



Board Teleconference Minutes – Thursday, 18 June 2020

Present

Wayne Ngata (Acting Chair)
Alastair MacCormick

Nancy McConnell
John Russell

Apologies

Jenn Bestwick, Chair
Kirk Hope, Commissioner

Vivien Sutherland Bridgwater, Commissioner

Ian Lee, Deputy Chief Executive – Strategy & Design
John Soulis, Deputy Chief Executive – Corporate and Finance
Mat Pawley, Deputy Chief Executive – Information

In attendance

Tim Fowler, Chief Executive
Gillian Dudgeon, Deputy Chief Executive – Delivery
Paora Ammunson, Deputy Chief Executive – Ōritetanga - Learner Success (part meeting)
Kirsten Ralph, Manager – Strategy and Evaluation, Strategy & Design (Item 1 and 2)
Nina Ive, Manager – Strategic Engagement, Strategy & Design (Item 4)
s9(2)(a) Executive Officer to the Board

1 Welcome

Wayne Ngata (Acting Chair) welcomed everyone and declared the meeting open.

2 COVID-19 Strategic Response Workshops Update

Minute No. TEC200618 /2

Kirsten Ralph overviewed the COVID-19 Strategic Response Growth and Innovation workshop update then invited attendees to provide their feedback.

- › This update looks different, as the discussion in the workshop was different to those in the other workshops. This is because TEC's role in the growth and innovation area is different to that of the other streams.
- › MBIE takes the lead of growth and innovation, TEC only has a small proportion in this.
- › Due to this, during the workshop, we continually asked ourselves 'what is TEC's role' and 'what part are we playing'.
- › As a result, our outcome focused on relationship building and using this to support our focus areas which are at the front end of the system.

General discussion from the update meeting summary

- › Workshop participants felt the update was more a 'status quo' paper and did not capture a number of issues and potential opportunities discussed.
- › Concerns were voiced about how the paper approached PBRF, however the Board noted a full PBRF paper was scheduled to be presented and discussed with the Board on Thursday, 16 July 2020.
- › Alastair MacCormick suggested that TEC review the outcomes of the British experience, where, some five years ago they moved from individual to group funding research, which resulted in some rationalisation of universities and disciplines.

Action item 200618/2.1: Kirsten Ralph is to follow up on the outcomes of the British experience and include relevant information in the PBRF paper going to the Board in July 2020.

- › Tim Fowler noted the PBRF system had recently been reviewed, resulting in minor changes. He feels the review missed opportunities to improve and enhance the PBRF system, but noted the reviewers' brief, which was selected by the Review Panel, was very narrow.
- › TEC will have the opportunity to comment/submit feedback on the review in a number of ways:
 - in the Briefing to the Incoming Minister (BIM) being prepared for after the election on 19 September 2020
 - when the review is released for public consultation in November/December 2020/January 2021; note – the Minister is required to consider all responses to the public consultation prior to making a decision
 - letting the Associate Minister know that the minor changes suggested will not affect enough change for Māori and Pasifika people.
- › It is important TEC identifies best practice and/or any levers to change and improve our university/industry collaboration as some do it well and others don't, e.g. working with other agencies in areas we fund e.g. entrepreneurial education, which MBIE has the lead on.

Action item 200618/2.2: Kirsten Ralph is to ensure the Board's comments/feedback are factored into the summary updates informing the next steps on the COVID-19 Strategic response work.

Next steps

- › A cross functional subject matter expert team within TEC will synthesise the summaries and feedback, and prepare an update, next steps and recommendations across the six streams for Board consideration at the Monday, 6 July 2020 Board meeting.
- › All workshop material, summary updates and a list of items that did not make the final list of recommendations to the Board on 6 July 2020, which might be referred to in the future, will be filed on 'Objective' and can be referenced at any time.

Kirsten Ralph left the meeting.

3 Centres of Research Excellence – Six month funding extension through to 30 June 2021

Minute No. TEC200618/3

The Board noted the 'Centres of Research Excellence – Six month funding extension through to 30 June 2021' paper dated 18 June 2020.

- › As a result of the COVID-19 lock down period TEC has been asked to extend the 2020 CoREs for six months; the Minister is comfortable with this.
- › The extension will go from 1 January 2021 to 30 June 2021.
- › The new CoREs underway won't start until 1 July 2021.

Resolved

The Board resolved to:

- › **approve** an additional six months of funding for the current Centres of Research Excellence (CoREs) as detailed in the 'Centres of Research Excellence – Six month funding extension through to 30 June 2021' paper dated 18 June 2020, subject to the Minister of Education amending the CoREs funding mechanism; and
- › **note** that we expect the CoREs funding mechanisms to be amended by the Minister of Education in July 2020.

Nina Ive joined the meeting.

4 Vocational Education and Training Marketing Campaign Development Update

Minute No. TEC200618/4

The Board noted the 'Vocational Education and Training Marketing Campaign Development Update' paper dated 18 June 2020.

General discussion

- › Concern was voiced that the campaign lacked proportionality, it focuses on what learners should focus on in Level 4 and 5, but doesn't focus on those in secondary schools dropping out at/before Level 3 and/or their key influencers (parents/guardians).


- › It was queried whether the campaign should have a more robust presence and go deeper to raise awareness and pathways e.g. with family and whanau. Tim Fowler responded that it needs to go even further than that and focus on the 'new horizons' the people newly unemployed as a result of COVID-19.
- › Paora Ammunson has reviewed the campaign a couple of times. He initially had similar concerns voiced by the Board but has been reassured that the execution and creative approach will bring vocational education learning to a higher level with more mana and not differentiate between academic and vocational learning.
- › John Russell feels we are missing an opportunity by not linking in with teachers in secondary schools better and shared some data he is using in relation to his role as a mentor to secondary school principals. He is trying to get schools to do more strategic planning using the 'akonga centred' approach.
- › Tim Fowler noted that TEC completes research into enrolments of secondary learners into tertiary education, 'Qlik Data'. This data has been made available to all secondary school principals and TEOs; Tim Fowler offered to provide John Russell with access to the Qlik data.
- › There is a disconnect between learners leaving secondary/tertiary education and businesses, the learners are not being equipped with the right skills and competencies for today's businesses.
- › Reaching the right people, with the right message is paramount to the VET marketing campaign; there is the opportunity to enhance our key target areas to include parents/whanau highlighting the role they have around influencing change.
- › Gillian Dudgeon noted that the VET marketing campaign was part of a bigger overall picture, Tiro Whetū, Inspiring the Future etc are all parts of one big picture. We need to ensure they link together and make sense to the recipient (learners, their parents/whanau and influencers).
- › The team working on the VET marketing campaign are working on new initiatives for delivery e.g. different languages, cultural inferences, face-to-face delivery and their ventures etc.
- › As with anything where we are trying to change behaviours, measuring the outcomes and being agile and able to shift where necessary will be paramount to the success of the VET marketing campaign.

Action item 200618/4.1: Tim Fowler is to provide John Russell with access to the QLIK data.

5 Close

Wayne Ngata thanked everyone for their participation and closed the full meeting at 2.40pm.

Signed as a true and correct record:


_____ Chair

Date: 7/7/20



Board meeting minutes

Monday, 6 July 2020

Present

Jenn Bestwick (Chair)
Alastair MacCormick
John Russell
Kirk Hope

Nancy McConnell (via Skype)
Vivien Sutherland Bridgwater
Wayne Ngata

Apologies

In attendance

Tim Fowler, Chief Executive
Gillian Dudgeon, Deputy Chief Executive – Delivery
John Soulis, Deputy Chief Executive – Corporate and Finance
Paora Ammunson, Deputy Chief Executive – Learner Success – Ōritetanga
Ian Lee, Deputy Chief Executive – Strategy & Design
Mat Pawley, Deputy Chief Executive – Information
s9(2)(a), Executive Officer to the Board (minutes)
Kirsten Ralph, Manager – Strategy and Evaluation, Strategy and Design (Item 5)
s9(2)(a), Principal Advisor – Strategy and Evaluation, Strategy and Design (Item 5)
David Strong, Portfolio Director – Reform of Vocational Education (Items 10-15)
Deirdre Marshall, Manager – Delivery and Projects, Delivery (Items 10-15)
s9(2)(a), Chief Advisor – Delivery (Items 10-15)
Jeremy Morley – Consultant contracted to Audit, Risk and Compliance Committee – Lunch

Commissioners Only Session

Commissioners held a closed session which was not minuted.

Commissioners and Chief Executive Session

Commissioners held a closed session with the Chief Executive which was not minuted.

Administration

1. Welcome and apologies

The Chair (Jenn Bestwick) welcomed everyone and declared the meeting open. She noted this was the first face-to-face meeting since the COVID-19 lockdown, and only the third face-to-face meeting for the Board in 2020. She thanked everyone for their flexibility and contribution to our many video conference meetings and workshops during the lockdown period.

2. Adoption of Board meeting minutes

Minute No. TEC200706/2

Resolved

*The Board of Commissioners (the Board) **adopted** the minutes of the following Board meetings en-bloc as true and correct record of those meetings:*

- › *7 May 2020 Board teleconference*
- › *21 May 2020 Board teleconference*
- › *4 June 2020 Board teleconference*
- › *8 June 2020 Board meeting – teleconference*
- › *18 June 2020 Board teleconference.*

3. Action items update as at 29 June 2020

Minute No. TEC200706/3

The Board noted the 'Action items update as at 29 June 2020' paper dated 29 June 2020.

4. Declaration of interests

Minute No. TEC200706/4

Commissioners' declarations of interest were noted, consequential actions are recorded under the items to which they relate.

Action item 200706/4: Vivien Sutherland Bridgwater is to email s9(2)(a) with updates to her declaration of interests.

Strategy agenda/deep dives/guests

Kirsten Ralph and s9(2)(a) joined the meeting.

5. COVID-19 Medium and Long-term Strategic Response

Minute No. TEC200706/5

The Board noted the 'COVID-19 Medium and Long-term Strategic Response' paper dated 6 July 2020.

Ian Lee overviewed the COVID-19 Strategic Response work to date and invited Kirsten Ralph and s9(2)(a) to present the COVID-19 Strategic Positioning Paper presentation.

- › COVID-19 hasn't changed our purpose and vision, however it has re-enforced the importance to deliver and speed up our work and provided some new opportunities.

- › We have been doing the right things, but there are still significant issues to resolve around equity, skills and employability, and system responsiveness.
- › Twenty-five ideas were consolidated from the discussion papers and workshops into twelve potential strategic responses. These were analysed according to value, achievability and strategic unity with the following five being identified as the suggested best place to put first emphasis on:
 - skills and equity-focused careers response
 - learner-centric funding system
 - responsive skills development
 - sector capability
 - RoVE.
- › Strategic enablers to help us get there are:
 - develop a longer-term, more strategic investment process
 - develop a strategic risk appetite
 - leverage our convening strategically
 - streamline our investment process
 - introduce human-centered systems thinking
 - build and leverage our data and insight capabilities.

General discussion

- › **System flexibility** – how we are taught and the way we learn are all critical to increasing participation and successful outcomes.
- › **Barriers for learners** – we need to know more about barriers for learners to inform our responsiveness e.g. enrolment and admission systems, being able to enroll in multiple institutions, what Study Link can/cannot be used for etc, access to technology etc – surveying students to inform this information could be useful.
- › **Our role in the system** – various government agencies are taking the lead on different initiatives for the COVID-19 economic recovery and we link in e.g. employer incentives is being led by the Ministry of Business, Innovation and Environment (MBIE). We need to be very clear which initiatives we are the lead on and which we link into and who is keeping an overall watch of the whole – it was suggested that the Employment Education and Training (EET) CEs Group Tim Fowler is a member of is the best place to have that oversight as a whole of government approach.

- › **Knowledge and capability** – concern was voiced that we don't think of universities in terms of bodies of knowledge and capability, and what they can do to help communities and the nation, and how and what we can do to support this capability.
- › It was acknowledged that there are two parts to universities, teaching, and knowledge and research, and that we blur these in the way we do our funding and our system is constructed for knowledge in a passive way, getting our head around the Wānanga way would help.
- › A draft paper is due to be sent to the Minister before the end of July 2020 on how Section 159L could be changed to allow more flexibility in how we allocate funding which would allow us to develop/fund initiatives differently and more flexibility.

Summary and agreed next steps

- › The Board agreed five key areas to commence work on under the 'Overton window' framework outlined by Ian Lee:
 - Careers direct guidance (under-way)
 - Section 159L/Funding flexibility (under way)
 - UNZ position and future of university collaboration
 - Barriers – entry, access, move and portable through the system (system wide survey)
 - Expanding service (our mandate to go direct)Distance/online learning, what are we delivering,
- › Deliver the integrated strategic plan for Horizon 1 as proposed
- › Strategy on a page –
 - 1-2 A3s to capture the essence of the presentation/pre-read (assume the audience is external/ minister)
 - Could include integrated plan
- › Areas
 - Broaden “sector capability”, which currently includes capability to be learner-centric and knowledge creation’; monitor and report on the whole system
 - Indicate on value-achievability matrix – which agencies/stakeholders play leading vs support roles

Action item 200706/5: Ian Lee and team are to provide the Board with an update of the COVID-19 Strategic Response work at the August 2020 meeting.

6. Data 2020 Status Update

Minute No. TEC200706/6

The Board noted the 'Data 2020 Status Update' paper dated 6 July 2020.

Mat Pawley provided an update on the Data 2020 project including the progress being made on the issue highlighted to the Board during their Monday, 8 June 2020 Board meeting.

- › The newly appointed developers 'on boarded' well during the COVID-19 lockdown.
- › An internal Steering Group, comprising the Mat Pawley, Gillian Dudgeon and John Soulis has been set up to oversee the project in more detail and micro level.
- › The new Project Manager completed a review of the project. This found that the business case had been significantly underestimated.
- › Options analysis workshops were held in May 2020 with a focus on reshaping the project. This work progressed from identifying three viable options into more detailed planning with one option being recommended to the Steering Group.
- › The Steering Group has approved the following approach:
 - develop the new Data Exchange Platform (DEP), to replace existing WorkSpace2 (WS2) and Services for Tertiary Education Organisations (STEO) functionality, to reduce the operational risk of the current data collection platforms
 - develop a Fees Free API to address current issues for TEOs
 - commence the co-design of API solutions with the sector in early 2021
 - defer the development of remaining external APIs.
- › The Steering Group considered risks and cost impacts before approving the new approach.
- › We have been working with the Ministry of Education and other stakeholders and ensuring we take a duty of care and careful approach to this project.
- › The new platforms will be held in the cloud – reducing our reliance on housing them ourselves.
- › A benefit, in the future, is the anticipated alignment with the unified funding system.
- › The projects estimated completion time is October 2021 with a new budget of \$7.7m including contingencies. This is an increase of \$2.3m from the original business case.
- › A change request and formal request for increased funding will be presented to the 3 August 2020 Board meeting.

Board Guest

Jeremy Morley, Independent Consultant on the Audit, Risk and Compliance Committee joined the Board for lunch. When the meeting resumed Jeremy gave the Board a brief bio on himself:

- › currently working part time with PwC
- › has extensive experience working in the education sector – with a particular focus in the audit, risk and monitoring areas, as well as working with, and helping, stressed organisations
- › has a passion for all things education
- › brings vast financial knowledge and experience to the Audit, Risk and Compliance Committee.

Jeremy Morley left the meeting.

7. Universities Work Programme Update

Minute No. TEC200706/7

The Board noted the 'Universities Work Programme Update' paper dated 6 July 2020.

General discussion

- › Financial overview/information gathering meetings have been held with seven of the eight Universities. A summary document will be prepared for the Board's August 2020 meeting.
- › The Waikato Vice-Chancellor has shared a 'think piece' paper with Jenn Bestwick – she will check to see if she can share this with the Board and TEC.

Resolved

*The Board resolved to **note**:*

- › *the University Work Programme – TEC 2020, which has been developed in conjunction with members of the Board*
- › *that the delivery dates for each piece of work are currently being worked through*
- › *this work will be incorporated into the overall draft programme of strategy work being developed following the lockdown workshops.*

Action item 200706/7: Jenn Bestwick is to check if she can share the Waikato Vice Chancellor's 'think piece' paper with the Board and TEC team.

Core business and project reporting

8. Chief Executive's report

Minute No. TEC200706/8

The Board noted the 'Chief Executive Report' dated 6 July 2020 plus the attached 'OPM Scorecard as at May 2020, Priority Project Updates as at June 2020 and Risk Register as at July 2020' reports.

OPM Scorecard

- › Customer Contacts are showing 'Red' as we are not meeting our service level agreement of 80 percent resolution, however we are making progress and have recruited more staff and approved a change in technology, which is yet to be installed.
- › Since the Budget 2020 announcements we have experienced an increase in calls from learners.
- › We are developing a specific programme that will be government funded, for careers advice. TEC will triage calls with the careers guidance component being outsourced to Career Development Association of New Zealand.
- › We are enhancing our technology and knowledge base, using artificial intelligence and trends, to cope with the wide variety, and increased number, of calls. We will identify common themes and provide upfront information to lessen the number of call that require direct customer contact.
- › Our Call Centre processes and staff worked extremely well during lockdown; a number of staff continue to work from home on any given day.
- › A new system has been implemented for contractor renewals to ensure our contractors are fit for purpose and project progress is actively managed.

The Board noted the hard work from staff during the COVID-19 lockdown period and acknowledged the heavy workload in front of us as a result of COVID-19, our strategic planning and Budget 2020 announcements. They asked that staff look after themselves and take their leave to ensure they are well rested and getting time with their families.

Priority Projects

- › Unified Funding System (Phase 2) – ‘Amber’
 - this project is ‘Amber’ due to resourcing issues as staff were redirected to our COVID-19 response work
 - this project will take two years to complete, mainly due to the testing required (the first year we will collect the data, the second year we will analyse and checking it)
 - the project focuses on a new way of allocating funds, not assigning additional funds.
- › Te Honoa Wānanga – (Wānanga Sector Dialogue)
 - the joint Ministers were happy to sign-off the approach being taken to this dialogue, this will require additional work in the legislative component area before the final briefing is presented to Ministers
 - open conversations with the broader education sector will be required as government don’t want them going in different directions.
- › Giving effect to the TES
 - we have a copy of the draft TES sent to the Minister the week commencing 29 June 2020
 - the high level statements have not changed and the supporting statements have been watered down
 - this means we will need to provide more information in our Investment Plan Guidance, as it is not in the TES.

Ombudsman

- › TEC wrote to the Ombudsman the week commencing 29 June 2020. We are yet to hear his next steps.
- › We have received notification of a third case, TEC’s view of this case is different to the others and as a result Tim Fowler has asked for a review of our ‘exceptional; circumstances’ process.
- › We have approved 50-60 ‘exceptional circumstances’ cases over last two years, but we could have done some quicker than we did.

AUT sexual harassment allegations

- › An Independent Barrister has been appointed to complete the review – TEC has not yet seen the Terms of Reference.
- › Tim Fowler has been advised that a s9(2)(a) had raised concerns about this person some years ago. That person will be contacted as part of the review.

Action item 200706/8.1: Tim Fowler is to request a copy of the Sexual Harassment Allegations Review Terms of Reference from Derek MacCormack.

Briefing to the incoming Minister (BIM)

- › The October 2017 BIM is in the Resource Centre on Diligent.
- › We are currently preparing the draft October 2020 BIM, the first draft will come to the Board for comment in August 2020.
- › Board members are invited to provide feedback for consideration for inclusion in the draft October 2020 BIM before it comes to them for comment.

Action item 200706/8.2: Commissioners are to provide feedback on the 2017 BIM to Tim Fowler/s9(2)(a)

Indicative allocations for 20201

- › Prior to COVID-19 we expected to fund the tourism sector less this year than previously. Following COVID-19, we have asked the sector to come back to us with a post COVID-19 plan, we have been talking with Tourism Aoteroa about what we are funding.
- › Queenstown Resort College can fund what they want to do in Northland with the money they already have.
- › We are having productive conversations with Massey.
- › Very few plans include transition into micro credentials.

TEC hosting Webinars to support online teaching

- › The TEC Webinars and online teaching workshops went really well.

Transition to all electric car fleet

- › TEC has a sustainability policy – the Board noted that shortly we will not have any cars, electric or otherwise.

Te Wānanga o Aotearoa (TWOA)

- › s9(2)(a) has been appointed as the mutually agreed Advisor to TWOA's Council Te Mana Whakahaere.

Addressing racial equity

- › The Board agreed Courageous Conversation South Pacific Institute's (CCSPI) racial equity training proposal.

Action item 200706/8.3: s9(2)(a) is to establish suitable dates for the Board and ELT to complete the Courageous Conversation South Pacific Institute's racial equity training in the last quarter of 2020.

IT Update – Cyber security

- › We need to establish where we want to be with our Cyber Security maturity and establish baselines, measures and our risk appetite before any benchmarking is done.

Risk register

- › Western Institute of Technology at Taranaki (WITT) – is indicative of what New Zealand Institute of Skills and Technology (NZIST) is going to face moving forward.
- › NZIST will need to think about what they are going to do about Whitirea, and others, who were in crisis mode before COVID-19, and what is happening now.

9. Board Finance report as at May 2020

Minute No. TEC200706/9

The Board noted the 'Board Finance report as at May 2020' dated 6 July 2020.

John Soulis overviewed key points from the May 2020 Finance Report:

- › we have finished the year with a \$2m deficit
- › we have underspent our total operating expenses budget by \$5.1m, but this will reduce in June 2020
 - \$2.1m relates to staff vacancies, lower specialist, consultants and legal fees and the effects of COVID-19
 - \$3.1m relates to delayed spending in projects: Reform of Vocational Education, Vocational Education and Training Marketing Campaign etc and consultants
 - programme initiatives are on budget

- › we are forecasting \$3.8m capital spend in 2019/20
- › we transfer \$1.2b of funding from 2020/21 into 2019/20 as a result of COVID-19 (this is a technical accounting issues only and has been signaled to the Board a number of times
- › the balance sheet and analysis of cash is looking good
- › the auditors are due in a few weeks.

Sensitive, Board and Chief Executive Expenses

The Board noted the Sensitive, Board and Chief Executive Expenses as at May 2020.

Resolved

*The Board Chair **approved** the Board of Commissioners' and Chief Executive's expenses for May 2020.*

*The Chair of the Audit, Risk and Compliance Committee **approved** the Board Chair's expenses for May2020.*

David Strong, Deirdre Marshall and Johnny Tramoundanas-Can joined the meeting.

10. Reform of Vocational Education (RoVE) – Programme Update – June 2020

Minute No. TEC200706/10

The Board noted the 'Reform of Vocational Education (RoVE) – Programme Update for June 2020' dated 6 July 2020.

David Strong provided an update on the RoVE Programme's (RoVE) work

- › the Workforce Development Councils (WDCs) and Transitional Industry Training Organisations (Transitional ITOs) projects have been separated into two different projects.
- › WDCs
 - the WDCs Interim Establishment Boards (iEB) have been appointed, these will operate until October 2020, at which time, after an Order of Council is signed, the iEBs become Establishment Boards; RoVE hopes to have all WDCs set up by mid-2021
 - a meeting was held the week commencing 29 June 2020 with the majority of the iEB Chairs, they were incredibly engaged and want to collaborate, consult and have consistency across the WDCs

- the first iEB Board meetings are happening around the country the week commencing 13 July 2020.
- › Transitional ITOs
 - RoVE is working through the high level transitional plans received for each Transitional ITO
 - the 11 ITOs are Incorporated Societies with their own Boards, rules and processes, RoVE needs to work with each of them as they move through the process
 - RoVE is meeting with the Transitional ITO Chief Executives fortnightly.
- › RoVE has completed Phase 1 – design and amalgamation and moving into Phase 2 – transition and implementation, which will take two and a half years to 31 December 2020.
- › RoVE is having fortnight meetings with Te Taumata Aronui.
- › New Zealand Institute of Skills and Technology (NZIST)
 - continues to develop their programme, TEC and RoVE are working very closely with them and providing additional support where required
 - Stephen Town, new Chief Executive, commenced on Monday, 6 July 2020
 - the NZIST draft Letter of Expectations is with the Minister
 - a draft Memorandum of Understanding between TEC and NZIST is with NZIST for their feedback.
- › MBIE has the lead on the development of the Regional Skills Leadership Groups (RSLGs)
 - they estimate 60 people will be recruited to support the RSLGs
 - the WDCs Chairs want to meet with the RSLGs Chairs and have queried centralising resources and services to generate efficiencies and avoid duplication as many industry/employers will cross over different WDCs and/or RSLGs
 - the Board went one step further and queried whether one Chief Executive could cover multiple WDS and/or RSLGs – Gillian Dudgeon clarified we will have the opportunity to influence this via our funding
- › Work continues on the EY Blue Print, the first draft has been received, workshops, to identify any gaps on different elements of the draft Blue Print, are about to commence, these will and take approximately two months to complete

Action item 200706/10: The Board are to be provided a copy of the draft EY Blue Print at the appropriate time.

11. RoVE Unified Funding System project – progress update

Minute No. TEC200706/11

The Board noted the ‘RoVE Unified Funding System project – progress update’ paper dated 6 July 2020.

UFS is one of seven RoVE projects, the paper provided an update on the project, and in particular how we adapted our work programme to respond to the impacts of COVID019 and outlined a series of next steps for the Implementation Design Workstream and included a high level overview of the current system compared to the proposed UFS.

12. Centres of Vocational Excellence – Funding Decision: Primary Sector Pilot COVE

13. Centres of Vocational Excellence – Funding Decision: Construction Sector Pilot COVE

Minute No. TEC200706/12 and 13

The Board noted and discussed the ‘Centres of Vocational Excellence – Funding Decision: Primary Sector Pilot COVE’ and the ‘Centres of Vocational Excellence – Funding Decision: Construction Sector Pilot COVE’ papers dated 6 July 2020 together.

Jenn Bestwick declared a potential conflict – she is the Chair of the Tonkin and Taylor Board

- › The Government has appropriated \$5m in total for the two CoVEs for five years.
- › these are ‘Pilot’ CoVEs – one was industry driven and one was provider driven with involvement from industry.

Note resolution over page

Resolved

The Board resolved to:

- › **approve** funding for the Food and Fibre Sectors' CoVE as the pilot Primary Sector CoVE, excluding the 'Viable and Sustainable Provision' Focus Area
- › **delegate** responsibility to the project team to negotiate a funding agreement in line with the considerations and mitigations outlined in this paper
- › **delegate** authority to the Chief Executive or Deputy Chief Executive Delivery to sign the funding agreement with the NZIST/EIT on its behalf.

The Board resolved to:

- › **approve** funding for the Construction and Infrastructure CoVE (ConCOVE) as the pilot Construction Sector CoVE
- › **delegate** responsibility to the project team to negotiate a funding agreement in line with the considerations and mitigations outlined in this paper
- › **delegate** authority to the Chief Executive or Deputy Chief Executive Delivery to sign the funding agreement with the NZIST/MIT on its behalf.

Deirdre Marshall and Johnny Tramoundanas-Can left the meeting

14. Funding delegation for Workforce Development Councils and their Interim Establishment Boards

Minute No. TEC200706/14

The Board noted the 'Funding delegation for Workforce Development Councils and their Interim Establishment Boards' paper dated 6 July 2020.

- › On 3 June 2020 the Minister delegated authority to the TEC Board to fund WDC and their IEBs.
- › The request for the Board to make a subsequent delegation is largely for operational items e.g. travel, administration etc and is recommended to three people, instead of the normal two, as the costs will be across a number of budget cost centres.
- › The Board agreed that the delegation would still be made to two people and the recommendation amended.

Resolved

The Board resolved to:

- › **note** the new funding delegation to fund Workforce Development Councils (WDCs) and their Interim Establishment Boards (IEBs) up to:
 - \$47.7m in the 2020/21 financial year, of which \$1.7m is for the IEBs, and \$4m is for one-off WDC establishment costs
 - \$54m for WDCs in the 2021/22 financial year
 - \$32.5m of \$65m for WDCs in the period July – December 2022
- › **delegate** funding decisions associated with funding WDC Interim Establishment Boards, up to \$1.7m in the 2020/21 financial year, to the Deputy Chief Executive (Delivery) or the Portfolio Director (Reform of Vocational Education)
- › **note** that we will add this delegation to our delegations policy.

15. Transitional Industry Training Organisations (Transitional ITO)/WDC Covid-19 response fund delegation of authority

Minute No. TEC200706/15

The Board noted the 'Transitional Industry Training Organisations (Transitional ITO)/WDC Covid-19 response fund – delegation of authority' paper dated 5 July 2020.

The Board noted the current abbreviation being used for Transitional Industry Training Organisations (TITO) had a 'not so positive' meaning in te reo and that we should use Transitional ITO instead.

Resolved

The Board resolved to:

- › **delegate** funding decisions for the TITO/WDC Covid-19 response fund to TEC's Chief Executive and/or Deputy Chief Executive, Delivery for amounts of \$1m or less
- › **delegate** funding decisions for the TITO/WDC Covid-19 response fund to TEC's Chief Executive and Kirk Hope and Alastair MacCormick (nominated Board members) for amounts of more than \$1m
- › **note** that these delegations remain in force until 30 June 2022, when funding ends
- › **note** that we will inform you of all funding decisions in the monthly Chief Executive's report
- › **note** that we will add this delegation to our delegations policy.

David Strong left the meeting.

16. Vocational Education and Training Marketing Campaign Timing Advice

Minute No. TEC200706/16

The Board noted the 'Vocational Education and Training Marketing Campaign Timing Advice' paper dated 6 July 2020.

- › Tim Fowler requested guidance and support from the Board on whether the planned Vocational Education and Training (VET) marketing campaign (campaign) should proceed in its current state in the pre-election period or be postponed until after the election.
- › Guidance from the State Services Commission and Cabinet Office was inclusive, leaving the decision with Tim Fowler, but hinted at using some broader initiatives, separate to the campaign, e.g. product reviews etc.
- › If we proceed with the planned campaign, it could be perceived as s9(2)(g)(i)
- › The campaign is a four year campaign and will still work after the election.
- › Any alternative would most likely not include TV but focus more on social media, web etc.

Resolved

The Board resolved:

- › *to **strongly recommend** the Vet Marketing Campaign be deferred until after the September 2020 government election*
- › *that in the interim, TEC develop some appropriate levers, using appropriate medium to help learners navigate pathways, that don't trigger political concerns.*

17. Learner Success funding – delegation of authority (2020–2021)

Minute No. TEC200706/17

The Board noted the 'Learner Success funding – delegation of authority (2020–2021)' paper dated 6 July 2020.

In April 2019, the Minister agreed that we could use underspends in Equity Funding to support initiatives to improve equity outcomes in tertiary education. That delegation expired on 30 June 2020.

The Minister has now agreed to extend that delegation for a further 18 months – until 31 December 2021 – for us to use up to \$3 million of underspends.

Resolved

The Board resolved to:

- › **delegate** approval of funding decisions, to use up to \$3 million of underspends, for the use of Equity Funding underspends for 18 months – from 1 July 2020 to 31 December 2021 to TEC’s Chief Executive and Deputy Chief Executive, Delivery
- › **note** that we will add this delegation to our delegations policy.

18. Pre-purchased English Language Tuition – MoU approval delegation required

Minute No. TEC200706/18

The Board noted the ‘Pre-purchased English Language Tuition – MoU approval delegation required’ paper dated 6 July 2020.

Resolved

The Board resolved to:

- › **note** that we have been administering pre-purchased English language tuition (PELT) funds on behalf of Immigration New Zealand (INZ) as a result of on a long-standing Memorandum of Understanding (MoU) between TEC and the Ministry of Business, Innovation and Employment (MBIE)
- › **note** that we are currently reviewing and updating the PELT MoU
- › **note** that the current delegations policy does not apply to the PELT MoU
- › **delegate** the power to approve the PELT MoU between TEC and MBIE to the Chief Executive and Deputy Chief Executive, Delivery.

Accountability documents

19. Annual Report for the year ended 30 June 2020: proposed approach and topics

Minute No. TEC200706/19

The Board noted the 'Annual Report for the year ended 30 June 2020: proposed approach and topics' paper and attached A3 storyboard dated 6 July 2020.

The Board were general happy with the proposed approach and storyboard, but suggested that in 2020/21 'Strategic Goal – 4 – Increasing research quality and capability' be enhanced to be about all research investment and knowledge creation, not just PBRF, CoRES, CAPEs as this would provide a richer conversation moving forward.

Committee updates

20. Changes to the Delegation Policy

Minute No. TEC200706/120

The Board noted the 'Changes to the Delegation Policy' paper dated 7 July 2020, which had been forwarded to the Board at the request of the Chair of the Audit, Risk and Compliance Committee.

- › This is a 'tidy up' as there is a 'disconnect' between the wording of our policy and the way our system works i.e. the Delegation Policy currently states that delegation limits are GST inclusive (except where GST is not applicable) and this is not consistent with our application of delegation limits at TEC
- › In theory, the 'tidy up' changes the delegations by the GST amount.

Resolved

The Board resolved to:

- › **note** our Delegation Policy currently states that delegation limits are GST inclusive (except where GST is not applicable)
- › **note** that this is not consistent with our application of delegation limits at TEC
- › **note** that we have included details in Appendix A of the Delegation Policy around formulaic initiatives and other initiatives

- › **note** Appendix A and B of the Delegation Policy have been updated where relevant to include items the Board has delegated to the Chief Executive/Deputy Chief Executive Delivery within the last few months
- › **note** the GST change was discussed with, and feedback was received and incorporated, from the Audit, Risk and Compliance Committee Chair
- › **approve** the updated Delegation Policy and appendices dated July 2020.

21. Board Committees - feedback from Board only time

Minute No. TEC200706/21

The Board:

- › agreed that Board Committees were a good structure to complete some advanced work prior to papers coming to the Board
- › suggested the Board Committees could be the owners of specific projects/pieces of work resulting from the COVID-19 Strategic
- › suggested the timing of committee meetings be developed to enable updates to be provided to relevant Board meetings.

Action item 200706/21: s9(2)(a) is to place Board Committee structure on the August 2020 Board agenda.

Information and items for noting

None

Close

The Chair thanked everyone for their participation, say this was a full and comprehensive face-to-face meeting. The meeting closed at 4.25pm.

Signed as a true and correct record:



Chair:

Date: 3 August 2020



Emailed

Jenn Bestwick (Chair)
Alastair MacCormick
John Russell
Kirk Hope

Nancy McConnell
Vivien Sutherland Bridgwater
Wayne Ngata

Seed Funding for Tiro Whetū

Minute No. TEC200714/1

The Board noted the 'Seed Funding for Tiro Whetū' paper dated 14 July 2020.

- 1 The 2020 Budget included a successful bid for \$26m over the next four years to develop Tiro Whetū.
- 2 Seed funding is required to carry out discovery work for the initial planning, scoping and request for proposal (RFP) procurement process for the Tiro Whetū programme over a three month period.

Resolved

The Board resolved to:

- › **approve** the drawdown of \$450,000 of seed funding for Tiro Whetū, our career planning solution.

Signed as a true and correct record:

Chair: _____

Date: _____

2/11/20



Board meeting minutes

Monday, 3 August 2020

Present

Jenn Bestwick (Chair)
Alastair MacCormick
John Russell

Nancy McConnell
Vivien Sutherland Bridgwater
Wayne Ngata (via Skype)

Apologies

Kirk Hope

Guests

Andy Jackson, Deputy Secretary, Graduate Achievement, Vocations and Careers, Ministry of Education (Item 7 and lunch)

Will Workman, Principal Advisor to TEC (Item 7 and lunch)

In attendance

Tim Fowler, Chief Executive

Gillian Dudgeon, Deputy Chief Executive – Delivery

John Soulis, Deputy Chief Executive – Corporate and Finance

Paora Ammunson, Deputy Chief Executive – Learner Success – Ōritetanga

Ian Lee, Deputy Chief Executive – Strategy and Design

Mat Pawley, Deputy Chief Executive – Information

s9(2)(a) Executive Officer to the Board (minutes)

Kirsten Ralph, Manager, Strategy and Evaluation, Strategy and Design

s9(2)(a) Principal Advisor – PBRF, Strategy and Evaluation, Strategy and Design

David Strong, Portfolio Director – Reform of Vocational Education

s9(2)(a) Principal Advisor Special Projects, Monitoring and Crown Ownership, Delivery

Commissioners Only Session

Commissioners held a closed session which was not minuted.

Commissioners and Chief Executive Session

Commissioners held a closed session with the Chief Executive which was not minuted.

Administration

1. Welcome and apologies

The Chair (Jenn Bestwick) welcomed everyone and declared the meeting open.

2. Adoption of Board meeting minutes

Minute No. TEC200803/2

Resolved

The Board of Commissioners (the Board) adopted the minutes of the 6 July 2020 Board meeting as a true and accurate record of that meeting.

3. Action items update as at 27 July 2020

Minute No. TEC200803/3

The Board noted the 'Action items update as at 27 July 2020' paper dated 27 July 2020.

› **Item 200706/10 – Reform of vocational Education (RoVE) – Programme Update – June 2020**

The EY Blue print is still being worked on, in the interim an updated copy of the RoVE Programme, which went to the RoVE Programme Board recently, is to be placed in the Resource Centre in Diligent.

Action item 200803/3: Gillian Dudgeon is to provide s9(2)(a) with a copy of the updated RoVE Programme to place in the Resource Centre in Diligent.

4. Declaration of interests

Minute No. TEC200803/4

Commissioners' declarations of interest were noted, consequential actions are recorded under the items to which they relate.

- › Nancy McConnell advised she is now a member, not the Chair, of the Advisory Group, Auckland Airport Ara Jobs and Skills Hub.
- › Jenn Bestwick noted a conflict for Item 20 – 'Background paper on Centres of Research Excellence (CoREs)', she chairs the Resilience to Nature's Challenges National Science Challenge – which has a relationship with the CoREs.

Action item 200803/4: s9(2)(a) is to update the Declaration of interest register with the Commissioners updates from the August 2020 Board meeting.

Strategy agenda/deep dives/guests

Kirsten Ralph joined the meeting.

5. COVID-19 Strategic Response Summary

Minute No. TEC200803/5

The Board noted the 'COVID-19 Strategic Response Summary' paper dated 3 August 2020.

The Board liked the style and format of the COVID-19 Strategic Response Summary A3 and provided some feedback for minor amendments:

- › fine tune and rationalise some of the wording
- › ensure we demonstrate the 'how we will give effect to this' and 'how we will be' in the 'How will we do it?' section

- › ensure we capture ‘knowledge creation’ in both the ‘What is the challenge?’ and ‘How will we do it?’ sections
- › one Commissioner noted the good use of colour, suggesting the TEC website could follow the example and be updated with more colour.

Action item 200803/5: Kirsten Ralph is to incorporate the Board’s feedback into and finalise version of the COVID-19 Strategic Response Summary document.

Resolved

The Board resolved to:

- › **approve** TEC’s COVID-19 Strategic Response Summary, plus amendments, dated July 2020.

s9(2)(a) joined the meeting.

6. Performance-Based Research Fund (PBRF) Overview

Minute No. TEC200803/6

The Board noted the ‘Performance-Based Research Fund (PBRF) Overview’ pack dated 3 August 2020.

The pack gave an overview of the fund including:

- › its history, purpose and place in the funding landscape
- › details on how the fund operates and a breakdown of its estimated cost to TEC and the sector
- › a summary of some of its key outcomes since its inception
- › its review process, including an update on the current review process commenced in 2019.

Discussion focused on:

- › PBRF’s purpose – to support, not fund, research within universities
- › TEC’s mandate - support the beginning of the process, creating and developing, the commercialising element then becomes Ministry for Business, Innovation and Employment’s (MBIE) responsibility

- › PBRF, which supports research, being different to the Centre of Research Excellence (CoREs), which aims at specific topics and looks for excellence
- › whether PBRF and CoREs are now fit for purpose and what they look like to Māori and Pasifika
- › whether we are achieving what we are want to achieve by supporting PBRF
- › the Terms of Reference and outcomes of a recent PBRF review, particularly in relation to group and collaborative research
- › duplication of research across different universities and whether we are using our resources wisely across the sector.

Summary

- › The Board has questions around this fund's purpose and whether we are achieving what we want to achieve going forward.
- › Prior to the next review, we need to engage with the Ministry of Education (MoE) and MBIE to discuss whether PBRF should continue in its current/or a different form with different outcomes.
- › We need to understand how the universities use PBRF before making any assessment on its value; this can be achieved during our 'Universities Work Programme' work.
- › Management can include some of the Board's feedback into our current PBRF Review submission.
- › There will be opportunities to engage further prior to any future reviews.

Kirsten Ralph and s9(2)(a) left the meeting.

Andy Jackson and s9(2)(a) joined the meeting.

7. Update on Te Hono Wānanga Project

Minute No. TEC200803/7

The Board noted the 'Update on Te Hono Wānanga Project' paper dated 3 August 2020.

s9(2)(a) talked the Board through his 'Te Hono Wānanga' presentation, prior to him and Andy Jackson having an open discussion with the Board on our Māori/Crown relationship. Key headings of the presentation were:

- › Te Hono Wānanga – Strategic Review

- Wānanga role and purpose
- Funding and investment
- Quality Assurance
- › Why Te Hono Wānanga
 - The policy drivers for change
- › Wānanga concerns and solutions
 - Lack of sufficient recognition
 - Māori-Crown relationships
- › Policy areas and responsibilities
- › Te Hono Wānanga – Policy objectives
 - In scope – legislative reforms, funding reform, quality assurance reform

General discussion took place, but was not minuted.

s9(2)(a) left the meeting.

Update on TEC's relationship with the Ministry of Education (MoE)

Andy Jackson and the Board had an open discussion on the relationship between TEC and MoE.

The Board observed that a regular check-in between the Board and MoE would be useful moving forward.

Action Item 200803/7: s9(2)(a) is to build 'check-ins' with MoE into the Board's work programme.

Andy Jackson left the meeting.

Core business and project reporting

8. Chief Executive's report

Minute No. TEC200803/8

The Board noted the 'Chief Executive Report' dated 3 August 2020 plus the attached 'OPM Scorecard as at June 2020', 'Priority Project Updates as at July 2020' and 'Risk Register as at August 2020' reports.

Chief Ombudsman has written to the Prime Minister regarding two fees-free investigations

- › The Prime Minister's Office has referred the Ombudsman's correspondence back to Minister Hipkins' office for action.

The Vocational Education and Training (VET) campaign has been deferred

- › Minister Hipkins is happy for us to defer the VET campaign until after the election.

2021 Board meeting dates

- › It was noted that the proposed meeting dates for 2021 were Thursdays, not Wednesday as written in the Chief Executive's Report.
- › The Board's view on the benefits of virtual meetings was mixed, the Chair suggested trialling every third meeting as a virtual meeting for 2021.
- › Board meeting agendas and papers will be restructured alongside the frequency and mode/location of meetings.

Action item 200803/8.1 – s9(2)(a) is to redraft the schedule of face-to-face, virtual and offsite meetings for the proposed 2021 meeting dates for the Chair's approval.

Tōnui, Tōu Ora – our Ways of Working Survey

- › A pilot, to trial flexible working amongst staff, is about to begin.
- › The latest staff survey shows that staff interest in working flexibly has dropped slightly.

OPM Scorecard

- › Customer Contact Total enquiries, Customer Contact Call volumes and Annual leave balances are all 'Red'. We are continuing to make progress on the Customer Contact measures and DCEs are monitoring annual leave balances and encouraging staff to take leave where they can.

Priority Projects – July 2020

- › RoVE – 'Amber'
 - RoVE is experiencing a heavy workload, but good progress is being made
- › Unified Funding System (Phase 2) – 'Amber'
 - we have had a good session with the Minister on the Unified Funding System and he has agreed to the direction of policy advice
- › Careers System – 'Green'
 - the Inspiring the Future is ramping up for a launch later in 2020, the website was delivered to plan on 4 June 2020
- › Data 2020 – 'Red'
- › Learner Success – 'Green'
 - the Board would like a 'deep dive', and to receive regular update on the Learner Success project
- › the Purpose, Vision and TEC Strategic Priorities, Te Hono Wānanga (Wānanga Sector Dialogue) and Giving effect to the TES projects are 'Amber or Green'.

Action item 200803/8.2: s9(2)(a) is to include a 'deep dive' on Learner Success on the Board Work Programme.

Action item 200803/8.3: Paora Ammunson is to provide regular updates on the Learner Success project via the Chief Executives Report.

Risk Register

The Board noted:

- › it was unlikely the Western Institute of Technology Taranaki (WITT) s9(2)(i) meaning it is likely to have s9(2)(i)
- › s9(2)(a) has been appointed as an Advisor to Te Wānanga o Aotearoa.

9. Board Finance report as at June 2020

Minute No. TEC200803/9

The Board noted the 'Board Finance report as at June 2020' dated 3 August 2020.

John Soulis overviewed key points from the June 2020 Finance Report:

- › we finished the year with a \$2.5m deficit
- › we have underspent our total operating expenses budget by \$3.7m or 4.6 percent
 - \$1.1m relates to staff vacancies, lower specialist, consultants and legal fees and the effects of COVID-19
 - \$2.4m relates to delayed spending in projects: Reform of Vocational Education, Vocational Education and Training Marketing Campaign etc and consultants
 - programme initiatives are on budget
- › we are forecasting \$3.8m capital spend in 2019/20
- › the balance sheet and analysis of cash is looking good.

Sensitive, Board and Chief Executive Expenses

The Board noted the Sensitive, Board and Chief Executive Expenses as at June 2020.

Resolved

The Board Chair approved the Board of Commissioners' and Chief Executive's expenses for June 2020.

The Chair of the Audit, Risk and Compliance Committee approved the Board Chair's expenses for June 2020.

David Strong joined the meeting

10. Reform of Vocational Education (RoVE) – Programme Update – July 2020

Minute No. TEC200803/10

The Board noted the 'Reform of Vocational Education (RoVE) – Programme Update for July 2020' dated 3 August 2020.

David Strong provided an update on the RoVE Programme's (RoVE) work:

- › all Interim Establishment Boards (iEB) have now met; concern was noted that the iEBs don't have enough employer representation them and that there was a need to facilitate more employers on them so their voices are heard
- › two more Regional Skills Leadership Groups have been announced
- › NZIST has released its expression of interest for its operating model designed
- › the Implementation and Change team has completed a draft change strategy and are working on a change plan for TEC. A Change Leaders group has been formed in TEC and is meeting regularly to consider the changes from RoVE on TEC.

Action item 200803/10: Gillian Dudgeon is to provide the TEC change plan to the September 2020 Board meeting.

David Strong left the meeting.

s9(2)(a) joined the meeting.

11. Financial impact of COVID-19 on the university sector

Minute No. TEC200803/11

The Board noted the 'Financial impact of COVID-19 on the university sector' paper dated 3 August 2020.

The Board noted:

- › the university sector was in good financial health at the end of 2019, however a large fall in revenue is now forecast due to COVID-19
- › each university understands and is responding to the effects of COVID-19 in their own way, however all of them are experiencing pain in some form or another, and will do so for some time to come
- › prior to COVID-19, the sector had budgeted a \$120m surplus, in June 2020, the sector is forecasting revenue to be \$364m below budget in 2020
- › all areas, including: full-fee international tuition income, domestic student revenue, other revenues, research revenue and net trust income are affected
- › Universities are responding to the reduction in revenue in their own way, however, reducing capital investment and cutting costs through restructuring is a possibility for some.

Action item 200803/11: s9(2)(a) is to provide the individual university updates to s9(2)(a) to place in the Resource Centre in Diligent.

s9(2)(a) left the meeting.

12. Update on 2020 Enrolment Data

Minute No. TEC200803/12

The Board noted the 'Update on 2020 Enrolment Data' paper dated 3 August 2020.

Gillian Dudgeon provided an overview of the 2020 enrolment data and key trends shown for international and domestic student in early 2020.

Action item 200803/12: Gillian Dudgeon is to provide the Board with updates on the enrolment data and trends as they become available.

13. Data 2020 – revised scope, timeline and budget for the Project

Minute No. TEC200803/13

The Board noted the 'Data 2020 – revised scope, timeline and budget for the Project' paper dated 3 August 2020.

The Board noted they had received a full update and next steps on this project in the July 2020 Board meeting.

Resolved

The Board resolved to:

- › **approve** the removal of the development of the external Application Programming Interface (API) solution with TEOs from the scope of Data 2020
- › **approve** an increase in the timeline for Data 2020 to 29 October 2021
- › **approve** a budget increase of \$2.3m for the Data 2020 project.

14. Approval of 2020 funding in year amendments for extreme risk rating providers

Minute No. TEC200803/14

The Board noted the 'Approval of 2020 funding in year amendments for extreme risk rating providers' paper dated 3 August 2020.

Resolved

The Board resolved to:

- › **approve** the 2020 in-year funding decrease for Whitireia Community Polytechnic (Whitireia) Māori and Pasifika Trades Training (MPTT) Brokerage monthly funding by \$2,875 and MPTT Fees Top-Up by \$20,000
- › **approve** the 2020 in-year funding increase for Wellington Institute of Technology's (WelTec) MPTT Brokerage monthly funding by \$2,875 and MPTT Fees Top-Up by \$20,000
- › **agree** to note in the minutes of your meeting, any details of the proposed funding recommendations or conditions that you do not approve, the reasons why, and any alternative decisions made.

15. Repayment Plan Approval for Crown Institute of Studies Lim

Minute No. TEC200803/15

The Board noted the 'Repayment Plan Approval for Crown Institute of Studies Lim' paper dated 3 August 2020.

Resolved

The Board resolved to:

- › **approve** *Crown Institute of Studies Limited's (Crown Institute) proposed 16 month repayment plan, subject to a general security agreement and increased reporting requirements*
- › **agree** *to delegate authority to the Chief Executive to approve amendments to the repayment plan, where those changes increase the monthly repayments and/or reduce the repayment term.*

16. International education recovery plan – delegation of authority to make funding decisions

Minute No. TEC200803/16

The Board noted the 'International education recovery plan – delegation of authority to make funding decisions' paper dated 3 August 2020.

The Board noted that MoE is setting the criteria for the Government's International Education Recovery Plan; when this is available it will be placed in the Resource Centre in Diligent.

Resolved

The Board resolved to:

- › **delegate**, *funding decisions to TEC's Chief Executive and Deputy Chief Executive, Delivery, until 30 June 2021 for:*
 - *\$9.9 million for the Targeted assistance to PTEs in financial difficulty due to COVID-19*
 - *\$1.5 million for the Increased provision of English for Speakers of Other Languages (ESOL):*
to support the Government's international education three year strategic recovery plan.

Action item 200803/16: Gillian Dudgeon is to provide **s9(2)(a)** with a copy of the International Education Recovery Plan, when it is available, to put in the Resource Centre in Diligent.

17. Submission on New Zealand Productivity Commission's Frontier Firms Inquiry Issues Paper

Minute No. TEC200803/17

The Board noted the 'Submission on New Zealand Productivity Commission's Frontier Firms Inquiry Issues Paper' paper dated 3 August 2020.

Resolved

The Board resolved to:

- › **approve** TEC's submission on the New Zealand Productivity Commission's 'Frontier Firms Inquiry' Issues Paper dated April 2020.

18. Approval of additional funding: Unitec New Zealand, SAC 1 and 2

Minute No. TEC200803/18

The Board noted the 'Approval of additional funding: Unitec New Zealand, SAC 1 and 2' paper dated 3 August 2020.

Resolved

The Board resolved to:

- › **approve** an in-year funding increase for Unitec New Zealand of \$74,023 from the SAC 1 and 2 Fund for the 2020 year
- › **agree** to note in the minutes of your meeting, any details of the proposed funding recommendations or conditions that you do not approve, the reasons why, and any alternative decisions made.

19. Draft Board work programme as at 3 August 2020

Minute No. TEC200803/19

The Board noted the 'Draft Board work programme as at 3 August 2020' paper dated 3 August 2020.

The Board noted:

- › the Board work programme will be a rolling programme, and included on the Board meeting agenda in the Administration section each meeting
- › meeting agendas would be reworked to building in additional offsite meetings in 2021.

Action item 200803/19: s9(2)(a) is to update the Board work programme and include it as a standing item on the Board meeting agendas in the Administration section.

20. Background paper on Centres of Research Excellence

Minute No. TEC200803/20

The Board noted and discussed the 'Background paper on Centres of Research Excellence' paper dated 3 August 2020.

Action item 200803/20: Jenn Bestwick is to provide a copy of the Mātauranga Māori document to **s9(2)(a)** to place in the Resource Centre in Diligent.

Accountability documents

21. Briefing to the Incoming Minister - draft strategic narrative

Minute No. TEC200803/21

The Board noted the 'Briefing to the Incoming Minister - draft strategic narrative' paper dated 3 August 2020.

The Board suggested adding the following in the draft Briefing to the Incoming Minister (BIM) – draft strategic narrative:

- › information on the pace and change across the tertiary education system
- › understanding the global landscape unfolding with regard to international education (e.g. corporates being set up to deliver online tertiary education).

Action item 200803/21: John Soulis is to pass the Board’s feedback on the BIM and draft strategic narrative to the authors of the BIM.

Committee updates

22. Board Committee 2020

Minute No. TEC200803/22

The Board noted the ‘Board Committee 2020’ paper dated 3 August 2020.

- › Alastair MacCormick expressed an interest in moving from the proposed Risk and Assurance Committee to the System Responsiveness Committee.
- › The Board agreed to the Board Committee structure as tabled and to revisit how it is working in the future.

Resolved

The Board resolved to:

- › *agree to establishing the following TEC Board Committee structure from 3 August 2020:*
 - *Risk and Assurance Committee*
 - *People and Culture Committee*
 - *System Responsiveness Committee*
- › **appoint** *Alastair MacCormick (Chair), Nancy McConnell, John Russell and Jeremy Morley (non-Commissioner member) as members of the Risk and Assurance Committee from 3 August 2020 for a two year period*
- › **appoint** *Vivien Sutherland Bridgewater (Chair), Jenn Bestwick, John Russell and Wayne Ngata as members of the People and Culture Committee from 3 August 2020 for a two year period*

- › **appoint** Kirk Hope (Chair), Jenn Bestwick, Nancy McConnell and Wayne Ngata as members of the System Responsiveness Committee from 3 August 2020h for a two year period.

23. Remuneration Committee draft 16 July 2020 meeting minutes

Minute No. TEC200803/23

The Board noted the 'Remuneration Committee draft 16 July 2020 meeting minutes' paper dated 3 August 2020.

24. Remuneration Review Budget for 2020/21

Minute No. TEC200803/24

The Board noted the 'Remuneration Review Budget for 2020/21' paper dated 3 August3 August 2020.

Resolved

The Board resolved to:

- › **approve** a 2020/21 budget of \$516k to cover the TEC remuneration review
- › **approve** a sub-delegation to the Chief Executive to approve staff remuneration increases for 2020/21 within the parameters set out in this paper
- › **approve** the inclusion of 262 employees on Collective Agreements (CA) and Individual Employment Agreements (IEA mirror) in the 2020 remuneration review, based on State Service Commission's (SSC) pay restraint guidance
- › **approve** the exclusion of 24 employees from the 2020 remuneration review, also based on SSC's pay restraint guidance
- › **approve** not moving the grade midpoints this year
- › **endorse** the use up to \$100k from budget for resizing of roles, ex gratia payments for parental leave, and addressing parity or gender pay issues in line with the State Services Commission Guidance.

Information and items for noting

None

Close

The Chair thanked everyone for their participation and closed the meeting at 4.30pm.

Signed as a true and correct record:

Chair:  _____

Date: 2/11/20 _____



Board meeting minutes

Monday, 7 September 2020

Via teleconference

Present

Jenn Bestwick (Chair)
Alastair MacCormick
John Russell
Kirk Hope

Nancy McConnell
Vivien Sutherland Bridgwater
Wayne Ngata

Apologies

In attendance

Tim Fowler, Chief Executive
Gillian Dudgeon, Deputy Chief Executive, Delivery
John Soulis, Deputy Chief Executive, Corporate and Finance
Jennifer Pearce, Executive Officer

Administration

1. Welcome and apologies

Commissioner Ngata opened the meeting with a karakia. The Chair welcomed everyone and declared the meeting open. No apologies were recorded.

2. Adoption of Board meeting minutes

Minute No. TEC200907/2

Commissioner McConnell noted the change recorded to her declarations of interest should have been to her role with the Auckland Māori and Pacific Trades Training, where she is no longer the Deputy Chair. She is still the Chair of the Auckland Airport Ara Jobs and Skills Hub Advisory Group. ■

Resolved

With the change noted, the Board of Commissioners (the Board) resolved to adopt the minutes of the 3 August 2020 Board meeting as a true and accurate record of that meeting.

3. Action items update as at 27 July 2020

Minute No. TEC200907/3

The Board noted the action items update. The Board agreed that completed action items can be removed from the action item list.

4. Declaration of interests

Minute No. TEC200907/4

Commissioners' declarations of interest were noted. Consequential actions are recorded under the items to which they relate.

5. Board work programme as at 31 August 2020

Minute No. TEC200907/5

The Chair noted the venue for the November Board meeting would now be in Christchurch.

The Chief Executive noted the work programme is a rolling work programme.

The Chair asked Commissioners to think about where the March 2021 meeting would be held and what guests could be invited to attend meetings held in Wellington. She suggested a meeting with the Minister of Education (the Minister) be sought in the New Year, possibly February. The Chief Executive noted that we would seek a meeting between the Minister, the Chair and the Chief Executive as soon as possible after the election.

The Chair suggested a short form Board self-review be conducted at the October meeting, which the Executive Leadership Team (ELT) would be welcome to contribute to. The Chair will circulate the self-review prior to the October meeting.

Action item 200907/5: Circulate a Board self-review document to the Board and Executive Leadership Team for review at the October Board meeting.

Core business and project reporting

6. Chief Executive's report

Minute No. TEC200907/6

The Board noted the Chief Executive's Report including the OPM Scorecard, Priority Project Updates and Risk Register.

OPM Scorecard

The Chief Executive noted that while the timeliness of providing Ministerial items had improved, the volume of items had decreased, which is consistent for this time of the year.

With regard to the injury frequency rate, the Chief Executive noted a recordable injury had occurred, and there were early reports around discomfort and pain. He noted, however, that it was good to receive these reports early so they can be dealt with.

The Chief Executive noted that turnover continues to track downwards, as would be expected given the current climate. He advised that ELT has been working with staff to decrease leave balances.

Looking at enquiries around COVID-19 dealt with by the Customer Contact Group, the Chief Executive noted this a very busy time of year. The Deputy Chief Executive, Delivery noted that enquiries are being received in particular around the investment round, new funds and fees free. In response to a query from the Chair, the Deputy Chief Executive Delivery noted it would currently be impossible to track the length of time a case is open as tracing would be a manual process, but new technology, for which an RFP process is currently underway, will allow that type of reporting. She confirmed the open cases are specifically related to COVID-19.

Priority projects

The Chief Executive noted that COVID-19 has had an impact on the Inspiring the Future project. COVID-19 restrictions in Auckland have impacted the roll out of the next phase in Auckland, however, he is happy with how the project is progressing.

The Chief Executive advised the Data 2020 Steering Group has more confidence that the project is on track following the reset of the project. The Chair suggested that a deep dive into Data 2020 take place early in 2021.

Action item 200907/6.1: A deep dive into the Data 2020 project to be scheduled for early 2021.

Learner Success

In response to a query from the Chair as to “where to from here” with the Learner Success pilots coming to an end, the Chief Executive advised a paper would come to ELT and the Board looking at what needs to be done to focus on making positive steps happen within institutions. He noted a deep dive into learner success was on the Board work programme and this would be prioritised. The Chair noted the investment plan guidance for next year would provide an opportunity to start sending those messages and framing them in a way that focuses on the learnings from the pilots and both provides support to institutions and clear messages about what TEC expects through investment plans. The Chief Executive emphasised the need to partner with institutions that have the most capability and the highest willingness. He was also keen to see a piece of work that demonstrates the economic return to a university by investing in this work. He noted that while learner success is a strategy in its own right, it does cut across everything TEC does. The Deputy Chief Executive Delivery advised that this year, any organisation receiving funding of more than \$5million has to provide a learner success plan.

The Deputy Chief Executive Delivery advised that the University of Canterbury (UC) was doing some exciting work in this space. Representatives from UC had attended the 2020 Dream Conference earlier this year and had continued to engage with Georgia State University and had trialed some work with students during lockdown.

Chief Executive’s Report

The Chief Executive drew attention to the rating received in the Ministerial Satisfaction Survey. He advised this was a survey run by the Ministry of Education to test the Minister’s satisfaction with Crown Agencies who work with the Ministry, and are reflected in SPEs. He noted this is a reflection of the effort that has been put in over the last wee while. A rating of eight is a good rating.

Enrolment data

The Deputy Chief Executive Delivery noted this information updates the enrolment data provided to the Board at its July meeting. Unsurprisingly, once the new COVID-19 packages are included, apprenticeships have picked up and are tracking well. An analysis of the August SDR is showing a pick up in the second semester but will still see ITOs behind the ITP sector. Anecdotal feedback is being received that employers are keen to take on apprentices but it will take a few months of data to confirm whether this occurs, and it is likely that the first quarter (three months) of data will be required to see where employers are coming from. She noted there will be a number of employers who have signed up to COVID-19 schemes who ITOs will not be comfortable can support an apprentice, and these employers will not be signed up.

The Board asked that a snapshot be prepared showing how many, where, and how people are accessing training and education, the type of courses being offered, and how that is all changing over time.

Action item 200907/6.2: Paper to be prepared for the Board showing how many, where, and how people are accessing training and education, the type of courses being offered, and how that is all changing over time.

Proceedings against TEC

The Chair noted one of the issues in this case was the ability of prisoners to access education provided in a digital environment. The Deputy Chief Executive Delivery outlined discussions that have taken place with Corrections around prisoner education. She noted there are a number of providers who offer education in prisons, but the main focus is on giving people basic skills so they can engage in some sort of rehabilitation.

The Chief Executive noted provision of education in the digital environment is one of the central planks of the approach to Tiro Whētū, as is providing education in different languages. In response to a query from the Board, the Chief Executive and Deputy Chief Executive Finance advised that an RFP process is currently underway to appoint a design and development partner to work with TEC to deliver the Tiro Whētū online planning tool.

New Zealand Institute of Skills and Technology (NZIST)

The Chief Executive noted the appointments of six Deputy Chief Executives to the NZIST. He noted due to the current positions held by some appointees, there would be some delay in appointees taking up their new roles with the NZIST.

Cyber Security

The Chief Executive drew attention to the information provided in his report regarding Cyber Security and reaffirmed that TEC is going through the process of understanding what needs to be done to ensure TEC is safe from these types of attacks. This is an area the Deputy Chief Executive Information has been working on since he started at TEC. The Deputy Chief Executive Corporate and Finance reaffirmed that TEC has a plan in place for disaster recovery should an event such as that which occurred with the NZX happen.

Risk Register

The Chair queried whether TEC had been expecting a proposal from NZIST seeking Crown support for Tai Poutini Polytechnic (TIPP) as mentioned in the risk register. The Deputy Chief Executive Delivery provided an update on discussions around TIPP that had occurred with the Chief Executive of NZIST and the work being undertaken in regard to TIPP.

The Chief Executive confirmed that Lincoln University's Implementation Business Case for Science North has been endorsed by Ministers and the first payment has been processed.

7. Board Finance report as at June 2020

Minute No. TEC200907/7

The Board noted the Board Finance report as at July 2020.

The Deputy Chief Executive Corporate and Finance noted that July sees the start of a new financial year. There was a budget underspend of \$200,000 for the month, mainly relating to core costs and depreciation.

With regard to CAPEX, he advised there are a large number of business cases coming through and once that occurs, phasing of those costs will be shown in the report. He noted funding allocations are being worked on at the moment. An uptake in demand is expected and the balance sheet may be used to provide for this further demand. Money is being recovered from grants receivables, the balance of which has reduced to \$14.8m and the balance sheet has not changed. The TEC audit is almost finished and FSG clearance has been received. It is hoped to have the ITP consolidation clearance prior to the Risk and Assurance Committee meeting later in the month.

In response to a query from the Chair as to how requests for additional grant funding would be prioritised, the Deputy Chief Executive Delivery advised the normal process would be followed. TEC would expect to see evidence of demand focused on priority areas and to see evidence that demand is starting to be delivered against. For the current investment round, it is possible that funding may have to be scaled to ensure sufficient funding is available to distribute where it needs to be distributed. A fuller picture will be available when papers regarding funding come to the Board for consideration.

The Chief Executive noted that although institutions are already indicating increased funding will be required next year, it is too early to know what enrolments will look like, with actual enrolments happening in February. TEC will be looking to invest in strong TEOs who have demonstrated increased demand, but will have the agility to invest “in flight” in 2020. The Deputy Chief Executive Delivery advised that as part of the current process, the information provided by institutions is being assessed. Every provider goes through the same assessment process.

Sensitive, Board and Chief Executive Expenses

The Board noted the Sensitive, Board and Chief Executive Expenses as at July 2020.

Resolved

The Board Chair approved the Board of Commissioners' and Chief Executive's expenses for July 2020.

The Chair of the Audit, Risk and Compliance Committee approved the Board Chair's expenses for July 2020.

8. Reform of Vocational Education (RoVE) – Programme Update – August 2020

Minute No. TEC200907/8

The Board noted the paper.

The Chief Executive advised the RoVE programme is on track, and if anything, running ahead of schedule and slightly under budget, however he expects the budget to come back on track as work continues. Noting the impact on the WDC establishment work by COVID-19 and the change to the election date, he advised that the Minister has agreed to revised timeframes to ensure good engagement, particularly with Māori, takes place.

In response to a query from Commissioner Hope, the Deputy Chief Executive Delivery outlined the support being provided to the WDCs. The Chief Executive advised the size and the cost of the overarching project is very large and is something that will need to be revisited in the new financial year to ensure the project is being delivered within a constrained funding environment.

The Chief Executive advised a Gateway review would be taking place of the project during November, and an IQA review is also planned. The Deputy Chief Executive Delivery confirmed that further information around the piece of work NZQA is leading around modernising the Vocational Qualification System will come to the Board. She noted a broad range of people from across the sector have been involved in the consultation.

The Chair, the Chief Executive and the Deputy Chief Executive reported on a meetings that have been held with the NZIST, in particular with Murray Strong and Stephen Town, the Board Chair and Chief Executive, and in particular discussions around TEC's role.

9. Approval of NZIST Operational Funding

Minute No. TEC200907/9

The Board noted the paper.

In response to a query from Commissioner MacCormick, the Deputy Chief Executive Delivery advised that there was really no discretion around payment of this funding, as the terms are set out in the funding agreement. The Board queried why the capital payments are managed through the Ministry of Education. The Chief Executive advised this is how payments have historically been handled, but he would look into why it is managed in this way.

Action item 200907/9: Advise the Board why capital payments are managed through the Ministry of Education.

Resolved

The Board resolved to:

- A. **approve** the allocation of operational and projects funding to the New Zealand Institute of Skills and Technology; and
- B. **delegate** future funding approvals for this fund to the Chief Executive and Deputy Chief Executive.

10. Approval of additional grants funding for Te Wānanga o Raukawa

Minute No. TEC200907/10

The Board noted the paper.

In response to a query from Commissioner MacCormick as to whether the two other wānanga were in the same position as Te Wānanga o Raukawa (Raukawa), Commissioner Ngata provided background to the current position, noting this result has come about as a result of the work the Ministry of Education, TEC and NZQA have been doing with Raukawa on Raukawa's particular position within the three wānanga.

The Board noted the need to continue to work with the wānanga on their distinctive contribution not only to the education system but to New Zealand's cultural identity and to work through the broader, more substantive issues.

Resolved

The Board resolved to:

- A. **approve** the additional grants allocation of funding to Te Wānanga o Raukawa; and
- B. **delegate** future funding approvals for this fund to the Chief Executive and Deputy Chief Executive.

Accountability documents

11. Draft Briefing to the Incoming Minister (BIM)

Minute No. TEC200907/11

The Chief Executive advised this was an early doors version of the BIM and sought a conversation with the Board as to where the Board would like to see more emphasis placed. Work was continuing on more fulsome commentary around the university sector and what recommendations should be made to the Minister around that sector.

The Board provided feedback on the draft BIM, and were invited to provide any further comments via email following the meeting.

12. TEC draft Annual Report for the year ended 30 June 2020

Minute No. TEC200907/12

The Chair noted a final version of the Annual Report would come to the Board for approval in due course and invited Commissioners to provide any feedback via email following the meeting.

Information and items for noting

13. New values and behaviours for TEC

Minute No. TEC200803/15

The Chief Executive advised that following the Kia Rite restructure and subsequent engagement surveys, TEC's organisational values and behaviours needed to be updated. The responsibility for developing the new values and behaviours was given to staff, with the process led by the HR and organisation development team. There is more work to do to make sure the values and behaviours become part of TEC's recruitment and induction processes and the ongoing processes, particular around performance management.

The Deputy Chief Executive Corporate and Finance advised staff engagement on this project was very good. Much of the engagement occurred during the COVID-19 lockdown. The Executive Leadership Team (ELT) has had oversight of the project, but it has been driven by staff, with staff buy in and participation.

The Board noted the paper.

14. Preparing for the announcement of the successful Centres of Research Excellence (CoREs) bids

Minute No. TEC200907/14

The Chief Executive noted the paper provides the Board with an outline of the CoREs funding process run every six years, although the current process has been slightly different due to COVID-19. As with the PBRF, the process to recommend CoREs funding is outsourced to the Royal Society. A recommendation is expected from the Royal Society towards the end of this month. He noted this is not the only funding CoREs receive, and a CoRE which is currently funded will not necessarily fold if it doesn't receive funding in this round. The Board noted it would be useful to know how much the fund is oversubscribed by and what CoREs are not being funded, and asked the Board be given an early heads up of the announcement of successful funding applications.

The Deputy Chief Executive Delivery and Deputy Chief Executive Corporate and Finance left the meeting.

Committee updates

15. Remuneration Committee update

Minute No. TEC200907/15

The Board noted the minutes of the Remuneration Committee meeting held on 4 August 2020.

Commissioner Sutherland Bridgwater, as Chair of the Remuneration Committee, noted one of the most important items to come out of the August meeting was the discussion around more sophisticated, human-centric KPIs for the Chief Executive.

With regard to the changes to TEC's Performance Management and Remuneration System, the Chief Executive advised that following strong feedback received from the staff engagement survey, an extensive process had been undertaken to review the current system to ensure it is focused on coaching and performance management. He outlined what the new system would look like. A separate piece of work would be undertaken to look at high performers.

Remuneration Committee members outlined the conversation that had occurred during the Remuneration Committee meeting regarding the Chief Executive's KPIs and, resulting in a change in the percentage weightings, with more emphasis being placed on the strategic leadership KPIs.

Resolved

The Board resolved to **approve** the Chief Executive's 2020/21 KPIs.

Close

The Chair thanked everyone for their participation and invited Commissioner Ngata to close the meeting with a karakia at 11.40am.


Commissioners and Chief Executive Session

Commissioners held a closed session with the Chief Executive.

Commissioners Only Session

Commissioners held a closed session.

Signed as a true and correct record:

Chair:  _____

Date: 2/11/20 _____



Emailed

Jenn Bestwick (Chair)
Alastair MacCormick
John Russell
Kirk Hope

Nancy McConnell
Vivien Sutherland Bridgwater
Wayne Ngata

Board approval of Domestic Violence Leave Policy – Minute amendment

Minute No. TEC200916/1

The Board noted the 'Board approval of Domestic Violence Leave Policy' email dated 16 September 2020 requesting approval to amend the 8 June 2020 Board meeting minutes to accurately reflect the Board's resolution.

At the 8 June 2020 Board meeting the Board were asked to approve the Domestic Violence Leave Policy, which they agreed to do. The minute for that item as recorded and subsequently approved at the July Board meeting read:

Domestic Violence Leave Policy

Minute No. TEC200608/14

The Board noted the 'Domestic Violence Leave Policy' dated 8 June 2020.

The Board noted that the Audit, Risk and Compliance Committee endorsed the Domestic Violence Leave Policy, for Board approval, at their meeting on 27 May 2020.

Resolved

The Board resolved to:

- › **approve the 2020/21 Internal Audit Work Programme.**

This resolution did not accurately reflect the need to approve the Domestic Violence Leave Policy. It was clearly the Board’s intent to approve the Domestic Violence Leave Policy. Following consultation with the Chair, the Board’s agreement to amend the minutes was sought and received.

Resolved

The Board resolved to:

‘Amend the 8 June 2020 Board minutes to read:

The Board resolved to:

- › **approve the Domestic Violence Leave Policy dated May 2020.**

Note – the 8 June 2020 minute were amended.

Signed as a true and correct record:

Chair:  _____ Date: 2/11/20 _____

TEC



Out of Cycle Board Decision - Minute 21 September 2020

Emailed

Jenn Bestwick (Chair)
Alastair MacCormick
John Russell
Kirk Hope

Nancy McConnell
Vivien Sutherland Bridgwater
Wayne Ngata

Funding request for Tiro Whetū

Minute No. TEC200918/1


An out of cycle funding request for approval for Tiro Whetū funding was emailed to the Board on 18 September 2020. The paper requested approval to draw down \$4.2m of the allocated Tiro Whetū funding ahead of a full business case being presented to a Board meeting later this calendar year.

Following an extensive request for proposal (RFP) process, a preferred supplier has been selected and contract negotiations have commenced with Springload, the lead vendor. Due to the speed at which the procurement process and contract negotiations have occurred, Springload has a project team ready to commence work two weeks ahead of the planned start date. This initial funding will enable TEC to engage with Springload and commence work earlier than planned, while a full and robust business case covering the full project budget, including an Independent Quality Assurance of the process followed, is completed.

Resolved

*The Board resolved to **approve** the drawdown of \$4.2m of the allocated Tiro Whetū funding.*

Signed as a true and correct record:

Chair:  _____

Date: 2/11/20 _____



Emailed

Jenn Bestwick (Chair)
Alastair MacCormick
John Russell
Kirk Hope

Nancy McConnell
Vivien Sutherland Bridgwater
Wayne Ngata

Pricing for the Direct Career Guidance Services

Minute No. TEC200923/1

The Board noted the 'Pricing for the Direct Career Guidance Services' paper dated September 2020 requesting approval of \$1.983 million to procure career practitioners to deliver the Direct Career Guidance Services.

Direct Career Guidance Services are to be delivered from 5 October to 26 February 2021. Overall funding for the project was approved by Cabinet as part of Budget 2020. Approval from the Board for the total cost of \$1.983 million for the procurement of the Direct Career Guidance Services was sought as this amount is above the Chief Executive's existing financial delegation.

Next steps include:

- › evaluating responses to the Registrations of Interests to supply the Direct Career Guidance Services
- › offering formal contracts to successful respondents in time for the go live date of 5 October 2020.

Feedback from Commissioners

- › Approved – but would like assurance that we also seek a number of careers practitioners supported by Iwi and Pasifika entities e.g. Southern Initiative in Auckland. Given that Maori and Pasifika will make up our largest numbers of unemployed or under employed through the impact of Corona we need to ensure that amongst practitioners selected we reflect those best able to connect appropriately with Maori and Pasifika of all ages.
- › We need to ensure that Maori and Pacific practitioners are targeted

Resolved

The Board resolved to:

- › **approve \$1.983 million to procure career practitioners to deliver the Direct Career Guidance Services.**

Signed as a true and correct record:

Chair: _____



Date: _____

2/11/20



Board meeting minutes Monday 5 October 2020

Present

Jenn Bestwick (Chair) (part-meeting)
Alastair MacCormick (Meeting Chair)
John Russell
Kirk Hope (by video conference)

Nancy McConnell
Vivien Sutherland Bridgwater
Wayne Ngata (by video conference)

Apologies

Guests

Grant Klinkum, Chief Executive, New Zealand Qualifications Authority
Murray Strong, Chair, Te Pūkenga,
Stephen Town, Chair, Te Pūkenga
s9(2)(a) Deputy Chief Executive Transformation, Te Pūkenga
Vaughan Payne, Deputy Chief Executive Operations, Te Pūkenga

In attendance

Tim Fowler, Chief Executive
Gillian Dudgeon, Deputy Chief Executive, Delivery
John Soulis, Deputy Chief Executive, Corporate and Finance
Paora Ammunson, Deputy Chief Executive, Ōritetanga – Learner Success
Mathew Pawley, Deputy Chief Executive, Information
Ian Lee, Deputy Chief Executive, Strategy & Design
Jennifer Pearce, Executive Officer

Commissioners and Chief Executive Session

Commissioners held a closed session with the Chief Executive.

Administration

1. Welcome and apologies

Commissioner MacCormick welcomed everyone to meeting. He noted the Chair's apologies, explaining that her flight from Queenstown had been delayed and she would be arriving later in the meeting.

2. Adoption of Board meeting minutes

Minute No. TEC201005/2

Resolved

The Board of Commissioners (the Board) resolved to adopt the minutes of the 7 September August 2020 Board meeting as a true and accurate record of that meeting, and adopted the minute of the out of cycle paper of 18 September 2020 as a true and accurate record.

3. Action items update as at 27 July 2020

Minute No. TEC201005/3

The Board noted the action items update. The Board agreed that the Board self-review should be conducted at a later date. Commissioner MacCormick noted there are a number of action items that could be combined, for example, those around the Reform of Vocational Education (RoVE) and those around enrolment data.

The Deputy Chief Executive Delivery advised the paper on the change plan resulting from RoVE would come to the November Board meeting.

4. Declaration of interests

Minute No. TEC201005/4

Commissioners' declarations of interest were noted. Consequential actions are recorded under the items to which they relate.

5. Board work programme as at 31 August 2020

Minute No. TEC201005/5

The Board noted the work programme.

Accountability Documents

6. Updated draft Briefing to the Incoming Minister (BIM)

Minute No. TEC201005/6

The Chief Executive advised that this is a further iteration of the BIM the Board had previously seen. He sought feedback from the Board in particular around the key messages and the commentary around universities in the “Health of the sector” section. The aim is to try and find a balance between providing an overview and highlighting key issues, rather than specifying exactly what needs to happen.

The Board provided feedback on the draft BIM. Discussion took place around international enrolments and the challenges facing universities in particular with the uncertainty around international enrolments going forward; whether more emphasis should be placed on careers advice and information in the BIM; and partnerships, in particular partnerships with iwi.

The Board noted that the BIM forms a good briefing for new Board members and staff joining TEC.

Resolved

The Board of Commissioners (the Board) resolved to:

- A. Approve** in principle the Briefing to the Incoming Minister; and
- B. Delegate** signing of the final Briefing to the Incoming Minister to the Chair of the Board and the Chief Executive.

7. TEC Annual Report for the year ended 30 June 2020, Fraud Questionnaire and update on Audit New Zealand’s final management report

Minute No. TEC201005/7

Resolved

The Board of Commissioners (the Board) resolved to:

- A. Approve** the Annual Report for the year ended 30 June 2020 and **delegate signing** of the report to the Chair of the Board and the Chair of the Risk and Assurance Committee;

- B. Approve the fraud questionnaire and *delegate signing* of the questionnaire to the Chair of the Risk and Assurance Committee; and**
- C. *Delegate signing* of the letter of representation (from TEC to Audit New Zealand) to the Chair of the Board and the Chair of the Risk and Assurance Committee, to be finalised after the audit is completed.**

Information and items for noting

8. Encouraging Micro-credentials and other short learning packages

Minute No. TEC201005/8

The Deputy Chief Executive Strategy & Design noted that following the New Zealand Productivity Commission's paper and a cross agency working group on micro-credentials, a clear set of actions has come out for the sector to progress, some of which are for TEC and some for NZQA. He noted there are actions on both the demand and supply sides to remove the perceived constraints on both learners to enroll and on TEC funding. NZQA has a role in making sure micro-credentials are stackable.

The Deputy Chief Executive Strategy & Design noted the idea of stackability builds on transferability. It is about micro-credentials not being in a bubble, but allowing learners, once in the system, to build up to a competency and about opening up other avenues for learners. Discussion took place around micro-credentials, transferability, and how equivalence and recognition for prior learning might fit together. The Deputy Chief Executive Delivery noted the important note about the paper is to take some of the barriers away to encourage learners to use micro-credentials when appropriate, ensuring learners can use other options instead of creating a micro-credential, and not recreating something already exists.

In response to a comment from the Board around the issue of quality and demand, the Deputy Chief Executive Delivery noted there are a lot of courses approved by NZQA that TEC doesn't fund. They are still micro-credentials but the employer pays for these, for example Health and Safety courses).

In response to a query from the Board as to whether learners would be able to enroll simultaneously at different providers at the same time, the Chief Executive noted one of the issues raised in the paper is that learners don't have to be enrolled in a qualification to enroll in a course. The Board noted that the integration of enrolment processes is important in this area.

Resolved

The Board of Commissioners (the Board) resolved to:

- A. Agree to progressively remove, from 2021, the 5 percent dollar value cap on the proportion of a TEO's SAC 3+ provision that can be made up of micro-credentials and other short learning packages; and*
- B. Agree that the 5 percent cap will be replaced with new conditions that enable growth in micro-credential delivery, while managing risks.*

9. Labour Market impacts of COVID-19 and TEC responses

Minute No. TEC201005/9

The Deputy Chief Executive Strategy & Design noted that the paper highlights the information contained in the appendix, a summary of what's happening in the labour market, and TEC's response to that. He noted the statistics and the assessment of the impact on the economy, while significant, are not as bad as initially thought in terms of unemployment. There are no surprises that young people and Māori are disproportionately impacted. While everyone was impacted at the beginning, the numbers for Pakeha have stabilised, but those for young people and Māori have continued to go up. He noted that although the gender impact looks fairly even, there is a question mark around that relating to how the data is collected. This is a fast moving area which is changing rapidly, and TEC is working closely with MSD to ensure we continue to monitor this.

The Deputy Chief Executive Strategy & Design outlined the range of responses on both the careers and funding fronts in response to what is happening in the marketplace, including the Job Hunters Workbook; Direct Careers Guidance initiative; Tiro Whetū, although this is a longer term project; the Apprenticeship Boost Initiative; and the Targeted Training and Apprenticeships Fund.

Commissioner Hope noted the difficulty with this work is that the shape of the labour market is unknown at this point, for example, how many returning New Zealanders will stay and what their skills are is unknown, unless they have applied for a benefit. The number of temporary visa holders who have left the country is also unknown. He noted there did not appear to be a reflection of engagement with business. The Deputy Chief Executives Delivery and Strategy & Design outlined some of the work the Employment Education and Training group, comprising MSD, MBIE, the Ministry of Education, TEC and MPI, is doing, bringing in the employer and business voice. In response to a query from Commissioner Hope, the Deputy Chief Executive Strategy & Design outlined how the time-limited career guidance services initiatives will be measured and evaluated. The Chief Executive noted that although these initiatives are time-limited, if they prove to be popular and valuable through the evaluation process, it is possibly they may be extended. The Board asked that it be provided the questions used in the evaluation of these initiatives.

Action item 201005/9.1: Questions used in the evaluation process for the over-the-phone career guidance service and pop-up careers services to be provided to the Board.

The Deputy Chief Executive Ōritetanga – Learner Success noted that the paper identifies a dynamic with regard to gender impact that the Household Labour Force Survey does not which leads to a question about the products and their fitness for people who are non-labour force participants, and the support those people might need. He noted, however, that a further round of data would be needed to confirm these numbers.

The Board expressed some nervousness around the data and asked that it be provided with updated data when it becomes available.

Action item 201005/9.2: Updated Employment, Education and Training data to be provided to the Board.

Committee updates

10. Update from Risk and Assurance Committee meeting of 23 September 2020

Minute No. TEC201005/10

Commissioner MacCormick provided a report from the Risk and Audit Committee meeting held on 23 September 2020. He noted that discussion had taken place around the provision of internal audit services via an arrangement with NZQA. The turnover of internal auditors is high, as a consequence the Risk and Audit Committee did not feel TEC's programme has the consistency of attention that it should have and queried whether TEC should appoint its own internal auditor. The Chief Executive undertook to speak to the Chief Executive of NZQA regarding this.

Action item 201005/10: The Chief Executive to speak to the Chief Executive of NZQA regarding issues arising from the turnover of internal audit staff.

With regard to external audit, Commissioner MacCormick advised that a clean audit had been received, and a management letter would be provided in due course. The Deputy Chief Executive Corporate and Finance advised this was due to be received on 30 October 2020. This has been delayed due to COVID-19, but is still on track to be received on that date.

11. Draft Terms of Reference – Risk and Assurance Committee

Minute No. TEC201005/11

Commissioner MacCormick advised the terms of reference were essentially unchanged from the Audit, Risk and Compliance Committee recommendations, except for editorial adjustments.

Resolved

*The Board of Commissioners (the Board) resolved to **approve** the Terms of Reference for the Risk and Assurance Committee.*

Core business and project reporting

12. Chief Executive's report

Minute No. TEC201005/12

OPM Scorecard

The Chief Executive invited questions from the Board arising from the OPM Scorecard, noting that everything reported on in the scorecard is quite stable at the moment. He advised that annual leave balances is something ELT and HR are working to bring down. Staff turnover has had a small downturn.

The Chief Executive advised that the results of TEC's engagement survey had recently been received and overall, the engagement score has gone up. The Deputy Chief Executive Corporate and Finance noted that TEC is now ahead of the public sector in its engagement score. The Chief Executive noted a pick-up in contractor numbers.

Priority Projects

The Chief Executive noted that the Careers System work is about to reach an important juncture, with the Inspiring the Future programme about to launch in Auckland, Gisborne and Dunedin. He thanked the Board for approving funding for Tiro Whetū_out of cycle. This had allowed work to commence two weeks ahead of schedule.

He noted the red risk rating for the Data 2020 project. The Project Manager has identified a couple of risks that the Deputy Chief Executive Information has been working on. These will not have a material impact on time and costs and he is comfortable that risk will be reduced.

With regard to Learner Success, the Board noted the green status in every category. The Chief Executive reminded the Board that a deep dive into Learner Success was on the Board's forward work programme. The Deputy Chief Executive Ōritetanga – Learner Success noted the Priority Projects report is a report against the machinery of the programme. The pilots are wrapping up and this is probably the second to last report the Board will see reporting on the pilots. This will be replaced with a different type of reporting around the sector implementation phase.

The Deputy Chief Executive Strategy & Design advised that Cabinet has approved the TES, but it has not been released, which is now likely to happen following the election. The variable is whether there is a new Government following the election. If this occurs, the current TES stays in effect until any modifications to the new TES are made.

Chief Executive's report

The Chief Executive noted the information in regard to Direct Careers Services. He provided an update on the position regarding the Chief Ombudsman's fees-free investigations, noting a further legal opinion will be sought.

The Chief Executive advised that since the last Board meeting, TEC has been supporting the Minister in regard to a number of concerns **s9(2)(g)(i)**. He outlined how these matters are being dealt with. He noted this issue is one TEC will need to be thinking about when writing the BIM and engaging with Vice Chancellors and the Minister. Discussion took place around how these particular issues could be managed.

The Chief Executive noted that the consultation phase on the proposed changes to the Performance Based Research Fund had now closed. He advised that TEC's input into the review would come to the November Board meeting for approval.

The Chief Executive drew attention to the update on the work of the Monitoring and Crown Ownership team, in particular that a general security agreement has been agreed with the Crown Institute of Studies and the wind-up of the investigation into Manaaki Ora. He noted that Te Pūkenga (previously known as the New Zealand Institute of Skills and Technology) had been added to the risk register.

He noted the good work done in selecting a preferred supplier for Tiro Whetū. ELT are aware of the importance and magnitude of that piece of work and are fully engaged in the process.

The Deputy Chief Executive Corporate and Finance reported on the Tōnui, Toū Ora pilot programme around our way of working. The pilot is going well and being embraced by staff, and useful data and information is being collected. In addition to the pilot, visits are being made to other organisations to look at their models of working. Reducing the floor space is still the target, but steps are being taken slowly.

Risk Register

Commissioner MacCormick noted that a summary risk table is provided to the Risk and Assurance Committee (RAC) which provoked some discussion. RAC had noted there were too many institutions appearing in the high risk category which had been there for some time and not moving out of it, for example, WITT. He noted that if the Board was a private sector Board, it could not sustain them being

there year after year. Although some reports are received, he felt something more was needed that gives the Board a better insight into what's being done to move them out of the high risk category. The Chief Executive noted that it was organisations being in the high risk category for so long, and because TEC could see other heading in the same direction, that resulted in the RoVE programme being set up. He and Deputy Chief Executive Delivery noted that part of the action to address those in the high risk category is the establishment of Te Pūkenga and the transformation task Te Pūkenga has. The Deputy Chief Executive Delivery noted that the *Update on the financial position of NZIST subsidiaries* paper that the Board would consider later in the day is relevant to this discussion, and one of the questions to be asked is why the s9(2)(g)(i) around this.

Further discussion took place regarding risk, including how this should be reported to the Board and how governance levers can be utilised. In response to a query from Commissioner Sutherland Bridgwater, the Deputy Chief Executive Delivery noted that if universities continue to make significant losses, they would potentially start to feature in the risk register where they haven't in the past.

The Board asked that the risk table provided to RAC be included in Board papers going forward.

Action item 201005/12: Risk “heat map” table provided to RAC to be included in the risk register for the Board.

13. Board Finance Report as at August 2020

Minute No. TEC201005/13

The Deputy Chief Executive Corporate and Finance reported a further \$400,000 surplus with depreciation, office and travel costs being down for the month. Committed projects are slightly under budget, due mainly to timing differences. CAPEX spend up to August 2020 is \$900,000. A full CAPEX plan will come to the Board, which includes phasing for out-years.

With regard to Grant funding, the Deputy Chief Executive Corporate and Finance advised that indicative allocations have been finalized, and some funding has been held back to see what demand is going forward. Further repayments have been received, with the outstanding balance now \$10.6 million.

TEC's cash position is still healthy and the balance sheet has not changed.

Resolved

*The Board Chair **approved** the Board of Commissioners' and Chief Executive's expenses.*

*The Chair of the Risk and Assurance Committee **approved** the Board Chair's expenses.*

14. Recommendations on the funding of 10 Centres of Research Excellence from 2021 to 2028

Minute No. TEC201005/14

The Chief Executive advised that he would be notifying Vice Chancellors of the results of the selection round by phone over the next two days. The Deputy Chief Executive Delivery advised this would be followed up by a public announcement from either the Minister or the Chief Executive.

The Deputy Chief Executive Delivery reported on a meeting held with the Royal Society where they outlined their decisions. The Royal Society had noted that site visits to applicants had been valuable as they were able to interview applicants and their views changed based on those interviews.

Discussion took place around the non-selection of Māori and Pasifika applications, with the exception of Ngā Pae o te Māramatanga and how these can be given traction in the future. Commissioner Ngata noted his concerns around this. The Chief Executive noted feedback from the Royal Society that too much of the capability was spread over three or four different applications. The Deputy Chief Executive Delivery said TEC had undertaken to work with institutions to assist them to become more collaborative in working towards future opportunities. She also noted there are opportunities to work with the Ministry of Education to set the criteria and framework for future rounds. She noted one of the catalysts or future work will be the priorities set by Te Taumata Aronui.

Resolved

The Board resolved to:

A. Agree to fund the following ten Centres of Research Excellence, as recommended by the Advisory Committee of the Royal Society Te Apārangi, chaired by Emeritus Professor Richard Bedford, for 7½ years from 1 July 2021 to 31 December 2028:

- *Bio-Protection Aotearoa*
- *Coastal People: Southern Skies*
- *Dodd-Walls Centre for Photonic and Quantum Technologies*
- *Healthy Hearts for Aotearoa New Zealand – Manaaki Mānawa*
- *Ngā Pae o te Māramatanga; New Zealand's Māori Centre of Research Excellence*
- *Riddet Institute*
- *Te Hiranga Rū QuakeCoRE: Aotearoa New Zealand Centre for Earthquake Resilience*
- *Te Pūnaha Matatini – Aotearoa New Zealand Centre of Research Excellence for Complex Systems*

- *The MacDiarmid Institute for Advanced Materials and Nanotechnology*
 - *The Maurice Wilkins Centre;*
- B. Agree** that the \$49.8 million p.a. available from the Research: Centre of Research appropriation will be fully used to fund the 10 CoREs (noting that the successful CoREs requested total funding of \$71.6m);
- C. Agree** to fund the ten CoREs at the levels set out in paragraph 37 of the paper; and
- D. Agree** that TEC will not provide detailed feedback to the five shortlisted applicants that were unsuccessful.

The Chair joined the meeting.

15. The Investment Plan Landscape for 2021

Minute No. TEC201005/15

The Deputy Chief Executive Delivery advised the landscape paper was designed to try to provide background on the year that was and an overview of the investment plan landscape. At a practical level, the big issue coming into the next year is the expectation there will be students arriving, but where they're going is unclear. The Ministry of Education prepared the forecasts in the paper in May 2020, and they are currently being updated, which is likely to see more students shifted into 2022.

The Deputy Chief Executive Delivery noted the paper also looks at the challenge faced by all providers of not having international students which will affect their financials for the next year. For the reasons outlined in the paper, TEC will likely have less funding available. She outlined the amounts that would be available to each sector on the figures currently available, and noted the need to be realistic about how much money TEC has to support TEOs to cover what they would expect to receive from international students. The advice given to the team assessing requests for additional funding is to assess those requests based on the priorities set out in plan guidance and the learner success plans received from TEOs.

Discussion took place regarding the allocation of funding, and in particular the impact of uncertainty around international students and how that might affect institutions. The Board noted the need to keep back some funding for future allocation, given forecasts are less reliable than usual. The allocation of funding to Te Pūkenga was discussed. The Deputy Chief Executive advised the funding figure proposed for Te Pūkenga was about giving Te Pūkenga some certainty. Discussion also took place around what support should be provided to universities. The Deputy Chief Executive noted that universities have not been impacted by non-recovery of funding this year because they used all their funding. Other sectors would have had very big recoveries, and have therefore been supported more as a result of non-recovery. The Chair also noted that the rest of the sector is less vulnerable in regard to international students.

In response to a query from the Board regarding primary industries, the Deputy Chief Executive noted that this is a priority area so if providers have been able to evidence demand, TEC will fund training. She noted the sector is still not attracting trainees and advised that, out of the response to COVID-19, funding has been provided to the Ministry of Primary Industries to fund taster courses. Funding has also been provided to Primary ITO to do work around how trainees undertaken taster courses can be staircased into other pathways.

Discussion took place around the forecasts prepared by the Ministry of Education and how much weight should be placed on these. The Board noted a small growth in enrolments of Māori students at universities and queried whether this was because the market had grown or whether it was as a result of switches from other providers. The Deputy Chief Executive Information undertook to look at the figure to try to ascertain the reason for the growth.

Action item 201005/13: Look at whether the growth in enrolments of Māori students at universities is a result of market growth or a result of switches from other providers.

Further discussion took place around how Te Pūkenga is being funded, whether it will be bulk funded and then fund its subsidiaries or whether TEC funds the separate subsidiaries. Discussion also took place around learner success for Māori and Pasifika. The Deputy Chief Executive Ōritetanga – Learner Success noted the importance of equity had been signaled in plan guidance for the current funding round, and all institutions receiving more than \$5m are required to have a learner success plan. The Deputy Chief Executive Delivery noted the goal is to close the gap between Māori and Pasifika achievement and that of other learners.

16. 2021 Investment Plan Approval – New Zealand Institute of Skills and Technology (now known as Te Pūkenga)

Minute No. TEC201005/16

The Chair noted that an assessment had been undertaken of what funding had been requested by each institution to build a picture of what the funding looks like across Te Pūkenga as a group.

The Chief Executive and Deputy Chief Executive Delivery noted that the funding recommended is less than the total amount requested in Te Pūkenga's investment plan. The issue is being able to demonstrate a pathway forward to fund provision that that TEC wants to invest in. The Chief Executive said his view is that TEC's primary obligation is to make sure TEC is well set up to be nimble and quick to be able to assess and pay money in the first half of the year where it's able to be used, rather than paying out in the last quarter. Discussion took place around non-recovery and whether institutions might assume that non-recovery would continue. The Chief Executive advised that

no signal had been given that that might occur, so institutions should not have that expectation. With regard to international student numbers, the Chief Executive agreed that a prudent assumption would be that numbers would be the same as this year.

The Deputy Chief Executive outlined the formal process followed for all providers where in-part funding is approved. If a change to the decisions is required, a paper will come to the Board in November.

Discussion took place about how under delivery will be dealt with, and around the flexibility of moving funding around next year. The Deputy Chief Executive Delivery confirmed that the funding will be provided to Te Pūkenga which then allocates it out to the subsidiaries. In response to a query from the Board as to whether bulk funding will result in a loss of control over the subsidiaries, the Deputy Chief Executive Delivery noted that TEC effectively oversees the funding agreement. The Deputy Chief Executive Corporate and Finance noted that TEC still retains a monitoring function.

The Deputy Chief Executive Delivery noted that the Risk Register will be updated to show Te Pūkenga rather than the subsidiaries.

Resolved

The Board resolved to:

- A. Approve** for 2021, funding for New Zealand Institute of Skills and Technology (NZIST) that comprises a \$507.8 million in-part funding recommendation, plus an additional \$35 million which will be held as “ring fenced” funding for NZIST to access during 2021, subject to the following conditions, recognizing that the funding is for NZIST to manage across the group and there is an expectation that it will be spent on priority areas in accordance with NZIST’s mix of provision:
- a. Approved funding is subject to a final funding determination being signed by the Minister;*
 - b. Funding will be considered final, if any challenge by NZIST does not result in an increase to approved funding;*
 - c. An updated approval paper will be provided to the November Board meeting if changes are required as a result of the 10 day response period notification to NZIST;*
 - d. TEC will need to signal the ability to discuss reducing the ring fenced amount of \$35m if it is not used during the course of the year;*
 - e. NZIST retains the ability to make a request for additional funding in 2021;*
- B. Agree** that the duration of this plan is only for 2021 (one year).

17. Developing Plan Guidance for 2022-2024 investment

Minute No. TEC201005/14

The Deputy Chief Executive Strategy & Design noted that a lot of matters in the paper had been touched on in discussion on previous agenda items. He sought the Board's endorsement of the narrative of the next plan guidance. A complicating factor is the question of when the TES will be released.

Commissioner Ngata queried how the importance of the Treaty of Waitangi is reflected in Plan Guidance. The Deputy Chief Executive Ōritetanga – Learner Success noted a reference is usually made in the Gazette Notice that institutions are expected to demonstrate alignment with Treaty principles. The Deputy Chief Executive Strategy & Design noted there is an umbrella piece in the TES around obligations for delivery to the terms of the Treaty. This sits across Plan Guidance.

The Board provided feedback on the proposed approach and high level messaging. The Deputy Chief Executive Strategy & Design outlined the timeframe for publication of Plan Guidance.

Strategy agenda/deep dives/guests

18. Reform of Vocation Education – Programme Update – October 2020

Update on the financial position of NZIST subsidiaries

Briefing for meeting with NZIST and Chief Executive, NZQA

Minute No. TEC201005/14

These items were dealt with together.

The Board discussed how the session with the NZIST would run. The Chair noted the expectation that the session would be a discussion about moving from what has been a TEC relationship with 16 ITPs to a TEC relationship with the group, with Te Pūkenga as a representative of the group.

Commissioner Ngata, and the Deputy Chief Executives Delivery and Ōritetanga – Learner Success reported on a recent meeting with interim Establishment Board (iEB) Chairs. The Chair outlined a discussion she and the Chief Executive had had with the Te Pūkenga Chair, Murray Strong, and Chief Executive, Stephen Town, regarding today's meeting. The Deputy Chief Executive Delivery advised that she had had a meeting with Stephen Town regarding the memorandum of understanding (MoU) between TEC and Te Pūkenga following feedback

received from Te Pūkenga. She advised she would look at whether any changes are needed following today's meeting, and the MoU would then be sent to Te Pūkenga for signing. She provided an update on the set up of Regional Skills Leadership Groups (RSLGs).

19. Meeting with New Zealand Institute of Skills & Technology (Te Pūkenga)

Grant Klinkum (Chief Executive, NZQA), Murray Town (Chair, Te Pūkenga), Stephen Town (Chief Executive, Te Pūkenga), s9(2)(a) (Deputy Chief Executive Transformation, Te Pūkenga) and Vaughan Payne (Deputy Chief Executive Operations, Te Pūkenga) joined the meeting.

The Deputy Chief Executive Ōritetanga – Learner Success welcomed the guests with a karakia, to which Vaughan Davis replied, followed by a welcome from the Chair. The Chair invited a conversation around how TEC and NZQA can help Te Pūkenga build from a very successful start.

Murray Strong advised there had been a very successful launch of Te Pūkenga's name the previous week, and he reflected on that function and other meetings held with staff of subsidiary institutions since then, including reaction to the name and the challenges some of the subsidiaries see. Staff at subsidiaries are turning their minds to collaborative joint work and what that means for Te Pūkenga and the relationship with TEC and NZQA.

Stephen Town tabled a document outlining the transition pathway for vocational learning in New Zealand which outlines the work being undertaken. He advised Te Pūkenga's Deputy Chief Executives have been appointed, and from 2 November all six will be in place.

Discussion took place on various matters, including:

- The sequencing and timing of the work being undertaken under the RoVE programme and the scale of work involved;
- The set up of RSLGs and the need for Te Pūkenga to have a close relationship with them;
- Monitoring functions and where they sit;
- The shift of transitional ITOs;
- The transition from existing qualifications into a new qualification framework and linkages with Workforce Development Councils (WDCs) and RSLGs to inform that transition;
- How Te Pūkenga, TEC and NZQA can work together;
- Influencing change in the tertiary education system as a whole;
- Secondary / tertiary pathways;

- Unified funding system; and
- International education.

Close

The Chair thanked everyone for their participation in the meeting, noting this was the first conversation of many. She reiterated that TEC and NZQA are here to help and want to remove barriers to Te Pūkenga's success.

The meeting closed at 4.30pm.

Signed as a true and correct record:

A handwritten signature in black ink, appearing to be a stylized 'F' followed by a long horizontal stroke and a downward curve.

Chair:

Date: 2 November 2020



Emailed

Jenn Bestwick (Chair)
Alastair MacCormick
John Russell
Kirk Hope

Nancy McConnell
Vivien Sutherland Bridgwater
Wayne Ngata

Increase to 2020 funding – Te Pūkenga subsidiary –Otago Polytechnic

Minute No. TEC201028/1

The Board noted the ‘Increase to 2020 funding – Te Pūkenga subsidiary –Otago Polytechnic’ paper dated 27 October 2020 requesting formal approval of a funding increase that is above the Chief Executive’s delegated authority to Te Pūkenga subsidiary –Otago Polytechnic.

TEC has worked with Te Pūkenga – New Zealand Institute of Skills and Technology (Te Pūkenga) and its subsidiaries to agree a package of changes to their 2020 funding. Only subsidiaries who are forecast to fully use their existing 2020 allocation were considered for an increase.

The first tranche of changes were formally proposed to them in early October 2020 with additional information required for some subsidiaries. Following receipt of this information. Te Pūkenga has sought further funding for Otago Polytechnic.

The funding changes are consistent with TEC’s decision-making framework and current engagement with Te Pūkenga and funding is available.

Key risk and issues have been considered – including risk of under delivery in 2020.

Resolved

The Board resolved to

- A. **approve** an increase in Te Pūkenga subsidiary – Otago Polytechnic’s SAC3+ allocation of \$3,045,977.95 in the 2020 calendar year only, for national delivery of the New Zealand Certificate in Horticulture (General) (L3); 41.5 EFTS in the New Zealand Certificate in Apiculture (L3) in the Polytechnic’s region; and national provision of the New Zealand Certificate in Apiculture (Queen Bee Rearing) (L4); and
- B. **agree** that the increased allocation be subject to possible recovery should the TEO under-deliver.

Signed as a true and correct record:



Chair: Jenn Bestwick

Date: 7 December 2020