

Tertiary Education Report: Te Pūkenga's draft Statement of Performance Expectations 2023

Date:	14 November 2022	TEC priority:	High
Security level:	In Confidence	Report no:	B-22-00720
		Minister's office No:	

ACTION SOUGHT		
	Action sought	Deadline
Hon Chris Hipkins Minister of Education	<p>note Te Pūkenga's draft statement of performance expectations for 2023 was received by your office on 1 November 2022 and you are required to respond with 15 working days.</p> <p>agree to sign and send the attached draft letter to the Chair that provides feedback on Te Pūkenga's draft statement of performance expectations for 2023.</p>	By 22 November 2022
Enclosure: Yes	Round Robin: No	

CONTACT FOR TELEPHONE DISCUSSION (IF REQUIRED)				
Name	Position	Telephone		1st contact
9(2)(a) [REDACTED]	Principal Advisor	9(2)(a) [REDACTED]	[REDACTED]	✓
Gillian Dudgeon	Deputy Chief Executive – Delivery	9(2)(a) [REDACTED]	[REDACTED]	

THE FOLLOWING DEPARTMENTS/AGENCIES HAVE SEEN THIS REPORT

- DPMC
 MPI
 ENZ
 ERO
 MBIE
 MoE
 MFAT
 MPP
 MSD
 NZQA
 NZTE
 TEC
 TPK
 Treasury

Minister's Office to Complete:	<input type="checkbox"/> Approved <input type="checkbox"/> Declined <input type="checkbox"/> Noted <input type="checkbox"/> Needs change <input type="checkbox"/> Seen <input type="checkbox"/> Overtaken by Events <input type="checkbox"/> See Minister's Notes <input type="checkbox"/> Withdrawn
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Comments:

Recommendations

Hon Chris Hipkins, Minister of Education

It is recommended that you:

1. **note** that Te Pūkenga submitted its draft Statement of Performance Expectations (SPE) to you on 1 November for consideration, as required by the Crown Entities Act 2004.
2. **note** that the Crown Entities Act 2004 requires you to respond to the draft SPE within 15 working days, which is 22 November 2022.
3. **agree** to sign and send the attached draft letter to the Chair that provides feedback on Te Pūkenga's SPE.

AGREE / DISAGREE

4. **agree** that the Tertiary Education Commission proactively release this briefing in full once the SPE has been finalised and published.

AGREE / DISAGREE



Gillian Dudgeon

Deputy Chief Executive, Delivery
Tertiary Education Commission

14 November 2022



Hon Chris Hipkins

Minister of Education

23 / 11 / 22

Purpose

1. This briefing seeks your agreement to send the attached draft letter to the Chair of Te Pūkenga's Council, Murray Strong, in response to the submission of Te Pūkenga's draft Statement of Performance Expectations (SPE) for 2023 to you.

Background

Te Pūkenga must produce an SPE on an annual basis...

2. Te Pūkenga is subject to provisions of the Crown Entities Act 2004 (the Act) that do not apply to other tertiary education institutions. In particular, section 149C sets out the obligation for Te Pūkenga to prepare an SPE for the upcoming financial year.
3. Section 149B of the Act sets out the purpose of a SPE, which is to:
 - a. enable the responsible Minister to participate in the process of setting annual performance expectations
 - b. enable the House of Representatives to be informed of those expectations
 - c. provide a base against which actual performance can be assessed
4. Section 149E of the Act sets out the contents of an SPE. An SPE must include a concise explanation of what each reportable class of outputs is intended to achieve and explain how the performance of each reportable class of outputs will be assessed. Each SPE must contain forecast financial statements for the upcoming financial year.

...and it is required to submit a draft SPE to you for consideration

5. The process and timeline for providing the SPE to you is set out in 149I of the Act. Te Pūkenga must submit its draft SPE to you no later than two months before the start of the next financial year. Te Pūkenga met this timeline by submitting its draft SPE for 2023 on 1 November 2022.
6. As Minister, you must provide comments (if any) back to Te Pūkenga no later than 15 days after receiving the draft SPE. To meet this statutory requirement, you must provide any feedback to Te Pūkenga by 22 November 2022.
7. The Council must then consider any feedback you provide before finalising the SPE as soon as practicable but before the beginning of the financial year.

Te Pūkenga has developed a much improved SPE

8. We consider that Te Pūkenga has developed a much higher quality SPE compared to its previous versions for 2021 and 2022. We consider these documents to largely be fit-for-purpose in setting out performance expectations. However, we have a small number of recommendations for improvement, which we have outlined in the attached draft letter from you to Te Pūkenga. There are also some minor wording and presentation changes that the TEC plans to engage with Te Pūkenga directly on.
9. As you may be aware, Te Pūkenga is currently finalising its Outcomes Framework. It is due to be considered by Te Pūkenga's Council at its next meeting in late November. Te Pūkenga note that following the finalisation of its Outcomes Framework, it will use it to inform the development of a new Organisational Strategy, which will more clearly inform a full redevelopment of the SPE and its Statement of Intent (SOI) for 2024 and beyond. As a result, we expect further improvement in the quality of the SPE and SOI for 2024.

Next steps

10. If you agree with the proposed feedback in the draft letter, please sign and send the letter to Murray Strong, Chair of Te Pūkenga.
11. A finalised version of the SPE will be provided to you by Te Pūkenga before the end of 2022. This will allow you to table the SPE in the House and for Te Pūkenga to publish its SPE online.

Appendix A: Letter to the Chair of Te Pūkenga

CH15612

Murray Strong
Chair
Te Pūkenga

By email: 9(2)(a)

Dear Murray

Te Pūkenga Statement of Performance Expectations 2023

Thank you for submitting for my consideration Te Pūkenga's draft 2023 Statement of Performance Expectations (SPE) on 1 November 2022. I appreciate the effort Te Pūkenga has put into compiling the draft document and I am pleased to see you have followed the Treasury's guidance on developing an SPE.

Overall, I consider the draft SPE for 2023 is an improvement on the SPEs that Te Pūkenga produced for 2021 and 2022. It provides greater clarity about Te Pūkenga's plans to give effect to its priorities, with examples of work to be completed in 2023. There is a clear focus on meeting the needs of learners, particularly priority learners, and Te Pūkenga must continue to strive towards excellence in the education and training it delivers. It is important that Te Pūkenga balances the implementation of its wider transformation programme with the constant improvement of business- as-usual delivery.

While I consider that the 2023 draft SPE is largely fit-for-purpose, I have two comments that I would like the Council to address. Firstly, Te Pūkenga has a statutory obligation to report against the "*Support for a Single National Vocational Education Institution*" and "*Establishment of a Single National Vocational Education Institution*" appropriations. This needs to be more clearly set out in the SPE for 2022/23 funding. Secondly, given Te Pūkenga's financial situation, I would like the Council to consider adding a measure around financial performance or sustainability. This is a key area of focus for both myself and Te Pūkenga, and I would like to see a metric included which allows progress to be shown.

There are also a number of minor editing and technical changes that the Tertiary Education Commission have identified, and officials will engage directly with Te Pūkenga on those.

It is clear that there is a significant amount of work that needs to be undertaken over 2023 which will require strong oversight by the Council. It will also require both management and Council members to carefully prioritise activity which delivers the greatest benefits and that is aligned to the identified critical path. Next year will be a critical year for Te Pūkenga and its long-term success, and strong performance is needed.

I recognise the SPE remains a work in progress and that Te Pūkenga is currently in the process of finalising its Outcomes Framework, which will inform redevelopment of the SPE and its Statement of Intent (SOI) for 2024 and beyond. I expect this to result in further gains being made in the quality of these accountability documents. With a considerable amount of attention centred on Te

Pūkenga's performance, it is important that the public and other stakeholders can clearly monitor Te Pūkenga's progress and its impact on all its learners.

I look forward to receiving your final SPE before the end of the year.

Yours sincerely

Chris Hipkins
Minister of Education

cc. Tim Fowler, Chief Executive, Tertiary Education Commission
Peter Winder, Acting Chief Executive, Te Pūkenga