

Tertiary Education Commission  
Te Amorangi Mātauranga Matua

**STATEMENT OF INTENT**  
2015/16 – 2018/19



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## Chair's Foreword

This Statement of Intent sets out our strategic intentions for the next four years. It supports the Tertiary Education Strategy 2014-19, Better Public Services targets and the Business Growth Agenda.

Each year the Tertiary Education Commission invests approximately \$2.8 billion into the tertiary education system supporting education, training and research. Through tertiary education organisations our investment drives better economic, social, cultural and environmental outcomes for New Zealanders.

Over the last five years there have been improvements in the performance of the tertiary education system. More learners are participating in tertiary education, more are completing qualifications at higher levels and research quality has also improved.

The conditions in which these improvements were achieved are changing. For example, advancements in technology mean that learners have different expectations of how they access and participate in tertiary education. Employers also require different skills in order to ensure that the economy is productive and New Zealand remains competitive. Further, the strong performance of the economy and changing demographics indicate that demand for tertiary education is forecast to decline until at least 2018. Whatever mix of factors the future brings, tertiary education organisations and the funding system must be able to quickly respond.

The changing environment presents challenges for the tertiary education system. It also provides opportunities for tertiary education organisations to adapt and innovate, including developing new ways to meet the needs of learners and employers.

Our new business strategy aims to ensure that the tertiary education system can respond to these changes, and continue to improve outcomes for learners and industry as set out in the Tertiary Education Strategy. Our strategy has three key pillars:

- **Champion aspiration** – by promoting the value of tertiary education and what it takes to succeed within it
- **Build partnerships** – to better leverage our role and to support the sector
- **An investment approach** – to refocus the way we invest across the sector to ensure a better return and greater impact from the tertiary education spend.

To support this we need to make sure that we develop:

- **A strong knowledge base** – so we have the right tools and information to guide our investment decisions and help learners make the right choices about tertiary education
- **Our internal capability** – attracting, retaining and growing great people will help us deliver our strategy.

The refocus of our approach to investment will be our key priority for the next three years. This work will consider the opportunities that better align and target our investment made in the tertiary education sector with Government priorities. We also want to sharpen the focus of the tertiary education system on improving outcomes for learners and the economy.

In doing this we will work with the sector to identify how the tertiary education system can be more relevant and responsive to the needs of learners and the employers.

This year will be important as we partner with the sector and colleague agencies to establish what is required to ensure that the tertiary education system is more relevant, responsive and flexible. Together we will identify the outcomes we are seeking to achieve, how these outcomes will be measured and what improvements can be made.

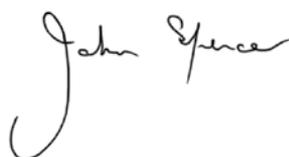
This initial engagement will lead to the development of a three-year work programme which we expect to finalise during 2015. We will also identify some quick wins to be delivered 2015/16 that make steps towards greater system relevance, responsiveness and flexibility.

Change in the tertiary education system cannot be delivered without improving the way that we operate. As an organisation, we also need to be more responsive, relevant and flexible to ensure that we are an enabler of system change.

To support the investment approach we are working to ensure that we have the tools, knowledge and capability to deliver this ambitious work programme. Many of the changes we are making may not always be visible, such as improving the way we collect, collate and provide data or improving our internal processes.

However, these changes will have a positive impact on improving the quality of our outputs. The changes will allow us to focus more of our resources on the things that matter, better outcomes for New Zealanders.

I believe we are well positioned to make a valuable contribution to the future of New Zealand.



**JOHN SPENCER**  
CHAIR  
TERTIARY EDUCATION COMMISSION

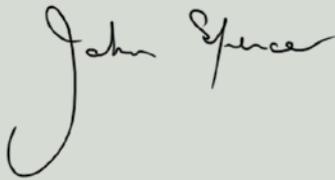


# Statement of Responsibility

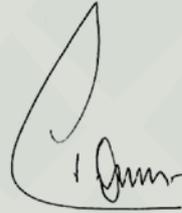
The Statement of Intent 2015/16-2018/19 is produced in accordance with sections 138 to 149A of the Crown Entities Act 2004.

The Statement of Intent describes the Tertiary Education Commission's, Te Amorangi Mātauranga Matua strategic intentions and objectives. As required under section 141 of the Crown Entities Act, the Statement of Intent also outlines how the TEC will manage its operations, functions and organisational capability to meet these objectives.

We certify that the information contained in the Statement of Intent 2015/16-2018/19 is a fair and reasonable reflection of the TEC's strategic and operating intentions.



**JOHN SPENCER**  
CHAIR



**NIGEL GOULD**  
CHAIR OF AUDIT AND RISK COMMITTEE

**SIGNED ON BEHALF OF THE BOARD OF THE  
TERTIARY EDUCATION COMMISSION  
June 2015**

# Who we are and what we do

The Tertiary Education Commission (TEC) is charged with giving effect to the Tertiary Education Strategy 2014-19. Each year we invest approximately \$2.8 billion in tertiary education so that New Zealanders are equipped with the knowledge and skills needed for lifelong success.

We do this by:

- **investing government funding**, through Investment Plans and contracts with tertiary education organisations
- **providing information and advice** to the Government (including ownership monitoring advice) about tertiary education organisations and the tertiary education sector
- **monitoring and managing** the performance of tertiary education organisations.

As a Crown entity we are jointly monitored by the Ministry of Education and the Ministry of Business, Innovation and Employment. This arrangement reflects our role in contributing to both education and the economy.

We invest in all forms of post-secondary school education and training, including foundation education, adult and community education and research. We also fund some programmes that link schools with tertiary education, including Gateway and Trades Academies.

Tertiary education organisations include:

- eight universities
- 18 institutes of technology and polytechnics
- three wānanga
- 271 TEC-funded private training establishments
- 12 industry training organisations
- over 400 other organisations, adult and community education providers, government training establishments and secondary schools.

The tertiary education institutions – universities, institutes of technology and polytechnics and wānanga – are Crown entities and we monitor them on behalf of the Crown.

## OUR STRATEGIC CONTEXT

### The Tertiary Education Strategy

Our strategic direction is underpinned by the Tertiary Education Strategy 2014-19, which sets out the Government's current to long-term strategic direction priorities for tertiary education.

The strategy emphasises the opportunity for New Zealand to develop a tertiary system that is more flexible, outward-facing, engaged, and focused on improving outcomes for learners. It presents six priorities that shape what we do:

1. Delivering skills for industry
2. Getting at-risk young people into a career
3. Boosting achievement of Māori and Pasifika
4. Improving adult literacy and numeracy
5. Strengthening research-based institutions
6. Growing international linkages.

We work towards wider government commitments that complement the priorities set out in the Tertiary Education Strategy.

### The Business Growth Agenda

The Business Growth Agenda (BGA) is central to the Government's priority of building a more productive and competitive economy. Lifting productivity and competitiveness is critical to creating business opportunities, more jobs and higher wages, and ultimately the higher living standards to which New Zealanders aspire. Our role is to support the Ministry of Business, Innovation and Employment to match skills training to employers' needs by investing in tertiary knowledge and skills that meet employers' needs.

## Better Public Services

To sharpen the public sector's focus on high-quality delivery, the Government has set Better Public Services targets. For tertiary education the priority is to boost skills and employment by increasing educational achievement. We contribute towards these two targets:

- by 2017, 85 percent of 18-years-olds will have achieved a National Certificate of Educational Achievement (NCEA) Level 2 or an equivalent qualification
- by 2018, 60 percent of 25- to 34-year-olds will have a qualification at Level 4 and above on the New Zealand Qualifications Framework (NZQF).

## Boosting Achievement for Māori and Pasifika

Supporting Māori and Pasifika participation and achievement is a key priority for the Government. Our focus will be to boost achievement for Māori and Pasifika toward achieving at least as well as other learner groups. *Tū Māia e te Ākonga* outlines the initiatives the TEC will undertake to implement both the *Māori Education Strategy: Ka Hikitia Accelerating Success 2013-17* and *Tau Mai te Reo*. Our Pasifika Framework is the TEC's contribution to implementing the Pasifika Education Plan.

## International Education Priorities

The Leadership Statement for International Education sets out the Government's policy objectives and goals for international education. These include doubling the annual value of New Zealand's international education services to \$5 billion by 2025. Our role is to encourage tertiary education organisations to grow their international revenue in a way that:

- supports their core business and grows income streams that are connected to their educational mission both onshore and offshore
- generates educational benefits for domestic as well as international students
- generates wider economic and social benefits for New Zealand
- maximises collaborative activities.

### TERTIARY EDUCATION SYSTEM

We recognise we cannot deliver these strategic objectives alone. We work collaboratively with the Ministry of Education and other education sector Crown entities to create a world-leading education system. Education system leadership teams are establishing a work programme to ensure greater alignment of the activities that support delivering the Tertiary Education Strategy.

We also work closely with the Ministry of Business, Innovation and Employment to ensure the tertiary education system responds to the needs of employers and delivers the skills and knowledge that contributes to economic growth.

# The changing tertiary education system

Overall, the tertiary education system performs well and has delivered improvements in the quality and quantity of knowledge and skills.

## GLOBALISATION

The market for skills, talent and educational services is becoming increasingly global. The international reputation of New Zealand tertiary education organisations affects the value placed on New Zealand graduates, as well as New Zealand's appeal to international students. Research performance depends on links between tertiary education organisations and research organisations around the world, as does the application within New Zealand of new knowledge and innovations from overseas.

## SOCIAL AND DEMOGRAPHIC CHANGES

Our forecasts show that demand for tertiary education places is changing. For some areas of New Zealand demand will remain flat or reduce over the next four years.

Against this overall picture, demand may increase for flexible provision away from the traditional campus to different learning structures.

Learners are likely to increasingly want more flexible access to tertiary provision, to accommodate different aspects of their lives and to make it easier to adapt to workplace change and lifelong learning needs.

Other demographic trends affecting the tertiary system include an ageing population, urbanisation, static or declining learner populations in some regions and the changing ethnic composition of New Zealand society. Improving outcomes for Māori and Pasifika, youth, and learners from low-socio-economic backgrounds will be a priority of growing importance.

## DEVELOPMENTS IN INDUSTRY AND THE WORKPLACE

Industry and workplace change is requiring learners and workers to up-skill and adapt. Education and skills themselves only become productive through well-managed workplaces, and their productivity varies greatly among different industries.

## NEW TECHNOLOGY

Technology and new delivery models, such as e-learning and blended delivery, have the potential to lift tertiary sector productivity. E-learning may have a similar impact on tertiary education provision to that which technology has brought to the music, retail and publishing industries. It is unclear what new business or innovation models will emerge but the TEC and the tertiary education system needs to be receptive and to facilitate them when they can lift productivity.

To continue to thrive and compete internationally, tertiary education organisations will need to continue to be more flexible and dynamic in how they respond to change.

## A bigger contribution to the things that matter

A key message of the Tertiary Education Strategy 2014-2019 is that the tertiary education system needs to be more responsive to make a bigger contribution to economic growth and deliver better outcomes for learners.

The focus on improved learner outcomes needs to reflect success in a broader sense. We want to see improved social and cultural outcomes for all learners in addition to economic success.

To do this the tertiary education system needs a greater a focus on learner outcomes, relevance, and innovation.

## PROVIDING THE RIGHT INCENTIVES

We need to provide the right incentives for tertiary education organisations to provide a greater focus on learner outcomes and the needs of the economy.

We need to adjust operational settings to find smart ways to reward relevance, innovation and focus alongside quality and achievement. We also need to work with policy making agencies to consider how policy settings can support a more outwardly engaged and differentiated tertiary system.

We see an opportunity to explore investment in delivery that tests new ways to engage employers (or groups of employers) in the development and utilisation of skills. With more funding flexibility, and possibly policy change, we could purchase innovative approaches for the joint development of skills and for supporting business utilisation of skills and innovation activities.

## PROVIDING THE RIGHT INFORMATION

Tertiary education organisations need to be rewarded for delivering good outcomes. Our understanding of these outcomes needs to be grounded in good quality and timely information. Where we have better information, such as in the engineering sector, investment is shifting toward the delivery of better outcomes.

We also want to increase the frequency and granularity of forecasting for learner demand for tertiary education. This will provide timely and accurate information about the probable impact of changing economic, social, and demographic patterns.

We also expect that the information we provide will enable tertiary education organisations to improve their understanding of their opportunities and challenges.

Student choice has a big influence on what tertiary education organisations choose to provide. Prospective students need timely access to comprehensive and accurate information, advice, and guidance so that their choices reliably steer the system toward quality outcomes.

A lot of information already exists that can support investment decisions, tertiary education organisations and learners. There is work underway across government to ensure that quality information is joined-up and can be accessed. The Ministry of Business, Innovation and Employment and the Ministry of Education, alongside other education system agencies, are working together to deliver better quality, relevant and timely information.



# How the TEC will respond

The outcomes we are looking to achieve are shaped by the Government's strategic goals and the opportunities that exist in our operating environment. We need a tertiary education system that delivers better outcomes for New Zealand and for every learner. This will mean:

- increasing the proportion of the population with a tertiary qualification, to improve skills across the country and ensure that more people see the benefits from participating in tertiary education
- producing higher-quality and more relevant research, to ensure that the impact of tertiary education is shared across society and the economy, and supports innovation and economic growth
- being more responsive to the needs of employers and learners, so that the skills and qualifications gained in tertiary education can best support people to succeed in life and the workforce, and so that businesses have the skilled people they need to prosper.

Our business strategy has been created to ensure that our effort is focused on specific actions that will assist us in delivering this kind of system:

- **Champion aspiration** – by promoting the value of tertiary education and success within it
- **Build partnerships** – to better leverage our role and to support the sector
- **An investment approach** – to refocus the way we invest across the sector to ensure a better return and greater impact from the tertiary education spend.

Our foundations for achieving our aims are:

- **A strong knowledge base** – so we have the right tools and information to guide our investment decisions and help learners make the right choices about tertiary education
- **Internal capability** – attracting, retaining and growing great people will help us deliver our strategy.

## OUR INVESTMENT APPROACH

Over the next year we will work in partnership with tertiary education organisations and across government to review our investment approach and sharpen the focus of the tertiary education system on improving outcomes for learners. This will include determining:

- what outcomes we are seeking to achieve for learners and New Zealand
- what the evidence suggests we should invest in to achieve these outcomes
- how we should invest in these things
- how we should measure performance.
- what information is needed by the TEC, by tertiary education organisations and by learners to get the best results.

This work is informed by, and contributes to, the priorities of the Tertiary Education Strategy 2014-2019. It also forms part of the Skilled and Safe Workplaces programme. Both strategies envisage a more self-regulating, demand-focused tertiary system in which tertiary education organisations have strong incentives to deliver to the needs of learners and employers. We see our role in such a system as being to provide tertiary education organisations with

useful information, tools, and strategic stewardship of the system to support them to deliver great outcomes for learners – as well as managing performance.

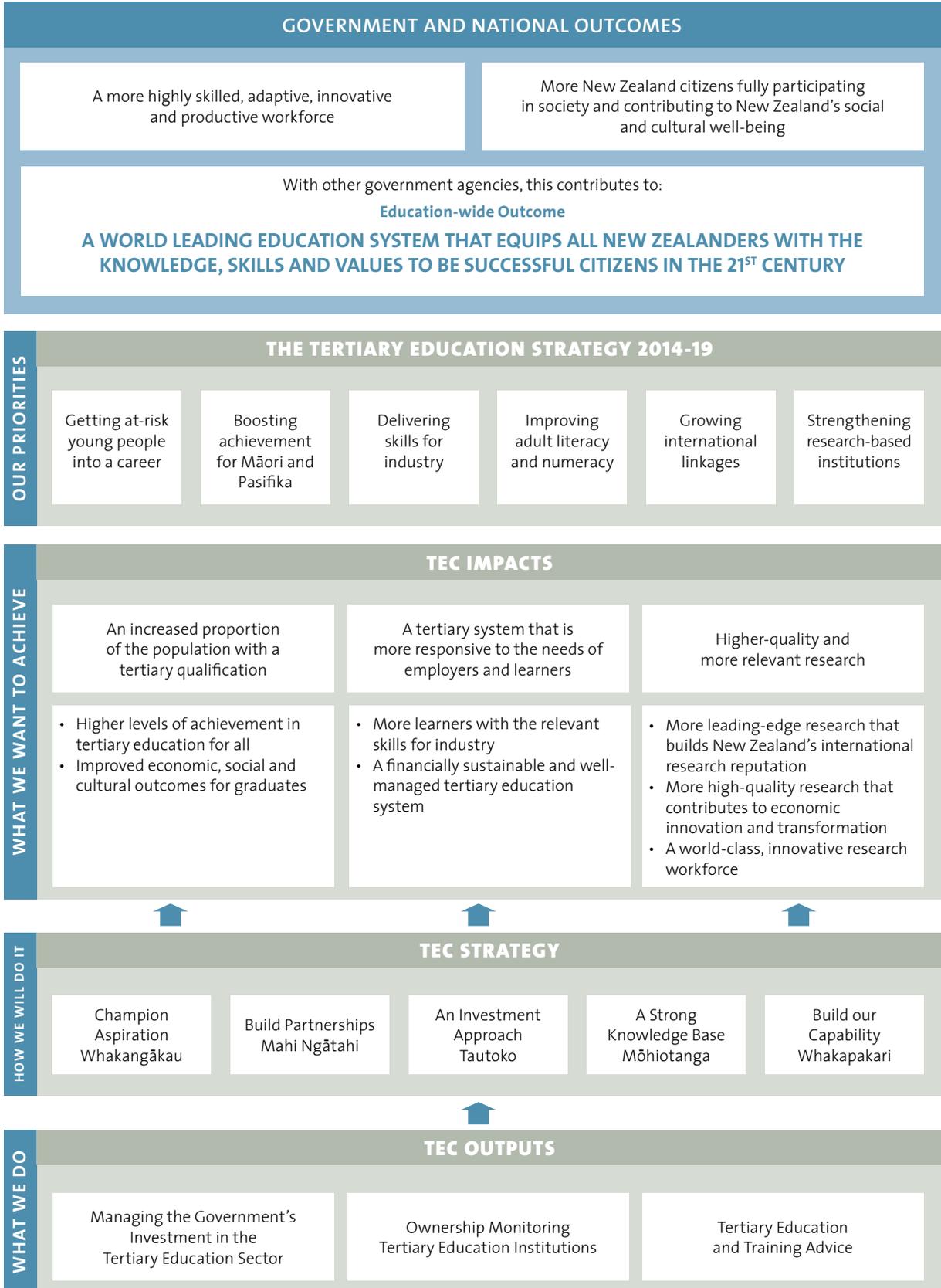
As outlined in this document our immediate focus is on delivering:

- **Better information** about learner and employer demand and labour market outcomes to influence decisions
- **The right incentives** to change behaviours, such as innovation solutions, in response to the information on demand and outcomes
- **More funding flexibility** to allow timely improvements and innovations.

The work programme will be co-designed with tertiary education organisations and other government agencies over the next year. We have already started to engage with tertiary education organisations to clarify issues, opportunities and to identify how we can best work together.

In order to support greater responsiveness from, and innovation in, the tertiary education system, we will change the way we deliver our services and how we assess our performance. We will review our performance framework over the next year to reflect these changes.

## TEC's Performance Framework



## An increased proportion of the population with a tertiary qualification

We know that tertiary education drives better economic, social, cultural, and environmental outcomes for all New Zealanders. It provides learners with the knowledge and skills they need for lifelong success.

Increasing the proportion of the population with a tertiary qualification is vital to ensuring further prosperity for all. The Government has set ambitious targets through Better Public Services, supported by the priorities of the Tertiary Education Strategy and the Business Growth Agenda.

This impact seeks to contribute towards the following Better Public Services targets:

- by 2017, 85 percent of 18-years-olds will have achieved a National Certificate of Educational Achievement (NCEA) Level 2 or an equivalent qualification
- by 2018, 60 percent of 25- to 34-year-olds will have a qualification at Level 4 and above on the New Zealand Qualifications Framework (NZQF).

Our aim is to support these ambitions by:

- championing aspiration
- targeting Tertiary Education Strategy priority learners
- supporting informed learner decisions.

### Championing aspiration

We will promote the value of tertiary education in delivering success for all.

We will create a clear expectation within the tertiary system, with learners and their supporters that all can and should participate in tertiary education.

Working across government we will highlight what is needed to succeed, encouraging students and their influencers to aim for, and achieve, a tertiary qualification.

### Targeting Tertiary Education Strategy priority learners

We will identify how and where we can make the most effective investments to achieve the priorities set out in the Tertiary Education Strategy.

Our approach will be to invest in tertiary education organisations that commit to:

- boosting achievement for Māori and Pasifika
- getting at-risk young people into a career
- improving adult literacy and numeracy.

We will support tertiary education organisations to do more for these learners by developing strategies that state what success looks like and how it can be achieved. Tū Māia e te Ākonga is our implementation strategy to equip Māori learners with the skills that enable them to succeed in Te Ao Māori and Te Ao Hurihuri (the Māori world and the modern world). This will be introduced in July 2015. For Pasifika learners we will implement the TEC Pasifika Framework.

We know that for some people their tertiary education journey needs to start at foundation level to progress to higher levels. Through investing in improved pathways into tertiary education we will enable more at-risk people to access a career. To do this we will continue our investment in foundation education. This will include ensuring that all foundation level qualifications are fees-free by 2017.

## YOUTH GUARANTEE FEES-FREE COURSES

Youth Guarantee supports getting at-risk youth into higher education or employment. The fees-free scheme provides 16 - 19-year-olds with an opportunity to study towards NCEA level 2, aligned with the Vocational Pathways or equivalent free-of-charge qualification. A foundation level qualification provides learners with an opportunity to progress onto higher study training or employment.

In research we commissioned, learners were interviewed to see how they progressed since being enrolled in fees-free courses in 2011/12. One young woman, who left school and “didn’t even have Level 1”, is now a nanny and is about to start her teaching degree. All eight students interviewed acknowledged that having completed their courses allowed them to move towards higher learning and better jobs.

*Source: Research commissioned by the Tertiary Education Commission*

Our Literacy and Numeracy Strategy aims to support literacy and numeracy success for adults through foundation education. Our Youth and Transitions Framework focuses on achieving the youth-related priorities.

### Supporting informed learner decisions

We want learners to make informed decisions about tertiary education and the outcomes that can be achieved.

A key project for the TEC is Learner Information, which seeks to strengthen the content and delivery of the information that prospective learners, and their supporters, need to make informed decisions. By working closely with other agencies we will ensure that information is well-coordinated, accurate and relevant.

The Rate My Qualification survey will support learners (and their families, whānau and advisors) to make informed study and career decisions.

The survey will help prospective tertiary students see what qualifications employers value, and recently employed graduates’ views on how well their qualification prepared them for their occupation.

### Success will deliver:

- higher levels of achievement in tertiary education for all
- improved economic, social and cultural outcomes for graduates.



## How we will measure success

Measure	2013 Actual	2014 Target	2015 Target	2016 Target	2017 Target	2018 Target
<i>Higher levels of achievement in tertiary education for all</i>						
Proportion of 18-year-olds with National Certificate of Educational Achievement Level 2 or an equivalent qualification (Better Public Services Target)	78.6%	81%	82.3%	83.6%	85%	tba
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)	53.4%	2014 Actual 54.6%	56.1%	57.4%	58.7%	60%
Proportion of students with NZQF Levels 1-3 progressing to study at NZQF Level 4 or above	36.7%	36.9%	37.3%	37.7%	38.1%	38.5%
Percentage of equivalent full-time students funded through Student Achievement Component fund that were Māori at NZQF Level 4 and above	18%	Increase	Increase	Increase	Increase	Increase
Percentage of Student Achievement Component funded equivalent full-time students that were Pasifika at NZQF Level 4 and above	9%	Increase	Increase	Increase	Increase	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	Increase	Increase	Increase	Increase
<i>Improved economic, social and cultural outcomes for graduates</i>						
Proportion of graduates who are employed two years after completing a qualification at NZQF Level 4 or above	50%	Increase	Increase	Increase	Increase	Increase
Earnings of graduates who are employed two years after completing a qualification at Level 4 or above		Maintain or increase				
<i>Measures in development for improved social and cultural outcomes for learners</i>						

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

Tertiary education drives improved economic, social, cultural and environmental outcomes for New Zealand. For the tertiary education system to meet the skills and research needs of the economy, it needs to be flexible and responsive. Tertiary education organisations need to be able to respond quickly and effectively to the changing needs of learners and employers at a local and national level.

Tertiary education institutions need to be well managed and financially sustainable to ensure that high-quality and relevant provision can be maintained where there is a need.

To achieve this we will:

- invest in outcomes
- deliver skills for industry
- provide quality information
- work with agencies as steward of the tertiary education system.

### Invest in outcomes

Over the next two years we will review our investment approach to look beyond inputs and outputs and to supporting the outcomes set out in the Tertiary Education Strategy. This will enable a sustainable and adaptable sector. Our investment decisions will focus on supporting improved outcomes for learners, employers and communities and improving the responsiveness of the system to their needs.

By targeting our investments on where we can get the best return to achieve the Government's key tertiary education priorities. We will monitor the key factors (such as the aspirations and preparedness of students) that affect participation, progression and achievement through to sustainable employment. We will look at options to improve the flexibility of funding for tertiary education organisations who can demonstrate improved outcomes in priority areas.

We will develop options for improvement within current operational policy settings, as well as working with other government agencies to explore options that may require policy change. We will draw on experience and evidence from other jurisdictions, as well as the possibilities presented by the growing information base about learners in New Zealand.

A key aspect of our work will be to work with policy agencies to develop options that incentivise the system to be more responsive and that encourage tertiary education organisations to specialise, collaborate and innovate. Improving the responsiveness of the system will increase the ability of tertiary education organisations to respond to the changing environment. By providing the right incentives we can provide opportunities for tertiary education organisations to take advantage of new technology and other innovations in tertiary education. This will allow tertiary education organisations to best meet the needs of learners whilst ensuring that their business models are sustainable.

We will increasingly look to the economic returns from investment in different disciplines, qualification levels, geographical locations and/or delivery models when deciding where to invest.

### Provide quality information

A responsive and flexible system needs to be supported by high-quality information. Our collaborative approach will include working with tertiary education organisations, learners, employers and communities to identify what success looks like, how this can be measured and what changes are required.

### Deliver skills for industry

We already have a number of initiatives under way that will be progressed over the next year to ensure we deliver skills for industry. Three new Information and Communication Technology (ICT) graduate schools will be established throughout New Zealand. Employers and providers will work together to ensure learners have the skills industry needs to thrive.

Increasing the number of engineering graduates is a key priority for the Government. New Zealand produces engineers at a rate significantly lower than the Organisation for Economic Co-operation and Development (OECD) average, impacting economic opportunity. Additional investments over a number of Budgets are aimed at closing this gap.

### INDUSTRY EXPERTS TEACHING ENGINEERING STUDENTS

Giving students a real-world learning experience and bringing industry and educators closer together is what Mike Mullany, Principal Academic in Civil Engineering at NorthTec set out to do with his tutoring programme. NorthTec has 10 tutors, of which eight are employees in the local engineering industry. It's been hugely successful and has mutual benefits for both local industry and the Institute of Technology and Polytechnic.

The benefits, over and above academic achievement for students, include firms being able to give and receive input; practising experts are teaching the students; schools have confidence in advising students to progress to tertiary education; the institute of technology and polytechnic increases its student numbers.

Source: [Engineering Education to Employment website](#)

The Māori and Pasifika Trades Training initiative has already produced positive outcomes for learners and employers. We will increase the number of learners to 5,000 by 2017.

### Work with agencies as steward of the tertiary education system

We recognise that key to the success of our investment approach will be the maintenance of our stewardship role. Through our performance monitoring activities and advice to the Minister on appointments to tertiary education institution councils, we will help improve the governance and operations of the tertiary education sector.

We will also feed into the stewardship of the broader education system with colleague agencies.

#### Success will deliver:

- more learners with the relevant skills for industry
- a financially sustainable and well-managed tertiary education system.

### Indicators of Success

Measure	2013 Actual	2014 Target	2015 Target	2016 Target	2017 Target	2018 Target
More learners with relevant skills for industry						
Proportion of 20- to 24-year-olds who are not in employment, education or training	15.6%	2014 Actual 14.6%	Decrease	Decrease	Decrease	Decrease
Number of engineering equivalent full-time students	8,228	Increase	Increase	Increase	Increase	Increase
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	92.9%	Increase	Increase	Increase	Increase	Increase

## Higher-quality and more relevant research

Building tertiary education's contribution to economic growth requires us to have strong, internationally respected and competitive universities and other research-based institutions. High-quality research is one of the factors that have an impact on an institution's international ranking. Improving performance in this area will have a positive impact on an institution's reputation and its ability to attract staff, learners and investment.

We want tertiary education organisations to produce high-quality research. The research needs to focus on innovation, economic and social development and environmental sustainability in New Zealand.

We will deliver improvements by:

- building partnerships
- investing in research capability
- rewarding research excellence.

### Building partnerships

Encouraging high-quality and relevant research is not something we can achieve alone. Building partnerships and collaborating with our colleagues across the broader education system is crucial in working towards these outcomes.

This is demonstrated in how we support excellent research, knowledge exchange and innovation. Each year, the TEC invests approximately \$344 million through the Performance-Based Research Fund and Centres of Research Excellence (CoREs).

### Investing in research capability

We invest in research-based institutions that demonstrate how they make a greater contribution to economic growth by describing how they will:

- build research capability in areas of strength and how that leads to economic and social value for New Zealand
- collaborate with other tertiary education organisations, industry and research organisations to increase valued knowledge exchange to and from end-users for innovation purposes
- develop strategies and monitoring systems to measure progress against these aims.

### Rewarding research excellence

The aim of the Performance-Based Research Fund is to reward research excellence and ensure that degree-level teaching is underpinned by research. We will implement the findings of the Ministry of Education's review of the Performance-Based Research Fund when undertaking the next allocation of funding in the next quality evaluation in 2018.

The Centres of Research Excellence fund was established in 2001 to encourage the development of excellent tertiary education-based research that is collaborative, strategically focused and creates significant knowledge transfer. CoREs are inter-institutional research networks, with researchers working together on commonly agreed work programmes. They focus on the development of human capital, so they undertake outreach activities (for example, within the wider education system). They also make a contribution to national development and focus on the real-world impacts of their research.

## CHANGING PERCEPTIONS – DR MICHELLE DICKINSON, THE MACDIARMID INSTITUTE’S NANOGIRL

Nanogirl’s mission is to make science fun and accessible for New Zealanders, regardless of education level. This young Kiwi scientist runs the country’s only nanomechanical testing lab (measuring how hard or soft really tiny things are), is a renowned public speaker and a social media sensation. Nanogirl is also known as Dr Michelle Dickinson – a senior lecturer in Chemical and Materials Engineering at the Auckland University and Associate Investigator at The MacDiarmid Institute – she is often asked to speak at events all over the world, breaking down stereotypes about the complexity of science.

The MacDiarmid Institute for Advanced Material and Nanotechnology, hosted by Victoria University of Wellington, is making a significant contribution to mentoring emerging entrepreneurial scientists. As one of the Centres of Research Excellence, their focus is on delivering excellent research and education, inspiring New Zealanders, training New Zealand’s future leaders and advancing this country’s future.

*Source: Nanogirl; The MacDiarmid Institute for Advanced Materials and Nanotechnology*

The TEC has completed the 2013/14 CoREs selection round, through which six centres have been funded to the end of 2020. In 2015 we announced the selection of a further four CoREs, including a specific CoRE focused on Māori research, for funding to the end of 2020.

### Success will deliver:

- more leading-edge research that builds New Zealand’s international research reputation
- more high-quality research that contributes to economic innovation and transformation
- a world-class, innovative research workforce.

### Indicators of Success

Measure	2013 Actual	2014 Target	2015 Target	2016 Target	2017 Target	2018 Target
More leading-edge research that builds New Zealand’s international research reputation						
Research Quality (in development)						
More high-quality research that contributes to economic innovation and transformation						
Percentage increase in amount of external research income for Performance-Based Research Fund-eligible providers	-3.5%	2-4%	2%	2%	2%	2%
A world-class, innovative research workforce						
Research degree completions (measured by Performance-Based Research Fund-eligible research degree completions)	3,971	3,916	3,900 ± 5%	3,900 ± 5%	3,900 ± 5%	3,900 ± 5%

# Our Capability

To maximise the contribution we make to New Zealand we need talented, diverse and capable staff who are supported to carry out their roles. We need great people, processes and ways of doing things because we need to be highly capable to deliver on our ambitions.

We intend to achieve this by:

- developing our internal people capability
- improving our processes
- developing a knowledge base
- financial management
- managing risk.

## Developing our internal capability

We want to be a great place to work so we can attract and retain high-quality staff. We will have identified the capability required to achieve our strategy, and considered those through an opportunity lens for Māori.

Our people are the critical component of our organisational capability. We rely on them to undertake quality analysis, provide quality information and advice, and foster and maintain quality relationships.

We are committed to meeting our obligations as a good employer. We want to give our people the opportunity to achieve and contribute to the organisation's goals.

We want to get the right people, support their development and ensure we obtain mutual benefit. A culture where people feel empowered, valued and supported, with a shared purpose and commitment to results is essential for the TEC to deliver on its strategic direction.

An empowered culture requires committed leadership. We will support this through the development of a Leadership Development programme.

As part of our business transformation project, Te Kahurangi, we reviewed our policies, procedures, systems and processes. From this we developed the TEC's people plan, Ma Tatou, Mo Tatou. This plan aims to ensure that we have the people capability required to implement our strategy. Over the next four years our focus will be to develop our leaders and to ensure we have the right staff with the right skills to support the investment approach. In doing this we will also consider how these skills can be considered through an opportunity lens for Māori.

## Our Values

During Te Kahurangi, staff developed the values they felt best reflected how the TEC should work.

### WE AIM HIGH – WHAIA TE ITI KAHURANGI

We feel passionate about making sure everyone has access to the life-changing opportunities of tertiary education.

### WE PARTNER FOR SUCCESS – HONONGA

We listen to the providers and seek to build trust. We are all aiming for the best possible outcomes for learners.

### WE WORK AS ONE – KOTAHITANGA

We pull together the right resources for the job and are flexible in working with others across the organisation.

### WE LEARN AND INNOVATE – NGAIOTANGA

We are always looking for ways to do things better and make more of an impact. We have freedom to make changes and focus on what really matters.

### **Improving our processes**

A flexible and responsive tertiary education system means we need effective and efficient processes. Through a business improvement project we are looking at how we can operate in ways that better support the tertiary education organisations. In becoming a lean organisation we want to ensure we carry out our work in ways that are consistent with our values.

We also want to make sure we are easy to do business with. A particular area of focus will be on improving the Investment Plan process. We will focus our effort on the things that lead to better outcomes for learners and better quality outputs for tertiary education organisations.

### **Developing a strong knowledge base**

A key priority for the TEC is to improve the way we collect, collate and provide information. We will ensure:

- we can carry out our core functions and support our investment approach
- we enable learners, their supporters, tertiary education organisations and employers to make informed decisions.

We will build our information capability to enable us to take a systems-based and learner-focused approach to our investment and monitoring.

The systems and applications we provide and develop over the next three years need to be reliable.

We will also work across government to ensure there is seamless integration and access to data.

### **Financial management**

Overall, our financial position is sound. We will continue to operate in a financially responsible manner consistent with section 51 of the Crown Entities Act 2004.

We will ensure we manage any emerging cost pressures in our expenditure by:

- ensuring our investment in tertiary education organisations is in accordance with the Government's priorities or returned to the Crown
- focusing on the performance of our operating expenditure to ensure it provides the best value for money
- managing our operating baselines to ensure we can live within our means
- carrying reasonable depreciation, cash and balance sheet reserves to manage and improve the capability of our assets.

### **Managing risk**

To be successful we must identify and manage the internal and external risks that might affect delivering on the Government's priorities. We operate an effective risk-management and assurance system to identify, evaluate, mitigate and monitor risks to the organisation.

Our approach is consistent with the Joint Australian New Zealand International Standard for Risk Management (AS/NZS ISO 31000:2009). Governance and high-level management structures are in place to support the management of risks. These include the strategic risk review function of the Senior Management Team and the risk-management activities of the Audit and Risk Committee and the TEC's Board of Commissioners.

Our focus through to 2018 will be to continue to build the organisation's risk-management capability. We will improve the alignment of risk management with our core business. We will embed an organisational approach to identify and manage risks.

## Indicators of Success

Measure	2013/14 Actual	2014/15 Target	2015/16 Target	2016/17 Target	2017/18 Target	2018/19 Target
A stable and engaged workforce						
Core unplanned turnover	13.7%	16%	14%	14%	14%	14%
Level of staff engagement	66.7%	State Sector Benchmark or above				
Our staff have access to reliable information technology services and applications						
Availability of core ICT services and applications (excluding planned outages)	New Measure	98.5%	98.5%	98.5%	98.5%	98.5%
Tertiary education organisations have access to reliable information technology services and applications						
Availability of core ICT services and applications we provide for tertiary education organisations (excluding planned outages)	New Measure	98.5%	98.5%	98.5%	98.5%	98.5%



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