



Supplementary Plan Guidance

For providers submitting Plans for
funding from 1 January 2025

**Tertiary Education
Commission**
Te Amorangi Mātauranga Matua



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Supplementary Plan Guidance contains all available information for investment in 2025

The Government is continuing to consider changes to vocational education funding and policy. No decisions have been made yet. We will provide updated information as it becomes available.

Supplementary Plan Guidance includes the information we currently have for investment in 2025 and should be read alongside [Plan Guidance](#).

This guidance details key Budget decisions and restates how we intend to make investment decisions. Key focus areas include:

- › Budget 2024 decisions
- › consideration of tertiary education organisations' (TEOs') past performance when investing for the greatest impact on the network of provision, especially given current fiscal constraints
- › the importance of learner success to achieve system-wide equity of educational outcomes, including new guidance for your Learner Success Plan (see Plan Guidance 2025, pp. 10–12)
- › upholding our commitment to honouring Te Tiriti o Waitangi (see Plan Guidance 2025, pp. 42 and 51).

Current forecasts indicate our future baselines may not support all expected demand. Given the multi-year nature of much education and training, we will need to prioritise our future investment. A tight baseline limits our flexibility and means trade-offs become an essential part of our investment approach. This is an important context that should inform your Investment Plan.

All required Plan components are due by 5 July

Activity	Timing
The Tertiary Education Commission (TEC) releases Plan Guidance and Plan engagement begins	29 February 2024
TEC publishes notices in the New Zealand Gazette setting out requirements for Plan content, timetable, assessment and Plan summaries	29 February 2024
Government announces Budget	30 May 2024
TEC provides indicative allocations	By 4 June 2024
TEC releases Mix of Provision (MoP) and Educational Performance Indicator Commitment (EPIC) templates	By 10 June 2024
TEC releases Supplementary Plan Guidance to reflect any policy or Budget changes	Early June 2024
Providers submit proposed Plans, including MoPs and EPICs, and if required Strategic Intent, Learner Success Plans (LSPs), Disability Action Plans (DAPs) and Additional Funding templates	By 5 July 2024
TEC reviews proposed Plans and has further discussion with providers as needed	July–October 2024
Providers are notified of decisions in writing	From November 2024
First payments made against Plans; Plan delivery begins	January 2025

Submit Plan components through DXP Ngā Kete

All required components of your Plan must be submitted **by 5 July 2024** via [DXP Ngā Kete](#). This includes your Strategic Intent, Learner Success Plan, Disability Action Plan, Mix(es) of Provision (MoPs) and Educational Performance Indicator Commitments (EPICs) as required.

Incomplete or missing documents may delay your funding approval and can impact your funding eligibility.

For new providers who do not have access to DXP Ngā Kete, please email your documents to customerservice@tec.govt.nz with the subject line “[EDUMIS #] 2025 Investment Plan”.

Plan component requirements are on pp. 34–37 of [Plan Guidance 2025](#). If you are unsure about what you need to submit, we encourage you to contact your Relationship Manager, or phone us on 0800 601 301, or email customerservice@tec.govt.nz.



Key messages about our
approach for investment in
2025

We want to know how you intend to achieve system-wide equity of educational outcomes

Learner success is integral to everything we do. We want to ensure the provision we fund delivers educational outcomes that benefit all learners, employers, communities and providers.

Providers should describe how they intend to work toward equitable education outcomes in their Learner Success Plan and Disability Action Plan. The rate and level of progress in a provider's learner success approach can affect future funding decisions.

Plan Guidance (pp. 10–12) outlines in detail what we expect to see from providers.

We need to see evidence of organisation-wide commitment to learner success. This means education outcomes that:

- › benefit all learners, employers, communities and providers, and in doing so, align with the Tertiary Education Strategy (TES)
- › improve year on year – where progress does not occur at the rate we expect, this may affect future investment decisions.

New guidance has been developed to assist with your Learner Success Plan

We have now published further detailed [guidance for TEOs completing a new Learner Success Plan \(LSP\) or Significant LSP Update](#).

Your learner success work should align with the core components in our Learner Success Framework and the tools and resources that will help you move through the phases of the Framework.

These include:

- › [Learner Success Framework](#)
- › Framework tools and resources:
 - › [Preparing for Success](#)
 - › [Learner Success Diagnostic Tool](#)
- › Honouring Te Tiriti o Waitangi through tertiary education – Broader priorities, p. 51 of [Plan Guidance 2025](#)

The Learner Success Framework and associated tools are intended to provide guidance and support for all TEOs to improve outcomes for their learners, not just those TEOs with a Learner Success Plan.

You can also contact your Relationship Manager or call us on 0800 601 301.

Our investment approach includes a focus on TEO performance and financial sustainability

We need to make investment decisions that deliver the best outcomes for learners, whānau and stakeholders within the current tight fiscal constraints. These fiscal constraints mean we will need to make trade-offs in our future investments. Providers need to demonstrate they can meet performance expectations and deliver quality provision in a financially sustainable way.

Educational performance needs to lift for all learners

Plan Guidance noted a continuing significant decline in course and qualification completion rates since COVID-19 (pp. 19–21). We need levels of achievement for all learners to improve. All providers are expected to use the Learner Success Framework to support and inform their approach to lifting learner achievement.

In addition to improving overall performance, our funding decisions will also consider areas of poorest performing provision. Where poor performance persists with few mitigating factors, funding is likely to be impacted. For providers with LSPs, we expect to see your LSP identify areas of poorer performing provision and the actions you will take to address it.

Tertiary education providers must be financially sustainable

TEC takes providers' financial sustainability into consideration when making investment decisions. This safeguards learners' investment of time and money into education and training, along with TEC's investment of public funding.

We will continue to closely monitor the financial performance of at-risk providers. Poor financial performance will influence all decisions we make about funding, including approval of Investment Plans and requests for additional funding.

If you are experiencing financial challenges, we encourage to contact your Relationship Manager or us on 0800 601 301 as soon as possible.

We assess the quality, relevance and distribution of proposed provision

When making funding decisions, we consider the quality, relevance and distribution of the proposed provision. We want to see relevant provision that achieves good learner outcomes and consistent delivery, and meets stakeholder needs. Our priorities are set out in detail in Plan Guidance.

We want to invest in provision that:

- › achieves equity of educational outcomes for all learners,
- › maintains an appropriate network of provision,
- › meets stakeholder needs, and
- › responds to broader and targeted priorities.

To support this, we will carefully consider providers' past performance when determining funding allocations.

Budget 2024 supports tertiary education

The Government's Budget includes initiatives for the tertiary sector that:

- › increase tuition and training subsidies by 2.5%
- › provide funding to enable providers to increase fees by up to 6% in 2025
- › target wage support for first-year apprentices in key occupations
- › fund 25 additional first-year medical school places
- › replace first-year Fees Free with final-year Fees Free, and
- › reprioritise underutilised funding.

The Government has announced two initiatives designed to help providers manage cost pressures and maintain the quality of their delivery. One provides an additional \$266.3 million in funding over the next four years to increase tuition and training subsidies by 2.5% from 1 January 2025. The other initiative funds predicted costs to the Student Loan Scheme from allowing providers to increase fees by up to 6% in 2025. The Minister for Tertiary Education and Skills will consult on a proposed Annual Maximum Fee Movement rate of 6% for 2025 later in 2024.

Apprenticeship Boost will continue beyond the end of 2024. From 1 January 2025 Apprenticeship Boost will provide \$500 (exclusive of GST) per month wage support to employers of eligible first-year apprentices in targeted occupations only. The targeted occupations will be communicated as soon as they have been finalised.

Funding for an additional 25 first-year medical school places increases the total number of places the TEC funds from 589 in 2024 to 614 from 2025. These places will be spread across the Universities of Auckland and Otago.

The first-year Fees Free scheme will be replaced with a final-year Fees Free scheme from January 2025. The final-year scheme changes the incentive of the Fees Free policy from participation in, to completion of, study or training. More information on implementing the final-year Fees Free initiative and phasing out of the current Fees Free policy will be released over the coming months.

In line with the Government's priority to improve the effectiveness, efficiency and responsiveness of the public sector, underutilised funding from several funds has been reprioritised towards other areas of tertiary education.

Funding from the Budget will be allocated through the usual investment process

TEC will allocate this funding through our usual investment processes. As in previous years, providers do not need to amend Plan submissions because of these changes. Tuition subsidy rate increases will be included in your 2025 funding allocation.

Fund-specific information for investment in 2025

PTE Strategic Fund applications are not due as part of the Plan round

For 2025, we are not requesting applications for the private training establishment (PTE) Strategic Component Fund as part of the Plan round. We will release updated information about this fund on our website by October.

No new providers for DQ 3-7 work-based learning

Until the Government has made decisions on the future of vocational education and training, we are not expanding work-based learning to new providers. If you currently offer work-based learning and want to expand, you need to contact us.

Additional funding processes for 2025 vary based on the fund

The approach to Additional Funding Requests (AFRs) is fund-specific. Key factors include available funding, fund intent and history of performance. Where funding allows, we will consider growth in investment for providers that have shown strong past performance delivering priority provision.

TEOs should develop their Plan under the assumption that additional funding may not be available.

You can apply for additional funding for foundation education

We will consider 2025 investment round AFRs for the following funds:

- › Delivery at Levels 1 and 2 on the New Zealand Qualifications and Credentials Framework (DQ1-2) Fund
- › Youth Guarantee (YG) Levels 1 and 2. We may consider Level 3 under exceptional circumstances.
- › Intensive Literacy and Numeracy Fund (ILN)
- › English Language Teaching – Intensive Literacy and Numeracy (ELT)
- › TEO-led Workplace Literacy and Numeracy Fund (WLN TEO-led)
- › Refugee English – Intensive Literacy and Numeracy Fund.

Application forms for these funds are available on our website at [Guidance to develop your Investment Plan – Templates](#). These forms must be submitted at the same time as your 2025 Investment Plan documents, by **5 July 2024** via email and [DXP Ngā Kete](#).

Additional funding is not available for the Adult and Community Education Funds

For 2025 investment, there is no additional funding for Adult and Community Education (ACE) Funds. This includes ACE in Communities, ACE in Schools, ACE in Schools Coordination and ACE in Tertiary Education Institutions.

We will contact you directly if you meet our criteria for DQ7+ funding

We will be taking a targeted approach to 2025 investment round additional funding for the Delivery at Levels 7 (degree) and above on the New Zealand Qualifications and Credentials Framework (DQ7+) Fund.

We will contact providers based on our assessment of:

- › their past performance
- › the priority of their provision
- › evidence of graduate demand for provision
- › a strong learner success focus when delivering provision
- › other factors such as fund intent and availability.

For more detail see [Guidance to develop your Investment Plan – Templates](#).

We will consider requests for DQ3-7 funding after April 2025

We will indicate our approach for in-year AFRs for the Delivery at Levels 3–7 (non-degree) on the New Zealand Qualifications and Credentials Framework (DQ3-7) Fund after the April 2025 Single Data Return (SDR) and Industry Training Register (ITR) snapshot. We will publish updated information on our website once it is available.

You must not exceed 105% over-delivery limits

Over-delivery refers to the value of any delivery over 100% of a TEO's DQ3-7 and DQ7+ allocation on the New Zealand Qualifications and Credentials Framework (NZQCF).

Providers must not deliver provision above 105% of their approved funding allocation for DQ3-7 and DQ7+

It is a condition of funding for TEOs not to deliver over 105% of their dollar value allocation. We actively monitor over-delivery. Delivering outside of this threshold is considered a performance issue, which can impact future funding allocations. Exceeding your delivery limit has a significant cost to the Crown through the Student Loan Scheme. It also poses a risk to the quality and financial sustainability of provision.

If you think your delivery may exceed 105% of your approved funding, you must contact your Relationship Manager or us on 0800 601 301 or customerservice@tec.govt.nz as soon as possible to discuss how you will adjust your delivery to align with tolerance bands.

Eligible TEOs will receive flexible funding up to 102% or 10 equivalent full-time students (EFTS) – whichever is larger. Smaller TEOs will not be penalised if the 10 additional EFTS is over 105% of their allocation.

Past delivery, including under- and over-delivery, will be used in our assessment of your Plan.

For more information, please see the following:

- › [Consequences for delivery over 105%](#)
- › [Reporting and monitoring – DQ3-7](#)
- › [Reporting and monitoring – DQ7+](#)

New providers must contact us before applying for funding

If you are a new provider you must get in touch with us before applying. We consider a range of factors when we make funding decisions, including learner demand, the current network of provision, priorities for investment and providers' individual circumstances. We may consider new provider applications that align with our priorities for investment and meet unmet needs.

See the detailed process for new providers applying for TEC investment at [Application to receive TEC funding](#). If we invite you to apply for funding, you will need to submit your application and relevant evidence by **5 July 2024**.

Applying for funding as a new provider does not guarantee that you will be approved for funding.

You can contact us via email or phone

Email: customerservice@tec.govt.nz

Subject line: New provider funding enquiry

Free phone: 0800 601 301

Phone: +64 4 462 5201

Appendix 1 – On-Plan funds

We provide most of our funding through Investment Plans. The following funds are on-Plan (the funding allocated through the investment process):

- › Delivery at Levels 1 and 2 on the New Zealand Qualifications and Credentials Framework (DQ1-2)
- › Delivery at Levels 3–7 (non-degree) on the New Zealand Qualifications and Credentials Framework and all Industry Training (DQ3-7) (Delivery and Learner Components of the Unified Funding System)
- › Delivery at Levels 7 (degree) and above on the New Zealand Qualifications and Credentials Framework (DQ7+)
- › Youth Guarantee (YG)
- › Intensive Literacy and Numeracy (ILN)
- › English Language Teaching – Intensive Literacy and Numeracy (ILN ELT)
- › Refugee English – Intensive Literacy and Numeracy (Refugee English)
- › TEO-led Workplace Literacy and Numeracy (WLN)
- › Adult and Community Education (Communities)
- › Adult and Community Education (Schools), including Coordination funding
- › Adult and Community Education (TEIs)

Appendix 2 – Glossary

Ākonga	Learner or student.
Course completion rate	The proportion of successful course completions each year, relative to total course enrolments.
Credit achievement rate	The credits achieved by learners at a TEO as a proportion of the total number of credits learners are expected to achieve in a given period at each TEO.
DAP	Disability Action Plan.
DXP Ngā Kete	A secure web portal or “doorway” into our information. It gives providers quick access to information from multiple sources through search and browse functionality.
EER	External evaluation and review. The periodic review of TEOs conducted by the New Zealand Qualifications Authority (NZQA) as part of NZQA’s Evaluative Quality Assurance Framework.
EFTS	Equivalent full-time student (EFTS). One EFTS unit is defined as the learner workload that would normally be carried out in a single academic year (12-month period) by a learner enrolled full-time, and generally equates to 120 credits on the New Zealand Qualifications and Credentials Framework (NZQCF).
EPIC	Educational Performance Indicator Commitment.
EPIs	Educational performance indicators. A group of performance indicators that give a view of how well tertiary providers are helping their learners to achieve.
First-year retention rate	The proportion of learners that enrol in their second year of study for their intended qualification after their first year of study, relative to the rest of their cohort.
Foundation education	Programmes at Levels 1 and 2 on the NZQCF, and Level 3 when delivered through the Youth Guarantee Fund.
Higher education	Programmes at Levels 7 (degree) and above on the NZQCF.
Indicative allocation	Our yearly estimate of each provider’s “on-Plan” funding that they could receive in a year if their Investment Plan is approved.
ITR	Industry Training Register. An online data collection service that captures information about activity for work-based learning in near real time.
Ka Hikitia	The Māori Education Strategy: Ka Hikitia
Kia Ōrite Toolkit	A toolkit that provides current, New Zealand-specific guidance to help tertiary education organisations better support disabled learners: Kia Ōrite Toolkit
Learner Success Framework	A framework that providers can use to address inequities in the tertiary education system: Learner Success Framework

Learner Success Operating Model	A model/plan developed by a provider to assist them to implement their Learner Success Plan.
LSP	Learner Success Plan.
Mātauranga Māori	Māori knowledge in its widest and broadest forms, including all aspects of Māori culture.
Micro-credential	Study or training that leads to an award on the NZQCF but does not, in and of itself, lead to an award of a qualification: Micro-credentials – NZQA
Mode of delivery	The funding designation describing the way education is delivered to a learner, such as extramurally or in the workplace.
MoP	Mix of Provision.
New provider	A provider that has not received TEC on-Plan funding in the last 12 months.
NZQA	New Zealand Qualifications Authority.
NZQCF	New Zealand Qualifications and Credentials Framework.
Off-Plan funding	Funding assessed and allocated through a contract management approach (under section 428 of the Education and Training Act).
On-Plan funding	Funding assessed and allocated through submitting an Investment Plan (under section 425 of the Education and Training Act).
Plan Guidance	Guidance we publish on the content and process for criteria used to assess proposed Investment Plans.
Programme completion rate	The proportion of learners in a starting cohort that go on to complete a programme at the same NZQCF level at the same industry training provider. The period for measuring programme completion is three years for work-based learning at NZQCF Levels 1 to 3; four years for work-based learning at NZQCF Level 4 and above; and six years for apprenticeship programmes.
PTE	Private training establishment.
Qualification completion rate	The proportion of learners in a starting cohort that go on to complete a qualification at the same level at the same TEO. The period for measuring qualification completion is two years at Levels 1–3, four years for qualifications at Levels 4–7 (non-degree), and six years for qualifications at Level 7 degree and above.
SSP	Statement of Service Performance. Reports that provide primarily non-financial information recording performance against specified objectives.
STEM	The academic disciplines of science, technology, engineering and mathematics.
Supplementary Plan Guidance (SPG)	A document that supplements the information contained in Plan Guidance. It will provide any updates and is usually released in June.

Tau Mai Te Reo	The Māori language in education strategy: Tau Mai Te Reo
TEI	Tertiary education institution. TEIs include universities, Te Pūkenga and wānanga.
TEO	Tertiary education organisation.
TES	Tertiary Education Strategy. Sets out the Government's long-term strategic direction for tertiary education: Tertiary Education Strategy
Vocational education	Programmes at Levels 3–7 (non-degree) on the NZQCF and all industry training.
WDC	Workforce Development Council. Six WDCs have been established: Workforce Development Councils
Whaikaha	Disabled person or people.
Workforce Development Plans (WDPs)	Workforce Development Plans are published by the WDCs.