



OI/18/00250

29 June 2018

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S9(2)(a)

Dear S9(2)(a)

Thank you for your email of 3 May 2018. In your email you request the following information under the Official Information Act 1982 (the Act):

- *All information created for the Chief Executive ahead of appearing at the Education and Workforce Select Committee Annual Review on 28 February 2018;*
- *All correspondence regarding the Chief Executive's appearance at the Education and Workforce Select Committee Annual Review on 28 February 2018.*

We have identified 36 briefings within scope of the first part of your request. In response to the second part of your request, we have identified six emails and two letters. In compliance with the Act, I am withholding some information in the released documents. Redactions are clearly marked in the documents, with reasons for the redactions provided.

I am satisfied, in terms of section 9(1) of the Act, that the need to withhold the information referred to above is not outweighed by other considerations that render it desirable, in the public interest, to make the information available.

Please note that this letter (with your personal details removed) and enclosed documents may be published on the Tertiary Education Commission website.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Yours sincerely

Tim Fowler
Chief Executive



Adult Literacy and Numeracy

Section 9(2)(a), Strategy and Priorities, Operations Directorate

Key messages

- In 2017, we invested over \$300m in literacy and numeracy learning opportunities and reached 14,567 learners
- We're introducing a more integrated literacy and numeracy capability building model for foundation-level education, with a focus on professional standards and parity for Māori and Pasifika learners.
- We're continuing to successfully work with employers to lift literacy and numeracy skills and workplace productivity.

How are we investing in lifting Adult NZ literacy and numeracy skills?

- The TEC continues strong investment in adult literacy and numeracy learning opportunities. In 2017, we invested over \$300m into tertiary education where literacy and numeracy is an educational requirement. This included:
 - \$216.6m in general teaching funds with embedded literacy and numeracy as a requirement (SAC Levels 1-2, Industry Training levels 1-2, Youth Guarantee), and
 - \$49.4m in specific literacy and numeracy funds (such as Workplace Literacy and Numeracy, Intensive Literacy and Numeracy ESOL, and the Refugee English Fund).
- Our specific literacy and numeracy provision funds (Workplace Literacy and Numeracy, Intensive Literacy and Numeracy, Intensive Literacy and Numeracy ESOL, and Refugee English) reached 14,567 learners in 2016.

How do we support educators and TEOs to lift literacy and numeracy outcomes – particularly for Māori and Pasifika learners?

- We are introducing a new capability building model to improve cohesion, linked to teaching professional standards and sustained models of practice with improved focus on parity of outcomes in foundation education.
- Ako Aotearoa, the National Centre for Tertiary Teaching Excellence, is leading this work. It will integrate Adult Literacy and Numeracy capability building for educators with cultural capability and Ako Aotearoa's future strategic direction to develop professional teaching standards and focus on networks of professional learning and communities of practice.
- TEC funding for the National Centre for Adult Literacy and Numeracy, hosted by University of Waikato, concluded in December 2017 after a TEC-led review of lifting sector capability to improve outcomes for foundation learners.

How does the TEC work with employers and employees to lift adult literacy and numeracy in the workplace?

- The TEC continues to work successfully with employers through the Workplace Literacy and Numeracy Fund. This enables us to reach adults in work with low literacy and numeracy who would never otherwise receive this training.
- TEO-led employee numbers holding strong with 5,147 in 2016, and 4,405 as of October 2017. In both years the fund reached employees in over 1,500 employers around the country.
- Employer-Led, through a successful strategic partnership with Industry Training Federation, has maintained the surge in the numbers of employees from 831 in 2015, to 1,812 in 2016, to 1,805 in 2017. Partnering employers are overwhelmingly positive about the quality of outcomes that achieve the dual purposes of productivity enhancement and Literacy and Numeracy improvement.

Annual Report 2016/17

Steven Eveleigh, Deputy CFO, Finance Directorate

TEC's audit

- We received an unmodified audit.
- Our environment, systems, and controls (ESCO) ratings have stayed the same as last year:
 - Management control environment is 'very good'
 - Financial information systems and controls is 'very good', and
 - Performance information and associated systems and controls remains rated as good (2015 good).
- Nothing else of significance was mentioned our management report.

CNZ's audit

- We received an unmodified audit with an 'emphasis of matter' paragraph as CNZ was disestablished on 1 July 2017.
- ESCO ratings were not provided.
- Two legislative breaches were identified:
 - Crown Entities Act: arranging a short term overdraft, and
 - Holiday Act: calculation of historical annual leave payments. We are still in the process of investigating and resolving this issue.

Released under the Official Information Act 1982

Careers System Strategy

Section 9(2)(a), Project Manager, Careers Transition

Key messages

- **We are leading the development of a 10-year direction for a ‘whole of system’ Careers System Strategy aimed at increasing alignment across the system on the problems and opportunities that the system needs to resolve** – There’s no established careers strategy in place to support New Zealanders from education through to employment and beyond at this time.
- **The career system is broader than just learners at school** – The system includes 415k learners in schools, 465k learners in tertiary education, 2.2m workers, 530k businesses, and 250k unemployed.
- **We want to make sure that NZers are prepared for the changing nature of work** –The OECD identified that for 900k people, or 46% of the workforce, over half of the tasks within their job are easily automated. For 200k workers, this is over 75% of the tasks in their job. For those workers who are displaced, if they are one of the 84% who are able to return to work in the first year, they will take a 12% wage cut. This gets progressively worse, the longer that person is out of work.
- **To be prepared for change we identified a universal customer journey that shifts customers from being unaware and unprepared for change to being confident and resilient to change** – The journey is a skillset that is taught in school and can be repeated throughout life as required. The journey builds on the SODA model (a best practice career development methodology) and adds an emphasis on improving a person’s ability to Sell or promote themselves. This is needed to ensure that people can translate and market their skills in new roles or industries.
- **To make this change we’re working with MoE on improving careers services in schools** – We’re supporting MoE to implement a whole-school approach to careers education and development so that students learn the SODAS skillset from year 7. This means that teachers will play a more active role in linking what students learn in the classroom to the world of work
- **Our biggest challenge is education those in workforce the SODAS skillset** –We know that a large proportion of the workforce are not thinking about or don’t know what they need to do to ensure that they have a sustainable career. We’re developing a programme of work to address this including how we engage people into a careers conversation and developing new self-service tools targeted at those in the workforce.
- **For 500K people in the workforce this will mean starting with improving their literacy and numeracy skills** - We’re in the design phase of identifying how we can boost provision of literacy and numeracy courses for those in the workforce.
- **Parents/whanau, particularly those in the workforce, are our most important customer group** – Parents are the biggest influencer of their children with an estimated 60% of the influence. They are also nearly half of the workforce. Ensuring they are well supported by the careers system has a multiplier effect as they take what they learn into the workforce and use it to help the children that they influence.
- **Businesses also need to engage with both the education system to ensure that graduates have the skills they need. They also need to prepare themselves and their workforce for changes in skills that they need.**
- **TEOs need to improve their careers services to learners and also look at different teaching and learning services for those in the workforce** – We know that there are pockets of excellent careers service delivery in TEOs but this needs to be consistently available for all learners. The workforce also needs to be able to access courses that they can complete alongside work that provide them with the skills that they need for a sustainable career.
- **The quality and availability of careers professionals needs to improve to better support learners and those in the workforce** – We’re working on developing a better view of quality and accessibility of careers professionals for those in school and in the workforce

How much has been spent on developing the strategic direction?

The TEC has a budget of \$556k for the development of a strategic direction for a careers system strategy.

When will the whole of system careers system strategy be shared and how will it be implemented?

The approach for developing a careers system strategy has yet to be determined. Discussions are underway with key decision makers. However, further work on the strategy is unlikely to start prior to approval of the strategic direction being received. A decision on the strategic direction is expected in March 2018.

How much will it cost to design and implement a careers system strategy for New Zealand, and how much will be required to run the system on an annual basis once implemented?

It's not yet possible to determine the cost of designing and implementing a Careers System strategy or the ongoing costs once implemented.

Who was involved in developing the strategic direction?

A wide range of careers system stakeholders provided significant input into the development of the strategic direction. To ensure alignment on the strategic direction - representatives from schools, universities, tertiary education organisations, professional bodies, the private sector and other government organisations have been included on the strategy development team. We completed over 80 stakeholder interviews (ranging from large multinationals through to individual learners). 226 people from 55 different organisations followed our online "Yammer" forum.

What feedback have you received?

We ran regular sessions to share information and seek feedback during the development of the strategic direction. Over 140 people, including representatives from other government agencies, attended the presentation on the consolidated findings and recommended strategic direction. 94% of attendees endorsed the recommended strategic direction and 91% agreed that the key issues for the customer groups had been identified.

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Careers Transition - Integration

Section 9(2)(a), Project Manager, Careers Transition

Key messages

- **The transfer of staff and integration of ICT systems were successfully completed in accordance with the requirements of the Act.** In quarter one, we completed phase one of the Careers Transition project and report this to the Minister. This involved transferring CNZ functions, systems and 99 staff to the TEC on 1 July 2017. The integration process went seamlessly and survey feedback from staff was positive.
- **We provided the transition budget to The Treasury and the Minister of Finance.** The budget for CNZ integration project of \$7.771m (March 2017). We provided a reforecast budget in June 2017 of \$8.728m (\$0.957m increase). The increase covers the cost of implementing Cabinet and legislative changes – refocus of careers services and a review of Careers products and services.
- **The cost of integration was funded through reprioritised TEC funding and Crown funding \$4.0m of funding.** The TEC and CNZ have limited internal capability and baseline to resource a project of this scale. Additional funding (tagged contingency) of \$4.0m was drawn down in September 2017. We reprioritised activities to meet the remaining costs.
- **The Board is considering the future Careers System Strategy.** This will inform any additional funding requirements as we make recommendations on the future work programme.
- **Service delivery levels to career's customers were maintained.**
- **Early indications are that staff engagement levels have dropped in the six-months following integration – this was anticipated.** Feedback following the TEC-wide induction training programme was positive. Most Careers staff commented on how welcome they were made to feel. In December 2017 we did a post integration check-in survey to measure engagement levels. Fifty percent of TEC's permanent and fixed term staff were surveyed. The summary results show a drop in engagement for the careers staff across each of the three questions asked, when compared to CNZ's 2015 survey results. By comparison, engagement scores have increased for pre-existing TEC directorates (with one exception).

What changes to careers services are expected?

- We have maintained all existing services to customers while we complete on a strategic direction for the careers system.
- Through our work on the strategic direction we are identifying who our customers are and what they need from the system. We're also securing agency alignment on roles and priorities to reduce system fragmentation and duplication of services. We'll start to make changes to products and services once we've completed this work.
- We expect that changes will start to be made from 1 July 2018.

Careers NZ key stats from 2016/17

Section 9(2)(a), Planning & Performance, Finance Directorate

Key messages

- 2016/17 was a transition year for CNZ. It continued to deliver its key services while preparing for the merger with the TEC.
- CNZ provided high quality, accessible careers information and resources to career seekers and their career influencers. The main focus was online delivery.
- Career services have continued to be delivered since the merger and satisfaction levels remain high. We are now focusing on how to build on the foundations in place and create a more integrated, co-ordinated and effective careers system for New Zealanders.
- The Minister has directed the TEC to continue to deliver professional support and workshops for careers influencers in schools until 31 December 2018, while the Government works on implementing its plans to transform careers advice.

What were CNZ's key achievements in 2016/17

Digital and online services

- There were 4.45m New Zealand-based visits to the careers.govt.nz website in 2016/17, an increase of over 200k visits from 2015/16.
- CNZ continued to build its social media channels. These were used to deliver content to engage and inform young people on their career choices:
 - Oompher videos are targeted at New Zealanders aged 13-25, with a focus on priority audiences of young Māori and Pasifika. The first Oompher video web series was launched in August 2016, and was watched over one million times on Facebook and YouTube. A second series of Oompher videos was launched in May 2017 and had reached over 500k views by 30 June 2017, and
 - Maia videos go behind the scenes of the Māori businesses to give rangatahi advice about employability skills and raise awareness of opportunities in the growing Māori economy. After the success of series one in 2015-16, series two, produced by CNZ in 2016-17, was launched by the TEC immediately following the merger.

Delivering support for career influencers

- CNZ provided support to 442 schools and TEOs to improve career development programmes and practices. This was down slightly from 465 in 2015/16, while increasing its reach with whānau (439, up from 347 in 2015/16), and community groups and organisations (79, up from 72 in 2015/16).

Connecting educators to employers

- CNZ led ten industry focused events across New Zealand to connect educators and employers.
- CNZ also participated in with New Zealand Young Farmers on Get Ahead Experience Days. The events enabled students from urban schools to explore the range of opportunities available in primary industry, focusing on the supply chain from "pasture to plate".

Contractors and Consultants (question 63)

Steven Eveleigh, Deputy CFO, Finance Directorate

Key messages

- Contractors and consultants spend has increased by \$4.4m to \$11.8m in 2016/17.
- This is an increase from 15% to 23% of total operating expenditure.
- Operating contractors and consultants increased by \$3.5m, primarily on programmes requiring specialist or short term expertise:
 - Careers transition, PBRF quality evaluation, CAPEs, Entrepreneurial Universities, and
 - Pre-capital projects being Information for Learners, Nga Kete and CRM.
- Capital contractors and consultants increased by \$0.9m. The main drivers were the Fund Management Project and Rate My Qualification.

How can you demonstrate value from your spend?

We use contractors and consultants for projects with limited life, where specific expertise is required, or for independent assurance. Where possible we employ fixed term staff to these positions. Their value is in the contribution to successfully delivered projects.

A good example of this was the Careers transition project:

- the short-term nature of the project,
- a number of contractors and consultants were used. Staff were seconded to the project with some roles backfilled by contractors, and
- the project was completed successfully, on time, and under budget.

How do you define contractors and consultants?

Per our procurement policy:

Contractor A contractor provides services usually on hourly or daily rate. Payment is not usually linked to milestones or a defined outcome. They usually undertake work that would normally be done by an employee, but sufficient resources are not available at the time.

Consultant A consultant provides services that are linked to a defined outcome. Payment is typically linked to agreed milestones. Usually the work is not controlled or directed by the TEC – the consultant works to the brief specified in the contract.

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How is the \$11.8m reflected in the annual report?

Whilst we can reconcile to the annual report you are unable to see the contractor figures as they are a subset of the breakdown listed in the annual report.

Reconciliation	Disclosed in 2017 Annual Report \$m	Included in Question 63 \$m	Other items \$m	Description of other items
Operating contractors <i>(included in "other personnel expenses in note 5 of financial statements, page 85)</i>	7.3	6.7	0.6	ACC, recruitment
Operating consultants <i>(note 6 of financial statements, page 87)</i>	3.7	3.7	0.0	
Capital <i>(included in the "additions" line in note 8 of the financial statements, page 90)</i>	3.6	1.4	2.2	Computer equipment, Property fit out, Software purchases
	14.6	11.8	2.8	

We have broken down the \$11.8m by type of expenditure with a 2015/16 comparative:

	2017 \$m	2016 \$m	Difference \$m	Key drivers
Advisory	1.83	2.31	(0.48)	
Applications	0.06	0.06	-	
Architecture	0.03		0.03	
Assurance	1.86	1.12	0.74	PBRF, TEI reviews and investigations, Monitoring framework, MPTT evaluation
Vacancy and capacity	0.70	0.39	0.31	
Education services	0.12	-	0.12	
IT capacity/projects	6.06	3.46	2.60	Nga Kete, PBRF, FMP, SDR, Rate My Qual
Project staff (other)	1.12	0.03	1.09	E2E, Rate My Qual, CAPES, Careers transition
Research	0.06	0.06	-	
Other Govt Agency		0.02	(0.02)	
	11.84	7.45	4.39	

Centres of Research Excellence (CoREs)

Dafydd Davies, University Investment, Operations Directorate

Key messages

- The CoREs Fund was established in 2001 to encourage the development of excellent research that is collaborative, strategically focused and linked to end-users.
- Funding is determined through a fully contestable process and is allocated and monitored through a funding arrangement with the TEC. CoREs are usually funded for a six-year period.
- **Currently there are ten CoREs, and these are funded to 31 December 2020.**
- The combined total funding received by CoREs during the **current funding period is around \$280m.**
- The CoREs were reviewed by a panel of experts in 2017 who determined that they are on track to deliver outcomes that benefit New Zealand.

How do CoREs benefit New Zealand?

- Funding high-quality research delivers significant benefits for New Zealand including:
 - economic benefits from commercialisation and problem solving for industry
 - contribution to the public good through improvements in health care and protection of our environment and heritage
 - contribution to national development and resilience, and
 - safeguarding cultural knowledge and practice.
- CoREs build research capacity and capability through post-graduate programmes and the training of new researchers.

How do we know that the CoREs are delivering these benefits?

- The Royal Society Te Apārangi facilitated an independent panel review that looked at both the progress each CoRE had made and their future strategic direction.
- The review panel was chaired by Dr Warren Parker, former CEO of Scion, who has extensive experience managing research organisations. Members had significant experience of running world-class research programmes and experience of best practice and included Professor Emeritus Sir Mason Durie (formerly of Massey University), Emeritus Professor Peter Joyce (formerly of the University of Otago's Christchurch Medical School) and two experienced Australian researchers – Dr Amanda Barnard (CSIRO), and Professor Katherine Belov (University of Sydney).
- The panel noted that all CoREs are performing quality research that is likely to deliver significant benefits to New Zealand and to the tertiary education sector. The panel noted that *“it was a privilege to review them and provide advice on how they can perform even better”*.

What happens after 31 December 2020?

- The TEC and Ministry of Education are preparing to run another selection round in 2019/20.

Appendix – CoREs and areas of research

CoRE	Research focus	Host institution	Total funding (\$m)
The Bio-Protection Research Centre	Innovative, natural and sustainable solutions to protect New Zealand's plant-based, productive ecosystems from pests, diseases and weeds	Lincoln University	\$23.9
Brain Research New Zealand	Neurodegenerative disorders of the ageing brain; such as Dementia, Stroke, Parkinson's Disease, Alzheimer's Disease and Huntington's Disease.	The University of Auckland (2015-2017) The University of Otago (2018-2020)	\$29.8
The Dodd-Walls Centre	The manipulation of light at the most fundamental, quantum level and the control and manipulation of matter at the atomic scale through the use of light.	The University of Otago (2018-2020)	\$30.2
The MacDiarmid Institute	Advanced materials and nanotechnology research into electronic and photovoltaic materials, nanoporous materials, functional nanomaterials, and new nano-tools for cellular studies.	Victoria University of Wellington	\$40.1
The Maurice Wilkins Centre	Biomedical research to improve the diagnosis and treatment of cancer, diabetes and infectious disease by developing cutting-edge drugs and vaccines, tools for early diagnosis and prevention, and developing new models of disease.	The University of Auckland	\$42.6
MedTech CoRE	Medical technologies research into new technologies to improve hospital, community and home-based healthcare.	The University of Auckland	\$23.6
Ngā Pae o te Māramatanga	Research of relevance to Maori communities including Whai Rawa (The Māori Economy), Te Tai Ao (The Natural Environment) and Mauri Ora (Human Flourishing).	The University of Auckland	\$25
Quake CoRE	Earthquake resilience research across the physical sciences, engineering and social sciences.	The University of Canterbury	\$20.8
The Riddet Institute	Fundamental and strategic scientific research in food at the intersection of food material science, gastrointestinal biology and human nutrition.	Massey University	\$29.9
Te Pūnaha Matatini	Methods and approaches for transforming complex data about New Zealand's environment, economy, and society into knowledge, tools, and insight for making better decisions	The University of Auckland	\$13.2

2017 Enrolments

Section 9(2)(a) Evidence & Analysis Team, Information Directorate

Overall enrolments continue to decrease

- There were just over 10k fewer students in 2017 compared with 2016. A drop of 3% overall. This is likely to be due to the static number of school leavers and a steady employment market.

The ITP subsector appears to be the most affected

- There were 8k fewer students at ITPs. A drop of 7% overall. ITPs experienced declines in each of the major funds (SAC 3+, SAC Level 1-2, and YG).

Table 1: SAC & YG subsector delivery

TEO	EFTS delivered		Change in EFTS	% change	Student count		Change in student count	% change
	2016	2017			2016	2017		
Institute of Technology or Polytechnic	60,962	55,699	-5,263	-9%	118,541	110,458	-8,083	-7%
Private Training Establishment	29,205	27,553	-1,652	-6%	49,719	48,216	-1,503	-3%
University	115,440	114,233	-1,207	-1%	150,569	148,898	-1,671	-1%
School	25	22	-3	-13%	51	48	-3	-6%
Government Training Establishment	10	12	2	21%	15	13	-2	-13%
Wananga	24,082	24,268	186	1%	39,918	39,833	-85	0%
Grand total	229,724	221,787	-7,937	-3%	347,544	336,869	-10,675	-3%

- The drop in student numbers may have implications for EFTS-based funding at ITPs. Twelve of the 16 ITPs experienced a drop in their SAC and YG EFTS enrolments of 5% or more. WITT, Northtec, MIT, Whitireia New Zealand, Toi Ohomai Institute of Technology and Weltec experienced drops of 10% or more.

Table 2: SAC & YG ITP delivery

Provider name	EFTS delivered		Change in EFTS	% change	Student count		Change in student count	% change
	2016	2017			2016	2017		
WITT	1,399	1,094	-305	-22%	2,520	2,202	-318	-13%
NorthTec	2,701	2,228	-473	-18%	4,315	3,709	-606	-14%
MIT	5,441	4,595	-846	-16%	9,058	7,517	-1,541	-17%
Whitireia New Zealand	2,563	2,208	-355	-14%	3,623	3,179	-444	-12%
Toi Ohomai Institute of Technology	5,543	4,837	-706	-13%	9,545	8,112	-1,433	-15%
Weltec	2,641	2,381	-260	-10%	3,861	3,468	-393	-10%
Unitec New Zealand	6,580	5,963	-617	-9%	11,082	10,644	-438	-4%
WINTEC	4,724	4,317	-407	-9%	8,079	7,568	-511	-6%
Ara Institute of Canterbury	6,122	5,682	-440	-7%	11,174	10,230	-944	-8%
EIT	3,845	3,625	-220	-6%	6,948	6,113	-835	-12%
Open Polytechnic	5,325	5,069	-256	-5%	26,663	26,470	-193	-1%
SIT	3,732	3,553	-179	-5%	7,665	7,158	-507	-7%
Otago Polytechnic	3,878	3,758	-120	-3%	5,112	5,111	-1	0%
UCOL	2,870	2,816	-54	-2%	4,029	4,178	149	4%
NMIT	2,102	2,086	-16	-1%	3,891	3,960	69	2%
Tai Poutini Polytechnic	1,495	1,486	-9	-1%	3,216	2,811	-405	-13%
Total	60,962	55,699	-5,263	-9%	118,541	110,458	-8,083	-7%

Released under the Official Information Act 1982

Fees-free tertiary study

Deirdre Marshall, Deputy Chief Operating Officer, Operations Directorate

Key messages

- The TEC has been selected as the Agency to implement the new Government policy for fees-free tertiary study.
- This has required the development of operational policy to confirm learner eligibility, as well as a payment mechanism for providers who enrol eligible learners.
- There are potentially up to 80k eligible learners, of which approximately 35% of are known to be eligible (Year 13 school leavers). The remainder, if they do enrol for study in 2018, will be required to complete a statutory declaration to attest to their eligibility. This reflects the limits of the data sets available to us. Information about previous study, especially study undertaken overseas, or prior to 2003, is not independently available.
- Providers are paid in quarterly instalments in advance of enrolments, based on modelling of 2016 and 2017 enrolments, to ensure cashflows are not impacted.
- Reconciliation of actual enrolments of eligible learners is made during the year and further quarterly payments are adjusted, with a final wash-up once all enrolment data is provided.

Some points to consider

- Many learners will access fees-free by making a statutory declaration that they meet the eligibility criteria for the initiative.
- The TEC has modelled the resources needed to process expected volumes of learners confirming their eligibility, however there is uncertainty over the timing and volume of these which may affect the resourcing needed.
- We have a flexible resourcing model with the ability to scale up and down rapidly.
- Provider feedback has been largely positive on the process and providers are actively working with the TEC on the implementation of the policy.
- The final impact of the fees-free policy will not be known until all enrolments are completed and reported. The first main report, via the SDR, is received by TEC at the end of April.

What is the impact of using Statutory Declarations, and what steps are being taken to ensure declarations are correct?

- All Statutory Declarations are currently being processed within 24 hours.
- All Statutory Declarations are reviewed upon receipt to check for apparent errors or misrepresentations.
- The processing team check that:
 - the document has been signed and dated by the student and the authorised person
 - the document includes a correct National Student Number that matches the student's name and date of birth
 - the student has not previously completed more than half a year of study (0.5 EFTS or 60 credits)
 - the student meets the citizenship requirements, and
 - the declaration made by the student matches the information we hold.

- The processing team decline approximately 2% of statutory declarations where they don't meet the requirements above.
- Further checking is carried out by TEOs. As the TEOs are contractually barred from receiving fees-free funding in relation to students who are not eligible for fees-free, they are vigilant about advising the TEC of any apparent errors or misrepresentations they discover when processing students' enrolment documentation. This includes residency information and evidence of prior study.
- The TEC also cross checks student who have declared they meet the eligibility criteria for fees-free against other information sources we obtain. For example, when we received the December SDR results in January, we discovered that 37 students who had declared they had not previously studied more than 60 credits appeared to have done so. This demonstrates that we are picking up mistakes and anomalies.
- Where there is a mismatch between the declarations made and the information we hold or subsequently receive, we notify the student that they are not eligible for fees-free. Where the student has already enrolled to study, they will then be charged fees by their provider.

What other auditing and monitoring will the TEC do?

- The TEC will conduct fees-free specific audits where selected TEOs will be subject to an audit of fees-free processes, policies and activities.
- A fees-free component has been included in every other 'BAU' audit of TEOs.
- Approximately 50 audits with a focus on fees-free activities will be conducted in the next six months.
- The TEC recently increased its internal investigative capacity and is prepared to investigate and intervene where circumstances require.
- Analysis of data over the next six months will be used to direct monitoring activities and anticipate future issues.
- The TEC has the ability to adapt and appropriately meet challenges.

How will declarations be managed in the future?

- The Education Amendment Bill, introduced to the House on 8 February 2018, creates a new offence provision for making a false representation in relation to an application for fee-free tertiary education.
- The new provision paves the way for a simple declaration to be made by applicants for fees-free, rather than the current statutory declaration requiring witnessing by an authorised person.
- Under the new offence provision, if someone is found to have made a false declaration, without a reasonable excuse, this could result in a criminal conviction and a fine of up to \$5,000. If students are not eligible for fees-free tertiary education, they will need to pay the fees that tertiary education providers require.
- The declaration process will be supported by appropriate checks and audits. The new provision is not expected to pass into law until later in the year (we expect it to have its third reading in July) and the implementation timeframe for it is yet to be determined.

EPI Changes

Section 9(2)(a), Strategy & Priorities, Operations Directorate

Key messages

- The educational performance indicators (EPIs), introduced in 2009, measure the performance of TEOs in supporting learners to achieve. They also form the basis of calculations for Performance-Linked Funding.
- After consultation with the sector, the TEC made changes to EPI methodologies in 2016 and again in 2017.
- The new EPI methodologies provide more meaningful and useful information for performance improvement and smarter investment decisions.
- From this year, EPI information will be shared with TEOs and the public via a Qlik Sense data visualisation tool. This tool provides much greater detail about performance, allowing EPIs to be calculated at the level of individual qualifications, courses and learners.
- The TEC will continue working with providers to understand and improve EPI performance, especially for Māori and Pasifika learners.
- We have worked with MoE and the sector to embed the new EPIs in Investment Plan commitments and Performance-Linked Funding from 2018 onwards.

What do the performance measures show about the performance of the sector?

- New Zealand performs well when comparing cohort-based qualification completion rates to other OECD countries (2016 Education at a Glance).
- The new performance information reveals differences in the performance of TEOs, which largely relate to how they deliver their programmes and the learners that they cater to (e.g. the characteristics of the incoming learners, the intensity of study, mode of delivery).
- The new EPIs highlight the significant gaps in achievement for Māori and Pasifika compared to other learners, particularly in the university sector at bachelor's degree level study.

Why did the TEC make these changes?

- The first set of EPIs, introduced in 2009, made a significant impact on system performance through making standardised information on educational performance publicly available. They also served as the basis for performance-linked funding and Investment Managers' engagement over low-performing provision.
- However, two of the indicators – the qualification completion rate and retention rate – did not always provide an accurate reflection of performance (e.g. rates over 100%) because of technical issues in how they were calculated.
- Feedback from the sector noted that the qualification completion and retention rates did not always provide meaningful and useful information. For example, the "old" qualification completion indicator responded to changes in enrolment patterns and sometimes produced rates over 100%.

Which of the EPIs were changed?

- Changes have been made to the methodologies for the qualification completion, retention, and course completion rates.
- The changes apply to TEOs that receive Student Achievement Component (SAC) or Youth Guarantee (YG) funding.
- We have also improved the methodology for the educational performance indicators for industry training organisations.
- As well as moving to a cohort-based approach, the new EPIs are grouped by NZQF levels 1-3, levels 4 to 7 (non-degree), level 7 degree and levels 8-10. This better reflects the differences between foundation, vocational and higher level educational provision.

When will these changes take effect?

- For the 2017 year onwards, the TEC will only be using the new EPIs for publication of performance information.
- During 2018, TEOs will use the new EPIs to set their performance commitments in Investment Plans for 2019 onwards. We'll be engaging with TEOs between February and August this year over their Plans and commitments.
- The TEC has also worked with MoE and the sector during 2016/17 to consult on and implement the new EPIs within performance-linked funding. The changes apply to 2018 performance and will impact on funding in 2019.

Did the TEC consult with the sector?

- The TEC worked with sub-sector representatives in late 2015 and ran two rounds of formal consultation, the first at the end of 2015, and the second in May 2016.
- We consulted with the sector during 2017 on changes to course completion changes, the design of performance-linked funding, and the design of Investment Plan commitments templates.

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The gender pay gap at the TEC

Section 9(2)(a), Human Resources, Finance Directorate

Key messages

- Our gender pay gap is 11.1% as at 30 June 2017 (Human Resource Capability Survey 2017). This includes all staff in all tiers. The data doesn't include CNZ (who transitioned to TEC 1 July 2017).
- The gender pay gap used in the HRC report is defined as the difference between the average salary for women and the average salary for men, and is expressed as a percentage of the average salary for men.
- The gender pay gap has remained at around 11.0% for the past three years. The story here is that we have almost halved it since 2013.
- A joint TEC/PSA working group met during 2015 to compare average salary data between female and male salaries by salary grade. The reason for the gender pay gap was due to tenure in the role and level of skills and experience required. The reasons for why a gender pay gap exists can be due to many factors, i.e. re-entry after career breaks, time in a role, skills and experience required, etc.
- Our annual remuneration round is our opportunity to address any pay gaps.
- The cost of addressing the Gender Pay gap in the **2017 calendar year** was a total of \$21,500. This was paid to Section 9(2)(a). In the **2016/17 financial year**, the cost was \$10,163 and was paid to Section 9(2)(a).

The table below sets out our gender pay gap since 2013:

Year	Pay gap %
2017	11.1%
2016	11.0%
2015	11.4%
2014	9.8%
2013	19.7%

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The tables below sets out the number and gender pay gap for Tiers 2 and Tier 3 as at 19 Feb 2018.

Tier	# female	# male	Total
2	Section 9(2)(a)		8
3	Section 9(2)(a)		27
Total	18	17	35

Tier	Average female salary	Average male salary	Total average	Gender pay gap
2	\$155,523.50	\$242,213.00	\$198,868.25	35.8%
3	\$124,702.07	\$133,285.00	\$128,834.59	6.4%
Total	\$131,551.28	\$158,915.12	\$144,842.29	17.2%

Note: The data includes both TEC and Careers Tiers 2 & Tier 3. There is a significant difference in job sizing for the Tier 2 TEC roles and Tier 2 Careers roles. Even though we use the same evaluation system, we use different market data, i.e. TEC public sector median vs education.

What are we doing about the gender pay gap?

- We want to do further work on the gender pay gap, once we have completed our change process.
- Careers NZ transitioned to TEC on 1 July 2017. The remuneration approach is different for both organisations. TEC and Careers use different market data and remuneration range for their roles. This makes it difficult to undertake a whole of organisation comparison of gender pay.
- We could complete an analysis of the gender pay gap for TEC and Careers separately but as the organisation is going through a change process it would make sense to wait until we have completed the change process.
- If we identify gender pay gap issues within areas, we will address these on a case by case.

Industry training (incl. apprenticeships)

Jane Duncan, ITO Investment, Operations Directorate

Note: 2017 data will not be finalised until 1 April 2018 so the latest data we can report here is 2016.

Key messages

- Industry training continues to increase in response to improved economic conditions and low unemployment rates.
 - **Funded delivery by ITOs and directly funded organisations in 2016 totalled \$170.8m, up 2.4% on 2015.**
 - Allocations of \$180.4 in 2017 was 5.6% greater than 2016 funded delivery, and reflects ITOs' predicted growth for 2017.
- **Almost 136,700 trainees and apprentices were enrolled in funded training programmes in 2016.** This reflects an increase of 2% on 2015 (2,715).
 - Overall numbers of trainees and apprentices have increased steadily since 2013 at an average rate of 2% per year.
- **Apprentice numbers continue to increase from year to year with just over 37,600 funded apprentices in 2016,** an increase of 6% on 2015.
 - **In 2016, 46% of all apprentices were based in Auckland and Canterbury regions** (29% and 17% respectively).
 - However, apprentices in the Canterbury region decreased 5% between 2015 and 2016, while in Auckland they increased 14% over the same period. The Canterbury Rebuild is slowing, and construction work in Auckland is growing at a rate greater than anywhere else in the country.
- **The demand for skilled workers in building and construction-related industries will peak in the next five years** (highlighted in MBIE's *National Construction Pipeline Report 2016-2021*).
 - **In 2016, 49% of all apprentices were enrolled in building and construction-related programmes** (carpentry, electrical engineering, joinery, plumbing gasfitting and drainlaying, roofing, brick and blocklaying, and frame and truss).
 - **Apprentices in building and construction-related programmes increased 12% between 2015 and 2016, from 16,370 to 18,330.**
- We want to ensure funding for training in priority areas is available, and are making use of available tools (flexible-funding, multi-category appropriation).

How is BCITO responding to the need for extra people in the construction industries?

- BCITO is exploring a range of initiatives to expand the pool of both potential apprentices and employers to meet demand for skilled workers in the construction industry. This includes:
 - supporting a research project to increase participation and success of women in construction in collaboration with Ako Aotearoa, the Ministry of Women and other partner organisations
 - running promotional events to generate interest
 - targeting non-traditional employees, and
 - supporting school-to-work transitions and initiatives such as Māori and Pasifika Trades Training.

ITO Subsector

Jane Duncan, ITO Investment, Operations Directorate

Key messages

- Skill shortages in many industries have led to an increase in demand for industry trainees and apprenticeships. **ITOs are working to address the skill gaps by trying to attract a wider pool of people and increase the number of employers willing to train.**
 - We are continuing to work with ITOs towards increasing the number of apprentices.
- As with other subsectors, **progress towards parity of achievement for Māori and Pasifika remains an issue.**
 - In 2016, the gap between Māori and Pasifika credit achievement, compared with non-Māori/non-Pasifika learners, was 6 and 10 percentage points respectively, at level 4 and above.
- **ITOs have been responding to industry need through new ways of working together**, with industry, and with providers.
 - Examples of this include the Auckland Airport skills and jobs hub, involvement in Sector Workforce Engagement Programmes, and support for regional economic development plans.
 - The challenge for ITOs is to make these flexible and innovative approaches part of business as usual.
- **ITOs are supporting secondary-tertiary transitions to employment** by working with schools to promote vocational work-based learning through Trade Academies, Gateway programmes, and more recently '3 + 2' programmes.
 - However, the academic focus of senior secondary school remains dominant despite degree-level study being the destination for only 30 percent of school leavers.
 - ITOs have collaborated with the Industry Training Federation to create the *Got a Trade? Got it Made!* Campaign, which promotes training and career opportunities in trades and services.
 - The wider goal is to enhance the profile of work-based learning and make it the 'plan A' choice for young people, particularly priority learner groups.

How is the TEC supporting ITOs to respond to industry needs?

- We have provided additional project-based funding to help support ITO initiatives currently underway.
- However, ITOs will need to adjust their business models to make these approaches self-sustaining in the longer-term.

How is the TEC responding to parity issues for Māori and Pasifika learners?

- We are developing a work programme designed to accelerate progress towards parity of achievement, particularly for apprentices.
- A key focus of our 2018-19 Investment Plan round with ITOs is doing better for Māori and Pasifika, and requires ITOs to specify how they would address the issues and improve outcomes for Māori and Pasifika.

ITP Viability

Niki Penberthy, ITP Investment, Operations Directorate

Key messages

- There are 16 institutes of technology and polytechnics (ITPs). ITPs account for 20.6% of total government spending in tertiary education (\$599.3m).
- In recent years ITPs have been increasingly challenged by economic, demographic and policy change. ITPs face increased competition from the labour market, and industry training, private training establishments, wānanga, schools and universities.
- Over the past 10 years ITP domestic student numbers have declined by nearly a third. This equates to a reduction of over 55,000 students (from 185,305 in 2008 to 129,870 in 2016). ITPs have responded chiefly through collaborative activity and through growing international enrolments. Despite these initiatives, many ITPs face immediate or imminent challenges to their ongoing financial viability.
- The ITP subsector now requires widespread business change to ensure the ongoing quality, attractiveness and sustainability of its vocational delivery. The need for change is as much about the nature and quality of delivery as it is about ITP finances, though the two are intertwined.
- TEC has established a project to manage the issue and changes required: the project is called ITP Roadmap 2020.
- Between 2013 and 2017 the value of ITP Student Achievement Component and Youth Guarantee delivery decreased by \$50.3m. This equates to a decrease of 9% (from \$557.8m in 2013 to \$507.5 in 2017). The majority of the drop, \$40.3m, occurred between 2016 and 2017.

Will the TEC encourage more ITP mergers in order to address financial pressures?

- It is too early in the ITP Roadmap 2020 project to comment on any potential structural changes within the sector.
- As autonomous organisations, it is up to respective institutions' Councils to decide what kind of collaborative arrangements they may undertake with others. We support institutions who are considering a closer relationship through any collaboration. We ensure that tertiary provision is maintained and leads to increased and improved provision for New Zealanders.
- In the 2016 calendar year two new ITPs launched:
 - Ara Institute of Canterbury was formed by a merger between Aoraki Polytechnic and Christchurch Polytechnic Institute of Technology, and
 - Toi Ohomai Institute of Technology was formed by a merger between Waiariki Institute of Technology and Bay of Plenty Polytechnic.
- Other collaborations already exist in the ITP sector through joint programme development and delivery, and joint Councils and senior management teams. 9(2)(b)(ii)

Why don't you just increase tuition subsidies?

- Increasing the subsidy rate per student is always an option. However, it would cement in the inefficiencies of the existing system where students are already choosing to go elsewhere (universities and PTEs). Subsidy increases have been focused on benchmark data that highlights where the largest inequalities are – ITP courses are not in that category generally.

How is the TEC supporting ITPs to respond to the changing environment?

- The TEC has established the ITP Roadmap 2020 project to work with ITPs and government agencies to consider how ITPs can meet the challenges they face.
- The first phase of the project is to establish an information base and problem definition that is widely understood and shared between the government and the sector.
- The TEC will engage with ITPs to explore and test different options for change. Case studies from both New Zealand and Australia will help inform the project.

Are there high risk ITPs?

- A business case about the future of **Section 9(2)(b)(ii)** is with Ministers for consideration. A decision is expected later this year.
- **Section 9(2)(b)(ii)** **Section 9(2)(b)(ii)**. An Independent Advisor was appointed by **Section 9(2)(b)(ii)** November 2017 and will monitor and advise **Section 9(2)(b)(ii)** and the TEC on **Section 9(2)(b)(ii)** strategic direction; and risk and performance.

How will the TEC manage the overlapping provision between ITPs and ITOs?

- We intend to look at overlapping provision in the broader context of how we can best invest in vocational provision to deliver results for New Zealand going forward. We will work with the sector, policy advisors at the MoE, MBIE, and relevant Ministers.

How will the fees free policy impact ITPs?

- It is too early to know the impact of the Fees Free policy on TEOs, including ITPs. Other policies may also impact ITPs including MoE's review of the vocational education and training sector.

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Key 'killer' facts

Section 9(2)(a), Evidence & Analysis, Information Directorate

Enrolments¹

SAC, YG and full-fee paying students

In 2016, 405k learners (269k EFTS) (excluding industry training) enrolled with tertiary education providers.² Of these:

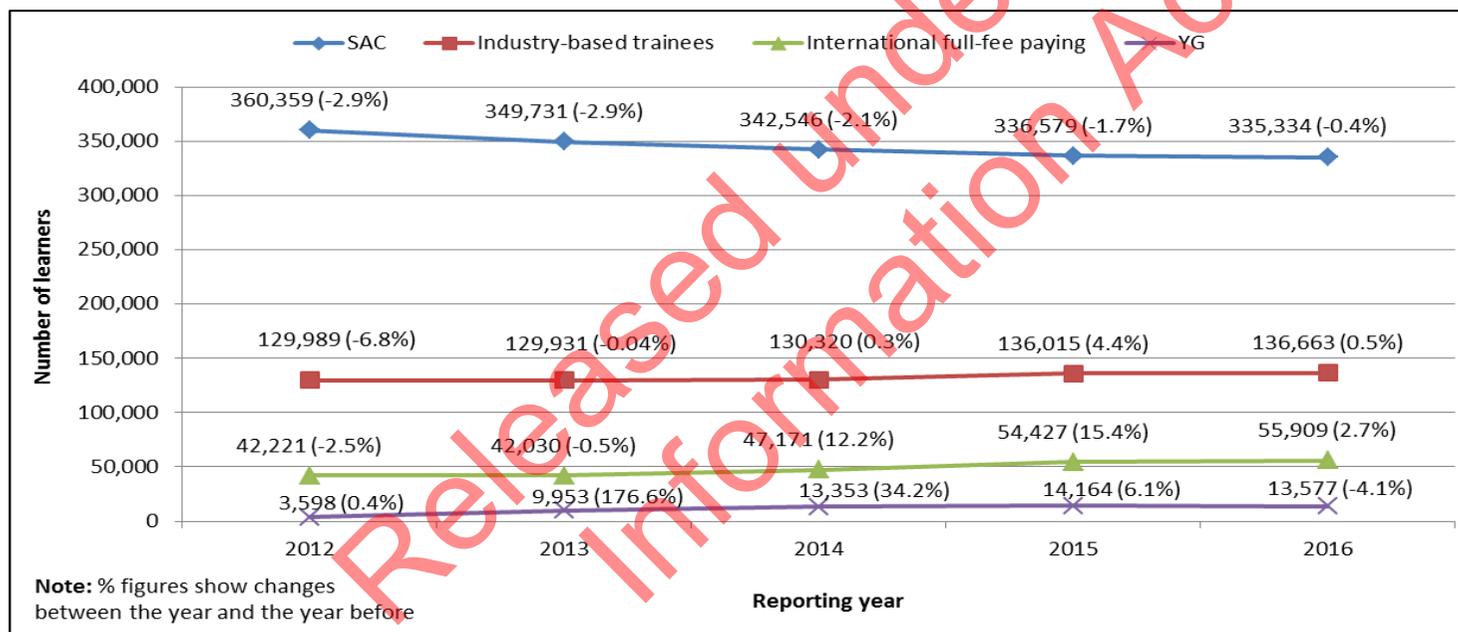
- 335k learners (221k EFTS) were SAC enrolments (domestic students)
- 56k learners (39k EFTS) were international full-fee paying students, and
- 14k learners (9k EFTS) were enrolled in Youth Guarantee programmes.

Industry training

- 137k trainees (45k STMs) (including 38k Modern Apprenticeships and New Zealand Apprentices).

Trends

- The number of SAC learners continues to decline, while numbers of international full-fee paying students and industry-based trainees continue to increase.
- The number of learners in YG programmes decreased slightly in 2016, following growth from 2012 to 2015.



¹ All numbers in this paper are rounded, except the numbers in the graph.

² Numbers for SAC, international full-fee paying and YG in this paper are extracted from DW Closed EPI cubes with a cut off at 2017-04-30 final 2016 data for publication.

Proportion of gender under the SAC EFTS delivered unchanged

- 59% were female and 41% were male in 2016, unchanged from 2015.

Domestic students were more likely to study in Society and Culture, while international students were more likely to study in Management and Commerce

- About one in four domestic students (24%) studied in Society and Culture in 2016, followed by Management and Commerce (20%) and Health (12%).
- About two in five international students (39%) studied in Management and Commerce in 2016, followed by Society and Culture (13%) and Food, Hospitality and Personal Services (10%).

Maori and Pasifika SAC educational performance remains much the same . . .

- SAC overall course completion and qualification completion rates remained the same from 2015 to 2016 (83% and 77% respectively), while the progression rate increased from 37% to 38% and the retention rate decreased from 74% to 73%.
- At Levels 4 and above, there was a 3% point improvement for Pasifika qualification completions rate, but with little movement elsewhere for Maori:
 - Maori: the qualification completion rate increased from 67% in 2015 to 68% in 2016, while course completion rate remained unchanged (77%).
 - Pasifika: the qualification completion rate increased from 60% in 2015 to 63% in 2016, while course completion rate remained unchanged (73%).

. . . while there was some improvement in industry training at Levels 4 and above

- Industry training credit completion rates remained unchanged from 2015 to 2016 (80%), while programme completion increased from 75% in 2015 to 77% in 2016. The achievements at qualification levels 4 and above for Maori and Pasifika learners differed:
 - Maori: both credit completion and programme completion rates increased from 2015 to 2016, with 75% to 78% and 55% to 62% respectively.
 - Pasifika: both credit completion and programme completion rates decreased from 2015 to 2016, with 76% to 74% and 59% to 53% respectively.

Participation in tertiary education in 2018

- At the time of the Annual Review, student enrolment in 2018 is underway and definitive data on 2018 patterns is not yet available.
- Early reports from providers indicate that enrolment is *[this information will be available immediately prior to the Annual Review]*.
- Detailed information on enrolments is available in May 2018.

Māori Performance

Section 9(2)(a) Chief Advisor Māori

Māori are currently under-served by the education system

- Of the 3.5k Māori students who left school in 2014 with NCEA 3, only 61% of them had enrolled in tertiary education by 2016, compared to 79% for non-Māori/non-Pasifika students.
- Around half of the Māori students with NCEA 3 also gain UE compared to 81% for non-Maori/non-Pasifika students.
- Of the 12k Māori students who left school between 2014 and 2016 and who gained NCEA 3, 900 (7%) of them subsequently enrolled in a level 1 or 2 tertiary qualification (compared to less than 3% for non-Māori/non-Pasifika).
- The qualification completion rate for Māori at bachelors level was 48%-, compared to 61% for non-Māori/non-Pasifika.
- Labour market convergence of Maori workers into a narrow group of industries and occupations presents major risks to Maori and the New Zealand economy. This convergence is likely to be a consequence of narrow study options earlier in the learner experience.

The TEC wants to steward a system that works for Māori and all New Zealanders

- There have been many standard equity type interventions to support Maori learners in the past (grants, quotas, standalone programmes, etc), with mixed results. We have failed to effect the necessary system change to achieve parity.
- **The TEC intends to achieve participation and achievement patterns for Maori on a par with other New Zealanders within the next five years.** It's a big goal. Getting the pattern right is our main focus.
- We are looking at systems based changes to achieve our parity goals.
- There are exciting new systems based approaches emerging globally and domestically. Places like Georgia State University are tackling the challenges of increasing student success through student-centred, data-informed decision-making and management systems. This creates a more effective and sustainable platform for equity interventions.

We are partnering with iwi and other key influencers to help achieve our goal

- We have developed two exciting pilot projects in partnership with Ngāi Tahu and Waikato Tainui - sharing our Qlik data tools, piloting iwi led student mentoring, and enabling iwi to influence EFTS allocation to align with their needs.
- We have approved the first quantum of EFTS to providers selected by Ngāi Tahu for delivery in 2018. The current focus of the Ngāi Tahu delivery is in the primary industry including dairy, aquaculture and apiary training.
- Our Kura to Careers pilot project with Waikato Tainui involves a programme of mentoring school learners through careers and personal development.
- We are now broadening out our iwi work programme to partner with a wider group of iwi organisations. This is also a key way we can support iwi and regional economic development. Iwi and Maori communities can bring important influence on providers and their own whanau.

Monitoring Specific Providers

Dean Winter, MCO, Operations Directorate

Key messages

- The TEC has specific functions relating to the monitoring of TEOs we fund and use a number of frameworks and functions to fulfil these obligations.
- We also has specific functions relating to the monitoring of TEIs, ITOs, and the financial performance of the tertiary sector, and supporting TEI governance.
- We have increased monitoring arrangements in place for eight TEOs due to a variety of identified risks and it is expected these will remain in place in the short to medium term. (*Specific providers detailed overleaf*).
- We have introduced specific monitoring of the Fees Free implementation.

The TEC operates a comprehensive monitoring framework to manage risk at TEOs

- The TEC undertakes a number of monitoring activities with regard to individual TEOs. These range from ongoing statutory monitoring responsibilities, such as monitoring the financial performance and governance capability of Crown-owned TEIs, to as-needed audits and investigations responding to specific issues/risks.
- All of the TEC's separate monitoring activities are brought together to inform a central, holistic view of risk at a TEO. A central risk register ensures the TEC's mitigation and management of risk is informed by all relevant information, and interventions are appropriate and commensurate.
- The TEC's risk monitoring functions have been significantly strengthened since 2014, when significant issues were identified at a number of TEOs. In addition to implementing the central monitoring framework, we have implemented more flexible approaches to monitoring, increased internal audit and investigative capability, and increased our focus on building governance capability to drive improvements from the top down.
- We are also introducing a greater focus on educational activities to prevent risks from arising in the first place. Findings from monitoring activities, better analysis of our comprehensive data, and reviews of system-wide issues will all be shared with TEOs to help them manage their own performance and compliance.

Risk from fees-free tertiary education will be managed using our existing monitoring framework – but with some additional activities

- Having a comprehensive risk monitoring framework in place means we are well placed to respond to emerging risks, including those related to fees-free.
- We will be conducting fees-free specific audits to check TEOs are doing the right thing in implementing fees-free tertiary education. However, all existing audits (both on-site and desktop) now also include a fees-free component as well. Based on currently planned audits, we will have audited approximately 25% of all TEOs that are receiving fees-free funding by 30 June 2018.
- We will also be able to utilise the additional data that TEOs will be required to report to the TEC regarding fees-free eligible learners. Analysis of changing enrolment patterns or student demographics will assist us to identify changing behaviours as they emerge during 2018, and investigate them further to assess whether they pose risk.

Monitoring of specific providers

UNITEC

- Section 9(2)(b)(ii) due to declining financial performance and enrolments, and the ongoing Whole-of-Organisation Transformation Programme.
- Section 9(2)(b)(ii) Section 9(2)(b)(ii), reducing its borrowing and releasing funds to complete the transformation programme capital builds.
- Additional monitoring in place includes receiving minutes of all Council meetings, regular engagement meetings, monitoring of borrowing consent conditions and close monitoring of the transformation programme. Monitoring will continue in the short to medium term.
- Other risks: Unitec's CEO resigned at the end of 2017 and the Council Chair is currently in the acting CEO role until a new appointment is made.

WINTEC

- Section 9(2)(b)(ii) due to declining financial performance, Section 9(2)(b)(ii) and moderate debt balances.
- Section 9(2)(b)(ii)
- Additional monitoring in place includes receiving minutes of Finance and Audit Committee meetings, regular engagement meetings and monitoring of borrowing consent conditions. This will continue for the time being.
- Other risks: Wintec is launching an independent peer review of a 2015 investigation into a complaint and allegations relating to its Chief Executive. As well as investigating the complaint, the Council will extend Audit New Zealand's programmed annual audit of Wintec to include assessment into matters raised around expenditure and restructuring costs relating to previous years. We expect to be kept informed of the outcome of this investigation.

NorthTec

- Section 9(2)(b)(ii) due to declining enrolments since 2012 and less than adequate financial performance.
- Section 9(2)(b)(ii) in the short term while NorthTec continues to conserve funds and find ways of making operational savings (such as 'resting' of regional centres). However, this is not a sustainable long-term solution and a plan is needed to arrest declining student numbers and improve financial performance. If these issues are not properly addressed, Section 9(2)(b)(ii), particularly given NorthTec's importance to the Northland region.
- Additional monitoring in place includes regular engagement meetings.

Lincoln University

- Section 9(2)(b)(ii) due to historic financial struggles largely due to its small size (failure to generate an operating surplus between 2007 and 2015 – although they have made a surplus in recent years), the organisational and financial impact of the Canterbury earthquakes, and the scale of its Joint Facility project relative to its small size.
- A Transformation Board, which included the TEC Chair and Chief Executive, made recommendations for the University's strategic direction and long-term future in late 2017.

- In the meantime, an independent financial advisor appointed in 2015 (by mutual agreement between the TEC and Lincoln) remains in place to provide independent advice on the finances of the university to the TEC, and to support the university to strengthen its financial management and reporting. The independent advisor will remain in place for the foreseeable future.
- Decisions about to be made on support for their Joint Facility Development, with AgResearch – cost estimated \$206m, of which \$126m is Lincoln’s – Crown contributing \$85m to Lincoln to help them finance their part of the development. Additional monitoring of the performance on the project through a Governance Oversight Group (GOG) and formal quarterly meetings between Lincoln Council and the TEC.
- **Additional monitoring in place** includes the independent financial advisor and increased engagement and reporting. Lincoln also continues to work through options aimed at addressing the universities long term sustainability.

WITT

- **Section 9(2)(b)(ii)** [REDACTED] due to poor financial performance, Category 3 EER rating from NZQA and questions concerning its long term viability and sustainability. WITT currently has a one year investment plan with the TEC, and an improvement plan with NZQA.
- **An independent advisor to WITT’s council was appointed by WITT (with support from TEC) in late 2017.** The independent advisor will monitor and advise on WITT’s financial viability; strategic direction; risk and performance, and will act as a ‘critical friend’ to the management and Council of WITT, and report to both WITT and the TEC. The appointment is aimed at ensuring there is access to tertiary level vocational education and training in the Taranaki region that is effective, sustainable and of high quality, is appropriate to the needs of students and employers, and contributes to the economic development of Taranaki.
- **Additional monitoring in place** includes increased engagement, the receipt and review of Council and Audit and Risk Committee papers, and increased reporting of financial and enrolment forecasts.

Quantum

- **Intueri is in liquidation and Quantum has ceased operations.** The TEC does not intend to take any further action.
- **A TEC investigation into enrolment and withdrawal practices at Quantum found it took advantage of differences in government agency reporting mechanisms.** Quantum took steps to retain students long enough to keep students’ fees, but withdrew them before they were required to report them to the TEC so that they did not impact on educational performance measures (and future funding decisions). The issues identified mainly affected fees paid by students through StudyLink loans, rather than TEC funding, because the TEC did not provide funding to Quantum for withdrawn students. This means the TEC has not sought to recover any money.
- **It does not appear that any other TEOs have been taking advantages of these differences** The TEC has initiated investigations of other TEOs that were flagged as having more students withdrawing loans than were being reported in the SDR, but has not found issues at those providers.
- **We have implemented stronger reporting requirements** (Source of funding code 31) which mean we now have visibility of students withdrawn after the fee refund period but before becoming eligible for TEC funding.

Tai Poutini Polytechnic (TPP) update provided in a separate briefing

BEST Pacific Institute of Education

- **BEST is in liquidation and has ceased operations. The TEC, NZQA and MSD have ensured that all students have the option to continue their education elsewhere, and we are continuing to work with the liquidators to recover debts owed to the TEC.**
- The TEC decided not to fund BEST in 2018 as it was no longer financially sustainable, due to declining enrolments and an inability to adjust its high fixed cost structure. The TEC's priority in making this decision was ensuring all students could continue to get quality educational provision.
- **BEST was placed in liquidation on 1 December 2017.** At that time, BEST had an outstanding debt owed to the TEC of \$2.9m (excl. GST) relating to under-delivery in 2016. **This debt has increased to \$4.55m following the wind-up of BEST.** We are working with the liquidators to recover this debt.
- The owners of BEST, Ms Skudder and Ms Finnigan, have instructed their lawyers to deal with the matters arising from the liquidation of BEST. Their lawyers have already requested that the investigation report be taken off the TEC website. We remain confident that the Investigation report does not contain any inaccuracies and will not be removed from the TEC website at this stage.
- On 17 January 2018, the TEC released the report of our investigation into BEST. **The investigation found manipulation of course end dates and successful completion dates that artificially inflated BEST's apparent educational performance.** This was a breach of both the Education Act and TEC funding conditions. If accurate data had been submitted, BEST would have received a zero indicative funding allocation for 2015. BEST continued to receive funding until 2017 as we worked with the organisation to attempt to address the issues identified, and disruption to students (via closure) is always the last resort.

- **Publication of the investigation report was delayed by an ongoing investigation by the Ombudsman. While the TEC is yet to receive the Ombudsman's final opinion, the Ombudsman has completed his investigations into all complaints from BEST except for:**
 - the publication of the Deloitte Investigation report – his provisional opinion is that it is **not** unreasonable, and
 - the process of the TEC's investigation, and BEST's claim that this impacted on its performance / funding – we remain confident the Ombudsman's decision will not identify any significant issues with the way in which the investigation was conducted.

Note - Highlighted items are not publically available.

Maori and Pasifika Trades Training

Niki Penberthy, ITP Investment, Operations Directorate

Key messages

- Māori and Pasifika Trades Training (MPTT) offers pre-employment trades training for Māori and Pasifika learners aged 16-40 that supports pathways into New Zealand Apprenticeships (NZAs), Managed Apprenticeships and Industry Training at level 3 or above and other sustainable employment.
- Key objectives are to:
 - increase access for Māori and Pasifika learners to vocational training, leading to better employment outcomes
 - improve pre-trades training, including workplace preparation to develop skills required for sustainable employment, and
 - align training more closely to the needs of employers and Māori and Pasifika communities.
- MPTT is delivered through a consortia model involving community groups, employers and Tertiary Education Organisations (TEOs). Community and employer input are intended to increase learner completion and transition into sustainable employment.
- In 2018, the TEC is providing funding to consortia and partnering TEOs to deliver pre-trades training to 3,352 learners.

How is MPTT performing?

MPTT has grown from 12 consortia in 2014 to 16 consortia in 2018, with 25 Tertiary Education Organisations (TEOs) delivering MPTT training nationwide.

- **Student Numbers:** MPTT participation has increased from 1,189 learners in 2014 to an estimated purchase of 3,352 in 2018.
- **Prior Achievement:** MPTT is attracting the right learners. 87% of 2017 MPTT learners hold qualifications no higher than Level 3. (58% no higher than Level 2.)
- **Progression:** Of the 2014 commencing cohort, 22% have progressed into apprenticeships or industry training, 18% entered further study at Level 4 and above, and 9% were enrolled in other further study.
 - **Female Participation:** Female participation grew from 21% to 32% of learners between 2014 and 2017.
 - **Ethnicity:** In 2017, 72% of MPTT learners identified as Māori with 35% identifying as Pasifika.

What improvements are being made to the scheme?

- While there were no changes to the funding determination in 2018, the Ministry of Education and the TEC commissioned an independent evaluation of MPTT by Martin Jenkins in 2017 to identify areas for improvement. The report was released in February 2018 on the TEC website. Its findings will provide impetus and direction for operational improvements.
- Focus areas for 2018 include:
 - Consortium partners working closer together as a first step in streamlining the funding approach;
 - Optimising levers for achieving successful transitions, such as ongoing support for learners and employers;
 - Redefining success.
- The TEC is holding a Hui with consortia and TEOs in March 2018 to encourage collaboration, education, and to discuss the review's findings further through an operational redesign workshop.

Will the funding continue beyond 2019?

- The MoE and TEC will need to consider how MPTT operates in a Fees Free environment, and will provide advice to the Minister as required.
- The previous government agreed a growth target of 5,000 MPTT learners by 2019.

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Information Act 1982

Professional Development Services (PDS)

Christine Hayden, General Manager PDS, Careers Directorate

Key messages

- PDS provide workshops and programmes that equip schools, TEOs, communities and whānau with career development resources, digital tools and information, and the knowledge to use them effectively. This enables these groups to support young people in making informed study and work choices.
- The TEC became the Government's career agency on 1 July 2017, when the Education (Update) Amendment Act came into effect. The function of supporting schools that PDS undertakes was initially scheduled to transfer to the MoE on 1 January 2018.
- The Minister has directed the TEC to continue to deliver professional support and workshops for careers influencers in schools until 31 December 2018, while the Government works on implementing its plans to transform careers advice.

How is the TEC ensuring the ongoing quality and reach of PDS delivery?

- The TEC is continuing to support staff to maintain engagement and retain expertise.
- CNZ delivered strong results for PDS reach and satisfaction while working in the context of the transition in 2016/17. This capability has transferred to the TEC.
- In 2016/17:
 - 90% of surveyed participating educators agreed that the PDS programme improved the quality of their career education provision
 - 88% of participating community groups and organisations surveyed agreed that the PDS programme helped them better support young people's success in work and learning
 - 97% participating whānau surveyed agreed that the PDS programme helped them better support young people's success in work and learning, and
 - PDS worked with 442 schools and TEOs, down slightly from 465 in 2015/16, while increasing their reach with whānau (439, up from 347 in 2015/16) and community groups and organisations (79, up from 72 in 2015/16).

How are providers responding to the TEC delivery of PDS?

- The TEC has received positive feedback in the first two quarters of 2017/18. Feedback forms from deliveries in these quarters show that 94% of participating schools and TEOs agreed that participating in the programme was valuable for their organisation.

How will the current proposal to reorganise the TEC affect PDS delivery?

- The TEC will continue to deliver professional support and workshops for careers influencers in some schools, collaboratively with the MoE and other crucial stakeholders, until 31 December 2018.

Pasifika Performance

Section 9(2)(a), Strategy and Priorities, Operations Directorate

Key messages

- We want Pasifika to participate and achieve at all levels of tertiary education on par with other learners.
- We are implementing the Pasifika Operational Strategy 2017-2020 to increase our focus on improving tertiary education outcomes for Pasifika learners.
- The Operational Strategy sets out three critical focus areas that will have the greatest impact for Pasifika learners:
 - Focus Area One:** Using information to increase transitions into higher levels of education and into employment
 - Focus Area Two:** Changing the way tertiary education organisations support Pasifika learners
 - Focus Area Three:** Strengthening the role of the community to increase system capability
- We are working with the schooling and tertiary sectors to drive progress toward parity participation and achievement with non-Pasifika at levels 4 and above and in fields of study with strong economic and social benefits.
- We continue to see modest improvement in the educational attainment of Pasifika learners.

How are Pasifika learners performing in tertiary education?

- Overall, Pasifika performance has improved in recent years, but there is a significant and enduring gap between performance for Pasifika and for non-Māori/non-Pasifika at most levels. We still have work to do to close the gap between Pasifika and other learners. The achievement gap is especially pronounced at level 7 degree.

2016 Pasifika educational performance compared to non-Māori, non-Pasifika

Levels	Group	Course completion	Parity % gap	Qualification completion	Parity % gap
Level 1 to 3	Pasifika	72.9%	- 7.2%	57.6%	+3.1%
	Non-Māori and non-Pasifika	79.2%		54.5%	
Level 4 to 7 (non-degree)	Pasifika	72.5%	- 10.1%	48.4%	+ 2.3%
	Non-Māori and non-Pasifika	82.6%		46.1%	
Level 7 degree	Pasifika	73.4%	- 13.9%	40.6%	- 15.6%
	Non-Māori and non-Pasifika	87.3%		56.2%	
Level 8 to 10	Pasifika	83.9%	- 9.2%	61.9%	-7.8%
	Non-Māori and non-Pasifika	93.1%		69.7%	

What is the TEC doing to further improve Pasifika learner outcomes?

The Operational Strategy has guided our work to improve outcomes for Pasifika learners, across three focus areas:

Focus Area One: Information for learners

- We used new information products with secondary schools and TEOs in South Auckland to better understand how to improve tertiary education outcomes.
- We used Careers Directorate capability to deliver similarly focused work.
- We began developing a public awareness campaign to promote education to employment pathways in South Auckland.

Focus Area Two: TEO support for Pasifika learners

- We promoted and shared successful programmes and initiatives to improve transition and retention rates with TEOs.
- We promoted and shared areas of good practice to improve achievement rates with TEOs.
- We hosted sector workshops to support the 2018 Investment Plan engagement process.
- We developed key Pasifika business tools for the 2018 Investment Plan round.

Focus Area Three: Strengthening the role of the community

- We worked with Pasifika communities, employers, TEOs and key government agencies to develop an education to employment plan in Porirua.

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Pre-Purchased English Language Tuition (PELT)

Section 9(2)(a) Sector Helpdesk, Operations Directorate

Key messages

- As at 20 January 2018, 67.41% of entitlement holders come from China (10,220 out of a total of 15,161 migrants).
- The TEC administers the entitlements and purchases English tuition on behalf of the migrant once we receive confirmation of enrolment in an approved course.
- As at 31 January 2018, the TEC holds entitlements, with a total value of \$25.2m (GST exclusive) for these migrants.
- The TEC is implementing a work plan to promote PELT and increase the uptake of tuition.
- The rate of uptake will continue to be monitored by the TEC and INZ through the New Zealand Migrant Settlement and Integration Strategy.
- Of the 15,161 migrants with available funds (as at 31 January 2018), 3,975 have used part or all of their entitlements.

The questions and responses below refer to the trends in these tables...

Year	Unique enrolments	% Change
2012	200	80%
2013	342	71%
2014	690	102%
2015	902	31%
2016	1178	31%
2017	1588	35%

Entitlement paid	Entitlement end	Total	% Change
2012	2017	495	
2013	2018	2171	339%
2014	2019	3977	83%
2015	2020	3117	-22%
2016	2021	3300	6%
2017 ¹	2022	1369	-59%

What caused the sharp increase in the number of PELT migrants in 2013 and 2014?

- The sharp increase in the number of PELT migrants in 2013 and 2014 was due to the introduction of the Parent Category which was introduced in 2012. The Parent Category allows parents to gain residency as secondary applicants on their adult children's work visas. Both the principal applicant and the secondary applicant are required to pre-purchase ESOL tuition if they cannot demonstrate the requisite level of English.

Why is there a decline in the number of PELT migrants in 2015 and 2017?

- Applications submitted under the Parent Category were suspended from 2014 by INZ due to the backlog of applications.

¹ **Uptake:** There were 1588 unique enrolments in 2017, and 1178 in 2016. This indicates a 34.8% increase in the uptake in 2017 despite the decrease in PELT migrants.

What happens to the unused entitlements?

Any remaining entitlement not used after five years is forfeited to the Crown. On average we forfeit approximately \$1.5m on a yearly basis.

Why is there continued low uptake of tuition?

Research evidence suggests several reasons, including:

- the largest group of PELT learners (aged 50 years plus) are primary caregivers for their grandchildren. We are currently exploring other ways for them to access the tuition
- a large number of PELT learners are not aware of their entitlements or have not yet left their country of origin
- employment, housing, education (for their children), health and family welfare are often the main focus for migrants, and
- settling in New Zealand and caring for their families is the primary focus for most of the migrants in the Parent Category.

What efforts are being made to increase the uptake of tuition?

The TEC is currently implementing a communications and promotional plan to increase the uptake of tuition, especially those in the Parent Category. Some of the activities underway include:

- engaging with providers to look at effective practices and courses that will meet the needs of the parents in particular
- increasing the size of the PELT provision through contracting more providers
- PELT learner information has been translated into seven languages (Traditional and Simplified Chinese, Hindi, Korean, Russian, Japanese and Vietnamese) and posted onto the TEC website
- welcome letters in the seven languages listed above, and in English, are being sent on a quarterly basis to new PELT learners with known email and postal addresses
- reminder letters of active entitlement balance are being sent out on a yearly basis
- the contract and immigration instructions have been revised to clarify the entitlement holders' responsibility to use their pre-purchased tuition
- the ESOL Locator Tool, which contains information on the available PELT courses as well as free ESOL courses hosted on the INZ website, is now live
- exploring ways to effectively publicise PELT to the migrant communities
- working with Immigration Agents to publicise PELT information to their clients, and
- Immigration New Zealand are improving their collection process to gather new entitlement holders' email addresses more consistently.

Performance measure results

Section 9(2)(a) Organisational Performance, Finance Directorate

Performance measures

- In 2016/17 the TEC had a total of 72 measures.
 - We are directly responsible for the results of 21 measures (our capability and operational measures).
 - We contribute to the results of 51 measures (impact measures and sector output measures). These results are affected by a number of other factors including the current economic conditions which result in a strong labour market.

2016/17 results

	Total measures	Achieved	Not achieved	Key measures not achieving target included:
TEC responsible for results Capability & Operational measures	21	20	1	<ul style="list-style-type: none"> • External publications meeting TEC Plain English Standard
TEC contributes to results Impact and sector output measures	51	29	23	<ul style="list-style-type: none"> • BPS target (25-34 year olds L4+) • NEETs • EPIs • WPL (Employer led) • ICT Grad schools

BPS target (25-34 year olds at L4+)

- The proportion of 25 to 34 year olds with a Level 4 or above qualification has increased from 53.3% in the year to Dec 2008 to 57.2% in the year to Dec 2016.
- Over the last year, the figure has increased from 57.2% to 57.7% in the year to December 2017.
- While we contribute towards the achievement of this measure, the programme is led by the MoE.
- On the current trend, it would seem unlikely that the figure will reach 60.0% by December 2018 (the overall target set by the Ministry of Education).
- This overall target was set by the former Minister for Tertiary Education, Skills and Employment. The MoE's advice at the time was that they would expect the figure to reach around 58% by 2018, given existing policy settings. However, the then Minister wanted it to be a stretch target.

NEETs

- The proportion of 20-24 year olds who were not in employment, education or training (NEETs) increased from 15.1% (2015/16) to 15.5% (2016/17).
- While we contribute towards the achievement of this measure, the programme to address NEETs is led by MBIE and MSD.
- Additionally, the data used for this measure is captured on a sample basis, which leads to a margin of error of 2%. It is therefore hard to assess if there has actually been an increase.

EPis

(EPis are covered in more detail in a separate briefing).

- TEC tracks course and qualification completion rates at level 4 and above for all learners and specific learner groups of focus on Māori, Pasifika and under 25s.
- EPis are moving in the right direction but the sector has not achieved their own self-imposed stretch targets for course and qualification completions.
- Our 2016/17 and 2017/18 accountability documents (SPE, Quarterly reports to the Minister, Annual Report) use the original (non-cohort based) EPI methodology
- 2016 Targets were not met for Māori and Pasifika course or qualification targets. However:
 - Māori qualification completion increased by 1 percentage point from 67% (2015) to 68% (2016)
 - Pasifika qualification completion increased by 3 percentage points from 60% (2015) to 63% (2016).
- Provisional 2017 data is not yet available (some providers e.g. universities do not submit completions data until the April SDR).

Workplace Literacy and Numeracy (WPL) - Employer led

- The number of WPL employer-led learners is growing. Applications have increased from an average of five per month to ten in Dec 2017 and 25 in Feb 2018.
- By the end of 2018 we estimate we will have allocated funding for approximately 2,300 learners.
- We funded 1,812 Employer-led learners in 2016.
- Provisional 2017 (December IPI) figures (funded WPL learners) are not yet available.

ICT Graduate Schools

- The target for the number of domestic EFTS in ICT Graduate Schools was not close to being met (the target was 170 but actual was 60).
- This was largely caused by the schools being launched later than anticipated.
- We expect that cumulative targets will be on track in the medium term.
- Provisional 2017 data (as at December 2017 SDR) is 223 EFTS against the 2017 target of 300 ±5%.

Additional information – for funds that achieved target in 2016 (not part of the 23 measures not achieved above)

Gateway

- Both 2016 and 2017 Gateway targets have been achieved.
- Provisional 2017 data (as at December 2017 IPI) is 13,548 funded learners in up to 378 schools against the 2017 target of 13,200 ±5% in up to 375 schools.

Industry training

- Skill shortages in many industries have led to an increase in demand for industry trainees and apprenticeships.
- Provisional 2017 data (as at January 2018 ITR) is:
 - Industry trainees 28,039 STMs against the 2017 target of 28,000 ±5%
 - Apprentices 19,086 STMs against the 2017 target of 17,300 ±5%.

Youth Guarantee

(YG is covered in more detail in a separate briefing).

- Demand for YG provision has been decreasing since 2014.
- TEOs receiving YG have been under-delivering on their allocations since 2014 with the latest variance being -8.5% in 2016.
- This year we will be conducting a review with MoE of the foundation and secondary-tertiary landscape.
- It's currently uncertain how the Fees Free policy will affect YG.
- Provisional 2017 data not yet available.

MPTT

(MPTT is covered in more detail in a separate briefing).

- **Student Numbers:** MPTT participation has increased from 1,189 learners in 2014 to an estimated purchase of 3,352 in 2018.
- **Prior Achievement:** MPTT is attracting the right learners. 87% of 2017 MPTT learners hold qualifications no higher than Level 3 (58% no higher than Level 2).
- **Progression:** Of the 2014 commencing cohort, 22% have progressed into apprenticeships or industry training, 18% entered further study at Level 4 and above, and 9% were enrolled in other further study.
- Provisional 2017 data (as at December 2017 SDR) is 2,324 learners against the 2017 target of 2,900 $\pm 5\%$.
 - These are learners that are funded and delivered since 1 January 2017.
 - Providers have under-delivered on allocations and work is underway to review MPTT.

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Primary Sector

Section 9(2)(a) Principal Advisor, Operations Directorate

Key messages

- Poor sector image and learner information mean there are mismatches between primary sector's needs and tertiary skills provision.
- The primary sector lacks higher level skills, including future-oriented innovation capability.
- Biggest challenge for the TEC and industry is making learners aware of primary sector opportunities and pathways to them.
- The TEC is developing a Primary Sector Skills, Education and Investment programme to grow learner demand [not yet public information].
- The primary sector is a Focus Area in the TEC's Plan Guidance for the 2019-2020 Investment Plan round.
- The TEC currently invests around \$108m in primary sector-specific provision a year (\$80m SAC and \$28m in STM funding). This is 6,137 EFTS and 7,878 STMs.
- Of its total investment, the TEC funds \$50m in sub-degree SAC provision (4,406 EFTS) and \$28m in industry training (7,878 STMs). Only \$30m is invested in SAC-funded degree level seven or above provision (1,731 EFTS).

What is the TEC doing to better match tertiary provision to sector opportunities and needs?

- The TEC is working successfully with industry to lift L5 agribusiness management provision (growth from 51 learners/10 EFTS in 2014 to 544 learners/165 EFTS in 2017).
- We are leveraging this approach in other industries such as horticulture.
- The TEC has made the primary sector a Focus Area priority in the Plan Guidance for the 2019-20 Investment Plan round.
- This Focus Area is encouraging increased:
 - L4 apprenticeships and pathways to them
 - L5-6 management capability provision
 - L7 primary sector-specific degree provision
 - L8-10 primary sector-specific provision, and
 - transition of graduates and others outside the sector into primary industry opportunities.
- Integration with Careers NZ gives the TEC the learner information and careers services capabilities to better match provision to opportunities and needs.
- These capabilities will be used to grow learner demand through the Primary Sector Skills, Education and Investment programme [not yet public information].

How is the TEC addressing higher level innovation capability for the sector?

- Innovation capability is promoted in the Focus Area and through the Primary Sector Skills, Education and Investment programme [not yet public information].
- Our Plan Guidance includes an Innovation Skills for the Economy Focus Area that includes the primary sector.
- We are working with Lincoln University to address its sustainability challenges.
- We are increasing investment in provision that feeds indirectly into the primary industries, such as engineering and ICT.

PBRF – Quality Evaluation only

Dafydd Davies, University Investment, Operations Directorate

Key messages

- As a result of numerous changes to simplify the Quality Evaluation process, we are expecting an increase in the number of tertiary education organisations participating in the 2018 Quality Evaluation (35 of the 48 eligible TEOs are participating, up from 27 in the 2012 round).
- We are in the final year of implementation, with planning and preparation starting with the release of the operational guidelines on 30 June 2015.
- We are expecting to appoint between 250 and 300 experts in research assessment to undertake the assessment of approximately 8,000 New Zealand researchers.
- The results of the assessment will allocation over \$1billion over six years. This is 55% of the total PBRF pool.
- All participating TEOs have been assessed as having implemented adequate processes to implement the PBRF operational guidelines consistently and correctly.

What was the focus for the 16/17 financial year?

The primary focus was the establishment of the PBRF Quality Evaluation project team. The project team is responsible for implementing the end-to-end processes required to run the 2018 Quality Evaluation. The highlights of the 2016/17 financial year included the following:

- The appointment of 13 peer review panel Chairs and a just under a half of the total number of panel members (106 panellists appointed of approximately 250-300 panellist required)
- Completion of the procurement and upgrade of the dedicated IT system
- Establishment of the project Governance Group and the appointment of several key project team roles, including Project Manager, and
- The appointment of the external auditors (KPMG), responsible for assessing TEO's readiness for participation in the Quality Evaluation.

We also continued our work with the Sector Reference Group and panel Chairs to finalise the guidelines used to assist TEOs and panel members.

Additionally, we implemented a change in the distribution of funding across the three PBRF components, which were decided by Cabinet after the 2012/13 review of PBRF. This decision decreased the proportion of funding for the Quality Evaluation component from 60% to 55% and increased the proportion of External Research Income from 15% to 20%.

Were there any substantial risks or issues in the 16/17 financial year?

No. The 2018 Quality Evaluation round is on schedule and spent considerable time in the 2016/17 financial year on the establishment of an expert project team, including the appointment of panel Chairs, and engagement with the sector on improving and finalising the operational guidelines.

Productivity Commission's Tertiary Education Inquiry

Section 9(2)(a), Strategy and Priorities, Operations Directorate

Key messages

- The Productivity Commission released the final report of its *Inquiry into New Models of Tertiary Education* in February 2017. It concluded that there is considerable inertia in the system driven by excessive regulation, and that this inhibits the development and adoption of innovative models. It made 49 recommendations, designed to give providers more flexibility and incentive to innovate and focus more on the needs of learners.
- In July, Government agencies, including the TEC, MOE, MBIE, and Treasury, contributed to a joint Government response to the report. This outlined the previous Minister's vision for the sector and addressed each of the 49 recommendations in detail.
- In keeping with the Government response, the TEC has implemented some changes, which are outlined below.

How is the TEC responding to the report?

The TEC contributed to and endorsed the cross-agency Government response. We did not provide any independent public response. In line with the Government response, we are making improvements to address some (though not all) of the report's recommendations.

The report recommended that:

- The Government enable providers to use some of their SAC allocation to run experimental courses.
 - Section 9(2)(f)(iv)
- The TEC remove reference to time-based inputs in its definition of an EFTS and use quality assurers' assessments of credit value to determine a course's EFTS value.
 - Section 9(2)(f)(iv)
- The TEC allow ITPs to deliver anywhere in New Zealand without needing prior approval from the TEC.
 - The TEC is considering this idea, but in the meantime the operational policy remains in place. We will consult with the ITP subsector before we make any changes to this policy.
- The TEC enable more market entry by ring-fencing funded volume for new PTEs in each funding round.
 - We haven't ring-fenced any funding, but we have improved the information on our website to make the application process clearer.
- The Government consolidate and improve information for learners and reform careers education to support school students to make effective decisions about their study options and career pathways.
 - We continue to improve the information available to support learner choice, and we're reviewing careers education in school as part of our overall Careers System Strategy.

- The TEC should set and stick to a reasonable deadline by which it will confirm funding allocations.
 - We've taken steps to improve timeliness of funding decisions and allocations. But the impacts of any changes we make are constrained by timing of the budget process.
- Providers develop a framework of teaching standards.
 - We are supporting Ako Aotearoa and providers as they work to develop their own standards to assess and reward teachers' capability. This support was reflected in December 2017 Plan Guidance, where we encouraged providers to get involved.

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Tai Poutini Polytechnic (TPP)

Dean Winter, MCO, Operations Directorate

Key messages

- The TEC has published the final investigation report.
 - The report identified significant under-delivery of learning hours in thirteen of fourteen programmes reviewed at TPP, resulting in a debt to the TEC of \$18.5m (GST exclusive), which has been written off.
 - TPP and TEC have worked together to address the issues identified and ensure this cannot happen again
- TPP currently running deficits of more than \$3m per annum. Last year a capital injection of \$3.2m was provided to allow TPP to continue to operate. Further funding will be required again shortly.
- A Crown Manager was appointed in December 2016 and remains in place.
- The Ministers will address the issues of rural remote provision within the recently announced review of overall ITP sustainability.

• The TEC has published the final investigation report

- In 2015, the TEC undertook a regular scheduled audit of TPP that identified possible under-delivery of learning hours in a number of courses. Due to the significance of the issues identified, the TEC engaged Deloitte to undertake an investigation of TPP.
- The report identified significant under-delivery of learning hours in thirteen of fourteen programmes reviewed at TPP, resulting in a debt to the TEC of \$18.5m (GST exclusive). This debt has now been written off as TPP is not able to afford to pay any or all of this money. It is making a substantial deficit, and only has assets of \$12m – most of which are buildings on leased land, and are being used for teaching.
- The investigation, subsequent NZQA review and EER report, and follow up engagements revealed issues with management and control processes which allowed the under-delivery to take place.
- The TEC and TPP have worked together to address the issues identified, including by appointing a Crown manager in December 2016. He assumed responsibility for all matters relating to finances and the quality of programmes. He became responsible for addressing the shortcomings in the operation of TPP.
- TPP has undertaken a number of initiatives to meet its compliance, student experience, and financial sustainability requirements.
- As TPP is the only educational institute on the West Coast providing vocational education and training at a tertiary level, continuing its operations in the interim is a priority. The broader issue of the viability and sustainability of the ITP sector is currently being addressed separately.
- The TEC continues to monitor the sector to ensure compliance with funding conditions and the Education Act. Additional details can be found in a separate briefing, “Monitoring Specific Providers.”
- **TPP Section 9(2)(b)(ii)** due to significant financial and educational concerns (which led to the appointment of a Crown manager in December 2016) and a Category 4 EER report from NZQA.
- **TPP currently running deficits of more than \$3m per annum** – despite savings made by the Crown Manager and team of more than \$3m to date.
- Last year a **capital injection of \$3.2m was provided to allow TPP to continue to operate**. Further funding will be required again shortly.

- **TPP received an EER rating of 4 in its recent review** – the Crown Manager has a programme in place to improve quality. An essential part of this is a partnership with SIT to address academic quality – this involves using SIT’s systems and process, including their Academic Board, to oversee TPPs educational provision and academic quality processes.
- **The Crown Manager produced a business case looking at options for the future of TPP – this showed that whatever structural/ownership option was taken, TPP would still not be viable, and would need to be subsidized in order to continue to operate.** Ministers have considered that business case and decided to address this issue of rural remote provision within the recently announced review of overall ITP sustainability.

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University Subsector

Dafydd Davies, University Investment, Operations Directorate

Key messages

- The number of SAC-funded learners studying at university reduced by around 12% between 2010 and 2016. Reducing enrolments, and a reduced ability to generate revenue through increases to learner tuition fees, is putting pressure on universities' business models. Over the same period, funding has increased due to increases in SAC-funding rates and increased numbers of students studying higher cost courses.
- Prior to the fees-free initiative being announced, the MoE forecasted the total annual number of EFTS for the university sub-sector to flat-line at around 117,000 between 2017 and 2019. In the same period SAC 3+ funding is forecast to increase slightly from \$1.23 billion to \$1.26 billion due to SAC funding rate increases.
- There is under-representation of Māori, and system under-performance for both Māori and Pasifika learners at degree and postgraduate levels of study. The sector's response over the last decade has been weak in this critical area.
- Increased international competition for learners and researchers creates challenges for New Zealand universities in terms of growing revenue and reputation. While their validity is debated, placement in university world rankings is particularly important in terms of attracting international students.
- The University of Canterbury and Lincoln University have faced a number of challenges since the Canterbury earthquakes of 2010 and 2011, with significant impacts on enrolments, business models, and financial viability.

What is being done to off-set softened demand for university places?

- Government has used funding that would otherwise have remained unspent to make targeted increases to tuition subsidy rates. This change means that we are buying fewer EFTS at a higher average price.
- We are actively tracking and managing demand to ensure funding is fully used and that each university's strategic planning and funding reflect a realistic and sustainable pathway.
- The Government has also implemented its fees-free policy, which is expected to slightly increase demand for places.

How will Universities provide their students with quality educational offerings in light of reduced demand (and profitability)?

- The TEC has been looking at the total quantum of our investment in PTEs, ITOs, ITPs, wānanga and universities and ensuring that we invest in sufficient levels to ensure that learners have access to high quality education.
- TEC staff are engaging with TEIs to ensure financial forecasts are produced on a sound basis and any issues we identify can be addressed and managed quickly and efficiently.
- It is important to note that although the University business models are under pressure, the University Sector does not face viability issues in the same way as the ITP sector although Lincoln University still faces some financial management issues. Six of the eight universities achieved the 3% surplus in 2017.

How is demand tracking?

- Demand is flat at present. It is too early to say whether the fees-free policy will increase demand. More information on this will be known once the Universities confirm their semester one enrolments.

How successfully are the needs of Māori and Pasifika learners being addressed?

- While Plans for 2017-2018 make positive commitments to increase participation and narrow the achievement gap, the sector's response over the last decade has been weak in this critical area.
- We continue to engage with universities in this area to improve outcomes for Māori and Pasifika.

What new funding initiatives were introduced following Budget 2016?

- New funding has been provided for Entrepreneurial Universities (\$35m over four years) and Centres of Asia-Pacific Excellence (\$59.75m to fund three CAPEs over six years).
- These funding streams will provide universities with the means and opportunity to improve research performance through attracting higher profile researchers, funding more and better quality research, and develop their international linkages.
- The Government has indicated it will review the PBRF to ensure it is meeting the objectives of the fund – encouraging recipients to improve the quality and quantity of their research.
- From 2018, PBRF investment rises to \$315m per annum, a 26% increase since 2012 and a 5% increase on 2017.
- We are continuing to engage with the Universities and other funding agencies to ensure that Universities are aware of opportunities and are able to act on them as they arise.

What is being done to support the Canterbury-region Universities?

- Since the earthquakes, the TEC Board has funded the Universities of Lincoln and Canterbury, at pre-earthquake funding levels and exempt them from recoveries due to under-delivery (Note Lincoln University's exemption is capped at 2017 levels).
- The University of Canterbury has received \$210m out of an agreed \$260m to help rebuild its engineering and science facilities post-earthquake. The final \$50m is to be paid in 2018/19.
- The crown has committed up to \$85m to Lincoln University in conjunction with AgResearch to build a joint science, education and research facility.

What part do universities have in providing health care to rural communities?

- The Government is considering the proposal put forward by the University of Waikato and Waikato DHB to establish a third medical school, and the proposal put forward by the Universities of Auckland and Otago to establish a School of Rural Health.
- The TEC is working with the Universities of Auckland and Otago to ensure their current medical provision remains world-class.

Wānanga Subsector

Section 9(2)(a) Wānanga Investment, Operations Directorate

Key messages

- Two of the three wānanga (Awanuiarangi and Raukawa) are forecasting modest growth in the short to medium term. The largest wānanga's (Aotearoa) enrolments remain stable as it develops its new strategic plan. All three wānanga target older learners and adapt delivery to meet changing economic conditions (more part-time, evening classes and weekend courses).
- The wānanga sector operate nationally, each with a network of campus and community or marae based delivery sites. Low or no fees, and delivery focussed on Māori values and customs attracts learners who would not normally engage with more traditional tertiary education providers.
- Aotearoa is one of the largest providers of foundation education, te reo and youth guarantee. A key focus for the future is progressing learners to higher level qualifications within the wānanga or to other tertiary providers.
- The wānanga sector delivered 24k EFTS, received \$160m of SAC funding and enrolled 40k students (59% Māori) in 2016. The sector delivered qualifications from level 1 to Level 10 (43% level 1-3, 46%- level 4-6, 11% level 7 and above).
- The wānanga sector has increased delivery (EFTS) at level 4 and above by 10%, from 2011 to 2016, and reduced delivery (EFTS) of level 1 to 3 by 14% in the same period. The TEC will continue to shift its investment in the sector from lower to higher levels of study.

What impact will the new fees free policy have on the wānanga sector?

- Too soon to tell, but some learners that may have enrolled in the wānanga sector due to low fees may now enrol with other TEOs.
- We expect it will create more opportunities for traditional wānanga students to engage at higher levels once they complete lower level foundation (already fees free) programmes.
- We expect many students to continue to enrol with a wānanga because of the mode and style of delivery as well as the low or no fees.

Why has Te Wānanga o Raukawa filed a claim with the Waitangi Tribunal?

- We are working with the Ministry of Education to respond to the claim.

What has the TEC done to address problems at Te Whare Wānanga o Awanuiarangi from 2014-15?

- We are undertaking a follow up review to assure us and Awanuiarangi that changes made have fixed the problems and ensure ongoing compliance with funding conditions.

What contribution does the wānanga sector make to the Governments Māori Language strategy?

- We invest in all three wānanga to deliver te reo programmes at all levels and train te reo teachers.

Youth Guarantee (YG)

Section 9(2)(a) Strategy & Priorities, Operations Directorate

Key messages

- Demand for YG provision has been decreasing since 2014.
- TEOs receiving YG have been under-delivering on their allocations since 2014 with the latest variance being -8.5% in 2016.
- This year we will be conducting a review with MoE of the foundation and secondary-tertiary landscape.
- It's currently uncertain how the Fees Free policy will affect YG.

Demand for YG provision is decreasing

- We invested \$118m (9,742 EFTS) in YG in 2016 with providers delivering 8,905 EFTS valued at \$108m, a variance of -8.5%
- Under-delivery of Level 2 provision was -15.7% of the \$64,562,680 allocated, and
- Mixed Field Programmes formed the majority of YG funded qualifications in 2016 (\$42m funding commitment). This is also the area with the most under-delivery with 29% variance between agreed funding levels and actual delivery (\$29m value of delivery).

Why is demand decreasing for YG?

Delivery peaked in 2014 at 9,553 EFTS valued at \$115m. Since then demand has reduced to 9,380 EFTS in 2015 and 8,905 EFTS in 2016. This group is shrinking for three reasons: demographic change; more students achieving NCEA level 2 at school; and more school-leavers choosing work over full-time study in a growing economy.

The TEC is funding Trades Academy and DualPathways Pilot (DPP) to improve successful transitions between secondary and tertiary study. These initiatives support schools, tertiary education organisations and employers to work together to provide learning opportunities beyond traditional secondary education. These forms of secondary-tertiary partnerships are increasing in uptake.

MoE's 2016 annual report states that YG is producing poor outcomes for learners

YG has been successful in engaging a cohort of learners who might otherwise be NEET during the period of the programme. However, by two years following the programme participants were more likely to be NEET than a comparison cohort with similar socio-economic characteristics. This can be explained by:

- time out of the job market
- the ability to receive the benefit at 18 when a number of these learners are completing their programmes, and
- the difficulty some learners face either progressing to higher level study or employment.

What are we doing to combat poor YG outcomes?

Section 9(2)(f)(iv)

- **Section 9(2)(f)(iv)**

How will the Fees Free policy affect this provision?

Currently, it is uncertain how the Fees Free policy will affect YG. We might see a higher uptake of learners progressing to Level 3 study as a result. Level 3 provision is currently capped at 30% for YG which has caused some issues for smaller, regional PTEs struggling to progress this cohort of learners. The TEC will monitor enrolment patterns and trends following the implementation of this policy.

Released under the Official Information Act 1982

Using information for better learner decisions

Brendan Kelly, DCE Information / CIO, Information Directorate

Key messages

- KIS and MyQ means learners will make better informed decisions about tertiary study and career aspirations, supporting better outcomes and a skilled workforce.
- The **Key Information for Students** (KIS) gives learners better information about the outcomes, fees and graduate destinations of tertiary qualifications.
- **Rate My Qualification** (MyQ) is a (peer-to-peer) satisfaction survey that provides prospective learners with feedback from graduates on how well their qualifications prepared them for the workplace.
- These products:
 - provide students, schools, careers advisers and parents and whanau with key information about tertiary education choices
 - improve the efficiency of Government and individual investment in tertiary education, and
 - support business success, economic growth and prosperity.
- New information products will be released February 2018 – June/July 2018 to provide more information and better integrate KIS and MyQ with Careers information.

What is the KIS?

- KIS is a structured set of information, presented in a single, more consistent and comparable format on the websites of tertiary providers to allow learners to find the information they need to help them decide what and where to study. KIS is also available through the careers.govt.nz website.
- KIS:
 - enables learners to make real comparisons between qualifications and across providers when deciding on what and where to study, and
 - supports learners to make informed enrolment choices that align with their aspirations.

What is MyQ?

- MyQ is a qualitative survey that captures qualifications information from graduates to assist prospective learners to determine a good learning pathway.
- MyQ:
 - captures information about qualifications from a graduate's perspective that can be reviewed by prospective learners to assist them in determining the right learning pathway for their career choice
 - provides prospective learners with additional information with which to make enrolment decisions, and
 - provides TEOs with an additional stream of information to help them design qualifications and programmes to better prepare learners for the workplace.

What does it mean for TEOs?

- TEOs are requested to publish a KIS for each qualification at NZQF levels 5 and above on their websites by 30 June 2018.
- TEOs qualifications are being evaluated by graduates and the results will be displayed publically by 30 June 2018.
- A number of ITPs and Universities are partnering with TEC to gather, publish and use this information.

TEC breach of legislation (Holidays Act)

Section 9(2)(a) Principal Advisor, Finance Directorate

Key messages

- Following a payroll self-assessment review completed in August 2017 the TEC Board approved a one-off ex gratia payment, in lieu of any annual holiday pay that arguably may have been payable to five former and five current employees on some of their past performance payments.
- The TEC has advised Section 9(2)(a)
- The TEC has advised the MoE, as our Crown Monitoring Agency, and Audit NZ of the amount of the proposed ex gratia payment. Section 9(2)(a) current or former employees will receive total payments of Section 9(2)(a), plus any employer superannuation contributions.
- Section 9(2)(a) payments have now been made, we are waiting on one former employee to accept the terms of the one-off ex gratia payment.

Some points to consider

- As part of the self-assessment review completed on 30 August 2017, the TEC has reviewed its at-risk performance payments. In particular, we reviewed whether at-risk performance payments should have been reflected in any holiday pay calculations for some employees.
- While the TEC's performance payments have never been treated or offered as contractual entitlements, based on Simpson Grierson's advice and MBIE's published guidance on how it is treating and interpreting at-risk payments, for some employees we do not now think our wording is as clear as it was intended to be when we advised how performance payments would be made.
- Based on the advice received, we have erred on the side of caution and as a good employer, the Board agreed to pay five former and five current employees of TEC a one-off ex gratia payment, in lieu of any annual holiday pay that arguably may have been payable on some of their past performance payments.
- The TEC engaged PricewaterhouseCoopers to calculate the ex gratia payment and they completed their report on 20 November 2018. This resulted in a Section 9(2)(a) plus any employer superannuation contributions across Section 9(2)(a) current or former employees. The payment was calculated in accordance with the Commissioner of Inland Revenue's guidance on remedial payment of holiday pay.
- The TEC is working with Simpson Grierson to update current employment agreements to ensure that it is clear how performance payments will be made in the future.
- The TEC advised Section 9(2)(a)
- The TEC advised the MoE, as our Crown Monitoring Agency, and Audit New Zealand, that the review has been completed and the amount of the proposed ex gratia payment.

Careers NZ breaches of legislation

Section 9(2)(a) Principal Advisor, Finance Directorate

Key messages

- CNZ had two breaches of legislation in 2016/17. One of the Holidays Act 2003, and another of the Crown Entities Act 2004.

CNZ Holidays Act breach

- CNZ became aware of a breach of the Holidays Act in November 2016, but did not disclose this to their Crown Monitoring Agency (MoE) or the Minister. The TEC advised the monitoring agency after becoming aware of the breach in June 2017.

- Sections 9(2)(f)(iv) and 9(2)(g)(i)

CNZ Crown Entities Act breach

- CNZ breached the Crown Entities Act 2004 by arranging a temporary overdraft in May 2017, but did not disclose this to their Crown Monitoring Agency or the Minister at this time.
- The TEC requested clarification regarding the overdraft in June, this followed a review of CNZ's May 2017 financial statements. CNZ confirmed the breach of the Crown Entities Act and formally advised their Crown Monitoring Agency.
- No further action is required in relation to this breach.

Some points to consider

CNZ Holidays Act breach

- CNZ advised the TEC of a breach of the Holidays Act on 22 June 2017 and of the subsequent Board approval of a plan to resolve the issue on 28 June. The TEC determined it was obligated to disclose this breach and advised the MoE as the Crown Monitoring Agency on 28 June.

- Sections 9(2)(f)(iv) and 9(2)(g)(i)

- The Education (Update) Amendment Act 2017, which came into force on 1 July 2017, dissolves CNZ and transfers all liabilities and obligations to the TEC. The responsibility to verify and resolve any historic CNZ payroll issues will sit with the TEC from this date.

- Sections 9(2)(f)(iv) and 9(2)(g)(i)

- It is likely that the migration of CNZ annual leave data to the TEC payroll provider has resulted in the incorrect calculation of future annual leave payments. This may constitute a breach of the Holidays Act by the TEC. The TEC is working with Ernst & Young to ensure that the correction to the CNZ payroll results in a correction to the TEC payroll.

CNZ Crown Entities Act breach

- CNZ has advised that staff arranged for a temporary overdraft on the 29 May 2017, for 30 and 31 May 2017, so that CNZ could pay its staff payroll run. The situation arose because of a change in the usual payroll date (it was brought forward by a few days). CNZ was unable to break a term investment of \$400k at short notice to cover the shortfall and arranged a temporary overdraft so that staff could be paid. The overdraft arrangement was for \$300k at a cost of \$512.67, including the interest and line of credit. The overdraft was then cancelled from 31 May 2017 when funds were received into CNZ's bank account.
- Under section 72 of the Crown Entities Act 2004, a Crown entity must not borrow from any person, or amend the terms of any borrowing other than as provided in section 160. Section 160 provides that any borrowing by a Crown Entity requires joint approval from CNZ's responsible Minister and the Minister of Finance (unless borrowing is permitted under regulations, CNZ's Act, or by way of exemption in the Crown Entities Act - none of which apply). The overdraft CNZ arranged constitutes a breach of the Crown Entities Act.
- The TEC requested clarification on 22 June regarding the overdraft, this followed a review of CNZ's May 2017 financial statements. CNZ confirmed the breach of the Crown Entities Act and formally advised the Minister of Education of the breach on 23 June.
- There is no potential liability for the TEC as a result of CNZ's breach of the Crown Entities Act.

Released under the Official Information Act 1982

Parliamentary Questions and Official Information Act requests

- The TEC has drafted responses to approximately 28 written Parliamentary questions (WPQs) under the new Government.
- The focus of these has been the NorthTec restructure, with 16 questions from the Whangarei MP, Dr Shane Reti. The Minister has indicated that as Minister he can't intervene in the operational decisions of an autonomous TEI, and encouraging those with concerns to engage with NorthTec as part of its consultation process.
- Former Tertiary Education Minister Hon Paul Goldsmith asked a question regarding the operational risks identified with the implementation of the fees-free initiative. He was directed to the many papers proactively released by MoE on the matter.
- Mr Goldsmith also asked some oral questions on fees-free implementation.
- A number of other questions are generic queries about papers received, invitations, meetings held.
- Mr Goldsmith has also lodged an OIA request asking for correspondence received by the TEC from the New Zealand tertiary sector regarding the introduction of one year of fees-free tertiary education. As at 23 January the TEC is awaiting clarification of his request.

NorthTec

- Dr Reti asked a range of questions seeking the Minister's views on the NorthTec restructure, when he learned of it, what he would say to staff and students, campus closures and courses and qualifications to be offered.
- Most questions were responded to along these lines:
 - *Under the Education Act 1989 tertiary education institutions are autonomous organisations. It is not my role as Minister to intervene in their operational decisions. I appreciate this will be a hard time for students and staff and encourage them to provide feedback directly to NorthTec as it consults with its stakeholders.*

Fees-free

- Mr Goldsmith's focus has been on the rapid implementation of the fees-free policy, and attempting to identify loopholes or inconsistencies.
- His queries have identified no issues of note.

Meetings, invitations, briefings

- All ministers have been asked WPQs about what papers and invitations they have received, and who they have met with since taking office.
- These have all been answered by the Minister's office, inviting the questioners to ask about specific issues or sector representatives.

Media update for Select Committee

Summary of media coverage of tertiary sector 5 December 2017 to 22 February 2018

Fees Free

Fees Free has dominated media reporting since it launched on 5 December 2017. The main themes have been:

- if the initiative is a good use of taxpayers' money
- cost to the Government
- students being supportive of the initiative
- the criteria of courses being funded
- eligibility criteria
- industry training
- inequality
- increased access to tertiary education, and
- the fees-free website.

Several media outlets (RadioLive, Ed Insider and New Zealand Herald) picked up a press release the TEC sent the day students received their NCEA results – encouraging them to act soon to check their eligibility for Fees Free.

On 30 January, Newstalk ZB ran a story that the impact of Labour's free year of tertiary education is yet to be seen in enrolments. Universities New Zealand Director Chris Whelan said some predicted enrolments off the back of the policy could rise by up to 15% on last year. He went on to say *"More carefully considered numbers were more like a two percent increase across the board. But the fact we are seeing something much closer to zero certainly is a surprise."*

On 26 January, RNZ and Radio 531pi interviewed Minister Chris Hipkins about the Fees Free scheme being vulnerable to student rorting due to a gap in the Government's records of people who have studied overseas or before 2003. National's tertiary education spokesperson, Paul Goldsmith told RNZ that millions of taxpayers' dollars are at stake with tertiary providers having to rely on an *"honesty box system"* when accepting enrolments from people wanting to take up Fees Free. Minister Hipkins said it's not an honesty system, that it's being pretty rigorously checked, and that anyone who lies will be committing fraud and could face up to three years in prison. Tim was interviewed by RNZ and said *"every single one of those statutory declarations is individually reviewed and assessed by our team. I don't think any system is 100% invulnerable to people wanting to rort it. What we've sought to do is develop a system that managed that risk appropriately"*.

Post these interviews (on 8 February), the Government introduced legislation that *"Adds further protections to the fees-free tertiary education policy by introducing an offence for those who make a false representation about their eligibility for this policy."*

On 22 February, various media outlets reported on letters (released under the Official Information Act) from University of Auckland vice-chancellor Stuart McCutcheon (in his capacity as chair of Universities NZ) to Minister Hipkins. The letters said *"Foundation courses are designed to help disadvantaged students, including Māori and Pacific New Zealanders, into degree programmes, and as such had much lower fees". Students who take a university foundation course will enjoy a fees remittance of as little as \$700 in their first year of tertiary study ... by contrast, those entering directly into degree programmes will enjoy the benefit of up to \$12,000 in remitted fees."*

New Zealand Herald reported "In a separate Universities NZ letter to Hipkins, also sent in December, McCutcheon said the decision not to run the new system through StudyLink had created "overheads for a system already under real financial pressure".

"In his response letter, Hipkins said the Government recognised the importance of bridging courses, and not all students in them would use their full eligibility for fees-free study, with those in part-time study able to carry some eligibility forward. He ruled out paying universities extra for administrative costs: "I'm pretty confident that the universities receive sufficient funding now to be able to meet the cost as part of their business-as-usual costs". New Zealand Herald reported that Hipkins said using StudyLink would have required a law change, and force some people to take out a loan, which would be written off later, when they would otherwise not be borrowing. "The vast bulk of the administrative burden – ie, checking eligibility – sits with the Tertiary Education Commission and not with the institutions."

Change proposal

The TEC change proposal was covered by Dave Guerin from Ed Insider on 25 January, after interviewing Tim Fowler and referencing the information from our website update. He reported that the TEC proposes to close former Careers NZ regional offices in Hamilton, Tauranga, Napier, Palmerston North, Nelson and Dunedin and that we would keep Wellington, Auckland, Christchurch and Whangarei. He also reported "Two new directorates (Strategy and Design, and Delivery) will replace the current Operations and Careers directorates, to integrate careers and investment work. A Future Workforce Team will have a renewed focus on lifting Māori and Pasifika achievement."

On 8 February, the Public Service Association (PSA) sent out a press release with the headline 'Rangatahi will suffer under plan to close regional careers offices' and messaging that said "Young people in the regions, particularly Māori and Pasifika, could miss out on vital careers advice if the Tertiary Education Commission closes offices in the regions".

On 12 February, Waatea News ran a very small news item headlined 'TEC axing Māori advice' with the PSA's key messages. On 18 February, the Nelson Mail ran an article headlined 'Fears prospects of youth in regions will suffer with closure of careers offices'. This included quotes from the PSA and quotes from the TEC saying the consolidation proposal was part of a plan to deliver more effective services. Tim Fowler was quoted as saying "That included creating a new Future Workforce Team "tasked with a renewed focus on lifting Māori and Pasifika achievement"."

Tai Poutini Polytechnic (TPP)

Timeline of events:

- TPP has a Crown Manager in place.
- The Minister is considering a business case proposing two options for TPP's future sustainability and will send a statement out on Tuesday 27 February.
- The report into the investigation of TPP completed by Deloitte has not been publicly released. We have an active OIA request from Fairfax media to release it. The release date is set for Tuesday 27 February at noon, following the Minister's statement on the business case and cabinet paper.
- NZQA have given TPP a Cat 4 EER.

TPP's business case, the investigation, and ITP sustainability were covered in a Politik article on 21 February. Minister Hipkins noted "Tai Poutini on the West Coast, it's broke and heavily in debt." "It's pretty much insolvent. We're basically pouring cash into it to keep the lights on. We can do a quick fix there; wipe off their debt, pour some money in, but we'll be back in a year's time looking at it again because their model is just not sustainable." The article covered the overall viability of the ITP sector and noted the Government was considering merging all 16 ITPs.

The TPP business case was the focus of an article in The Press on 24 January. Adele Redmond reported that two options were presented to Education Minister Chris Hipkins for the institution's future: *"become integral to the local economy or merge with another education provider"*. Chief executive Alex Cabrera was quoted as saying the polytechnic had been inefficient in recent years and its failure to respond *"as well as we could have"* to local industry needs contributed to its financial deficit, falling enrolments, and a vote of no confidence from the New Zealand Qualifications Authority.

Government's 'Education Portfolio Work Programme' release

On 21 February, the Government released its three-year work programme which includes an Education Summit in May, ITP sector reform, a review of the PBRF and more.

A specialist subscription based political news service called Politik released an article pre-announcement, stating that the Government is considering merging all of the country's polytechnics. The journalist, Richard Harman, interviewed Minister Hipkins, who was quoted as talking about a merger of all ITPs to address the downturn in enrolments and the issue of scale across the 16 ITPs, which together are about the same size as the University of Auckland (as mentioned under TPP section).

Commentary on the announcements initially focused on Tomorrow's Schools, national standards and NCEA rather than announcements on the future of the ITPs. Industry Training Federation, Universities New Zealand and the Tertiary Education Union reacted to the announcements through their own Press Releases.

Western Institute of Technology at Taranaki (WITT)

WITT was noted by Minister Hopkins in Politik as being *"well on the way to being in a similar situation"* to Tai Poutini Polytechnic. The Taranaki Daily News reported in November *"Witt \$2.4 million in the red as student numbers fall"*. Media coverage on Stuff in February noted students were trying to find alternatives after the cancellation of some courses. RNZ also covered course cancellations.

BEST Pacific Institute of Education (BEST)

Timeline of events:

- The TEC released the investigation report into BEST Pacific Institute of Education on 17 January 2018.
- It found manipulation of course end dates and successful completion dates which artificially inflated BEST's apparent educational performance.
- The TEC decided not to fund BEST in 2018 due to under performance and financial viability concerns.
- As a consequence, BEST is now in liquidation and the TEC is working with the liquidators to ensure a smooth transfer of students to alternative providers and recovery of the debts owed to the TEC.
- BEST has an outstanding debt of \$2.9m (GST excl.) relating to under-delivery in 2016 to the TEC. The amount of this debt will increase to \$4.55m following the wind-up of BEST.
- During 2017, TEC reduced its funding to BEST by \$3m to ensure the TEC debt did not increase by BEST's ongoing under-delivery.
- Students from BEST's former Pacific Institute of Performing Arts have been particularly vocal about the closure. However, there has been little response from other students and only small numbers have actually transferred to alternative providers.
- Ms Skudder and Ms Finnigan (BEST directors) have instructed their lawyers to deal with the matters arising from the liquidation of BEST. The lawyers have already requested that the investigation report be taken off the TEC website. Under our own legal advice, the report remains published.

BEST Pacific Institute of Education has received significant coverage since the announcement in November 2017 that the TEC decided not to fund the PTE in 2018 due to under performance and financial viability concerns. There has been further media coverage from Western Leader, Pacific Radio News and Manukau Courier following the TEC's release of the investigation report into BEST on 17 January 2018.

Quantum

The TEC released the investigation report into Quantum on 20 December 2017.

Brian Gaynor, an investment columnist from the New Zealand Herald wrote a long column on the back-story to Quantum, following the TEC's release of the investigation report into the now defunct Quantum Education Group. Mr Gaynor's analysis follows coverage from Tim Hunter, National Business Review (NBR) on 21 December when he interviewed Dean Winter, TEC's Crown and Monitoring Manager on the detail of the investigation, and its lengthy timeframe. In an audio report, Dean spoke of the investigation as a "complex matter". Tim Hunter also questioned Dean about information in the investigation report that told of a former Quantum enrolment advisor saying they were pushed to tell potential students they could get \$1,000 upon enrolling. Note: we informed him it was the \$1,000 available for course-related costs as part of StudyLink's student loans.

The NBR published a follow-up article on 26 January relaying the entire story, with the message that the Quantum report reveals "rotting on a huge scale". On the \$1,000 course-related costs, he quoted Dean as saying "as far as I'm aware this was looked into and there wasn't enough evidence to take it further".

On 30 January, there was more commentary – with NBR discussing the report on their radio station. This time the main topic was Tim Hunter suggesting the Financial Markets Authority (FMA) should look again at whether Intueri (Quantum's parent company) knew the information in its prospectus was false.

NorthTec

There has been some coverage on tertiary education organisations making staff cuts. In an article by the Northern Advocate from 26 December 2017, a NorthTec employee was quoted as saying the polytechnic's 'Towards a New NorthTec' change proposal document was offering staff aged 62 and older the chance to voluntarily resign or retire. NorthTec said the opportunity for retirement or resignation was entirely voluntary and all positions vacated would be backfilled. Also on Northtec, RNZ reported on 26 January that the deadline is looming over the possible scrapping of Northtec's tertiary arts course, which is Northland's only one. Northtec Arts tutor Faith McManus said the art course is still 10 students short and said the course has until 5 February 2018 to attract students and she isn't sure it's going to happen.

Massey University

Massey University was in the headlines on 4 January 2018, with reports that nursing students are "pleading for face-to-face teaching as the university drops top professors and shifts more of its undergraduate courses online". The article said that "five out of 11 academic staff members from the Wellington School of Nursing have taken up offers of voluntary redundancy or early retirement, and are all set to leave by mid-2018". Massey spokesperson James Gardiner was quoted as saying two new staff with strong research credentials had been hired, and another position was being advertised for any of the three main campuses.

Young people moving away from traditional BAs and BComs

There has been some recent coverage, mainly broadcast media, on Ministry of Education figures that show young people are moving away from traditional BAs and BComs, towards health, engineering, and IT qualifications. Chris Whelan, Executive Director of Universities New Zealand was quoted as saying young people are "going to be investing a significant amount of time and money in getting a degree and they want something that they believe is most likely to make them employable and successful".

Improving workplace literacy and numeracy

A call to action by five national organisations – Industry Training Federation, Business New Zealand, English Language Partners, the New Zealand Council of Trade Unions and Literacy Aotearoa – on improving workplace literacy and numeracy was in the media on 30 January, with a follow-up article appearing on Education Central's website on 14 February. There was also an article in Marlborough Express on 14 February reporting "A vital literacy service is struggling to cope as demand for its services increases. Literacy Marlborough is growing fast with students enrolling every week".



Sector measures and results

Section 9(2)(e) Organisational Performance, Finance Directorate

BPS Measures

Measure	Annual Report 2016/17		Target
	2016 Actual	2016	
Proportion of 18-year-olds with National Certificate of Educational Achievement level 2 or an equivalent qualification (Better Public Services Target)	84.6%	83.6% (Note 1)	83.6%
Proportion of 25- to 34-year-olds with a qualification at level 4 and above on the New Zealand Qualifications Framework (NZQF) (Better Public Services Target)	57.2% (annual average to Dec 2016)	57.4% (Note 2)	57.4%

Note 1 - This target was achieved and retired in 2016

Note 2 - Overall target is 60% by December 2018

Community Education Measures

Measure	Annual Report 2016/17		2017 Interim results as at August 2017 SDR	2017 Forecast	2017 update 2017 Variance (actual funded to forecast)
	2016 Actual Funded	2016 Forecast			
Adult and community education					
Total number of school-based adult and community education hours funded	387,488	388,000 ±5%	-0.13%		
In school-based adult and community education – among the priority groups identified in the Tertiary Education Strategy, percentage of learners identified:					
- as Māori or Pasifika	n/a	All 50%	n/a		
- with English-language needs	n/a		n/a		
- as having low or no formal qualifications	n/a		n/a		
Number of funded domestic equivalent full-time students in Tertiary Education Institutions-based programmes (including Search and Rescue and Emergency Management short courses) per calendar year	1,724 (Note 1)	2,000 ±5%	-13.80%	1,007 (Note 2)	2,000 ±5%
Literacy and numeracy					
Literacy and numeracy – total number of funded learners per calendar year:					
Intensive Literacy and Numeracy – funded number of learners	14,567	15,100 ±5%	-3.53%	13,568	16,700
English for Speakers of Other Languages (ESOL) – funded number of learners per calendar year, including:	4,879	4,900 ±5%	-0.43%	4,037 (Note 3)	4,900 ±5%
- ESOL funded number of learners	3,544	3,800	-6.74%	3,276	3,900 ±5%
	3,013	2,900 ±5%	3.90%	2,490 (Note 3)	3,100 ±5%
					-19.68%



- Refugee English funded number of learners	531 (Note 4)	700 ±5%	-24%	419 (Note 5)	800 ±5%	-48%
Workplace Literacy and Numeracy Fund – funded number of learners, including:	6,144	6,600	-6.91%	5,816	7,900 ±5%	-26.38%
- Tertiary education organisations led	4,332	4,300 ±5%	0.74%	4,715 (Note 3)	5,200 ±5%	-9.33%
- Employer led	1,812	1,700 ±20%	6.57%	1,101 (Note 6)	2,700 ±5%	-59.22%

Note 1 Due to the late signing of contracts for recommended Emergency Management training providers, training did not begin until late in 2016. Therefore full delivery of the allocation was not achieved

Note 2

ACE in tertiary education institutions

- Demand at ITPs and wānanga softened in 2015 and 2016 due to a strong employment market, and this has continued into 2017.
- We reduced ACE funding allocations for 2017 and 2018 for ITPs to take account of the reduced demand. We continue to monitor ACE delivery at ITPs and Wānanga to continue to manage funding.

Emergency Management and Search and Rescue ACE

As at 1 July 2017 the National Rural Fire Authority (NRFA), which received Emergency Management funding from TEC, was amalgamated with the New Zealand Fire Service to form Fire and Emergency New Zealand (FENZ). Training for volunteers previously done through NRFA and funded by TEC will now be funded through FENZ. In 2017 New Zealand Search and Rescue commissioned an independent review of credit values which resulted in a reduction in EFTS values. Due to the spread, scale and nature of delivery, training can be cancelled at short notice due to insufficient numbers

Note 3 Delivery to date indicates providers are on track to deliver their full allocation by the end of the calendar year.

Note 4 Demand is variable due to relatively small refugee numbers, resettlement pattern changes and the different pathways learners take before accessing Refugee English Fund places. Some refugee groups may also be more focused on gaining employment. The number of refugee places required in some regions has declined. We have reduced allocations to providers operating in these regions in 2017.

Note 5 Softening demand at ITPs and universities in Auckland continued in 2017. This reflects the resettlement of increasing numbers of refugees in other centres and smaller numbers in Auckland than previously. Demand for Refugee English at Level 3 and above varies in new resettlement areas depending on the individual situation of the refugee. Usually demand is initially at foundation level before learners progress and access Refugee English funding.

Note 6 Of the 32 employers included in the time period, 20 (62%) had late or reduced delivery. This is standard practice when working with employers, and is consistent with previous reporting. At the same time, the funds allocated for the period are twice those of previous year.

Release of Information

Student Achievement Component (SAC)

Measure	Annual Report 2016/17					2017 Update
	2016 Actual Funded	Forecast	Variance (actual funded to forecast)	2017 Interim results as at August 2017 SDR	2017 Forecast	
Number of domestic equivalent full-time students at levels 1 and 2	11,510 (Note 1)	12,500 ±3%	-7.92%	9,373 (Note 2)	12,200 ±5%	-23.17%
Number of domestic equivalent full-time students New Zealand Qualifications Framework level 3 and above by sub-sector						
- Universities	116,977 (Note 3)	110,500 ±5%	5.86%	115,527	109,600 ±5%	5.41%
- Institutes of Technology and Polytechnics	54,139	52,800 ±5%	2.54%	51,134	51,100 ±5%	0.07%
- Wānanga	18,668	17,600 ±5%	6.07% (Note 3)	18,453	17,100 ±5%	7.91%
- Private Training Establishments	20,538	21,300 ±5%	-3.58% (Note 4)	19,218	20,900 ±5%	-8.05%
Total domestic equivalent full-time students at New Zealand Qualifications Framework level 3 and above	210,322	212,900	-1.21%	204,332	198,700 ±5%	2.83%
Total domestic equivalent full-time students	221,832	225,400	-1.58%	213,705	210,900 ±5%	1.33%

Note 1 Difficulties in recruitment were experienced by providers during 2016. One large PTE ceased to operate in the 2016 calendar year. Another PTE had a change of ownership that resulted in a number of areas for improvement in the business so they were not able to initiate delivery successfully on time. We will continue to work with providers and closely monitor the situation.

Note 2 SAC 1.1 and 2

This under delivery is the result of a number of impacts: TEOS commenced their programmes later in 2017 than initially anticipated; softening demand from students due to the strong labour market; and a reduction in the number of school leavers, along with an increase the proportion of school-leavers attaining NCEA at school.

A number of TEOS have indicated that the student demand which was expected when applying for funding has not fully eventuated. Some TEOS' SAC 1 & 2 funding allocations have been reduced during Q1 because of lower than expected student uptake. Some flexibility has been permitted in relation to the delivery locations, shifting provision to areas where demand is expected to be higher. The result of this has been better realised in the non-competitive SAC Levels 1 and 2 funding stream.

We are exploring other options to introduce further flexibility for SAC 1 & 2 funded providers. This flexibility is expected to help minimise consumption shortfalls.

Note 3 We have used our ability to allocate 10% of funding in each sub-sector pot to other sub-sectors and have allocated more funding to the universities and wānanga than is reflected in Budget baselines. Therefore delivery above forecast was expected.

Note 4 A number of PTEs are forecasting to under-deliver in 2017. Three of the 15 largest funded PTEs account for a significant portion of the expected under-delivery in SAC 3+. These are being managed through funding holds and/or Plan amendments.

Released in Budget

Education Performance Indicators (EPis)

Sector performance commitment shifts linked to funding		2016 Investment Plan Commitment	2016 Actual
Course completion	All learners	85%	83%
	Māori learners at New Zealand Qualifications Framework levels 4 and above	82%	77%
	Pasifika learners at New Zealand Qualifications Framework levels 4 and above	78%	73%
	Under-25-year-old learners at New Zealand Qualifications Framework levels 4 and above	86%	85%
Qualification completion	All learners	77%	77%
	Māori learners at New Zealand Qualifications Framework levels 4 and above	72%	68%
	Pasifika learners at New Zealand Qualifications Framework levels 4 and above	68%	63%
	Under-25-year-old learners at New Zealand Qualifications Framework levels 4 and above	71%	73%
Progression	From New Zealand Qualifications Framework levels 1-3 to levels 4 and above for all learners	41%	38%
Retention	For all learners across all New Zealand Qualifications Framework all levels and all learners	77%	73%

Training for Designated Groups

Measure	Annual Report 2016/17			2017 Interim results as at August 2017 SDR	2017 Forecast	2017 Update	
	2016 Actual Funded	Forecast	Variance (actual funded to forecast)			2017 Variance (actual funded to forecast)	
Gateway – total participants and number of schools	13,662 in 367 schools	13,200 ±5% in up to 375 schools	3.50%	11,124 (Note 1)	13,200 ±5%	-15.73%	
Industry Training – funded standard training measures (Note 2)	27,533	27,100 ±5%	1.60%	25,241 (Note 2)	28,000 ±5%	-9.85%	
Apprentices – funded standard training measures (Note 2)	16,170	15,500 ±5%	4.32%	17,391	17,300 ±5%	0.53%	
Youth Guarantee – total funded equivalent full-time students	8,853	9,200 ±5%	-3.77%	7,770 (Note 3)	9,200 ±5%	-15.55%	

Note 1 Under-delivery in the first quarter is not an indication of under-delivery for the year. This is due to the schools having on-going or rolling enrolment throughout the year, which are not evenly spread. The TEC expects full delivery of the allocation.

Note 2 Apprenticeship standard training measures (STMs) are tracking well against the forecast. Trainee STMs are below forecast, due to lower than expected enrolments in the primary and service sectors.

Note 3 - The YG group is shrinking for three reasons: demographic change; more students achieving NCEA level 2 at school; and more school-leavers choosing work over full-time study in a strong economy. In addition, some providers have rolling enrolments throughout the year, meaning the annual delivery picture does not become clear until near to year-end. TEC is currently forecasting total YG under-delivery of \$13.27 million in the 2017 calendar year, mostly at ITPs and PTEs.

- Dual Pathways Pilot is running for the first time in 2017. We expect some under-delivery here due to “growing pains” with a new funding mechanism, and potentially some misreporting of funding codes requiring manual fixes at year-end. However, the current under-delivery figure (\$2.49m) is an overstatement, as four TEOs have not yet submitted data returns to TEC.



Tertiary sector / industry collaboration projects

Measure	2016 Actual Funded	Forecast	Annual Report 2016/17		2017 Interim results as at August 2017 SDR	2017 Forecast	2017 Update 2017 Variance (actual funded to forecast)
			Variance (actual funded to forecast)				
Number of domestic equivalent full-time students in Information and Communications Technology (ICT) Graduate Schools per calendar year	60 (Note 1)	170±5%	-64.71%		218 (Note 1)	300 ±5%	-27.46%
Māori and Pasifika Trades Training – number of learners per calendar year	2,360	2,300 ±5%	2.61%		2,462 (Note 2)	2,900 ±5%	-15.12%

Note 1 The Auckland school has enrolments that are slightly above forecast. However, the Wellington and South Island schools have reported lower than anticipated enrolments, largely due to the schools being launched later than anticipated due to establishment delays. They both expect that enrolments will improve in future years as the two schools become more established. We are working closely with the two schools to ensure they have strategies to attract students and promote their programmes of study. We have asked the two schools to provide regular updates on their progress.

Note 2 MPTT has rolling enrolments and it is anticipated that further intakes later in the year will reduce the variance

Centres of Research Excellence

Measure	Actual 2016/17	2017 Variance (actual funded to forecast)
Centres of Research Excellence Annual Reports are reviewed against research plans and meet assessment criteria	Achieved	Achieved

Literacy and Numeracy Assessment Tool

Measure	Actual 2016/17	Target 2016/17
Online assessment tools for literacy and numeracy are developed on time and are fit for purpose	Achieved	Achieved

Released Under
Information Act 2009

Measures against our impacts:

An increased proportion of the population with a tertiary qualification

Measure	Annual Report 2016/17		2017 Update	
	2016 Actual	2016 Target	Actual as at 30/09/17	Target 2017
Proportion of 18-year-olds with National Certificate of Educational Achievement level 2 or an equivalent qualification (Better Public Services Target)	84.6% (Note 1)	83.6%	No data	
Proportion of 25- to 34-year-olds with a qualification at level 4 and above on the New Zealand Qualifications Framework (NZQF) (Better Public Services Target)	57.2% (annual average to Dec 2016)	57.4%	No data	
Proportion of students with NZQF levels 1-3 progressing to study at higher levels within 2 years)	32.9%	37.7%	No data	
Percentage of equivalent full-time students funded through Student Achievement Component fund that were Māori at NZQF level 4 and above	19%	Increase	18% (Note 2)	Maintain or increase
Percentage of Student Achievement Component funded equivalent full-time students that were Pasifika at NZQF level 4 and above	9%	Increase	9%	Maintain or increase
Percentage of equivalent full-time students under the age of 25 funded through Student Achievement Component fund at NZQF level 4 and above	63%	Increase	64%	Maintain or increase
Proportion of graduates who are employed two years after completing a qualification at NZQF level 4 or above	61% (2012 graduates)	Increase	No data	
Earnings of graduates who are employed two years after completing a qualification at level 4 or above	\$42,223 (2012 graduates)	Maintain Or Increase	No data	

Note 1 This target was achieved and retired in 2016

Note 2 Results for both Māori and Pasifika participation are still not meeting expectations. This is principally due to a strong labour market.

A tertiary system that is more responsive to the needs of employers and learners

Measure	Annual Report 2016/17		2017 Update	
	2016 Actual	2016 Target	Actual as at August 2017 SDR	Target 2017
More learners with relevant skills for industry	15.5%	Decrease	No data	Decrease
Proportion of 20- to 24-year-olds who are not in employment, education or training	9,628	Increase	9,765	Increase
Number of engineering equivalent full-time students				
A financially sustainable and well-managed tertiary education system				
Proportion of investment in tertiary education organisations with Category 1 and 2 NZQA external evaluation and review (EER) rating	96%	Increase	No data	Increase



Higher-quality and more relevant research

Measure	Actual 2016/17	Target 2016/17
Research degree completions (measured by Performance-Based Research Fund (PBRF) – eligible research degree completions)	3,934	3,900 ±5%
Percentage increase in amount of external income for PBRF – eligible providers	7.4%	2-4%

Released under the Official Information Act 1982

Education and Workforce Committee

Chairperson	Sarah Dowie	National Party, Invercargill
Deputy-Chairperson	Jan Tinetti	Labour Party, List
Member	Paul Goldsmith	National Party, List
Member	Nikki Kaye	National Party, Auckland Central
Member	Denise Lee	National Party, Maungakiekie
Member	Marja Lubeck	Labour Party, List
Member	Jo Luxton	Labour Party, List
Member	Tim Macindoe	National Party, Hamilton West
Member	Mark Patterson	NZ First Party
Member	Jamie Strange	Labour Party, List
Member	Chloe Swarbrick	Green Party, List

11 members

5 National

4 Labour

1 NZ First

1 Green

Sarah Dowie (Chairperson)

National Party, Invercargill

Entered Parliament: 20 September 2014

Current Parliamentary roles

- Chairperson, Education and Workforce Committee

Spokesperson

- Early Childhood Education



Former Parliamentary roles

Select Committees

- Chairperson - Justice and Electoral: 9 February 2017 – 22 August 2017
- Deputy Chairperson - Local Government and Environment: 22 October 2014 – 16 March 2016
- Deputy Chairperson - Government Administration: 22 October 2014 – 16 March 2016
- Member - Education and Science: 16 March 2016 – 8 February 2017
- Member - Health: 8 February 2017 – 22 August 2017
- Member - Local Government and Environment: 16 March 2016 – 31 March 2016
- Member - Transport and Industrial Relations: 21 October 2014 – 16 March 2016

National Party biography

Sarah graduated from Otago University and was admitted to the Bar in 1998. She has practised in commercial and environmental law.

Instinctively community-minded, Sarah was an appointee to the Otago-Southland Lotteries Board and also provided free legal services to Venture Southland and sporting and conservation groups. The issues of justice, and law and order are important to Sarah.

She is a former manager for the Department of Conservation in its tourism and concession wing and is now a trustee and Deputy Chair of the Dog Island Motu Piu Conservation Trust, which is working to eradicate pests on the island and restore it as a viable habitat for tuatara.

Jan Tinetti (Deputy Chairperson)

List Member, Labour Party

Entered Parliament: 23 September 2017

Current Parliamentary roles

- Deputy Chairperson, Education and Workforce Committee



Labour Party biography

Jan is currently the principal of Merivale School, Tauranga's sole decile 1 school. Throughout her career in education, she has fiercely advocated at a national level for equal educational opportunities.

Jan believes that all New Zealanders, regardless of their background, deserve the opportunity to be the best they can be. As a Labour Member of parliament Jan is looking to continue the fight for: warm, dry and affordable homes for all who need them, a world class, free education system for all, dignity at work, and access to good quality health services for everyone

Released under the Official Information Act 1982

Paul Goldsmith (Member)

List member, National Party

Entered Parliament: 26 November 2011

Current Parliamentary Roles

- Member, Education and Workforce Committee

Spokesperson

- Tertiary Education, Skills and Employment
- Arts, Culture and Heritage



Former Parliamentary roles

Portfolios

- Associate Minister ACC: 08 October 2014 – 20 December 2016
- Minister Commerce and Consumer Affairs: 08 October 2014 – 20 December 2016
- Minister Regulatory Reform: 20 December 2016 – 26 October 2017
- Minister Science and Innovation: 20 December 2016 – 26 October 2017
- Minister Tertiary Education, Skills and Employment: 20 December 2016 – 26 October 2017

Select Committees

- Chairperson - Finance and Expenditure: 26 June 2013 – 14 August 2014
- Deputy Chairperson - Finance and Expenditure: 22 December 2011 – 26 June 2013
- Member - Education and Science: 11 February 2015 – 16 March 2016
- Member - Local Government and Environment: 21 December 2011 – 14 August 2014
- Member - Social Services: 16 March 2016 – 8 February 2017

National Party biography

First elected off the National Party list in 2011, Paul served as the Chairperson of the Parliamentary Finance and Expenditure Select Committee. Following the 2014 General Election he was appointed Minister of Commerce and Consumer Affairs and Associate Minister for ACC.

In 2016 Paul was appointed Minister of Tertiary Education, Skills and Employment, Minister for Science and Innovation, and Minister for Regulatory Reform, and served in the Cabinet until the 2017 General Election. He is now Opposition Spokesperson for Tertiary Education, Skills and Employment, and Arts, Culture and Heritage

Nikki Kaye (Member)

National Party, Auckland Central

Entered Parliament: 8 November 2008

Current Parliamentary roles

- Member, Education and Workforce Committee

Spokesperson

- Education



Former Parliamentary roles

Portfolios

- Minister ACC: 8 November 2014 – 20 December 2016
- Minister Civil Defence: 31 January 2013 – 20 December 2016
- Minister Education: 2 May 2015 – 26 October 2017
- Assoc. Minister Education: 31 January 2013 – 2 May 2017
- Minister Food: 31 January 2013 – 6 October 2014
- Assoc. Minister Immigration: 31 January 2013 – 6 October 2014
- Minister Youth: 8 October 2014 – 26 October 2017
- Minister Youth Affairs: 31 January 2013 – 9 October 2014

Select Committees

- Chair - Education and Science: 22 December 2011 – 13 February 2013
- Deputy Chairperson - Government Administration: 23 February 2011 – 20 October 2011
- Member - Auckland Governance Legislation: 20 May 2009 – 20 October 2011
- Member - Education and Science: 21 December 2011 – 22 December 2011
- Member - Education and Science: 9 December 2008 – 24 June 2009
- Member - Foreign Affairs, Defence and Trade: 21 December 2011 – 28 March 2012
- Member - Government Administration: 24 June 2009 – 23 February 2011
- Member - Local Government and Environment: 9 December 2008 – 20 October 2011

Parliamentary Service Commission

- PSC Information Communications Technology (ICT) committee: 7 March 2012 – 17 April 2013

National Party biography

Following her re-election in 2011, Nikki held the role of Chairperson of the Education and Science select committee where one of her achievements included leading a parliamentary inquiry into Digital literacy and 21st-century learning environments successfully ensuring almost all recommendations were adopted by the National Government in 2012

In January 2013, Nikki was promoted to the National Government's Cabinet by the Rt Hon John Key and given responsibility for Ministerial portfolios of Food Safety, Civil Defence, and Youth. She was also made Associate Minister of both Immigration and Education. In November 2014 Nikki was given responsibility for Ministerial portfolios of ACC, Civil Defence and Youth Affairs and Associate Minister Education with responsibility for school infrastructure. Some of her achievements during her time included progressing the largest ever capital upgrade of school infrastructure, helping ensure schools were connected to fast uncapped internet connections.

In September 2016 Nikki was diagnosed with breast cancer. Her portfolios were transferred during this time. She returned in January as Associate Minister of Education and Minister for Youth in a Rt Hon Bill English cabinet. In May 2017 in a cabinet reshuffle the Rt Hon Bill English promoted her to be both Minister of Education and Youth. She now holds the role of Education spokesperson for National in Opposition.

Released under the Official Information Act 1982

Denise Lee (Member)

Member for Maungakiekie, National Party

Entered Parliament: 23 September 2017

Current Parliamentary roles

- Member, Education and Workforce Committee



National Party biography

Upon returning to New Zealand to raise a family, after six years living in the USA, Denise moved into Maungakiekie and became increasingly involved in the community, including co-founding her own local (charitable) project trust, serving as Chair of the Ellerslie School Board of Trustees and on the board of the Ellerslie Athletics Club.

She was first elected to the Auckland Council for the Maungakiekie-Tamaki ward in 2013 and currently serves as Deputy Chairperson of the Planning Committee, responsible for Housing, Transport and Infrastructure.

Outside of her Council duties, Denise is on the Board for the Sir Peter Blake Marine Education Centre, and is a Patron for the Onehunga Historic Society and the Maungarei (MT Wellington) Cadet Unit.

Denise is the daughter of former Parliamentarian and Minister Hon Graeme Lee.

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Marja Lubeck (Member)

List Member, Labour Party

Entered Parliament: 12 December 2017

Current Parliamentary roles

- Member, Education and Workforce Committee
- Member, Transport and Infrastructure Committee



Labour Party biography

In Marja's roles working for trade unions, including four terms as president of the Flight Attendant and Related Services Association and later E tu Director of Organising (Aviation), she has been the lead advocate in negotiations with the airlines that operate out of New Zealand. She believes that strong unions, well paid workers and a productive economy are not mutually exclusive but that you need all three to power a just and effective economy.

She has been a passionate advocate for social justice. Marja believes in fairness and equal opportunities, giving our kids the best possible start in life so they can have access to good jobs, decent working conditions, fair wages. To better serve her members, she studied part time while working and graduated in 2014 with a law degree.

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Jo Luxton (Member)

List member, Labour Party

Entered Parliament: 23 September 2017

Current Parliamentary roles

- Deputy Chairperson, Primary Production Committee
- Member, Education and Workforce Committee



Labour Party biography

Jo's focus for Rangitata, which encompasses Temuka, Ashburton and Timaru, is jobs, education health, housing and safe communities.

She knows that living the Kiwi Dream means being paid a fair wage, whether you're a manager, a labourer or an early childhood teacher. She's proud to head up the first early childhood centre in New Zealand to be an accredited Living Wage Employer.

Jo is concerned about the direction education is taking for children in the form of charter schools and large class sizes with multiple teachers, and knows Labour's education policies will give children a better go.

She's an active volunteer in the community, and was an integral part of the formation of the Hinds and District Citizen's Association.

Released under the Official Information Act 1982

Tim Macindoe (Member)

Member for National Party, Hamilton West

Entered Parliament: 8 November 2008

Current Parliamentary roles

- Member, Education and Workforce Committee

Spokesperson

- ACC



Former Parliamentary roles

Portfolios

- Minister of Customs: 2 May 2017 – 26 October 2017
- Assoc. Minister of Education: 2 May 2017 – 26 October 2017
- Assoc. Minister of Transport: 2 May 2017 – 26 October 2017

Select Committees

- Chairperson - Justice and Electoral: 22 December 2011 – 13 February 2013
- Deputy Chairperson - Regulations Review: 1 July 2009 – 20 October 2011
- Member - Business: 20 October 2014 – 22 August 2017
- Member - Education and Science: 13 February 2013 – 14 August 2014
- Member - Health: 3 May 2017 – 24 May 2017
- Member - Local Government and Environment: 3 May 2017 – 22 August 2017
- Member - Officers of Parliament: 2 December 2014 – 3 May 2017
- Member - Regulations Review: 9 December 2008 – 1 July 2009
- Member - Social Services: 21 December 2011 – 13 February 2013
- Member - Social Services: 9 December 2008 – 20 October 2011

Parliamentary Service Commission

- PSC Committee Member: 9 December 2014 – 22 August 2017

Party role

- National Party Junior Whip: 29 January 2013 – 20 September 2014
- National Party Senior Whip: 20 October 2014 – 2 May 2017

National Party biography

Tim MacIndoe has been MP for Hamilton West since November 2008. Prior to his election, Tim was the Chief Executive of Arts Waikato where he was principally responsible for the trust's business and staff management, fundraising and reporting.

Tim has served on the boards of two local schools and was subsequently Chairman of Waikato Diocesan School's PTA for four years.

Tim was elected in 2008 and re-elected in 2011 and 2014, increasing his majority on each occasion.

During his years in Parliament, Tim has served on the Social Services Select Committee for four years, as Deputy Chairperson of the Regulations Review Committee, on the Education and Science Select Committee for two years, and as Chairperson of the Justice and Electoral Select Committee prior to his appointment as Junior Government Whip in January 2013. Following the 2014 election, Tim was chosen by his colleagues to be the Senior Government Whip, and in that capacity served on the Business Committee, the Officers of Parliament Committee, and as a member of the Parliamentary Services Commission, until his appointment as a Minister of the Crown in May 2017.

Released under the Official Information Act 1982

Mark Patterson (Member)

List Member for NZ First Party

Entered Parliament: 23 September 2017

Current Parliamentary roles

- Member, Primary Production Committee
- Member, Education and Workforce Committee



NZ First biography

Previous to his political career Mark Patterson was a sheep farmer in Lawrence and was involved in the Meat Industry Excellence Group, lobbying government for the red meat industry. Mark is passionate about shining the light on the contribution that Primary Industries contributes to the New Zealand economy and the issues that farmers face.

In 2017 election Mark stood for NZ First in the Clutha-Southland electorate and was placed seventh on the NZ First's party list.

Released under the Official Information Act 1982

Jamie Strange (Member)

List Member Labour Party

Entered Parliament: 23 September 2017

Current Parliamentary roles

- Member, Education and Workforce Committee



Labour Party biography

Jamie believes the key issues for Hamilton East are health, education, housing and jobs. He is proud of the fact that Labour stands for aspiration, opportunity and helping hard-working kiwis get ahead.

Globally he sees climate change as the most pressing issue. He believes our clean green image combined with Kiwi ingenuity, provides tremendous potential for New Zealand to be a world leader in areas like renewable energy and fossil fuel reduction.

Jamie cares deeply about education and students achieving their full potential. His specific experience centres around the role of the arts in education as a way of cultivate vital life skills such as confidence, creativity and cooperation.

Released under the Official Information Act 1982

Chloe Swarbrick (Member)

List Member for Green Party

Entered Parliament: 23 September 2017

Current Parliamentary roles

- Member, Education and Workforce Committee
- Member, Transport and Infrastructure Committee



Spokesperson roles

- Tertiary Education: 9 September 2017
- Arts, Culture and Heritage: 9 September 2017
- Broadcasting: 9 September 2017
- Education: 9 September 2017
- Internal Affairs: 9 September 2017
- Local Government: 9 September 2017
- Small Business: 9 September 2017

Green Party biography

Living in a generation saddled with student debt, diminishing job opportunities and with an ecological time bomb has taught Chloe to question everything, and her law degree has provided a framework for implementing answers.

Her education and experience has driven Chloe's desire for good criminal justice, housing, social development, local quality broadcasting and local government. She believes in a world that values all people, from all walks of life.

Section 9(2)(a)

From: Section 9(2)(a)
Sent: Tuesday, 8 May 2018 10:59 a.m.
To: Section 9(2)(a)
Cc: Section 9(2)(a)
Subject: FW: RE: 2016/17 Annual review of Careers New Zealand and the Tertiary Education Commission
Attachments: image007.png; image008.png; image009.png; image010.png; image011.png; image012.png; image013.png

-----Original Message-----

From: Section 9(2)(a) [mailto:Section 9(2)(a)]
Sent: 12/19/2017 11:28:00 AM
To: Section 9(2)(a)
CC: Section 9(2)(a)
Subject: RE: 2016/17 Annual review of Careers New Zealand and the Tertiary Education Commission

Many thanks Section 9(2)(a)

Section 9(2)(a)

Section 9(2)(a)

Section 9(2)(a)

DDI Section 9(2)(a)

M Section 9(2)(a)

E Section 9(2)(a)



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From: Section 9(2)(a)
Sent: Tuesday, 19 December 2017 8:06 a.m.
To: Section 9(2)(a)
Subject: RE: 2016/17 Annual review of Careers New Zealand and the Tertiary Education Commission

Section 9(2)(a)

Thanks. Will book in the 28th February 2018.

Regards

Section 9(2)(a)

Section 9(2)(a)

Clerk of Committee

Education and Workforce Committee and Economic
Development, Science and Innovation Committee

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From: Section 9(2)(a)

Sent: Tuesday, 19 December 2017 8:03 a.m.

To: Section 9(2)(a)

Cc: Section 9(2)(a)

Subject: RE: 2016/17 Annual review of Careers New Zealand and the Tertiary Education Commission

Hi Section 9(2)(a)

I've been in touch with Nigel Gould, our Board Chair. He advises 28 February would suit him best. That date also suits Tim Fowler, our Chief Executive.

Kind regards

Section 9(2)(a)

Section 9(2)(a)

Chief Executive's Office

DDI Section 9(2)(a)

M Section 9(2)(a)

E Section 9(2)(a)



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From: Section 9(2)(a)
Sent: Monday, 18 December 2017 2:48 p.m.
To: Section 9(2)(a)
Subject: 2016/17 Annual review of Careers New Zealand and the Tertiary Education Commission

Section 9(2)(a)

Can offer the following dates for the annual reviews:

Wednesday, 14 February 2018 – 10.30am to 11.30am

Wednesday, 21 February 2018 – 10.30am to 11.30am

Wednesday, 28 February 2018 – 10.15am to 11.15am

The Education and Workforce Committee want to do the two annual reviews together.

Thanks

Section 9(2)(a)

Section 9(2)(a)

Clerk of Committee

**Education and Workforce Committee and Economic
Development, Science and Innovation Committee**

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EDUCATION AND WORKFORCE COMMITTEE

20 December 2017

Tim Fowler
Chief Executive
Tertiary Education Commission
P O Box 27048
WELLINGTON 6141

Dear Mr Fowler

Select committee procedures for 2016/17 annual review of Careers New Zealand and the Tertiary Education Commission

I am writing about the arrangements being made for the annual review of your organisation for 2016/17. The Finance and Expenditure Committee has allocated these annual reviews to the Education and Workforce Committee.

Date and time for hearing of evidence

The Education and Workforce Committee would like you to attend its hearing. You may bring any other officials you think appropriate. Please keep any introductory remarks very brief so the large majority of the time can be used for committee questions.

This hearing of evidence will be held on Wednesday, 28 February 2018, from 10.15am until 11.15am at Parliament Buildings in Wellington.

Like any select committee hearing of evidence, the meeting will be open to the public and the media. If you have any concerns about confidentiality, please contact the clerk of the committee. Contact details are provided below.

Subject-matter of hearing

The focus of the hearing will be on the performance of your organisation in 2016/17 and its current operations.

Written questions for your organisation

We expect to send you some questions relating to the annual review, for response before the hearing of evidence. Please follow the guidance in the appendix attached to this letter.

You may also receive further questions from us, before and/or after the hearing of evidence.

Please note that there is no need to duplicate in your responses any material that is already in your annual report and financial statements. A cross-reference to the page and paragraph or table will suffice. If there are any questions which do not apply to your organisation, please state this in your response.

You should also note that responses to committee questions are confidential, and will not become publicly available until released by the committee or until the committee reports to the House. Once released by the committee, the responses will become public and will be published on the Parliament website.

Contact details

Your written responses should be sent to **Section 9(2)(a)** Clerk of the Education and Workforce Committee, Parliament Buildings, Wellington (email **Section 9(2)(a)**@parliament.govt.nz). Please contact the clerk by email or on **Section 9(2)(a)** if you have any questions about the annual review process or the select committee examination.

Yours sincerely



Sarah Dowie
Chairperson
Education and Workforce Committee

Appendix: Providing information to select committees electronically

Please follow these guidelines when providing documents for a select committee.

Document type

- We only accept Microsoft Word or computer-readable PDF documents (unlocked and unencrypted).
- Do not email scanned documents. They are not computer-readable and are often blurry.

Document style and formatting

- Ensure that **file names and document titles are easily identifiable**. Appendices should note which question(s) they relate to. For example, "Department of Conservation (appendix to question 20)".
- Ensure that **all pages are numbered**.
- Use **hyperlinks** for easy navigation, especially on table of contents. Please test these to ensure they work, and make sure they do not lead to an internal site.
- Use a **sans serif font** (e.g. Arial, Calibri, Tahoma, Verdana) in at least size 11.
- Use a **plain background**. Coloured backgrounds, watermarks, and background images can make text harder to read.

Emailing large documents

If documents are too large to send by email, please put the files on a CD or USB stick and provide it to committee staff along with the hard copies.

Section 9(2)(a)

From: Section 9(2)(a)
Sent: Monday, 26 February 2018 11:17 a.m.
To: Section 9(2)(a)
Subject: RE: 2016/17 annual review of Careers New Zealand and Tertiary Education Commission

Hi Section 9(2)(a)

Thank you for that.

As at today, our list is as follows:

- Nigel Gould – Board Chair
- Tim Fowler – Chief Executive
- John Soulis – Deputy Chief Executive, Finance / CFO
- Mike Blanchard – Deputy Chief Executive, Operations / COO
- Deirdre Marshall – Deputy Chief Operating Officer (DCOO)
- Julie Thomas – General Manager, Knowledge & Organisational Performance
- Jane Ratcliffe – General Manager, Channels & Digital Resources
- Denise MacKay – Manager, Communications

This list may change. We are meeting tomorrow morning to discuss, and if anything changes I'll let you know asap.

Ngā mihi

Section 9(2)(a)

Business Improvement Analyst
OPM & PGB Secretariat
Organisational Performance team, Finance Directorate



Section 9(2)(a)

PO Box 27-048, Wellington 6141, New Zealand
www.tec.govt.nz

Ehara taku toa i te toa takitahi, engari, he toa takitini

Success is not the work of one, but the work of many

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From: Section 9(2)(a)
Sent: Monday, 26 February 2018 8:52 a.m.
To: Section 9(2)(a)
Subject: RE: 2016/17 annual review of Careers New Zealand and Tertiary Education Commission

Section 9(2)(a)

The committee will be meeting in Select Committee Meeting Room 1, Bowen House this Wednesday. Can you please advise the names and designations of those attending. I need this for the agenda.

Thanks

Section 9(2)(a)

From: Section 9(2)(a)

Sent: Friday, 23 February 2018 9:15 a.m.

To: Section 9(2)(a)

Cc: Section 9(2)(a)

Subject: RE: 2016/17 annual review of Careers New Zealand and Tertiary Education Commission

OUT OF SCOPE

CE-18-03-0022.
Received 9/03/2018



Seen by CE Yes/No

Referred to.....

Action.....

EDUCATION AND WORKFORCE COMMITTEE

28 February 2018

Tim Fowler
Chief Executive
Tertiary Education Commission
P O Box 27048
WELLINGTON 6141

Dear Mr Fowler

2016/17 annual review of Careers New Zealand and Tertiary Education Commission

Thank you for attending the hearing of evidence with the Education and Workforce Committee to examine the 2016/17 annual review of Careers New Zealand and the Tertiary Education Commission. The committee has resolved to send the enclosed additional questions for a written response.

Please provide a response by **5.00pm on Friday, 16 March 2018**. Your response should be emailed to the clerk of the committee at the email address below. Please follow the attached guidance for the format of your response.

Please note that responses to committee questions are confidential, and will not become publicly available until released by the committee or until the committee reports to the House. Once released by the committee, the responses will become public and will be published on the Parliament website.

Your written responses should be sent to **Section 9(2)(a)** Clerk of the Education and Workforce Committee, Parliament Buildings, Wellington (email **Section 9(2)(a)**@parliament.govt.nz). Please contact the clerk by email or on **Section 9(2)(a)** if you have any questions about the annual review process or the select committee examination.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jan Tinetti'.

Jan Tinetti
Deputy Chairperson
Education and Workforce Committee

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107. We note the Auditor-General has recommended improvements to the Tertiary Education Commission's service performance information and associated systems and controls.

- What action has been taken or is planned to address these recommendations?

108. The Committee notes that Careers managed the final year of its operations well, and that the transition to the TEC went smoothly. We also note that the TEC now plans to fully integrate its Careers, and investment components, and to consolidate its offices in the main centres of Whangarei, Auckland, Wellington and Christchurch.

- Please advise the Committee on the risks and benefits of the TEC's new integrated investment and careers model, including the impact of consolidating offices on maintaining Careers connections with employers and networks in the regions.

109. Which TEOs had to return SAC funding to the TEC in 2016/17, and in what circumstances?

110. Which TEOs have exceeded the upper range of their EFTS targets? Why is this?

111. What are the main reasons that TEOs do not achieve their anticipated EFTS? How many of the Crown's TEIs are not achieving their EFTS?

112. Is the SAC funding approach based on EFTS flexible enough to allow for changes in demand?

113. What are the main issues arising from the TEC's audit programme?

114. What is driving the increase in reviews and investigations?

115. How many of the Crown's TEIs projected to be in financial difficulty?

116. Is the TEC considering any changes to the measures of progress it uses to highlight its impact and achievement at the system level?

117. Please advise the Committee on the barriers to learner progression from level 1-3, and what the TEC is doing to overcome them?

118. What does the TEC know about the numbers of Māori and Pasifika who hold a NZQF level 4 and above qualification compared to the general population?

119. How much of the improvement in the national figure for Level 4 and above qualifications is attributable to factors outside of the New Zealand education system?

120. The percentage of SAC funding for level 4 and above learners who are Māori, or Pasifika, or under 25 has been largely static since 2013. What is the TEC doing to address this?

121. The Committee notes some modest progress on achieving parity in course/credit and qualification/programme completion rates for Māori learners and Pasifika learners, but also notes most rates are static or worse than in 2012. What is the TEC going to do differently to boost achievement?

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