

Education (Proposed Investment Plans: Content and Submission; Assessment Criteria; and Plan Summaries) Notice 2021

Pursuant to section 424 and clauses 6 and 24, Schedule 18 of the Education and Training Act 2020 (“Act”), the Tertiary Education Commission (TEC) gives the following notice.

Title

This notice may be cited as the Education (Proposed Investment Plans: Content and Submission; Assessment Criteria; and Plan Summaries) Notice 2021.

Commencement

This notice applies from the date of its publication.

Application

This notice revokes and replaces the following notices:

- the Education (Proposed Investment Plans: Content and Submission; Assessment Criteria; and Plan Summaries) Notice 2020, published in the [New Zealand Gazette, 27 February 2020, Notice No.2020-au850](#).
- the Education (Proposed Investment Plans: Content and Submission; Assessment Criteria; and Plan Summaries) Notice 2020 for the New Zealand Institute of Skills and Technology, published in the [New Zealand Gazette, 30 June 2020, Notice No.2020-au2807](#).

Introduction

A number of the funding mechanisms determined by the Minister of Education under section 419 of the Act specify funding to be paid by the TEC to fund eligible tertiary education organisations (TEOs) via investment plans (“Plans”).

Therefore, to be eligible to access TEC funding under those funding mechanisms, all TEOs are required to submit a proposed Plan (unless the TEC has exempted a TEO from the requirement to submit a proposed Plan in accordance with clause 9, Schedule 18 of the Act) for TEC approval.

All proposed Plans should have a three-year planning horizon. The TEC may approve Plans for a period of one, two, or three years.

Previous allocation of TEC funding does not entitle a TEO to future funding at any level from the TEC.

Pursuant to the Act, the TEC gives public notice of the following:

1. Clause 6, Schedule 18:
 - a. the content of TEO’s proposed Plans (being the particular matters that proposed Plans must address or include in order to meet the requirements in clause 4, Schedule 18) – set out in Part 1A (Content) of this notice;
 - b. the kinds of background or supplementary information that the TEC requires a TEO to provide in relation to a proposed Plan – set out in Part 1B (Other additional information) of this notice; and
 - c. the timetable and process for the submission of proposed Plans to the TEC – set out in Part 1C (Process and timetable) of this notice.
2. Section 424: the criteria that the TEC will use to assess proposed Plans to determine if a TEO’s Plan will receive funding approval – set out in Part 2 (Criteria for assessing proposed Plans) of this notice.
3. Clause 24, Schedule 18: the matters that a TEO that has a Plan must include in its Plan summary – set out in Part 3 (Plan summary) of this notice.

The amount of detail in the proposed Plan will vary depending on the size and complexity of the TEO submitting the Plan. A TEO has the option of using the Investment Plan template to assist with developing the proposed Plan.

Part 1. Content of TEOs’ Proposed Plans

A. Content

Pursuant to clause 6(1)(a), Schedule 18 of the Act, the TEC gives public notice of the content of TEO’s proposed Plans (being the particular matters that proposed Plans must address or include in order to meet the requirements in clause 4, Schedule 18).

Mission and Role

Pursuant to clause 4(c), Schedule 18 of the Act, the TEO must describe its mission and role for the term of the proposed Plan. The TEO must specify its role within the overall network of provision and provide evidence of how it

will give effect to and honour Te Tiriti o Waitangi (“Te Tiriti”) during the term of the proposed Plan.

If the TEO is a tertiary education institution (TEI), it must provide evidence of how its Council acknowledges the principles of Te Tiriti in the performance of its functions and in the exercise of its powers.

A TEO’s proposed Plan must demonstrate that the TEO has developed a sustainable plan for fulfilling its specified mission and role through its programmes and activities.

Addressing the Needs of Stakeholders and Contribution to Government Priorities

Pursuant to clause 4(b), Schedule 18 of the Act, the TEO must describe how it will address the needs of interested persons or bodies (including, without limitation, learners enrolled with the TEO) (“key stakeholders”).

This must include a description of who its key stakeholders are, which may include:

- learners enrolled at the TEO or prospective learners (in particular those who are Māori or Pacific or those with a disability);
- employers, businesses, or industries relevant to the TEO’s areas of delivery;
- relevant Workforce Development Councils (WDCs) when established and Regional Skills Leadership Groups (RSLGs);
- Iwi, hapu and whānau; and
- relevant regions and communities, including those that support Māori and Pacific learners;
- how the TEO has identified and will respond to the needs of its key stakeholders in the community it serves; and
- how the TEO will report to its key stakeholders on progress towards meeting their needs.

Pursuant to clause 4(a), Schedule 18 of the Act, the TEO must describe in its proposed Plan how the TEO will give effect to the Government’s current and medium-term priorities described in the Tertiary Education Strategy (TES). The Plan must outline how the TEO intends to achieve each of the priorities specified in the TES, and what relevant actions will be undertaken over the Plan period. Proposed Plans must also respond to the priorities that the TEC sets in its Plan Guidance, Investment Briefs, and other strategic documents, in order to implement the TES.

Programmes and Activities

Pursuant to clause 4(d), Schedule 18 of the Act, the TEO must set out a description of all tertiary education programmes and activities (including, without limitation, programmes and initiatives that are to be undertaken by the TEO in order to build its capability) for which it is seeking funding, and specify the amount of funding that is being sought in relation to those programmes and activities.

Pursuant to clause 4(f), Schedule 18 of the Act, the TEO must also set out a description of all tertiary education programmes that it runs other than those for which it is seeking funding.

The description of programmes and activities must include information about:

- planned programmes and activities for which the TEO is seeking funding, including planned learner numbers by New Zealand Qualification Framework Level and the amount of funding sought in relation to those programmes and activities (this information must be provided via the Mix of Provision (MOP) templates which the TEC will provide to TEOs by 1 June 2021);
- a brief description of other programmes and activities not funded by the TEC (this information must be provided either via the MoP template or as part of a description of the Strategic Intent section of the TEO’s Plan);
- a brief description of significant programmes and activities undertaken through subsidiary bodies¹ including:
 - a description of the main activities undertaken by the subsidiary body;
 - the dollar value of the TEO’s investment in the subsidiary body;
 - a brief description of the governance and accountability arrangements in place; and
 - any key new activities the TEO is contemplating undertaking over the Plan period;
 - any subcontracting arrangements the TEO has, which must be specified in a Subcontracting Register provided by the TEC.

Outcomes and Measures

Pursuant to clause 4(e), Schedule 18 of the Act, the TEO’s proposed Plan must describe the TEO’s proposed outcomes (including, without limitation, in relation to the tertiary education programmes and activities for which funding is sought) and the performance indicators that the TEO will use to measure whether those outcomes have been achieved.

The TEO’s proposed performance commitments must be:

- designed and presented so that they give clear evidence about the quality of the activity being measured;

- relevant, so that they give meaningful information about the TEO’s progress toward its proposed outcomes;
- set at a level that represents a meaningful improvement on past performance, with reference to any minimum commitments (if applicable); and
- complete, so that they cover all significant programmes and activities the TEO intends to undertake, and all important dimensions of those activities.

The TEC will provide TEOs with information about any specific metrics they must use when specifying outcomes and performance indicators (performance commitments), and in some cases will specify minimum performance commitments for TEOs. TEOs should propose additional performance commitments as required.

Education Performance Indicator Commitments (EPIC) templates will be provided to TEOs to assist them to specify their performance commitments. This will include the need to set targets which will contribute to parity of participation and achievement for Māori and Pacific learners.

The TEC will also provide TEOs with a *Learner Success Plan* template to assist them to describe their approach to improving outcomes for all learners. All TEOs required to submit a new Plan and receiving more than \$5 million in funding are required to use this template as part of their Plan submission.

In line with the Act and our published expectations the proposed Plan must describe:

- how the TEO is responding to the priorities set by the TEC in its Plan Guidance, Investment Briefs, and other strategic documents;
- how the TEO has performed against the performance commitments it made in its last Plan, particularly those relating to Māori and Pacific learners (for TEOs that have previously received Plan funding);
- how the TEO has responded to data from the TEC about post-study outcomes, and about the TEO’s level of re-enrolments;
- the findings of any quality assurance reviews;
- any key changes the TEO is making that are likely to have a significant impact on its educational performance or other outcomes;
- the TEO’s educational and financial capability and performance, including:
 - if the TEO is a TEI or a transitional Industry Training Organisation (“transitional ITO”), whether it has received a satisfactory assessment on the TEC’s Financial Monitoring Framework; and
 - if the TEO is a private training establishment (PTE), whether it is meeting the TEC’s Prudential Financial Standards for PTEs;
- the TEO’s governance and management capability in forecasting, planning, and implementation, and (where applicable) providing supplementary information such as capital asset management reporting. This includes demonstration of governance and management commitment to improving outcomes for Māori and Pacific learners; and
- the TEO’s ability and commitment to work with other TEOs to build system responsiveness and sustainability, and pathways through the education system.

B. Other additional information

Additional Information About Financial Outlook

Pursuant to clause 6(1)(b), Schedule 18 of the Act, the TEC gives public notice of the kinds of background or supplementary information that it requires TEOs to provide in their proposed Plans. The TEC may require each TEO to provide additional information about its financial outlook to accompany its proposed Plan.

This includes forecast financial statements, capital asset management information (for TEIs), and any other information and explanations needed to fairly reflect the forecast financial operations and financial position of the TEO, e.g. information about subsidiaries for which the TEO has residual liability.

The TEC may use this additional information when assessing the potential of the TEO to meet its proposed performance commitments.

Additional Requirements for Tertiary Education Institutions

Pursuant to clause 6(2), Schedule 18 of the Act, the TEC requires that, in addition to meeting the requirements set out in Part 1A of this notice, a TEI’s proposed Plan must:

- reflect the TEI subsector outcomes frameworks agreed with the TEC;
- align with the TEI’s other strategic planning and reporting documents, including its Statement of Service

Performance, strategic plan, and Annual Report;

- explain how the TEI will manage its capital assets to support its mission and role over the period of the proposed Plan (including any new significant capital initiatives); and
- include a forecast Statement of Service Performance to enable the TEI to report in its Annual Report on its performance as compared to its proposed outcomes described in its proposed Plan.ⁱⁱ The forecast Statement of Service Performance must:
 - be prepared in accordance with Generally Accepted Accounting Practice, including reporting costs summarised by key output classes/areas;
 - reflect the full scope of the TEI's activities;
 - focus on the outputs/services of the TEI; and
 - include measures and evidence about the quality of these outputs/services.

Additional Requirements for TEOs Delivering Apprenticeships

Pursuant to section 376(1) of the Act, a TEO that seeks funding for apprenticeship training activities (as defined in section 376(2) of the Act) via a Plan must specify in its proposed Plan how it intends to carry out each of those activities.

C. Process and Timetable

Pursuant to clause 6(1)(c), Schedule 18 of the Act, the TEC gives public notice of the timetables and process for the submission of proposed Plans to the TEC.

The main submission deadline is:

- proposed Plans to be submitted by 9 July 2021.

Activity	Timing
TEC releases Plan Guidance	December 2020
TEC updates Investment Toolkit material and Plan engagement begins	By March 2021
TEC publishes notices in the New Zealand Gazette setting out requirements for Plan content, timetable, assessment, and Plan summaries (this notice)	By March 2021
TEOs submit Summary of Plan Shifts (TEOs receiving more than \$5m)	30 April 2021
Government announces Budget	May 2021
TEC releases Supplementary Plan Guidance to reflect any policy or Budget changes (as required)	June 2021
TEC provides indicative allocations, and releases MoP and EPIC templates	By 1 June 2021
TEOs submit proposed Plans, including MoP, EPIC, Learner Success and Additional Funding templates	9 July 2021
TEC reviews proposed Plans and has further discussion with TEOs as needed	July - October 2021
TEOs notified of decisions via Plan funding approval letter	From late October 2021
First payments made against Plans; Plan delivery begins	January 2022

Part 2. Criteria for Assessing Proposed Plans

Pursuant to section 424(1) of the Act, the TEC gives public notice of the criteria it will use to assess proposed Plans to determine if they will receive funding approval.

The criteria below enable the TEC to assess the extent to which the TEO's proposed Plan will contribute to achieving Government priorities (outlined in the TES, Plan Guidance, Investment Briefs, and other strategic documents), learner success outcomes, and address regional and national need, as well as the TEO's capability to deliver on its proposed Plan.

When assessing proposed Plans against the criteria, the TEC will take a holistic approach and may use a range of evidence, including, without limitation:

- the information contained in a proposed Plan;
- the TEC's engagement and monitoring information (including funding, past delivery and performance, organisational, and financial data);
- TEO Annual Reports and strategic plans;
- quality assurance bodies' information and reports;
- Plan engagement (where applicable);
- both national and regional demographic and economic data; and
- information about the post-study outcomes of learners.

The TEC will assess each proposed Plan using the following criteria:

Mission and Role

Whether, and to what extent, the proposed Plan gives the TEC confidence that the TEO's proposed mission and role:

- is appropriate and achievable given the TEO's past performance and delivery levels, and reflects effective governance and planning;
- sets an educationally and financially sustainable path for the TEO; and
- for TEIs, will enable the organisation to give effect to Te Tiriti.

Addressing the Needs of Key Stakeholders and Giving Effect to Government Priorities

Whether, and to what extent, the proposed Plan gives the TEC confidence that the TEO:

- has consulted with, and will meet the needs, of its key stakeholders and (where relevant) its region;
- will meaningfully report its progress to key stakeholders;
- by successfully delivering its proposed Plan, including its planned provision and performance commitments, will contribute to the achievement of the Government's priorities, including the objectives and priorities described in the TES; and
- has responded to the priorities that the TEC sets in its Plan Guidance, Investment Briefs, and other strategic documents in order to implement the TES.

Programmes and Activities

Whether, and to what extent, the proposed Plan gives the TEC confidence that:

- successful delivery of the programmes and activities proposed by the TEO (including any Mixes of Provision and a capital asset plan, where applicable) is likely given past delivery levels and will support the goals set out in the TEO's proposed Plan;
- the programmes and activities proposed by the TEO are consistent with regional and national tertiary education needs.

Outcomes and Measures

Whether, and to what extent, the TEC is confident that the performance commitments proposed in the TEO's Plan are:

- relevant, complete, and provide information about all significant programmes and activities the TEO intends to undertake and how it will measure its performance against its proposed outcomes; and
- achievable and a meaningful improvement on the TEO's past performance (with reference to the minimum commitments, where applicable), particularly with respect to outcomes for priority learner groups.

Special Requirements for Tertiary Education Institutions

Pursuant to section 424(3) of the Act, for **TEIs only**, the TEC will assess whether the TEI meets the expectations expressed in this notice regarding the inclusion of a forecast Statement of Service Performance in its proposed Plan.

Special Requirements for Transitional Industry Training Organisations

Pursuant to clause 48(2)(c), Schedule 1 of the Act, for transitional ITOs, when assessing the proposed Plan the TEC will also consider:

- the amount of training to which the transitional ITO's proposed Plan relates, and the likely number of trainees to be trained in accordance with it;
- the desirability of introducing into the transitional ITO's industry (or the organisations' industries) skills (whether new skills or enhanced existing skills) likely to increase its (or their) international competitiveness;
- the desirability of extending industry training to industries, or areas of any industry (or industries), where industry training linked to nationally recognised qualifications has not traditionally been available; and
- the desirability of extending industry training to people to whom industry training linked to nationally recognised qualifications has not traditionally been available (whether within any industry or industries, or generally).

Part 3. Plan Summary

Pursuant to clause 24(1), Schedule 18 of the Act, the TEC gives public notice of the matters that a TEO must include in a Plan summary.

NEW ZEALAND GAZETTE

A TEO must include in its Plan summary all the material described in Part 1 of this notice.

TEIs must also include in their Plan summary their forecast Statement of Service Performance.

Nothing in this notice requires a TEO to include in its Plan summary information that would:

- disclose a trade secret;
- be likely to unreasonably prejudice the commercial position of the TEO; or
- prejudice or disadvantage the commercial activities of the TEO.

As required by clause 24(2), Schedule 18 of the Act, the TEO's Plan summary must be available for inspection by the public and copies of the TEO's Plan summary made available to the public, either at no cost or no more than a reasonable cost.

Dated at Wellington this 26th day of February 2021.

TIM FOWLER, Chief Executive, Tertiary Education Commission.

Notes

[i](#) These include all subsidiaries, trusts, or in-substance subsidiaries. They must cover all entities included in the TEO's consolidated group reporting in its most recent Annual Report.

[ii](#) Refer to sections 306(4) and (5) of the Act and section 156 of the Crown Entities Act 2004.

2021-au627

26-02-2021 16:00
