

Hon Dr Michael Cullen

Minister for Tertiary Education



30 April 2007

Media Statement

Embargoed until 2pm

Funding support for tertiary education reforms

Tertiary Education Minister Dr Michael Cullen today announced that the government was providing significant funding to support the tertiary education reforms currently underway.

"It is vital we have a tertiary education sector capable of driving economic transformation and meeting our environmental and social challenges," said Dr Cullen. "A highly skilled workforce in particular is essential if we are to develop a more resilient and flexible economy to meet the challenges we face in the global marketplace.

"Budget 2007 therefore provides a significant boost of \$36.8 million of operating funding over four years and \$90 million of capital funding over the next two years (all figures GST exclusive) for the Institutes of Technology and Polytechnic (ITP), Industry Training Organisation (ITO) and wananga sectors:

- \$21 million of operating funding and \$55 million of capital funding over the next two years for ITPs to fund initiatives that will enable them to increase their collaboration and develop new capability in key areas such as distance learning. This funding will also enable them to look at ways to encourage students to go on to higher qualifications and develop better ways to measure how well the ITP sector is doing.
- \$15.8 million of operating funding over four years for ITOs to help them identify current and future industry skill and training needs, and work along side other tertiary education organisations to help them respond effectively to those needs.
- \$35 million of capital funding over the next two years for the Quality Reinvestment Programme. This programme supports ITPs and wananga as they change the way they operate and increase their focus on responding to the needs of students, employers and communities. The programme also supports greater sub-sector collaboration.

"The new tertiary education system being put in place allows a far more strategic view to be taken. Funding is being aligned with what tertiary education organisations and the sector as a whole need to provide to meet the education and training needs of a wider range of stakeholders, including the government.

"This shift in focus is important if our tertiary education system is going to offer taxpayers greater value for money.

"The changes in particular reinforce the Labour-led government's strategy to create a more resilient and flexible economy. A highly skilled workforce coupled with our policies to encourage greater savings, build world class infrastructure, expand business investment and provide other assistance for exporters will help New Zealand better meet the challenges of today and tomorrow."

Contact: Mike Jaspers, press secretary, 04 471 9412 or 021 270 9013
mike.jaspers@parliament.govt.nz