



## Ara Institute of Canterbury Limited

(the Company)

### MEETING OF THE BOARD OF DIRECTORS

**Date:** 22 February 2022

**Time:** 9.30am

**Venue:** Via zoom

**Directors:** T Arseneau (Chair), M Taite-Pitama (Deputy Chair), M Bain, J Cartwright, M Geddes, N Lamont, A Leslie and B Thompson.

### OPEN AGENDA

Item	Subject
1.	<b>Karakia</b>
2.	<b>Welcome/Apologies/Notices</b>
3.	<b>Conflicts of interest</b>
4.	<b>Call for and discussion of minor items not on the Agenda</b>
5.	<b>Confirmation of Meeting Minutes (Public) – meeting 30 November 2021</b> 5.1 Approval of Meeting Minutes 5.2 Matters Arising 5.3 Action List
6.	<b>Discussion Items</b> 6.1 Chief Executive Report a EFTS Performance b Regional Roundup c Director Pacific Achievement Report d Te Ōhaka Highlights Report  6.2 Ara Board Sub-Committees – confirmation of memberships for 2022 6.3 Chair Report
7.	<b>Information Items [For noting]</b> 7.1 Sub-Committee Reports a Audit and Risk Committee [16 February 2022] b Campus Redevelopment Committee [next meeting 28 February 2022] 7.2 Unified Funding System 7.3 Ara Board Work Programme 7.4 Media Report
8.	<b>General Business</b>

## CLOSED AGENDA

PUBLIC EXCLUDED: *It will be moved that the public be excluded from the remainder of the meeting.  
The general subject of the matters to be considered while the public is excluded is:*

Item	Subject	
9.	<b>Confirmation of Meeting Minutes (Public Excluded) - meeting held 30 November 2021</b>  9.1 Approval of Meeting Minutes 9.2 Matters Arising 9.3 Action List	[s9(2) (f), (i), (j)]
10.	<b>For Discussion</b>  10.1 Chief Executive Report a Financial Performance b Health, Safety and Wellbeing i) HSWLG Meeting Minutes Nov 2021[Draft] c Performance Dashboard/Placemat d Te Pūkenga Brand Proposal  10.2 Executive Director Te Tiriti Partnerships and Director, Māori Achievement Report 10.3 Te Pūkenga Supplemental Letter of Expectations	[s9(2) (f), (i), (j)]
11.	<b>For Decision</b>  11.1 Audit and Risk Committee a Going Concern Assessment b FV Assessment of Land and Buildings	[s9(2) (f), (i), (j)]
12.	<b>For Information [For noting]</b>  12.1 International Education - Proposed Changes to International Student Immigration Settings  12.2 Trustees  12.3 Sub-Committee Reports a Audit and Risk Committee [16 February 2022] i) Audit NZ Fee Proposal b Campus Redevelopment Committee [28 February 2022]  12.4 Notes from Ara Board/TKM Strategy Session [4 February 2022]	[s9(2) (f), (i), (j)]
13.	<b>General Business</b>	

This resolution will be made in reliance on s48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interests protected by s9 of the Official Information Act 1982 which would be prejudiced by the holding of the proceedings of the meeting in public. The section of the Official Information Act which applies is shown beside each item to be considered while the public is excluded:

- *Matters involving confidential information about an identifiable person*  
s9(2)(a) - Protect the privacy of natural persons, including that of deceased natural persons
- *Submissions to Parliament and other formal advice*  
s9(2)(f) - Maintain confidential conventions which protect political neutrality, and the confidentiality of communications and advice tendered by officials
- *Commercially sensitive financial data*  
s9(2)(i) - The Crown or any Department or organisation holding the information to carry out, without prejudice or disadvantage, commercial activities
- *Negotiations in progress with other organisations*  
s9(2)(j) - Enable a Minister of the Crown or any Department or organisation holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

## 2022 Register of Disclosure of Conflicts of Interest

Last update as of 16 February 2022

### Ara Board of Directors

<b>Thérèse Arseneau</b> [Chair]	<ul style="list-style-type: none"> <li>• ChristchurchNZ (Chair and Director)</li> <li>• J Ballantyne and Company Ltd (Director)</li> <li>• Elder Family Trust (Trustee)</li> <li>• Open Polytechnic (Board Director)</li> </ul>	<ul style="list-style-type: none"> <li>• Therese Arseneau Consulting Ltd (Director and Shareholder)</li> <li>• Bras D'or Investments Limited (Shareholder)</li> </ul>
<b>Melanie Taite-Pitama</b> [Deputy Chair]	<ul style="list-style-type: none"> <li>• Tuahiwi Education Ltd (Director/Shareholder)</li> <li>• Tuahiwi School Board of Trustees (Member)</li> </ul>	<ul style="list-style-type: none"> <li>• Taite Family Trust (Trustee)</li> <li>• Inspire in Education (Director)</li> </ul>
<b>Murray Bain</b>	<ul style="list-style-type: none"> <li>• TSB Bank (Deputy Chair)</li> <li>• Northland Polytechnic Ltd (Deputy Chair)</li> <li>• Central Region's Technical Advisory Services Ltd (Chair)</li> <li>• Kerikeri Retirement Village Trust (Chair)</li> </ul>	<ul style="list-style-type: none"> <li>• Southern Institute of Technology Ltd (Director)</li> <li>• Optimum Services Ltd (Director/Owner)</li> <li>• Oryx Technology Ltd (Director/Owner)</li> <li>• ESA Ltd (Director)</li> <li>• M.I Bain &amp; Associates Limited (Director/Shareholder)</li> </ul>
<b>Jane Cartwright</b>	<ul style="list-style-type: none"> <li>• Brackenridge Services Limited (Chair)</li> <li>• Nurse Maude Association (Chair – Clinical Quality &amp; Risk Committee).</li> <li>• Nurse Maude Association (Deputy Chair and Finance &amp; Audit Committee Member)</li> </ul>	<ul style="list-style-type: none"> <li>• Canterbury Clinical Network (Independent Advisor)</li> <li>• Cartwright-Newton Family Trust (Trustee)</li> <li>• JC Ltd (Director)</li> </ul>
<b>Maryann Geddes</b>	<ul style="list-style-type: none"> <li>• Te Pūkenga (Council member)</li> <li>• Southern Institute of Technology (Director)</li> <li>• Otago Polytechnic (Director)</li> </ul>	<ul style="list-style-type: none"> <li>• Service IQ (Director)</li> <li>• Workbased Learning (WBL)Ltd (Director)</li> </ul>
<b>Nettles Lamont</b>	<ul style="list-style-type: none"> <li>• Quality New Zealand Limited (Chair, Director and shareholder)</li> <li>• Conquest Training Limited (Director and shareholder)</li> <li>• Alliance Services Limited (Chair, Director)</li> </ul>	<ul style="list-style-type: none"> <li>• Arinui Limited Chair (Director)</li> <li>• JFC Limited (Director)</li> <li>• Kidson Trust Advisory (Board member)</li> <li>• Dublin Street Charitable Trust (CEO)</li> <li>• Kidson Trust Holdings Ltd (Director)</li> <li>• Ōtautahi Education Development Trust (Trustee)</li> </ul>
<b>Andrea Leslie</b>	<ul style="list-style-type: none"> <li>• Primary ITO (Employee)</li> <li>• Authentic Education Ltd (non-trading) (Director)</li> </ul>	<ul style="list-style-type: none"> <li>• Greenhill Farm Trust (Trustee))</li> </ul>
<b>Bryn Thompson</b>	<ul style="list-style-type: none"> <li>• Metalcraft Engineering Company Limited (Principal/Director)</li> <li>• Avid Group Limited (Share Holder/Director)</li> <li>• Cassem Holdings Limited (Principal/Director)</li> <li>• Workbased Learning (WBL) Ltd (Director)</li> </ul>	<ul style="list-style-type: none"> <li>• B&amp;S Thompson Family Trust (Trustee)</li> <li>• NZMEA (President/Director)</li> <li>• Mancan (Chairperson/Director)</li> <li>• Canterbury Manufacture's Trust (Chairperson/Trustee)</li> <li>• Ōtautahi Education Development Trust (Trustee)</li> </ul>

## Ara Board Officers

<p><b>Darren Mitchell</b> Acting Chief Executive</p>	<ul style="list-style-type: none"> <li>• Ōtautahi Education Development Trust (Trustee)</li> <li>• Ara Foundation (Trustee)</li> <li>• WorldSkills NZ (Director)</li> </ul>
<p><b>Te Marino Lenihan</b> Executive Director Te Tiriti Partnerships</p>	<ul style="list-style-type: none"> <li>• Canterbury Communications Trust (Trustee)</li> <li>• Ka Honua Momona (Traditional Fish Pond Non-Profit Organisation on Moloka'i, Hawai'i) (Board Member)</li> <li>• Kaiapoi Pā Trust (Trustee)</li> <li>• Ngā Aho (National Network of Māori Design Professionals) (Co-Chair)</li> <li>• Ngāi Tahu (Whakapapa)</li> <li>• Te Tira Manukura (Chair)</li> </ul>
<p><b>Christina Yeates</b> Executive Officer</p>	<ul style="list-style-type: none"> <li>• Nil</li> </ul>



**Ara Institute of Canterbury Limited**  
(the Company)

**Minutes of a meeting of the Board of Directors**  
(Board)

**30 November 2021 at 9.30am**

**Minutes**

These are the minutes of a meeting of the board of the Company held on 26 October 2021 in Room G202, Te Kei, City Campus.

**1 Karakia**

**2 Welcome**

**Directors present:** Thérèse Arseneau (Chair), Murray Bain, Jane Cartwright, Maryann Geddes, Nettles Lamont (via videoconference), Andrea Leslie, Melanie Taite-Pitama (Deputy Chair) and Bryn Thompson.

**Thérèse Arseneau** acted as chairperson of the meeting.

**Other attendees present:** Darren Mitchell (Ara Institute of Canterbury Ltd (Ara) Acting Chief Executive), Jasmine Canon (Executive Director, People and Culture), Te Marino Lenihan (Executive Director, Te Tiriti Partnerships), Karen Te Puke (DCE, Customer Engagement and Experience), Glynnis Brook (Acting Executive Director, AIR), Colin King (Acting Executive Director, Operations) and Christina Yeates (Ara Executive Officer).

**Apologies** Maryann Geddes (Director).

**Quorum** The Chairperson noted that a quorum of Directors was present at the meeting and declared the meeting open.

**3 Conflicts of interest**

- a) The following amendment was received from Melanie Taite-Pitama, Director:
  - Add Inspire in Education [Director]
- b) The Ara Board Chair disclosed a potential conflict of interest for the public excluded Agenda Item 11.4 Ara and Ministry of Awesome Partnership in her role as Chair of ChristchurchNZ.

**4 Items not on the Agenda Nil.**

## 5 Confirmation of Meeting Minutes

### 5.1 Minutes of Committee Meeting – 26 October 2021

It was **resolved** that the minutes of the ordinary meeting of the Ara Board held on 26 October 2021 (not being a meeting or part of a meeting from which the public was excluded) be confirmed as a correct record of proceedings of that meeting and be signed by the Chair accordingly.

N Lamont/ J Cartwright

Carried

### 5.2 Matters Arising Nil.

### 5.3 Action List

- a) **AP85 Professorial Appointments** – The CE advised that there are ongoing discussions at a sector level with Te Pūkenga and will circulate some further information via email to the Board post-meeting. **It was agreed that the Board will be updated on an ongoing basis by the CE and via email outside of Board meetings. Action completed.**
- b) **AP87 Appreciation to Colleagues** – end of year event to be arranged pending Covid activity. It was noted that the South Canterbury colleague event being held at 12pm on 26 October in Timaru provided an opportunity for the Board to mingle and thank Southern colleagues, combining well with external stakeholder Regional Master Planning sessions. **Noting current Covid restrictions it was agreed, in lieu of an end of year event for the Board to mix with colleagues, a note of gratitude will be included in the CE update prior to the Christmas break.**
- c) **AP93 Work Programme** – Draft schedule for 2022 in the Board pack for November. It was agreed that the proposed alternation between operational and strategic meetings is a good idea for 2022 and the Board would like some flexibility in terms of the focus and content of these strategic sessions. **Action completed.**
- d) **AP94 Graduate Survey** - Report to be prepared. Included in the Board pack for November. **Action completed.**

## 6 Items for Discussion

### 6.1 Chief Executive (CE) Report

The report was taken as read and the following is a summary of the discussion areas:

- a) **Te Pūkenga Operating Model** – Further to the feedback provided by the sector, it is expected that another iteration of the operating model will be forthcoming. The CE advised that to date, nothing has been received.
- b) **Regional Master Plan** – this continues to progress well in terms of engagement, with some recent media interest from the Timaru Herald. This focused in on the engineering workshop (size and location) and Bluestone House. The reporting has not raised any concerns.
- c) **Regional Training Needs Analysis** – The second phase of the environmental scan has commenced in collaboration with SIT, Otago Polytechnic and Tai Poutini Polytechnic. This phase will gather information to inform Ara's strategic priority area for the future shape of the portfolio, the future workforce of the region and identify any gaps. The

intention is to review 20% of the portfolio every year to ensure it is relevant to regional need.

- d) **2021 Annual Report and Audit** – the Board noted the schedule for the 2021-year end audit activity and annual report plan for 2022. The CE advised that Ara has held its first meeting with AuditNZ local Director supported by the Head of AuditNZ – this focused purely on the mechanics of the process and was a positive meeting. The Ara Board Audit and Risk Committee will continue to oversee this process.
- e) **Financials** – the Board noted these have been included in the public excluded section of the meeting pack due to the commercial sensitivity of some financial data relating to eCampus.
- f) **Performance - EFTS Overview** – this continues to be a positive story as enrolments continue to progress and grow toward the end of the year. It is usual to expect some EFTS to come out of the system due to year end and audit criteria for eligibility. It was noted the 10% growth in participation for Māori and Pacific learners with the achievement of over 1000 Māori learners.
- g) **Southern Campus Update** – the Board noted the latest insight report into activities across the Southern Campuses.
- h) **Update from Director, Māori Achievement** – the update report was taken as read and the contents noted. Discussion included how to build capability which will be a significant focus for Ara in 2022. Noting there is a high demand in the market for quality applicants in this area, it was agreed that there is a need for Ara to adopt the right strategy with the right messaging and rigour. **The Board are keen to see external representation on the recruitment panels for critical leadership roles**, in particular from Mana Whenua, supporting the implementation of the FMA initiatives. **[AP97 CE]**
- i) **Te Ōhaka Highlights** – noted as an information item.

## 6.2 Executive Director Reports

The reports were taken as read. Specific discussion as detailed.

### a) Customer Experience and Engagement (CEE)

- The Board were pleased to note the growing awareness of disability across the organisation and appreciated the wide range of efforts of the team in this area.
- The insight report into the reasons for higher successful course completion rates of Ara learners who reside at Ōtautahi House was noted. Proactive engagement continues in the pastoral care environment.
- It was agreed that **consideration would be given to the possibility of providing learners in Ōtautahi House with tutorial (academic) support**, in addition to the existing pastoral care. **[AP98 CE]**
- The growing level of demand for counselling support was discussed. More initiatives have been implemented across the organisation including increased counselling hours and 24-hour mental health support services and the recruitment for a social worker. The Board are keen to review ongoing statistics in this area.

b) **Corporate Services**

- The Board noted that the Covid-19 and vaccination response work continues to have a significant impact on resourcing across Corporate Services.
- **Holidays Act** – the Board are keen to receive regular updates on the resolution work underway, noting there is no budget item for this currently and that this has been raised as a potential whole of sector issue with Te Pūkenga. [AP99 CE]

c) **Academic Research and Innovation (AIR)**

- **Scholarships** – it was noted that under the new scholarship framework, more applications have been received than previously and the submission date has been extended to hopefully attract more Māori and Pacific learners. A meeting has been scheduled with priority learners and industry for scholarships and this continues to be a good success story and still evolving.
- **Business and Digital Technologies Partnerships** - the Board are keen to understand the network of who is working with who, and at what level, especially with Ngai Tahu. [AP100 CE]

### 6.3 Pacific Report

10.15am - Sua Tauti, Pacific Lead was welcomed to the meeting. The report was taken as read. An overview and highlights of the report were provided to the Board as follows:

- a) Very good growth rates in participation, course completion and retention. Level 4 and Level 6 has always been a struggle to improve but last year Ara achieved the biggest increase, with an improvement of 2.5%.
- b) **5 key areas focus** on the learner journey from start to finish –
  - i. **Transition from high school to tertiary education;** ensuring potential learners receive the right information from their career advisors and also in the academic space for NCEA level 1,2 and 3. The **Pacific Bloom programme** was established in the school holidays to assist with this foundation path.
  - ii. **Peer Tutor Programme** Providing learners at Ara with one-on-one peer tutor academic support within the first 4-6 weeks of study.
  - iii. **Pacific Industry Mentor** Transition students out into industry and employment with employers coming in to share their experiences. This includes past students and showcases Pacific employees who are doing well and running businesses.
  - iv. **Peer Mentoring programme** Providing learners who are in their second or third year of study at Ara with a peer mentor.
  - v. **Cultural home project** – A key focus area is to engage with our Pacific families through a cultural lens and identifying some of the cultural and community barriers that they face and then supporting the families to ensure they are part of the journey and to educate families about what is needed to be successful in tertiary education.



- c) Showcasing Pacific achievements at Ara through the different support networks of the learner journey has increased community engagement and builds trust.
- d) Noting the Ara Foundation has funded two aspects of these focus areas, the Board agreed this should be built into business as usual and were advised this has been included in the budget for 2022 through project support and with a cultural home navigator position.
- e) The Board suggested there might be an opportunity for a qualification linked to the peer learner mentoring and it was agreed this would be considered.
- f) It was further noted that conversations with Māori leaders are also held regularly.
- g) The Board are keen to see that growth and resource in this area is supported.
- h) The Board Chair thanked Sua and his team for their continued work and efforts with the Pacific strategy to support Ara learners.

## 6.4 Chair Report

- a) The Board Chair acknowledged this is the last formal meeting of the year, and on behalf of the Board, thanked the Acting Chief Executive, Te Kahui Manukura and all Ara colleagues for their hard work in this challenging year and wished everyone a happy and safe summer break.

## 7 Information Items

### 7.1 Regional Master Plan Engagement Process Summary

This report was taken as read and the Board noted that the engagement feedback from stakeholders has been positive and supportive.

### 7.2 Subcommittee Reports

- a) **Audit and Risk Committee** The meeting minutes of the Ara Board Audit and Risk Committee meeting held on 1 November 2021 were received and contents noted.
- b) **Campus Redevelopment Committee** No meeting was held.

### 7.3 Ara Board Work Programme

The contents of the work programme were noted.

- a) 2021 Board Work Programme – it was agreed that 15 December 2021 meeting date will remain in diaries as a placeholder if required, for any updates. The meeting would be held via zoom if necessary and no Management reports are expected.
- b) 2022 Board Work Programme (draft) – this was received and the Board agreed not to hold an ordinary Board meeting as indicated for 25 January 2022. However, a strategy session for January/February is to be discussed and confirmed.

#### **7.4 Media Report**

The report was taken as read. No comments received.

#### **7.5 Common Seal Report**

The report was taken as read. No comments received.

### **8 General Business Nil.**

#### **Closure**

There being no further business the Chairperson declared the public meeting closed at 10.45am.

Dated:

Signed as a correct record

---

**Chairperson** *[note: signed via electronic signature]*

## Ara Board Minutes - Action List as of 30 November 2021

Number	Date When Action Arose	Agenda Item	Topic	Action	Board Responsibility	Status	Due Meeting date
AP87	31 Aug 21 Updated 26/10/21 30/11/21	7.3	Chairs Report – Appreciation to Colleagues	Provide an opportunity for the Board to mix with all colleagues toward the end of the year e.g. morning tea. 26/10 Southern Campus complete 26/10 30/11/21 CE to include note of thanks to all colleagues in next update in lieu of being able to meet due to Covid restrictions.	CE/Board Secretary		Dec 2022
AP97	30 Nov 21	6.1	CE Report – Update from Director, Māori Achievement	The Board are keen to see senior external representation [iwi and hapū] on the recruitment panels for critical roles supporting the implementation of the FMA initiatives.	CE		Feb 2022
AP98	30 Nov 21	6.2	Executive Director, CEE Report	Consideration to provision of tutorial academic support to learners in Ōtautahi House, in addition to pastoral care.	CE/Executive Director CEE		Feb 2022
AP99	30 Nov 21	6.2	Executive Director, Corporate Services Report	Holidays Act – Board to receive regular updates on the resolution work underway.	CE/ Executive Director Corporate Services		Ongoing
AP100	30 Nov 21	6.2	Executive Director, AIR	Business and Digital Technologies Partnerships – Board are keen to understand the network of who is working with who and at what level, especially with Ngai Tahu.	Deputy Chair/CE/Executive Director AIR		Feb 2022

<b>Ara Board 22 February 2022</b>	<b>Agenda Item</b>	<b>6.1</b>
	<b>Information Item</b>	
<b>PUBLIC</b>	<b>Presented by</b>	Darren Mitchell

<b>ARA BOARD REPORT SUMMARY</b>	
<b>TITLE OF REPORT</b>	<b>Chief Executive's Report</b>
<b>BACKGROUND AND PURPOSE</b>	To provide the Board with key information and data that are important in Ara's development.
<b>RECOMMENDATION(S)</b>	That the Chief Executive's Report be received.
<b>LINK TO ARA STRATEGY</b>	
<b>KEY ISSUES IDENTIFIED</b>	
<b>FINANCIAL IMPLICATIONS FOR ARA</b>	-
<b>RISK IMPLICATIONS FOR ARA</b>	-
<b>RATIONALE FOR EXCLUDING PUBLIC</b>	NA

# Chief Executive's Report

## Public Meeting

### 1 CE Overview

At time of preparing these papers New Zealand is on the eve of moving to Stage 2 of the Red COVID-19 management setting. It would be fair to say that COVID-19 has been a significant distractor of time and effort in what is traditionally always a busy time of concluding previous year end reporting commitments and preparing for the commencement of a new academic year. Consequently there is some brevity to the Board reports this month.

#### 1.1 COVID-19

Since the start of February 2022, Ara has maintained a continued focus on COVID-19 responses. Specifically, this has been targeted at compliance with latest Public Health Orders and the Red setting, ensuring communications to learners and colleagues are reliable and current and, most recently, preparing for what will be a significant change to how contact tracing is managed in the tertiary sector.

The ongoing interpretation and communication of changes to legislative requirements and the expectations these changes put onto colleagues and learners has been a key area of effort not only for the communications team but for many others providing technical support like the Planning Office. Most recently the rules around the correct use of masks and the latest meaning of physical distancing have proven difficult to navigate and guidance and plain English communications will be provided through a CE Update to bring clarity.

To ensure continuing compliance with the Red setting and associated Public Health Orders, vaccination status of learners and colleagues is being checked, tracked and where legislated, recorded. Progress on this has been helped along with repeated messaging to learners and colleagues using effective communications channels as well as being disseminated through managers across the organisation. Ara's Facilities Management team has been pivotal in ensuring compliance of learners, colleagues and visitors to Ara sites and the People and Capability team has dedicated significant time and effort maintaining records and to working with colleagues that choose not to comply.

As learners come back to campuses in greater numbers, events that would ordinarily be arranged have required additional scrutiny to ensure compliance and the ongoing safety of colleagues and learners. Again, the technical aspects of ensuring compliance have been advised to the different teams organising events through the IMT with support from the Planning Office.

New government expectations for how contact tracing will be managed as we traverse the different phases of the Omicron response will mean significant work for the Health, Safety and Wellbeing team initially. However, due to the potential scale of effort involved, plans are now being developed for how Ara might most effectively respond to this expectation. Early discussions indicate that this could involve the standing up of a specific contact tracing team or the distribution of work across the organisation and this will depend on what proves the most viable/pragmatic option.

A noticeable increase in the sophistication of challenges to the vaccination mandate and the COVID-19 Protection Framework – Red Setting (possibly through templates available on social media sites) has occurred. Some of these challengers have not been able to distinguish between Ara’s policy and the Government’s Red Setting that has superseded it, still believing, even insisting, that Ara should be allowing unvaccinated people onsite. This has involved further effort and costs in responding, which at times has included seeking legal advice.

## 1.2 2022 Enrolments

The year has commenced positively with actual enrolments YTD exceeding the same time last year by 6.4%. Application numbers though are a little behind last year meaning that conversions must be more positive. It does though warrant close attention to ensure that any downward trend in applications is identified early in case of impact to enrolments later in the year. It should be noted that our enrolment position is inconsistent with the national trend, which is currently tracking 6-8% behind the same time last year.

A number of activities are underway or about to commence to onboard new learners to Ara. Our peak start-up period is the weeks of 14 and 21 February. This year we have added some specific initiatives aimed at our priority learner groups to give them a more inclusive start-up experience. This is discussed further in the reports from the Executive Director Te Tiriti Partnerships and Director Pacific Learner Achievement.

Unfortunately, we have had to cancel our planned Semester 1 Whakatau Ceremonies. It was not considered possible to satisfactorily fulfil the intent of these events within the restrictions of the current COVID-19 settings.

## 1.3 Priority Focus Areas

TKM was pleased with the outcome from the recent Board workshop and are keen to get in behind the two significant focus areas of *Equitable Outcomes for our Priority Learners* and *Regional Responsiveness*. Discussions have subsequently been held between ourselves, UCOL, and WBL to explore opportunities to collaborate aligned to these themes. We have identified two early focus areas – lining up with our ITO colleagues on the engagements held with the secondary schools to promote pathways into vocational education and sharing our approaches to building cultural competency in our workforce. UCOL has also been undertaking some initiatives in the workplace delivery space that they have offered to share with us.

Additionally, the four priority areas we agreed at the end of last year have landed well with the wider colleague group and the specific deliverables with KPIs have been welcomed for providing greater clarity to teams for their own planning purposes.

Consideration is also being given ahead of any specific initiatives to what capability and capacity we will need to bring into Ara to enable us to progress as desired. Doing this ahead of full project scopes being determined is a relatively low risk strategy given it is known and recognised that capability and capacity is currently an impediment to progress in these priority areas.

#### **1.4 Unified Funding System**

Included as an information paper this month is advice on the Unified Funding System (UFS). We are working through getting our own understanding of impact, although some of the detail is yet to be provided. Nonetheless, it would be a good discussion to have with the Board as we consider how the UFS aligns to the current portfolio of provision, the incentives coming from the UFS in terms of the type and nature of delivery that it is seeking to prioritise, and the potential signals it sends for degree level provision within the VE sector. We are not yet in a position to model fully the financial impact of the proposed changes, except to advise that just under half of our provision, being degree level 7 and above, is not impacted by the new approach.

#### **1.5 Ōtautahi House**

In responding to some expectations of the new Code of Pastoral Care as well as our own focus on learner wellbeing, we have made a change to our management of Ōtautahi House to now have a permanent live-in manager onsite. That role will be commencing next month.

#### **1.6 Autumn Graduations**

After consideration of possible options for holding graduations in a probable Red setting we have concluded that unfortunately it is logistically not feasible. Sadly, the ceremonies planned for mid-March (Timaru) and early April (Christchurch) have been cancelled. Instead, qualifications will be posted to graduands along with a message advising that an opportunity to attend a ceremony in September will be extended to them.

The Events team will in the second quarter implement a process for all graduands over the previous two years who have missed the opportunity to graduate in person, to indicate their interest in attending a ceremony in September (COVID-19 permitting) to enable Ara to determine the potential number of attendees and guests so that appropriate events can be organised.

The Events team are exploring options too for all graduands to receive with their qualification, a meaningful gift from Ara as an acknowledgement of the disappointment of not being able to graduate at this time.

## 2 Ara Performance – EFTS Overview – as at 14 February 2022

2022 Targets Summary			2021	2022	APS	CRE	EAS	EDI	HPR	Ara Institute of Canterbury Ara rau, te mātāhiaki
					HSI	HUM	TRA	ZTE	Other	
<b>Enrolments (EFTS)</b>			Actual	Target						
SAC Level 3+	2,859	6,546								
SAC Level 1-2	126	173								
ACE	8	88								
Trade Academy	204 (561 places)	179 (585 places)								
Youth Guarantee	27	80								
ITO	47	112								
Other	25	60								
<b>Total Domestic EFTS</b>	<b>3,295</b>	<b>7,280</b>								
<b>Total International EFTS</b>	<b>67</b>	<b>177</b>								
<b>Total EFTS (including eCampus)</b>	<b>3,362</b>	<b>7,457</b>								
Levels 1-2	313	515								
Levels 3-4	1,209	2,732								
Levels 5-6	461	1,378								
Level 7	1,341	2,741								
Levels 8-9	39	91								
<b>Participation</b>			Actual	Target						
<b>Māori Student Participation Rate</b>	<b>15.1%</b>	<b>13.1%</b>								
<b>Pacific Student Participation Rate</b>	<b>6.2%</b>	<b>4.8%</b>								
<b>Student Experience</b>			Actual	Target						
<b>Student Satisfaction, all learners</b>	<b>n/a</b>	<b>84.0%</b>								
<b>Student Achievement</b>			Actual	Target						
<b>Successful Course Completion</b>										
All learners at levels 1-6	56.7%	84.0%								
All learners at levels 7-9	49.3%	94.0%								
Māori learners at all levels	35.3%	82.0%								
Pacific learners at all levels	100.0%	82.0%								
<b>Overall all learners at all levels</b>	<b>54.0%</b>	<b>88.0%</b>								
<b>Financial</b>			YTD period ending Jan	Actual YTD	Budget YTD	Budget FY				
Teaching Revenue	\$1.5m	\$1.4m	\$114.7m							
Other Revenue	\$0.8m	\$0.6m	\$6.1m							
<b>Total Revenue</b>	<b>\$2.3m</b>	<b>\$2.0m</b>	<b>\$120.7m</b>							
Other Costs	\$2.7m	\$2.8m	\$41.1m							
Staffing Costs	\$4.0m	\$4.6m	\$77.9m							
<b>Total Expenses</b>	<b>\$6.8m</b>	<b>\$7.5m</b>	<b>\$119.0m</b>							
<b>Surplus (excluding abnormal items)</b>	<b>-\$4.4m</b>	<b>-\$5.4m</b>	<b>\$1.6m</b>							

### Key points

- 2.1 As of 14 February 2022, Ara Global has enrolled 3,361.9 EFTS against a target of 7,457.4 EFTS (*excluding potential*). This equates to +6.4% compared to STLY.
- 2.2 Including potential EFTS, Ara Global has enrolled 5,624.0 EFTS. This is slightly below 2021 and connected to the variances in our International market.
- 2.3 Ara Global - Domestic has enrolled 3,295.9 EFTS (*excluding potential*)
  - a 45.2% of target enrolled.
  - b 6.5% year to date growth compared to same time last year.
- 2.4 Māori and Pacific Participation – 2022  
Based on current enrolments (*excluding potential*)
  - a Māori participation is at 15.1% against a target of 13.1%. Comparable to 2021 STLY performance.
  - b Pacific participation is at 6.2% against a target of 4.8%. Our same time last year position was 5.5%.
- 2.5 2022 International
  - a Ara Global (International) has enrolled 66.8 EFTS against a target of 177.5 EFTS. 37.6% of overall target enrolled.
  - b Including potential, this is at 156.3 enrolled EFTS which is 88.0% of target.



## 3 Southern Campuses Update

### 3.1 Background

The following is a summary of the Southern Campuses' activities of the past month. No specific decision is being sought from the Board in this report.

### 3.2 Information Items

#### a Timaru Learner Update

Ara new and returning learners are commencing from late January onwards. By the end of February, we will have most Southern Campus programmes commenced.

#### b Ara Colleagues

- i Colleagues are focused on getting ready for the start of semester and ensuring preparedness for delivery and welcoming new learners.
- ii The AIR “kick-off” event for Southern Campuses Academic staff members ran on Thursday 10 February 2022. The event to role model best practice at Ara during the COVID-19 Red level setting was moved to provide for a flexible delivery.
- iii 27 colleagues attended a Te Tiriti o Waitangi workshop in January. Colleagues enjoyed the session and are keen to learn more and increase their professional skills both with Te Reo Māori and how they better implement the Framework for Māori Achievement in 2022. The Ara team are already working on implementation of opportunities for colleagues to build their capability further.

#### c External Engagement

- i The Director Southern Campuses meet with the Timaru District Council Development Manager and the Council’s Lead Designer for the City Hub tactical master plan. The meeting was to provide a brief overview for the Lead Designer about Ara’s regional master plan proposal and to also discuss how Ara learners can be engaged in the Council’s CBD plans.
- ii Ara has been in contact with all community groups and external parties who regularly utilise our facilities about Ara requirements at Red level setting. Feedback received has focused on their appreciation of the support Ara provided to their groups in 2021 and our willingness to work with each party to support them to meet Ara guidelines so they may continue to offer the community the much-needed services.

## 4 Update from Director, Pacific Achievement

### 4.1 General

a The following is a summary of activities for January – February 2022.

#### b Pacific O2

Pacific O2 is a pre- start whakawhanaungatanga initiative to provide early support for Ara Pacific learners and their families.

The Pacific O2 (two-day Pacific Orientation) connected with 357 Pacific students through email, calls and etext:

- i 101 registered
- ii 95 attended Pacific O2
- iii 134 could not attend (multiple reasons, this data is being filtered this week)
- iv 100 did not respond

The Pacific staff were able to build a strong relationship with our Pacific learners by showcasing the support services we offer at Ara by signing up the majority of the learners that attended to either our Pacific Peer Mentoring/Mentee programme, Peer Tutoring programme, Cultural Home project and Pacific Island Student of Ara (PISA) student group. Pacific learners were able to hear from the Ara student and tutor panel on the success they have had being a part of these initiatives.

Ara had multiple teams at Pacific O2 to provide the right support from Student Support, Learning Services, Disability Services, ICT, Careers, and Enrolments. This was to give our Pacific learners the opportunity to sort their study link, course counselling, IT login, security ID, parking sticker, career guidance and anything that may hinder their first week.

Through Pacific O2 we have several follow up strategies that will continue to monitor our Pacific learners' progress in the first stage of their journey. Those that did not respond will be getting calls from our Pacific student support team and the team are still following up learners; this number is still growing day by day.

#### c Pacific project numbers from Pacific O2

- i Pacific Mentor – 38 (27 to follow up)
- ii Pacific Mentees – 34 (30 to follow up)
- iii Pacific Tutors – 15 (18 to follow up)
- iv Pacific Cultural Home – 47 (31 to follow up)
- v PISA – 80

## 5 Te Ōhaka Highlights – December 2021 to January 2022

### 5.1 Update on Innovation and Entrepreneurship Courses

Ministry of Awesome (MoA) is leading a collaborative approach alongside the Ara and ChristchurchNZ (CNZ) marketing teams to ensure a unified approach to promoting the Innovation and Entrepreneurship courses at Ara. We are currently finalising the marketing strategy and reviewing how we can best amplify each other's efforts. CNZ is committed to committing resources to promote these courses.

### 5.2 Potential opportunity for Research Hub and Department of Health Practice

MoA is contracted to deliver a start-up accelerator programme for ChristchurchNZ focusing on healthcare. This programme represents a partnership between CDHB, Health Innovation Precinct and MoA. MoA will be working with start-up teams across key themes that include improving equity and accessibility for Māori, Pacific and disabled communities. MoA is partnering with Ara on this initiative through Ara's Research Office. This presents an opportunity for learners and colleagues in the Departments of Health Practice, Business and Digital Technologies, Applied Sciences and Social Practice, and Engineering and Architectural Studies.

### 5.3 Broadening Te Ōhaka's reach within Ara

MoA has designed a new work-integrated learning opportunity with Visual Communication Design. This would see two design students completing 120 hours of design work with start-ups from Te Ōhaka. In return, start-ups would create a safe and honest professional development relationship for students to hone their design and communication skills.

### 5.4 Supporting the Ara Engagement Team

MoA has developed a product in collaboration with the Ara Engagement Team which is an Innovation Taster that will sit with the Ara Experience portfolio. This product will be offered as part of the Youth Enterprise Scheme students in March thus showcasing Ara's innovation and entrepreneurship capability to prospective learners.

### 5.5 Ara Research Hub Project – Media Coverage

The Ara Research Hub project eClean was covered by One News in a national news story about the project.

An excerpt from the One News story, on the research project that includes Ara researchers Dr Grant Bennett, Dr Matt Pour, and Ara Bachelor of Engineering Technology learner William Hamlin in the science/research team: *“Christchurch-based Dr Ngārie Scartozzi has developed the eClean bioreactor, which uses microbes to remove contaminants from rivers, lakes and streams. Scartozzi has been trialling the system on part of Christchurch's Ōtākaro Avon River, which has reduced half of all phosphates and e-coli that passes through it, and 85 per cent of nitrates.”*

[Filtration system could hold answer to clean waterways \(1news.co.nz\)](https://www.1news.co.nz)



# Unified Funding System

January 2022

Reform of Vocational Education (RoVE)

# ▶▶ The Unified Funding System

## This is what we are creating

As part of the Reform of Vocational Education we are combining the two current systems to create a new unified funding system that:

- puts the needs of learners at the centre to ensure they can access training that is right for them, at the right time and in the right place
- encourages providers to make work-based training options available for more learners and employers
- provides funding for improved support for learners and employers and their businesses
- address national and regional skills priorities to better support our economy and communities.

The Unified Funding System is the final major component of the reform to be implemented.

# ▶ Cabinet has agreed the high level UFS design

## How did we get here:

- The *Design of the unified funding system underpinning the Reform of Vocational Education* Cabinet paper was agreed to by Cabinet in December and will be publically released by 26 January 2022.
- The Ministry of Education (MoE) has led the policy work, working closely with The Tertiary Education Commission (TEC). The TEC will lead the implementation of the UFS.
- This follows two years of sector and expert engagement to develop test and refine the UFS and the wider ROVE programme.
- Accompanying information to support the Sector will be released on the TEC website as well as advice that has been provided to the Minister ahead of this Cabinet paper will also be released at the same time.
- Funding rates will be announced in April 2022.

# ▶▶ What does UFS cover?

- All Industry Training Fund - including level 1 and 2
- Student Achievement Component funded learning at certificate and diploma levels 3-7 (non-degree)
- Excludes provider-based level 1 and 2, and degree and above study
- Regardless of the setting where learning takes place Learning delivered, supported, and arranged by Te Pūkenga, wānanga, private training establishments and universities that meet the above definition.
- This UFS excludes the Youth Guarantee (YG).

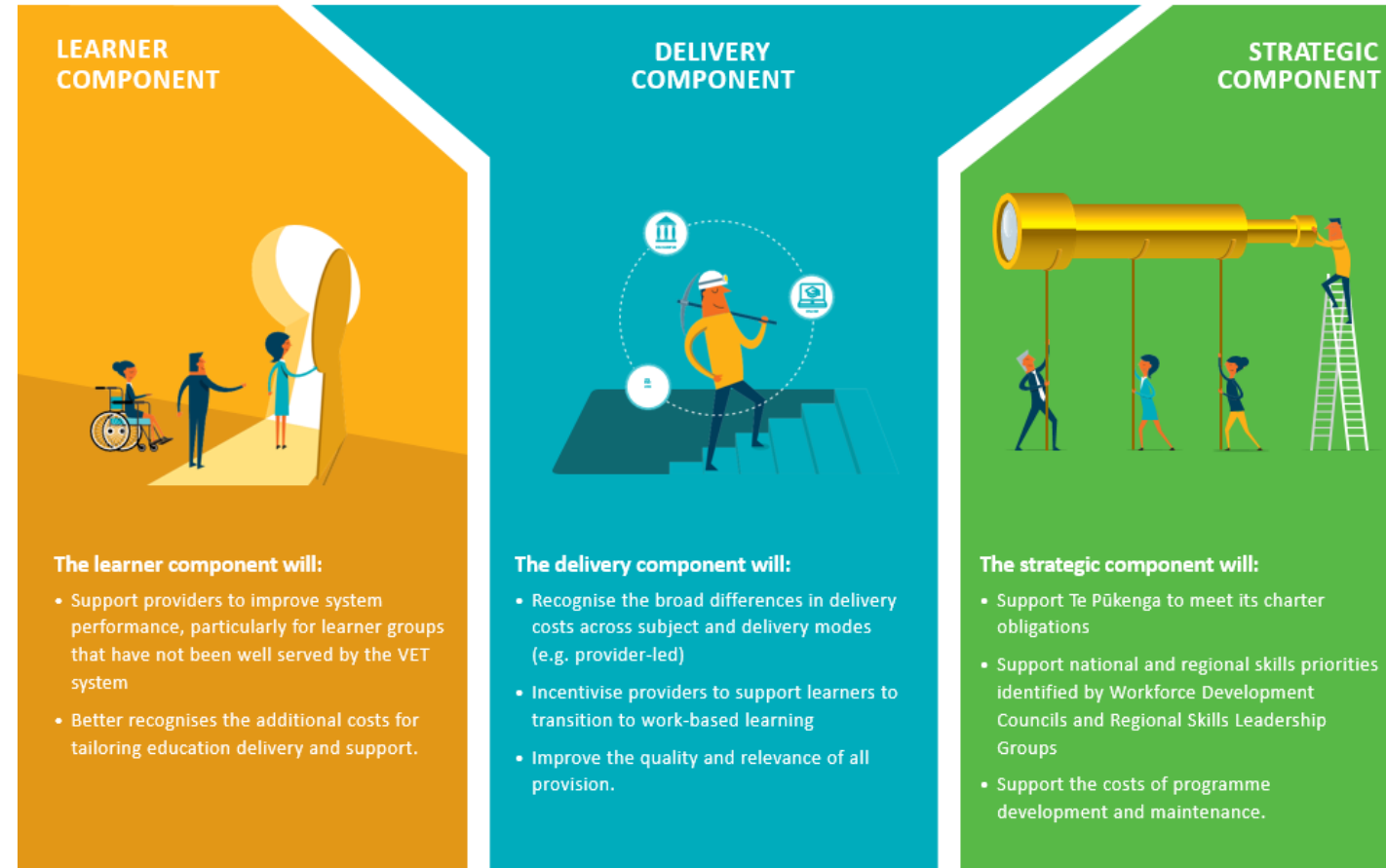
# UNIFIED FUNDING SYSTEM

## FUTURE STATE

Creating a single unified funding system for vocational education providers that is flexible, transparent, and responsive to learners, employers and communities.

## ▶▶ Future state

Creating a single unified system for all tertiary education organisations that is simple, relevant, and responsive to learners and employers and communities.





# ▶▶ Delivery component

The Delivery component comprises the bulk of the new funding system (approximately 84% of total funding). It will replace SAC funding for levels 3-7 (non-degree) and all funding from the Industry Training Fund.

- Volume-based
- Considers the subject of delivery and how it is delivered
- Seeks to enable and encourage providers to grow work-integrated learning pathways which meet learner, employer and community needs.



## Delivery component: key decisions

<b>Amount of funding</b>	Approximately 84 percent of funding in the unified funding system
<b>Allocation method</b>	Volume-based, with rates differentiated by the subject and the mode of delivery
<b>Shifts and incentives</b>	<p>Rebalances investment between provider- and work-based learning to better support learners in work</p> <p>Incentivises providers to support learners to transition to work-based learning and build more work-integrated learning pathways</p> <p>Work-based rates will be closer to provider-based rates with increases of between 40 and 90 percent on current average work-based funding rates</p> <p>Rates for most provider-based provision will be around 80-85 percent of current funding rates for the same provision</p> <p>Rates for provider-based extramural delivery will be lower than standard provider-based rates and rates for assessment and verification will be lower than work-based delivery.</p> <p>Funding for Te Reo and Tikanga Māori will remain at current levels regardless of mode</p>

# ►► Delivery component

## Modes

There will be five modes of delivery that reflect where and how a learner is receiving learning. A programme can be made up of one or more modes. This is to allow learners and employers to access learning opportunities in the way that is best for them and to move seamlessly between ways of learning.

Modes of delivery				
<p><b>Provider-based</b></p> <p>This is for learners undertaking courses without any formal on-the-job learning. The provider undertakes all teaching and learning, and is responsible for all learning support and pastoral care.</p>	<p><b>Extra-mural</b></p> <p>This sits as a subset of the 'provider-based' definition based on the current Single Data Return (SDR) definition of extramural for 2023. This definition will be refined for 2024.</p>	<p><b>Work-based learning</b></p> <p>This is for learners who are already employed and learning in the workplace. This learning is supported by the provider and the employer.</p>	<p><b>Work-based learning - pathway to work</b></p> <p>This is for learners who are already employed and learning in the workplace. This learning is supported by the provider and the employer.</p>	<p><b>Assessment and verification</b></p> <p>This is for learners who are already employed and learning in the workplace. This learning is supported by the provider and the employer.</p>

# ▶▶ Delivery component

## Subjects

There will be five subject-rate groupings and these will apply to both provider-based and work-based learning. These groups are:

- Humanities, business and social service subjects
- Te reo and tikanga Māori
- Trades, Creative, IT-based, and General Healthcare and Community Support subjects
- Engineering, Specialist Health, Primary Industry and Science-based subjects
- Specialist Low-Volume, High-Cost subjects

# ▶▶ Learner component

The Learner component is intended to support Tertiary Education Organisations (TEOs) to put learners at the centre of their organisations and to improve outcomes for learners.

It substantially increases funding targeted to supporting learners (approximately 8% of total funding) to achieve success.

Learner component funding will be calculated based on the enrolments of four cohorts of learners who traditionally have not been well served by the education system.



## Learner component: key decisions

<b>Amount of funding</b>	Approximately 8 percent of funding in the unified funding system
<b>Allocation method</b>	<p>Primarily allocated based on number of learners with low prior achievement and disabled learners, with additional funding based on Māori and Pacific learner enrolments. Some funding to reward providers for improvements in learner success.</p> <p>Funding rates for learners with low prior attainment and disabled learners will be approximately \$1,100-\$1,300 per full time equivalent learner. In addition enrolments of Māori and Pacific learners, will attract further funding, set at the 2021 Equity Funding rates (\$137 per full-time equivalent learner at levels 3-6, \$329 at level 7 non-degree)</p>
<b>Shifts and incentives</b>	<p>Large increase in funding to support learners (currently less than 1 percent of VET funding)</p> <p>Uses key learner groups as a proxy for determining the level of learner need at, and therefore funding required for, a provider</p> <p>Providers will be rewarded for improving their learners' success – implemented over time</p>

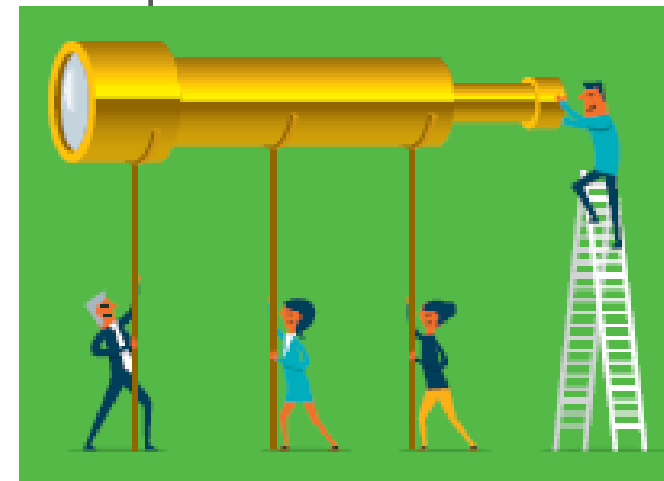
# ▶▶ Learner component – key decisions

- The four groups for whom the system has previously underserved are:
  - learners with low prior achievement
  - disabled learners
  - Māori learners
  - Pacific learners
  
- These groups serve as a *proxy* for learners who need additional support to be successful in VET in order to allocate funding.
- Learner component funding should be used for all learners, not just those in these four groups. Providers are expected to identify the unique needs of all their learners, make decisions about how to support them, and allocate funding accordingly.
- Learner success plans will be used to identify the activities and expected performance of providers for these learners.
- Over time some of this funding will be used to reward providers who meet and exceed expectations.

# ►► Strategic component

The Strategic component provides funding (non-volume-based) to support providers to respond to key challenges within the system. This will be approximately 8% of total funding.

In particular, this component seeks to support the VET system to respond to regional and national skills priorities, including supporting Te Pūkenga to build and sustain a national network of provision, and to support programme development and maintenance.





## Strategic component: key decisions

<b>Amount of funding</b>	Approximately 8 percent of funding in the unified funding system (half to respond to regional and national skills priorities and half for programme development and maintenance)
<b>Allocation method</b>	<p>Responding to regional and national skills priorities</p> <ul style="list-style-type: none"> <li>• TEC will determine regional and national skills priorities, drawing on advice from Workforce Development Councils, Regional Skills Leadership Groups and Iwi Māori.</li> <li>• Divided between Te Pūkenga (through plans) and PTEs (through a contestable process)</li> <li>• We are working with the wānanga on funding matters to recognise their unique role and contribution.</li> </ul> <p>Support programme development and maintenance</p> <ul style="list-style-type: none"> <li>• Prioritises programmes, including extramural, that are innovative, flexible, and responsive to new elements in the system, aligning with the RoVE objectives and the vision of WDCs.</li> <li>• Divided between Te Pūkenga (through plans), PTEs (through a contestable process) and wānanga.</li> </ul>
<b>Shifts and incentives</b>	<p>Supports national and regional skills priorities identified by WDCs and RSLGs, including Māori and Iwi</p> <p>Supporting Te Pūkenga to meet its charter obligations</p> <p>Support programme development and maintenance aligned with the RoVE objectives</p>

# ▶▶ Impacts of a shift to UFS

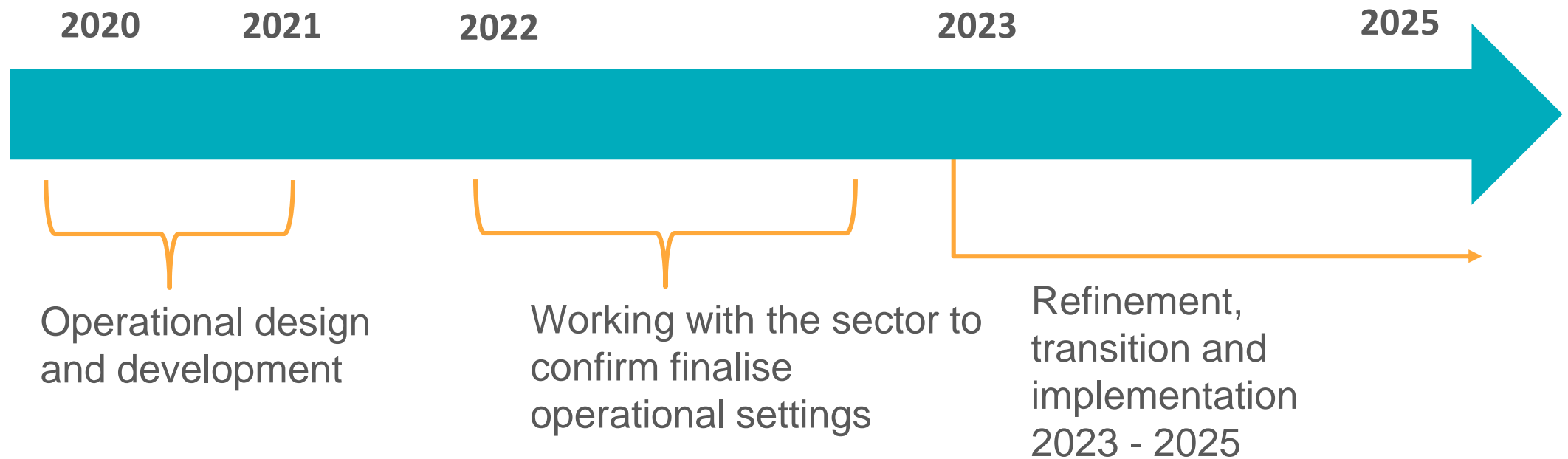
The preliminary assessment of the impacts on subsectors are as follows:

- Te Pūkenga are well positioned as they gain a large portion of work-based training from transitional ITOs. There will be considerable shifts within their network.
- Universities will experience small funding decreases, but it is believed they can manage this shift within their overall funding allocations.
- Wānanga revenue will increase slightly.
- A large number of PTEs will see decreases in their volume-based funding allocations, though some of this will be offset by the two PTE elements of the strategic component.

Since a large number of PTEs will likely see significant decreases in their overall allocation, we will be setting up some additional transition measures to give them time to adjust to new incentives. These will be announced in April 2022.

# ▶▶ UFS timeframe

- April 2022: Rates announcement and Transition advice announced
- June 2022: 2023 Indicative allocations announced



## ▶▶ Next Steps

- The funding rates will be available in April 2022. TEC will work closely with the sector to refine and confirm the changes required to implement the UFS from January 2023.
- Further information on funding requirements and conditions will be published through the plan process, including through plan guidance
- As part of the 2022 funding allocation round (for 2023 funding allocations), we will provide each UFS-affected TEO with a list of their 2021 UFS qualifications and programmes, together with the UFS modes breakdown for each qualification/programme.
- All TEOs will have the opportunity to engage with us regarding this data.

# Thank you

**Reform of Vocational Education (RoVE)**



## **Budget Sensitive**

Office of the Minister of Education

Chair, Cabinet Social Wellbeing Committee

## **Design of the unified funding system underpinning the Reform of Vocational Education**

### **Proposal**

- 1 This paper seeks Cabinet agreement to the design of a unified funding system for vocational education and training (VET).

### **Relation to government priorities**

- 2 The unified funding system is an essential element of the Reform of Vocational Education (RoVE), which the Government committed to completing in Labour's 2020 Election Manifesto.

### **Executive Summary**

- 3 In July 2019, Cabinet agreed to RoVE – a fundamental overhaul of the structure of New Zealand's VET system. The unified funding system is the final major component of the reform to be implemented.
- 4 The funding system proposed in this paper incentivises providers of VET to:
  - 4.1 support learners to transition to work-based training,
  - 4.2 enhance support for employers,
  - 4.3 increase and improve success and support for all learners,
  - 4.4 respond to national and regional skills priorities, and
  - 4.5 ensure a strong and sustainable regional network of provision.
- 5 The three proposed components of the unified funding system – a delivery component, a learner component, and a strategic component – work together to create these incentives.
- 6 The delivery component, the largest component of the system, will fund providers based on learner volume. Funding rates will be calculated based on the subject and the way learning is delivered, that is, *the mode of delivery*. Differentiating funding by mode of delivery will be a new feature of the system and allows us to rebalance investment between provider- and work-based training. Modes of delivery will also incentivise providers to grow work-integrated learning pathways, incorporating both provider-based and work-based study.

- 7 The learner component will incentivise providers to support the unique needs of all their learners. It will be calculated based on enrolments of learners in groups who are most at risk of not completing VET qualifications and face disadvantages in the VET system. A portion of learner component funding will also reward providers that demonstrate improvement in their learners' success. s9(2)(f)(iv)
- This component substantially increases funding targeted towards supporting learners and is key to realising our RoVE objective of meeting the needs of learners who have traditionally been underserved by the education system.
- 8 The strategic component will provide necessary funding unlinked to learner enrolments to progress strategic priorities. 50 percent of the component will respond to regional and national skills priorities identified by Workforce Development Councils (WDCs) and Regional Skills Leadership Groups (RSLGs). It will also support Te Pūkenga to meet its charter obligations, including building a sustainable national network of provision. The other 50 percent of the component will support programme development and maintenance, including for extramural programmes, aligned with the RoVE objectives. This component will support the system to innovate and adapt to meet the ever-changing needs of the New Zealand labour market.
- 9 These proposals represent significant change from the status quo. With strong transition and implementation, and careful mitigation of risks, the new funding system will support the reformed VET system to deliver the skills that learners, employers and communities need to thrive.

## Background

- 10 In July 2019, Cabinet agreed to RoVE – a fundamental overhaul of the structure of New Zealand's VET system. This reform included the creation of Te Pūkenga – New Zealand Institute of Skills and Technology (established on 1 April 2020), six industry governed WDCs (established 11 June 2021), and 15 RSLGs (formed in June 2020). These structural changes work to build a strong, unified, sustainable VET system.
- 11 As part of RoVE, Cabinet agreed to develop a unified funding system for VET, which would apply to all provider-based and work-integrated education at certificate and diploma qualification levels 3 to 7 (excluding degree study) and all industry training [CAB-19-MIN-0354].
- 12 As part of Budget 2021, Cabinet agreed to \$279.5 million to support the implementation of the unified funding system over the next four years [CAB-21-MIN-0116.29 Initiative No: 13359]. This provides for an additional \$97 million per year for VET provision on an ongoing basis from 2023.
- 13 The unified funding system is one part of Government's investment in tertiary education. Cabinet has already taken decisions on funding for WDCs, RSLGs, and the establishment of Te Pūkenga. I am working on options for fee regulation and employer contributions as part of wider work on financing VET.

## The VET funding system needs change

- 14 VET is currently split into two largely separate funding systems, governed by different funding policies:
- 14.1 funding for work-based learning (currently in transitional industry training organisations (ITOs) but transitioning to providers, around \$185 million per annum); and
  - 14.2 funding for provider-based learning (around \$520 million per annum).
- 15 This existing funding model is not fit for purpose because it creates barriers between provider-based and work-based training. This means that work-based learners do not always get appropriate support and training does not align with the needs of industry. The system underserves all learners and does not support strategic priorities.
- 16 The new unified funding system has been designed specifically for the reformed VET system and will incentivise providers to:
- 16.1 support learners to transition to work-based training,
  - 16.2 enhance support for employers,
  - 16.3 increase and improve success and support for all learners,
  - 16.4 respond to national and regional skills priorities, and
  - 16.5 ensure a strong and sustainable regional network of provision.
- 17 I propose, in line with what I signalled in July 2019, that the unified funding system be comprised of three components (an overview of the structure of the new system can be found in Appendix 1):
- 17.1 **a delivery component** to set funding categories for different subject areas and relative funding weights for different modes of delivery (for example, provider-based, work-based)
  - 17.2 **a learner component** to recognise the higher cost of training that responds to learners' needs, and to incentivise improved system performance for learners
  - 17.3 **a strategic funding component** to respond to regional and national skills priorities, including supporting Te Pūkenga to build and sustain a national network of provision, and support programme development and maintenance.



## The delivery component is the foundation of the unified funding system

Delivery component: key points	
<b>Amount of funding</b>	Approximately 84 percent of funding in the unified funding system
<b>Allocation method</b>	Volume-based, with rates differentiated by the subject and mode of delivery
<b>Shifts and incentives</b>	<p>Rebalances investment between provider- and work-based learning to better support learners in work</p> <p>Incentivises providers to support learners to transition to work-based learning and build more work-integrated learning pathways</p> <p>Work-based rates are closer to provider-based rates with increases of between 40 and 90 percent on current average work-based funding rates</p> <p>Rates for most provider-based provision are around 80-85 percent of current funding rates for the same provision</p>

- 18 The delivery component (approximately 84% of funding) will enable and encourage providers to grow work-integrated learning pathways which meet learner, employer, and community needs. The delivery component will be volume-based (based on the number of equivalent full-time learner enrolments), reflecting the actual costs incurred in the delivery of learning.
- 19 The delivery component will allocate funding based on the subject, how delivery occurs (the mode of delivery), and the amount of learning (common across all modes).
- 20 Currently, the VET system does not consistently differentiate funding by subject. Introducing differentiated funding by subject for work-based training will better recognise different cost structures of different types of training (for example, on average retail training costs less than forestry training). The proposed grouping will simplify and consolidate rates compared to the existing system:
- 20.1 Humanities, Business and Social Service subjects
  - 20.2 Te reo and tikanga Māori
  - 20.3 Trades, Creative, IT-based, and General Healthcare and Community Support subjects
  - 20.4 Engineering, Specialist Health, Primary Industry and Science-based subjects
  - 20.5 Specialist Low-Volume, High-Cost subjects.
- 21 The scope of the unified funding system includes te reo and tikanga Māori provision at levels 3 to 7 (excluding degrees). Officials are currently undertaking a review of funding for te reo Māori across tertiary education. Until the review is complete, I propose maintaining the funding rate for te reo Māori and tikanga Māori provision at no less than the current rate, regardless of the mode of delivery. This approach recognises the Crown's Te Tiriti o

Waitangi/Treaty of Waitangi obligations to actively protect te reo and tikanga Māori as taonga and the importance of developing any substantive changes to the funding system for these subjects in partnership with Māori.

- 22 I propose that the funding system account for *mode of delivery*. Funding differentiated by mode of delivery will incentivise providers to grow work-integrated learning pathways, incorporating both provider-based and work-based study, better meeting the needs of learners and employers. I propose that there will be five modes of delivery:

Mode	Description	Funding approach
Provider-based	Learners study mainly in a campus setting with supported self-directed learning. Providers are responsible for learners' health and wellbeing support.	To rebalance provider-based and work-based rates, rates for most provider-based provision will be around 80-85 percent of current funding rates for the same provision. Rates for provider-based provision will remain higher than work-based rates, to acknowledge the higher underlying costs structures (such as capital costs).
Provider-based: extramural	Learners study mainly away from a campus setting but not in the workplace. Learners undertake supported self-directed learning and the provider is responsible for the learners' health and wellbeing support. Officials will work to refine this mode to focus on online only delivery from 2024.	Rates for provider-based extramural delivery will be lower than standard provider-based rates. This reflects the smaller cost per learner (especially across large scale extramural programmes). The costs of programme development and maintenance will be supported by the strategic component.
Work-based	Learners study mainly in the workplace with supported self-directed learning. Learners are supported in their training by both the provider and employer. Providers are responsible for learners' health and wellbeing support but this may be provided in conjunction with the employer.	Work-based rates will be much closer to provider-based rates than is currently the case (around 80-95 percent of provider-based rates, which is a 40-90 percent increase from the current average work-based funding rate). This will enable a greater amount of support from the provider for work-based learners and their employers.
Work-based pathway to work	Learners have completed some study in the provider-based mode. Providers assist learners to find jobs with training agreements and support them to establish their learning in the workplace. All other work-based responsibilities are the same as the work-based mode. This rate will be limited to the transition period between study and work.	To incentivise this new activity for providers, I propose that this mode of delivery receive a higher funding rate relative to the other modes of delivery for an initial period of time. This will meet the need identified by learners for providers to have an active role in supporting them to continue their learning in the workplace.

Mode	Description	Funding approach
Assessment and verification:	Learners receive training in the workplace. The employer has created or purchased a programme of study leading to a qualification and delivers this. Providers work with employers to match the programme to the New Zealand Qualifications Framework. Providers are responsible for the quality of assessment of the programme.	In the current system, funding for assessment and verification activity is the same as for the activity described in the other modes, despite it taking considerably less resources. The cost for providers also does not substantially shift depending on the subject being assessed. Therefore, I propose that the funding rate for the assessment and verification mode of delivery be a flat rate that is substantially less than the other modes of delivery.

- 23 Funding rates will apply to a common amount of learning, allowing learners to easily move between whichever mode of delivery is best for them, resulting in more work-integrated programmes of study.

### The learner component helps to meet the needs of learners

Learner component: key points	
<b>Amount of funding</b>	Approximately 8 percent of funding in the unified funding system
<b>Allocation method</b>	Primarily allocated based on number of learners with low prior achievement and disabled learners, with additional funding based on Māori and Pacific learner enrolments. Some funding to reward providers for improvements in learner success.
<b>Shifts and incentives</b>	<p>Large increase in funding to support learners (currently less than 1 percent of VET funding)</p> <p>Uses key learner groups as a proxy for determining the level of learner need at, and therefore funding required for, a provider</p> <p>Providers will be rewarded for improving their learners' success</p> <p>s9(2)(f)(iv)</p>

- 24 The learner component (approximately 8% of funding) will help the unified funding system achieve its principle of rewarding and encouraging the delivery of high-quality education and training that meets the needs of learners, communities and employers. This is aligned with the Treaty principle of *ōritetanga*.
- 25 I propose that most of the learner component funding be based on the number of learners enrolled with low prior educational achievement (learners without a prior qualification at level 3 or above on the New Zealand Qualification Framework) and disabled learners.
- 26 Funding would not only be used to support learners in these groups: these groups will serve as a proxy for learners who need additional support to be successful in VET. Providers will be expected to identify the unique needs of

all their learners (including through engagement with learners and their communities), make decisions about how to support them, and allocate funding accordingly.

- 27 I expect that funding rates for learners with low prior attainment and disabled learners will be approximately \$1,100-\$1,300 per full time equivalent learner. I also propose that a portion of the learner component be calculated based on enrolments of Māori and Pacific learners, with rates that reflect 2021 Equity Funding (\$137 per full-time equivalent learner at levels 3-6, \$329 at level 7 non-degree), replacing Equity Funding for VET. Māori and Pacific learners who also have low prior achievement and/or are disabled will receive both funding rates, recognising that these learners have compounding levels of disadvantage.
- 28 I propose that a portion of learner component funding is used to reward providers upon completion of performance expectations. The performance expectations will be relevant and tailored to providers and the needs of their learner populations and include a mix of quantitative and qualitative measures. I will require the TEC to engage with Māori partners and consider the Treaty when developing performance expectations, measures, and monitoring arrangements.
- 29 This approach will not be enough for disabled learners who require higher investment from providers to support their needs. For example, New Zealand Sign Language interpreters, 1-on-1 personnel (e.g., laboratory support), and modifications to specific learning environments can have high costs for many disabled learners, providers and employers. The financial cost of these more individualised supports can be a barrier to disabled learners accessing the VET system.

s9(2)(f)(iv)

## The strategic component supports national and regional skills priorities and programme development and maintenance

Strategic component: key points	
<b>Amount of funding</b>	Approximately 8 percent of funding in the unified funding system
<b>Allocation method</b>	Approximately 50 percent to respond to regional and national skills priorities and 50 percent programme development and maintenance
<b>Shifts and incentives</b>	Supports national and regional skills priorities identified by WDCs and RSLGs Supporting Te Pūkenga to meet its charter obligations Support programme development and maintenance aligned with the RoVE objectives

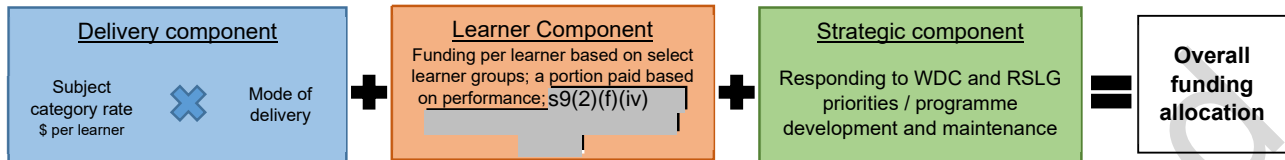
- 32 I propose that the strategic component (approximately 8% of funding) be made up of two elements.
- 33 The first element would focus on responding to regional and national skills priorities. Te Pūkenga will be expected to use this funding to meet its charter obligation to create a sustainable national network of vocational education, as well as respond to national and regional skills priorities. Private training establishments (PTEs) would receive funding for innovative projects that respond to national and regional skills priorities. This element will encourage and enable TEOs to trial new approaches to provision or other activities without relying on enrolments to fund the trial, or solely bear the financial risk if it is unsuccessful.
- 34 Officials are working with the wānanga through a separate workstream on funding to recognise their unique role and contribution. This may include support for activities in VET.
- 35 The process for determining regional skills priorities will involve WDCs and RSLGs. This will ensure consistency across the system and allow decisions on priorities to be informed by the views of different regions on their skills needs. The TEC will also be required to consider Māori interests when setting priorities.
- 36 The second element would provide funding to support the costs of programme development and maintenance, including for extramural programmes. Programmes that are innovative, flexible, and responsive to new elements in the system would be prioritised, aligning with the RoVE objectives and the vision of WDCs. This element would be divided between Te Pūkenga, PTEs and wānanga.

## The three components work together to better meet the needs of learners, employers and communities

- 37 I consider these funding settings will deliver the full set of incentives that are needed to achieve the outcomes of RoVE, but without shifting rates beyond the sector's capability to adapt and make good use of funding in the medium

term. Diagram 1 shows how the component parts of the unified funding system will together make up providers' funding allocations:

*Diagram 1: the allocation method for funding in the unified funding system*



- 38 In particular, these settings should support providers and employers to collaborate on work-based learning, with easily accessible pathways for learners to move between the modes. This, together with the learner component, will be important for breaking down barriers for learners, and for building pathways from school to work, supported by appropriate training.
- 39 These proposals have been informed by modelling using the most up to date data available. I intend to refine this approach in April 2022 after final 2021 data becomes available. I propose Cabinet delegates responsibility for setting final funding rates for 2023 to myself and the Minister of Finance. These rates would be set at fiscally neutral levels, within operating allowances.
- 40 I propose that the UFS take effect from 1 January 2023. Immediate action will hasten the behavioural changes we want providers to make, and I consider most sub-sectors are well-placed to react accordingly. Officials' preliminary assessment of the impacts on subsectors are as follows:
- 40.1 Te Pūkenga are well positioned as they gain a large portion of work-based training from transitional ITOs. There will be considerable shifts within their network.
- 40.2 Universities will experience small funding decreases, but I believe they can manage this shift within their overall funding allocations.
- 40.3 Wānanga revenue will increase slightly.
- 40.4 A large number of PTEs will see decreases in their volume-based funding allocations, though some of this will be offset by the two PTE elements of the strategic component.
- 41 Considering these effects, I propose UFS funding rates take effect from 1 January 2023. Because a large amount of PTEs will see significant decreases in their overall allocation, I propose to set up some additional transition measures to give them time to adjust to new incentives. I propose to make final decisions on these additional measures alongside final decisions on funding rates after considering further advice from officials.

#### **Eligibility for tuition subsidies would align with current settings for provider-based training**

- 42 I propose to align eligibility for subsidies within the unified funding system with the current provider-based eligibility rules. This will have two main impacts:

- 42.1 extending funding for work-based training to people in the workplace who are not employees, such as the self-employed, contractors and volunteers
  - 42.2 removing eligibility for training subsidies for legally employed individuals (who are not citizens, residence class visa holders, or otherwise classified as domestic tertiary students).
- 43 The second change means that work-based training for individuals (who are not citizens or residence class visa holders) would not be subsidised by the government. Employers could still access training for these individuals, but they would be classed as international students, and therefore could be charged international fees.
- 44 I intend to set up an exemptions scheme to allow some non-domestic learners to access specific training areas. I will also develop transition arrangements, including grandparenting those learners with a training agreement at the time of implementation, and transition plans as needed for affected industries. I propose to confirm these arrangements alongside final decisions on funding rates in 2022.

### **Implementation**

- 45 The unified funding system is due to be implemented from 1 January 2023. The Tertiary Education Commission (TEC) will be responsible for the operationalisation of the unified funding system, with support from the Ministry of Education.
- 46 The TEC will use several levers to monitor performance in the unified funding system. The TEC's funding decisions, performance measurement, and monitoring for VET will need to consider the design principles of the unified funding system and ensure that we retain an appropriate balance between provider- and work-based training. The TEC's expectations for providers' performance will be significantly heightened. This includes improved learner outcomes, support for employers, and ensuring programmes deliver skills employers need in the future.

### **Risks and mitigations**

- 47 The proposals set out in this paper represent significant change, and therefore come with significant risks requiring strong mitigation strategies.

*The key risk is that rates are set at unsustainable levels for providers*

- 48 To balance incentives between different modes of delivery, some provider-based provision will be funded at a lower rate than previously. This is likely to affect niche providers and particular areas of provision. For some, the funding drop could potentially force them out of the network entirely. This could have damaging impacts on skills pipelines and the quality of training in particular industries.
- 49 There are three mitigations to this risk:

- 49.1 Firstly, funding rates will not be finalised until final 2021 data is collected. This will allow for a more accurate assessment of the impacts certain funding rates will have on overall provider revenue.
- 49.2 This assessment will allow us to target our transition support for PTEs. Supporting these providers to transition to respond to the new incentives will ensure nationally significant provision is not at risk.
- 49.3 After monitoring the effects on provision and providers closely throughout 2023, further adjustments to funding rates can be made for 2024.

50 Table 2 below sets out several other risks and mitigations.

Risks	Mitigations
Providers continue to underserve particular groups of learners in VET, for example, providers 'cherry pick' learners in priority groups to ensure a high rate of success.	The TEC will monitor a range of quantitative and qualitative measures to ensure providers are supporting their learners, not just gaming achievement metrics.
Work-based learning is not sufficiently incentivised, and provider-based volumes increase.	The TEC will monitor the training occurring in each mode of delivery and will be able to limit delivery in each mode (informed by advice from WDCs). Funding rates can be adjusted for 2024 to create a stronger incentive.
Implementation is more disruptive or takes longer than anticipated	Officials will develop a comprehensive communication strategy to support providers, employers and learners. This will ensure the transition approach allows for flexibility to respond to emerging issues in a timely manner.
The design of the unified funding system does not provide clear signals about supporting Māori learners.	Clear and strong communication to the sector about the expectations of increased learner success. The TEC will undertake further engagement with Māori in the process of developing performance expectations, funding priorities, and the requirements for providers to engage with Māori and iwi in planning and delivery, to ensure these deliver on the needs and aspirations of Māori.
Māori stakeholders feel that their feedback about the current VET system problems for Māori learners is not reflected in the policy design.	Careful communication about the rationale and design of the unified funding system.

### Financial Implications

- 51 There are no direct financial implications arising from the decisions within this paper, noting that indicative funding rates have been calculated based on currently appropriated funding, including the additional investment from Budget 2021.



- 52 However, s9(2)(f)(iv) [redacted] and that changes to the rates for VET provision will change the cost of funding additional learner volume in the future.
- 53 Government's funding of VET is currently administered through the Tertiary Tuition and Training Multi-Category Appropriation (MCA) within Vote Tertiary Education. Funding for provider and work-based delivery sits in different categories: the Student Achievement Component and the Industry Training Fund, respectively. s9(2)(f)(iv) [redacted]

### Legislative Implications

- 54 There are no legislative implications arising directly from the proposals of this paper.

### Population Implications

- 55 Table 3 identifies groups of learners who have traditionally been under-served by the VET system, the key disadvantages they face, and the impacts the unified funding system will have for them. In addition to the impacts listed in the table, *all* VET learners could increasingly expect learning and wellbeing support that is tailored to their unique needs. I expect providers to more proactively identify learners who may need support with most staff at providers to be more focused on learners' needs.

Table 3: Population impacts

Learners	Key issues currently	Impacts of the unified funding system
Māori learners	Māori VET graduates have lower employment outcomes. Māori have lower enrolment rates and lower qualification completion rates in apprenticeships, which have stronger employment outcomes. Māori learners see a lack of cultural competency in providers.	Māori learners could increasingly enrol in, and complete, VET qualifications with strong employment outcomes, including apprenticeships. Providers and employers could increasingly work together to increase hiring, training and support for Māori. Labour market underutilisation rates could drop, and median salaries could increase. Māori learners could consistently expect culturally affirming learning environments. This will support <i>Ka Hikitia – Ka Hāpaaitia, the Māori Education Strategy</i> .
Learners with low prior educational achievement	These learners, particularly aged 16 to 24, have lower qualification completion rates in VET compared to other learner groups.	Learners with low prior educational achievement could expect more support to complete their qualifications. The difference in qualification completion rates for these learners compared to other learner groups would significantly lessen.

Learners	Key issues currently	Impacts of the unified funding system
Disabled learners	<p>Disabled people participate in VET at lower rates than non-disabled people, including work-based training, which has stronger employment outcomes.</p> <p>Disabled learners want more accessibility services and teaching staff who are better able to support their needs. They also want to be more work-ready after completing qualifications.</p>	<p>Providers have the capability and capacity to understand, identify and support disabled learners' needs.</p> <p>Providers and employers could increasingly work together to improve hiring and training rates and support for disabled employees.</p> <p>Disabled learners could increasingly enrol in, and complete, VET qualifications with strong employment outcomes, including work-based training.</p> <p>The very high labour market underutilisation rates could drop.</p> <p>Improved information about disabled learners in VET will help TEOs and government better understand and support the needs of disabled learners.</p> <p>This will support the <i>New Zealand Disability Strategy</i>, the <i>Learning Support Action Plan</i>, and <i>Working Matters – the Disability Employment Action Plan</i>.</p>
Pacific learners	<p>Pacific VET graduates have lower employment outcomes.</p> <p>Pacific learners have lower enrolment rates and lower qualification completion rates in apprenticeships, which have stronger employment outcomes.</p>	<p>Pacific learners could increasingly enrol in and complete VET qualifications with strong employment outcomes, including apprenticeships.</p> <p>Providers and employers could increasingly work together to improve hiring, training and support for Pacific employees.</p> <p>Labour market underutilisation rates could drop, and median salaries could increase.</p> <p>This will support the <i>Action Plan for Pacific Education</i>.</p>
Women	<p>Women are significantly underrepresented in work-based VET, particularly in apprenticeships and in traditionally male-dominated industries.</p>	<p>More women could enrol and complete qualifications in work-based training, including apprenticeships and including in traditionally male-dominated industries.</p> <p>Providers and employers could increasingly work together to improve hiring, training and support for women, particularly in traditionally male-dominated industries.</p> <p>This could help lessen the gender pay gap.</p>
Learners in isolated areas	<p>Learners may not be able to enrol in VET in their area.</p>	<p>Learners in isolated areas could expect Te Pūkenga to support them to access VET in all parts of New Zealand.</p>

## Human Rights

- 56 I consider the proposals in this paper to be consistent with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

- 57 Improved support for disabled learners in VET would help support the *United Nations Convention on the Rights of Persons with Disabilities, Article 24 – Education, and Article 27 – Work and Employment.*

### Consultation

- 58 The Ministry of Education consulted with the following agencies:

Education New Zealand	Ministry of Pacific Peoples
Ministry for Primary Industries	Ministry of Social Development
Office for Disability Issues	New Zealand Qualifications Authority
Tertiary Education Commission	Te Puni Kōkiri
Te Arawhiti – The Office for Māori Crown Relations	Ministry of Business, Innovation and Employment
Department of the Prime Minister and Cabinet	The Treasury

### Communications

- 59 I will work with the Minister of Finance and the Prime Minister's Office to determine how to announce these decisions.

### Proactive Release

- 60 I propose that this paper is proactively released within 30 days of Cabinet decisions having been made, with any redactions in line with the provisions of the Official Information Act 1982.


### Recommendations

The Minister for Education recommends the Committee:

- 1 note that in July 2019, Cabinet agreed to develop a unified funding system for vocational education and training as part of the Reform of Vocational Education [CAB-19-MIN-0354] and that a unified funding system is the final essential part of the reform;
- 2 agree to implement a unified funding system across all provider-based provision at levels 3 to 7 (non-degree) on the New Zealand Qualifications Framework and all industry training from 1 January 2023;
- 3 agree that the unified funding system for vocational education and training have three components: a delivery component, a learner component, and a strategic component;
- 4 agree that the delivery component allocate funding based on the subject, how delivery occurs (mode of delivery), and the amount of learning (common across all modes);
- 5 agree to maintain the tuition subsidy funding rates for te reo and tikanga Māori provision at no less than their current funding rate, regardless of the mode of

delivery, while work continues on a review of funding for te reo and mātauranga Māori across all levels of tertiary education;

- 6 agree that there that there will be five modes of delivery:
- 6.1 a provider-based mode where learners study mainly in a campus setting with supported self-directed learning, for which funding remains higher than work-based provision, but is less than current provider-based funding rates;
  - 6.2 a provider-based: extramural mode where a learner studies mainly away from campus, but not in the workplace, for which the funding rate is substantially less than the provider-based mode recognising the lower per-learner cost of delivery;
  - 6.3 a work-based mode where learning takes place primarily in the workplace, supported by both the provider and the employer, for which the funding rate is closer to provider-based provision than current funding rates;
  - 6.4 a work-based pathway to work mode, where a learner studying in a provider-based setting is assisted by the provider to find a job with a training agreement, and supported to establish their learning in the workplace, which is incentivised by the funding rate;
  - 6.5 an assessment and verification mode, where an employer has created or purchased, and delivers, a programme of study, which the provider matches to the New Zealand Qualification Framework and monitors assessment, for which the funding rate is a flat rate that is lower than other modes;
- 7 agree that most learner component funding is calculated based on enrolments of learners with low prior educational achievement and disabled learners;
- 8 agree that a portion of the learner component will be calculated based on enrolments of Māori and Pacific learners, with rates that reflect current Equity Funding;
- 9 agree that a portion of the learner component is used to reward providers for meeting performance commitments;
- 10 s9(2)(f)(iv)
- 11 agree that that the strategic component be made up of two elements:
- 11.1 funding to respond to national and regional skills priorities, including funding for Te Pūkenga to support it to meet its charter obligations to build a sustainable national network; and

- 11.2 funding for programme development and maintenance in line with the objectives of the Reform of Vocational Education;
- 12 agree that the process for determining the national and regional skills priorities for the strategic component will involve both the Regional Skills Leadership Groups and Workforce Development Councils;
- 13 agree that the current provider-based eligibility rules will apply across the unified funding system;
- 14 agree that an eligibility exemption scheme is developed to allow some non-domestic learners to access specific training areas;
- 15 agree that current work-based eligibility for tuition subsidies be continued for those learners with a training agreement on 1 January 2023;
- 16 agree to delegate the setting of final funding rates for the unified funding system to the Minister of Education and the Minister of Finance;
- 17 agree to delegate to the Minister of Education approval of detailed policy decisions on the unified funding system, consistent with the approach outlined in this paper, including the finalisation of transition and eligibility exemption arrangements;
- 18 s9(2)(f)(iv) 

Authorised for lodgement

Hon Chris Hipkins

Minister for Education

### **Appendices**

Appendix 1 – Overview of the unified funding system (attached separately)

# Unified Funding System

## VISION

A unified funding system that supports closer integration of work-based and provider-based learning, encourages more work-relevant and tailored support for learners, and enables new models of education delivery which are responsive to employer and industry demand.

### CURRENT STATE

Two disconnected, volume driven funding systems with very little strategic or learner-based funding.

**Current funding:** around 80% provider-based system, around 20% work-based system.

#### PROVIDER-BASED FUNDING SYSTEM

##### Student Achievement Component (SAC) Levels 3-7

Subsidises education delivery for learners enrolled with a tertiary provider.



##### Equity Funding

Tuition top up for priority learners (Māori, Pacific and disabled learners).

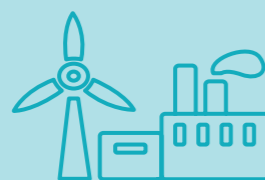
Around **99%** of funding

Around **1%** of funding

#### WORK-BASED FUNDING SYSTEM

##### Industry Training Fund

Subsidises transitional industry training organisations to support work-based learning.



##### Joint Ventures Amalgamation Fund

Funding for collaboration on innovative projects.

Around **99%** of funding

Around **1%** of funding

### FUTURE STATE

Creating a single unified funding system for vocational education providers that is flexible, transparent, and responsive to learners, employers and communities.

#### UNIFIED FUNDING SYSTEM

##### LEARNER COMPONENT



##### The learner component will:

- Support providers to improve system performance, particularly for under-served learner groups
- Make sure the funding system better recognises the additional costs for tailoring education delivery and support.

##### DELIVERY COMPONENT



##### The delivery component will:

- Recognise the broad differences in delivery costs across subject and delivery modes (e.g. provider-led)
- Incentivise providers to support learners to transition to work-based learning
- Improve the quality and relevance of all provision.

##### STRATEGIC COMPONENT



##### The strategic component will:

- Support Te Pūkenga to meet its charter obligations
- Support national and regional skills priorities identified by Workforce Development Councils and Regional Skills Leadership Groups
- Support the costs of programme development and maintenance.

# Ara Institute of Canterbury Ltd

## Board of Directors

### 2022 Work Programme

**as at 9 February 2022**

Month	Topics	Notified Non-availability
February	4	Ara Board Strategy Day
	16	Audit and Risk Committee [Placeholder]
	16	Ara Whakatau Semester One – Woolston [11am]
	22	<b>Board Meeting (Virtual)</b>
	23	Ara Whakatau Semester One – Timaru [11am]
	28	Campus Redevelopment Committee
	28	Ara Whakatau Semester One – City [11am]
March	2	Ara Whakatau Semester One – Manawa [11am]
	14	Placeholder: Timaru Graduation
	7	Audit and Risk Committee [electronic distribution of papers only]
	21	Audit and Risk Committee [Note: Otago Anniversary Day]
	29	<b>Board Meeting (Christchurch)</b> <ul style="list-style-type: none"> <li>• Annual Report</li> <li>• Quarterly Executive Director Reports</li> <li>• Transition Programme Update</li> </ul>
April	1	<b>Autumn Graduation (Christchurch)</b> (10am & 2pm)
	4	Campus Redevelopment Committee
	26	<b>Board Meeting (Note: Anzac Day 25 April) TIMARU</b> <ul style="list-style-type: none"> <li>• Report on Affixing of Common Seal</li> <li>• Pacific Strategy Report</li> </ul>
May		Remuneration Committee
	30	Campus Redevelopment Committee
	31	<b>Board Meeting (Christchurch) STRATEGIC SESSION [2]</b>  <b>PRIORITY FOCUS AREA – DELIVERY EXCEPTIONAL LEARNING EXPERIENCES</b>
June	15	Audit and Risk Committee
	28	<b>Board Meeting (Christchurch)</b> <ul style="list-style-type: none"> <li>• Ōtautahi House Board Visit</li> <li>• Quarterly Executive Director Reports</li> <li>• Transition Programme Update</li> </ul>
July	25	Ara Whakatau Semester Two – City [11am]
	26	<b>Board Meeting (Christchurch)</b> <ul style="list-style-type: none"> <li>• Fee Setting</li> </ul>
	27	• Ara Whakatau Semester Two – Timaru [11am]

August	1	Campus Redevelopment Committee	
	10	Ara Whakatau Semester Two – Woolston [11am]	
	17	Ara Whakatau Semester Two – Manawa[11am]	
	23	<b>Board Meeting (Christchurch) STRATEGIC SESSION [3]</b>  <b>PRIORITY FOCUS AREA – INCREASED COLLEAGUE ENGAGEMENT AND WELLBEING ACROSS ARA</b>	
September	5	Audit and Risk Committee	
		Academic Committee	
	9	Spring Graduation (Christchurch)	
	27	<b>Board Meeting (Christchurch)</b> <b>[Note: 26 Sept S Canterbury Anniversary Day]</b> <ul style="list-style-type: none"> <li>• 2023 Budget Sign Off</li> <li>• Quarterly Executive Director Reports</li> <li>• Ōtautahi House Board Visit</li> <li>• Transition Programme Update</li> </ul>	
October	3	Campus Redevelopment Committee	
	25	<b>Board Meeting (Timaru)</b> <b>[note: 24 October Labour Day]</b> <ul style="list-style-type: none"> <li>• Annual Report 2022 – content/format</li> <li>• Pacific Strategy Report</li> <li>• Report on Affixing of Common Seal</li> </ul>	
November	7	Audit and Risk Committee	
		Remuneration Committee	
		Campus Redevelopment Committee	
	29	<b>Board Meeting (Christchurch) STRATEGIC SESSION [4]</b>  <b>GREATER REGIONAL ACCESS</b>	
December	5	Campus Redevelopment Committee (if required)	
	13	<b>Board Meeting (Christchurch) (if required)</b>	

**Ara Board meeting timings**

9.00am – 9.30 am Board only time

9.30 am – 1.30 pm Board meeting

**Ara Board and Committee meeting venues**

Christchurch – Room G202, Boardroom, Te Kei, Christchurch City Campus

Timaru – Room TA210, Boardroom, Timaru Campus

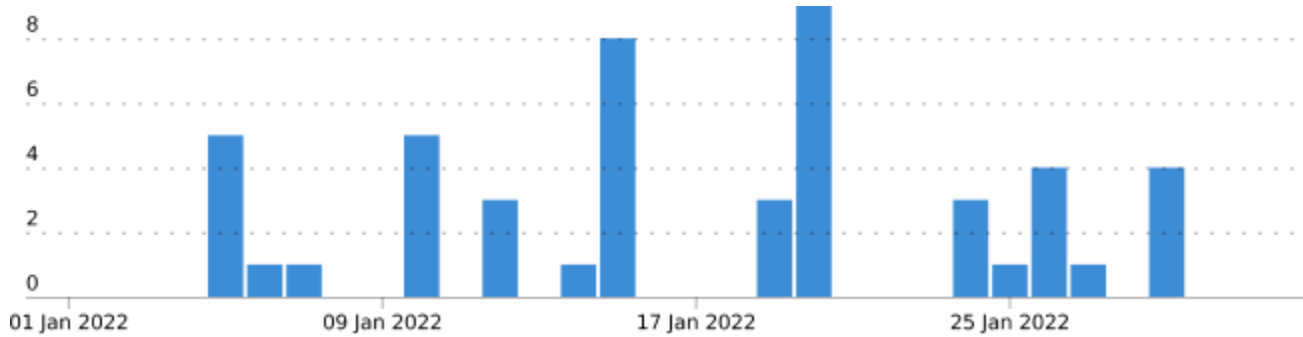
Waitangi Day – Observed Mon 7th February  
Otago Anniversary – Mon 21<sup>st</sup> March (Oamaru campus closed)  
Good Friday – Fri 15th April  
Easter Monday – Mon 18th April  
Easter Tuesday – Tues 19th April  
ANZAC Day observance – Observed Mon 25th April  
Queen’s Birthday – Mon 6th June  
South Canterbury Anniversary Day (Timaru campus closed) – Mon 26th September  
Labour Day – Mon 24th October  
Canterbury Anniversary/Show Day (Christchurch campuses closed) – Fri 11th November



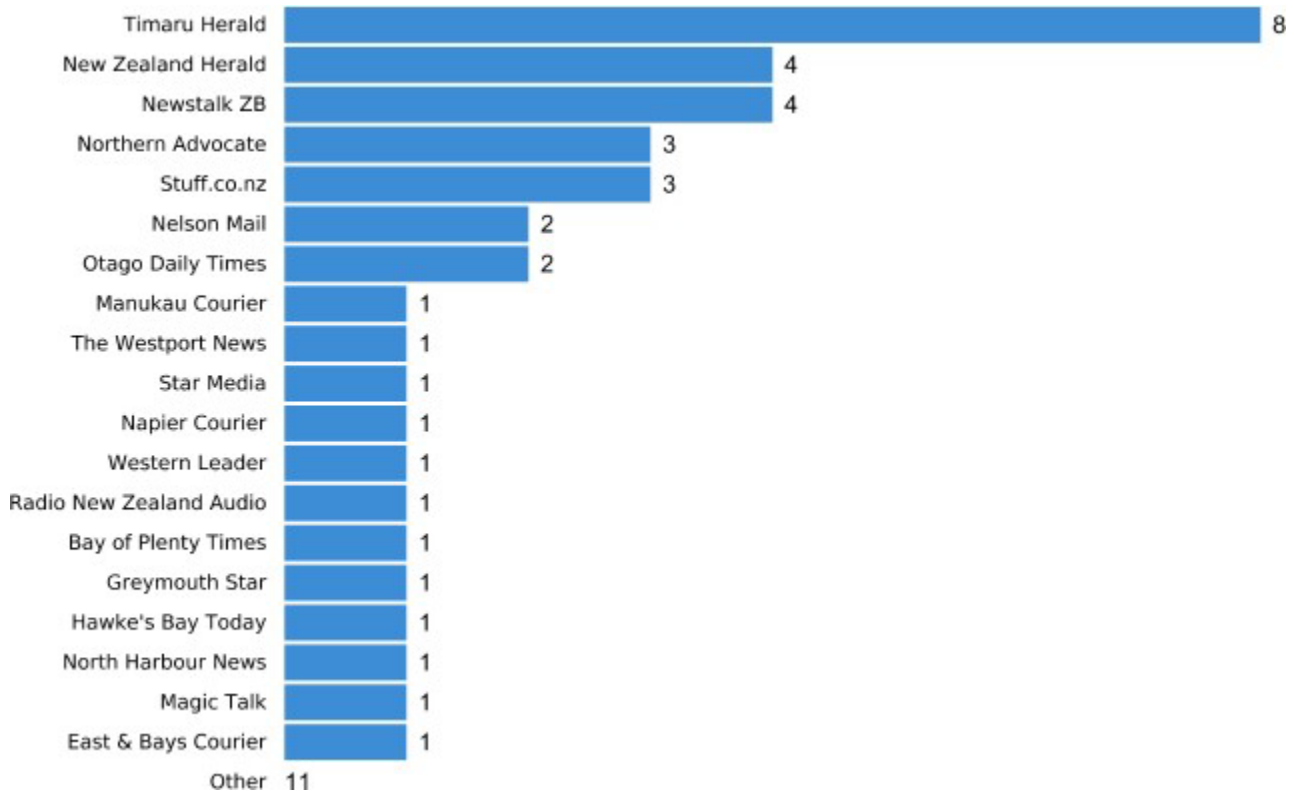


## Ara Institute of Canterbury Media Report – January 2022

### Volume



### Sources



## **1. EXTERNAL SOURCES:**

### **Local government**

**From** Timaru Herald  
**Published** 05:00 29/01/2022  
**Keywords** Canterbury, Ara Institute

### **Cookies, hemp and drinkable rivers fuel entrepreneur's mission**

**From** Nelson Mail, Gerard Hindmarsh  
**Published** 05:05 29/01/2022  
**Also from** [Stuff.co.nz](#), Nelson Mail print edition  
**Keywords** Christchurch Polytech

### **The Waikanae family, Dutch resistance and saving a Jewish child**

**From** Radio New Zealand Audio  
**Published** 10:31 27/01/2022  
**Keywords** Canterbury, Ara [Institute]

### **Selwyn council staff must be vaccinated by March 4**

**From** Star Media  
**Published** 16:21 26/01/2022  
**Keywords**

### **Selwyn introduces vaccine requirement for staff - Selwyn District Council**

**From** Selwyn District Council  
**Published** 15:00 26/01/2022  
**Also from** [Voxy](#)  
**Keywords**

### **Magic Talk midday - Item 3**

**From** Magic Talk  
**Published** 12:22 26/01/2022  
**Keywords** Ara, staffing

## LUMO Symposium - 8 March 2022

**From** Newstalk ZB, Newstalk ZB  
**Published** 20:49 25/01/2022  
**Keywords** Canterbury, Ara Institute

## INAUGRAL DWC TERTIARY SCHOLARSHIPS AWARDED

**From** West Coast Messenger  
**Published** 00:00 25/01/2022  
**Keywords** Canterbury, Ara Institute

## RACHEL MORRIS

**From** Greymouth Star  
**Published** 00:00 24/01/2022  
**Also from** [The Westport News](#)  
**Keywords** Canterbury, Ara Institute

## Newstalk ZB Wellington 7pm - Item 4

**From** Newstalk ZB  
**Published** 19:24 20/01/2022  
**Keywords** Ara, staffer

## Newstalk ZB Wellington 5pm - Item 2

**From** Newstalk ZB  
**Published** 17:22 20/01/2022  
**Keywords** Ara, staffer

## A wickedly wonderful return

**From** Central Leader  
**Published** 05:00 20/01/2022  
**Keywords** NASDA

## A wickedly wonderful return

**From** East & Bays Courier  
**Published** 05:00 19/01/2022  
**Also from** [North Harbour News print edition](#), [Rodney Times print edition](#), [North Shore Times print edition](#), [Manukau Courier print edition](#), [Western Leader print edition](#), [Papakura Courier](#)  
**Keywords** NASDA

---

## The 28-year-old kings of privately owned castle

**From** Whanganui Chronicle

**Published** 05:00 15/01/2022

**Also from** [New Zealand Herald](#), [Bay of Plenty Times Sat](#), [The Northern Advocate Sat](#), [The Daily Post Sat](#), [NZ Herald print edition](#), [Hawkes Bay Today Sat](#)

**Keywords** Canterbury, Ara Institute

## Arowhenua artist fascinated with human figures and faces

**From** Timaru Herald, Esther Ashby-Coventry

**Published** 15:44 14/01/2022

**Also from** [Timaru Herald print edition](#)

**Keywords** Canterbury, Aoraki Polytechnic, Ara Institute

## Solo performer Liam Collins thanks Kerikeri community for support

**From** Northern Advocate, By Peter de Graaf

**Published** 05:26 12/01/2022

**Also from** [The Northern Advocate M-F Modular](#)

**Keywords** Singing, Dramatic Arts, National Academy

## Law educator surprised by accolade

**From** Napier Courier, Gary Hamilton-Irvine

**Published** 05:00 12/01/2022

**Keywords** Christchurch Polytechnic

## 'Two years without my baby': How a Christchurch nurse fought to bring her baby to NZ

**From** New Zealand Herald, By Qiuyi Tan

**Published** 05:00 10/01/2022

**Also from** [Newstalk ZB](#), [Otago Daily Times](#), [Otago Daily Times](#), [NZ Herald print edition](#)

**Keywords** Ara Institute

## The Timaru Report: Local body governance faces major shake up

**From** Timaru Herald, Chris Tobin

**Published** 05:36 07/01/2022

**Also from** [Timaru Herald print edition](#)

**Keywords** Canterbury, Ara Institute

## The Timaru Report: Other education providers in the district

**From** Timaru Herald, Esther Ashby-Coventry  
**Published** 05:37 05/01/2022  
**Also from** [Timaru Herald print edition](#)  
**Keywords** Canterbury, Ara Institute\

## Veteran kindergarten teacher: 'NZ kids need male role models'

**From** Stuff.co.nz, Esther Ashby-Coventry  
**Published** 05:16 05/01/2022  
**Also from** [Timaru Herald print edition](#), [Stuff.co.nz](#)  
**Keywords** Canterbury, Ara Institute