



Education Report: Vocational Education and Training funding – clarification of extramural mode for 2025

To:	Hon Penny Simmonds, Minister for Tertiary Education and Skills		
Date:	27 June 2024	Priority:	Medium
Security Level:	In-Confidence	METIS No:	1331434
Drafter:	Scott Connew-Simmons	DDI:	+64 4 4395062
Deadline Date:	3 July 2024		
Key Contact:	Clara Rowe	DDI:	+64 4 4638491
Seen by the Communications Team:	No	Round Robin:	No

Purpose of Report

This report seeks your confirmation that a change to the ‘Provider-based: Extramural’ mode for funding Vocational Education and Training (VET) agreed by the previous Minister not be implemented in 2025.

Alignment with Government priorities

Confirming that the ‘Provider-based: Extramural’ mode of delivery does not reflect a decision by the previous Minister supports your priority to restore VET funding to its previous policy settings.

Recommended Actions

The Ministry of Education recommends you:

- a. **note** that proposed variations to the funding mechanism for Level 3–7 (non-degree) delivery for 2025 you recently approved [METIS 1327934 refers] did not include incorporating a decision by the previous Minister to focus the ‘Provider-based: Extramural’ mode on ‘asynchronous’ delivery;
- b. **agree** that the previous Minister’s intended change to the extramural mode to focus it on ‘asynchronous’ delivery not be progressed for 2025;

Noted

Agree Disagree

Proactive Release:

- c. **agree** that the Ministry of Education release this paper **in full** once it has been considered by you as part of the Ministry's standard proactive release processes.

Agree Disagree



Clara Rowe
Senior Policy Manager (Acting)
Te Pou Kaupapahere | Policy

27/06/2024



Hon Penny Simmonds
Minister for Tertiary Education and Skills

20/6/24

Proposed clarification of decision on Extramural mode for 2025

1. You recently approved proposed variations to funding mechanisms for 2025 for consultation with the sector [METIS 1327934 refers]. We have identified that a further decision is necessary to confirm that a change to the definition of the 'Provider-based: Extramural' mode agreed by the previous Minister is not being progressed as a proposed variation for 2025.
2. In 2023, the then-Minister agreed the focus of the 'Provider-based: Extramural' mode of delivery would shift to whether delivery is synchronous or asynchronous, with this being determined by the extent of 'real time' interaction with other learners and tutors.
3. The definition was to be changed to 'Provider-based: Asynchronous' to focus its lower funding rate on online delivery with very limited interaction (along with paper-based extramural delivery). Online delivery with a large component of real-time interaction would have been considered and funded as 'provider-based' rather than extramural.
4. Given your clear focus on aligning and restoring funding rates for campus-based and extramural delivery (which has now been agreed [SOU-24-MIN-0076 refers]), we did not draft the change to 'Provider-based: Asynchronous' as a proposed variation to Level 3–7 (non-degree) funding mechanism for 2025. However, we are now asking for your specific confirmation of this to ensure there is clarity that the change is not being progressed.
5. For the avoidance of doubt, while the proposed funding mechanism for 2025 retains the extramural mode, it will be funded at the same rate as other provider-based delivery as previously agreed by you [METIS 1327934 and 1328935 refer]. As noted in this week's Weekly Update item, we are progressing with consultation on proposed variations to funding mechanisms for 2025 starting on Monday 8 July.
6. Following the consultation on your proposed model for the replacement of Te Pūkenga and broader changes to the VET system, we will provide you with advice on potential further changes to the funding system for VET from 2026. This will include advice on the future of the extramural mode and reporting of extramural delivery.