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The Tertiary Education Commission

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Wāhanga tuatahi – Ngā kupu matua Part one – Key messages

We have a well performed and resilient tertiary system that is currently facing a number of challenges ...

New Zealand's tertiary education sector is well performed, punches above its weight internationally and achieves good outcomes for learners. It has also shown itself to be resilient and adaptable to rapid change during the Covid period.

The sector now faces new and heightened challenges with high inflation, lower domestic enrolments, a tight labour market and a recovering international student market. While the relaxing of border restrictions in 2022 signalled the beginning of a return of international students, there remains a level of uncertainty around how strong the actual recovery will be. Tertiary education organisations (TEOs) expect that it could take several years to return to pre Covid-19 levels (if at all).

While most Crown-owned Tertiary Education Institutions (TEIs) are experiencing lower levels of profitability, generally they are supported by strong balance sheets. There is a mixed level of profitability within the Private Training Establishment (PTE) sector, with declining domestic demand and increased operating costs threatening the viability of some PTEs. For some, they are also now required to respond to lower funding rates through the introduction of the Unified Funding System and changes in immigration policy settings. We are closely monitoring the performance of the PTEs most impacted and engaging as required. The

TEC anticipates that an increasing number of PTEs will make the decision to close in 2023.

Universities and wānanga are generally in a good financial position but, like all TEOs, will continue to face financial and operational headwinds. All Universities have been reflecting on their longer-term strategies and positioning after the Covid experience. How well they respond to changing demands and preferences over coming years will be a key driver of long-term success.

... while newly formed Te Pūkenga is dealing with a challenging environment alongside implementing a large and complex transformation programme

Te Pūkenga is facing the same underlying challenges as the rest of the tertiary sector. However, it is also concurrently trying to implement a substantial and complex transformation programme as part of the reform of vocational education.

Te Pūkenga is now the largest TEI and undertakes the vast majority of vocational education and training – on-job, off-job, and online. Te Pūkenga has a significant amount of work to do over 2023 to design and implement its new organisation structure and operating model, begin to integrate IT systems, and transform the way vocational education is delivered to better meet learner and employer needs. This work carries risks, and to deliver it successfully will require strong leadership from both its council and management, appropriate resourcing, and robust programme management with a clear understanding of the work ahead. This also

needs to happen alongside ensuring continued high-quality education and training for learners.

There is also an urgent need for Te Pūkenga to improve its financial performance with a large deficit is forecast for 2022 and another deficit forecast for 2023. Te Pūkenga has strong liquidity levels given its financial reserves, however, it needs to urgently make a range of significant changes to ensure it is financially sustainable over the medium to long term. The forecast decrease in domestic enrolments in 2023 underscores the need for comprehensive and rapid action on this front.

Te Pūkenga's success has a direct relationship to the success of the Reform of Vocational Education (RoVE) as a whole, and the TEC is working closely with Te Pūkenga to ensure it performs as well as possible.

Our highest priority is to achieve equity of educational outcomes for all tertiary learners ...

We are heavily focused on the implementation phase of several key transformation projects. This includes RoVE, the reinventing our careers response, and the transformational change required to achieve equity of educational outcomes.

Current statistics show that less than half of all Māori and Pacific learners who enrol in a bachelor's degree complete their qualification in six years, compared with 66 percent for all other learners.

Addressing these disparities requires an intentional, holistic, whole-of-organisation commitment to action that is driven by governance and senior leadership.

This year, all TEIs were required to submit Learner Success Plans (LSPs) and Disability Action Plans as a key part of the 2023

Investment Plan process. The LSPs detail how the organisation will achieve equity for their learners.

As a result, we now have a baseline for where a large portion of the system is at on the learner success journey, and thus the distance needed to travel to achieve system-level equity.

We will actively monitor and hold providers to account as they make progress against their plans. Particular focus will be on the seven to eight institutions that account for 75 percent of the qualification completion gap for Māori and Pacific learners, ensuring we shift the dial for learners underserved by the system.

The careers system supports everyone to gain the skills, knowledge and pathways to succeed, so people, employers and communities can thrive ...

The careers system in Aotearoa New Zealand is complex, with a large and diverse stakeholder base.

The system seeks to empower people to understand themselves and their aspirations, so they can navigate careers opportunities that fit throughout their lives. It does this by providing careers education, information, advice and guidance that supports people to make careers decisions and transitions.

The TEC has led the development of a National Careers System Strategy (NCSS). This has been a collaborative approach, working closely with Māori, key agencies and industry bodies, and priority group representatives to create a strategy for all people in Aotearoa New Zealand. The NCSS has been reviewed and endorsed by the Education, Employment and Training (EET) Ministerial Group.

This engagement has helped to build support from key stakeholders to collectively implement a transformational NCSS from 2023.

Wāhanga tuarua – Ngā take hei āronga māu ā ngā marama kei te tū mai

Part two – Matters requiring your attention over the coming months

Making Ministerial appointments is a statutory function for you as Minister

As Minister of Education, you have a statutory responsibility to make appointments to the governing councils of the universities, wānanga, Te Pūkenga and two of the six workforce development councils. Twenty-five appointments are due for Ministerial consideration and completion by early July 2023. The three-month 'period of restraint' that applies to Ministerial appointments in an election year makes this a particularly challenging programme of appointments.

Te Pūkenga appointments are an important and urgent priority

Five appointments must be made to Te Pūkenga council by 31 March 2023. Unlike other TEIs, legislation does not allow Te Pūkenga council members to remain in office until reappointed or replaced. Given Te Pūkenga's significant transformation programme, it is important these positions are not allowed to become vacant. The appointments are also an opportunity to address skill gaps identified in a 2022 external review of Te Pūkenga's governance.

The Caucus consultation process for Te Pūkenga appointments is due to be completed by 8 February 2023 and the TEC will then shortlist candidates for your consideration. To complete the process in time, Cabinet's Appointments and Honours Committee would need to consider these appointments on 15 March 2023.

Thirteen Ministerial appointments are now overdue

Thirteen appointments were deferred from December 2022 – twelve to Muka Tangata Workforce Development Council and one reappointment to Te Mana Whakahaere (council) of Te Wānanga o Raukawa. Consultation is complete, decisions were made by the former Minister of Education, and, if you agree, draft Cabinet papers are ready for your authorisation. We will liaise with your office to progress these appointments.

The remaining appointments to be made before the pre-election period of restraint are to three university councils (University of Auckland; University of Otago; University of Canterbury), two wānanga (Te Wānanga o Aotearoa; Te Whare Wānanga o Awanuiārangī), and Ringa Hora (Services) Workforce Development Council.

Te Pūkenga has submitted a Programme Business Case, and Budget 2023 request

Te Pūkenga submitted a Programme Business Case (PBC) to the Minister of Education on 31 October 2022. 9(f)(iv)

to support its integration and transformation. This is in addition to the \$160 million already committed to Te Pūkenga from the Government.

9(f)(iv)

9(f)(iv)

The request for Crown funding will be considered as part of Budget 2023. We have provided advice to the previous Minister of Education and are working closely with the Treasury to support decision-making. You have a meeting with the Minister of Finance, Treasury, and TEC officials on the Programme Business Case in mid-February. We recommend we meet prior to brief you on the Programme Business Case. This is an issue you will need to consider over coming months and we can support you as required.

An updated Letter of Expectations is required for Te Pūkenga

We will engage with you over the coming months about a new ministerial Letter of Expectations for Te Pūkenga, which we recommend be sent following Budget 2023 decisions.

9(2)(f)(iv)

9(2)(f)(iv)

9(2)(b)(ii), 9(2)(j)

9(f)(iv)

Fees for council members are coming up for review

Under the Cabinet Office Fees Framework, the Minister of Education is the fee-setting authority for all tertiary education council members. The Minister also sets the upper limit of fees that may be paid to the members of university and wānanga councils within Group 3A of the Fees Framework. The fees for council members of universities and wānanga, and for Te Pūkenga and the workforce development councils, are due for review in 2023. This involves consultation by you, as Minister, with the Minister for the Public Service. It will also likely need Cabinet agreement.

We will provide more detailed briefings on appointments, the appointment process, and on fees in the coming weeks, in accordance with priorities



Wāhanga tuatoru – Te Amorangi Mātauranga Matua me tō tātou kete whiri Part three – The TEC and our strategy

Our Functions

We are a Crown agency under the Crown Entities Act 2004 and we are governed by a Board of Commissioners appointed by you as Minister.

We lead the Government’s relationship with the tertiary education sector in New Zealand and, as New Zealand’s Careers agency, provide career services from education to employment. Our investments support more than 700 tertiary education organisations across New Zealand to provide all forms of post-secondary school education, including foundation education, vocational education and research.

We provide occupational and educational information, and to build linkages between schools, tertiary providers, employers and communities, to ensure learners are ready for employment and further study.

Our Purpose

Tāreia te pūnaha kia hihiri, ko te ako taumano te hua – kia rite ai ngā ākonga, ngā hapori me ngā kaituku mahi mō te angitu.

Our purpose is: to shape a dynamic system that delivers lifelong learning and equips learners, communities and employers for success.

Our Vision

Kia tū aumangea, kia taurikura ā Aotearoa – kei a te katoa ngā pūkenga, te mātauranga me te whakamanawa e tipu ai te mauri ora.

Our vision is: a resilient, prosperous New Zealand – where every person has the skills, knowledge and confidence to create a fulfilling life.

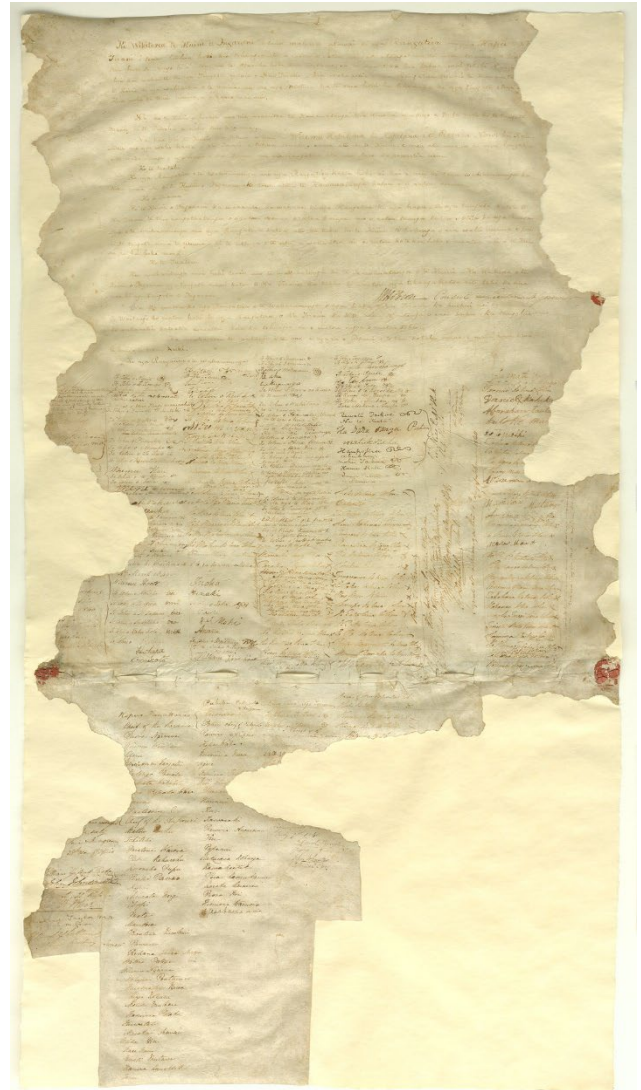
Our statutory functions are set out in the Education and Training Act 2020



Our commitment to Te Tiriti o Waitangi

The TEC recognises and affirms our responsibility to give effect to Te Tiriti o Waitangi:

- › We will give practical effect to Te Tiriti o Waitangi in our work across the tertiary education and careers system.
- › We will ensure that our work is consistent with Te Tiriti o Waitangi-related goals of the Education Work Programme, the Tertiary Education Strategy and Ka Hikitia.
- › We acknowledge our responsibility to Te Tiriti o Waitangi in its entirety including taking into account the interests of whānau, hapū, iwi and Māori.
- › In particular, through our Ōritetanga Learner Success work programme, we will give effect to the Crown's Third Article Treaty obligations to ensure equitable outcomes for Māori as learners. We will work to ensure that all Māori learners receive what they need to be successful, through the intentional design and stewardship of the tertiary education system.
- › We will support the Crown to meet its duties to actively protect the taonga of te reo Māori, mātauranga Māori and a strong wānanga system of tertiary educational delivery.



Our approach to strategy

The TEC is required by the Education and Training Act 2020 to give effect to the Tertiary Education Strategy (TES). Our TEC Strategy has been designed to reflect this and respond to the five objectives of the TES.

The Tertiary Education Strategy

The TES sets out the long-term strategic direction for tertiary education, including economic, social, and environmental goals, and the development aspirations of Māori and other population groups.

The TES is built on five objectives for education, which outline the things the Government will focus on to improve outcomes and wellbeing across the education system:

- › barrier-free access
- › learners at the centre
- › quality teaching and leadership
- › future of learning and work
- › world-class inclusive public education.

Our three external strategic priorities set out our current focus as we continue to respond to today's challenges as well as enduring priorities.

The TEC's strategy is built around shaping a system that responds to and meets the needs of learners and their whānau, iwi, communities, and employers. The strategy will ensure Aotearoa New Zealand's tertiary education and careers systems respond to and meet people's needs for skills, knowledge, and confidence to build fulfilling lives.

Our measure of success is an inclusive system that makes New Zealand a fairer and more prosperous society. Skills and knowledge will provide our communities and industries with the resilience to adapt and thrive in changing times. When everyone is on a lifelong learning path, their participation will propel social mobility, fuel innovation, and drive economic growth.

Delivering on our strategy will allow us to give effect to the TES, maximise our contribution to the COVID-19 recovery and rebuild and help deliver on Ka Hikitia and Tau Mai Te Reo.

Equity and an inclusive society

Our education, training and career pathways support equitable outcomes and an inclusive society

We want to build a tertiary education and careers system that helps shape an equitable and inclusive society.

To make the biggest difference for this strategic outcome, our focus in coming years will be to deliver on our Ōritetanga Learner Success programme of work.

A key component of this work is to build the capability of tertiary education organisations (TEOs) to take a systemic, learner-centred approach to all aspects of their operations.

The TEC's learner success programme was developed to ensure that all parts of the system are working to support success.

An adaptable system

We have an adaptable tertiary education system that serves the needs of Aotearoa New Zealand now and in the future

We want to create an adaptable, resilient and connected system that meets the needs of Aotearoa New Zealand and New Zealanders, now and in the future.

To make the biggest difference for this strategic outcome we have three priorities as our focus:

- › **Unify the vocational education and training system** to ensure learners, vocational education providers, employers and industry are fit for today's needs and tomorrow's expectations.
- › **Shift to a learner-centred investment system** where we will develop an investment system that is outcome-driven and focuses on learners, whānau and communities.
- › **Make it easier to upskill or change pathways** – where we will invest in flexible learning options and support so people can transition between work and learning throughout their lives.

Build the right skills to succeed

The careers system supports everyone to gain the skills, knowledge and pathways to succeed, so people, employers and communities can thrive

We want New Zealanders to have the skills and experience they need to find sustainable work so that employers and communities can excel and thrive.

To make the biggest difference for this strategic outcome, our focus in the coming years will be to build an integrated career response. We will partner with stakeholders to develop information, advice and guidance

to empower every person to find their pathway to meaningful training, education or work.

The Tertiary Education Commission Strategy

Our **VISION & PURPOSE** define our why and what we are working to achieve

OUR PURPOSE

To shape a dynamic system that delivers lifelong learning and equips learners, communities and employers for success

Tāreia te pūnaha kia hihiri, ko te ako taumano te hua – kia rite ai ngā ākonga, ngā hapori me ngā kaituku mahi mō te angitu

OUR VISION

A resilient, prosperous New Zealand – where every person has the skills, knowledge and confidence to create a fulfilling life

Kia tū aumangea, kia taurikura ā Aotearoa – kei a te katoa ngā pūkenga, te mātauranga me te whakamanawa e tipu ai te mauri ora

Our **OUTCOMES** these are our goals and describe what we are seeking to achieve for New Zealand

EQUITY AND AN INCLUSIVE SOCIETY

AN ADAPTABLE SYSTEM

BUILD THE RIGHT SKILLS TO SUCCEED

EQUIP TEC FOR THE FUTURE
(internal goal)

Our **STRATEGIC PRIORITIES** are where we are focusing our effort to make the biggest difference to our outcomes

Embed our Ōritetanga Learner Success approach across the sector

Shift to a learner-centred investment system

Unify the vocational education and training system

Make it easier to upskill or change pathways

Build an integrated career response

Thriving TEC

Our **VALUES & BEHAVIOURS** guide the way we work together and are pivotal to achieving our outcomes

Work together for success



Connect with people



Do the right thing



Service matters





Wāhanga tuawhā – Pūnaha Mātauranga matua me te Aramahi

Part four – Tertiary and Careers Systems

In 2023 we will invest over \$3.8 billion in the tertiary education and careers systems

Our investment in the tertiary education system supports more than 680 tertiary education organisations across New Zealand to provide all forms of post-secondary-school education, including foundation education, vocational education and higher education (including research).

Our investment helps to ensure a network of provision which meets the needs of different learners and communities.

Over the coming years we will focus on equipping New Zealanders with the skills and capabilities to make them career confident and resilient. For our customers, this means providing information, tools and support to inform and enable good educational and employment decisions.

Our Careers function

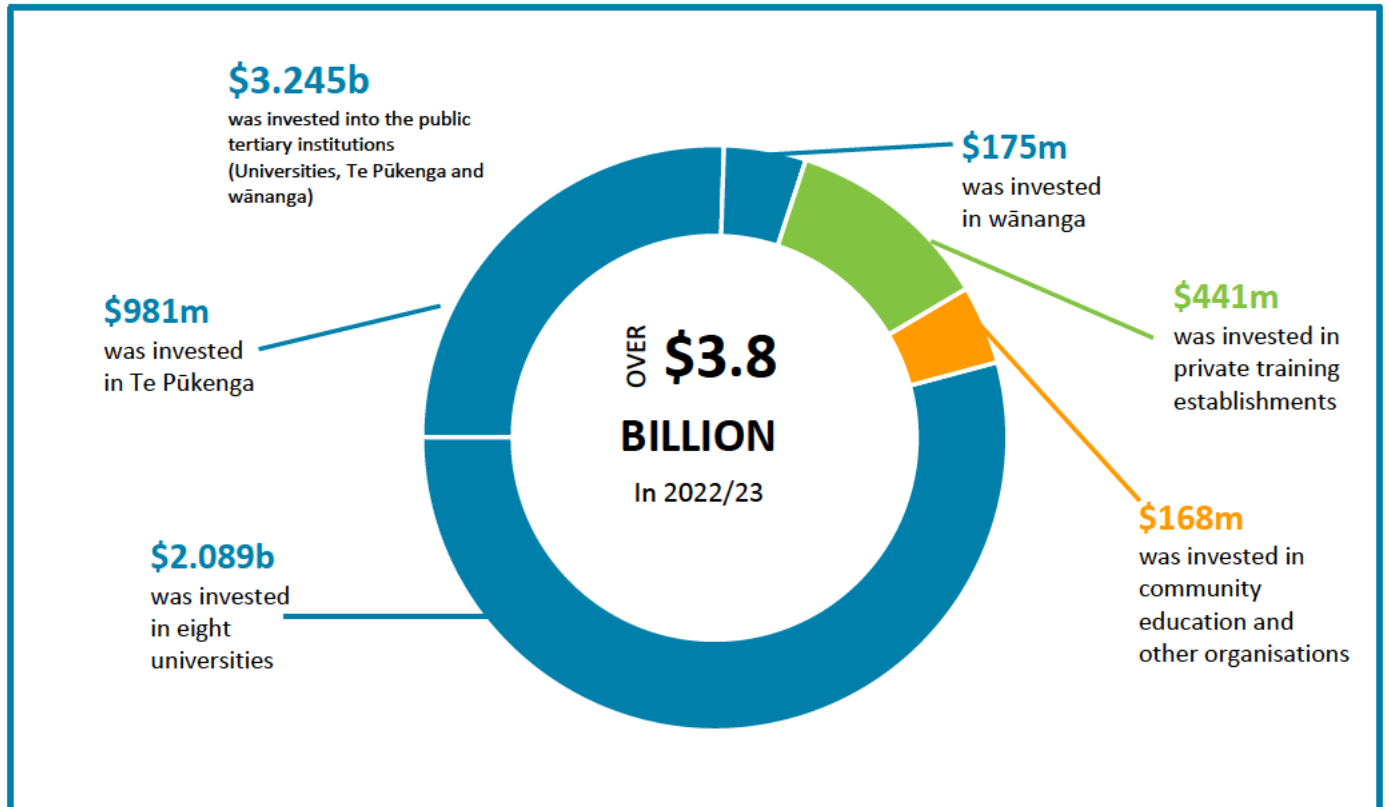
The TEC is New Zealand's Careers agency, with a legislative role to provide occupational and educational information, and to build linkages between schools, tertiary providers, employers, and communities to ensure learners are ready for employment and further study.

We do this through providing a suite of information and tools to support career decisions, ensuring linkages with our investment function, and partnering with agencies and communities to improve career outcomes.

Budget 2021 provided funding to develop a careers advice tool. Due for launch in 2023, the new career planning tool is called Tahatū. It will leverage several Government data sources to be the first free, comprehensive free online careers information and advice tool that is available for all New Zealanders, not just high school students.

We also continue to run the Inspiring the Future programme that connects children from ages seven to thirteen with volunteer role models from the world of work.

TEC-funded tertiary education organisations 2022/23



We use the appropriations **TO INVEST IN** tertiary education

Tertiary Tuition and Training (multi-category appropriation)

This includes:

- > Access to and Success in Tertiary Education
- > Foundation and Community Education
- > Qualification Delivery



\$2,880.1 million

Fees Free Payments



\$387.1 million

Research and Research Based Training



\$315.0 million

Workforce Development Councils



\$65.0 million

Centres of Research Excellence



\$49.8 million

Strategic Funding for national and regional priorities



\$39.5 million

Secondary-Tertiary Interface



\$31.8 million

Tertiary Sector Industry / Collaboration Projects



\$27.8 million

Support for Wānanga



\$23.0 million

Establishment of a Single National Vocational Ed Institution



\$16.0 million

Tertiary Scholarships and Awards



\$14.8 million

University-led Innovation



\$4.4 million

Health of the Tertiary Sector

Universities

Universities have been impacted by Covid-19 but are forecasting improved financial performance over 2023 and 2024 ...

Universities are generally in a good financial position, although are forecasting ^{9(2)(b)(ii)} [REDACTED]

[REDACTED] with all universities impacted by underlying economic conditions and a decline in domestic and international EFTS. While this means the sector is having to make tough financial decisions, overall liquidity remains strong. The sector is forecasting stronger surpluses over 2023 and 2024, with an expected recovery in international students, although we anticipate further headwinds given economic conditions.

... but a number of key challenges will determine overall performance

Despite being in a relatively strong financial position, universities are facing a range of performance challenges which will impact on their ability to deliver for students and undertake high-quality research. The issues are both financial and operational. They include government controlled revenue not keeping pace with inflation; increasing pay demands and operating costs; staff turnover and an inability to attract and retain staff; the speed of the recovery of international enrolments; and uncertainty around domestic enrolments.

These challenges will likely require university councils to make difficult decisions in the short term, especially as many universities have already implemented the 'easy wins' in terms of cost savings and efficiencies in response to Covid-19. In response to these

challenges, and those presented by Covid-19, universities will need to assess their strategies to ensure they are best meeting student and stakeholder needs going forward. How well universities respond to changing demands and preferences over coming years will be a key driver of long-term success.

Te Pūkenga – New Zealand Institute of Skills and Technology

Te Pūkenga has a substantial transformation programme to complete to achieve the benefits of the reforms ...

The creation of Te Pūkenga is a cornerstone of the RoVE. Following a lack of progress over the past two years, there have been signs of improvement since the appointment of a new chief executive and executive leadership team and a reset of the transformation programme in July/August 2022. However, Te Pūkenga's work programme remains substantial and carries significant risk. To deliver it successfully will need strong leadership from both council and management, appropriate resourcing, and robust programme management with a clear understanding of the work ahead. Council vacancies in 2023 provide an opportunity to better align governance skills with the needs of the organisation at this time. This also needs to happen alongside ensuring continued high-quality education and training for learners.

... which includes an urgent need to improve financial performance

Te Pūkenga budgeted for a group deficit of \$59 million in 2022. ^{9(2)(b)(ii), 9(2)(i)} [REDACTED]

9(2)(b)(ii), 9(2)(i)

Although this signals an improvement, we consider it unlikely that this will be achieved as enrolments for 2023 appear soft and the wider economic environment is challenging.

9(2)(b)(ii), 9(2)(i)

. As such, we have no concerns about Te Pūkenga's cash position over 2023. Our concerns are primarily around Te Pūkenga's medium- to long-term sustainability and the need for these cash reserves to help fund Te Pūkenga's transformation rather than to fund deficits. Continued deficits will impact on the overall affordability of Te Pūkenga's future transformation programme.

Wānanga

The wānanga are financially stable, but face a number of challenges

While all three wānanga maintain large cash reserves, they have faced increased financial pressure in recent years due to a range of factors, including reduced domestic enrolments arising from Covid-19, increased costs, increased competition for te reo provision, and their commitment to providing a majority of provision with zero fees for learners. The Crown has acknowledged these challenges and has provided additional funding to support the growth and development of wānanga while further work is undertaken by the Ministry of Education on the constitution and funding of wānanga.

There is a substantial amount of work underway to support wānanga to exercise rangatiratanga

Te Hono Wānanga remains critical to enabling wānanga to exercise rangatiratanga, and the TEC is working closely with each wānanga and the Ministry of Education across the four Te Hono workstreams.

In addition, each wānanga is engaged in its own unique strategic journey, with some reassessment of their key priorities necessary given the challenges noted above and changes in the broader tertiary education system. Wānanga (when compared to universities) typically have a smaller core of capability for engaging in and undertaking strategic and transformational work, and we are focused on understanding and supporting the strategic priorities of each wānanga.

Private Training Establishments (PTEs)

Some parts of the PTE sector are under pressure

The PTE sector, by nature, varies greatly in terms of size, educational focus and organisational capability. While most PTEs are relatively small, the largest are bigger than the smaller wānanga (by EFTS), and umbrella organisations that own multiple PTEs have grown in recent years. The sector is flexible and responsive to market changes but is also susceptible to external factors.

Although much of the PTE sector initially managed well during Covid-19, with the support of the government's broader economic support packages, the sector has come under increasing pressure recently, particularly where they had high exposure to the International Education sector. This reflects the challenges faced by all TEOs – declining domestic demand and increased

costs – while parts of the PTE sector are particularly being impacted in 2023 by lower funding rates arising from the implementation of the Unified Funding System, and immigration system settings.

We are working to support PTEs, but our focus is on protecting learners

PTEs form an important part of the overall network of provision across New Zealand. The PTE sector is flexible enough to respond quickly to market forces and, while some PTEs may not remain viable through the current challenges, other PTEs are financially sound and will be able to respond to opportunities to fill any gaps in provision.

We are actively monitoring PTEs that are under financial pressure and engaging with them to understand how they might respond. While we can provide support and guidance, our overall priority is on ensuring that learners are not disadvantaged and that where closures do occur, learners can transfer to alternative providers to complete their education and training as seamlessly as possible.

Our tertiary learners

The TEC's vision and purpose is to put the learner at the centre of our work. To do this, we need a shared understanding of who our learners are.

In 2021 there were

476,000 TERTIARY LEARNERS IN AOTEAROA



61%
WERE NZ EUROPEAN

20%
WERE MĀORI

16%
WERE ASIAN

10%
WERE PACIFIC PEOPLE

3%
WERE MIDDLE EASTERN/
LATIN AMERICAN/AFRICAN
(Learners can identify as more than one ethnicity)

20%
WERE ENTERING
TERTIARY EDUCATION
FOR THE FIRST TIME

55%
WERE 25 OR OLDER

52%
WERE FEMALE

36,000
WERE INTERNATIONAL
STUDENTS
(22,000 fewer than in 2019)¹

Based on 2020 SDR and ITR data, except where noted otherwise: ¹SDR data only; ²2021 IDI data; ³2020 school leavers; ⁴Based on past cohorts.

What were they doing beforehand?



43%
WERE IN WORK



27%
WERE IN SECONDARY
EDUCATION



13%
WERE IN TERTIARY
EDUCATION



8%
WERE OVERSEAS



7%
WERE ON A BENEFIT



3%
OTHER
(RETIRED, STAY-AT-HOME
PARENT, OTHER)

Where and how did they study?



18%
of learners studied
extramurally



65%
of school leavers first
enrolled in tertiary
education in the
same region as their
secondary school³



144,000
learners were in
work-based education
(industry training)



Learners studying on campus

AUCKLAND	29%
WAIKATO	7%
WELLINGTON	12%
CANTERBURY	11%
OTAGO	6%
STUDIED OUTSIDE OF THE MAIN CENTRES	16%

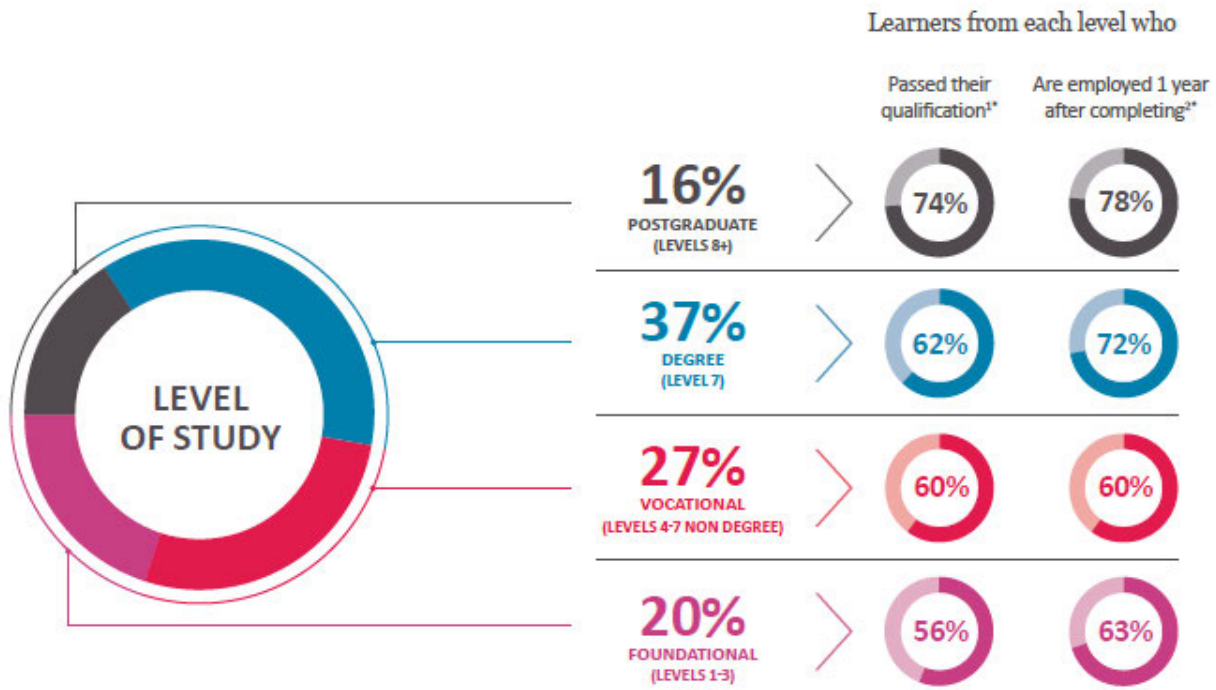


34%
Studied part time⁴
(as defined by Studylink)



66%
Studied full time⁴

What level are they studying at?



Based on 2020 SDR and ITR data, except where noted otherwise: ¹SDR data only; ²2021 IDI data; ³2020 school leavers; ⁴Based on past cohorts.

Reform of Vocational Education system

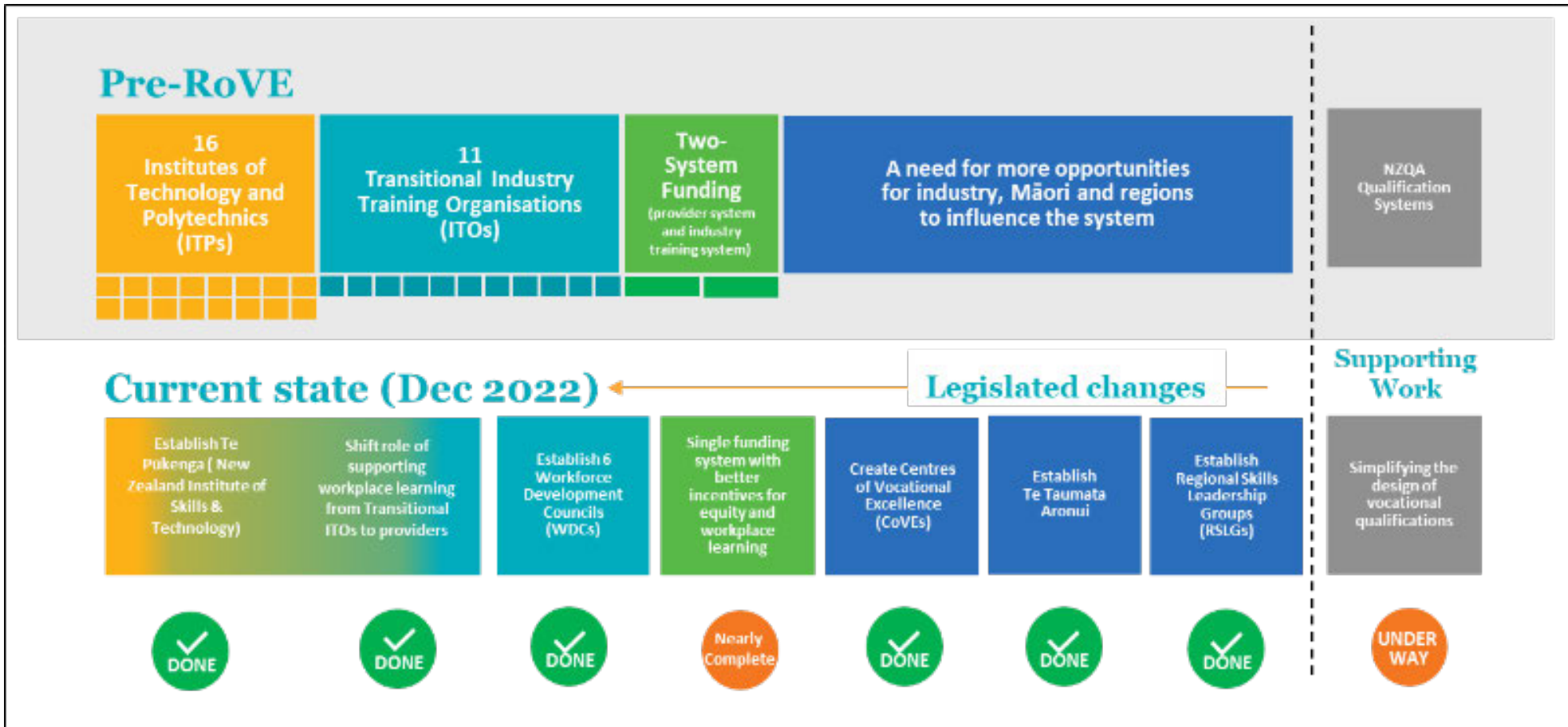
The Reform of Vocational Education (RoVE) has delivered the most significant changes to the tertiary education sector in 30 years. It is creating a strong, unified, sustainable vocational education and training (VET) system fit for the future of work and providing the skills that learners, employers and communities need to thrive.

The reforms (which began in 2019) have been delivered at a good pace, despite the added challenge of the COVID-19 pandemic. The co-operative efforts of the TEC, the

Ministry of Education (MoE), the New Zealand Qualifications Authority (NZQA), and the Ministry of Business, Innovation and Employment (MBIE), together with great support, commitment and work done by industry and communities, have completed delivery of the core capabilities underpinning the reformed VET system.

The new RoVE entities taking effect with both the old and the new are finding and forging new pathways as we work towards an integrated VET system.

RoVE has encompassed eight key areas of change:



Workforce Development Councils (WDCs)

A key component of the reforms was the establishment of six Workforce Development Councils (WDCs), which are designed to give industry a stronger voice in the direction of vocational education and training. They cover all industries and are intended to be industry-led and Government enabled, and have the following key functions:

- **Strategic leadership:** develop a strategic view of the future skills and workforce needs of their industries
- **Endorsement:** endorse programmes that lead to qualifications, and moderate assessments
- **Standard setting:** develop and set qualifications, standards, and capstone assessments
- **Advice:** provide investment advice to TEC, and brokerage and advisory services to employers and industry.

Alongside a strong focus on industry engagement, WDCs are also expected to work with Regional Skills Leadership Groups (RSLGs), the Tertiary Education Commission (TEC), the New Zealand Qualifications Authority (NZQA), Centres of Vocational Excellence (CoVEs) and providers (wānanga, private training establishments (PTEs) and Te Pūkenga). This wider engagement ensures that the industry perspective is not just present but is pre-eminent across the whole vocational education and training system

In the first year of operation, WDCs have focused on establishing themselves as functional entities. They have been growing their teams and capability, beginning to engage with their respective industries, and initiating planning for long-term change.

Regional Skills Leadership Groups (RSLG)

The Ministry of Business, Innovation and Employment funds the 15 Regional Skills Leadership Groups (RSLGs) to act as independent advisory groups that are locally based and regionally led. RSLG's are part of a joined-up approach to labour market planning that will see our workforce, education and immigration systems working together to better meet the differing skills needs across Aotearoa New Zealand. They identify and support better ways to meet future skills and workforce needs in their regions, both now and in the future, and advise on actions to address these.

TEC uses advice from WDCs and RSLGs in making purchasing and funding decisions, and development of careers information and resources

WDC and RSLG advice on investment priorities was used for the first time in our Supplementary Plan Guidance released in June 2022 to funded tertiary education organisations.

WDC and RSLG advice has also informed and been given effect to through our investment strategy, UFS strategic component funding and Investment Plan evaluation criteria, and our careers information.

The advice is expected to be significantly more robust in the 2024 investment round and in future years as WDCs build industry relationships and their own internal capability, and gain access to more fulsome data.

Unifying the vocational education funding system is nearing completion

The new Unified Funding System (UFS) has been implemented from January 2023. Its

design puts the needs of learners at the centre, incentivises providers to make work-based training options available, and addresses national and regional skills priorities to better support our economy and communities.

The UFS will apply to all provider-based and work-based learning at certificate and diploma qualification levels 3 to 7 (excluding degree study) and all industry training from 2023.

The UFS has three components that work together to support delivery, learner and strategic priorities.

To minimise the change impact on the sector in 2023, an interim initial solution to deliver the required reporting to TEC has been developed to support the new way of funding. Completion and implementation of a long-term technical solution for UFS is a multi-year IT project which will deliver an integrated solution across provider-led and work-based training.

Taumata Aronui

Taumata Aronui released its think piece – *Manu Kōkiri* – last year. It outlines the vision of the rōpū for tertiary education: the “best indigenously inspired tertiary education system in the world – one where incredible success is experienced by indigenous people ... and where indigenous knowledge and experience influences the sector positively and becomes the inspiration for the success of all.” Cabinet has endorsed the *Manu Kōkiri* vision, and recognised *Manu Kōkiri* as an important contribution to discussions about the future of education.

Taumata Aronui also strongly recommended a new approach to excellence, authority, and leadership in mātauranga Māori in the tertiary sector. The group advocates for

significant long-term investment in and commitment to mātauranga Māori. This aligns with Crown Te Tiriti commitments.

The Ministry of Education leads work in this area, particularly through the Te Pae Roa work programme. There are also important connections to MBIE’s Te Pae Tawhiti research strategies. However, discussions about the future of mātauranga Māori and the role of the Crown will present opportunities and challenges not only for the three wānanga but for mātauranga communities as well.

Wāhanga tuarimu –

Me pēhea tā mātou mahi ki a koe

Part five – How we will work with you



The TEC Board of Commissioners

As a Crown entity we are governed by a Board of Commissioners (profiled in Appendix A) who you appoint. The TEC Board currently has seven members, chaired by Jenn Bestwick and with Dr Wayne Ngata as Deputy Chair and Amokura. You can influence the direction of the TEC through your appointments to our Board.

The TEC Board:

- › sets our strategic direction, makes decisions about funding allocations and provides guidance on our operations
- › monitors the performance of the Chief Executive and the organisation
- › oversees management of strategic risk.

Chief Executive and Executive Leadership Team

Tim Fowler was appointed to the role of Chief Executive in 2013. The Chief Executive is supported by the Executive Leadership Team, which currently comprises five Deputy Chief Executives (profiled in Appendix A).

Monitoring of TEC performance

The MoE leads the monitoring of TEC's finances and performance on your behalf. It is also supported by MBIE.

MoE and MBIE ensure your priorities and directions for the education sector, and the outputs you purchase from the TEC, are properly reflected in the TEC's governance and accountability documents. They also provide you with assurance that the TEC is meeting its public accountability obligations, such as publishing a Statement of Intent, Statement of Performance Expectations and Annual Report.

The starting point in the TEC's planning cycle is your Letter of Expectations. The Letter of Expectations outlines your key priorities and expectations for the forthcoming year. This is prepared by MoE, with the TEC's involvement.

The TEC reports quarterly to you against its Statement of Performance Expectations. These reports inform you about financial, strategic and operational progress over the quarter.

Āpitihanga A: Te Poari me te Rōpū Kaiarataki o TEC

Appendix A: The TEC's Board and Executive Leadership Team

The TEC Board of Commissioners

The TEC Board currently has seven members, chaired by Jenn Bestwick. The Chair is appointed by you as Minister.



Jenn Bestwick, Chair

Jenn joined the TEC Board of Commissioners in 2018 and has been Chair since February 2020.

Her background in education and science and research is extensive and includes being the Chair of Ara Institute of Technology for seven years (and on the Board for 12 years) and on the Board of NZQA as well as Chairing the Resilience to Nature's Challenges National Science Challenge. Jenn is also a Performance Improvement Framework (PIF) Reviewer and Inquirer for Te Kawa Mataaho – The Public Service Commission.

Jenn has an extensive governance portfolio and is currently Chair of Tonkin & Taylor, the MoE's NCEA Review & Curriculum Change Programme Board, and Statistics New Zealand's Census Programme Board. She sits on the Boards of Antarctica NZ, Invercargill City Holdings, and Metro Performance Glass to name a few.

Originally from the UK, Jenn moved to Aotearoa New Zealand in 1989 and worked for international accounting and consulting firm KPMG before moving to Christchurch where she spent seven years working with South Island iwi Ngāi Tahu and as the CEO for a private surgical hospital.

Jenn now lives near Arrowtown on a lifestyle block with husband Pete and is an avid photographer. She has recently returned from a trip to Scott Base Antarctica.



Dr Wayne Ngata, Amokura
(Ngāti Ira, Ngāti Porou, Te Aitanga a Hauiti)

Wayne is the TEC's Amokura (alternative leader) and Deputy Chair, having been appointed to the Board in November 2019. The role of Amokura gives strength to our equity focus and integrates te ao Māori and mātauranga Māori into TEC's governance processes, particularly in honouring the principles of Te Tiriti o Waitangi partnership.

Wayne received his Doctorate in Philosophy (Te Tohu Kairangi) in 2009. He was invested as a Member of the New Zealand Order of Merit in 2020 in recognition of his continuous contribution to Māori and education.

Wayne is a strong supporter of the revitalisation of te reo Māori and education models that are underpinned by Māori processes. He has had a number of academic, management or governance roles, and currently is Chair of both Te Taumata Aronui and Te Pae Roa, providing ministerial advice around what challenges and success looks like for Māori in tertiary education and kaupapa Māori education respectively. He also chairs Te Pae Whakatere of Hawaiki Hou (Sport NZ) to engage Māori and Pacific ways of encouraging active, healthy lifestyles with communities and organisations in Aotearoa New Zealand.

Raised in the Tairāwhiti, Wayne resides in Ūawa (Tolaga Bay). He is a specialist in Māori literature, specifically mōteatea, and a long-time practitioner, composer and advocate for haka. Wayne is also a practitioner of waka hourua navigation and voyaging, participating in the Te Waka Tapu voyage from New Zealand to Rapanui, and in 2019 he had a leadership role in the Tuia 250 commemorative events in New Zealand. He is also secretary for the Te Hau Kōmaru National Waka Hourua Charitable Trust.



Dr Alastair MacCormick, Commissioner, Chair Whatitata Whakau – Risk and Assurance Committee

The TEC's longest serving Commissioner, Alastair was first appointed to the TEC Board of Commissioners in May 2017 and was appointed as Chair of the Whatitata Whakau – Risk and Assurance Committee in August 2017. He is also on the Programme Governance Board for the Reform of Vocational Education.

Alastair is an Emeritus Professor of the University of Auckland. He holds a Doctorate in Management Science from Yale University and an MCom in Economics and a BSc in Mathematics and Physics from Auckland. For a decade he was Dean of Business and Economics at the University of Auckland and subsequently Deputy Vice-Chancellor (Academic).

Alastair also served over nine years on the Grants Committee of Callaghan Innovation for the Government support of Private Sector R&D and is a professional director with global experience in both public, private and listed companies.

Alastair's generosity with his time and expertise is demonstrated in his role as Chair of the Board of Trustees of the Elizabeth Knox Home and Hospital (a voluntary role which Alastair has supported for almost 40 years) along with founding the New Zealand Education and Scholarship Trust in 1991. He has also spent 14 years on the Board of Trustees for Auckland Grammar School.

When not volunteering, Alastair enjoys golf and visiting his family in Australia and the USA. He was awarded a Companion of the New Zealand Order of Merit in The Queen's Birthday and Platinum Jubilee Honours for services to tertiary education and the community.



Vivien Sutherland-Bridgwater, Commissioner, Chair Ohu Tangata – People and Culture Committee (Ngati Whatua)

Vivien joined the Board in 2018 and in 2020 was appointed Chair of Ohu Tangata – the TEC's People and Culture Committee. Her passion for equity and learner success throughout her career is evident in her support and encouragement of young people in the arts and education. Honoured in the 2022 New Year Honours as a Member of the New Zealand Order of Merit, Vivien leads by example that the world needs more Māori women in governance.

Vivien's career so far has been stellar: she co-founded Mai FM – a radio station with a purposeful Māori approach which is now New Zealand's largest urban contemporary radio network. The initial mahi opened the door for Māori to be normalised in mainstream media. Her work with Save the Children International, as a Trustee for the Sky City Community Trust and Youthline, as well as Television New Zealand, are a few of her focused governance roles.

Vivien's role as General Manager, University Relations (a broad portfolio, based on the concept of the customer journey) at AUT University was ground-breaking for AUT, Māori and Pasifika. Recognising that young Māori and Pasifika ākongā needed to see and hear from role models, Vivien assembled a recruitment team including young, edgy and degree qualified Māori and Pasifika people, and focused on the development of the AUT South Campus. Needless to say, enrolments for Māori and Pasifika soared.

Vivien is currently the Chair of the Auckland Theatre Company and was on the original board of ATEED (Auckland Tourism, Events and Economic Development) and now continues her work encouraging, developing, and mentoring to individuals and businesses, through her consultancy Stillwater Consulting.

Vivian resides in Tāmaki Makaurau and is most proud of raising her three children as a single mother while building a successful career.



Kirk Hope, Commissioner, Chair Matai Punaha – Systems Responsiveness Committee

Appointed in November 2019, Kirk brings strong current business sector knowledge to the TEC Board table. As Chief Executive of BusinessNZ Kirk's finger is right on the pulse! BusinessNZ is New Zealand's largest business advocacy group with approximately 80,000 business connections.

It is not just his knowledge and understanding of business that Kirk brings to TEC. He has held the positions of CEO of the New Zealand Bankers' Association, Executive Director of the Financial Services Federation, along with several executive positions in both government and banking industries.

The pairing of business acumen with a strong financial base, a Master's in Law and an honours degree in political science, easily makes Kirk a great fit for TEC.

Kirk and his whānau recently made the move from suburban Wellington to Tāmaki Makaurau. His passion is giving back, so sometime in the future we could see him sharing his wealth of knowledge and business expertise through teaching – perhaps that will be after he finishes PhD in economic history (a long-term goal) or when he isn't surfing.



Samuelu Sefuiva, Commissioner

Joining the Board in 2023, Sam has over 30 years' experience in public policy, strategic and business advice, cultural and economic development and executive leadership. Sam has a strong professional and personal interest in the Pacific region particularly in human rights, social enterprise and public policy.

Sam has mentored, led and facilitated senior executives in Australia, New Zealand and the Pacific in improving international, regional and domestic non-government and community enterprise environments. His strengths are in high level policy advice and relations, strategic thinking, business planning and facilitation.

Currently his leadership roles include: Mana Whakapai-AMPTI (consortium) Manager, Auckland Māori and Pasifika Trades Training Initiative; Board Trustee and Chair Audit Risk Finance Committee, Pacific Business Trust; Trustee, Digital Wings Trust; Chair Generosity NZ; and Trustee Black Grace (Dance) Trust. Previously, Sam was Chief Advisor to the Race Relations Commissioner at the NZ Human Rights Commission.

Sam enjoys spending time with his family and including grandchildren, his wider Samoan fanau and village (Salani, Falealili), as well as some passive recreational activities such as reading, surfing and fishing.



Deidre Shea, Commissioner

Commissioned in 2023, Deidre received her Member of the New Zealand Order of Merit in the 2022 Queen’s Birthday Honours for services to Education.

Deidre held leadership roles with Onehunga High School (OHS) from 1995 and was Principal from 2007 until 2022. Her leadership extended to the Auckland Secondary School Principals’ Association from 2008 to 2015 and the Secondary Principals’ Association of New Zealand (SPANZ) 2014 to 2023. She became President of SPANZ from 2019 to 2021, leading through numerous challenges including the COVID-19 pandemic.

Deidre is committed to excellent, lifelong educational opportunities for all. She has overseen the establishment of a Construction School at OHS in 2005, followed by a Services Academy in 2007 and later a Health Science Academy. OHS operates the nation’s largest school-based Adult and Community Education programme.

Deidre has chaired Te Hikoi (formerly the AIMHI Alternative Education consortium) for the past decade and currently also chairs the NCEA Professional Advisory Group for the Minister of Education.

The TEC Executive Leadership Team

TECs Executive Leadership Team as at January 2023 is:



Tim Fowler, Chief Executive

Tim has been our Chief Executive since April 2013. He was previously Deputy Chief Executive, Quality Assurance at the New Zealand Qualifications Authority. Tim has held leadership positions in Australia and New Zealand in both the private and university sectors, after starting his career in the Department of Prime Minister and Cabinet.

Tim has an Honours Degree from Victoria University of Wellington, a Masters from the East-West Center and the University of Hawaii, and executive education from INSEAD and the Wharton School at the University of Pennsylvania.



Gillian Dudgeon, Deputy Chief Executive, Delivery Directorate

As Deputy Chief Executive of our Delivery Directorate, Gillian oversees our customer-facing unit, and leads the teams responsible for implementation and delivery of our products and services, relationship management, negotiation, performance management and monitoring.

Gillian joined TEC in July 2018. Prior to this she spent four years with the Earthquake Commission as their Chief Risk Officer and led the Internal Partners team. She has also held executive roles at ANZ and the National Bank across customer-facing, product management, IT and risk management teams.



Paora Ammunson, Deputy Chief Executive, Learner Success – Ōritetanga Directorate

Bringing significant experience on the governance boards of tribal, government, farming, sporting and commercial bodies, Paora has operated his own management consultancy business since 1998.

Playing a leadership role in key government initiatives over many years, such as the Rugby World Cup and APEC leaders' forum, he chaired the Wairarapa Rugby Union until this year and was recently elected to the South Wairarapa District Council.

Of Ngati Kahungunu, Rangitane ki Wairarapa and Te Arawa whakapapa, Paora has served his family marae in Greytown since the 1980s.



John Soulis, Deputy Chief Executive, Corporate and Finance Directorate

As our Deputy Chief Executive Corporate and Finance, John has oversight of a large financial management function, including external auditing of tertiary education organisations. His team co-ordinates and manages TEC human resources, organisational planning and performance, project management and accountability documents including the Statement of Intent and Annual Report.

John joined TEC in 2016 from the Ministry of Business Innovation and Employment (MBIE), where he was the Manager of the Strategic Finance team and Capital Portfolio Office for three years. He developed MBIE's first Strategic Financial Plan, which was the basis for forecasting the Ministry's financial position.

A CA qualified accountant, John has over 25 years' experience in financial services, banking and telecommunications.



Mathew Pawley, Deputy Chief Executive, Information Directorate

Mathew joined the TEC from the tertiary sector where he was Executive Director – Digital Services and Enterprise Projects at the Open Polytechnic of New Zealand. His area of responsibility included courseware development, IT service operations, applications development, infrastructure provision and Enterprise Project delivery for the Open Polytechnic's 450 staff and over 32,000 customers.

Mathew has a good understanding of the importance and complexities of the information needs of the tertiary sector in New Zealand. He is passionate about education and contributing to TECs vision of a resilient, prosperous New Zealand.



Nina Ive, Deputy Chief Executive, Careers and Investment Design Directorate

Nina has spent the last 20 years working across a full range of business environments in New Zealand, the United States and Europe. She has been the brand champion for many of New Zealand's most well-known brands including Mainland Cheese, Fisher & Paykel Healthcare and Wellington's own Snapper.

Nina joined the TEC in 2018 and is Deputy Chief Executive of the Careers and Investment Design Directorate. Careers and Investment Design is responsible for developing strategies, initiatives and policies to enable the organisation to meet its goals in the areas of careers and investment. The Directorate develops the interventions and plans off those strategies, then markets and communicates the integrated view of what TEC wants to achieve.