

Education Report: Education Crown Entity Letters of Expectations 2021

To:	Hon Chris Hipkins, Minister of Education		
Date:	15 January 2021	Priority:	Medium
Security Level:	In Confidence	METIS No:	1244606
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Messaging seen by Communications team:	No	Round Robin:	No

Purpose of Report

This report provides you with new draft Letters of Expectations (LOEs) for 2021 for the Crown entities for which the Minister of Education is responsible. It asks you to review, sign and send the new LOEs to:

- the New Zealand Qualifications Authority (NZQA)
- the Tertiary Education Commission (TEC)
- Education New Zealand (ENZ).

Summary

The new draft LOEs for Education Crown entities have been drafted on the premise that they need to deliver against all Government priorities. Highlights of the draft LOEs include:

- Bringing Te Tiriti to the forefront. This reflects Parliament's changed legislative expectations for the Crown and the education sector in respect of Te Tiriti o Waitangi (Te Tiriti)
- Continuing to meet COVID-19 and equity challenges
- Entities delivering on their commitments as set out in the Government's Education Work Programme, and
- Operational performance in a critical year of delivery.

This report also seeks your agreement to consult with the Minister for Māori Crown Relations: Te Arawhiti on the development, in 2021, of an additional statement of expectations to be issued jointly under section 6 of the Education and Training Act 2020 (in relation to Te Tiriti).

The entities' current LOEs are attached as **Annexes 1 and 2** and continue in effect until you issue new expectations. The new draft LOEs for 2021 are attached as **Annex 3**.

Recommended Actions

The Ministry of Education recommends you:

- a. **note** and provide feedback on the attached Letters of Expectation for the education Crown entities

Noted

- b. **agree** to consult with your Associate Ministers of Education on the LOEs

Agree Disagree

- c. **note** the new LOEs have been strengthened to reflect Te Tiriti responsibilities set out in the Education & Training Act 2020 as interim expectations until a section 6 statement is issued

Noted

- d. **sign** and **send** the attached LOEs to:

- the Deputy Chair of NZQA (Annex 3a)
- the Chair of TEC (Annex 3b)
- the Chair of ENZ (Annex 3c)

Agree **Disagree**

Agree **Disagree**

Agree **Disagree**

- e. **note** that section 6 of the Education & Training Act 2020 provides that you and the Minister for Māori Crown Relations: Te Arawhiti may, for the purposes of providing equitable outcomes for all students and after consulting Māori, jointly issue and publish a statement that specifies what government agencies serving the education system, for which you are responsible, must do to give effect to Te Tiriti

Noted

- f. **agree** to consult with Hon Kelvin Davis in his role as Minister Māori Crown Relations: Te Arawhiti, on issuing, in 2021, a joint Statement of Expectations for agencies serving the education system for the purposes of providing equitable outcomes for all students

Agree Disagree

- g. **note** that further advice on next steps for work to be undertaken in 2021 to consult with Māori and issue a Statement of Expectations under section 6 will be provided early in 2021.

Noted

- h. **note** our assessment of performance across the monitored entities and our monitoring focus for the upcoming year

Noted

- i. **proactively release** this report, excluding Annex 3 (the new draft LOEs), alongside the final LOEs once completed and sent

Release Not Release



Emily Fabling
Deputy Secretary
Strategy, Planning and Governance

15/ 01/ 2021



Hon Chris Hipkins
Minister of Education

23 / 3 / 21

See the comments I have written on the draft letters. With these changes incorporated they can be prepared on letterhead for me to sign. Thanks. CH

Background

- 1 As responsible Minister, you have the option of providing each Crown entity with a letter setting out your expectations for the coming year. The LOE performs the following functions across the year:
 - it sets out your clear expectations of what the Boards must focus on and deliver
 - it provides a framework for reporting to you so that the monitoring function, and the entity, can provide you with assurance in the areas of greatest importance to you and advise you of any opportunities or challenges the entity is facing in meeting your expectations.
- 2 There is no statutory requirement or timeframe for the completion of an LOE. If a new letter is not sent, the previous LOE will remain in place.
- 3 The LOEs currently in place for NZQA and TEC (attached as **Annex 1**) were issued on 12 October 2018. More recent LOEs are not in place because:
 - in February 2019, you agreed to delay new LOEs until after the high activity period for the Education Work Programme had passed
 - the drafts prepared through the end of 2019 and early 2020 were reprioritised in February 2020 due to the COVID-19 lockdown
 - we then had further direction from you to defer them until after the Election and provide them as soon as possible after that allowing them to reflect the Government's priorities and any impacts of COVID-19.
- 4 You issued an interim LOE for ENZ in July 2020 (attached as **Annex 2**) for ENZ to give effect to the Strategic Recovery Plan for International Education (the Recovery Plan) which was part of the Government's response to COVID-19.

Draft Letters of Expectations

- 5 The new draft LOEs attached as **Annex 3** were developed having regard to the Government's priorities, and in consultation with the entities and Board Chairs, by the Ministry of Education (the Ministry) and with our monitoring partner, the Ministry of Business, Innovation and Employment (which jointly monitors ENZ and TEC with us).
- 6 The new draft LOEs have been drafted on the premise that the entities need to deliver on all Government priorities, including the recent announcement that the Public Sector is expected to be carbon neutral by 2025. We do not list all the government priorities so that the LOEs can remain concise and focused and can reference key priorities more strongly if you want. From Quarter 2 onwards, we will add a section in our monitoring reports to you about how the entities are meeting wider priorities.
- 7 Highlights of the draft LOEs include:
 - Bringing Te Tiriti to the forefront, which reflects Parliament's changed legislative expectations for the Crown and the education sector in respect of Te Tiriti (see next section)
 - Continuing to meet COVID-19 and equity challenges
 - Entities delivering on their commitments as set out in the Government's Education Work Programme
 - Operational performance remaining an important area of focus as this is the year of delivery.

Te Tiriti and the Education and Training Act 2020

- 8 Through our monitoring engagement, NZQA and TEC have demonstrated a commitment to Te Tiriti and recognition they are on a journey that will require ongoing capability building.
- 9 The purpose of the Education & Training Act 2020 (the Act) includes “to establish and regulate an education system that honours Te Tiriti o Waitangi and supports Māori-Crown relationships.” Section 9 identifies specific ways in which the Act seeks to ensure that the education system operates consistently with the Crown’s responsibility to give effect to Te Tiriti.
- 10 Section 6 of the Act provides that you and the Minister for Māori Crown Relations: Te Arawhiti may, for the purpose of providing equitable outcomes for all students, jointly issue and publish a statement that specifies what government agencies serving the education system, for which you are responsible, must do to give effect to Te Tiriti.
- 11 The Act is not explicit in what constitutes a statement for the purposes of this section, except in that the statement must specify the agency and what it must do to give effect to Te Tiriti. The Act requires that Māori must be consulted before a statement is issued.
- 12 Further advice will be provided to you shortly on the process and approach of the Section 6 statement including drafting and the consultation required to agree it.
- 13 **9(2)(h)** [REDACTED] In anticipation of you issuing a section 6 statement, we have drafted Te Tiriti expectations in the LOEs to reflect the changed legislative requirements and on the premise that sometime in 2021 this joint statement will be issued.
- 14 Including an early signal in the LOEs about an upcoming joint statement ensures there are no surprises for these entities when the statement is issued. It also allows the entities lead in time to meet their increased responsibilities.
- 15 To agree to the LOEs as drafted, given the reference to issuing a section 6 statement, you may wish to consult with the Minister for Māori Crown Relations: Te Arawhiti to agree that you intend to issue a joint statement.

COVID-19 and equity

- 16 All the entities we monitor responded well to the challenges of COVID-19. We are seeing that the entities are continuing to scan forward and manage current COVID-19 impacts and future scenarios.
- 17 Existing inequities in the system were amplified by COVID-19. For NZQA and TEC, a focus on equity, particularly for Māori and Pacific learners, has been at the forefront of their work programmes and response to COVID-19. Disabled learners, learners with specific learning needs and learners from socio-economically disadvantaged circumstances have also been heavily impacted by COVID-19. As monitors, we expect to see an increased focus on the needs of disabled learners and learners with specific learning needs.
- 18 Equity will continue to be a major focus for us, and we are developing an equity monitoring framework to support us with providing you with assurance about how the entities are working to meet Te Tiriti and equity opportunities and challenges.

- 19 COVID-19 demonstrated the need for the whole education sector to work together and manage interdependencies so that the needs of learners can be met. The sector has proved it can come together and deliver more than is possible if agencies are singular focused. Continuing to cooperate will be necessary as we go forward and will remain a focus of our monitoring engagement. Our view of performance in this area will also be informed by customer and stakeholder satisfaction.
- 20 Impacts on international movement as a result of the pandemic has meant ENZ's operating environment has substantially changed. ENZ has reprioritised initiatives to align to the Recovery Plan for the international education sector and shifted the work of its staff.
- 21 In your interim LOE to ENZ in July 2020, you signaled an expectation that ENZ should carry out a financial review. ENZ has not yet initiated this work. We met with ENZ's Chief Finance Officer on 21 December 2020 to begin scoping the review. ENZ are committed to completing the analysis and scoping by the end of January 2021 to report to its Board at its first meeting of 2021, currently scheduled for February 2021. It will be important that this aligns to the wider report back on the Recovery Plan.
- 22 We see this as a critical piece of work to provide transparency and assurance on its capability to adjust to the current and future environment. Given this, we have strengthened the wording specifically in ENZ's LOE.

Reform in the Education Sector, including system strategies

- 23 Change in the system is complex and adding significant workload on the entities as they manage delivering business-as-usual while also significantly changing their businesses.
- 24 Key parts of the reform include the Reform of Vocational Education (RoVE), New Zealand Qualifications Framework (NZQF) review, implementation of the NCEA Change Package, Review of Achievement Standards, the International Education Recovery Plan and the Pastoral Care of Domestic Tertiary and International Students Codes.
- 25 For the changes and reviews to be successful, it requires the entities to shift current operating models and be joined up and aligned with the wider sector.
- 26 It is good to see that the entities have started thinking about operational impact:
- For TEC, this means an increased focus on embedding RoVE changes into the organisation, and an increased role in transition to work and link to careers. Role clarity will be important in the functions that TEC carry out as a result of RoVE and careers changes.
 - For NZQA, this means going beyond adding additional capacity, but to think through a new way of working, considering the reviews and changes, while maintaining current service levels. In particular, we think that NZQA needs to respond to a changing system, and user needs and expectations. Any service design and delivery will therefore need to respond in a user-centred and innovative way.
 - For ENZ, this means looking into what its services look like in the new norm of COVID-19.

Monitoring the capabilities to implement reforms

- 27 All the entities have, or are putting in place, enterprise portfolio and project management capability and capacity to manage the complex work programmes ahead of them. We are seeing entities using this increased capability to reprioritise and manage risk.
- 28 Monitoring the investments, which are necessary to deliver your work programme, is a priority for us. We currently look at how well placed an entity is in financial, technology and risk management, EPMO capability, business planning, reporting and governance, and evaluation and benefit realisation. We also provide regular updates on the key investment areas that are entity specific.
- 29 All the entities recognise that evaluation and benefit realisation are areas they need to strengthen. This is a priority in understanding the impact of change, alongside developing their performance measures. This will be a focus for us in our advice on their Statements of Performance Expectations.

Operational Performance

- 30 As noted above, delivery of the Education Work Programme is critical alongside managing core business activities. This creates potential tension in managing complex and competing priorities and work. The entities will need to continue to be transparent about competing priorities and prioritisation through this time of change and while COVID-19 impacts are still evident.
- 31 All the entities provide us with good financial information, and this informs our quarterly advice. It is important when trade-offs and reprioritisations happen that we have confidence that the processes are robust. The entities need to demonstrate that their decision making is made at the appropriate level, whether it is by its Board, the Minister or Cabinet.
- 32 We also receive information on how risks are being managed and what risks are significant. This is an area that we want to strengthen further this year.
- 33 COVID-19 also highlighted digital and data challenges in the system. Entity specific technological investment is required, for example a new website is needed for NZQA and TEC needs to deliver on the Data2020 programme.
- 34 All entities have key roles in collecting and sharing data for use across agencies and the system, including in both Te Rito and Data2020 projects. It will be important for entities to continue to work together to ensure successful delivery of these, and other data sharing projects.
- 35 We have recently worked with the entities to co-design a Digital and Data Monitoring Framework. We will forward a copy of this to you early this year. Our Quarter 3 reports will be based on entities' high-level self-assessments against this framework.

What monitoring looks like against the LOEs

- 36 Our monitoring advice to you is based on:
- annual monitoring plans which are developed and agreed with each entity
 - performance and other information provided by the entity
 - regular engagement with senior agency and Ministry officials on key work programmes
 - discussions with Board Chairs.

- 37 To manage and minimise workload on the entities and the monitoring team, not all topics are reported every quarter, but all topics are captured in our monitoring plans and will be covered over the course of a performance year.
- 38 We intend to increase our monitoring focus in the upcoming year on how the entities are:
- meeting the Crown's Te Tiriti obligations
 - working to achieve equitable outcomes (the Equity Monitoring Framework, which is in development, will be forwarded to you when it is finalised)
 - managing their digital and data responsibilities
 - organised to manage and report on performance on investments in the system (we are also working on an investment approach to inform our monitoring and will forward this to you when it is finalised)
 - maintaining focus on their financial and non-financial performance.
- 39 Out of scope for us is the system wide work programme and the detailed reviewing of project plans. We do, however, maintain monitoring focus on whether entities have the capability and capacity to deliver and have, or are building, evaluative capacity, so you can be assured their work results in desired outcomes.
- 40 While we work to provide monitoring oversight to you of the areas we consider are of key importance, you can, at any time, direct us to focus our monitoring on areas of interest and / or concern for you.

Next Steps for Letters of Expectations

- 41 If you and the Minister for Māori Crown Relations: Te Arawhiti agree to issue a joint section 6 statement and you have no other feedback on the LOEs, your office can finalise the LOEs for you to sign and send to the NZQA Deputy & Acting Chair, the TEC and ENZ Board Chairs. Alternatively, we can incorporate your feedback and provide you with updated drafts for your consideration.
- 42 There is no requirement that the three LOEs are sent at the same time.
- 43 If your expectations of an entity change significantly after you send the LOE to an entity, you may send a supplementary letter at any time.

Proactive Release

- 44 It is intended that this Education Report, excluding Annex 3 (the draft LOEs), is proactively released alongside the final LOEs, as per your expectation that information be released as soon as possible. Any information which may need to be withheld will be done so in line with the provisions of the Official Information Act 1982.

Annexes

Annex 1: Current Letters of Expectations, issued 12 October 2018

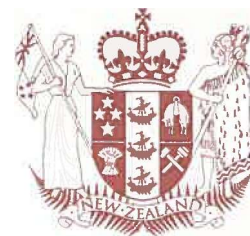
- 1a: NZQA
1b: TEC

Annex 2: Current Interim Letter of Expectations for ENZ, issued July 2020

Annex 3: Draft Letters of Expectations for 2021

- 3a: NZQA
3b: TEC
3c: ENZ

Proactively Released



Sue Suckling OBE
Chair
New Zealand Qualifications Authority
PO Box 160
WELLINGTON 6140

Dear Sue

New Zealand Qualifications Authority Letter of Expectations for 2018/19

I am writing to convey my expectations of the New Zealand Qualifications Authority (NZQA) for 2018/19 and the medium term.¹

The Government has a work programme to make significant progress, on a whole-of-portfolio basis, in changing our education system to provide for all New Zealanders. The Education Portfolio Work Programme is based around the following objectives:

- Learners at the Centre;
- Barrier-Free Access;
- Quality Teaching;
- Quality Public Education; and
- 21st Century Learning.

As a Crown agent NZQA has a key role in ensuring a high quality education system, through:

- quality assurance, assessment, and qualifications services;
- supporting the wellbeing of domestic and international students;
- supporting relevant current and future system-wide strategies particularly the Tertiary Education Strategy, the New Zealand International Education Strategy, and those that drive equitable outcomes² for Maori, Pacific, people from socio-economically disadvantaged circumstances and disabled people; and
- providing resources and technical expertise to ensure any technical implications of assessment on the Education Portfolio Work Programme are accounted for in advice leading to Cabinet decisions.

I expect **NZQA** to continue to have constructive working relationships with Ministers and a collaborative and partnership approach to working with the wider government.

In particular, NZQA will work closely with the Ministry of Education (the Ministry) to consider and analyse implications of the NCEA review on the sector. I expect NZQA to be prepared to

¹ This letter replaces the previous LOE and needs to be considered alongside the 2012 enduring Letter of Expectations for Crown entities.

² Such as Ka Hikitia, Tau Mai Te Reo, the Pasifika Education Plan, the Disability Action Plan and the Child Wellbeing strategy.

seamlessly implement any required changes and to ensure its customers understand and are supported through this process

Alongside the NCEA review, I would like to see NZQA use the review of the New Zealand Qualifications Framework (NZQF) to ensure that the framework supports relevant and flexible education and training that better meets skills needs in what is a rapidly changing world of work.

In order to reduce and remove barriers to access, NZQA should continue to better understand and include the needs of a diverse range of New Zealanders, especially Maori, Pacific, people from socio-economically disadvantaged circumstances and disabled people. In particular, I expect NZQA continue to improve equitable access to assessment for all learners.

I have outlined below, three strategic and two operational priorities for NZQA. The detail under each priority is aligned, where applicable, to Government priorities, policies and the Education Portfolio Work Programme. I expect the priorities in this letter to drive NZQA's focus and delivery across the year.

Strategic priorities

1. Equity of access and outcomes

I expect NZQA to continue to promote and support equitable access and outcomes in the education system, particularly for Maori, Pacific, people from socio-economically disadvantaged circumstances and disabled peoples. NZQA will primarily achieve this through the design and delivery of excellent products and services that place learners at the centre. NZQA should ensure strategies and initiatives such as Ka Hikitia, Tau Mai Te Reo, Maihi Karauna, the Pasifika Education Plan, the Disability Action Plan, and the Child Wellbeing Strategy, are regularly considered and incorporated throughout its work programme.

Improving access to assessment through Special Assessment Conditions is a key action for 2018/19. NZQA needs to better understand the needs of a diverse range of learners and should explore what additional support is required so all students succeed in their learning. This will include ensuring more equitable access to assessment support across the schooling system.

Children, young people, parents, teachers, employers, iwi, families and whanau, all have an important role in the success of New Zealand's education system. Communications need to be targeted to these audiences and enable their involvement and participation. I expect NZQA to explore how they can better support these groups, particularly through improving their understanding of assessment processes and requirements for learners and how they may support participation and achievement.

2. Flexible and future focused

I expect NZQA to work with the sector in support of flexible, robust and future-focused systems and to align investments in digitally enabled products and services, with the technology direction of the whole education system. This will include working closely with partner agencies to manage the impacts on the sector of significant programmes such as the review of the NZQF and the Digital Assessment Transformation, and coordinating engagement with key stakeholder groups.

In light of the changing education and economic landscape, NZQA will need to be flexible and adaptable when responding to the needs of customers and New Zealand's economic

outlook. This includes making good use of levers, such as the micro-credentials system, to support the Government's priorities in key sectors including initial teacher education, construction, primary industries, and health.

3. Working in collaboration with learners and the sector

NZQA will continue to give effect to system wide strategies such as the Tertiary Education Strategy and New Zealand International Education Strategy through its quality assurance and TEO monitoring. NZQA should continue to build its capability to understand and meet learner needs, and to make transparent decisions which are informed by data, customer insights, and analytics.

I expect NZQA to work closely with the Ministry, by providing resources and technical expertise on the implications of the wider Education Portfolio Work Programme. In particular, this will involve advising on options to support seamless assessment transitions and pathways between senior secondary and tertiary settings, and to ensure the outcomes of key programmes³ are fit for purpose by contributing advice on potential impacts changes to the education system may have.

The NCEA Review is a priority for me. I expect NZQA to collaborate with the Ministry on the review including the subsequent review of achievement standards to strengthen the design and function of NCEA and the wider NCEA system, and to ensure the effective implementation of any changes or initiatives arising out of the review.

I also expect NZQA to work across agencies to provide quality assurance over non-university tertiary education providers; and support improved reporting for learner outcomes. With regard to the international education sector, NZQA will continue to maintain the integrity of services by monitoring non-university tertiary education organisations. I expect NZQA to take all possible steps to ensure providers meet costs associated with international students unable to complete qualifications due to poor provider performance.

Operational priorities

1. Sustainable business practices and responsive systems

I acknowledge the progress NZQA has made over the last year in strengthening capability to support sustainable business practices. I expect this to continue, particularly with regards to providing responsive core services and key operational capability, in strong governance, project management and risk management.

NZQA should also continue to build its capability to understand and meet customer needs and to make decisions based on data, customer insights, and analytics.

NZQA also needs to ensure that in its use of data, including collecting data, creating and maintaining data systems, and sharing data with other education agencies, it takes a whole-of-system approach to information and data. This includes ensuring that any development of data collection systems is done so as to preserve and enhance access to high quality data for the Ministry of Education and TEC, comply with whole-of-system data standards, and fully operate with other education data and information systems.

I recognise that **NZQA**, like other agencies, is operating in a tight fiscal environment. To provide evidence that **NZQA** will remain sustainable in the medium term, I expect to receive

³ Including the NCEA Review, the Review and Maintenance Programme, Digital Technologies and Hangarau Matihiko learning, Integrated Education Data (iEd) programme, the evaluation of the Vocational Pathways, the review of Vocational Education and Training, the review of foundation education and Maori medium assessment.

further analysis on revenue sustainability and operating efficiencies, including appropriate financial forecast scenario analysis.

2. Supporting system outcomes

It is important for NZQA to understand the contribution that it makes to the sector and learners through its service delivery and collaboration with others.

I expect NZQA to continue to transition towards an outcomes-based approach to measuring its performance and its contribution to wider sector outcomes for learners and employers.

I look forward to seeing these changes reflected in its draft Statement of Intent and draft Statement of Performance Expectations.

Reporting and engagement

Through the regular reports I receive from NZQA and the Ministry, I expect to see progress against this LOE and assurance that performance and risk are being well managed.

I expect **NZQA** to work with the Ministry to provide an overview of Board performance for the 2018/19 financial year. Throughout the year, the Board should also regularly engage the Ministry on the performance of NZQA.

I look forward to discussing my priorities further at our next engagement meeting.

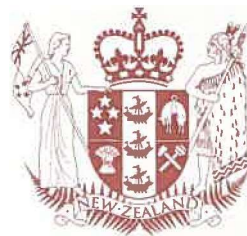
Yours sincerely



Chris Hipkins
Minister of Education

cc Dr Karen Poutasi, Chief Executive, **NZQA**
cc Emily Fabling, Deputy Secretary, Strategy, Planning and Governance,
Ministry of Education

Proactively Released



Nigel Gould
Chair
Tertiary Education Commission
PO Box 27048
WELLINGTON 6141

Dear Nigel

Tertiary Education Commission Letter of Expectation (LOE) for 2018/19

I am writing to convey my expectations of the Tertiary Education Commission (TEC) for 2018/19 and the medium term.¹

The Government has a work programme to make significant progress, on a whole-of-portfolio basis, in changing our education system to provide for all New Zealanders. The Education Portfolio Work Programme is based around the following objectives:

- Learners at the Centre;
- Barrier-Free Access;
- Quality Teaching;
- Quality Public Education; and
- 21st Century Learning.

As part of this, TEC has a key role in supporting and developing a high quality and sustainable tertiary education system. It will achieve this through:

- sound, evidence-based investment in tertiary education, training and careers services that meet the needs of our society and economy; and
- contributing to current and future education system strategies as part of the Education Portfolio Work Programme.

In its role as a Crown agent, I expect TEC to provide an essential interface across government and between relevant sectors. I expect TEC to have constructive working relationships with Ministers, and to keep me informed of risks and opportunities, as needed.

TEC has the critical role of monitoring Tertiary Education Organisations (TEOs). I expect the TEC to have well developed monitoring practices and information to assess TEO risks and financial management practices. This will ensure TEC appropriately manages risks to the Crown.

Alongside this, TEC is also responsible for building the overall capability of the TEO network. I expect TEC to actively support system improvements and provide advice and support to the sector as required.

¹ This letter replaces the previous LOE and needs to be considered alongside the 2012 enduring Letter of Expectations for Crown entities.

TEC also has an important responsibility for increasing the research quality and capability of the tertiary education sector. This includes working with new and emerging institutions, including contributing towards work to develop solutions to support wananga to develop their research capacity and capability so that they can realise their research ambitions.

In order to reduce and remove barriers to access, TEC should strive to include and understand the needs of a diverse range of New Zealanders, particularly Maori, Pacific, people from socio-economically disadvantaged circumstances and disabled people.

TEC should continue to explore how we can better meet the needs of all learners through flexible and diverse delivery options for tertiary education, research and careers services, providing quality advice for learners, and supporting providers to boost capability. To achieve this, TEC needs to continue to be open and inclusive in its engagement with stakeholders, and to embed the learner voice in the design and delivery of services.

I have outlined below, three strategic and two operational priorities for TEC. The detail under each priority is aligned, where applicable, to Government priorities, policies and the Education Portfolio Work Programme. I expect the priorities in this letter to drive TEC's focus and delivery across the year.

Strategic Priorities

1. Stewardship of a sustainable tertiary system

TEC's effective use of data, evidence and information to inform advice will be critical in supporting a number of sector-wide initiatives. In 2018/19, this includes:

- leading the Institutes of Technology and Polytechnic (ITP) Roadmap 2020 and delivering advice to me on system-level changes;
- supporting the Ministry of Education (the Ministry) with the Vocational Education and Training (VET) review through evidence-based advice;
- leading the design and implementation of the Careers System Strategy;
- leading the delivery of the Government's First-Year Fees-Free policy and contributing to planning for its expansion from 2021; and
- contributing to the development, and leading the subsequent implementation of, a new Tertiary Education Strategy.

In particular, given the increasing pressures on the ITP sector and in addition to the Roadmap, I want to be confident TEC is effectively monitoring TEOs and provides me with early and well developed advice.

I also want TEC to ensure that public funds are directed towards tertiary education provision that meets the needs of society and the economy.

I expect TEC to demonstrate the impact of these activities by developing and reporting on appropriate performance measures.

2. Providing adaptive, future focused and connected services

In light of the changing education and economic landscape, TEC will need to be flexible and adaptable and work collaboratively as part of the whole education system.

To allow TEC's investment approach to take the future needs of the education system into account, investment decisions need to be proactive and evidence-based. They also need to:

- support Government priorities for strong labour markets in priority sectors such as initial teacher education, construction, primary industries and health;
- encourage sector innovation and increased capability of the TEO network;
- drive system-level alignment with the Education Portfolio Work Programme and broader Government priorities; and
- align investments in digitally enabled products and services with the technology direction of the whole education system.

As part of the design and implementation of the Careers System Strategy, I expect TEC to continue to work with the Ministry and the sector to develop a Strategy that supports lifelong learning and meets customer needs.

I also expect TEC to continue to embed its role in delivering careers services. This includes working closely with partner agencies to coordinate engagement with key stakeholder groups and to ensure the tertiary and secondary education sectors are aware of and prepared for impacts that changes to the education system may have.

3. Promoting and supporting equity of access and outcomes for learners

I expect TEC to continue to support equitable access and positive outcomes for all learners. In particular, I expect TEC to use its investment decisions to increase the participation and achievement of Maori, Pacific, people from socio-economically disadvantaged circumstances and disabled people. This work should be guided by and contribute to relevant strategies and relevant updates.²

I expect TEC to work in collaboration with the sector to support seamless transitions between school, training and employment. This will ensure learners are aware of all available options and enable more equitable outcomes.

Ensuring the tertiary education sector has opportunities to participate and engage with the NCEA Review is a priority for TEC in this area. TEC will also be expected to lead implementation of relevant actions relating to the tertiary sector that arise from this Review, as appropriate.

Operational Priorities

1. Demonstrating sustainable and responsive business systems

I recognise that TEC, like other agencies, is operating in a tight fiscal environment. I expect TEC to continue to demonstrate and build its sustainable business practices, as it:

- ensures strong financial management practices within the organisation
- agrees and manages high quality and fiscally responsible Investment Plans for 2019 and 2020;
- progresses the 2018 Quality Evaluation for the Performance Based Research Fund (PBRF) and contributes to the review of the PBRF;
- protects the Government's purchase and ownership interests; and
- performs its monitoring and risk management role.

TEC needs to ensure that in its use of data, including collecting data, creating and maintaining data systems, and sharing data with other education agencies, it takes a whole-of-system approach to information and data. This includes ensuring that any development of data collection systems is done so as to preserve and enhance access to high quality data

² Including, but not limited to, Ka Hikitia, Tau Mai Te Reo, the Pasifika Education Plan and the Disability Action Plan.

for the Ministry of Education and NZQA, comply with whole-of-system data standards, and fully operate with other education data and information systems.

2. *Delivering outcomes for the education, research and careers system*

It is important for TEC to understand the impact it has on education, research and careers outcomes. An essential part of this is the shift towards an outcomes-based approach to performance measurement. I understand that TEC already has plans in place to support continuous improvement in this area. I expect to see these changes reflected in the draft Statement of Intent and draft Statement of Performance Expectations.

The outcomes-based performance measures set by TEC will be critical in identifying providers that deliver high quality services. To support and strengthen quality in the sector, I expect TEC to share information about best practice with TEOs.

Reporting and engagement

Through the regular reports that I receive from TEC and the Ministry, I expect to see progress against this LOE and assurance that performance and risk are being well managed.

I expect TEC to work with the Ministry to provide an overview of Board performance for the 2018/19 financial year. Throughout the year, the Board should also regularly engage with the Ministry on the performance of TEC.

I look forward to discussing my priorities further at our next engagement meeting.

Yours sincerely



Chris Hipkins
Minister of Education

cc Tim Fowler, Chief Executive, Tertiary Education Commission
cc Emily Fabling, Deputy Secretary, Strategy, Planning and Governance, Ministry of Education

Proactively Released

Hon Chris Hipkins

MP for Remutaka

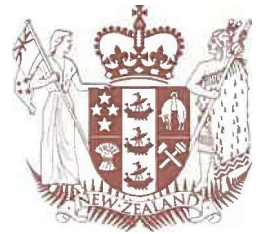
Minister of Education

Minister of Health

Minister of State Services

Leader of the House

Minister Responsible for Ministerial Services



Hon Steve Maharey
Chair
Education New Zealand
Level 5, 160 Lambton Quay
Wellington 6022

9(2)(a)

Dear Steve

Education New Zealand Interim Letter of Expectations

I am writing to convey the Government's priorities for international education in the context of Covid-19, and my expectations for your role in achieving these. This interim letter needs to be considered alongside my Letter of Expectations (LOE) of 2018, which conveyed government priorities for the education system, and the enduring LOE for Crown entities.¹ In addition to the priorities set out in this letter, Education New Zealand (ENZ) needs to be aware of and informed by any guidance or direction to Crown entities set by Government.²

Cabinet agreed to the Strategic Recovery Plan for International Education (the Recovery Plan) on 22 June 2020. The Recovery Plan outlines short and medium term work streams to ensure the international education sector is rebuilt following the impacts of COVID-19. The expectations outlined in this letter will remain in place for the duration of the Recovery Plan.

Building on the vision and objectives of the International Education Strategy (IES), the Recovery Plan is a system-wide framework to address current challenges and seize opportunities. It extends the IES objectives through the inclusion of a focus on sector resilience, reduction of Crown risk, activation of opportunities for innovation and the public value international education can generate for New Zealand.

Supporting the recovery and transformation of International Education will contribute to the wider government COVID-19 response and recovery. Education sector Crown entities need to work alongside each other and other agencies, in an agile manner, to ensure a whole-of-government approach is taken to managing the response and recovery. In the short term, I expect all education entities to focus on supporting the wellbeing of students, and providing timely and accurate communication to students, families and providers.

ENZ's role

ENZ will *support* the Ministry, which is the lead for the workstream to strengthen the current international education system. This includes:

- reviewing cross-government macro policy settings to guide the recovery and shape the future of international education
- ensuring education, immigration and other settings are aligned to guide the recovery and shape the future of international education

¹ <https://ssc.govt.nz/resources/enduring-letter-of-expectations-to-statutory-crown-entities-2019/>

² [Cabinet Office circular CO \(19\) 5: Te Tiriti o Waitangi / Treaty of Waitangi Guidance for policy makers](#); and National Cyber Security Centre (NCSC) guidance for public sector Chief Executives.

- strengthening the regulatory system to improve education quality and support recovery
- strengthening the education offer to international students through tactical use of education, immigration and other policy settings.
- reducing Crown risk and increasing sector resilience
- re-focusing our international presence.

ENZ will *lead* the workstream focusing on transforming to a more sustainable future state through a targeted investment plan and work programme. The key work streams in this phase include:

- diversifying products and services to extend reach including enabling providers to deliver offshore
- supporting, transitioning and growing international education businesses
- activating partnerships and global citizenship opportunities
- international education engagement.

I expect that ENZ will continue to lead general consultation and engagement with providers and international students, particularly through its website and social media channels. ENZ will also continue its role in terms of student promotion and attraction through marketing campaigns to ensure we can drive and convert demand when circumstances allow.

Whether as lead or in a supporting role, ENZ must take an open and transparent approach to working in partnership with government agencies and the wider international education sector.

Governance

Due to the system-wide nature of the work, a Senior Officials Group will be established to support governance and implementation of the Recovery Plan. On behalf of the Secretary for Education ENZ will be responsible for convening and chairing the Group.

As the lead for the transformation to a future sustainable state, ENZ will report to the Senior Officials Group on the overall progress of its implementation. All agencies responsible for individual work streams under any phases of the Recovery Plan will report to the Senior Officials Group

Current decision rights of the Minister of Education, the Secretary for Education, and the ENZ Board remain unchanged.

ENZ needs to have constructive relationships with Ministers and a 'no surprises' approach to keeping me informed of all matters of significance within my portfolio responsibilities.

Operational impact

I expect ENZ to be transparent with its investment and operations, and to ensure its work programme is delivering benefits for New Zealand consistent with the IES and the Recovery Plan.

ENZ will need to consider how the Recovery Plan will impact its current work programme. I expect ENZ to carry out a financial review and analysis of critical success factors. Where possible, discretionary expenditure must be reprioritised and appropriate trade-offs made to reflect the new market environment. ENZ will communicate the results of this review to me alongside proposals for reprioritisation of expenditure through the regular reports I receive from ENZ and the Ministry.

I also expect ENZ to assess and report its performance to me through the usual channels.

Response

I would appreciate your response by 20 August 2020, detailing how you propose to meet the expectations in this letter. This should be developed in conjunction with the Ministry of Education's Monitoring Team and International Division.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'CH', with a long horizontal flourish extending to the right.

Chris Hipkins
Minister of Education

cc: Grant McPherson, Chief Executive, Education New Zealand
cc: Emily Fabling, Deputy Secretary, Strategy, Planning and Governance, Ministry of Education

Proactively Released

Hon Chris Hipkins

MP for Remutaka

Minister for COVID-19 Response

Minister of Education

Minister for the Public Service

Leader of the House

21 May 2021



Neil Quigley
Deputy & Acting Chair
New Zealand Qualifications Authority
PO Box 160
WELLINGTON 6140

9(2)(a)

Dear Neil

New Zealand Qualifications Authority Letter of Expectations 2021

I am writing to convey the Government's priorities for the education system, and my expectations for your role in achieving these. This letter replaces my previous Letter of Expectations (LOE) and needs to be considered alongside the enduring LOE for Crown entities.¹ In addition to the priorities set out in this letter, the New Zealand Qualifications Authority (NZQA) needs to be aware of and informed by any guidance or direction to Crown entities set by Government.²

The new National Education Learning Priorities (NELP), the new Tertiary Education Strategy (TES) and the Government's overarching reforms for education (the Education Work Programme – EWP 2021) require NZQA to work collaboratively and cohesively with partner agencies and the sector.

Te Tiriti o Waitangi (Te Tiriti)

I expect the Board and NZQA to honour and give effect to the Crown's Te Tiriti responsibilities and deliver on Ka Hikita and Tau Mai Te Reo. This means:

- Understanding what the legislative changes to bring Te Tiriti to the forefront of the Education and Training Act 2020 (the Act) means for NZQA
- Creating and continuing authentic and sustainable partnering with iwi and Māori to ensure the education system delivers with, and for, Māori
- Ensuring Māori enjoy and achieve education success as Māori as they develop the skills to participate in te ao Māori, Aotearoa and the wider world (Ka Hikitia – Ka Hapaitia)
- NZQA making on the ground change for Māori learners and whānau including lifting leadership and staff cultural capability and practice to support the Crown to meet its public sector objectives for Māori-Crown relationships.

After consultation with Māori, the Minister for Māori Crown Relations: Te Arawhiti and I intend to issue an additional Statement of Expectations (Statement) about what NZQA must do to give effect to public service objectives that relate to Te Tiriti for the purpose of providing equitable outcomes for all students. It will provide greater guidance on what we expect NZQA to be doing to implement the Crown's Te Tiriti responsibilities provided for in section 6 of the Act.

I understand that the Ministry of Education (the Ministry), as Monitor of NZQA, is developing an equity monitoring framework to ensure I am provided with appropriate assurance across the year on how you are meeting your Te Tiriti obligations and addressing inequity in the system. I am pleased to note your recent publication of Te Kōkiritanga and I look forward to hearing about your

¹ <https://ssc.govt.nz/resources/ending-letter-of-expectations-to-statutory-crown-entities-2019/>

² This includes [Cabinet Office circular CO \(19\) 5: Te Tiriti o Waitangi / Treaty of Waitangi Guidance for policy makers](#), National Cyber Security Centre (NCSC) guidance for public sector Chief Executives.

progress and how you are embedding a commitment to Te Tiriti across the organisation.

COVID-19, equity and access

As COVID-19 has amplified existing inequities in the education system, the sector's initial response to the pandemic has shown us the importance of supporting schools, their leaders, learners and their whānau. I appreciate how education sector Crown entities and the Ministry have worked with each other through the pandemic. The whole-of-sector approach has ensured delivery of core services and holistic management of the continually changing environment.

Continued, joined-up planning for the uncertain environment is critical. The education entities must also continue to work together to support the wellbeing and achievement of students.

In the secondary sector, I expect NZQA to:

- deliver the examination cycle(s) and results release(s)
- continue to work with the Ministry in the use of innovative approaches to assist schools to utilise online learning and assessment if another lock down is required
- continue to focus on how to improve equitable access, including inclusive assessment design and encouraging schools to uptake Special Assessment Conditions for learners who need them.

In the tertiary sector, I expect NZQA to continue to:

- innovatively support the sector, as it did last year with streamlining approval processes for online delivery, extensions to temporary approvals and the relief package to support TEOs experiencing difficulty
- work to enhance the global recognition of New Zealand qualifications
- support the well-being of tertiary students via the Domestic and International Codes.

NZQA demonstrates a strong commitment to achieving equitable outcomes for all learners. I expect it to continue to reduce and remove barriers to access and participation and to work for the success of all learners, especially Māori students, Pacific students, other disabled students and other students from socio-economically disadvantaged circumstances. I recognise NZQA is deliberately focusing its efforts through a Māori and Pacific learner equity lens, reflecting voices heard in Te Kōrero Mātauranga. I also expect NZQA to extend its work on innovative and accessible assessment practices for disabled students, those with learning support needs and those from socio-economically disadvantaged circumstances.

I expect you to:

- tell me how you are incorporating equity across your organisation and seeking to ensure equitable outcomes for diverse ākonga
- tell me, in particular, how barriers will continue to be reduced for students accessing national assessments, including encouraging schools to uptake Special Assessment Conditions for learners who need them and reducing ākonga reliance on these through the innovation in the design and delivery of external assessments
- share with me NZQA's longer-term roadmap for developing an accessible and inclusive NCEA environment
- report regularly to me on this work through the existing reporting channels.

As outlined earlier, Government and education sector Crown entities have joint responsibility to genuinely partner with Māori to ensure the education system delivers with, and for, Māori. Lifting leadership practice and cultural capability of NZQA staff to effectively partner with Māori is a critical aspect of this.³ I appreciate NZQA's efforts to date in this regard and expect to see this continue.

³ See <https://www.tearawhiti.govt.nz/te-kahui-hikina-maori-crown-relations/engagement/> and <https://www.tearawhiti.govt.nz/assets/Tools-and-Resources/Maori-Crown-Relations-Capability-Framework-Organisational-Capability-Component.pdf>

Reform in the Education system

I expect NZQA to do all it must to ensure successful delivery of the Government's ambitious work programme for the education portfolio

NCEA Review and Review of Achievement Standards

I expect NZQA to continue to collaborate with the Ministry on the design and delivery of the findings of the NCEA Review, including on the delivery of the Review of Achievement Standards (RAS).

Key to achieving equitable NCEA outcomes for ākonga Māori and ākonga Pacific, and ensuring inclusivity and accessibility of NCEA for disabled students and students from socio-economically disadvantaged circumstances is actively seeking feedback from these learners, and using student voice to drive improvements and innovations in the nature of assessment and assessment processes. The development of new assessment tasks based on the redeveloped standards must have equity, inclusivity and accessibility at the forefront of design. I expect to see NZQA deliver this through the implementation of the NCEA Review findings and your work to support the development and delivery of the RAS, and the design of assessment. In particular, I expect NZQA to provide leadership over the design of innovative, inclusive external assessments, and to monitor and evaluate whether assessment tasks and standards are meeting the needs of diverse ākonga.

While delivering on the findings of the NCEA Review and the RAS, I expect NZQA to plan for and manage two NCEA systems concurrently. As part of this, NZQA will need to ensure its assessment operating environment will be able to meet the current and future changes. This is critical work for me. I need assurance that it is being prioritised and will:

- consider the capacity, capability and expertise that NZQA will need to develop and deliver innovative, inclusive and accessible external assessments to support the Government's NCEA Changes
- meet expected timelines
- put in place a robust internal assessment moderation system that drives improvements in assessment practice for our workforce.

Alongside this I expect NZQA to work alongside the Ministry to continue to expand the range of subjects available to be examined digitally as the system is ready (appropriate pedagogy and device availability). In expanding the range of subjects, NZQA will need to continue to work with schools and students to ensure technology offers a good user experience for a subject before it is offered as a digital assessment.

New Zealand Qualifications Framework (NZQF) review

I expect NZQA to complete the comprehensive review of the NZQF to the agreed timelines and objectives – the framework needs to be easier to understand and more clearly recognise vocational education and, where relevant, mātauranga Māori.

Reform of Vocational Education (RoVE)

I expect NZQA to change as it responds to RoVE. Moving from sixteen Institutes of Technology and Polytechnics and eleven Transitional Industry Training Organisations to Te Pūkenga and the six new Workforce Development Councils will mean some of its responsibilities will transfer within a more devolved accountability framework for vocational education. NZQA will need to adapt and appropriately scale its regulatory approach. This means:

- focusing on Te Pūkenga's governance and other systems that ensure the quality of education performance and capability to manage its network. These will change and develop as the operating model gets implemented.
- having approval and monitoring processes, using the available levers, that support an environment where it works with WDCs as they undertake their qualification development, standard setting and other functions.

NZQA will need to maintain a strong change orientation and be agile and adaptive in ensuring delivery of core business-as-usual functions as the vocational sector undergoes significant structural change.

I expect NZQA to provide me with a clear view of what it will do to change its organisation and ensure the successful implementation of RoVE across the year, both for the sector and what is needed to fully embed RoVE internally within NZQA.

Data in the tertiary system

I expect NZQA to drive best practice across the sector in the collection and management of its data and information. A key aspect of this is the development of, alongside the Ministry and the Tertiary Education Commission (TEC), a new platform to exchange data across the tertiary education sector and the work with TEOs to further enhance it. I understand this data collection process has still to be developed and implemented.

Tertiary Student Wellbeing

Tertiary student wellbeing is of heightened interest to me because of the tragic death of a student at Sonoda student accommodation in Christchurch in 2019 and the COVID-19 pandemic. I appreciate the work NZQA has undertaken to produce guidelines for the Education (Pastoral Care of Domestic Tertiary Students) Interim Code of Practice 2019 (the Interim Code) and its work to raise sector awareness of their responsibilities under the Interim Code and build sector capability to implement the Interim Code.

I expect NZQA to continue to work with the Ministry on the replacement Code, as I expect it to work with providers to ensure the wellbeing of all students (domestic tertiary and international). Establishing and operating the quality assurance framework and processes to investigate complaints and potential breaches of either the domestic or international Codes is a priority for me. This includes targeted monitoring and integrating the Code into relevant external quality assurance processes such as External Evaluation and Review.

I expect NZQA to work with those who have been delegated code administration responsibilities to ensure that tertiary education providers better support student wellbeing.

Operational expectations

NZQA needs to have constructive relationships with Ministers and a 'no surprises' approach to keeping me informed of matters of significance within my portfolio responsibilities.

I expect NZQA to assess and build board performance and share its insights with the Ministry. Within NZQA, it is important the Board works effectively together, and has a cohesive and collaborative approach.

I expect NZQA to be transparent with its investment and operational spend. NZQA will need to use its funds effectively to ensure it is providing benefits for the sector and will need to carefully manage resources and where required, make appropriate planned trade-offs to deliver on key priority areas.

I encourage NZQA to continue to build its use of business intelligence throughout its work and its data management and stewardship particularly in supporting wider work across the sector, for example TEC's work on Data2020.

Through the regular reports I receive from NZQA and the Ministry, I look forward to seeing progress against this LOE and receiving assurance that performance and risk are being well managed.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'CH', is positioned above the name Chris Hipkins.

Chris Hipkins
Minister of Education

cc Dr Grant Klinkum, Chief Executive, New Zealand Qualifications Authority
cc Emily Fabling, Deputy Secretary, Strategy, Planning and Governance, Ministry of Education

Proactively Released

Hon Chris Hipkins

MP for Remutaka

Minister for COVID-19 Response

Minister of Education

Minister for the Public Service

Leader of the House

21 May 2021



Jenn Bestwick
Chair
Tertiary Education Commission
PO Box 27048
WELLINGTON 6141

9(2)(a)

Dear Jenn,

Tertiary Education Commission Letter of Expectations 2021

I am writing to convey the Government's priorities for the education system, and my expectations for your role in achieving these. This letter replaces my previous Letter of Expectations (LOE) and needs to be considered alongside the enduring LOE for Crown entities.¹ In addition to the priorities set out in this letter, the Tertiary Education Commission (TEC) needs to be aware of and informed by any guidance or direction to Crown entities set by Government². TEC's implementation of the Tertiary Education Strategy (TES) will be instrumental for its success.

The new National Education Learning Priorities (NELP), the new Tertiary Education Strategy (TES) and the Government's overarching reforms for education (the Education Work Programme - EWP 2021) require TEC to work collaboratively and cohesively with partner agencies and the sector.

Te Tiriti o Waitangi (Te Tiriti)

I expect the Board and TEC to honour and give effect to the Crown's Te Tiriti responsibilities and deliver on Ka Hikitia and Tau Mai Te Reo. This means:

- Understanding what the legislative changes to bring Te Tiriti to the forefront of the Education and Training Act 2020 (the Act) means for TEC
- Ensuring TEC's funding policies, guidance and practices reflect the Crown's Te Tiriti responsibilities, and utilising the levers within these funding arrangements to ensure TECs reflect this commitment in their outputs
- Creating and continuing authentic and sustainable partnering with iwi and Māori to ensure the education system delivers with, and for, Māori
- Ensuring Māori enjoy and achieve education success as Māori as they develop the skills to participate in te ao Māori, Aotearoa and the wider world (Ka Hikitia – Ka Hapaitia)
- Utilising Te Tiriti as part of its role in the tertiary sector
- TEC making on the ground change for Māori learners and whānau, including lifting leadership and staff cultural capability and practice, to support the Crown to meet its public sector objectives for Māori-Crown relationships.

After consultation with Māori, the Minister for Māori Crown Relations: Te Arawhiti and I intend to issue an additional Statement of Expectations (Statement) about what TEC must do to give effect to public service objectives that relate to Te Tiriti for the purpose of providing equitable outcomes for all ākonga. It will provide greater guidance on what we expect TEC to be doing to implement the Crown's Te Tiriti responsibilities provided for in section 6 of the Act.

¹ <https://ssc.govt.nz/resources/enduring-letter-of-expectations-to-statutory-crown-entities-2019/>

² This includes [Cabinet Office circular CO \(19\) 5: Te Tiriti o Waitangi / Treaty of Waitangi Guidance for policy makers](#), National Cyber Security Centre (NCSC) guidance for public sector Chief Executives.

I understand that the Ministry of Education (the Ministry), as Monitor of TEC, is developing an equity monitoring framework to ensure I am provided with appropriate assurance across the year on how you are meeting your Te Tiriti obligations and addressing inequity in the system. To supplement this, I expect you to tell me, through your regular reporting, how you are embedding a commitment to Te Tiriti across the organisation, what your programme of work regarding this entails and how you are measuring progress.

Tertiary Education Strategy

The TES focuses on learner achievement and wellbeing, reducing barriers to succeed, incorporating te reo Māori and tikanga Māori into the everyday life of Tertiary Education Organisations (TEOs), and strengthening the quality of teaching to give learners the skills they need to succeed in education, work and life. It also seeks greater collaboration with whānau, employers, industry and community. The TES comprises eight priorities and includes actions that TEOs and Government can take to help achieve the priorities. The TEC is required to give effect to the TES through the investment process and to have regard for the TES in its wider functions. The new TES focuses on action, and I expect that TEC will implement those actions it has responsibility for, and I expect TEC to work closely with the Ministry on areas of shared responsibility.

Equity

I expect TEC to continue working to reduce and remove barriers to access and participation and to work for the success of all learners, especially Māori and Pacific students, disabled students and students from socio-economically disadvantaged circumstances. Effectively implementing the TES will be key to this.

I expect TEC to:

- tell me how you are incorporating equity across your organisation and seeking to ensure equitable outcomes for diverse ākonga
- actively promote data analytical tools and interventions to improve participation, retention and completion for learners
- be collecting and using comprehensive data on all learners' achievement to improve your delivery
- report regularly to me on this work through the existing reporting channels.

COVID-19

As COVID-19 has amplified existing inequities in the education system, the sector's initial response to the pandemic has shown us the importance of supporting education institutes and providers, their leaders, learners and their whānau. I appreciate how education sector Crown entities and the Ministry have worked with each other through the pandemic. The whole-of-sector approach has ensured delivery of core services and holistic management of the continually changing environment.

Continued, joined-up planning for the uncertain environment is critical. The education entities must also continue to work together to support the wellbeing and achievement of students.

I expect TEC to:

- work with TEOs to ensure their students receive the support they require and to address financial pressures caused by COVID-19 to ensure their ongoing viability where possible
- ensure TEOs are developing and delivering upskilling and retraining offerings to meet the needs of those who have lost employment and/or employment opportunities due to COVID-19
- continue to support TEOs to provide consistent quality education across all modes of delivery to meet the demand from learners for new ways of working.

Reform in the Education system and Reform of Vocational Education (RoVE)

TEC will need to maintain a strong change orientation and be agile and adaptive in ensuring delivery of core business-as-usual functions as the vocational sector undergoes significant structural change.

To deliver successful implementation of RoVE I expect TEC to:

- adapt its operating model to reflect the key changes in the entities it will be funding and monitoring in the future i.e. the move from sixteen Institutes of Technology and Polytechnics and eleven Transitional Industry Training Organisations (TITOs) to Te Pūkenga and the six new Workforce Development Councils (WDCs)
- adapt its investment processes to incorporate the newly legislated functions and roles of WDCs and Regional Skills Leadership Groups
- support the transfer of responsibility for apprentices and trainees to providers
- support the establishment of the new WDCs and transfer of legislated functions from TITOs to WDCs
- develop a holistic monitoring and performance approach for Te Pūkenga. I must have a clear view of performance and risk assessment of Te Pūkenga and that of the overall network.
- design, in partnership with the Ministry, the Unified Funding System and ensure the investment process supports the reforms

I expect TEC to provide me with a clear view of what it has done to adapt its organisation and ensure the successful implementation of RoVE across the year, both for the sector and what is needed to fully imbed RoVE internally within TEC.

Careers initiatives and the Secondary-Tertiary interface

It is important to me for learners to have the best possible careers information and learning pathways available to them. It is a priority for TEC to be working with employers and other careers stakeholders to ensure strong and effective processes and programmes are in place to support the transition from secondary to tertiary, education to employment, unemployment to retraining, and on to further employment. This includes working with schools, employers and TEOs in developing education-to-employment or training pathways and providing publicly available careers information and services. Careers information and services need to be culturally appropriate and meet the needs of New Zealanders and those who support them, including educators, employers and specialist career practitioners, so they can make informed career choices.

To ensure there are clear roles and responsibilities around careers services, and alignment with its primary careers' functions, and the Government's careers priorities, I expect TEC to:

- increase its focus on supporting secondary students career choices
- ensure its careers work programme supports students to navigate the new structures and pathways put in place through RoVE and the NCEA Change programme
- provide equitable careers services and guidance for jobseekers, including Māori, Pacific and disabled peoples, that removes barriers to employment
- give effect to the Government's employment strategies aimed at reinforcing equitable employment opportunities and growing New Zealand's workforce, including the all- of- Government Employment strategy and the Youth Employment and Working Matters Action Plans
- develop *Tiro Whetū* to ensure New Zealanders have access to and are supported to make the best use of a robust online career planning tool, aligned with wider digital strategies for the education sector
- ensure TEC's careers work programme is connected to, and aligned with, other aspects of its operational delivery
- have strong relationships with key stakeholders, including the Career Development Association of New Zealand (CDANZ), the Careers and Transition Education Association (CATE) and Government departments

- demonstrate the measurable outcomes its careers initiatives have and ensure it is transparent with the associated spend.

I expect TEC to report to me on what its role and activities are and how they interrelate with the roles of others in the sector. This is especially important when new programmes and services are explored.

Investment in Tertiary Education

I expect TEC to ensure it is making the best possible investment in tertiary education and training on behalf of the Government. This means it must have a good understanding of its investment levers, how it is using them and what operational settings may need to shift to support the Government's goals for the tertiary education system.

It is important TEC is transparent in its decision making throughout the investment planning process.

I expect TEC to:

- show how it is giving effect to the TES through the investment process
- adapt its investment process to show how it is taking advice from the WDCs and the Regional Skills Leadership Groups into consideration when funding providers
- hold providers to account for their performance in delivering in line with these decisions and set expectations for providers to commit to holding themselves accountable to regional stakeholders and Māori as Te Tiriti partners.

I would like to see TEC continue to support TEOs to create sustainable opportunities to support New Zealand's economic growth and development by fostering research, innovation and entrepreneurship opportunities. It will also be important for TEC to support New Zealand's recovery from the impacts of COVID-19 by utilising its investment levers, as there will be an increase in demand for tertiary education and training for some years to come.

As part of its wider investment role, I expect TEC to complete the review of the Performance Based Research Fund.

Monitoring Tertiary Education Organisations

In the transition to the new system, TEC has the critical role of monitoring TEOs and managing risks to the Crown. I expect TEC to have well developed monitoring practices to assess TEO risks and financial management practices. This also includes reporting on how TEOs are meeting the Crown's Te Tiriti responsibilities and achieving equitable outcomes for ākonga.

Alongside this, TEC must use its understanding of the sector to actively support system improvements and provide advice to the sector as required, including through building capability of the TEO network.

Data in the tertiary and careers system

I expect TEC to drive best practice across the sector in the collection and management of its data and information. A key aspect of this is the development of, in concert with the Ministry and the New Zealand Qualifications Authority, a new platform to exchange data across the tertiary education sector and the work with TEOs to further enhance it. I understand this data collection process has still to be developed and implemented.

Operational expectations

TEC needs to have constructive relationships with Ministers and a 'no surprises' approach to keeping me informed of matters of significance within my portfolio responsibilities.

I expect TEC to assess and build Board performance and share its insights with the Ministry. Within TEC, it is important the Board works effectively together, and has a cohesive and collaborative approach.

I expect TEC to be transparent with its investment and operational spend. TEC will need to use its funds effectively to ensure it is providing benefits for the sector and will need to carefully manage resources, and where required, make appropriate planned trade-offs to deliver on key priority areas.

Through the regular reports I receive from TEC and the Ministry, I look forward to seeing progress against this LOE and receiving assurance that performance and risk are being well managed.

Yours sincerely



Chris Hipkins
Minister of Education

cc Tim Fowler, Chief Executive, Tertiary Education Commission
cc Emily Fabling, Deputy Secretary, Strategy, Planning and Governance, Ministry of Education

Proactively Released

Hon Chris Hipkins

MP for Remutaka

Minister for COVID-19 Response

Minister of Education

Minister for the Public Service

Leader of the House

21 May 2021



Hon Steve Maharey
Chair
Education New Zealand
Level 5, 160 Lambton Quay
WELLINGTON 6022

9(2)(a)

Dear Steve

Education New Zealand Letter of Expectations 2021

I am writing to convey the Government's priorities for the education system, and my expectations for your role in achieving these. This letter replaces my July 2020 interim and 2018 Letters of Expectations (LOE) and needs to be considered alongside the enduring LOE for Crown entities.¹ In addition to the priorities set out in this letter, Education New Zealand (ENZ) needs to be aware of and informed by any guidance or direction to Crown entities set by Government.²

The new National Education Learning Priorities (NELP), the new Tertiary Education Strategy (TES) and the Government's overarching reforms for education (the Education Work Programme – EWP 2021) require ENZ to work collaboratively and cohesively with partner agencies and the sector.

Te Tiriti o Waitangi (Te Tiriti)

I expect the Board and ENZ to honour and give practical effect to the Crown's Te Tiriti responsibilities. This means:

- Understanding what the legislative changes to bring Te Tiriti to the forefront of the Education and Training Act 2020 (the Act) means for ENZ
- Partnering with iwi, Māori and Māori providers of education services to transform the understanding of international education and ensure the education system delivers with, and for Māori in the international context
- Supporting education in te ao Māori, tikanga and te reo Māori as part of the international educational offer
- Presenting New Zealand's educational system to the world in a way that acknowledges the importance of Te Tiriti and a Māori world view
- Ensuring international students are exposed to the Māori world view as something unique to New Zealand and of international applicability and benefit
- Ensuring Māori enjoy and achieve education success as Māori as they develop the skills to participate in te ao Māori, Aotearoa and the wider world (Ka Hikitia – Ka Hapaitia)
- ENZ lifting leadership and staff cultural capability and practice to support the Crown to meet its public sector objectives for Māori-Crown relationships.

After consultation with Māori, the Minister for Māori Crown Relations: Te Arawhiti and I intend to issue an additional Statement of Expectations (Statement) about what ENZ must do to give effect to public service objectives that relate to Te Tiriti for the purpose of providing equitable outcomes for all students. It will provide greater guidance on what we expect ENZ to be doing to implement the Crown's Te Tiriti responsibilities provided for in section 6 of the Act.

¹ <https://ssc.govt.nz/resources/enduring-letter-of-expectations-to-statutory-crown-entities-2019/>

² This includes [Cabinet Office circular CO \(19\) 5: Te Tiriti o Waitangi / Treaty of Waitangi Guidance for policy makers](#), National Cyber Security Centre (NCSC) guidance for public sector Chief Executives.

I understand that the Ministry of Education (the Ministry), as Monitor of ENZ, is developing an equity monitoring framework to ensure I am provided with appropriate assurance across the year on how you are meeting your Te Tiriti obligations and addressing inequity in the system. To supplement this, I expect you to tell me, through your regular reporting, how you are embedding a commitment to Te Tiriti across the organisation, what your programme of work regarding this entails and how you are measuring progress.

COVID-19 and the Strategic Recovery Plan for International Education

Cabinet agreed to the Strategic Recovery Plan for International Education (the Recovery Plan) on 22 June 2020. The Recovery Plan outlines short- and medium-term work streams to ensure the international education sector is rebuilt following the impacts of COVID-19. The expectations outlined in this letter will remain in place for the duration of the Recovery Plan.

Building on the vision and objectives of the International Education Strategy (IES), the Recovery Plan is a system-wide framework to address current challenges and seize opportunities. It extends the IES objectives through the inclusion of a focus on sector resilience, reduction of Crown risk, activation of opportunities for innovation and the public value international education can generate for New Zealand.

Supporting the recovery and transformation of International Education will contribute to the wider government COVID-19 response and recovery. Education sector Crown entities need to work alongside each other and other agencies, in an agile manner, to ensure a whole-of-government approach is taken to managing the response and recovery. In the short term, I expect all education entities to focus on supporting the wellbeing of students, and providing timely and accurate communication to students, families and providers.

ENZ's role in the Recovery Plan

ENZ will *support* the Ministry, which is the lead for the workstream to strengthen the current international education system. This includes:

- reviewing cross-government macro policy settings to guide the recovery and shape the future of international education
- ensuring education, immigration and other settings are aligned to guide the recovery and shape the future of international education
- strengthening the regulatory system to improve education quality and support recovery
- strengthening the education offer to international students through tactical use of education, immigration and other policy settings.
- reducing Crown risk and increasing sector resilience
- re-focusing our international presence.

ENZ will *lead* the workstream focusing on transforming to a more sustainable future state through a targeted investment plan and work programme. The key work streams in this phase include:

- diversifying products and services to extend reach including enabling providers to deliver offshore
- supporting, transitioning and growing international education businesses
- activating partnerships and global citizenship opportunities
- international education engagement.

I expect ENZ to continue to lead general consultation and engagement with providers and international students, particularly through its website and social media channels. ENZ will also continue its role in terms of student promotion and attraction through marketing campaigns to ensure we can drive and convert demand when circumstances allow.

Whether as lead or in a supporting role, ENZ must take an open and transparent approach to working in partnership with government agencies and the wider international education sector.

Recovery Plan Governance

Due to the system-wide nature of the work, a Senior Officials Group has been established to support governance and implementation of the Recovery Plan. On behalf of the Secretary for Education, ENZ will be responsible for convening and chairing the Group.

As the lead for the transformation to a future sustainable state, ENZ will report to the Senior Officials Group on the overall progress of its implementation. All agencies responsible for individual work streams under any phases of the Recovery Plan will report to the Senior Officials Group.

Current decision rights of the Minister of Education, the Secretary for Education, and the ENZ Board remain unchanged.

As a Crown agent ENZ is required to give effect to government policy. It is important that decisions about prioritisation and tradeoffs in ENZ's wider work program reflect the goals in the Recovery plan. While it is important that ENZ brings the sector perspective to its work programme, I expect ENZ to be working with other government agencies to support the Government operating with one voice.

Operational expectations

I expect ENZ to assess and build Board performance and share its insights with the Ministry. Within ENZ, it is important the Board works effectively, and has a cohesive and collaborative approach.

ENZ will need to consider how their work programme is shaped and informed by the goals and strategies of the Recovery Plan. I expect ENZ to be transparent with its investment and operations, and to ensure its work programme is delivering benefits for New Zealand consistent with the IES and the Recovery Plan.

ENZ needs to have constructive relationships with Ministers and a 'no surprises' approach to keeping me informed of matters of significance within my portfolio responsibilities. I expect ENZ to carry out a financial review and analysis of critical success factors by the end of May 2021. Where possible, discretionary expenditure must be reprioritised and appropriate trade-offs made to reflect the new market environment. I need to have confidence that ENZ is following appropriate processes for discretionary expenditure, including considering when it is appropriate for the Board to approve and when it is appropriate that the Minister or Cabinet approves. Regardless of where decision making sits, I need to be kept informed on reprioritisation.

ENZ will communicate the results of this review to me alongside proposals for reprioritisation of expenditure through the regular reports I receive from ENZ and the Ministry. I also look forward to seeing progress against this LOE and receiving assurance that performance and risk are being well managed

Yours sincerely



Chris Hipkins
Minister of Education

cc Grant McPherson, Chief Executive, Education New Zealand
cc Emily Fabling, Deputy Secretary, Strategy, Planning and Governance, Ministry of Education