



# Submission

11 August 2025

**TO THE**

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**Tertiary Education Commission**

**ON THE**

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- Proposed variations to 2026 funding determinations.

**BY**

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**Beef + Lamb New Zealand Limited**

# SUBMISSION ON THE PROPOSED VARIATIONS TO 2026 FUNDING DETERMINATIONS

To: Tertiary Education Commission

Email: [tertiary.strategy@education.govt.nz](mailto:tertiary.strategy@education.govt.nz)

Name of Submitter: Beef + Lamb New Zealand Limited (B+LNZ)

Date: 11 August 2025

Address for service: 154 Featherston Street, Wellington 6011

Name	Position	Phone Number	Email Address
<b>Beef + Lamb New Zealand Limited</b>			
Nicholas Jolly	Principal Policy Analyst	027 342 1049	Nicholas.Jolly@beeflambnz.com
Rowena Hume	GM Policy and Advocacy	027 224 4535	Rowena.Hume@beeflambnz.com

## 1. Introduction

- 1.1. Beef + Lamb New Zealand is an affected organisation under the Education and Training Act, representing New Zealand's sheep and beef farmers. We advocate on behalf of both employers and employees involved in sheep and beef farming.
- 1.2. The red meat industry contributes around \$11.4 billion to New Zealand's export revenue, making it New Zealand's second largest goods exporter. The sector supports over 92,000 jobs, 35,700 directly and an additional 56,700 indirectly employed. Data shows that farm businesses with trained workers have higher production output and profitability.
- 1.3. We welcome the opportunity to provide feedback on the proposed changes to tertiary education funding and express serious concerns about the implications for our sector.

## 2. Objection to the Reduction in Work-Based Learning (WBL) Funding Rate

2.1. Beef + Lamb NZ strongly objects to the proposed 7% reduction in the funding rate for work-based learning. This change is counterproductive and undermines the very training model that delivers the best outcomes for our industry.

2.2. Our key concerns are:

- Workplace-based learning is proven globally to be the most effective and efficient form of training, particularly in primary industries where practical, hands-on experience is essential.
- Productivity gains and export growth in the sheep and beef sector are directly linked to the skills and capabilities of our workforce, which are best developed through work-based learning.
- Tailored training aligned to industry needs is critical, and reduced funding will limit the ability of providers to deliver bespoke, high-quality programmes.
- Remote and rural delivery is at risk—areas where sheep and beef farming is concentrated. These regions often have low learner volumes but high strategic importance, and reduced funding threatens the viability of training in these communities.
- The proposed cut sends a message that industry-led training is being deprioritised in favour of institutional models, despite the government’s own recognition of the value of work-based learning.
- We urge the Tertiary education Commission (TEC) to apply the same funding uplift solution provided to polytechnics to work-based learning providers.

## 3. Learner Component Funding Rate

3.1. The Learner Component funding rate should be increased to reflect the rising costs of supporting learners with low prior attainment.

3.2. Many learners entering the sheep and beef sector come from diverse backgrounds and require additional support to succeed. The Learner Component is vital for ensuring equity of access and success, particularly for learners in rural areas and those with specific learning needs. Without an increase, providers will struggle to maintain the level of support needed to ensure these learners thrive.

## 4. Māori Skills and Equity

4.1. The removal of targeted support for Māori learners under the Learner Component is a significant concern. Māori play a vital role in the sheep and beef sector, and targeted support is essential to ensure equitable outcomes. The lack of consultation with Māori and Iwi on this change is unacceptable. We are calling for the reinstatement of TEC’s obligation to consult Māori on learner performance and funding decisions.

## 5. Literacy and Numeracy Support for Secondary School Learners

- 5.1. Literacy and numeracy are foundational skills for employability and productivity in our sector. Addressing these needs early, whether in secondary or tertiary education is critical for building a capable workforce. The proposed changes do not support the development of these essential skills, particularly for learners entering the Food and Fibre sector.

## 6. Fees-Free Changes

- 6.1. The removal of first-year Fees-Free access poses a serious threat to recruitment in the sheep and beef industry. Many prospective learners are deterred by the prospect of debt, especially in rural communities where financial barriers are more pronounced. Pre-employment and training courses are essential pathways into our sector, and removing Fees-Free support will reduce participation and limit workforce development.

## 7. Industry Skills Boards (ISBs)

- 7.1. ISBs are critical to ensuring industry leadership in vocational education. However, the lack of transparency around their funding is deeply concerning. The Food and Fibre ISB must be adequately resourced to fulfil its leadership role and support the development of high-quality, industry-relevant training. We urge TEC to include ISB funding decisions in the 2026 funding determinations to ensure accountability and confidence in the system.

## 8. Summary

- 8.1. The proposed funding changes risk undermining the sheep and beef sector's ability to train and retain a skilled workforce. Work-based learning, tailored support for learners, Māori equity, and rural delivery are all essential to the success of our industry and the wider economy.

We call on TEC to:

- Reverse the proposed reduction in WBL funding and apply a funding uplift,
- Increase the Learner Component rate to reflect actual support costs
- Reinstate targeted support and consultation obligations for Māori learners,
- Maintain Fees-Free access for high-value industry training,
- Ensure transparent and adequate funding for ISBs.