provided by licensed and chartered early childhood education services:

	Forecast	As at 30 June 2020	Year-end status	Commentary
provided by certified playcentres	2.4 - 2.8 million hours	2.1 million hours	●	The confirmed year-end data is not available until November 2020, when early learning services provide their June 'wash-up' hours.
home based	24 - 25 million hours	18.5 million hours	●	The reported figure of 2.1 million for playcentres, and 18.5 million for home-based learning, represents data for July 2019 to May 2020. Based on this data, and a consistent decline in these attendances over the past few years, we do not anticipate meeting the lower end of the target standard.

**ED-N02-2.6:** Subsidised hours provided by licensed and chartered early childhood education services: hours of early childhood education provided by certified playgroups.

	Forecast	As at 30 June 2020	Year-end status	Commentary
Subsidised hours	1.5-2 million	1.15 million	●	The COVID-19 lockdown led to reductions in Playgroup activity and funding requests through the second half of the year. This continues the ongoing decline in Playgroup hours that has been occurring since 2013/14. The increase in the funding rate from 1 July 2020 should improve Playgroup viability and participation.



## Vote Education Expenditure against Appropriations

	Full Year			
	Actual	Additional Supplementary Estimates	Variance	
	\$m	\$m	\$m	%
<b>Departmental Output Expenses</b>				
School Property Portfolio Management	1,971.4	1,974.0	2.6	0.1%
Services to Other Agencies	3.8	2.7	(1.1)	(40.7%)
Support and Resources for Education Providers	118.7	128.4	9.7	7.6%
Support and Resources for Parents and the Community	12.2	13.5	1.3	9.6%
<b>Total Departmental Output Expenses</b>	<b>2,106.1</b>	<b>2,118.6</b>	<b>12.5</b>	<b>0.6%</b>
<b>Departmental Other Expenses</b>				
Transfer of an Asset to the Teaching Council of Aotearoa New Zealand	2.9	2.9	-	
<b>Total Departmental Other Expenses</b>	<b>2.9</b>	<b>2.9</b>	<b>-</b>	
<b>Departmental Capital Expenditure</b>	<b>1,104.9</b>	<b>987.8</b>	<b>(117.1)</b>	<b>(11.9%)</b>
<b>Non-Departmental Output Expenses</b>				
Contribution to the Education Council of Aotearoa New Zealand	10.6	10.8	0.2	1.9%
Early Childhood Education	1,999.3	2,034.6	35.3	1.7%
Primary Education	3,530.9	3,561.9	31.0	0.9%
School Managed Network Funding	28.7	30.3	1.6	5.3%
School Risk Management Scheme	3.2	5.0	1.8	36.0%
School Transport	207.6	221.0	13.4	6.1%
Schooling Improvement	6.9	9.5	2.6	27.4%
Secondary Education	2,405.1	2,438.2	33.1	1.4%
Secondary - Tertiary Interface	111.7	114.7	3.0	2.6%
Support for Early Childhood Education Providers	6.7	11.2	4.5	40.2%
Supporting Parenting	10.2	29.7	19.5	65.7%
UNESCO	2.1	2.1	-	
<b>Total Non-Departmental Output Expenses</b>	<b>8,323.0</b>	<b>8,469.0</b>	<b>146.0</b>	<b>1.7%</b>
<b>Benefits or Related Expenses</b>				
Home Schooling Allowances	5.7	5.7	-	
Scholarships and Awards for Students	14.9	16.6	1.7	10.2%
Scholarships and Awards for Teachers and Trainees	22.0	26.2	4.2	16.0%
<b>Total Benefits or Related Expenses</b>	<b>42.6</b>	<b>48.5</b>	<b>5.9</b>	<b>12.2%</b>
<b>Non-Departmental Other Expenses</b>				
Education Providers with COVID-19-Related Losses of Income	5.6	18.6	13.0	69.9%
Integrated Schools Property	71.0	76.2	5.2	6.8%
Impairment of Debts and Assets and Debt Write-Offs	0.4	3.7	3.3	89.2%
<b>Total Non-Departmental Other Expenses</b>	<b>77.0</b>	<b>98.5</b>	<b>21.5</b>	<b>21.8%</b>
<b>Non-Departmental Capital Expenditure</b>				
School Support Project	0.1	1.9	1.8	94.7%
Schools Furniture & Equipment	34.3	58.8	24.5	41.7%
<b>Total Non-Departmental Capital Expenditure</b>	<b>34.4</b>	<b>60.7</b>	<b>26.3</b>	<b>43.3%</b>



	Full Year			
	Actual	Additional Supplementary Estimates	Variance	
	\$m	\$m	\$m	%
<b>Multi-Category Expenses and Capital Expenditure (MCA)</b>				
<b>Improved Quality Teaching and Learning MCA</b>				
Support and Resources for Teachers	133.6	144.4	10.8	7.5%
Curriculum Support	59.5	65.4	5.9	9.0%
Professional Development and Support	90.9	101.3	10.4	10.3%
<b>Total Improved Quality Teaching and Learning MCA</b>	<b>284.0</b>	<b>311.1</b>	<b>27.1</b>	<b>8.7%</b>
<b>Outcomes for Target Student Groups MCA</b>				
Interventions for Target Student Groups	325.7	329.4	3.7	1.1%
Learning Support	514.6	519.1	4.5	0.9%
School Lunch Programme	4.2	6.1	1.9	31.1%
Service Academies	3.6	3.8	0.2	5.3%
Students Attendance and Engagement	10.3	10.3	-	
<b>Total Outcomes for Target Student Groups MCA</b>	<b>858.4</b>	<b>868.7</b>	<b>10.3</b>	<b>1.2%</b>
<b>Oversight and Administration of the Qualifications System MCA</b>				
Provision of Communications and Advisory Services	3.4	3.4	-	
Qualifications Support Structures	6.3	6.3	-	
Quality Assurance	6.3	6.3	-	
Secondary School Assessments	55.3	55.3	-	
Developing Online Assessment Systems	6.4	6.4	-	
<b>Total Oversight and Administration of the Qualifications System MCA</b>	<b>77.7</b>	<b>77.7</b>	<b>-</b>	
<b>Oversight of the Education System MCA</b>				
Ministerial Services	5.5	4.4	(1.1)	(25.0%)
Monitoring the Education System	12.6	14.7	2.1	14.3%
Policy Advice	16.5	20.9	4.4	21.1%
Research and Analysis	27.5	24.3	(3.2)	(13.2%)
Education Research Initiatives	3.0	3.0	-	
Independent Advice on Government Priority Areas	-	-	-	
<b>Total Oversight of the Education System MCA</b>	<b>65.1</b>	<b>67.3</b>	<b>2.2</b>	<b>3.3%</b>
<b>Total Multi-Category Expenses and Capital Expenditure (MCA)</b>	<b>1,285.2</b>	<b>1,324.8</b>	<b>39.6</b>	<b>3.0%</b>
<b>Multi-Year Appropriations</b>				
Teacher-Led Innovation Fund	-	0.2	0.2	100.0%
Schools Payroll Sustainability Loan	6.2	6.2	-	
<b>Total Multi-Year Appropriations</b>	<b>6.2</b>	<b>6.4</b>	<b>0.2</b>	<b>3.1%</b>
<b>Total Vote Education</b>	<b>12,982.3</b>	<b>13,117.2</b>	<b>134.9</b>	<b>1.0%</b>





## Commentary

**Total year to date** expenditure for Vote Education is below the final Supplementary Estimates by \$134.9 million (1.0%). Significant areas of underspend are:

- a. **Early Childhood Education** - \$35.3 million (1.7%), mainly due to lack of new enrolments during the February through May period. Although the measures maintained the same level of funding that ECE services were already receiving when lockdown started, they didn't see the normal forecast level of growth for that period as they were not able to enrol new children as expected. An in-principle transfer of \$0.4 million to 2020/21 was approved in June in relation to Teacher Supply for COVID-19 impacts.
- b. **Secondary Education** - \$33.1 million (1.4%), mainly due to teachers' salaries (\$3.3 million) and operating grants (\$17.7 million). In-principle transfers of \$1.2 million to 2020/21 were approved in June in relation to Teacher Supply for COVID-19 impacts and Curriculum Progress Programmes.
- c. **Primary Education** - \$31.0 million (0.9%), mainly due to teachers' salaries (\$19.9 million) and operating grants (\$6.9 million). In-principle transfers of \$2.0 million to 2020/21 were approved in June in relation to Teacher Supply for COVID-19 impacts and the Data for Wellbeing Programme.
- d. **Schools Furniture & Equipment** - \$24.5 million (41.7%), mainly due to delays in Roll Growth, New Schools, Christchurch School Rebuild and Technology in Schools Programmes. An in-principle transfer of up to \$24.5 million to 2020/21 and beyond was approved in June.
- e. **Supporting Parenting** - \$19.5 million (65.7%), mainly due to lower than anticipated demand for COVID-19 funding received in relation to Engaging Priority Families. An in-principle transfer of \$0.2 million to 2020/21 was approved in June for Tuia Maturanga.
- f. **School Transport** - \$13.4 million (6.1%), mainly due to reduced payments made during COVID-19 lockdown as no services were required, subsequent reduced demand for SESTA in May and June and below forecast cost indexation changes as a result of COVID-19.
- g. **Education Providers with COVID-19-Related Losses of Income** - \$13.0 million (69.9%), mainly due to lower than anticipated demand from providers.
- h. **Support and Resources for Education Providers** - \$9.7 million (7.6%), due to delays in various programmes mainly Implementation of the Teacher Aide Pay Equity Claim, Schools Payroll Holiday Act Investigation and Restarting Te Kotahitanga. A total of \$9.5 million in-principle transfers to 2020/21 were approved in June.
- i. **Improved Quality Teaching and Learning MCA** - \$27.1 million (8.7%), mainly due to:
  - **Support and Resources for Teachers** - \$10.8 million (7.5%), mainly on COVID-19 funding related to distance learning – hard packs and online learning. In-principle transfers to 2020/21 were approved in June relating to Distance Learning and Early Learning Student Achievement Programmes.
  - **Curriculum Support** - \$5.9 million (9.0%), due to delays in various programmes as a result of COVID-19. In-principle transfers of \$2.5 million to 2020/21 were approved in June for Curriculum Progress programmes and Distance Learning.
  - **Professional Development and Support** - \$10.4 million (10.3%), impacting the ability to deliver PLD opportunities to teachers in the fourth quarter. Improvements made to the accrual methodology led to a one-off release of a \$5.0 million prior year accrual, a review of open purchase orders, and a subsequent one-off release of accruals worth \$1.6 million. In-principle transfers of \$3.7 million were approved in June for Secondary Teachers Professional Development and Teaching Council work programmes through 2020/21.
- j. **Outcomes for Target Student Groups MCA** - \$10.3 million (1.2%), mainly due to delays in the Youth Justice programme, recruitment of Learning Support Coordinators, School Lunch programme and lower than anticipated historical abuse claims. In-principle transfers of \$8.8 million were approved in June for Interventions for Target Student Groups and School Lunch Programme through to 2020/21. However, based on the year-end result, there will likely be a shortfall in underspends of \$3.2 million.



Partially offset by overspend in:

- k. **Departmental Capital Expenditure** – \$117.1 million (11.9%) a number of Redevelopment and Roll growth projects in construction have progressed faster than expected. In addition, spend on non-pipeline projects such as 5YA, Unforeseen and Learning Support Modifications was higher than originally anticipated. The overspend is not an appropriation issue as departmental capital expenditure funded from a department's balance sheet is authorised by a permanent legislative authority (PLA). The Supplementary Estimates is the forecast amount to be spent, rather than an approved amount.
- l. **Services to Other Agencies** - \$1.1 million (40.7%), mainly due to a correction in the accounting treatment for external secondments. This was offset by the same amount in revenue. The overspend is not an appropriation issue as the expenditure is limited to the revenue earned.

Proactively Released



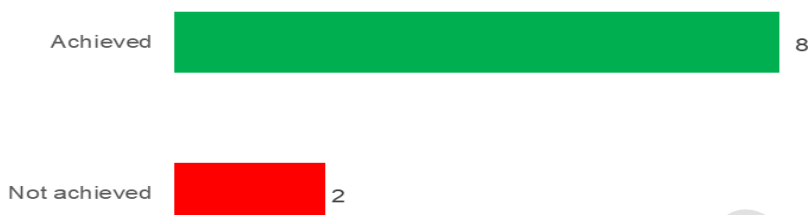


## Vote Tertiary Education performance for the fourth quarter of 2019/20

### Vote Tertiary Education

At 3 June 2020, the majority of performance measures were on track to be achieved at year end.

#### Year-end results



Departmental measures that are off track, and not forecast to be achieved at year end

**Appropriation: Oversight of the Education System (multi category appropriation)**  
**Policy Advice (category)**

**TE-M01.2:** Internal assessment of the quality of the Ministry's policy advice

	Budget Standard	As at 31 May 2020	Year-end status	Commentary
Internal quarterly assessment	Mean of 3.5 out of 5	● 3.25	●	The score places most Policy Community papers as 'acceptable' or 'good', meeting most quality standards or most standards, with some elements missing. Continuous improvements processes and regular training are in place. Year-end results are not yet available.

**Appropriation: Oversight of the Education System (multi category appropriation)**  
**Research , Data, Analysis and Monitoring**

**TE-M01.4:** Forecasts of student loans and student allowances are accurate within an agreed average of actual values

	Budget Standard	As at 30 June 2020	Year-end status	Commentary
Annual	Accurate within ± 3% of actual values	3.3%	●	Changes were made to assist students to cope with COVID-19, which we didn't know about in advance and therefore could not forecast, causing the target to be missed by a small margin.

## Vote Tertiary Education Expenditure against Appropriations

	Full Year			
	Actual	Additional Supplementary Estimates	Variance	
	\$m	\$m	\$m	%
<b>Departmental Output Expenses</b>				
Establishing a Single National Vocational Education Institution	6.0	6.0	-	
<b>Total Departmental Output Expenses</b>	<b>6.0</b>	<b>6.0</b>	<b>-</b>	
<b>Non-Departmental Output Expenses</b>				
Access to Tertiary Education	53.3	56.8	3.5	6.2%
Administration of and Support for the Tertiary Education and Careers Systems	70.0	72.3	2.3	3.2%
Centres of Research Excellence	49.8	49.8	-	
Establishment of a Single National Vocational Education Institution	11.1	11.1	-	
International Education Programmes	31.8	34.0	2.2	6.5%
Tertiary Education Research and Research-Based Teaching	331.0	331.0	-	
Tertiary Sector / Industry Collaboration Projects	26.1	36.3	10.2	28.1%
University-led Innovation	7.5	10.0	2.5	25.0%
<b>Total Non-Departmental Output Expenses</b>	<b>580.6</b>	<b>601.3</b>	<b>20.7</b>	<b>3.4%</b>
<b>Benefits or Related Expenses</b>				
Awards for Outbound New Zealand Students	1.4	4.0	2.6	65.0%
Scholarships for Inbound International Students	0.6	0.6	-	
Tertiary Scholarships and Awards	15.1	16.0	0.9	5.6%
<b>Total Benefits or Related Expenses</b>	<b>17.1</b>	<b>20.6</b>	<b>3.5</b>	<b>17.0%</b>
<b>Non-Departmental Capital Expenditure</b>				
Support for a Single National Vocational Education Institution	10.0	10.0	-	
Support for Whitireia New Zealand	5.0	5.0	-	
Support for Lincoln University	5.0	5.0	-	
Support for Tai Poutini Polytechnic	7.3	7.3	-	
Support for Unitec Institute of Technology	15.0	15.0	-	
<b>Total Non-Departmental Capital Expenditure</b>	<b>42.3</b>	<b>42.3</b>	<b>-</b>	
<b>Multi-Category Expenses and Capital Expenditure (MCA)</b>				
<b>Stewardship of the Tertiary Education System MCA</b>				
Policy Advice	11.1	8.3	(2.8)	(33.7%)
Research, Data Analysis and Monitoring	6.8	10.2	3.4	33.3%
<b>Total Stewardship of the Tertiary Education System MCA</b>	<b>17.9</b>	<b>18.5</b>	<b>0.6</b>	<b>3.2%</b>



	Actual	Additional Supplementary Estimates	Variance	
	\$m	\$m	\$m	%
<b>Tertiary Tuition and Training MCA</b>				
Community Education	106.8	118.3	11.5	9.7%
Tertiary Education: Student Achievement Component	3,007.4	3,020.2	12.8	0.4%
Training for Designated Groups	427.1	437.0	9.9	2.3%
Fees-free Payments	370.1	431.8	61.7	14.3%
<b>Total Tertiary Tuition and Training MCA</b>	<b>3,911.4</b>	<b>4,007.3</b>	<b>95.9</b>	<b>2.4%</b>
<b>Total Multi-Category Expenses and Capital Expenditure (MCA)</b>	<b>3,929.3</b>	<b>4,025.8</b>	<b>96.5</b>	<b>2.4%</b>
<b>Total Vote Tertiary Education</b>	<b>4,575.3</b>	<b>4,696.0</b>	<b>120.7</b>	<b>2.6%</b>

## Commentary

**Total year to date expenditure** for Vote Tertiary Education is below the final Supplementary Estimates by \$120.7 million (2.6%). Significant areas of underspend are:

- a. **Tertiary Training and Tuition - Multi-Category Appropriation (MCA)** - \$95.9 million (2.4%), mainly due to Fees-Free being lower than the level able to be funded. Due to COVID-19, there were delays in the signing of further contracts before 30 June 2020 related to Community Education and in Gateway and Trades Academy places. In-principle transfers of up to \$9.1 million were approved in June 2020 for these delays.

After the Additional Supplementary Estimates was finalised, Joint Ministers agreed 'in principle' to a funding transfer of \$83 million from 2019/20 to 2020/21 for SAC, Community Education and Training for Designated Groups. This was a technical adjustment to the \$1.2 billion funding brought forward from 2020/21 into 2019/20 as part of COVID-19 Response and Recovery Package.

- b. **Tertiary Sector / Industry Collaboration Projects** - \$10.2 million (28.1%), mainly due to delays in setting up Centres of Vocational Excellence and to COVID-19 response projects. In-principle transfers of \$6.9 million were approved in June 2020 to address delays to work programmes.