



Education Report: Education Crown entity Statements of Intent

To:	Hon Chris Hipkins, Minister of Education		
Date:	8 November 2018	Priority:	Medium
Security Level:	In Confidence	METIS No:	1161856
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Messaging seen by Communications team:	No	Round Robin:	No

Purpose of Report

The purpose of this paper is for you to confirm your preferred direction on the approach Crown entities take to producing their Statements of Intent (SOIs).

Summary

- Under the Crown Entities Act 2004¹ entities must produce a Statement of Intent (SOI) at least once every three year period. An entity must amend its SOI if its strategic intentions are significantly affected by changes in the entity's operating environment.
- The New Zealand Qualifications Authority (NZQA), Tertiary Education Commission (TEC), and Education New Zealand (ENZ) are at different stages in the three year SOI cycle. TEC and ENZ both produced a new SOI for 2018/19 – 2021/22. NZQA is in the last year of reporting against its current SOI, and is legislatively bound to produce an SOI for 2019/20 – 2022/23.
- We have been advised by your office that you wish all three entities to produce new SOIs by June 2019. A significant number of Education Portfolio Work Programme (EPWP) reviews and refreshes are being released between late 2018 and mid-2019. Due to the length of time required to produce accountability documents, SOIs produced for June 2019 may not fully align to the changes stemming from these releases. As a result, NZQA and TEC may be required to replace or amend their SOIs again in 2020. ENZ is unlikely to be as affected.
- This paper sets out options for timing of the production of new SOIs for the education Crown entities.

¹ s138 – s149A Crown Entities Act 2004

Recommended Actions

The Ministry of Education recommends you:

a. **confirm** your preferred approach to entities producing SOIs

i. NZQA, TEC and ENZ produce SOIs for June 2019

June 2019	December 2019	June 2020
NZQA TEC ENZ		

Agree / Disagree

ii. NZQA produces an SOI for June 2019, TEC produces an SOI by June 2020, no direction given to ENZ (*entities' current preferences*)

June 2019	December 2019	June 2020
NZQA ENZ (TBC)		TEC ENZ (TBC)

Agree / Disagree

iii. NZQA produce an SOI for December 2019, TEC produce an SOI for June 2020, no direction given to ENZ (*Ministry's recommendation*)

June 2019	December 2019	June 2020
ENZ (TBC)	NZQA	TEC ENZ (TBC)

Agree / Disagree

b. **proactively release** this Education Report as part of the next publication

Release / Not release


Emily Fabling
Deputy Secretary
Strategy, Planning and Governance

08/11/2018.


Hon Chris Hipkins
Minister of Education

26/11/18

Background

Statutory requirements for Statements of Intent

- 1 Crown entities are required to produce a Statement of Intent (SOI) at least every three years. SOIs are key accountability documents for entity Boards and enable the Crown to participate in setting the entity's strategic intentions. Entities must provide draft SOIs to responsible Ministers no later than two months before the start of the financial year to which it relates.² Entities must amend final SOIs if the intentions and undertakings within are significantly altered or affected by direction given by the Minister, changes to the law, or any other changes in the entity's operating environment.³

Responsible Minister's role in SOIs

- 2 As the responsible Minister, you can:
 - a. direct an entity to prepare a new SOI at any time,
 - b. provide timeframe extensions for an entity producing an SOI of up a year, and
 - c. influence an SOI by providing comments on draft and final versions and specifying how information is disclosed.
- 3 You can also provide direction on SOIs to Board Chairs and entity officials through your regular engagement meetings.

Entity's current SOI status

- 4 Entities are at different stages in the SOI cycle.
 - a. NZQA is in its last year of reporting against its 2016/17 – 2019/20 SOI, and is legislatively required to produce a new SOI for 2019/20 unless they receive an extension.
 - b. TEC is operating under its 2018/19 – 2021/22 SOI, which reflects its expanded careers function.
 - c. ENZ is operating under its 2018/19 – 2021/22 SOI, which aligns to the New Zealand International Education Strategy (NZIES).
- 5 NZQA has commenced work on the strategic framing for a new SOI which it is planning to produce by June 2019. TEC would prefer to continue to operate under its 2018/19 – 2021/22 SOI until 2020, after the Tertiary Education Strategy and implementation plan have been released in July 2019.
- 6 ENZ's Board membership has undergone significant changes in 2018, including a new future Chair. ENZ is waiting for a November Board strategy meeting to inform its preference on the timings of its SOI. ENZ has produced a new SOI each year since 2012.

Timeline implications

- 7 Your office has advised that you wish all entities to produce SOIs by June 2019. Under this timeline NZQA and TEC might be required to amend their SOIs in 2020 to ensure alignment to the Tertiary Education Strategy and implementation plan, the NCEA

² s146 Crown Entities Act 2004

³ s148 Crown Entities Act 2004

Review, the NZQF Review, the Curriculum, Progress and Achievement Review, and other elements of the EPWP. ENZ is unlikely to be significantly affected.

- 8 For these reasons we recommend that you direct NZQA to delay producing its SOI until December 2019 and TEC to delay producing its SOI until June 2019. It is our view that ENZ does not require direction on the timing of its SOI as its current SOI is already aligned to the NZIES and because ENZ tends to update its SOI annually.

	June 2019	December 2019	June 2020
Option (i)	NZQA TEC ENZ		
Option (ii) preferred by entities	NZQA ENZ (TBC)		TEC ENZ (TBC)
Option (iii) recommended by Ministry	ENZ (TBC)	NZQA	TEC ENZ (TBC)

Next steps

- 9 If your preferred approach includes NZQA producing an SOI after June 2019 a timeframe extension will be required. We will work with your office to arrange this.

Proactive Release

- 10 It is intended that this Education Report is proactively released as per your expectation that information be released as soon as possible. Any information which may need to be withheld will be done so in line with the provisions of the Official Information Act 1982.