

# The Treasury

## Budget 2011 Information Release

### Release Document

June 2011

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- [1] 9(2)(a) - to protect the privacy of natural persons, including deceased people
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In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.

**DESCRIPTION OF BUDGET 2011 TRAINING AND EMPLOYMENT PROPOSALS BY VOTE AS AT 1 APRIL**

	<b>Initiative title</b>	<b>Initiative description</b>
<b>Vote Social Development</b>		
1	Limited Service Volunteers	1,500 Limited Service Volunteers places. [2]
2	Skills for Growth	1,000 places for subsidised work placement and industry-specific training for broadly work-ready young beneficiaries. Ongoing funding.
3	Job Ops with training	Continued funding for 3,000 Job Ops places for 2011/12 only. Placements will be required to include a training component.
4	Employment Assistance (Canterbury)	\$5m additional funding for employment assistance in Canterbury.
5	Employment Assistance	\$15m additional funding for employment assistance in 2011/12 only. The rationale for the funding is not very clear, but seems to be in response to (a) a drop-off in employment assistance funding in 2010/11 as a result of time-limited funding for the Youth Opportunities package and (b) the impact of the 22 February aftershock on unemployment
<b>Vote Education</b>		
6	Facilitate Networks Of Leaders For Youth Guarantee	This initiative provides funding to support the establishment of inter-school networks to facilitate the sharing of knowledge and best practice to support the roll-out of National Standards. The Ministry will provide assistance to establish the networks through national and regional co-ordinators. *
7	Youth Guarantee – Trades Academies / Service Academies And Sector Pathways	Funding for existing Trades and Service Academies (and roll placements), establishment of new academies, and support for the rollout of a shared qualifications pathway at the secondary / tertiary interface
<b>Vote Tertiary Education</b>		
8	Additional Student Achievement Component funding for Private Training Establishments [2]	[2] to purchase [2] additional places in high performing or new PTEs to deal with excess demand in this sector.

\* Support the establishment of networks across schools, industry and tertiary providers to facilitate the sharing of knowledge and best practice to support the roll-out of Youth Guarantee. The Ministry of Education will provide assistance to establish the networks through national and regional co-ordinators.

9	Targeted tuition subsidy increases - two percent increase for degree-level and postgraduate study	\$91 million over the forecast period for across the board 2% increase to the subsidy which institutions receive for degree and postgraduate level courses. Treasury does not support this proposal progressing as part of Budget 2011.
10	Funding for refugees' and migrants' ESOL	There is currently a lack of ESOL course provision for refugees and new migrants. \$17.5 million over the forecast period will purchase between 600 and 1000 places in courses.
11	Earthquake recovery contingency - extra trades training places	Unclear exactly what this is intended to purchase but contingencies of \$42 million operating and \$6 million capital are proposed. <span style="float: right;">[2]</span>  Treasury support this contingency but at a scaled level of \$11.4 million operating and \$2.6 million capital.
12	Additional medical training places	Part of a Manifesto commitment to increase the number of medical training places – an additional 40 places are being funded from within the Vote Health Budget allocation at a cost of \$11.75 million over the forecast period in tuition subsidy costs.
13	Youth Guarantee – Trades Academies	Funded through the Vote Education Budget allocation, this is to fund existing and new trade and services academies and support the rollout of a shared qualification pathway at the secondary/tertiary interface. This initiative will cost \$33.006 million over the forecast period.
14	Youth Guarantee – increasing the number of fees-free places	Fiscally neutral proposal to combine funding for Youth Training (courses and work-based training for school leavers with low or no quals) with Youth Guarantee places to increase the number of places offered under Youth Guarantee. This combined programme will be more focused on education and progression to a level 2 qualification. This would mean 7,500 EFTS (currently there are 2,500 YG EFTS and 4,227 Youth Training places. Treasury supports the proposal in principle as it is line with the Government's Youth Guarantee objectives.

## Budget 2011 Training and Employment Proposals by Vote as at 1 April

		\$ million					5 Yr total
		2010/11	2011/12	2012/13	2013/14	2014/15	
<b>Vote Social Development</b>							
Limited Service Volunteers	[2]	-	3.575	7.150	7.150	7.150	<b>25.025</b>
Skills for Growth			4.300	4.300	4.300	4.300	<b>17.200</b>
Job Ops with Training		-	13.000	-	-	-	<b>13.000</b>
Employment Assistance (Canterbury)		-	5.000	-	-	-	<b>5.000</b>
Employment Assistance			15.000				<b>15.000</b>
<b>Vote Education</b>							
Facilitate School Leaders Networks for National Standards		-	4.000	3.000	<b>[3.000]</b>	-	<b>7.000</b>
Youth Guarantee - Trades Academies / Service Academies and Sector Pathways		0.359	8.390	11.155	13.022	13.810	<b>46.736</b>
<b>Vote Tertiary Education</b>							
Additional Student Achievement Component funding for Private Training Establishments (approximately 500 extra equivalent full time students)		-	6.356	10.770	10.245	9.851	<b>37.222</b>
Targeted tuition subsidy increases - two percent increase for degree-level and postgraduate study		-	13.410	26.820	26.820	26.820	<b>93.870</b>
Funding for refugees' and migrants' ESOL		-	2.500	5.000	5.000	5.000	<b>17.500</b>
Earthquake recovery contingency - extra trades training places*		-		-	-	-	

		48.000				<b>48.000</b>
Additional medical training places						
	-	0.723	2.147	3.650	5.230	<b>11.750</b>
Youth Guarantee – Trades Academies						
	-	2.971	8.196	10.763	11.076	<b>33.006</b>
Youth Guarantee - Combining Youth Training and Youth Guarantee programmes (NB - this is fiscally neutral)						
	-	-	-	-	-	-
<b>Total</b>	<b>0.359</b>	<b>127.225</b>	<b>78.538</b>	<b>80.950</b>	<b>83.237</b>	<b>370.309</b>

*Notes*

*\*\$6m of the \$48m Earthquake Recovery Contingency - extra trades training places is capital funding*