

Operational policy consultation

This work is aimed at clarifying the rules governing the industry training system.

You will be aware that since July 2009 the TEC has been consulting with the sector on possible changes to the operational policy governing industry training. This process provides an excellent opportunity to bring the current operational policy up to date, and provide greater clarity to ITOs.

Eight consultation papers have been released to date and we have received a range of valuable feedback from the sector. This feedback is informing the development of new operational policy.

We anticipate releasing the final consultation paper relating to the recognition of ITOs in the next few weeks. Following this, we will develop revised operational policy and publish this on the TEC website. We anticipate that the new operational policy will come into effect from 1 January 2011.

Industry Training Register

This work is intended to be a key enabler for linking funding to performance.

The Industry Training Register (ITR) will establish an online information collection and reporting capability between the TEC, ITOs, Modern Apprenticeships Co-ordinators (MACs), and the New Zealand Qualifications Authority.

The ITR will replace the existing reporting system for ITOs and MACs. The TEC is working with a reference group of ITO and MAC representatives as it develops the ITR.

The ITR aims to streamline the process for reporting to the TEC, and to show you accurate and timely information on your trainees. You can find out more about the ITR on the ITO page of the [TEC website](#).

ITOs will need to be prepared for considerable change to their IT systems over the next six months as they respond to the needs of the ITR. You can keep up to date on developments with the ITR on the TEC website. Investment Managers will also advise on this through the engagement process.

We anticipate making the ITR available for use from 1 January 2011.

Governance support

This work is aimed at supporting ITO Boards to fulfil their roles.

The TEC has recently written to the Chairs of ITOs letting them know about work to develop a governance assessment and self-assessment tool.

This initiative is part of a wider TEC work programme that aims to better understand the performance of tertiary education organisations receiving government funding. We plan to work with a cross section of representatives of ITOs during March to tailor the tool to the particular needs of ITO Boards.

Audits

This work is intended to provide assurance that public funding is being used appropriately.

The TEC has decided to undertake a number of audits of ITOs. The ITOs that have been selected for audit have already been contacted.

These audits will provide us with information on how ITOs manage the Crown funding they receive. Information gained from the audits will also inform the development of operational policy governing industry training, and the policy review.

We anticipate completing these audits during May and June 2010.

Policy review

This work will ensure that the policy settings for industry training align with TES priorities.

The Minister for Tertiary Education has recently agreed to an analytical review of industry training policy settings.

The overarching objective of the review is to ensure policy settings for industry training align with the TES objectives and the Government achieves greater value for money from its investment in industry training. Specifically, this will focus on:

- i. Articulating why the Government invests in industry training;
- ii. Analysing current performance in the system;
- iii. Ensuring resources are appropriately prioritised;
- iv. incentivising improved education performance in the system; and
- v. Ensuring value for money from the Government's and industry's investment in industry training.

The results of the policy review will also inform the development of any revised operational policy.

We expect to complete this review by approximately July 2010.

Performance linked funding

This work will move the tertiary funding system from one that funds purely on enrolments to one that funds both on enrolments and results.

The Minister for Tertiary Education has recently announced that performance based funding will be introduced across the tertiary education sector. It means that an element of future funding for ITOs will be based on each organisation's educational performance.

The TEC has been investigating educational performance indicators that are appropriate to ITOs. A discussion paper will be released in late March seeking your feedback on these measures.

Publishing performance information

This will make performance information about ITOs publicly available

We have previously consulted with you on making performance information publicly available as part of the operational policy consultation work. We will be publishing educational performance information on organisations from July this year. This will initially be for the 2009 year.

This information will be based on the indicators of educational performance in the discussion paper referred to above and will provide an overview of each ITO's educational performance.

We are currently working on options and formats for publishing this information. Over the next few months we will work with you to validate the data you have provided on your performance.

In June, we are aiming to send ITOs details of their 2009 data analysed against the educational performance indicators. This information will be published on the TEC website in July.

Plan Guidance

This work will help ITOs to prepare Investment Plans

Plan Guidance will be published on the TEC website during the first half of 2010 to assist you in developing your Investment Plans. These are to be submitted to the TEC later this year.

At this stage we expect to provide detailed information by the end of May.

Plan Guidance will describe how the Plan process will work, explaining:

- the purpose of Plans
- how Tertiary Education Strategy priorities will be achieved through Plans
- content requirements for tertiary providers and ITOs developing proposed Plans
- the criteria the TEC will use to assess Plans and make decisions about funding
- the processes and timelines associated with developing and submitting a proposed Plan in 2010.

More information will be published on the Plan Guidance page as it becomes available.

Next steps

The TEC will continue to work on these initiatives over the next few months. We will also continue with ongoing monitoring of ITOs such as the recent correspondence relating to the performance of ITOs. Your Investment Manager is available to answer any questions you may have.

Additionally, this information is all available on the [ITO landing page](#) of the TEC website. We will continue to update the website as progress is made on these pieces of work.