

Tertiary Education Report: Salvation Army foundation education delivery consultation outcomes

Date:	3 April 2019	TEC priority:	Medium
Security level:	In Confidence	Report no:	B-19-00451
		Minister's office No:	

ACTION SOUGHT		
	Action sought	Deadline
Hon Chris Hipkins Minister of Education	Note the information on the outcomes from the Salvation Army's consultation process about foundation education delivery	
Enclosure: Yes	Round Robin: No	

CONTACT FOR TELEPHONE DISCUSSION (IF REQUIRED)				
Name	Position	Telephone		1st contact
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THE FOLLOWING DEPARTMENTS/AGENCIES HAVE SEEN THIS REPORT

- DPMC
 MPI
 ENZ
 ERO
 MBIE
 MoE
 MFAT
 MPP
 MSD
 NZQA
 NZTE
 TEC
 TPK
 Treasury

Minister's Office to Complete:

<input type="checkbox"/> Approved	<input type="checkbox"/> Declined
<input type="checkbox"/> Noted	<input type="checkbox"/> Needs change
<input type="checkbox"/> Seen	<input type="checkbox"/> Overtaken by Events
<input type="checkbox"/> See Minister's Notes	<input type="checkbox"/> Withdrawn

Comments:

Recommendations

Hon Chris Hipkins, Minister of Education

It is recommended that you:

1. **note** the information on the outcomes from the Salvation Army's consultation process about foundation education delivery.



Deirdre Marshall

Acting Deputy Chief Executive, Delivery
Tertiary Education Commission

03 April 2019

Hon Chris Hipkins

Minister of Education

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Purpose

1. This briefing responds to your request for information about The Salvation Army (the Army) and its potential withdrawal from foundation education delivery and TEC funding.
2. Specific qualifications by region, by EFTS and learner numbers for 2018 is attached in the Appendix. Note, a breakdown of learners for 2019 is not yet available.

Background

3. In early March 2019 the Army noted publicly¹ that it was investigating possible options for the future of its foundation education delivery. At the time it had discussed with staff the possibility that education services could close; but stated that no decisions had yet been made.
4. The Army acknowledged it was in the process of consulting with staff and stakeholders. Following this consultation period it would then consider all options before making any final decisions.
5. The Army has noted that it finds working in the foundation education sector challenging in recent years due to declining student numbers, the intensive pastoral needs of foundation learners and funding rates remaining static.

Would positively addressing the funding rates (or model) make the Army's foundation education delivery viable?

6. The TEC met with the Army on 2 April 2019 for an update on their final decision. At this meeting we discussed the questions above, amongst related matters. Their response was that, at this stage, any positive change to the funding rates or model would come too late to have any impact on their (now confirmed) decision to exit Youth Guarantee (YG) and Student Achievement Component (SAC) delivery.
7. The Army advised us that this was overall a complex issue for them, of which the learner enrolments is one aspect. The other aspect is that the funding rates have remained static over time, despite businesses having to apply CPI increases.
8. The Army has previously advised the TEC that it has been cross-subsidising its employment and educational delivery arm in recent years from other areas of its operations due to declining enrolments. The Army has determined this practice is no longer sustainable due to the impact on the other arms of its operations.

What alternative options are available for the learner demographics the Army covers?

9. The Army will be working through options for its learners over the next few months with TEC and NZQA, in the period leading up to the closure of their Education to Employment arm on 30 June 2019.

¹ For example, as noted in an Otago Daily Times article of 9 March 2019.

10. The latest information from the Army indicates it currently has circa 150 learners enrolled in its 2019 programmes. The Army advises that many of these learners will complete their studies by 30 June 2019. The Army has confirmed they will not enrol any more learners now the Board has made its decision to close the Education to Employment arm.
11. In 2018, the Army enrolled 1,359 learners in YG (276), STAR (749), Other (including other contracts) (225), and Training Opportunities (110) funds. There were no enrolments in SAC.
12. In relation to the 276 distinct YG learners in 2018, 88 would not have had access to an alternative provider in their own district or town offering the Army qualification they enrolled in, for example, Oamaru. We do not currently have any information about the location of the 150 learners enrolled in 2019.
13. For other Army funds (STAR, Training Opportunities and Other), there is limited alternative provision of similar programmes at the same level, offered in the regions the Army delivered into in 2018. While there is support for these funds in Auckland, Manawatu-Wanganui and Waikato; the Army also had students in regions where there were no providers in 2018.
14. A full breakdown of EFTS and learner numbers, delivered in 2018, by region, delivery site and qualification is provided in the Appendix. You should not aggregate the number of learners in this table as some may be enrolled in more than one qualification.
15. In terms of its intensive literacy and numeracy – English to speakers of other languages (ILN-ESOL) provision, the Army has not yet made a final decision about whether it will continue this provision. It may continue to deliver this from another arm of its business. It will confirm the intended approach with TEC and NZQA in the coming weeks.

Timeframes and next steps

16. On 4 April 2019 Army staff will be notified of the decision to close the Education to Employment arm. The Army has confirmed that 80 employees will be directly affected by this decision.
17. The TEC's next meeting with the Army is in a fortnight. We will keep you informed through the Minister's fortnightly report, including further detail about the geographical spread of currently enrolled learners and transition plans for learners not able to complete their qualification before the Army ceases delivery.