



# Investment Guidance Supplement

Schools, community providers, and private training establishments developing a Plan for 2009

May 2008



## Contents

<b>Introduction</b>	<b>5</b>
<b>Tertiary Education Organisations moving onto Plans</b>	<b>5</b>
Schools	5
Community providers	5
Private training establishments and other tertiary education providers	5
<b>Achieving Tertiary Education Strategy priorities and distinctive contributions</b>	<b>6</b>
Tertiary Education Strategy priorities	6
Distinctive contributions	6
<b>Plan engagement and development</b>	<b>7</b>
<b>Plan Content and Criteria</b>	<b>7</b>
Decision-making criteria	8
Timeline for tertiary education organisations moving onto Plans in 2009	8
<b>Funds moving onto Plans</b>	<b>9</b>
Student Achievement Component funding	9
Adult and Community Education	9
Gateway	10
<b>Appendix 1: Content for Plans</b>	<b>11</b>
<b>Appendix 2: Decision-making criteria</b>	<b>13</b>



## Introduction

- 1 This supplement to the Tertiary Education Commission's (TEC) *Investment Guidance 2008-2010* (Investment Guidance) provides additional information to support the development of Investment Plans (Plans) by:
  - a) schools
  - b) community providers
  - c) other tertiary education providers (OTEPs), and
  - d) a significant number of private training establishments (PTEs).

The TEC will fund these tertiary education organisations (TEOs) through Plans for the first time from January 2009.

- 2 The Plan approach enables TEOs to identify how they will work towards delivering government priorities and meet the needs of stakeholders. Central to this is the development of a Plan that demonstrates a commitment to improving the quality of provision, performance, and outcomes.
- 3 The TEC will engage with TEOs during the development of their Plans. The scope and scale of Plans, and the TEC's engagement, will vary depending on the nature of the TEO.
- 4 The requirements for Plan content and the TEC's decision-making criteria are described in Appendix 1 of this supplement. This information, previously given on page 6 of the Investment Guidance, has been updated in line with criteria gazetted in March 2008. The Investment Guidance remains the primary document offering guidance on the content and process for development of a Plan.

### Tertiary education organisations moving onto Plans

#### Schools

The TEC funds Gateway programmes provided by approximately 350 schools and Adult and Community Education (ACE) programmes at around 200 schools. Many of the schools that provide ACE programmes also provide Gateway programmes.

#### Community providers

Community providers are TEOs that are incorporated societies and community trusts, including rural education activities programmes (REAPs) that do not have New Zealand Qualifications Authority (NZQA) recognition as PTEs.

The TEC funds ACE programmes at approximately 50 community providers. It also provides ACE funding to REAPs.

#### Private training establishments and other tertiary education providers

In January 2008, 31 PTEs and nine OTEPs moved onto Plans. From January 2009 all remaining PTEs and OTEPs receiving TEC funding require Plans, unless exempt (see Appendix 2).

<sup>1</sup> The TEC published the Investment Guidance in May 2007. This is available online at [www.tec.govt.nz](http://www.tec.govt.nz).

## Achieving Tertiary Education Strategy priorities and distinctive contributions<sup>2</sup>

### Tertiary Education Strategy priorities

- 5 The Tertiary Education Strategy 2007-12 (TES) sets the following goals for tertiary education:
  - a) educational success for all New Zealanders through lifelong learning
  - b) creating and applying knowledge to drive innovation, and
  - c) strong connections between TEOs and the communities they serve.
- 6 Based on these goals, four priorities have been set for the whole of the tertiary sector:

**Priority 1:** Increasing educational success for young New Zealanders - more achieving qualifications at level 4 and above by age 25.

**Priority 2:** Increasing literacy, numeracy and language levels in the workforce.

**Priority 3:** Increasing the achievement of advanced trade, technical and professional qualifications to meet regional and national industry needs.

**Priority 4:** Improving research connections and linkages to create economic opportunities.
- 7 These priorities set the direction for the whole tertiary education sector, with individual TEOs contributing towards priorities relevant to their distinctive contribution, capability, and communities. It is not expected that every TEO will contribute to every priority.
- 8 The Investment Guidance provides detailed information on how TES priorities relate to the Plan process (pp. 35-53).

### Distinctive contributions

- 9 Schools and community providers are diverse organisations and because of this, the TES does not define them in terms of a single distinctive contribution. These TEOs are expected to focus on meeting the needs of students and other stakeholders, improving planning and quality in line with agreed outcomes and responding to government priorities.
- 10 The definition of PTEs' distinctive contribution is outlined in the TES. The TEC's investment guidance around how this distinctive contribution relates to the TES priorities continues to apply for PTEs already on a Plan and for those moving onto Plans for the first time in 2009. For more detailed information, see the Investment Guidance (pp. 20-22, pp. 35-53, and pp. 79-82).

<sup>2</sup> Because the TES incorporates the Statement of Tertiary Education Priorities (STEP), the Investment Guidance refers to TES priorities as TES/STEP priorities. The TES is available online at [www.tec.govt.nz](http://www.tec.govt.nz).

## Plan engagement and development

- 11 To access funding from the TEC for 2009 and onwards, all organisations, other than those exempt (see Appendix 2), are required to have an approved Investment Plan in place by 31 December 2008. Investment Plans may be approved by the TEC for funding for a period of up to three years.
- 12 Plans provide a summary of a TEO's provision, its strategic vision, and how these link to government priorities and stakeholder needs. The scale of the Plans will vary depending on the size and complexity of the organisation, but all Plans will include the following four sections:
  - a) Plan Context.
  - b) Three-year Outlook.
  - c) Summary of Activity.
  - d) Key performance indicators.

### Summary of Plan content and criteria<sup>3</sup>

#### Plan Content

The following information gives a brief summary of what must be included in Plans submitted to the TEC. Full details of what is required in a TEO's Plan are given in Appendix 1.

#### 1 Plan Context

The Plan Context establishes the framework for the rest of the Plan by outlining the factors the TEO has considered and intends to respond to in its Plan. These factors include TES priorities, stakeholder needs, and areas for capability development. The Plan Context also describes the TEO's role within the tertiary education system, including its core purpose and local, regional, industry or national fit.

#### 2 Three-year Outlook

The Three-year Outlook describes how planned activity for a three-year period addresses the factors identified in the Plan Context, including planned outcomes and initiatives. It describes other tertiary education programmes not funded by the TEC and any other key changes in core activities.

#### 3 Summary of Activity

The Summary of Activity provides information on delivery over the period of the proposed Plan, including activities, programmes, and student numbers for TEC funded activities and programmes.

#### 4 Key performance indicators

Key performance indicators are the measures to be used in evaluating performance against the Plan. These include outcome commitments in relation to TES priorities, the key shifts in the TES, and for initiatives and changes described in the Three-year Outlook.

<sup>3</sup> This section is based on the Requirements and Exemptions for Plans (Investment Plans) for 2008-2010 for Tertiary Education Organisations Notice (No. 3) 2008 issued by the TEC on 27 March 2008. See Appendix 1.

## Decision-making criteria

In reaching a decision about what to approve within the proposed Plan, including what to fund and the period of funding, the TEC will consider the following in relation to each tertiary organisation:<sup>4</sup>

- the organisation's planned alignment with the TES, including the distinctive contribution and key shifts expected of that type of organisation, and its contribution to the tertiary network of provision
- evidence of effective identification of stakeholder needs and priorities
- the organisation's governance and management arrangements, and financial viability
- evidence of the organisation's capability in forecasting, planning and implementation
- past performance against organisational commitments (including quality and capability improvement commitments)
- evidence of critical reflection on current performance
- the allocation of SAC, TEO Component or other TEC funding, and other government funding available to the organisation
- whether the activities outlined in the proposed Plan are appropriate and achievable, and
- whether any conditions or limits on funding are required, having regard to appropriations, and any relevant and applicable funding determinations issued by the Minister under the Education Act 1989.

- 13 The Plan approach allows a TEO to develop a Plan that is appropriate given its distinctive contribution as an organisation, the nature of its provision, and its stakeholders. The Plan will be the outcome of engagement between a TEO and the TEC.
- 14 In most cases historical funding allocations will be the starting point for discussions about future funding levels.
- 15 Engagement with schools, community providers, and PTEs about 2009 Plans has already begun and will follow the timeline set out below.

## Timeline for TEOs moving onto Plans in 2009

Activity	Timing	Who
Gazette notice published.	27 March 2008	TEC
Briefings for organisations moving onto a Plan for the first time in 2009.	April/May 2008	TEC
Engagement between TEOs and the TEC on the development of TEO Plans.	April to 30 June 2008	TEC and TEO
Plans submitted online.	1 July to 31 July 2008	TEO
Plans will be considered.	August/September 2008	TEC
TEOs will be notified of approval of Plans.	October/November 2008	TEC
Plan delivery will begin.	January 2009	TEO

<sup>4</sup> In reaching its decision the TEC will take into account information in the Plan and information gathered during Plan discussions.

## Funds moving onto Plans

- 16 From 2009, only schools, community providers, PTEs, and OTEPs that have had Plans agreed by the TEC will receive the following Funds:
  - a) Student Achievement Component (SAC)
  - b) Adult and Community Education (ACE), and
  - c) Gateway.
- 17 These Funds already have established priorities that relate to broader TES priorities and the expected contributions of TEOs. More detailed Funding Information for TEOs preparing Plans is available at [www.tec.govt.nz](http://www.tec.govt.nz).
- 18 Over time, key performance indicators (KPIs) will be developed for inclusion within Plans and form the basis of ongoing monitoring. These KPIs may be based on existing performance measures associated with these Funds. The TEC will discuss the development of KPIs with TEOs as part of the Plan engagement process. Further information about this developmental approach to KPIs is available in the Investment Guidance (pp. 23-34).

## Student Achievement Component funding

- 19 SAC funding is received by a range of TEOs, including PTEs. SAC funding provides a government contribution to the costs of teaching and learning and other costs driven by student numbers.
- 20 SAC funding allocations will be discussed as part of engagement between the TEC and TEOs and all decisions about funding will be made by the TEC according to the decision-making criteria in Appendix 1.
- 21 Detailed information about SAC funding for TEOs moving onto Plans in 2009 can be found in the TEC's Funding Information, the *Investment Guidance 2008-2010*, and the *Investment Guidance Supplement: Key Funding Decisions* (May 2007). All these documents are available online at [www.tec.govt.nz](http://www.tec.govt.nz).
- 22 In the event that additional SAC funding is identified for allocation during 2009-10, the TEC will communicate to eligible TEOs details of:
  - a) the TEC's priorities for investment, and
  - b) processes that TEOs will be expected to follow in order to be eligible to access this funding.

## Adult and Community Education

- 23 The TES defines the role of Adult and Community Education (ACE) providers as follows:
  - a) ACE providers are diverse in nature. While their approaches are naturally quite different, their provision of ACE is expected to align to five national priorities:
    - i. targeting learners whose initial learning was not successful
    - ii. raising foundation skills

- iii. encouraging lifelong learning
  - iv. strengthening communities by meeting identified community needs, and
  - v. strengthening social cohesion.
- b) These priorities represent the distinctive contribution of the ACE sector.
  - c) For some providers ACE is their only contribution to tertiary education, and hence represents their full distinctive contribution. For others this represents a small part of their role and should be delivered in support of their full distinctive contribution.
  - d) These priorities (and hence the distinctive contribution of the ACE sector) will be achieved through the continued implementation of the reforms underway in quality assurance, capability building, and funding.
- 24 The role of ACE provision is also reflected within the 'Expected Contribution of Tertiary Education', 'Areas for Focus', and 'Priority Outcomes' sections of the TES (pp. 19-38).
- 25 In the event that additional ACE funding is identified for allocation during 2009-10, the TEC will communicate to eligible TEOs details of:
- a) the TEC's priorities for investment, and
  - b) processes that TEOs will be expected to follow in order to be eligible to access this funding.

## Gateway

- 26 Gateway funding is provided to support structured workplace learning opportunities for Years 11-13 secondary school students who continue to study at school.
- 27 Gateway provision contributes to the TES focus on successful transitions from school to tertiary education and work. This aligns with the priority outcome of increasing educational success for young New Zealanders (more achieving qualifications at level 4 and above by age 25). This is discussed in detail in the TES (pp. 30-33) and the Investment Guidance (pp. 35-39).
- 28 Discussions about Gateway funding will be on the basis of:
- a) the past performance of the school in delivering outcomes for Gateway students
  - b) the strength of the school's linkages with stakeholders
  - c) whether the school has identified robust pathways from school to the workplace, and
  - d) the existing government commitment to open up Gateway to all state secondary schools that wish to participate.

## Appendix 1: Plan content and criteria<sup>5</sup>

### Content for Plans

Proposed Plans submitted to the TEC will be the output of collaboration between each organisation and the TEC. The proposed Plan will present a summary of the organisation's planning context, its Three-year Outlook and planned provision. The proposed Plan will also set out the key performance indicators to be used for monitoring progress and achievement.

The proposed Plan must include the following information (comprising four parts):

#### **1 Plan Context** (this section establishes the framework for the rest of the Plan)

Outline of the particular factors the organisation has considered and intends to respond to in its proposed Plan, including:

- government priorities in the Tertiary Education Strategy 2007-12 (TES) including the distinctive contribution expected of the type of organisation
- needs and priorities of students and other stakeholders, and
- areas for organisational capability development (including those for the delivery of quality education and research).

The organisation's role within the tertiary education system including:

- brief statements on the organisation's core purpose and local, regional, industry or national fit, including any shifts required to achieve these.

#### **2 Three-year Outlook**

Planned activity for the three-year period to address the factors identified in the Plan Context including:

- outcomes the organisation intends to achieve
- initiatives, including capability development, that will be undertaken to achieve those outcomes
- a description of other tertiary education programmes not funded by the TEC.

And any other key changes in core activities.

#### **3 Summary of Activity**

Information on delivery over the period of the proposed Plan including:

- Student Achievement Component (SAC) or Industry Training Fund student numbers by National Qualification Award Level (1-10)
- planned activities, programmes and student numbers for other TEC funded activities and programmes

<sup>5</sup> This section is taken from the Requirements and Exemptions for Plans (Investment Plans) for 2008-2010 for Tertiary Education Organisations Notice (No. 3) 2008 issued by the TEC on 27 March 2008.

- total TEC funding sought, and
- planned student numbers in more detail if requested by the TEC.

#### **4 Key performance indicators**

Measures to be used in evaluating performance against the proposed Plan, including:

- outcome commitments for the key performance indicators in relation to TES priorities and the key shifts expected of each type of organisation in the TES, and
- other organisational outcome commitments for initiatives and changes in the Three-year Outlook.

#### **Decision-making criteria**

In reaching a decision about what to approve within the proposed Plan, including what to fund and the period of funding, the TEC will consider the following in relation to each tertiary organisation:<sup>6</sup>

- the organisation's planned alignment with the TES, including the distinctive contribution and key shifts expected of that type of organisation, and its contribution to the tertiary network of provision
- evidence of effective identification of stakeholder needs and priorities;
- The organisation's governance and management arrangements, and financial viability
- evidence of the organisation's capability in forecasting, planning and implementation
- past performance against organisational commitments (including quality and capability improvement commitments)
- evidence of critical reflection on current performance;
- the allocation of SAC, TEO Component or other TEC funding, and other government funding available to the organisation
- whether the activities outlined in the proposed Plan are appropriate and achievable, and
- whether any conditions or limits on funding are required, having regard to appropriations, and any relevant and applicable funding determinations issued by the Minister under the Education Act 1989.

<sup>6</sup> In reaching its decision the TEC will take into account information in the Plan and information gathered during Plan discussions.

## Appendix 2: Exemptions<sup>7</sup>

The following organisations are exempted from the requirement to prepare and submit a proposed Plan in 2008 for funding in 2009:

- organisations that the TEC is contracting to pilot initiatives only, and who otherwise receive no other funding from the TEC
- employers only receiving Workplace Literacy funding from the TEC
- government training establishments
- community groups receiving Community Learning Aotearoa New Zealand (CLANZ) grants and who otherwise receive no other funding from the TEC, and
- organisations that only receive the English for Migrants pre-purchased English tuition fees from the TEC.

For the avoidance of doubt, organisations that already have an Investment Plan approved by the TEC in 2007 for funding in 2009 (ie. an Investment Plan with more than one year's approval) will not be required to submit a proposed Plan in 2008.

<sup>7</sup> This section is taken from the Requirements and Exemptions for Plans (Investment Plans) for 2008-2010 for Tertiary Education Organisations Notice (No. 3) 2008 issued by the TEC on 27 March 2008.



Published May 2008  
Tertiary Education Commission  
Te Amorangi Mātauranga Matua  
National Office  
44 The Terrace  
P O Box 27048  
Wellington  
New Zealand

[www.tec.govt.nz](http://www.tec.govt.nz)

ISBN 978-0-478-08772-7