

2018/19 –  
2021/22

# Statement of Intent



**Tertiary  
Education  
Commission**  
Te Amorangi  
Mātauranga Matua

**Our purpose**  
is to help all  
New Zealanders  
prosper through  
tertiary education  
and careers services

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“We are the Government’s key agency for championing skills and careers for all New Zealanders.”

## Board Chair’s foreword

### This Statement of Intent sets out the strategic intentions for the Tertiary Education Commission / Te Amorangi Mātauranga Matua (the TEC).

We are the Government’s key agency for championing skills and careers for all New Zealanders. We invest in high-quality tertiary education and careers services that put the learner at the centre. Through equipping all New Zealanders with opportunities to access the benefits of tertiary education and training, we contribute to a strong society and thriving economy.

Our legislative functions expanded on 1 July 2017 following the transfer of functions and services of Careers New Zealand. This has provided us with an opportunity to influence the whole education-to-employment pipeline – from school to tertiary education and work. Over the past year, we have worked closely with our partners across government and business to shape a coordinated Careers System Strategy that responds to our changing environment.

With global megatrends reshaping the education system, the workforce of the future, and even the nature of work itself, there are more diverse opportunities for people to learn and work than ever before. However, these changes create challenges. To successfully prepare New Zealanders for the future, the tertiary and careers systems need to be more nimble and innovative to effectively respond to these changes.

Along with our changing environment, wider government priorities inform our strategic intentions. We intend to review our strategic intentions during the coming year to ensure alignment with the Government’s Education Portfolio Work Programme, including the refresh of the Tertiary Education Strategy.

Our organisational strategy incorporates two functions:

- › **Champion | Whakangākau** – equipping all New Zealanders with skillsets that will allow them to have sustainable employment for as long as they need to.
- › **Invest | Tautoko** – improving how we allocate funding to lift the performance of the tertiary education system and manage provider performance.

Our two functions are supported by three enablers:

- › **People | Tāngata** – developing our internal capability to ensure the TEC is a great place to work so we can attract and retain high-quality staff.
- › **Knowledge | Mōhiotanga** – developing a strong knowledge base to equip us with the right tools and information to support good decisions on where and how to invest.
- › **Partnership | Mahi Ngātahi** – striving to build effective partnerships that help us to achieve better outcomes for New Zealanders.

Over the past three years we have become a smarter investor in the tertiary education sector. As we look ahead, we see opportunities to continue to invest more flexibly. This includes supporting new teaching and learning methods and approaches, enabling funding to better reward performance and to align with demand and encouraging universities to be more nimble. Such flexible investment incentivises innovation at the provider and system levels. This will lead to improved learner outcomes, as well as boosting the broader social and economic benefits to all of New Zealand.

At the same time, we need to safeguard a healthy and resilient tertiary education sector. Learners and employers all over New Zealand rely on institutes of technology and polytechnics (ITPs) to provide high-quality vocational education that meets the labour market and skills needs of our regions. However, some ITPs now face concerns over their financial viability. We are working with ITPs and their stakeholders to ensure that New Zealand has healthy and effective regional vocational education that delivers what learners and employers need, at an affordable cost.

We care about the employment and career outcomes of tertiary education. We are a centre of excellence for data and information and this knowledge lets us maximise the impact of our investment decisions. We also share this knowledge with providers and learners, to support their decision-making. Over the coming years, we will continue to grow the number, type and quality of products we share with tertiary education organisations, schools and the public to inform their tertiary education and career choices.

Not all New Zealanders have been well served by the education system in the past. In particular, Māori and Pasifika have had lower rates of tertiary participation and completion. We have set an ambitious goal to achieve tertiary education participation and completion patterns for Māori and Pasifika that are the same as other New Zealanders.

The Fees Free initiative is an example of how we are working to expand New Zealanders' access to tertiary education. By reducing the cost of tertiary study and training, we are opening the door to career opportunities for people who have never considered obtaining a tertiary education before. Accelerating our literacy and numeracy provision is another way we are empowering more New Zealanders to build their skills.

We cannot achieve our strategic intentions on our own. Over the last three years, we have improved the way we engage with our customers and this will continue to be a significant area of focus. The development and implementation of a new customer relationship management tool will drive improved customer service across the organisation.

On behalf of the Board of Commissioners I am confident we are well positioned to champion skills and careers for all New Zealanders and continue to become a smarter, more demanding investor. Through our collective efforts, the TEC will make a valuable contribution to the future of New Zealand.



**Nigel Gould**  
Board Chair, Tertiary Education Commission

# Statement of Responsibility

This *Statement of Intent 2018/19 - 2021/22* is produced in accordance with sections 138 to 149A of the Crown Entities Act 2004.

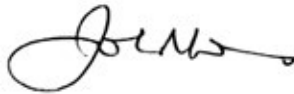
This Statement of Intent describes the strategic intentions and objectives of the Tertiary Education Commission Te Amorangi Mātauranga Matua (the TEC). As required under section 141 of the Crown Entities Act, the Statement of Intent also outlines how the TEC will manage its operations, functions and organisational capability to meet those objectives.

We certify that the information contained in this *Statement of Intent 2018/19 - 2021/22* is a fair and reasonable reflection of the TEC's strategic and operating intentions.

Signed on behalf of the Board of the Tertiary Education Commission:



**Nigel Gould**  
Chair  
Tertiary Education Commission  
14 June 2018



**John Morris**  
Audit, Risk and Compliance Committee  
Tertiary Education Commission  
14 June 2018

# We are government's key agency for investment in tertiary education and careers services

The TEC is a Crown agency under the Crown Entities Act 2004 and we are governed by a Board of Commissioners appointed by the Minister of Education.

We are government's key agency for investing in tertiary education, training and careers services. Our investments aim to develop tertiary education and careers systems that are people centred. We also safeguard the Crown's interest in public tertiary education institutions.

Each year we spend over \$3 billion investing in tertiary education and supporting the tertiary education and careers systems. Approximately \$2.9 billion of this is invested into the tertiary education system. This supports more than 700 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.

When we talk about the tertiary education system, we usually refer to the tertiary education organisations that are quality assured by the New Zealand Qualifications Authority (NZQA). These organisations include:

- › 27 tertiary education institutes (eight universities, 16 institutes of technology and polytechnics and three wānanga)
- › 204 TEC-funded private training establishments (PTEs)
- › 11 industry training organisations
- › Approximately 400 other organisations, including providers of adult and community education, government training establishments and schools.

## Equipping all New Zealanders with the skills and capabilities to ensure they are career confident and resilient

Our legislative functions have provided a broader opportunity for us to influence the whole education-to-employment pipeline – from school to tertiary education and employment, including working directly with learners and career seekers. Over the past year, we have worked closely with our partners across government and business to develop a bold, innovative strategy that responds to our changing environment. At the time of writing this Statement of Intent, we are still finalising the detailed work programme that will give full effect to the strategy.

## We operate in a changing environment

This Statement of Intent has been developed in a rapidly changing internal and external operating environment. We won't know the full impact of some of these changes on the TEC until later in the 2018/19 year. We expect these changes to lead us to review our strategic intentions during the coming year and we intend to develop a revised Statement of Intent for 2019/20 onwards.

With global megatrends and local economic shifts reshaping the education system, the workforce of the future, and even the nature of work itself, there are more diverse opportunities for people to learn and work than ever before. These changes are already providing challenges, with automation disrupting the workplace and causing changes to jobs. To successfully prepare New Zealanders for the future, we need to enable the tertiary education system to be more nimble and innovative in response to these changes. This includes supporting all New Zealanders to upskill and retrain throughout their working lives. Through enabling lifelong learning, people will be able to access the skillsets that are essential to our future workforce.

## Our focus over the next twelve months

Our next Statement of Intent will more fully reflect the impact of the changes taking place in our operating environment. This Statement of Intent describes, in the context of our organisational strategy, how we will continue to deliver on our statutory functions and do the basics well, while:

- › supporting a strong education system
- › implementing our new operating model and improving the health of the tertiary education system
- › developing a new strategic direction for the careers system.

### We are seeking to contribute in improving the education system

The Government recently launched a new three-year Education Portfolio Work Programme that sets ambitious goals for the education portfolio, including the tertiary education system. The new programme champions a high-quality inclusive public education system so that all New Zealanders can discover and develop their full potential throughout their lives.

The Education Portfolio Work Programme is organised around five main objectives:

1. Learners at the Centre
2. Barrier-Free Access
3. Quality Teaching
4. Quality Public Education
5. 21st Century Learning.

Our support of the Education Portfolio Work Programme includes ensuring our strategic priorities are aligned to the Government's goals. We will continue to focus on the wellbeing of the tertiary education system to ensure that New Zealand has a sustainable, inclusive and high-quality system delivering academic and vocational education and training that benefits all New Zealanders now and into the future. This includes continuing to consider the need for more flexible funding to support the wider changes in the tertiary education system.



The key ways that we will contribute to the Education Portfolio Work Programme are by:

- › supporting strong regional provision of vocational education through reviewing the sustainability of institutes of technology and polytechnics (ITPs). We have recently established the ITP Roadmap 2020 project to take a lead on engaging collaboratively with ITPs, and the broader community, to explore and test different options for change
- › contributing to the revision of the Tertiary Education Strategy. The Tertiary Education Strategy sets out the Government's long-term strategic direction and medium-term priorities for tertiary education and training and the revised Tertiary Education Strategy will inform our next Statement of Intent
- › developing a long-term approach to the Fees Free initiative. The TEC was selected as the agency to implement the Government's policy for fees free tertiary study in December 2017
- › focusing on building learner success – especially ensuring that participants in the system who have not traditionally achieved as well are supported to do so
- › delivering the 2018 Performance-Based Research Fund (PBRF) Quality Evaluation and contributing to the review of the PBRF.

We will also contribute to building a strong partnership model across the education system, particularly with learners and employers. The outcomes of the 2018 Education Summits and regional hui will shape our operating environment and focus and will influence our next Statement of Intent.

### **We are developing a new strategic direction for the careers system**

We want to ensure that every New Zealander has the opportunity to acquire the capability to have a fulfilling career and sustainable income for as long as they choose to work. Career changes may need to happen for a number of reasons such as automation, new jobs being created or needing to take time to care for family. We believe that all New Zealanders should be able to respond to the changes that will happen throughout their working lives.

Our work over the coming years will focus on equipping New Zealanders with the skills and capabilities to ensure they are career confident and resilient. For our customers this means tools, products and services that help them shift from being unaware and unprepared for change to being prepared for change and making the changes they need to make.

### **We are implementing our new operating model alongside our new organisational structure**

To prepare us for the future, we are creating an integrated operating model that fully combines the careers and investment components of our functions. To support this change, we are redesigning our organisation so that we deliver better value to our diverse customers, are ready for advances in technology and effectively respond to the changing demographics of communities. These changes will ensure we are well placed to become a more flexible and customer-focused organisation.



## Our strategic framework reflects our changing environment

Our new strategic framework and associated performance measures reflect the first phase of our response to the changes and opportunities in our operating environment. We will continue to review our strategic framework and associated performance measures over the coming year and this will inform our next Statement of Intent.

Our strategic framework shows our:

- › why – our overarching purpose and our four impacts
- › what – our organisational strategy that helps us to deliver on our purpose and strategic objectives. It is expressed through our two functions and our three enablers
- › how – our values, operating model (processes and systems) and outputs (investment).

## Our statutory functions inform our purpose and our impact areas

Our strategic intentions are guided by our statutory functions that are set out in the Education Act 1989.

These require us to:

- › give effect to the Tertiary Education Strategy by funding tertiary education organisations, growing their capability and monitoring their performance
- › collect and provide information about study and work options
- › provide information and services to help career seekers prepare to move to work or further study
- › strengthen the connections from education to employment
- › advise the Minister on tertiary education organisations and sector performance and on the operational impact of policy.

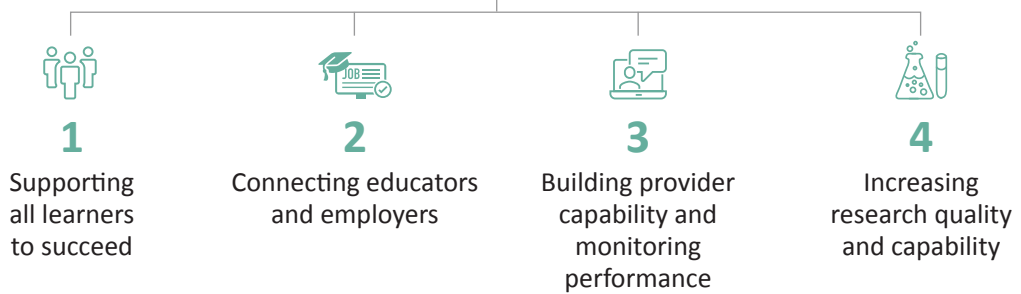
Our statutory functions inform our purpose – to help all New Zealanders prosper through tertiary education and careers services.

# Our Framework

WHY

**Why we are here – our purpose**  
 We help all New Zealanders prosper through tertiary education and careers services

**The difference we intend to make – our impacts**



WHAT

**What we do – our organisational strategy**



HOW

**How we work – our values**



**How we organise ourselves to deliver our strategy – our operating model**



**How we administer our funds – our outputs**



# We have four impact areas that describe the difference we are seeking to make

As we operate in a dynamic environment with a number of external factors outside of our control, we measure our success against these four impact areas in two ways – through impact measures and using trend information.

Impact measures are things that we have more influence over. Trend information relates to things we have an influence on but not sufficiently to be directly accountable for – an example of this is the rate of young people not in education, employment or training.



Impact

# 1

## Supporting all learners to succeed

All learners have the opportunity to develop the skills and knowledge to succeed.



Impact

# 2

## Connecting educators and employers

There are strong connections between education and employment through collaboration and sharing of knowledge among the system and employers.



Impact

# 3

## Building provider capability and monitoring performance

Tertiary Education Organisations are well managed, financially sustainable and provide quality education services.



Impact

# 4

## Increasing research quality and capability

Research-based institutions contribute to New Zealand's success through:

- › innovation, connections and collaboration
- › building a world-class innovative workforce.

Impact

1

## Supporting all learners to succeed

**What success looks like**

We will know we are successful when all learners have the opportunity to develop the skills and knowledge to succeed.

Through this we will see:

- › more people accessing high-quality tertiary education through a more flexible and diverse range of delivery options to meet their needs
- › high-quality and timely careers education available in schools and through tertiary education organisations, and education and information available to help people address foundational gaps hindering participation in education and/or the workforce
- › people making well-informed decisions about their learning and work choices – they know how and where to find good information and have developed the skills to use it
- › people taking courses and completing qualifications that provide them with opportunities to enter into careers and to further develop skills or retrain throughout their working lives to continue working for as long as they need/want to
- › participants in the system that have not traditionally achieved as well are supported to do so
- › a resilient New Zealand workforce with the skills needed now and in the future, drawn more evenly from across New Zealand society.

**Our priority activities for 2018/19 and beyond**

- › Implementing a new strategic direction for the careers system.
- › Developing a long-term approach to the Fees Free initiative.
- › Focusing on building learner success through our Māori and Pasifika parity work programme.

**Our business as usual and continuous improvement activities that support this impact area include:**

- › providing information, resources and services to build the career skills of individuals and their influencers, tailored to our customer groups
- › investing in the tertiary education and careers systems through investment plans and allocation of funding. We are working to introduce more flexibility into funding to support and encourage innovation to meet learners' needs
- › monitoring tertiary education organisations through the performance management process to ensure they are focused on providing effective careers support to their learners, and we incentivise and reward good practice and achievement
- › evaluating the success of targeted initiatives and using our learning to improve effectiveness
- › sharing information and providing resources to enable good decision-making from tertiary education organisations, learners and other system stakeholders
- › directing investment to support increased parity in participation, achievement and subsequent outcomes for priority groups. We ensure investment plans address disparity. We also deliver specific programmes and funds targeted to priority groups.

## Improving the performance of Māori and Pasifika learners

Within five years we intend to achieve participation and completion patterns for Māori and Pasifika that are on a par with other learners in the tertiary system.

While performance has improved in recent years for Māori and Pasifika learners, there is still a gap between the performance of Māori and Pasifika learners and the performance of non-Māori and non-Pasifika learners. We are working with tertiary education organisations to close the gap.

Our performance measure will track the improvement of Māori and Pasifika learners relative to non-Māori and non-Pasifika learners (improvement in the parity percentage point gap). This will show our progress towards achieving our goal of Māori and Pasifika learners participating and achieving on a par with other learners.

### How we will measure progress

Performance measure	Actual 2016 (Note 1)	Actual 2017	Target 2018	Target 2019	Target 2020	Target 2021
Percentage of students (Note 2) completing qualifications at level 7 degree and above:						
All learners	62%	63%	Improve on previous year's result	Improve on previous year's result	Improve on previous year's result	Improve on previous year's result

Performance measure	2016			2017			Parity target 2018	Parity target 2019	Parity target 2020	Parity target 2021
	Actual (Note 1)	Non-Māori and non- Pasifika	Parity gap	Actual	Non- Māori and non- Pasifika	Parity gap				
Percentage of students (Note 2) completing qualifications at level 7 degree and above:										
Māori	51%	65%	-14 percentage points	50%	66%	-16 percentage points	Improve on previous year's result	Improve on previous year's result	Improve on previous year's result	Improve on previous year's result
Pasifika	50%	65%	-15 percentage points	51%	66%	-15 percentage points	Improve on previous year's result	Improve on previous year's result	Improve on previous year's result	Improve on previous year's result

Note 1 – Previously we reported medians when breaking down sector performance. We have moved to reporting actuals as we are now providing more detailed information to the sector. Actuals are more meaningful in terms of relative performance, especially with regard to our parity measures. Consequently, the 2016 actuals reported here will not be the same as previously published.

Note 2 – All students enrolled in a formal qualification at a university, ITP, PTE or wānanga.

### Trend information

The TEC's information and tools assisted people in making learning or work decisions (Note 1)

Proportion of 20- to 24-year-olds who are not in employment, education or training

Note 1 – This will be measured by a customer survey. We will survey people who identify themselves as seeking to make a learning or work decision, asking this segmented group whether the information and tools provided by the TEC assisted that decision.





## Impact 2

### Connecting educators and employers



#### What success looks like

We will know we are successful when there are strong connections between education and employment through collaboration and sharing of knowledge among schools, tertiary education organisations and employers.

Through this we will see:

- › employers and educators have readily available opportunities and forums to communicate and work with one another. They are supported to take active roles in creating and participating in opportunities and initiatives to connect education and employment. As a result of this collaboration and sharing of knowledge:
  - › **Educators** can better understand workplace expectations and industry changes and trends. They can effectively communicate this to learners.
  - › **Learners** have greater direct exposure to work while in education. They are more prepared for the workplace, making more effective transitions when they move from education to employment.
  - › **Employers/businesses** can better understand changes in education practice and qualifications. They find it easier to source the skills they need from within New Zealand. They can ensure that options are available for them to reskill their workforce or develop the talent they need for their businesses to grow.
  - › **Employees** have more access to a variety of relevant education services that allow them to keep their skills up to date or to retrain.

#### Our priority activities for 2018/19 and beyond

- › Implementing a new strategic direction for the careers system.

#### Our business as usual and continuous improvement activities that support this impact area include:

- › facilitating connections between educators and employers through online resources and tools, the investment plan process and running and/or supporting events and programmes to connect educators and employers<sup>1</sup>
- › tertiary education organisations showing, through the investment plan process, their engagement with key employers in their region; and that their programmes are responding to the needs of these employers
- › our post-study outcome data enabling tertiary education organisations to see where their graduates are and are not succeeding in the labour market. This allows tertiary education organisations to adjust or reduce provision that has poor labour-market outcomes
- › running programmes that connect educators, employers and learners, and ensuring our programmes provide opportunities relevant to Māori and Pasifika.

#### How we will measure progress

Performance measure	Actual 2016/17	Estimated actual 2017/18	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021/22
Key stakeholder satisfaction that the TEC has helped improve connections between schools, tertiary education organisations and employers	New measure	New measure	Baseline year	Maintain or improve on previous year	Maintain or improve on previous year	Maintain or improve on previous year

<sup>1</sup> More details about the TEC's contribution will be become available as the Careers System Strategy work progresses.

## Impact

## 3

## Building provider capability and monitoring performance



### What success looks like

We will know we are successful when tertiary education organisations are well managed, financially sustainable and provide quality education services.

Through this we will see:

- › tertiary education organisations that are well governed, financially sustainable and operating smoothly, providing quality education that meets the needs of individuals and employers. They respond to changing demands to meet the future needs of the labour market and society. The TEC and other government agencies are among those providing them with the information, advice, tools, systems and support to enable these outcomes
- › tertiary education organisations incentivised to innovate and improve as more information about their performance and learner outcomes is available to learners and their influencers
- › issues with tertiary education organisations identified early and resolved with minimal disruption and cost. Information is effectively shared across the system to support early identification and resolution of issues
- › tertiary education organisations providing poor quality education either address issues or exit the system quickly and cleanly
- › disruption to learners minimised when there are problems with the management or sustainability of a tertiary education organisation.

### Our priority activities for 2018/19 and beyond

- › Reviewing the sustainability of institutes of technology and polytechnics through our ITP Roadmap 2020 project and implementing the outcomes of the review.
- › Working with tertiary education organisations, using a capability maturity model approach to build the capability of the tertiary system. The Capability Framework supports tertiary education organisations' self-assessment and continuous improvement. This tool will improve our view of the overall capability of the sector.

### Our business as usual and continuous improvement activities that support this impact area include:

- › providing sector information to enable tertiary education organisations to make well-informed choices and decisions and providing information and tools to tertiary education institutes to support them to enhance governance capability
- › using TEC-administered funds and compliance with funding conditions:
  - › incentivising good performance by investing more funding over time in tertiary education organisations that do the best job for learners and New Zealand. We do this by collecting and publishing information about tertiary education organisation performance and increasing the number of learners that high-performing tertiary education organisations can enrol
  - › undertaking remedial and regulatory activity (where needed) to investigate, address issues and ensure compliance with our investment agreement. Our application of compliance and monitoring activity is appropriate, proportionate, fair and transparent.
- › providing high-quality advice to government on the performance of tertiary education organisations, tertiary education sector performance, ministerial appointments, council members' fees and issues affecting the Crown's ownership interest in tertiary education institutes (TEIs)
- › coordinating effectively with others in government and the sector to ensure relevant information is shared.

## Our monitoring work goes beyond traditional compliance

We work collaboratively with tertiary education organisations to build their capability, through informing and educating them on their obligations and helping them perform to their absolute best.

We undertake a number of monitoring activities with regard to individual tertiary education organisations. These range from ongoing statutory monitoring responsibilities, such as monitoring the financial performance and governance capability of Crown-owned tertiary education institutions, to as-needed audits and investigations responding to specific issues and risks.

Findings from monitoring activities, better analysis of our comprehensive data, and reviews of system-wide issues are all shared with tertiary education organisations to help them manage their own performance and compliance. Sharing learnings from our monitoring work also helps the sector build capability so we can all achieve better outcomes for learners.

### How we will measure progress

Performance measure	Actual 2016/17	Estimated actual 2017/18	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021/22
At least three system-wide reviews completed each year and results shared with tertiary education organisations (Note 1)	New measure	New measure	Achieve	Achieve	Achieve	Achieve
At least three educational activities undertaken each year to support the capability of tertiary education organisations and provide information and guidance on their obligations	New measure	New measure	Achieve	Achieve	Achieve	Achieve

Note 1 – We conduct system-wide reviews of sector-based activities. These are generally based on a strategic issue that may need greater understanding. Results of system-wide reviews may feed into policy decisions, educational activities or more targeted investigations. Review results will be reported in our annual reports.

## Impact

## 4

## Increasing research quality and capability

**What success looks like**

We will know we are successful when research-based institutions contribute to New Zealand's success through innovation, connections and collaboration; and we have built a world-class, innovative workforce.

Through this we will see:

- › institutions undertaking more collaborative research within and beyond New Zealand, including working with businesses and communities
- › institutions willing and able to take risks to achieve innovation and impact in research, while effectively engaging with end users and stakeholders
- › research-based degrees producing highly skilled graduates and research-based institutions attracting domestic and international staff with globally competitive skills and knowledge
- › improvement in New Zealand's reputation for innovation, entrepreneurship and productivity, driven by a more capable workforce. A higher quality and quantity of research outputs is produced. New Zealand-based researchers and research institutions are recognised as international authorities in their research areas
- › increased:
  - › non-government investment in research and development
  - › commercialisation of research, including protection of intellectual property through patent applications
  - › non-commercial use of New Zealand-based research in areas such as health and government and to support Māori communities.
- › Mātauranga Māori recognised and valued in a wide range of research fields.

**Our priority activities for 2018/19 and beyond**

- › Delivering the 2018 PBRF Quality Evaluation and contributing to the review of the PBRF.

**Our business as usual and continuous improvement activities that support this impact area include:**

- › managing investment decisions for Centre of Research Excellence (CoRE), Entrepreneurial Universities (EU) and Performance Based Research Fund (PBRF) funds. Investments are strategically targeted towards knowledge areas identified by the Government as priorities. We ensure funding is administered in a timely and transparent manner and is directed to support quality research and to attract quality staff and learners
- › advising and influencing institutions in the development of performance plans. We monitor performance by reviewing annual reports and by partnering with experts to undertake robust evaluations and reviews of research quality and performance.

## How we will measure progress

Performance measure	Actual 2016/17	Estimated actual 2017/18	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021/22
The TEC works with the Ministry of Education to undertake agreed reviews of Centres of Research Excellence (CoRE) performance against fund criteria (Note 1)	New measure	Achieve	Achieve	Achieve	Achieve	Achieve
Research degree completions (measured by Performance Based Research Fund-eligible research degree completions)	3,934	Previous year results +/- 5%	Previous year results +/- 5%	Previous year results +/- 5%	Previous year results +/- 5%	Previous year results +/- 5%

Note 1 – This will be presented as reports on findings from evaluations.

### Trend information

Percentage increase in amount of external research income for Performance Based Research Fund-eligible providers





# Our organisational strategy guides what we do

Our organisational strategy supports us to deliver on our impact areas and helps us to organise our priorities, business as usual activities and resources. It has two functions and three enablers:

- › **Champion and Invest** – our external functions
- › **People, Knowledge and Partnership** – our internal enablers.

## Champion – Whakangākau



Our Champion function is about equipping all New Zealanders with a skillset that will allow them to have sustainable employment for as long as they need to.

We have had a Champion function for several years and have made solid progress with the development of products and services that support learners to make smart decisions about their tertiary education options. These have included the Key Information Set for Learners and MyQ (the survey website for people who have recently completed a qualification).

### Our priority activities for 2018/19

We will focus on:

- › implementing a new strategic direction for the careers system
- › developing a long-term approach to the Fees Free initiative
- › building learner success through our Māori and Pasifika parity work programme.

The recent changes to our legislative functions have given us a much greater opportunity to champion skills and careers for all New Zealanders. Through the transfer of Careers New Zealand assets – including the trusted careers.govt.nz website – we are well placed to reach a broader range of customers, especially learners and employers. By implementing a new strategic direction for the careers system we will ensure that every New Zealander has the opportunity to acquire the capability to have a fulfilling career and sustainable income for as long as they choose to work.

Within that context, we are ambitious about the future direction of our Champion function – we want all New Zealanders to have high aspirations for their tertiary education and career choices. Through the Fees Free initiative we are removing barriers to participation by making tertiary education accessible. Fees Free is opening the door to career opportunities for many people who have never considered obtaining a tertiary education before.

We know that we can – and must – do better for many New Zealanders who haven't always been well served by the education system. Through our Māori and Pasifika parity project we have set an ambitious five-year goal to achieve tertiary education participation and completion patterns for Māori and Pasifika that are the same as other New Zealanders. This is critical to New Zealand's future social, cultural and economic success.

## Invest – Tautoko



Our invest function is about improving how we allocate funding to tertiary education organisations to provide all forms of post-secondary school education. We ensure that public funds are directed towards tertiary education provision that meets the needs of society and the economy.

We are continuing our journey towards becoming a smarter, more demanding investor. Through continually improving the tertiary funding system we will ensure it is sustainable and meets the needs of New Zealand. This includes transforming the system architecture into a more flexible way of working, incentivising innovation in tertiary education organisations and supporting universities to be more nimble.

Through our invest function, we will continue to ramp up our focus on the delivery of benefits to the end consumers of the tertiary education system – learners and their families and whānau, employed and unemployed New Zealanders and employers. We will focus on measuring the social, cultural and economic outcomes of the system.

Our invest function is also about our monitoring and Crown ownership role. This ensures our funding is used for the purposes intended. We safeguard the Crown’s interest in public tertiary education institutions by building their capability and monitoring their performance.

### **Our priority activities for 2018/19 and beyond**

We will focus on:

- › reviewing the sustainability of institutes of technology and polytechnics through our ITP Roadmap 2020 project and implementing the outcomes of the review
- › delivering the 2018 PBRF Quality Evaluation and contributing to the review of the PBRF.

We want to see a healthy and resilient tertiary education sector with a range of high-quality tertiary education organisations that are financially sustainable and performing well. We are particularly focused on the health of New Zealand’s institutes of technology and polytechnics (ITPs). Learners and employers rely on a nationwide network of ITPs to provide high-quality, wide-ranging vocational provision. Through our ITP Roadmap 2020 project, we will work closely with ITPs and their key stakeholders to ensure that ITPs are fit for purpose and that learners and employers can get the skills they need.

We are responsible for delivering the 2018 PBRF Quality Evaluation. The PBRF is our second largest fund and supports research capability in tertiary education organisations. The Quality Evaluation results will be the basis of distributing \$1 billion over the six-year period from 2019, primarily to the universities. We will also contribute to the review of the PBRF that will be led by the Ministry of Education.



## People – Tāngata



Our people enabler is about being a great employer with a workplace where high-performing people and teams want to be – they are connected to our purpose, developed to be their best and have the skills and desire to deliver results.

### Our priority activities for 2018/19 and beyond

We will focus on finalising our organisational restructure and reflecting the changes in our policies, systems and processes.

As our functions have changed over the past year, we are also changing our operating model. To support this change, we are redesigning our organisation to become more integrated, with a clearer line of sight between what we do and our strategy. This is positioning us to deliver better value to our diverse customers, to be ready for advances in technology and effectively respond to the changing demographics of communities.

It's early in the process – implementing all the changes will take at least the next two to three years. To achieve the outcomes we want, we will align our people capability by building on what we have and developing what we need. Our next step up in performance and capability is about having expert skills, complemented by tertiary education and careers expertise. The capability actions we set are guided by our people plan, Mā Tātou, Mō Tātou (By Us, For Us).

The Appendix outlines how we meet the good employer responsibilities described in the Crown Entities Act 2004.

### How we will measure progress

Measure	2016/17 actual	2017/18 target	2018/19 target	2019/20 target	2020/21 target	2021/22 target
Core unplanned turnover	10.7%	14%	14%	14%	14%	14%
Level of staff engagement	74.9%	State sector benchmark or above	State sector benchmark or above	State sector benchmark or above	State sector benchmark or above	State sector benchmark or above

### Our values reflect how we work to support our functions and enablers



## Knowledge – Mōhiotanga



Through our knowledge enabler we are developing the right tools and information to support good decision-making. This will support learners, tertiary education organisations and the TEC to make better informed decisions and will ultimately enable the tertiary education system to operate more efficiently and effectively.

### Our priority activities for 2018/19 and beyond

We will focus on:

- › growing and sharing our data and information products
- › rolling out our new Fund Management and Payments system.

We have become a centre of excellence for data and information and sharing this with our customers. We will continue to focus on building data and information partnerships and tool sets that combine, package, present and share information. We will continue to grow the number and type of information products we share with tertiary education organisations, the wider sector and the public.

Our Funds Management and Payments project is enabling us to implement the process and technology changes that will improve the efficiency, accuracy and transparency of our funding decisions and payments.

### How we will measure progress

Measure	2016/17 actual	2017/18 target	2018/19 target	2019/20 target	2020/21 target	2021/22 target
Availability of core information and communications technology (ICT) services and applications (excluding planned outages)	99.8%	98.5%	98.5%	98.5%	98.5%	98.5%
Availability of core information and communications technology (ICT) services we provide for tertiary education organisations (excluding planned outages)	99.7%	98.5%	98.5%	98.5%	98.5%	98.5%

## Partnership – Mahi Ngātahi



We strive to build effective partnerships that help us to achieve better outcomes for New Zealanders. Over the past three years we have continuously improved engagement with our customers and this has been reflected in the results of our annual customer satisfaction survey. We have seen significant year-on-year increases in our customer feedback since 2015.

As an education sector agency, we work closely with the Ministry of Education, our partner education sector agencies and other government departments. We will work collaboratively with our government partners to measure the social, cultural and economic outcomes of the tertiary education system.

We also work with families and whānau, iwi and employers to deliver the skills and knowledge that contribute to economic and social development. Together, we all contribute to a strong education system and improve the connections between learning and work.

### Our priority activities for 2018/19 and beyond

We will focus on implementing our new customer relationship management system.

We are moving from delivery *to* our customers, to driven *by* our customers and we are developing new approaches and products that will improve our customer service. One of the major projects we will implement is our customer relationship management system. This will enable us to have a shared and consistent experience when engaging with our customers – all our customer-related information will be accessible from a single tool containing our customer information and interactions.

### How we will measure progress

Measure	2016/17 actual	2017/18 target	2018/19 target	2019/20 target	2020/21 target	2021/22 target
Percentage of survey respondents that trust the TEC	New measure	New measure	Baseline established	Maintain or increase	Maintain or increase	Maintain or increase

# Appendix

## The TEC as a good employer

Our employment practices meet the responsibilities in the Crown Entities Act 2004 to be a good employer. We strive to provide an environment with equal employment opportunities for all current and potential employees and we want all our people to feel empowered, valued and supported. We will review our gender pay gap as part of the diversity and inclusion programme of work.

Diversity and inclusion is particularly important to the TEC and New Zealand. This includes helping our people better understand the needs of Māori and Pasifika learners so we can all contribute to the TEC's goal of achieving the same patterns of participation and achievement for learners by 2022.

## Managing risk

We have a risk management framework that provides for the regular review, identification and management of risk at a strategic and operational level.

We have a continuous improvement approach to the framework and management of risk. Our framework is consistent with the Joint Australian New Zealand International Standard for Risk Management (AS/NZS ISO 31000:2009).

Our Executive Leadership Team owns and manages the operation of the framework and our Audit Risk and Compliance Committee (ARCC) has regular oversight of the framework and outputs. We are continuing to build our risk management capability.

## Financial management

Our financial position is sound. We operate in a financially responsible manner consistent with section 51 of the Crown Entities Act 2004. We will ensure we manage any emerging cost pressures in our expenditure by:

- › continuing to focus on our strategic financial plan. This splits our operating costs into core and project costs over the next five years and enables us to monitor and manage our core costs so that our spending provides the best value for money
- › managing our balance sheet as a by-product of our strategic financial plan, with general prudent management of revenues, expenses, assets, liabilities, investments and general financial dealing. This ensures we effectively achieve our objectives and purposes on a going-concern basis.
- › ensuring our investment in tertiary education organisations is in accordance with the Government's priorities or returned to the Crown.



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