



Supplementary Plan Guidance, June 2019

This Supplementary Plan Guidance supports Tertiary Education Organisations (TEOs) to submit an Investment Plan (Plan) for funding for 2020-2022. It also contains important information for TEOs that are exempt from submitting a Plan or parts of a Plan for 2020.

This document should be read alongside our [December 2018 Plan Guidance](#) and the Investment Briefs we publish as part of the [Investment Toolkit](#). It provides information on:

- › our investment priorities for the 2020-2022 Plan round,
- › initial teacher education (ITE) and construction,
- › home-based early childhood education (ECE),
- › how performance information has been used in calculating initial allocations for Student Achievement Component (SAC) funding, and
- › an improved process for your additional funding requests.

Our investment priorities for the 2020-22 Plan round

Our [December 2018 Plan Guidance](#) and [Investment Toolkit](#) products, including Investment Briefs and Focus Area Briefs, outline a number of investment priorities for 2020-2022. These are key areas where we want to increase the sector's contribution to achieving the goals of the [Tertiary Education Strategy](#) (TES) and other government priorities.

Appendix 1 summarises our main investment priorities for this Plan round. This reflects the TES, [Plan Guidance](#), Investment Briefs, Focus Area Briefs and other government priorities.

In the sections below, we provide additional information on two specific priority areas that were included in the [December 2018 Plan Guidance](#), and introduce a new priority area. We are releasing new Investment Briefs for two of these areas, which should be read together with this document.

Initial teacher education (ITE)

We are publishing a new Investment Brief on our approach to investing in initial teacher education (ITE) for the 2020-2022 Plan period and beyond. This brief sets targets for growing Secondary ITE enrolments and creating a more diverse secondary teaching workforce that reflects New Zealand's current and future demographics.

Budget 2019 announced a range of measures to help ensure New Zealand has a sustainable teaching workforce. The announcement included a SAC Level 3 and above funding rate increase for ITE from 2020 with a further increase from 2022, when the new standards recently announced by the Teaching Council become mandatory.

How we will manage our investment in Secondary ITE

We will work with individual TEOs to set agreed targets for growth in Secondary ITE provision. We are focusing on Secondary ITE based on the information that we and Ministry of Education have about the current teacher workforce, current ITE enrolments, and projected future supply needs. This information indicates that Primary ITE enrolments are at an appropriate level and, while some growth in Early Childhood Education (ECE) enrolments would be good, current enrolment levels appear broadly adequate to meet future ECE workforce needs.

We will invest additional SAC Level 3 and above funding to support growth in Secondary ITE towards the targets. If, during the year, a TEO is able to deliver more Secondary ITE than has been agreed with TEC in its Plan, we will provide additional funding to support the extra delivery above Plan commitment levels. This will apply even if the TEO is delivering over 102% of its total allocation.

If you deliver Secondary ITE, your Relationship Manager will contact you directly to discuss how much growth can be achieved. We will support increases in your Plan's Mix of Provision commitments and we will be monitoring enrolments closely through the year.

To ensure the government's investment in ITE is used for the intended purpose, the funding we invest in this area will be ring-fenced. This means that:

- › during the year, after the April and August Single Data Returns (SDR), if a TEO is tracking above or below its Secondary ITE commitments, we will discuss a Plan Amendment to add or remove funding from their allocation, and
- › when calculating full-year delivery after the December SDR, we will be looking at the reported value and volume of Secondary ITE delivery. We will then make additional payments or recoveries where TEOs have exceeded or fallen short of the level of Secondary ITE that was agreed in the initial Plan and its Amendments.

To achieve growth in Secondary ITE enrolments, our focus will be on investing funding in TEOs that have previously delivered this type of provision and where quality is high. Due to recent downturns in enrolments in these programmes, these TEOs should have capacity and capability to grow.

Funding confirmation letters for 2020 will include more information about how we will monitor and adjust ITE funding throughout the year.

Home-based ECE

The Government wants all home-based educators holding at least a Level 4 ECE qualification, or Te Ara Tuarua, the Level 5 kōhanga reo qualification. Over the next few years, the ECE workforce will need to upskill from the current Level 3 certificate to at least a Level 4 certificate.

We want to ensure that the home-based ECE workforce can access tertiary education to meet the new requirement to have a Level 4 qualification. We will engage with TEOs who currently deliver Level 3 about their approach to making the change towards Level 4 in their mix of provision. We will also talk to the TEOs who currently deliver Level 4 about their ability to grow this delivery over time.

We will continue to fund Level 3 provision in 2020, but we will look to reduce our investment over time. We expect all TEOs that deliver Level 3 home-based ECE provision to have a clear plan for reducing this provision in favour of the Level 4 qualifications.

Construction

We have published a new Investment Brief for construction for the 2020-2022 Plan period and beyond. We want to support growth in construction provision and to enable more learners to move into careers in this industry. Growth in construction provision can also help create a more diverse workforce. The Investment Brief is available in the TEC's [Investment Toolkit](#).

We are looking for:

- › increases in enrolments and apprenticeship completions,
- › a reduced parity gap for apprenticeship completions, and
- › increases in the number of women entering construction-related trades.

Using performance information to inform allocations for SAC Levels 1 and 2 and SAC Level 3 and above

In 2018, we introduced a new performance-based element into the way SAC Level 3 and above initial allocations were calculated for 2019. This involves looking at how TEOs are performing in areas where we have set targets in our Investment Briefs (see Appendix 2).

This year, we are extending this approach to SAC Levels 1 and 2. As a first step, we will be assessing past educational performance indicators (EPIs) against our SAC Levels 1 to 3 Investment Brief and engaging with TEOs where needed. Starting from 2020, this EPI analysis will inform SAC Levels 1 and 2 initial allocations for 2021 funding onwards.

While we are making better use of system information, we are not taking a 'one size fits all' approach. We recognise that TEOs have unique roles to play, bring different strengths, and have different challenges to overcome. The priority shifts in the Investment Briefs are system targets, and may not translate directly into specific targets for your organisation. However, it is important that we are all doing everything we can to achieve parity and that our funding supports provision that achieves this.

We will use the priority shifts in Investment Briefs as a starting point for discussion about how you can contribute more to learner success, especially for Māori and Pacific people. We will seek to understand how your EPI performance relates to your organisation's circumstances, its mission and role within the system, and the characteristics of the learners you serve.

We have analysed EPIs against the priority shifts in the Investment Briefs for SAC Level 3 and above

Our analysis looks at your SAC Level 3, Level 4-7 (non-degree), and Level 7 (degree) performance against the priority shifts in the Investment Briefs. The focus of these shifts is on provision that effectively supports Māori and Pacific learners to succeed at all levels, and on provision that supports progression from foundation level study to higher levels.

Our website provides further information about how we have determined your indicative allocation.

An improved approach to additional funding requests

This year we have improved our process for TEOs making additional funding requests to ensure we invest in high performing TEOs that can contribute to achieving our strategic priorities.

This process applies to all TEOs applying for additional funding for 2019 or 2020. The Funds covered include:

- › SAC Levels 1 and 2,
- › SAC Level 3 and above,
- › Youth Guarantee,
- › Industry Training,
- › Adult and Community Education (ACE),
- › Intensive Literacy and Numeracy
- › Intensive Literacy and Numeracy – ESOL, and
- › TEO-led Workplace Literacy and Numeracy funds.

A new form to make additional funding requests is available in our [Investment Toolkit](#). A supporting document is also available providing guidance about the process, what information TEOs need to provide, and how the TEC will assess requests and make decisions. To be considered, additional funding requests must be made using this form.

Information about the criteria that we will use to assess requests is available in the [Investment Toolkit](#). You can use these criteria to self-assess whether you are likely to be successful in requesting additional funding for a particular fund.

Where a TEO is submitting a Plan or parts of a Plan such as a new Mix of Provision or EPI Commitments for 2020, we will look at additional funding requests at the same time that we consider the Plan. Our decisions will be handled as part of the Plan assessment and funding approval process.

Appendix 1. Priorities for the 2020-2022 Plan round

These two tables provide a summary of our priorities. They reflect the TES, [Plan Guidance](#), Investment Briefs, Focus Area Briefs and other government priorities.

More information on our broader and more targeted priorities is provided in our [Investment Toolkit](#) and [Plan Guidance](#).

Broader priorities

Priority Area	Our goals	Key success indicators
<i>Parity of participation and achievement for all learners</i>	<p>By 2022, we want:</p> <ul style="list-style-type: none"> Parity of participation for Māori and Pacific Peoples* Parity of achievement for Māori and Pacific Peoples ** Patterns of participation for Māori and Pacific Peoples that will lead to better outcomes 	<ul style="list-style-type: none"> TEO Plan commitments for 2020-2022 will close the gap for Māori and Pacific Peoples in the specific areas where we have set targets in Investment Briefs TEO Plans outline credible initiatives to achieve these commitments in these areas TEOs make real organisational commitment to improve
<i>Provision with good post-study outcomes</i>	<ul style="list-style-type: none"> TEOs use post-study outcomes data to inform decisions about the provision they offer Increasing our investment in provision that leads to better outcomes for learners 	<ul style="list-style-type: none"> Growth in provision with better outcomes TEOs shift out of, or improve, areas of provision with poorer outcomes, including those noted in Investment Briefs
<i>TEOs' Plans respond to employer/industry needs</i>	<p>Supporting proposals to change/grow provision that:</p> <ul style="list-style-type: none"> provide evidence of employer/industry need are in areas where we want to increase provision 	<ul style="list-style-type: none"> Growth in provision with high relevance to employers/industries TEOs shift out of areas of provision with lower relevance to employers/industries
<i>TEOs' Plans respond to specific regional aspirations</i>	<p>Supporting proposals to change/grow provision that:</p> <ul style="list-style-type: none"> provide evidence of regional need are in areas where we want to increase provision 	<ul style="list-style-type: none"> Growth in provision with high relevance to regional needs TEOs shift out of areas of provision with lower relevance to regional need

*compared to general population or regional catchment for PTEs/ITPs

** compared to 15-39 year old non-Māori, non-Pacific learners rates in 2016

Targeted priorities

Priority Area	Our goals	Key success indicators
<i>Increasing Secondary ITE provision</i>	<ul style="list-style-type: none"> Supporting a high quality, diverse, sustainable teaching workforce An increase in enrolments that lead to growth in the number of Secondary School teaching graduates 	<ul style="list-style-type: none"> TEO plans for 2020-2022 commit to Secondary ITE growth, and outline credible initiatives to achieve these commitments Growth in the number of learners enrolling in Secondary ITE programmes
<i>Construction</i>	<ul style="list-style-type: none"> More learners completing and moving into the industry A more diverse workforce Greater parity for apprenticeship completions 	<ul style="list-style-type: none"> Increased completions in apprenticeships A reduced parity gap for apprenticeship completions, and Increases in the number of women entering construction-related trades.
<i>Food and Fibre (Primary Industries)</i>	<p>We want to:</p> <ul style="list-style-type: none"> grow key areas of provision support learners to make the most of the career opportunities in the food and fibre sector. 	<p>Growth in:</p> <ul style="list-style-type: none"> Level 4 apprenticeships and related pathways Levels 5-6 provision related to management capability in the food and fibre sector Food and fibre sector-specific degree provision Food and fibre sector-specific Levels 8-10 provision
<i>Science, Technology, Engineering, and Maths (STEM) & Information Technology innovation skills</i>	<p>More graduates with skills for the knowledge economy and innovation</p>	<p>Increases in this provision at Level 7 degree and above</p>
<i>Home-based Early Childhood Education (ECE)</i>	<p>Government is moving towards all home-based educators holding at least a Level 4 ECE qualification, or Te Ara Tuarua, the Level 5 kōhanga reo qualification.</p> <p>We need to ensure that home-based ECE workforce can access tertiary education to meet the new requirement to have a level 4 qualification.</p>	<p>A shift from TEOs delivering Level 3 to TEOs delivering the relevant Level 4 and Level 5 qualifications</p>

Priority Area	Our goals	Key success indicators
<i>Innovative delivery, micro-credentials</i>	We want to invest in well-designed micro-credentials to meet the needs of learners, communities, and industries, and support government priorities.	Growth in micro-credentials that meet stakeholder needs

Appendix 2. Priority shift targets set in the Investment Briefs for SAC funding

Level	Ethnic Group	2020 Targets			2022 Targets		
		First year retention rate	Course completion rate	Progression rate from levels 1-3	First year retention rate	Course completion rate	Progression rate from levels 1-3
Level 1	n/a	n/a	72.3%	46.5%	n/a	80.0%	50.0%
Level 2	n/a	n/a	77.1%	48.4%	n/a	80.0%	50.0%
Level 3	n/a	n/a	78.0%	42.0%	n/a	80.0%	50.0%
Level 4 to 7 Non-Degree	Māori	45.6%	77.3%	n/a	55.0%	81.7%	n/a
Level 4 to 7 Non-Degree	Pacific Peoples	48.7%	76.3%	n/a	55.0%	81.7%	n/a
Level 4 to 7 Non-Degree	Non-Māori and non-Pacific	49.7%	81.7%	n/a	55.0%	81.7%	n/a
Level 7 Degree	Māori	70.3%	84.6%	n/a	76.0%	88.2%	n/a
Level 7 Degree	Pacific Peoples	73.7%	81.2%	n/a	76.0%	88.2%	n/a
Level 7 Degree	Non-Māori and non-Pacific	76.0%	88.2%	n/a	76.0%	88.2%	n/a