

Education (Proposed Investment Plans: Content and Submission; Assessment Criteria; and Plan Summaries) Notice 2023

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 2023.

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 2022, published in the [New Zealand Gazette, 25 February 2022, Notice No. 2022-sl624](#).

Introduction

Several 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 1 (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 – also set out in Part 1 of this notice; and
 - c. the timetable and process for the submission of proposed Plans to the TEC – set out in Part 2 (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 3 (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 4 (Plan summary) of this notice.

The amount of detail in the proposed Plan will vary depending on the size, type 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 of all TEOs’ Proposed Plans

Pursuant to clause 6(1)(a), Schedule 18 of the Act, the TEC gives public notice of 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).

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.

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

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”).

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. Proposed Plans must respond to the priorities that the TEC sets in its Plan Guidance, Investment Briefs, and other strategic documents, to implement the Tertiary Education Strategy (TES).

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.

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 Qualifications and Credentials 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 8 June 2023);
- where there are significant changes to the mix of programmes and activities being proposed we expect an explanatory narrative to be included. This must include explanations where provision moves away from higher priority provision;
- 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 bodies¹ 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 past 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 must propose additional performance commitments if 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 achieving parity of participation and achievement for Māori and Pacific learners.

Performance Issues

Any TEO that has received a Category 3 or 4 assessment through EER will need to include a specific narrative in the Strategic Intent section of its plan that responds to the issues raised in the EER report.

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.

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

B. Content Requirements Specific to Private Training Establishments

Financial Requirements

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.

PTE Learner Success Plans

The TEC will provide a *Learner Success Plan* (LSP) template as a section within the Strategic Intent template to assist TEOs’ approach to improving outcomes for all learners (and in particular, learners who are under-served including Māori learners, Pacific learners, disabled learners, neurodiverse learners, or learners who have a low income, or learners with low prior achievement backgrounds). LSPs must be provided by:

- all PTEs required to submit a new Plan and receiving more than \$5 million in funding (this threshold is based on the final on-plan funding allocation for 2023 as confirmed by TEC in writing late 2022).

PTE Disability Action Plans

Disability action plans (DAPs) must be provided by:

- all PTEs required to submit a new Plan and receiving more than \$5 million (this threshold is based on the final on-plan funding allocation for 2023 as confirmed by TEC in writing late 2022).

The TEC has made *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.

C. Content Requirements Specific to 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 tertiary education institution’s (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.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
- 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.

TEI Learner Success and Disability Action Plans

All TEIs must have a Learner Success Plan (LSP) and a Disability Action Plan (DAP). The LSP and DAP must:

- be approved by the TEI's Council; and
- include a roadmap of tangible goals and milestones; and
- report on progress against previous LSPs and DAPs.
- LSPs must detail the TEIs' approach to improving outcomes for all learners (and in particular, learners who are under-served including Māori learners, Pacific learners, disabled learners, neurodiverse learners, or learners who have a low income, or learners with low prior achievement backgrounds).
- A TEI'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.

A LSP or DAP must be submitted to the TEC as part of a TEI's Investment Plan whenever a new Plan is required (unless the TEC has exempted a TEI from the requirement to submit a LSP or DAP). Each TEI must report against its LSP and DAP in line with its funding conditions.

If the TEC determines that a TEI's LSP or DAP is incomplete or inadequate, the TEC may request that the TEI resubmit a LSP or DAP outside of the Plan cycle.

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 that respond to national and regional skills priorities for vocational education defined by the TEC;
- how Te Pūkenga will realise and ensure a sustainable national network of provision;
- how Te Pūkenga will develop and maintain programmes with a particular focus on supporting extramural programme development;
- the intended outcomes of Strategic component funding along with a plan for achieving these outcomes; and
- how this funding will be used to meet its Charter obligations.

Additional Requirements for Wānanga

For the Strategic component of the Unified Funding System (UFS), each wānanga must include a section in its Plan that sets out:

- how it will develop and maintain programmes with a particular focus on supporting extramural programme development; and
- the intended outcomes of Strategic component funding along with a plan for achieving these outcomes.

Part 2. Process and Timetable

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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 7 July 2023.

Activity	Timing
TEC releases Plan Guidance and Plan engagement begins	By March 2023
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 2023
Government announces Budget	May 2023
TEC releases Supplementary Plan Guidance to reflect any policy or Budget changes (as required)	June 2023
TEC provides indicative allocations	By 1 June 2023
TEC releases Mix of Provision (MoP) and Educational Performance Indicator Commitment (EPIC) templates	By 8 June 2023
TEOs submit proposed Plans, including MoP, EPIC, Learner Success Plans, Disability Action Plans and Additional Funding templates	By 7 July 2023
TEC reviews proposed Plans and has further discussion with TEOs as needed	July - October 2023
TEC notifies TEOs of funding decisions in writing	From November 2023
First payments made against Plans; Plan delivery begins	January 2024

Part 3. 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 needs, 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),
 - achievement against previous learner success plans and disability action plans (where applicable),
 - organisational and financial data,
 - other indicators of performance,
- quality assurance bodies' information and reports;
- Plan engagement (where applicable);
- national and regional demographic and economic data
- information about the post-study outcomes of learners
- TEOs' annual reports and strategic plans.

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 o Waitangi.

Responses to the Tertiary Education Strategy

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

- 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.

Addressing the Needs of Key Stakeholders

Whether, and to what extent, the proposed Plan identifies an appropriate range of stakeholders 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 Pacific, and disabled learners.

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, and will meaningfully report its progress to key stakeholders
- has prepared its Plan in consultation with its stakeholders.

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 (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 published in Plan Guidance and Supplementary Plan Guidance including those identified by the WDCs and RSLGs.

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.

Performance Issues

If a TEO's Plan is required to include a narrative about issues raised in its EER reports, the TEC will consider whether, and to what extent, that narrative provides a robust plan to address identified issues and gives the TEC confidence that learners will be appropriately supported.

Learner Success Plans

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

- demonstrates clear linkages to the TEC's Learner Success Framework and seven key capabilities of the Learner Success Operating Model;
- shows an understanding of current issues and problems that are resulting in poor outcomes for all learners; and
- provides a coherent roadmap for how the learner success approach will be implemented for the next 3-5 years.

This should include deliverables, timeframes, resourcing, performance measures, and progress against any previous LSPs.

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

Disability Action Plans

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.

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.

Whether, and to what extent, Te Pūkenga's proposed Plan gives the TEC confidence that the planned activities align with all elements of the charter as set out in Schedule 13 of the Act.

For the Strategic component of the Unified Funding System, the TEC will assess whether, and to what extent, the proposed Plan gives the TEC confidence that:

- the proposed innovative projects and initiatives demonstrate a response to national and regional skills priorities for vocational education defined by TEC, and includes supporting evidence of implementation planning and clear outcomes;
- Te Pūkenga's proposed approach supports a national network of provision and vocational education provision available in each region that meets the needs of learners, industries, and communities;
- the proposed development and maintenance of programmes will improve the innovation and relevance of delivery;
- there are clearly articulated outcomes, which reflect the objectives of the Reform of Vocational Education, and that there is a feasible plan to achieve those outcomes; and
- Te Pūkenga has a detailed plan of how it will use the funding to meet its Charter obligations.

Additional Requirements for Wānanga

For the Strategic component of the Unified Funding System (UFS), the TEC will assess whether, and to what extent, the proposed Plan gives the TEC confidence that:

- the proposed development and maintenance of programmes will improve the innovation and relevance of delivery; and
- there are clearly articulated outcomes, which reflect the objectives of the Reform of Vocational Education, and that there is a feasible plan to achieve those outcomes.

Part 4. 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

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reasonable cost.

Dated at Wellington this 28th day of February 2023.

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.

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