



**Tertiary  
Education  
Commission**  
Te Amorangi  
Mātauranga Matua



# Annual Report Pūrongo-ā-tau

For the year ended 30 June 2024

# Karakia tīmatanga

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Tākina ko te kawa	Hold on to these principles
Ko te kawa o Rongo	The principles of Rongo, the Atua of peace
Ko te taitamawahine, ko te taitamatāne	
Tākina te manawa o Rongo	Hold peace in your heart
Ko te whatu o Rongo	See the peace
Ko te mauri o Rongo	Feel the force of peace
Ko te kiri o Rongo	Make peace present
He kawa nui	It's big
He kawa roa	It's long lasting
He kawa whakatiketike	It's important
Mai Ranginui me Papatūānuku	From the sky to the earth
Houhia ko te kawa o Rongo	Let this principle of peace bind us together
Tūturu o whiti	
Whakamaua kia tina.... tina	Let us be open and generous
Haumi e, hui e	
Tāiki e	

## Our purpose

Tō mātou pūtake

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

We need a system that enables every person in New Zealand to acquire the skills and knowledge they need to advance their wellbeing through education and employment. Importantly, we make sure that the system reflects and delivers to New Zealand's growing diversity and engages those who are currently under-served.

Delivering on our purpose requires us to continually understand the changing needs of learners, employers and communities. We use this insight to shape an interconnected and responsive system that delivers world-class education, training and research.

## Our vision

Tō mātou wawata

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

Skills and knowledge will provide our industries and communities with the resilience to adapt and prosper in changing times. When everyone is on a lifelong learning path, their participation will fuel innovation, drive economic growth and promote social mobility.



# Our year at a glance

## Te tau kua hipa

In 2023/24 we spent over

# \$3.8 billion

investing in tertiary education and supporting the tertiary education and careers systems

### We funded

# 8

universities



# 200

TEC-funded private training establishments

# 33,637

payments to tertiary education organisations in 2023/24

# 3

wānanga



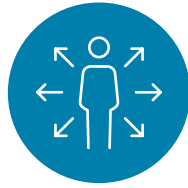
# 522

 other organisations

(including other tertiary education providers, workforce development councils, adult and community providers, secondary schools and area schools)

# 1

Te Pūkenga



## The TEC's investment process is learner centred



Between July and December 2023, we agreed to funding allocations for 2024 with all on-plan providers. Over

**\$3.2 billion**

of funding for 2024, was approved to be paid to **245 tertiary education organisations.**



In 2023/24, we completed 39 audits of tertiary education organisations. Based on our Partners and Providers Survey,

**75%**

of the organisations found the audit report clear and easy to understand, and **72% agreed that the report was useful** to their organisation.

We need more learners completing their qualifications – to improve life outcomes for learners and deliver the skills and knowledge needed to grow productivity and wellbeing. To achieve this, all large tertiary providers are required to develop Learner Success Plans and Disability Action Plans that detail how they will support more learners to succeed and, ultimately, achieve equity of educational outcomes. We use these plans to inform funding decisions and hold organisations to account. This requirement sends a strong signal that delivering better educational outcomes for learners and New Zealand is fundamental to our investment.



## It's important we support the tertiary and careers sectors to deliver good outcomes

We continued to engage with iwi, employers, and community stakeholders in 2023/24, to gain regional insights that have the potential to impact our decisions, priorities and how we design and deliver our products and services. This also allows us to look across the wider sector and better connect with our partners and providers to share insights, lessons and opportunities.

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We had around **700 engagements** with the **60 largest providers and peak bodies** in 2023/24. In particular, we worked closely with Te Pūkenga at head office and business division level during the initiation of the disestablishment process.

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**OUR CUSTOMER CONTACT GROUP**  
had a further **77,000 customer engagements**  
over the year, including:

**45,000**  
EMAILS



**32,000**  
CALLS



OVER  
**24,000**  
FEES FREE  
Statutory  
Declarations



## The TEC holds a leadership role in the careers system in New Zealand

We are responsible for leading and coordinating the implementation of the National Careers System Strategy (NCSS) Action Plan, a cross-agency plan to move the system towards the vision – **“people are empowered to understand themselves and their aspirations and can navigate careers opportunities that fit throughout their lives”.**

The implementation of the NCSS Action Plan contributes to the Government’s commitment to getting people into work and lifting economic outcomes. Its three focus areas of change are:



**strengthening connections**



**growing quality careers support**



**ensuring equitable access**

Each focus area contains recommended actions that aim to improve the careers system to ensure everyone has opportunities to gain the skills, knowledge and pathways to succeed.

With the support of system stakeholders we are progressing implementation of these actions across eight workstreams.



The Tahatū Career Navigator website will be progressively developed to meet the career planning needs of all New Zealanders

Work continues to develop Tahatū Career Navigator, the TEC's new career planning website. During the year we focused on developing two interactive tools: a self-discovery quiz that matches interests to occupations; and the "Explore School Subjects, Qualifications & Occupations" functionality.

A pilot with 11 selected schools began in April 2024, and we received beneficial feedback from our end users and priority audiences.

Based on positive feedback from the initial group of schools, the pilot will be extended to 50 more schools in August 2024. We will progressively roll-out Tahatū Career Navigator to secondary schools in 2025.



The Inspiring the Future (ItF) programme helps facilitate and strengthen connections between schools, employers and future pathways.

ItF is a programme to connect children from ages seven to 13 with volunteer role models from the world of work, in fun and inspiring events that broaden career options and challenge stereotypes. Research shows that when students meet workers and hear about their jobs and the pathways they took to get there, it inspires them to consider new possibilities for their futures.



**By June 30 2024**

**369 schools**

had signed up (15% of schools in New Zealand) and

**272 events**

had been run.

The Inspiring the Future programme has facilitated almost

**18,000**

connections between young people and the world of work.





# Contents

<b>Part one: Introduction</b>	<b>12</b>
Foreword from the Acting Board Chair and Chief Executive	14
We are government’s key agency for investment in tertiary education and careers services	18
Our statutory functions are set out in the Education and Training Act 2020	19
The Tertiary Education Commission and Te Tiriti o Waitangi	21
2023/24 performance information	24
<b>Part two: Our core business delivers on our strategic intentions and government priorities</b>	<b>26</b>
Our Priority Work Programme	28
Our strategic intentions	30
Budget significant initiatives implemented over the past four years	32
We manage the Government’s investment in tertiary education	33
We monitor funded tertiary education providers and the performance of the sector	45
We deliver quality career information and services	49
We are committed to creating a tertiary education and careers system that responds to every learner’s needs	54
<b>Part three: Equip TEC for the future</b>	<b>58</b>
We strive to equip TEC for the future	60
Statement of Responsibility	75
Independent auditor’s report	76
<b>Part four: Statement of performance</b>	<b>80</b>
Budget significant initiatives implemented over the past four years	84
Disclosure of judgements	86
Our operational appropriation enables us to support the tertiary education and careers system	88
We invest in all forms of post-secondary school education and training, and fund programmes that link schools with tertiary education	98
<b>Part five: Financial statements</b>	<b>122</b>
<b>Part six: Appendices</b>	<b>160</b>
Appendix A: Our good employer requirements	162
Appendix B: Governance and accountability	166
Appendix C: Glossary	168

## Ngā Ihirangi

<b>Wāhanga tahi: Kupu whakataki</b>	<b>12</b>
He Kupu Takamua nā te Heamana Poari Whakakapi me te Tumu Whakarae	16
Ko tātou te pokapū matua o te kāwanatanga mō te tuku haumi i roto i te mātauranga matua me ngā ratonga umanga	18
Kua whakatakotoria ā tātou āheinga ā-ture i roto i te Education and Training Act 2020	19
Ko Te Amorangi Mātauranga Matuame Te Tiriti o Waitangi	21
Mōhiohio whakatutukinga 2023/24	24
<b>Wāhanga tuarua: Ko tā ā mātou mahi pakihī matua he whakatutuki i ngā koronga rautaki me ngā whakaarotau a te kāwanatanga</b>	<b>26</b>
Tō mātou hōtaka mahi mātāmua	28
Ō mātou koronga rautaki	30
Ngā kaupapa hira o te tahua kua whakatinanahia i ēnei tau e whā kua hori	32
Kō tā mātou he whakahaere i tā te Kāwanatanga haumi ki te mātauranga matua	33
He aroturuki i ngā kaiwhakarato mātauranga matua e utua ana me ngā whakatutukinga o te rāngai tā mātou mahi	45
Ko tā mātou anō hoki he whakarato i ngā mōhiohio aramahi papai me ngā ratonga papai	49
E ū ana mātou ki te hanga i te pūnaha mātauranga matua me te pūnaha aramahi ka urupare ki ngā hiahia o ngā ākongā katoa	54
<b>Wāhanga tuatoru: Te whakarite kia takatū te TEC mō āpōpō</b>	<b>58</b>
E ngana ana mātou ki te whakarite ka reri a TEC mō āpōpō	60
Tauākī Whakamaunga Atu	75
Pūrongo kaitiro tiro motuhake	76
<b>Wāhanga tuawha: Tauākī whakatutukitanga</b>	<b>80</b>
Ngā Kaupapa hira ā-tahua i whakatinanahia i ēnei tau e toru kua hipa	84
Te Whāki Whakawākanga	86
Mā tā tātou nopenope ā-mahi e āhei ai tātou te tautoko i ngā pūnaha mātauranga matua me ngā pūnaha aramahi	88
Ka tuku putea mātou mō ngā momo kaupapa mātauranga, whakangungu katoa, me ērā kaupapa e hono ai ngā kura taurua ki te mātauranga matua	98
<b>Wāhanga rima: Tauākī pūtea</b>	<b>122</b>
<b>Wāhanga ono: Ngā tāpiringa</b>	<b>160</b>
Āpiti hanga A: Ko ā mātou herenga hei kaiwhakawhiwhi mahi pai	162
Āpiti hanga B: Ko te mana ārahi me te oho haepapa	166
Āpiti hanga C: Kuputaka	168



**Part one:**  
Introduction

**Wāhanga tahi:**  
Kupu whakataki



# Foreword from the Acting Board Chair and Chief Executive

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**The impact of the tertiary education and careers system on New Zealand and its people cannot be understated. It drives and improves far-reaching economic, social and cultural outcomes, creates new knowledge and improves productivity.**

The TEC seeks to raise the achievement of this system to generate positive outcomes for both learners and employers, bringing about a thriving economy and society. Through our stewardship and monitoring role, we actively foster the relationship between communities, providers and learners as we focus on delivering a system that achieves equity of educational outcomes for all tertiary learners.

The TEC remained responsive and dynamic throughout 2023/24, as our focus shifted to align with the priorities set by the new Government. Looking ahead, our efforts will focus on delivering the Government's Priority Work Programme, while continuing to deliver our core functions to a high standard.

Key work across 2023/24 involved engaging with our tertiary education organisation partners to support the implementation of their pursuit of better education outcomes. The work on learner success by the sector has highlighted improvement in several areas, and this is cause for optimism about the sector's ability to change.

Our monitoring and risk management functions continue to help us provide assurance that learner interests are protected, and that public funding is used appropriately across the sector. We are proud of the work we have done in this space to promote good governance in 2023/24, and to provide support to tertiary education organisations.

Beyond tertiary education, we also achieved a considerable milestone in the careers space in 2023/24 with the piloting in high schools of Tahatū Career Navigator, our new career planning website. This resource, in conjunction with the Inspiring the Future programme, is helping the next generation of New Zealanders make better, more informed educational and employment decisions, by providing high quality, accessible careers information.

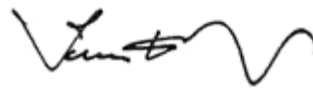
We acknowledge and thank the wider sector for their participation and collaboration towards achieving the outcomes we seek for all New Zealanders, and we thank our Board and staff for their tireless efforts across 2023/24.

The Board also acknowledges and thanks Commissioner Jenn Bestwick for her invaluable contributions as a member of the Board from December 2018, and as Board Chair from March 2020, until stepping down in March 2024. Jenn's vast knowledge of the education system, as well as her broad experience, will be missed.



**Dr Wayne Ngata**

Acting Board Chair  
Tertiary Education  
Commission



**Tim Fowler**

Chief Executive  
Tertiary Education  
Commission



# He Kupu Takamua nā te Heamana Poari Whakakapi me te Tumu Whakarae

**Tē taea te whakaheke i te hira o te pānga o te mātauranga matua me te pūnaha aramahi ki a Aotearoa me ana kainoho. Ko tāna he kōkiri i ngā putanga ohaoha, pāpori me te ahurea he mea nunui me te tauroa, he waihanga mātauranga hou me te whakapiki i te whakaputaranga.**

E whai ana a TEC ki te whakapiki i ngā whakatutukinga o tēnei pūnaha e puta mai ai ngā putanga takatika mā ngā ākongā me ngā kaitukumahi, me te aha ko te ōhanga me ngā pāpori taurikura te otinga. Mā ā mātou mahi tiaki me te aroturuki e āta whakatītinatia ai ngā hononga i waenga i ngā hāpori, ngā kaiwhakarato me ngā ākongā i a mātou e arotahi ana ki te whakarato i te pūnaha e tutuki ai te tautika o ngā putanga mātauranga mō ngā ākongā mātauranga matua katoa.

I noho urupare tonu, hihiri tonu a TEC puta noa i 2023/24, i te huringa o tā mātou arotahi ki te whakahāngai i ā mātou mahi ki ngā whakaarotau a te Kāwanatanga hou. Ka aro atu ā mātou mahi ā muri nei ki te whakatinana i te hōtaka mahi mātāmua a te Kāwanatanga, i a mātou e whakatutuki ana i ā mātou mahi matua ki te taumata tītike.

I whai wāhi ki ngā mahi matua o 2023/24 te kōrerorero tahi ki ō mātou hoa i te rāngai mātauranga matua hei tautoko i tā rātou whai i ngā putanga mātauranga pai ake. Kua āta whakaatu mai ngā mahi a te rāngai hei whakapiki i te angitu ākongā i te painga ake i ētahi wāhanga, ka mutu e ngākau rorotu ana mātou ki tō te rāngai kaha ki te huri.

Kei te āwhinatia tonutia tā mātou whakatūturu ka tiakina ngā painga o te ākongā e ā mātou taumahi aroturuki me te whakahaere tūraru, ā, ka tōtika tonu te whakapau pūtea puta noa i te rāngai. Kei te poho kererū mātou ki ngā mahi i oti i taua rāngai hei whakarite i te pai o tō matou mana urungi i te 2023/24 me te whakarato tautoko ki ngā whakahaere mātauranga matua.

Hāunga te mātauranga matua, i tutuki i a mātou tētahi paerewa hira i te wāhi ki ngā aramahi i te 2023/24 nā te whakamātautau i roto i ētahi kura tuarua i te Pūwhakatere Aramahi Tahatū, tā mātou paetukutuku whakamahere aramahi hou. Kei te āwhina tēnei rauemi, i te taha o te hōtaka Inspiring the Future, kia pai ake, kia whai mōhio ake ngā whakatau tukumahi a tērā whakatipuranga kei te haere mai o ngā tāngata o Aotearoa mā te whakarato i ngā mōhiohio aramahi e kounga ana, e ngāwari ana te āhei atu.



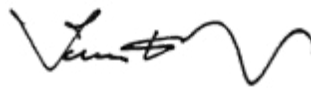
Tēnei te mihi atu nei ki te rāngai whānui tonu mō tā rātou whai wāhi me te mahi tahi kia tutuki ai ngā whāinga e whāia nei e mātou mā ngā tāngata katoa o Aotearoa, ā, e tuku mihi ana ki tō mātou Poari me ngā kaimahi mō ā rātou mahi ringa raupā i te roanga ake o te 2023/24.

Kei te tuku mihi anō hoki te Poari ki te Kaikōmihana, ki a Jenn Bestwick. mō ana mahi kairangi hei mema poari mai i Tīhema 2018, ā, hei Hea o te Poari mai i Māehe 2020, tae noa mai ki tana tuku tūranga i Māehe 2024. Ka āta rangona te ngaromanga o tōna mōhio whānui rawa ki te pūnaha mātauranga, me ōna wheako korahi.



**Dr Wayne Ngata**

Heamana Poari Whakakapi  
Te Amorangi  
Mātauranga Matua



**Tim Fowler**

Tumu Whakarae  
Te Amorangi  
Mātauranga Matua



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

Ko tātou te pokapū matua o te kāwanatanga mō te tuku haumi i roto i te mātauranga matua me ngā ratonga umanga

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The Tertiary Education Commission Te Amorangi Mātauranga Matua (the TEC) is a Crown agency under the Crown Entities Act 2004. We are governed by a Board of Commissioners appointed by the Minister of Education.

We lead the Government's relationship with the tertiary education and training sector in Aotearoa New Zealand and, as New Zealand's careers agency, provide careers services from education to employment.

Our investment in the tertiary education system 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 training, and higher education (including research).

Our investment of \$3.8 billion helps to ensure a network of provision that meets the needs of different learners and communities.

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

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

Kua whakatakotoria ā tātou āheinga ā-ture i roto i te Education and Training Act 2020

We are required to:



Section 4 of the Education and Training Act 2020 states that the Act's purpose is to establish and regulate an education system that honours Te Tiriti o Waitangi and supports Māori–Crown relations. The Act sets a clearer and higher standard for giving effect to Te Tiriti o Waitangi than previous social policy legislation. It emphasises the role of education agencies and the education sector as a whole in giving effect to Te Tiriti o Waitangi.

Through our stewardship and monitoring role for the tertiary education and careers system, we work to ensure that all tertiary education organisations are giving effect to Te Tiriti o Waitangi as a condition of their funding and delegated roles and powers from the Crown.



# The Tertiary Education Commission and Te Tiriti o Waitangi

## Ko Te Amorangi Mātauranga Matua me Te Tiriti o Waitangi

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The Tertiary Education Commission (the TEC) recognises and affirms our responsibility to give effect to Te Tiriti o Waitangi under the Education and Training Act 2020

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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.

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We acknowledge our responsibility to Te Tiriti o Waitangi in its entirety, including taking into account the interests of whānau, hapū, iwi and Māori.

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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.

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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.

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# We continue to strive to give effect to Te Tiriti

Under section 4(d) of the Education and Training Act, the TEC is required to give effect to the Crown's Te Tiriti responsibilities which includes supporting Māori-Crown relations.



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# 1.

Te Tiriti underpins the Tertiary Education Strategy (TES), Tau Mai Te Reo, Ka Hikitia and our own organisational strategy. Our commitment to honour Te Tiriti o Waitangi is woven into our implementation of these strategies.

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# 2.

We have implemented a Te Tiriti framework to support the delivery of our strategic and legislative Te Tiriti commitments. This framework builds off the work done last year to enable the TEC to become a learner-centric, equity-minded and culturally affirming organisation. A key part of the work is developing and rolling out tools and resources to support staff to embed Te Tiriti and support Māori–Crown relations across the business. This will support us to honour Te Tiriti and give effect to the TES, Tau Mai Te Reo and Ka Hikitia.

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# 3.

This framework embeds the TEC’s commitment to Te Tiriti o Waitangi through the development of tools such as Te Kākano, a series of prompt questions which help us assess how to carry out Te Tiriti commitments in our work, and Te Pihinga, our Te Tiriti advisory body. Further work developing suitable supporting resources is under way.

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# 4.

Formal partnerships with iwi are one way that the TEC honours its obligations under Te Tiriti. We are progressing work to identify iwi with education strategies, education-to-employment strategies, or social investment strategies – such as Ngāti Maniapoto. We have categorised and mapped our findings to date and are working with iwi that desire either a formal relationship, or simply wish to periodically engage with us. In 2024, we formally signed a new agreement with Whakatōhea iwi. We also reviewed our existing iwi relationship agreements to ensure we are fulfilling our Treaty settlement obligations. We continue to deliver on current commitments in place with Te Hiku iwi and Murihiku Regeneration.

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# 5.

Alongside our Ōritetanga Learner Success work programme, which focuses on implementing systematic approaches to equity of educational outcomes, especially for Māori, we are working to ensure our Te Tiriti commitments are being met through our investment function, including how we invest in taonga such as te reo and mātauranga Māori.

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# 6.

Through our stewardship and monitoring role for the tertiary education and careers system we work to ensure that all tertiary education organisations are giving effect to Te Tiriti o Waitangi as a condition of their funding and delegated roles and powers from the Crown.

# 2023/24 performance information

## Mōhiohio whakatutukinga 2023/24

Our annual report provides performance information against our:

- › Statement of Intent 2022/23 – 2024/25 (SOI) and
- › Statement of Performance Expectations 2023/24 (SPE) at [tec.govt.nz/corporate-publications](https://tec.govt.nz/corporate-publications).

The annual report also contains a new section, which provides performance information relating to our Priority Work Programme (see pages 28 and 29). The programme was established in response to the Government’s significant programme of change in the tertiary education sector.

### Progress against our SOI is detailed in:

#### Part two: Our core business delivers on our strategic intentions and government priorities

- › Our strategic intentions are set out on pages 30 and 31 along with our activities for 2023/24. Our activities reflect core business contributions that are progressing our intentions.

### Progress against our SPE is detailed in:

#### Part four: Statement of performance

- › This section details performance measures results for the Vote Tertiary Education appropriations where we have responsibility for reporting performance (see pages 82 to 120).
- › The **who we are** and our **statutory functions** sections of our annual report set the scene for and are a part of our performance information (see pages 18 to 23).
- › **Service critical assets and contracts** performance information reporting is a new requirement this year. Our new service critical asset/contract tables provide performance information on the utilisation and condition of our assets/contracts (see pages 72 and 73).

### Part five: Financial statements

- › This section provides our financial statements for the year ended 30 June 2024 and includes financial information for the Vote Tertiary Education appropriations where we have responsibility for reporting performance (see pages 131 to 134).
- › Performance information in our annual report is presented under Public Benefit Entity Financial Reporting Standard 48 Service Performance Reporting (PBE FRS 48). More information on PBE FRS 48 is in our Disclosure of Judgements (see page 86).





## **Part two:**

Our core business delivers on our strategic intentions and government priorities

## **Wāhanga tuarua:**

Ko tā ā mātou mahi pakihi matua he whakatutuki i ngā koronga rautaki me ngā whakaarotau a te kāwanatanga

Information in this section is presented under Public Benefit Entity Financial Reporting Standard 48 Service Performance Reporting (PBE FRS 48)



# Our Priority Work Programme

## Tō mātou hōtaka mahi mātāmua

### The Tertiary Education Commission (TEC) is focused on achieving the Government's priorities and delivering our core functions

The Government has made a number of policy commitments for change in the tertiary education sector. In March 2024, the TEC established the Priority Work Programme. This programme ensures that the work across the policy commitments is managed, and progress towards deliverables is prioritised and monitored. This has been particularly important given all project resource is taken from existing teams and must be balanced and managed alongside the TEC's core business.

The number of key projects, together with the desire to progress these quickly, means the work programme to deliver on these changes is a high priority for the TEC.

The policy commitments are:

- › redesign of the vocational education and training (VET) system, including the disestablishment of Te Pūkenga
- › establishment of the University Advisory Group, and
- › moving Fees Free from first year of study, to last.

Other projects, such as medical schools, may be brought under the umbrella of the programme from time to time, if they require extra overview.

### Redesign of the vocational education and training system

While the disestablishment of Te Pūkenga sits at centre of this work, its implementation will drive the redesign of the whole VET system. This will include establishing an alternative structure or structures; changes to work-based learning, standard setting, and workforce planning and development; and changes to the funding system, to enable and support the redesigned system.

From the outset of its term, the Government indicated its intention to disestablish Te Pūkenga and return to autonomous polytechnics. The Government signalled its intention to move quickly by including the disestablishment of Te Pūkenga in its first two action plans through to 30 June 2024.

**Budget significant  
initiative Vocational  
Education and  
Training**

The TEC has supported a national consultation process on the proposed changes, led by the Ministry of Education (MoE), which will inform further advice to the Government on decisions to be made.

A significant programme of legislative and implementation work will follow Government's decisions post-consultation. We will continue to fund, monitor and support Te Pūkenga as this work continues.

### **University Advisory Group (UAG)**

Chaired by Sir Peter Gluckman the UAG's role is to provide advice to the MoE on challenges and opportunities in the university system, informed by engagement with the sector. Sir Peter is also chairing a Science System Advisory Group convened by the Ministry of Business, Innovation and Employment, with the two reviews considering complementary aspects of the role of universities in the wider research and innovations ecosystem.

A first phase of public consultation was run during May 2024. This, together with meetings with each university, will inform the development of the UAG's interim report to the MoE in September 2024. Its second and final report, which will support future policy development, is due in February 2025.

Cabinet determined that the Performance Based Research Fund (PBRF), which is designed to increase the quality of research by ensuring that excellent research in the tertiary education sector is encouraged and rewarded, should be within the scope of the UAG review and that the planned 2026 Quality Evaluation for the PBRF should not go ahead, pending changes to the fund arising from the review.



### **Fees Free**

Government coalition agreements also undertook to replace the existing first year Fees Free tertiary study with a final year scheme. This new scheme will refund students their last year of tuition fees on completion of their qualification.

Unlike the current first year scheme, which is administered entirely by the TEC, with payments to tertiary education organisations in place of learners paying fees, the new scheme will involve learners paying fees that they can then seek a refund for, following completion of their qualifications. This necessitates bringing in a wider group of government agencies that have these capabilities. Following confirmation of the final year scheme at Budget 2024, we are working with the MoE, Ministry of Social Development (MSD), and Inland Revenue (IR) to design the scheme, including the eligibility criteria and delivery model. The design solution will involve data sharing between tertiary education organisations, the TEC, MSD and IR.

# Ō mātou koronga rautaki

## Our strategic intentions

		
<b>OUR OUTCOMES</b>	<p><b>Equity and an inclusive society</b> He porihanga tuwhera me te ōritetanga</p> <p>Education, training and career pathways support equity of educational outcomes and an inclusive society</p>	<p><b>An adaptable system</b> He pūnaha urutau</p> <p>We have an adaptable tertiary education system that serves the needs of New Zealand now and in the future</p>
<b>OUR INTENTIONS</b> Describe what we are seeking to achieve for New Zealand	<p><b>We want to build a tertiary education and careers system that helps shape an equitable and inclusive society.</b> <b>This means:</b></p> <ul style="list-style-type: none"> <li>▶ removing barriers, building confidence in under-served learners and allowing them to follow rewarding education and career paths</li> <li>▶ creating safe, inclusive and culturally responsive learning environments that meaningfully incorporate te reo Māori and tikanga Māori and where every person's identity is valued and supported</li> <li>▶ increasing the participation and achievement of under-served learners in tertiary education to ensure better employment and wellbeing outcomes.</li> </ul>	<p><b>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.</b> <b>This means:</b></p> <ul style="list-style-type: none"> <li>▶ ensuring learners, communities, and employers can seamlessly navigate between different parts of the system to access what they need to succeed</li> <li>▶ making sure the system embraces Mātauranga Māori and supports the development of knowledge from different cultural perspectives</li> <li>▶ ensuring the system generates transferable knowledge that increases entrepreneurship, innovation and growth</li> <li>▶ making sure the system is resilient, fiscally sustainable and partners with, and responds to, the current and future needs of learners, iwi, communities and employers.</li> </ul>
<b>OUR ACTIVITIES FOR 2023/24</b> Reflect core business contributions that are progressing our intentions	<p><b>Ōritetanga Learner Success Core Business:</b></p> <ul style="list-style-type: none"> <li>▶ Works with the sector to deliver system-level equity of education outcomes for all learners</li> <li>▶ Builds the TEC's organisational capability to deliver on our goal of equity of education outcomes</li> </ul>	<p><b>Investment Core Business:</b></p> <ul style="list-style-type: none"> <li>▶ Investment cycle and funding</li> <li>▶ Fund design and management</li> <li>▶ Off-plan funding and reporting</li> <li>▶ Relationship management with tertiary education organisations, industry, iwi, employers, communities and learners</li> <li>▶ Building sector capability</li> </ul> <p><b>TEO Monitoring &amp; Risk Management Core Business:</b></p> <ul style="list-style-type: none"> <li>▶ Audits and investigations help tertiary education organisations comply with funding rules, and protect learners' interests</li> <li>▶ Financial monitoring supports responsible investment and a sustainable sector</li> <li>▶ We support the governance and capital asset management of Crown-owned institutions</li> </ul>

Our strategic intentions for the period 2022/23 – 2025/26 reflect our legislative functions and spans the breadth of work we do as an organisation. Our strategic intentions describe the outcomes and intentions we are seeking to achieve for New Zealand. It also describes our core business activities and key project contributions that are required to progress our intentions.



### **Build the right skills to succeed**

Te whai pūkenga tika kia angitu ai

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 with skills and experience they need to find sustainable work and that employers and communities need to excel and thrive. This means:**

- ▶ ensuring every learner has the foundation skills they need to succeed a higher levels of tertiary education and find sustainable work
- ▶ making sure learners and employers understand the skills they have now and the skills they need in the future
- ▶ ensuring every learner can easily and affordably access the education and training they need through a range of flexible delivery options at every stage of life
- ▶ making sure the tertiary education and careers system equips learners with skills sought by employers and communities and creates easy pathways between education and employment.

#### **Careers Core Business:**

- ▶ Developing and providing a publicly available careers information service, including information about occupations and tertiary education and training
- ▶ Facilitating and strengthening the connections between schools, employers and tertiary education organisations
- ▶ Leading the development and implementation of the National Careers System Strategy (NCSS)



### **Equip TEC for the future**

Te whakarite kia takatū te TEC mō āpōpō

To be an insight-driven and culturally affirming agency

#### **We want to be an insight-driven and culturally affirming agency. This means:**

- ▶ improving our ways of working together and with others
- ▶ developing our internal skills, capability, capacity and prioritisation processes
- ▶ strengthening partnerships and coordinating effort with education partner agencies and the sector.

- ▶ Honouring Te Tiriti
- ▶ He Marae Tangata
- ▶ Closing gender and ethnic pay gaps
- ▶ Mature corporate function
- ▶ Carbon neutral journey
- ▶ Data System Refresh
- ▶ Cybersecurity

# Budget significant initiatives implemented over the past four years

Ngā kaupapa hira o te tahua kua whakatinanahia i ēnei tau e whā kua hori

The Budget significant initiatives we have received funding from over the past four years relate to Tahatū Career Navigator and vocational education and training initiatives.

Tahatū Career Navigator is the new online career planning tool that we have developed and are piloting. This planning tool will help New Zealanders to understand and navigate career options and learning pathways throughout their lives.

Details of the Tahatū Career Navigator and vocational education and training initiatives that we have received funding from over the past four years are included in tables on pages 84 and 85.

**Budget significant initiative**

Look for this symbol throughout our annual report to find performance information relating to **Tahatū and vocational education and training (VET)** Budget significant initiatives



# We manage the Government's investment in tertiary education

Kō tā mātou he whakahaere i tā te Kāwanatanga haumi ki te mātauranga matua

We are the Government's key agency for investment in tertiary education. We lead the Government's relationship with the tertiary education sector in New Zealand and have statutory responsibility for funding and monitoring tertiary education organisations.

Our investment in the tertiary education system supports more than 700 organisations across New Zealand to provide all forms of post-secondary school education, including foundation education, vocational education and training, and higher education (including research). Our investment helps to ensure a network of tertiary provision that meets the needs of different learners and communities and provides New Zealand with the skills and qualifications we need.

Investment priorities are identified through a range of engagements, advice and information, and reflect the current Tertiary Education Strategy, Government priorities, and TEC focus areas, as well as advice on demand from industry, employers and regions.

Our investment work delivers on the following outcome:

**An adaptable system**



## Investment cycle and funding

### The TEC's investment processes support equitable outcomes for learners and increased skills for business and industry

Learner success is part of the investment process – the TEC requires that all large tertiary providers produce Learner Success Plans and Disability Action Plans. These plans detail how organisations will achieve equity of educational outcomes for their learners and strategies to achieving a system that is outcome-driven and focused on learners, whānau and communities.

We use these plans to inform funding decisions, actively monitor progress against commitments and hold organisations to account. Through this requirement we are sending a strong signal that delivering better educational outcomes for learners is fundamental to our investment.

With a finite amount of funding available, we have a carefully considered approach to allocating tertiary funding. We invest in provision that maintains an appropriate network of provisions, achieves the best outcomes for learners, and responds to stakeholder needs and priorities.

We engage with sector stakeholders to inform our priorities for targeted investment in vocational and higher education. The TEC works closely with Workforce Development Councils to produce well-evidenced advice to tertiary education organisations on the development and delivery of qualifications that will best allow their industries to thrive.

We work closely across government and with other sector stakeholders on our targeted higher education priorities. This engagement led to the inclusion of 22 health workforce priorities in our annual Plan Guidance for 2025. Our targeted priorities also included guidance on: initial teacher education; construction; and primary industries, including agritech. In responding to these workforce needs, providers can make strategic decisions on provision, including new provision that better responds to New Zealand's needs and ensures great careers for graduates.

Between July and December 2023, the TEC's Board of Commissioners agreed over \$3.2 billion of funding allocations for 2024, with 245 on-plan providers.

In 2023/24, we took a targeted approach to investment. Using forecasts and data analysis, we identified those providers who have demand that exceeds their allocations, and who are delivering education and training that meet the Government's and industries' strategic priorities. In this way, we supported the greatest growth within those providers with the highest levels of capability. We will continue with this approach as we finalise the funding allocations for 2025.



# Our tertiary education learners

In 2023 there were

# 448,765

TEC-funded learners enrolled in Te Pūkenga, universities, wānanga, and private training establishments<sup>1</sup>

## TEC-funded learners<sup>2</sup>

59%

EUROPEAN

21%

MĀORI

18%

ASIAN

10%

PACIFIC PEOPLE

3%

MIDDLE EASTERN,  
LATIN AMERICAN,  
AFRICAN  
(Learners can identify as  
more than one ethnicity)



1. Data is based on both the Single Data Return and the Industry Training Register.

2. Learners can be counted more than once when they are reported in more than one category. Therefore, the sum of learner numbers in individual categories may exceed the total number of TEC-funded learners (448,765), and aggregated percentage values may exceed 100% or the total percentage.

3. Data based on the Single Data Return.

## 66% of learners studied or trained in these five regions<sup>2</sup>

**29%**

AUCKLAND

**12%**

WELLINGTON

**6%**

OTAGO

**8%**

WAIKATO

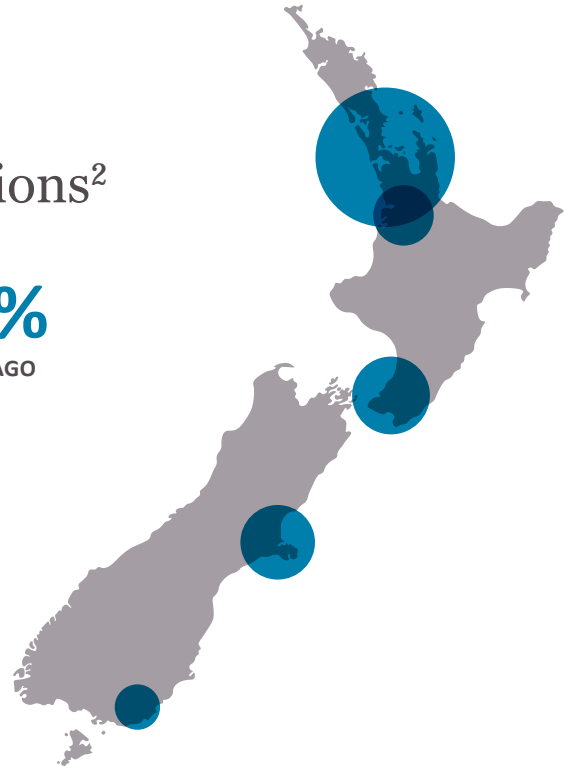
**12%**

CANTERBURY



**20%**

OF LEARNERS STUDIED AT LEAST ONE COURSE EXTRAMURALLY



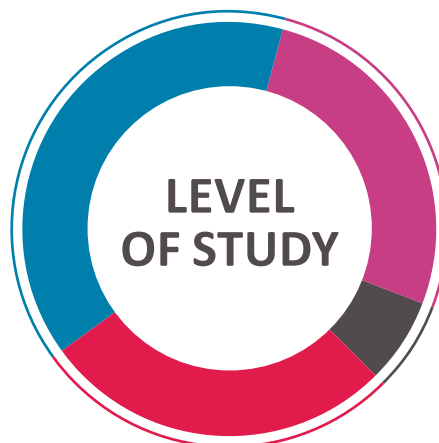
## Learners studied and trained at these levels<sup>2</sup>

**41%**

HIGHER EDUCATION  
(LEVELS 7 DEGREE AND ABOVE)

**29%**

VOCATIONAL EDUCATION:  
PROVIDER-BASED  
(LEVELS 3 TO 7 NON-DEGREE)



**28%**

VOCATIONAL EDUCATION:  
WORK-BASED  
(ALL INDUSTRY TRAINING)

**7%**

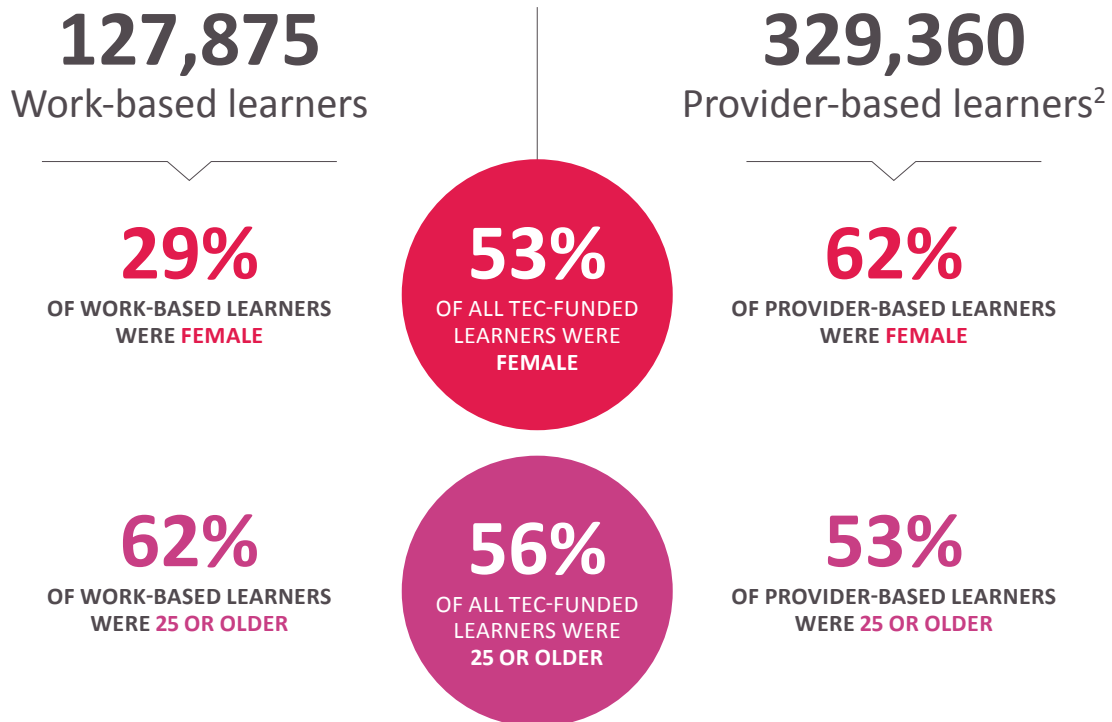
FOUNDATIONAL  
EDUCATION

1. Data is based on both the Single Data Return and the Industry Training Register.

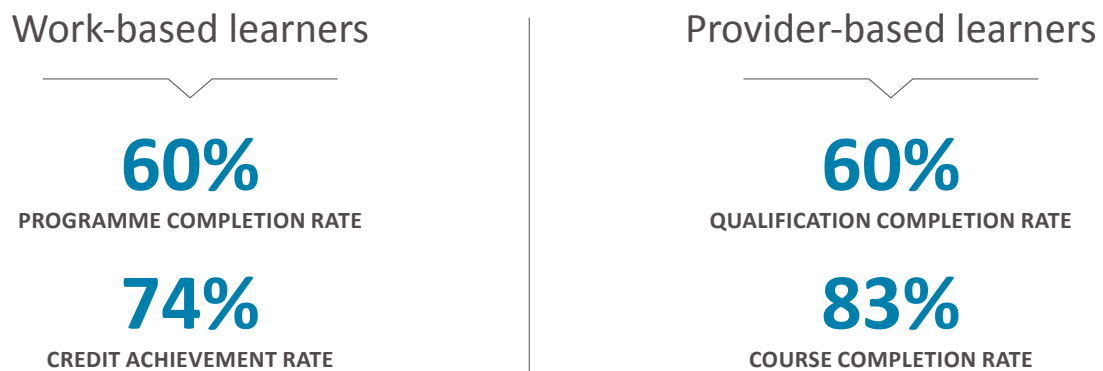
2. Learners can be counted more than once when they are reported in more than one category. Therefore, the sum of learner numbers in individual categories may exceed the total number of TEC-funded learners (448,765), and aggregated percentage values may exceed 100% or the total percentage.

3. Data based on the Single Data Return.

## TEC-funded learners included



## Achievement rates for TEC-funded learners completing their study and training in 2023<sup>1</sup>



As well as TEC-funded learners, there were **39,960** provider-based international fee-paying learners. **86%** of these international learners were from Asia<sup>3</sup>

1. Data is based on both the Single Data Return and the Industry Training Register.

2. Learners can be counted more than once when they are reported in more than one category. Therefore, the sum of learner numbers in individual categories may exceed the total number of TEC-funded learners (448,765), and aggregated percentage values may exceed 100% or the total percentage.

3. Data based on the Single Data Return.

## Off-plan funding and reporting

While the TEC’s investment process is primarily through the funding of Investment Plans submitted by tertiary education organisations, we also invest in “off-plan” funding. Off-plan funding is invested with tertiary education organisations and other entities to deliver bespoke initiatives designed to meet government priorities. Funding covers foundation education, vocational education and training, and higher education and research.

### Foundation education

Foundation education supports a broad range of provision, involving skills such as literacy (in English and te reo Māori), numeracy, supported learning, digital literacy and soft skills, as well as pre-trades learning. The TEC invests in 11 foundation and community education funds.

One of the funds, **Employer-Led Workplace Literacy and Numeracy**, exists to increase literacy and numeracy skills of employees, and was funded at \$7.8 million in 2023/24, reaching over 1,850 employees in more than 60 workplaces. The difference it makes to the lives of individuals can be dramatic:

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**“All my life I’ve bluffed my way through ... I never dreamed that in my adult life I’d learn to read and write.”**

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## Vocational education and training

The **Centres of Vocational Excellence (CoVEs)** pilots are funded to drive innovation and excellence in vocational education and training. The Food and Fibre CoVE, hosted by the Eastern Institute of Technology | Te Pūkenga, has carried out an evaluation to inform improvements in the transition from school to further education and work in the primary sector, a framework to improve leadership in the sector, a collaboration with Muka Tangata WDC to research a coherent and streamlined set of qualifications, and a project on attraction and retention of sector workers.

ConCoVE, the Construction CoVE, hosted by Manukau Institute of Technology | Te Pūkenga, has a project underway to understand how qualified tradespeople develop teaching skills as they make the transition to classroom learning. They have completed an investigation into the future of the quarrying industry that will inform vocational training needs and have also completed a research project to inform a Temporary Traffic Management Credentials Framework.

**Strategic Component Funding** of \$68 million for 2023 led to 89 contracts with private training establishments, as well as contracts with Te Pūkenga, Te Wānanga o Raukawa, Te Wānanga o Aotearoa and Te Whare Wānanga o Awanuiārangī. Funding has been used for a variety of purposes, including development of new micro-credentials and programmes, improvements to existing programmes, more innovative online teaching materials, classroom resources, cultural training for staff and learners, improved learner management and teaching platforms, careers advice, and regional provision of education. Strategic Component Funding has also been made available for the 2024 calendar year.

### Learner Success

The new **Accelerating Learner Success Fund** was launched in early 2024. Two projects were funded through this first application round, and the details of a third were being negotiated as of 30 June 2024.

## Higher education and research

The **Centres of Asia-Pacific Excellence (CAPEs)** operate as a consortium of Victoria University of Wellington and the Universities of Auckland, Waikato, and Otago. Over the past seven years, they have provided expertise for New Zealanders to engage with the diverse cultures and markets of the Asia-Pacific region: North Asia, Southeast Asia and Latin America. The CAPEs initiative concluded on 30 June 2024.

The **Entrepreneurial Universities** fund was designed to attract world-leading entrepreneurial researchers to New Zealand to encourage development of industries and businesses for the future, based on high-quality research and an entrepreneurial approach. Funding is matched equally by universities and has been fully disbursed over the initiative's lifetime, from 2018 to 2024, to nine high-tech programmes.

The **Centres of Research Excellence (CoREs)** are cross-institutional organisations that support world-leading research. They engage in many other activities that include training, sharing knowledge with the public, informing policy, and fostering innovative ventures such as start-up companies.

Currently, ten CoREs are funded until December 2028, for a total investment of \$50 million per annum. A principal activity of the CoREs is developing future leaders. In its 22 years of existence, Ngā Pae o te Māramatanga CoRE has supported more than 1,000 Māori PhD graduates, a transformational boost to Māori scholarship. For the MacDiarmid Institute CoRE – the figure for PhD graduates is nearly 800. An example of leadership is provided by two PhD graduates from the Maurice Wilkins Centre CoRE, who have returned to their homelands of Fiji and Samoa, respectively, and are at the forefront of surveillance programmes to detect antimicrobial resistance using state-of-the-art techniques. This will help block the flow of resistant pathogens to the Pacific and, ultimately, to New Zealand.

The six **Workforce Development Councils (WDCs)** represent the full range of industry sectors across New Zealand. Their purpose is to reflect industry views and provide leadership on future skills and workforce needs, to develop qualifications and standards and provide assurance that quality is maintained across all educational providers, and to advise the TEC on its investment in vocational education and training. Since becoming operational in late 2021, they have provided detailed online information that gives insights into future challenges and needs, driven improved qualification development processes, adopted more inclusive ways of working with providers on moderation of assessments to maintain quality, and fulfilled their commitments to the TEC.





## **Building sector capability**

To ensure good outcomes from the Crown's investment in tertiary education and skills, we support tertiary education organisations to deliver good outcomes for their learners.

### **It's important we support the tertiary sector to deliver good outcomes**

To plan their delivery and best support their learners, providers need certainty around expectations and funding. We've increased our engagement on learner success and the underpinning frameworks, and are proactively managing pockets of lower performance.

Channels of communication with providers work both ways: we support the sector's understanding of the investment processes and requirements, and any policy or funding changes; and bring their insights back into the TEC to inform our decision making and planning and improve our service.

We want to help providers be successful and adopt best practice when developing and delivering their programmes. This means supporting them in a range of ways, such as published guidance materials, webinars, online hui and in-person visits. We collaborate with tertiary education organisations to share knowledge and best practice approaches to significantly improve the success of all learners. The goal is to enhance knowledge and capability across the sector, helping tertiary education organisations to collaborate with each other and identify opportunities for efficiencies that will improve outcomes from the sector.

In practice, this means we provide information such as plan guidance and policy change updates as early as possible and support the sector in understanding what that means and our expectations and requirements.

## **We are also connectors between providers, learners, iwi and communities and industry and employers**

The TEC continues to engage with iwi, employers, and community stakeholders, to gain regional insights that have the potential to impact our investment decisions and priorities, and how we design and deliver our products and services. This also allows us to look across the wider sector and better connect with our partners and providers to share insights, lessons and opportunities. We've also been piloting new ways to gather regional insights to identify local skills gaps and demand, and assist with investment decisions.

We take opportunities to engage face-to-face on sector priorities, funding processes and careers system leadership. As well as hosting our own events, stakeholders attend events such as the Career and Transition Educators Conference, the National Principals' Conference, iwi-focused events, business events, and employment and careers expos.

It is important we build our relationships with iwi, in particular iwi we hold Treaty settlement relationship agreements with. We strive to understand their education-to-employment, careers, and wider social goals, and how we can support them in achieving their aspirations. Where this sits outside our remit, we can act as a connector between iwi, providers, and other Crown agencies, to honour our Te Tiriti o Waitangi commitments and support the Māori-Crown relationship overall.

## Measures and trend information

### Te pārongo inenga, ahunga hoki

These measures show progress against the following outcome:  
**An adaptable system**



#### Collaboration

##### Measure

Collaboration behaviours between tertiary education organisations, and with employers, iwi and communities on issues affecting sector performance.

##### 2023/24 progress

We have observed many examples of collaborative behaviours this year. For example, we have seen tertiary education organisations partnering with employers to utilise the Workplace Literacy and Numeracy funds to support employee literacy and numeracy gains, to improve Health and Safety practices, and/or to enhance productivity.

Some specific examples include:

- › Waihanga Ara Rau, Te Pūkenga, Industry Connection for Excellence (a private training establishment) and industry representatives have been working collaboratively to develop a new plumbing qualification. Block courses and assessments were redesigned in the new training model to improve core competencies, allow for specialist training, and prevent delays in apprentices completing the programme.
- › The University of Canterbury and Lincoln University have collaborated to jointly deliver a postgraduate qualification. After an initial pilot, they are proposing a further postgraduate programme to be delivered jointly from the beginning of 2025.
- › The University of Canterbury has collaborated with a key industry partner (Aardman) to support students enrolled in its undergraduate degree in digital screen production.
- › Victoria University and Canterbury University submitted a joint Accelerating Learner Success Fund application, which TEC has recently agreed to fund. This funding will see both institutions work together to address equity gaps by using data and leadership to bring about system and sector-level change. As at 30 June 2024, the proposed activities include adopting a system-level data coaching program, which combines data literacy with organisational and infrastructural development to identify system-level structural bottlenecks and barriers to learner success. However, these proposals will continue to be developed.
- › Ngāi Tahu's Murihiku Regeneration collaborated with the Ministry of Education and Te Pūkenga's Southern Institute of Technology, to develop the Kia Tū micro-credential. This 20-credit credential aims to assist in transitioning youth into adulthood by getting them to think about their values and skills and how those align with possible career paths, and the life they wish to lead. The micro-credential has been approved by the New Zealand Qualifications Authority and is now funded by the TEC.

## Sustainable provision

New measure	2023/24 Actual	2022/23 Actual	2021/22 Actual
Confidence in provider and employer network to deliver sustainable provision	50% (Note 1)	31%	Not applicable

Note 1 – This measure was included in our annual Partner and Provider survey for the first time in 2023/24. Since last year we have seen a positive increase in confidence.



These measures show progress against the following outcome:  
**Build the right skills to succeed**

## Post-study outcomes

Measure	2023 Actual	2022 Actual	2021 Actual	2020 Actual
Percentage of learners who experience positive post-study outcomes within the first one to three years of graduation (Note 1)	67.0% (Note 2)	65.1%	63.6%	63.0%

Note 1 – This measure shows the percentage of graduates who had income from employment sources that is above 50% of the minimum wage. This is measured one year after qualification completion for Levels 1 to 7 non-degree, and after three years for Level 7 degree and above. The measure only includes graduates aged 25 or under at time of qualification completion.

Note 2 – There has been a positive increase over the past three years. This increase is likely to be related to the increase in the number of work-based learners who by their nature are already in employment.

## Work integrated learning

Measure	Group	2023 Actual	2022 Actual	2021 Actual	2020 Actual	2019 Actual
Number of employers and learners involved in work integrated learning	Employers involved in work integrated learning (Note 1)	34,262 (Note 3)	37,784	35,601	31,553	30,217
	Learners involved in work integrated learning (Note 2)	127,885 (Note 4)	149,545	143,545	128,128	128,423

Note 1 – This measure tracks the number of employers who have arrangements with tertiary education providers to enable work-based learning.

Note 2 – This measure tracks the number of learners who are participating in work-based learning components within their industry training programme or tertiary qualification.

Note 3 – After continuous increases since 2019, we have seen a decrease in the number of employers. While the Apprenticeship Boost Initiative (ABI), which was introduced in August 2020, was extended, the decrease could be a result of the Targeted Training and Apprenticeship Fund (TTAF) ending in 2022 and more constrained economic conditions across the economy.

Note 4 – After continuous increases since 2020, we have seen a decrease in the number of learners. While ABI, which was introduced in August 2020, was extended, the decrease could be a result of TTAF ending in 2022.

### Graduate skills

Measure	2023/24 Actual					
Employer/industry feedback on relevance and consistency of graduate skills						
Indicator of progress towards achieving this measure (WDC survey measure results)	Hanga-Aro-Rau (Manufacturing, Engineering, and Logistics)	Muka Tangata (Food and Fibre)	Ringa Hora (Services)	Toi Mai (Creative, Cultural, Recreation, and Technology)	Toitū Te Waioara (Community, Health, Education, and Social Services)	Waihanga Ara Rau (Construction and Infrastructure)
% of key industry and Māori sector stakeholders that agree graduates have the relevant skills (Notes 1 & 2)	48%	48%	72%	48%	76%	39%

Note 1 – Workforce Development Councils (WDCs) were asked to report on this measure as part of their 2024 funding agreements. WDCs were asked to report on the percentage of key industry and Māori sector stakeholders that agree graduates have the relevant skills.

Note 2 – All six WDCs conducted surveys with their stakeholders during June–July 2024, which included questions related to their WDC Impact Measures for 2023/24. Survey results were reported as part of the WDCs’ bi-annual report to the TEC, received in August 2024.).



# We monitor funded tertiary education providers and the performance of the sector

He aroturuki i ngā kaiwhakarato mātauranga matua e utua ana me ngā whakatutukinga o te rāngai tā mātou mahi

The TEC undertakes a range of monitoring activities on behalf of the TEC Board of Commissioners to inform funding decisions, and on behalf of the Crown given its ownership interest in tertiary education institutions (TEIs). Our monitoring helps to support learner success and ensure accountability for public funding, and contributes to the TEC's stewardship of the overall tertiary system.

Our investment work delivers on the following outcome:

**An adaptable system**



## Audits and investigations help tertiary education organisations comply with funding rules and protect learners' interests

Audits, investigations and broader data-driven reviews of common issues are used to provide assurance that tertiary education organisations are complying with funding rules, and to help correct issues where they are identified.

In 2023/24, the TEC completed 39 audits of tertiary education organisations. Based on the TEC's Partners and Providers Survey 2023/24, 75% of tertiary education organisations we audited agreed or strongly agreed that their audit report was clear and easy to understand, and 72% agreed the report was useful to their organisation.

During the year we also conducted three broader reviews into issues across multiple tertiary education organisations. These looked at the prior learning of people enrolled in literacy and numeracy courses; what placements school students undertook as part of Gateway programmes; and the reporting of recognised prior learning in a particular student management system. The reviews led to changes to funding conditions, improved sector guidance and engagements with tertiary education organisations to ensure compliance, and some funding recoveries in literacy and numeracy funds.

Findings from our audits, investigations and broader reviews are routinely shared with the sector to build tertiary education organisations' awareness of common issues. In 2023/24 we published three monitoring updates, covering a wide range of guidance on compliance matters.

## Financial monitoring supports responsible investment and a sustainable sector

Financial headwinds for the tertiary sector continued in 2024, with many tertiary education institutions (TEIs) implementing financial recovery plans and undertaking restructuring activity to protect their financial position.

The TEC meets regularly with TEIs to understand their financial position, operating context, and unique challenges and risks. We also receive varying levels of financial and non-financial information depending on an institution's risk level. This supports us in monitoring and understanding risks to institutions' financial sustainability and informs high-quality advice to the Minister for Tertiary Education and Skills on sector performance.

The TEC assesses the financial viability of all funded Private Training Establishments (PTEs) each year, and over half are currently considered a high or medium risk. We provide support and advice where we can, although our focus in this area is on ensuring responsible use of public funds and protecting learners' interests. In the short term, we expect a small number of PTEs may close, however, there has also been an uplift in sale and merger activity resulting in a consolidation of the sector.

During 2023/24, we engaged and consulted with TEIs on a new financial monitoring framework. The enhancements to the framework were strongly supported by the sector and included: changes to the metrics used; increasing the frequency of reporting from two to three times per year; and greater transparency for TEIs about the results of TEC's assessments. We have also begun a review of our PTE financial monitoring framework, which will be completed in 2024/25.

## **We support the governance and capital asset management of Crown-owned institutions**

In 2023/24 we supported the Minister for Tertiary Education and Skills to make 11 appointments and reappointments to six university councils. Over 50% of ministerial appointments administered by the TEC were held by women as at 31 December 2023, according to the Ministry for Women's 2023 Stocktake of Gender and Ethnic Diversity on Public Sector Boards and Committees.

All Crown-entity tertiary education institutions (TEIs) are required to submit an updated capital intentions plan each year, and to participate in annual assessments of their capital asset management capability. Independent assessments of asset management capability conducted in 2023 showed capability across the sector continues to increase, with TEI self-assessments undertaken in 2024 confirming this view. The TEC maintains oversight of this information to provide assurance that the tertiary sector's assets, collectively worth approximately \$15 billion, are being well managed. We use this information to provide advice to the Secretary for Education when TEIs seek to exercise certain powers, including disposing of assets or borrowing to support capital plans.

## **Managing risk to the Crown, the sector and tertiary education organisations**

Our monitoring work collectively informs our overall view of risk for individual tertiary education organisations and different subsectors, which helps us to manage risks to the Crown, the investment of public funding, and to learners.

In 2023/24 we maintained a significant focus on the risks presented by Te Pūkenga – New Zealand Institute of Skills and Technology, particularly in relation to the financial sustainability of New Zealand's network of provider-based vocational education and training. We provided substantial advice to the Minister for Tertiary Education and Skills on the Government's proposed disestablishment of Te Pūkenga.

## Measures and trend information

Te pārongo inenga, ahunga hoki

These measures show progress against the following outcome:  
**An adaptable system**



### Monitoring the financial viability of the organisations we fund

**Indicator of progress**  
**(Statement of Performance Expectations (SPE) new narrative measure result)**

Annual assessments are undertaken to understand the financial viability risk, for tertiary education organisations that receive over \$50,000 in TEC funding, and Workforce Development Councils (WDCs).

The TEC monitors the financial viability of the organisations it funds. The outputs of the TEC’s financial monitoring informs the TEC investment process as well as, where appropriate, engagement and interventions to understand, monitor and respond to risks at both an organisation and system level. This work helps to ensure a financially resilient tertiary education sector and protects learners’ interests.

#### 2023/24 progress

The TEC received and reviewed financial information from all tertiary education institutions. Of the 203 private training establishments (PTEs) with over \$50,000 of funding in 2024, the TEC has received and reviewed financial information from 195 PTEs for the period to 30 June 2024. Of the eight outstanding, three submissions had yet to be received and five assessments were completed within two weeks of year end.

As WDCs have a 30 June balance date, the TEC has not reviewed the audited Annual Reports for the period ending 30 June 2024. We have, however, reviewed management reporting information for the period ending 30 June 2024 along with operating budgets for the financial year ending 30 June 2025.



## We deliver quality career information and services

Ko tā mātou anō hoki he whakarato i ngā mōhiohio aramahi papai me ngā ratonga papai

We are New Zealand's careers agency. We have a legislative role to provide occupational and educational information and to build links between schools, tertiary providers, employers and communities, to ensure learners are ready for work and further study.

To deliver on this role, we have developed a range of career initiatives that support New Zealanders, from school to retirement, with information to help them understand and navigate the world of work and training.

We are also leading the implementation of the National Careers System Strategy (NCSS) Action Plan including leading, coordinating and monitoring the implementation of the actions across the system. These actions will empower people to understand themselves and their aspirations, and navigate career opportunities that fit throughout their lives.

Our careers work delivers on the following outcome:

**Build the right skills to succeed**



## **We continued the development of our career planning website**

During 2023/24 we continued to develop Tahatū Career Navigator, the TEC's new career planning website.

Tahatū Career Navigator is designed to meet the needs of 13–19 year-olds. A pilot with 11 selected schools began in April 2024. The pilot has been beneficial to receiving feedback to help shape the future development of Tahatū Career Navigator, test our operating model and strengthen the approach to roll out.

We will progressively roll out to secondary schools in 2025, and we expect Tahatū Career Navigator will be publicly available later in the same year.

Tahatū Career Navigator supports the Labour Market Minister's work programme, supporting transitions from school into work or further study, developing clearer pathways from education to work, supporting initiatives to respond to skills shortages and reducing the number of young people not in employment, education or training. We are working across government to develop Tahatū Career Navigator and further the Labour Market Minister's priorities.

## **Facilitating and strengthening the connections between schools, employers and tertiary education organisations**

Our Inspiring the Future (ItF) programme has had 369 schools sign up (15% of schools in Aotearoa New Zealand) and 272 events have been completed. ItF has facilitated almost 18,000 connections between young people and the world of work.

In 2023/24, we introduced a new offering which facilitates online events that multiple schools can participate in. The objective of these is to reach isolated schools where there are few ItF role models in the area, and to provide schools with an introduction to ItF without them having to organise an event themselves. We ran 17 online events, involving 26 schools and around 1,000 students, and plan to continue running these, targeting isolated schools, in 2024/25.

In 2024/25 we will continue to grow ItF across New Zealand and expand the format to broaden its appeal to a wider age group and other community groups. Particular consideration will be given to how ItF and Tahatū Career Navigator can be used together to support career planning.

## **The Pacific Work Connect Programme has assisted Pacific people to become job ready**

To help eligible Pacific people become job-ready in the New Zealand job market, we've also been running the Pacific Work Connect Programme (PWCP), funded by the Ministry for Pacific Peoples. In the year to June 2024, we supported 169 clients through the programme. The Ministry of Social Development will take over funding PWCP for 2024/25 to support the reduction in the number of people on the Jobseeker Support Benefit. Eligibility changes have been broadened, and the programme will target 500 closed cases in 2024/25.

## Leading the development and implementation of the National Careers System Strategy Action Plan

The TEC holds a leadership role in the careers system in New Zealand. We are responsible for leading and coordinating the implementation of the National Careers System Strategy (NCSS) Action Plan, a cross-agency plan to move the careers system towards the vision – “people are empowered to understand themselves and their aspirations and can navigate careers opportunities that fit throughout their lives”.

The implementation of the NCSS Action Plan contributes to the Government’s commitment to getting people into work and lifting economic outcomes. Its three focus areas of change include:

- › **strengthening connections:** Moving to a connected careers system that people can easily navigate throughout their lives to access careers education, information, advice and guidance
- › **growing quality careers support:** Moving to quality careers support that is readily available and delivered in different ways by a diverse careers workforce, and
- › **ensuring equitable access:** Moving to all people feeling connected to, and supported by, the careers system.

Each focus area contains recommended actions that aim to improve the careers system to ensure everyone has opportunities to gain the skills, knowledge and pathways to succeed.

With the support of system stakeholders, the TEC is progressing implementation of these actions across eight workstreams, with an early focus on establishing the leadership function, developing and sharing quality careers information, and building on the Tahatū Career Navigator platform.



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**“People are empowered to understand themselves and their aspirations and can navigate careers opportunities that fit throughout their lives”**

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# What is a career?



We define a career as all paid and unpaid work, and time in study and training, that a person may do throughout their life. This recognises that the concept of a career is not the same for all people and all cultures. Quality careers support helps people to understand themselves and pursue meaningful and sustainable work and learning experiences.

## A strong careers system makes it easier for people to make career decisions and transitions

Implementation of the National Careers System Strategy Action Plan (the Action Plan) contributes to the Government's commitment to getting people into work and lifting economic outcomes. It is embedded in the vision, purpose and principles of the National Careers System Strategy.



### Vision | Te Matawhānui

People are empowered to understand themselves and their aspirations and can navigate careers opportunities that fit throughout their lives.



### Purpose | Te Pūtake

To provide careers education, information, advice and guidance to support people to make careers decisions and transitions.



### Principles | Ngā Mātāpono

**A CAREERS SYSTEM THAT IS/HONOURS:**

**Accessible** | He Wātea ki te Tokomaha

**Inclusive** | He Kauawhi

**The Treaty of Waitangi** | Te Tiriti o Waitangi

**People-centred** | He aro ki te tangata

**Quality** | Te Kounga

**Responsive** | He Urupare

**Connected** | He Tūhonohono

## Eight strategic workstreams guide the implementation of the Action Plan

1. Establish leadership function (including monitoring)

2. Develop and share quality careers information

3. Support the awareness and usage of the careers system

4. Support community-led careers programmes

5. Explore ways to increase access to face-to-face careers support

6. Support capability building of the workforce

7. Develop options for careers support in secondary schools

8. Build on the Tāhatū Career Navigator platform

## Measures and trend information

Te pārongo inenga, ahunga hoki

These measures show progress against the following outcome:  
**Build the right skills to succeed**



### Careers information

#### Measure

Feedback from New Zealanders on the usefulness of TEC careers information to assist with education and career-related decision making.

Indicators of progress towards achieving this measure (SPE measure results)		2023/24 Actual	2022/23 Actual	2021/22 Actual	2020/21 Actual	2019/20 Actual
Percentage of people seeking to make a learning or work decision that agree the information and tools provided by TEC assisted that decision	Learning decision	71% (Note 1)	74%	77%	76%	66%
	Work decision	68% (Note 1)	72%	66%	75%	50%

Note 1 – We are developing a new careers website, Tahatū Career Navigator, that will replace the careers.govt.nz website. This new website will include the latest careers information, where some information and content may be out-of-date on careers.govt.nz. The results reflect our focus on rolling out the new website.

# We are committed to creating a tertiary education and careers system that responds to every learner's needs

E ū ana mātou ki te hanga i te pūnaha mātauranga matua me te pūnaha aramahi ka urupare ki ngā hiahia o ngā ākonga katoa

To ensure all learners receive the support they need to succeed in education, we work with tertiary education organisations to create education environments that are learner-centred and where more of our learners, especially our most disadvantaged learners, can succeed.

We do this by focusing on the following:

## Supporting the sector to build their capability

As mentioned earlier in the report (page 34), all large tertiary providers are required to produce Learner Success Plans (LSPs) and Disability Action Plans (DAPs).

In parallel with monitoring and engaging on LSPs and DAPs, we have a focus on sharing and developing resources that better enable the sector to be learner-centric. This includes developing a Community of Practice through hosting knowledge-sharing sessions and creating collaborative spaces for tertiary education organisations to share their learnings and approaches with each other. Over the last year we hosted six online sessions, with tertiary education organisations and learners presenting on topics ranging from Disability and Data, to Guided Pathways, to Curriculum and Pedagogy. These sessions have had strong engagement from the sector.

Our learner success work delivers on the following outcome:

**Equity and an inclusive society**



We also release guidance, research, and best-practice examples to support the sector. These are particularly important to enable smaller tertiary education organisations, that we don't have a high-touch relationship with, to understand and implement learner success approaches.

This year we partnered with Victoria University of Wellington to release best practice guidance on refugee-background learners. We have also worked closely with ACHIEVE to provide free, online disability confidence training for tertiary education organisations.

### Targeting funding through Accelerating Learner Success Fund (ALSF) (Tūwhitia)

In mid-2023, Cabinet approved the establishment of the Accelerating Learner Success Fund (ALSF) (Tūwhitia). The Fund's purpose is to support tertiary education organisations to accelerate implementation of their learner success approaches so more learners can benefit from these improvements earlier. In 2023/24, up to \$5 million was available to invest through the fund, and then up to \$10 million each subsequent year, to support learner success initiatives. This involves co-funding with tertiary education organisation initiatives that are designed to have whole-of-organisation impact on improving educational outcomes for learners.

In 2023/24, we completed the first round of funding, with two tertiary education organisation contracts signed and a third one still under negotiation. These are multi-year funding contracts, with \$617,500 invested in 2023/24. We are now focused on implementing another funding round in late 2024. Lessons learned from these investments will be shared widely with the sector.

## Building the TEC's organisational capability to deliver on our goal of equity of education outcomes

We need to lead by example and be a learner-centric, equity-minded and culturally affirming organisation, and to embed learner success across our core functions.

Over the last year, we have set strong foundations, including the roll out of our He Marae Tangata staff capability programme (read more on page 61), which aims to build the individual capability of our people around being learner-centric, equity-minded and culturally affirming.

We have also worked to share responsibility for learner success across business teams. For example, the relationship management and learner success teams share the assessment of Learner Success Plans and Disability Action Plans, working together closely to put recommendations to our Board in terms of our investment decisions.

Over the next year, we will build on and expand accountability for learner success across more business teams.

### Learner success is starting to shift the dial

The capability of the tertiary sector to deliver better outcomes for all learners is still foundational. However, we have started to see some shifts in performance. For example:

**Massey University** – course completion rates for Māori and Pacific students improved by **7.9** and **9.2** percentage points respectively between 2019 to 2023.

**University of Canterbury** – since 2020, the retention gap has been progressively closing. Pacific retention has increased by **11** percentage points, and Māori by around **5** percentage points. Non-Māori/non-Pacific has shifted by **1** percentage point.

## Measures and trend information

Te pārongo inenga, ahunga hoki

These measures show progress against the following outcome:  
**Equity and an inclusive society**



### Learner success

Measure			
Number of tertiary education organisations achieving Learner Success progress measures or targets			
Indicators of progress towards achieving this measure (SPE measure results)	2023 Actual	2022 Actual	2021 Actual
Number of tertiary education organisations who are delivering on the milestones in their Learner Success Plans	9 (Note 1)	No data available until 2023 (Note 2)	Not applicable
Number of tertiary education organisations who have a Learner Success Plan that includes a roadmap of tangible goals and milestones	22 (Note 3)	22	Not applicable

Note 1 – During 2023, our focus has been on the tertiary education institutions (TEIs) as this is where the biggest gains can be made, and this is reflected in our reporting. Nine out of 12 TEIs delivered all their planned milestones for 2023 calendar year, the first year they were required to have Learner Success Plans (LSP) and milestones. All TEIs have milestones set for 2024 and we are improving how we set them, engage and monitor for this year.

Note 2 – As 2022 was the first year that LSPs included progress milestones, we did not have any data on who was delivering on their milestones until the 2023 calendar year data was finalised.

Note 3 – Tertiary education organisations who received over \$5 million of TEC funding were required to submit LSPs in 2023. All 22 of these tertiary education organisations submitted LSPs. In addition, several PTEs that received less than \$5 million of TEC funding submitted LSPs.



### Parity rates

We want to see achievement patterns for under-served learners be on a par with other learners in the tertiary education system.

The parity gap is a measure of the difference in achievement between one group and another.

Measure							
Year 1 retention rate parity between under-served learners and other learners in the tertiary system							
Indicator of progress towards achieving this measure (SPE measure result)	Group	Level	Parity gap				
			2023	2022	2021	2020	2019
First year retention rates for qualification at:	Māori (relative to non-Māori and non-Pacific)	Levels 4-7 non-degree	-0.9 percentage points	-3.0 percentage points	-4.6 percentage points	-6.9 percentage points	-7.1 percentage points
		Level 7 degree and above	-8.9 percentage points	-9.1 percentage points	-9.8 percentage points	-9.8 percentage points	-11.1 percentage points
	Pacific (relative to non-Māori and non-Pacific)	Levels 4-7 non-degree	-7.2 percentage points	-4.6 percentage points	-10.5 percentage points	-8.8 percentage points	-12.1 percentage points
		Level 7 degree and above	-9.7 percentage points	-6.9 percentage points	-7.5 percentage points	-8.6 percentage points	-6.2 percentage points

Measure	Group	Parity gap				
		2023 Actual	2022 Actual	2021 Actual	2020 Actual	2019 Actual
Parity between educational outcomes of under-served learners and other learners in the tertiary system (Note 1)	Māori (relative to non-Māori and non-Pacific)	-14.0 percentage points	-13.3 percentage points	-14.7 percentage points	-13.5 percentage points	-13.3 percentage points
	Pacific (relative to non-Māori and non-Pacific)	-14.6 percentage points	-17.5 percentage points	-14.5 percentage points	-15.8 percentage points	-18.8 percentage points

Note 1 – This measure tracks the movement in the parity gap between under-served learners and all other learners in relation to the achievement of a formal qualification (Level 4 industry training or Level 7 degree). In 2023/24 we have reported on the parity gap of educational outcomes for Māori learners (relative to non-Māori and non-Pacific learners) and Pacific learners (relative to non-Māori and non-Pacific learners).



**Part three:**  
Equip TEC for  
the future

**Wāhanga tuatoru:**  
Te whakarite kia  
takatū te TEC  
mō āpōpō



# We strive to equip TEC for the future

E ngana ana mātou ki te whakarite ka reri a TEC  
mō āpōpō

## To deliver on our strategic intentions, it is essential that we have the right people, processes and technology

We want to be an insight-driven and culturally affirming agency. This means:

- › improving our ways of working together and with others
- › developing our internal skills, capability, capacity and prioritisation processes, and
- › strengthening partnerships and coordinating effort with education partner agencies and the sector.

Our focus in the coming years will be on investing and growing our people so we are more learner-centric, equity-minded and culturally affirming.

The TEC has a significant role in the tertiary education system, providing funding, information and guidance to tertiary education organisations, and careers support to learners and their whānau. The TEC needs to manage these functions in ways that consider the impact on learner outcomes and avoid inadvertently creating barriers to system-wide equity. That means that the TEC itself needs to develop an intentionally learner-centric focus.

This work delivers on the following outcome:

### Equip TEC for the future



## Our cultural capability programme

### He Marae Tangata

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He Marae Tangata is a work programme that aims to lift all TEC staff's capability in three areas:

- › learner-centric
- › equity-minded, and
- › culturally affirming.

An Individual Capability Framework, defining these three capabilities has been developed and piloted successfully in 2023. In 2024, we are implementing this in two tranches across the TEC, involving all staff.

Knowledge and application of Te Tiriti principles and development of cultural capability (including Māori cultural capability) are important aspects of He Marae Tangata. Updated Te Rito learning modules are available on our Learning Management System, as are other learning solutions (eg, te reo classes and the Koi app). We are currently working with our Pou Arahi – Māori Advisor, to develop a bespoke learning solution for TEC staff on Te Tiriti and its application in our work.



## Closing our gender and ethnicity pay gaps

Te whakaiti i ngā āputa utu kaimahi ā-ira tangata, ā-mātāwaka hoki

As at 30 June 2024, our overall gender pay gap (with men paid more than women) has risen slightly to 11.3%, up from 10.7% in 2022/23. An analysis of the employee and pay data for both permanent and fixed-term staff revealed:

- › there is a mean organisational gender pay gap of 11.3% (a slight increase from 10.7% last year)
- › Māori women have the largest mean gender pay gap at 28.9% (a significant increase from 15.2% last year, and 24.6% in 2021/22). This increase is due to employee movements in and out of the TEC during the year and the different salaries associated with appointments to new roles for Māori employees. Māori represent 8% of our workforce
- › women continue to represent approximately 60% of mid to senior roles (pay grades 18 to 26), but are under-represented among Tiers 1 to 3 (39% women to 61% men), and
- › most mean gender pay gaps have closed in each pay grade cluster compared with 2023, but this has not impacted on the overall gender pay gap.

We are unable to report gender and ethnicity pay gap information for Pacific employees this year. A 1% decrease in Pacific representation has resulted in this group comprising fewer than 20 employees.

Our workforce profile has changed again this year. We have a reduced headcount, and the distribution of women, men and ethnicity within some grades and roles is different from 2022/23.

We have reviewed the Gender and Ethnicity Pay Gap Action Plan (GEPGAP) with updates on our pay equity data and a progress report on activities we had planned to deliver in 2023/24.

We have improved our data collection and reporting standards and reviewed key policies and procedures to ensure alignment with Public Service Commission | Te Kawa Mataaho (PSC) guidance to address inequities.

At a strategic level, the TEC continues to focus on improving representation of:

- › women in senior IT roles
- › men in advisory and support roles, and
- › Māori and Pacific people in the organisation.

Our GEPGAP will be reviewed and published by end of December 2024, in accordance with direction from the PSC. The refreshed report will contain updated workforce and payroll data, and a progress report against our action plan.

The current three-year Kia Toipoto plan (the PSC's Gender and Ethnicity Pay Gap Plan) concludes at the end of this year. We expect the PSC will provide further guidance about gender and ethnicity pay equity in the next 12 months. Our current action plan takes us through to mid-2025.

## Measures and trend information

Te pārongo inenga, ahunga hoki

These measures show progress against the following outcome:  
**Equip TEC for the future**



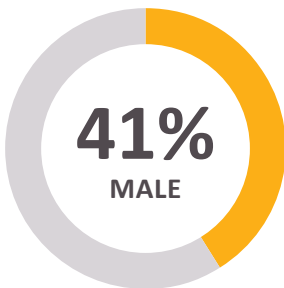
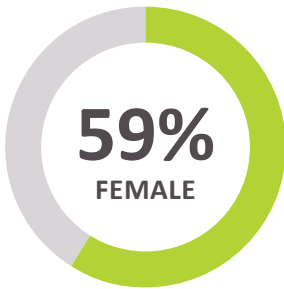
### Gender pay gap

Measure	2024 Actual	2023 Actual	2022 Actual	2021 Actual
Closing the gender pay gap	11.3%	10.7%	11.7%	13.8%



# Who we are

GENDER



AVERAGE AGE  
ACROSS ALL STAFF  
42 YRS

43 YRS

FEMALE AVERAGE AGE

42 YRS

MALE AVERAGE AGE

TIERS 1-3 GENDER  
DISTRIBUTION



44%

FEMALE

56%

MALE

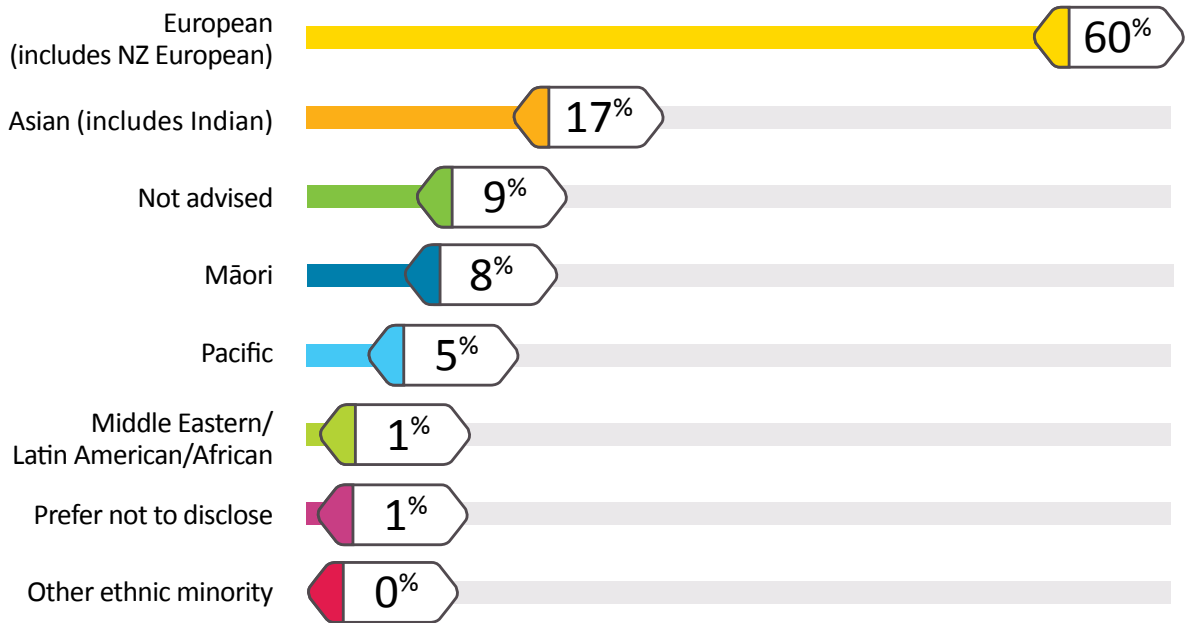


335 TOTAL STAFF

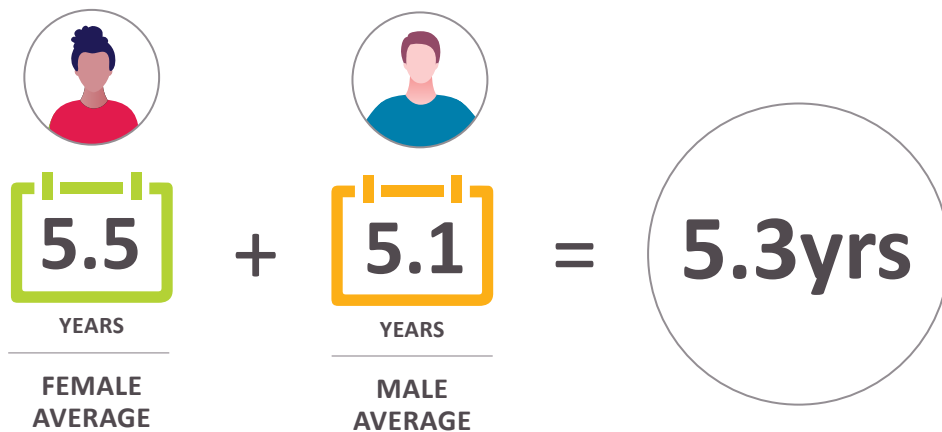
AS AT 30 JUNE 2024



## Ethnicity across all staff



## Length of service



AS AT 30 JUNE 2024

## Our mature corporate function

### Ā mātou mahi rangatōpū whatutoto

As an organisation, we continually strive to increase our efficiency and effectiveness both internally and externally to provide value for money for New Zealand.

Across the 2023/24 year we have continued to refine and improve our corporate capabilities, resulting in improved functionality across our internal data-sharing platforms and better supported information channels.

During the year we successfully upgraded our intranet and began work on updating our document management system, enabling our staff to work more efficiently on a secure, cloud-based platform, and supporting our information management strategy. Modernising our information and collaboration tools also allows us to simplify our technology support and reduce our licensing and support costs.



## We use risk management to support effective decision-making

We work in a dynamic, changing environment, and risk management remains an integral part of our organisational governance at strategic, operational and project levels. Our approach to risk management is proactive and well embedded, and focuses on:

- › fostering and encouraging a risk-intelligent culture where risk management is valued and seen as a key enabler to organisational success
- › providing relevant and appropriate information, on key areas of risk exposure and the actions being taken to manage these risks, to support and inform decision-making and planning processes
- › ensuring our managers understand and consistently apply the risk-management steps to identify, discuss and articulate risks, and
- › supporting the pursuit of opportunities while appropriately balancing risk taking.

Our risk management framework aligns with the globally accepted International Standards Organisation (ISO) standard for Risk Management – the ISO 31000 Risk management – Principles and guidelines.

This year we have continued to lift our risk-management maturity, and have refreshed and updated the Risk Management Policy, Framework and supporting documentation.

## We continue to improve our privacy maturity

Our privacy space continues to operate at a high level. This year we developed and launched our privacy strategy which outlines our privacy vision as trusted guardians of personal information. This vision reflects our goal of safeguarding personal information for the learner and is supported through a variety of methods. These include our communications and transparency about collecting, using and sharing personal information, ensuring that our policies and guidance are relevant, up to date and reflect best practice, and demonstrating good privacy practice within the organisation. By improving the privacy knowledge of the wider TEC, we aim to raise assurance for learners that their personal information is protected.

## We are prepared for disruptions and emergencies

We are committed to maintaining our business continuity management system to ensure we are prepared for managing through major disruption events, such as a large-scale emergency.

We aim to hold two business continuity exercises each year to test our emergency response and business continuity plan. We use different scenarios to test our preparedness across a range of areas.

## Fiscal savings

### Ngā penapena pūtea

#### Operational budget

In early 2024, we commenced our organisational change process to meet identified fiscal saving targets and supported our people through the early stages of this process.

The agreed savings target of 6% of baseline resulted in the TEC committing to return \$3.72 million per annum or \$14.88 million of operating funding over the next four years. To achieve these savings the TEC reviewed how we deliver our core functions, while also ensuring alignment to Government priorities.

We are confident the identified savings have been achieved without compromising capability or capacity, while also managing cost pressures and maintaining sufficient operating reserves.

As part of the identified savings, our workforce has reduced by 25 full-time equivalents (FTEs) – from 361 FTEs to 336 FTE – to contribute to the required savings and manage cost pressures over the four-year period. The positions identified were either already vacant, or considered to be no longer aligned to core functions, and work is being picked up in other areas of the business.

The agreed savings were effective from July 2024 and are monitored quarterly to ensure they remain realisable in full.

#### Grant funding

As part of Budget 2024, we identified over \$102 million of grant funding to be reprioritised over a four-year period (including \$74 million in 2023/24). This was in addition to other fiscal savings identified in the tertiary sector, including the transition to final year Fees Free with proposed savings of approximately \$900 million over four years, and the disestablishment of Workforce Development Councils, saving \$195 million.

## Contractors and consultants

### Ngā kaikirimana me ngā mātanga

As with most government agencies, contractors and consultants are sometimes required for specialist skills to support delivery of priority projects, or as a last resort to cover hard-to-fill vacancies.

The TEC has been actively reducing contractor costs by recruiting fixed-term positions rather than using contractors and will continue to only engage contractors for short periods where specialist skills are needed.

Our contractor and consultant costs (operating only – not including capital), as a proportion of total workforce costs, was 6.7% for the 12 months to June 2024. This is below both the Public Service (Core Crown) forecast for 2023/24 of circa 13% and the target of 11%.

## Our Carbon Neutral journey

### Tō mātou haerenga ki te tūnga tukuwaro-kore

The Government established its Carbon Neutral Government Programme (CNGP) to accelerate emissions reduction in the public sector. We are required to report annually our:

- › total annual emissions for the current and base year
- › emissions profile broken down by source/ scope
- › 2024/25 and 2029/30 gross emission reduction targets
- › progress towards our targets compared to the base year, and
- › qualitative commentary on results.

We selected 2018/19 for our base year as it was a regular pre-COVID-19 year of emissions. Our gross emissions reduction targets were set in each of the TEC's four key areas (see table overleaf).

We continued reducing our domestic air travel as part of our commitment to promote online collaboration in place of travel. We also travelled internationally less in 2023/24. Flexible working means staff can now work from home, further reducing our carbon emissions. We reduced our electricity usage slightly in 2023/24 and the electricity emissions factor reduced significantly, meaning our electricity emissions reduced significantly in 2023/24. This helped us meet both our 2025 and 2030 gross emission reduction targets.

Description	Category	Scope	2018/19 (tCO2e)	2022/23 (tCO2e)	2023/24 (tCO2e)	Reduction (%)	2024/25 Target	2029/30 Target	Commentary
TEC owned vehicles	1	1	12	-	-				
Accommodation	3	3	11	5	5				
Domestic air travel	3	3	169	89	83				
International air travel	3	3	81	86	37				
Rental cars, taxis and milage claims	3	3	16	12	10				
<b>Business travel</b>	<b>1 &amp; 3</b>	<b>1 &amp; 3</b>	<b>289</b>	<b>192</b>	<b>135</b>	<b>53%</b>	<b>21%</b>	<b>42%</b>	<b>Targets met</b>
Commuting	3	3	153	86	103				
Working from home	3	3	-	21	15				
<b>Commuting and working from home</b>	<b>3</b>	<b>3</b>	<b>153</b>	<b>107</b>	<b>118</b>	<b>23%</b>	<b>21%</b>	<b>42%</b>	<b>2025 target met</b>
Electricity	2	2	55	48	28				
Transmission and distribution losses	4	3	6	4	2				
<b>Electricity</b>	<b>2 &amp; 4</b>	<b>2 &amp; 3</b>	<b>61</b>	<b>52</b>	<b>30</b>	<b>51%</b>	<b>21%</b>	<b>42%</b>	<b>Targets met</b>
Fresh water	4	3	1	1	1				
Wastewater	4	3	14	18	17				
<b>Water</b>	<b>4</b>	<b>3</b>	<b>15</b>	<b>19</b>	<b>18</b>	<b>-20%</b>	<b>21%</b>	<b>42%</b>	<b>Increased in line with staff</b>
<b>Total emissions (tCO2e)</b>			<b>518</b>	<b>370</b>	<b>301</b>	<b>42%</b>	<b>21%</b>	<b>42%</b>	<b>Targets met</b>
Full-time equivalent (FTE) staff			294.2	358.3	331.4				
Emissions (tCO2e) per FTE			1.8	1.0	0.9				

Our 2018/19 and 2022/23 emissions were independently audited by Toitū on 15 August 2023 and our 2023/24 emissions were audited on 23 August 2024.

## Data System Refresh

### Te Tāmata Raraunga Pūnaha

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The TEC is in the process of refreshing its core data collection and data management systems, which support our investment in and monitoring of the tertiary education sector. We received external funding for this work. This was initiated to integrate our disparate data collections into a single platform and replace our aged data warehouse with a modern, fit-for-purpose solution. It will also provide improved information products for organisations to analyse their own and overall tertiary investment and performance-related data.

We completed two major functionality releases in June and July 2024. Subsequent releases are planned for later in 2024 and in 2025, including functionality to support new policies for the Apprenticeship Boost Initiative and the final year Fees Free.

In delivering the solution, we work collaboratively across the sector, including consulting with a wide range of tertiary education organisations, training and student management system vendors, the Ministry of Education and the New Zealand Qualifications Authority.



## Cybersecurity is at the core of our business

Ko te haumarutanga ipurangi kei te uho o tō mātou pakihi

The TEC has an ongoing programme of work focused on staying cyber secure in an environment of ever evolving cybersecurity risks. Our work is based around a comprehensive four-tier cybersecurity assurance framework. These four tiers are based on the National Institute of Standards and Technology cybersecurity framework and are:

- › **People:** understanding the behaviour of our staff in response to cyber threats and providing training and ongoing awareness of the impact of cybersecurity to business continuity
- › **Organisation:** implementing the globally recognised NIST cybersecurity framework to assess our organisation-wide maturity to guide our investment decisions for enhancing our cybersecurity posture
- › **Technical Review/Audit Programme:** ongoing independent technical audit programme of our core platforms and systems, and
- › **Security by Design:** ensuring we design our systems building security and privacy into everything we do.

We use an independent strategic partner to assess our cybersecurity maturity against this framework.

### We are working to improve awareness of cybersecurity across the tertiary sector

During the year we completed a project to improve cybersecurity maturity across the sector. We received funding for this piece of work from the Ministry of Education. We saw strong sector participation across the range of offerings and a survey confirmed the positive impact the initiative had on making the tertiary sector more resilient to cybersecurity threats, by lifting awareness and cybersecurity maturity across the sector. The TEC has received a lot of positive feedback from the sector for leading this initiative.

## Service critical assets and contracts

Ngā huarawa me ngā kirimana e waiwai ana ki ngā ratonga

A new Cabinet requirement CO (23) 9 specifies that:

“Agencies must report on relevant asset performance indicators for service critical assets in their annual reports” (paragraph 36).

We identified 11 assets from our asset register as being service critical assets (see the table below). We also identified our finance system, TechnologyOne, as being a critical service contract.

We have made this differentiation as we are unable to include Software as a Service (SaaS) arrangements in our list of critical service assets, as SaaS arrangements do not meet the definition of an asset under financial reporting standards. Additional information is provided in the Disclosure of Judgements section on page 86.

### Service critical assets

Asset	Utilisation	Comment
<p><b>Careers.govt.nz</b> A website providing information on career pathways, qualifications and training.</p>	Asset operating to expectations.	Low level of investment as will be replaced by Tahatū Career Navigator, a new interactive careers website the TEC is developing.
<p><b>Data Centre</b> The on-premise computing environment that hosts several of TEC's core applications.</p>	Asset operating to expectations.	Decision to be made on whether to extend the life of the Data Centre or decommission and migrate to full cloud-hosted environment. We have moved a large number of our applications to the cloud, however the Data Centre still hosts many of our service critical assets.
<p><b>Data Exchange Platform</b> A single platform for collection and distribution (exchange) of tertiary education organisation funding data used in funding and monitoring tertiary education organisations.</p>	Asset operating to expectations.	Core platform for our data collection systems.



Asset	Utilisation	Comment
<p><b>Data Hub</b> The central repository of TEC reference data that is used by multiple systems.</p>	Asset operating to expectations.	Will be replaced as part of the move to modern data platform.
<p><b>Data Warehouse</b> A repository that stores the organisation’s electronic data, in a way that supports our reporting and analysis requirements.</p>	Asset operating to expectations, reaching end of life.	Being replaced as part of the TEC’s Data System Refresh programme replacing our data collection systems and data warehouse.
<p><b>Industry Training Register</b> An online data collection service that captures information about activity in the industry training sector in near real time.</p>	Asset operating to expectations, reaching end of life.	Being replaced as part of the TEC’s Data System Refresh programme replacing our data collection systems and data warehouse.
<p><b>Inspiring the Future (website)</b> A programme to connect children from ages 7 to 13 with volunteer role models from the world of work, to broaden career options and challenge stereotypes.</p>	Asset operating to expectations.	New asset. Ongoing investment planned.
<p><b>LNAAT</b> Literacy and Numeracy Adult Assessment Tool.</p>	Asset operating to expectations, reaching end of life.	Decision to be made on future of asset and whether to be improved or replaced.
<p><b>Ngā Kete</b> Ngā Kete is a secure web portal or “doorway” into our information.</p>	Asset operating to expectations, reaching end of life.	Being replaced as part of the TEC’s Data System Refresh programme replacing our existing data collection systems and data warehouse.
<p><b>Objective</b> The TEC’s electronic document and records management system.</p>	Asset operating to expectations.	Being replaced with a SharePoint solution as part of the TEC converging to more cost-effective Microsoft technologies.
<p><b>QlikSense</b> A self-service data visualisation and discovery tool.</p>	Asset operating to expectations.	Being replaced with Power BI as part of the TEC converging to more cost-effective Microsoft technologies.

## Service critical contract

Contract	Utilisation	Comment
<p><b>TechnologyOne</b> TechnologyOne is the TEC’s financial management and accounting system.</p>	Asset operating to expectations.	SaaS product maintained by vendor.



# Statement of Responsibility

## Tauākī Whakamaunga Atu

In terms of the Crown Entities Act 2004 and the Education and Training Act 2020, the Board of the Tertiary Education Commission Te Amorangi Mātauranga Matua is responsible for preparing the Tertiary Education Commission's Financial Statements and the Statement of Performance and for the judgements made in them.

The Board of the Tertiary Education Commission is responsible for any end-of-year performance information provided by the Tertiary Education Commission under section 19A of the Public Finance Act 1989.

The Board of the Tertiary Education Commission has the responsibility for establishing, and has established, a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting and reporting of the Statement of Performance. In the Board's opinion, these Financial Statements and Statement of Performance fairly reflect the financial position and operations of the Tertiary Education Commission for the year ended 30 June 2024.

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



**Dr Wayne Ngata**  
Acting Board Chair

Tertiary Education Commission

31 October 2024



**Dr Alastair MacCormick**  
Chair

Whatitata Whakau – Risk and  
Assurance Committee

Tertiary Education Commission

31 October 2024

# Independent auditor's report

## Pūrongo kaitiro tiro motuhake

### To the readers of Tertiary Education Commission's financial statements and performance information for the year ended 30 June 2024

The Auditor-General is the auditor of Tertiary Education Commission (TEC). The Auditor-General has appointed me, Dereck Ollsson, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information, including the performance information for appropriations, of TEC on his behalf.

### Opinion

We have audited:

- » the financial statements of TEC on pages 124 to 159, that comprise the statement of financial position as at 30 June 2024, the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- » the performance information which reports against TEC's statement of performance expectations and appropriations for the year ended 30 June 2024 on pages 30 to 57 and 86 to 120.

In our opinion:

- » the financial statements of TEC:
  - › present fairly, in all material respects:
    - its financial position as at 30 June 2024; and
    - its financial performance and cash flows for the year then ended; and
  - › comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- » TEC's performance information for the year ended 30 June 2024:
  - › presents fairly, in all material respects, for each class of reportable outputs:
    - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
    - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year;
  - › presents fairly, in all material respects, for the appropriations:
    - what has been achieved with the appropriations; and
    - the actual expenses or capital expenditure incurred as compared with the expenses or capital expenditure appropriated or forecast to be incurred; and
  - › complies with generally accepted accounting practice in New Zealand.



Our audit was completed on 31 October 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Commissioners and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

### **Basis for our opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of the Board of Commissioners for the financial statements and the performance information**

The Board of Commissioners are responsible on behalf of TEC for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Board of Commissioners are responsible for such internal control as they determine is necessary to enable them to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Commissioners are responsible on behalf of TEC for assessing TEC's ability to continue as a going concern. They are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of TEC, or there is no realistic alternative but to do so.

The Board of Commissioner's responsibilities arise from the Crown Entities Act 2004 and the Public Finance Act 1989.

### **Responsibilities of the auditor for the audit of the financial statements and the performance information**

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to TEC's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

» We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- » We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of TEC's internal control.
- » We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Commissioners.
- » We evaluate the appropriateness of the performance information which reports against TEC's statement of performance expectations and appropriations.
- » We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Commissioners and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on TEC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause TEC to cease to continue as a going concern.
- » We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Commissioners regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

## Other information

The Board of Commissioners are responsible for the other information. The other information comprises the information included on pages 1 to 29, 58 to 85, 121 to 123 and 160 to 171 but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independence

We are independent of TEC in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in TEC.



Dereck Ollsson  
Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand



**Part four:**  
Statement of performance

**Wāhanga tuawha:**  
Tauākī whakatutukitanga







In 2023/24 we spent over

# \$3.8 billion

investing in tertiary education and supporting the tertiary education and careers systems

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In this section we report on Vote Tertiary Education and Vote Education appropriations that we are responsible for reporting against as set out in the 2023/24 Estimates of Appropriations for Vote Education and Vote Tertiary Education.

We identify the measures that we are responsible for and those that we contribute to through our investment in the tertiary education sector.

- › The measures that we are responsible for reflect our role in implementing policy.
- › The measures that we contribute to focus on policy outcomes. The results of these measures are impacted by external factors including the economy, unemployment and labour participation rates.

These appropriations support the Tertiary Education and Careers Systems

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## \$72.1 million

Administration of and Support for the Tertiary Education and Careers Systems

## \$7.9 million

Vocational Education Data System



We use these appropriations  
to invest in tertiary education

# \$2,914.2 million

Tertiary Tuition and Training

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**\$315.0 million**

Tertiary Education Research  
and Research-Based Teaching

**\$283.1 million**

Fees Free Payments

**\$77.8 million**

Strategic Support for National  
and Regional Priorities

**\$65.0 million**

Workforce Development Councils

**\$49.8 million**

Centres of Research  
Excellence

**\$33.1 million**

Secondary-Tertiary Interface

**\$19.9 million**

Tertiary Scholarships  
and Awards

**\$16.0 million**

Tertiary Sector / Industry  
Collaboration Projects

**\$12.0 million**

Support for Wānanga

**\$0.7 million**

University-led Innovation

## Budget significant initiatives implemented over the past four years

Ngā Kaupapa hira ā-tahua i whakatinanahia  
I ēnei tau e toru kua hipa

The tables below set out the significant budget initiatives we have received funding from over the past four years. The Budget significant initiatives identified relate to Tahatū Career Navigator and vocational education and training.

### Tahatū Career Navigator initiatives

#### Policy initiatives

#### Budget 2021

Careers System Online: Tiro Whetū (Tiro Whetū was renamed Tahatū Career Navigator)

#### Details

We are developing an online careers technology system (Tahatū Career Navigator) to support learners and workers to plan and manage their careers.

#### Performance information can be found in these parts of our annual report

**Part two: Our core business delivers on our strategic intentions and government priorities**

#### Careers

› Tahatū Career Navigator aims to help people confidently make career plans that work for them – Page 50

**Part four: Statement of Performance**

Careers System Online – Page 96

**Part five: Financial statements**

Operating Crown capital contributions and expense – Page 132

## Vocational education and training initiatives

The Budget significant initiatives below were put in place in Budget 2020 and 2021 and relate to the establishment of Te Pūkenga, Workforce Development Councils (WDCs) and implementation of a Unified Funding System for vocational education and training. Funding for these initiatives continued in 2023/24, and we have a statutory obligation to continue to provide performance information against these initiatives/appropriations until funding for them ceases.

The Government has made a number of policy commitments for change in the tertiary education sector. These policy commitments include redesigning the vocational education and training (VET) system. The redesign includes disestablishing Te Pūkenga, establishing an alternative structure or structures and making changes to the funding system. More information on these changes and the TEC's Priority Work Programme to implement these changes is set out on pages 28 and 29.

Policy initiatives	Details	Performance information can be found in these parts of our annual report
<p>Reform of Vocational Education – Management of Fiscal Implications</p>	<p><b>These initiatives related to:</b></p> <ul style="list-style-type: none"> <li>› Establishing Te Pūkenga – bringing together 16 institutes of technology and polytechnics.</li> <li>› Establishing WDCs – industry-governed bodies to ensure vocational education meets the needs of industry and give a stronger voice to Māori business and iwi development.</li> </ul>	<p><b>Part two: Our core business delivers on our strategic intentions and government priorities</b></p> <p>Our Priority Work Programme</p> <ul style="list-style-type: none"> <li>› Redesign of the vocational education and training system – Page 28</li> </ul> <p>We manage the Government's investment in tertiary education</p> <ul style="list-style-type: none"> <li>› Workforce Development Councils – Page 40</li> </ul>
<p>Ensuring the Viability of Vocational Education and Training</p> <hr/> <p>Establishing Workforce Development Councils to Support COVID-19 Recovery</p> <hr/> <p>Reform of Vocational Education – Transition and Integration Phase</p>	<ul style="list-style-type: none"> <li>› Implementing a Unified Funding System (UFS) for vocational education and training from 1 January 2023 – including the development of an information technology system to support the UFS implementation.</li> </ul>	<p><b>Part four: Statement of Performance</b></p> <p>Vocational Education Data System – Page 97</p> <p>Strategic Support for National and Regional Priorities – Page 101 and 102</p> <p>Workforce Development Councils – Page 108</p> <p>Tertiary Tuition and Training</p> <ul style="list-style-type: none"> <li>› Overall information – Page 111</li> <li>› Access to and Success in Tertiary Education – Page 112</li> <li>› Qualification delivery – Pages 114 to 118</li> </ul> <p><b>Part five: Financial statements</b></p> <p>Operating Crown capital contributions and expense – Page 132</p> <p>Grants revenue from the Crown and Grants expenses – Page 133</p>

## Disclosure of judgements

### Te Whāki Whakawākanga

#### Public Benefit Entity Financial Reporting Standard 48 Service Performance Reporting (PBE FRS 48)

The Tertiary Education Commission is committed to meeting the requirements of the PBE FRS 48. This standard established requirements for all government agencies to include additional information when reporting service performance information. PBE FRS 48 sets out principles for the selection, measurement, aggregation, and presentation of this service performance information.

Paragraph 29 of PBE FRS 48 states that an entity shall clearly identify the service performance information presented in accordance with the standard. Paragraph 15 (b) says that the service performance information shall provide users with information about what the entity has done during the reporting period in working towards its broader aims and objectives.

Performance information presented in our annual reports details who we are, our statutory functions, and what we have achieved over the reporting period, as we work towards achieving our outcomes.

Our service performance information presented in this annual report has been prepared in accordance with generally accepted accounting practice (GAAP).

#### Performance information reporting

The Government has made a number of policy commitments for change in the tertiary education sector. These policy commitments include the redesign of the vocational education and training (VET) system, the establishment of the University Advisory Group and moving Fees Free from first year of study, to last. In March 2024, the TEC created the Priority Work Programme. This programme ensures that the work across the policy commitments is coordinated, and progress towards deliverables is prioritised and monitored. Consequently, our annual report contains a new section, which contains performance information relating to our Priority Work Programme (see pages 28 and 29).

The “who we are” and statutory functions sections of our annual report set the scene for and are a part of our performance information (see pages 18 to 23).

We also report performance information against our:

- › Statement of Intent 2022/23 – 2024/25 (SOI), and
- › Statement of Performance Expectations 2023/24 (SPE) at [tec.govt.nz/corporate-publications](https://tec.govt.nz/corporate-publications).

Progress against our SOI is detailed in **Part two: Our core business delivers on our strategic intentions and government priorities**. Our strategic intentions describe the outcomes and intentions we seek to achieve for New Zealand. It also describes our core business activities and key project contributions that are required to progress our intentions (see pages 30 and 31).

Progress against our SPE is detailed in **Part four: Statement of performance**. This section details performance measures results and financial performance for the Vote Tertiary Education appropriations where we have responsibility for reporting performance (see pages 82 to 120).

## SPE performance measures

We have developed performance measures for each Vote Tertiary Education appropriation where we have reporting responsibilities. Our appropriation measures reflect the TEC's operational and capital funding, and funding provided to tertiary education providers.

- › Our operational appropriations enable us to support the tertiary education and careers system. Measures include assessments of how effectively the TEC carries out its statutory role, as set out in the Education and Training Act 2020.
- › Our sector-facing appropriations enable us to fund tertiary education providers and invest in all forms of post-secondary school education and training. These measures are focused on sector outcomes. Achievement of desired sector outcomes are influenced by factors external to the TEC.

New measures and retired measures are detailed and disclosed under each appropriation.

We have both financial year and calendar year performance measures in our annual report. This is because the tertiary education organisations we invest in operate on a calendar year basis and report learner achievements results by calendar year (1 January to 31 December). Performance measure table headings are clearly labelled throughout our annual report to show whether the performance measure result relates to a financial or calendar year.

We continuously look to improve our measures and reassess their effectiveness to ensure we can accurately assess progress being made against measures with targets and understand any developing trends.

## Cabinet requirement: CO (23) 9 Investment Management and Asset Performance in Departments and Other Entities

This new Cabinet requirement specifies:

- › Agencies must identify their service critical assets and maintain details of the identity, condition, and risk exposure of these assets in the agency's asset register (paragraph 34).
- › Agencies must capture relevant indicators of past and projected asset performance (for example, asset utilisation, condition, and fitness-for-purpose) for service critical assets. Agencies must use these indicators in internal management and decision-making processes (paragraph 35).
- › Agencies must report on relevant asset performance indicators for service critical assets in their annual reports (paragraph 36).

We identified 11 assets from our asset register as being service critical assets. We have also identified our finance system TechnologyOne as being a critical service contract. Performance information on our service critical assets/contracts is provided on pages 72 and 73.

We have made this differentiation as we are unable to include Software as a Service (SaaS) arrangements in our list of critical service assets, as SaaS arrangements do not meet the definition of an asset under financial reporting standards. We recognise that the intent of the Cabinet requirement is for agencies to include reporting on critical SaaS systems, such as our SaaS TechnologyOne system, so have included this as a critical service contract in our reporting.

## Our operational appropriation enables us to support the tertiary education and careers system

Mā tā tātou nopeno e ā-mahi e āhei ai tātou te tautoko i ngā pūnaha mātauranga matua me ngā pūnaha aramahi

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We lead the Government’s relationship with the tertiary education sector and provide careers information for all New Zealanders.

We are required by the Education and Training Act 2020 to give effect to the Tertiary Education Strategy through the investment process.

As part of this, we are responsible for:

- › publishing guidance on the content and criteria for assessment of tertiary education organisations’ investment plans
- › determining and allocating the amount of funding to tertiary education organisations.

The TEC also has a role in building the capability of tertiary education organisations as part of giving effect to the Tertiary Education Strategy.





## Vote Tertiary Education appropriations

Ngā rohenga pūtea kāwanatanga mā te  
Mātauranga Matua

### Administration of and Support for the Tertiary Education and Careers Systems

Te taha Whakahaeretanga ā-Tari, te Tautoko hoki mō  
Ngā Pūnaha Mātauranga Matua me Ngā Pūnaha Aramahi

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This appropriation is intended to ensure New Zealand has effective and well-managed tertiary education and careers systems.

See page 131 for financial information.

**Our operational measures are linked to our statutory functions as set out in the Education and Training Act 2020 and to our core processes. The TEC is responsible for the results of these measures.**

This year we are reporting on a number of new measures developed to increase our ability to show how we will assess our performance when carrying out our statutory functions and core business and how we will assess the impact of our activities. In the tables overleaf these are shown as new measures.

Measure	30 June 2025 Target	2023/24 Actual	2022/23 Actual
<b>New measures: Inspiring the Future (Notes 1, 2 and 3)</b>			
Number of completed events online and in person (Note 4)	390	272	216
Number of unique school sign-ups (Note 5)	445	369	246

Note 1 – Inspiring the Future (ItF) is a programme to connect children aged 7–13 with volunteer role models from the world of work, through fun and inspiring online or in-person events. ItF is designed to broaden career horizons by sharing relatable stories on career options and pathways.

Note 2 – The figures in this table are cumulative (eg, the 272 completed events in 2023/24 includes the 216 events completed in 2022/23). We are working towards achieving the target figures by 30 June 2025.

Note 3 – During 2023/24, we changed the methodology for calculating the measure results for ItF to align with platform changes. The change in methodology also means that the 2025 targets have been reset. Figures above follow the updated methodology and will differ from figures provided in our Statement of Performance Expectations 2023/24 which were based on the old methodology.

Note 4 – This new measure tracks uptake of ItF and assesses how well the programme is meeting its aim of supporting ākonga in New Zealand to broaden their aspirations around the types of jobs they can do regardless of their background, gender, social conditions or ethnicity.

Note 5 – This new measure tracks engagement of schools with the ItF programme and gauges the effectiveness of the TEC’s work to increase the number of schools signing up.

Measure (trend information only)		2023/24 Actual	2022/23 Actual	2021/22 Actual	2020/21 Actual	2019/20 Actual
Percentage of people seeking to make a learning or work decision that agree the information and tools provided by TEC assisted that decision	Learning decision	71% (Note 1)	74%	77%	76%	66%
	Work decision	68% (Note 1)	72%	66%	75%	50%

Note 1 – We are developing a new career website, Tahatū Career Navigator, that will replace the careers.govt.nz website. This new website will include the latest careers information, where some information and content may be out-of-date on careers.govt.nz. The results reflect our focus on rolling out the new website.

Measure		2023 Target	2023 Actual	2022 Actual
Percentage of careers system stakeholders who agree that our online information and tools are useful		At least 81%	83% (Note 1)	86%
Percentage of payments the TEC makes to tertiary education organisations that are made within agreed timeframes		At least 99.5%	100% (Note 2)	99.98%
<b>New measure</b> The right amount of funds are allocated to the right areas (Note 3):	Percentage of available funding invested	Funding invested At least 93.3%	96.32% (Note 4)	100.5%
	Recovered funding as a percentage of total funding invested	Recovered funding No more than 2.66%	4.27% (Note 5)	3.3%
Percentage of tertiary education institutions' council members and support staff attending our governance seminars or webinars who agree that they gained relevant knowledge to apply to their work		At least 97%	100% (Note 6)	100%
Percentage of tertiary education organisations that agree that engagement (face-to-face, phone and email) with TEC was useful	Face-to-face	At least 77%	72% (Note 7)	77%
	Phone	At least 73%	82%	69%
	Email	At least 60%	73%	63%

Note 1 – We are developing a new career website, Tahatū Career Navigator, that will replace the careers.govt.nz website. This new website will include the latest careers information. The result reflects our focus on rolling out the new website.

Note 2 – Only one late payment for the year.

Note 3 – These two new measures will assess whether the right amount of funds was allocated to the right areas, meaning there are no missed investment opportunities.

Note 4 – The 2023 indicative allocation methodology and associated in-year allocation methodologies supported maximising the allocation of funding, while staying within funding baselines.

Note 5 – The 2023 delivery year saw large recoveries across the Delivery at Levels 3–7 (DQ3-7) (vocational education and training) and Delivery at Levels 7 and above (DQ7+) (higher education) funds. Allocations remained high to continue to support learning pipelines off the back of the COVID-19 spike in learning in 2021. While in-year funding management occurred, recoveries as an overall proportion of the allocated funding remained high.

Note 6 – We held an online governance seminar for support staff on 3 May 2024. Four people attended the seminar, and three of those attendees responded to our post-seminar survey. All three of the survey respondents (100%) agreed that they gained relevant knowledge to apply to their work from the governance seminar.

Note 7 – Face-to-face contact with the sector has been challenging:

- › Policy decision delays have meant that at face-to-face meetings we have not been able to provide steering and hence the sector cannot get traction.
- › The funding environment is also challenging, meaning we have had to have some difficult discussions. These may have contributed to the sector not finding face-to-face contact always useful.

Measure (trend information only)	2023 Actual	2022 Actual	2021 Actual
Number of tertiary education organisations who are delivering on the milestones in their Learner Success Plans	9 (Note 1)	No data available until 2023 (Note 2)	Not applicable
Number of tertiary education organisations who have a Learner Success Plan that includes a roadmap of tangible goals and milestones	22 (Note 3)	22	Not applicable

Note 1 – During 2023, our focus has been on the tertiary education institutions (TEIs) as this is where the biggest gains can be made, and this is reflected in our reporting. Nine out of 12 TEIs delivered all their planned milestones for the 2023 calendar year, the first year they were required to have Learner Success Plans (LSP) and milestones. All TEIs have milestones set for 2024 and we are improving how we set, engage and monitor for this year.

Note 2 – As 2022 was the first year that LSPs included progress milestones, we did not have any data on who is delivering on their milestones until 2023 calendar year data was finalised.

Note 3 – Tertiary education organisations who received over \$5 million of TEC funding were required to submit LSPs in 2023. All 22 of these tertiary education organisations submitted LSPs. In addition, several PTEs that received less than \$5 million of TEC funding submitted LSPs.



Measure	2023/24 Target	2023/24 Actual	2022/23 Actual
The satisfaction rating given by the Minister of Tertiary Education and Skills on the TEC's monitoring advice related to Te Pūkenga and tertiary education institutions (Note 1)	At least 7 out of 10	5 out of 10 (Note 2)	6 out of 10 (Note 3)
The overall satisfaction rating given by the Minister of Tertiary Education and Skills on the Tertiary Education Commission (Note 1)	At least 7 out of 10	5 out of 10 (Note 2)	8 out of 10 (Note 3)
<b>New measure</b> The satisfaction rating given by the Minister of Tertiary Education and Skills on the TEC's advice related to the careers system (Notes 1 and 4)	At least 7 out of 10	6 out of 10 (Note 2)	6 out of 10 (Note 3)
<b>New measure</b> System review learnings are shared with the Minister and the sector (Note 5)	Achieved (Baseline year)	Achieved (Note 6)	Not applicable
<b>New measure</b> Cabinet decisions implemented as scheduled	Achieved (Baseline year)	Achieved (Note 7)	Not applicable

Note 1 – The survey rating measures the Minister of Tertiary Education and Skills' satisfaction with the quality of advice on a scale from 1 to 10, where 1 means unsatisfied and 10 means extremely satisfied.

Note 2 – This is the first year that we have received a rating from the Minister of Tertiary Education and Skills.

Note 3 – The 2022/23 rating was provided from the prior government's Minister of Education.

Note 4 – The intent of this new measure is to demonstrate that we are effectively monitoring the careers system and providing well informed advice to the Minister of Tertiary Education and Skills.

Note 5 – This new measure will report on the sharing of topic-based (non-tertiary education organisation-specific) reviews that help the TEC perform its role as steward of the system.

Note 6 – During this financial year, we completed three system reviews: one on adjusting recognised prior learning in student management systems; another on provider compliance in the Employer-led Workplace Literacy and Numeracy Fund (EWLN); the third on students accessing Intensive Literacy and Numeracy & Workplace Literacy and Numeracy (ILN & WLN) provision despite holding a higher qualification. Learnings from all reviews have been shared with the sector via TEC monitoring updates and direct engagement with specific tertiary education organisations. The system review around students accessing ILN and WLN provision despite holding higher qualifications resulted in a change to the 2024 funding conditions, which was approved by the Minister.

Note 7 – In March 2024, Cabinet agreed to cancel Quality Evaluation 2026 and established a University Advisory Group to consider the university system, including funding settings. As a result, work to implement previous decisions on the Performance-Based Research Fund (PBRF) has stopped. The future of PBRF will be decided after the University Advisory Group has made its recommendations to the Ministry of Education, in February 2025. Work programme activities in 2023 included publishing tertiary education organisation guidelines for 2026 and the audit methodology.

## Narrative performance assessment and reporting

In 2023/24 we put in place a new narrative assessment approach for the following four measures. This allows us to provide more contextual information on the measures and tell a fuller performance story.

### New measure

Annual assessments are undertaken to understand the financial viability risk, for tertiary education organisations that receive over \$50,000 in TEC funding, and Workforce Development Councils.

The TEC monitors the financial viability of the organisations it funds. The outputs of the TEC's financial monitoring inform the TEC investment process as well as, where appropriate, engagement and interventions to understand, monitor and respond to risks at both an organisation and system level. This work helps to ensure a financially resilient tertiary education sector and protects learners' interests.

### What we want to achieve

All tertiary education organisations (receiving over \$50,000 in TEC funding) and Workforce Development Councils (WDCs) are assessed at least once a year against the relevant financial monitoring framework or requirement.

### What we achieved in 2023/24

The TEC received and reviewed financial information from all tertiary education institutions. Of the 203 private training establishments (PTEs) with over \$50,000 of funding in 2024, the TEC has received and reviewed financial information from 195 PTEs for the period to 30 June 2024. Of the eight outstanding, three submissions had yet to be received and five assessments were completed within two weeks of year end.

As WDCs have a 30 June balance date, the TEC has not reviewed the audited annual report for the period ending 30 June 2024. During the period, we have, however, reviewed management reporting information for the period ending 30 June 2024 along with operating budgets for the financial year ending 30 June 2025.

### Prior year information

The TEC received and reviewed 2023 financial information from all tertiary education institutions. Of the 219 PTEs with over \$50,000 of funding in 2023, TEC received and reviewed financial information from 205. Six of the 14 PTEs overdue in submitting the required information to the TEC provided their last financial report but their forecast is outstanding.

WDCs' audited annual reports for the period ending 30 June 2023 were provided by the end of December 2023. The TEC reviewed all six annual reports and the operating budgets up to 30 June 2023. At the end of April/beginning of May 2023, the TEC also reviewed the five-year forecasts for the WDCs until the 2026/27 period.

### New measure

Evidence that the Tertiary Education Commission's investment decisions give effect to Workforce Development Council advice.

This new measure is intended to demonstrate that Workforce Development Council (WDC) advice on investment priorities informs the TEC's investment. The TEC is also required to have regard to WDC advice when assessing Investment Plans and to give effect to WDC advice on the mix of vocational education and training.

### What we want to achieve

The narrative in the TEC's Annual Report will provide information to demonstrate that:

- a. Plan Guidance reflects WDC national and regional advice, and
- b. targeted priorities committed to in Investment Plans reflect WDC national and regional priorities.

Plan Guidance describes the information that tertiary education organisations are expected to provide in their Investment Plans and explains how this information will be assessed.

Tertiary education organisation Investment Plans inform funding decisions. They include a tertiary education organisation's mission and role, strategic intentions, the activities and programmes it will carry out and how performance will be measured.

### What we achieved in 2023

WDCs submitted advice to the TEC in December 2022 and April 2023 on the mix of vocational education and training that investment should focus on in 2024. This advice was reviewed and collated to inform the investment priorities published in the TEC's Plan Guidance and Supplementary Guidance for 2024 investment.

Initial thematic advice which informed broader priorities was published in the TEC's Plan Guidance for providers submitting Plans for funding from 1 January 2024:

<https://www.tec.govt.nz/assets/Forms-templates-and-guides/Plan-guidance-and-toolkit-2024/Plan-Guidance-for-2024-FINAL-PDF.pdf>

Advice covering specific areas of provision to change (increase/decrease) was later published as targeted priorities in the TEC's Supplementary Plan Guidance for providers submitting Plans for funding from 1 January 2024: <https://www.tec.govt.nz/assets/Forms-templates-and-guides/Plan-guidance-and-toolkit-2024/2023-06-19-Supplementary-Plan-Guidance-for-2024-revised.pdf>

These priorities formed part of the assessment criteria that the TEC used in 2023 to assess Investment Plans, new provider applications, and in-year additional funding for 2024. The WDC advice also formed the national and regional skills priorities which were the criteria for the allocation of 2024 Strategic Component funding.

**Budget significant  
initiative Vocational  
Education and  
Training**

## Careers System Online

### Te Pūnaha ā-Tuihono mō Ngā Umanga

This appropriation is intended to support New Zealanders to have a personalised lifelong career plan, to help them easily understand and navigate career options and learning pathways throughout their lives.

See page 132 for financial information.

#### Measure

A suite of integrated web-based tools and datasets is developed and delivered as scheduled in the Careers System Online Initiative Product Roadmap.

The TEC is developing a new career planning tool called Tahatū Career Navigator. It will draw on several government data sources to be the first free, data integrated, comprehensive online career planning information and advice tool that is available for all New Zealanders. The first release in 2024 will target secondary students. Ongoing development will broaden the tools and resources to reach mid-career changers and other audiences such as employers.

The Careers System Online Initiative Product Roadmap focuses on building the core system first, delivering the ability to explore career advice pages, tertiary study and training options, career options and make a personalised career plan.

#### What we want to achieve

Tahatū Career Navigator is launched nationwide in calendar year 2024.

We will update and enhance the product beyond the national launch. During this period the existing careers.govt.nz website will continue to be operational. We plan to decommission careers.govt.nz in calendar year 2025.

#### What we achieved in 2023/24

The programme continued development throughout 2023 to reach a minimum viable product that was piloted with a selection of secondary schools in April 2024. Initial feedback on Tahatū Career Navigator has been positive, and development continues to increase functionality to meet the needs for a wider range of audiences. Tahatū Career Navigator has transitioned into the TEC's core business and the official programme has closed out. We expect to continue to roll out to more schools throughout 2024 and 2025.

#### Prior year information

The programme was reviewed and re-baselined in December 2022. We extended the schedule so we could deliver additional functionality identified in the review as critical to the programme. This includes a comprehensive data management solution and a function that lets users save items of interest while browsing and exploring the site, for reuse in goal-based planning.



## Vocational Education Data System

### Pūnaha Raraunga Mātauranga Ahumahinga

This appropriation is intended to enable the development of a robust information technology system to support the delivery of vocational education and training.

See page 132 for financial information.

#### Measure

The development of information technology capability to support the implementation of the Unified Funding System for vocational education is progressing.

Completion and implementation of a long-term technical solution to provide a more flexible data collection and reporting system is a multi-year project.

#### What we wanted to achieve in 2023/24

The second phase will be completed in time to enable the tertiary education organisations to submit additional Unified Funding System data to the Tertiary Education Commission from July 2024.

#### What we achieved in 2023/24

We completed the second phase of the strategic solution to collect additional Unified Funding System data from tertiary education organisations. We also developed solutions for the collection of tertiary education organisation commitments and our largest provider-based data collection. We will continue to develop the data collections for other provider-based and work-based actuals.

#### Prior year information

In 2022/23, we continued designing and building the strategic solution in conjunction with tertiary education organisations and their student/trainee management system vendors.

## We invest in all forms of post-secondary school education and training, and fund programmes that link schools with tertiary education

Ka tuku putea mātou mō ngā momo kaupapa mātauranga, whakangungu katoa, me ērā kaupapa e hono ai ngā kura taurua ki te mātauranga matua

We invest in tertiary education so that New Zealanders are equipped with the knowledge and skills needed for lifelong success. We invest in all forms of post-secondary school education and training. This includes foundation education, adult and community education, and research. We also fund some programmes that link schools with tertiary education.

The following sections show the amount we spent through each appropriation in 2023/24 and the measures we will use to track progress towards achieving the intention of each appropriation.

We contribute to, but do not control the results of the sector output measures we report on. Achievement of the desired trend shifts we are working towards is also influenced by the work of other government agencies and the state of the economy and labour market.

Financial year forecasts, targets and results are shown as 2021/22, 2022/23 and 2023/24. Calendar year forecasts, targets and results are shown as 2021, 2022 and 2023.



## Vote Tertiary Education appropriations

Ngā rohenga pūtea kāwanatanga  
mā te Mātauranga Matua

### Centres of Research Excellence

Ngā Pokapū Rangahau Ikeike

This appropriation is intended to achieve delivery of high-quality research by purchasing cooperative and collaborative research in areas of research strength in the tertiary education sector, with a focus on Tertiary Education Strategy priorities.

See page 133 for financial information.

Measure	2023 Target	2023 Actual	2022 Actual
Total number of doctoral students completing qualification during the current funding period (Note 1)	194 ±5%	130 (Note 2)	192

Note 1 – The current funding round runs from 1 July 2021 to 31 December 2028.

Note 2 – The number of doctoral students aligned to the Centres of Research Excellence (CoRE) who completed their PhD in 2023/24 is significantly below the target. The time delay between a student enrolling in the PhD programme and the student graduating is three to four years. Therefore, the current situation reflects enrolments when COVID-19 was affecting the recruitment of international PhD students. One New Zealand university had a drop of 20% in PhD completions in 2023, and another big university had a drop of 10%. In addition, funding for the current cohort of CoREs began in July 2021, with two new entrants replacing two of the ten existing CoREs at that time. Furthermore, most CoREs that had their funding renewed also changed their research programmes, in the case of one CoRE, markedly. For these three CoREs, the PhD cohort has to build up, and the numbers of graduates will be restricted for another 1–2 years. For these reasons, we consider that the figure of 130 is a low point, with current enrolment figures for PhD students in the CoREs providing confidence that the numbers will bounce back towards the target figure over the next two years.

**Disclosure:** The Centres of Research Excellence impact statement measure has been retired, as the doctoral qualification measure is a more meaningful, outcome-focused measure with two years of comparative data available.

## Fees Free Payments

### Ngā Utunga Kore Utu

This appropriation is intended to contribute to removing barriers to participation by making tertiary education more affordable.

See page 133 for financial information.

#### Fees Free – All learners

Measure	2023 Target	2023 Actual	2022 Actual
Average fees-free payments (including GST) received by first-year Fees Free learners (Note 1)	At least \$6,730	5,684.17 (Note 2)	\$6,795.98

Note 1 – The performance measure for Fees Free is the average benefit to the learner from fees-free payments. This is the fee payment for education or training that they no longer need to meet through their own finances or from student support. As fees charged by tertiary education organisations to learners are inclusive of GST, this average fee payment figure also includes GST.

Note 2 – The average Fees Free payments are significantly lower in 2023 compared to 2022 due to the inclusion of learners who were previously covered under Targeted Training and Apprenticeship Fund (TTAF). Fees for courses that were previously covered under TTAF are much lower than those that were not, therefore this has brought down the average and, as a result, the target was not met.

Measure (trend information only)	2023 Actual	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
Number of fees-free first-time learners	48,384	33,852	38,717	42,868	47,087	47,019

Note 1 – The total number of first year learners receiving fees-free payments decreased in 2020, 2021 and 2022 due to the introduction of the Targeted Training and Apprenticeship Fund (TTAF). As TTAF funding ceased at the end of 2022, the number of first-year learners receiving fees-free payments has significantly increased.

#### We also monitor the integrity of the Fees Free scheme

As well as monitoring funded organisations, we monitor provider and learner behaviour to maintain the integrity of the Fees Free scheme.

To date, our monitoring has identified over 1,132 false statutory declarations, which remains a small percentage of the statutory declarations processed by the TEC since Fees Free was implemented.

Where false declarations are identified, the TEC responds using a graduated approach. Most result in the issuing of a caution or warning, although we can prosecute cases where there is clear evidence an offence has been committed.

In 2023/24 we completed 83 investigations, which resulted in 42 written warnings and 37 further cautions.

**Disclosure:** The Targeted Training and Apprenticeship Fund (TTAF) measure has been retired as TTAF funding ceased at the end of December 2022.

## Strategic Support for National and Regional Priorities

Te tuku pūtea mō ngā whāinga tōmua  
ā-motu, ā-rohe hoki

This appropriation is intended to support the tertiary sector to make progress against Government strategies and priorities, including the objectives of the Reform of Vocational Education and the outcomes of Maihi Karauna.

See page 133 for financial information.

Measure	2023 Target	2023 Actual	2022 Actual
Regional and national skills priorities, based on advice from Workforce Development Councils (WDCs), Regional Skills Leadership Groups and iwi Māori are available to inform investment decisions	Achieved	Achieved (Note 1)	Achieved

Note 1 – Regional and national skills priorities, based on advice from WDCs, RSLGs and iwi Māori, was published in Plan Guidance and Supplementary Plan Guidance for investment in 2024. The broader priorities in Plan Guidance reflected a combined view of the advice received. The targeted priorities in Supplementary Plan Guidance reflected specific skills priorities.

Measure		2023 Target	2023 Actual	2022 Actual
Te Pūkenga's annual report shows progress towards meeting:	Charter obligations, including providing a national network of provision (Note 1)	Achieved (Baseline year)	Achieved (Note 2)	Not applicable
	National and regional skills priorities	Achieved (Baseline year)	Achieved (Note 3)	Not applicable
Reports from funded organisations show progress towards meeting national and regional priorities (Notes 4 and 5)		Achieved (Baseline year)	Achieved (Note 6)	Not applicable

Note 1 – Te Pūkenga's charter requires that it provides a national network of provision, including offering in each region a mix of education and training, including on-the-job, face-to-face, and distance delivery. This provision should be accessible to the learners of that region and meet the needs of its learners, industries and communities. Te Pūkenga is also required to maintain a high-quality, coherent network of infrastructure that meets regional skills needs.

Note 2 – In 2023, Te Pūkenga received \$22.6 million of Strategic Component Programme Development and Maintenance funding. With this funding, 140 qualifications had work undertaken to either unify, update, or maintain the programme. Most of these projects were completed in 2023, with 36 qualifications requiring further resource development and implementation before being completed in early 2024.

Note 3 – In 2023, Te Pūkenga received \$26.6 million of Strategic Component National and Regional Skills Priorities funding. Of this, \$23.2 million was used to support the delivery of strategically important provision, which would otherwise be unviable to deliver. This included being able to maintain critical provision in rural and remote communities while more efficient products and models were developed, avoid significant fee increases for learners, and avoid unnecessary programme reviews or closures while the new Unified Funding System fee model was being embedded. This funding also enabled Te Pūkenga to undertake 20 projects focused on developing, trialling, and scaling models and approaches to the delivery of strategically important provision. These included projects to build and sustain a national network of provision in rural and remote communities, the creation of integrated delivery models that meet the needs of industry sectors, and Māori-led projects focused on creating pathways for Māori to be successful in study and employment.

Note 4 – This performance measure applies to private training establishments. Funding objectives and progress milestones will be identified, monitored and reported on as part of ongoing reporting, as well as in subsequent funding applications.

Note 5 – We work with wānanga to allocate programme development and maintenance funding. Reporting on this funding is not included under this measure but is included in wānanga annual reports, which are reviewed against milestones and key performance indicators set in Investment Plans. See measure on page 104.

Note 6 – In 2023, \$14,882,000 of Strategic Component funding was paid to 64 PTEs to support 89 projects. Of this, \$5,135,000 was National and Regional Skills Priorities funding, which was provided to 32 PTEs and supported 39 projects. Projects completed included development of mixed reality and augmented reality technologies for Level 4 plumbing, gas-fitting and drain-laying apprentices by Industry Connection for Excellence; creation of a framework for New Zealand secondary school leavers, youth and ākonga to progress into tertiary education in IT by Techorium NZ Institute of Information Technology; and development of an integrated pathway that aligns attraction, job placement, training, and retention efforts for the dairy sector by Dairy Training Ltd.

## Narrative performance assessment and reporting

In 2023/24 we put in place a new narrative assessment approach for this new measure. This allows us to provide more contextual information on the measure and tell a fuller performance story.

**Te Tahua o Te Reo Kairangi** is a new fund that supports the development of new or existing programmes targeting higher levels of te reo Māori proficiency, with the aim of:

- › growing the number of highly proficient te reo Māori speakers, and
- › supporting sector workforce capabilities.

### New measure

New or existing programmes or projects targeting higher levels of te reo Māori proficiency are developed and implemented.

Te Tahua o Te Reo Kairangi will contribute to the Government’s goals and strategies for te reo Māori language education as articulated in Maihi Karauna, Tau Mai Te Reo and the Tertiary Education Strategy.

### What we want to achieve

Funded projects demonstrate growth of intergenerational language transmission and help build a workforce that is proficient in te reo Māori, especially within the education workforce.

### What we achieved in 2023

Two application rounds for Te Tahua o Te Reo Kairangi funding were held in 2023 – one in April and the other in October. Five projects were funded in the first round, with another nine funded in the second round. The full available amount of \$2 million in funding was paid to projects by 30 June 2023, with an additional \$4,291,231 of funding allocated to projects running through to 30 June 2026, which includes three multiyear projects. Examples of projects funded in the initial 2023 round include a Professional Development and learning package with a full immersion “kura reo” wānanga for learners and kaiako, as well as a suite of te reo Māori courses to improve the quality of te reo of prospective teachers of kura kaupapa Māori.

### Prior year information

No prior year information is available as the first application round was held early in 2023.

## Support for Wānanga

### Te Tautoko i Ngā Wānanga

This appropriation is intended to support wānanga as a system of delivery, including supporting its critical role in protecting and revitalising te reo Māori and mātauranga Māori.

See page 133 for financial information.

Measure	2023 Target	2023 Actual	2022 Actual	2021 Actual
Wānanga annual reports are reviewed and appropriate action is taken (Note 1)	Achieved	Achieved	Achieved	Achieved

Note 1 – Annual reports are reviewed against milestones and key performance indicators set in Investment Plans. Reviews look at progress on delivery towards policy objectives and long-term outcomes.





## Tertiary Education Research and Research-Based Teaching

### Te Rangahau Mātauranga Matua me te Whakaako ā-Rangahau

This appropriation is intended to achieve an increase in, or maintain the quality of, research and research-based teaching and learning and to improve investment in research within the tertiary sector.

See page 133 for financial information.

#### Performance-Based Research Fund

Measure	2023 Target	2023 Actual	2022 Actual
Research degree completions (measured by Performance-Based Research Fund (PBRF)-eligible research degree completions) (Note 1)	Previous year actual $\pm 5\%$	3,851 (0.3% decrease)	3,866 (0.8% increase)
Percentage increase in amount of external income for PBRF-eligible providers (Note 2)	3-5%	5.0% (Note 3)	4.7%

Note 1 – Postgraduate research degree completions is a measurement of the number of PBRF-eligible postgraduate research-based degrees completed in participating tertiary education organisations, assessed on an annual basis.

Note 2 – The External Research Income is a measurement of the amount of income for research purposes received by participating tertiary education organisations from external sources, assessed on an annual basis.

Note 3 – We have not received all audited external research income (ERI) figures yet, therefore the final ERI result is subject to change.

## Tertiary Scholarships and Awards

### He Karahipi, he Whakawhiwhinga hoki mō te Taumata Mātauranga Matua

This appropriation is intended to provide a stipend for domestic sixth-year medical trainee interns and other scholarships.

See page 133 for financial information.

We are only responsible for two components of this appropriation. The Ministry of Education is responsible for the other components. We are responsible for:

- › Trainee Medical Intern Grant, and
- › Tertiary Teaching Awards.

## Tertiary Sector / Industry Collaboration Projects

### Ngā Kaupapa Mahitahi ki te Rāngai Mātauranga Matua, Ahumahi hoki

This appropriation is intended to support the development of knowledge and skills that are required by learners and employers, with a focus on Tertiary Education Strategy priorities.

See page 133 for financial information.

#### Centres of Asia and Pacific Excellence

Measure	2023 Target	2023 Actual	2022 Actual
Total number of individuals participating in Centre of Asia-Pacific Excellence business and educational initiatives that support New Zealand's effectiveness in the Asia-Pacific market	At least 9,535	9,283 (Note 1)	7,263
Total number of activities that supported business to develop skills or capability to enhance their effectiveness as participants in the Asia-Pacific market	At least 104	93 (Note 2)	84

Note 1 – The target was set at a time when the Centres of Asia-Pacific Excellence (CAPEs) were rapidly increasing their reach. On the best information at the time, we set a target that reflected a 31% increase. The actual performance (an increase of 28%, from 7,263 to 9,283) is highly satisfactory.

Note 2 – While the target for 2023 was not met, the CAPEs have focused deliberately on the quality of their business events, and on ensuring strong participation, rather than simply increasing their number. The figure for 2023 indicates that an established platform of business events has been maintained or slightly enhanced; the 93 business events in 2023 are a marginal increase on the 81 in 2021 and the 84 in 2022. Events include workshops (such as the Diversifying into Latin America Programme), study tours (such as technology in Hong Kong and Southern China), symposia (such as the Māori and Pacific Business Summit), extended market readiness programmes (drawing on research-based business cases and applied skills-based learning to support businesses and organisations looking to engage in particular Asia-Pacific markets), visits from Malaysian business leaders, alumni events, trade seminars (such as those on Latin America and Regional Trade), webinars (on specific industries and countries), and celebrations (such as the 50th anniversary of diplomatic relations with Mexico).

**Disclosure:** We have retired the Centres of Asia-Pacific Excellence (CAPEs) outcome statements measure as the two other CAPEs measures now have two years of comparative data available and are more meaningful outcome-focused measures.

## University-led Innovation

### He Auahatanga ka arahina e ngā Whare Wānanga

This appropriation is intended to help New Zealand universities to recruit world-leading entrepreneurial academics, with a track record of working with industry to turn research into commercial innovation, with a focus on Tertiary Education Strategy priorities.

See page 133 for financial information.

Measure	2023 Target	2023 Actual	2022 Actual
Entrepreneurial Universities' annual reports are reviewed and appropriate action is taken (Note 1)	Achieved	Achieved (Note 2)	Achieved

Note 1 – Annual reports are reviewed against milestones and key performance indicators set in their Programme Maps and Annual Approach to Activity. Review looks at progress on delivery towards policy objectives and long-term outcomes. Funding under this appropriation ceased at the end of 2023/24.

Note 2 – All milestones were met satisfactorily, and all milestone payments were actioned. All Entrepreneurial Universities funding has now been disbursed but four of the nine programmes continue with no-cost extensions, of which three will be completed on or before 31 December 2024. The reporting indicates that the Entrepreneurial Universities initiative has met its purpose of stimulating innovation and entrepreneurship in high-tech endeavours.

## Workforce Development Councils

### Ngā Kaunihera Ohu Mahi Whakawhanake

This appropriation is intended to enable Workforce Development Councils (WDCs) to provide a clear industry and workplace voice to the vocational education and training system.

See page 133 for financial information.

Measure	2023/24 Target	2023/24 Actual	2022/23 Actual
All Workforce Development Councils have approved and funded Operational Plans in place by 30 June each year (Note 1)	Achieved	Achieved (Note 2)	Achieved

Note 1 – Approved Operational Plans set out how each WDC plans to undertake key functions, industry engagement and strategic planning.

Note 2 – All six WDCs submitted Operational Plans for funding from 1 July 2024 by the end of March 2024. These were all approved for one year of funding, from 1 July 2024 to 30 June 2025, by our Board on 22 May 2024.

## New WDC measure

Results of the following new measure have been split into two tables as WDCs interpreted the measure slightly differently when surveying their stakeholders. Three WDCs asked two separate questions (priorities are understood, priorities are effectively communicated), while the other three asked one question.

		2023/24 Actual		
		Muka Tangata (Food and Fibre)	Toi Mai (Creative, Cultural, Recreation, and Technology)	Toitū Te Waiora (Community, Health, Education, and Social Services)
Measure				
% of key industry and Māori sector stakeholders who agree their priorities are understood and effectively communicated by WDCs (Notes 1 and 2)	Priorities are understood	69%	76%	76%
	Priorities are communicated effectively	62%	62%	47%

		2023/24 Actual		
		Hanga-Aro-Rau (Manufacturing, Engineering, and Logistics)	Ringa Hora (Services)	Waihanga Ara Rau (Construction and Infrastructure)
Measure				
% of key industry and Māori sector stakeholders who agree their priorities are understood and effectively communicated by WDCs (Notes 1 and 2)		69%	71%	39%

Note 1 – This new measure assesses the levels of confidence of the main industry bodies and Māori sector stakeholders that their priorities are understood by WDCs, and that WDCs are effectively communicating these priorities to the sector.

Note 2 – All six WDCs conducted surveys with their stakeholders during June–July 2024, which included questions related to their WDC Impact Measures for 2023/24. Survey results were reported as part of the WDCs' biannual report to the TEC, received in August 2024.

## External factors affecting the tertiary education system and its learners

### Ngā āhuatanga ā-waho ka pā ki te pūnaha mātauranga matua me ngā ākonga

While every learner's journey is different, we need to understand the wider drivers for their education and training decisions, and barriers to or reasons why learners may not complete their study. To do this, we meet frequently with student unions and representatives, and convene a Student and Learner Advisory Committee.

Challenges can include social/cultural barriers (first in family, lack of culturally appropriate support and study options, language barriers, approaches to teaching); financial barriers (cost of living, unexpected fees, the pull of employment); housing concerns (availability and cost of suitable accommodation); and health issues (including mental health and the stigma attached). Reducing these barriers so that more learners can succeed will help ensure that funds spent on tertiary education and training have the best possible effect.

As New Zealand's demographics change, addressing these issues will be critical to the system delivering good outcomes for learners. We need to address persistent educational disparities between different groups, such as disproportionately negative educational outcomes for Māori, Pacific and disabled learners, and learners from low socio-economic backgrounds. Achieving equity of education outcomes is also critical to meeting New Zealand's future skills needs. This is what drives our learner success approach (see pages 54 to 57).

While the size of the university sub-sector is relatively steady, the distribution of learners within the sub-sector changes over time, driven by factors such as pastoral care, the physical studying environment, and affordability, availability and quality of accommodation options.

Other parts of the tertiary education sector are affected by wider external economic factors. For example, the employer-led industry training system, such as apprentices and trainees, is dependent on strong economic conditions for the employer to have the confidence to take on new employees. Conversely, weaker economic conditions tend to drive higher unemployment and more enrolment in provider-based vocational training, such as polytechnics or private training establishments, as learners seek to upskill or retrain. We want to retain these learners in the system to complete their qualifications once the economy recovers and employment improves, rather than re-entering the job market only partially qualified.

## Tertiary Tuition and Training

He Akoako, he Whakangungu hoki  
i te Taumata Mātauranga Matua

The overarching intention is to contribute to improved lifetime outcomes of New Zealanders through the provision of skills from tertiary education, training, foundation learning programmes and community education, with a focus on Tertiary Education Strategy priorities.

See page 133 for financial information.

Tertiary Tuition and Training is a multi-category appropriation (MCA) with three categories:

- › Access to and Success in Tertiary Education
- › Foundation and Community Education, and
- › Tertiary Education: Qualification Delivery.

### Overall measure

Measure		2023 Target	2023 Actual	2022 Actual
Tertiary course completion rate	Course completion rate for provider-based learners	At least 79.2%	83.0%	81.2%
	Credit achievement rate for work-based learners	At least 66.2%	69.8%	67.0%

## Access to and Success in Tertiary Education

This category is intended to improve equity in access and success in tertiary education and training.

See page 133 for financial information.

This category includes the learner component of the Unified Funding System (UFS) for vocational education and training, which came into effect on 1 January 2023.

### Māori and Pacific Trades Training

Measure	2023 Target	2023 Actual	2022 Actual
Percentage of learners per calendar year progressing from Māori and Pacific Trades Training to apprenticeships and managed apprenticeships, other industry training at Level 3 and above or further study at New Zealand Qualifications Framework Level 4 and above (Note 1)	At least 35%	41.30%	44.61%

Note 1 – Consortia are led by, or partnered with, iwi or Pacific groups. This results in in-depth knowledge of Māori and Pacific learner barriers and culturally appropriate interventions. Consortium funding also gives consortia considerable flexibility to react to specific learner needs and, as a result, reduce barriers for learners more effectively. The consortium model ensures close and ongoing relationships with employers and work-based learning organisations, which contribute toward successful outcomes.

### Māori and Pacific enrolled in the work-based modes of delivery

Measure	2023 Target		2023 Actuals		2022 Actuals	
	Enrolment	Parity gap	Enrolment	Parity gap	Enrolment	Parity gap
Proportion of Māori and Pacific full-time equivalent learners at Levels 3–7 (non-degree) enrolled in the work-based modes of delivery (including pathways to work) (Note 1)	Māori	Baseline year	29.9%	-13.1 percentage points	Not applicable	Not applicable
	Non-Māori and non-Pacific	Baseline year	43.0%		Not applicable	
	Pacific	Baseline year	34.8%	-8.2 percentage points	Not applicable	Not applicable
	Non-Māori and non-Pacific	Baseline year	43.0%		Not applicable	

Note 1 – This measure combines the enrolment results for two modes of delivery:

- › Work-based mode of delivery: Learners study mainly in the workplace with supported self-directed learning, and
- › Work-based pathway to work mode of delivery: Learners have completed some study in the provider-based mode. Providers assist learners to find jobs with training agreements and support them to establish their learning in the workplace.



## Foundation and Community Education

This category is intended to achieve improvement in foundational skills for learners by funding education and training programmes.

See page 133 for financial information.

### Literacy and numeracy

Percentage of learners accessing at least the minimum desired range (hours) of provision (Note 1)

Type	2023 Target	2023 Actual	2022 Actual
Intensive literacy and numeracy	At least 65.7%	63.0% (Notes 2 and 3)	55.2%
Workplace Literacy and Numeracy (tertiary education organisation-led)	At least 60.7%	69.3%	50.1%
English for Speakers of Other languages	At least 92.4%	91.0% (Notes 2 and 4)	91.1%

Note 1 – Desired range of hours relates to the optimal hours of learning needed to make an impact on an individual's learning.

Note 2 – Attendance has been affected by a continued increased presence and awareness of cold/flu in the community leading to a reluctance to turn up for work/school if sick. There is also the reluctance of others to be around people showing cold/flu symptoms.

Note 3 – There are limited options for extramural study in intensive literacy and numeracy compared with other funds due to the required intensity of the learning.

Note 4 – Due to rising costs for businesses, there has been a reluctance to pull people out of work for development, making it more difficult to deliver provision to learners around their employment.

### Adult and Community Education

Measure	2023 Target	2023 Actual	2022 Actual
Number of Adult and Community Education learner hours	At least 1,001,459	1,056,148	1,032,857

### Youth Guarantee

Measure	2023 Target	2023 Actual	2022 Actual
Percentage of Youth Guarantee learners completing qualifications at levels 2 or 3	At least 62.0%	63.8%	62.0%

### Gateway

Measure	2023 Target	2023 Actual	2022 Actual
Total participants and number of schools	14,000 ±5% in up to 375 schools	15,473 in 383 schools (Note 1)	14,861 in 380 schools

Note 1 – Total Gateway participants exceeded target of 14,000. Increased interest in Gateway has meant the TEC is allowing more schools to deliver this programme.

## Tertiary Education: Qualification Delivery

This category is intended to achieve learners' attainment of recognised tertiary qualifications and credentials by funding education and training opportunities.

See page 133 for financial information.

**Qualification completion** rate is the proportion of students in a starting cohort who go on to complete qualifications at the same level at the same tertiary education organisation.

**Course completion** is the proportion of course enrolments ending in a given year that have been successfully completed.

Sustained high inflation and cost-of-living issues put pressure on learners to go into employment instead of continue study. The flow-on effects from the early 2023 severe weather events also impacted overall qualification and course completion, retention and progression figures.



## All learners

Measure	Level	2023 Target	2023 Actual	2022 Actual
<b>Qualification completion</b>				
Percentage of funded students completing qualifications	Levels 4–7 non-degree	At least 58.1%	58.3%	58.3%
	Level 7 degree and above	At least 62.8%	62.3%	62.9%

Measure	Level	2023 TEO commitments	2023 Actual	2022 Actual
<b>Course completion</b>				
Percentage of funded students completing courses	Levels 1–10	83.0%	83.0%	81.3%
<b>Progression</b>				
Percentage of students progressing: Within New Zealand Qualifications Framework Levels 1–3 or from Levels 1–3 to Level 4 and above		43.6%	37.7% (Note 1)	38.0%
<b>Retention</b>				
First year retention rates for qualification at	Levels 4–7 non-degree	62.5%	53.1% (Note 2)	57.5%
	Level 7 degree and above	78.1%	75.4% (Notes 2 and 3)	75.8%

Note 1 – While the progression metric did not meet the target of 43.6%, many learners completing Levels 1 to 3 qualifications will have progressed into employment. This links into the first-year retention rates for qualification at Levels 4 to 7 non-degree not meeting the target of 62.5%. We expect progression levels to remain the same or increase in future years.

Note 2 – The first-year retention rates decreased from last year and did not meet their targets. Work-based learning and provider-based learning has dipped in the last year, much of which has come from the Institutes of Technology and Polytechnics (Te Pūkenga) sector. Uncertainty in the vocational education and training (VET) sector and its changing shape may also be impacting learner retention. Demand on trades-based sectors as well as COVID-19 based work-based training has dropped over the last year, reducing the desire and level of learning/retention on VET learning.

Note 3 – The decrease from the prior year is minor and expected to improve with higher interest forecast in New Zealand Qualifications and Credentials Framework Delivery at Levels 7 and above (DQ7+) (higher education) learning.

## Māori and Pacific learners

Our performance measures track the shifts in achievement patterns of Māori and Pacific learners relative to non-Māori and non-Pacific learners. We want achievement patterns for Māori and Pacific learners to be the same as other learners in the tertiary system.

Sustained high inflation and cost-of-living issues put pressure on learners to go into employment instead of continue study. The flow-on effects from the early 2023 severe weather events also impacted overall qualification and course completion, retention and progression figures.



### Māori learners (relative to non-Māori and non-Pacific learners)

Measure	Level	2023 Target	Parity gap	
			2023 Actual	2022 Actual
<b>Qualification completion</b>				
Percentage of funded students completing qualifications	Levels 4–7 non-degree	No more than -3.2 percentage points	-2.8 percentage points	-3.1 percentage points
	Level 7 degree and above	No more than -14.0 percentage points	-14.5 percentage points (Note 1)	-14.1 percentage points

Measure	Level	2023 TEO commitments	Parity gap	
			2023 Actual	2022 Actual
<b>Course completion</b>				
Percentage of funded domestic equivalent full-time students completing courses	Levels 1–10	-7.6 percentage points	-11.9 percentage points (Note 2)	-13.1 percentage points
<b>Progression</b>				
Percentage of students progressing: Within New Zealand Qualifications Framework Levels 1–3 or from Levels 1–3 to Level 4 and above		-0.9 percentage points	+5.1 percentage points (Note 3)	+5.0 percentage points
<b>Retention</b>				
First year retention rates for qualification at:	Levels 4–7 non-degree	-2.6 percentage points	-0.9 percentage points	-3.0 percentage points
	Level 7 degree and above	-8.5 percentage points	-8.9 percentage points (Note 4)	-9.1 percentage points

Note 1 – The qualification completion parity for Māori learners in Level 7+ degree learning was not achieved. We expect qualification levels to increase in the coming years.

Note 2 – Course Completion parity for Māori learners did not meet the current year tertiary education organisation commitment but improved on the prior year Course Completion parity result. This improvement is especially significant given all learners had an improvement in Course Completions.

Note 3 – Continued focus, growth and progression in Levels 1–3 provision within the tertiary education institutions (specifically the wānanga with large increases in Levels 1–3 provision) is evident in the sector’s focus on foundation education. Changes to Youth Guarantee funding structures (higher rates and introduction of the Wellbeing Support Subsidy) increases the level of support for Levels 1–3 learning and thus increases completion, retention and progression.

Note 4 – The parity gap decreased but still did not meet the target. Learner Success Plan initiatives continue to be developed and embedded which have a focus on equity across the tertiary education system, including reducing the parity gap for Māori and Pacific learners.

### Pacific learners (relative to non-Māori and non-Pacific learners)

Sustained high inflation and cost-of-living issues put pressure on learners to go into employment instead of continue study. The flow-on effects from the early 2023 severe weather events also impacted overall qualification and course completion, retention and progression figures.

Measure	Level	2023 Target Parity gap	2023 Actual Parity gap	2022 Actual Parity gap
<b>Qualification completion</b>				
Percentage of funded students completing qualifications	Levels 4–7 non-degree	No more than -3.8 percentage points	-2.4 percentage points	-3.8 percentage points
	Level 7 degree and above	No more than -19.2 percentage points	-18.5 percentage points	-19.3 percentage points

Measure	Level	2023 TEO commitments	2023 Actual	2022 Actual
<b>Course completion</b>				
Percentage of funded domestic equivalent full-time students completing courses	Levels 1–10	-10.3 percentage points	-14.3 percentage points (Note 1)	-16.5 percentage points
<b>Progression</b>				
Percentage of students progressing: Within New Zealand Qualifications Framework Levels 1–3 or from Levels 1–3 to Level 4 and above		+3.0 percentage points	0.0 percentage points (No parity gap)	+0.8 percentage points
<b>Retention</b>				
First year retention rates for qualification at:	Levels 4–7 non-degree	-4.7 percentage points	-7.2 percentage points (Note 2)	-4.6 percentage points
	Level 7 degree and above	-6.5 percentage points	-9.7 percentage points (Note 2)	-6.9 percentage points

Note 1 – Course Completion parity for Pacific learners did not meet the current year target but improved on the prior year Course Completion parity result. This improvement is especially significant given all learners had an improvement in Course Completions. Continued focus, growth and progression in Levels 1–3 provision within the tertiary education institutions (specifically the wānanga with large increases in Levels 1–3 provision) is evident in the sector’s focus on foundation education. Changes to Youth Guarantee funding structures (higher rates and introduction of the Wellbeing Support Subsidy) increases the level of support for Levels 1–3 learning and thus increases completion, retention and progression.

Note 2 – The increase in parity gap for retention rate for Pacific learners is likely due to cost-of-living issues putting pressure on learners to go into employment instead of continuing to study. The significant rise in inflation and the cost of living in 2023 is likely to have put financial pressure on learners’ families as well, especially in vulnerable communities. Learners in vulnerable communities may have prioritised supporting their families and communities over their learning commitments.

## Work-based learning

Several factors could have contributed to low programme completion results, including social/cultural barriers, financial barriers, housing concerns and health issues. Also, the employer-led industry training system, such as apprentices and trainees, is dependent on strong economic conditions for the employer to have the confidence to take on new employees.

### All learners

Measure	Group	2023 Target	2023 Actual	2022 Actual
Percentage completing programmes	All learners	At least 65.4%	59.5%	65.4%
	Industry Trainees	At least 69.5%	63.6%	69.6%
	Apprentices	At least 53.1%	49.0%	53.1%

### Māori learners (relative to non-Māori and non-Pacific learners)

Measure	2023 Target	Equity gap	
		2023 Actual	2022 Actual
Percentage completing programmes	No more than -6.8 percentage points	-9.1 percentage points	-6.8 percentage points

### Pacific learners (relative to non-Māori and non-Pacific learners)

Measure	2023 Target	Equity gap	
		2023 Actual	2022 Actual
Percentage completing programmes	No more than -2.3 percentage points	-7.0 percentage points	-2.3 percentage points

## **Vote Education appropriation**

Rohenga pūtea kāwanatanga  
mā te Mātauranga Matua

### **Primary and Secondary Education Multi-category appropriation**

Mai i te Kura Tuarua ki te Taumata  
Mātauranga Matua

### **Secondary-Tertiary Interface**

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The Ministry of Education provides funding to us from this Vote Education appropriation to fund Trades Academies in the tertiary setting. The Ministry of Education is responsible for reporting the performance of this appropriation.

See page 133 for financial information.





HINT GO TIME  
FOR  
THAT

A photograph of an office desk with two large computer monitors and a laptop. The scene is dimly lit, with a yellow decorative line curving across the bottom. The text is overlaid on the left side of the image.

# **Part five:** **Financial statements**

## **Wāhanga rima:** **Tauākī pūtea**



## Statement of Comprehensive Revenue and Expense

### Tauākī Pūrongo Whānui mō te Moni Whiwhi, Moni Utu Hoki

For the year ended 30 June

	Notes	2024 Actual \$000	2024 Budget \$000	2023 Actual \$000
<b>REVENUE</b>				
<b>Grants revenue:</b>				
Vote Education/Tertiary Education – Ministry of Education (MoE)	1	3,780,670	3,867,338	3,741,707
Prior year recoveries – net		138	600	1,495
<b>Total grants revenue</b>		<b>3,780,808</b>	<b>3,867,938</b>	<b>3,743,202</b>
<b>Operating revenue:</b>				
Vote Tertiary Education – MoE	1	72,014	69,371	80,398
Contract – Direct Careers Services	1	-	-	448
Contract – Pre-purchased English Language Tuition	1	395	358	377
Contract – Cybersecurity for the Tertiary Sector	1	1,093	-	621
Other revenue		1,264	1,224	1,257
<b>Total operating revenue</b>		<b>74,766</b>	<b>70,953</b>	<b>83,101</b>
<b>Finance revenue:</b>				
Interest – grants	1	4,050	2,000	2,824
Interest – operating	1	2,329	973	1,404
<b>Total finance revenue</b>		<b>6,379</b>	<b>2,973</b>	<b>4,228</b>
<b>Total revenue</b>		<b>3,861,953</b>	<b>3,941,864</b>	<b>3,830,531</b>

## Statement of Comprehensive Revenue and Expense (continued)

Tauākī Pūrongo Whānui mō te Moni Whiwhi,  
Moni Utu Hoki (haere tonu)

For the year ended 30 June

	Notes	2024 Actual \$000	2024 Budget \$000	2023 Actual \$000
<b>EXPENSE</b>				
<b>Grants expense:</b>				
Grants expense		3,779,011	3,866,838	3,711,428
Bad and doubtful debts	2	1,659	500	279
<b>Total grants expense</b>	<b>2</b>	<b>3,780,670</b>	<b>3,867,338</b>	<b>3,711,707</b>
<b>Operating expense:</b>				
Personnel costs	5	47,308	44,767	55,696
Amortisation	8	3,022	6,775	4,826
Depreciation	9	1,223	953	1,218
Other expenses	6	22,066	21,935	22,539
<b>Total operating expense</b>		<b>73,619</b>	<b>74,430</b>	<b>84,279</b>
<b>Total expense</b>		<b>3,854,289</b>	<b>3,941,768</b>	<b>3,795,986</b>
<b>SURPLUS/(DEFICIT)</b>				
Grants surplus/(deficit)		4,188	2,600	34,319
Operating surplus/(deficit)		3,476	(2,504)	226
<b>Total comprehensive revenue and expense</b>		<b>7,664</b>	<b>96</b>	<b>34,545</b>

Explanations of major variances against budget are provided in note 19.

The accompanying notes form part of these financial statements.

## Statement of Financial Position

### Tauākī Āhuatanga Ahumoni

As at 30 June

	Notes	2024 Actual \$000	2024 Budget \$000	2023 Actual \$000
<b>CURRENT ASSETS</b>				
Receivables	4,16	599,421	582,949	552,494
Cash and cash equivalents	7,16	74,550	81,502	85,012
Prepayments		1,452	1,020	1,474
<b>Total current assets</b>		<b>675,423</b>	<b>665,471</b>	<b>638,980</b>
<b>NON-CURRENT ASSETS</b>				
Intangible assets	8	29,486	27,499	21,808
Property, plant and equipment	9	3,018	3,989	3,417
<b>Total non-current assets</b>		<b>32,504</b>	<b>31,488</b>	<b>25,225</b>
<b>Total assets</b>		<b>707,927</b>	<b>696,959</b>	<b>664,205</b>
<b>CURRENT LIABILITIES</b>				
Payables	3,16	514,995	501,500	483,668
Pre-purchased English Language Tuition – fees in advance	11	11,644	7,480	10,092
Repayment of grants funding – MoE	13	5,511	2,000	6,892
Employee entitlements	10	3,827	3,621	4,001
GST payable		6,491	5,747	5,529
<b>Total current liabilities</b>		<b>542,468</b>	<b>520,348</b>	<b>510,182</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables	3,16	279	429	424
Provision for lease	12	158	145	151
Employee entitlements	10	631	714	521
<b>Total non-current liabilities</b>		<b>1,068</b>	<b>1,288</b>	<b>1,096</b>
<b>Total liabilities</b>		<b>543,536</b>	<b>521,636</b>	<b>511,278</b>
<b>Net assets</b>		<b>164,391</b>	<b>175,323</b>	<b>152,927</b>
<b>EQUITY</b>				
General funds	14	164,391	175,323	152,927
<b>Total equity</b>		<b>164,391</b>	<b>175,323</b>	<b>152,927</b>

Explanations of major variances against budget are provided in note 19.

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity

### Tauākī Panoni Wāriu

For the year ended 30 June

	Notes	2024 Actual \$000	2024 Budget \$000	2023 Actual \$000
<b>EQUITY</b>				
Balance at 1 July		152,927	169,377	119,206
Total comprehensive revenue and expense for the year		7,664	96	34,545
Repayment of grants interest – MoE	13	(4,050)	(2,000)	(2,824)
Crown capital contributions – MoE		7,850	7,850	2,000
<b>Balance at 30 June</b>	14	<b>164,391</b>	<b>175,323</b>	<b>152,927</b>

Explanations of major variances against budget are provided in note 19.

The accompanying notes form part of these financial statements.

## Statement of Cash Flows

### Tauākī Whiwhinga, Whakapaunga Moni

For the year ended 30 June

Notes	2024 Actual \$000	2024 Budget \$000	2023 Actual \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash was provided from:			
Grants – MoE	3,726,568	3,867,338	3,732,364
Grants – prior year recoveries	138	600	5,563
Grants – Pre-purchased English Language Tuition	5,363	1,882	1,045
Operating – MoE	72,014	69,371	80,398
Operating – Pre-purchased English Language Tuition	536	146	105
Operating – other	3,369	1,224	2,245
	<b>3,807,988</b>	<b>3,940,561</b>	<b>3,821,720</b>
Cash was applied to:			
Grants payments	(3,743,808)	(3,865,088)	(3,730,951)
Payments to employees	(47,370)	(44,846)	(55,489)
Other operating payments	(22,293)	(22,017)	(23,280)
GST – net	(1,563)	(96)	(2,133)
	<b>(3,815,034)</b>	<b>(3,932,047)</b>	<b>(3,811,853)</b>
<b>Net cash flows from operating activities</b>	<b>(7,046)</b>	<b>8,514</b>	<b>9,867</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash was provided from:			
Interest – grants	4,050	-	2,824
Interest – operating	2,267	973	1,247
Sale of property, plant and equipment	-	-	-
	<b>6,317</b>	<b>973</b>	<b>4,071</b>
Cash was applied to:			
Purchase of intangible assets	(10,397)	(9,892)	(6,177)
Purchase of property, plant and equipment	(824)	(750)	(369)
	<b>(11,221)</b>	<b>(10,642)</b>	<b>(6,546)</b>
<b>Net cash flows from investing activities</b>	<b>(4,904)</b>	<b>(9,669)</b>	<b>(2,475)</b>



## Statement of Cash Flows (continued)

### Tauākī Whiwhinga, Whakapaunga Moni (haere tonu)

For the year ended 30 June

	Notes	2024 Actual \$000	2024 Budget \$000	2023 Actual \$000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Cash was provided from:				
Crown capital contributions – MoE		7,850	7,850	2,000
Cash was applied to:				
Repayment of grants funding – MoE		(6,362)	(13,035)	(7,646)
<b>Net cash flows from financing activities</b>		<b>1,488</b>	<b>(5,185)</b>	<b>(5,646)</b>
Net increase/(decrease) in cash and cash equivalents		(10,462)	(6,340)	1,746
Cash and cash equivalents at 1 July		85,012	87,842	83,266
<b>Cash and cash equivalents at 30 June</b>	7	<b>74,550</b>	<b>81,502</b>	<b>85,012</b>

Explanations of major variances against budget are provided in note 19.

The accompanying notes form part of these financial statements.

## Statement of Cash Flows (continued)

### Tauākī Whiwhinga, Whakapaunga Moni (haere tonu)

For the year ended 30 June

Notes	2024 Actual \$000	2024 Budget \$000	2023 Actual \$000
<b>Total comprehensive revenue and expense</b>	<b>7,664</b>	<b>96</b>	<b>34,545</b>
<b>Add non-cash items</b>			
Depreciation and amortisation	4,245	7,728	6,044
Loss/(gain) on disposal of intangible assets and property, plant and equipment	34	-	1,882
<b>Total non-cash items</b>	<b>4,279</b>	<b>7,728</b>	<b>7,926</b>
<b>Deduct interest – operating classified as investing activities</b>	<b>(6,317)</b>	<b>(973)</b>	<b>(4,071)</b>
<b>Deduct interest – grants classified within repayment of grants funding – MoE within financing activities</b>	<b>-</b>	<b>(2,000)</b>	<b>-</b>
<b>Add/(less) operating movements in statement of financial position items</b>			
(Increase)/decrease in receivables	(46,927)	5,706	(14,016)
(Increase)/decrease in prepayments	22	(20)	(221)
Increase/(decrease) in GST payable	962	(97)	544
Increase/(decrease) in employee entitlements	(64)	(78)	204
Increase/(decrease) in payables and provisions	30,853	482	(15,022)
Increase/(decrease) in Pre-purchased English Language Tuition – fees in advance	1,552	(2,330)	(3,001)
Increase/(decrease) in repayment of grants funding – MoE	930	-	2,979
<b>Total movements in statement of financial position items</b>	<b>(12,672)</b>	<b>3,663</b>	<b>(28,533)</b>
<b>Net cash flows from operating activities</b>	<b>(7,046)</b>	<b>8,514</b>	<b>9,867</b>

Explanations of major variances against budget are provided in note 19.

The accompanying notes form part of these financial statements.

## Operational revenue from the Crown and expense

### Moniwhiwhi whakahaere nā te Karauna me ngā whakapaunga

For the year ended 30 June

	2024 Actual \$000	2024 Budget \$000	2024 Supplementary Estimates \$000	2023 Actual \$000
<b>REVENUE</b>				
<b>Vote Tertiary Education:</b>				
<b>Non-Departmental Output Expenses</b>				
Administration of and Support for the Tertiary Education and Careers Systems				
Tertiary Education Commission	72,014	69,371	72,014	80,398
Māori Education Trust (Ministry of Education administered)	109	109	109	109
<b>Additional revenue – Tertiary Education Commission</b>				
Contract – Direct Careers Services	-	-	-	448
Contract – Pre-purchased English Language Tuition	395	358	358	377
Contract – Cyber Security for the Tertiary Sector	1,093	-	-	621
Interest	2,329	973	973	1,404
Other revenue	1,264	1,224	1,224	1,257
<b>Total revenue</b>	<b>77,204</b>	<b>72,035</b>	<b>74,678</b>	<b>84,614</b>
<b>EXPENSES</b>				
<b>Administration of and Support for the Tertiary Education and Careers Systems</b>				
Tertiary Education Commission	73,619	74,430	77,073	82,071
Māori Education Trust (Ministry of Education administered)	109	109	109	109
<b>Total expenses</b>	<b>73,728</b>	<b>74,539</b>	<b>77,182</b>	<b>82,180</b>
<b>Operating surplus/(deficit)</b>	<b>3,476</b>	<b>(2,504)</b>	<b>(2,504)</b>	<b>2,434</b>

Revenue was \$5.2 million higher than budget owing to Public Sector Pay Adjustment (PSPA) funding received of \$2.0 million, Fees Free transition funding of \$0.5 million, \$1.1 million of revenue from the Ministry of Education to complete cyber security work for the tertiary sector, and \$1.4 million of additional interest due to higher interest rates than originally budgeted.

Expenses were \$0.8 million less than budget owing to higher vacancies during the year and delays in capitalising Tahatū Career Navigator.

## Operating Crown capital contributions and expense

### Ngā whāngai pūrawa whakahaere nā te Karauna me ngā whakapaunga

For the year ended 30 June

	2024 Actual \$000	2024 Budget \$000	2024 Supplementary Estimates \$000	2023 Actual \$000
<b>Vote Tertiary Education:</b>				
<b>Non-Departmental Capital Expenditure</b>				
<b>REVENUE</b>				
Careers System Online	-	-	-	2,000
Vocational Educational Data System	7,850	7,850	7,850	-
<b>Total revenue</b>	<b>7,850</b>	<b>7,850</b>	<b>7,850</b>	<b>2,000</b>
<b>EXPENSES</b>				
Careers System Online	-	-	-	2,995
Vocational Educational Data System	7,362	6,739	6,739	3,407
<b>Total expenses</b>	<b>7,362</b>	<b>6,739</b>	<b>6,739</b>	<b>6,402</b>
<b>Under/(over) spend</b>	<b>488</b>	<b>1,111</b>	<b>1,111</b>	<b>(4,402)</b>

The Careers System Online appropriation ran from 2020/21 to 2022/23 and totalled \$15 million. We fully spent the appropriation during 2022/23. Any further Tahatū Career Navigator costs were funded from our balance sheet.

This Vocational Education Data System appropriation runs from 2021/22 to 2024/25 and totals \$13.85 million. Any timing differences between the Crown capital contribution received and expenditure incurred are funded from our balance sheet.

## Grants revenue from the Crown and Grants expenses

### Ngā moni takuhe nā te Karauna me ngā whakapaunga Karauna

For the year ended 30 June

	2024 Actual \$000	2024 Budget \$000	2024 Supplementary Estimates \$000	2023 Actual \$000
<b>REVENUE</b>				
<b>Vote Tertiary Education:</b>				
<b>Non-Departmental Output Expenses</b>				
Fees Free Payments	283,092	318,339	293,339	347,064
Strategic Support for National and Regional Priorities	77,782	77,418	78,132	41,674
Tertiary Sector / Industry Collaboration Projects	15,951	27,088	17,088	25,782
Centres of Research Excellence	49,800	49,800	49,800	49,800
Tertiary Education Research and Research-Based Teaching	315,000	315,000	315,000	315,000
University-led Innovation	707	751	751	4,348
Workforce Development Councils	65,000	65,000	65,000	65,000
Establishment of a Single National Vocational Education Institution	-	-	-	15,600
Support for Wānanga	12,000	12,000	12,000	42,325
Tertiary Tuition and Training multi-category appropriation (MCA)				
Access to and Success in Tertiary Education	99,110	95,461	100,461	90,331
Foundation and Community Education	299,030	303,353	301,234	271,322
Qualification Delivery (TEC administered)	2,515,740	2,556,498	2,543,114	2,426,218
Qualification Delivery (MoE administered)	300	-	300	-
<b>Benefits and Other Unrequited Expenses</b>				
Tertiary Scholarships and Awards (TEC administered)	14,336	14,804	14,804	14,678
Tertiary Scholarships and Awards (MoE administered)	5,569	5,825	5,825	5,598
<b>Vote Education:</b>				
<b>Non-Departmental Output Expenses</b>				
Secondary-Tertiary Interface	33,122	31,826	33,112	32,565
<b>Total revenue</b>	<b>3,786,539</b>	<b>3,873,163</b>	<b>3,829,960</b>	<b>3,747,305</b>

## Grants revenue from the Crown and Grants expenses (continued)

### Ngā moni takuhe nā te Karauna me ngā whakapaunga Karauna (ka haere tonu)

For the year ended 30 June

	2024 Actual \$000	2024 Budget \$000	2024 Supplementary Estimates \$000	2023 Actual \$000
<b>EXPENSES</b>				
Fees Free Payments	283,092	318,339	293,339	347,064
Strategic Support for National and Regional Priorities	77,782	77,418	78,132	41,674
Tertiary Sector / Industry Collaboration Projects	15,951	27,088	17,088	25,782
Centres of Research Excellence	49,800	49,800	49,800	49,800
Tertiary Education Research and Research-Based Teaching	315,000	315,000	315,000	315,000
University-led Innovation	707	751	751	4,348
Workforce Development Councils	65,000	65,000	65,000	65,000
Establishment of a Single National Vocational Education Institution	-	-	-	15,600
Support for Wānanga	12,000	12,000	12,000	42,325
Tertiary Tuition and Training multi-category appropriation (MCA)				
Access to and Success in Tertiary Education	99,110	95,461	100,461	85,331
Foundation and Community Education	299,030	303,353	301,234	251,322
Qualification Delivery (TEC administered)	2,515,740	2,556,498	2,543,114	2,421,218
Qualification Delivery (MoE administered)	300	-	300	-
<b>Benefits and Other Unrequited Expenses</b>				
Tertiary Scholarships and Awards (TEC administered)	14,336	14,804	14,804	14,678
Tertiary Scholarships and Awards (MoE administered)	5,569	5,825	5,825	5,598
<b>Vote Education:</b>				
<b>Non-Departmental Output Expenses</b>				
Secondary-Tertiary Interface	33,122	31,826	33,112	32,565
<b>Total expenses</b>	<b>3,786,539</b>	<b>3,873,163</b>	<b>3,829,960</b>	<b>3,717,305</b>
<b>Grants appropriations surplus/(deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,000</b>
TEC administered appropriation revenue	3,780,670	3,867,338	3,823,835	3,741,707
Interest	4,050	2,000	2,000	2,824
Prior year items	138	600	600	1,495
<b>Total TEC revenue</b>	<b>3,784,858</b>	<b>3,869,938</b>	<b>3,826,435</b>	<b>3,746,026</b>
<b>Total TEC administered grants expenses</b>	<b>3,780,670</b>	<b>3,867,338</b>	<b>3,823,835</b>	<b>3,711,707</b>
<b>TEC surplus/deficit</b>	<b>4,188</b>	<b>2,600</b>	<b>2,600</b>	<b>34,319</b>

Grants revenue and expenses were below budget owing to student numbers being less than the total funding available.

# Notes to the financial statements

## He Pito Kōrero mō ngā Tauākī Ahumoni

### 1. Statement of accounting policies

#### Reporting entity

We are a Crown entity as defined by the Crown Entities Act 2004, established on 1 January 2003 under section 159C of the Education Act 1989 (now section 401 of the Education and Training Act 2020). We are based in Aotearoa New Zealand and our ultimate parent is the Government.

Our primary objective is to provide services to the Aotearoa New Zealand public, rather than make a financial return. Accordingly, we have designated ourselves as a public benefit entity for financial reporting purposes.

Our financial statements are for the year ended 30 June 2024 and were approved by our Board of Commissioners on 31 October 2024.

#### Basis of preparation

##### Statement of compliance

The financial statements have been prepared in accordance with the Education and Training Act 2020 and Crown Entities Act 2004, which include the requirement to comply with generally accepted accounting practice in Aotearoa New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with NZ GAAP as appropriate for public benefit entities (PBE) and they comply with Tier 1 PBE standards.

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

##### Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

##### Standards issued and effective

There are no new standards issued and effective, that we have adopted.

##### Standards issued and not yet effective and not early adopted

There are no new Standards and amendments, issued but not yet effective, that have been issued but not yet effective, that we have early adopted and are relevant to us.

#### Summary of significant accounting policies

Significant accounting policies are included in the related notes.

Significant accounting policies that do not relate to a specific note are outlined below.

##### Revenue

Revenue is measured at fair value of consideration received or receivable.

##### Revenue from Crown

We are primarily funded from the Crown. This funding is restricted in its use for us meeting our performance measures as specified in the Statement of Intent 2022/23 – 2025/26 and Statement of Performance Expectations 2023/24. Revenue from the Crown is recognised as revenue when earned and is reported in the financial period it relates to.

The fair value of revenue from the Crown has been determined to be equivalent to the amounts due in the funding arrangements.

**Contract revenue – Direct Career Services**

Ministry of Social Development (MSD) funded us \$2.4 million to deliver Direct Careers Services to Aotearoa New Zealanders from 1 July 2021 to 31 August 2022 to ensure there was no cost to end users.

We recognised the \$2.4 million of revenue from MSD as we delivered the contract. \$0.4m was recognised in 2022/23. This was not continued in 2023/24.

**Contract revenue – Pre-purchased English Language Tuition (PELT)**

As a part of their residency requirements, some migrants are required to pay English language tuition fees. The migrants pay the Ministry of Business, Innovation and Employment (MBIE). MBIE deducts an administration fee and pays the remaining balance to us, for us to administer. A migrant can then enrol in an English language course at an approved course provider. We then pay fees to English language course providers on enrolment of migrants. We recognise a 10% administration fee out of the fees received as revenue at the time of payment to providers. If the migrant fails to enrol for the course within five years of the receipt of the fees, the fees are refunded to MBIE.

**Contract revenue – Cybersecurity for the Tertiary Sector**

The MoE have funded us \$2.6 million to provide assurance work in the tertiary sector.

We recognised \$1.1 million (2023: \$0.6 million) of revenue from the MoE throughout 2023/24 as we delivered the contract.

**Interest – grants**

Interest income is recognised by accruing the interest due for the term deposit on a time-proportion basis. We voluntarily return interest earned on grants funds to the MoE.

**Interest – operating**

Interest income is recognised by accruing the interest due for the term deposit on a time-proportion basis. The interest earned is used in our operations.

**Goods and Services Tax (GST)**

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net GST payable to the Inland Revenue Department (IRD) is recorded in the statement of financial position.

The net GST paid to the IRD is classified as an operating cash flow in the statement of cash flows.

**Budget figures**

The budget figures are derived from the Statement of Performance Expectations 2023/24 as approved by the Board of Commissioners at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with these financial statements.



### Income tax

We are a public authority so are exempt from paying income tax. Accordingly, no provision has been made for income tax.

### Critical accounting estimates and assumptions

In preparing these financial statements we have made estimates and assumptions concerning the future.

These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors. This includes expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- › useful lives of intangible assets – refer to note 8
- › useful lives of property, plant and equipment – refer to note 9
- › estimates and assumptions around retirement and long service leave – refer to note 10.

### Critical judgements in applying accounting policies

Management has exercised critical judgement in applying the leases classification accounting policy – refer to note 6.

### Comparative information

When presentation or classification is amended or accounting policies are changed voluntarily, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.



## 2. Grants expense relating to tertiary education institutions

### Accounting policy

Grants expenditure relates to payments to tertiary education organisations for post-secondary school education and training, including foundation education, adult and community education, and research. When there are no conditions attached, grants expenditure is recognised as an expense in surplus or deficit when an unconditional obligation to provide funding arises. When there are conditions attached, the expense is recognised at the earlier of the condition being met or payment being made.

### Breakdown of grants expense

We have provided Crown-owned tertiary education institutions with funding for the provision of education, training, and other services. The transactions are within a normal supplier or client/recipient relationship on terms and conditions no more favourable than those it is reasonable to expect we would have dealing with other parties at arm's length in the same circumstances. The table below details the amounts paid to each tertiary education institution.

	Funding \$000	Accounting Adjustment (Note 1) \$000	2024 \$000	2023 \$000
<b>UNIVERSITIES</b>				
Auckland University of Technology	217,206	3,757	220,963	211,382
Lincoln University	55,807	1,695	57,502	49,724
Massey University	230,196	(1,821)	228,375	225,339
University of Auckland	556,019	8,708	564,727	548,750
University of Canterbury	243,419	2,972	246,391	219,626
University of Otago	381,757	5,131	386,888	374,732
University of Waikato	115,960	5	115,965	111,344
Victoria University of Wellington	218,351	2,567	220,918	223,009
	<b>2,018,715</b>	<b>23,014</b>	<b>2,041,729</b>	<b>1,963,906</b>
<b>TE PŪKENGĀ – NEW ZEALAND INSTITUTE OF SKILLS AND TECHNOLOGY</b>				
	<b>927,603</b>	<b>18,995</b>	<b>946,598</b>	<b>951,231</b>
<b>WĀNANGA</b>				
Te Wānanga o Aotearoa	147,437	(4,060)	143,377	140,961
Te Wānanga o Raukawa	12,544	(8,708)	3,836	27,820
Te Whare Wānanga o Awanuiārangi	29,576	(4,140)	25,436	32,238
	<b>189,557</b>	<b>(16,908)</b>	<b>172,649</b>	<b>201,019</b>
<b>Total TEI grants</b>	<b>3,135,875</b>	<b>25,101</b>	<b>3,160,976</b>	<b>3,116,156</b>
Other tertiary education organisation grants	586,232	31,803	618,035	595,272
Bad debts written off and movement in provision for uncollectable debts	1,659	-	1,659	279
<b>Total grants expense</b>	<b>3,723,766</b>	<b>56,904</b>	<b>3,780,670</b>	<b>3,711,707</b>

Note 1 – The accounting adjustment is the movement in our tertiary grants payable. Refer to financial note 3 for further details.

Note 2 – Our provision for doubtful debts increased from \$13,598,772 in 2023 to \$15,506,087 in 2024 as per note 4. This is a \$1,907,315 increase (\$1,658,534 exclusive of GST as per above).

### 3. Payables

#### Accounting policy

All grants payables are classified as non-exchange transactions, and all operating payables are classified as exchange transactions.

As we provide funding to tertiary education organisations but receive nothing tangible in return, this funding is considered a non-exchange transaction. We recognise a liability for our funding commitments as follows:

- › Where we have committed to provide funding based on a multi-year contract, we recognise commitments for a further 12 months. Our contracts with tertiary education organisations state our ability to provide funding depends on the Government continuing to appropriate sufficient funding for us to fund the tertiary education organisation. At 30 June 2024, our funding has only been confirmed up until 30 June 2025.
- › Where we have committed to provide funding to tertiary education organisations to the end of the current calendar year, we recognise commitments up to then.

Exceptions are as follows:

- › Volume-based funding: most of our funding is paid based on the number of valid student enrolments. We obtain the number of students enrolled in courses at each tertiary education organisation as at 30 June and compare this to what we have funded the tertiary education organisation for to 30 June. We record an asset or liability based on these student numbers and whether the funding we provided to the tertiary education organisation is higher or lower than what they are entitled.
- › Deliverable-based funding: some of our funding is paid once a tertiary education organisation completes a piece of research or meets a milestone. We do not record a liability unless the tertiary education organisation has met the milestone at 30 June.

Based on the explanations above, the tertiary grants payable at 30 June differs from the funding we expect to provide in the upcoming financial year.

#### Lease incentives

Lease incentives are recognised as a reduction of rental expense over the lease term, on a straight-line basis.

We lease five floors at 44 The Terrace, Wellington.

When we entered into the lease agreement for four floors effective from 1 July 2015, we received a lease incentive of \$1,347,000 equal to one year's rent. We then entered a lease for a further floor on 1 July 2017 and received a further lease incentive of \$266,000 equal to one year's rent.

We have also received a \$34,000 incentive for our Auckland office in November 2019.

## Breakdown of payables

	2024 \$000	2023 \$000
<b>CURRENT PAYABLES</b>		
<b>Grants: Non-exchange transactions</b>		
Tertiary grants payable	499,415	442,511
Accrued expenses	10,585	37,974
Creditors	(236)	1
<b>Total current grants payables</b>	<b>509,764</b>	<b>480,486</b>
<b>Operations: Exchange transactions</b>		
Accrued expenses	3,066	2,618
Creditors	163	419
Lease incentive	145	145
Revenue received in advance	1,857	-
<b>Total current operations payables</b>	<b>5,231</b>	<b>3,182</b>
<b>Total current payables</b>	<b>514,995</b>	<b>483,668</b>
<b>NON-CURRENT PAYABLES</b>		
<b>Operations: Exchange transactions</b>		
Lease incentive	279	424
<b>Total non-current payables</b>	<b>279</b>	<b>424</b>
<b>Total payables</b>	<b>515,274</b>	<b>484,092</b>

## 4. Receivables

### Accounting policy

Receivables are initially measured at face value and then adjusted for amounts not considered recoverable.

Short-term receivables are recorded at the amount due, less any allowance for expected credit losses (ECL).

We have applied the simplified ECL model of recognising lifetime ECL for short-term receivables. The model of expected credit loss is based on the age of individual accounts receivable past due date of receipt, drawing on credit loss history, relationship with TEC and communications with the individual. Most receivables are not past due.

The simplified ECL model is no different to the previous policy adopted by TEC, and this disclosure has been adjusted solely to reflect the requirements of Public Benefit Entity International Public Sector Accounting Standard 41 Financial Instruments.

As per note 3 we have a large tertiary grants payable. The Ministry of Education (MoE) acknowledged through a June 2016 Memorandum of Understanding that we would record a receivable from it equal to the amount of our payable.

We also have a grants Balance Sheet Mechanism receivable from the MoE. It is funded from underspends in the Tertiary Tuition and Training multi-category appropriation. This helps us manage cost pressures within and across financial years.

### Breakdown of receivables and further information

	2024 \$000	2023 \$000
MoE tertiary grants receivable (non-exchange transaction)	499,415	442,511
MoE balance sheet mechanism receivable (non-exchange transaction)	76,380	76,381
Tertiary grants receivables (non-exchange transaction)	28,598	34,352
MoE other grants receivable (non-exchange transaction)	8,965	12,187
Other accounts receivable (exchange transaction)	1,569	662
Provision for uncollectability	(15,506)	(13,599)
<b>Total receivables</b>	<b>599,421</b>	<b>552,494</b>

The ageing profile of receivables at year end is detailed below:

As at 30 June 2024	Gross \$000	Provision \$000	Net \$000
Not past due	588,861	-	588,861
Past due 1-30 days	1,683	-	1,683
Past due 31-60 days	852	-	852
Past due 61-90 days	195	(77)	118
Past due > 90 days	23,336	(15,429)	7,907
<b>Total</b>	<b>614,927</b>	<b>(15,506)</b>	<b>599,421</b>

As at 30 June 2023	Gross \$000	Provision \$000	Net \$000
Not Past Due	535,266	-	535,266
Past due 1-30 days	-	-	-
Past due 31-60 days	2	-	2
Past due 61-90 days	11,589	(935)	10,654
Past due > 90 days	19,236	(12,664)	6,572
<b>Total</b>	<b>566,093</b>	<b>(13,599)</b>	<b>552,494</b>

Movement in the provision for uncollectability of receivables is as follows:

	2024 \$000	2023 \$000
Balance at 1 July	13,599	13,278
Increase/(decrease) in provision (Note 1)	2,034	321
Receivables written off during the year	(127)	-
<b>Balance at 30 June</b>	<b>15,506</b>	<b>13,599</b>

Note 1 – This is inclusive of Goods and Services Tax (GST). Bad and doubtful debts shown in the Statement of Comprehensive Revenue and Expense are exclusive of GST.

## 5. Personnel costs

### Accounting policy

#### Superannuation schemes – defined contribution schemes

Obligations for contributions to KiwiSaver, the Government Superannuation Fund and the State Sector Retirement Savings Scheme are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit as incurred.

### Breakdown of personnel costs and further information

	2024 \$000	2023 \$000
Salaries	42,466	41,497
Contractors	2,255	11,142
Redundancy cost	707	623
Contributions to defined contribution plans	1,243	1,183
Movement in employee entitlements	(64)	204
Training and development	268	322
Other personnel expenses	433	725
<b>Total personnel costs</b>	<b>47,308</b>	<b>55,696</b>

**Employee remuneration**

During the year the number of employees who received remuneration and other benefits more than \$100,000 were:

	Number of employees 2024	Number of employees 2023
590,001 to 600,000	1	-
580,001 to 590,000	-	1
420,001 to 430,000	-	1
340,001 to 350,000	1	-
330,001 to 340,000	-	1
300,001 to 310,000	1	-
290,001 to 300,000	1	1
280,001 to 290,000	1	1
270,001 to 280,000	1	-
260,001 to 270,000	-	1
230,001 to 240,000	1	-
220,001 to 230,000	3	1
210,001 to 220,000	3	2
200,001 to 210,000	2	4
190,001 to 200,000	5	-
180,001 to 190,000	7	8
170,001 to 180,000	11	1
160,001 to 170,000	13	12
150,001 to 160,000	16	18
140,001 to 150,000	25	16
130,001 to 140,000	24	27
120,001 to 130,000	39	30
110,001 to 120,000	37	33
100,001 to 110,000	42	35
<b>Total employees</b>	<b>234</b>	<b>193</b>

During the year, 23 employees (2023: 23) received compensation and other benefits in relation to cessation totalling \$706,918 (2023: \$622,402).

**Board of Commissioners' remuneration**

The total value of remuneration paid or payable to each commissioner during the year was:

		2024 \$	2023 \$
<b>CURRENT COMMISSIONERS</b>			
Dr Wayne Ngata (Acting Chair) (Note 1)	appointed December 2019	43,844	25,200
Dr Alastair MacCormick (Note 2)	appointed June 2017	33,420	29,116
Vivien Sutherland Bridgwater	appointed December 2018	23,520	22,400
Kirk Hope	appointed December 2019	23,520	22,400
Samuelu (Sam) Sefuiva	appointed December 2022	23,520	11,200
Deidre Shea	appointed December 2022	23,520	11,200
<b>PAST COMMISSIONERS</b>			
Jenn Bestwick (Former Chair) (Note 3)	term ended March 2024	40,257	46,267
Nancy McConnell	term ended December 2022	-	11,200
John Russell	term ended December 2022	-	11,200
<b>Total Commissioners' fees</b>		<b>211,601</b>	<b>190,183</b>

Note 1 – Dr Wayne Ngata was elevated to Deputy Chair on 22 December 2022. He was then elevated to Acting Chair on 1 April 2024.

Note 2 – The amount paid to Dr Alastair MacCormick includes \$9,900 for membership of the University Advisory Group

Note 3 – The amount paid to Jenn Bestwick also includes \$4,536 for attendance at five Lincoln University Governance and Oversight Group meetings.

There have been no payments made to committee members who are not commissioners.

We have not provided a deed of indemnity to any commissioner or employee.

We have directors' and officers' liability and professional indemnity insurance cover in respect of the liability or costs of commissioners and employees.

No commissioner received compensation or other benefits in relation to cessation



## 6. Other expenses

### Accounting policy

#### Capital charge

The capital charge is recognised as an expense in the financial year to which the charge relates.

#### Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

### Critical judgements in applying accounting policies

#### Leases classification

Determining whether a lease agreement is a finance lease or an operating lease requires judgement on whether the agreement transfers to us substantially all the risks and rewards of ownership.

Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether to include renewal options in the lease term and determining an appropriate discount rate to calculate the present value of the minimum lease payments.

Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant and equipment, whereas for an operating lease no such asset is recognised.

We have exercised our judgement on the appropriate classification of equipment leases and have determined none of our lease arrangements are finance leases.

### Breakdown of other expenses and further information

	Note	2024 \$000	2023 \$000
Consultants		997	1,247
Managing third-party delivery		4,033	4,415
Computer operations		6,292	5,933
Property rental		2,102	2,102
Capital charge		2,213	1,909
Travel		480	543
Legal fees		415	379
Commissioners' fees	5	212	190
Audit fees for audit of financial statements		234	217
Telephone, tolls and postage		98	108
Insurance		125	113
Other supplies and services		4,865	5,383
<b>Total other expenses</b>		<b>22,066</b>	<b>22,539</b>

### Operating leases as lessee

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are:

	2024 \$000	2023 \$000
Not later than one year	2,182	2,181
Later than one year and not later than five years	4,030	6,196
Later than five years	-	-
<b>Total non-cancellable operating leases</b>	<b>6,212</b>	<b>8,377</b>

Our main lease is for five floors of office space at 44 The Terrace, Wellington. The next renewal date is 1 July 2027 with a final expiry date of 30 June 2033. The figures above have been calculated to 1 July 2027 for this office.

We also have regional offices in Auckland and Christchurch. Renewal dates have been used for these leases also.

## 7. Cash and cash equivalents

### Accounting policy

Cash and cash equivalents include cash on hand, deposits held on call with banks and other short-term highly liquid investments with original maturities of three months or less.

### Breakdown of cash and cash equivalents

	2024 \$000	2023 \$000
<b>OPERATIONS</b>		
Cash at bank	9,363	5,371
Term deposits with maturities less than three months	20,000	18,000
<b>Total operations cash and cash equivalents</b>	<b>29,363</b>	<b>23,371</b>
<b>GRANTS</b>		
Cash at bank	34,819	52,784
<b>Total grants cash and cash equivalents</b>	<b>34,819</b>	<b>52,784</b>
<b>PRE-PURCHASED ENGLISH LANGUAGE TUITION</b>		
Cash at bank	3,368	3,857
Term deposits with maturities less than three months	7,000	5,000
<b>Total Pre-purchased English Language Tuition cash and cash equivalents</b>	<b>10,368</b>	<b>8,857</b>
<b>Total cash and cash equivalents</b>	<b>74,550</b>	<b>85,012</b>

## 8. Intangible assets

### Accounting policy

#### Software acquisition and development

Computer software licences are capitalised based on the costs incurred to acquire and bring to use the specific software, so long as they are not considered a Software-as-a-Service (SaaS) arrangement.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

#### Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date the asset is derecognised. The amortisation charge for each financial year is recognised in the surplus or deficit.

Computer software is the major class of intangible assets. Its useful life ranges from three to eight years and its associated amortisation rate ranges from 12.5% to 33% straight line.

#### Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing us with the right to access the cloud provider's application software over the contract period. As such we do not receive a software intangible asset at the contract commencement date. A right to receive future access to the supplier's software does not, at the contract commencement date, give us the power to obtain the future economic benefits flowing from the software itself and to restrict others' access to those benefits.

We recognise all costs associated with SaaS arrangements as an expense as the service is received.

#### Impairment of intangible assets and property, plant and equipment

##### Cash-generating assets

We do not hold any cash-generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

##### Non-cash-generating assets

Intangible assets and property, plant and equipment held at cost that have finite useful lives, are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value, less costs to sell and value in use.

Value in use is determined using either a depreciated replacement cost approach, restoration cost approach or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

## Critical judgements in applying accounting policies

### Estimating useful lives and residual values of intangible assets and property, plant and equipment

At each balance date, the useful lives and residual values of intangible assets and property, plant and equipment are reviewed. Assessing the appropriateness of useful life and residual value estimates of intangible assets and property, plant and equipment requires several factors to be considered. These include the physical condition of the asset, expected period of use of the asset and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the surplus or deficit and carrying amount of the asset in the statement of financial position. We minimise the risk of this estimation uncertainty by:

- › physically inspecting assets
- › running asset replacement programmes
- › reviewing second-hand market prices for similar assets, and
- › analysing prior asset sales.

In our assessment of useful lives of intangible assets and property, plant and equipment for the current balance date, we did not note any changes in useful life that had an effect on expected amortisation expenses in future years.



## Breakdown of intangible assets and further information

Movements for each class of intangible assets are as follows

2024					
	Acquired software \$000	Internally generated software \$000	Work in progress (acquired) \$000	Work in progress (internal) \$000	Total \$000
Carrying amount at 1 July	27	7,595	-	14,186	21,808
Capitalisations	-	14,539	-	(14,539)	-
Amortisation and impairments	(9)	(3,013)	-	-	(3,022)
Additions	-	-	-	10,718	10,718
Disposals	(18)	-	-	-	(18)
<b>Carrying amount at 30 June</b>	<b>-</b>	<b>19,121</b>	<b>-</b>	<b>10,365</b>	<b>29,486</b>
Cost	1,887	46,880	-	10,365	59,132
Accumulated amortisation	(1,887)	(27,759)	-	-	(29,646)
<b>Carrying amount at 30 June</b>	<b>-</b>	<b>19,121</b>	<b>-</b>	<b>10,365</b>	<b>29,486</b>
2023					
	Acquired software \$000	Internally generated software \$000	Work in progress (acquired) \$000	Work in progress (internal) \$000	Total \$000
Carrying amount at 1 July	210	8,006	-	12,787	21,003
Capitalisations	-	6,106	-	(6,106)	-
Amortisation and impairments	(183)	(4,643)	-	-	(4,826)
Additions	-	-	-	7,505	7,505
Disposals	-	(1,874)	-	-	(1,874)
<b>Carrying amount at 30 June</b>	<b>27</b>	<b>7,595</b>	<b>-</b>	<b>14,186</b>	<b>21,808</b>
Cost	2,800	40,677	-	14,186	57,663
Accumulated amortisation	(2,773)	(33,082)	-	-	(35,855)
<b>Carrying amount at 30 June</b>	<b>27</b>	<b>7,595</b>	<b>-</b>	<b>14,186</b>	<b>21,808</b>

The amount of contractual commitments for the acquisition of intangible assets is \$2,445,000 (2023: \$6,765,000).

There are no restrictions over the title of intangible assets nor are any intangible assets pledged as security for liabilities.

Work in progress costs comprise projects that are in progress, pending capitalisation.

## 9. Property, plant and equipment

### Accounting policy

Property, plant and equipment consist of the following asset classes: leasehold improvements, computer equipment, office equipment, furniture and fittings and motor vehicles.

All asset classes are measured at cost less accumulated depreciation and impairment losses.

### Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to us and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Costs incurred after initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to us and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

### Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit.

### Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment. The useful lives and associated depreciation rates of major classes of property, plant and equipment have been estimated as follows:

Class	Useful Life	Depreciation rate
Leasehold improvements	Life of lease	
Computer equipment	2.4 to 5 years	20 to 40% straight line
Office equipment	5 years	20% straight line
Furniture and fittings	10 years	10% straight line

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

### Impairment of property, plant and equipment, and critical accounting estimates and assumptions

Refer to the policy on intangible assets in note 8.

## Breakdown of property, plant and equipment and further information

Movements for each class of property, plant and equipment are as follows:

2024						
	Leasehold improvements \$000	Computer equipment \$000	Office equipment \$000	Furniture and fittings \$000	Work in progress \$000	Total \$000
Carrying amount at 1 July	1,589	1,250	-	578	-	3,417
Capitalisations	-	840	-	-	(840)	-
Depreciation and impairments	(407)	(725)	-	(91)	-	(1,223)
Additions	-	-	-	-	840	840
Disposals	-	(16)	-	-	-	(16)
<b>Carrying amount at 30 June</b>	<b>1,182</b>	<b>1,349</b>	<b>-</b>	<b>487</b>	<b>-</b>	<b>3,018</b>
Cost	4,328	2,910	20	940	-	8,198
Accumulated depreciation	(3,146)	(1,561)	(20)	(453)	-	(5,180)
<b>Carrying amount at 30 June</b>	<b>1,182</b>	<b>1,349</b>	<b>-</b>	<b>487</b>	<b>-</b>	<b>3,018</b>

2023						
	Leasehold improvements \$000	Computer equipment \$000	Office equipment \$000	Furniture and fittings \$000	Work in progress \$000	Total \$000
Carrying amount at 1 July	1,995	860	-	603	751	4,209
Capitalisations	-	1,110	-	74	(1,184)	-
Depreciation and impairments	(406)	(720)	-	(92)	-	(1,218)
Additions	-	-	-	-	433	433
Disposals	-	-	-	(7)	-	(7)
<b>Carrying amount at 30 June</b>	<b>1,589</b>	<b>1,250</b>	<b>-</b>	<b>578</b>	<b>-</b>	<b>3,417</b>
Cost	4,328	3,318	20	945	-	8,611
Accumulated depreciation	(2,739)	(2,068)	(20)	(367)	-	(5,194)
<b>Carrying amount at 30 June</b>	<b>1,589</b>	<b>1,250</b>	<b>-</b>	<b>578</b>	<b>-</b>	<b>3,417</b>

There are no contractual commitments for the acquisition of property, plant and equipment (2023: \$nil).

There are no restrictions over the title of property, plant and equipment nor are any property, plant and equipment pledged as security for liabilities.

Work in progress costs comprise projects that are in progress, pending capitalisation.

## 10. Employee entitlements

### Accounting policy

#### Current employee entitlements

Employee benefits due to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, and sick leave.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent it will be used by staff to cover those future absences.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

#### Non-current employee entitlements

Employee benefits due to be settled beyond 12 months after the end of the period in which the employee provides the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis.

The calculations are based on:

- › likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood employees will reach the point of entitlement and contractual entitlement information, and
- › the present value of the estimated future cash flows.

### Presentation of employee entitlements

The current portion of sick leave, annual leave and vested long service leave are classified as a current liability.

Non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

### Critical accounting estimates and assumptions

#### Measuring retirement and long service leave obligations

The present value of retirement and long service leave obligations depend on several factors determined on an actuarial basis. Two key assumptions used in calculating this liability include the assumed salary escalation rate and assumed resignation rate. Any changes in these assumptions will affect the carrying amount of the liability.

Expected future payments are discounted using forward discount rates derived from the yield curve of Aotearoa New Zealand government bonds. The discount rates used have maturities that match, as closely as possible, the estimated future cash outflows. The assumed salary escalation rate has been determined after considering historical salary inflation patterns and after obtaining advice from an independent actuary. The assumed resignation rate has been determined by the actuary using rates that vary with age and length of service and reflect the experience of company superannuation schemes in Aotearoa New Zealand.



### Breakdown of employee entitlements and further information

	2024 \$000	2023 \$000
<b>CURRENT PORTION</b>		
Annual leave	2,380	2,240
Salaries and wages	1,255	1,664
Retirement and long service leave	90	84
Redundancies	85	-
Sick leave	17	13
<b>Total current portion</b>	<b>3,827</b>	<b>4,001</b>
<b>NON-CURRENT PORTION</b>		
Retirement and long service leave	529	479
Redundancies	32	24
Sick leave	70	18
<b>Total non-current portion</b>	<b>631</b>	<b>521</b>
<b>Total employee entitlements</b>	<b>4,458</b>	<b>4,522</b>

### Sensitivity analysis

The table below shows the impact on the valuation of varying the assumed salary escalation rate and assumed resignation rates, leaving all other assumptions unaltered:

	Long service leave \$000	Retiring leave \$000	Total \$000
No Change	606	13	619
Salary growth: 1.0% increase per year	640	15	655
Salary growth: 1.0% decrease per year	573	12	585
Resignation rates: 50% of assumed	645	14	659
Resignation rates: 150% of assumed	570	13	583
Discount rates: 1.0% increase	574	12	586
Discount rates: 1.0% decrease	639	15	654

## 11. Pre-purchased English Language Tuition – fees in advance

### Accounting policy

Refer to the policy on Contract revenue – Pre-purchased English Language Tuition in note 1.

### Breakdown of Pre-purchased English Language Tuition

	2024 \$000	2023 \$000
Balance at 1 July	10,092	13,093
Fees received from migrants	5,898	1,150
Fees paid to providers	(1,497)	(1,552)
Refund of unused fees to Ministry of Business, Innovation and Employment	(2,454)	(2,222)
Contract expense – administration	(395)	(377)
<b>Balance at 30 June</b>	<b>11,644</b>	<b>10,092</b>

## 12. Provision for lease

### Accounting policy

A provision is recognised for future expenditure of uncertain amount or timing when:

- › there is a present obligation (either legal or constructive) because of a past event
- › it is probable an outflow of future economic benefits or service potential will be required to settle the obligation
- › a reliable estimate can be made of the amount of the obligation.

### Lease make good provisions

Make good provisions are recognised when leases require us to make good any damage caused or remove any installed fixtures and fittings at the end of the lease term.

We lease five floors at 44 The Terrace, Wellington. At the expiry of the lease term, we are required to make good any damage caused and remove any installed fixtures and fittings. The cost is based on the market value of replacement items as specified in the lease agreements. We estimate this to be \$158,000 (2023: \$151,000).

### Breakdown of provision for lease

	2024 \$000	2023 \$000
<b>NON-CURRENT PORTION</b>		
Lease make good	158	151
<b>Total non-current portion</b>	<b>158</b>	<b>151</b>
<b>Total provision for lease</b>	<b>158</b>	<b>151</b>

## 13. Repayment of grants funding – Ministry of Education

### Accounting policy

We are required to return any excess grants funds collected during the year to the Ministry of Education (MoE). This includes some of the funds drawn from the appropriations but not spent during the year and certain prior year recoveries. We can retain certain funds on our balance sheet if agreed by the MoE. We also voluntarily return interest earned on grants funds.

### Breakdown of repayment of grants funding – MoE

	2024 \$000	2023 \$000
Balance at 1 July	6,892	8,734
Repayments of opening balance	(6,892)	(8,734)
Prior year recoveries	1,461	4,068
Excess funding drawn	-	-
Interest	4,050	2,824
<b>Balance at 30 June</b>	<b>5,511</b>	<b>6,892</b>

## 14. Equity

### Accounting policy

Equity is measured as the difference between total assets and total liabilities.

### Capital management

Our capital is our equity, which comprises accumulated funds. Equity is represented by net assets.

We are subject to the financial management and accountability provisions of the Crown Entities Act 2004, which imposes restrictions in relation to borrowings, acquisition of securities, issuing guarantees and indemnities and the use of derivatives.

We have complied with the financial management and accountability requirements of the Crown Entities Act 2004 during the year.

We manage our equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments, and general financial dealings, to ensure we effectively achieve our objectives and purpose, while remaining a going concern.

### Breakdown of equity

	2024 \$000	2023 \$000
<b>GRANTS EQUITY</b>		
Balance at 1 July	111,908	80,413
Surplus/(deficit) for the year	4,188	34,319
Repayment of grants interest – MoE	(4,050)	(2,824)
<b>Balance at 30 June</b>	<b>112,046</b>	<b>111,908</b>
<b>OPERATIONS EQUITY</b>		
Balance at 1 July	41,019	38,793
Surplus/(deficit) for the year	3,476	226
Crown capital contributions – MoE	7,850	2,000
<b>Balance at 30 June</b>	<b>52,345</b>	<b>41,019</b>
<b>Total equity</b>	<b>164,391</b>	<b>152,927</b>

## 15. Related party transactions

We are controlled by the Crown.

Related party disclosures have not been made for transactions with related parties that are:

- › within a normal supplier or client/recipient relationship
- › on terms and conditions no more or less favourable than those it is reasonable to expect we would have adopted in dealing with the party at arm's length in the same circumstances.

Further, transactions with other government agencies (eg, government departments and Crown entities) are not disclosed as related party transactions when they are on normal terms and conditions, consistent with the normal operating arrangements between government agencies.

We have no related party transactions to disclose.

	2024 \$000	2023 \$000
<b>COMMISSIONERS</b>		
Remuneration	212	190
Full-time equivalent members	0.9	0.9
<b>LEADERSHIP TEAM</b>		
Remuneration	2,127	2,478
Full-time equivalent members	6.0	7.0
<b>Total key management personnel remuneration</b>	<b>2,339</b>	<b>2,668</b>
<b>Total full-time equivalent personnel</b>	<b>6.9</b>	<b>7.9</b>

The full-time equivalent for Commissioners has been determined based on the frequency and length of Board of Commissioner meetings and the estimated time for commissioners to prepare for meetings.

An analysis of Board of Commissioners' remuneration is provided in note 5.

Key management personnel include Commissioners, the Chief Executive, Deputy Chief Executives and the Portfolio Director – Reform of Vocational Education.

## 16. Financial instruments

### Financial instrument categories

We are party to financial instrument arrangements as part of our normal operations. The categories of financial assets and liabilities are as follows:

	2024 \$000	2023 \$000
<b>FINANCIAL ASSETS MEASURED AT AMORTISED COST</b>		
Cash and cash equivalents	74,550	85,012
Receivables	599,421	552,494
<b>Total financial assets measured at amortised cost</b>	<b>673,971</b>	<b>637,506</b>
<b>FINANCIAL LIABILITIES MEASURED AT AMORTISED COST</b>		
Payables (current portion)	514,995	483,668
Payables (non-current portion)	279	424
<b>Total financial liabilities measured at amortised cost</b>	<b>515,274</b>	<b>484,092</b>

### Financial instrument risks

#### Market risk – interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate owing to changes in market interest rates. We do not use interest rate options or interest rate swap options. Our bank deposits are on call and on term deposits with less than or equal to three-month maturities.

#### Market risk – currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate owing to changes in foreign exchange rates. We had no exposure to currency risk.

#### Credit risk

Credit risk is the risk that a third party will default on its obligation to us causing us to incur a loss. We had minimal credit risk in our holdings of various financial instruments. These instruments included bank deposits, term deposits and accounts receivable. There was no significant concentration of credit risk.

#### Liquidity risk

Liquidity risk is the risk that we will encounter difficulty raising liquid funds to meet commitments as they fall due. We had no exposure to liquidity risk.

#### Contractual maturity analysis of financial liabilities

Our financial liabilities consist of payables. The carrying amount equals the contractual cash flows. All amounts mature in less than three months.

## 17. Contingencies

### Contingent liabilities

There are no contingent liabilities for the current year (2023: nil).

### Contingent assets

We have a contingent asset that arises from the likelihood of realising recoveries from some tertiary education organisations. The amount relates to grants expenses and is likely to be returned to the Crown if realised. The investigations are progressing but there is no certainty on the amounts that may be recovered. This has not changed since last year.

### Statement of Financial Position

#### Receivables

Receivables were \$16 million greater than budget. Accrued revenue was \$9 million higher as certain funding was not drawn down before year end. Debtors were \$5 million higher as we had budgeted the receipt of cash from an ongoing matter.

#### Payables

Payables were \$13 million greater than budget. The main driver was increases to funding rates from 2023 to 2024 which increased the tertiary grants payable at year end.

## 18. Events after balance date

There were no significant events after the balance date.

## 19. Explanations of major variances against budget

Explanations for major variances from our budgeted figures in the Statement of Performance Expectations 2023/24 are as follows:

### Statement of Comprehensive Revenue and Expense

#### Grants revenue and grants expense

Grants revenue and grants expense were \$87 million below budget as Fees Free demand was less than budgeted. While Qualification Delivery increased from prior year following rate increases, it was still below budget. We only draw funding to meet our expenses so variances in revenue are driven by variances in expenditure.

**Part six:**  
Appendices

**Wāhanga ono:**  
Ngā tāpiringa





## Appendix A: Our good employer requirements

### Āpitianga A: Ko ā mātou herenga hei kaiwhakawhiwhi mahi pai

#### Leadership, organisational performance and culture: Improved results – better employee experience

We ran our Annual Employee Experience Survey He waka eke noa in May 2024. This year, our participation rate (86.7%) remains consistently high, and is 23.4% ahead of the state sector average. This indicates our people are keen to engage with the feedback process initiated by the organisation. Our “people experience” score (aggregated average score from Leadership, Performance Management and Organisational Culture categories), has increased from 70.3% in 2023, to 71.3%. On a scale of 1 to 10 (where 0 = not at all stressed, and 10 = extremely stressed), our people place themselves at 5.1. This has remained in the neighbourhood of 5 since 2021, and has reduced slightly from 2023 (5.3). Given the current environment of change, fiscal savings, structural change and uncertainty, our survey scores are significantly high, indicating an overall state of fairly high resilience and wellbeing.

Human Resources has provided our people leaders (from Tier 1 to Tier 4) with their team’s/ business group’s results analysis, along with recommendations for action planning. This year we have also provided a trends analysis – showing the movement of scores in categories and questions over time, from 2020 to 2024. This shows that scores have improved steadily in almost all categories and questions. Categories showing significant improvements are:

- › strategy (+8%)
- › client focus (+9%)
- › implementation, stakeholder relationships and performance management (+7% in each), and
- › leadership (+5%).

The biggest improvement in an individual question is “I understand my role’s responsibilities and know what is expected of me” – this has risen 30% from 2020 and is currently at 81%. Although the relatively low-scoring questions are still at a medium range (50/60%), all of them show significant improvements (between 5% and 15%) over the last four years.

In 2024, the TEC has demonstrated higher scores than before in operational areas, eg, client focus and implementation (+5% in each from 2023), project processes (+4% from 2023), and technology (+4% from 2023). This, along with high scores in wellbeing (80%), diversity and inclusion (76%), and organisational culture (72%), indicates that, on the whole, the TEC is on a trajectory of positive change.

Survey results compared data based on ethnicity, gender and disability to general staff results and did not identify any differences in opportunities for these staff members.

We provide data to the monthly Organisational Performance Management meeting on the percentage and numbers of staff leaving the organisation. Our turnover has returned to pre-COVID-19 levels and has been steady for several months at around 12% on average. This is below our benchmark of 14%. We reviewed staff exit questionnaires and provided further analysis of the reasons people leave. These reasons are supported by the findings in our employee engagement survey around career progression.

## Flexible work, accountability, and diversity and inclusion: We continue to build on our strengths

### Flexible work

Flexible work has been embedded successfully at the TEC. We updated our Flexible Work Policy and developed guidance and procedures. As advised in our Flexible Work policy, people at the TEC are aware of their entitlements and responsibilities. “My manager trusts me to work productively while working remotely to meet agreed objectives” – this question in He waka eke noa showed an all-time high score of 91%. “I have the flexibility to manage work and home life” scored 86%. The qualitative (text response questions) data also supports that there is high trust between people leaders and staff to maintain their productivity and wellbeing in mutually agreed flexible work arrangements. This continues to add to TEC’s Employer Value Proposition.

### Privacy and Information security

The TEC has always shown high integrity in this area. Our He waka eke noa data shows the questions on maintaining the safety of private information have scored over 85%. All new staff must complete an eLearning module on Privacy as part of their Induction, and all existing staff must refresh their learning annually. Additional new modules on information security have been launched last year.

## The TEC is a “great place to work” – culture, diversity and inclusion

78% of people agreed that the TEC is a great place to work. Traditionally, the TEC has had a reputation of being a warm and inclusive organisation that values honesty and diversity. “I feel safe to tell the truth even when it’s unpopular” (69% in 2024) – this question has shown steady improvement in the last four surveys (+6% from 2020); and “Honesty and directness are valued in our organisation” scored 70% (+5% from 2020). “People from all backgrounds and cultures feel included, welcomed and valued in this organisation” has scored 79% in 2024 (+2% from 2020).

We encourage and support existing employee networks, eg, Māori, Pacific, Christian and Rainbow. We marked Neurodiversity Celebration Week with people sharing their personal stories to help raise awareness and ensure those who are neurodivergent receive support.

### Technology

This year our new intranet (Tuia) was launched, with content migrated to SharePoint. This has not only improved the look and feel of the intranet, but has made it much more functional and useful for TEC staff. Moreover, internal capability is also being uplifted through training, so that going forward we have skilled staff creating and editing the content.

The He waka eke noa scores on the technology questions show a steady improvement over the last few years. In 2024, the category score is at 62% – a 4% improvement from last year. “We have the technology to effectively support our processes” – this question scored 64% (+6% from 2023).

## Career progression, leadership development, and learning and development: Work to continue

### Career progression

As part of our collective bargaining with the Public Service Association, it was agreed that a working group will be formed to create a Career Development Framework and Pathways. Current data from He waka eke noa indicates that TEC staff have an increased appetite for career pathways and targeted learning and development. Being a small and not very hierarchical organisation, there is a need for clarity around people's development in their roles and beyond, across on-the-job (experiential), informal and formal learning. The Working Committee has developed a project plan which, upon being approved by the Executive Leadership Team (ELT), will be actioned to create the framework and pathways. Simultaneously, the Career Development Policy development and Staff Development Policy refresh is going on.

### Learning and development

We have now embedded the refreshed and revised TEC induction, with members of the ELT attending the sessions to welcome new staff. Evaluations show that our new staff find this session a valuable opportunity to connect with the wider organisation and learn about the TEC's core purpose, strategy and operations.

We have developed and procured some new learning solutions which will help the TEC to meet its statutory obligations and raise awareness on diverse cultural issues, eg, an eLearning module called "Do the Right Thing" (Code of Conduct, Conflict of Interest and Protected Disclosures); Disability Awareness eLearning; updates to the Privacy module; and modules on Information Security, and more.

### Leadership Development

Currently, TEC leadership enjoys the support and trust from employees. He waka eke noa data says, 70% of people think "our leaders/managers make and deliver hard decisions in an effective way" (+6% from 2023). 71% are confident that our leaders/managers will implement our purpose, vision and values successfully (+3% from 2023). A comparative study of organisational average scores with ELT, Tier 3 and Tier 4 scores indicates that the initiative taken last year to bring Tier 4 managers into the information loop has worked well. However, there is an opportunity for building on the Tier3/Tier 4 closeness and bringing all leaders closer to ELT's vision and direction.

This year, we have supported our leaders by:

- › holding leadership clinics on specific topics
- › creating an intranet page dedicated to leaders (in progress)
- › curating supporting resources (ongoing), and
- › socialising the Leadership Development Council self-learning and toolkits.

In the coming year, we will focus on providing holistic leadership development to all of the TEC's leaders by giving them a common framework for conversations and helping them tailor their leadership styles to the situation at hand.

### Employee development, promotion and exit

We provide data to the monthly Organisational Performance Management meeting on the percentage and numbers of staff leaving the organisation. We reviewed staff exit questionnaires and provided further analysis of the reasons people leave. We are seeing a reduction in our turnover, perhaps due to people seeking security in an election year.

## Remuneration, recognition and conditions

As part of the Public Service Pay Adjustment (PSPA), and new Collective Agreement (CA) with the Public Service Association (PSA), we paid out the second PSPA payment to staff. The TEC and PSA have been meeting to develop a remuneration system. We have explored various remuneration systems. Discussions are ongoing and we will be in bargaining in 2025/26. We meet monthly with the PSA to discuss common issues and change processes. The PSA has representation on our Safety and Wellbeing Committee, Gender Pay Working Group, and reviews of employment-related policies – and also supports members with organisational change.

## Harassment and bullying prevention consulting

The Harassment and Bullying Prevention policy has been reviewed and procedures developed for the investigation of harassment and bullying concerns and complaints. Once approved, these will be promoted to managers and staff. We review statistics from Vitae, our employee assistance programme, quarterly at our Safety and Wellbeing Committee meetings for any work-related issues or trends.

## Safe and healthy environment consulting and elections

The Safety and Wellbeing Committee meet quarterly, with the PSA being represented on the committee by one PSA member. Our Employee Participation Agreement has been reviewed and we are seeking nominations for elected health and safety representatives.

Our He waka eke noa survey asked questions about staff wellbeing using Te Whare Tapa Whā, a holistic Māori model that describes the four cornerstones of hauora:

- › taha tinana | physical health
- › taha wairua | spiritual health
- › taha whānau | family health, and
- › taha hinengaro | mental health.

We have a resilient workforce and people have maintained their wellbeing and productivity with flexible working. In one part of the survey, we asked a question about employees' stress levels. The results were similar to the TEC's previous He waka eke noa survey, with the reasons for stress primarily attributed to workload.

Our Board of Commissioners continues to receive monthly updates on safety and wellbeing, as well as KPIs on accident and incidents, lost time, sick leave, annual leave, number of hires, and turnover. Flexible working has meant people have been able to maintain their wellbeing with little or no disruption to business continuity. We have had a focus on high leave balances for staff to have a leave plan. This is being driven by our ELT to ensure staff wellbeing and ensuring people have rest and recreation.

As part of our commitment to supporting employment of disabled people, we employed a staff member initially through the Ministry of Social Development's flexi-wage scheme, who was fully funded for the remainder of the fixed term. We also ask people, as part of He waka eke noa, to identify if they have a disability. Assessment of this data did not highlight any differences in people accessing opportunities within the TEC.

## Appendix B: Governance and accountability

### Āpitianga B: Ko te mana ārahi me te oho haepapa

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#### Our Board



**Jenn Bestwick**  
Chair  
(Term ended 21 March 2024)



**Dr Wayne Ngata**  
Deputy Chair  
(Appointed Acting Chair 22 March 2024)



**Dr Alastair MacCormick**



**Vivien Sutherland Bridgwater**



**Kirk Hope**



**Deidre Shea**



**Samuelu Sefuiva**

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**Whatitata Whakaū – Risk and Assurance Committee members 2023/24**

Dr Alastair MacCormick (Chair)

Jenn Bestwick (until March 2024)

Kirk Hope

Samuelu Sefuiva (from April 2024)

Stewart McRobie (Independent Consultant)

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**Ohu Tangata – People and Culture Committee members 2023/24**

Vivien Sutherland Bridgwater (Chair)

Dr Wayne Ngata

Samuelu Sefuiva

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**Student Learner Advisory Committee members 2023/24**

Deirdre Shea

Vivien Sutherland Bridgwater

Jenn Bestwick (until March 2024)

Dr Wayne Ngata (from March 2024)

**Student representatives:**

- › Sean Prenter (National Disabled Students' Association)
- › Max Devon (Student Association of the Nelson-Marlborough Institute of Technology – Te Pūkenga)
- › Ellen Dixon (NZ Union of Students' Associations) – until April 2024
- › Nina Lee Griffiths (Te Pūkenga)
- › Harris Puanaki-Devon (Te Mana Ākongā)
- › Whiti Timutimu (Te Whare Wānanga o Awanuiārangi)
- › Sean Teow (NZ International Students' Association)
- › Malachy Heath (ITENZ)

The chairing of these meetings rotates each meeting.

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## Appendix C: Glossary

### Āpitianga C: Kuputaka

Adult and Community Education	ACE	Community-based education that provides adults with foundation skills and pathways into other learning opportunities that meet identified community needs and funded priorities.
Centres of Asia-Pacific Excellence	CAPEs	Committed to enhancing New Zealand's economic engagement and cultural understanding with the Asia-Pacific region and building New Zealanders' understanding and ability to engage.
Centres of Research Excellence	CoREs	Inter-institutional research networks with researchers working together on a commonly agreed work programme; each hosted by a university and generally comprising a number of partner organisations, including other universities, Crown Research Institutes and wānanga.
Centres of Vocational Excellence	CoVEs	Applied research institutes focused on excellence in vocational education and training. Two CoVEs currently exist: one focused on the Construction sector; and the other on the Food and Fibre sector.
Disability Action Plans	DAPs	These are a strategic response to implement a unified approach towards supporting disabled learners within tertiary education. All large TEOs are required to submit draft DAPs that articulate the changes they will make to better support learners with disabilities and improve their tertiary education outcomes.
Inspiring the Future	ItF	A programme to connect children from ages 7 to 13 with volunteer role models from the world of work, to broaden career options and challenge stereotypes.
Institutes of technology and polytechnics	ITPs	Deliver technical vocational and professional education up to degree and postgraduate levels.
Learner Success Plans	LSPs	TEOs are required to provide LSPs outlining how they will change the way their organisation operates to deliver better outcomes for their learners, especially those who are under-served by the tertiary system.
Performance-Based Research Fund	PBRF	A fund established to ensure that excellent research in the tertiary education sector is funded and rewarded. The PBRF is accessed by universities, institutes of technology and polytechnics, wānanga and private training establishments.



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Private training establishments	PTEs	Provides tertiary education or vocational training. PTEs are separate to institutions (i.e. polytechnics, universities, wānanga) and are covered by, and must comply with, sections 232D-236 of the Education and Training Act 2020 and the Private Training Establishment Registration Rules 2018.
Pacific Work Connect Programme	PWCP	This programme assists migrants from Pacific countries to obtain job seeking skills that will help them to secure employment in Aotearoa New Zealand. The Programme was originally limited to clients residing in Auckland, via face-to-face and/or online sessions, but now supports clients residing outside of Auckland.
Regional Skills Leadership Groups	RSLGs	A key change within the RoVE programme of work. RSLGs will provide advice about the skills needs of regions to the TEC, WDCs and local vocational education providers. They will better manage the changing skills and workforce needs in our regions and cities, and support the recovery of labour markets.
Tertiary education institutions	TEIs	Providers of tertiary education that are Crown entities under section 162 of the Education Act 1989; namely universities, institutes of technology and polytechnics, and formally established wānanga.
Tertiary education organisations	TEOs	The overarching term for all public, private or community-based organisations that offer tertiary education or tertiary-related services.
Tertiary Education Strategy	TES	Sets out the Government's long-term strategic direction for tertiary education.
Vocational educational and training	VET	Vocational education and training enables skills development in a wide range of occupational fields, through provider-based and work-based learning. VET funding covers provider-based study at Levels 3–7 (non-degree) and all work-based learning.
Workforce Development Councils	WDCs	A critical part of the Reform of Vocational Education. Industry-led bodies that will identify current and future workforce needs and advocate for those needs to be met by working with industries, providers, regional bodies and government.
Youth Guarantee	YG	Provides fees-free tertiary places for eligible domestic students aged 16 to 19 years who are studying towards NCEA Levels 1 or 2, or another qualification at Levels 1, 2, or 3 on the New Zealand Qualifications Framework (NZQF).

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# Values and behaviours

## Tikanga me te whakatinana

Our values and behaviours reflect the essence of who we are, guide the way we work together and are pivotal to achieving our strategic intentions

### Work together for success

#### WE DO THIS BY:

actively looking for input from others  
▼▼▼  
crafting a safe, open environment for sharing ideas  
▼▼▼  
valuing other people's contributions and perspectives

### Connect with people

#### WE DO THIS BY:

creating culturally affirming spaces with shared dignity  
▼▼▼  
treating others with kindness respect and generosity  
▼▼▼  
supporting who we work with and the work they do

### Service matters

#### WE DO THIS BY:

asking questions and listening, with empathy, to understand  
▼▼▼  
helping everyone involved by resolving promptly and accurately  
▼▼▼  
learning from the people we work with and for

### Do the right thing

#### WE DO THIS BY:

being consistent with our talk and walk  
▼▼▼  
acting with honesty and accountability, even when it's hard  
▼▼▼  
giving it our all and delivering



## Mahi ngātahi kia angitu

### MĀ TE:

rapu whakaaro mai i tēnā, i tēnā  
▼▼▼  
whakarite wāhi haumarū  
whakawhitiwhiti whakaaro  
▼▼▼  
whakanui i ia tangata, ōna pūkenga  
me ōna whakaaro

## He tūhonohono

### MĀ TE:

whakarite wāhi whakamana i te  
tangata me tōna whakapapa  
▼▼▼  
whai kia ngākau māhaki, aroha  
ki te tangata  
▼▼▼  
tautoko i tēnā, i tēnā me  
ā rātou mahi



## Awhi mai, awhi atu

### MĀ TE:

whakarongo, mā te ngākau māhaki,  
kia mārama ai  
▼▼▼  
ringa āwhina, mā te ringa horakia  
tika te whakataū  
▼▼▼  
mōhio he akoranga anō kei tēnā,  
kei tēnā, ahakoa ka wai

## Mahia kia tika

### MĀ TE:

whai kia rite te kōrero ki te mahi  
▼▼▼  
mahī pono, ahakoa te aha  
▼▼▼  
whakapau kaha kia tutuki pai

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