



Budget 2009

Adult and Community Education (ACE)

Government priorities for tertiary education

Tertiary education is critical to New Zealand's economic and social wellbeing.

Our tertiary education system is a key national strategic asset which plays a vital role in building the skills of New Zealanders to help them meet the challenges of the 21st century.

This Government believes the needs of students and economy should drive the provision of tertiary education.

Budget 2009 should be seen as Government taking the first steps towards its new tertiary education strategy, which it will release later this year. These include decisions to focus investment on higher-value provision.

Budget 2009 lays the foundations for simplifying the funding system, lowering compliance costs and reducing central planning.

There will be less emphasis on central control, and greater responsibility for tertiary education organisations to manage the quality and delivery of tertiary education.

Increasingly, future tertiary education funding will be strongly linked to performance. Student choice will be informed by the publication of tertiary education organisations' performance information.

Government is simplifying tertiary education funding by reducing the number of funds while, in most cases, maintaining the number of tertiary student places agreed in Investment Plans.

Adult and Community Education (ACE)

Government considers that the provision of ACE provides an important stepping stone for learners across the tertiary education system.

However, its investment in this area is being reduced and refocused to areas more closely aligned with its priorities in literacy and as a path to higher levels of education.

The Government no longer intends to subsidise hobby and personal interest courses (e.g. arts and crafts courses, home maintenance ACE, etc).

ACE Volume Reductions

- In 2010 all school ACE funding will be replaced with a new approach that reinvests approximately 20% of current school-based ACE funding towards refocused priority areas, such as literacy and numeracy. It is likely that there will be only a small number of schools receiving ACE funding for 2010 and beyond.
- There is no change in ACE funding for OTEPs, REAPs, and community providers for 2010.
- From 2011, there will be a reduction in funding of approximately 50% for lower priority ACE in TELs. It is not yet determined how this reduction will be implemented.

CPI Adjustments

- The previous decision in relation to CPI adjustments constituted the single largest item in the unfunded tertiary education package from 2008.
- Future CPI adjustments for all providers will be removed from 2010 for ACE.

Other Funds

- The ACE Innovation and Development Fund will be disestablished. There will be no further funding rounds for this fund.
- The Community Learning Aotearoa New Zealand fund will be disestablished. There will be no further funding rounds for this fund.

Summary of changes
Future CPI adjustments will be removed from 2010 for Adult and Community Education.
There is no change in ACE funding for OTEPs, REAPs, and community providers. All current school provision will be withdrawn from 2010 and approximately 20% of this funding will be reinvested in a smaller number of providers.
The ACE Innovation and Development Fund will be disestablished from 2010.
The Community Learning Aotearoa New Zealand fund will be disestablished from 2010.