

Education Report: Unified Funding System: Setting the priority for 2023 for the learner component performance elements

To:	Hon Chris Hipkins, Minister of Education		
Date:	10 May 2022	Priority:	High
Security Level:	In Confidence	METIS No:	1286926
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Messaging seen by Communications team:	No	Round Robin:	Yes

Purpose of Report

The purpose of this report is to seek your agreement to a priority for 2023 for the targeted implementation of the performance expectations of the learner component.

Summary

We have provided three options linked directly to the Tertiary Education Strategy (TES) goals and have shown how they would have strong results for learners as part of the Tertiary Education Commission's (TEC's) broader accountability framework for tertiary education organisations (TEOs). The options vary from a general priority based on the TES to more specific actions that focus on learner outcomes (see figure 1 and paragraph 17):

- Option 1 gives the broadest scope for each TEO to reflect their unique priorities in the performance expectations they set with TEC.
- Option 2 directly reflects the TES objectives and shows how they link to VET.
- Option 3 highlights select relevant TES actions for TEOs.

Recommendations

The Ministry of Education and the TEC recommend that you:

- provide feedback** on the contents of this report by Monday 16 May and **discuss** this report with us at the agencies' meeting on the same date so we can finalise your decision in advance of the Unified Funding System (UFS) announcement on Thursday 19 May
- note** that you recently provided feedback that you would like to set a priority for the performance expectations of the learner component that is clearly linked to the goals

in the TES and that sets out what we expect to change from the learner's perspective (METIS 1283887 refers)

- c. **agree** to one of the priorities in figure 1 for 2023 for the targeted implementation of the performance elements of the learner component:

Option 1: with references to the TES generally

Agree / Disagree

Option 2: with references to relevant TES objectives

Agree / Disagree

Option 3: with references to select relevant TES actions for TEOs **Agree / Disagree**

- d. **note** that once you agree to a priority, we will:

- add information about the priority to the communications that we are preparing for the announcement about the UFS on Thursday 19 May
- work with relevant TEOs to set performance expectations aligned to the priority through their Learner Success Plans (LSPs)
- formalise your decision in the funding determination for the unified funding system in July

- e. **note** that we will provide you with advice later this year about what priority you might wish to set for 2024, and that a decision will be needed by November for TEC to include it in Investment Plan Guidance

- f. **forward** this briefing to the Associate Ministers of Education

- g. **agree** that the Ministry of Education release this briefing in full once it has been considered by you, and once the decisions have been communicated to TEOs.

Agree / Disagree



Katrina Sutich
Group Manager
Te Puna Kaupapahere Tertiary Policy
Ministry of Education

10/05/2022



Gillian Dudgeon
Deputy Chief Executive – Delivery
Tertiary Education Commission

10/05/2022



Hon Chris Hipkins
Minister of Education

I have identified different TES priorities to target in the appendix. CH

15/ 5 /2022

Background

1. In February, you indicated that you would prefer as the Minister (rather than TEC) to set the priorities for the learner component, in alignment with the TES, on which the performance expectations for TEOs would be based (METIS 1281224 refers).
2. In April, we sought your agreement to set a priority for 2023 for the targeted implementation of the performance elements of the learner component (METIS 1283887 refers). You provided feedback that you would like to set a priority for the performance expectations of the learner component that is clearly linked to the goals in the TES and that sets out what we expect to change from the learner's perspective.
3. For 2023, the performance elements of the learner component apply to select TEOs that receive high amounts of learner component funding, with the TEC to determine the TEOs (up to eight) (METIS 1281224 refers).
4. We seek your feedback on, and a discussion of, this report on Monday 16 May so we can finalise your decision in advance of the UFS announcement on Thursday 19 May.
5. The first section of this report provides the broader context for where the performance elements of the learner component would sit as part of other accountability requirements for TEOs. The second section sets out the three options for the learner component priority.

The performance elements of the learner component are one of many ways that TEC holds TEOs accountable for their learners in VET

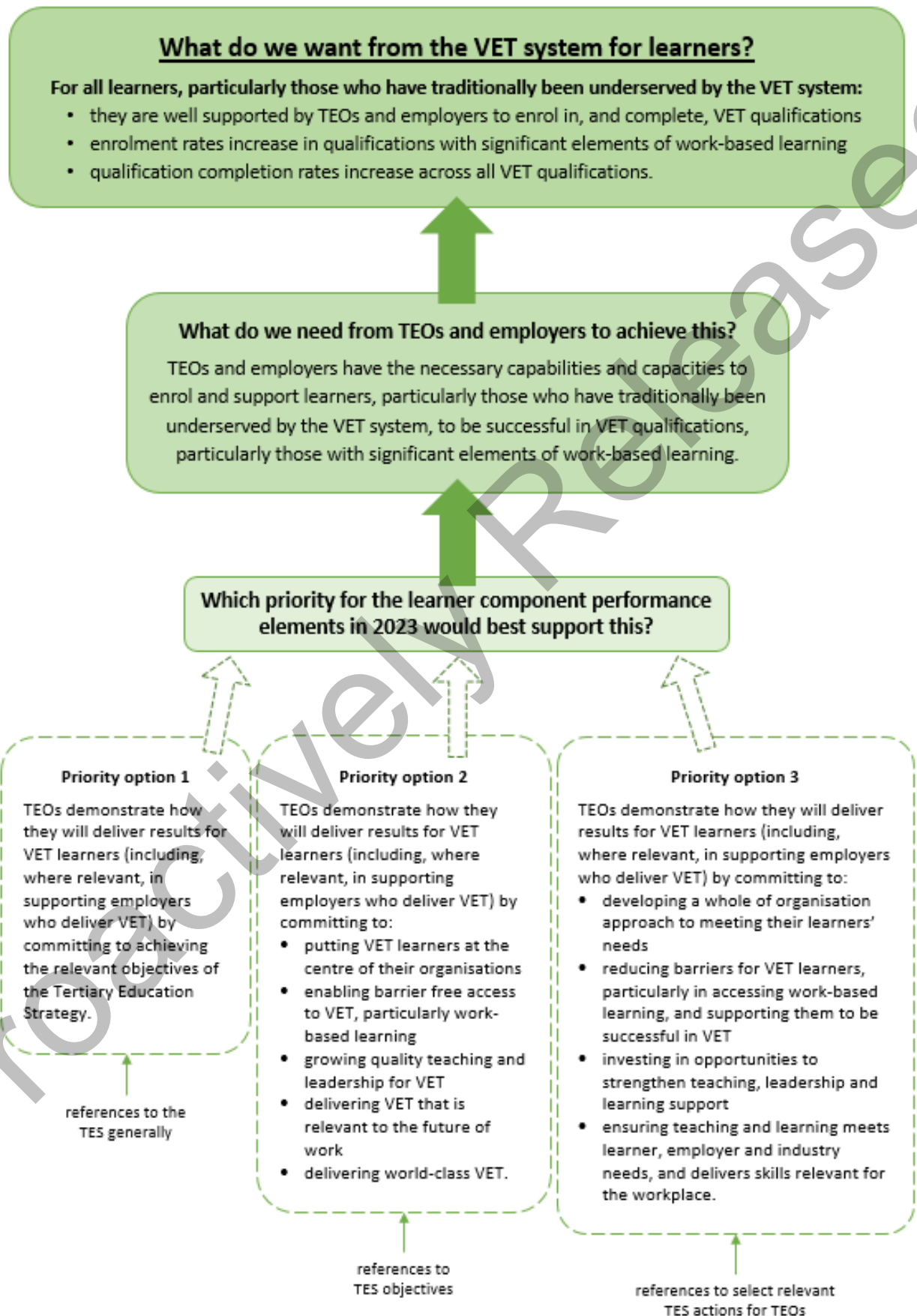
6. TEC uses several methods to set and monitor performance expectations for all TEOs based on the objectives set out in the TES. (Annex 1 sets out how this accountability framework applies to vocational education and training (VET)). The mechanisms include:
 - a. TEC accountability documents (including Letter of Expectations and Statement of Performance Expectations)
 - b. TEC Plan Guidance
 - c. Investment Plan information and engagement processes
 - d. additional performance commitments as part of the Learner Component.
7. Overarching performance expectations are based on the TES. Other accountability documents also lead to performance expectations for the sector, including the Letter of Expectations and Statement of Performance Expectations. The VET aspects of these focus on reducing and removing barriers to access and participation, and working for the success of all learners, especially Māori and Pacific learners, disabled learners, and learners from socio-economically disadvantaged circumstances.
8. New performance measures in the TEC accountability documents are being developed as part of the UFS. These are initially focused on participation and completion for all learners, and specifically for Māori and Pacific learners.

9. Accountability for monitoring sector performance against TES expectations, and other TEC accountability documents, is undertaken by the Ministry supported by TEC information and reporting.
10. The TEC Plan Guidance and toolkit, published annually on the TEC website, sets performance targets for participation, retention, completion, and progression, as well as requirements for learner success plans (LSPs) and disability action plans (DAPs). The Plan Guidance and toolkit also include a VET Investment Brief (see Annex 2), which is focused on achievement parity for Māori and Pacific learners, as well as increasing employment outcomes for these learner groups.
11. Providers use the Plan Guidance and toolkit to assist in producing Investment Plans for TEC, including engaging with TEC over the development of their Plan. Plans must include Educational Performance Indicator (EPI) commitments, and LSP and DAPs (for all TEOs who receive more than \$5 million in learner funding).
12. The suite of EPIs is defined (and refined) by the TEC and the process of Plan negotiation agrees the provider's commitment for each EPI. The TEC is refining these to better reflect the UFS and VET. Providers are also expected to make commitments to other performance measures that they identify as most relevant to the context they operate in, including for their specific learners.
13. LSPs include commitments and milestones on:
 - a. a long-term goal(s) for achieving equity agreed by governance
 - b. a current state analysis of learners and barriers for success
 - c. short-term milestones and medium- and longer-term plans for achieving equity.
14. The learner component will require VET-focused performance commitments by the provider. Funding for reaching these additional milestones will be linked to performance in LSPs. Currently, LSPs further support the EPICs that TEOs commit to in their Investment Plans by asking TEOs to specifically focus on capability development in the following areas: teaching and learning; student-centric systems; holistic student support; community and employer partnerships; education pathways; data and technology; and, people (including teachers), culture and leadership.
15. TEC undertakes monitoring to ensure that performance expectations are met and remain relevant. This monitoring informs TEC's ongoing information to the sector, engagement with TEOs, and investment decisions. It also informs the Ministry's system monitoring of TES priorities and other TEC accountability documents.

Options for setting the priority for the targeted implementation of the performance elements of the learner component in 2023

16. We have prepared three options for you to consider for the targeted implementation of the performance elements of the learner component in 2023 – see Figure 1.

Figure 1: Options for setting the priority for the performance elements of the learner component in 2023 and what the priority will achieve for learners



17. All three options are built on the TES. The options differ in their specificity:
- a. Option 1 refers generally to the TES. You could choose this option if you prefer a broad priority that leaves significant scope for each TEO to reflect their unique circumstances in the performance expectations they set with TEC.
 - b. Option 2 directly references the TES objectives. You could choose this option if you prefer to focus TEOs on the TES objectives and how they link to VET. This still provides scope for TEOs to reflect their unique character.
 - c. Option 3 directly references select relevant TES actions for TEOs. You could choose this option to highlight for TEOs the key actions you think are most relevant for VET in 2023. The complete list of TES actions for TEOs is included in Annex 3, with those we think are most relevant to VET highlighted. Please indicate if you would prefer to identify other actions as part of this option. TEOs can continue to reflect their unique character but with a clearer focus on the actions identified in the TES as significant for achieving learner outcomes.
18. We think all three options could strengthen signals to TEOs about the activities they should focus on to better support learners and would contribute to strong results for learners. We would like your feedback on the level of detail you would like for the learner component priority.

Next steps

19. Once you have agreed to a priority for the learner component for 2023, we will:
- a. add information about the priority to the communications that we are preparing for the announcement about the UFS on Thursday 19 May
 - b. work with relevant TEOs to set performance expectations aligned to the priority through their LSPs
 - c. formalise your decision in the funding determination for the UFS in July.
20. Later this year (around September), we will provide you with advice about what priority you might wish to set for the learner component performance elements for 2024. Our advice will bring together the outcomes we are seeking for learners from VET with the TES to provide options for priorities across all TEOs. Your decision will be needed by November. This will enable TEC to include the appropriate information for TEOs in the Plan Gazette notice and in Plan Guidance which will be published in December or in February 2023 (METIS 1283887 refers).

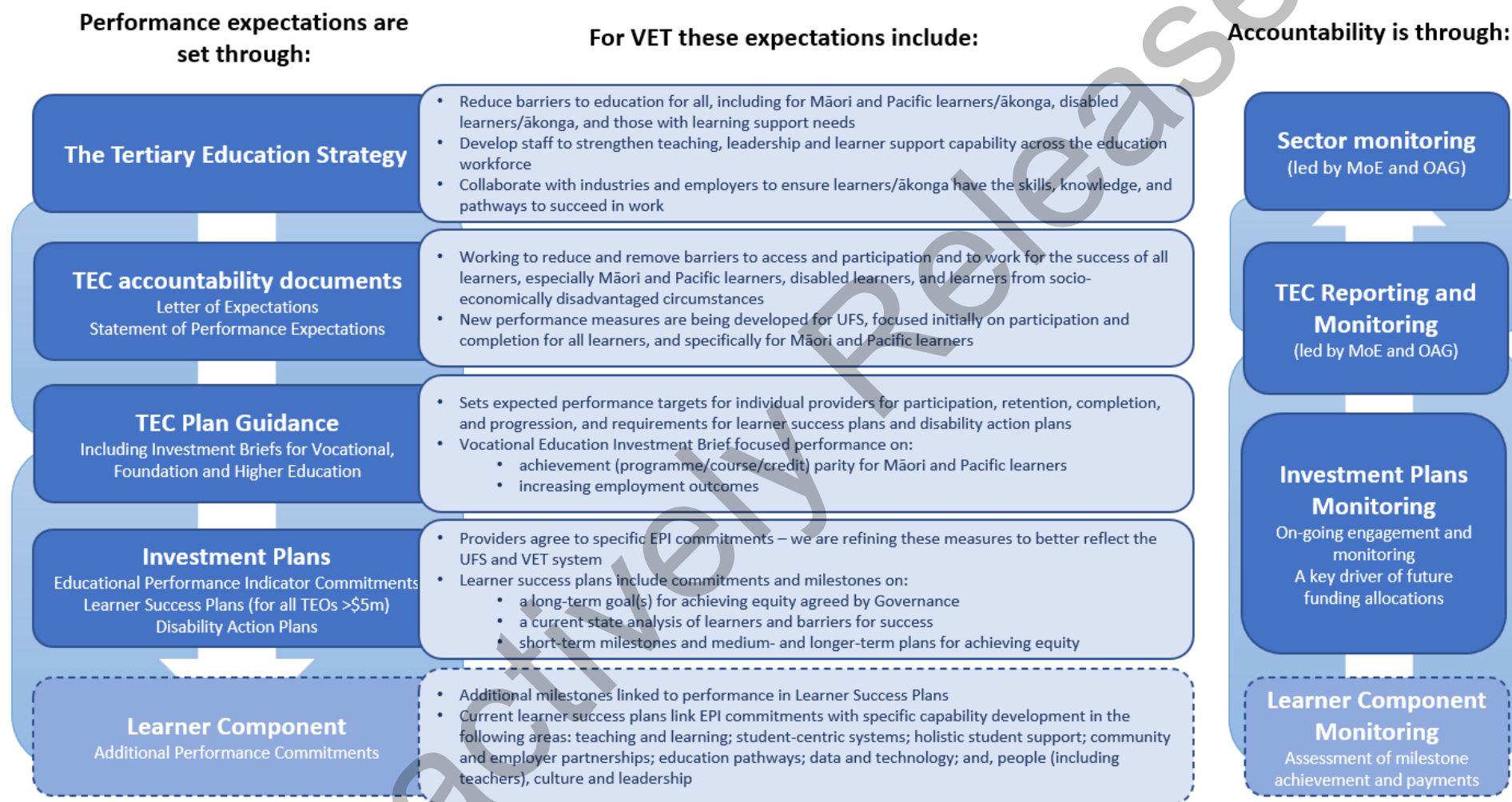
Annexes

Annex 1: Accountability framework for VET

Annex 2: TEC's Vocational Education Investment Brief

Annex 3: TES actions for TEOs

Annex 1: Accountability framework for VET



Vocational Education

We invest in vocational education to deliver the skills that learners, employers and communities need to thrive. This includes giving learners a pathway into meaningful employment or developing their skills on-the-job.

You will need to tell us how your organisation will change to respond to this brief if you are:

- developing your Investment Plan or proposing a Plan amendment
- making performance commitments
- engaging over the development of your Plan.

When we talk about underserved learners we are focused on Māori, Pacific, disabled, low income and low prior achievement learners.

We will invest in high performing tertiary education organisations (TEOs) with evidence-based commitments

We will invest in TEOs who perform best for learners, in particular for the underserved learner groups. Our assessment of your Plan will consider how you have responded to these briefs.

Any Plan amendments will need to show that your parity performance and outcomes are strong.

Your Educational Performance Indicator Commitments (EPICs) will need to reflect parity aspirations.

We can provide information and advice to support your decisions

We give easy access to your learner data through *Ngā Kete*. We encourage you to use this data to inform your Plan.

If your organisation has a Relationship Manager you should discuss your performance data with them. This should form part of your regular engagement with your Relationship Manager. If you do not have a Relationship Manager you can contact the Customer Contact Group for advice.

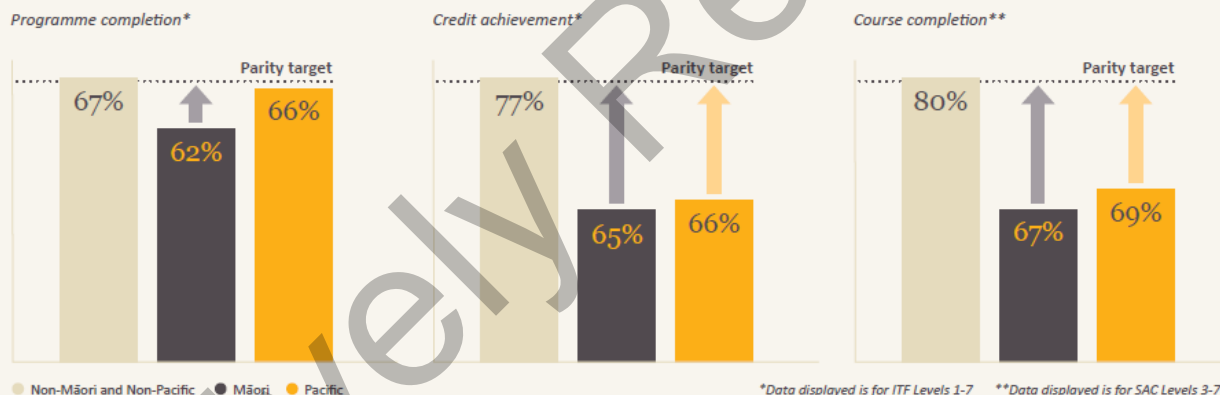
👍 Your provision should lead to positive outcomes

An important outcome of vocational training is to help learners into employment and for employees to develop their skills as well as advance in their career. We want to see evidence that you are achieving positive employment outcomes for your learners.

📋 You will need to evidence the outcomes you achieve

We want to see evidence that your learners have positive outcomes. This should include gaining employment or building further skills to support their career and workplace productivity.

📊 Improving your parity performance will improve the system



At a system level we want to see more learners completing qualifications and courses for provider-based learning and completing programmes and achieving credits for work-based learning. We want TEOs to achieve parity for their underserved learner groups to raise system performance in these key Educational Performance Indicators (EPIs).

When making performance commitments, you will need to focus on parity for Māori and Pacific learners. Achieving the parity targets shown is our priority. You will need to contribute to system improvement by reflecting these targets in your commitments.

By adopting the Learner Success Framework your organisation can better understand how to make changes to improve performance for underserved learner groups.

📋 We need you to evidence your commitment to parity

You will need to identify your underserved learners and tell us how you are improving your support both for them, and future learners. This should be through the organisational changes you are making under your Learner Success Plan. By providing better support to previously underserved learners you can contribute to an improvement in system performance.

For Māori and Pacific learners, you will need to make performance commitments that show progress towards achieving parity in the key EPIs shown. The level of improvement you commit to needs to consider your performance trends and current parity gaps.

Annex 3: TES actions for TEOs

OBJECTIVE 1	OBJECTIVE 2	OBJECTIVE 3	OBJECTIVE 4	OBJECTIVE 5			
<p>LEARNERS AT THE CENTRE Learners with their whānau are at the centre of education</p>	<p>BARRIER FREE ACCESS Great education opportunities and outcomes are within reach for every learner</p>	<p>QUALITY TEACHING AND LEADERSHIP Quality teaching and leadership make the difference for learners and their whānau</p>	<p>FUTURE OF LEARNING AND WORK Learning that is relevant to the lives of New Zealanders today and throughout their lives</p>	<p>WORLD CLASS INCLUSIVE PUBLIC EDUCATION New Zealand education is trusted and sustainable</p>			
<p>1 Ensure places of learning are safe, inclusive and free from racism, discrimination and bullying</p>	<p>2 Have high aspirations for every learner/ākonga, and support these by partnering with their whānau and communities to design and deliver education that responds to their needs, and sustains their identities, languages and cultures</p>	<p>3 Reduce barriers to education for all, including for Māori and Pacific learners/ākonga, disabled learners/ākonga and those with learning support needs</p>	<p>4 Ensure every learner/ākonga gains sound foundation skills, including language, literacy and numeracy</p>	<p>5 Meaningfully incorporate te reo Māori and tikanga Māori into the everyday life of the place of learning</p>	<p>6 Develop staff to strengthen teaching, leadership and learner support capability across the education workforce</p>	<p>7 Collaborate with industries and employers to ensure learners/ākonga have the skills, knowledge and pathways to succeed in work</p>	<p>8 Enhance the contribution of research and mātauranga Māori in addressing local and global challenges (TES ONLY)</p>
<p>Ensure that robust policies, plans and support are in place to address racism, bias and low expectations that impact learners/ākonga, staff and their whānau ✓</p> <p>Review, expand and strengthen current mechanisms to hear and act on learner/ākonga voice, and understand the views of whānau and communities ✓</p> <p>Provide for a safe and supportive learning environment that includes access to support for the basic needs of learners/ākonga and for their physical and mental health</p>	<p>Develop a whole of organisation approach to understanding and meeting the needs and aspirations of all learners/ākonga</p> <p>Develop staff capabilities to support teaching and learning practices that value languages, cultures and identities</p> <p>Build relationships with Māori, involve them in decision making, and partner with them to support rangatiratanga, and Māori educational success as Māori</p>	<p>Collaborate with schools, whānau, Pacific families, communities and industries to plan for successful transitions to enable all learners/ākonga to succeed in education and training</p> <p>Actively identify and reduce barriers for all learners/ākonga, and support them to access education and achieve successful education and employment outcomes ✓</p> <p>Where possible, reduce non-fee costs and take advantage of policies to reduce financial dependence on family and whānau</p> <p>Ensure that robust policies, plans and support are in place to support disabled learners/ākonga and neurodiverse learners/ākonga to succeed</p>	<p>Ensure adult learners/ākonga can access opportunities in their communities, workplaces or while studying at a TEO to develop their literacy and numeracy capabilities</p> <p>Support learners/ākonga to develop relevant digital literacy skills that enable them to study</p> <p>Ensure all learners/ākonga have ongoing opportunities to develop key capabilities and qualities, including communication, problem solving, critical thinking and interpersonal skills</p> <p>Value the languages spoken by Pacific and Māori learners/ākonga, and provide opportunities to use and to build on them</p>	<p>Embed tikanga Māori in values, practices and organisational culture based on engagement and advice from Māori</p> <p>Provide learning and development opportunities for educators to build their teaching capability, knowledge and skills in te reo Māori and tikanga Māori</p> <p>Encourage leaders to undertake their own learning and development opportunities to become proficient users of te reo Māori, and use it increasingly at all levels of engagement</p> <p>Ensure that strategies, behaviours, actions, services and resourcing reflect commitment to Te Tiriti o Waitangi</p>	<p>Identify gaps in teaching capability and invest in opportunities for educators and staff to strengthen teaching, leadership and learning support</p> <p>Value diversity in your workforce and hire staff with a range of backgrounds, identities, languages and cultures to grow a workforce representative of the diversity of your learners/ākonga and communities</p>	<p>Ensure that teaching and learning meets learner/ākonga, employer and industry needs, and delivers skills relevant for the workplace ✓</p> <p>Offer more coherent vocational learning packages and pathways that support learners/ākonga into relevant employment outcomes</p> <p>Provide for lifelong learning options that are flexible, adaptable and timely so that people can upskill and retrain throughout their lives</p> <p>Support relevant skills for New Zealand's shift to a carbon-neutral economy</p>	<p>Build a diverse, sustainable research workforce and broaden the pool of talent and knowledge</p> <p>Support excellent research and the contribution of innovative approaches to solving economic, social and environmental challenges</p> <p>Collaborate and connect across disciplines and institutions to help solve local and global challenges</p>


Actions for Tertiary Education Organisations

Proactive