

**Tertiary Education  
Commission**

Te Amorangi Mātauranga Matua



## Plan Guidance

**For TEOs submitting new Plans for  
funding from 1 January 2021**

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### **Authors**

The Tertiary Education Commission

Every effort is made to provide accurate and factual content. The TEC, however, cannot accept responsibility for any inadvertent errors or omissions that may occur.



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## Chief Executive's Foreword

This Plan Guidance is similar to the document we released in 2018. We will publish Supplementary Plan Guidance in 2020 to reflect the changes ahead for many in the tertiary education sector. These changes will come from a new Tertiary Education Strategy (TES) and the legislative changes supporting the Reform of Vocational Education (RoVE).

But some things won't change. Our vision remains a system where everyone is focused on the best ways to improve outcomes and uses shared information and evidence to do that. Our partnerships with capable and innovative organisations are key to achieving this.

The Tertiary Education Commission (TEC) will bring the work we're doing in the careers space together with our investment in tertiary provision to support lifelong learning. Gaining knowledge and learning new skills throughout life is essential in our changing world.

An example of our careers-related work is bringing our Inspiring the Future programme into schools. Activities in this programme identify patterns of unconscious ethnic, gender and socio-economic bias that often limit young people's career aspirations and choices. Tackling these unconscious career biases will help us bridge the world of work with the world of school. Tertiary education is a key enabler in this journey.

Our Investment Round remains focused on delivering positive outcomes for all New Zealanders. By 2022 we want to see Māori and Pacific learners in tertiary education achieve participation and achievement parity with other learners. We want comparable post-study outcomes for all graduates over time. We can't achieve this without you, so our Plan engagements will be focused on exploring what we can each contribute to making this happen.

As well as providing this Plan Guidance, we continue to support you through the resources in the Investment Toolkit. This includes investment briefs, information products and templates to support your strategic planning and make it easier to do business with us.

We're looking forward to working with you during 2020 to deliver better outcomes for learners and for New Zealand.



**Tim Fowler**  
Chief Executive



# Introduction

# Welcome to TEC's Plan Guidance

This Plan Guidance explains what we'll be looking for in 2020 when we assess your Investment Plan for funding from 1 January 2021.

## Learner outcomes underpin our approach

We invest in tertiary education with a focus on:

- › better outcomes for learners,
- › better social and economic results for New Zealand, and
- › more effective system stewardship.

We want a tertiary education system that responds to the needs of learners, industry and employers. This will ensure education is valued and well aligned to the skills and careers offered by industry.

Improving learner outcomes will continue to underpin our investment decisions and the way we do business. We seek continuous improvement in:

- › **investment decision-making** for better outcomes for learners and employers,
- › **system insights** from information and analysis powered by technology, and
- › **capability** across the sector to respond to changing needs.

To continue to promote these goals, we will:

- › invest with a clear focus on **measurable learner outcomes** (see Part B)
- › ensure **industry and employer needs** inform our investment decisions,
- › develop, use, and share **information products** to better understand system outcomes and support good decision-making by TEOs, learners and the TEC,
- › support TEOs to assess and improve their **organisational capability**, and
- › highlight key investment priorities, including construction, secondary initial teacher education (ITE), food and fibre, and home-based early childhood education (ECE) (see Appendix One).

## A changing tertiary education landscape

While we continue to improve learner outcomes, the tertiary education system is changing.

### *A new Tertiary Education Strategy will be published in 2020*

For this investment round, we will continue to give effect to the current Tertiary Education Strategy (TES).

We will release a Supplementary Plan Guidance once the new TES is published, clarifying how we will work with you to transition to the new strategy.

All proposed Plans should have a three-year planning horizon. We will continue to grant funding approval for one, two, or three years, depending on our assessment of your organisational capability. For the TEOs whose Plans are approved for more than one year in this round, we will seek further information in the 2021 Plan round to ensure alignment with the new TES. Where needed, we will agree Plan amendments. Your Relationship Manager or Advisor will discuss this with you.

### ***The Reform of Vocational Education will be key for some sectors***

The Reform of Vocational Education (RoVE) has significant implications for Institute of Technology and Polytechnics (ITPs) and Industry Training Organisations (ITOs). Once relevant legislation is passed, we will provide further details on requirements and expectations for affected organisations.

The vision of RoVE is to create a unified system that better serves learners, employers, businesses and New Zealand as a whole. We will support affected TEOs in this transition. Plan requirements for ITPs and ITOs will recognise their environment and minimise administrative burdens during a time of change.

### ***We have developed a new strategic direction for the careers system***

We want to ensure that every New Zealander has the opportunity to acquire the capability to have a fulfilling career and sustainable income for as long as they choose to work.

Our work on the Careers System Strategy aims to raise New Zealanders' education levels and their skills and aspirations to meet the demands of work, now and in the future. This is relevant for all New Zealanders, aged from 7 to 70 plus. It seeks to improve the availability and access to quality careers pathway information for adults (either in-work and not in work), as well as learners, and to strengthen the connections between employers, industry, iwi, whanau and communities.

### ***We are investing in future of work***

Many skills need to be continuously updated to keep pace with the changing world of work, which is affected by shifts in technology and the emergence of new tasks and occupations. Work-based learning needs to respond to both industry, enterprise, and learner need.

We want to invest in future focused provision and will consider the relevance and longevity of existing and new provision. This includes divesting in provision that is becoming less relevant to learners and industry and identifying and training for new skills that meet emerging future needs.

Identifying and training for new skills that meet emerging needs requires innovative approaches to tertiary education. We are also keen to invest in more flexible, innovative, and efficient delivery models. For example, at the start of 2019, we opened up applications for micro-credentials to be funded.

This is a small but important step towards a tertiary education system that is innovative and responsive to its stakeholders' needs. A micro-credential certifies a coherent, stand-alone package of learning, tightly focused on a specific skill-set, and can be immediately useful. Micro-credentials enable learners to acquire the skills they need, when they need them, at least cost. And, at the same time, they enable TEOs to become responsive to employers' and communities' changing skill needs.

The Micro-credentials Funding Approval Guidelines and Approval Request Form can be found on our [website](#).

## **The Investment Toolkit will be updated by March 2020**

This Plan Guidance document is supported by an [Investment Toolkit](#), which will be updated by early March 2020. The toolkit contains products, applications and templates which aim to:

- › explain in more detail what we want to invest in, and how we will make decisions,
- › provide economic and labour market information and analysis relevant to tertiary education,
- › support you to better understand, articulate and improve your performance, and
- › make it simpler to do business with us.

Investment Briefs in the Toolkit set out the priority shifts we want to achieve at a system level to help lift learner achievement. The priority shifts are system targets, and may not translate directly into specific



targets for your organisation. However, it is important that we are all doing what we can to achieve learner success and that our funding supports provision that best achieves this.

We will continue to focus on improving participation and achievement for Māori and Pacific learners and productivity for particular industry sectors to support them. Where necessary we will require TEOs to provide satisfactory evidence of a realistic plan and approach to improve outcomes for these learners.

A new product in the Investment Toolkit for 2020 will be a Learner Success Plan template and guidance on how this will be assessed. This approach will also be included in the Plan content and assessment criteria we publish in 2020.

In addition, we are developing and trialling a diagnostic tool for TEOs to use to assess their own capability against key elements for learner success. The tool supports TEOs to identify how they can develop their capability in the areas most likely to improve the participation and achievement of all learners. We will finalise and release this tool in 2020.

We may publish additional information to reflect new priorities and strategies. We will notify you as new elements of the Investment Toolkit are published. Your Relationship Manager or Advisor will provide further advice and information as part of the engagement process.

## An information rich system

We publish information products that make it easier for you to explore data about tertiary provision and secondary-to-tertiary transitions. The products offer you views of the big picture as well as of your own delivery and performance in context. These can be found via [Ngā Kete](#) in our Investment Toolkit and include:

### *Transitions into tertiary education*

- › *Secondary to Tertiary Transition* allows you to explore the transition of school leavers into tertiary education.

### *Your provision*

- › *Tertiary Provision* uses enrolment data from the Single Data Return (SDR) and the Industry Training Register (ITR) to provide a picture of who is enrolling in tertiary education including what, and where they are studying.
- › *My Provision SDR* uses the SDR course enrolment information to provide a picture of who is enrolling in tertiary education, what, and where, they are studying. It allows you to review your own enrolment information.
- › *My Provision ITR* uses the ITR enrolment data to provide a picture of who is enrolling in industry training and what they are enrolled in.

### *Your performance*

- › *My Performance SDR and ITR* presents you with a rich and detailed view of the educational performance indicators that your organisation reports through the SDR or the ITR. This tool makes it easier for you to check your data, and supports the engagement between us on performance improvement.
- › *Tertiary Performance SDR* provides a view of all TEOs' performance across the system and allows you to explore the SDR data submitted by the entire sector.



### **Your commitments**

- › *My Commitments* shows you how your own organisation is performing against your Plan delivery and performance commitments.
- › *Pre-2019 Commitments* shows you how your own organisation performed against your Plan performance commitments between 2011 and 2018 (using the older EPI definitions).

### **Post study outcomes**

- › *Post Study Outcomes* presents information on post study labour market outcomes of domestic graduates. It helps us all to understand the outcomes for learners of their investment in tertiary education. It is a powerful planning tool that enables new and detailed insights about your performance and the benefits to your learners.

### **Funding conditions, allocations, and payments**

- › *Funding Conditions* makes it easier for you to check compliance with funding conditions for SDR-reported foundation level provision, including SAC 1-2 and YG.
- › *My Allocations and Payments* shows your allocations, payments and forecast information.

### **Research**

- › *Quality Evaluation (PBRF-Final Results)* allows you to explore data about the Performance-Based Research Fund (PBRF) Quality Evaluation - for each quality evaluation round.
- › *Quality Evaluation (PBRF) Researcher demographics* allows you to explore data pertaining to researchers who receive a funded quality category in the PBRF Quality Evaluations.



# Part A. Plan basics

## Part A. Plan basics

Plans are TEO-owned documents and are the responsibility of their governors (councils and boards). A TEO's Plan explains its strategic intentions, the activities and programmes it will undertake, and how the TEO will measure its performance.

TEC invests public funding in a TEO based on our assessment of how effectively the TEO's Plan will contribute to meeting stakeholder needs and government priorities. These stakeholders, for example, include learners, communities, iwi, employers and industry.

Plans are critical public accountability documents for TEOs, and by extension for TEC.

### 1. Who needs to submit a Plan?

Most TEOs whose current Plans expire at the end of 2020 will need to submit a Plan in 2020 to receive funding from 2021.

TEOs that do not need to submit a Plan in 2020 are:

- › Plan-exempt private training establishments (PTEs), ie those seeking less than \$3 million in TEC funding for 2021 which have an external evaluation review (EER) rating of 1 or 2,
- › TEOs that already have a Plan and funding approval for 2021.

ITPs and ITOs affected by the changes proposed under the Reform of Vocational Education (RoVE) will be provided with a separate guidance on requirements for 2021 in 2020.

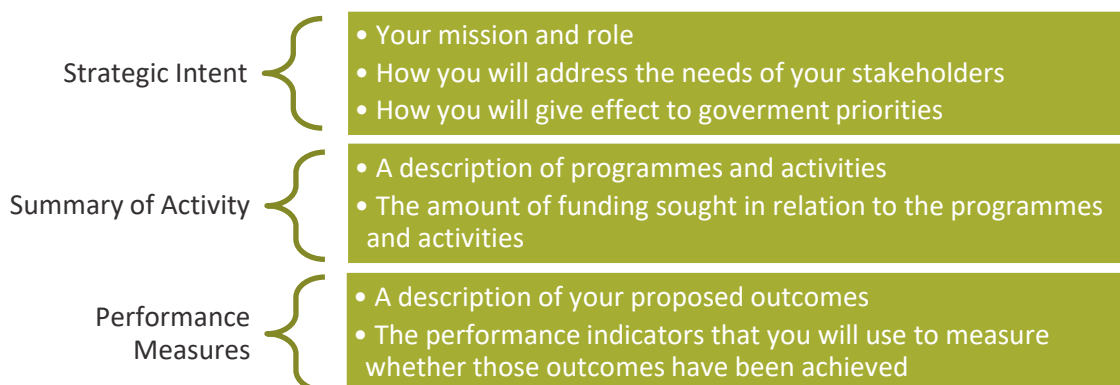
If you are unsure whether you need to submit a Plan, please talk to your Relationship Manager or Advisor.

### 2. What do Plans need to include?

Figure 1 shows the information your Plan must contain, in line with [section 159P of the Education Act 1989](#), and how we would like you to arrange it.

We publish a Plan Template in the [Investment Toolkit](#) which we encourage you to use to structure your Plan.

**Figure 1. What your Plan needs to include**



## 2.1 Strategic Intent

Part B explains what information we'll be looking for when we assess this part of your Plan. Where the information already exists (eg in your strategic plan) you are welcome to copy and paste it into your Plan, rather than recreate it.

## 2.2 Summary of Activity ("Mix of Provision")

Your Plan needs to include a summary of all the programmes and activities your organisation will undertake for the period of the proposed Plan. Your activities need to align with and support your mission and role. We will provide a *Mix of Provision* Template in the [Investment Toolkit](#) to support this.

## 2.3 Performance Measures

Your Plan needs to set out your proposed performance commitments so that you (and we) can measure whether you're delivering against the commitments and achieving the shifts identified in your Plan.

We will provide all TEOs with information about specific metrics you must use when making certain performance commitments, including Educational Performance Indicators (EPIs). In some cases we will specify minimum commitments for TEOs, especially where they relate to TES priority areas or learners. You should propose additional commitments as required to measure your other strategic activities and outputs. [see also, 2.6 Special requirements for TEIs.]

We will provide an *EPI Commitments Template* in the Investment Toolkit to support this.

## 2.4 Your overall Plan should show a clear organisation-wide strategy

Your Strategic Intent, Summary of Activity, and Performance Measures must fit together to form a clear story about:

- › your mission and role, and the stakeholders you serve,
- › your proposed outcomes for the coming three years, and why you've decided to seek those outcomes, given TES priorities and the needs of your stakeholders,
- › what you're going to do and produce (ie your activities and outputs) over the coming three years to achieve those outcomes, and why those are the right things to do and produce given your operating environment, government priorities, the needs of your stakeholders, and evidence about what works, and
- › how you intend to demonstrate progress in achieving the goals of your strategic direction, including the indicators and measures you will use.

## 2.5 We may ask you to provide additional information about your financial outlook to accompany your proposed Plan

This could include forecast financial statements, capital asset management information for tertiary education institutions (TEIs), and any other information needed to fairly reflect your forecast financial operations and financial position, eg information about subsidiaries for which you have residual liability.

We may use this information to assess whether your organisation is likely to have the financial ability to deliver on its proposed Plan.

## 2.6 Special requirements for TEIs

If you are a TEI, then you are required by statute to include a forecast Statement of Service Performance (SSP) in your Plan. Your forecast SSP should:

- › comply with Generally Accepted Accounting Practice, including reporting costs summarised by key output classes/areas,
- › reflect the full scope of the institution's activities,
- › focus on the outputs/services of the institution, and
- › include measures and evidence about the quality of the outputs/services.

You should also explain how you will manage your capital assets to support your mission and role over the period of your proposed Plan, including any new significant capital initiatives.

In February 2019, the Office of the Auditor General (OAG) wrote to all TEIs to inform them of recent changes to requirements for SSPs. The OAG expects that SSPs will include a range of performance measures, covering strategic goals and objectives, as well as measures directly relating to your outputs. In general, performance measures in your SSP should include targets. Targets are the specific levels or results that you intend to achieve. You might align targets to:

- › an external benchmark or required tertiary sector standard;
- › a level that represents a meaningful improvement on past performance; or
- › an aspirational level, if you anticipate a significant change in the relevant service's performance.

Your SSP must include the EPIs that you report to us.

Our Plan assessment process will review whether your SSPs meet these new requirements.

## 3. Gazette notice

As required by statute, we will publish a Gazette notice in March 2020 about what your Plan needs to contain, the final Plan process timetable, and the criteria we will use to assess Plans. The notice will be consistent with this Plan Guidance.

In addition, if your Plan is approved for funding, then you will need to publish a Plan Summary. The Gazette notice will set out the requirements for your Plan Summary.

## 4. Plan timeline

The following timeline sets out the key milestones and TEC target dates for this Plan round.

This timeline allows us to understand what changes you are proposing to make in your Plans earlier in the process and engage with you over any changes that we'd like to discuss.

Activity	Indicative timing
TEC releases Plan Guidance (this document)	December 2019
TEC updates <a href="#">Investment Toolkit</a> material	December 2019 – March 2020
TEC and TEOs engage over Plan development	Begins Feb 2020
TEC releases Gazette Notice	March 2020

Activity	Indicative timing
All TEOs receiving more than \$5 million provide a <a href="#">summary of planned shifts</a>	By 30 April 2020
Government announces Budget 2020	May 2020
TEC releases Supplementary Plan Guidance, reflecting the new TES, and any policy, funding, or Budget changes	By 1 June 2020
TEC provides indicative allocations and releases Mix of Provision (MoP) and EPI Commitment (EPIC) templates	1 June 2020
Plan-exempt TEOs submit MoP and EPIC templates, and additional funding requests	19 June 2020
TEOs submit Plans, including MoP and EPIC templates, and additional funding requests	13 July 2020
TEC assesses proposed Plans and has further discussion with TEOs as needed	From 13 July 2020
TEC and TEOs finalise all discussions about any changes to proposed Plans	By 14 August 2020
Final date for TEOs to resubmit their Plans, including MoP and EPIC templates, following discussion with TEC	21 August 2020
TEC makes funding decisions	October – November 2020
TEOs notified of decisions	From October 2020
TEC makes first payments	January 2021

It is important that TEOs meet the relevant Plan submission date. During July and August, we may seek changes to your Plan based on our assessment against the gazetted criteria and system-level analysis of the shifts in provision and performance proposed by TEOs.

Discussions about changes to Plans will be concluded by 14 August and you will have until 21 August to make any final resubmissions, including your MoP and EPIC templates.

Any delays in submitting your Plan, including MoP and EPIC templates, and additional funding requests, may lead to delayed funding decisions.



The background is a solid olive green color. It features several concentric, circular patterns of small, dark green arrows. These arrows are arranged in a way that they point outwards from the center of each circle, creating a sense of expansion or growth. The patterns are layered, with some appearing more prominent than others, adding depth to the design.

Part B. What we'll be  
looking for when we  
assess your Plan



## Part B. What we'll be looking for when we assess your Plan

We want to support you to make informed decisions about your own business, based on a good understanding of our goals for the system, performance expectations, and investment intentions. To this end:

- › this part describes the main things we'll be looking for when we assess your Plan, and
- › our [Investment Toolkit](#) provides the information and tools to help you prepare your Plan.

### In a nutshell

To give effect to the [TES](#), we want to invest in provision that:

- *Responds to demand* – We want to see evidence that you know what your mission is and therefore who your stakeholders are, which will include learners, employers, and community groups. We want to know that you understand national and regional stakeholders' needs and are responding appropriately.
- *Delivers good educational performance* – We want to see evidence that you are supporting all learners to successfully complete high-quality courses and qualifications.
- *Provides efficient pathways* – We want to see evidence that you are helping learners to achieve good educational outcomes with minimal churn and attrition including through recognition of prior learning and easier transfers between TEOs.
- *Meets commitments* – We want to see evidence that we can rely on you to meet the volume and performance commitments you make to us, and that you will tell us early on if you aren't going to meet a commitment.
- *Delivers good social and economic outcomes from education* – We want to see evidence that you are helping learners to gain the skills and attributes that will allow them to succeed in life and the workplace, especially for TES priority groups.

We want a tertiary education system that supports all New Zealanders to set and achieve tertiary and career goals that will deliver good outcomes for them and for the country. This means a particular focus on improving outcomes for TES priority groups: Māori, Pacific, learners with disabilities, at-risk young people, and adults with low literacy and numeracy skills.

Over time, our investment will shift toward courses, qualifications, programmes, and TEOs that are doing the best job at delivering good outcomes for learners and employers. This will happen through a combination of proactive adjustments you make to your own delivery, TEC investment decisions (including through this Plan round), learner choice informed by better learner information and career counselling, and more direct input into investment decisions by employers and industry.

A summary of key 2021-2023 Investment Priorities is included in Appendix One.

## 1. Your mission and role

Section 159P of the Education Act requires that TEOs' Plans set out their mission and role. Furthermore, the TEC seeks enduring investment partnerships with TEOs where we can have confidence in what they are doing, and how they are doing it, because of our confidence in who they are – that is, their organisational capability and integrity. This section describes what we will look for in Plans to assess these organisational elements in 2020.

### 1.1 Evidence of a clear mission and role that drives your business decisions

To enable TEC to fund diverse and coherent provision, we need your Plan to be clear about your mission and role within the system.

We want to understand your proposed contribution to the system – whether that's about the learners or industries you target, your mix of New Zealand Qualification Framework (NZQF) levels, your discipline specialisation, your regional engagements, your modes of provision, your research intensity and specialisation, or your international focus. We will look for clarity and specificity in your Plan about this.

We will look for evidence that your mission and role has shaped your proposed activities and how you propose to build and maintain your organisation's capability – including, for TEIs, your capital intentions.

### 1.2 Evidence of strong governance, management and academic leadership capability

Powerful, informed and engaged governing bodies are an essential precondition for sustainable educational success – for you as a TEO, your learners, and the communities you serve.

We will look for evidence in your Plans that your governing body:

- › demonstrates the competencies required of a high-performing council or board and its committees, and can identify and retain high-calibre members,
- › has identified a clear purpose of the organisation, and sets long-term strategic direction, organisational strategy, performance goals, and resource allocations in line with that purpose,
- › takes responsibility for the educational performance of the TEO as a whole, and has an appropriate strategy in place to ensure the highest standards of excellence in education, training, and research,
- › uses robust and regular monitoring data to understand and track organisational performance, holds the chief executive to account for performance, and regularly evaluates her or his performance,
- › has systems in place across the organisation to identify, mitigate, and manage risk,
- › ensures the organisation operates in a financially responsible manner, making efficient use of resources and maintaining the institution's long-term viability,
- › ensures the organisation identifies and responds to the needs of all stakeholders and strives to ensure student success and parity of outcomes in educational achievement,
- › acknowledges the principles of the Treaty of Waitangi, and
- › ensures the institution does not discriminate unfairly against any person.

### 1.3 Evidence that you're well-placed to respond to key global and national trends

As TEOs, you and your stakeholders operate in a dynamic environment driven by global and national trends, including:

- › *A growing labour market* – Employment opportunities are increasing as the economy grows. As more jobs become available, more New Zealanders – including school-leavers – will only want to participate in study if it is relevant and integrated with, or fits around, their working lives.
- › *Changes in employer and learner demand* – Changes in the workplace mean that the skills that employers need are changing. Employability skills – for example, teamwork, communication, and problem-solving – remain in strong demand, and learners expect TEOs to help them develop these. More learners are looking for on-job and mid-career re-training, and for options to move easily between TEOs or to combine study and training with work and other commitments.
- › *Demographic change* – New Zealand's population is ageing and becoming more diverse. Fewer school leavers means most TEOs will face either lower domestic enrolments for the next few years, or a more diverse population of learners – or both. A growing Māori and Pacific population increases the urgency of improving system performance for these learners.
- › *Technological change* – New technologies enable new modes of delivery and more choice for learners. They appear to have the potential to disrupt traditional organisational and operating models and assumptions.
- › *Ongoing internationalisation* – International competition for students, academics and research investment continues to grow, and export education markets continue to evolve. In addition, New Zealand continues to become increasingly multicultural and globally connected through people and trade. All New Zealand graduates will need the skills and knowledge to operate in an international society and economy.

TEOs that are flexible, innovative, and in touch with the needs of their stakeholders will be best-placed to take advantage of these trends. When we assess your Plan, we'll be looking for evidence that you are in this position, and that you are thinking about the future as well as the here and now.

### 1.4 Information about your past performance

To supplement the data we already hold, we will look for commentary in your Plan about:

- › your performance against the commitments you made in your previous Plan (if you had one), and
- › the findings of any quality assurance reviews.

You should also let us know about any changes to your organisation that could have a significant impact on your future performance.

### 1.5 TEIs have a special role to play

Due to their size and statutory role, TEIs have the capacity and obligation to make economic, social, and cultural contributions of regional and often national importance.

If you are a TEI, we will look for evidence in your Plan about how you are contributing to economic, social, and cultural outcomes in line with your statutory role. This will include

community engagement and knowledge-sharing activities for all TEIs. It also includes a focus on understanding and meeting in-demand skill and research needs, for example:

- › to support regional economic development plans,
- › in the high-growth sectors of the economy such as construction, ICT, engineering, and high-tech manufacturing,
- › in the “backbone” sectors of the economy, including food and fibre, and tourism,
- › to promote growth in exports, and
- › to meet future workforce needs in sectors facing significant change such as health and initial teacher training.

Our Investment Briefs focus on some of these areas and we will engage closely with TEOs who make a significant contribution in these areas.

## 2. Addressing the needs of your stakeholders

Knowing your stakeholders, including your learners, is a vital part of defining your mission and role, and the contribution you will make to the system: what you do, why you do it, and for whom? We will look for evidence in your Plan that you know who your stakeholders are, what they need and expect of you, and how you’re going to respond to those needs and expectations.

We expect a focus on regional and industry stakeholders to guide your planning and activities wherever relevant.

We will look for evidence that your assessment of stakeholders’ needs has shaped your proposed activities – including, for TEIs, your capital intentions.

The New Zealand Union of Students’ Associations (NZUSA) and Ako Aotearoa produce evidence-based resources about how to access and use the “student voice” to lift quality in a tertiary education setting. You can find links to these in the [Investment Toolkit](#).

## 3. Your proposed activities and response to the TES

Section 159P of the Education Act requires that TEOs’ Plans explain how they will address the needs of their stakeholders and respond to TES priorities. Below we explain what evidence we will be looking for in your Plan in this regard.

### 3.1 Evidence of responding to learners’ and employers’ need for skills for the labour market

*(TES Priority 1: Skills for industry)*

For most learners, getting a good job is an important goal of tertiary study. And for New Zealand employers, the quality of tertiary education is critical to enabling them to access the skilled workforce they need to thrive. We want to invest in tertiary education that enables learners and employers to meet their complementary needs for employment and to recruit skilled staff.

In some cases, a labour market outcome will not be the main goal – instead, it might be progression to further study, or acquisition of cultural knowledge. But where learners and TEC do invest with the expectation of getting an improved labour market outcome, we will look for evidence in your Plan that you are delivering these outcomes.

The Investment Briefs we publish as part of the Information Toolkit will help you identify, in discussion with your Relationship Manager if need be, whether TEC expects your provision under

a given fund to deliver a labour market outcome for learners. For all provision where this is the case, we will look for evidence that you work with employers to:

- › develop a shared understanding of what makes a graduate valuable to an employer, both at the outset and as they advance in their career,
- › understand the particular needs of industry sectors and the current and future skills that will produce returns for the learner and their employer, and
- › design educational experiences for learners that help them develop the right skills and capabilities.

We will look for evidence that you are making changes to the provision to improve its labour market relevance, or reducing or exiting from provision that doesn't result in good labour market or wider socio-economic outcomes for learners.

In particular, we will look at how you have responded to the data presented in the PSO information product. This information product will support our engagement with you by:

- › providing national and TEO level information about employment, jobseeker benefit receipt and earnings outcomes by level of study and New Zealand Standard Classification of Education (NZSCED),
- › providing TEO-level data about employment, jobseeker benefit receipt and earnings outcomes for learners by age, ethnicity, and gender, and NZSCED

We expect you to take this information about learners' employment outcomes into account when developing Plans for 2021-23 funding approval. PSO data is a key source of evidence for you and for us about the labour market outcomes of learners. We will look at PSO data when assessing changes in provision and applications for additional funding.

We will also look for evidence that you are increasing provision in areas of labour market demand. Where you have a strong focus on a particular industry, we will look for evidence that you engage regularly and systematically with employers in that industry to understand their workforce needs, and are responding to those needs in a timely way.

In making our assessments, we will look for evidence that you have used multiple sources of information and data to build up a robust picture of the labour market relevance of your provision. This includes data from government sources, as well as "soft intel" from employers with whom you have enduring business relationships, and contextual knowledge from within your organisation.

### **3.2 Evidence of helping learners to make informed choices and a successful transition into tertiary study and into employment**

*(TES Priority 2: Getting at-risk young people into a career)*

Through our careers function we will continue to support learners to make informed choices about tertiary study and careers. We will increasingly partner with industry to support us in these activities. In doing so we will better ensure learners are exposed to and understand the immense and varied career opportunities available to them across the breadth of New Zealand.

We want all New Zealanders to see tertiary study as a natural part of their career development pathway, whether it's at a tertiary provider or on-the-job.

When we assess your Plan, we'll be looking for evidence that you are helping all your prospective learners to make informed choices about tertiary enrolments – whether they come to you from school, work, or elsewhere. This means understanding the outcomes they seek from study, and

then putting them on a pathway toward achievement in the subject areas and qualification types that will deliver these outcomes. This might include staircasing them into higher-level study at another TEO, or into an apprenticeship.

This career pathway planning is important not just for secondary school students, but also for young people who are not in employment, education or training (NEET), and adults seeking to upskill or retrain. We encourage you to use our [Tertiary Career Development Benchmarks](#) to assess and increase your capability in supporting learners' career pathway planning.

For TEOs enrolling school-leavers, and especially TEOs that rely on a pipeline of school-leavers with NCEA qualifications in specific subjects, we'll look for evidence that you engage systematically with secondary schools in your catchment area to help students make informed NCEA subject choices, starting at Year 9 or 10.

We'll also look for evidence that you support students to make successful transitions from school to tertiary study. This includes evidence that you foster early connections with school-leavers (including through formal secondary-tertiary programmes where relevant), and maintain contact with these students between the end of Year 12 or 13 and the start of the next academic year to reduce "summer melt".<sup>1</sup>

Young people who have disengaged from school, or who are NEET, may not come to you – you may have to go to them. If you seek funding to deliver to young people who are NEET, including through Youth Guarantee (YG), we will look for evidence in your Plan that you can successfully reach out to them and re-engage them in education. We will also look for evidence that you can provide these learners with the support they need to succeed in tertiary education.

### **3.3 Evidence of a credible plan to meet the needs of all learner groups, including Māori and Pacific**

*(TES Priority 3: Boosting achievement of Māori and Pacific)*

We want to ensure all New Zealanders have equal access to the lifelong benefits of tertiary education success to improve outcomes for individuals, their families, their communities and the country. The moral, social and economic arguments for it are compelling – we must have a system that delivers good outcomes for all New Zealanders.

We have set an important goal that by 2022 the participation and completion patterns for Māori and Pacific learners will be on par with other learners in the tertiary system and that we will deliver comparable post study outcomes for graduates over time.

We've been open about the fact that this is an aspirational target. The shifts to achieve parity in some parts of the system are huge: we need to see qualification completion rate shifts of up to 20 percent at some TEOs. But we want to see real changes in patterns of enrolment (especially a greater proportion of Māori and Pacific learners enrolling at level 7 and above), and that the parity gaps in EPIs (particularly course completion and retention rates) are actually closing.

Both TEC and TEOs will need to do things differently to achieve parity for all learners. We will continue to work with you to understand what changes will be most effective and how we can ensure they are made.

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<sup>1</sup> "Summer melt" describes the phenomenon of a group of school-leavers who, at the end of their final school year, fully intend to participate in tertiary education in the following year; but who, in the interim (over the summer), have lost momentum or motivation and do not enrol.



### ***We want to ensure the tertiary education system performs for all New Zealanders***

Each year, a proportion of young New Zealanders leave the compulsory schooling system without the solid educational foundation they need to engage successfully in tertiary study or skilled employment. Māori and Pacific learners are over-represented in this group.

While many other New Zealanders from lower socio-economic backgrounds face similar challenges, Māori and Pacific learners face distinctive cultural, historical, and geographical barriers that need to be addressed if we are to deliver better outcomes for them. The causes of these additional challenges are varied and complex. They differ between Māori and Pacific people, who are distinct cultural groups facing distinct challenges and opportunities.

TEC and TEOs need to partner with iwi and communities to ensure Māori and Pacific learners can access and succeed in excellent tertiary education and career pathway planning. Iwi and Pacific community groups have high aspirations for their young people and tertiary education is key to equipping them with the knowledge and skills they need for lifelong success.

All New Zealanders will benefit from this. Māori and Pacific people make up a growing share of New Zealand's population, especially in younger age groups. All New Zealanders will increasingly rely on improved education outcomes for Māori and Pacific learners to meet future skill and labour market needs.

Māori and Pacific learners NCEA attainment rates have increased markedly in recent years, and so too have these learners' rates of participation in tertiary education. However, many Māori and Pacific learners enrol in foundation level qualifications, often below the level they have achieved at school, which have relatively poor socio-economic outcomes. When Māori and Pacific learners do enrol at higher levels, they do not achieve at the same rate as other learners, and are less likely overall to reap the same labour market benefits from their investment in tertiary study.

### ***We have been developing a holistic framework to drive learner success***

A system-level shift in performance is required for Māori and Pacific learners to participate and achieve at all levels of tertiary education on par with other learners. From other jurisdictions we have seen that TEOs that want to make a difference for learners need to shift from individual interventions and pockets of good practice to a systemic learner focus in all aspects of their operations. A holistic approach is required, involving key elements:

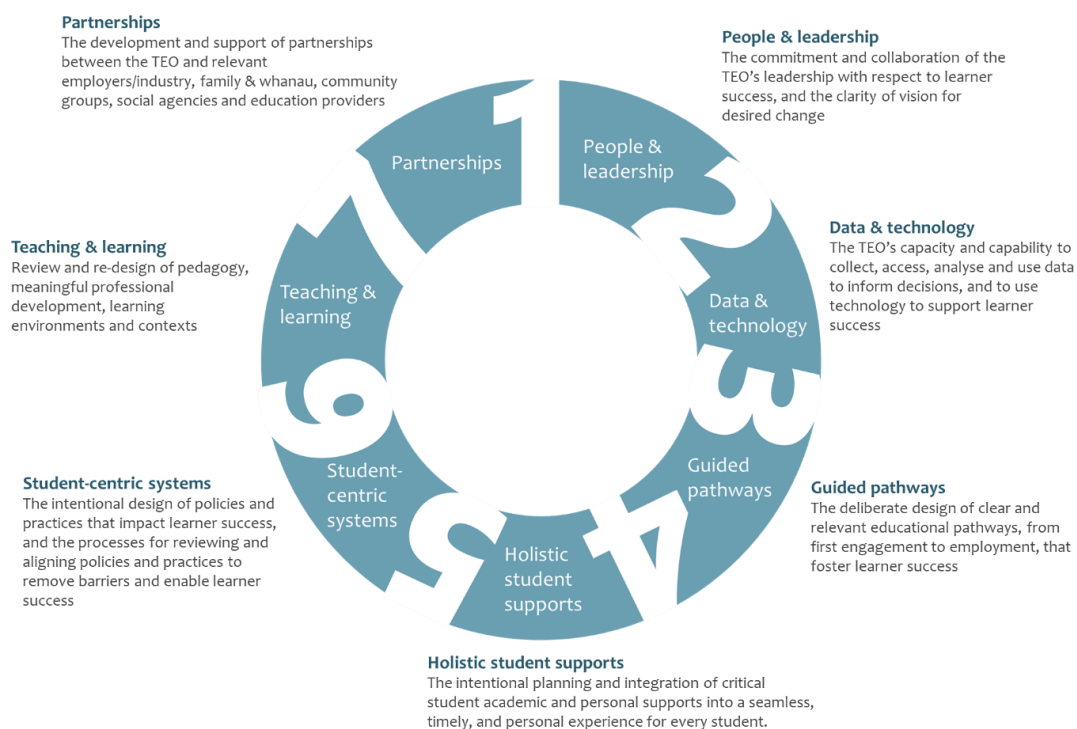
- › strong leadership within TEOs and in relationships with key partners (including employers, family, whanau, iwi)
- › systems and processes designed with the learner in mind, including teaching and learning environments
- › a 'guided pathways' approach that makes it clear to learners before they enrol what they need to do to gain a qualification and where their qualification will lead them
- › data and technology solutions that can be used to appropriately track learner progress.

We have developed a learner success approach and supporting tools, based on a continuous improvement framework. We're currently trialling and refining this framework with a number of TEO partners. If successful, we'll be looking to roll this out more broadly.

One of the tools we have developed is a diagnostic tool for TEOs to use to assess their own capability against key elements for learner success. The tool supports TEOs to identify how they can develop their capability in the areas most likely to improve the participation and achievement of all learners.



### Tertiary education organisation – learner success capabilities



### ***We will look for evidence of a whole-of-organisation commitment at governance, management, and leadership levels to delivering greatly enhanced outcomes for Māori and Pacific learners***

This means greater participation, retention, and completions at higher levels of study and in fields of study that deliver better post study socio-economic outcomes. This also means reaching back into secondary schools to influence the NCEA choices and early career planning of Māori and Pacific students.

We will look for clarity and specificity in your Plans about what you are currently doing to improve participation, achievement, and outcomes for Māori and Pacific learners, and your plan for contributing to the achievement of parity. This includes:

- › an understanding of what parity of participation would look like for your TEO, and whether you are currently achieving it,
- › a commitment at governance, management, and leadership levels to achieving parity of achievement for your Māori and Pacific learners,
- › teaching and learning that responds to the needs of Māori and Pacific learners, eg use of culturally responsive teaching practices, or content that reflects cultural knowledge and values, and
- › support for Māori and Pacific learners and their families to make informed decisions about, and successful transitions into, tertiary education.

We will work with all TEOs to agree ambitious and achievable commitments to reach system parity. Over time, we will shift funding to those TEOs who can demonstrate they are making good progress toward parity, including by meeting or exceeding their Plan commitments.

For relevant TEOs we will also be looking for evidence of:

- › growing research and development of mātauranga Māori, and
- › increasing participation and completions in te reo Māori courses. We will particularly look for increases in participation and completions at higher levels, which is vital to improving the quality and accessibility of te reo Māori teaching and learning.

### **3.4 Evidence of helping learners, including adults, to acquire literacy and numeracy skills**

*(TES Priority 4: Improving adult literacy and numeracy)*

We want every New Zealander to have the skills and the capability to have a fulfilling career and sustainable income for as long as they choose. Literacy and numeracy are core capabilities that improve learners' ability to progress to further training, education, and work. Literacy and numeracy skills also enhance a person's confidence, resilience, adaptability and independence, and improve individual, whānau, community, social, economic and wellbeing outcomes. Strong adult literacy and numeracy skills deliver significant economic and social benefits for individuals, businesses and, ultimately, New Zealand.

There has been some progress with adult literacy skills, which have slowly but steadily increased over the past two decades. However we continue to have a relatively large proportion of adults with poor literacy, numeracy and problem-solving skills. Differences in skill levels remain stark for Māori, Pacific people and youth. Low literacy and numeracy skills have a significant impact on labour force participation and wages.

If you deliver foundation education or specialised literacy and numeracy programmes, then we will look for evidence in your Plan that you:

- › are reaching the right learners as specified in the purpose of each fund you receive,
- › are designing and delivering your programmes, both learning and assessment, to match the needs of the learners
- › are using information from the [Literacy and Numeracy for Adult Assessment Tool](#) and other resources, such as the Learning Progressions and Pathways Awarua, to inform your teaching and support of learners and to monitor their progress,
- › are meeting [our expectations](#) for the capability of your foundation education or specialised literacy and numeracy teaching workforce, and
- › are measuring the outcomes of your learners, and using that data to inform continuous improvement of your delivery.

If you deliver workplace-based literacy and numeracy programmes, then we will also look for evidence in your Plans that the programmes are tailored to the needs of the workplace.

### **3.5 Evidence of doing excellent research and sharing it effectively**

*(TES Priority 5: Strengthening research-based institutions)*

We incentivise and enable research excellence and collaboration through the Performance-Based Research Fund and the Centres of Research Excellence. If research is one of your core activities, we will look for evidence in your Plan that you will:

- › use your resources to create and maintain world-class research-intensive environments, with a focus on research excellence, mātauranga Māori research capability, and research-intensive postgraduate programmes,

- › increase the volume and effectiveness of commercial innovation by connecting your researchers and graduates with New Zealand businesses,
- › recruit and develop new researchers to ensure sustainable research capability,
- › link research to educational provision, so that students are in touch with leading-edge research,
- › help make international research and innovation more accessible to New Zealanders, and
- › benchmark research productivity against international standards.

We will also look for evidence that you are collaborating with other research organisations, including Crown Research Institutes, to make the most of nationwide capability and minimise duplication.

### **3.6 Evidence of value-creating engagement in international education**

*(TES Priority 6: Growing international linkages)*

International education contributed \$5.1 billion to our economy in 2018 and is the country's fifth-largest export industry and the second largest services export sector after tourism. International students are a valuable feature of our education system, from primary schools to post-graduate study.

Building the quality of the international education system also means staying connected to the broader goal of a New Zealand education system that is world class, responsive, and student-centred.

Delivery of international education needs to respond to the goals in the Government's [International Education Strategy](#). We will be looking for evidence in your Plan that you manage this aspect of your business in a way that creates value for New Zealand and protects the wellbeing of international students in your care. This includes adherence to the Government's [Code of Practice for Pastoral Care of International Students](#) and the [International Student Wellbeing Strategy](#).

### **3.7 Evidence of investment in quality teaching**

Delivering better outcomes for learners requires you to continually invest in quality teaching and learning. We will be looking for evidence in your Plans that you assess and invest in the capability and performance of your teaching staff.

Ako Aotearoa, the National Centre for Tertiary Teaching Excellence, is contracted by TEC to support the sector to grow its teaching capability. We expect all TEOs to engage with Ako's work and use it to inform teaching practices and organisational approaches. We also expect to see evidence of such activity in your Plan.

## Appendix One: Summary of our priorities for investment in 2021-2023

The tables below provides a summary of our current priorities. More information on our priorities is provided in our [Investment Toolkit](#). We will publish an updated version of this information in Supplementary Plan Guidance in 2020.

### Broader priorities

Priority Area	Our goals	Key success indicators
<i>Parity of participation and achievement for all learners</i>	By 2022, we want: <ul style="list-style-type: none"> <li>• Parity of participation for Māori and Pacific Peoples*</li> <li>• Parity of achievement for Māori and Pacific Peoples **</li> <li>• Patterns of participation for Māori and Pacific Peoples that will lead to better outcomes</li> </ul>	<ul style="list-style-type: none"> <li>• TEO Plan commitments for 2021-2023 will close the gap for Māori and Pacific Peoples in the specific areas where we have set targets in Investment Briefs</li> <li>• TEO Plans outline credible initiatives to achieve these commitments in these areas</li> <li>• TEOs make real organisational commitment to improve</li> </ul>
<i>Provision with good post study outcomes</i>	<ul style="list-style-type: none"> <li>• TEOs use post study outcomes data to inform decisions about the provision they offer</li> <li>• Increasing our investment in provision that leads to better outcomes for learners</li> </ul>	<ul style="list-style-type: none"> <li>• Growth in provision with better outcomes</li> <li>• TEOs shift out of, or improve, areas of provision with poorer outcomes, including those noted in Investment Briefs</li> </ul>
<i>TEOs' Plans respond to employer/industry needs</i>	Supporting proposals to change/grow provision that: <ul style="list-style-type: none"> <li>• provide evidence of employer/industry need</li> <li>• are in areas where we want to increase provision</li> </ul>	<ul style="list-style-type: none"> <li>• Growth in provision with high relevance to employers/industries</li> <li>• TEOs shift out of areas of provision with lower relevance to employers/industries</li> </ul>
<i>TEOs' Plans respond to specific regional aspirations</i>	Supporting proposals to change/grow provision that: <ul style="list-style-type: none"> <li>• provide evidence of regional need</li> <li>• are in areas where we want to increase provision</li> </ul>	<ul style="list-style-type: none"> <li>• Growth in provision with high relevance to regional needs</li> <li>• TEOs shift out of areas of provision with lower relevance to regional need</li> </ul>

\*compared to general population or regional catchment for PTEs/ITPs

\*\* compared to 15-39 year old non-Māori, non-Pacific learners rates in 2016

## Targeted priorities

Priority Area	Our goals	Key success indicators
<i>Increasing Secondary ITE provision</i>	<ul style="list-style-type: none"> <li>Supporting a high quality, diverse, sustainable teaching workforce</li> <li>An increase in enrolments that lead to growth in the number of Secondary School teaching graduates</li> </ul>	<ul style="list-style-type: none"> <li>TEO plans for 2021-2023 commit to Secondary ITE growth, and outline credible initiatives to achieve these commitments</li> <li>Growth in the number of learners enrolling in Secondary ITE programmes</li> </ul>
<i>Construction</i>	<ul style="list-style-type: none"> <li>More learners completing and moving into the industry</li> <li>A more diverse workforce</li> <li>Greater parity for apprenticeship completions</li> </ul>	<ul style="list-style-type: none"> <li>Increased completions in apprenticeships</li> <li>A reduced parity gap for apprenticeship completions, and</li> <li>Increases in the number of women entering construction-related trades.</li> </ul>
<i>Food and Fibre (Primary Industries)</i>	Supporting Food and Fibre sectors is an area of government priority. We will publish an Investment Brief in 2020 outlining our priorities.	The tertiary system is contributing to the right mix of skills for the Food and Fibre sectors.
<i>Innovative delivery, micro-credentials</i>	We want to invest in well-designed micro-credentials to meet the needs of learners, communities, and industries, and support government priorities.	Growth in micro-credentials that meet stakeholder needs
<i>Science, Technology, Engineering, and Maths (STEM) &amp; Information Technology innovation skills</i>	More graduates with skills for the knowledge economy and innovation	Increases in this provision at Level 7 degree and above
<i>Home-based Early Childhood Education (ECE)</i>	<p>Government is <u>moving towards</u> all home-based educators holding at least a Level 4 ECE qualification, or Te Ara Tuarua, the Level 5 kōhanga reo qualification.</p> <p>We need to ensure that home-based ECE workforce can access tertiary education to meet the new requirement to have a level 4 qualification.</p>	A shift from TEOs delivering Level 3 to TEOs delivering the relevant Level 4 and Level 5 qualifications
<i>Clinical psychology</i>	Contributing to a systems approach to the clinical psychology workforce	Increases in enrolments in the relevant postgraduate programmes