

Tertiary Education Report: Draft Plan Guidance for Investment from 2026

Date:	13 February 2025	TEC priority:	e.g. Medium
Security level:	e.g. In Confidence	Report no:	B-25-00121
		Minister's office No:	

ACTION SOUGHT		
	Action sought	Deadline
Hon Penny Simmonds Minister for Vocational Education	<p>Note that we have provided a draft of Plan Guidance which the TEC Board will consider for approval on 26 February 2025</p> <p>Note that any changes in expectations or Government priorities can be reflected in Supplementary Plan guidance which is published post-Budget in June 2025</p> <p>Note if you have any feedback for Plan Guidance, we would need it by 21 February 2025 to include in the final version for the TEC Board</p> <p>Agree for the TEC to proactively release this briefing in due course</p>	21 February 2025
Enclosure: Yes		Round Robin: No

CONTACT FOR TELEPHONE DISCUSSION (IF REQUIRED)			
Name	Position	Telephone	1st contact
Tim Fowler	Chief Executive, Tertiary Education Commission	9(2)(a)	✓

THE FOLLOWING DEPARTMENTS/AGENCIES HAVE SEEN THIS REPORT							
<input type="checkbox"/> DPMC	<input type="checkbox"/> MPI	<input type="checkbox"/> ENZ	<input type="checkbox"/> ERO	<input type="checkbox"/> MBIE	<input type="checkbox"/> MoE	<input type="checkbox"/> MFAT	
<input type="checkbox"/> MPP	<input type="checkbox"/> MSD	<input type="checkbox"/> NZQA	<input type="checkbox"/> NZTE	<input checked="" type="checkbox"/> TEC	<input type="checkbox"/> TPK	<input type="checkbox"/> Treasury	

Minister's Office to Complete:

☐ Approved

☐ Noted

☐ Seen

☐ See Minister's Notes

☐ Declined

☐ Needs change

☐ Overtaken by Events

☐ Withdrawn

Comments:

Recommendations

Hon Penny Simmonds, Minister for Vocational Education

It is recommended that you:

1. **note** that we have provided a draft of Plan Guidance which the TEC Board will consider for approval on 26 February 2025
2. **note** that any changes in expectations or Government priorities can be reflected in Supplementary Plan Guidance which is published post-Budget in June 2025
3. **note** if you have any feedback for Plan Guidance, we would need it by 21 February 2025 to include in the final version for the Board
4. **agree** that the TEC release this briefing in full in due course.

AGREED / NOT AGREED



Gillian Dudgeon

Deputy Chief Executive, Delivery
Tertiary Education Commission

13 February 2025

Hon Penny Simmonds

Minister for Vocational Education

___ / ___ / ___

We are providing a draft of Plan Guidance to you for feedback

1. We are providing you with a copy of Plan Guidance to support you to understand how our investment decisions influence vocational education enrolments, foundation education and economic growth.
2. We have also forwarded the document to Minister Reti for feedback.
3. Attached is our current draft Plan Guidance (refer Appendix A) which the TEC Board will consider for approval on 26 February 2025. There is a tight turnaround to publish the Gazette Notice, Plan Guidance and other investment guidance for the sector by 5 March 2025.
4. We will incorporate any feedback we receive from you into the document to go to Board. We can also elaborate on your expectations in Supplementary Plan Guidance (SPG), which we will publish in early June following the annual Budget.

Plan Guidance is a technical and process heavy document that marks the beginning of the annual investment round

5. We publish Plan Guidance annually and this triggers the beginning of our annual investment round. Plan Guidance informs all TEOs of our investment priorities and our expectations of their Investment Plans, including their performance. This includes the purpose of Plans, what a Plan must include and respond to, and how it will be assessed.
6. Plan Guidance and the related Gazette Notice include the content and criteria we will use to assess and approve Plans in 2025 for funding from 1 January 2026. This process is set out in the Education and Training Act 2020. As such, the document is technical and process heavy to ensure our priorities and criteria for assessment are clear and our decisions are defensible.

Plan Guidance includes our targeted investment priorities

7. The draft Plan Guidance emphasises our increased focus on investing in high performing and high priority provision to support economic growth. It includes our targeted investment priorities for higher, vocational and foundation education. These priorities signal to TEOs the type of provision we want to invest in and will prioritise when making investment decisions.
8. The targeted priorities reflect Government priorities related to economic growth and increasing productivity as well as industry and regional workforce needs. When making investment decisions, we ensure we also maintain a sustainable network of tertiary education provision.
9. The vocational education targeted priorities focus on delivering the skills that employers, industries and regions need. They are currently based on advice from WDCs.
10. The foundation education targeted priorities focus on developing core skills, including literacy and numeracy, to enable learners to fully participate in life, work and further study.
11. We have also advised TEOs that the Government is intending to update the Tertiary Education Strategy (TES), see p. 10. You, and Minister Reti, recently received advice from the Ministry of Education on a process for developing a new TES (METIS No: 1342435 refers).

Vocational and foundation education are referenced in other parts of Plan Guidance

12. You can find specific references to vocational and foundation education in these sections:

- a. *Vocational education delivers skills to regional economies, industries and communities*, pp. 26 - 35
- b. *Investment in foundation education supports core skills*, pp. 37 - 38
- c. *We have different expectations of different TEOs*, pp. 40 - 41
- d. *TEIs must provide us with a range of information*, pp. 41 - 42
- e. *Plan Assessment table*, p. 46, pp. 48 - 49
- f. *Glossary*, pp. 52 - 53.

We are seeking your feedback by 21 February 2025

13. We seek your feedback by Friday 21 February so it can be incorporated prior to the Board considering Plan Guidance for approval on 26 February, and for publishing by 5 March 2025.

Appendix A: Draft Plan Guidance for Investment from 2026

TEC's Plan Guidance for 2026 can be viewed here - <https://www.tec.govt.nz/assets/Forms-templates-and-guides/Plan-guidance/2026/plan-guidance-2026.pdf>