

Training Incentive Allowance – Supporting Eligible People to Study

Continuing to support vulnerable New Zealanders to participate in higher study

Wellbeing Budget 2023

This initiative permanently reinstates the Training Incentive Allowance to provide assistance to sole parents, disabled people and their carers to help them participate in study.

The Government is investing \$127.597 million over three years (2024/25 to 2026/27) to reinstate the Training Incentive Allowance (TIA) to higher-level study. This change is permanent with funding in outyears agreed.

- The TIA was temporarily reinstated to higher-level study on 1 July 2021, with time-limited funding allocated through the COVID-19 Response and Recovery Fund, expiring on 1 January 2025.
- Budget 2023 funding fulfils the Government's Manifesto commitment to permanently reinstate the TIA to provide financial assistance to support sole parents, disabled people and those with significant health conditions, and their carers on specific benefits, to participate in higher-level study.
- Higher-level study is shown to improve a person's employment and income prospects. This initiative supports some of MSD's most vulnerable clients to leverage their time on benefit to upskill, enabling them to exit benefit into sustainable and higher-skilled employment, consistent with the Government's goals to move to a high wage economy.
- The TIA has proved itself to be an effective way of supporting vulnerable people in the face of challenging economic conditions.
- Since its reinstatement on 1 July 2021, the TIA has supported over 6,000 eligible MSD clients into study. In the calendar year ended 31 December 2022 – 90% of participants were women, 75% sole parents, 42% Māori and nearly a quarter disabled or living with significant health conditions.
- Most clients are studying at higher levels, with 70% of clients studying an NZQF level 4 course or higher (45% Certificates and Diplomas; 25% Bachelor's Degrees and Graduate Diplomas), and 71% of all TIA participants in full-time study.
- We estimate this further funding will support approximately 8,500 clients per year from 2025.
- The TIA provides eligible people an annual maximum of \$5,188.40, at a maximum weekly rate of \$129.71, to assist with one-off costs, such as course fees or equipment, and ongoing costs, such as childcare and transport.

Costs (\$m)	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28-2031/32	TOTAL
Vote SD (opex)			10.752	20.863	20.863		52.478
Vote SD (capex)			4.774	5.791	5.890	31.020	47.475
Vote Tertiary Ed (opex)			3.573	7.146	7.146		17.865
Vote Revenue (opex)			2.824	3.443	3.512		9.779