



## Education Report: Consolidating medium-term funding for wānanga via Section 556 of the Education and Training Act 2020

<b>To:</b>	Hon Chris Hipkins, Minister of Education		
<b>Cc:</b>	Hon Kelvin Davis, Associate Minister of Education (Māori Education)		
<b>Date:</b>	24 November 2022	<b>Priority:</b>	Medium
<b>Security Level:</b>	In Confidence	<b>METIS No:</b>	1299817
<b>Drafter:</b>	Liz Haynes	<b>Phone:</b>	04 463 2873
<b>Key contact and number:</b>	James Campbell	<b>Phone:</b>	9(2)(a) [REDACTED]
<b>Messaging seen by Communications team:</b>	No	<b>Round robin:</b>	No

### Purpose of report

This report seeks your agreement:

- to consolidate medium-term support funding for each wānanga into a single two-year grant, to be paid via section 556 of the Education and Training Act 2020 (the Act) on an annual basis.
- that such a grant meets the national interest criteria set out in section 556 of the Act.

Your approval is needed by 15 December 2022 in order for grants to be approved by the end of the year and take effect in 2023.

### Recommended actions

The Ministry of Education recommends you:

- note** that officials previously advised we would recommend merging the three medium-term funding sources for wānanga in 2023
- agree** to merge stop-gap payments for wānanga, annual payments from the WRCF, and medium-term transitional support funding into a single grant of \$8 million per calendar year to each wānanga via section 556 of the Education and Training Act 2020

☒ **Agree** / ☐ **Disagree**

- agree** that this funding is provided for 2023 and 2024 calendar years

☒ **Agree** / ☐ **Disagree**

- agree** that the merged grant meets the criteria in section 556 of the Education and Training Act 2020 as a payment that is in the national interest

☒ **Agree** / ☐ **Disagree**

- e. **note** that due to the impact of accounting standard PBE IPSAS 23, a technical adjustment will be submitted through the Budget process to bring forward funding for 2023/24 and recognise the expenditure in the 2022/23 fiscal year
- f. **sign** the three letters in Appendices 1, 2 and 3, after which the Ministry will send these to wānanga to be co-signed.
- g. **agree** to proactively release this Education Report, subject to any redactions made in line with the provisions of the Official Information Act 1982.

☒ Agree / ☐ Disagree



James Campbell  
**Senior Policy Manager, Tertiary Education**  
**Te Puna Kaupapahere**

24/11/2022



Hon Chris Hipkins  
**Minister of Education**

15/12/2022

## Background

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1. Ministers have previously agreed that officials work with the wānanga sector through Te Hono Wānanga work programme to develop a funding framework that supports wānanga to deliver quality tertiary education and outcomes for Māori learners [METIS 1223372 refers].
2. We have adopted a three-phased approach to the funding workstream of Te Hono Wānanga: immediate funding relief (phase one); medium-term transitional support funds (phase two); and long-term sustainable funding underpinned by a more appropriate Māori-Crown relationship (phase three).
3. Each wānanga currently receives annual funding from three sources as part of the phase two funding for wānanga while a long-term funding framework is developed. Those sources are:
  - a. \$2 million in stop-gap funding (established via Budget 2021 [METIS 1277793 refers]);
  - b. \$2 million from the Wānanga Research Capability Fund (WRCF) (increased from \$500,000 per annum in Budget 2021 [METIS 1257565 refers]); and
  - c. \$4 million in medium-term funds (established from 2022 to support the unique role and aspirations of each Wānanga [METIS 1277793 and 1283404 refer]).
4. We have previously signalled that we would recommend merging these sources of transitional support funding for 2023 [METIS 1283404 refers]. This report seeks your agreement to merge these funds, and to provide the resulting funding via a grant under section 556 of the Education and Training Act 2020 (the Act).

## Consolidating the medium-term funds for wānanga

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5. We propose merging the three funds into a single grant of \$8 million per calendar year for each wānanga, to be made under section 556 of the Act. These grants are intended to support the unique role and aspirations of each wānanga, as previously agreed with each wānanga and articulated in the proposed grant letters (see Appendix 1, 2 and 3).
6. The merging of phase two funds would lay the administrative groundwork for a long-term funding system (phase three), which will be a cohesive system for the future wānanga sector rather than discrete sources of additional funding. In addition, it supports the principle of rangatiratanga enshrined in Article 2 of Te Tiriti o Waitangi by allowing wānanga more autonomy to determine for themselves how best to spend the total allocated funding.
7. We propose that each wānanga is granted two years of this funding, to be paid in instalments over 2023 and 2024. This would give wānanga greater certainty around this funding stream for the near future as well as being simpler to administer.
8. Te Hono Wānanga work programme will continue to explore options for phase three funding, but major changes are not expected to be implemented for 2024. At the end of the two-year grant period, an extension of funding will be considered in relation to the progress of that work programme.
9. We have drafted grant letters for the three wānanga (Appendix 1, 2 and 3) agreeing to funding of \$8 million per calendar year for 2023 and 2024. The Ministry has engaged with ngā wānanga and they have confirmed they are comfortable with the content of the letters and with the two-year grant period.

## Grants via section 556 of the Education and Training Act 2020

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10. In order to merge phase two funding streams into a single grant via section 556 of the Act, you need to agree that such a grant is in the national interest. You have previously agreed that stop-gap and medium-term funding for wānanga meet the national interest test and these funds have previously been provided as grants via section 556 of the Act [METIS 1277793 refers].
11. The WRCF has previously been allocated via the TEC via a funding determination, rather than as a grant via section 556 of the Act. We consider that this funding also meets the national interest test, given that it supports wānanga to build their capacity and capability for research, as well as recognising wānanga concerns that the Performance Based Research Fund does not adequately assess quality in mātauranga Māori research.
12. The Crown has an obligation under Te Tiriti o Waitangi to actively protect wānanga as a system of learning and a repository of mātauranga Māori. The proposed merged grant supports this obligation as well as supporting rangatiratanga for wānanga.
13. As such, we consider that the merged grants reach the national interest threshold and therefore recommend that this funding be provided under section 556 of the Act.

## Financial Implications

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14. No additional funding is required for this proposal. The three funding streams to be merged are all currently funded out of the 'Support for Wānanga' appropriation.
15. The application of Public Benefit Entity accounting standards (PBE IPSAS 23) means that before the end of the 2022/23 fiscal year the Crown must recognise its obligation to provide \$12 million for each wānanga, being \$8 million for the 2023 calendar year and \$4 million for the second half of the 2023/24 fiscal year (Jan-June 2024). This requires bringing forward funding planned for 2023/24 to be recognised in 2022/23.
16. The technical adjustment of bringing forward non-departmental funding from future years is outside the scope of what Joint Ministers can normally approve [CO(18)2 refers]. However, this initiative can be approved as a Budget Technical initiative as it has no policy implications. We have discussed this issue with the Treasury, which has confirmed that it is comfortable with the proposed approach.

## Next Steps

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17. We recommend that you sign this report and the attached grant letters by 15 December 2022 to allow payments to be made to each wānanga in 2023. Following your agreement, we will send the grant letters to wānanga to be co-signed.
18. Officials will submit a Budget Technical initiative through the Budget process, to bring funding for the 2023/24 fiscal year forward into the current fiscal year.

## Appendices

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- Appendix 1: Section 556 Grant Letter to Te Wānanga o Raukawa
- Appendix 2: Section 556 Grant Letter to Te Wānanga o Aotearoa
- Appendix 3: Section 556 Grant Letter to Te Wānanga o Awanuiārangī

# Hon Chris Hipkins

MP for Remutaka

Minister of Education

Minister of Police

Minister for the Public Service

Leader of the House



Robin Hapi

9(2)(a)

[Redacted text]

Tēnā koe Mr Hapi

## Merging of the medium-term funds for Te Wānanga o Raukawa,

Ka mihi ake i roto i ngā āhuatanga o te wā.

As indicated when the Whakatupu Mātauranga Fund was established in late 2021, from 2023 we are consolidating wānanga funding that is currently made up by the Wānanga Research Capability Fund, the stop-gap funding and the medium-term funding for ngā wānanga.<sup>1</sup>

The intention of consolidating these funds is to better reflect the shared underlying purpose of these different funding streams, in particular supporting the growth and development of wānanga, while remaining flexible enough to allow for future work on a Wānanga sector funding framework. The approach described below has been put in place to support the growth and development of ngā wānanga while we continue our work together to develop a long-term, sustainable funding arrangement underpinned by a more appropriate Māori-Crown relationship.

The amount of funding that each wānanga receives will remain the same as under previous settings and agreements. Te Wānanga o Raukawa will receive \$8 million per calendar year. This combines the funding previously provided by the Wānanga Research Capability Fund and stop-gap funding with the Whakatupu Mātauranga Fund for the purposes of reporting.

This grant letter provides \$8 million per annum in both the 2023 and 2024 calendar years to Te Wānanga o Raukawa under section 556 of the Education and Training Act 2020 (the Act). The funding will be paid on the condition that Te Wānanga o Raukawa maintains appropriate records of the use of the funding in accordance with section 557 of the Act, and reports to the Tertiary Education Commission (TEC) on an annual basis about what it has achieved in giving effect to the purposes of the grant.

Te Wānanga o Raukawa, as a Māori institution of higher learning and cultural preservation, is a significant contributor to the tertiary education sector, Māori tertiary education outcomes

<sup>1</sup> <https://assets.education.govt.nz/public/Documents/our-work/information-releases/Issue-Specific-release/Budget-2022/16.-ER-1280588-Proposed-changes-to-Vote-Tertiary-Education-to-implement-the-unified.. Redacted.pdf>

and the mātauranga Māori continuum. The Crown has an obligation under Te Tiriti o Waitangi to actively protect wānanga as a system of learning and a repository of mātauranga Māori. We are therefore satisfied that these payments are in the national interest by supporting Te Wānanga o Raukawa and its invaluable contribution to delivering excellent education outcomes for and with Māori.

The purpose of the Whakatupu Mātauranga Fund, as we have developed together, is to support Te Wānanga o Raukawa to implement or expand its whakatupu mātauranga, whakahaere and hei whakamaunga atu activities as Te Wānanga o Raukawa has defined:

- **whakatupu mātauranga** refers to action committed to reclaiming, enriching and enhancing the mātauranga continuum
- **whakahaere** incorporates the platforms and processes needed for Te Wānanga o Raukawa to function effectively and support its students to become confident and resilient learners
- **hei whakamaunga atu** refers to new projects and initiatives that Te Wānanga o Raukawa has identified as opportunities to restore, nurture and expand the mātauranga continuum.

The TEC will regularly engage with Te Wānanga o Raukawa on the activities it proposes to undertake using this funding and how the TEC will support Te Wānanga o Raukawa to achieve the outcomes of the fund outlined above.

Te Wānanga o Raukawa will report on its progress towards the outcomes and activities identified above through the investment plan process and in its annual report, promoting transparency and accountability to the TEC and the broader community.

The TEC will administer the payments as set out above. In order to process these payments, please acknowledge this letter by returning a scanned, signed copy to Tim Fowler, Chief Executive of the TEC. Tim can be contacted on [tim.fowler@tec.govt.nz](mailto:tim.fowler@tec.govt.nz).

We look forward to continuing our work together on Te Hono Wānanga and to exploring how we can support your aspirations in the vocational education and training space.

Nā māua noa, nā



Hon Chris Hipkins  
**Minister of Education**  
15 / 12 / 2022

Hon Kelvin Davis  
**Associate Minister of Education (Māori Education)**  
\_\_\_\_ / \_\_\_\_ / \_\_\_\_

cc Mereana Selby, Tumuaki, Te Wānanga o Raukawa  
cc Iona Holsted, Secretary for Education, Ministry of Education  
cc Tim Fowler, Chief Executive, Tertiary Education Commission

**FORMAL ACKNOWLEDGEMENT**

On behalf of Te Wānanga o Raukawa, I, Robin Hapi, Te Amokapua, Te Mana Whakahaere Te Wānanga o Raukawa, acknowledge and agree that:

(please tick)

Te Wānanga o Raukawa will receive a total of \$8 million per calendar year for 2023 and 2024 via the Whakatupu Mātauranga Fund, to be paid under section 556 of the Education and Training Act 2020, conditional on Te Wānanga o Raukawa providing an annual report on the use of this funding to the TEC, reporting on its progress through the investment plan process, and regular engagements on proposed activities with the TEC, as set out in the letter above.	
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Signed .....

# Hon Chris Hipkins

MP for Remutaka

Minister of Education

Minister of Police

Minister for the Public Service

Leader of the House



Vanessa Eparaima

9(2)(a)

Tēnā koe Ms Eparaima

## Merging of the medium-term funds for Te Wānanga o Aotearoa

Ka mihi ake i roto i ngā āhuatanga o te wā.

As indicated earlier in 2022, from 2023 we are consolidating wānanga funding that is currently made up by the Wānanga Research Capability Fund, the stop-gap funding and the medium-term funding for ngā wānanga.<sup>1</sup>

The intention of consolidating these funds is to better reflect the shared underlying purpose of these different funding streams, in particular supporting the growth and development of wānanga, while remaining flexible enough to allow for future work on a Wānanga sector funding framework. The approach described below has been put in place to support the growth and development of ngā wānanga while we continue our work together to develop a long-term, sustainable funding arrangement underpinned by a more appropriate Māori-Crown relationship.

The amount of funding that each wānanga receives will remain the same as under previous settings and agreements. Te Wānanga o Aotearoa will receive \$8 million per calendar year. This combines the funding previously provided by the Wānanga Research Capability Fund and stop-gap funding with medium-term funding for the purposes of reporting.

This grant letter provides \$8 million per annum in both the 2023 and 2024 calendar years to Te Wānanga o Aotearoa under section 556 of the Education and Training Act 2020 (the Act). The funding will be paid on the condition that Te Wānanga o Aotearoa maintains appropriate records of the use of the funding in accordance with section 557 of the Act, and reports to the Tertiary Education Commission (TEC) on an annual basis about what it has achieved in giving effect to the purposes of the grant.

Te Wānanga o Aotearoa, as a Māori institution of higher learning and cultural preservation, is a significant contributor to the tertiary education sector, Māori tertiary education outcomes and the mātauranga Māori continuum. The Crown has an obligation under Te Tiriti o Waitangi to actively protect wānanga as a system of learning and a repository of mātauranga Māori. We are therefore satisfied that these payments are in the national interest by

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supporting Te Wānanga o Aotearoa and its invaluable contribution to delivering excellent education outcomes for and with Māori.

As per your discussions with officials, the funding is intended to:

- ensure your network of provision is sustainable and connected with, and contributing to, communities across Aotearoa
- support and remunerate kaiako to ensure kaiako pay and incentives are equal to comparable sector market rates; and
- ensure your ability to deliver a taura centric delivery model and 'no barrier' kaupapa.

The TEC will regularly engage with Te Wānanga o Aotearoa on the activities it proposes to undertake using this funding and how the TEC will support Te Wānanga o Aotearoa to achieve the outcomes of the fund outlined above.

Te Wānanga o Aotearoa will report on its progress towards the outcomes and activities identified above through the investment plan process and in its annual report, promoting transparency and accountability to the TEC and the broader community.

The TEC will administer the payments as set out above. In order to process these payments, please acknowledge this letter by returning a scanned, signed copy to Tim Fowler, Chief Executive of the TEC. Tim can be contacted on [tim.fowler@tec.govt.nz](mailto:tim.fowler@tec.govt.nz).

We look forward to continuing our work together on Te Hono Wānanga and to exploring how we can support your aspirations in the vocational education and training space.

Nā māua noa, nā



Hon Chris Hipkins  
**Minister of Education**  
15 / 12 / 2022

Hon Kelvin Davis  
**Associate Minister of Education (Māori Education)**  
\_\_\_\_ / \_\_\_\_ / \_\_\_\_

cc Bryan Hemi, Deputy Chair of Te Mana Whakahaere, Te Wānanga o Aotearoa  
cc Iona Holsted, Secretary for Education, Ministry of Education  
cc Tim Fowler, Chief Executive, Tertiary Education Commission

**FORMAL ACKNOWLEDGEMENT**

On behalf of Te Wānanga o Aotearoa, I, Vanessa Eparaima, Chair, Te Mana Whakahaere, Te Wānanga o Aotearoa, acknowledge and agree that:

Te Wānanga o Aotearoa will receive a total of \$8 million per calendar year for 2023 and 2024 to be paid under section 556 of the Education and Training Act 2020, conditional on Te Wānanga o Aotearoa providing an annual report on the use of this funding to the TEC, reporting on its progress through the investment plan process, and regular engagements on proposed activities with the TEC, as set out in the letter above.	(please tick)
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Signed .....

# Hon Chris Hipkins

MP for Remutaka

Minister of Education

Minister of Police

Minister for the Public Service

Leader of the House



Judge Layne Harvey

9(2)(a)

Tēnā koe Judge Harvey

## Merging the medium-term funds for Te Whare Wānanga o Awanuiārangi

Ka mihi ake i roto i ngā āhuatanga o te wā.

As indicated earlier in 2022, from 2023 we are consolidating wānanga funding that is currently made up by the Wānanga Research Capability Fund, the stop-gap funding and the medium-term funding for ngā wānanga.<sup>1</sup>

The intention of consolidating these funds is to better reflect the shared underlying purpose of these different funding streams, in particular, supporting the growth and development of wānanga, while remaining flexible enough to allow for future work on a Wānanga sector funding framework. The approach described below has been put in place to support the growth and development of ngā wānanga while we continue our work together to develop a long-term, sustainable funding arrangement underpinned by a more appropriate Māori-Crown relationship.

The amount of funding that each wānanga receives will remain the same as under previous settings and agreements. Te Wānanga o Awanuiārangi will receive \$8 million per calendar year. This combines the funding previously provided by the Wānanga Research Capability Fund and stop-gap funding with medium-term funding for the purposes of reporting.

This grant letter provides \$8 million per annum in both the 2023 and 2024 calendar years to Te Whare Wānanga o Awanuiārangi under section 556 of the Education and Training Act 2020 (the Act). The funding will be paid on the condition that Te Whare Wānanga o Awanuiārangi maintains appropriate records of the use of the funding in accordance with section 557 of the Act, and reports to the Tertiary Education Commission (TEC) on an annual basis about what it has achieved in giving effect to the purposes of the grant.

Te Whare Wānanga o Awanuiārangi, as a Māori institution of higher learning and cultural preservation, is a significant contributor to the tertiary education sector, Māori tertiary education outcomes and the mātauranga Māori continuum. The Crown has an obligation under Te Tiriti o Waitangi to actively protect wānanga as a system of learning and a repository of mātauranga Māori. We are therefore satisfied that these payments are in the

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national interest by supporting Te Whare Wānanga o Awanuiārangi and its invaluable contribution to delivering excellent education outcomes for and with Māori.

As per your discussions with officials, the funding is intended to:

- grow the range of provision while raising the status and value of Wānanga education;
- provide a 360-degree wrap-around service, and supporting structures, that ensure all learners can succeed; and
- increase research outputs, capacity and capability.

The TEC will regularly engage with Te Whare Wānanga o Awanuiārangi on the activities it proposes to undertake using this funding and how the TEC will support Te Whare Wānanga o Awanuiārangi to achieve the outcomes of the fund outlined above.

Te Whare Wānanga o Awanuiārangi will report on its progress towards the outcomes and activities identified above through the investment plan process and in its annual report, promoting transparency and accountability to the TEC and the broader community.

The TEC will administer the payments as set out above. In order to process these payments, please acknowledge this letter by returning a scanned, signed copy to Tim Fowler, Chief Executive of the TEC. Tim can be contacted on [tim.fowler@tec.govt.nz](mailto:tim.fowler@tec.govt.nz).

We look forward to continuing our work together on Te Hono Wānanga and to exploring how we can support your aspirations in the vocational education and training space.

Nā māua noa, nā



Hon Chris Hipkins  
**Minister of Education**  
[15](#) / [12](#) / [2022](#)

Hon Kelvin Davis  
**Associate Minister of Education (Māori Education)**  
\_\_\_\_ / \_\_\_\_ / \_\_\_\_

cc Professor Wiremu Doherty, Chief Executive Officer, Te Whare Wānanga o Awanuiārangi  
cc Iona Holsted, Secretary for Education, Ministry of Education  
cc Tim Fowler, Chief Executive, Tertiary Education Commission

**FORMAL ACKNOWLEDGEMENT**

On behalf of Te Whare Wānanga o Awanuiārangi, I, Judge Layne Harvey, Chairman, Te Mana Whakahaere Te Whare Wānanga o Awanuiārangi, acknowledge and agree that:

(please tick)

Te Whare Wānanga o Awanuiārangi will receive a total of \$8 million per calendar year for 2023 and 2024 to be paid under section 556 of the Education and Training Act 2020, conditional on Te Whare Wānanga o Awanuiārangi providing an annual report on the use of this funding to the TEC, reporting on its progress through the investment plan process, and regular engagements on proposed activities with the TEC, as set out in the letter above.	
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Signed .....