

# Tertiary Education Commission's Investment Framework for Learner (Delivery) Funds

## How we make investment decisions

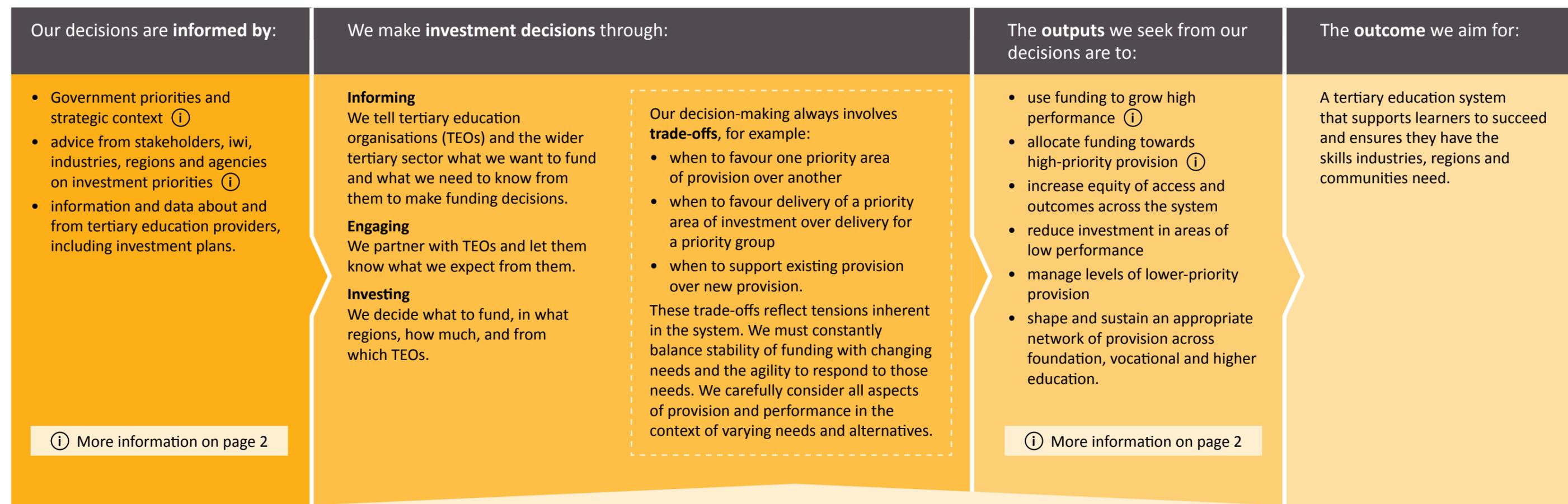
### What is our investment framework?

At the Tertiary Education Commission (TEC) our investment framework guides all our investment decisions about tertiary education and training. It does not cover research funds.

This page describes the framework and what goes into our decision-making. The next page are two examples of how this works in practice.

### Context

Many factors influence tertiary education investment, including TEC decisions. Ultimately, learner choice drives the system and TEC can be most influential when learner demand is high. Learner demand is, in turn, affected by external factors such as economic shocks, labour market strength, pandemics, climate change and other disruptors. Fundamental to our decision-making are our Te Tiriti obligations. These include responding to the needs and aspirations of iwi, hapū and whānau, supporting Māori learners to succeed as Māori, and honouring and protecting taonga.



### Key principles underpin every investment decision:

#### Evidence-based

We make decisions based on best available data and information. We understand and apply knowledge of the sector, learner demand, stakeholder needs, and best practice.

#### Fair, transparent and consistent

Our methods and processes offer predictability, build trust and confidence in the system. They recognise the diversity of tertiary education (sub-)sectors. They balance costs and risks in proportion to outcomes.

#### Learners at the centre

We incentivise, promote and enable equitable outcomes for all learners by making providers accountable for how they deliver education and the outcomes they achieve. We support providers to recognise learner diversity and meet learners' needs and aspirations.

#### Continuously improving the system

We improve the system's effectiveness through reviewing and updating internal processes for investment decision-making, as necessary. We improve the system through the tools and guidance we provide to the sector.

# Examples of investment decision-making for learner (delivery) funds

	ⓘ Our decisions are informed by:	We make investment decisions through:	ⓘ The <b>output</b> we seek through our decisions:	The <b>outcome</b> we aim for:
<p><b>Example 1:</b></p> <p>How we allocate funding places to high-priority provision (ie, strategically significant provision that supports long-term economic, societal and cultural goals)</p>	<ul style="list-style-type: none"> <li>• Tertiary Education Strategy</li> <li>• Providers' Investment Plans</li> <li>• Tau Mai Te Reo and Ka Hikitia</li> <li>• Pacific Education Action Plan</li> <li>• Health Workforce Plan</li> <li>• Industry Transformation Plans</li> <li>• advice from other agencies</li> <li>• iwi aspirations</li> <li>• advice from Workforce Development Councils (WDCs)</li> <li>• information about regional needs</li> <li>• Educational Performance Indicators in priority subject areas</li> <li>• learner outcomes in priority areas</li> <li>• provider commitments to levels and mixes of provision in priority areas</li> <li>• previous delivery in priority areas.</li> </ul>	<p><b>Informing</b></p> <ul style="list-style-type: none"> <li>• We develop and publish targeted investment priorities, ie, specific areas of provision where higher enrolments or more types of enrolment are desired (eg, te reo Māori, clinical psychology, construction).</li> </ul> <p><b>Engaging</b></p> <ul style="list-style-type: none"> <li>• We engage with providers about any barriers to increasing enrolments in priority areas.</li> <li>• We engage with agencies about responses from providers to their identified priorities.</li> </ul> <p><b>Investing</b></p> <ul style="list-style-type: none"> <li>• We prioritise allocating funding places to areas of priority provision.</li> <li>• We invest in new initiatives and/or fund new providers in priority areas.</li> </ul> <div style="border: 1px dashed black; padding: 5px; margin-top: 10px;"> <p>The <b>trade-offs</b> we make in decisions about funding high-priority provision tend to:</p> <ul style="list-style-type: none"> <li>• favour agility over stability, shifting the mix of provision offered by providers</li> <li>• respond to industry demand for certain skills by incentivising learner demand (through providers)</li> <li>• at times, reflect changing levels of regulation (eg, our legislative requirement to give effect to advice from WDCs).</li> </ul> </div>	<p>Allocating funding places to high-priority provision, to the extent that learner demand allows. Recent examples include health, te reo Māori and construction.</p>	<p>A tertiary education system that supports learners to succeed and ensures they have the skills industries, regions and communities need.</p>
<p><b>Example 2:</b></p> <p>How we support high performance (ie, positive outcomes in areas such as learner success, industry responsiveness and/or financial sustainability)</p>	<ul style="list-style-type: none"> <li>• Tertiary Education Strategy</li> <li>• information from providers, iwi, communities, industry and learners</li> <li>• Learner Success Plans and Disability Action Plans from providers</li> <li>• other provider submissions for funding (eg, applications for the PTE Strategic Fund)</li> <li>• educational performance indicator data</li> <li>• learner outcome data</li> <li>• external evaluation and review (EER) ratings</li> <li>• academic audits.</li> </ul>	<p><b>Informing</b></p> <ul style="list-style-type: none"> <li>• We publish eligibility requirements and assessment criteria for performance-related funding (eg, the performance element of the learner component).</li> </ul> <p><b>Engaging</b></p> <ul style="list-style-type: none"> <li>• We engage with industry about how well providers listened to their needs.</li> <li>• We engage with providers about performance milestones (eg, for learner success).</li> </ul> <p><b>Investing</b></p> <ul style="list-style-type: none"> <li>• We allocate funding based on submissions from providers and evidence of their performance.</li> </ul> <div style="border: 1px dashed black; padding: 5px; margin-top: 10px;"> <p>The <b>trade-offs</b> we make in decisions to support high performance can:</p> <ul style="list-style-type: none"> <li>• favour established quality over support to improve quality (eg, only providers with high EER ratings are eligible for the PTE Strategic Fund)</li> <li>• sometimes emphasise accountability (eg, using milestones and commitments in Learner Success Plans). Others favour autonomy (eg, supporting providers to develop new programmes, or offering funding that is not tied to enrolment numbers).</li> </ul> </div>	<p>Supporting providers who show evidence of high performance in certain areas to grow or maintain their areas of strength.</p>	<p>A tertiary education system that supports learners to succeed and ensures they have the skills industries, regions and communities need.</p>
	Evidence-based	Fair, transparent and consistent	Learner-centred	Continuously improving the system