Budget 2013

Budget 2013 focuses on two key areas – extra investment of over $130 million over four years to maintain and strengthen the quality and relevance of tertiary provision, and further improving the value of student support expenditure.

To make sure its investment is going to where it is needed most, the Government has set some ambitious goals to focus public services on achieving better outcomes for New Zealanders within tight fiscal constraints. In the tertiary sector, the Government is focused on the Better Public Services (BPS) target of 55% of 25-34 year olds achieving a qualification at Level 4 or above on the New Zealand Qualifications Framework by 2017. Higher qualifications are associated with improved economic outcomes for individuals and increased productivity.

Budget 2013 strengthens vocational training, through the expansion of the dedicated Māori and Pasifika trades training programmes from 600 places to 3,000 by 2015, and new funding rates to support New Zealand Apprenticeships which begin in 2014.

Further investment will be made to priority areas that support innovation and economic growth. Tertiary tuition subsidies for engineering and science will be increased by 2 percent, and increased funding has been set aside in contingency for Centres of Research Excellence (CoREs). Further specification of the new funding will be made following the current policy review of the CoREs fund.

Budget 2013 will close the gap in tuition subsidies between public and private providers through the provision of $28.7 million in extra funding over 4 years, and high-performing Private Training Establishments are gaining extra flexibility to enrol more students above their funding caps, up to 1,000 equivalent full-time students a year from 2014.

Also supporting the BPS targets, delivery tolerance bands of 99-105 percent will remain at this level beyond 2013. The bands give tertiary providers more room to accommodate students above their caps.

Workplace literacy and numeracy funding will be consolidated, with the new Literacy and Numeracy Provision providing support for individual trainees who need additional specialist literacy and numeracy training. At the same time, a new option for young people will be created within the Literacy and Numeracy for Adults Assessment Tool, to better support students participating in the Youth Guarantee programme.

# Private Training Establishments

Budget 2013 focuses on two key areas – extra investment of over $130 million over four years to maintain and strengthen the quality and relevance of tertiary provision, and further improving the value of student support expenditure.

To make sure its investment is going to where it is needed most, the Government has set some ambitious goals to focus public services on achieving better outcomes for New Zealanders within tight fiscal constraints. In the tertiary sector, the Government is focused on the Better Public Services target of 55% of 25-34 year olds achieving a qualification at Level 4 or above on the New Zealand Qualifications Framework by 2017.

In 2012, Cabinet recognised capacity for over-delivery among high-performing PTEs by agreeing to a 1,000 EFTS extension. Budget 2013 provides $21.67 million for student support costs to extend this initiative into 2014 and beyond.

The Government favours a principle of equitable funding across providers within the tertiary education system. Budget 2013 will close the gap in tuition subsidies between public and private providers through investing $28.7 million in extra funding in the PTE sector over four years.

Budget 2013 continues to invest in priority areas that support innovation and economic growth. The Government is providing $27.2 million over four years to increase tertiary tuition subsidies for engineering and science by 2 percent. This funding increase will continue to bring tuition subsidy relativities for science and engineering closer in line with international practice, and Australia in particular.

This targeted tuition subsidy increase recognises the economic importance of engineering in New Zealand, including the rebuilding of Christchurch, and that scientific skills and research are integral to lifting innovation and boosting growth.

The delivery tolerance bands of 99-105 percent will remain at this level beyond 2013. The bands give tertiary providers more room to accommodate students above their caps.

Since 2010, the number of Maori and Pasifika EFTS has increased by 3.8 percent. There has also been a rise in the number of these students studying at higher levels.   
Budget 2013 will increase funding of the equity funding pool by 4 percent to maintain current funding rates per student and support providers to enrol and progress Maori and Pasifika students, and students with special educational needs.

The dedicated Māori and Pasifika trades training programmes will be expanded. By 2015, the expanded programmes will provide up to 3,000 students with end-to-end support, foundation skills and a pathway from foundation education through to employment and the completion of a New Zealand Apprenticeship. This initiative will be funded by the re-prioritisation of over $35 million from the Industry Training Fund over four years.

## Key points for PTEs

* Tuition subsidies between public and private providers equalised through the provision of $28.7 million in extra funding for PTEs over the next four years.
* High-performing PTEs will be permitted to deliver an additional 1,000 unfunded EFTS over their plan-approved levels.
* The delivery tolerance band for SAC-funded TEOs will remain at 99-105 percent.
* Tuition subsidy funding rates for priority engineering courses increased by 2 percent, amounting to $9.3 million over four years.
* Tuition subsidy funding rates for science increased by 2 percent, amounting to $17.9 million over four years.
* The equity funding pool will be increased by 4 percent.
* The Māori and Pasifika trades training programmes expanded from 600 fees-free places to 3,000 places per year by 2015.

## Student Support

The student loan and student allowance stand-down period for permanent residents and Australian citizens extended from 2 years to 3 years.

* The student allowance limit for those aged 40 and over reduced to a maximum of 120 weeks.
* Student allowance eligibility removed for those aged 65 and over.
* The method of calculating the cost of lending in the Student Loan Scheme brought into alignment with accounting standards.

Further information about changes at Budget 2013 can be found at the [Ministry of Education website](http://www.minedu.govt.nz/theMinistry/Budget/Budget2013.aspx).

# Industry Training Organisations

Budget 2013 focuses on two key areas – extra investment of over $130 million over four years to maintain and strengthen the quality and relevance of tertiary provision, and further improving the value of student support expenditure.

To make sure its investment is going to where it is needed most, the Government has set some ambitious goals to focus public services on achieving better outcomes for New Zealanders within tight fiscal constraints. In the tertiary sector, the Government is focused on the Better Public Services target of 55% of 25-34 year olds achieving a qualification at Level 4 or above on the New Zealand Qualifications Framework by 2017.

To support the revitalised industry training system, the Government is introducing new funding rates for trainees and New Zealand Apprentices. Funding for trainees will be $3,200 per standard training measure (GST exclusive), and funding for New Zealand Apprentices will be $5,200 per standard training measure (GST exclusive).

The dedicated Māori and Pasifika trades training programmes will be expanded. By 2015, the expanded programmes will provide up to 3,000 students with end-to-end support, foundation skills and a pathway from foundation education through to employment and the completion of a New Zealand Apprenticeship. This initiative will be funded by the re-prioritisation of over $35 million from the Industry Training Fund over four years.

$5 million in funding previously provided through the Industry Training Fund as capability funding to help ITOs embed literacy and numeracy will be consolidated into the new Literacy and Numeracy Provision within the Community Education appropriation to support individual trainees who need additional specialist literacy and numeracy training. This means ITOs will no longer be funded directly for embedding literacy and numeracy.

## Key Points for Industry Training Organisations

* The Māori and Pasifika trades training programmes expanded from 600 fees-free places to 3,000 places per year by 2015.
* Funding for trainees will be $3,200 per standard training measure (GST exclusive), and funding for New Zealand Apprentices will be $5,200 per standard training measure (GST exclusive).
* A new option for young people within the Literacy and Numeracy for Adults Assessment Tool.
* Workplace literacy and numeracy funding consolidated, with $5 million literacy and numeracy funding previously provided through the Industry Training fund transferred to Literacy and Numeracy Provision. The remaining $2.5 million of the ITO embedded literacy and numeracy fund will be retained within the Industry Training Fund.

Further information about changes at Budget 2013 can be found at the [Ministry of Education website](http://www.minedu.govt.nz/theMinistry/Budget/Budget2013.aspx).

# Institutes of Technology and Polytechnics

Budget 2013 focuses on two key areas – extra investment of over $130 million over four years to maintain and strengthen the quality and relevance of tertiary provision, and further improving the value of student support expenditure.

To make sure its investment is going to where it is needed most, the Government has set some ambitious goals to focus public services on achieving better outcomes for New Zealanders within tight fiscal constraints. In the tertiary sector, the Government is focused on the Better Public Services target of 55% of 25-34 year olds achieving a qualification at Level 4 or above on the New Zealand Qualifications Framework by 2017.

Budget 2013 continues to invest in priority areas that support innovation and economic growth. The Government is providing $27.2 million over four years to increase tertiary tuition subsidies for engineering and science by 2 percent. This funding increase will continue to bring tuition subsidy relativities for science and engineering closer in line with international practice, and Australia in particular.

This targeted tuition subsidy increase recognises the economic importance of engineering in New Zealand, including the rebuilding of Christchurch, and that scientific skills and research are integral to lifting innovation and boosting growth.

Vocational training will be strengthened through the expansion of the dedicated Māori and Pasifika trades training programmes. By 2015, the expanded programmes will provide up to 3,000 students with end-to-end support, foundation skills and a pathway from foundation education through to employment and the completion of a New Zealand Apprenticeship. This initiative will be funded by the re-prioritisation of over $35 million from the Industry Training Fund over four years.

The delivery tolerance bands of 99-105 percent will remain at this level beyond 2013. The bands give tertiary providers more room to accommodate students above their caps.

Since 2010, the number of Māori and Pasifika EFTS has increased by 3.8 percent. There has also been a rise in the number of these students studying at higher levels.   
Budget 2013 will increase funding of the equity funding pool by 4 percent to maintain current funding rates per student and support providers to enrol and progress Māori and Pasifika students, and tertiary students with disabilities.

## Key Points for ITPs

* Tuition subsidy funding rates for priority engineering courses are being increased by 2 percent, amounting to $9.3 million over four years.
* Tuition subsidy funding rates for science are also being increased by 2 percent, amounting to $17.9 million over four years.
* The dedicated Māori and Pasifika trades training programmes are being expanded from 600 fees-free places to 3,000 places per year by 2015.
* The current delivery tolerance band for SAC-funded TEOs of 99-105 percent (which was increased by Cabinet in 2012) will be extended beyond 2013.
* The equity funding pool will be increased by 4 percent.
* A new option for young people will be created within the Literacy and Numeracy for Adults Assessment Tool.

## Student Support

* The student loan and student allowance stand-down period for permanent residents and Australian citizens extended from 2 years to 3 years.
* The student allowance limit for those aged 40 and over reduced to a maximum of 120 weeks.
* Student allowance eligibility removed for those aged 65 and over.
* The method of calculating the cost of lending in the Student Loan Scheme brought into alignment with accounting standards.

Further information about changes at Budget 2013 can be found at the [Ministry of Education website](http://www.minedu.govt.nz/theMinistry/Budget/Budget2013.aspx).

# Universities

Budget 2013 focuses on two key areas – extra investment of over $130 million over four years to maintain and strengthen the quality and relevance of tertiary provision, and further improving the value of student support expenditure.

To make sure its investment is going to where it is needed most, the Government has set some ambitious goals to focus public services on achieving better outcomes for New Zealanders within tight fiscal constraints. In the tertiary sector, the Government is focused on the Better Public Services target of 55% of 25-34 year olds achieving a qualification at Level 4 or above on the New Zealand Qualifications Framework by 2017.

Budget 2013 continues to invest in priority areas that support innovation and economic growth. The Government is providing $27.2 million over four years to increase tertiary tuition subsidies for engineering and science by 2 percent. This funding increase will continue to bring tuition subsidy relativities for science and engineering closer in line with international practice, and Australia in particular.

This targeted tuition subsidy increase recognises the economic importance of engineering in New Zealand, including the rebuilding of Christchurch, and that scientific skills and research are integral to lifting innovation and boosting growth.   
The delivery tolerance bands of 99-105 percent will remain at this level beyond 2013. The bands give tertiary providers more room to accommodate students above their caps.

Increased funding has been set aside in contingency for Centres of Research Excellence (CoREs) and $0.500 million has been provided to run a new selection round CoREs. The selection round will begin later this year. Any changes to the CoREs policy and further information on the selection round will be announced following the current CoREs review, which is due to finish in June 2013.

Since 2010, the number of Māori and Pasifika EFTS has increased by 3.8 percent. There has also been a rise in the number of these students studying at higher levels.   
Budget 2013 will increase funding of the equity funding pool by 4 percent to maintain current funding rates per student and support providers to enrol and progress Maori and Pasifika students, and tertiary students with disabilities.

A further 20 places will be added to the first year undergraduate medical cap from 1 January 2014, raising it to 505 places. This is a continuation of a commitment to increase the number of places by 200 over five years from 365 places in 2009. The places will be split between the University of Auckland and the University of Otago.

## Key Points for Universities

* The equity funding pool will be increased by 4 percent.
* Tuition subsidy funding rates for priority engineering courses increased by 2 percent, amounting to $9.3 million over four years.
* Tuition subsidy funding rates for science increased by 2 percent, amounting to approximately $17.9 million over four years.
* $0.500 million to run a new selection round for Centres of Research Excellence (CoREs).
* $3.169 million per annum from 2014/15 in contingency funding for CoREs to fund increased activity and/or reflect increasing costs and complexity of research activity.
* A further 20 places added to the first year undergraduate medical cap from 1 January 2014, raising it to 505 places.
* The delivery tolerance band for SAC-funded TEOs will remain at 99-105 percent.

## Student Support

* The student loan and student allowance stand-down period for permanent residents and Australian citizens extended from 2 years to 3 years.
* The student allowance limit for those aged 40 and over reduced to a maximum of 120 weeks.
* Student allowance eligibility removed for those aged 65 and over.
* The method of calculating the cost of lending in the Student Loan Scheme brought into alignment with accounting standards.

Further information about changes at Budget 2013 can be found at the [Ministry of Education website](http://www.minedu.govt.nz/theMinistry/Budget/Budget2013.aspx).

# Wānanga

Budget 2013 focuses on two key areas – extra investment of over $130 million over four years to maintain and strengthen the quality and relevance of tertiary provision, and further improving the value of student support expenditure.

To make sure its investment is going to where it is needed most, the Government has set some ambitious goals to focus public services on achieving better outcomes for New Zealanders within tight fiscal constraints. In the tertiary sector, the Government is focused on the Better Public Services target of 55% of 25-34 year olds achieving a qualification at Level 4 or above on the New Zealand Qualifications Framework by 2017.

Budget 2013 continues to invest in priority areas that support innovation and economic growth. The Government is providing $27.2 million over four years to increase tertiary tuition subsidies for engineering and science by 2 percent. This funding increase will continue to bring tuition subsidy relativities for science and engineering closer in line with international practice, and Australia in particular.

This targeted tuition subsidy increase recognises the economic importance of engineering in New Zealand, including the rebuilding of Christchurch, and that scientific skills and research are integral to lifting innovation and boosting growth.

The delivery tolerance bands of 99-105 percent will remain at this level beyond 2013. The bands give tertiary providers more room to accommodate students above their caps.

Since 2010, the number of Maori and Pasifika EFTS has increased by 3.8 percent. There has also been a rise in the number of these students studying at higher levels.   
Budget 2013 will increase funding of the equity funding pool by 4 percent to maintain current funding rates per student and support providers to enrol and progress Maori and Pasifika students, and tertiary students with disabilities.

## Key Points for Wānanga

* Tuition subsidy funding rates for priority engineering courses are being increased by 2 percent, amounting to $9.3 million over four years.
* Tuition subsidy funding rates for science are also being increased by 2 percent, amounting to $17.9 million over four years.
* The delivery current tolerance band for SAC-funded TEOs of 99-105 percent (which was increased by Cabinet in 2012) will be extended beyond 2013.
* The equity funding pool will be increased by 4 percent.
* A new option for young people will be created within the Literacy and Numeracy for Adults Assessment Tool.

## Student Support

* The student loan and student allowance stand-down period for permanent residents and Australian citizens extended from 2 years to 3 years.
* The student allowance limit for those aged 40 and over reduced to a maximum of 120 weeks.
* Student allowance eligibility removed for those aged 65 and over.
* The method of calculating the cost of lending in the Student Loan Scheme brought into alignment with accounting standards.

Further information about changes at Budget 2013 can be found at the   
[Ministry of Education website](http://www.minedu.govt.nz/theMinistry/Budget/Budget2013.aspx).