Te Tāhuhu o
te Mātauranga
Ministry of Education

TE TĀHUHU O TE MĀTAURANGA
THE MINISTRY OF EDUCATION

Annual Report 2024

For the year ended 30 June 2024

Te Kāwanatanga o Aotearoa
New Zealand Government

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Ministry of Education | Te Tāhuhu o te Mātauranga

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Te Kāwanatanga o Aotearoa
New Zealand Government

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Introduction from the Secretary for Education

Educational success contributes to personal, collective and national wellbeing outcomes. A key education outcome is for all learners to gain knowledge and competencies that prepare them for work and to participate in society. Yet New Zealand has long-standing challenges to deliver education success for Māori, Pacific, deaf people and those with disabilities, and people from low socio-economic backgrounds. At the same time, we can celebrate exceptionally high achievement amongst some of our young people.

This variation in outcomes is greater for students within a school than between schools, and with in-class factors (such as the quality of teaching) an important contributor to achievement. Some evidence suggests that our system is less effective than other countries at providing the 'lift' for those from low socio-economic backgrounds. In addition to resourcing and overall teaching quality, parental and teacher expectations (and how they reinforce one another) of young people is a powerful contributor to progress and achievement.

Responsibility for the delivery of education is devolved and each provider makes their own decisions, within regulatory and resourcing constraints, about how to meet the learning and wellbeing needs of their learners. This places a high reliance on quality leadership throughout the system, and means that it is the teachers, educators and trainers in classrooms, early learning centres, tutorial rooms, halls and workplaces who, along with family and whānau, directly affect education outcomes.

The strengths of a devolved system include local innovation, decision-making that can be flexible and responsive, and the ability to draw on knowledge of local contexts in that decision-making. The downside is that without central support for and accountability in the areas where it really matters, we see high levels of variability of teaching practice and outcomes for learners. We also see inefficiencies in resource use (for example, good teaching practice being built multiple times in multiple classrooms but not adopted more broadly).

The previous government invested in strengthening the national curricula and the incoming government has built on that. Reforming the curriculum – being clear about what learning cannot be left to chance, providing more direction over the sequencing of what needs to be taught, more direction over pedagogy pre-service and in-service, and expectations for assessment – has been part of the policy and implementation agenda throughout the year.

The current curricula requires a significant amount of teacher time to translate concepts into practical teaching action. The changes underway will support teachers to identify individual student learning need and respond to it. The first 100-day plan for the Coalition Government set the ground for its focus on putting progress and achievement first, by removing the distraction of cellphones during the school day and being explicit about the need for the deliberate teaching of maths, reading and writing every day.

Regular attendance at school had been declining since 2015 and COVID-19 exacerbated this. A Select Committee Inquiry informed the development of an Attendance and Engagement Strategy, which we have been implementing since 2022. With the incoming government we have developed an Attendance Action Plan that includes publishing weekly attendance data, evaluating the attendance service and setting clear expectations about the respective roles of parents, caregivers, schools and the Ministry to work together to address the decline in regular attendance.

There will always be considerable resourcing demands across the education system, and we need to invest in the areas with the potential to make the greatest difference to educational outcomes. Investment needs to be focused on fewer initiatives that are proven to be effective, and that are well resourced and implemented. We have started building a more standardised approach to evaluating the impact of initiatives so that we can consistently provide quantitative, as well as qualitative, data to inform government funding decisions. More systematic collection of data is needed to improve our understanding of impact and system performance.

Finally, the pace of societal and technological change (coupled with a very challenging economic environment) presents communities, families, schools and government with multiple demands. These are also the characteristics of a time that responds to innovation and disruption to the usual ways of operating. This is my final Annual Report and I have confidence that we will rise to these challenges. It has been a great privilege and pleasure to hold this role.

Iona Holsted

Te Tumu Whakarae mō te Mātauranga |
Secretary for Education

Part One:
The year in review

The following information reports on what we achieved in responding to the actions and priorities of the Coalition Government and progress against our Statement of Intent 2021-2026.

This section describes how we responded to the early education actions and priorities of the Government. It also describes our achievements against the five objectives in the Ministry's current Statement of Intent 2021-2026.

Performance information in this part draws from trends in system performance reported in Nga Ara o te Mātauranga: The Pathways of Education report on the 2023 calendar year. In some cases, data collection is not annual and draws from the most recently available information.

Performance indicators:

Upwards (positive) trend	**Downwards (negative) trend**	**Maintained trend**	**Not available**

Reporting against early actions and priorities of the Government

The Ministry implemented the early actions of the incoming government

In November 2023, the Government set its plan for its first 100 days. Ministry support for these actions included:

One hour a day reading, writing and maths for Years 0-8

From the beginning of Term 1 2024, the Government set expectations that all Year 0-8 students should receive regular, focused instruction across reading, writing, maths, pānui, tuhituhi and pāngarau. This could be in dedicated lessons and in other learning areas as students read, write and engage with maths in a variety of purposes and contexts.

Through the Ministry's Tāhūrangi curriculum hub, we have provided practical guidance and resources for schools, kura and whānau. A suite of resources, focused on teaching pānui, tuhituhi and pāngarau for at least an hour a day, were also developed. Implementation of the changes to requirements and use of new resources continues to be supported through Curriculum Leads, education advisors and other specialist staff in regional offices.

Ninety-two percent of schools reported to the Education Review Office (ERO) that they have achieved full implementation of this approach.

Ministerial Advisory Group to review the New Zealand Curriculum

In December 2023, the Minister of Education appointed an independent Ministerial Advisory Group (MAG). Its purpose was to recommend improvements to the current curricula by outlining the knowledge and skills that schools must cover year-by-year. The MAG provided its recommendations in April 2024, and the Ministry is responding to the recommendations agreed by the Minister through our refresh of the new curriculum for schools. The new curriculum, across all subject areas, will be in place by the start of 2027.

Cellphones away for the day

The Government introduced regulations requiring all state schools and kura to have student cellphone rules in use by Term 2 2024. The Ministry supported schools and kura by providing guidance on community consultation, setting expectations and implementation. Early insights reported by ERO confirmed that 92% of schools and kura already had policies, procedures or rules in place to meet the requirements for students mobile phone use prior to implementation.

The Government set two ambitious targets for education

In April 2024, the Government set out nine government targets to help improve the lives of New Zealanders. Two are education targets and are focused on lifting attendance and achievement for all learners by 2030:

- **Increased student attendance – by 2030, students are expected to attend school regularly with a target of 80 percent present for more than 90 percent of the term.**

In May 2024, the Ministry implemented daily attendance monitoring to help students, parents and school communities identify attendance behaviours and measure positive change over time. This recognises that attendance is a shared responsibility that requires collaborative effort to support student engagement and retention. Attendance monitoring information is made available to the public through the Education Counts website. The Ministry also rolled out public awareness campaigns for schools, parents and students in June 2024.

The attendance rate for Term 1 2024 was 61.7 percent. This is an increase of 2.2 percent from Term 1 2023. Term 1 2024 saw a decrease in both justified absences (including illness) and unjustified absences, making up 6.1 percent and 4.9 percent of term time in Term 1 2024. This is down from 6.4 percent and 5.2 percent of term time, respectively, in Term 1 2023. While this data shows some improvements in 2023/24, attendance trends may fluctuate before they improve over time. The Ministry is strengthening existing tools and developing new approaches to achieve the Government's target.

The Ministry also worked with the National Public Health Service to update public health guidance to emphasise the importance of school attendance, even when children are mildly unwell. In April 2024, the guidance was published by Health New Zealand | Te Whatu Ora for parents and schools to help decide when a student is well enough to attend school, when they should stay home, and when we seek further health advice.

- **More students at expected curriculum levels – by December 2030, 80 percent of Year 8 students are expected to be at or above the expected curriculum level for their age in reading, writing and maths.**

The Ministry prioritised work on a curriculum based on the Science of Learning that is specific about what needs to be taught, when and how. A major pillar is the introduction of a structured approach to literacy. Reading opens the curriculum to learners and children who can read will want to come to school – they will be confident, competent, connected, life-long learners.

Building on the 100-day plan, the Ministry developed resources to support consistent implementation of one hour a day learning reading, writing and maths for Years 0-8 in Term 1 2024. In April 2024, writing groups for English (Years 0-6 and 7-13), and maths and statistics (Years 0-13), were established to update the refreshed learning areas as a response to MAG's recommendations. Work programmes are also underway for:

- a phased implementation of the refreshed curriculum with all learning areas to be in place by 2027
- supporting professional learning development for structured approaches to literacy and te reo matatini
- providing classroom resources.

Both targets are underpinned by a greater use of data and evidence to drive consistent improvement – one of the six priorities for education set by the new Government. Work has begun to concentrate the Ministry's data and evidence capability on understanding how the education system is performing. The focus is on student attendance and achievement, monitoring the impact of work towards government targets and priorities, identifying whether programmes and initiatives are well targeted, timely and delivering the expected outcomes for students, and informing investment decisions that deliver excellent outcomes.

The Minister of Education set six education priorities

Announced in April 2024, the six education priorities to lift achievement so that students are meeting or exceeding expectations with their curricular progress are:

- Clearer curriculum: Establishing a knowledge-rich curriculum grounded in the science of learning.
- Better approach to literacy and numeracy: Implementing evidence-based instruction in early literacy and maths.
- Smarter assessment and reporting: Implementing consistent modes of monitoring student progress and achievement.
- Improved teacher training: Developing the workforce of the future, including leadership development pathways.
- Stronger learning support: Targeting effective learning support interventions for students with additional needs.
- Greater use of data: Using data and evidence to drive consistent improvement in achievement.

The Ministry is progressing key pieces of work to achieve these six priorities, including:

- reviewing the English, maths and statistics learning areas
- implementing structured explicit approaches to teaching
- developing standardised tools to assess the literacy and numeracy learning of students
- monitoring student progress and achievement.

The Minister's six priorities were supported by five further priorities set out in the Coalition Agreement:

- Implement an Attendance Action Plan.
- Re-introduce charter schools.
- Simplify regulatory and funding requirements in early childhood education (ECE).
- Disestablish Te Pūkenga.
- Replace first-year fees-free policy with a final-year fees-free policy.

Many of these priorities are essential components for achieving the Government's education targets. Initial progress in developing the policy and legislative settings to support the priorities in 2023/24 included:

- Legislative and regulatory amendments requiring schools to increase the frequency in providing daily attendance data to the Ministry as part of the Attendance Action Plan. This will come into effect by Term 1 2025 for all schools except specified kura kaupapa boards who will have a later start date of July 2025.
- Legislation to establish charter schools was introduced to the House on 26 June 2024. The Bill establishes the Authorisation Board, which is the decision-maker for approval of new charter schools and interventions for charter schools failing to meet performance outcomes in contracts. From 1 July 2024, the Charter Schools Agency, a departmental agency hosted by the Ministry, has been established to support the Authorisation Board and contract with sponsors.

- Amendments to the ECE regulations, including suspending implementation of new requirements for changes in service provider identity (February 2024), removing requirements for persons responsible to be qualified and fully certified (June 2024), and introducing legislation to repeal network approval provisions (June 2024).
- The Minister of Education announced a Ministerial Inquiry into the school property system in February 2024. A panel of independent reviewers met with internal and external stakeholders to gain a broad understanding of the Ministry's systems and processes and make recommendations for a future approach. The independent reviewers submitted their findings to the Minister in June 2024.

Reporting against the Statement of Intent 2021-2026

The Ministry's current Statement of Intent 2021-2026 sets out five objectives, which align with the objectives for education set by the previous government:

Ākonga at the centre

Learners with their whānau are at the centre of education.

Barrier-free access

Greater education opportunities and outcomes are within reach for every ākonga | learner.

Quality teaching and leadership

Quality teaching and leadership makes the difference for ākonga and their kaiako | teachers.

Future of learning and work

Learning needs to be relevant to the lives of New Zealanders today and throughout their lives, as we meet the changing opportunities and challenges of the future of work.

World class inclusive public education

Aotearoa New Zealand needs a world class inclusive public education system that meets the needs of our diverse population, now and in the future.

The Ministry's Statement of Intent will be refreshed in late 2024 to align with the Coalition Government's (the Government's) education targets and priorities.

Ko ngā ākonga te iho | Ākonga at the centre

The national curricula are an important mechanism for delivering education that responds to ākonga (learner) needs, sustaining their identities and cultures. This supports ākonga to develop a sense of safety, belonging and high aspirations, which in turn means they are more likely to attend school, participate in learning and achieve well. Performance information relevant to this outcome is set out on pages 59-62.

The National Curriculum underpins everything that teachers do

The National Curriculum, comprising The New Zealand Curriculum (NZC) and Te Marautanga o Aotearoa, underpins everything that teachers do in the classroom. It guides teaching practice and sets the direction for student learning, setting out the knowledge, skills, competencies and dispositions students need for study, work and lifelong learning.

The Ministry has been reviewing and refreshing the National Curriculum since 2019. It's the first time it has been reviewed since 2007.

NZC refresh

The NZC is taught in all English-medium schools. This includes state and state-integrated schools.

The draft refreshed English, mathematics and statistics learning areas for NZC were released to the sector for use in May 2023 (the refreshed te o tangata | social science learning area had been released in November 2022).

Drafts of the science, technology and arts learning areas were prepared for release for wider public and sector feedback, along with the latest version of the draft NZC framework updated following sector feedback. Due to the proximity of the election, the release of this content was paused. This work was revised by the MAG who recommended changes to English, and Maths and Statistics learning areas to ensure a knowledge-rich curriculum informed by the science of learning and including year-by-year sequences. This work is underway.

Te Marautanga o Aotearoa redesign

Te Marautanga o Aotearoa supports learning through te reo Māori to achieve educational excellence by being immersed and gaining expertise in te reo Māori, tikanga Māori, mātauranga Māori and te ao Māori.

Development is underway for all wāhanga ako (wāhanga ako within Te Marautanga o Aotearoa are broadly equivalent to learning areas). The fully redesigned Te Marautanga o Aotearoa is required to be implemented by 2027. This will also be based on the approach of producing a knowledge-rich curriculum informed by the science of learning and including year-by-year sequences.

The Common Practice Model

In 2023, the Common Practice Model (CPM) was developed as part of the curriculum refresh to provide teachers with clarity about what, how and when to teach key concepts in maths, reading and writing. The draft CPM, the phase-by-phase guidance and a maths teaching and learning sequence for Years 0-10, has been completed. This has since been reviewed by the MAG and recommended to be included as part of the refreshed curriculum, which is now underway. It will no longer be a standalone document.

Ako Framework

The Ako Framework was developed to strengthen teaching, leadership and learner support capability across the education workforce in Te Marautanga o Aotearoa. A first draft was completed and released to the sector for feedback towards the end of 2023. This draft is currently being incorporated into the revised Te Marautanga o Aotearoa in a similar manner to CPM.

Te Whāriki provides young learners pathways for school and ongoing learning

Te Whāriki is the early learning curriculum framework that sets clear expectations for kaiako facilitating children's learning and development. The framework includes three pathways:

- Te Ara Whānui – the bicultural framework which most early childhood services will use
- Te Ara Māori – which brings te ao Māori worldviews in the context of Te Whāriki and which offers a clear pathway for Puna Reo (services that provide early learning in te reo Māori), Māori-medium and bilingual early learning settings
- Te Whāriki a te Kōhanga Reo – the curriculum framework for Ngā Kōhanga Reo total immersion services.

From 1 May 2024, the full curriculum framework came into effect for all early learning services.

Curriculum tools and resources for schools, kura and early childhood educators

Tāhūrangi – the Ministry's online curriculum platform

Tāhūrangi is the Ministry's centralised online curriculum platform designed to support effective teaching and learning across Te Whāriki: He Whāriki mātauranga mō ngā mokopuna o Aotearoa Early Childhood Curriculum, Te Marautanga o Aotearoa and the NZC. It is designed as a hub for teachers to find, organise, download and share curriculum content. Whānau, parents and caregivers can also access resources and information to help ākonga with their learning.

Tāhūrangi went live to the sector in November 2023. To date, more than 5,000 curriculum materials and resources have been moved to Tāhūrangi from previous curriculum websites, Te Kete Ipurangi and Kauwhata Reo.

Kōwhiti Whakapae – an online curriculum resource designed to help early learning kaiako

Kōwhiti Whakapae is an online curriculum resource designed to help early learning kaiako strengthen teaching practice and formative assessment within the framework of Te Whāriki: He whāriki mātauranga mō ngā mokopuna o Aotearoa (Te Ara Whānui). It supports kaiako to lay the groundwork for an enabling learning environment, notice and recognise children's capabilities and then respond in ways to scaffold, consolidate and/or expand their learning over time using effective teaching practice. Kōwhiti Whakapae focuses on ways to support children's progress in three areas of learning: social and emotional, oral language and literacy, and maths.

How we measure progress against our Statement of Intent

The following progress measures are standard progress measures under this section of the Statement of Intent 2021-2026, recognising that when ākonga feel safe and have a sense of belonging they are more likely to attend school, participate in learning and achieve well.

Sense of belonging

Sense of belonging at school for Year 5 ākonga

Proportion who agreed or strongly agreed to "I feel like I belong at school"[1]

Māori		Māori-medium and Kaupapa Māori		Pacific		Total		Target
Latest result 2020	Recent trend 2015 to 2020	Latest result	Recent trend	Latest result 2020	Recent trend 2015 to 2020	Latest result 2020	Recent trend 2015 to 2020	Recent trend 2015 to 2020
81%				85%		84%		Maintain or improve

Sense of belonging at school for 15-year-olds

Proportion who agreed or strongly agreed to "I feel like I belong at school"[2]

Māori		Māori-medium and Kaupapa Māori		Pacific		Total		Target
Latest result 2022	Recent trend 2018 to 2022	Latest result	Recent trend	Latest result 2022	Recent trend 2018 to 2022	Latest result 2022	Recent trend 2018 to 2022	Recent trend 2018 to 2022
59%				65%		68%		Maintain or improve

Feeling safe

Year 5 ākonga feel safe at school

Proportion who agreed or strongly agreed to "I feel safe at school"[3]

Māori		Māori-medium and Kaupapa Māori		Pacific		Total		Target
Latest result 2020	Recent trend 2015 to 2020	Latest result	Recent trend	Latest result 2020	Recent trend 2015 to 2020	Latest result 2020	Recent trend 2015 to 2020	
87%				91%		89%		Maintain or improve

15-year-olds feel safe at school

Proportion who agreed or strongly agreed to "I feel safe at school"[4]

Māori		Māori-medium and Kaupapa Māori		Pacific		Total		Target
Latest result 2022	Recent trend 2018 to 2022	Latest result	Recent trend	Latest result 2022	Recent trend 2018 to 2022	Latest result 2022	Recent trend 2018 to 2022	Recent trend 2018 to 2022
75%				78%		81%		Maintain or improve

1 This data is from the Progress in International Reading Literacy Study (PIRLS), IEA and is not provided on an annual basis.
2 This data is from the Programme for International Student Assessment (PISA), OECD and is not provided on an annual basis.
3 This data is from PIRLS and IEA and is not provided on an annual basis.
4 This data is from PISA and OECD and is not provided on an annual basis.

High aspirations

Highest qualification ākonga expect to gain

Proportion of 15-year-olds who expect to obtain a degree or higher[5]

Māori		Māori-medium and Kaupapa Māori		Pacific		Total		Target
Latest result 2020	Recent trend 2015 to 2020	Latest result	Recent trend	Latest result 2020	Recent trend 2015 to 2020	Latest result 2020	Recent trend 2018 to 2022	
37%				43%		45%		Maintain or improve

5 This data comes from the PISA and OECD.

Kāore he tauārai i roto i te mātauranga | Barrier-free access

A part of creating an accessible education system is helping students participate so they can progress in their learning and achievement. This is a shared responsibility, and we worked with education providers and others to address a range of reasons that can prevent students from participating in their education. Performance information relevant to this outcome is set out on pages 64, 69-75.

The Ministry set expectations for all students to attend school regularly

Having children attend school is essential to support progress and achievement. There were some signs of improved regular attendance during the year, although less than half of students attended school regularly (that is, at least 90 percent of the time) in Term 3 2023. To get the sustainable shift in regular school attendance that is needed will require widespread collaboration between parents, Boards of Trustees, the Ministry and communities.

In 2023/24, the Ministry invested more resources in frontline services to respond, in part, to the post-COVID-19 rise in poor attendance through the appointment of Attendance Officers and Principal Advisors – Attendance. Attendance Service providers are contracted to work with local schools, kura and communities to identify and support students with persistent absence (Attendance Officers), and work with the disengaged students and their families to support them to attend school regularly (Attendance Advisors).

The Regional Response Fund (RRF) provided a flexible mechanism to support schools and communities invest in and implement local solutions to attendance problems. The Ministry continues to receive positive feedback about many initiatives funded by the RRF, with the first-year evaluation report on track for completion in August 2024. This is helping to increase our understanding of what is working (and not) and why.

The Attendance Action Plan was launched in April 2024 to identify priority actions in uplifting regular attendance. Actions include:

- improving quality of attendance data
- reviewing and simplifying attendance codes
- strengthening the accountability of parents and schools through a traffic light system for attendance
- enhancing local supports
- raising public awareness.

These actions are in the early phases of implementation and underpin the delivery plan for the attendance target: that by 2030, students are expected to attend school regularly with a target of 80 percent present for more than 90 percent of the term.

The Action Plan for Pacific Education 2020-2030 supports Pacific education success

The Ministry co-designed and released a range of new Pacific bilingual and immersion resources in five Pacific languages. These resources include assessment tools to support teachers, as well as e-books and maths activities that enable students to connect to learning through access to the curriculum in their heritage languages. These resources are also part of the Action Plan for

Pacific Education 2020-2030 (Action Plan), which the Ministry released along with the Progress Report 2020-22 in September 2023. The Progress Report included data on how actions have contributed to improved outcomes for Pacific learners. The Action Plan refresh and the Progress Report have been translated in nine Pacific languages.

The Ka Ora, Ka Ako | Healthy School Lunches Programme enabled students to access lunch at school

Ka Ora, Ka Ako is about students being healthy and well to be in a good place to learn and attend school. In 2023/24, the Programme provided a healthy lunch each school day to over 236,000 learners in over 1,000 schools and kura across all year levels. During the year, 108 suppliers and 16 iwi and hapū partners delivered lunches through the Programme, creating over 3,000 jobs in communities across Aotearoa New Zealand.

On 8 May 2024, the Government announced an alternative provision model for Year 7+ learners and introduced lunch provision for up to 10,000 learners in early childhood centres as part of Budget 2024. This will take effect from Term 1 2025.

The Ministry provided school transport assistance for eligible students

The Ministry provides school transport assistance to help students overcome barriers to education and support caregivers to meet their responsibility to get their children to school. In 2023/24, the Ministry delivered 1,447 daily school bus services transporting around 52,000 eligible students to and from their schools. The Specialised School Transport Assistance service transported 5,402 ākonga who have safety or mobility needs that prevent them from travelling independently to school. The Ministry also funded 263 schools and 100 kura to provide their own school transport assistance to 32,784 of their ākonga.

Te Mana Tūhono is a long-term programme of support to enable schools to have safer and more sustainable digital connectivity

Te Mana Tūhono is a seven-year programme for state and state-integrated schools to have internal information and communication technologies (ICT) networks that are reliable, resilient, secure and safe. The programme strengthens school networks against cyber attacks, reduces the administrative burden on schools (through the centralised provision of cybersecurity and digital services) and improves the quality and consistency of digital learning environments.

At the end of Year 4, approximately 54 percent of 2,438 eligible state and state-integrated schools had completed their systems upgrade, an increase of 425 schools in 2023/24.

Also, 15 percent of all schools received phase one of a two-phased equipment replacement strategy, 81 of which were completed earlier this year. The phased approach to installations ended in September 2023 when the equipment manufacturing and supply chain issues affecting the programme were fully resolved. This leaves a remaining cohort of 230 schools who will complete their phase two upgrade in 2024/25, enabling them to receive the full programme benefits.

How we measure progress against the Statement of Intent

Measures of attendance and participation at school and in early learning provide an indication of how well ākonga can access education. Addressing barriers to attendance and engagement is a shared responsibility across government, whānau and communities.

Participation in early learning

Proportion of children attending early learning services for 10 or more hours a week on average at age[6]

Māori		Māori-medium and Kaupapa Māori		Pacific		Total		Target
Latest result 2023	Recent trend 2019 to 2023	Latest result	Recent trend	Latest result 2023	Recent trend 2019 to 2023	Latest result 2023	Recent trend 2019 to 2023	Recent trend 2019 to 2023
61%				59%		74%		Maintain or improve

Participation in primary and secondary education

Proportion of ākonga attending school for more than 90% in Term 2[7]

Māori		Māori-medium and Kaupapa Māori		Pacific		Total		Target
Latest result 2023	Recent trend 2019 to 2023	Latest result 2023	Recent trend 2019 to 2023	Latest result 2023	Recent trend 2019 to 2023	Latest result 2023	Recent trend 2019 to 2023	Recent trend 2019 to 2023
33%		29%		32%		47%		Maintain or improve

Participation in tertiary education

Course completion in tertiary education

Proportion of ākonga completing 75% or more of their courses in degree or above study[8]

Māori		Māori-medium and Kaupapa Māori		Pacific		Total		Target
Latest result 2023	Recent trend 2019 to 2023	Latest result	Recent trend	Latest result 2023	Recent trend 2019 to 2023	Latest result 2023	Recent trend 2019 to 2023	Recent trend 2019 to 2023
74%				72%		86%		Maintain or improve

6 This data is from the Early Learning Information, Ministry of Education.
7 This data is from School Attendance Data, Ministry of Education.
8 This data is from Single Data Return, Ministry of Education and Tertiary Education Commission.

Achievement against the curriculum (foundation skills)

The surveys for the data for these measures are not annual and are not updated in this report. They are included for completeness and consistency with the Statement of Intent 2021-2026.

Achievement against the Curriculum in Reading

Proportion achieving at curriculum Level 2 or higher in Year 4 or curriculum Level 4 or higher in Year 8[9]

Level	Māori		Māori-medium and Kaupapa Māori		Pacific		Total		Target
	Latest result 2015 to 2022	Recent trend	Latest result	Recent trend	Latest result 2015 to 2022	Recent trend	Latest result 2015 to 2022	Recent trend	
Year 4	51%				43%		63%		Maintain or improve
Year 8	38%				30%		56%		Maintain or improve

Achievement against the Curriculum in Maths

Proportion achieving at Curriculum Level 2 or higher in Year 4 or Curriculum Level 4 or higher in Year 8[10]

Level	Māori		Māori-medium and Kaupapa Māori		Pacific		Total		Target
	Latest result 2015 to 2022	Recent trend	Latest result	Recent trend	Latest result 2015 to 2022	Recent trend	Latest result 2015 to 2022	Recent trend	
Year 4	70%				63%		82%		Maintain or improve
Year 8	21%				15%		42%		Maintain or improve

Achievement against the Curriculum in Science

Proportion achieving at Curriculum Level 2 or higher in Year 4 or Curriculum Level 4 or higher in Year 8[11]

Level	Māori		Māori-medium and Kaupapa Māori		Pacific		Total		Target
	Latest result 2015 to 2022	Recent trend	Latest result	Recent trend	Latest result 2015 to 2022	Recent trend	Latest result 2015 to 2022	Recent trend	
Year 4	90%				79%		94%		Maintain or improve
Year 8	7%				5%		20%		Maintain or improve

9 This data is from the National Monitoring Study of Student Achievement, Otago University. These have been replaced by achievement against the curriculum in reading and maths for Years 3, 6 and 8.

10 This data is from the National Monitoring Study of Student Achievement, Otago University. These have been replaced by achievement against the curriculum in reading and maths for Years 3, 6 and 8.

11 This data is from the National Monitoring Study of Student Achievement, Otago University.

Achievement against the Curriculum in Art

Proportion achieving at Curriculum Level 2 or higher in Year 4 or Curriculum Level 4 or higher in Year 8[12]

Level	Māori		Māori-medium and Kaupapa Māori		Pacific		Total		Target
	Latest result 2015 to 2022	Recent trend	Latest result	Recent trend	Latest result 2015 to 2022	Recent trend	Latest result 2015 to 2022	Recent trend	
Year 4	43%				47%		61%		Maintain or improve
Year 8	37%				37%		52%		Maintain or improve

12 This data is from the National Monitoring Study of Student Achievement, Otago University.

Ngā whakaakoranga me te hautūtanga kounga | Quality teaching and leadership

The Ministry has focused on supporting international and domestic recruitment, improving conditions, and providing resources to deal with new and emerging issues to help alleviate pressures and to retain and grow the workforce required. Performance information relevant to this outcome is set out on pages 70-72 and 74.

The teaching workforce is continuing to grow

The school teaching workforce grew from 72,950 teachers in 2022 to 74,104 in 2023 – an increase of 1,154 teachers. In the primary sector, the total grew by 407 teachers – from 41,807 to 42,214, and in the secondary sector, the total grew by 747 teachers – from 31,143 to 31,890.

Different training and entry pathways to support aspiring and returning teachers

By supporting different pathways into teaching outside of campus-based programmes the Ministry is supporting aspiring teachers into the profession. A total of 143 secondary teacher trainees are participating in the School Onsite Training Programme in 2024, of which 54 are studying to teach Science, Technology and Mathematics (STM) subjects and eight to teach te reo Māori. This is up from 92 in 2023, of which 44 studied to teach STM and five to teach te reo Māori. The Programme is expanding, with an additional 600 places over four years to reach a total of 1,200 places.

The Ministry's Employment Based Initial Teacher Education pathways enable aspiring teachers to 'earn while they learn' and are a further pathway into teaching. The two-year Teach First NZ Programme for aspiring secondary teachers saw 49 participants complete their first year and 59 participants complete their second year in 2023. Sixty percent of teachers who graduate from Teach First NZ are teaching high-demand subjects such as STM or te reo Māori.

The Ministry continued to subsidise the Teacher Education Refresh Programme led by the Teaching Council of Aotearoa to remove financial barriers and encourage previous teachers to return to the profession. By October 2023, there were 385 enrolments in total, including 116 from ECE, 154 from primary and 115 from secondary teachers.

Removing financial barriers to enable aspiring teachers to study and encourage teacher retention

The Ministry's TeachNZ Scholarships Programme supports teacher trainees by paying course fees and providing a study allowance. In 2023/24, 363 scholarships were awarded. The Ministry continued to work in partnership with iwi/Māori to grow the Māori teaching workforce through the delivery of the Iwi Māori Workforce Scholarships. These scholarships support uri (descendants) to study towards a teaching qualification by removing financial barriers. Fifty-nine scholarships were awarded in 2023 and a further 50 are expected for 2024.

The BeTTER Jobs Programme entered its third cohort in 2024 with 106 beginning and returning teachers participating. Of the 124 teachers who started in the 2023 cohort, 113 (91 percent) have stayed teaching in 2024. The Voluntary Bonding Scheme also encourages teacher retention through annual payments of between $10,500 and $17,500 (before tax) after three to five years of teaching service at targeted schools. In 2023/24, the Ministry made 297 payments to teachers, of which 70 were to STM or te reo Māori teachers.

The Māori-Medium Beginning Teacher Retention Programme also continues to support up to 250 teachers in Kaupapa Māori/Māori-medium settings each year.

Proactive recruiting of overseas teachers

The Ministry's social media marketing campaigns to attract overseas teachers resulted in 1,904 qualified teachers arriving in New Zealand in 2023/24. In March 2023, teachers were added to Immigration New Zealand's Green List meaning all teaching roles were then on the Work to Residence pathway. Secondary teachers were added to the Straight to Residency pathway on 1 May 2024.

As part of our incentives, the Ministry continued to provide Overseas Relocation Grants to assist with teachers' relocation costs, and Overseas Finders' Fees which contribute to schools' recruitment costs. In 2023/24, a total of 1,191 Overseas Relocation Grants and 779 Overseas Finders' Fees were approved. The Ministry also supported the upfront costs of International Qualification Assessments (IQAs) for 1,200 applicants and 800 of these were secondary teachers. The Ministry has a dedicated Navigator Service to assist overseas teachers and schools in the recruitment process. Navigators actively intervene to resolve any issues that arise.

Supporting school leaders to improve education outcomes

During the year, Ministry support to principals included:

- Delivering the Leadership Advisory Service across New Zealand to support principals develop leadership and managerial capabilities and respond to school leadership challenges, such as severe weather events. Sixteen Te Mahau-based Leadership Advisors have engaged with principals at 1,122 schools over the year.
- Implementing a regionally focused Principal Induction Support Programme in response to concerns by representative bodies about inconsistent on-boarding process for newly appointed principals.
- Providing funding for principal professional learning and development, mainly targeted at beginning principals.

A major milestone in 2023/24 was the launch of the Principal Development Map to increase the coherence and visibility of support and professional development opportunities for aspiring and current principals.

Addressing workforce pay equity and resolving historical payroll issues

In early 2024, a pay equity settlement was reached for school-based therapists (approximately 710 employees). Work to conclude other pay equity claims continues, including the investigation of the complex multi-union multi-employer claim covering approximately 90,000 teachers.

The series of initial estimate payments for Holidays Act remediation in 2023/24 resulted in 95,300 remediation payments to current school employees, totalling $46.1 million. Non-Holidays Act remediation also progressed this year, and by June 2024, we paid two-hour minimum top-up payments totalling $9.89 million to around 11,900 current short-term relief teachers. Work continues to progress payments for former employees and for future remediation.

How we measure progress against the Statement of Intent

As part of enabling quality teaching and learning, the Ministry supports schools to attract and retain a capable education workforce that reflects their communities.

Proportion of ākonga in Māori-medium and kaupapa Māori education[13]

School level	Māori		Total		Target
	Latest result 2023	Recent trend 2019 to 2023	Latest result 2023	Recent trend 2019 to 2023	
Early learning	19%		5%		Maintain and improve
Primary school	15%		4%		Maintain and improve
Secondary school	7%		2%		Maintain and improve

Proportion of ākonga learning te reo Māori in English-medium education[14]

School level	Māori		Total		Target
	Latest result 2023	Recent trend 2019 to 2023	Latest result 2023	Recent trend 2019 to 2023	
Primary school	44%		38%		Maintain and improve
Secondary school	27%		13%		Maintain and improve
Tertiary education	27%		11%		Maintain and improve

Tertiary completion

Qualification completion and progression rates at tertiary education providers

Eight-year qualification completion rate at degree and above[15]

Māori		Māori-medium and Kaupapa Māori		Pacific		Total		Target
Latest result 2023	Recent trend 2019 to 2023	Latest result	Recent trend	Latest result 2023	Recent trend 2019 to 2023	Latest result 2023	Recent trend 2019 to 2023	
67%				64%		80%		Maintain or improve

Qualification completion rate at degree and above

Seven-year qualification completion rate for apprenticeships[16]

Māori		Māori-medium and Kaupapa Māori		Pacific		Total		Target
Latest result 2023	Recent trend 2019 to 2023	Latest result	Recent trend	Latest result 2023	Recent trend 2019 to 2023	Latest result 2023	Recent trend 2019 to 2023	
50%				51%		60%		Maintain or improve

13 This data is from the Early Childhood Education Census and School Roll Returns, Ministry of Education.
14 This data is from the School Roll Returns, Ministry of Education, Single Data Return, Ministry of Education and Tertiary Education Commission.
15 This data is from the Single Data Return, Ministry of Education and TEC Industry Training Register, Tertiary Education Commission.
16 This data is from the Single Data Return, Ministry of Education and TEC Industry Training Register, Tertiary Education Commission.

Support from teachers for learners

Ākonga assessment of support they receive from kaiako

Proportion of 15-year-olds who agreed or strongly agreed "I felt that my teacher understood me"[17]

Māori		Māori-medium and Kaupapa Māori		Pacific		Total		Target
Latest result 2028	Recent trend	Latest result	Recent trend	Latest result 2018	Recent trend	Latest result 2018	Recent trend	Recent trend
72%				74%		75%		Maintain or improve

Inclusive practices

Kaiako view of school practices around inclusion

Proportion who thought their school was moderately like or very like the statement "We effectively include ākonga in our classes whatever their needs, strengths and identities"[18]

Latest result 2021	Latest result 2021	Latest result 2021
93%	93%	93%

Diversity of workforce

Māori and Pacific representation in kaiako workforce

Proportion of teaching staff who are Māori and Pacific

School level	Māori		Total		Target
	Latest result 2023	Recent trend 2019 to 2023	Latest result 2023	Recent trend 2019 to 2023	
Early learning[19]	9%		5%		Maintain and improve
Primary school[20]	11%		4%		Maintain and improve
Secondary school	14%		2%		Maintain and improve
Tertiary education[21]	15%		4%		Maintain and improve

Workforce learning and development

Kaiako reporting their professional development had a positive impact on their teaching

Proportion who agreed that professional development they received in the last 12 months had a positive impact[22]

Latest result 2018	Recent trend	Target
87%		Maintain and improve

17 This data is from PISA and OECD.
18 This data is from Teaching and School Practices Tool and NZCER.
19 This data is from the Early Childhood Education Census.
20 Data for primary and secondary school teachers is from the Teacher Payroll.
21 This data is from the Tertiary Staffing Return.
22 This data is from Teaching and Learning International Survey, OECD.

Te anamata o the ako me te mahi | Future of learning and work

The education system needs to provide the relevant skills, knowledge and pathways to transition to higher learning and thrive in employment. The Ministry's actions have been focused on the National Certificate of Educational Achievement (NCEA) and the implementation of changing priorities in vocational education and tertiary education. Performance information relevant to this outcome is set out on pages 26-27 and 74.

Strengthening NCEA

The Ministry is strengthening NCEA by making a series of changes to improve wellbeing, equity, coherence, pathways and credibility for students and teachers. This is the most significant reform of NCEA since the qualification was introduced in 2002.

Completed materials for NCEA Level 1 were published in October and November 2023, and the change was implemented in schools at the beginning of 2024. The co-requisite was also implemented (where all learners are required to achieve a 20-credit co-requisite), to be awarded at any level of NCEA, specific to te reo matatini or literacy and pāngarau or numeracy skills.

Ongoing implementation support was provided to the sector, including development of self-assessment tools and materials to assess sector readiness for the implementation of NCEA Level 1 from Term 1 2024. The Ministry developed additional resources to support NCEA Level 1 implementation called Subject Learning Outcomes. This were produced for each Level 1 subject to help clarify what is to be taught for each standard and in the future this level of detail will be in the redesigned curriculum. These support teachers by breaking down the Achievement Standards into a series of learning outcomes, making it clear what needs to be included in teaching and learning programmes.

In April 2024, the Ministry announced that the NCEA Change Programme would be re-phased by two years (Level 2 to be implemented in 2028 and Level 3 to be implemented in 2029). This is to enable better alignment between the curriculum and NCEA and allow for the updated national curricula to be developed and put in place.

Redesigning the vocational education and training (VET) system

Work to disestablish Te Pūkenga began in December 2023. This included several letters from Minister Simmonds to the governing Council setting out the Government's expectations for the work ahead.

The redesign of the VET system supports the future of learning and work and world class inclusive public education by re-orienting VET to be more agile and responsive to future workforce needs, while setting the system on a path to long-term financial sustainability. The Ministry will continue to provide policy advice on the public consultation process through to the disestablishment of Te Pūkenga.

Shifting the fees-free scheme for tertiary education to final year of study

First-year fees-free tertiary education covers eligible learners' fees for one year of provider-based study or two years of work-based training up to $12,000. A total of $283 million subsidies were paid out in 2023/24.

The Government advanced its commitment to replace the first-year fees-free with a final-year fees-free scheme by 2025. The Ministry will continue to engage across agencies to develop advice on the detailed policy and implementation parameters, including advice on ending the first-year fees-free scheme equitably.

How we measure progress against the Statement of Intent

Participation and attainment in tertiary education and training allows the Ministry to gauge the relevance of learning to the lives of young people and the needs of employers both now and in the future.

Senior secondary attainment

School leavers attaining NCEA Level 2 or above

Proportion of school leavers attaining qualifications at NCEA Level 2 or above[23]

Māori		Māori-medium and Kaupapa Māori		Pacific		Total		Target
Latest result 2023	Recent trend 2019 to 2023	Latest result 2023	Recent trend 2019 to 2023	Latest result 2023	Recent trend 2019 to 2023	Latest result 2023	Recent trend 2019 to 2023	Recent trend 2019 to 2023
58%		72%		69%		74%		Maintain or improve

Tertiary destinations for school leavers

School leaver enrolment in tertiary education at Level 3 or higher

Proportion of school leavers enrolling in tertiary education at Level 3 or higher within one year of leaving school[24]

Māori		Māori-medium and Kaupapa Māori		Pacific		Total		Target
Latest result 2023	Recent trend 2019 to 2023	Latest result 2023	Recent trend 2019 to 2023	Latest result 2023	Recent trend 2019 to 2023	Latest result 2023	Recent trend 2019 to 2023	
35%		34%		39%		53%		Maintain or improve

23 This data is from the School Leavers, Ministry of Education.

24 This data comes from the School Leavers, Ministry of Education, Single Data Return, Ministry of Education and Tertiary Education Commission, Industry Training Register, Tertiary Education Commission.

All New Zealanders can access the tertiary education and training they need

First-time participation rate in Level 3 to 7 education[25]

Māori		Māori-medium and Kaupapa Māori		Pacific		Total		Target
Latest result 2023	Recent trend 2019 to 2023	Latest result	Recent trend	Latest result 2023	Recent trend 2019 to 2023	Latest result 2023	Recent trend 2019 to 2023	
16%				22%		25%		Maintain or improve

Participation rate in vocational education and training[26]

Proportion of 16- to 24-year-olds enrolled in vocational education and training

Māori		Māori-medium and Kaupapa Māori		Pacific		Total		Target
Latest result 2023	Recent trend 2019 to 2023	Latest result	Recent trend	Latest result 2023	Recent trend 2019 to 2023	Latest result 2023	Recent trend 2019 to 2023	
14%				12%		14%		Maintain or improve

Participation rate in vocational education and training[27]

Proportion of 25- to 64-year-olds enrolled in vocational education and training

Māori		Māori-medium and Kaupapa Māori		Pacific		Total		Target
Latest result 2023	Recent trend 2019 to 2023	Latest result	Recent trend	Latest result 2023	Recent trend 2019 to 2023	Latest result 2023	Recent trend 2019 to 2023	
9%				8%		6%		Maintain or improve

Adult competencies to participate in society

Proportion of 25 to 64-year-olds with no formal qualifications[28]

Māori		Māori-medium and Kaupapa Māori		Pacific		Total		Target
Latest result 2024	Recent trend 2020 to 2024	Latest result	Recent trend	Latest result 2024	Recent trend 2020 to 2024	Latest result 2024	Recent trend 2020 to 2024	
22%				26%		12%		Maintain or improve

25 This data comes from the School Leavers, Ministry of Education, Single Data Return, Ministry of Education and Tertiary Education Commission, Industry Training Register, Tertiary Education Commission.

26 This data is from Single Data Return, Ministry of Education Industry Training Register, Tertiary Education Commission and Population Estimates, Statistics New Zealand.

27 This data is from Single Data Return, Ministry of Education Industry Training Register, Tertiary Education Commission and Population Estimates, Statistics New Zealand.

28 This data is from the Household Labour Force Survey and Statistics New Zealand.

He mātauranga tūmatanui taumata tiketike o te ao | World class inclusive public education

New Zealand aims to have a world class inclusive public education system that responds to the evolving needs of communities and provides the infrastructure and resources to support teaching and learning. The Ministry has had a major focus on property, including the infrastructure needs following major weather events and managing the wider portfolio in a more constrained fiscal environment. Performance information relevant to this outcome is set out on pages 78-80.

The Ministry invests in the land and buildings of all state school property

The Ministry invests in New Zealand's second largest social property portfolio. The school property portfolio currently includes over 2,100 state schools, more than 15,000 school buildings and 8,000 hectares of occupied land. During the year, actions the Ministry took to maintain and upgrade its infrastructure included:

Supporting schools to recover from the North Island Weather Events

To respond to the damage from the Auckland flooding event in January 2023 and Cyclone Gabrielle in February 2023, the Government announced additional funding to enable schools to open and operate safely. The biggest damage was in the Hawke's Bay and Tairāwhiti regions affecting nearly 40,000 students in 93 schools.

A total of 523 projects were identified as needing support to recover from the damage. The Ministry has completed 373 identified projects (71 percent) in more than 200 schools. The extent of remediation and support provided to schools varied widely, from removing fallen trees to the full replacement of school buildings.

We also provided funding for the replacement of school library collections, related resources and shelving lost due to the North Island Weather Events. The initiative reached 32 schools across six North Island regions, including the Bay of Plenty, Waiariki, Hawke's Bay, Tairāwhiti, Tai Tokerau, Tāmaki Herenga Manawa, Tāmaki Herenga Tāngata, Waikato and Wellington. A total of 26,492 books were ordered. Fourteen schools also received shelving.

A review of school property projects identified ways to achieve better value for money

The Ministry has a responsibility to invest in properties that demonstrate value for money while still delivering the right outcomes for our schools and kura. In late 2023, a Value for Money (VFM) exercise was initiated to review and right-size the Ministry-led property projects that were still in the pre-construction phase. A total of 352 school property projects at 305 schools went through the VFM review process. The initial total forecast for these projects was $4.69 billion. Through the review exercise, we have achieved estimated savings of around $2.04 billion.

Savings have been achieved through greater use of standardised and repeatable designs, and more use of offsite manufactured buildings and focusing on the core infrastructure issue that the project is intended to resolve. They have also been achieved by looking more closely at improving existing spaces instead of building new.

Nearly $640 million of the potential savings have been realised by removing non-essential items for projects that would otherwise have been unaffordable, or changing the delivery solution to a repeatable or modular solution, accelerating delivery and achieving procurement efficiencies.

Following the VFM review exercise projects were prioritised. As an outcome, some projects were identified as not required at this time (for example, where anticipated roll growth hasn't occurred). As a result, around 100 lower-priority projects will not proceed in 2024/25 resulting in potential savings of approximately $1.4 billion

Schools were developed under the public-private partnerships model

A public-private partnership (PPP) is an agreement between the Ministry of Education and a consortium of private companies to build a new school or rebuild an existing school. Under PPPs, the Government still owns the land and buildings, but the Board of Trustees and principal of PPP schools do not deal with property and maintenance issues.

The PPP Schools Expansion Programme was established due to rapid school-aged population growth in areas where existing PPP schools had been built. Due to the rapid growth of these areas, it became necessary to make changes to the existing PPP schools to accommodate new students. The Programme has already expanded Wakatipu High School and an expansion of Rolleston College will soon be completed. The Programme will next see the expansion of four Auckland schools with construction set to commence in late 2024.

The National School Redevelopment Programme continued upgrading schools with complex infrastructure needs

The National School Redevelopment Programme (NSRP) is a 10-year programme to upgrade about 180 schools with complex infrastructure needs. The NSRP provides upgrades to schools that cannot complete their property requirements within the next two allocations of 5YA funding. In 2023/24, the Ministry completed 27 projects, bringing the total number of NSRP projects to 120 since 2019.

At the end of 2023/24, the Programme has 61 projects in planning and design and 47 projects in construction.

Classrooms in small or remote schools were improved through the Ngā iti Kahurangi Programme

The Ngā Iti Kahurangi (NIK) Programme, which translates to "small and highly valued treasures", is aimed at improving the interior facilities in 763 small or remote schools. The Programme makes an immediate difference by improving the lighting, acoustics, warmth and electrical safety in schools. In 2023/24, the Programme completed upgrades to 188 schools. Since its establishment, the Programme has upgraded 415 schools, with the full Programme expected to be completed by June 2026.

The Programme also makes schools safe by providing asbestos management plans and where required and when identified by encapsulating or removing friable asbestos, where it is identified at an Ngā Iti Kahurangi school. In 2023/24, Ngā Iti Kahurangi completed 15 asbestos removal projects, and approximately 50 projects are currently in the planning and scoping stages.

Schools continued to be rebuilt or repaired across greater Christchurch

The Christchurch Schools Rebuild Programme was established in 2013, with the objective of rebuilding and/or repairing 115 schools in Greater Christchurch following the 2010-2011 earthquakes. This Programme has enabled the wider transformation of education in Christchurch, supporting a better alignment of the education network with the needs of the region's students. In 2023/24, the Ministry completed the rebuilding of 11 schools. Since the start of the Programme, the Ministry has completed 96 schools, benefitting around 52,000 students. Overall, the Programme is investing over $1.654 billion in the Christchurch schooling network, with the last of this funding provided through Budget 2024 to complete the remaining schools through to the end of 2025.

After a difficult period international education is recovering

International education has continued to recover from the COVID-19 pandemic. In 2023, there were 69,135 enrolments with New Zealand education providers, which represents a 67 percent increase compared to 2022 and 60 percent of annual enrolments in 2019.

The Government has expressed its commitment to international education. The Ministry leads a senior officials group involving relevant agencies, so that we are all giving collective effect to government priorities, including immigration settings.

Providing support for refugees and migrant students

In 2023/24, a total of 1,520 students attended the Orientation Programme at Mangere Refugee Centre. A significant number of students with additional learning needs were supported to prepare them for settling into schools. Also, 51 schools employed 27 Bilingual Support Workers (BSWs) who provided support for approximately 1,476 students. With the help of BSWs, migrant students with lower levels of English proficiency are supported to access the curriculum and plan their pathways for NCEA Levels 1, 2 and 3. The BSWs offer a sense of cultural inclusion and safety within the community, which creates a sense of belonging and contributes to their regular attendance.

Supporting Ministers and their offices

The Ministry is engaging with Ministers and their offices on improving how our advice and analysis can meet their needs. This Annual Report reports on Ministers' feedback since November 2023, and has identified significant opportunities to improve alongside significant strengths in policy advice. We will take steps to improve performance in the next year, including continuing use of an Integrated Policy Work Programme to focus on Ministers' priorities, more regular feedback from them, and focused use of policy improvement frameworks.

How we measure progress against our Statement of Intent

Providing support for our Ministers, investing in the condition of school properties, and understanding our position in the international assessment are all important factors to deliver world class inclusive education.

The surveys for the data for these measures are not annual and are not updated in this report. They are included for completeness.

International assessment of the education system

Reading ability of Year 5 ākonga

Percentage of Year 5 ākonga achieving at or above the PIRLS Intermediate Benchmark[29]

Māori		Māori-medium and Kaupapa Māori		Pacific		Total		Target
Latest result 2020	Recent trend 2015 to 2020	Latest result	Recent trend	Latest result 2020	Recent trend 2015 to 2020	Latest result 2020	Recent trend 2015 to 2020	Recent trend 2015 to 2020
53%				57%		71%		Maintain or improve

Reading ability of 15-year-olds

Percentage of 15-year-olds achieving proficiency Level 2 or above in PISA[30]

Māori		Māori-medium and Kaupapa Māori		Pacific		Total		Target
Latest result 2022	Recent trend 2018 to 2022	Latest result	Recent trend	Latest result 2022	Recent trend 2018 to 2022	Latest result 2022	Recent trend 2018 to 2022	Recent trend 2018 to 2022
68%				58%		79%		Maintain or improve

Maths ability of 15-year-olds

Percentage of 15-year-olds achieving proficiency Level 2 or above in PISA[31]

Māori		Māori-medium and Kaupapa Māori		Pacific		Total		Target
Latest result 2022	Recent trend 2018 to 2022	Latest result	Recent trend	Latest result 2022	Recent trend 2018 to 2022	Latest result 2022	Recent trend 2018 to 2022	Recent trend 2018 to 2022
53%				42%		71%		Maintain or improve

29 This data is from PISA and OECD and is not provided on an annual basis.

30 This data is from PISA and OECD and is not provided on an annual basis.

31 This data is from the Progress in International Reading Literacy Study (PIRLS), IEA and is not provided on an annual basis.

Condition of the school property portfolio

Percentage of state schools that have a condition grade of 3 or better[32]

2022 to 2023	2023 to 2024	Recent trend	Target
87%	87.30%		Maintain and improve

Ministerial satisfaction

The satisfaction rating given by the Minister of Education with the overall performance of the Ministry[33]

2022 to 2023	2023 to 2024	Recent trend	Target
7%	3%		Maintain and improve

32 This data is from Ministry of Education. For more information, please refer to page 78 and 80.

33 This data is from Ministry of Education. For more information, please refer to pages 54, 56 and 83.

Building Ministry capability

This section describes the changes the Ministry is making to how it works and its contributions to all-of-government initiatives and other required reporting activity.

We have included reporting on cross-government expectations to:

- deliver public sector cost savings
- promote diversity, equity and inclusion within the Ministry
- improve Māori-Crown relations capability (MCR) and promote te reo Māori
- meet Health and Safety standards
- shape our response to climate change and actively participating in the Carbon Neutral Government Programme (CNGP).

This section also includes reporting on significant Budget initiatives for the education system.

The Ministry is supporting the Government to deliver cost savings

In August 2023, government agencies were asked to find baseline savings. Since then, the Ministry has reduced contractor, consultant, professional services and travel costs. From October 2023, significant recruitment restrictions were put in place.

In December 2023, the new Government set a 7.5 percent cut of its baseline budget, to take effect from the 2024/25 financial year onwards. Through Budget cut 2024, the Ministry was also required to identify areas for additional savings, resulting in 11 percent departmental savings. These savings will be directed to support students, schools, kura and early learning services.

To achieve these savings required a reduction in baseline capacity delivered through a staggered change process without compromising our frontline services and support for the education sector.

The Ministry continues to ensure that its people are looked after through access to the Employment Assistance Programme (EAP), as well as daily stand-ups with the Public Service Association (PSA) to provide an opportunity for emerging issues and concerns to be raised. The Ministry also put in place a range of targeted supports, including the establishment of a 'connection hub' on Te Tahuhu (the Ministry's intranet), which includes a range of support mechanisms for our kaimahi (people) affected by change.

The Ministry is making progress towards reducing pay disparities for staff

The Ministry published its Kia Toipoto Gender, Maōri, Pacific and Ethnic Pay Gap Action Plan at the end of November 2023. This showed that progress was made towards being a diverse and inclusive organisation with workplace equity for all staff.

As at 30 June 2024, the Ministry:

- reduced its gender pay gap from 15.9 percent to 13.1 percent
- had a negative pay gap for kaimahi Māori of -3.9 percent

- reduced its pay gap for Pacific employees from 4 percent to 3.5 percent (ongoing work to address disparities will improve outcomes for Pacific staff)
- will continue to address the pay gap of 11.5 percent for our Asian workforce and 7.2 percent for our Middle Eastern, Latin American and African (MELAA) workforce.

The Ministry supports leaders and managers to build a more diverse and inclusive workplace

Te Urupare I te Mariu | Addressing Bias

The Ministry has an Unconscious Bias eLearning module for managers available that builds understanding of attracting and hiring diverse talent and creating a supportive workplace that anticipates and responds to diverse needs. The Ministry continues to review our systems and processes with the purpose of eliminating unconscious bias.

Hautūtanga Ngākau Tuwhera | Inclusive Leadership

The Ministry's induction process was refined so that employees from diverse backgrounds feel more included. Leaders are supported so that they can foster a workplace where their team members feel valued.

The Ministry continues to develop its Māori-Crown relations (MCR) capability

MCR capability involves increasing the Ministry's individual and organisational capability to meet our commitment to be a good kāwanatanga partner under Te Tiriti o Waitangi | The Treaty of Waitangi (Te Tiriti). The Ministry navigates this through Whāinga Amorangi, our organisational and public service commitment, and Tātai Pou, our MCR capability framework for individual staff.

Pou Ārahi are senior leaders within Te Pou Tuarongo, embedded into each business group's leadership team. The role of Pou Ārahi is to build capability and provide on-the-ground support for the Ministry's MCR capability.

Whāinga Amorangi is the Ministry's plan to build MCR capability. Whāinga Amorangi is underpinned by the Ministry's commitment to take practical action to give effect to Te Tiriti – reinforced through legislative and public sector expectations. Applying Te Tiriti in a kawanatanga-rangatiratanga context will enable the Ministry to be an effective Te Tiriti partner.

In 2023/24, the Ministry made progress on:

- strengthening Tātai Pou, the Ministry's MCR capability framework, by the requirement of having a Tātai Pou expert and Pou Ārahi advice across appointment panels and processes
- continuing to consult on the proposed organisational mātāpono | behaviours
- introducing quarterly reporting on the Ministry's investment in MCR capability and the Māori workforce
- establishing and maintaining quarterly hui between hautū (senior leaders) and Māori staff (two business groups have been consistent in hosting these hui with their hautū).

Supporting Te Reo Māori capability within the Ministry

Te Aka Maurea is the Ministry's internal Māori language plan that supports te reo and tikanga Māori capability. This aligns to the Maihi Karauna, the Crown's Strategy for Māori Language Revitalisation 2019-2023 under Te Ture mō te reo Māori 2016.

In 2023/24, the Ministry made progress on:

› Supporting the integration of te reo Māori within the Savings Programme documentation and communication by providing specialist support to hautū. Te reo Māori usage occurred across all change proposals.
› Integrating the value of te reo Māori into recruitment and induction processes, which gives priority to te reo and tikanga Māori capability when hiring new staff.
› Gathering data and insights on how the Ministry uses te reo Māori by establishing a register.

This work is guided by the insights from Te Taunaki | Public Service Census 2021, alongside quarterly hui between Māori staff and hautū. These methods, alongside others, are linked to Tau Mai Te Reo.

The Ministry will continue to monitor the acquisition, use and application of te reo Māori.

Meeting Treaty settlement commitments

Te Arawhiti is the lead agency for Treaty settlements and is responsible for tracking the Crown's overall progress delivering on Treaty settlement commitments. He Korowai Whakamana is a Cabinet agreed framework introduced by Te Arawhiti, which is intended to enhance the Crown's accountability for its Treaty settlement commitments. He Korowai Whakamana requires core Crown agencies to record and track the status of their settlement commitments in Te Haeata – the Settlement Portal and report annually on their settlement commitments.

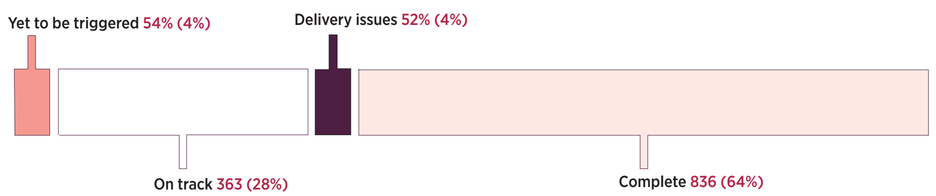
As part of an all-of-government approach to settle historic Treaty claims the Ministry contributes both cultural and commercial redress. Most commonly, these take the form of property redress or relationship redress.

Relationship redress includes a range of agreements entered into between settling groups and the Crown (or specific Crown agencies) to reset the relationship between them. In the case of the Ministry, these agreements set out how the Ministry and the group will engage with each other going forward. Relationship redress was managed on behalf of the Ministry by Te Mahau and Te Pou Kaupapahere.

The education property redress aspect of this work is managed on behalf of the Ministry by Te Pou Hanganga, Matihiko | Infrastructure and Digital (TPHM).

As at 30 June 2024, the Ministry was responsible for 1,305 Treaty settlement commitments (across all redress types). The status of these commitments is summarised below:

The status of our Treaty settlement commitments



Source: Te Haeata Settlement Portal. Exported 27 June 2024, 3:34pm

Most of the commitments the Ministry is responsible for have been completed (64 percent) or are yet to be triggered (4 percent). A small proportion of our commitments (4 percent or 52 commitments) are reported as delivery issues. Because Te Haeata records separate commitments for each stage involved in delivering an obligation, many commitments can be affected by an issue with a single transaction. These commitments relate to:

- One whole-of-government relationship agreement where the relevant iwi entity has not engaged with the Crown through the agreement in some years. Te Puni Kōkiri is working with the entity to confirm a meeting date later in 2024.
- The delayed transfer of one property due to operational difficulties getting a land survey of the remote site. The Ministry is liaising with iwi and are in the final stages of transferring the property.
- Three properties stopped from transfer due to caveats by Wakatū Incorporation. Relevant post settlement governance entities (PSGEs) are receiving rental income, but the Crown cannot transfer legal title until litigation is resolved. The Ministry is maintaining a watching brief on the Crown litigation.

The Ministry is committed to a safe, healthy and secure work environment

Our Health and Safety and security foundation is underpinned by our leadership commitment to providing and maintaining a safe, healthy and secure work environment.

In July 2023, we refreshed the Health and Safety function to strengthen the staff participation and engagement to lift our collective Health and Safety capability across the Ministry. This includes:

- having regular monthly meetings with our Health and Safety Representatives to share knowledge and provide learning and development opportunities
- supporting our 11 Regional Health and Safety Committees to understand local activities, and engage with regional leads and union representatives at quarterly National Health and Safety Forums to raise issues and share best practice
- taking a collaborative approach to review Health and Safety practices and investigate issues, using the expertise and experience of our own people
- continuing to engage with our leadership team on incident reporting, and providing a summary of Health and Safety issues through our quarterly governance reporting, which is an opportunity to highlight and discuss critical issues regarding Health and Safety.

In April 2024, we completed the annual Protective Security Requirements self-assessment. The Ministry's position showed that our security risk management is operating in line with other government agencies with a similar security risk profile. Improvements have been achieved in the past 12 months in the governance of security with:

- regular reporting to senior leaders in place
- improvement in several areas of information security, with the implementation of enhancements of some system monitoring and intervention
- assessment and review of the physical security risk profile of our corporate offices across the country.

Further work is being progressed in the 2024/25 financial year to roll out the government information security classification system and assessment of the security risks against the Ministry's risk framework.

The Ministry is part of the Carbon Neutral Government Programme

As part of the Carbon Neutral Government Programme (CNGP), Te Tāhuhu reports on greenhouse gas (GHG) emissions for Te Tāhuhu Corporate Activities, Te Tāhuhu School Activities and School Board Activities. The quantity of emissions reported in our inventory reflects the scale, nature and variety of activities undertaken to support and deliver education to the state schooling sector.

All emissions results align with the Ministry for the Environment's 2024 Measuring Emissions Guidance, which uses the 100-year Global Warming Potentials (GWPs) in the IPCC Fifth Assessment Report (AR5).

Mandatory emissions

Our mandatory emissions sources are from Te Tāhuhu Corporate Activities and are divided into:

- Category 1 vehicle fleet and natural gas for heating office buildings
- Category 2 electricity supplied to office buildings
- Category 3 staff business travel, including air travel
- Category 4 waste from: office buildings, staff working from home (WFH) and business travel accommodation.

Reduction targets

In 2022, we set the following emissions reduction targets for our mandatory sources in Categories 1 to 4:

- **2025 target:** gross emissions reduced to 4,538 tonnes CO_2e by 2024/25 from a base year of 2018/19 of 5,744 tonnes CO_2e, representing a 21% reduction
- **2030 target:** gross emissions reduced to 3,332 tonnes CO_2e by 2029/30 from a base year of 2018/19 of 5,744 tonnes CO_2e, representing a 42% reduction.

In our 2023 Annual Report, we observed that the CNGP required a commitment to carbon neutrality by 2025 by all government organisations. We now note that a carbon neutrality date for the programme is under review and has not been confirmed at this stage.

Table 1: Ministry Corporate Activities Emissions Profile

Table 1 shows emissions from all Ministry Corporate Activities, detailed by category and total annual emissions (tCO_2-e) comparing our base reporting year (FY18/19) to the current financial year.

Emissions category	2018/19 emissions (tonnes CO_2e)	2023/24 emissions (tonnes CO_2e)	Change from base year
Mandatory emissions sources			
Category 1: Direct emissions	1,577	772	▼51%
Category 2: Indirect emissions from imported energy	504	334	▼34%
Category 3: Indirect emissions from transportation*	3,229	1,571	▼51%
Category 4: Indirect emissions from products used by the Ministry	434	201	▼54%
Mandatory emissions subtotal	**5,744**	**2,878**	**▼50%**

* Methodological change between base year and current year (introduced FY24) for calculating emissions from domestic flights.

Commentary on mandatory emissions

The Ministry has attained reductions in emissions against the base year in all mandatory categories. Key reductions have come from travelling less, especially flying less, and from the ongoing electrification of our vehicle fleet. This year, we have introduced carbon allocations for domestic flights so that fiscal constraints are not the only mechanism keeping flights in check.

Gross emissions

Table 2: Ministry emissions Profile

Table 2 shows gross emissions – including mandatory and material emissions. These emissions represent the total gross emissions for the Ministry across Ministry Corporate Activities, Ministry School Activities and School Board Activities. They are detailed by category and total annual emissions (tCO_2-e), comparing the last financial year to the current financial year.

Some emissions figures for 2022/23 were revised after the publication of the 2023 Annual Report as part of the audit and verification process. In such cases, the corrected figures have been restated and marked with an asterisk. All 2022/23 emissions figures have now been verified.

Emissions category	2022/23	2023/24	Change from previous year
Mandatory emissions sources			
Category 1: Direct GHG emissions and removals (vehicle fleet and natural gas)	1,172	772	▼34%
Category 2: Indirect GHG emissions from building electricity	297	334	▲12%
Category 3: Indirect GHG emissions from transportation (Ministry staff business travel, including air travel, accommodation and WFH)	3,923	1,571	▼60%
Category 4: Indirect GHG emissions from products used (waste, water, wastewater, and transmission and distribution for electricity and natural gas)	381	201	▼47%
Mandatory emissions subtotal	**5,773**	**2,878**	▼50%
Mandatory emissions sources			
Category 3: Indirect GHG emissions from transportation (Ministry staff commute and Ministry funded school transport)	30,802*	23,980	▼ 22%
Category 4: Indirect GHG emissions from products used – purchased goods and services, including state school capital works	385,963*	341,524	▼ 11%
Category 5: Indirect GHG emissions associated with the use of products from the organisation (energy used in schools, ākonga (pupil) and school staff commuting, school-led capital works, and school's purchased goods and services)	722,321*	475,321	▼34%
Material emissions subtotal	**1,139,086***	**840,825**	**▼26%**
Total emissions (tonnes CO_2e)	**1,144,847***	**843,703**	**▼ 26%**

Table 3: Emissions intensity

This table tracks change in emissions alongside organisational and sectoral change in FTEs and ākonga numbers. The results show a decrease of emissions per FTE between 2022/23 and 2023/24.

Te Tāhuhu Corporate Activities	2022/23	2023/24	Change from previous year
Ministry FTEs	4,311	4,387	▲1.8%
Mandatory corporate emissions (tCO_2-e)	5,773	2,878	▼ 50%
Emissions intensity per FTE (tCO_2-e)	1.34	0.66	▼50%
Te Tāhuhu School Activities & School Board Activities	**2022/23**	**2023/24**	**Change from previous year**
State school ākonga (students)	702,143	709,783	▲ 1.1%
Total gross Te Tāhuhu School Activities & School Board Activities emissions (tCO_2-e)	1,120,935	819,636	▼26%
Emissions intensity per ākonga (tCO_2-e)	1.60	1.15	▼ 26%

Verification of emissions data

Our mandatory emissions have been independently verified to reasonable assurance for Category 1 and 2 emissions, and limited assurance for Category 3 and 4 emissions. Our material emissions figures for FY24, including Ministry School Activities and School Board Activities, are unverified. The Ministry will include verified material emissions in our 2024/25 Annual Report.

Significant budget initiatives

Each year the Ministry is allocated funding by the Government to progress significant initiatives to respond to issues and challenges in the education system. The Budget 2023 funding initiatives below are important to the public and Parliament and align with the Ministry's strategic objectives.

Name of Initiative	Total funding ($000)	Contextual information
Improving Early Childhood Education (ECE) Affordability for Parents by Enhancing and Extending the 20 Hours ECE Scheme	1,185,000	This funding has been reversed as part of the Budget 2024 process. The purpose of this initiative was to provide funding to extend the 20 Hours Early Childhood Education (ECE) subsidy from three to five-year-olds to two-year-olds. This initiative also intended to reduce the cost of ECE for parents by reducing ECE service fees.
Delivering Pay Parity for Teachers in Education and Care Services	339,000	This initiative is the third tranche of funding to close the pay gap between certificated teachers in education and care services and their counterparts in kindergartens. Progress and performance information is set out on page 22.
Ka Ora, Ka Ako | School Lunch Programme	322,000	This initiative provided the 25 percent of ākonga (220,000 learners) with access to a nutritious lunch every school day, reducing food insecurity and financial hardship for families and whānau. The Programme supports child development, health and wellbeing, and removes barriers to participation in education. Progress and performance information is set out on page 17.
North Island Weather Events	117,000	This initiative provided immediate assistance to support staff in schools and kura impacted by the North Island Weather Events. This includes the employment of additional teachers for those schools that have experienced an increase in their roll due to enrolling ākonga from cyclone affected areas, immediate and high need property works to enable schools to reopen and operate safely, and replenishment of school library collections, related resources (excluding textbooks and devices) and shelving lost due to the North Island Weather Events. Progress and performance information is set out on page 28.

Nature and scope of functions

The education system impacts every person, whānau and community across Aotearoa New Zealand and is a major contributor to improving our society and economy.

The Ministry of Education is the lead advisor to the Government on education and the steward of the education system. This includes:

- Advising on the long-term health and performance of the whole education system.
- Working collaboratively with sector partners to deliver equitable and excellent outcomes for all ākonga.
- Providing support to enable sector leaders and the workforce to improve progress and achievement where needed.
- Taking action to give practical effect to Te Tiriti o Waitangi.
- Advising Ministers on the policy changes needed to enhance the performance of and outcomes from the system.
- Administering the Education and Training Act 2020 and other education legislation.

The Ministry's key responsibilities and functions include:

- Administering Vote Education and Vote Tertiary Education.
- Providing advice to Ministers on education, from early learning through schooling to tertiary education.
- Administering a range of legislative and regulatory controls, delivering funding and other resources, and providing services that support the governance, management and operation of early learning and schooling education providers.
- Monitoring early learning providers and schools and intervening when there is an operational or educational risk.
- Providing curriculum leadership, expertise and partnership for the NZC, Te Marautanga o Aotearoa and Te Whāriki, as well as expertise and resources for quality teaching.
- Providing support and resources to the community. This includes empowering parents and whānau to engage with the education of their ākonga, and working with whānau, iwi, employers and communities to strengthen engagement and achievement in education to involve them in the education system.
- Providing support for the Ministry's international engagements and operating as the Secretariat for the New Zealand National Commission for UNESCO.
- Providing advice on and support for education workforce negotiations, bargaining and pay equity.
- Providing advice on interventions to support the supply of quality kaiako across the education sector.

- Setting a School Payroll Strategy and monitoring the operational performance of Education Payroll Limited (EPL), which administers the largest payroll system in New Zealand, making payments to around 97,000 teachers, principals and people in non-teaching roles each fortnight.
- Overseeing all education property owned by the Crown, and managing the continued performance of school property, school transport and school ICT network infrastructure.
- Managing appointments to education entities' boards, supporting the setting of Crown entity performance expectations, and monitoring their operational performance.
- Undertaking research and analysis and monitoring the overall performance of the education system.
- Providing education system reporting on the all-of-government priorities and cross-government initiatives.
- Honouring Te Tiriti o Waitangi and supporting Māori-Crown relationships in the implementation and delivery of our legislative requirements.

Governance

Our Ministers as of 30 June 2024

The Ministry of Education administered Vote Education and Vote Tertiary Education on behalf of our Ministers, as set out below.

Minister and portfolio	Associate
Hon Erica Stanford Minister of Education	**Hon David Seymour** Associate Minister of Education

The New Zealand education system

The management, governance and leadership of the early learning, schooling and tertiary sectors is the responsibility of largely autonomous Board of Trustees, councils of tertiary institutions and other individual providers. The Ministry works with around 4,500 licensed early childhood education (ECE) services, over 2,500 schools and over 500 tertiary education providers.

Within government, the New Zealand education sector has many specialised agencies focused on delivering their part of the education system. The Ministry works with these agencies to improve and manage the performance of the education system to maximise results for New Zealand.

Education New Zealand (ENZ)

The lead government agency for the promotion of New Zealand education internationally. ENZ works to build awareness of this country as a study destination and to pave the way for exporting education providers and businesses.

Education Payroll Limited (EPL)

Crown-owned company managing the payroll for schools to affirm an accurate and reliable payroll service.

Education Review Office (ERO) – Te Tari Arotake Mātauranga

Reviews and reports publicly on the quality of education in all New Zealand schools and ECE services. The ERO also publishes national reports on current education topics.

New Zealand Council for Education Research (NZCER)

An independent, statutory education research and development organisation that carries out and disseminates education research and provides information and advice.

New Zealand Qualifications Authority (NZQA) – Mana Tohu Mātauranga o Aotearoa

Affirms that New Zealand qualifications are regarded as credible and robust, nationally and internationally.

Te Aho o Te Kura Pounamu – The Correspondence School

Provides distance education from early childhood to Year 13.

Teaching Council of Aotearoa New Zealand – Matatū Aotearoa

The professional and regulatory body for registered teachers working in early childhood centres, schools and other education institutions in New Zealand, representing teachers in both English and Māori settings. The Council aims to support the professional status of teachers and high-quality teaching and learning.

Tertiary Education Commission (TEC) – Te Amorangi Mātauranga Matua

Responsible for investing in government-funded tertiary education and training offered in New Zealand. The TEC also provides career services from education through to employment.

The Network for Learning Limited (N4L)

A Crown-owned company providing schools with a government-funded managed network service package that includes access to uncapped monthly data, online content filtering and security services.

Te Tāhuhu o te Mātauranga | The Ministry of Education as at 30 June 2024

He mea tārai e mātou te mātauranga kia rangatira ai, kia mana taurite ai ōna huanga.
We shape an education system that delivers equitable and excellent outcomes.

Te Mahau Takiwā | Regional Groups: Te Tai Raro | North, Te Tai Whenua | Central, Te Tai Runga |South

These are our local teams. Their largest operational function is to provide learning support for children with disabilities, learning difficulties and/or health needs, through specialist staff including educational psychologists, speech language therapists and early intervention teachers. Also based in the Takiwā, Education advisors provide operational support and advice to schools and early learning services, working alongside Curriculum Leads and leadership advisors who support teachers and leaders to strengthen their practice.

Te Poutāhū | Curriculum Centre

Designs and develops the national curricula and works with the Curriculum Leads to support the sector’s implementation of this through the provision of guidance, resources and funding professional learning and development.

Te Pae Aronui | Operations and Integration

Runs the resourcing system for schools and early learning, regulates early learning services, and delivers national services including Ka Ora, Ka Ako | Healthy School Lunches and Ikura | Period products. Also runs attendance and engagement initiatives, plans the schooling network, provides national oversight of learning support, and provides the Ministry’s key data and evidence functions.

Te Pou Ohumahi Mātauranga | Education Workforce

Responsible for sector workforce strategy, teacher supply initiatives and employment relations (including negotiating collective agreements), and maintaining a payroll service (delivered by Education Payroll Ltd) for the payment of school staff.

Te Pou Hanganga, Matihiko | Infrastructure & Digital The Ministry of Education provides central leadership, advice and services that support the sector, our Ministers and partner agencies.

Te Pou Hanganga, Matihiko | Infrastructure & Digital

Manages the school property portfolio, the second largest social property portfolio in New Zealand. Provides school transport assistance where distance or lack of suitable public transport present a barrier to education – assisting more than 100,000 students to get to and from school each day. Works with Network for Learning (N4L) to provide cybersecurity and managed digital services to schools.

Te Kaupapahere | Policy

Responsible for whole-of-system, end-to-end policy development covering early learning, compulsory schooling and tertiary. Provides integrated policy advice to Ministers and manages our regulatory stewardship responsibilities.

Te Pou Tuarongo | Māori Education

Is responsible for whole-of-system, end-to-end policy integration covering early learning, compulsory schooling and tertiary. This includes providing integrated policy advice to Ministers and managing our regulatory stewardship responsibilities.

Te Pou Rangatōpū | Corporate

Responsible for the delivery of statutory and corporate functions that enable the organisation to operate effectively and fulfil its statutory obligations.

Statement of Responsibility

I am responsible, as Chief Executive of the Ministry of Education (the Ministry), for:

- the preparation of the Ministry's financial statements, and statements of expenses and capital expenditure, and for the judgements expressed in them
- having in place a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting
- ensuring that end-of-year performance information on each appropriation administered by the Ministry is provided in accordance with sections 19A to 19C of the Public Finance Act 1989, whether or not that information is included in this Annual Report
- the accuracy of any end-of-year performance information prepared by the Ministry, whether or not that information is included in the Annual Report.

In my opinion:

- the Annual Report fairly reflects the operations, progress and the organisational health and capability of the Ministry
- the financial statements fairly reflect the financial position of the Ministry as of 30 June 2024 and its operations for the year ended on that date
- the forecast financial statements fairly reflect the forecast financial position of the Ministry as of 30 June 2024 and its operations for the year ending on that date.

Iona Holsted

Te Tumu Whakarae mō te Mātauranga |
Secretary for Education

30 September 2024

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INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF MINISTRY OF EDUCATION'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

The Auditor-General is the auditor of Ministry of Education (the Ministry). The Auditor-General has appointed me, Grant Taylor, using the staff and resources of Ernst & Young, to carry out, on his behalf, the audit of:

- the financial statements of the Ministry on pages 89 to 142, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2024, the statement of comprehensive revenue and expenses, statement of changes in taxpayers' equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information;
- the performance information for the appropriations administered by the Ministry for the year ended 30 June 2024 on pages 11 to 32, and 51 to 87;
- the statements of budgeted and actual expenses and capital expenditure incurred against appropriation and statement of expenses and capital expenditure incurred without, or in excess of, appropriation or other authority of the Ministry and statement of departmental capital injections and statement of funds held for the year ended 30 June 2024 on pages 148, and 159 to 164; and
- the schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown on pages 143 to 147, and 149 to 158 that comprise:
    - the schedules of assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2024;
    - the schedules of revenue; capital receipts and expenses for the year ended 30 June 2024; and
    - the notes to the schedules that include accounting policies and other explanatory information.

Opinion

In our opinion:

- the financial statements of the Ministry on pages 89 to 142:
    - present fairly, in all material respects:
        - its financial position as at 30 June 2024;
        - its financial performance and cash flows for the year ended on that date; and
    - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards.
- the performance information for the appropriations administered by Ministry on pages 11 to 32, and 51 to 87:
    - presents fairly, in all material respects:
        - what has been achieved with the appropriation;

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    - the actual expenses or capital expenditure incurred as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred; and
  - complies with generally accepted accounting practice in New Zealand.
- the statements of budgeted and actual expenses and capital expenditure incurred against appropriation and statement of expenses and capital expenditure incurred without, or in excess of, appropriation or other authority of the Ministry and statement of departmental capital injections and statement of funds held on pages 148, and 159 to 164 are presented fairly, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989.
- the schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown on pages 143 to 147, and 149 to 158 present fairly, in all material respects, in accordance with the Treasury Instructions:
  - the assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2024; and
  - the revenues; capital receipts and expenses for the year ended 30 June 2024.

Our audit was completed on 30 September 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Secretary for Education and our responsibilities relating to the information to be audited, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Secretary for Education for the information to be audited

The Secretary for Education is responsible on behalf of the Ministry for preparing:

- financial statements that present fairly the Ministry's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand.
- performance information that presents fairly what has been achieved with each appropriation, the expenditure incurred as compared with expenditure expected to be incurred, and that complies with generally accepted accounting practice in New Zealand.
- statements of budgeted and actual expenses and capital expenditure incurred against appropriation and statement of expenses and capital expenditure incurred without, or in excess of, appropriation or other authority of the Ministry and statement of departmental capital injections and statement of funds held of the Ministry, that are presented fairly, in accordance with the requirements of the Public Finance Act 1989.
- schedules of non-departmental activities, in accordance with the Treasury Instructions, that present fairly those activities managed by the Ministry on behalf of the Crown.

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The Secretary for Education is responsible for such internal control as is determined is necessary to enable the preparation of the information to be audited that is free from material misstatement, whether due to fraud or error.

In preparing the information to be audited, the Secretary for Education is responsible on behalf of the Ministry for assessing the Ministry's ability to continue as a going concern. The Secretary for Education is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Ministry, or there is no realistic alternative but to do so.

The Secretary for Education's responsibilities arise from the Public Finance Act 1989.

Responsibilities of the auditor for the information to be audited

Our objectives are to obtain reasonable assurance about whether the information we audited, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

For the budget information reported in the information we audited, our procedures were limited to checking that the information agreed to the Ministry's information on strategic intentions.

We did not evaluate the security and controls over the electronic publication of the information we audited.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the information we audited, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Secretary for Education.
- We evaluate the appropriateness of the reported performance information within the Ministry's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Secretary for Education and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Ministry's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Ministry to cease to continue as a going concern.

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- We evaluate the overall presentation, structure and content of the information we audited, including the disclosures, and whether the information we audited represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Secretary for Education regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Secretary for Education is responsible for the other information. The other information comprises the information included on pages 3 to 10, 33 to 46, and 88 but does not include the information we audited, and our auditor's report thereon.

Our opinion on the information we audited does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Ministry in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit we have carried out an assurance engagement related to school payroll reporting, school health lunches reporting and delivered digital technology portal for holiday pay remediation programme.

Other than the provision of these engagements, we have no relationship with, or interests, in the Ministry.

Grant Taylor
Ernst & Young
Chartered Accountants
On behalf of the Auditor-General
Wellington, New Zealand

Part Two:
Our performance information

The following information reports on what we achieved against the performance measures set out in the 2023/24 Estimates of Appropriations for Vote Education and Vote Tertiary Education.

This section describes the specific goods and services we were funded to deliver in 2023/24 to be able to progress the longer-term objectives and priorities reported on in Part One of the Annual Report. The summary of results on the following pages highlights the connections and results for the year. Monitoring this information helps us to review if we are achieving the results intended and make any necessary changes.

We are the appropriation administrator for some multi-category appropriations (MCAs), which include both departmental and non-departmental expenditure. For these appropriations, we must report on what has been achieved with the whole appropriation as well as each of the categories. Non-departmental categories have been highlighted in grey. Non-departmental outputs are outputs (goods and services) purchased from a provider other than the Ministry. The provider may be a government agency, a non-governmental organisation, or a private sector organisation.

Additional information on asset measures is provided on page 88. This information is required to be included in the Annual Report.

Performance indicators:

Upwards (positive) trend	**Downwards (negative) trend**	**Maintained trend**	**Not available**

2023/24 Summary of Non-Financial Performance Results

The following table shows where the various appropriations contribute to the five objectives for education and the outcome story reported in Part One of the Annual Report, noting their primary area of focus (✔).

VOTE	LINKAGES TO GOVERNMENT'S OBJECTIVES FOR EDUCATION					PAGES
VOTE EDUCATION						
Titles of Appropriations by Appropriation Type	**Learners at the centre**	**Barrier-free access**	**Quality teaching and leadership**	**Future of learning and work**	**World class inclusive public education**	
Multi-Category Expenses and Capital Expenditure						
Oversight of the Education System MCA (M26)					✔	53-58
Improved Quality Teaching and Learning MCA (M26)			✔			59-63
Outcomes for Target Student Groups MCA (M26)		✔				64-67
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Departmental Output Expenses						
Support and Resources for Parents and the Community (M26)	✔					77
School Property Portfolio Management (M26)					✔	78-79
Departmental Capital Expenditure						
Ministry of Education – Capital Expenditure PLA (M26)					✔	80-81
VOTE TERTIARY EDUCATION						
Departmental Output Expenses						
Stewardship and Oversight of the Tertiary Education System (M26)				✔		83-86
Non-Departmental Capital Expenditure						
Tertiary Education Institutions' Proceeds from Disposal of Crown Assets (M14)					✔	87

Vote Education
Portfolio Minister – Minister of Education

Oversight of the Education System

Overarching Purpose Statement

The single overarching purpose of this appropriation is to provide policy advice, research, monitoring and related services that enable Ministers to discharge their responsibilities for a well-functioning education system (excluding tertiary education).

Intention Statement:

This appropriation is intended to provide high-quality and timely advice to Ministers to support decision-making, managing the Government's investment in the education sector, and monitoring and oversight of the sector.

SCOPE OF APPROPRIATION:	INTENTION STATEMENT:
Departmental Output Expenses	
Stewardship and Oversight of the Education System This category is limited to providing advice and services to support Ministers to discharge their portfolio responsibilities relating to education (excluding tertiary and international education), and delivery of research and data analysis, monitoring and reporting on the education system, and related administrative and oversight activities.	*Stewardship and Oversight of the Education System* This category is intended to achieve high-quality and timely advice to Ministers to support decision-making, managing the Government's investment in the education sector, and monitoring and oversight of the sector by the Ministry of Education.
Departmental Output Expenses	
Independent Advice on Government Priority Areas This category is limited to the provision, independently of the Ministry of Education, of advice (including second opinion advice and contributions to policy advice led by other agencies, advice on operational matters and expert review service advice) to support decision-making by Ministers on government priority areas.	*Independent Advice on Government Priority Areas* This category is intended to achieve, independent of the Ministry of Education, advice to support decision-making by Ministers on government priority areas.

Oversight of the Education System Performance

Performance 2022/23	Performance Measure	Budget Standard 2023/24	Actual Performance 2023/24	Comment
7	The satisfaction rating given by the Minister of Education with the overall performance of the Ministry (see Note 1)	7	3	Not achieved
	Not achieved — The Ministry has been working alongside the Minister and her office as we shifted our focus to deliver incoming government priorities. The survey measured ministerial satisfaction since the current Minister took office in late November 2023. We will continue to work with our Ministers to better understand the support they require and meet their expectations.			

Note 1: The rating measures Ministers' satisfaction on a scale from 1 to 10, where 1 means unsatisfied and 10 means extremely satisfied.

Ministerial Services Performance

Performance 2022/23	Performance Measure	Budget Standard 2023/24	Actual Performance 2023/24	Comment
97.00%	Percentage of Ministerial correspondence replies, Parliamentary question replies and Ministerial Official Information Act replies completed within the timeframes agreed between the Ministry and the Office of the Minister	95%	96%	Achieved
98.00%	Percentage of Ministerial correspondence replies, Parliamentary question replies and Ministerial Official Information Act replies provided that are factually accurate, meet any legislative requirements, and contain no avoidable errors, as measured by acceptance rates by the Office of the Minister	95%	99%	Achieved
99.61%	Percentage of requests made to the Ministry under the Official Information Act responded to within the legislative timeframes	100%	99.68%	Not achieved
82.82%	Percentage of Official Information Act requests made to the Ministry released on the Ministry's website within 10 working days, where a decision has been made to publicly release the information	98%	97%	Not achieved
	Not achieved — The standard was not achieved due to the unexpected high volumes of OIAs received.			
26.00%	Percentage of Education Reports and Briefing Notes to Ministers proactively released and published online within 30 business days of final decisions being taken by Ministers, unless there is good reason not to publish all or part of the material, or to delay the release beyond 30 business days (see Note 1)	80%	52%	Not achieved
	Not achieved — Proactive Release resources have been reallocated to address high OIA volumes which delayed the publication of information.			

Note 1: This measure relies on actions that are often outside of the Ministry's control. The Budget Standard for 2023/24 has been adjusted to take this into account.

Monitoring the Education System

Performance 2022/23	Performance Measure	Budget Standard 2023/24	Actual Performance 2023/24	Comment
ECE expenditure: +0.67% Teacher salaries expenditure: +1.4% School operational expenditure: -0.53%	Forecasts of expenditure for early learning and primary and secondary schooling are accurate	Accurate within ± 3% of actual values	ECE expenditure: 4.34% Teacher salaries expenditure: -0.01% School operational expenditure: -0.02%	–
9	The satisfaction rating given by the Minister of Education on the quality of monitoring advice provided by the Ministry about Crown agencies (see Note 1)	7	5	–
	Not achieved — The Ministry is engaging with the Minister to make improvements to how it conducts Crown entity monitoring to meet her expectations for the Education portfolio. The survey measured ministerial satisfaction since the current Minister took office in late November 2023.			

Note 1: The rating measures Minister's satisfaction on a scale from 1 to 10, where 1 means unsatisfied and 10 means extremely satisfied.

Policy Advice

Performance 2022/23	Performance Measure	Budget Standard 2023/24	Actual Performance 2023/24	Comment
	Internal assessment of the quality of the Ministry's policy advice (see Note 1):			
3.58	› mean	Mean 4 out of 5	3.41	Not achieved
	Not achieved — The Ministry is working on continuous improvement, and has set a new stretch target of 72% for 2024/25. Compared with the future 2024/25 target, the 2023/24 result is equivalent to 68%			
› Met "less than 10% score 2.5 and under/5" – actual 0% › Met "over 90% score 3/5 or higher" – actual 100% › Did not meet "over 40% score 4 and above/5" – actual 16.1%	› distribution target of scores – less than 10% scoring 2.5 and under with 90% at 3 or above, and over 40% scoring 4 and above	Achieved	› Met "less than 10% score 2.5 and under/5" – actual 7.1% › Met "over 90% score 3/5 or higher" – actual 92.9% › Did not meet "over 40% score 4 and above/5" – actual 32%	Not achieved
	Not achieved — This target was previously set consistent with the ambitious mean policy quality score. It has been reset for 2024/25 at 25% of papers scoring above 4 consistent with the new stretch mean target.			
3.43	Satisfaction of the portfolio minister with the policy advice service (see Note 2)	4.00	3.16	Not achieved
	Not achieved — The Ministry will work to understand and better meet the Minister's expectations for quality policy advice over the coming year, alongside its work on improving the quality of its policy advice. The 2023/24 survey measured ministerial satisfaction since the current Minister took office in late November 2023, asking 21 standard questions about policy advice provided by the Department of the Prime Minister and Cabinet (DPMC) to policy agencies.			

Note 1: Based on a five-point scale: 1 = Unacceptable; 2 = Poor; 3 = Acceptable; 4 = Good; 5 = Outstanding. All agencies are required to use the refreshed Policy Quality Framework to assess the quality of their policy papers.

Note 2: The Ministerial Policy Satisfaction Survey assesses the Minister's satisfaction with the services provided by the policy function on a scale from 1 to 5, where 1 means unsatisfied and 5 means extremely satisfied.

Research and Analysis

Performance 2022/23	Performance Measure	Budget Standard 2023/24	Actual Performance 2023/24	Comment
	For newly released research and/or evaluation reports on the Education Counts website (see Note 1), the minimum number of:			
10,395	› page visits per annum	7,000	22,350	✓
4,732	› downloads per annum	4,000	8,291	✓
Good (4)	The quality and range of the Ministry's outputs is assessed through an independent expert review (see Note 2)	Quality is assessed as 'good' or better	Good	✓
	Provision and servicing of information requests:			✓
1 day	› median time to turnover information requests (see Note 3)	2 working days	1 working day	

Note 1: The number of newly released research and/or evaluation reports on the Education Counts website is forecast to be 40 in 2023/24.

Note 2: Based on reviews of a sample of analytical and research outputs independently assessed on a five-point scale (1 = Very poor, 2 = Poor, 3 = Acceptable, 4 = Good, 5 = Very good). The annual result will be an average of the ratings for all the outputs reviewed.

Note 3: 'Information requests' can vary from same day provision to up to two months for some complex Official Information Act requests.

Financial performance

	2022/23	2023/24		
	Actual	Budget	Supplementary Estimates	Actual
	$000	$000	$000	$000
Total expenses for MCA as a whole	**68,700**	**65,671**	**69,104**	**74,419**
This is made up of the following category information:				
Departmental Output Expenses				
Stewardship and Oversight of the Education System	68,700	65,671	69,104	74,419
Non-Departmental Output Expenses				
Independent Advice on Government Priority Areas	-	-	-	-
Funding for Departmental Output Expenses				
Revenue from the Crown				
Stewardship and Oversight of the Education System	70,790	65,661	69,094	69,094
Revenue from Others				
Stewardship and Oversight of the Education System	-	10	10	-

Actual expenditure is $8.748 million (13%) higher than Budget, mainly due to:

› additional funding for progression of Te Rito, a national information-sharing platform that enables ākonga and learner information to follow them throughout their education ($2.511 million increase)

› additional funding to establish a Ministerial Advisory Group to review primary and secondary school staffing settings ($1.375 million increase), and

› the Ministry incurred expenditure of $5.315 million more than approved in the 2023/24 Supplementary Estimates. An explanation is provided in the Statement of Expenses and Capital Expenditure Incurred Without, or in Excess of, Appropriation or Other Authority, on page 164.

Improved Quality Teaching and Learning

Overarching Purpose Statement

The single overarching purpose of this appropriation is to improve the quality of teaching and learning for children and young people aged 0 to 18 years.

Intention Statement:

This appropriation is intended to achieve improved professional development of the workforce and enhanced learning for age 0 to 18 years.

SCOPE OF APPROPRIATION:	INTENTION STATEMENT:
Departmental Output Expenses	
Support and Resources for Teachers This category is limited to expenditure on policies and services focused on supporting the capability of teachers, kaiako and leaders to improve outcomes for students.	*Support and Resources for Teachers* This category is intended to enable a highly effective workforce that can address the personalised needs of all learners.
Non-Departmental Output Expenses	
Curriculum Support This category is limited to funding educational programmes for teachers, kaiako and leaders, students with their families, and the community that expand learning opportunities.	*Curriculum Support* This category is intended to achieve engagement of all teachers, kaiako and leaders, and students with their families, as well as their communities, in equitably and responsively supporting students to be successful through relevant and accessible curriculum pathways.
Professional Development and Support This category is limited to building the capability of teachers, kaiako and leaders, through the delivery of learning and development opportunities.	*Professional Development and Support* This category is intended to achieve support for teachers, kaiako and leaders to develop their capability to deliver authentic, relevant and culturally responsive learning aligned to the needs of their learners.

Improved Quality Teaching and Learning

Performance 2022/23	Performance Measure	Budget Standard 2023/24	Actual Performance 2023/24	Comment
1,035	Total number of schools, kura and kāhui ako receiving centrally funded locally focused allocations of professional learning and development (see Note 1)	880	1,252	✓

Note 1: The target has been changed from 'maintain or improve' to a fixed target of 880 schools for 2023/24 to improve transparency of service performance.

Support and Resources for Teachers

Performance 2022/23	Performance Measure	Budget Standard 2023/24	Actual Performance 2023/24	Comment
	Usage of the Kauwhata Reo portal:			
244,632	› overall number of page views	475,000	432,647	
52,284	› total number of unique users	325,000	N/A	
	Usage of and engagement with Te Whāriki Online:			
129,550	› total number of new New Zealand users	126,000	78,700	
338,374	› engagement with information accessed (see Note 1)	315,000	N/A	
	Not achieved — Data impacted due to the transition to a new platform for curriculum content. These measures have been deleted for FY2024/25.			

Note 1: Engagement is indicated by users who scroll 90% of a page.

Curriculum Support

Performance 2022/23	Performance Measure	Budget Standard 2023/24	Actual Performance 2023/24	Comment
74.00%	Percentage of children successfully completing Reading Recovery and are able to read at cohort expectation	70%	73.00%	Achieved
90.00%	Percentage of ākonga who have exited Mauri Tū Mauri Ora initiatives and are achieving at expected levels of Te Marautanga o Aotearoa (see Notes 1 and 2)	Maintain or improve	93.55%	Achieved
	Places of learning receiving support through the Curriculum Lead service:			
2,127	› total number of Curriculum Lead interactions	Maintain or improve	2,692	Achieved
	Percentage of all Curriculum Lead interactions by place of learning type:			
32.00%	› Early learning	Maintain or improve	36.00%	Achieved
5.00%	› Māori-medium	Maintain or improve	16.00%	Achieved
63.00%	› English-medium	Maintain or improve	48.00%	Not achieved
	Not achieved — The interactions of the Curriculum Leads in English-medium decreased proportionally due to the increase in Early Learning and Māori-medium.			
	Percentage of all Curriculum Lead interactions by support level (see Note 3):			
67.00%	› self-directed	Maintain or improve	82.00%	Achieved
23.00%	› guided	Maintain or improve	14.00%	Not achieved
10.00%	› supported	Maintain or improve	4.00%	Not achieved
	Not achieved — Guided and supported interactions decreased as self-directed support level interactions were the key approach during Term 1 and 2 to support the new priorities for schooling.			

Note 1: The number of ākonga participating in Mauri Tū Mauri Ora fluctuates year on year, depending on how many ākonga, kura and schools have participated in the initiative.

Note 2: The data is manually gathered from provider milestone reports, whose timeframes do not coincide with Ministry reporting timeframes so total numbers reported are subject to milestone reporting timeframes.

Note 3: The interaction support level is defined as follows:
• self-directed - Curriculum Leads facilitate information sharing and access to newly developed curriculum resources and guidance
• guided - Curriculum Leads work with individual places of learning or clusters to develop a support plan
• supported - Curriculum Leads work with individual places of learning or clusters to develop a support plan with access to knowledge.

Professional Development and Support

Performance 22022/23	Performance Measure	Budget Standard 2023/24	Actual Performance 2023/24	Comment
N/A	Percentage of early learning services participating in Strengthening Early Learning Opportunities (SELO) programmes that demonstrate positive shifts in practice (see Note 6)	80%	This data is collected annually. The 2023/24 results will be available later in 2024	
96.00%	Percentage of Beginning Principals who report positive feedback about the support they have received from their Principal Advisors (see Notes 7 and 8)	90%	97.33%	✓
9,853	Number of people who participated in Te Ahu o Te Reo Māori programme	10,000	10,175	✓

Note 6: It is expected that SELO programmes are delivered to between 1,200 and 1,500 early learning services.

Note 7: This measure will cover a period of transition to a new service from June 2023, which is expected to influence ratings.

Note 8: The wording for this measure has been updated for 2023/24 from "Leadership Advisors" to "Principal Advisors" to avoid any confusion with the new Ministry Leadership Advisors being appointed from January 2023. The 2023/24 Budget Standard changed to a fixed target to improve transparency of performance.

Financial performance

	2022/23	2023/24		
	Actual	Budget	Supplementary Estimates	Actual
	$000	$000	$000	$000
Total expenses for MCA as a whole	**389,682**	**419,136**	**434,031**	**388,367**
This is made up of the following category information:				
Departmental Output Expenses				
Support and Resources for Teachers	186,251	184,991	189,882	171,988
Non-Departmental Output Expenses				
Curriculum Support	75,486	93,853	101,138	86,899
Professional Development and Support	127,945	140,292	143,011	129,480
Funding for Departmental Output Expenses				
Revenue from the Crown				
Support and Resources for Teachers	195,856	184,981	189,872	189,872
Revenue from Others				
Support and Resources for Teachers	-	10	10	-

Actual expenditure is $30.769 million (7%) lower than Budget, mainly due to a combination of:

- underspends to be carried forward to 2024/25 in the 2024 October Baseline Update to complete work programmes delayed due to circumstances beyond the Ministry's control ($37.931 million decrease)
- discontinuation of funding for Te Kawa Matakura programme ($8.430 million decrease including $4.300 million transferred from 2022/23 and reprioritised to non-departmental output expense Schooling Improvement for the Whānau Engagement Fund)
- savings in non-departmental output expenses ($7.731 million decrease)
- funding (transferred from Primary and Secondary Education MCA) for programmes to support students to meet literacy and numeracy standards, for students up to Year 10 ($18.473 million increase), and
- funding for settlement of teachers' and principals' collective agreements ($3.618 million increase).

Outcomes for Target Student Groups

Overarching Purpose Statement

The single overarching purpose of this appropriation is to improve outcomes for targeted student groups.

Intention Statement:

This appropriation is intended to achieve equitable participation and increased engagement within the education system.

SCOPE OF APPROPRIATION:	INTENTION STATEMENT:
Departmental Output Expenses	
Interventions for Target Student Groups This category is limited to expenditure on policies and services focused on targeted student groups or individuals' participation in education.	*Interventions for Target Student Groups* This category is intended to achieve equitable participation and education outcomes for targeted student groups.
Non-Departmental Output Expenses	
Learning Support and Alternative Education This category is limited to providing additional resources and programmes to enable students with additional learning needs or those who are disengaged or disengaging from education to participate in education.	*Learning Support and Alternative Education* This category is intended to achieve equitable participation and education outcomes for targeted student groups.
Students Attendance and Engagement This category is limited to providing services to support increased attendance for non-attending students.	*Students Attendance and Engagement* This category is intended to achieve maximum attendance at schools by reducing absence rates and non-enrolment and reducing the time it takes to return students to education.
School Lunch Programme This category is limited to providing lunches to students in schools and kura with high concentrations of disadvantage.	*School Lunch Programme* This category is intended to improve learners' levels of concentration, engagement, school achievement and behaviour by providing access to a healthy lunch every day.

Outcomes for Target Student Groups

Performance 2022/23	Performance Measure	Budget Standard 2023/24	Actual Performance 2023/24	Comment
39.90%	Participation in primary and secondary education: The percentage of students attending school regularly (see Note 1).	70%	47.00%	−
	Not achieved – While there has been an improving trend since 2022/23, less than half of students attended school regularly (that is, at least 90% of the time) in Term 3 of 2023. An Attendance Action Plan was launched in April 2024 to urgently lift school attendance by: improving attendance data; strengthening accountability of schools and parents; raising public awareness of the importance of school attendance to change behaviours; and delivering effective attendance supports and interventions. Initiatives from the previous School Attendance and Engagement Strategy continue to be reviewed to better target investment decisions. A government attendance target was announced in April 2024: 80% of students are present for more than 90% of the term by 2030.			

Note 1: Attending regularly is defined as attending at least 90% of half-days.

Interventions for Target Student Groups

Performance 2022/23	Performance Measure	Budget Standard 2023/24	Actual Performance 2023/24	Comment
	Average number of days eligible children and young people wait to receive support after the request for support:			
47,593	› Number of children receiving a specialist learning support service	34,225 – 45,720	50,442	
	Average number of days eligible children and young people wait to receive support after the request for support:			
51.12 calendar days	› Behaviour Service	< 50 calendar days	61.31 calendar days	
	Not achieved — Increase in wait times for behaviour services is due to ongoing issues with recruitment and workforce availability, increasing demand for services and complexity of presenting needs within schools and kura.			
78.85 calendar days	› Communication Service	< 75 calendar days	89.99 calendar days	
	Not achieved — Increase in wait times for communication services is due to increased demand, increased number of learners with complex needs and late identification of language difficulties.			
14.40 calendar days	› Ongoing Resourcing Support	< 22 calendar days	15.78 calendar days	
105.30 calendar days	› Average number of days eligible children and young people wait to receive support from the Early Intervention Service after the request for support:	< 90 calendar days	125.99 calendar days	
	Not achieved — Increase in wait times to receive support is due to increased demand for services and complexity of presenting needs within schools and kura.			
29.45%	› percentage within 45 calendar days	25%	21.88%	
	Not achieved — Increase in wait times to receive support is due to increased demand for services and complexity of presenting needs within schools and kura.			
37.02%	› percentage within 60 calendar days	40%	27.98%	
	Not achieved — Increase in wait times to receive support is due to increased demand for services and complexity of presenting needs within schools and kura.			
81.70%	› Percentage of children whose behavioural issues have improved following their parents' completion of the Incredible Years Parent Programme (see Note 1)	80%	80.80%	
87.00%	› Percentage of schools and kura who have opted in for access to free period products (see Note 2)	80%	87.80%	

Note 1: The data for this measure is drawn from results from a questionnaire (Eyberg Child Behaviour Inventory) completed by parents before and after participation in the programme. The 2023/24 Budget Standard increased based on performance in prior year.

Note 2: All state and state-integrated schools are invited to opt into the Ikura | Manaakitia te whare tangata – Period products in schools initiative. Once a school has opted into the initiative it is unlikely that they will opt out. This is a multi-year initiative currently funded to 2024.

Learning Support and Alternative Education

Performance 2022/23	Performance Measure	Budget Standard 2023/24	Actual Performance 2023/24	Comment
74.00%	› Percentage of retained ākonga in Service Academies who achieve NCEA Level 2 or higher	75%	83.00%	Achieved
2,236	› Number of young people enrolled in the Alternative Education programme (see Note 1)	2,500	2,216	Not achieved
	Not achieved — This is a demand driven measure.			
Not available	› Number of ākonga supported through the Resource Teacher Learning and Behaviour service (RTLB)	15,000 - 17,000	14,373	Not achieved
	Not achieved — This is a demand driven measure. RTLB is being delivered in group sessions and are not counting individual participants.			

Note 1: This is a demand driven measure. RTLB is being delivered in group sessions and are not counting individual participants.

Students Attendance and Engagement

Performance 2022/23	Performance Measure	Budget Standard 2023/24	Actual Performance 2023/24	Comment
	Percentage of students who have been returned to schooling within:			
58.78%	› 40 days following an exclusion	55%	54.06%	Not achieved
85.91%	› 75 days following an exclusion	85%	80.95%	Not achieved

School Lunch Programme

Performance 2022/23	Performance Measure	Budget Standard 2023/24	Actual Performance 2023/24	Comment
100.00%	› Percentage of schools in the programme that are provided with the required lunches through managed contracts	98%	99.70%	Achieved

Financial performance

	2022/23	2023/24		
	Actual	Budget	Supplementary Estimates	Actual
	$000	$000	$000	$000
Total expenses for MCA as a whole	**1,376,025**	**1,444,135**	**1,498,385**	**1,498,916**
This is made up of the following category information:				
Departmental Output Expenses				
Interventions for Target Student Groups	414,791	432,290	442,451	418,268
Non-Departmental Output Expenses				
Learning Support and Alternative Education	673,104	696,024	740,113	765,438
School Lunch Programme	267,026	283,989	282,889	284,498
Students' Attendance and Engagement	21,104	31,832	31,832	30,658
Non-Departmental Output Expenses				
Additional School Lunch Expenses	-	-	1,100	54
Funding for Departmental Output Expenses				
Revenue from the Crown				
Interventions for Target Student Groups	418,166	430,142	440,112	440,112
Revenue from Others				
Interventions for Target Student Groups	599	2,148	2,621	2,102

Actual expenditure is $54.781 million (4%) higher than Budget mainly due to a combination of:

- funding for settlement of teachers' and principals' collective agreements ($28.849 million increase)
- settlement of the NZEI Te Riu Roa Field Staff and NZEI Service Managers and Support Workers collective agreements for Ministry of Education staff ($8.195 million increase)
- impacts of higher-than-expected national roll projections on teacher salaries and school operations grants ($5.614 million increase)
- funding to expand the ENGAGE programme to support pre-school children in their social and emotional learning ($4.896 million increase)
- settlement of the Therapist Pay Equity Claim ($4.269 million increase)
- additional provision in Budget 2024 for increased liability estimate for Holidays Act remediation for school employees ($2.029 million increase) and to meet the forecast increase in students/ākonga with high health needs through the School High Health Needs Fund ($1.800 million increase)
- pay equity settlement to all social workers and those undertaking substantially similar work in community and iwi organisations ($2.106 million increase), and
- reprioritisation to support the additional estimated cost of settlement for the Secondary Teachers' Collective Agreement ($3.217 million decrease).

The Ministry incurred expenditure of $531,000 more than approved in the 2023/24 Supplementary Estimates. In August 2023, Cabinet approved expenditure for settling the Therapist Pay Equity Claim. However, the use of imprest supply was not drawn down in time for settling the claim due to Budget 2024 moratorium restrictions. Refer to the Statement of Expenses and Capital Expenditure Incurred Without, or in Excess of, Appropriation or Other Authority, on page 164.

Primary and Secondary Education

Overarching Purpose Statement

The overarching purpose of this appropriation is to provide teachers, funding and other resourcing entitlements to schools (and other education providers) to deliver education to school students in Years 0 to 13.

Intention Statement:

This appropriation is intended to achieve inclusive, equitable and quality education which supports all students in Years 0 to 13.

SCOPE OF APPROPRIATION:	INTENTION STATEMENT:
Departmental Output Expenses	
Support and Resources for Education Providers This category is limited to expenses incurred on operational policies, regulations and services relating to the governance, management and operation of education providers (other than tertiary education providers).	*Support and Resources for Education Providers* This category is intended to support the effective and efficient governance, management and operation of early learning services, schools and kura.
Non-Departmental Output Expenses	
Primary Education This category 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 education to all students for Years 0 to 8.	*Primary Education* This category is intended to achieve inclusive, equitable and quality education that supports all Year 0 to 8 students.
Secondary Education This category 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 education, including programmes of learning at the secondary-tertiary interface to all students for Years 9 to 13.	*Secondary Education* This category is intended to achieve inclusive, equitable and quality education that supports all Year 9 to 13 students and continuation of education to a tertiary level.
School Risk Management Scheme This category is limited to the expenses incurred in purchasing reinsurance and settling claims under the school risk management scheme, in accordance with the Education and Training Act 2020.	*School Risk Management Scheme* This category is intended to provide insurance cover for participating state and state-integrated schools, by providing insurance protection.

Primary and Secondary Education

Performance 2022/23	Performance Measure	Budget Standard 2023/24	Actual Performance 22023/24	Comment
	Participation in primary and secondary education: The percentage of students attending school regularly (see Note 1):			
59.50%	› Term 1	70%	61.70%	
39.90%	› Term 2	70%	47.00%	
46.00%	› Term 3	70%	45.90%	
64.90%	› Term 4	70%	53.60%	
	Not achieved — Refer to footnote on page 64.			
	Percentage of school leavers with NCEA Level 2 or equivalent:			
75.01%	› all	Maintain or improve on previous year's result	74.35%	
	Not achieved — Attainment of NCEA Level 2 or equivalent was lower because there were more students leaving school before the age of 17 in 2023. COVID-19 may also have impacted attainment levels. In 2023, the percentage of school leavers who remained in school until at least 17 years of age (retention rate) decreased 0.8 percentage points to 78.6% and is the lowest it has been since data collection began in 2009 (79.3%).			
58.61%	› Māori	Maintain or improve on previous year's result	58.25%	
68.79%	› Pacific	Maintain or improve on previous year's result	69.48%	

Note 1: Attending regularly is defined as attending at least 90% of half-days. The 2022/23 Estimated Actual figures are 2022 calendar year data. The Term 4 figure is preliminary and may be subject to change. The 2023/24 Budget Standard refers to the 2023 calendar year.

Support and Resources for Education Providers

Performance 2022/23	Performance Measure	Budget Standard 2023/24	Actual Performance 2023/24	Comment
Support and Resources for Education Providers				
99.53%	› All resourcing payments are accurate and on time (see Note 1)	100%	99.96%	Not achieved
	Percentage of payroll payments to eligible teachers and school support staff which are:			
98.64%	› accurately calculated	99.5%	99.30%	Not achieved
99.09%	› sent to financial institutions on time in order to be processed on or before advised pay dates	99.5%	99.64%	Achieved
94.00%	› Percentage of decisions on proposed statutory interventions under Part 3, Subpart 5 'Interventions in State Schools' of the Education and Training Act 2020 that are made within three months of the confirmed Education Review Office report being published, or request from Boards of Trustees, or referral from the sector, or determination by the Ministry (see Note 2)	95.00%	95.00%	Achieved

Note 1: Accuracy and timeliness is calculated and aggregated 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.

Note 2: Part 3, Subpart 5 'Interventions in State Schools' of the Education and Training Act 2020 allows the Minister of Education or the Secretary for Education (or their delegates) to use a statutory intervention in a state or state-integrated school. The Minister must have reasonable grounds for concern about the operation of the school or the welfare or educational performance of its students (section 171(2)), OR reasonable grounds to believe that there is a risk to the operation of the school or the welfare or educational performance of its students (section 171(3)).

Primary Education

Performance 2022/23	Performance Measure	Budget Standard 2023/24	Actual Performance 2023/24	Comment
89.52%	Percentage of primary schools who do not use exclusions as a disciplinary action	Maintain or improve	88.36%	Not achieved
	Participation in primary education - The percentage of students attending school regularly (see Note 3):			
62.60%	› Term 1	70%	65.60%	Not achieved
	› Term 2			
41.60%	• all students	70%	49.80%	Not achieved
29.00%	• Māori students	70%	36.50%	Not achieved
30.60%	› English-medium	70%	38.30%	Not achieved
22.40%	› Māori-medium (see Note 2)	70%	31.20%	Not achieved
24.00%	› Mixed-medium	70%	30.90%	Not achieved
27.50%	• Pacific students	70%	35.30%	Not achieved
49.20%	› Term 3	70%	48.90%	Not achieved
53.50%	› Term 4	70%	57.20%	Not achieved
	Not achieved — Refer to footnote on page 64.			
66.82%	Percentage of School Analysis of Variance Reports received from schools (see Note 4)	90%	70.12%	Not achieved
	Not achieved — This figure is lower than expected because 2024 was the first year schools were not required to submit their statement of variance in March in addition to submitting as part of their Annual Report.			
13.60%	Percentage of schools and kura with students in Years 1 to 8 receiving Māori Language Programme Funding for Levels 1 and 2 (see Notes 5, 6 and 7)	Maintain or improve	13.80%	Achieved
44.40%	Percentage of schools and kura with students in Years 1 to 8 receiving Māori Language Programme Funding for Levels 3, 4a and 4b (see Notes 5, 6 and 7)	Maintain or improve	46.50%	Achieved
Not available	Percentage of Māori students in Māori-medium and kaupapa Māori education in Years 1 to 8 (see Note 8)	Baseline year	14.60%	Achieved
Not available	Percentage of students in English-medium in Years 1 to 8 learning te reo Māori (see Note 9)	Baseline year	44.00%	Achieved
	Retention rate for the primary teacher workforce (see Note 10):			Achieved

Not available 89.00%	› all regular (non-relief) teachers	90%	88.60%	Not achieved
	Not achieved — Retention improved during the pandemic and declined in the period following the pandemic as borders and the labour market reopened. Retention has been improving since the low point following the pandemic and has stabilised at around 88-89%. Retention rates have been slowly trending towards standard.			
Not available 87.20%	› Māori teachers	90%	86.90%	Not achieved
	Not achieved — Retention improved during the pandemic and declined in the period following the pandemic as borders and the labour market reopened. Retention has been improving since the low point following the pandemic and has stabilised at around 88-89%. Retention rates have been slowly trending towards standard.			
Not available 90.90%	› Pacific teachers	90%	90.10%	Achieved

Note 3: Attending regularly is defined as attending at least 90% of half-days. The 2022/23 Estimated Actual figures are 2022 calendar year data. The Term 4 figure is preliminary and may be subject to change. The 2023/24 Budget Standard refers to the 2023 calendar year.

Note 4: School Analysis of Variance Reports report on a school's performance compared to agreed performance goals.

Note 5: This measure covers state and state-integrated schools only. The 2022/23 Budget Standard and Estimated Actual refer to the 2022 calendar year. The 2023/24 Budget Standard refers to the 2023 calendar year.

Note 6: Funding is allocated based on information on the level of Māori language learning that schools provide in their roll returns, subject to an annual auditing and verification process to confirm the appropriate level of funding.

Note 7: There are four levels of funding based on the hours the curriculum is taught in te reo Māori per week. There is no funding for Level 5, but this information is gathered from schools that receive funding for Levels 1 to 4. Each level is defined by the proportion of time the student is taught using te reo Māori:
- Level 1: 81-100% - Curriculum is taught in Māori for between 20 and up to 25 hours a week
- Level 2: 51-80% - Curriculum is taught in Māori for between 12.5 and up to 20 hours a week
- Level 3: 31-50% - Curriculum is taught in Māori for between 7.5 and up to 12.5 hours a week
- Level 4(a): 12-30% - Curriculum is taught in Māori for between 3 and up to 7.5 hours a week
- Level 4(b): Students are learning te reo Māori as a separate subject for at least 3 hours a week
- Level 5: Students are learning te reo Māori as a separate subject for less than 3 hours a week.

Note 8: The participation rate is expected to grow over time to reflect the goal of having 30% of ākonga Māori in Māori-medium education/ kaupapa Māori education by 2040.

Note 9: This measure reflects the goal of having te reo Māori integrated into the learning of all ākonga.

Note 10: Retention rate is based on the number of teachers/principals who remain in the workforce in any type of role (that is, they did not leave the workforce entirely), as an indicator of workforce sustainability. It is calculated as the percentage of the headcount of the specified teacher group in the given year who continued in the workforce in any type of role in the following year.

Secondary Education

Performance 2022/23	Performance Measure	Budget Standard 2023/24	Actual Performance 2023/24	Comment
	Participation in secondary education – The percentage of students attending school regularly (see Note 1):			
54.00%	› Term 1	70%	55.20%	
	› Term 2			
36.60%	› all students	70%	41.70%	
23.00%	• Māori students	70%	26.50%	
23.60%	• English-medium	70%	27.50%	
22.50%	› Māori-medium	70%	21.00%	
18.50%	› Mixed-medium	70%	22.70%	
24.30%	• Pacific students	70%	27.00%	
40.00%	› Term 3	70%	40.30%	
39.20%	› Term 4	70%	44.30%	
	Not achieved — Refer to footnote on page 64.			
40.06%	Percentage of secondary schools who do not use exclusions as a disciplinary action	Maintain or improve	41.91%	
11.60%	Percentage of school leavers with NCEA Level 2 and a Vocational Pathways Award (see Note 2)	20%	11.09%	
	Not achieved — There is a continuing downwards trend in this measure since changes were made to refine the Vocational Pathways and reduce the number of students who were unintentionally getting Vocational Pathways Awards. It is likely that a significant portion of students leaving school before 17 years would previously have contributed to these awards. The measure will be removed from future reporting.			
58.20%	Percentage of school leavers progressing directly from NCEA Level 2 and 3 or equivalent to Level 4 or above tertiary study	55%	56.25%	
18.50%	Percentage of schools and kura with students in Years 9 to 15 receiving Māori Language Programme Funding for Levels 1 and 2 (see Notes 3, 4 and 5)	Maintain or improve	19.00%	
60.30%	Percentage of schools and kura with students in Years 9 to 15 receiving Māori Language Programme Funding for Levels 3, 4a and 4b (see Notes 3, 4 and 5)	Maintain or improve	61.60%	
Baseline year	Percentage of Māori students in Māori-medium and kaupapa Māori education in Years 9 to 15 (see Notes 6 and 7)	Baseline year	7.30%	

Performance 2022/23	Performance Measure	Budget Standard 2023/24	Actual Performance 2023/24	Comment
Baseline year	Percentage of students in English-medium in Years 9 to 15 learning te reo Māori (see Note 8)	Baseline year	27.20%	
78.00%	Percentage of students in secondary-tertiary programmes who achieve NCEA Level 2 or higher	80%	79.80%	
New measure	Percentage of Tu'u Malohi Pacific Wellbeing sessions that were attended by participating families and parents (see Note 9)	80%	77.00%	
	Not achieved — This is a demand driven measure that relies on the parents and families participation.			
New measure	Percentage of families, parents and schools who use and are satisfied with the Tu'u Mālohi Pacific Wellbeing programme to support their child's wellbeing	80%	98.00%	
	Retention rate for the secondary teacher workforce (see Note 10)			
Not available 88.60%	› All regular (non-relief) teachers	90%	87.80%	
	Not achieved — Retention improved during the pandemic and declined in the period following the pandemic as borders and the labour market reopened. Retention has been improving since the low point following the pandemic and has stabilised at around 88-89%. Retention rates have been slowly trending towards standard.			
Not available 87.90%	› Māori teachers	90%	87.80%	
	Not achieved — Retention improved during the pandemic and declined in the period following the pandemic as borders and the labour market reopened. Retention has been improving since the low point following the pandemic and has stabilised at around 88-89%. Retention rates have been slowly trending towards standard.			
Not available 91.70%	› Pacific teachers	90%	90.30%	

Note 1: Attending regularly is defined as attending at least 90% of half-days. The 2022/23 Estimated Actual figures are 2022 calendar year data. The Term 4 figure is preliminary and may be subject to change. The 2023/24 Budget Standards refers to the 2023 calendar year.

Note 2: Changes to the Vocational Pathways Awards criteria in 2018 have significantly reduced the number of awards being attained. The Vocational Pathway Award framework is being reviewed as part of the NCEA Change Programme. The target was updated in the 2022/23 Supplementary Estimates to be more consistent with the current criteria.

Note 3: This measure covers state and state-integrated schools only. The 2022/23 Budget Standard and Estimated Actual refer to the 2022 calendar year. The 2023/24 Budget Standard refers to the 2023 calendar year.

Note 4: Funding is allocated based on information on the level of Māori language learning that schools provide in their roll returns, subject to an annual auditing and verification process to confirm the appropriate level of funding.

Note 5: There are four levels of funding based on the hours the curriculum is taught in te reo Māori per week. There is no funding for Level 5, but this information is gathered from schools that receive funding for Levels 1 to 4. Each level is defined by the proportion of time the student is taught using te reo Māori:
- Level 1: 81-100% - Curriculum is taught in Māori for between 20 and up to 25 hours a week
- Level 2: 51-80% - Curriculum is taught in Māori for between 12.5 and up to 20 hours a week
- Level 3: 31-50% - Curriculum is taught in Māori for between 7.5 and up to 12.5 hours a week
- Level 4(a): 12-30% - Curriculum is taught in Māori for between 3 and up to 7.5 hours a week
- Level 4(b): Students are learning te reo Māori as a separate subject for at least 3 hours a week
- Level 5: Students are learning te reo Māori as a separate subject for less than 3 hours a week.

Note 6: The participation rate is expected to grow over time to reflect the goal of having 30% of ākonga Māori in Māori-medium education/ kaupapa Māori education by 2040.

Note 7: The measure "percentage of Māori students leaving school from Māori-medium Levels 1 and 2" has been removed for 2023/24 because this measure provides adequate participation data.

Note 8: This measure reflects the goal of having te reo Māori integrated into the learning of all ākonga.

Note 9: Tu'u Mālohi is a programme which aims to strengthen wellbeing for parents, learners, families and communities.

Note 10: Retention rate is based on the number of teachers/principals who remain in the workforce in any type of role (that is, they did not leave the workforce entirely), as an indicator of workforce sustainability. It is calculated as the percentage of the headcount of the specified teacher group in the given year who continued in the workforce in any type of role in the following year.

School Risk Management Scheme

Performance 2022/23	Performance Measure	Budget Standard 2023/24	Actual Performance 2023/24	Comment
55.00%	The scheme grows the percentage of schools that participate over time (see Note 1)	55%	56.49%	✓

Note 1: Schools can join the scheme at any time. The percentage of participation is reported as at year-end.

School Asset Sale Proceeds to Schools

Performance 2022/23	Performance Measure	Budget Standard 2023/24	Actual Performance 2023/24	Comment
Not available	The Ministry of Education meets school house sale obligations agreed with schools and abides by Ministers' decisions regarding payment of school house sale proceeds	100%	100.00%	✓

Financial performance

	2022/23	2023/24		
	Actual	Budget	Supplementary Estimates	Actual
	$000	$000	$000	$000
Total expenses for MCA as a whole	**7,243,662**	**7,493,126**	**8,242,663**	**8,258,738**
This is made up of the following category information:				
Departmental Output Expenses				
Support and Resources for Education Providers	208,188	220,177	212,935	235,989
Non-Departmental Output Expenses				
Primary Education	4,034,935	4,160,061	4,539,364	4,581,476
School Risk Management Scheme	5,822	6,800	6,800	3,764
Secondary Education	2,994,717	3,106,088	3,483,564	3,437,509
Funding for Departmental Output Expenses				
Revenue from the Crown				
Support and Resources for Education Providers	214,835	219,037	211,795	211,795
Revenue from Others				
Support and Resources for Education Providers	398	1,140	1,140	292

Information on the financial performance and operation of the School Risk Management Scheme is disclosed under the non-departmental schedules on page 152.

Actual expenditure is $765.612 million (10%) higher than Budget, mainly due to a combination of:

- funding for settlement of teachers' and principals' collective agreements ($718.015 million increase)
- forecast impact of higher-than-expected national roll projections on teacher salaries and school operations grants ($81.086 million increase)
- funding for the Ministry to undertake Holidays Act 2003 remediation ($30.171 million increase)
- funding for the settlement of the librarians and library assistants' and science technicians' pay equity claims ($11.086 million increase)
- reprioritisation to support the additional estimated cost of settlement for the Secondary Teachers' Collective Agreement ($60.151 million decrease), and
- transfer to non-departmental output expense Curriculum Support within Improved Quality Teaching and Learning MCA to support students to meet Literacy and Numeracy Standards ($18.473 million decrease).
- The Ministry incurred expenditure of $16.075 million more than approved in the 2023/24 Supplementary Estimates. An extensive review of the Ministry's internal cost allocation model was completed in the latter half of the year to more accurately align the allocation of internal costs to where the funding is provided. This resulted in unexpected expenditure which exceeded the appropriation. Refer to the Statement of Expenses and Capital Expenditure Incurred Without, or in Excess of, Appropriation or Other Authority, on page 163.

Support and Resources for Parents and the Community

SCOPE OF APPROPRIATION:	INTENTION STATEMENT:
This appropriation is limited to expenditure on support focused on increasing informed engagement by families and communities in their children's educational outcomes.	This appropriation is intended to provide targeted information and support focused on creating informed demand and engagement by whānau, hapū, iwi, Māori, families and communities in education, and enabling them to support their children's learning.

Support and Resources for Parents and the Community

Performance 2022/23	Performance Measure	Budget Standard 2023/24	Actual Performance 2023/24	Comment
100%	› Percentage of families accessing and receiving targeted information and support, who report that they are more confident, enabled and better equipped to support their children's learning and make informed decisions about learning pathways (see Note 1)	80%	90.00%	✓

Note 1: This measure covers parents and families who access and participate in the Talanoa Ako programme and the Saili Malo initiative. Talanoa Ako is a 10-week Pacific parent education programme that aims to equip and empower parents, families and communities with the skills, knowledge and confidence they need to champion their children's education. Saili Malo is an initiative focused on developing careers and transition resources to better support Pacific learners and their parents as they navigate career decision-making and transitions into tertiary, further training or employment.

Financial performance

	2022/23	2023/24		
	Actual	Budget	Supplementary Estimates	Actual
	$000	$000	$000	$000
Expenses	**15,488**	**16,467**	**16,415**	**13,778**
Funded by:				
Revenue Crown	**15,675**	**16,457**	**16,405**	**16,405**
Other revenue	**-**	**10**	**10**	**-**

Actual expenditure is $2.689 million (16%) lower than Budget, mainly due to savings of $2.637 million.

School Property Portfolio Management

SCOPE OF APPROPRIATION:	INTENTION STATEMENT:
This appropriation is limited to support and advice for schools on property issues; managing and supporting the purchase and construction of new property; and upgrades to existing property and disposal of surplus property; managing teacher and caretaker housing; and other services provided by the Ministry of Education in its stewardship of the land, buildings and other facilities that comprise the state school sector property portfolio.	This appropriation is intended to achieve a well-managed, sustainable (socially, environmentally and economically) and equitable school sector property portfolio that delivers quality learning environments.

School Property Portfolio Management

Performance 2022/23	Performance Measure	Budget Standard 2023/24	Actual Performance 2023/24	Comment
77.00%	The Ministry is seen as a high-quality property manager for government as measured by the Asset Management maturity index for the school property portfolio (see Note 1)	75%	63.00%	Not achieved
	Not achieved — In 2023/24, the Ministry used an updated Asset Management Maturity Index framework which increased the requirements that must be met across each maturity level. This resulted in a reduction to our maturity score. Our Budget Standard will be reset for Budget 2024/25 to reflect the use of the updated framework.			
70.90%	Percentage of state schools that meet the Ministry's property-related utilisation standards (see Notes 2 and 5)	66%	71.38%	Achieved
87.00%	Percentage of state schools that meet the Ministry's property-related condition standards (see Notes 3 and 5)	82%	87.30%	Achieved
81.00%	Percentage of state schools that meet the Ministry's property-related functionality standards (see Notes 4 and 5)	75%	86.30%	Achieved

Note 1: The Asset Management maturity index scale is 0-20% Aware, 20-40% Minimum, 40-60% Core, 60-80% Intermediate and 80-100% Advanced on the index criteria established by the Treasury.

Note 2: Running the large school property portfolio is expensive; good utilisation performance helps to minimise this cost and maximise the effectiveness of education delivery. The Ministry's school property-related utilisation standards aim to get schools operating at between 50% and 105% of their roll capacity. This measure considers the relationship between schools' annual July student roll returns and their respective roll capacity, which is determined from the total net area available in schools for teaching and non-teaching use. The measure refers to the July rolls and capacity from the previous year's returns. The standard recognises that below 50% there is likely to be excess capacity, which may be inefficient to operate or may be expensive to remove, and above 105% there may be a need for additional capacity to be built or the demand managed. When a school is identified as being above 105%, the Ministry has clear plans in place to help address the capacity needs of the school through various demand and supply management responses (for example, there may be new capacity already in development, or rolls may be expected to decline). This measure covers more than 95% of all state schools.

Note 3: Maintaining appropriate condition performance helps to minimise expensive asset failures and supports the effectiveness of education delivery. The Ministry's school property-related condition standards aim to get schools operating at a moderate ("C3") or better condition rating for their school buildings. Performance against this industry-standard condition framework for each school building is based on assessments conducted during each school's annual property visit. Performance is separately assessed for components of each building (that is, roof, building fabric and fitout). A school-wide aggregated rating is then determined based on weightings that reflect the built-area of those buildings. The aggregated rating needs to be at least "C3" on the five-point industry-standard rating scale, which runs from "C1" (very good) to "C5" (very poor) and where "C3" means "moderate". This measure is forecast to cover 80% to 100% of all state schools by June 2022. For 2023/24, the standard has been lifted due to the consistent performance over the last two years.

Note 4: Maintaining appropriate functionality (fitness for purpose) performance helps to support the effectiveness of education delivery. The Ministry's school property-related functionality standards aim to get schools operating at a moderate ("3") or better functionality rating. Performance against this standard is based on assessments conducted as part of schools' five-yearly property planning process. Schools use the School Evaluation of the Physical Environment (SEPE) tool to self-assess and rate aspects of their school site and school buildings. In some cases, data from internal environment sensors will supplement these self-assessments. A school-wide aggregated rating is then determined based on weightings that reflect site functionality and the usability and comfort of school buildings. The aggregated rating needs to be at least "3" on the five-point SEPE functionality rating scale, which runs from "1" (very poor) to "5" (very good), and where "3" means "moderate". The introduction of the measure in 2020/21 resulted in coverage of around 17% of state schools. This is forecast to increase each year as more SEPE assessments are undertaken. Coverage is expected to increase towards 100% by June 2025.

Note 5: The Ministry uses three of the same performance measures to assess annual achievements within School Property Portfolio Management and Ministry of Education – Capital Expenditure PLA appropriations. This is done because both appropriations include intents to develop property assets that support the delivery of educational services. Utilisation, condition and functionality are the fundamental asset performance measures for an asset's ability to deliver its required services.

Financial performance

	2022/23	2023/24		
	Actual	Budget	Supplementary Estimates	Actual
	$000	$000	$000	$000
Expenses	**2,594,678**	**2,652,138**	**3,112,937**	**3,109,656**
Expense components:				
Capital charge	1,309,992	1,372,262	1,515,704	1,515,704
Depreciation	995,709	1,009,511	1,287,671	1,287,310
Finance costs	42,924	44,060	44,498	45,051
Management of the school property portfolio	246,053	226,305	265,064	261,591
Funded by:				
Revenue Crown	**2,300,751**	**2,359,758**	**2,525,745**	**2,525,745**
Other Revenue	**43,790**	**3,186**	**20,436**	**31,145**

Ministry of Education — Capital Expenditure PLA

SCOPE OF APPROPRIATION:	INTENTION STATEMENT:
This appropriation is limited to the purchase or development of assets by and for the use of the Ministry of Education, as authorised by section 24(1) of the Public Finance Act 1989.	This appropriation is intended to provide assets that support the delivery of the Ministry of Education's services, and for schools to deliver their educational responsibilities, including new assets, and renewal and replacement of life-expired assets for the school sector property portfolio.

Ministry of Education — Capital Expenditure PLA

Performance 2022/23	Performance Measure	Budget Standard 2023/24	Actual Performance 2023/24	Comment
70.90%	Percentage of state schools that meet the Ministry's property-related utilisation standards (see Notes 1 and 5)	66%	71.38%	✓
87.00%	Percentage of state schools that meet the Ministry's property-related condition standards (see Notes 2 and 5)	82%	87.30%	✓
85.00%	Percentage of state schools that meet the Ministry's property-related functionality standards (see Notes 3 and 5)	75%	86.30%	✓
81.00%	Percentage of the additional student places forecast delivered (see Note 4)	80%	108%	✓

Note 1: Running the large school property portfolio is expensive; good utilisation performance helps to minimise this cost and maximise the effectiveness of education delivery. The Ministry's school property-related utilisation standards aim to get schools operating at between 50% and 105% of their roll capacity. This measure considers the relationship between schools' annual July student roll returns and their respective roll capacity, which is determined from the total net area available in schools for teaching and non-teaching use. The measure refers to the July rolls and capacity from the previous year's returns. The standard recognises that below 50% there is likely to be excess capacity, which may be inefficient to operate or may be expensive to remove, and above 105% there may be a need for additional capacity to be built or the demand managed. When a school is identified as being above 105%, the Ministry has clear plans in place to help address the capacity needs of the school through various demand and supply management responses (for example, there may be new capacity already in development, or rolls may be expected to decline). This measure covers more than 95% of all state schools.

Note 2: Maintaining appropriate condition performance helps to minimise expensive asset failures and supports the effectiveness of education delivery. The Ministry's school property-related condition standards aim to get schools operating at a moderate ("C3") or better condition rating for their school buildings. Performance against this industry-standard condition framework for each school building is based on assessments conducted during each school's annual property visit. Performance is separately assessed for components of each building (that is, roof, building fabric and fitout). A school-wide aggregated rating is then determined based on weightings that reflect the built-area of those buildings. The aggregated rating needs to be at least "C3" on the five-point industry-standard rating scale, which runs from "C1" (very good) to "C5" (very poor) and where "C3" means "moderate". This measure is forecast to cover 80% to 100% of all state schools by June 2022. For 2023/24, the standard has been lifted due to the consistent performance over the last two years.

Note 3: Maintaining appropriate functionality (fitness for purpose) performance helps to support the effectiveness of education delivery. The Ministry's school property-related functionality standards aim to get schools operating at a moderate ("3") or better functionality rating. Performance against this standard is based on assessments conducted as part of schools' five-yearly property planning process. Schools use the School Evaluation of the Physical Environment (SEPE) tool to self-assess and rate aspects of their school site and school buildings. In some cases, data from internal environment sensors will supplement these self-assessments. A school-wide aggregated rating is then determined based on weightings that reflect site functionality and the usability and comfort of school buildings. The aggregated rating needs to be at least "3" on the five-point SEPE functionality rating scale, which runs from "1" (very poor) to "5" (very good), and where "3" means "moderate". The introduction of the measure in 2020/21 resulted in coverage of around 17% of state schools. This is forecast to increase each year as more SEPE assessments are undertaken. Coverage is expected to increase towards 100% by June 2025.

Note 4: This includes all student places that have been added to the Ministry's school property portfolio, regardless of funding source, project type or delivery method, and permanent or temporary nature, for state schools.

Note 5: The Ministry uses three of the same performance measures to assess annual achievements within School Property Portfolio Management and Ministry of Education Capital Expenditure PLA appropriations. This is done because both appropriations include intents to develop property assets that support the delivery of educational services. Utilisation, condition and functionality are the fundamental asset performance measures for an asset's ability to deliver its required services.

Financial performance

	2022/23	2023/24		
	Actual	**Budget**	**Supplementary Estimates**	**Actual**
	$000	**$000**	**$000**	**$000**
Capital expenditure				
School property portfolio:				
Land	116,894	75,000	38,462	17,912
Buildings	1,687,791	1,855,134	1,993,070	1,973,343
Ministry-wide:				
Office furniture, fittings, and equipment	2,235	10,867	20,332	7,372
Computer hardware	1,862	7,494	7,557	9,715
Intangibles – computer software	40,249	55,508	55,414	42,356
Total capital expenditure	**1,849,031**	**2,004,003**	**2,114,835**	**2,050,698**

The amount of appropriation is a forecast amount to be spent for the Budget year rather than an approved amount as the appropriation is authorised by a permanent legislative authority (PLA). The Ministry uses depreciation funding held on its balance sheet, proceeds of sale and capital injections to purchase or develop assets. For details of departmental capital injections, refer to Note 18 in the Departmental Financial Statements (page 131).

Services to Other Agencies RDA

SCOPE OF APPROPRIATION:	INTENTION STATEMENT:
This appropriation is limited to the provision of services by the Ministry of Education to government departments and other agencies where those services are not within the scope of another departmental output expense appropriation in Vote Education.	This appropriation is intended to provide support services to government departments and other government or education agencies, on a cost-recovery basis, including office accommodation and related services, and information technology management and development services.

WHAT WAS ACHIEVED

An exemption was granted under section 15D(1) of the Public Finance Act 1989, as the appropriation relates exclusively to outputs supplied by a department to one or more other departments.

Financial performance

	2022/23	2023/24		
	Actual	Budget	Supplementary Estimates	Actual
	$000	$000	$000	$000
Expenses	5,230	6,182	5,500	3,655
Funded by:				
Revenue from other government agencies	5,230	6,182	5,500	3,655

Under a Revenue Dependent Appropriation (RDA) output expenses may be incurred, without further appropriation, up to the amount of revenue earned. The RDA provides flexibility to respond to unanticipated changes in the level of demand. The 2023/24 outturn reflects the prevailing level of demand for services to other agencies on a cost recovery basis.

Vote Tertiary Education
Portfolio Minister – Minister of Education

Stewardship and Oversight of the Tertiary Education System

SCOPE OF APPROPRIATION:	INTENTION STATEMENT:
Departmental Output Expenses	
This appropriation is limited to providing advice and services to support Ministers to discharge their portfolio responsibilities relating to tertiary and international education, as well as administrative and oversight activities including research and monitoring the tertiary education system.	This appropriation is intended to achieve high-quality and timely advice to Ministers to support decision-making, managing the Government's investment in the tertiary education sector, and monitoring and oversight of the sector.

Stewardship of the Tertiary Education System

Performance 2022/23	Performance Measure	Budget Standard 2023/24	Actual Performance 2023/24	Comment
7	The satisfaction rating given by the Minister of Education with the overall performance of the Ministry (see Note 1)	7	6	−
	Not achieved – The Ministry has been working alongside the Minister and her office as we shifted our focus to deliver incoming government priorities. The survey measured ministerial satisfaction since the current Minister took office in late November 2023. We will continue to work with our Ministers to better understand the support they require and meet their expectations.			

Note 1: The rating measures the Minister's satisfaction on a scale of 1 to 10, where 1 means unsatisfactory and 10 means extremely satisfied.

Policy Advice

Performance 2022/23	Performance Measure	Budget Standard 2023/24	Actual Performance 2023/24	Comment
	Internal assessment of the quality of the Ministry's policy advice (see Note 1):			
	› mean	Mean of 4 out of 5	3.41	−
	Not achieved – The Ministry has recognised that in the short-term a target of average 4 is not achievable, is working on continuous improvement, and has set a new stretch target of 72% for 2024/25. Compared with the future 2024/25 target, the 2023/24 result is equivalent to 68%.			

Performance 2022/23	Performance Measure	Budget Standard 2023/24	Actual Performance 2023/24	Comment
	› distribution target of scores - less than 10% scoring 2.5 or under, at least 90% scoring 3 or above, and at least 40% scoring 4 or above	Achieved	› Met "less than 10% score 2.5 and under/5" – actual 7.1% › Met "over 90% score 3/5 or higher" – actual 92.9% › Did not meet "over 40% score 4 and above/5" – actual 32%	
	Not achieved – This target was previously set consistent with the ambitious mean policy quality score. It has been reset for 2024/25 at 25% of papers scoring above 4, consistent with the new stretch mean target.			
3.43	Satisfaction of the portfolio minister with the policy advice service (see Note 2)	4	3.26	Not achieved
	Not achieved – The Ministry will work to understand and better meet the Minister's expectations for quality policy advice over the coming year, alongside its work on improving the quality of its policy advice. The 2023/24 survey measured ministerial satisfaction since the current Minister took office in late November 2023, asking 21 standard questions about policy advice provided by the Department of the Prime Minister and Cabinet (DPMC) to policy agencies.			

Note 1: Based on a five-point scale: 1 = Unacceptable; 2 = Poor; 3 = Acceptable; 4 = Good; 5 = Outstanding. All agencies are required to use the refreshed Policy Quality Framework to assess the quality of their policy papers.

Note 2: The Ministerial Policy Satisfaction Survey assesses the Minister's satisfaction with the services provided by the policy function on a scale from 1 to 5, where 1 means unsatisfied and 5 means extremely satisfied.

Research, Data Analysis and Monitoring

Performance 2022/23	Performance Measure	Budget Standard 2023/24	Actual Performance 2023/24	Comment
0.02%	Forecast demand for tertiary education at Levels 3 and above is accurate within an agreed average of actual values (see Note 1)	Accurate within +/- 3% of actual values	1.40%	Achieved
9	The satisfaction rating given by the Minister of Education on the quality of monitoring advice provided by the Ministry about Crown agencies (see Note 2)	7	7	Achieved
Very good	The quality and range of the Ministry's analytical outputs is assessed through an independent expert review (see Note 3)	Quality is assessed as 'Good' or better	Very good	Achieved
5	The satisfaction rating given by Ministers for the quality and timeliness of support for Ministerial delegations and visits (see Note 2)	7	8	Achieved
99.00%	Percentage of Ministerial correspondence replies, Parliamentary question replies and Ministerial Official Information Act replies completed within the timeframes agreed between the Ministry and the Office of the Minister	95%	94.00%	Not achieved

Performance 2022/23	Performance Measure	Budget Standard 2023/24	Actual Performance 2023/24	Comment
	Not achieved – This is an aggregate of Written Parliamentary Questions (WPQs), OIAs and correspondence. Due to the low volume of replies within Vote Tertiary, a small number of late responses has a material impact on overall timeliness.			
99.00%	Percentage of Ministerial correspondence replies, Parliamentary question replies and Ministerial Official Information Act replies provided that are factually accurate, meet any legislative requirements, and contain no avoidable errors, as measured by acceptance rates by the Office of the Minister	95%	100%	✓
100.00%	Percentage of requests made to the Ministry under the Official Information Act responded to within the legislative timeframes	100%	95.65%	−
	Not achieved – This is an aggregate of WPQs, OIAs and Correspondence. Due to the low volume of replies within Vote Tertiary, a small number of late responses has a material impact on overall timeliness.			
100.00%	Percentage of Official Information Act requests made to the Ministry released on the Ministry's website within 10 working days, where a decision has been made to publicly release the information	98%	100%	✓
20.00%	Percentage of Education Reports and Briefing Notes to Ministers proactively released and published online within 30 business days of final decisions being taken by Ministers, unless there is good reason not to publish all or part of the material, or to delay the release beyond 30 business days (see Note 4)	70%	13.00%	−
	Not achieved – Proactive Release resources have been reallocated to address high OIA volumes which delayed the publication of information.			

Note 1: This forecast is for equivalent full-time student (EFTS) places delivered in provider-based tertiary education and training at New Zealand Qualification Framework Level 3 and above.

Note 2: The rating measures the Minister's satisfaction on a scale of 1 to 10, where 1 means unsatisfactory and 10 means extremely satisfied.

Note 3: Note 3 – This review is based on a sample of analytical and research outputs, independently assessed on a five-point rating scale: 1 = 'Very poor'; 2 = 'Poor'; 3 = 'Acceptable'; 4 = 'Good'; 5 = 'Very good'. The annual result will be an average of ratings for all outputs reviewed.

Note 4: This measure relies on actions that are often outside of the Ministry's control. The Budget Standard for 2023/24 has been adjusted to take this into account. The Budget Standard will be a staged increase over a number of years to get to 95%.

Financial performance

	2022/23	2023/24		
	Actual	Budget	Supplementary Estimates	Actual
	$000	$000	$000	$000
Expenses	18,419	14,489	14,189	13,890
Funded by:				
Revenue Crown	18,701	14,489	14,189	14,189
Other revenue	74	-	-	90

Actual expenditure is $599,000 (4%) lower than Budget due to a transfer to non-departmental output expense Qualification Delivery (in the Tertiary Tuition and Training MCA) for delivery of a Disputes Resolution Scheme for domestic tertiary students to resolve contractual and financial disputes with tertiary education providers ($300,000) and savings ($299,000). The other revenue is recovery of policy advice about the Export Education Levy.

Non-Departmental Capital Expenditure

Tertiary Education Institutions' Proceeds from Disposal of Crown Assets

SCOPE OF APPROPRIATION:	INTENTION STATEMENT:
This appropriation is limited to investing in Tertiary Education Institutions (TEIs) their share of the proceeds from the disposal of assets used by TEIs that are or were previously held in Crown title.	This appropriation is intended to enable the Ministry of Education to honour obligations under agreements with TEIs with respect to property sales, and act in accordance with decisions by Ministers with respect to property sale proceeds.

Tertiary Education Institutions' Proceeds from Disposal of Crown Assets

Performance 2022/23	Performance Measure	Budget Standard 2023/24	Actual Performance 2023/24	Comment
Achieved	The Ministry of Education meets property sales obligations agreed with TEIs and abides by Ministers' decisions regarding payment of asset sale proceeds (see Note 1)	Achieved	Achieved	✓

Note 1: Where a TEI property sale results in sale proceeds being paid to the Ministry, the Ministry will meet its obligations under any agreement (including an agreement pursuant to the Crown Asset Transfer and Disposal Policy) to pay those sale proceeds, or any percentage share of those sale proceeds:

- to the TEI in accordance with the terms and conditions set out in the agreement, or
- to the Treasury, if the agreement requires the Crown to retain a percentage share of the sale proceeds and the Minister of Finance and the Minister of Education jointly determine a percentage of the sale proceeds should be retained by the Crown.

Financial performance

	2022/23	2023/24		
	Actual	Budget	Supplementary Estimates	Actual
	$000	$000	$000	$000
Non-departmental capital expenditure	**-**	**21,426**	20,186	791
TEI investments:				
Wellington Institute of Technology	-	-	-	791
Total investments in New Zealand Institute of Skills and Technology (NZIST) subsidiaries	**-**	**-**	**-**	**791**

This appropriation varies from year to year to make provision for the expected fiscally neutral transfers to TEIs of their share of proceeds the Ministry of Education has received from the sale of certain land, or buildings used by TEIs that are or were previously in Crown title. An appropriation is required for the transfer of public money to TEIs despite being fiscally neutral to the Crown.

The amount appropriated is based on TEI estimates of when settlements are expected to take place and projected proceeds, but variations may be needed if a sale is delayed or a TEI makes notification to the Tertiary Education Commission.

The appropriation decreased by $1.240 million in the Supplementary Estimates due to a delay in the sale of prefabs at the Auckland University of Technology. The funding has been transferred to 2024/25. Approval has been obtained in-principle to carry forward the remaining unspent 2023/24 appropriation to 2024/25 due to delays in the sales expected by other TEIs. The final amount of the expense transfer will be confirmed in the 2024 October Baseline Update.

Asset measures

The Ministry is required to have a set of asset measures for ICT and the School Property Portfolio to meet our external reporting obligations. These are not Estimates measures but need to be reported in our 2023/24 Annual Report.

Information Communications and Technology

Performance 2022/23	Performance Measure	Budget Standard 2023/24	Actual Performance 2023/24	Comment
100%	The percentage of time our critical systems are available (see Note 1)	99.85%	100%	
100%	The percentage of time our systems are available	95%	100%	
63.73%	Peak usage of any one of the Ministry of Education's Wide Area Network bandwidth links	No more than 80%	78.31%	
69.21%	The Ministry of Education's disk storage capacity – allocated storage	No more than 90%	35.63%	
100%	The percentage of computers/user devices aged < 5 years	95%	100%	
100%	The percentage of critical systems requiring upgrade within the last 5 years, which have been upgraded (see Note 1)	70%	100%	
40	Number of critical (priority 1) faults per annum	80	24	
4	Annual network penetration test risk level assessment (5 – critical, 4 – high, 3 – medium, 2 – low, 1 – informational)	4	4	

Note 1: The Ministry of Education identifies 12 systems as critical systems.

Part Three:
Annual financial statements

The financial statements are presented in three parts - departmental **(page 91),** non-departmental **(page 143)** and appropriation statements **(page 159).**

The departmental financial statements cover all financial resources used by the Ministry to deliver the goods or services purchased by the Minister of Education for the financial year ended 30 June 2024. They also include forecast financial statements for the following financial year and comparative information for the previous financial year.

Treasury Instructions also require departments to disclose non-departmental activities they administer on behalf of the Crown in the form of schedules. As these schedules are not financial statements for the purposes of the Public Finance Act 1989 (PFA), they do not provide forecast results for the following financial year.

The appropriation statements report information about expenses and capital expenditure incurred against each appropriation under Vote Education and Vote Tertiary Education administered by the Ministry.

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Ministry of Education
Departmental Financial Statements

for the year ended 30 June 2024

Statement of Comprehensive Revenue and Expenses

for the year ended 30 June 2024

2023 Actual $000		Notes	2024 Actual $000	2024 Budget (unaudited) $000	2025 Forecast (unaudited) $000
	Revenue				
3,234,774	Revenue Crown	3	3,467,212	3,484,904	3,609,727
50,091	Other revenue	3	37,284	12,686	12,569
3,284,865	**Total operating revenue**		**3,504,496**	**3,497,590**	**3,622,296**
	Expenses				
533,395	Personnel costs	4	582,705	539,288	579,320
1,025,781	Depreciation and amortisation	11,12	1,317,827	1,327,761	1,344,791
1,319,945	Capital charge	5	1,529,085	1,551,641	1,592,039
42,924	Finance costs	6	45,051	44,060	45,395
589,700	Other operating expenses	7	566,975	601,391	348,105
3,511,745	**Total operating expenses**		**4,041,643**	**4,064,141**	**3,909,650**
(226,880)	**Net operating surplus/(deficit)**		**(537,147)**	**(566,551)**	**(287,354)**
	Remeasurements [1]				
(2,842)	Net impairment (loss)/reversal of non-current assets held for sale	10	529	-	-
872	Movement in discount rate for retiring and long service leave	16	163	-	-
18,905	Net unrealised gain/(loss) in fair value of derivative financial instruments	19	230	(623)	(357)
(209,945)	**Net surplus/(deficit)**		**(536,225)**	**(567,174)**	**(287,711)**
	Other comprehensive revenue				
3,339,580	Gain on property revaluations	11	2,521,592	-	-
3,129,635	**Total comprehensive revenue and expense**		**1,985,367**	**(567,174)**	**(287,711)**

Explanations of major variances against the original 2024 budget are provided in Note 22.

The above *Statement of Comprehensive Revenue and Expenses* should be read in conjunction with the accompanying notes.

1 Remeasurements mean revisions of prices or estimates that result from revised expectations of future economic benefits or obligations that change the carrying amounts of assets or liabilities. Remeasurement losses are not included in the meaning of expenses requiring appropriation under the Public Finance Act 1989 (PFA).

Statement of Financial Position

as at 30 June 2024

2023 Actual $000		Notes	2024 Actual $000	2024 Budget (unaudited) $000	2025 Forecast (unaudited) $000
	Assets				
	Current assets				
168,379	Cash and cash equivalents		101,390	95,000	95,000
434,516	Debtors and other receivables	8	300,641	308,957	183,667
138,543	Prepayments	9	150,659	110,000	162,000
164,887	Non-current assets held for sale	10	180,068	164,887	161,479
234	Derivative financial instruments	19	33	-	-
906,559	**Total current assets**		**732,791**	**678,844**	**602,146**
	Non-current assets				
30,375,247	Property, plant and equipment	11	33,575,667	31,035,115	31,805,236
116,730	Intangible assets	12	136,614	151,419	157,339
6,746	Derivative financial instruments	19	7,010	6,348	4,682
30,498,723	**Total non-current assets**		**33,719,291**	**31,192,882**	**31,967,257**
31,405,282	**Total assets**		**34,452,082**	**31,871,726**	**32,569,403**
	Liabilities				
	Current liabilities				
352,360	Creditors and other payables	13	342,138	264,484	348,658
36,043	Return of operating surplus to Crown	14	22,103	-	-
2,497	Provisions	15	18,355	150	150
48,973	Employee entitlements	16	51,398	42,000	42,000
9,583	Service concession liabilities	17	11,516	13,450	15,245
449,456	**Total current liabilities**		**445,510**	**320,084**	**406,053**
	Non-current liabilities				
2,176	Provisions	15	2,156	1,600	2,175
10,999	Employee entitlements	16	13,136	14,000	14,000
540,908	Service concession liabilities	17	570,801	571,188	564,136
172	Derivative financial instruments	19	5	163	453
554,255	**Total non-current liabilities**		**586,098**	**586,951**	**580,764**
1,003,711	**Total liabilities**		**1,031,608**	**907,035**	**986,817**
30,401,571	**Net assets**		**33,420,474**	**30,964,691**	**31,582,586**
	Taxpayers' equity				
8,014,427	General funds	18	8,543,637	8,597,957	9,217,768
22,387,144	Property revaluation reserves	18	24,876,837	22,366,734	22,364,818
30,401,571	**Total taxpayers' equity**		**33,420,474**	**30,964,691**	**31,582,586**

Explanations of major variances against the original 2024 budget are provided in Note 22.
The above *Statement of Financial Position* should be read in conjunction with the accompanying notes.

Statement of Changes in Taxpayers' Equity

for the year ended 30 June 2024

2023 Actual $000		Notes	2024 Actual $000	2024 Budget (unaudited) $000	2025 Forecast (unaudited) $000
26,478,551	Balance as at 1 July		30,401,571	30,381,161	30,960,097
3,129,635	Total comprehensive revenue and expense		1,985,367	(567,174)	(287,711)
	Owner transactions				
889,321	Capital injections		1,098,159	1,164,137	921,945
(59,893)	Capital withdrawals		(42,520)	(13,433)	(11,745)
(36,043)	Return of operating surplus to Crown	14	(22,103)	-	-
30,401,571	**Balance as at 30 June**	**18**	**33,420,474**	**30,964,691**	**31,582,586**

Explanations of major variances against the original 2024 budget are provided in Note 22.
The above *Statement of Changes in Taxpayers' Equity* should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 30 June 2024

2023 Actual $000		2024 Actual $000	2024 Budget (unaudited) $000	2025 Forecast (unaudited) $000
	Cash flows from operating activities			
3,528,634	Receipts from revenue Crown	3,599,665	3,608,534	3,701,194
31,029	Receipts from other revenue	34,242	14,168	12,121
(595,147)	Payments to suppliers	(556,225)	(603,846)	(350,330)
(541,684)	Payments to employees	(561,466)	(542,264)	(578,445)
(1,319,945)	Payments for capital charge	(1,529,085)	(1,551,641)	(1,592,039)
(240)	Goods and services tax (net)	4,364	543	-
1,102,647	**Net cash flow from operating activities**	**991,495**	**925,494**	**1,192,501**
	Cash flows from investing activities			
29,714	Receipts from sale of property, plant and equipment	8,968	-	-
(1,711,222)	Purchase of property, plant and equipment	(1,990,663)	(2,004,911)	(1,988,810)
(40,249)	Purchase of intangible assets	(42,356)	(55,414)	(42,243)
(1,721,757)	**Net cash flow from investing activities**	**(2,024,051)**	**(2,060,325)**	**(2,031,053)**
	Cash flows from financing activities			
889,321	Capital injections	1,098,159	1,164,137	921,945
(59,893)	Capital withdrawals	(42,520)	(13,433)	(11,745)
(173,909)	Return of operating surplus to Crown	(36,043)	(36,043)	(13,026)
(41,766)	Payment of finance charges on service concession arrangements	(45,382)	(43,626)	(45,698)
(8,546)	Repayment of service concession liabilities	(8,647)	(9,583)	(12,924)
605,207	**Net cash flow from financing activities**	**965,567**	**1,061,452**	**838,552**
(13,903)	**Net (decrease)/increase in cash**	**(66,989)**	**(73,379)**	**-**
182,282	Cash at the beginning of the year	168,379	168,379	95,000
168,379	**Cash at the end of the year**	**101,390**	**95,000**	**95,000**

The goods and services tax (GST) (net) component of operating activities reflects the net GST paid to and received from the Inland Revenue Department (Inland Revenue). The GST components have been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

Explanations of major variances against the original 2024 budget are provided in Note 22.
The above *Statement of Cash Flows* should be read in conjunction with the accompanying notes.

Reconciliation of net surplus with cash flow from operating activities

2023 Actual $000		2024 Actual $000
(209,945)	**Net surplus**	**(536,225)**
	Add/(less) non-cash items	
1,008,431	Depreciation, impairment and write-off on property, plant and equipment	1,310,590
20,613	Amortisation, impairment and write-off on intangible assets	22,651
2,842	Net impairment loss/(reversal) of non-current assets held for sale	(529)
(18,905)	Net unrealised (gains) on derivative financial instruments	(230)
(2,108)	(Decrease)/increase in non-current employee entitlements	2,137
559	Increase/(decrease) in non-current provisions	(20)
1,011,432	**Total non-cash items**	**1,334,599**
	Add/(less) items classified as investing or financing activities	
(20,644)	Net (gains) on sale of property, plant and equipment	(4,875)
42,924	Finance charges on service concession arrangements	45,051
22,280	**Total investing or financing activities**	**40,176**
	Add/(less) movements in working capital items	
294,114	Decrease in debtors and other receivables	133,875
(4,543)	(Increase)/decrease in prepayments	807
(4,527)	(Decrease) in creditors and other payables	(20)
3,678	Increase in current employee entitlements	2,425
(9,842)	(Decrease)/increase in current provisions	15,858
278,880	**Total net movement in working capital items**	**152,945**
1,102,647	**Net cash flow from operating activities**	**991,495**

Reconciliation of movements in liabilities arising from financing activities

The table below provides a reconciliation between the opening and closing balance of financial liabilities, both changes arising from cash flows and non-cash changes.

2023 Service Concession Liabilities Actual $000	2023 Derivative Financial Instruments Actual $000	2023 Total Actual $000		2024 Service Concession Liabilities Actual $000	2024 Derivative Financial Instruments Actual $000	2024 Total Actual $000
536,846	**12,097**	**548,943**	**Balance as at 1 July**	**550,491**	**(6,808)**	**543,683**
(8,546)	-	(8,546)	Net cash flows	(8,647)	-	(8,647)
22,191	-	22,191	Additions	40,473	-	40,473
-	(18,905)	(18,905)	Fair value movements	-	(230)	(230)
550,491	**(6,808)**	**543,683**	**Balance as at 30 June**	**582,317**	**(7,038)**	**575,279**

The balances for derivative financial instruments are stated as net liabilities/(assets).

Further details on the service concession liabilities and derivative financial instruments are at Notes 17 and 19, respectively.

Statement of Commitments

as at 30 June 2024

2023 Actual $000		2024 Actual $000
	Capital commitments	
	The future aggregate amount of capital expenditure contracted for the acquisition of property, plant and equipment and intangible assets that have not been paid for or not recognised as a liability at balance date are as follows:	
	School property capital works programme	
1,316,557	• Not later than one year	1,076,076
1,390,217	• Later than one year and not later than five years	1,207,311
300,511	• Later than five years	293,246
3,007,285	**Total school property capital commitments**	**2,576,633**
	Internally developed software assets	
6,795	• Not later than one year	2,086
500	• Later than one year and not later than five years	-
-	• Later than five years	-
7,295	**Total internally developed software assets commitments**	**2,086**
3,014,580	**Total capital commitments**	**2,578,719**
	Non-cancellable operating leases	
	The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:	
	Ministry office premises	
26,839	• Not later than one year	20,316
78,973	• Later than one year and not later than five years	70,205
28,524	• Later than five years	59,135
	School property	
57,008	• Not later than one year	57,044
207,836	• Later than one year and not later than five years	209,320
619,318	• Later than five years	593,712
	Motor vehicles	
3,366	• Not later than one year	3,177
3,507	• Later than one year and not later than five years	3,751
-	• Later than five years	-
	IT equipment	
2,880	• Not later than one year	1,602
1,602	• Later than one year and not later than five years	-
-	• Later than five years	-
1,029,853	**Total non-cancellable operating lease commitments**	**1,018,262**
4,044,433	**Total commitments**	**3,596,981**

Capital commitments

School property capital works programme

The school property capital works programme commitments are for the acquisition or construction of buildings.

The $430.652 million decrease in school property capital works programme commitments is due to a combination of:

- Decrease in new school construction, redevelopment, roll growth and kura programmes reflecting the way that the Ministry plans and funds its projects in stages. This enables the Ministry to optimise funding and be responsive to its asset conditions and demographic demand across its property network. There are also more approved projects being completed than there are future projects being approved as the Ministry prioritises pipeline projects, which also contributes to the decrease.

  These decreases have been partially offset by increases in three programmes: Ngā iti Kahurangi, property repair and rebuild, and weathertightness. In Ngā iti Kahurangi, the Ministry has accelerated the delivery of additional projects in small and remote schools, as the programme is scheduled to conclude in 2025, while in property repair and rebuild, the Ministry has seen an increase in the demand for property repair and rebuild. In the weathertightness space, there has been an increase in the volume of weathertightness projects being delivered as the programme starts to mature. Collectively, this is a net increase of $88.670 million.
- Decrease in the Public Private Partnership (PPP) capital commitments mainly relates to life-cycle payments made to the consortia as well as progress of the Rolleston College expansion which is currently under construction. Collectively, this is a net decrease of $44.876 million.
- Decrease in the five-year agreement commitments reflecting fewer entitlements to the schools in the current 10-year property plan cycle, resulting in a $22.441 million decrease.

Internally developed software assets

Capital commitments for the internally developed software assets arise in relation to the following assets:

- Pourato, the Ministry's online resourcing system that facilitates the distribution of funding to schools and kura in the form of grants, claims and staffing entitlements. During 2024, Pourato has been enhanced to provide all required functionality for schools and kura, and development of the functionality required for the early learning sector is underway.
- Te Rito, a web-based national information repository that enables information about ākonga to be stored securely and to follow them as they progress through their education. The Te Rito programme was developed with the schooling sector, and the Ministry continues to work in partnership with the sector to deliver it. Progressive implementation to kura and schools has continued from Term 1 2024.
- Pokapū Waka Kura, the school transport contract management system, is in its final year of delivery. The majority of benefits have now been realised with the remaining benefits on track to be met by the end of the project in December 2025.
- Digital Identity supports over 120,000 education sector users in accessing the services and applications essential to carry out their roles in the education sector through our Education Sector Login (ESL) platform. The Digital Identify project also assists the Ministry with access management via Azure Active Directory (AAD). Digital Identity's upcoming service will cater

to Learners, enabling them to securely access online services using their school login through Identity Broker (IB).

Non-cancellable operating leases

The Ministry has leases on office premises, school land, motor vehicles and IT equipment, which have varying terms, escalation clauses and renewal rights. The amounts disclosed above as future commitments are based on the current lease terms.

These leases expire in August 2025 and December 2032, respectively.

The total of minimum future office accommodation payments expected to be received under co-location agreements with other government departments at balance date is $3.697 million (2023: $4.027 million). This revenue is accounted for against appropriation Services to Other Agencies RDA.

Most school property leases are for Treaty of Waitangi settlement redress over some school land. Under these leases, the Crown can keep leasing the land from iwi for as long as it is needed for education purposes. There are currently 193 leases, each having an initial term of 21 years with rights of renewal at 21-year intervals. One new lease was established in 2024 for Midhirst School.

There are no restrictions placed on the Ministry by any of its leasing arrangements.

Statement of Contingent Liabilities and Contingent Assets

as at 30 June 2024

Quantifiable contingent liabilities

2023 Actual $000		2024 Actual $000
	Legal proceedings and disputes	
3,139	Contractual disputes	3,044
18,935	Historical personal grievance claims in government institutions such as special schools	20,735
22,074	**Total quantifiable contingent liabilities**	**23,779**

Legal proceedings and disputes represent the amounts claimed by plaintiffs in relation to the performance of the Ministry's statutory role and estimated associated legal costs. The Ministry is currently disputing these claims.

Unquantifiable contingent liabilities

The Ministry has several cases where there is no direct financial claim, although they have implications for changes to policy and operations if successful (2023: Nil).

Contingent assets

The Ministry has no contingent assets (2023: $Nil).

Notes to the Departmental Financial Statements

for the year ended 30 June 2024

Note 1 – Reporting Entity

The Ministry of Education (the Ministry) is a government department as defined by section 5 of the Public Service Act 2020 and is domiciled and operates in New Zealand. The relevant legislation governing the Ministry's operations includes the Public Finance Act 1989 (PFA), the Public Service Act 2020 and the Public Accountability Act 1998. The Ministry's ultimate parent is the New Zealand Crown.

The Ministry has also reported separately on Crown activities and funds that it administers in the non-departmental schedules and *Statement of Funds Held* on pages 143-158.

The Ministry is the lead advisor to the Government on education, early childhood education, primary and secondary education and tertiary education. The Ministry is also the steward of the education system. The Ministry does not operate to make a financial return. Accordingly, the Ministry has designated itself as a Public Benefit Entity (PBE) for financial reporting purposes.

The financial statements of the Ministry are for the year ended 30 June 2024 and were approved for issue by the Secretary for Education on 30 September 2024.

Note 2 – Basis of Preparation and Statement of Significant Accounting Policies

Basis of preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

Statement of compliance

The financial statements of the Ministry have been prepared in accordance with the requirements of the PFA 1989, which includes the requirement to comply with generally accepted accounting practices (GAAP) and Treasury Instructions.

These financial statements have been prepared in accordance with and comply with PBE Accounting Standards.

Measurement base

The financial statements have been prepared on a historical cost basis modified by the revaluation of land, buildings (schools, houses, site improvements and early childhood centres), derivatives and service concession assets, actuarial valuations of certain liabilities, and the fair value of certain financial instruments.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars, which is the Ministry's functional currency, and all values are rounded to the nearest thousand dollars ($000).

Changes in accounting policies

There have been no changes in the Ministry's accounting policies since the date of the last audited financial statements.

Standards issued and not yet effective and not early adopted

Standards and amendments issued, but not yet effective, which have not been early adopted and that are relevant to the Ministry are:

PBE IFRS 17 Insurance Contracts

This Standard was issued in July 2019 and establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts. PBE IFRS 17 will be mandatory for reporting periods beginning on or after 1 January 2026.

The Ministry has not yet determined how the application of PBE IFRS 17 will affect its reporting. The Ministry does not plan to adopt the standard early.

Significant accounting policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

Foreign currency transactions

Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into New Zealand dollars using the spot exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the *Statement of Comprehensive Revenue and Expenses.*

Goods and services tax (GST)

All items in the financial statements, including *Appropriation Statements*, are stated exclusive of GST, except for Debtor Crown, trade debtors and creditors, which are stated on a GST-inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST payable to, or recoverable from, Inland Revenue at balance date is included as part of creditors and other payables or debtors and other receivables in the *Statement of Financial Position.*

The net GST paid to, or received from the Inland Revenue, including the GST relating to investing and financing activities, is classified as an operating cash flow in the *Statement of Cash Flows.*

Commitments and contingencies are disclosed exclusive of GST.

Income tax

Government departments are exempt from income tax as public authorities (Income Tax Act 2007). Accordingly, no charge for income tax has been provided for.

Statement of cost accounting policies

The Ministry has determined the cost of departmental outputs in the Appropriation Statements using the cost allocation system outlined below.

All costs are charged to responsibility centres and services or projects.

Criteria for direct and indirect costs

Direct costs are those costs charged directly to non-overhead responsibility centres and services or projects. Indirect costs are those overhead costs that cannot be identified with a specific output in an economically feasible manner and are charged to an overhead responsibility centre and service.

Direct costs assigned to outputs

Non-overhead responsibility centres and services are mapped directly to outputs. Costs in these responsibility centres and services are therefore assigned directly to the relevant outputs. This includes costs related to the provision of school sector property.

Basis for assigning indirect and corporate costs to outputs

Indirect costs are assigned to non-overhead responsibility centres and services, and thereby to outputs, on the basis of cost drivers such as direct salary costs captured within the non-overhead responsibility centres and services.

There have been no material changes in cost accounting policies since the date of the last audited financial statements.

Critical accounting estimates and assumptions

In preparing these financial statements, the Ministry has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are referred to below:

Land, houses and early childhood centres valuation

Land, houses and early childhood centres (ECC) fair values have been determined by Quotable Value Limited (QV), with a full valuation completed triennially. In the intervening years, an indexed valuation is completed by QV. The financial year ended 30 June 2024 is an indexation year.

QV provides the indexed valuations to assess the fair market valuation for land and housing (or in respect of ECC – replacement costs).

The indexation for land and housing are derived by using the annual movement at sales group level and the QV house price index with an adjustment based on localised market.

The indexation for ECC reflects an average increase in residential building costs within each local authority.

The indexation is applied to the book value of the properties and additional transactions up to 31 January. The subsequent transactions to 30 June are recorded as the initial book values when they occurred to reflect the fair value as at 30 June as costs of the recent additions are deemed to be their fair value.

The basis for the land fair values have been determined from market-based evidence on a highest and best use basis. Land has been valued as if vacant based on comparable vacant market sales evidence and incorporates the influences of size, contour, quality, location, zoning, designation and current and potential usage, and an open market 'willing buyer willing seller' scenario. For schools with a designation or other restriction against the land, the values are adjusted accordingly.

School buildings and site improvements valuation

School buildings and site improvements are stated at fair value as determined by an internal valuation process on an annual basis, except the buildings under the Service Concession arrangements, which are valued by QV. Fair value is determined using optimised depreciated replacement cost, which is used because of the specialised nature of the assets. An independent registered valuer reviews the valuation methodology for school buildings and site improvements.

The construction rates applied for calculating the depreciated replacement costs have been sourced from 'QV Costbuilder' with an effective date of 1 April 2024. The Ministry has applied an uplift factor based on the Capital Goods Pricing Index when establishing the inputs used in the 30 June 2024 revaluation.

The following table provides component rates applied for calculating the depreciated replacement cost for each component of buildings by the Ministry in Auckland. Rates for other regions and provinces are determined by applying provincial indices to these rates.

2023 unit rate	Component	2024 unit rate
$1,858 m^2	Classroom – fit out	$2,060 m^2
$1,715 m^2	Classroom – services	$1,902 m^2
$559 m^2	Classroom – roof	$620 m^2
$3,132 m^2	Classroom building structures – single storey	$3,472 m^2
$662 m^2	Classroom building structures – per storey	$653 m^2
$1,102 m^2	Ancillary buildings	$1,132 m^2
$611 m^2	Covered way	$613 m^2
$4,524 m^2	Swimming pools	$5,353 m^2
$71,225 each	Boilers	$70,350 each
$142,450 each	Lifts – standard (3 floors)	$140,700 each
$7,428 each	Lifts – additional floor	$7,337 each
$18,350 each	Hoists	$20,000 each

The site improvements values are calculated using the average cost (derived from a selected sample) per site based on the school level, size and location, adjusted by the capitalisations and location indices.

School buildings and site improvements useful life

The useful life of school buildings and site improvements are re-assessed annually based on their age and the level of capital expenditure incurred over the last 10 years compared to their replacement cost.

Adjustments have been made to the remaining useful life assumption for school buildings as follows:

Nature of valuation adjustment to replacement costs	Impact on the valuation
Assessment of the remaining useful life	The remaining useful life of components, and consequently value, has been amended based on the level of costs incurred on the component during the course of the last 10 years as an indicator of the condition of the component. Minimum useful lives are used to reflect residual values.
Assessment of the impact of technology change on replacement costs	Consideration is given to the age of each component, and the building code applicable at that time, and a discount applied based on the era during which the asset was constructed.
Condition impact on remaining useful life	The remaining useful life of components, and consequently value, has been amended in consideration of the expected level of expenditure required to renew components during the next 10 years to reflect the actual state of assets in poor or very poor condition.
Expected demolition or significant redevelopment programme	The remaining useful life of components, and consequently value, has been amended in consideration of the expected impact on value and life that planned demolitions or major redevelopments will have on components.
Assessment of weathertightness issues on building condition	The value and remaining useful life of components, and consequently value, has been amended in consideration of the expenditure required to return assets to an expected normal state given the age of an asset component.
Assessment of damage from recent significant weather events	The remaining useful life of components, and consequently value, has been amended in consideration of the expected level of expenditure required to repair damage resulting from the 2023 significant weather events.

Holidays Act 2003 remediation

The Ministry has recognised a liability for Holidays Act 2003 remediation (refer Note 15). The measurement of this liability is the Ministry's best estimate following completion of a project to determine and remediate historic Holidays Act issues. The Ministry has subsequently paid all current employees due a remediation payment and contacted former employees to make payments due.

Long service leave and retirement gratuities

Long service leave and retirement gratuities entitlements that are payable beyond 12 months have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlements information, and
- the present value of the estimated future cash flows using the discount rates prescribed by the Treasury as at 30 June 2024 and a salary inflation factor of 2.5% (2023: 2.5%). The discount rates used are based on the yields on Government Bonds and range from 4.30% to 5.36% (2023: 4.19% to 5.43%).

An analysis of the exposure in relation to estimates and uncertainties surrounding long service leave and retirement gratuities liabilities is disclosed in Note 16.

Critical judgements in applying accounting policies

Leasing arrangements

The Ministry has exercised judgement in applying its accounting policy on the appropriate classification of leases.

Determining whether a lease agreement is a finance lease or an operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership.

Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments.

Classification as a finance lease means the asset is recognised in the *Statement of Financial Position* as property, plant and equipment, whereas for an operating lease the costs are recognised as operating expenses in the *Statement of Comprehensive Revenue and Expenses.*

None of the Ministry's leasing arrangements are classified as finance leases.

Software-as-a-Service (SaaS) arrangements

SaaS arrangements, also known as cloud computing arrangements, are service contracts providing the Ministry with the right to access a cloud provider's application software over the contract term.

Judgement is exercised to assess whether the Ministry receives control over an identifiable intangible asset as a result of a SaaS arrangement. The Ministry recognises an intangible asset in the *Statement of Financial Position* when, as a result of the SaaS arrangements, it receives rights beyond a right of access and controls the asset by exercising its power to obtain the future economic benefits or service potential flowing from the asset and restricts the access of others to those benefits. If the SaaS arrangement does not give the Ministry an intangible asset due to the lack of control, the costs are recognised as operating expenses in the *Statement of Comprehensive Revenue and Expense*.

Budget and forecast figures

The budget figures in the financial statements are for the year ended 30 June 2024 and were published in the 2023 Annual Report. They are consistent with the Ministry's best estimate financial forecast information submitted to the Treasury for the 2023 Pre-election Economic and Fiscal Update (PREFU) for the 2023/24 financial year. The figures do not provide for the annual revaluation of school property (land and buildings) assets as it is Crown policy not to budget for annual revaluation movements.

The forecast financial statement figures are for the year ending 30 June 2025 and are consistent with the best estimate financial forecast information submitted to the Treasury for the 2024 Budget Economic and Fiscal Update (BEFU) for the 2024/25 financial year. They have been prepared as required by the PFA 1989 to communicate forecast financial information for accountability purposes and in accordance with PBE Standards.

The budget and forecast figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements.

The forecast financial statements were approved for issue by the Secretary for Education on 19 April 2024. The Secretary for Education is responsible for the forecast financial statements, including the appropriateness of the assumptions underlying them and all other required disclosures.

The actual financial results to be achieved for 30 June 2025 are likely to vary from the forecast information presented and the variation may be material.

Significant assumptions used in preparing the forecast financials

The forecast figures contained in these financial statements reflect the Ministry's purpose and activities and are based on a number of assumptions about what may occur during the 2024/25 year. They have been compiled on the basis of existing government policies and ministerial expectations at the date the information was prepared. The main assumptions were as follows:

- the Ministry's activities and output expectations are focused on the Government's priorities
- personnel costs were based on current wages and salary costs and full-time equivalent (FTE) levels and staff turnover, adjusted for anticipated remuneration changes
- operating costs were based on historical experience and other factors that are believed to be reasonable in the circumstances and are the Ministry's best estimate of future costs that will be incurred, and
- audited information for 2023/24 was used as the opening position for the 2024/25 forecasts.

Factors that could lead to differences between the forecast and the actual results include changes to the baseline budget through new initiatives and the transfer of funding across financial years or technical adjustments, such as remeasurement of derivative financial instruments, impairment of school property assets and change in capital charge rate (currently 5%).

While the Ministry regularly updates its forecasts, updated forecast financial statements for the year ending 30 June 2025 will not be published.

Note 3 – Revenue

The Ministry funds its operations through exchange and non-exchange transactions. These are distinguished by whether there is a direct exchange of approximately equal value with another party or not. Exchange revenue covers goods and services supplied on a commercial basis, including on a cost recovery basis as prevalent in the public sector. Non-exchange revenues are the receipt of funds that do not require an exchange of equal value.

Revenue from the Crown (**Revenue Crown**) is the primary source of funding for the Ministry. Revenue Crown is measured based on the Ministry's funding entitlement for the reporting period. Revenue Crown is a non-exchange transaction because the Crown does not directly receive equal value from the Ministry in return for the funding. The funding entitlement is established by Parliament when it passes the Appropriation Acts for the financial year. The amount of revenue recognised takes into account any amendments to appropriations approved in the Appropriation (Supplementary Estimates) Act for the year and certain other unconditional funding adjustments formally approved prior to balance date. There are no conditions attached to the funding from the Crown. However, the Ministry can incur expenses only within the scope and limits of its appropriations. The fair value of Revenue Crown has been determined to be equivalent to the funding entitlement.

A breakdown of revenue from other sources (**Other revenue**) is as follows:

2023 Actual $000		**2024 Actual** $000
	Non-exchange	
14,966	Third party contributions to development of school building assets	18,495
252	Electric vehicle subsidy from Energy Efficiency & Conservation Authority (EECA)	1,856
256	ECE licensing application fees	145
74	Policy advice for Export Education Levy	90
1,070	Gains from insurance claims	6
	Exchange	
5,965	School house rentals	6,039
20,650	Gains on sale of property, plant and equipment	4,909
5,230	Support services to other public entities	3,655
924	Subscription fees for Te Mana Tūhono Opt-in ICT Network and Cyber Security Support Programme for Schools	1,571
704	Miscellaneous revenue	518
50,091	**Total other revenue**	**37,284**

Third party contributions to development of school building assets are recognised as revenue when entitled rather than when cash is received.

Insurance claims are recognised upon settlement of the claim.

Gains arising from sale of property, plant and equipment are recognised when the significant risks and rewards of ownership of the asset have transferred to the acquirer. The gains on sale are primarily from the transfer of school sites (land only) under Deeds of Settlement between the Crown and iwi. The settlements provide for the Ministry to leaseback the school sites until they are no longer needed for education purposes.

Rental income, from schoolhouses and subletting of office premises to other public entities, is recognised on a straight-line basis over the lease term. The electric vehicle subsidy from EECA is recognised over the lease term.

Revenue in advance is recognised in the *Statement of Financial Position* (under Creditors and payables) as deferred revenue until the period the service is provided.

Note 4 – Personnel Costs

Employee entitlements to salaries and wages, annual leave, long service leave and retiring leave, and other similar benefits are recognised in net surplus/(deficit) when they accrue to employees.

Obligations for contributions to the State Sector Retirement Savings Scheme, KiwiSaver and the Government Superannuation Fund are recognised in net surplus/(deficit) as they fall due.

Termination benefits are recognised in net surplus/(deficit) only when there is a demonstrable commitment to either terminate employment prior to normal employment date or to provide such benefits as a result of a position becoming redundant. Termination benefits expected to be settled within 12 months are reported at the amount expected to be paid.

A breakdown of personnel costs is as follows:

2023 Actual $000		**2024 Actual** $000
516,296	Salaries and wages	539,275
(87)	(Decrease)/increase in restructuring provision (Note 15)	16,797
13,612	Superannuation contributions to defined contribution plans	15,125
1,570	Increase in employee entitlements	4,562
6,134	Training and development	4,083
(10,184)	Decrease in Holidays Act 2003 provision (Note 15)	(648)
6,054	Other personnel costs	3,511
533,395	**Total personnel costs**	**582,705**

Salaries and wages include the cost of contractors engaged in a contract for service.

Superannuation contributions to defined contribution plans include contributions to the State Sector Retirement Savings Scheme, KiwiSaver and the Government Superannuation Fund.

Note 5 – Capital Charge

The Ministry pays a capital charge to the Treasury on its taxpayers' equity as at 30 June and 31 December each year. The rate used for calculation of capital charge is the public sector discount rate. The current capital charge rate is 5% (2023: 5%).

The capital charge reflects the cost of the Crown's investment in the Ministry and is recognised as an element of output expenses.

Note 6 – Finance Costs

Finance costs are recognised in relation to the repayment of the liability associated with the service concession arrangement assets over the contract term as an expense in the financial year in which they are incurred.

Note 7 – Other Operating Expenses

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives for office accommodation received are recognised evenly over the term of the lease as a reduction in operating lease costs. The unexpired portion of non-cancellable operating leases for office accommodation, motor vehicles, IT equipment and school property is shown in the *Statement of Commitments.*

All other operating expenses are recognised when goods or services are received.

A breakdown of other operating expenses is as follows:

2023 Actual $000		**2024 Actual** $000
643	Fees to auditors for audit of the financial statements	675
491	Fees to auditors for other services	321
200,857	Contracts for services	179,488
116,214	Specialist learning support service costs	118,296
62,760	Operating lease costs – school property	66,243
54,330	Maintenance of school property	53,912
36,600	ICT costs (including cloud-based computing services)	48,159
28,373	Operating lease costs – office accommodation	22,077
16,012	Pacific Education Innovation Fund grants	15,788
3,263	Write-off and impairment of property, plant and equipment	15,414
14,820	Insurance	15,273
16,188	Travel, meetings and conference costs	9,302
4,144	Legal fees and litigation costs	4,973
3,344	Operating lease costs – motor vehicles	3,474
3,361	Operating lease costs – office and IT equipment	3,176
19,330	Consultants	3,095
57	Risk and Assurance Board member fees and expenses	63
72	Increase in provision for impairment of trade debtors	41
6	Loss on sale of property, plant and equipment	34
988	Increase/(decrease) in lease reinstatement provision	(311)
(80)	Net foreign exchange gains	(165)
7,927	Other	7,647
589,700	**Total other operating expenses**	**566,975**

Fees to auditors for other services

The fees to auditors for other services relate to professional services delivered for Schools Payroll Remediation case management.

Included in the Schedule of Non-Departmental Expenses for the year ended 30 June 2024 are $570,910 fees to the auditors. This includes $560,410 for the assurance engagement in relation to Education Payroll Services (2023: $558,250) and $10,500 for Ka Ora, Ka Ako | Healthy School Lunches assurance procedures.

Note 8 – Debtors and Other Receivables

Debtor Crown represents cash which has been appropriated, but yet to be drawn down from, the New Zealand Debt Management Office (NZDMO). The Ministry classifies Debtor Crown as current because it can be realised in cash within three working days.

Debtors and other receivables are recognised initially at fair value and subsequently at amortised cost, less any provision for impairment. Due to their short-term nature, debtors and other receivables are not discounted.

A forward-looking expected credit loss model is used to recognise and calculate impairment losses for trade debtors. Trade debtors are assessed at each reporting date for any significant increase in credit risk since initial recognition. The approach to providing for expected credit losses as prescribed by *PBE IPSAS 41 Financial Instruments* is applied. The simplified approach involves making a provision at an amount equal to lifetime expected credit losses. The provisions for impairment on trade debtors that are individually significant are determined on an individual basis. Those deemed not to be individually significant are assessed on a portfolio basis based on the number of days overdue and taking into account the historical loss experience and incorporating any external and future information.

A breakdown of debtors and other receivables and further information is as follows:

2023 Actual $000		**2024 Actual** $000
	Non-exchange	
428,537	Debtor Crown	296,084
	Exchange	
3,091	Trade debtors (net)	1,548
2,888	Other receivables (including accrued revenue)	3,009
434,516	**Total debtors and other receivables**	**300,641**

The carrying value of trade debtors and other receivables approximates their fair value. The Ministry classifies trade debtors and other receivables as current because they are expected to be realised within 12 months.

As at 30 June, all trade debtors have been assessed for impairment and appropriate provisions applied, as detailed below:

2023 Gross $000	2023 Impairment $000	2023 Net $000		2024 Gross $000	2024 Impairment $000	2024 Net $000
2,702	-	2,702	Not past due	818	-	818
321	-	321	Past due 31 - 60 days	344	-	344
20	-	20	Past due 61 - 90 days	293	-	293
132	(84)	48	Past due > 91 days	203	(110)	93
3,175	**(84)**	**3,091**	**Total**	**1,658**	**(110)**	**1,548**

Movements in the provision for impairment of trade debtors are as follows:

2023 Actual $000		2024 Actual $000
63	**Balance as at 1 July 2023**	**84**
72	Increase in provisions made during the year	41
(51)	Debtors written off during the year	(15)
84	**Balance as at 30 June 2024**	**110**

Note 9 – Prepayments

Prepayments are comprised of:

2023 Actual $000		2024 Actual $000
104,655	School property capital expenditure programme	117,578
33,888	Operating expenses	33,081
138,543	**Total prepayments**	**150,659**

Note 10 – Non-Current Assets Held for Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction and the sale is highly probable. Assets are initially recorded as held for sale when:

- identified as surplus to education requirements and the property is actively marketed for sale at a price that is reasonable in relation to its current fair value, or
- a Deed of Settlement is signed (or initiated) with a claimant group under a Treaty settlement over school sites to be sold and leased back by the Ministry.

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in net surplus or deficit. Any increases in fair value (less costs to sell) are recognised in net surplus or deficit up to the level of any impairment losses that have been previously recognised.

Non-current assets held for sale are not depreciated or amortised while they are classified as held for sale.

Movements for each class of assets held for sale are as follows:

2023 Land $000	2023 Buildings $000	2023 Total $000		2024 Land $000	2024 Buildings $000	2024 Total $000
86,583	**4,892**	**91,475**	**Balance as at 1 July 2023**	**159,919**	**4,968**	**164,887**
84,930	394	85,324	Transfers from property, plant and equipment	15,818	2,927	18,745
(8,800)	(270)	(9,070)	Disposals	(2,861)	(1,232)	(4,093)
(2,794)	(48)	(2,842)	Net impairment (loss)/reversal recognised in net surplus or deficit	677	(148)	529
159,919	**4,968**	**164,887**	**Balance as at 30 June 2024**	**173,553**	**6,515**	**180,068**

The accumulated revaluation reserve balance associated with non-current assets held for sale as at 30 June 2024 was $149.488 million comprising of land $148.595 million and buildings $0.893 million (2023: $140.487 million comprising of land $136.264 million and buildings $4.223 million).

Non-current assets held for sale are recognised as current assets as their value is expected, in most instances, to be realised in the 12-month period after balance date. The completion date for Treaty settlement claims may take longer than 12 months due to legal and procedural matters beyond the Ministry's control.

Note 11 – Property, Plant and Equipment

The Ministry is responsible for, and has ownership of, a significant portion of the institutional land and buildings in use by schools, playcentres and kindergartens on behalf of the Government.

Property, plant and equipment consist of the following asset classes: land, buildings, office furniture, fittings (leasehold improvements) and equipment, computer hardware and motor vehicles.

Land is measured at fair value and buildings, including those financed under a service concession arrangement, are measured at fair value less accumulated depreciation and impairment losses. All other assets classes are measured at cost less accumulated depreciation and impairment losses.

Additions

Individual or groups of property assets are capitalised if their cost is greater than $5,000. Individual or groups of assets in other asset classes are capitalised if their cost is greater than $2,500.

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Ministry and the cost of the item can be measured reliably.

The initial cost of property, plant and equipment is the value of the consideration given to acquire or create the asset and any directly attributable costs of bringing the asset to working condition for its intended use. Where an asset is acquired at no cost, or for a nominal cost through a non-exchange transaction, it is recognised at fair value as at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Ministry and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the net surplus or deficit as they are incurred.

Work-in-progress is recognised at cost less impairment and is not depreciated.

Revaluations

School buildings and site improvements are stated at fair value as determined by an internal valuation process. Fair value is determined using the optimised depreciated replacement cost method due to the specialised nature of the assets. An independent registered valuer reviews the valuation methodology for school buildings and improvements.

The Ministry has adopted a full valuation approach triennially for land, houses and early childhood centres (ECC). In the intervening years, an indexed valuation is completed. The valuation approach is explained in the *Critical accounting estimates and assumptions section* of Note 2.

Land and houses are recorded at market value (or indexed value) as assessed by an independent registered valuer.

ECC buildings (playcentres and kindergartens) are valued by an independent registered valuer, based on depreciated replacement cost (or indexed value).

The results of revaluing are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in taxpayers' equity for that class. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in net surplus or deficit. Any subsequent increase on revaluation, which offsets a previous decrease in value recognised in net surplus or deficit, will be recognised first in net surplus or deficit up to the amount previously expensed and then credited to the revaluation reserve for that class of asset.

School demolition costs

Consideration is given to whether school buildings on a closed school site should be demolished or removed. The carrying amounts of the demolished school buildings are written off and recognised in the net surplus or deficit. Land Information New Zealand manages the land disposal process on behalf of the Ministry. The cost incurred in demolishing school buildings on a school site to make the land vacant are capitalised to reflect the work to increase the land valuation.

The cost incurred in demolishing an existing building to give way for the construction of a new building is capitalised as part of the new building. The carrying amount of the replaced building is written off and recognised in the net surplus or deficit.

The cost of demolishing surplus school buildings on an ongoing school site is recognised in the net surplus or deficit as they are incurred along with the carrying amount of the buildings written off.

Disposals

Gains and losses on disposals are recognised in the net surplus or deficit by comparing the sale proceeds with the carrying amount of the asset. When a revalued asset is sold, the amount included in the property revaluation reserve in respect of the disposed asset is transferred to general funds.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment, other than land, at rates that will write off the cost (or revalued amount) of the assets to their estimated residual values over their useful lives. The useful lives of major classes of property, plant and equipment have been estimated as follows:

Useful lives:	Years
Buildings, including those financed under a service concession arrangement:	
• Permanent school building roof, services, fit outs, lifts and boilers	15 – 45
• Ancillary buildings, covered ways, houses, kindergartens, playcentres, site improvements, swimming pools	30 – 50
• Permanent school building structures fabric	75
Office furniture and equipment	4 – 8
Computer hardware	2 – 7

Leasehold improvements (office fittings) are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

The residual value and useful life of an asset are reviewed, and adjusted if applicable, at each financial year end.

Impairment

The Ministry does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

Property, plant and equipment carried at cost or revalued amount are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is determined using an approach based on either an optimised depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

For assets carried at cost an impairment loss or a reversal of an impairment loss is recognised in the surplus or deficit.

For a revalued asset, an impairment loss is recognised in other comprehensive revenue and expense to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of assets. Such an impairment loss on a revalued asset reduces the revaluation reserve for that class of assets. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

Movements for each class of property, plant and equipment are as follows:

	Land valuation	Buildings valuation	Office furniture, Fittings and equipment Cost	Computer hardware Cost	Total
	$000	$000	$000	$000	$000
Cost or valuation					
Balance as at 1 July 2022	**7,357,246**	**18,924,875**	**68,196**	**42,090**	**26,392,407**
Additions	116,894	1,687,791	2,235	1,862	1,808,782
Revaluations	(1,272,518)	4,612,098	-	-	3,339,580
Reversal of accumulated depreciation on revaluation	-	(994,249)	-	-	(994,249)
Reclassified to assets held for sale	(84,930)	(394)	-	-	(85,324)
Reclassified between classes and to intangible assets	-	-	43	(150)	(107)
Disposals and write-offs	-	(4,723)	-	(2,614)	(7,337)
Balance as at 30 June 2023	**6,116,692**	**24,225,398**	**70,474**	**41,188**	**30,453,752**
Additions	17,912	1,973,343	7,372	9,715	2,008,342
Revaluations	456,050	2,065,542	-	-	2,521,592
Reversal of accumulated depreciation on revaluation	-	(1,286,258)	-	-	(1,286,258)
Reclassified to assets held for sale	(15,818)	(2,927)	-	-	(18,745)
Reclassified between classes and to intangible assets	-	-	178	(357)	(179)
Disposals and write-offs	-	(16,433)	(5,137)	(15,054)	(36,624)
Balance as at 30 June 2024	**6,574,836**	**26,958,665**	**72,887**	**35,492**	**33,641,880**
Accumulated depreciation and impairment losses					
Balance as at 1 July 2022	**-**	**-**	**39,063**	**32,597**	**71,660**
Depreciation expense	-	995,709	4,729	4,730	1,005,168
Impairment losses	-	-	-	-	-
Eliminate on disposal or write-off	-	(1,460)	-	(2,614)	(4,074)
Eliminate on revaluation	-	(994,249)	-	-	(994,249)
Balance as at 30 June 2023	**-**	**-**	**43,792**	**34,713**	**78,505**
Depreciation expense	-	1,287,310	4,373	3,493	1,295,176
Impairment losses	-	-	-	-	-
Eliminate on disposal or write-off	-	(1,052)	(5,104)	(15,054)	(21,210)
Eliminate on revaluation	-	(1,286,258)	-	-	(1,286,258)
Balance as at 30 June 2024	**-**	**-**	**43,061**	**23,152**	**66,213**
Carrying amounts					
As at 1 July 2022	**7,357,246**	**18,924,875**	**29,133**	**9,493**	**26,320,747**
As at 30 June 2023	**6,116,692**	**24,225,398**	**26,682**	**6,475**	**30,375,247**
As at 30 June 2024	**6,574,836**	**26,958,665**	**29,826**	**12,340**	**33,575,667**

Work-in-progress

The amount of capital expenditure recognised in the carrying amount of property, plant and equipment in the course of construction for each class of asset is as follows:

2023 Actual $000		2024 Actual $000
2,223,577	Buildings, including those financed under a service concession arrangement	2,434,684
2,489	Office furniture, fittings (leasehold improvements) and equipment	5,488
1,957	Computer hardware	7,441
2,228,023	**Total work-in-progress**	**2,447,613**

Motor vehicles

The Ministry has transitioned from owning to leasing motor vehicles. The financial commitments for the operating leases are reported in the *Statement of Commitments.*

Service concession arrangements

The Ministry has entered into three Public Private Partnership (PPP) agreements as detailed below. These are treated as service concession arrangements and accounted for in accordance with *PBE IPSAS 32 – Service Concession Arrangement: Grantor.*

Under the agreements the partner is required to:

- finance, design and construct the schools, and
- provide the operational services, which comprise building maintenance, landscaping, cleaning and other types of services.

Note that the Boards of Trustees remain at all times responsible for the delivery of education to students.

The agreements run for a period of 25 years following operational completion, after which responsibility for ongoing maintenance will revert to the Ministry.

Under the agreements, the Ministry provides the land to the partner to use for the construction and operation of the schools.

The assets in the service concession arrangement are recognised as assets of the Ministry and are accounted for in accordance with the accounting policy applicable to the classes of property, plant and equipment that the specified assets comprise. As the schools are progressively constructed, the Ministry recognises work-in-progress at fair value and a financial liability of the same value is accounted for. When the schools are fully constructed and operational, the total asset cost and matching financial liability reflect the value of the future compensation to be provided to the private-sector partner for the assets. Subsequent to initial recognition, these assets are accounted for at fair value and the financial liabilities are measured at amortised cost.

Following operational completion, the Ministry pays a quarterly unitary charge to the partner that covers various costs. They are allocated between:

- construction of the schools (capital) – these costs are not repriced
- finance costs – these costs are repriced at least every five years following operational completion and the amount the Ministry pays to the contractor is adjusted

- service costs – these costs cover the routine repairs and maintenance required to keep the school running and in good condition. A portion of these costs is indexed to the Consumer Price Index and the Labour Cost Index, and
- life-cycle additions – this is additional to routine repairs and maintenance carried out during the contract lifetime which is agreed upfront.

Payments relating to the capital component of the quarterly unitary charge reduce the financial liability when they are made (refer to Note 17 for further information on the service concession liabilities). Finance and service costs are recognised as an expense in the financial year to which they are incurred.

The Ministry has entered into interest rate swaps with the NZDMO to mitigate exposure to interest rate risk for the three service concession arrangements, which includes the Wakatipu High School and Rolleston College expansions. These interest rate swaps go out to the end of the service concession agreements (refer to Note 19 for further information).

There are six PPP schools that are currently going through or have been through an expansion process as a result of high roll growth pressures and are located on the same sites as the original PPP schools. The Wakatipu High School expansion (PPP2) was completed in the 2022/23 financial year and the Rolleston College expansion (PPP2) is due to be completed in the 2024/25 financial year. Both of these expansions follow the above arrangements. These expansions will not extend the terms of the arrangements in place.

The other four schools Hobsonville Point Primary School (PPP1), Ormiston Junior College (PPP2), Te Uho o te Nikau Primary School (PPP3) and Matua Ngaru School (PPP3) have expansions that are planned to be designed and delivered by the Ministry. This will eliminate the financing, designing and construction components previously performed by the private partners. The operational services will still be delivered through the consortia. As a result, there is no anticipated financial liability that requires to be accounted for. The value of the assets is based on actual costs until revalued. No interest rate swaps are required to be entered into for these expansions.

The agreements provide for cancellation under certain circumstances, including for specified non-performance. There is no right of renewal at the end of the contracted agreements.

PPP1

The Ministry entered into a PPP agreement with Learning Infrastructure Partners LP in 2012 to provide a primary and a secondary school at Hobsonville Point.

Under the agreement, the Ministry provided two land parcels to Learning Infrastructure Partners LP to use for the construction of the schools.

The Hobsonville Point Primary School opened in January 2013 and the Hobsonville Point Secondary School opened in February 2014.

Carrying value of assets by source:

2023 Actual $000		2024 Actual $000
119,553	Learning Infrastructure Partners LP – Buildings	124,143
52,500	Ministry – Land	57,780
172,053	**Total carrying value**	**181,923**

The Hobsonville Point Primary School is currently undergoing an expansion to cater for roll growth in the area.

PPP2

The Ministry entered into a PPP agreement with Future Schools Partners LP in 2015 to provide the following four schools:

› Haeata Community Campus, Christchurch
› Ormiston Junior College, Auckland
› Rolleston College, Christchurch
› Wakatipu High School, Queenstown.

Under the agreement, the Ministry provided four land parcels to Future Schools Partners LP to use for the construction of the schools.

Haeata Community Campus, Ormiston Junior College and Rolleston College opened at the beginning of 2017 and Wakatipu High School relocated to its new site in January 2018. The Wakatipu High School expansion was completed and operational in January 2023.

Carrying value of assets by source:

2023 Actual $000		2024 Actual $000
324,194	Future Schools Partners LP – Buildings	389,557
49,627	Ministry – Land	56,300
373,821	**Total carrying value**	**445,857**

Rolleston College is currently undergoing an expansion to cater for roll growth in the area and is expected to be completed in the 2024/25 financial year. Ormiston Junior College is also in the process of undergoing an expansion to cater for roll growth in the area.

PPP3

The Ministry entered into a PPP agreement with ShapEd NZ LP in April 2017 to provide the following five schools:

- Te Ao Mārama School (originally known as Sylvester Primary School), Hamilton
- Te Uho O Te Nikau Primary School (originally known as Flat Bush South Primary School), Auckland
- Matua Ngaru School (originally known as Kumeu Primary School), Auckland
- Co-location of Shirley Boys' High School and Avonside Girls' High School on one site in Christchurch.

Under the agreement, the Ministry provided four land parcels to ShapEd NZ LP to use for the construction of the schools. The three primary schools opened at the beginning of 2019, while the co-located Shirley Boys' and Avonside Girls' High schools opened in April 2019.

Carrying value of assets by source:

2023 Actual $000		2024 Actual $000
250,835	ShapEd NZ LP – Buildings	264,691
39,385	Ministry – Land	41,870
290,220	**Total carrying value**	**306,561**

Matua Ngaru School and Te Uho o te Nikau Primary School are both currently undergoing expansions to cater for roll growth in their respective areas.

Revaluations

The valuations are as follows. Also refer to the *Critical accounting estimates and assumptions* section of Note 2, which discloses information about revaluation methods and assumptions.

	Land $000	Buildings $000	Total $000
2023			
Quotable Value Limited	6,116,692	883,025	6,999,717
Internal assessment by experienced Ministry staff	-	23,342,373	23,342,373
Total valuation as at 30 June 2023	**6,116,692**	**24,225,398**	**30,342,090**
2024			
Quotable Value Limited	6,574,836	940,446	7,515,282
Internal assessment by experienced Ministry staff	-	26,018,219	26,018,219
Total valuation as at 30 June 2024	**6,574,836**	**26,958,665**	**33,533,501**

The increase in land value is mainly driven by the market movement, while the increase in building value is driven by the continued level of building activities and rise in construction costs.

Restrictions

There are no restrictions over the title of the Ministry's school land, buildings and chattels, nor are any school land, buildings and chattels pledged as security for liabilities.

Risk management of school property

The Ministry has a three-tier approach to the risk management of school property:

- the first tier focuses on upgrading and maintaining security and fire protection systems in order to minimise the incidence and impact of fire and vandalism losses
- the second tier is a policy of self-insurance, up to $75 million in the aggregate
- the third tier is covered by an insurance policy placed with the local and international insurance market, which provides cover for the following:
  - $325 million for any one loss and in the aggregate for natural disaster from September 2023
  - reinstatement to a further $325 million for natural disaster from September 2022
  - a fire limit of $60 million for any one loss and in the aggregate
  - a deductible amount for non-catastrophic losses is $75 million in the aggregate and then $25,000 for each and every subsequent loss, and
  - the deductible amount for catastrophic losses due to natural disasters is $75 million for each and every loss.

Note 12 – Intangible Assets

Intangible assets consist of the following asset classes: acquired computer software and developed computer software.

All individual or groups of acquired computer software are capitalised if their cost is greater than $2,500.

All software developments are capitalised if their cost is greater than $50,000.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use by the Ministry are recognised as an intangible asset. Direct costs include the costs of materials and services, employee costs, and any directly attributable overheads.

Staff training costs and expenditure associated with the development and maintenance of the Ministry's website are recognised as an expense when incurred.

Costs of software updates or upgrades are only capitalised when they increase the usefulness or value of the software.

At the inception of a SaaS arrangement the Ministry recognises an intangible asset when it receives rights beyond a right of access and controls the asset by exercising its power to obtain the future economic benefits or service potential flowing from the asset and restricts the access of others to those benefits. If the SaaS arrangement does not give the Ministry an intangible asset due to the lack of control, the costs are recognised as operating expenses as incurred (generally over the term of the arrangement).

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in net surplus or deficit.

The useful lives of intangible assets have been estimated as follows:

Useful lives:	**Years**
Acquired or developed computer software	3 – 10

Impairment

The policy for impairment of property, plant and equipment in Note 11 also applies to the impairment of intangible assets.

Movements for each class of intangible assets are as follows:

	Acquired computer software $000	Developed computer software $000	Total $000
Cost			
Balance at 1 July 2022	**14,814**	**231,259**	**246,073**
Additions	9,803	30,446	40,249
Disposals and write-offs	-	-	-
Reclassified between classes and from property, plant and equipment	(563)	670	107
Balance at 30 June 2023	**24,054**	**262,375**	**286,429**
Additions	318	42,038	42,356
Disposals and write-offs	(4,400)	(21,011)	(25,411)
Reclassified between classes and from property, plant and equipment	(15,360)	15,539	179
Balance at 30 June 2024	**4,612**	**298,941**	**303,553**
Accumulated amortisation and impairment losses			
Balance as at 1 July 2022	**8,246**	**140,840**	**149,086**
Amortisation expense	144	20,469	20,613
Disposals and write-offs	-	-	-
Balance at 30 June 2023	**8,390**	**161,309**	**169,699**
Amortisation expense	181	22,470	22,651
Disposals and write-offs	(4,400)	(21,011)	(25,411)
Balance at 30 June 2024	**4,171**	**162,768**	**166,939**
Carrying amounts			
As at 1 July 2022	**6,568**	**90,419**	**96,987**
Balance as at 30 June 2023	**15,664**	**101,066**	**116,730**
Balance as at 30 June 2024	**441**	**136,173**	**136,614**

There are no restrictions over the title of the Ministry's intangible assets, nor are any intangible assets pledged as security for liabilities.

There are software assets at a cost of $115.105 million that are fully amortised but that are still in use (2023: $108.084 million).

The total amount of software assets during development is $20.405 million (2023: $34.575 million). This work-in-progress is included in the above figures at cost, less impairment, and is not amortised.

Note 13 – Creditors and Other Payables

Creditors and other payables is comprised of:

2023 Actual $000		2024 Actual $000
	Exchange	
7,938	Creditors	7,284
54,220	Accrued operating expenses	50,144
246,772	Accrued capital expenditure	235,139
19,210	Construction contract retentions	20,972
	Non-exchange	
1,222	Deferred revenue (electric vehicle subsidy from ECCA)	1,550
12,123	Taxes payable	16,505
10,875	Accrued finance costs	10,544
352,360	**Total creditors and other payables**	**342,138**

Creditors and other payables are non-interest bearing and are normally settled within 30 days.

Creditors and other payables are recognised initially at fair value and subsequently at amortised cost.

Due to their short-term nature, creditors and other payables are not discounted and classified as current liabilities.

Note 14 – Return of Operating Surplus to Crown

The Ministry has an obligation to return a portion of its operating surplus to the Crown in accordance with the PFA 1989. The calculation for the operating surplus to be paid to the Crown is as follows:

2023 Actual $000		2024 Actual $000
(209,945)	Net surplus/(deficit)	(536,225)
(18,905)	Deduct net unrealised gain in fair value of derivative financial instruments	(230)
2,842	Add/(deduct) net unrealised impairment loss/ (reversal) of non-current assets held for sale due to movements in the property market	(529)
(872)	Deduct unrealised gain in fair value for retiring and long service leave due to change in discount rates	(163)
(14,966)	Deduct retained earnings for the school property capital works programme	(18,495)
(5,354)	Deduct retained earnings for school property rationalisation	(2,724)
(112)	Deduct retained earnings for electric vehicle charging equipment (subsidy from ECCA)	(282)
-	Add write-off cost for cancelled capital works programme to co-locate Marlborough Boys' and Girls' Colleges and relocate Bohally Intermediate	13,397
289,194	Add unfunded increase in depreciation related to the upward revaluation of the school property portfolio as at 30 June 2020, 30 June 2021 and 30 June 2022	289,194
-	Add unfunded increase in depreciation related to the upward revaluation of the school property portfolio as at 30 June 2023	278,160
(5,344)	Deduct retained earnings portion of gain on sale of land at Thorndon School in Wellington to fund the annual land lease back cost under a Treaty settlement with Taranaki Whānui ki Te Upoko o Te Ika (Port Nicholson Block) Trust	-
(495)	Deduct retained earnings portion of gain on sale of land at Stratford Primary School in Stratford to fund the annual land lease back cost under a Treaty settlement with Ngāti Maru (Taranaki)	-
36,043	**Total return of operating surplus to Crown**	**22,103**

The return of operating surplus to the Crown is required to be paid by 31 October of each year.

Note 15 – Provisions

A provision is recognised for future expenditure of an uncertain amount or timing when:

- there is a present obligation (either legal or constructive) as a result of a past event
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and
- a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for net deficits from future operating activities.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation. Provisions to be settled beyond 12 months are recorded at the present value of their estimated future cash outflows.

The Ministry commenced a significant organisation-wide restructure with final decision documents progressively announced by 6 June 2024. The actual implementation is planned to occur subsequent to balance date. As a consequence, a restructure provision of $16.950 million for affected positions has been made as at 30 June 2024.

A provision for reinstatement of leased premises is recognised as the Ministry is required to make good any damage caused and remove any fixtures or fittings installed by it at the expiry of the lease.

The Ministry has recognised a liability for Holidays Act 2003 remediation. The measurement of this liability is the Ministry's best estimate following completion of a project to determine and remediate historic Holidays Act issues. The Ministry has subsequently paid all current employees due a remediation payment and contacted former employees to make payments due. The balance which remains relates to former employees yet to be located and paid their remediation payments.

2023 Actual $000		2024 Actual $000
	Current portion	
153	Restructuring	16,950
1,844	Holidays Act 2003	1,196
500	Reinstatement of leased premises	209
2,497	**Total current portion**	**18,355**
	Non-current portion	
2,176	Reinstatement of leased premises	2,156
2,176	**Total non-current portion**	**2,156**
4,673	**Total provisions**	**20,511**

Movements for each class of provision are as follows:

	Lease reinstatement	Holidays Act 2003	Restructuring	Total
	$000	$000	$000	$000
Balance as at 1 July 2022	**1,688**	**12,028**	**240**	**13,956**
Additional provisions made	1,019	-	1,904	2,923
Amounts used	-	(5,257)	(1,865)	(7,122)
Unused amounts reversed	(31)	(4,927)	(126)	(5,084)
Balance as at 30 June 2023	**2,676**	**1,844**	**153**	**4,673**
Additional provisions made	101	-	17,808	17,909
Amounts used	-	(648)	(1,011)	(1,659)
Unused amounts reversed	(412)	-	-	(412)
Balance as at 30 June 2024	**2,365**	**1,196**	**16,950**	**20,511**

Note 16 – Employee Entitlements

Short-term employee entitlements

Employee entitlements expected to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, long service leave, and retirement gratuities expected to be settled within 12 months.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the reporting period in which the employee renders the related service, such as long service leave and retiring leave, are calculated on an actuarial basis.

Presentation of employee entitlements

Annual leave, vested long service leave, and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

2023 Actual $000		2024 Actual $000
	Current portion	
31,096	Annual leave	33,097
2,565	Retirement gratuities	2,841
1,135	Long service leave	1,373
14,177	Other short-term employee entitlements	14,087
48,973	**Total current portion**	**51,398**
	Non-current portion	
7,496	Retirement gratuities	8,373
3,503	Long service leave	4,763
10,999	**Total non-current portion**	**13,136**
59,972	**Total employee entitlements**	**64,534**

The calculations for long service leave and retirement gratuities were determined by an independent actuary, where the main economic assumptions applied were discount rates prescribed by the Treasury, the salary inflation factor and resignation rates. Further information is provided in the *Critical accounting estimates and assumptions* section of Note 2.

The actuary who provided the valuation for long service leave and retiring gratuities as at 30 June 2024 and 30 June 2023 was Jonathan Eriksen, Fellow of the New Zealand Society of Actuaries.

The effect on the valuation of changes in economic assumptions is as follows:

- If the salary inflation factor were to differ by 1.5% from the estimate, with all other factors held constant, the carrying amount of the combined liability for long service leave and retirement gratuities and the surplus/deficit would be estimated $1.269 million higher/lower (2023: $1.079 million).
- If the resignation rates were to differ by 50% from the estimate, with all other factors held constant, the carrying amount of the combined liability for long service leave and retirement gratuities and the surplus/deficit would be estimated $3,000 higher/lower (2023: $20,000).
- The decrease in liability valuation from 30 June 2023 to 30 June 2024 due to the change in discount rates was $0.163 million (2023: $0.872 million).

Note 17 – Service Concession Liabilities

2023 Actual $000		2024 Actual $000
536,846	**Balance as at 1 July 2023**	**550,491**
22,191	Additions	40,473
(8,546)	Repayments	(8,647)
550,491	**Balance as at 30 June 2024**	**582,317**
9,583	Current portion	11,516
540,908	Non-current portion	570,801
550,491	**Balance as at 30 June 2024**	**582,317**

The additions to the service concession liabilities during the year relates to the progress of the Rolleston College expansion and the Ministry's investment in PPP school expansions (refer to Note 11).

The Ministry's service concession liabilities are interest bearing at the following effective interest rates:

2023 Annual %	2023 Quarterly %		2024 Annual %	2024 Quarterly %
7.93%	1.98%	PPP1	7.95%	1.99%
7.73%	1.93%	PPP2	7.72%	1.93%
6.64%	1.66%	PPP3	6.66%	1.67%

The PPP2 effective interest rate is calculated on the basis of the Rolleston College expansion being wholly completed. The effective interest rate is subject to change at any point of refinancing, which requires the Ministry's consent.

Note 18 – Taxpayers' Equity

Taxpayers' equity is the Crown's investment in the Ministry and is measured as the difference between total assets and total liabilities. Taxpayers' equity comprises of general funds and property revaluation reserves. Revaluation reserves relate to the revaluation of land and buildings to their fair value.

2023				2024		
General funds	Revaluation reserves	Total taxpayers' equity		General funds	Revaluation reserves	Total taxpayers' equity
$000	$000	$000		$000	$000	$000
7,387,665	**19,090,886**	**26,478,551**	**Balance as at 1 July 2023**	**8,014,427**	**22,387,144**	**30,401,571**
(209,945)	-	(209,945)	Net surplus/(deficit)	(536,225)	-	(536,225)
-	3,339,580	3,339,580	Gain on property revaluations	-	2,521,592	2,521,992
43,322	(43,322)	-	Transfers on disposal of property	31,899	(31,899)	-
889,321	-	889,321	Capital injections	1,098,159	-	1,098,159
(59,893)	-	(59,893)	Capital withdrawals	(42,520)	-	(42,520)
(36,043)	-	(36,043)	Return of operating surplus to the Crown	(22,103)	-	(22,103)
8,014,427	**22,387,144**	**30,401,571**	**Balance as at 30 June 2024**	**8,543,637**	**24,876,837**	**33,420,474**
			Property revaluation reserves consist of:			
	5,305,913		Land		5,759,367	
	17,081,231		Buildings		19,117,470	
	22,387,144		**Total property revaluation reserves**		**24,876,837**	

The Ministry pays a capital charge to the Crown on its taxpayers' funds as at 31 December and 30 June each financial year.

Capital injections were for the following:

2023 Actual $000		2024 Actual $000
667,159	Construction of new schools and kura and roll growth classrooms under the National Education Growth Plan, build and expand schools delivering Māori-Medium Education, Christchurch Schools Rebuild Programme, purchase of land, additional non-teaching space in schools primarily for the Learning Support Coordinator roles, and expansion of public private partnership (PPP) schools and repayment of service concession liabilities	856,703
-	Learning support modifications to school buildings	60,000
307	Restore school property affected by North Island Weather Events	31,253
19,739	Development of Pourato, the online resourcing system for schools, kura and the early learning sector	28,683
15,508	School property energy efficiency initiatives and coal boiler replacement programme	24,817
-	Expanding the Ngā Iti Kahurangi (Improving Classrooms in Small or Remote Schools) Programme	23,000
-	Marlborough Boys' College, Marlborough Girls' College and Bohally Intermediate redevelopments	16,620
34,000	School Investment Package for state schools to invest in their school property	18,000
21,420	Reform of the Tomorrow's Schools System	13,052
-	Hāwera Intermediate and Hāwera High School redevelopment programme	6,996
5,738	Development of Pokapū Waka Kura, the school transport contract management system	5,138
8,133	Development of an IT system to implement the Equity Index in schools and kura	3,088
2,350	Redevelopment of NCEA qualification, including introducing new literacy and numeracy requirements to ensure students have the appropriate skills and knowledge to seek further education or employment	2,625
3,518	Add functionality and identity records to the Education Sector Logon system for secondary school students so that they can sit NCEA online securely	2,229
-	Export Education Levy loan repayment	2,000
-	Development of the Data for Wellbeing Programme (Te Rito)	1,550
2,129	Update e-asTTle online assessment tool, developed to assess students' achievement and progress in reading, mathematics, writing, and in pānui, pāngarau and tuhituhi	844
312	Corporate capacity (facilities and ICT) to support a range of Budget initiatives	1,561
75,000	Supporting school property redevelopments	-
32,582	Reimburse school property construction contractors who incurred additional unavoidable costs related to COVID-19	-
984	Resourcing to implement initiative to move qualified and certified teachers in education and care services towards pay parity with kindergarten teacher pay	-
442	Resourcing for implementation of Hei Raukura Mō te Mokopuna (te reo matatini me pāngarau) and aromatawai (assessment for learning) strategies, ensuring coherence with Te Marautanga o Aotearoa redesign	-
889,321	**Total capital injections**	**1,098,159**

Capital withdrawals were for the following:

2022 Actual $000		2024 Actual $000
	Transfers to departmental operating expense appropriation School Property Portfolio Management	
(14,000)	• to lease school buildings	(14,617)
(5,354)	• for school property rationalisation	(2,724)
(3,101)	• for a Property Portfolio Management Tool	(5,666)
(663)	• for school property repairs and maintenance incurred under the pilot External Fabric Upgrade National Programme	(1,337)
(12,220)	• to lease back school sites sold to iwi as part of the Treaty settlements process	-
	Transfers over all departmental operating expenditure appropriations	
-	• for Te Mahau Service Portal (Salesforce) ICT Application	(8,200)
(6,490)	• to lease ICT devices	-
(5,361)	• for new accounting treatment for software as a service (SaaS) arrangements	-
(6,839)	Revision of business case for the Online Curriculum Hub (as part of the Reform of the Tomorrow's School System initiative in Budget 2021), bringing forward capital funding to complete the project earlier than anticipated and converting some capital funding to operating funding	(6,111)
(1,645)	Decisions to procure new schools under Public Private Partnership (PPP) contracts rather than through traditional procurement process	(1,788)
-	Transfer to departmental operating expense appropriation Stewardship and Oversight of the Education System for the Data for Wellbeing Initiative - Te Rito programme	(1,550)
-	Return of funding to implement the Budget 2023 expansion of 20 Hours Early Childhood Education (ECE) to two-year-olds	(527)
(3,500)	Funding of a temporary Crown loan for Nelson College	-
(720)	Transfer to departmental operating expense appropriation Interventions for Target Student Groups to lease electric vehicles	-
(59,893)	**Total capital withdrawals**	**(42,520)**

Note 19 – Financial Instruments

Categories

The carrying amounts of financial assets and financial liabilities in each of the financial instrument categories are as follows:

2023 Actual $000		2024 Actual $000
	Financial assets	
	Financial assets measured at amortised cost	
168,379	Cash and cash equivalents	101,390
3,091	Trade debtors (refer to Note 8)	1,548
171,470	**Total financial assets measured at amortised cost**	**102,938**
	Financial assets measured at fair value through surplus or deficit	
	Derivative financial instruments	
6,746	• Interest rate swaps	7,010
234	• Forward foreign exchange contracts	33
6,980	**Total financial assets measured at fair value through surplus or deficit**	**7,043**
178,450	**Total financial assets**	**109,981**
	Financial liabilities	
	Financial liabilities measured at amortised cost	
7,938	Creditors (refer to Note 13)	7,284
550,491	Service concession liabilities (refer to Note 17)	582,317
558,429	**Total financial liabilities measured at amortised cost**	**589,601**
	Financial liabilities measured at fair value through surplus or deficit	
	Derivative financial instruments	
172	• Interest rate swaps	-
-	• Forward foreign exchange contracts	5
172	**Total financial liabilities measured at fair value through surplus or deficit**	**5**
558,601	**Total financial liabilities**	**589,606**

Cash and cash equivalents are cash on hand and funds held at call with Westpac, a registered bank, that form part of the day-to-day cash management of the Ministry. No interest is payable to the Ministry on its bank accounts. The Ministry is only permitted to spend the cash and cash equivalents within the scope of its appropriations.

A separate bank account is used for retention money withheld under commercial construction contracts to meet the requirements of the Construction Contracts Amendments Act 2015. This requirement applies to the Ministry's school property capital works projects where 5% to 10% of the contract value is held for a 12-month retention period.

The liability for the repayment of surplus to the Crown is not a financial liability as defined by *PBE IPSAS 28 Financial Instruments: Presentation,* as the obligation to pay arises from statute. Similarly, Debtor Crown does not meet the definition of a financial asset as the funding entitlement is established by Parliament when it passes the Appropriation Acts for the financial year.

The Ministry's derivative financial instruments are interest rate swaps and forward foreign exchange contracts entered into with The Treasury – NZDMO. They are initially recognised at fair value and are subsequently remeasured at their fair value at each balance date with the resulting gain or loss recognised in net surplus/(deficit). They are classified as current if they are due for settlement within 12 months of balance date. Otherwise, they are classified as non-current.

The Ministry uses forward foreign exchange contracts to manage exposure to foreign exchange movements. The Ministry does not hold these contacts for trading purposes and has not adopted hedge accounting. The remeasurement loss in fair value of the foreign exchange contracts as at 30 June 2024 of $206,000 has been recognised in the *Statement of Comprehensive Revenue and Expenses.*

Interest rate swaps manage exposure to fluctuating market interest rates under the PPP service concession arrangements (refer to Note 11), which are interest bearing. The Ministry has five (2023: five) interest rate swaps with the NZDMO and these are classified as non-current. As at 30 June 2024, the total notional principal outstanding was $486.040 million (2023: $499.747 million). The following table summarises the service concession interest rate swaps in place as at 30 June 2024:

	Fixed Rate	Maturity Date
PPP1	**4.33%**	**29 Dec 2037**
PPP2	**4.43%**	**23 Dec 2041**
PPP2 (Wakatipu High School expansion)	**3.19%**	**23 Dec 2041**
PPP2 (Rolleston College expansion)	**4.44%**	**21 Jun 2042**
PPP3	**4.55%**	**9 Mar 2043**

The Ministry is paying a fixed rate of interest over the duration of the interest rate swaps in place. As a result of a modest increase (~10bps) in long-term interest rates over the 2023/24 financial year, the fair value of the interest rate swap derivatives has changed from a net asset of $6.574 million at 30 June 2023 to a net asset of $7.010 million as at 30 June 2024. An unrealised gain of $436,000 has been recognised in the *Statement of Comprehensive Revenue and Expenses.*

Fair value hierarchy

For those instruments recognised at fair value in the *Statement of Financial Position*, fair values are determined according to the following hierarchy:

- Quoted market price (level 1). Financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2). Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3). Financial instruments valued using models where one or more significant inputs are not observable.

The Ministry's interest rate swaps and forward foreign exchange derivatives as at 30 June 2024 and 2023 were valued at fair value using observable inputs (level 2).

The interest rate swaps are measured by the NZDMO at fair value using a discounted cash flow model, which uses the New Zealand dollar interest rate swap curve and overnight index swap curve. The interest rate swap curve includes bank bill rates out to one year, while both curves use the official cash rate as the overnight rate. The forward foreign exchange contracts are measured at fair value using the exchange rates provided by The Treasury for the financial statements of the Government.

There were no transfers between the different levels of the fair value hierarchy.

Risks

The Ministry's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The Ministry has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

Market risk

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Ministry's Foreign Exchange Management Policy requires the Ministry to manage currency risk arising from future transactions and recognised liabilities by entering into forward foreign exchange contracts when the total transaction exposure to an individual currency exceeds NZ$100,000. The Ministry's policy has been approved by the Treasury and is in accordance with the requirements of the Treasury's Guidelines for the Management of Crown and Departmental Foreign-Exchange Exposure.

The notional principal amounts of outstanding forward exchange contracts in New Zealand dollar equivalent as at 30 June 2024 was:

2023 Actual $000		2024 Actual $000
5,860	United States dollar	2,046
53	Australian dollar	576
1,570	European Union euro	94
7,483	**Total**	**2,716**

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate, or the cash flows from a financial instrument will fluctuate due to changes in market interest rates.

The interest rate swaps with the NZDMO limit the exposure to fluctuations in interest rates arising from the repricing of interest on the service concession liabilities.

The Ministry's service concession liabilities are interest bearing at the following effective interest rates:

2023 Actual %		2024 Actual %
7.93%	PPP1	7.95%
7.73%	PPP2	7.72%
6.64%	PPP3	6.66%

Note that the PPP2 effective interest rate is calculated on the basis of the Rolleston College expansion being wholly completed.

The Ministry has obtained ministerial approval for borrowing in relation to its service concession arrangements.

Sensitivity analysis – Interest rate swaps

The following sensitivity analysis is based on the interest rate risk exposures in existence at balance date.

The table below sets out the difference in net surplus/(deficit) had floating interest rates been 1% (100 basis points) higher or lower than the year-end market rate, with all other variables (including the fixed interest rate) remaining constant.

Any change in the net surplus/(deficit) for the period would result in a corresponding movement in the net assets with the change in financial liability at balance date.

2023 Impact on net surplus/(deficit)		Change in interest rate	2024 Impact on net surplus/(deficit)
$000		%	$000
38,507	Interest rate swaps	+1.00%	36,007
(41,892)	Interest rate swaps	-1.00%	(38,956)

The present value changes in this table reflect that the Ministry pays interest at a fixed rate but receives interest at a floating rate.

Sensitivity analysis – Forward foreign exchange contracts

The following sensitivity analysis is based on the foreign exchange rate risk exposures in existence at balance date.

The table below sets out the difference in net surplus/(deficit) had foreign exchange rates been 10% higher or lower than the year-end market rates, with all other variables remaining constant.

2023 Impact on net surplus/(deficit)		Change in Foreign Exchange rate	2024 Impact on net surplus/(deficit)
$000		%	$000
(496)	Forward foreign exchange contracts	+10.00%	(221)
1,063	Forward foreign exchange contracts	-10.00%	333

Any change in the net surplus/(deficit) for the period would result in a corresponding movement in the net assets with the change in the valuation of the forward foreign exchange contracts at balance date.

Credit risk

Credit risk is the risk that a third party will default on its obligations to the Ministry, causing it to incur a loss.

The Ministry is exposed to credit risk in relation to its trade debtors and other receivables, bank balances and derivative financial instrument assets.

The Ministry is permitted to deposit funds only with Westpac (Standard and Poor's credit rating of AA-), a registered bank, and enter into derivative financial instruments with the NZDMO (Standard & Poor's credit rating of AA). For its other financial instruments, the Ministry does not have significant concentrations of credit risk.

The Ministry's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents and trade debtors (refer to Note 8) and derivative financial instrument assets. There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

Liquidity risk

Liquidity risk is the risk that the Ministry will encounter difficulty raising liquid funds to meet commitments as they fall due.

In meeting its liquidity requirements, the Ministry closely monitors forecast cash requirements with expected cash drawdowns from the NZDMO. The Ministry maintains a targeted level of available cash to meet liquidity requirements.

Contractual maturity analysis of non-derivative financial liabilities

The table below analyses the Ministry's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and for the service concession liabilities include all future interest costs and not just the face value reported in the *Statement of Financial Position.*

	Less than 6 months	Between 6 months and 1 Year	Between 1 and 5 years	Over 5 years	Total
	$000	$000	$000	$000	$000
2024					
Creditors	7,284	-	-	-	7,284
Service concession liabilities	27,424	28,513	233,492	801,161	1,090,590
Contractual undiscounted cash flows	**34,708**	**28,513**	**233,492**	**801,161**	**1,097,874**
2023					
Creditors	7,938	-	-	-	7,938
Service concession liabilities (restated)	27,367	27,566	226,267	822,616	1,103,816
Contractual undiscounted cash flows	**35,305**	**27,566**	**226,267**	**822,616**	**1,111,754**

Contractual maturity analysis of derivative financial liabilities

The table below analyses the Ministry's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and for the service concession liabilities include all future interest costs and not just the face value reported in the *Statement of Financial Position.*

	Liability carrying amount	Asset carrying amount	Contractual cash flows	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	Over 5 years
	$000	$000	$000	$000	$000	$000	$000
Contractual undiscounted cash flows							
2024							
Interest rate swaps	-	7,010					
• Outflow			(222,858)	(6,621)	(11,274)	(74,972)	(129,991)
• Inflow			233,635	8,301	13,259	71,597	140,478
Total net cashflows			**10,777**	**1,680**	**1,985**	**(3,375)**	**10,487**
Gross settled forward foreign exchange contracts	5	33					
• Outflow			(2,715)	(2,377)	(338)	-	-
• Inflow			2,743	2,398	345	-	-
Total settled gross			**28**	**21**	**7**	**-**	**-**
2023							
Interest rate swaps	172	6,746					
• Outflow			(241,365)	(9,368)	(9,139)	(74,826)	(148,032)
• Inflow			249,967	12,068	11,962	73,866	152,071
Total net cashflows			**8,602**	**2,700**	**2,823**	**(960)**	**4,039**
Gross settled forward foreign exchange contracts	-	234					
• Outflow			(7,483)	(1,452)	(6,031)	-	-
• Inflow			7,717	1,528	6,189		
Total settled gross			**234**	**76**	**158**	**-**	**-**

Note 20 – Capital Management

The Ministry's capital is its taxpayers' equity, which comprises general funds and property revaluation reserves. Taxpayers' equity is represented by net assets.

The Ministry manages its revenues, expenses, assets, liabilities and general financial dealings prudently. The Ministry's taxpayers' equity is largely managed as a by-product of managing revenue, expenses, assets, liabilities and compliance with the Government Budget processes, Treasury Instructions and the PFA 1989.

The objective of managing the Ministry's taxpayers' equity is to ensure the Ministry effectively achieves its goals and objectives for which it has been established, while remaining a going concern.

Note 21 – Related Party Transactions and Key Management Personnel

Related party transactions

The Ministry is a wholly owned entity of the Crown. The Government significantly influences the role of the Ministry as well as being its major source of revenue.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect that the Ministry would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

The Ministry has no related party transactions that are required to be disclosed at year end (2023: $Nil).

Key management personnel compensation disclosure

2023 Actual		2024 Actual
4,354,150	Remuneration and other benefits	4,442,923
11	Full-time equivalent staff	11

Key management personnel compensation includes the remuneration for the senior management team, which consists of the Secretary for Education and 10 Deputy Secretaries. The Secretary is an employee of the Public Service Commission (PSC) but the Ministry pays the PSC.

The above key management personnel compensation disclosure excludes the remuneration and other benefits the Minister of Education receives for her role as Minister of the Crown. The Minister's remuneration and other benefits are set by the Remuneration Authority under the Civil List Act 1979 and are paid under Permanent Legislative Authority, not by the Ministry.

Note 22 – Explanation of Major Variances against Budget

Explanations for major variances from the Ministry's 2024 budget figures are as set out below:

Statement of Comprehensive Revenue and Expenses

Actual expenditure is $22.498 million lower than Budget, mainly due to a combination of:

- capital charge savings due to operating deficits resulting from unfunded increases in depreciation expense for the upward annual revaluation of the school property portfolio (valued on depreciated replacement cost) and changes to timing of drawing down of capital injections ($23.501 million decrease)
- underspends to be carried forward to 2024/25 in the 2024 October Baseline Update to complete work programmes delayed due to circumstances beyond the Ministry's control ($21.169 million decrease)
- transfer to 2025/26 for continuing cybersecurity and managed digital services to kura and schools ($12.190 million decrease)
- reprioritisation to support the additional estimated cost of settlement for the Secondary Teachers' Collective Agreement ($10 million decrease)
- capital to operating swaps for Te Mahau Service Portal (Salesforce) ICT application ($7.995 million), to lease buildings where a building construction solution is not available or is uneconomic to pursue ($7.617 million increase), and for relocation of students during a refurbishment or renovation of existing school buildings ($7 million increase)
- write-off costs associated with the change in direction for the project to co-locate Marlborough Boys' College and Marlborough Girls' College on the current Marlborough Girls' College site and adjacent Bohally Intermediate site and relocate Bohally Intermediate to the Marlborough Boys' College site ($13.397 million increase), and
- settlement of the NZEI Te Riu Roa Field Staff and NZEI Service Managers and Support Workers collective agreements for Ministry of Education staff ($8.195 million increase).

A detailed explanation for changes to departmental output expense appropriations since the 2023 Budget Economic and Fiscal Update was approved by Parliament can be found in the Supplementary Estimates of Appropriations 2023/24 for Vote Education and Vote Tertiary Education.

The $537.147 million net operating deficit is due to unfunded appropriation increases in depreciation of $36 million, $163.108 million, $90.086 million and $278.160 million (totalling $567.354 million) for the upward revaluation of the school property portfolio as at 30 June 2020, 2021, 2022, and 2023 respectively, and unfunded write-off for capital works programme to co-locate Marlborough Boys' and Girls' Colleges and relocate Bohally Intermediate ($13.397 million).

Statement of Financial Position

The carrying value of property, plant and equipment is higher than budgeted by $2,540.552 million, mainly because the Budget does not provide for the $2,521.592 million gain on property revaluations as at 30 June 2024, as it is Crown forecasting policy not to budget for annual revaluation movements. The remaining variance is due to changes to timing of capital expenditure, disposals and transfers of school property to non-current assets held for sale.

Note 23 – Events after the Balance Date

There have been no events after the balance sheet date requiring the disclosure in these financial statements.

Ministry of Education Non-Departmental Schedules

for the year ended 30 June 2024

The following non-departmental schedules record the revenue, capital receipts, expenses, assets, liabilities, contingent liabilities and contingent assets that the Ministry manages on behalf of the Crown.

Schedule of Non-Departmental Revenue

for the year ended 30 June 2024

2023 Actual $000		Notes	2024 Actual $000	2024 Budget (unaudited) $000
3,545	Tertiary recoveries		1,270	-
110	Export education levies	4	5,680	3,989
1,300	Overseas student fees		2,973	3,757
4,039	Miscellaneous revenue		9,010	2,285
8,994	**Total non-departmental revenue**		**18,933**	**10,031**

Schedule of Non-Departmental Capital Receipts

for the year ended 30 June 2024

2023 Actual $000		2024 Actual $000	2024 Budget (unaudited) $000
3,998	Proceeds from the sale of teacher and caretaker housing	2,080	-
-	Partial repayment of concessionary loan	1,265	-
3,998	**Total non-departmental capital receipts**	**3,345**	**-**

The above schedules should be read in conjunction with the accompanying notes.

Schedule of Non-Departmental Expenses

for the year ended 30 June 2024

2023 Actual $000		Notes	2024 Actual $000	2024 Budget (unaudited) $000
	Grant expenditure			
2,342,383	Early childhood education services		2,696,226	2,729,515
207,105	Other grant expenditure		204,825	194,729
	Personnel-related expenses			
199,196	Superannuation contributions and ACC levies		217,635	190,384
98,073	Teacher and support staff entitlements		57,850	-
69,820	Social assistance benefits		76,835	78,918
	Fees to Auditors			
1,982	Fee for audit of schools' financial statements (Office of the Auditor-General appointed auditors)		4,525	1,400
578	Other assurance services (Ernst & Young)		571	543
-	Export Education levy expenditure	4	381	
1,298	School contents risk management scheme underwriting result	4	(1,840)	3,859
-	Write down of investment		67,512	-
1,376	Debt impairment	3	3,407	1,000
409	Fair value write-down of loans and advances		(248)	200
121	Net unrealised losses (gains) on derivatives		115	-
-	Net foreign exchange losses/(gains)		2	-
2,222,326	**GST input expense**		2,434,146	2,460,313
	Other operating expenses			
7,579,772	Operations funding to schools		8,699,968	8,750,791
3,807,427	Services from Tertiary Education Commission		3,838,347	3,910,295
71,418	Services from New Zealand Qualifications Authority		71,196	71,789
31,248	Services from Education New Zealand		27,248	32,517
-	Services from Education Payroll Limited		191	-
576,342	Services from third parties		621,855	604,618
17,210,874	**Total non-departmental expenses**		**19,020,747**	**19,030,871**

The fees to auditors for other assurance services includes $560,410 for the delivery of education payroll services for school employees (2023: $558,250) and $10,500 for Ka Ora, Ka Ako | Healthy School Lunches assurance procedures (2023: $20,000).

Further details of non-departmental expenditure and appropriations by Vote are provided in the *Appropriation Statements* on pages 159 to 162. The *Appropriation Statements* cover both operating (above) and capital expenditure.

The above schedules should be read in conjunction with the accompanying notes.

Schedule of Non-Departmental Assets

as at 30 June 2024

2023 Actual $000		Notes	2024 Actual $000	2024 Budget (unaudited) $000
	Current assets			
277,315	Cash and cash equivalents		242,101	250,000
39,475	Debtors and other receivables	3	62,400	39,475
68,889	Prepayments		58,309	44,144
300	School contents risk management scheme recoveries		300	300
121	Derivative financial instruments		10	121
	Non-current assets			
3,091	Concessionary loan	6	2,073	23,091
1,131	Debtors and other receivables	3	-	1,131
390,322	**Total non-departmental assets**		**365,193**	**358,262**

The Ministry monitors several Crown entities: the New Zealand Qualifications Authority, the Tertiary Education Commission, Education New Zealand and Te Pūkenga – New Zealand Institute of Skills and Technology. These Crown entities have their own annual reporting obligations. The investment in these entities is consolidated in the financial statements of the Government and not included in this schedule.

The Ministry also has investments in Tertiary Education Institutions (TEIs) and two Crown-owned companies. These entities have their own annual reporting obligations. TEIs are Crown entities and their relationship to the Crown is managed by a plan agreed between them and the Tertiary Education Commission. The Minister of Education and the Minister of Finance are the shareholding Ministers for the Crown-owned companies Network for Learning and Education Payroll Limited. The Treasury is responsible for ownership monitoring. These investments are consolidated in the financial statements of the Government and not included in this schedule.

Schedule of Non-Departmental Liabilities

as at 30 June 2024

2023 Actual $000		Notes	2024 Actual $000	2024 Budget (unaudited) $000
	Current liabilities			
1,263,880	Creditors and other payables	5	1,308,605	1,180,871
643,114	Teacher and support staff entitlements		782,853	755,786
2,187	School contents risk management scheme claims liability	4	1,111	2,187
-	Derivative financial instruments	6	4	-
1,909,181	**Total non-departmental liabilities**		**2,092,573**	**1,938,844**

The Holidays Act 2003 provision as at 30 June 2024 is $456.141 million (2023: $403.720 million).

The amount provides for corrective payments to current and former individuals paid through the schools' payroll where they have not been paid in accordance with the requirements of the Holidays Act. The provision is an estimate based on analysis of sample data for most areas of non-compliance. The ultimate amount may be significantly different to the estimated amount provided as at 30 June 2024. The work is ongoing, alongside work to provide partial payments in the current and subsequent financial years. Partial payments of $7.942 million were made during the 2023/24 financial year (2023: $38.4m).

Other provisions include $216.707 million for annual leave (2023: $149.038 million) and $57.612 million to correct the historic underpayment of long-term relievers' holiday pay (2023: $57.893 million).

These provisions are included in the teacher and support staff entitlements above.

Schedule of Non-Departmental Commitments

as at 30 June 2024

The Ministry, on behalf of the Crown, has no non-cancellable capital or lease commitments (2023: $Nil).

Schedule of Non-Departmental Contingent Liabilities and Assets

as at 30 June 2024

Quantifiable contingent liabilities

The Ministry, on behalf of the Crown, has no quantifiable contingent liabilities (2023: $Nil).

Unquantifiable contingent liabilities

The Ministry, on behalf of the Crown, has no unquantifiable contingent liabilities (2023: $Nil).

Contingent assets

The Ministry, on behalf of the Crown, has no contingent assets (2023: $Nil).

Statement of Funds Held

for the year ended 30 June 2024

	Ngārimu VC and 28th (Māori) Battalion Memorial Fund	Pacific Education Foundation (PEF) Fund
	$000	$000
Balance as at 30 June 2022 or 31 December 2021 for PEF	**1,265**	**50**
Contributions	217	533
Distributions	(180)	(535)
Revenue	79	22
Expenses	(81)	(29)
Balance as at 30 June 2023 or 31 December 2022 for PEF	**1,300**	**41**
Contributions	217	1,450
Distributions	(172)	(542)
Revenue	97	130
Expenses	(83)	(40)
Balance at 30 June 2024 or 31 December 2023 for PEF	**1,359**	**1,039**

The Ngārimu VC and 28th (Māori) Battalion Memorial Scholarship Fund

The Ngārimu VC and 28th (Māori) Battalion Memorial Scholarship Fund (the Ngārimu Fund) was established in 1945 under an Act of Parliament to commemorate the service of Māori and, in particular, of the 28th (Māori) Battalion in World War II, and the award of the Victoria Cross to Second Lieutenant Te Moananui ā Kiwa Ngārimu. The principal purpose for the Ngārimu Fund is to assist Māori education in New Zealand through the provision of scholarships and grants for the education of Māori students, and to encourage the maintenance of the Māori language and of Māori history, tradition and culture through the Ngārimu Video Competition, the Manakura Award and the provision of scholarships. Revenue received from investments and annual government grants are the two primary sources of revenue for the Ngārimu Fund. An Annual Report, including audited financial statements, is presented to Parliament.

The Pacific Education Foundation

The Pacific Education Foundation (PEF) is governed by an Act of Parliament and was established in 1972. The PEF provides scholarships for Pacific Island students undertaking a course of study at any New Zealand tertiary institution, either undergraduate or post-graduate. The scholarships aim to promote better education for Pacific people in New Zealand. The PEF receives funding from an annual grant given by the Ministry of Education and interest on investments. An Annual Report, including audited financial statements, is presented to Parliament.

The Export Education Levy

Refer to the non-departmental schedules, Note 4 for details on the Export Education Levy.

Notes to the Non-Departmental Schedules

for the year ended 30 June 2024

Note 1 – Reporting Entity

These non-departmental schedules present financial information on public funds managed by the Ministry on behalf of the Crown.

These non-departmental balances are consolidated into the financial statements of the Government. For a full understanding of the Crown's financial position and the results of its operations for the year, reference should be made to the Financial Statements of the Government.

Note 2 – Basis of Preparation and Statement of Significant Accounting Policies

Basis of preparation

The non-departmental schedules have been prepared in accordance with the Government's accounting policies as set out in the financial statements of the Government, and in accordance with relevant Treasury Instructions and Treasury Circulars.

Measurement and recognition rules applied in the preparation of these non-departmental schedules are consistent with New Zealand generally accepted accounting practice (GAAP) PBE Standards as appropriate for PBEs.

Significant accounting polices

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

Revenue

Revenue is derived through levies charged to education institutions offering education services to foreign students, fees paid by foreign students attending New Zealand primary and secondary schools (excluding integrated schools), interest paid by tertiary education institutions on loans and advances, recoveries of grants and other funding paid to tertiary Crown entities and education providers in previous financial years, and other miscellaneous Crown receipts that are not separately identified. The revenue from levies and recoveries is non-exchange revenue.

Foreign currency transactions

Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into New Zealand dollars using the spot exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the *Schedule of Non-Departmental Expenses.*

Concessionary loans

Concessionary loans are loans granted at below market terms. Fair value is determined by discounting all future cash receipts using a market-related rate of interest for a similar loan and concession write-down on initial recognition is recognised in the Schedule of Non-Departmental Expenditure.

Concessionary loans are designated at fair value through surplus or deficit under *PBE IPSAS 41 Financial Instruments*. The difference between the amount of the fair value on initial fair value is recognised as an expense. At the end of the year, predictive models are used to compare the carrying value to the fair value and the difference is recognised in the Schedule of Non-Departmental Expenditure.

Grant expenditure

Non-discretionary grants are those grants awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Ministry or entity administering the grant has no obligation to award the grant on receipt of the application and are recognised as expenditure when approved and the approval has been communicated to the applicant. Approvals are determined by the Minister, the board of the administering entity, a specifically convened panel or committee or a delegated official.

Commitments

Commitments are future expenses and liabilities to be incurred on contracts that have been entered into at balance date. Information on non-cancellable capital and lease commitments are reported in the *Schedule of Non-Departmental Commitments.*

Cancellable capital commitments that have penalty or exit costs explicit in the agreement on exercising that option to cancel are reported in the *Schedule of Non-Departmental Commitments* at the lower of the remaining contractual commitment and the values of those penalty or exit costs (that is, the minimum future payments).

Goods and services tax (GST)

All items in the non-departmental schedules are stated exclusive of GST, except for debtors, creditors and accrued expenses, which are stated on a GST-inclusive basis. GST is returned on revenue received on behalf of the Crown, where applicable. However, an input tax deduction is not claimed on non-departmental expenditure. Instead, the amount of GST applicable to non-departmental expenditure is recognised as a separate expense (in the *Schedule of Non-departmental Expenses*) and eliminated against GST revenue on consolidation of the financial statements of the Government.

Budget figures

The 2024 budget figures are for the year ended 30 June 2024, which are consistent with the best estimate financial information submitted to Treasury for the 2023 Pre-Election Economic and Fiscal Update (PREFU) for the 2023/24 year.

Note 3 – Debtors and Other Receivables

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate, less any provision for impairment.

Impairment of a receivable is established when there is objective evidence that the Ministry will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy and default on payments are considered indicators that the debtor is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an impairment provision, and the amount of the loss is recognised in the *Schedule of Non-departmental Expenses*. When a debt is uncollectible, it is written off against the impairment provision. Overdue receivables that are renegotiated are reclassified as current (that is, not past due).

2023 Actual $000		2024 Actual $000
15,854	Debtors	13,657
(13,291)	Less provision for impairment	(9,373)
38,043	Accrued revenue and other receivables	58,116
40,606	**Total debtors and other receivables**	**62,400**
	Represented by:	
39,475	Current	62,400
1,131	Non-current	-
40,606	**Total debtors and other receivables**	**62,400**

The aging profile of debtors and impairment at 30 June is detailed below:

	2023			2024		
	Gross $000	Impairment $000	Net $000	Gross $000	Impairment $000	Net $000
Past due 1 - 90 days	1,175	(72)	1,103	3,236	(170)	3,066
Past due 90 - 180 days	469	(35)	434	669	(98)	571
Past due 180 - 360 days	1,496	(1,226)	270	1,990	(1,576)	414
Past due > 360 days	12,714	(11,958)	756	7,762	(7,529)	233
Total	**15,854**	**(13,291)**	**2,563**	**13,657**	**(9,373)**	**4,284**

The provision for impairment has been calculated based on a review of specific overdue debtors and an assessment of past collection history and debt write-offs, including the forward-looking information.

Movements in the provision for impairment are as follows:

2023 Actual $000		2024 Actual $000
16,742	Balance as at 1 July 2023	13,291
1,376	Increase of impairment during the year	1,599
(4,827)	Debts written-off during the year	(5,517)
13,291	**Balance as at 30 June 2024**	**9,373**

Note 4 – Levies

Export Education Levy

The Export Education Levy (EEL) was established in 2003 under the Education and Training Act 2020 (incorporated and replaced the Education Acts 1964 and 1989). The EEL is collected from providers that enrol international students for the purpose of the development, promotion and quality assurance of the export education sector, including the administration of the Code of Practice for the Pastoral Care of International Students. The EEL also funds reimbursements for international students affected by the closure of Private Training Establishments (PTEs) or PTE programmes.

2023 Actual $000		2024 Actual $000
2,962	Levy revenue	5,680
(93)	Levy expenses	(381)
2,869	**Surplus/(deficit) for the year**	**5,299**

School Risk Management Scheme

The School Risk Management Scheme (the scheme) provides protection for school contents (Board of Trustees property), cybersecurity insurance and legal liability insurance (including public liability) for state and state-integrated schools. School Boards of Trustees can choose to join the scheme or insure with a private insurance company. All school assets, other than land and buildings owned by the Crown, must be insured.

The Ministry acts as insurer for contents insurance in schools and contracts the services of McLarens New Zealand for loss adjustment of contents claims. Cover is described by a ‘Deed’ for school contents and the Education (Risk Management Scheme) Regulations 2003 and includes the replacement value of contents, refrigerated property, earthquake, subsidence, self-ignition, works of art and money. The excess deductible is $500 per claim for claims over $1,000.

Liability insurance is provided by Lumley General Insurance (NZ) Limited through the scheme’s contracted insurance broker, Marsh McLennan Companies Inc., and includes public liability, punitive and exemplary damages, trustees’ cover, employers’ liability, statutory liability, fidelity guarantee, legal expenses, and specific cover for principals and international students.

The scheme's insurance premium is charged to recover the administration, insurance and claims cost of the scheme. The premium is deducted quarterly from the school's operational funding entitlement. The Ministry operates a separate bank account for the scheme in accordance with section 577(4) of the Education and Training Act 2020.

The liability for outstanding claims as at 30 June 2024 is $1.111 million (2023: $2.187 million). The valuation was undertaken as at 30 June 2024 applying revised assumptions to the 30 June 2022 model prepared by independent actuary Jonathan Eriksen (FNZSA) from Eriksen Global Limited. The outstanding claims liability for existing claims was taken as the total claims estimate. The claims incurred but not reported (IBNR) reserve was $196,381 (2023: $465,415) and was calculated as the claim rate (2.73 claims per day) times the average delay (63.06 days) times the average claims cost ($1,140.73).

The insurance underwriting result is as follows:

2023 **Actual** $000		**2024** **Actual** $000
4,524	Insurance premium revenue	5,603
(2,241)	Outwards re-insurance premium expense	(2,662)
(2,250)	Claims expense	(1,671)
(729)	Claims liability adjustment from valuation	1,077
(601)	Administration costs	(507)
(1,297)	**Insurance underwriting result**	**1,840**

Note 5 – Creditors and Other Payables

Creditors and other payables is comprised of:

2023 **Actual** $000		**2024** **Actual** $000
4,431	Creditors	3,208
156,348	Taxes payable	163,494
536,446	Grants funding payable to the Tertiary Education Commission (net)	590,548
566,655	Accrued expenses	551,355
1,263,880	**Total creditors and other payables**	**1,308,605**

Creditors and other payables are non-interest bearing and are normally settled within 30 days. Therefore, due to their short-term nature creditors and other payables are not discounted and their carrying value approximates their fair value, so are classified as current liabilities.

Note 6 - Financial Instruments

Categories

The carrying amounts of financial assets and financial liabilities in each of the financial instrument categories are as follows:

2023 Actual $000		2024 Actual $000
	Financial assets	
	Financial assets measured at amortised cost	
277,315	Cash and cash equivalents	242,101
15,854	Trade debtors (refer to Note 3)	13,657
293,169	**Total financial assets measured at amortised cost**	**255,758**
	Financial assets measured at fair value through surplus or deficit	
3,091	• Concessionary loan	2,073
121	• Forward foreign exchange contracts	10
3,212	**Total financial assets measured at fair value through surplus or deficit**	**2,083**
296,381	**Total financial assets**	**257,841**
	Financial liabilities	
	Financial liabilities measured at amortised cost	
4,431	Creditors (refer to Note 5)	3,208
4,431	**Total financial liabilities measured at amortised cost**	**3,208**
	Financial liabilities measured at fair value through surplus or deficit	
	Derivative financial instruments	
-	• Forward foreign exchange contracts	4
-	**Total financial liabilities measured at fair value through surplus or deficit**	**4**
4,431	**Total financial liabilities**	**3,212**

Cash and cash equivalents are cash on hand and funds held at call with Westpac, a registered bank, that form part of the day-to-day cash management of the Ministry. No interest is payable to the Ministry on its bank accounts. The Ministry is only permitted to spend the cash and cash equivalents within the scope of its appropriations.

The Ministry uses forward foreign exchange contracts to manage exposure to foreign exchange movements. The Ministry does not hold these contacts for trading purposes and has not adopted hedge accounting.

The Ministry's derivative financial instruments are interest rate swaps and forward foreign exchange contracts entered into with The Treasury – NZDMO. They are initially recognised at fair value and are subsequently remeasured at their fair value at each balance date with the resulting gain or loss recognised in net surplus/(deficit).

Foreign exchange derivatives are classified as current if the contract is due for settlement within 12 months of balance date. Otherwise, the full fair value of foreign exchange contracts is classified as non-current.

Fair value hierarchy

For those instruments recognised at fair value in the *Statement of Financial Position*, fair values are determined according to the following hierarchy:

- Quoted market price (level 1). Financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2). Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3). Financial instruments valued using models where one or more significant inputs are not observable.

The forward foreign exchange contracts are measured at fair value using the exchange rates provided by The Treasury for the financial statements of the Government.

There were no transfers between the different levels of the fair value hierarchy.

Risks

The Ministry's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The Ministry has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

Market risk

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Ministry's Foreign Exchange Management Policy requires the Ministry to manage currency risk arising from future transactions and recognised liabilities by entering into forward foreign exchange contracts when the total transaction exposure to an individual currency exceeds NZ$100,000. The Ministry's policy has been approved by the Treasury and is in accordance with the requirements of the Treasury's Guidelines for the Management of Crown and Departmental Foreign-Exchange Exposure.

The notional principal amounts of outstanding forward exchange contracts in New Zealand dollar equivalent as at 30 June 2024 was:

2023 Actual $000		**2024 Actual** $000
3,920	Canadian dollar	2,254
-	United States dollar	882
-	European Union Euro	786
3,920	**Total**	**3,922**

Sensitivity analysis – Forward foreign exchange contracts

The following sensitivity analysis is based on the foreign exchange rate risk exposures in existence at balance date.

The table below sets out the difference in net surplus/(deficit) had foreign exchange rates been 10% higher or lower than the year-end market rates, with all other variables remaining constant.

2023 Impact on net surplus/(deficit)		Change in foreign exchange rate	2024 Impact on net surplus/(deficit)
$000			$000
(246)	Forward foreign exchange contracts	+10.00%	(351)
571	Forward foreign exchange contracts	-10.00%	443

Any change in the net surplus/(deficit) for the period would result in a corresponding movement in the net assets with the change in the valuation of the forward foreign exchange contracts at balance date.

Credit risk

Credit risk is the risk that a third party will default on its obligations to the Ministry, causing it to incur a loss.

The Ministry is exposed to credit risk in relation to its trade debtors and other receivables, bank balances and derivative financial instrument assets.

The Ministry is permitted to deposit funds only with Westpac (Standard and Poor's credit rating of AA-), a registered bank, and enter into derivative financial instruments with the NZDMO (Standard & Poor's credit rating of AA). For its other financial instruments, the Ministry does not have significant concentrations of credit risk.

The Ministry's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents and trade debtors (refer to Note 3) and derivative financial instrument assets. There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

Liquidity risk

Liquidity risk is the risk that the Ministry will encounter difficulty raising liquid funds to meet commitments as they fall due.

In meeting its liquidity requirements, the Ministry closely monitors forecast cash requirements with expected cash drawdowns from the NZDMO. The Ministry maintains a targeted level of available cash to meet liquidity requirements.

Contractual maturity analysis of non-derivative financial liabilities

The table below analyses the Ministry's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Less than 6 months	Between 6 months and 1 Year	Between 1 and 5 years	Over 5 years	Total
	$000	$000	$000	$000	$000
2024					
Creditors	3,208	-	-	-	3,208
2023					
Creditors	4,431	-	-	-	4,431

Contractual maturity analysis of derivative financial liabilities

The table below analyses the Ministry's derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The table includes contractual amounts to be exchanged in forward foreign exchange contracts regardless of whether their fair value is an asset or liability. The amounts disclosed are the contractual undiscounted cash flows.

	Liability carrying amount	Asset carrying amount	Contractual cash flows	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	Over 5 years
	$000	$000	$000	$000	$000	$000	$000
Contractual undiscounted cash flows							
2024							
Gross settled forward foreign exchange contracts	-	6	-	-	-	-	-
- Outflow	-	-	(3,923)	(1,936)	(1,987)	-	-
- Inflow	-	-	3,929	1,932	1,997	-	-
Total settled gross	**-**	**-**	**6**	**(4)**	**10**		
2023							
Gross settled forward foreign exchange contracts	-	121	-	-	-	-	-
- Outflow	-	-	(3,920)	(1,938)	(1,982)	-	-
- Inflow	-	-	4,041	2,017	2,024	-	-
Total settled gross	**-**	**-**	**121**	**79**	**42**	**-**	**-**

Concessionary Loan

In December 2022, Cabinet agreed to provide an interest-free loan to Nelson College. The terms of the loan will be reviewed in December 2024.

	Nelson College $000
Opening fair value as at 30 June 2023	3,091
Fair value write-down	248
Repayments	(1,266)
Closing fair value as at 30 June 2024	**2,073**

Note 7 – Explanation of Major Variances against Budget

Explanations for major variances from the Ministry's non-departmental Budget figures are as follows:

Schedule of revenue

Tertiary recoveries are not budgeted for.

Schedule of expenses

Crown expenditure in Vote Education was $723 million (6%) greater than the Budget, mainly due to the drawdown of funding for Education Sector Collective bargaining settlements, an increase in the Holiday Act 2003 provision and additional funding for teachers' salaries and operational grants which were higher than initially forecast. A higher-than-expected count of Funded Child Hours has led to the Ministry incurring expenses in excess of the Early Learning appropriation as at 30 June 2024. Refer to the S*tatement of Expenses and Capital Expenditure Incurred Without, or in Excess of, Appropriation or Other Authority* for further details.

Crown expenditure in Vote Tertiary Education was $121 million (3%) less than Budget, mainly due to student demand being lower than the level budgeted for Qualification Delivery, Fees-Free payments being lower than budget and a lower number of crown asset disposals than initially forecast. This was partially offset by the derecognition of the investment in Te Wānanga o Raukawa.

A detailed explanation for changes to non-departmental appropriations since the Budget was approved by Parliament can be found in the Supplementary Estimates of Appropriations 2023/24 for Vote Education and Vote Tertiary Education.

Appropriation Statements

for the year ended 30 June 2024

The following statements report information about the expenses and capital expenditure incurred against each appropriation under Vote Education and Vote Tertiary Education administered by the Ministry for the year ended 30 June 2024 in compliance with section 45A of the PFA 1989.

Total departmental output expenses and appropriations equal total operating expenses in the *Statement of Comprehensive Revenue and Expenses* on page 91. All performance information for these outputs is included in Part Two of this Annual Report.

Statement of Budgeted and Actual Expenses and Capital Expenditure incurred against Appropriations

for the year ended 30 June 2024

Annual and permanent appropriations for Vote Education

Expenditure Actual 2023 $000	Appropriation title	Expenditure Actual 2024 $000	Approved appropriation budget[2] 2024 $000	Location of end-of-year performance information[3]
	Departmental output expenses			
2,594,678	School Property Portfolio Management	3,109,656	3,112,937	1
5,230	Services to Other Agencies RDA	3,655	5,500	1
15,488	Support and Resources for Parents and the Community	13,778	16,415	1
2,615,396	**Total departmental output expenses**	**3,127,089**	**3,134,852**	
	Departmental capital expenditure			
1,849,031	Ministry of Education-Capital Expenditure PLA	**2,050,698**	**2,114,835**	1
	Non-departmental output expenses			
7,561	Contributions to Other Education-related Organisations	7,567	9,355	2
2,342,383	Early Learning	2,697,035	2,596,372	2
29,680	School Managed Network Funding	29,114	29,250	5
235,462	School Transport	254,651	254,910	2
23,417	Schooling Improvement	34,273	37,807	2
4,826	Support for Early Learning Providers	5,415	12,122	2
7,388	Supporting Parenting	7,046	8,974	2
2,650,717	**Total non-departmental output expenses**	**3,035,101**	**2,948,790**	
	Benefits or related expenses			
8,127	Home Schooling Allowances	8,773	9,324	3
10,443	Scholarships and Awards for Students	10,456	13,458	3
30,974	Scholarships and Awards for Teachers and Trainees	37,700	39,142	3
49,544	**Total benefits or related expenses**	**56,929**	**61,924**	

2 These are the appropriations from the 2023/24 Supplementary Estimates, adjusted for any transfers under section 26A of the PFA 1989.
3 The key for the numbers in this column is located at the end of the tables.

Expenditure Actual 2023 $000	Appropriation title	Expenditure Actual 2024 $000	Approved appropriation budget[2] 2024 $000	Location of end-of-year performance information[3]
	Non-departmental other expenses			
409	Fair Value Write Down and Impairment of Loans and Advances	-	200	3
1,376	Impairment of Debts and Assets and Debt Write-Offs	3,407	4,586	3
131,747	Integrated Schools Property	114,365	115,494	2
-	School Asset Sale Proceeds to Schools	-	1,400	2
133,532	**Total non-departmental other expenses**	**117,772**	**121,680**	
	Non-departmental capital expenditure			
60,199	Schools Furniture and Equipment	70,398	74,439	2
3,500	Temporary Loan for Nelson College	-	-	3
63,699	**Total non-departmental capital expenditure**	**70,398**	**74,439**	
	Multi-Category Expenses and Capital Expenditure (MCAs)[4]			
389,682	Improved Quality Teaching and Learning MCA	388,367	434,031	1
	Departmental output expense			
186,251	*Support and Resources for Teachers*	*171,988*	*189,882*	
	Non-departmental output expenses			
75,486	*Curriculum Support*	*86,899*	*101,138*	
127,945	*Professional Development and Support*	*129,480*	*143,011*	
1,376,025	Outcomes for Target Student Groups MCA	1,498,916	1,498,385	1
	Departmental output expense			
414,791	*Interventions for Target Student Groups*	*418,268*	*442,451*	
	Non-departmental output expenses			
673,104	*Learning Support and Alternative Education*	*765,438*	*740,113*	
267,026	*School Lunch Programme*	*284,498*	*282,889*	
21,104	*Students Attendance and Engagement*	*30,658*	*31,832*	
	Non-departmental output expenses			
-	*Additional School Lunch Expenses*	*54*	*1,100*	
71,418	Oversight and Administration of the Qualifications System MCA	71,681	71,855	4
	Non-departmental output expenses			
47,540	*Secondary School Assessments*	*44,863*	*44,863*	
23,878	*Standards and Qualifications Support*	*26,818*	*26,992*	
68,700	Oversight of the Education System MCA	74,419	69,104	1
	Departmental output expenses			
68,700	*Stewardship and Oversight of the Education System*	*74,419*	*69,104*	
	Non-departmental output expenses			
-	*Independent Advice on Government Priority Areas*	-	-	

4 A Multi-Category Appropriation (MCA) allows separate categories of departmental output expenses, non-departmental output expenses, departmental other expenses, non-departmental other expenses or non-departmental capital expenditure to be grouped together in one appropriation, provided all the categories contribute to a single overarching purpose.

Expenditure Actual 2023 $000	Appropriation title	Expenditure Actual 2024 $000	Approved appropriation budget[2] 2024 $000	Location of end-of-year performance information[3]
7,243,663	Primary and Secondary Education MCA	8,258,738	8,242,663	1
	Departmental output expenses			
208,188	*Support and Resources for Education Providers*	*235,989*	*212,935*	
	Non-departmental output expenses			
4,034,936	*Primary Education*	*4,581,476*	*4,539,364*	
5,822	*School Risk Management Scheme*	*3,764*	*6,800*	
2,994,717	*Secondary Education*	*3,437,509*	*3,483,564*	
9,149,488	**Total Multi-Category Expenses and Capital Expenditure**	**10,292,121**	**10,316,038**	
16,511,407	**Total annual and permanent appropriations for Vote Education**	**18,750,108**	**18,772,558**	

Annual and permanent appropriations for Vote Tertiary Education

Expenditure Actual 2023 $000	Appropriation title	Expenditure Actual 2024 $000	Approved appropriation 2024 $000	Location of end-of-year performance information
	Departmental output expense			
18,419	Stewardship and Oversight of the Tertiary Education System	**13,890**	**14,189**	1
	Non-departmental output expenses			
80,507	Administration of and Support for the Tertiary Education and Careers Systems	72,123	72,123	6
49,800	Centres of Research Excellence	49,800	49,800	6
15,600	Establishment of a Single National Vocational Education Institution	-	-	7
32,158	International Education Programmes	27,629	32,324	8
41,673	Strategic Support for National and Regional Priorities	77,782	78,132	
42,325	Support for Wānanga	12,000	12,000	6
315,000	Tertiary Education Research and Research-Based Teaching	315,000	315,000	6
25,782	Tertiary Sector/Industry Collaboration Projects	15,951	17,088	6
4,348	University-led Innovation	707	751	6
65,000	Workforce Development Councils	65,000	65,000	6
672,193	**Total non-departmental output expenses**	**635,992**	**642,218**	
	Benefits or related expenses			
20,276	Tertiary Scholarships and Awards	**19,905**	**20,629**	3
	Non-departmental other expense			
-	Derecognition of Wānanga	67,512	67,512	

Expenditure Actual 2023 $000	Appropriation title	Expenditure Actual 2024 $000	Approved appropriation 2024 $000	Location of end-of-year performance information
347,064	Fees-free Payments	283,091	293,339	6
347,064	**Total non-departmental other expenses**	**350,603**	**360,851**	
	Non-departmental capital expenditure			
2,000	Careers System Online	-	-	6
25,000	Support for a Single National Vocational Education Institution	15,000	15,000	7
-	Tertiary Education Institutions' Proceeds from Disposal of Crown Assets	791	20,186	1
-	Vocational Education Data System	7,850	7,850	6
27,000	**Total non-departmental capital expenditure**	**23,641**	**43,086**	
	Multi-Category Expenses and Capital Expenditure (MCAs)[4]			
2,787,872	Tertiary Tuition and Training MCA	**2,914,179**	**2,945,109**	6
	Non-departmental output expenses			
90,332	*Access to and Success in Tertiary Education*	*99,109*	*100,461*	
271,323	*Foundation and Community Education*	*299,030*	*301,234*	
2,426,217	*Qualification Delivery*	*2,516,040*	*2,543,414*	
3,872,824	**Total annual and permanent appropriations for Vote Tertiary Education**	**3,958,210**	**4,026,032**	

The numbers in the last column represent where end-of-year performance information has been reported for each appropriation administered by the Ministry, as detailed below.

1. The Ministry's Annual Report in Part Two.
2. In the Ministerial Vote Education report in relation to Non-Departmental Appropriations for the year ending 30 June 2024, appended to the Ministry's Annual Report.
3. No reporting due to an exemption obtained under section 15D of the PFA 1989.
4. The New Zealand Qualifications Authority Annual Report.
5. The Network for Learning Limited Annual Report.
6. The Tertiary Education Commission Annual Report.
7. The Te Pūkenga – New Zealand Institute of Skills and Technology Annual Report.
8. The Education New Zealand Annual Report.

Statement of Departmental Capital Injections

for the year ended 30 June 2024

Expenditure Actual 2023 $000	Appropriation Title	Expenditure Actual 2024 $000	Expenditure Actual 2024 $000
	Vote Education		
889,321	Ministry of Education Capital Injection	1,098,159	1,169,742

A breakdown of capital injections is provided in the departmental financial statements under Note 18 - Taxpayers' Equity.

Statement of Expenses and Capital Expenditure Incurred Without, or in Excess of, Appropriation or Other Authority

for the year ended 30 June 2024

Department Vote	Appropriation	Financial year	Amount without or exceeding appropriation $000
Vote Education	Departmental Output Expenses		
	Primary and Secondary Education MCA	2023/24	$16,075

The overarching purpose of this appropriation is to provide teachers funding and other resourcing entitlements to schools (and other education providers) to deliver education to school students in Years 0 to 13.

The Ministry uses a cost allocation model to assign departmental costs to outputs. An extensive review of the Ministry's internal cost allocation model was completed in the latter half of the year, to more accurately align the allocation of internal costs to where the funding is provided. This resulted in unexpected expenditure which exceeded the appropriation.

The Ministry of Education received approval from the Minister of Finance to incur expenditure in excess of the existing appropriation prior to 30 June 2024, under section 26B of the Public Finance Act 1989.

Department Vote	Appropriation	Financial year	Amount without or exceeding appropriation $000
Vote Education	Non-Departmental Output Expenses		
	Outcome for Target Student Groups MCA	2023/24	$531

The single overarching purpose of this appropriation is to improve outcomes for targeted student groups.

In August 2023, Cabinet approved expenditure for settling the Therapist Pay Equity Claims. However, the use of imprest supply was not drawn down in time for settling the claim due to Budget 2024 moratorium restrictions.

The Ministry of Education received approval from the Minister of Finance to incur expenditure in excess of the existing appropriation prior to 30 June 2024, under section 26B of the Public Finance Act 1989.

Department Vote	Appropriation	Financial year	Amount without or exceeding appropriation $000
Vote Education	Non-Departmental Output Expenses		
	Early Learning	2023/24	$100,663

This appropriation is limited to subsidising the 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.

The appropriation is demand driven, with a 3.4% higher-than-forecast count of Funded Child Hours which led to the Ministry incurring expenses in excess of the appropriation.

The amount of funding expense incurred in excess of the appropriation is unappropriated expenditure.

Department Vote	Appropriation	Financial year	Amount without or exceeding appropriation $000
Vote Education	Departmental Output Expenses		
	Oversight of the Education System MCA	2023/24	$5,315

The single overarching purpose of this appropriation is to provide policy advice, research, monitoring and related services that enable Ministers to discharge their responsibilities for a well-functioning education system (excluding tertiary education).

Unplanned redundancy costs were incurred as a result of the Ministry's fiscal sustainability work through the Budget 2024 savings programme, resulting in expenditure that exceeded the appropriation.

The amount of redundancy expense incurred in excess of the appropriation is unappropriated expenditure.

Te Tāhuhu o
te Mātauranga
Ministry of Education

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