



## Education Report: Pastoral Care of Domestic Tertiary Students – funding for code administration and disputes resolution scheme

<b>To:</b>	Hon Chris Hipkins, Minister of Education		
<b>Date:</b>	09 December 2020	<b>Priority:</b>	Low / Medium / High
<b>Security Level:</b>	In Confidence	<b>METIS No:</b>	1244594
<b>Drafter:</b>	Colleen Slagter	<b>DDI:</b>	§ 9(2)(a)
<b>Key Contact:</b>	Julie Keenan	<b>DDI:</b>	§ 9(2)(a)
<b>Messaging seen by Communications team:</b>	Yes / No	<b>Round Robin:</b>	Yes: forward to Minister of Finance

### Purpose of Report

This report seeks your agreement to use the Budget 2020 tagged operating contingency for the Administration of the Code of Practice for Pastoral Care of Domestic Tertiary Students to:

- fund the New Zealand Qualifications Authority (NZQA) to administer the Education (Pastoral Care of Domestic Tertiary Students) Interim Code of Practice 2019 (Interim Code) and the replacement ongoing Code for domestic students
- fund the Ministry of Education to deliver the associated Disputes Resolution Scheme.

Further advice about the replacement code, disputes resolution scheme, and any associated legislation changes will be provided in 2021.

### Summary

- 1 This paper seeks joint Minister agreement (Minister of Education and Minister of Finance) to the draw-down of the contingency for administration of the Education (Pastoral Care of Domestic Tertiary Students) Interim Code of Practice 2019 (Interim Code) in 2021, and the design, implementation, and administration of the ongoing Code and associated Dispute Resolution Scheme from 2021/22.
- 2 Budget 2020 established a contingency for funding the administration of the Code of Practice for the Pastoral Care of Domestic Students (Code) and associated Dispute Resolution Scheme, and authorised Joint Ministers to draw-down the contingency once Cabinet had considered next steps for the Code and upon agreement of costs [CAB-20-MIN-0155.33 refers].
- 3 Subsequent to Budget 2020 decisions, on 2 June 2020 Cabinet decided to amend the legal requirement to replace the interim Code, extending its expiry until January 2022 due to COVID-19. These decisions represent Cabinet consideration of the next steps for the Code, by extending the status quo. Cabinet also rescinded the decision to invite

the Minister of Education to report back to Cabinet Social Wellbeing Committee with a proposed draft ongoing Code, dispute resolution scheme, and cost-recovery options by June 2020 [CAB-20-MIN-0253 refers].

4 Funding is required for:

- a. the administration, from 1 January 2021, of the Education (Pastoral Care of Domestic Tertiary Students) Interim Code of Practice 2019, which sets out a general duty of pastoral care that tertiary education providers have for domestic tertiary students, and specific requirements for those who provide student accommodation.
- b. the administration of an ongoing code, which will take effect from 1 January 2022
- c. the operation of a Student Contract Disputes Resolution Scheme (DRS), which will resolve contractual and financial disputes between students (and former and prospective students) and providers, takes effect from 1 January 2022.

5 New Zealand Qualifications Authority (NZQA) is the current Code administrator and is in the process of delegating some university-focussed code administration functions, duties, and powers to Universities New Zealand.

6 The paper proposes drawing down code administrator funding for:

- a. NZQA, the code administrator, to administer the Interim Code during 2021 and a replacement Code thereafter (\$108,000 in 2020/21, \$1.251 million in 2021/22, and \$1.211 million in 2022/23 and outyears)
- b. the Ministry of Education to deliver a dispute resolution scheme s 9(2)(j)

## Recommended Actions

The Ministry of Education recommends you:

- a. **note** that, on 6 April 2020, as part of Budget 2020, Cabinet [CAB-20-MIN-0155.33 refers]:

- i. agreed to a tagged operating contingency for the Administration of the Code of Practice for Pastoral Care of Domestic Tertiary Students as follows:

Initiative Name	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Contingency: Administration of Code of Practice for Pastoral Care of Domestic Tertiary Students	-	\$ 9(2)(f)	■	■	■

- ii. noted that this contingency funding is for the administration of the Code of Practice for the Pastoral Care of Domestic Tertiary Students and to fund the associated Dispute Resolution Scheme, both from 2021 onwards
- iii. noted that funding will be drawn down after the costs of administering the code and dispute resolution scheme are agreed by the Minister of Finance and Minister of Education;
- iv. authorised the Minister of Finance and Minister of Education jointly to approve any drawdown from this tagged contingency after Cabinet has considered next steps for the Code of Practice for Pastoral Care of Domestic Tertiary Students.
- b. **note** that the Education (Pastoral Care of Domestic Tertiary Students) Interim Code of Practice 2019 (Interim Code):
- i. requires providers to take all reasonable steps to maintain the well-being of domestic tertiary students; and
- ii. ensures, so far as is possible, that domestic tertiary students have a positive experience that supports their educational achievement.

**Noted**

- c. **note** that on 30 November 2019 the New Zealand Qualifications Authority (NZQA) was allocated \$687,000 in 2019/20 and \$778,000 in 2020/21 to administer the Interim Code during 2020 [METIS No 1210803 refers].

**Noted**

- d. **note** that the Education and Training Act 2020 has extended the term of the Interim Code so that it now expires on 1 January 2022 (rather than 1 January 2021).

**Noted**

- e. **note** that, on 2 June 2020, when making decisions to extend the expiry date of the Interim Code due to COVID-19, Cabinet rescinded the decision to invite the Minister of Education to report back to Cabinet Social Wellbeing Committee with a proposed draft ongoing Code, dispute resolution scheme, and cost-recovery options by June 2020 [CAB-20-MIN-0253 refers].

**Noted**

- f. **agree** that funding be provided for:
- NZQA, the code administrator, to administer the Interim Code during 2021 and a replacement code thereafter (\$108,000 in 2020/21, \$1.251 million in 2021/22, and \$1.211 million in 2022/23 and outyears)
  - the Ministry of Education to deliver a dispute resolution scheme § 9(2)(j)

<b>Agree / Disagree</b>	<b>Agree / Disagree</b>
Hon Grant Robertson <b>Minister of Finance</b>	Hon Chris Hipkins <b>Minister of Education</b>

- g. **approve** the following changes to appropriations to give effect to recommendation f, with a corresponding impact on the operating balance and net core Crown debt:

	\$m – increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
<b>Vote Education</b> <b>Minister of Education</b> <b>Multi-Category Expenses and Capital Expenditure:</b> Oversight and Administration of the Qualifications System MCA <i>Non-Departmental Output Expense:</i> Standards and Qualifications Support	<span style="background-color: black; color: red;">§ 9(2)(j)</span>	<span style="background-color: black; color: black;">████</span>	<span style="background-color: black; color: black;">████</span>	<span style="background-color: black; color: black;">████</span>	<span style="background-color: black; color: black;">████</span>
<b>Vote Tertiary Education</b> <b>Minister of Education</b> <b>Departmental Output Expense:</b> Stewardship and Oversight of the Tertiary Education System (funded by Revenue Crown)	<span style="background-color: black; color: red;">§ 9(2)(j)</span>	<span style="background-color: black; color: black;">████</span>	<span style="background-color: black; color: black;">████</span>	<span style="background-color: black; color: black;">████</span>	<span style="background-color: black; color: black;">████</span>
<b>Total Operating</b>	<span style="background-color: black; color: red;">§ 9(2)(j)</span>	<span style="background-color: black; color: black;">████</span>	<span style="background-color: black; color: black;">████</span>	<span style="background-color: black; color: black;">████</span>	<span style="background-color: black; color: black;">████</span>

<b>Agree / Disagree</b>	<b>Agree / Disagree</b>
Hon Grant Robertson <b>Minister of Finance</b>	Hon Chris Hipkins <b>Minister of Education</b>

- h. **agree** that the proposed changes to appropriations for 2020/21 above be included in the 2020/21 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply.

<b>Agree</b> / Disagree	<b>Agree</b> / Disagree
Hon Grant Robertson <b>Minister of Finance</b>	Hon Chris Hipkins <b>Minister of Education</b>

- i. **agree** that the changes to appropriations above be charged against the tagged operating contingency for the Administration of the Code of Practice for Pastoral Care of Domestic Tertiary Students.

<b>Agree</b> / Disagree	<b>Agree</b> / Disagree
Hon Grant Robertson <b>Minister of Finance</b>	Hon Chris Hipkins <b>Minister of Education</b>

- j. **forward** this paper to the Minister of Finance and seek his agreement to fund the administration of the Interim Code, ongoing Code, subsequent Codes, and the Disputes Resolution Scheme.

<b>Agree</b> / Disagree
Hon Chris Hipkins <b>Minister of Education</b>

- k. **agree** that officials:
- report to you about the development of a replacement Code, the Disputes Resolution Scheme, and any further legislative change proposals early in 2021
  - prepare draft Cabinet papers for your consideration about the results of any consultation, the replacement Code, Disputes Resolution Scheme, and any associated legislation changes

<b>Agree</b> / Disagree
Hon Chris Hipkins <b>Minister of Education</b>

- I. **agree** that this Education Report is proactively released after consideration by Ministers with redactions as appropriate.

<b>Agree / Disagree</b>	<b>Agree / Disagree</b>
Hon Grant Robertson <b>Minister of Finance</b>	Hon Chris Hipkins <b>Minister of Education</b>



Julie Keenan  
**Policy Director**  
**Graduate Achievement, Vocations and Careers**

09/12/2020



Hon Grant Robertson  
**Minister of Finance**

16 /12/ 2020



Hon Chris Hipkins  
**Minister of Education**

15 /12/2020

## Background

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### **Pastoral care legislation provides a framework for the pastoral care of domestic tertiary students**

1. The Education (Pastoral Care) Amendment Act 2019 became law on 19 December 2019. This legislation established a code of pastoral care for domestic tertiary students, and allowed for the appointment and operation of a code administrator to support the framework of pastoral care for domestic tertiary students.
2. The legislation empowered the Minister to issue the Education (Pastoral Care of Domestic Tertiary Students) Interim Code of Practice 2019 (Interim Code), which was to expire at the end of 2020.
3. To take account of COVID-19, the Education and Training Act 2020 extended the duration of the Interim Code which now expires on 1 January 2022. The ongoing Code and domestic disputes resolution scheme will be developed in 2020 and 2021 and will now be in place by 1 January 2022.
4. Cabinet rescinded the invitation for the Minister to report back to Cabinet Social Wellbeing Committee with a proposed draft ongoing Code, dispute resolution scheme, and cost-recovery options by June 2020 [CAB-20-MIN-0253 refers].

### **Funding was given to the code administrator for activities in 2020**

5. On 30 November 2019, the Minister of Finance and Minister of Education agreed jointly to:
  - a. the code administrator and any delegated parties giving effect to the Interim Code through the development of guidance materials, the building of tertiary education provider capability, and the establishment and operation of quality assurance and compliance arrangements
  - b. the Code administrator, New Zealand Qualifications Authority (NZQA), being provided with \$1.465 million to administer the Education (Pastoral Care of Domestic Tertiary Students) Interim Code 2019 during 2020. Consequently \$687,000 was allocated for 2019/20 and \$778,000 was allocated for the first half of 2020/21. [METIS No 1210803 refers]

### **NZQA has been implementing the Interim Code...**

6. NZQA has used the code administrator funding to build capability and establish and operate quality assurance and compliance arrangements. The approach aligns with and builds on lessons learned from the implementation of the Education (Pastoral Care of International Students) Code of Practice 2016 (international student code).

### **...building capability...**

7. NZQA has developed guidance materials which are being used by tertiary education providers to support their implementation of the Interim Code and is running workshops to build the capability of tertiary education providers.
8. While the initial plan was to start proactive quality assurance from mid-2020, due to COVID-19 and following sector feedback, NZQA has allowed more time for capability building. Instead of face to face workshops, NZQA has been delivering online training to the non-university tertiary education providers. Of the 115 private training

establishment participants that attended one or more online workshops in July and August, 83% were satisfied with the training. Thirteen of the Te Pūkenga subsidiaries attended workshops in October, and an introduction session has been held with Te Wānanga of Aotearoa. NZQA is planning further collaboration with the wānanga which is expected to occur between November 2020 and January 2021.

9. Through its capability development work, NZQA has noted that:
- a. tertiary education providers see the Interim Code's outcomes 1-6 as predominantly business as usual
  - b. student voice may be an area for further enhancement
  - c. student accommodation is complex
  - d. tertiary education providers are doing their self-reviews of how they are performing against the Interim Code
  - e. COVID-19 has delayed progress but pastoral care is paramount.

**...and assuring the quality of tertiary education providers**

10. To date, NZQA has responded to pastoral care issues and is working with tertiary education providers to ensure that the identified issues are addressed.
11. While the plan had been to start proactive quality assurance by August 2020, the external monitoring of non-university tertiary education providers will now begin in early 2021 as COVID-19 has created more uncertainty for providers, which have been busy responding to the COVID-19 crisis.
12. A small number of students have raised concerns with NZQA about how tertiary education providers give effect to the Interim Code. So far, COVID-19 has led to students being concerned about changes to delivery, including online delivery. Some students have felt isolated during lockdown. Student associations have been encouraging students to use the code when they have a concern or complaint. NZQA has responded to these concerns and, where appropriate, worked with tertiary education providers to address issues identified.
13. From September 2020, NZQA has been:
- a. monitoring for insights by using qualitative data obtained by engaging with non-university tertiary education providers
  - b. building its understandings of non-university tertiary education provider performance, by:
    - i. collating existing intelligence and identifying gaps
    - ii. collecting baseline data from providers (a pastoral care survey has been sent to providers, with responses due early November)
    - iii. conducting an accommodation stocktake (from October 2020)<sup>1</sup>
    - iv. using risk-based segmentation of providers

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<sup>1</sup> Universities New Zealand did a stocktake of university student accommodation in June-July 2020.



- c. analysing and confirming how the Interim Code will be integrated into external evaluation and review of non-university tertiary education providers
  - d. communicating quality assurance requirements with non-university tertiary education providers.
14. Some of the code administration funding will be used to improve code-related information systems. NZQA is improving its data capability to deliver seamless, digital management of all Codes-related enquiries and case work, which provides a rich source of business intelligence.
15. The COVID-19 lockdown delayed the delegation to Universities New Zealand, and the establishment of a dedicated Codes team. NZQA has agreed, in principle, a delegation to Universities New Zealand for some code administration functions relating to monitoring universities' compliance with the Interim Code through the self-review process. NZQA is in the process of finalising the delegation [CR21026 refers]. When the delegation is finalised, Universities New Zealand will, amongst other functions, arrange code-related training for universities, issue good practice guidelines and establish processes for ongoing capability development.

### **The Ministry of Education and NZQA, the code administrator, require funding for 2021 and outyears**

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16. The Ministry of Education and NZQA require additional funding to support the code work from 2021. Code administrator funding should be ongoing because early work indicates that cost recovery is not the right approach, for policy reasons. It is not likely to be appropriate, practicable or proportionate for a domestic tertiary student Code.
17. Cost recovery from providers for the domestic tertiary student Code administration functions is a less clear fit than for the international student Code, as the domestic tertiary student Code is mandatory and the main benefits are for learners.
18. An effective domestic code will have benefits for New Zealand through increased student wellbeing which will support the acquisition of skills, qualification retention and completion rates. There is evidence that the completion of a qualification is linked to better health and employment outcomes. Aside from better student outcomes, it is not clear that a code will benefit providers directly. In addition, providers would be likely to pass on any cost recovery fee or levy to domestic students through student services fees or unregulated fees, and it would be complex and costly to regulate to stop this.
19. In contrast, the international student Code is opt-in, and allows providers access to income from additional international student fees, as well as assurance that their education and pastoral care provision is effective.
20. As the scope of cost recovery for domestic tertiary student Code administration would be more limited than cost recovery for Code administration, international education promotion and quality assurance (the Export Education Levy covers these three purposes and more), it is probable that a cost recovery mechanism would be seen as disproportionate to the funds recovered for Code administration.

### **Code administration in 2021 and outyears**

21. For its code administration responsibilities, NZQA has indicated that it needs \$530,000 in the second half of 2020/21, \$1.251 million in 2021/22, and \$1.211 million in 2022/23 and outyears.

22. For the first half of 2020, the actual expenditure was lower than expected. This is largely due to the impact of COVID-19, with the extension of and change to capability building activities, delays in the development of the Universities New Zealand delegation, and delays in work to support proactive quality assurance. It is proposed that the funding allocated to NZQA in 2020/21 be reduced by \$422,000 to reflect the savings achieved in 2019/20.

### **Delegation to Universities New Zealand**

23. NZQA will delegate some code administration responsibilities to Universities New Zealand. To support this code administration work, there will be funding and appropriate accountability arrangements, including performance measures, for the work. NZQA is currently finalising the delegation of some code administration responsibilities to Universities New Zealand.
24. For 2020 and 2021, Universities New Zealand is likely to monitor and scrutinise university self-reviews, respond to complaints and referrals about the university sector, and refer potential Interim Code breaches to NZQA for investigation. For these activities, NZQA has signalled that Universities New Zealand will be funded \$165,000 in 2020/21 and then \$275,000 per annum for the delegated responsibilities. There will be clear performance standards and regular reviews of performance.
25. While performance measures for the Universities New Zealand delegation are under development, NZQA expects that all universities will have completed self-reviews in 2020/21.
26. It is proposed that the Universities New Zealand delegation will be regularly reviewed. If Universities New Zealand has increased responsibilities, they will be given a bigger portion of the code administration funding.

### **Other NZQA code administration funding**

27. NZQA requires ongoing funding for code administration covering:
- a. the administration of the Interim Code in 2021
  - b. the implementation of the ongoing Code (covering activities in 2021 and 2022)
  - c. the administration of the ongoing Code (from 2022 onwards).

#### *Interim Code administration in 2021*

28. In 2021, NZQA will administer the Interim Code and will:
- a. investigate complaints and use a risk approach to monitor student accommodation:
    - i. NZQA estimates complaints and investigations will involve 2-3% of tertiary education providers
    - ii. all providers with accommodation will be monitored, with a risk-based approach taken to determine the extent of the monitoring.
  - b. require that all tertiary education providers attest that they have completed their self-review by 1 March

- c. collect the self-review data in a database and will use the information, alongside existing business intelligence, for analysis, reporting, and targeted monitoring
  - d. include Interim Code monitoring in external evaluation and review for tertiary education providers with a focus on Outcomes 1-6 (expected to be 26% of tertiary education providers each year)
  - e. spot-check Interim Code compliance
  - f. monitor the first round of Universities New Zealand's review of university self-assessment.
29. This work will check the effectiveness of self-reviews and give insight into the degree to which the code outcomes are being embedded as business as usual. It will consider how the Universities New Zealand delegation is working and what, if any, changes are needed (the delegation will be reviewed in May 2021).

#### *Implementation of the ongoing Code*

30. NZQA will contribute to the development and implementation of the ongoing Code. Based on its experiences with the implementation of the Interim Code and the administration of the international student code, NZQA will provide insights into the design of the ongoing Code and how tertiary education providers can better support the pastoral wellbeing of domestic students.
31. To support the implementation of the ongoing Code, NZQA will develop associated guidance and run capability building workshops. In line with the planned implementation of the Interim Code, tertiary education providers will self-assess their performance and NZQA will monitor performance and investigate complaints and non-compliance. NZQA will use its business intelligence systems to target its investigations.

#### *Administration of the ongoing Code*

32. NZQA will proactively review and investigate the performance of tertiary education providers to check that they are giving effect to the ongoing Code. NZQA will use business intelligence for fast, finger on the pulse insights about provider and sector levels. They will look at performance using outcome information and will:
- a. identify strengths to share
  - b. look for common areas of weakness and act to address these (e.g. more capability building, clearer resources, making clear what good looks like)
  - c. better understand the overall performance of the sector
  - d. provide an evidence base for further action as the code administrator.

#### *NZQA Code administrator funding requirements*

33. The funding will provide NZQA with six additional fulltime equivalent staff members<sup>2</sup>, capability building, monitoring, publications and guidance, and risk investigation and management. The detailed work of each staff member is yet to be determined and will take into account the needs identified. For example, when the ongoing code is in place,

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<sup>2</sup> NZQA fulltime equivalent staff costs will be \$582,000 for 2020/21 and \$730,000 for 2021/22 and outyears.

the initial focus will be on the development of guidance and sector capability building. In the longer term, the focus will shift to risk monitoring and management.

34. The proposed NZQA funding includes funding to support the delegation of some responsibilities to Universities New Zealand.
35. NZQA is able to capitalise on its experience as a code administrator to support the implementation of the ongoing Code. Based on NZQA's initial experiences with implementing and administering the Interim Code, NZQA considers that the code administration funding is sufficient. If there were substantial problems with the pastoral care of domestic tertiary students, NZQA would need to undertake further investigations and, if appropriate, legal action.
36. If NZQA's targeted Code monitoring finds that the level of sector compliance is far lower than anticipated, further funding may be needed to cover investigation and legal costs. While this is considered to be a low risk, if that situation eventuated, possible funding solutions would be identified to support the cost of increased investigations and associated legal action. This could include using cost recovery for investigations.
37. NZQA has advised that the code administration funding will be used for:
  - a. providing information about a tertiary education provider's pastoral care responsibilities, including the development of guidance and publications
  - b. building the capability of tertiary education providers, including the provision of support and guidance to tertiary education providers
  - c. managing and investigating complaints and referrals
  - d. responding to incidents and managing risks
  - e. monitoring and reviewing the performance of tertiary education providers.

### Disputes Resolution Scheme

38. The Ministry of Education requires s 9(2)(j) to develop and fund a Disputes Resolution Scheme (DRS)<sup>3</sup> to resolve contractual and financial disputes between domestic tertiary students (and former and prospective students) and providers.
39. The DRS will be developed in consultation with relevant learner and sector representatives. It is important that learners, whanau, tertiary education providers, and other stakeholders have input into the design and operation of the DRS, and there is a statutory requirement to consult on the proposed DRS rules. The proposed 2021 DRS funding will allow this to happen. The 2021 funding would cover the costs of travel, engagement, and the development of materials and advice to support the development of the DRS. Provider and learner capability to use the DRS will need to be developed.
40. Tertiary education providers may need to align/adjust their complaints arrangements. There will be information and education to support the implementation of the DRS and the development of effective tertiary education provider practices.
41. The DRS will be implemented at the same time as the ongoing code. The Ministry proposes to contract an external organisation to operate the DRS. At this stage, in line

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<sup>3</sup> The DRS will be established under section 536 of the Education and Training Act 2020.

with the international student DRS, it is assumed that domestic tertiary students will not be charged DRS fees. The Ministry will look for ways to minimise costs by building on our experience with the international student DRS.

42. From 2022, when the DRS is fully in place, the focus will shift to the resolution of disputes. While the volume, nature, and complexity of disputes are not known, the DRS will encompass negotiation, mediation, and/or adjudication. Students will be encouraged to make use of their tertiary education provider's complaints processes. Where there is a complaints system failure or undue delay, the DRS can be used.

#### *DRS costing*

43. While the detail of the domestic student DRS is yet to be developed, the costs and modus operandi will be similar to the international student DRS.
44. The higher funding for the domestic tertiary student DRS compared to the international student DRS takes into account the number of students and vulnerabilities. However, there is a level of risk and uncertainty about the volume, nature, and complexity of disputes. The international student DRS was allocated \$222,381 in 2020/21 but covers fewer students. During the 2019 calendar year, the number of international fee-paying students in New Zealand was 104,010. In 2019, there were 328,075 domestic tertiary students (215,675 equivalent fulltime students) and 60,655 international tertiary students (43,090 equivalent fulltime students).

#### **Next steps**

45. In 2021, the code administration funding will be used to implement the Interim Code and, when it is developed, the ongoing Code. The Ministry will use the DRS funding to design, establish and contract the DRS.
46. From early 2021, NZQA will include Interim Code monitoring in the external evaluation and reviews of tertiary education providers (except universities), which will consider how the Interim Code is being given effect. This will provide information about how the Code is being given effect.
47. The Ministry and NZQA will be engaging in early 2021 on the development of a replacement Code. Formal consultation about the replacement Code will be undertaken with the tertiary education sector, learners and stakeholders in the first half of 2021. Work on the development of a DRS will be progressed at the same time. Cabinet approval for the replacement Code and Disputes Resolution Scheme will be sought by 30 June 2021.
48. The ongoing Code and DRS is expected to be in place by 1 January 2022.

#### **Financial Implications**

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49. This paper seeks your agreement to continue funding NZQA, the code administrator for 2021 and outyears and provide the Ministry of Education with new funding for the development and operation of a DRS. The additional funding would take effect from 1 January 2021.
50. Because of COVID-19, NZQA has not spent all the funding allocated to implementation of the Interim Code in 2019/20. Consequently, the funding request in 2020/21 for implementation of the Interim Code will be reduced by \$422,000.

51. The proposed funding takes into account NZQA's experiences with implementing the Interim Code, officials' experiences with the international student code, the number of domestic tertiary students, the capability of tertiary education providers, and the impact of COVID-19.
52. While there are uncertainties about the precise funding needed, officials consider that the proposed funding is sufficient given the information currently available.

## Communications

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53. It is proposed that there will be no proactive communications about the overall code funding. Officials propose that NZQA be notified about the funding decisions when they have been made. When the Universities New Zealand delegation, performance expectations and funding have been finalised, NZQA will announce the delegation and Universities New Zealand funding. Officials will be ready to respond to any queries about the funding.

## Agency consultation

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54. NZQA and the Treasury have been consulted on this paper and are comfortable with the recommendations. The Tertiary Education Commission has been informed about the paper.

## Proactive release

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55. It is intended that this Education Report is proactively released when the Universities New Zealand delegation, performance expectations and funding has been agreed. Any information which may need to be withheld will be done so in line with the provisions of the Official Information Act 1982.