

## Education (Proposed Investment Plans: Content and Submission; Assessment Criteria; and Plan Summaries) Notice 2022

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 2022.

### Commencement

This notice applies from the date of its publication.

### Application

This notice revokes and replaces the following notice:

- the Education (Proposed Investment Plans: Content and Submission; Assessment Criteria; and Plan Summaries) Notice 2021, published in the [New Zealand Gazette, 26 February 2021, Notice No. 2021-au627](#).

### 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”).

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 TEOs’ 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 Strategic Intent and Learner Success Plan template to assist with developing the proposed Plan or using the headings from the provided templates when creating its own document.

### 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, Pacific, disabled, neurodiverse, and from low income or low prior achievement backgrounds);
- employers, communities, businesses, or industries relevant to the TEO's areas of delivery;
- relevant Workforce Development Councils (WDCs) and Regional Skills Leadership Groups (RSLGs);
- Iwi, hapu and whānau; and
- relevant regions and communities, including those that support Māori and Pacific learners.

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 Tertiary Education Strategy (TES).

### ***Responses to the Tertiary Education Strategy***

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 TES. The Plan must outline how the TEO intends to achieve the priorities specified in the TES, and what relevant actions will be undertaken over the Plan period in line with the direction provided in Plan Guidance.

### ***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 2022);
- a brief description of other programmes and activities not funded by the TEC (this information must be provided either via the MoP templates or as part of a description of the Strategic Intent section of the TEO's Plan);
- details of any programme(s) that a TEO proposes to deliver for people in Corrections' Care including proposed delivery site(s) and method of delivery (this information must be included via the MoP template);
- a brief description of significant programmes and activities undertaken through subsidiary bodies<sup>i</sup> including:
  - a description of the main activities undertaken by each subsidiary body;
  - the dollar value of the TEO's investment in each 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.

## **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 any 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.

For a private training establishment (PTE) the TEC will require information to determine whether it is meeting the TEC's Prudential Financial Standards for PTEs.

The TEC may use this additional information when assessing the potential of the TEO to meet its proposed 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 any TEI 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;
- include forecast financial statements;
- 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.<sup>ii</sup> 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.

### ***Learner Success Plans***

The TEC will provide TEOs with a *Learner Success Plan* (LSP) template as a section within the Strategic Intent and Learner Success Plan Template to assist them to describe their approach to improving outcomes for all learners (and in particular, learners who are under-served). Any TEO that is required to submit a Strategic Intent must submit an LSP.

### ***Disability Action Plans***

The TEC has made *Disability Action Plan (DAP) Guidance* available on the TEC website to support TEOs in their DAP development. The Guidance assists TEOs to describe their approach to improving outcomes for disabled learners. A TEO's DAP must include the following components:

- clear evidence of use of the Kia Ōrite toolkit (toolkit to support best practice for disabled learners); and the best practice standards described therein;

- allocation of responsibility, evaluation strategies, an inclusion of goals and targets; and
- communication of policies and programmes.

Disability action plans must be completed by:

- all TEOs required to submit a new Plan and receiving more than \$5 million (this threshold is based on a TEOs' final on-plan funding allocation for 2022 as confirmed by TEC in writing late 2021)

### ***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.

### ***Additional Requirements for Te Pūkenga***

Te Pūkenga must also demonstrate how the Plan submitted aligns with its charter as set out in Schedule 13 of the Act. For the Strategic component of the Unified Funding System (UFS), Te Pūkenga must include a section in its Plan that sets out:

- proposed innovative projects and initiatives, and demonstrate how those projects and initiatives will respond to national and regional priorities for vocational education defined by TEC;
- how Te Pūkenga will ensure that the national network of provision and vocational education provision available in each region meets the needs of learners, industries and communities; and
- how Te Pūkenga will develop and maintain programmes, with a particular focus on supporting extramural programme development, in order to improve the innovation and relevance of delivery.

## **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 TEC can decide not to accept a Plan that it receives after the relevant dates specified in the timetable below.

The main submission deadline is:

- proposed Plans to be submitted by all TEOs by 8 July 2022.

<b>Activity</b>	<b>Timing</b>
TEC releases Plan Guidance and Plan engagement begins	By March 2022
TEC publishes notices in the <i>New Zealand Gazette</i> setting out requirements for Plan content, timetable, assessment, and Plan summaries (this notice)	By March 2022
Government announces Budget	May 2022
TEC releases Supplementary Plan Guidance to reflect any policy or Budget changes (as required)	June 2022
TEC provides indicative allocations, and releases Mix of Provision (MoP) and Educational Performance Indicator Commitment (EPIC) templates	By 1 June 2022
TEOs submit proposed Plans, including MoP, EPIC, Learner Success Plans, Disability Action Plans and Additional Funding templates	8 July 2022
TEC reviews proposed Plans and has further discussion with TEOs as needed	July – October 2022
TEC notifies TEOs of funding decisions in writing	From November 2022
First payments made against Plans; Plan delivery begins	January 2023

## **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:

- previous funding allocations,
- past delivery; including under delivery and over delivery (above 105% where relevant),
- performance,
- organisational and financial data,
- 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:

- provides an overview of the TEO's role in the tertiary education sector, including details about the types of learners, specialisations and industries, and research intensity;
- provides evidence of strong governance, management, and academic leadership capability;
- provides evidence that the TEO will continue to improve performance, especially for under-served learners; and
- will give effect to and honour 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 its region, such as learner groups, community groups, disability groups, iwi/Māori organisations and Pacific community groups;
- where applicable, has consulted with the relevant Workforce Development Councils (WDCs) and Regional Skills Leadership Groups (RSLGs);
- 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.

***Learner Success Plans***

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

- sets out the TEO's vision for learner success;
- demonstrates an understanding of current issues and problems that result in poor outcomes for learners, or a commitment to build a better understanding;
- demonstrates commitment to improving outcomes for all learners, in particular learners who are under-served; and
- sets out a plan to implement a learner success approach, and demonstrates clear linkages to the TEC's Learner Success Framework.

The LSP is a critical component of TEC's assessment of a TEO's performance in relation to the TES, Plan Guidance, Investment Briefs, and other strategic documents.

***Disability Action Plan***

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

- is consistent with best practice standards as described in Kia Ōrite toolkit;
- provides for evaluation strategies and appropriate allocation of responsibility; and
- provides for communication of policies and programmes, goals and targets to support disabled learners.

### ***Programmes and Activities***

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

- the programmes and activities will support the success of all learners, and in particular learners who have been traditionally under-served learners (including Māori learners, Pacific learners, disabled learners, neurodiverse learners, or learners who have a low income, or learners with low prior achievement backgrounds );
- 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; and
- the programmes and activities proposed by the TEO are consistent with the priorities identified by the WDCs and RSLGs regarding 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 Te Pūkenga***

Pursuant to section 424(3) of the Act, for Te Pūkenga only, the TEC will assess whether Te Pūkenga's Plan aligns with its charter as set out in Schedule 13 of the Act.

In addition to the requirements above, for the Strategic component of the UFS section of Te Pūkenga's Plan, the TEC will assess whether, and the extent to which:

- Te Pūkenga's Plan includes proposed innovative projects and initiatives, and demonstrates how those projects and initiatives will respond to national and regional priorities for vocational education defined by TEC;
- Te Pūkenga will ensure that the national network of provision and vocational education provision available in each region meets the needs of learners, industries and communities; and
- Te Pūkenga will develop and maintain programmes with particular focus on supporting extramural programme development.

## **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.

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 25th day of February 2022.

TIM FOWLER, Chief Executive, Tertiary Education Commission.

### ***Notes***

1. 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.

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

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