

2016-17 New Zealand Budget Overview and Media Commentary

This document contains the following sections:

- *2016-17 Budget*: links to Budget papers, summary of the key proposals in Vote Tertiary Education and Vote Business, Science and Innovation, and the Minister of Finance's, the Hon. Bill English, Budget speech.
- *Press releases from Universities New Zealand*
- *Media Coverage*: Excerpts from media coverage of the Budget.

[2016-17 Budget](#) (link to full Budget papers and documents)

[Vote Tertiary Education](#) (link to the Ministry of Education Budget Papers)

The Government's total direct spend on tertiary education is forecast to be approximately \$4.3 billion in 2016/17. The Government is investing \$256.5 million over four years in tertiary education through the Tertiary Education package for Budget 2016.

Like the Australian Budget, there is little in the way of support for HASS disciplines. The **Annual Maximum Fee Movement has been set at 2%** in 2017 and 2018. \$35,000 million has been allocated over four years to fund new innovation initiatives in the university sector. There has been no further information about what these initiatives are, who they will benefit and how the funds can be accessed. In the Budget Papers, it was stated that the Minister for Tertiary Education, Skills and Employment will announce further details after Budget day.

Funds have been earmarked for students studying **Science, Agriculture and Horticulture, Veterinary Science, and Medicine** (\$86.148 million over four years) and to encourage more enrolments and completions in Engineering (\$1.600 million over 4 years). \$43.500 million over four years has also been allocated to a package of initiatives that will incentivise more New Zealand students to develop international linkages and connections. Like the innovation initiatives, details on this package will be announced by the Minister at a later date.

The complete list of Vote Tertiary Education initiatives can be read [here](#).

Vote Business, Science and Innovation – [Innovative New Zealand](#) (link to Ministry of Business, Innovation & Employment Papers)

A number of tertiary education initiatives have been funded as part of the Innovative New Zealand umbrella, a set of initiatives from the Ministry of Business, Innovation and Employment.

Innovative New Zealand is a series of 25 initiatives that will see \$761.4 million invested over the next four years in science, skills, tertiary education and regional development initiatives. These will help diversify the economy, and support more jobs and higher wages for New Zealanders in the decade ahead.

The package includes:

- \$410.5 million for science and innovation, taking the Government's annual science investment to \$1.6 billion by 2020.
- \$256.5 million for more tertiary education and apprenticeship programmes, particularly in the areas of science, engineering and agriculture.
- \$94.4 million to support regional economic development with initiatives to unlock business opportunities and benefit regional communities.

Like Australia, the New Zealand Government sees its future as being science-led and as such is devoting its funds and energy into the STEM sector. This is evident in its Innovative New Zealand documentation, which states: "Science plays a core role in creating opportunities and solving problems faced by society. These Budget initiatives assist in making a visible, measurable contribution to our productivity and wellbeing through excellent science. These commitments to investment support the priority areas, and fully support the National Statement of Science Investment core principles for investment."

Through Budget 2016, the Government is investing \$410.5 million over four years in science and innovation through the Innovative New Zealand package. By 2020, the annual investment in science and innovation will have increased by 15 per cent to \$1.6b billion per year. This is one of the largest single investments in science and innovation in New Zealand's history.

The funding will also be used to create the new Strategic Science Investment Fund (SSIF), worth nearly \$250 million per year. This fund will support longer-term programmes of mission-led science, critical to the future of New Zealand's economy, environment and wellbeing.

Of the funds allocated for initiatives under this Budget package, it appears that HASS disciplines would have access to the following:

Marsden Fund - \$66 million over the next four years

This will increase the annual amount available for the Marsden Fund by 49 per cent over four years, growing it from \$53.6 million in 2015/16 to \$79.8 million in 2019/20.

The Marsden Fund supports excellence in science, engineering, mathematics, social sciences and humanities by providing grants for investigator-initiated research. It is highly sought after by New Zealand scientists. This is the only mention of HASS in the Budget papers.

Catalyst international Fund - \$15 million over four years

This will support initiatives to strengthen international research collaboration and link New Zealand with world-class research projects, groups and infrastructure around the world.

Honorable Bill English's Budget Speech

The Budget Speech's focus was on four significant measures. The emphasis on STEM and its role in innovation featured heavily in the Minister's speech (excerpts are below):

The first [measure] is the Innovative New Zealand package – a \$761 million investment that focuses on growing our science system, producing the skills New Zealand needs, and encouraging innovation and investment in regional New Zealand.

The largest is the \$761 million Innovative New Zealand package to encourage entrepreneurship, skills and economic growth.

The package has three parts.

First, investment in science and innovation will increase by \$411 million over the next four years. A number of different science and research funding streams have been boosted, including those that have a strong potential impact on New Zealand's economy, environment and society. The Marsden Fund – which supports excellence in research – will be expanded, as will funding for the Health Research Council. In total, increased funding will take cross-government investment in science and innovation to \$1.6 billion a year by 2019/20.

Second, to support skills and employment, we are investing \$257 million in more tertiary education and apprenticeship programmes, particularly in the areas of science, engineering and agriculture. Tuition subsidies will be increased in a number of subject areas and the Government will fund 5,500 more apprentices by 2020. Funding will be provided to help second-chance

learners gain basic skills and to strengthen workplace literacy and numeracy programmes.

Finally, to support regional economic development, we are introducing a series of initiatives worth \$94 million that will unlock business opportunities and benefit regional communities. Additional funding will be provided for the Government's Regional Growth Programme and to develop more regional research institutes across New Zealand.

The Arts

There was little for the arts in the New Zealand budget. The only thing of note was the additional funding for three arts organisations. This was outlined in the Budget Speech below:

Recognising the importance of the arts, the Budget provides an additional \$12 million over four years for the New Zealand Symphony Orchestra, Royal New Zealand Ballet and Te Matatini Kapa Haka Aotearoa.