



21 July 2025

PSO790

Dr Alan Bollard
Chair
Tertiary Education Commission
PO Box 27-048
Wellington 6141

Dear Alan,

Delegation to implement a Transitional Support for Strategically Important Provision Fund

I am writing to advise you of my delegation to the Tertiary Education Commission (TEC) to establish a fund for strategically important provision (the Fund) at polytechnics that are proposed to be established under the Education and Training (Vocational Education and Training System) Amendment Bill, when enacted.

The purpose of the Fund is to provide support for such polytechnics to maintain provision that is strategically important during the transition from Te Pūkenga to a network of regional polytechnics.

This is a transitional policy intended to minimise the loss of strategically important provision during a two-year transition period, from 1 January 2026 to 31 December 2027. I intend to consider approaches to foster and support strategically and/or regionally important provision across the vocational education and training sector in the long term for after the transition.

To be eligible for this funding, a Tertiary Education Organisation (TEO) must be:

- either a polytechnic proposed to be established under the Education and Training (Vocational Education and Training Systems) Amendment Bill, when enacted, or Te Pūkenga – New Zealand Institute of Skills and Technology; and
- at risk of non-viability, as determined by the TEC; and
- delivering strategically important provision or be proposed to assume delivery of such provision from Te Pūkenga – New Zealand Institute of Skills and Technology, or from another polytechnic.

For the purposes of this Fund provision is deemed 'strategically important' if:

- the provision is part of a programme which meets all of the following criteria:
 - it leads to a qualification or credential at Levels 3-7 (non-degree) on the New Zealand Qualifications and Credentials Framework; and
 - it is related to a priority industry, as determined by the TEC; and
 - the TEC determines that sufficient equivalent provision is not offered by another provider in that region; or

- the provision is a foundation education (Levels 1-2) programme, Youth Guarantee provision, or a secondary-tertiary programme as determined by the TEC.

The TEC must develop a process to allocate the available funding to eligible TEOs based on the proportion of the TEO's total provision that is deemed strategically important, using the definition above. This process must include a list of priority industries including areas such as science, engineering, trades, primary industries and some health fields (as determined by the TEC).

I delegate to the Tertiary Education Commission, under section 409(1)(j) of the Education and Training Act 2020, authority to pay funding:

- of up to \$10 million each year that the delegation is in effect; and
- to TEOs that meet the eligibility criteria.

I expect the TEC to develop and issue conditions for TEOs that receive this funding, including conditions to the effect that:

- a TEO must continue to deliver provision for which funding has been provided, at or above the level provided by the predecessor organisation, unless otherwise approved by the TEC; and
- funding may be recovered from a TEO if the TEO does not comply with funding conditions imposed by the TEC.

I expect the TEC to report on this Fund in its Annual Report.

This delegation takes effect from 1 January 2026 until 31 December 2027. The TEC may exercise any of its administrative functions as required to give effect to this delegation outside of those dates.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'P. Simmonds', with a stylized flourish at the end.

Hon Penny Simmonds
Minister for Vocational Education