



Hon Chris Hipkins
Minister of Education

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Hon Jan Tinetti
Associate Minister of Education

Budget 2021 delivers on education plan

- Establish an education service agency and curriculum centre to provide support to schools
- More funding to implement planned curriculum changes
- A one-off funding package for maintenance and upgrades at state-integrated schools
- Millions more to build new schools and grow existing ones to meet demand
- A further commitment to the reform of vocational education

Budget 2021 is a major milestone for the reforms this Government has set in place to support all schools to succeed, champion trades training and back good teaching in the early childhood education sector, Education Minister Chris Hipkins says.

Schools and Early Learning

“\$185.3 million in operating and \$53.8 million in capital expenditure over the next four years allows us to get cracking to begin to reform our system of support for schools and early learning,” Chris Hipkins said.

The education service agency will be established to deliver new supports and services to schools and early learning centres over the next five to 10 years. The Secretary for Education will stand up the core structure of the agency in the second half of 2021. This Budget provides initial funding (\$30.9 million operating and \$1 million capital) to start building the frontline advisory capability of the agency.

“A new flexible fund will also be rolled out starting with \$10 million in 2021/22 to give staff in the regions the resources to respond more quickly and identify local solutions to the emerging needs of learners. It will be informed by what we have learnt over the last year with the COVID-19 Urgent Response Fund,” Chris Hipkins said.

\$110 million operating and \$52 million capital will support the national curriculum, including through the establishment of a curriculum centre within the education service agency.

Associate Education Minister Jan Tinetti said the new curriculum centre is a game-changer for the way government agencies interact with, and support, schools.

“The curriculum funding will support a refresh of both the New Zealand Curriculum and Te Marautanga o Aotearoa and support their delivery, through a new online curriculum hub and the new Aotearoa New Zealand’s Histories and Te Takanga o Te Wā curriculum content.”

The balance of funding in this package (\$34.4 million operating and \$1 million capital) will enable the Ministry to better plan for, and sustain, the schooling and early learning networks.

Overall, Budget 2021 will provide \$1.4 billion during the next four years in operating funding directed at schooling and early learning. This includes:

- \$92.6 million operating and \$8.1 million capital expenditure over four years to complete the National Certificate of Educational Achievement (NCEA) Change Programme
- \$100.7 million to provide an across-the-board 1.2 percent increase to funding rates for Early Childhood Education providers (except for home-based services on the standard rate)
- \$90 million to increase operational grant funding by 1.6 percent to meet increased operational costs for state and state-integrated schools
- \$67.3 million, including \$17.7 million of repurposed funding, for Learning Support, including around 7,500 more student places for the Attendance Service, intensive support for young learners at risk of disengaging with their learning, and support for alternative education services and schools where these students are enrolled
- \$52.8 million for a one-off funding package for property upgrades and maintenance at state-integrated Schools
- \$18.1 million operating and \$4.9 million capital for system changes and other implementation costs to support replacing the decile system with the Equity Index from the 2023 school year, subject to future Budget decisions
- \$11.6 million to expand Reading Together Te Pānui Ngātahi Partnerships and Duffy Books in Homes.

\$170 million over four years for certificated teachers in education and care centres to continue to move towards pay parity with kindergarten teachers (previously announced.) Funding has also been set aside to work with kōhanga reo to improve pay.

Budget 2021 also commits \$761 million capital in Education which includes \$634.1 million for school property, to help prevent overcrowding in schools and ensure students have access to quality teaching and learning environments. This includes:

- a capital injection of \$150 million for 25 planned school property redevelopment projects so that they can enter construction sooner
- \$428.1 million capital funding to build new schools and grow existing schools to meet demand, on top of the \$1.2 billion already committed in Budget 2019
- \$56 million operating to keep the Christchurch Schools Rebuild programme on track.

Tertiary Education

“The Reform of Vocational Education (RoVE) is the largest and most complex change to our tertiary education and training system in a generation. That’s why through Budget 2021 I am announcing \$279.5 million to support our vocational education organisations to be a part of this exciting transformation and build towards a more unified funding system,” Chris Hipkins said.

“This also addresses a long-standing imbalance in funding. Between 2014 and 2019, the average amount of government tuition funding per learner for vocational education and training increased by 2.4 percent, significantly less than the average rate for degree education (11.4 percent) and also less than the increase in the Consumer Price Index.”

The additional funding will step up over the next three years, starting with \$18 million in 2021/22 (reflecting that the increases commence from 1 January 2022), increasing to \$67 million in 2022/23 and then \$97 million per annum from 2023/24. Funding in 2022 will be allocated in two ways:

- increasing funding rates for apprentices and industry training by 5 percent, to better align the funding rates for work-integrated learning with the rates for provider-based training, ahead of the transition to the new unified funding system
- improving the fairness and reach of Equity Funding, which supports tertiary education organisations to improve access, participation, and achievement of Māori and Pacific learners, and disabled learners.

Overall, Budget 2021 includes an overall operating investment of over \$470 million for tertiary education, which also includes:

- \$110.7 million over four years for an across-the-board 1.2 percent increase in tertiary education tuition and training subsidies.
- \$10 million (\$5.8 million from Budget 2021 and \$4.2 million of reprioritised funding) to extend the temporary hardship fund for learners in tertiary education for the 2021 calendar year to help them stay connected to education despite the unique challenges of COVID-19.

“An increase of \$25 per week for student support (allowances and living cost component of loans) will also come in from 1 April 2022,” Chris Hipkins said.

Media contact: Gia Garrick 021 049 1336