



Tertiary Education  
Commission  
Te Amorangi Mātauranga Matua



**Briefing for the Incoming  
Minister for Tertiary Education and Skills**  
November 2023



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## Key messages

The fundamentals of New Zealand's tertiary education system are relatively strong. New Zealanders can access high quality tertiary education and training around the country and online. Our universities are all ranked in the top three percent in the world, and the system overall is characterised by high calibre teachers, academics and researchers. Employment outcomes for learners are good, and New Zealand is an attractive destination for international students – which strengthens our connections with the global community.

However, the many positive aspects of the New Zealand tertiary system do not mask the severe challenges facing many parts of the sector right now. There are several issues you will need to consider in the coming year if New Zealand is to retain a strong, financially sustainable tertiary system that adds value to the New Zealand economy and society. We will provide you with more detailed advice in due course, but our key messages for you as the new Minister for Tertiary Education and Skills are:

- › **The university sector faces unprecedented financial challenges**

The university sector plays a vital role in our tertiary system and receives over half of all TEC funding. Government funding to the sector has fallen well behind inflation in recent years, and COVID-19 border closures reduced international fee revenue. Many institutions have also been slow to adjust to declining domestic learner numbers and shifting patterns of enrolment. The varied institutional responses to these financial pressures continue to impact the range of programmes and services being delivered, and the network's overall capability and capacity for higher education and research is at risk.

- › **Other parts of the tertiary sector also face financial sustainability issues**

Many of the issues facing universities are also facing other parts of the tertiary sector. In particular, Te Pūkenga and a growing number of private training establishments (PTEs) are considered high risk. As the government controls most of the revenue that tertiary education organisations (TEOs) receive, you will need to consider funding and financing options for the tertiary sector as a matter of priority.

- › **There remain large disparities in learner outcomes that need to be addressed**

The tertiary education system does not deliver good results for everyone. Persistent educational disparities need to be addressed to better enable New Zealand's economic prosperity. The TEC is committed to supporting the sector to achieve equity of educational outcomes. To realise this goal, organisations must become learner-centric and fully invest in prioritising learner success. This requires organisations to re-examine how and what they deliver to their learners and to take a whole-of-organisation approach to achieving equity of educational outcomes.

- › **The tertiary system needs to be more responsive to what industry and employers need, especially as the workforce and economy change**

In an environment of constant change, the tertiary education system needs close connections with industry so that learners gain the relevant and up-to-date skills and knowledge that

employers need. Significant progress is being made to establish an independent voice for all industry sectors, supporting providers to respond to industry needs. There are further opportunities to ensure the tertiary system is flexible and responsive enough to support a growing New Zealand economy.

› **The sustainability of the vocational education and training system remains uncertain**

We are aware you have made commitments relating to Te Pūkenga. There are a range of issues and challenges regarding financial viability that would need to be considered given the former institute of technology and polytechnic network remains unprofitable. We will work with you on how you envisage making changes to the sector to deliver a financially sustainable model and a high-performing vocational education and training system.

## The priorities as we see them ...

Below is a summary of the TEC's current top priorities across New Zealand's tertiary education and careers system. These are mapped to the key messages above and indicate where we plan to provide you with more detailed briefings soon.

We will brief you on the TEC's other priorities and key areas of work in due course.

### Many tertiary education providers face significant sustainability issues

Since 2019, the tertiary sector has faced a range of challenges that have impacted on financial performance. While each TEO has responded differently, and some have managed the challenges better than others, the key causes are these:

- › Increases in government-controlled revenue sources<sup>1</sup> have fallen well behind inflation since 2020, after tracking relatively closely in the 10 years prior.
- › Full-fee international enrolments fell sharply during COVID-19 due to border closures. While growth has been stronger than expected in 2023, most providers remain below pre-COVID-19 levels and there has been significant forgone revenue over the past four years.
- › Over the past two years, domestic enrolments have fallen by more than the sector expected. Following a 12 percent increase in domestic enrolments in 2021, they fell again by eight percent (though some providers face larger declines as they have lost market share).
- › Constrained revenue and high inflation have made it difficult for providers to respond to increases in general operating costs, provide staff with pay increases aligned to inflation, and deliver capital projects and other strategic initiatives.

As a result, many parts of the sector are reporting deficits, and some providers are experiencing liquidity challenges. This has required organisations to implement staff restructuring, seek operating savings, defer capital projects, sell surplus assets, and revise operating models. To a

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<sup>1</sup> Tuition subsidy rates, the Annual Maximum Fee Movement, the Performance-Based Research Fund, and other public research funds.

degree, the level of change required by individual organisations relates to how quickly (or not) they have responded to lower enrolment trends and changing learner preferences. Currently, two universities and Te Pūkenga are considered high-risk. In the PTE sector, many are under pressure and closures are increasing.

Providers are having to make trade-offs between ensuring short-term viability and making long-term shifts to better meet learner and stakeholder needs (eg, greater flexibility in offerings). The latter would likely support longer-term financial sustainability. The sector's governance and management capability is being tested as providers navigate this period.

The financial situation in the sector is a substantive issue that we are monitoring closely. In particular, the challenges facing the university sector are unprecedented. Widespread uncertainty and risk remain. For the first time on record, the sector is forecasting a deficit in 2023, and another deficit is forecast in 2024. We are closely monitoring the performance of several universities and considering what levers can be used to mitigate risks to the Crown and the nation's network of provision.

As Minister, you hold several key levers that could influence the funding and financing of the sector. However, the government needs to be clear on the outcomes it wants to achieve through tertiary education, including the extent to which it wants to create an environment that drives economies of scale, specialisation and differentiation of provision. The current position of the tertiary sector has highlighted some underlying issues around how TEOs, particularly universities, deliver for learners, undertake research, and support New Zealand's skill needs. This includes the operating models they use and how they approach and fund infrastructure requirements.

The Ministry of Education (MoE) has scoped options for a potential review of higher education funding and financing. This would be a vehicle to address funding pressures and other objectives by considering the quantum of funding, policy settings, and/or accountability structures. While this review is proposed to focus on provision at degree-level and above, the challenges are wider than higher education. In particular, we consider that questions about the sustainability of the vocational education and training sector need to be addressed as part of your plans for the future of Te Pūkenga.

### **Tertiary education is key to unlocking both productivity and social mobility**

While world-class in some respects, our tertiary education system does not deliver good outcomes for everyone. There are long-standing equity-of-outcome issues for groups within the system, including Māori, Pacific, those from lower socio-economic groups, and disabled learners, which have not been addressed effectively in the past. Disparities are worst at degree level. In 2022, the qualification completion rate for learners enrolled in a degree was 63 percent. But more than half of Māori and Pacific learners who enrol in a degree will not gain that qualification. In 2022, qualification completion was 49 percent and 44 percent respectively.

By 2043, around a third of New Zealand's population will be Māori or Pacific; Māori are projected to make up 21 percent and Pacific peoples 11 percent. Both will have a young profile, with 33 percent of Māori and 19 percent of Pacific people being under 14 years old.

Achieving equity of outcomes is critical to meeting New Zealand's future skill needs. If we do nothing, there will be ripple effects for our economy – loss of human capital, decreased social mobility and increased social dependency.

Improving completions is not just good for New Zealand's economic prosperity; it makes financial sense for tertiary providers. Research indicates that, on average, 20 percent of people who are new to university education are not retained to their second year. This equates to an estimated financial loss to the universities of \$169 million in tuition subsidies and student fees. Given the financial issues currently facing many providers, there are compelling financial returns on investment in learner success initiatives, through increased learner retention and progression.

Internationally, tertiary education organisations and systems that have made material progress in improving achievement for under-served groups of learners have used a 'learner success' approach. Effective investment in learner outcomes requires an intentional, sustained, and whole-of-organisation commitment to put learners at the centre. The system and providers need to change if we are to achieve equity of outcomes and financial sustainability.

Based on this overseas evidence, the TEC has developed and tested a Learner Success Framework for New Zealand in collaboration with the sector. Through our investment, monitoring and system-stewardship functions, we are supporting tertiary providers as they design and implement their learner-centric operating models. These approaches will not only support a more equitable tertiary system for all learners. They will deliver significantly more qualified workers into the labour market.

Another core role for the TEC in supporting learners is delivery of quality careers information. Our careers role closely complements our investment in the tertiary education system and supports lifelong learning. The previous government appointed TEC as the system leader for careers. We are working with key careers industry groups, the private sector and government agencies to take an 'all of system' view on improving careers information and guidance. A key component of that approach will be to pilot our interactive careers planning website – Tahatū in secondary schools in 2024. We will provide you with a comprehensive briefing on our careers work, including Tahatū, in the coming weeks.

### **There are opportunities to improve the system for employers and industry**

The world of work is changing, with an ageing and increasingly ethnically diverse workforce, increased automation and technological change, and different expectations of what work looks like from both employers and employees. In this environment of constant change, it is more important than ever that the tertiary education system is closely connected with industry and that learners gain the relevant and up-to-date skills and knowledge that employers need.

It is critical that industry has an independent voice in the tertiary system which effectively influences providers to deliver the skills that employers need, and to respond to demand signals. Workforce development councils are currently playing this role in the vocational space. Many organisations and agencies are seeking their input into relevant initiatives, and this is delivering tangible results. However, there are opportunities to explore how industry voice is captured across other parts of the tertiary sector.

A range of other opportunities exist to improve how the system responds to employer and industry needs:

- › More responsive forms of educational provision, such as micro-credentials, will reduce the lag time in the design and delivery of skills training.
- › Greater coordination between the immigration system and tertiary education is also needed, to provide a balance between immigration that meets short-term skill needs and a tertiary system that is building a pipeline to meet skill needs in the medium to longer term.

We are also interested in discussing with you current impediments to innovation in the approach to occupational regulation for some professional workforces. For example, workforces regulated through legislation offer limited opportunities to consider alternative approaches for training and qualification. This is contributing to a lack of supply for the labour market. While a balance must be struck between enabling innovation and maintaining highly trained and qualified workforces, we consider there are opportunities for education and labour-market-focused agencies to develop more enabling occupational regulation settings.

Degree apprenticeships are increasingly being deployed internationally to enable industry to shape and develop skilled employees, while also strengthening pathways into employment for graduates. This includes areas that traditionally do not have work-based training, such as financial services and information technology. The TEC has funded a local trial in engineering degrees which showed good employer buy-in and feedback for such an approach. To grow this approach would require a review of both the current funding settings for higher education and the wider regulation of qualifications.

We would also support a review of foundation education settings, including for the delivery of literacy and numeracy in the workplace. A lack of literacy, numeracy and broader foundation skills constrains economic productivity and business growth, limits household incomes and wider social outcomes, and prevents further upskilling.

Currently, foundation and community education consists of a large number of small funds. In 2023, eight percent (\$303.5 million) of TEC's total funding was invested in foundation and community education, but this was spread across 11 funds (further expanded to 18 separate initiatives). There is limited alignment across these funds and other government-funded programmes, and the complex funding rules across multiple funds make it hard for learners or providers to effectively navigate the system. A fundamental review of foundation education could deliver simplified funding mechanisms to improve learner outcomes. This would, in turn, support workplace productivity and result in a more skilled workforce.

### **The future of the vocational education and training system**

Before implementation of the previous Government's reforms of vocational education, there were a range of issues across the vocational education and training sector that needed addressing. In particular, many institutes of technology and polytechnics were unsustainable, and the previously split vocational education system (with a clear separation of provider-based and work-based training) was not adequately meeting the needs of learners, employers and regions.

While Te Pūkenga has made progress towards moving to a single, national vocational education and training network, substantial work is still needed before it is financially sustainable and achieves the outcomes sought through the reforms.

We are aware that you have made commitments around Te Pūkenga. To ensure financial sustainability, there are a range of issues and challenges to consider given the network remains unprofitable. In particular Te Pūkenga is forecasting a 9(2)(b)(ii) for the former ITP network in 2023 after reporting a \$119 million deficit in 2022. Considerable changes would be needed to support a viable system going forward.

Over the coming weeks, we will provide you with detailed advice on Te Pūkenga's current performance and its progress to date. We will engage with you further to understand your ambitions for the vocational sector and how changes can be implemented and funded to ensure New Zealand has a financially sustainable vocational education and training system that delivers high-quality outcomes.

### Other key issues we are working on and want to raise with you

Our BIM has focused on the major issues presently facing the tertiary sector. However, there are a range of other issues we need to advise you on:

- › **Cyber security:** There is ongoing risk globally, and the tertiary education sector is an attractive target. Several cyber events have impacted tertiary education institutions in recent months. We have been working closely with the sector, but further work is needed on how we address cyber security issues and build appropriate capability.
- › **Research funding:** Research is a critical part of our higher education system, with outcomes that have considerable economic and societal benefits. While a range of government agencies support the research and innovation system, we consider there are opportunities to achieve greater benefits through a more connected approach to research funding. In particular, the performance-based research fund (PBRF) has not had a funding increase since 2018. There is an opportunity to review it to ensure it reflects current strategic interests and that its administration costs represent value for money. Te Ara Paerangi<sup>2</sup> also has implications for wider research funding, including the PBRF, which needs consideration.

There are also several other opportunities to improve how the system supports learners. These include:

- › **A strong careers system** - There is an opportunity to support economic recovery with a strong careers system that helps people get into sustainable work. TEC has completed a National Careers System Strategy that has a vision to make it easier for people to make career decisions and transitions. We are just beginning implementation of the strategy, with an action plan of deliverables within the next two years. The first of these deliverables in 2024, is to pilot our

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<sup>2</sup> Te Ara Paerangi – Future Pathways is a multi-year reform programme that is building a future-focused research, science, and innovation system that makes the most of the opportunities and challenges ahead for Aotearoa New Zealand.

new interactive website (Tahatū) in secondary schools. This will give every student the ability to identify their interests, explore work and study opportunities and complete a career plan.

- › Exploring the potential development of a national student survey to improve learner performance data, drive accountability and enable more learner-centric decision making.

**In the coming weeks we will provide you with more comprehensive briefings on:**

- › Financial performance and sustainability of the tertiary system
- › Learner Success
- › Te Pūkenga and the health of the vocational education and training system.

Please let us know if you wish to commission additional briefings on specific issues.

## Part Two: Matters requiring your attention in the coming months

# 9(2)(f)(iv)

### **Making Ministerial appointments is a statutory function for you as Minister**

As Minister for Tertiary Education and Skills, you have a statutory responsibility to make appointments to the governing councils of the eight universities, two of the three wānanga, Te Pūkenga, and two of the six workforce development councils. Up to 24 appointments are due for Ministerial consideration and completion in 2024, with up to 16 of those falling due by March 2024.

We intend to give early priority to appointments to Te Pūkenga (4), Massey University (2), Victoria University of Wellington (1) and Auckland University of Technology (3). Massey and Victoria have significant change programmes underway, and AUT's potential three vacancies are 25 percent of council membership. Te Pūkenga is undertaking a significant work programme, and the four potential vacancies are one-third of the maximum membership. You also appoint the Chair and Deputy-Chair of Te Pūkenga, and the current Chair's term is one of the four expiring at the end of March 2024.

You must consult with university chancellors, and they may recommend the reappointment of a current member or make other nominations for any vacancies. These recommendations are considered by you alongside a shortlist of others (if any) from your colleagues and the nominating agencies. You are not required to consult with the Chair of Te Pūkenga.

We will provide you with more detailed briefings on the process and timings in the coming weeks. Because of the constitutional arrangements around the election, and the proximity of Parliament's summer recess to the formation of a new government, we will have a lot to progress in a relatively short time. Ideally, we want to complete the nominations process before the recess. This will mean we can prepare advice ready for you to take appointments to the Appointments and Honours Committee when Parliament resumes.

### **Review Te Pūkenga Accountability Documents**

The Education and Training Act 2020 requires Te Pūkenga to submit its draft Statement of Intent (SOI) and Statement of Performance Expectations (SPE) to the responsible Minister by the end of October for consideration. As Minister, you must provide any comments back to Te Pūkenga no later than 15 days after receiving the documents. This timeline has already passed, however, you may still wish to provide feedback for the Council to consider before it finalises its SOI and SPE before the beginning of the financial year. We will provide you with advice to support this process.

OUR STATUTORY FUNCTIONS ARE SET OUT IN THE EDUCATION AND TRAINING ACT 2020

Give effect to the

## TERTIARY EDUCATION STRATEGY



— by —

FUNDING TERTIARY EDUCATION ORGANISATIONS, growing their capability and monitoring their performance



## ADVISE THE MINISTER

— on —

tertiary education organisations and sector performance and on the operational impact of policy

## PROVIDE INFORMATION AND SERVICES



To help career seekers prepare to move to work or further study



## COLLECT — and — PROVIDE

information about study and work options

## STRENGTHEN THE CONNECTIONS from EDUCATION to EMPLOYMENT



## Part Three: The Tertiary Education and Careers System and the TEC

### The tertiary education and careers system is vital for New Zealand's productivity

The tertiary education and careers system is a significant contributor to a strong society and thriving economy. It drives better economic, social and cultural outcomes for people, communities and industry, creates new knowledge and improves productivity.

High quality, accessible careers information supports New Zealanders and their whānau to successfully prepare for the future by making good career decisions, and the skills and knowledge people gain through tertiary education improves their chances of employment and increases their earnings.

### The TEC is the government's key agency for investment in tertiary education and careers services

The Tertiary Education Commission (the TEC) is a Crown agency established under the Crown Entities Act (2004) and we are governed by a Board of Commissioners appointed by and responsible to you as Minister. As a Crown entity we give effect to government policy as directed by you.

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. We are also New Zealand's lead careers agency and 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

- › giving effect to the Government's Tertiary Education Strategy (TES) by funding tertiary education organisations, growing their capability and monitoring their performance.
- › collecting and providing information about study and work options.
- › providing information and services to help career seekers prepare to move to work or further study.
- › strengthening the connections from education to employment, and
- › advising the Minister on tertiary education organisations and sector performance and on the operational impact of policy.

We work closely with other entities in the New Zealand education system, including the Ministry of Education (which is responsible for setting strategic policy), and the New Zealand Qualifications Authority (which is responsible for quality assurance of the tertiary system).

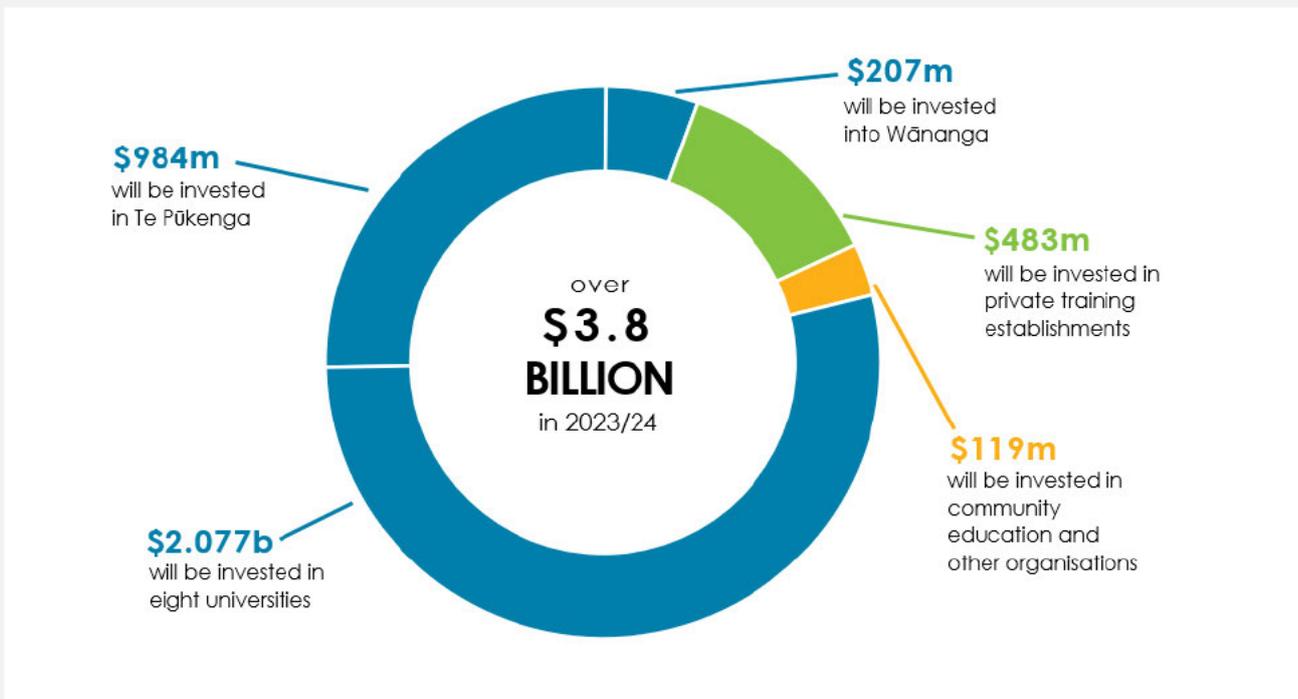
## The Tertiary Funding System

The TEC’s investment in the tertiary education system is driven by the Tertiary Education Strategy (TES) which sets out the Government’s current and medium term priorities and long-term strategic direction for tertiary education. It is the vehicle for communicating the Government’s vision for the system as a whole and the areas that it wishes to focus on in terms of its priorities.

In 2023 the TEC is investing over \$3.8 billion in the tertiary education and careers system. This supports more than 700 tertiary education organisations across New Zealand to provide all forms of post-secondary-school education, including foundation education, vocational education and training, and higher education (including research).



## TEC-funded tertiary education organisations 2023/24<sup>3</sup>



<sup>3</sup> Figures reflect the amount we are budgeted to spend through our appropriations in 2023/24. Further information can be found in our Statement of Performance Expectations 2023/24.

### **The TEC is also the statutory monitor of New Zealand’s public tertiary providers**

The TEC is also responsible for monitoring the operation and long-term viability of New Zealand’s public tertiary providers – universities, wānanga, and Te Pūkenga.

These institutions are Crown entities and form the core of New Zealand’s public tertiary education system – meaning a risk to their operation or viability presents both a fiscal risk to the Crown and a risk to New Zealand’s public network of tertiary education.

The TEC undertakes comprehensive monitoring of the financial performance and sustainability of these institutions. Due to the Crown’s ownership interest, the TEC also assesses these institutions’ requests to exercise powers such as borrowing commercially or disposing of assets; and maintains a view of their capital plans and capital asset management capability. We also regularly assess governance capability across the sector and use these assessments to support the Minister in making future appointments to the councils of institutions.

Where institutions are at risk, the TEC can intervene or advise the Minister to intervene to ensure risks are addressed.

### **The TEC is New Zealand’s lead careers agency**

The TEC has a legislative role to provide occupational and educational information, and to build linkages between schools, tertiary providers, employers, and communities to ensure learners are ready for employment and further study.

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

As leader of the careers system, it is TEC’s responsibility to coordinate and lead the cross-agency implementation of the National Careers System Strategy. TEC will also continue to develop the new career website, Tahatū, and deliver the Inspiring the Future programme.

### **The TEC’s education, training and career pathways support equitable outcomes and an inclusive society**

To ensure all learners receive the support they need to succeed in education, the TEC works 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 use a suite of levers to support the changes needed across the sector to enable learner success. Our four key levers are:

- › Investment - to provide the right incentives to all parts of the system to focus on the needs of learners.
- › Monitoring - targeted and meaningful that provides rewards for strong performance and consequences for poor tertiary education organisation performance.

- › Careers information and tools - to redress the information imbalance in the system and allow learners and their whānau to make the best education choices.
- › The TEC's internal capability – this continues to shift to ensure we lead by example and be a learner-centric, equity-minded, and culturally affirming organisation, and one that is focused on honouring Te Tiriti o Waitangi and building stronger relationships with iwi.

Learner success is part of the Investment process, the TEC has recently made a requirement that all large tertiary providers produce Learner Success Plans (LSPs) and Disability Action Plans (DAPs). These plans detail how the organisation will achieve educational equity for their learners. New Zealand has significant disparity between educational outcomes for different learner groups, such as Maori and Pasifika learners.

We use these plans to inform funding decisions and to 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.

The TEC now has a baseline for where a large portion of the system is at on the learner success journey, and this enables us to understand the distance needed to travel to achieve system-level educational equity.

### The Tertiary Education Strategy

The Tertiary Education Strategy (TES) sets out the long-term strategic direction for tertiary education, including economic, social, and environmental goals, and the development aspirations of Māori and other population groups. As Minister, you are responsible for the issuing of government strategies and guiding documents for the sector such as the TES. You may wish to review and update the TES to reflect your priorities for the sector.

The current TES is built on five objectives for education, which outlines where we are focused to improve outcomes and wellbeing across the education system:

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

### Our approach to strategy

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

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

### **Our Purpose**

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

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**

Our vision is 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.

### **TEC honours Te Tiriti o Waitangi and supports Māori-Crown relationships**

Section 4 of the Education and Training Act 2020 states that the purpose of the Act is to establish and regulate an education system that honours Te Tiriti o Waitangi and supports Māori-Crown relationships. The Act sets a clearer standard for Te Tiriti o Waitangi than previous social policy legislation. It provides a great emphasis on 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.

## Part Four: How we work with you

### The TEC Board of Commissioners

As a Crown entity we are governed by a Board of Commissioners, whom you appoint. The TEC Board currently has seven members (profiled in Appendix A), chaired by Jenn Bestwick. You can influence the direction of the TEC through your appointments to our Board.

The TEC Board:

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

### Chief Executive and Executive Leadership Team

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

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We welcome the opportunity to meet with you and discuss in more detail the matters raised in this briefing, as well as any matters you wish to raise with us.

While your primary relationship with TEC is through the Board Chair, the Chief Executive, Deputy Chief Executives, and subject matter experts are available to meet with you regularly to keep you informed on the work we are doing.

In the past, we have also met with the Minister alongside our education agency colleagues, over to you on how you would like to manage this.

### Monitoring of TEC performance

The Ministry of Education (MoE) leads the monitoring of TEC's finances and performance on your behalf. It is also supported by the Ministry of Business, Innovation and Employment (MBIE).

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

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

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

# Our tertiary education learners

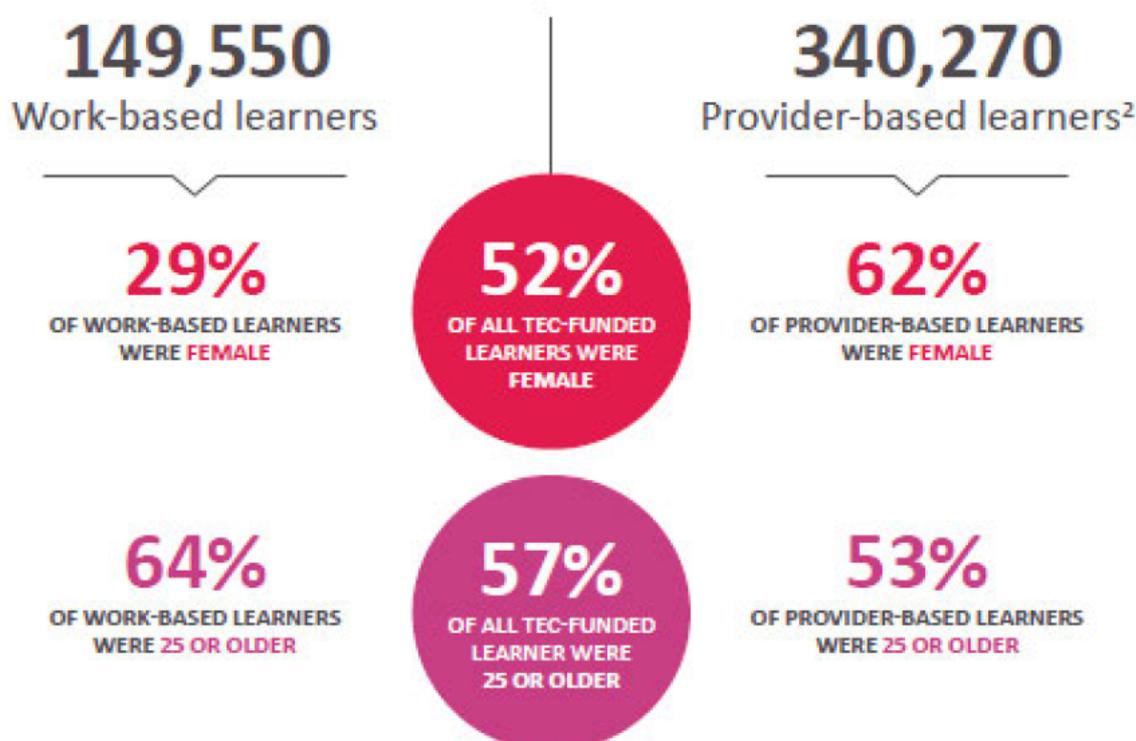
## TEC-funded learners<sup>2</sup>



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 (478,985), and aggregated percentage values may exceed 100%.

## TEC-funded learners included



## TEC-funded learners completed their study and training in 2022<sup>1</sup>



In addition to the TEC-funded learners, there were 30,100 provider-based international fee-paying learners. 89% of these international learners were from Asia<sup>3</sup>

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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

11%

CANTERBURY



19%

OF LEARNERS STUDIED  
AT LEAST ONE COURSE  
EXTRAMURALLY



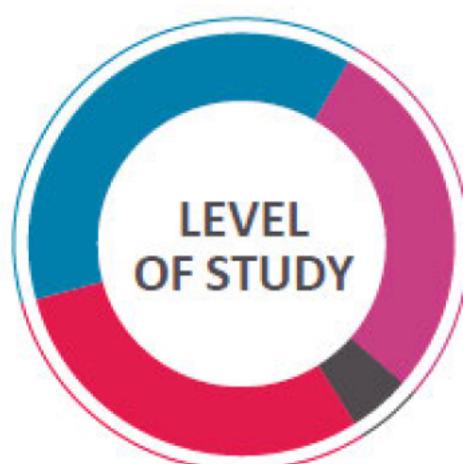
## Learners studied and trained at these levels<sup>2</sup>

39%

HIGHER EDUCATION  
(LEVELS 7 DEGREE  
AND ABOVE)

29%

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



31%

VOCATIONAL EDUCATION:  
WORK-BASED  
(ALL INDUSTRY TRAINING)

5%

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 (478,985), and aggregated percentage values may exceed 100%.

## Appendix: The TEC Board and Executive Leadership Team

### The TEC Board of Commissioners



#### **Jenn Bestwick (Chair)**

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

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

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

Originally from the UK, Jenn moved to Aotearoa New Zealand in 1989 and worked for international accounting and consulting firm KPMG before moving to Christchurch where she spent 7 years working with South Island iwi Ngāi Tahu and as the CEO for a private surgical hospital.



#### **Dr Wayne Ngata (Deputy Chair)**

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*Ngāti Ira, Ngāti Porou, Te Aitanga a Hauiti*

Wayne joined the Board in November 2019 and in 2023 was appointed Deputy Chair. His wealth of experience gives strength to our equity focus and integrates te ao Māori and mātauranga Māori into TEC's governance processes, particularly in honouring the principles of Te Tiriti o Waitangi partnership.

Wayne is a strong supporter of the revitalisation of te reo Māori and education models that are underpinned by Māori processes. He has had a number of academic, management and governance roles, particularly as Chair of Te Taumata Aronui (MoE) and Te Pae Roa.

Raised in the Tairāwhiti, Wayne resides in Ūawa (Tolaga Bay). He is a specialist in Māori literature, specifically mōteatea, and a long-time practitioner, composer and advocate of haka. Wayne is also a practitioner of waka hourua navigation and voyaging, and is currently secretary of Te Hau Kōmaru National Waka Hourua Charitable Trust. He was invested as a Member of the New Zealand Order of Merit in 2020 in recognition of his continuous contribution to Māori and education.



## Dr Alastair MacCormick

*Commissioner, Chair Whatitata Whakau – Risk and Assurance Committee*

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

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

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

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

Alastair was awarded a Companion of the New Zealand Order of Merit in The Queen's Birthday and Platinum Jubilee Honours for services to tertiary education and the community.



## Vivien Sutherland-Bridgwater

*Commissioner, Chair Ohu Tangata – People and Culture Committee  
(Ngāti Whātua)*

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

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

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

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



## **Kirk Hope**

*Commissioner*

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

Kirk brings more than his knowledge and understanding of business to TEC. He has held the positions of CEO of the New Zealand Bankers' Association and Executive Director of the Financial Services Federation, along with several executive positions in both the government and banking industries.



## **Samuelu Sefuiva**

*Commissioner*

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

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

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



## **Deidre Shea**

*Commissioner*

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

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

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

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

## The TEC Executive Leadership Team



### Tim Fowler

*Chief Executive*

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

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



### Gillian Dudgeon

*Deputy Chief Executive, Delivery Directorate*

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

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



### Morgan Healey

*Acting Deputy Chief Executive, Ōritetanga Learner Success Directorate*

Morgan has been our Manager Ōritetanga Learner Success since November 2019 and is now Acting DCE. The team is responsible for supporting the organisation to deliver system-level equity in participation and performance for all learners.

Since completing her PhD in 2010, Morgan has spent the majority of her professional career at the TEC, working in a variety of roles: from working with the institutes of technology and polytechnics and wānanga sector, to implementing the Tertiary Education Strategy and delivering the 2018 PBRF Quality Evaluation.

Morgan briefly worked in the non-profit sector in the US, where her work focused on how social needs, like food and housing insecurity, should be considered a part of basic healthcare.



### **John Soulis**

*Deputy Chief Executive, Corporate and Finance Directorate*

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

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

A CA qualified accountant, John has over 30 years' experience in financial services, banking and telecommunications.



### **Mathew Pawley**

*Deputy Chief Executive, Information Directorate*

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

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



### **Nina Ive**

*Deputy Chief Executive, Careers and Investment Design Directorate*

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

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