

Education (Proposed Investment Plans: Content and Submission; Assessment Criteria; and Plan Summaries) Notice 2024

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 2024.

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 2023, published in the [New Zealand Gazette, 28 February 2023, Notice No. 2023-sl689](#).

Introduction

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

1. Under clause 6, Schedule 18 of the Act:
 - 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. Under section 424 of the Act: 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. Under clause 24, Schedule 18 of the Act: 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.

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.

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 can use the Strategic Intent and Learner Success Plan templates to assist with developing the proposed Plan, or use the headings from the provided templates when creating its own document.

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

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.

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.

The TEO must provide evidence of how it will give effect to and honour Te Tiriti o Waitangi (“Te Tiriti”) during the term of the proposed Plan.

Responses to the Tertiary Education Strategy and Plan Guidance priorities

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). Proposed Plans must respond to the priorities that the TEC sets in its Plan Guidance and other strategic documents, to implement the TES.

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”). The TEO must include information about:

- who the TEO’s stakeholders are;
- what the stakeholders need from and expect of the TEO;
- what consultation has occurred with stakeholders about the proposed Plan, and the extent and nature of that consultation; and
- how the TEO will respond to those stakeholders’ needs and expectations.

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 10 June 2024);
- for TEIs providing higher education, a narrative description of their regional breakdown of provision, including if they intend to change where provision is available (including starting delivery in a new region or closing programmes in a particular region);
- explanations of significant changes to the mix of programmes and activities being proposed. If it is proposed that provision move away from higher priority provision and/or into different geographic regions, the TEO must include explanations for each such proposal;
- 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 in the Strategic Intent section of the TEO’s Plan);
- details of any programme(s) that the TEO proposes to deliver for people in the care of the Department of Corrections, 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^[1] 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 outcomes and performance indicators (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 proposed outcomes, measures and 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.

TEC will provide TEOs with information about any specific metrics they must use when specifying performance commitments, and in some cases will specify minimum performance commitments for TEOs. TEOs must propose additional performance commitments if required.

TEC will provide Educational Performance Indicator Commitments ("EPICs") templates 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 External Evaluation and Review ("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.

If the TEC determines that a TEO's educational performance is of concern, TEC may request that the TEO submit a Performance Improvement Plan.

Additional information about financial outlook

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

Information about financial outlook 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.

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

Learner Success Plans

Pursuant to clause 6(1)(b), Schedule 18 of the Act, each TEO that receiving \$5 million or more in funding from TEC (based on the final on-Plan funding allocation for 2024) is required to provide a Learner Success Plan ("LSP") to accompany its proposed Plan. TEC's assessment of a TEO's LSP will inform TEC's investment decisions.

The LSP must:

- be approved by the TEO's Council or Board;
- detail the TEO's 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 with low prior achievement backgrounds); and
- include a roadmap of tangible goals and milestones.

Each TEO must report against its LSP as required by its funding conditions.

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

Requirements for TEOs that do not have a current LSP

TEOs receiving \$5 million or more in funding from TEC (based on the final on-Plan funding allocation for 2024) who do not have a current LSP must provide a new LSP with their Plan. These LSPs will be assessed to inform investment decisions.

TEOs who for the first time are applying to receive \$5 million or more in on-Plan funding must provide a new LSP with their Plan. These LSPs will be assessed to inform investment decisions.

Requirements for TEOs that have a current LSP

TEOs that have a current LSP and are required to submit a full Plan must provide an update on progress against their LSP. TEC will review this to ensure progress is being made, and this review will inform investment decisions.

Disability Action Plans

TEOs receiving \$5 million or more in funding from TEC (based on the final on-Plan funding allocation for 2024) are required to have and publish a Disability Action Plan (DAP).

A TEO's DAP must include the following components:

- clear evidence of use of the Kia Ōrite toolkit (the 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.

Each TEO must report against its DAP in line with its funding conditions.

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

Requirements for TEOs without a published DAP

TEOs that have not yet finalised and published their DAP must submit their full DAP with their Plan. These DAPs will be assessed to inform investment decisions.

Requirements for TEOs with a published DAP

TEOs that have completed and published a DAP and are required to submit a full Plan must include in that Plan a link to the published DAP, and an update on progress against that DAP. TEC will review this to ensure progress is being made, and this review will inform investment decisions.

B. Content requirements specific to different organisations

Additional requirements for private training establishments

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.

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 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);
- 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.^{[fiii](#)} 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; and
- 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.

Additional requirements for Te Pūkenga

Te Pūkenga must demonstrate how the Plan submitted aligns with its charter as set out in Schedule 13 of the Act. Where appropriate, it should also include details on regional decision making about delivery and operations that support regional needs.

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.

Part 2. 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

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dates specified in the timetable below.

The key deadline is all proposed Plans are submitted by 5 July 2024.

| Activity | Timing |
|---|----------------------|
| TEC releases Plan Guidance and Plan engagement begins | End of February 2024 |
| TEC publishes notices in the <i>New Zealand Gazette</i> setting out requirements for Plan content, timetable, assessment, and Plan summaries (this notice) | End of February 2024 |
| Government announces Budget | May 2024 |
| TEC provides indicative allocations | By 4 June 2024 |
| TEC releases Mix of Provision (MoP) and Educational Performance Indicator Commitment (EPIC) templates | By 10 June 2024 |
| TEC releases Supplementary Plan Guidance to reflect any policy or Budget changes (as required) | June 2024 |
| TEOs submit proposed Plans, including MoPs, EPICs, and if required Strategic Intent, Learner Success Plans, Disability Action Plans and Additional Funding Requests | By 5 July 2024 |
| TEC reviews proposed Plans and has further discussion with providers as needed | July - October 2024 |
| TEC notifies TEOs of funding decisions in writing | From November 2024 |
| First payments made against Plans; Plan delivery begins | January 2025 |

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, 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,
 - educational performance indicators,
 - 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; and
- TEOs' previous Plans, commitments and progress against Plans or commitments.

The TEC also considers other factors in its investment decisions which may be outside of the TEC's and/or TEOs' control, such as (but not limited to) available funding, merit relative to other proposed Plans, and skills needs.

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 (including if the TEO has proactively made changes to its governance and leadership);
- provides evidence that the TEO will continue to improve performance, especially for under-served learners;
- will give effect to and honour Te Tiriti o Waitangi; and
- contributes meaningfully to the network of provision, including at a regional level.

Responses to the Tertiary Education Strategy and Plan Guidance priorities

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 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, or who have low prior achievement);
- employers, communities, businesses, or industries relevant to the TEO's areas of delivery;
- relevant Workforce Development Councils ("WDCs") or other relevant industry or professional bodies;
- Iwi, hapu and whānau; and
- relevant regions and communities, including those that support Māori learners, Pacific learners, disabled learners, neurodiverse learners, or learners with low prior achievement backgrounds.

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; and
- has prepared its Plan in consultation with its stakeholders.

Programmes and activities

Whether, and to what extent, the proposed Plan and the TEO's past delivery and performance 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 with low prior achievement backgrounds);
- successful delivery of the programmes and activities proposed by the TEO (including any MoPs and a capital asset plan, where applicable) is likely and will support the goals set out in the TEO's proposed Plan; and
- the programmes and activities proposed by the TEO, including any significant changes to these, are consistent with the priorities published in Plan Guidance and Supplementary Plan Guidance including those identified by the WDCs.

Whether and to what extent the TEC has confidence that any significant changes to the mix of provision are reasonable, consistent with the TEO's mission and role, and where applicable, make a meaningful contribution to the network of provision.

For TEIs in relation to higher education, whether and to what extent the proposed Plan describes the regional breakdown of provision and any proposed changes to the regional breakdown.

The extent to which a TEO that seeks funding for apprenticeship training activities (as defined in section 376(2) of the Act) via a Plan has specified in its proposed Plan how it intends to carry out each of those activities.

Outcomes and measures

Whether, and to what extent, the outcomes and performance commitments proposed in the TEO's Plan and the TEO's past performance, give the TEC confidence that the performance commitments 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 under-served learner groups.

Performance issues

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

Learner Success Plans

Criteria for TEOs submitting a new LSP

Whether, and to what extent, the proposed LSP demonstrates:

- a clear commitment by the TEO's governance and management to implementing the LSP;
- a whole of organisation approach;
- a clear alignment to Learner Success Framework; and
- a well-defined implementation approach (including outcomes, measures and reporting).

Criteria for TEOs submitting a significant update on progress against its LSP

Whether and to what extent the progress update demonstrates:

- satisfactory progress against the LSP (including what has been achieved);
- lessons learnt (including what has worked and what has not); and
- next steps (including any changes to the LSP as necessary).

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

Disability Action Plans

Criteria for TEOs without a published DAP

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

- is consistent with best practice standards as described in the 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.

Criteria for TEOs with a published DAP

Whether the TEO's Plan includes a link to its published DAP and progress update(s), and whether the update demonstrates satisfactory progress against the DAP.

Additional criterion for tertiary education institutions

Pursuant to section 424(3) of the Act, for TEIs only, 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.

Additional criteria for Te Pūkenga

Pursuant to section 424(3) of the Act, for Te Pūkenga only, TEC will assess whether, and to what extent, Te Pūkenga's proposed Plan gives the TEC confidence that the planned activities align with all elements of its charter as set out in Schedule 13 of the Act.

Where appropriate, TEC will assess whether and to what extent details on regional decision making about delivery and operations that support regional needs are included.

Additional criterion for wānanga

Pursuant to section 424(2) of the Act, for wānanga, TEC will assess how the activities of the wānanga (other than those activities that contribute towards the Government's priorities set out in the TES) support the functions and purposes of the wānanga.

Part 4. Plan summary

Pursuant to clause 24(1), Schedule 18 of the Act, 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.

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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 29th day of February 2024.

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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