



Present

Nigel Gould (Chair)
Alastair MacCormick
Vivien Sutherland Bridgwater
Vanessa Stoddart
Wayne Ngāta

Jenn Bestwick (by phone)
John Russell
Nancy McConnell
Kirk Hope (part-meeting)

Apologies

In attendance

Tim Fowler, Chief Executive
Gillian Dudgeon, Deputy Chief Executive Delivery (part-meeting)
John Soulis, Deputy Chief Executive Corporate and Finance (part-meeting)
Ian Lee, Deputy Chief Executive Strategy & Design (part-meeting)
David Strong, Portfolio Director, Reform of Vocational Education (part-meeting)
Jennifer Pearce, Executive Officer (part-meeting)

Commissioners Only Session

Commissioners held a closed session.

Commissioners and Chief Executive's Session

Commissioners held a closed session with the Chief Executive.

Welcome and Apologies

The Chair opened the meeting and welcomed everyone to the meeting. He confirmed that the Ministry of Education had advised the appointments of Kirk Hope and Wayne Ngāta to the Board of Commissioners, noting that due to timing of the announcement Commissioner Ngāta was unable to attend the meeting and Commissioner Hope would join the Board for part of the meeting.

Minutes of previous meetings

Minute No. TEC191201

1 The Board of Commissioners (the Board) **adopted** the minutes of the 4 November 2019 Board meeting as a true and correct record.

Matters arising from previous meetings

Action items from previous meeting were noted.

Declaration of Interests

Commissioners' declarations of interest and consequential actions are recorded under the items to which they relate. Commissioner Sutherland Bridgwater noted an addition to her declarations.

Chief Executive's report

The Chief Executive advised he would deal with matters in the scorecard and his report by exception.

He noted that for the most part priority projects are going well. The Unified Funding System is red at the moment primarily because it is under-resourced for the timeframes in the original project plan. Discussions have taken place with the Minister around this and he is happy with that work slowing down by two to three months, which has provided the opportunity to amend the target dates and resolve resourcing issues. Once that has occurred, RAG statuses will come back to green or amber.

In response to a query from Commissioner McConnell as to when membership of Te Taumata Aronui would be announced, the Deputy Chief Executive Delivery advised this was likely to occur shortly. Discussion took place around the resourcing and funding of the RoVE project.

The Chief Executive noted that contractor numbers continue to go down. The Board agreed this was a good sign but also observed that staff turnover continues to increase, and should be watched.

Turning to the Chief Executive's report, the Chair noted the feedback received regarding the Drawing the Future campaign shows a high level of support and engagement. The Board noted the examples of drawings displayed in the meeting room.

In response to a query from the Chair regarding repayment of grant funding to Otago medical students, the Chief Executive advised that the University of Otago has proactively noted it will repay that funding. The Chief Executive provided an update on what had occurred since his report was written on this issue. He also noted the information regarding Auckland University's medical school.

The Chief Executive provided an update on the investigation into pastoral care at the University of Canterbury, observing that the release of the investigation has been put on hold until the Coroner's report has been completed. In response to a query from the Board in regard to the death at a Massey University hall of residence in Auckland, the Deputy Chief Executive Delivery advised the university hires out its accommodation to other groups when it is not being used by students, and the death was of a person using the accommodation in those circumstances.

With regard to Lincoln University, the Chief Executive advised Lincoln and Canterbury Universities are working closely together which is positive in terms of students in the sector.

Noting the information regarding Unitec and Whitireia, the Chief Executive said that none of the organisations will run out of cash before the standing up of the new IST entity. The difficulty will be if SAC numbers continue to go down. Any offset from apprenticeships going up was some way off as that component of RoVE changes were unlikely to transition into the IST until 2021. Any delay in the arranging of training coming on board will make the situation more difficult in the second half of 2020.

The Board noted the information regarding the business continuity planning test. The Deputy Chief Executive Corporate and Finance advised another two tests are planned to be undertaken in 2020.

Discussion took place regarding fees free enrolments and what needs to be done to ensure learners are aware of their eligibility, including the role employers might play in assisting their employees.

Noting the comment that the Ministry of Education and TEC would provide Minister Salesa with an analysis of the PBRF panel's final report and comment on any recommendations for changes to the PBRF, Commissioner MacCormick queried whether that advice would come to the Board before going to Minister Salesa. The Deputy Chief Executive Delivery advised that with the PBRF panel having been given an extension of time to complete its final report, it was likely feedback would need to be sought from the Board out of cycle. She advised the Ministry of Education is leading that process.

The Deputy Chief Executive Corporate and Finance spoke to the Finance Report, noting the reduced operating budget deficit was a result of the number of vacancies and programme costs which have been slow to materialise. Careers initiatives are on track and functioning well. Capital spend went up and is trending towards the \$5million forecast. Data 2020 has ramped up and there were costs related to the new Auckland office. He noted the ongoing action point to provide the Board with regular reports on third party contracts and noted these are contracts used to support the tertiary sector.

Turning to Grant funding, the Deputy Chief Executive Corporate and Finance advised the forecast overspend had come back to \$3.5million and he was comfortable that would decrease again by year end. He advised there are no issues to report regarding the Balance Sheet.

With regard to the Skills Highway contract, the Deputy Chief Executive Delivery advised that the ITF is no longer in a position to run this programme and TEC will take over the running of that programme, including bringing the ITF resource currently running the programme into TEC.

In response to a query from the Board, the Deputy Chief Executive Delivery advised the contract to deliver the World Skills programme is being reviewed but would be continued until the IST is in place.

Referring to the Risk Register, the Board queried why Whitireia and WelTec are looking to appoint a new Chief Executive, given the move to the IST. The Chief Executive outlined the reasons for this, noting it is likely the appointment will be for a fixed term of less than five years.

In response to a query from the Board, the Chief Executive provided an update on the position regarding the disposal of land by Unitec. He also provided an update regarding Taratahi Agricultural Training Centre and noted that he would provide a comprehensive summary of the situation at Taratahi in early 2020. The Deputy Chief Executive Corporate and Finance confirmed that s9(2)(b)(ii) had been provisioned.

The Board had an extensive discussion around the investigation at Te Wānanga o Aotearoa (TWOA). The Chief Executive explained in depth the process that had been followed to date, inclusive of numerous face to face meetings with the key people at TWOA. The Chief Executive also fed back to the Board on his most recent meeting with, correspondence from and telephone call with the TWOA Board Chair. The Chief Executive explained it was the considered view of the TWOA Council that TWOA should not have to repay the Crown any money for under-delivery.

The Chief Executive advised that he was consulting extensively with Monitoring and Crown Ownership, Crown Law, Buddle Findlay and Ministers on developing a game plan going forward. The Board asked that all options be examined before any commitment is made to a single strategy. The Board also asked that these options include mediation, arbitration and formal legal options.

Discussion took place regarding the IST and its responsibilities in regard to ITPs, and the skill sets that would be required by the IST.

TEC revised Purpose and Vision

The Board noted the work done to date on the purpose and vision to date and that the current version captures and consolidates feedback given by the Board. The Deputy Chief Executive Strategy & Design noted the rigorous process that had been undertaken in developing the purpose and vision. He was confident the organisation has been sufficiently brought along on the journey, and the purpose and vision would provide a strong foundation to build strategic themes. In response to a query from the Board, the Chief Executive noted the next step would be to develop a set of values. The Board noted the need for those values to be unique to TEC and provided further feedback. The Board agreed to the purpose and vision with minor changes to the context to be agreed out of session.

Reform of Vocational Education (RoVE) – Programme update

The Deputy Chief Executive Delivery provided an update from the meeting held with the Minister that morning in regard to Workforce Development Councils (WDCs), noting the decision had been made that there would be six WDCs. She provided an update on what will happen once the announcement around the WDCs is made and the thinking taking place behind setting these up.

Discussion took place regarding the budget for setting up and running each of the WDCs. The Minister has recognised that WDCs and ITOs will need to be double funded for some time to ensure funding goes to the right places and WDCs are set up to succeed. A significant investment will be needed for change to be made in this space. Discussion took place around the opportunities available to engage with employers for them to be part of the solution. Discussion also took place about the role of the Open Polytech and PTEs going forward. The Deputy Chief Executive Delivery advised that representatives from the PTE sector are involved in the United Funding System (UFS) reference group. She advised that greater visibility of the costings and delivery models of PTEs is being sought, and that broader conversations with PTEs are starting around where the arranging of training will move to, how much will move to the IST and what would be better supported by players in the PTE sector and what opportunities might be available. She confirmed there is evidence that universities are likely to have some involvement.

In response to a query from the Board as to what mechanisms are available to influence how the system evolves, the Deputy Chief Executive Delivery advised that in the establishment of the WDCs, a piece of advice will be commissioned to come up with other governance models that can be looked at. Cross sector work streams are being set up that will look at the different functions of the WDC to get some agreement about the ways those functions can be done across each WDC to get some level of consistency. One of the key things will be being very clear about what TEC wants to see in investment plans. Discussion took place around the creation of WDCs and how they will operate, the difference between WDCs and ITOs and on the need for WDCs to consider qualifications in a more holistic sense to ensure transition and staircasing is enhanced. Discussion also took place about the boundaries between degree and sub-degree level provision and the ability for students to change between providers.

Surplus Grant Funding Transfer to RoVE

The Chief Executive noted the reference in the paper to the balance sheet mechanism and advised a recommendation would come to the Board in 2020 regarding the use of that mechanism.

Minute No. TEC191202

1 *The Board of Commissioners (the Board):*

- A. **agreed** to a reduction in the baseline Student Achievement Component (SAC) appropriation by up to \$100 million over the next four years; and
- B. **agreed** to a reduction in the baseline Fees Free appropriation by up to \$180 million over the next four years.

2020 Investment Plan Approval including undergraduate midwifery provision – Victoria University of Wellington (VUW)

The Board noted that at the October Board meeting, it had approved Victoria University's investment plan subject to further information being provided to this meeting regarding midwifery training provision.

Discussion took place as to whether this training should be undertaken through the IST in future and how qualification provision should be managed relating to the IST. The Chief Executive noted that training for the entire health sector needs to be looked at, and it was intended this would occur next year. The Board suggested this provision could be used as a test case to monitor and audit provision going forward.

Minute No. TEC191203

- 1 *The Board of Commissioners (the Board) **approved** investment plan funding for VUW in full, including its proposed undergraduate Midwifery provision.*

Approval of Plan Guidance for the 2020 investment plan round

Discussion took place on the proposed plan guidance for the 2020 investment plan round and the Board provided feedback. The Board asked that TEOs are also asked to provide information on provision they are withdrawing from or considering not offering as well as what they will be offering. Discussion also took place about what questions should be asked around the governance of Councils, for example, auditor independent, conflicts of interest, environmental footprint and change in the equity space.

The Deputy Chief Executive Strategy and Design noted that once the new TES is finalised in 2020, supplementary plan guidance will be released reflecting the TES and the Budget.

Bargaining update

Discussion took place on the proposed package for a new collective agreement with the PSA. The Deputy Chief Executive Corporate and Finance outlined what will occur once the agreement is ratified. There was extensive discussion on the need for one off lump sum payments. The Chief Executive noted that such payments are a fixture of resolving claims.

Minute No. TEC191204

- 1 *The Board of Commissioners (the Board):*
 - A. **approved** the proposed package in “principle” for a new collective agreement with the Public Service Association (PSA); and
 - B. **approved** an increase of the one off lump sum payment from \$500 up to \$1000 with the option of being able to use this payment flexibly across the term of the agreement.

s9(2)(b)(ii) : Debt recovery and 2020 Funding allocation

Discussion took place on the options available around recovery of **s9(2)(b)(ii)** outstanding debt to the TEC, including whether the debt can be secured, and on funding going forward. The Board asked that in addition to the recommended actions from management that TEC seek to finalise a General Security Agreement (GSA) with **s9(2)(b)(ii)** similar to that which had been used with Intueri.

- Action item 191201: Seek to finalise a General Security Agreement (GSA) with **s9(2)(b)(ii)****
Action item 191201: Find information previously used for a GSA and establish under what circumstances it can be used.

Repayment Plan Approval for National Trade Academy Limited

Minute No. TEC191205

- 1 The Board of Commissioners (the Board) **approved** the 18 month repayment plan for National Trade Academy Limited.

Approval of 2019 and 2020 funding amendments for Te Wananga o Aotearoa

The Chief Executive noted this plan amendment is a change to the current year's funding. Because it exceeds the Chief Executive's delegation and TWoA is **s9(2)(b)(ii)** the amendment requires Board approval. TWoA is seeking a decrease to its funding for this year.

Minute No. TEC191205

- 1 The Board of Commissioners (the Board) **approved** the 2019 significant plan amendment agreed with Te Wananga o Aotearoa (TWoA) as listed in Appendix One of the paper.

Approval of 2020 Medical Trainee Intern Grant funding

The Chief Executive confirmed Otago University is undertaking an investigation into academic misconduct by medical trainee intern students and has committed to repaying TEC should it be shown that funding was used inappropriately.

Minute No. TEC191206

- 1 The Board of Commissioners (the Board) **approved** 2020 medical trainee intern grant funding for the University of Otago and the University of Auckland.

TEC input into New Zealand Productivity Commission inquiry into Technological Change and the Future of Work

The Board noted the paper.

Delegations Policy: December 2019 update

Commissioner MacCormick confirmed the paper had been considered by the Audit Risk and Compliance Committee and recommended it to the Board for approval.

Minute No. TEC191207

1 *The Board of Commissioners (the Board) **approved** the revised delegations policy.*

The University of Waikato and Waikato-Tainui land lease

The Board noted and discussed the paper. Having discussed the paper extensively, it was noted that TEC should not pursue this issue on behalf of the University of Waikato, despite its previous questioning of the need to do so.

He waka eke noa – 2019 results for TEC’s employee experience survey

Discussion took place on the results of the employee experience survey. The Chief Executive noted there are three key areas to focus on as an organisation but the Deputy Chief Executives each have area their individual teams will be working on. He noted that 91% of staff participated in the survey.

Funds management and payments project closure report

The Board noted the report and commented on the quality of the report and the template.

Any other business

The Chair noted that this meeting was Commissioner Stoddart’s last meeting. He acknowledged and thanked Commissioner Stoddart for her input to the Board in many areas. The Chair noted it was likely this would also be his last meeting, and reflect on his time on the Board. Commissioner MacCormick thanked the Chair on behalf of the Board. The Chief Executive passed on his personal thanks and those of management to both Commissioner Stoddart and the Chair.

There being no further business, the meeting closed at 3.25pm.

Signed as a true and correct record:


_____ Chair

Date: 11/02/20



Present

Jenn Bestwick (Chair)
Alastair MacCormick
Wayne Ngata

John Russell
Nancy McConnell
Kirk Hope

Apologies

Vivien Sutherland Bridgwater

In attendance

Tim Fowler, Chief Executive (CE)
Gillian Dudgeon, Deputy Chief Executive Delivery
John Soulis, Deputy Chief Executive Corporate and Finance
Ian Lee, Deputy Chief Executive Strategy & Design
Jan Sheppard, Deputy Chief Executive Information
Paora Ammunson, Deputy Chief Executive Ōritentanga Learner Success
s9(2)(a) Executive Officer to the Board (EO)

Welcome and Apologies

The Chair opened the meeting and welcomed everyone, making special mention of Kirk Hope and Wayne Ngata, new Commissioners and s9(2)(a) new Executive Officer to the Board and the new Board as a whole.

The Board noted Vivien Sutherland Bridgwater's apologies.

Minutes of previous meetings

Minute No. TEC200211/01

Resolved

*The Board of Commissioners (the Board) **adopted** the minutes of the 2 December 2019 Board meeting as a true and correct record.*

Matters arising from previous meetings

Action items and updates from previous meetings were noted.

Declaration of Interests

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

Action item 200211/1: Kirk Hope and Wayne Ngata are to advise the EO of any Interests.

Chief Executive's report

Minute No. TEC200211/05

The Board noted the 'Chief Executive Report' plus the attached Scorecard, Board Finance Report as at December 2019 and Risk Register.

› Scorecard

- contractor numbers are at a reasonable level; moving forward contractor numbers are to be reported quarterly as a line item in the CE report, with any exceptions/concerns to be reported to both the Board and Audit, Risk and Compliance Committee as they happen
- the 'This month you'll notice the following' information is to be replaced with a brief 'Key actions from scorecard' in the CE report if something is 'red' and by exception
- the Customer Contact group are doing a good job, however their equipment and software is outdated and restrictive – moving forward we will need to consider all aspects of the service, including its: public offering, benefits, use, data obtained, analysed and outcomes – this is an ongoing piece of work

- we report on third party invoices, new Government initiative where all third party invoices are to be paid with 10 days, as one of our efficiencies; our 95 percent achieved is within the Government’s target.

Action item 200211/05.1: Management are to note the changes requested for the Score card reporting.

› Priority Projects

the Board discussed the eight Priority Projects, and noted:

- RoVE – all seven projects are moving at a fast pace with the exception of CoVE – which is not yet required
- Career System
 - ~ ‘Drawing the Future’ is being launched by the Minister on 19 February 2020 – we will have representatives from some key careers identified in the children’s pictures, e.g. Young Farmer of the Year, professional sportspeople
 - ~ Inspiring the Future (Tiro Whetū Stargazer)– work continues on the budget bid, which is key to delivery; we should have an indication in March 2020 of how this is tracking

Action item 200211/05.2: DCE Strategy and Design is to provide the Board with key messages as to why the Inspiring the Future (Tiro Whetū Stargazer) budget bid is important.

- Wānanga Sector Dialogue – the Ministry and TEC are preparing a brief that sets out the work required

Action item 200211/05.3: The EO is to place Wānanga Sector on the Forward Agenda list for further discussion.

› CE update

- Coronavirus
 - ~ we are learning things daily, so forming views and making statements at the moment is speculative
 - ~ current data shows 50 percent of ITP Chinese students have landed in New Zealand and a bit less than 50 percent of Chinese students who have visas for Universities are here
 - ~ universities have a longer lead in time and scale of budget to work with than ITPs and PTEs. They also have more alternative opportunities available to them for delivery e.g. teaching off-shore etc, they are also working with Chinese students without visas so that when things settles down those students will feel they can still come to New Zealand

- ~ the ban on travel lasts until Saturday, 15 February 2020 – a workshop is being planned with ITPs on how to progress students' travel if the ban is lifted, if the ban continues planning for off-shore delivery etc will continue
- ~ the pan sector/agency committee formed to work through the Coronavirus issue will become a standing committee that can be convened again if there is another pan sector issue.

Action item 200211/05.4: Email updates are to be provided to the Board as appropriate.

- Massey University – the Board noted that the changes being made by Massey University under the strategic concept Digital Plus are significant – they will drive campus specific delivery of subjects and increase their digital offering. Massey has been engaging with TEC over the planned changes – which partly follow discussion of Massey's performance of its extramural delivery for Maori and Pacific learners. The Ōritetanga team is working closely with Massey on its Learner Journey work; any changes to Massey's portfolio will be negotiated as part of Investment Plan discussions for 2021.
- A letter of apology has been received from s9(2)(a) – no media response was required.
- The Board discussed and provided feedback on the update on the Ngāti Maniapoto Marae Pact Trust.
- › Risk Register – updates were noted
 - The Board discussed and provided feedback on the Skills Active Aotearoa Limited and TWoA (Te Wananga o Aotearoa) updates.
 - ~ s9(2)(h)
 - ~ TEC has had further discussions with TWoA and are potentially at an impasse
 - ~ we have kept the Minister updated on the TWoA issue and have the option of asking Ministers to help TEC progress the issue if required
 - ~ TWoA have requested help from NZQA and we are receiving more assurance that things will be better.

Action item 200211/05.5: Wayne Ngata and the CE are to discuss next steps for working with TWoA.

Action item 200211/05.6: Jenn Bestwick is to ask NZQA to accelerate their work with TWoA.

› Board Finance report as at December 2019

The Deputy Chief Executive Corporate and Finance overviewed the Board finance report.

- December 2019 accounts – we are \$4m below budget due to RoVE underspend and some vacancies – we expect base costs to rise in the second part of the year
- capital spend is on track – low in December 2019 due to timing
- grant funding deficit is \$8.4m – we are expecting this to change in early 2020
- the sensitive, Board and CE expenses will now be reported on, and require approval, as part of the Board Finance Report each month.

Resolved

The Board Chair:

approved the Board of Commissioners' and Chief Executive's expenses for November and December 2019.

The Chair of the Audit, Risk and Compliance Committee

approved the Board Chair's expenses for November and December 2019.

RoVE Transitions for ITPs and ITOs – the Investment Plan Process for 2021

Minute No. TEC200211/06

The Board noted the 'RoVE Transitions for ITPs and ITOs – the Investment Plan Process for 2021' paper providing an update on TEC's approach to funding of Industry Training Organisations (ITOs) and Institutes of Technology and Polytechnics (ITPs) in the 2020 Plan Round for 2021.

› Early transition of ITOs

- three ITOs have signalled that they wish to transition early
- the New Zealand Institute of Skills and Technology (NZIST) and Minister are keen for this to happen, however there are a number of considerations to be worked through first as each ITO has unique differences e.g. some are charitable trusts, some are businesses and some own businesses

- work on due diligence, intellectual property, potential costs and risks, process, etc is underway
 - a workshop is scheduled for late February 2020, then meetings will be held with the relevant ITOs
 - most other ITOs are happy to work through the process in a managed way
 - it is possible that, as part of the transition plan, the ITOs might end up separating into different Workforce Development Councils.
- › Little is known about the industrial relations for the ITOs. The RoVE Director has been asked to contract some support to progress this area.

Reform of Vocational Education (RoVE) – Programme Update

Minute No. TEC200211/07

The Board noted the 'Reform of Vocational Education (RoVE) – Programme Update' – including the attached Minister's Summary of reported progress against Letter of Expectation dated 12 December 2019.

- › Alistair MacCormick is TEC's Board representative on the RoVE Programme Board.
- › Work on the governance model for the six Workforce Development Councils (WDCs) has commenced, an Aide-Memoire updating the Minister on the establishment of Workforce Development Councils was provided to the Minister on 11 January 2020.
- › The Board understands the risks and is clear that TEC's opportunity is to engage with the new NZIST Council early and work in parallel to develop the WDCs and Regional Skills Leadership Groups.

Action item 200207/1: Provide a copy of the Aide Memoire 'Updating the Minister on the Establishment of Workforce Development Councils' dated 11 January 2020 to the Board.

Action item 200207/2: The Board are to look for opportunities for early engagement with the new NZIST Council.

The new Letter of Expectations from the Minister

Minute No. TEC200211/08

The Board noted the 'New Letter of Expectation from the Minister Update' and the copy of the draft TEC Letter of Expectations 2020/2021 distributed at the meeting.

- › The very early draft Letter of Expectation 2020/21 is still being worked on, a copy will be distributed to the Board for their feedback in due course.

Action item 200211/8: The EO is to distribute the updated draft Letter of Expectation 2020/21 to the Board for their feedback.

Vote Tertiary Education Estimates of Appropriations 2020/21 – non-financial measures

Minute No. TEC200211/09

The Board noted the 'Vote Tertiary Education Estimates of Appropriations 2020/21 – non-financial measures' and attachments, including the minor changes in consultation with the Ministry of Education and new measure for Fees Free.

Resolved

The Board resolved to:

Delegate to the Chair of the Board and the Chief Executive the authority to approve the final measures for the Vote Tertiary Education Estimates of Appropriations 2020/21 following feedback from the Ministry of Education and the Minister of Education.

Update on Taratahi Agricultural Training Centre

Minute No. TEC200211/10

The Board noted the 'Taratahi Agricultural Training Centre Update' on the liquidation of the Taratahi Agricultural Training Centre Trust and the implications for TEC's claim in the liquidation.

- › The CE provided an overview of the ongoing discussions between the Crown and Iwi regarding the possible purchase of the 'home farm'.
- › Progress is being made slowly, everyone is working towards the right solution.

Any other business

Forward agenda items

- › Reflection on induction day discussions – March 2020
- › Board forward calendar – March 2020
- › Strategy planning – April 2020

The Chair thanked everyone for their participation in the induction sessions and meeting. From her perspective there was enriching discussion and she is excited and looking forward to working with everyone in the coming year.

There being no further business, the meeting closed at 3.05pm.

Signed as a true and correct record:



Chair

Date: 9/3/20



Present

Jenn Bestwick (Chair)
Kirk Hope
Alastair MacCormick
Nancy McConnell

Wayne Ngata
John Russell
Vivien Sutherland Bridgwater

Apologies

None

In attendance

Tim Fowler, Chief Executive (CE)
Gillian Dudgeon, Deputy Chief Executive – Delivery (Items 5-18)
John Soulis, Deputy Chief Executive – Corporate and Finance (Items 5-18)
Paora Ammunson, Deputy Chief Executive – Learner Success – Ōritetanga (Items 5-18)
Ian Lee, Deputy Chief Executive – Strategy & Design (Items 5-7)
Mat Pawley, Deputy Chief Executive Information (Items 5-7)
s9(2)(a) [REDACTED], Workstream Lead, Operational Design and Implementation Planning (Items 5-6)
David Strong, Portfolio Director – Reform of Vocational Education (Item 9)
s9(2)(a) [REDACTED], Executive Officer to the Board (EO)

Commissioners Only Session

Commissioners held a closed session.

Commissioners and Chief Executive Session

Commissioners held a closed session with the Chief Executive.

Administration

1 Welcome and apologies

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

2 Adoption of 11 February 2020 Board meeting minutes

Minute No. TEC200309/02

Resolved

*The Board of Commissioners (the Board) **adopted** the minutes of the 11 February 2020 Board meeting as a true and correct record.*

3 Action items from previous meetings

Minute No. TEC200309/03

Action items and updates from previous meetings were noted.

Item No: 200211/05.6 – the Board noted Jenn Bestwick would be discussing Te Wananga O Aoteroa at a NZQA meeting on Tuesday, 10 March 2020.

4 Declaration of interests

Minute No. TEC200309/04

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

Jenn Bestwick advised that her MBIE Endeavour Panel Assessor and Inquirer, SSC Inquiry into Treasury Budget Inquiry interests had ceased in February 2020.

Action item 200309/04/1: s9(2)(a) is to update the Interest Register to reflect the change notified by Jenn Bestwick at the meeting.

Strategy agenda/deep dives/guests

5 Proposed draft Strategic Planning Timeline for 2020

Minute No. TEC200309/05

The Board noted the 'Proposed draft Strategic Planning Timeline for 2020' paper plus its attached 'Proposed Strategic Planning Timeline for 2020' process map.

Ian Lee talked the Board through the proposed process, noting three phases, that are discrete, but may become fluid as we work through them.

The Board noted:

- › the need to reschedule the proposed Strategic Planning day planned for Wednesday, 29 April 2020
- › the potential for some funding flexibility and how best to use this e.g. in the implementation of Tertiary Education Strategy (TES) and bringing the sector on the journey with us, rather than 'doing it to them'
- › the Ministry of Education (MoE) is focused on the RoVE Unified Funding System project and are not at this point prioritising general funding flexibility, meaning if we want to take advantage of this, we may need to do additional work to get the MoE alongside us

- › that the CE has agreed with the Minister of Finance that any TEC underspend will be used for the Reform of Vocational Education (RoVE) programme.

Action item 200309/05/1:s9(2)(a) is to canvass the Board for a new Strategic Planning day date and get this scheduled.

6 Deep Dive – RoVE – Unified Funding System project – progress update and implications for the TEC

Minute No. TEC200309/06

s9(2)(a) overviewed highlights, risks and concerns for UFS:

- › a strong relationship between the two UFS project workstreams within the project is paramount to success – one workstream is led by MoE, the other by TEC
- › the team is focused on alleviating historical ‘them’ and ‘us’ tensions between the TEC and MoE members; in particular by referring to themselves as the ‘project team’, regular project team meetings and work to articulate the roles and responsibilities with the project team to ensure the team works as one cohesive unit
- › the TEC-led workstream’s (Implementation Design) strong preference is to engage with TEC staff on the project early, build trust, reduce risk and use BAU resource as much as possible to undertake UFS work

General discussion

- › the new funding system needs to be enduring, so getting it as right as possible up front is important however feedback from overseas suggests the funding system won’t be perfect straight away, it needs to be agile, flexible and able to change as required with minimal disruption
- › we will need to forecast and signal change for the sector in advance to enable them to begin moving towards the new UFS
- › as it is still early on in the policy development phase, there are still a number of options for how the system is designed e.g. how we build outcomes into funding, joint investment plans etc
- › supporting an approach that develops end-to-end policy/operational policy will be key to develop a successful system and build trust between agencies
- › we need to ensure that the project is also looking at the work through a “Treaty lens”

- › some concern was raised with the risks identified with the 2021 data collection process – this is a line call; we need to consider the wider approach to data collection e.g. what value we get from sector-wide collection compared to targeted collection; decisions have not yet been made about the scale of collections and we need to establish what current data we have, what we require and how it will be used
- › the Board acknowledged that while we are talking about UFS in an IST context, moving forward it is the universities and wānanga that will get the most benefit from a well-built system
- › if we are making changes to the Investment Plan process due to RoVE we should also look at how the changes we make can apply to other non-UFS parts of the system
- › we have recently had some workshops on the investment process more generally with MoE and this sort of activity is helping strengthen our relationship and the trust between our organisations
- › based on current timeframes:
 - by the end of 2021 we want to be sending strong signals to the sector about what the investment process may look like, the first steps initiatives for the investment process in place
 - by the end of 2022 we should have most policy work completed for UFS and subject to approval, will have developed the majority of operational policy and supporting processes and will have had a full year’s worth of data to inform funding rates, we will have been able to commence looking at the investment process for 2023 and beyond funding

Action item 200309/06/1: s9(2)(a) is to prepare a diagram detailing the UFS investment process timeline and send it to the Board.

Action Item 200309/06/2: Gillian Dudgeon is to email the Board a list of attendees at the investment process workshops.

7 Business Continuity – Update for Covid-19

Minute No. TEC200309/05

Update on TEC preparedness

John Soulis and Mat Pawley overviewed TEC's Business Continuity Plan and its preparedness for an emergency event in Wellington, including a Covid-19 outbreak.

- › Critical Functions 0-14 days
 - IT support
 - Payments
 - Customer Contact Centre
 - › Information Technology
 - currently 60 percent of staff have a TEC issued laptop or tablet and are able to work remotely
 - the remaining 40 percent will be able to remote access TEC by Friday, 13 March 2020
 - our IT and cyber security is continually checked
 - remote IT connectivity is dependent on internet and data centre availability – a degradation in performance may be noticed if usage is high
 - › Our people (care, support and communication)
 - › Our facilities (property and services)
 - a two day lead-in is required before all offices can be re-opened to full occupancy if offices have been closed
 - › 14 days and beyond
 - we can continue core business requirements using the contingency arrangements described over an extended period of time
- TEC also has operational flexibility as we have regional offices outside of Wellington

General discussion:

- › the Executive Leadership Team are meeting weekly to discuss Covid-19
- › planning for a stress test of bulk remote log is being discussed
- › communications to support all our work in this area, both for staff and customers, is being developed.

Update on sector preparedness

Tim Fowler distributed a handout titled 'How is TEC responding to the impacts of COVID-19 for the sector' updated – which is now in the Resource Centre on Diligent. Key points are:

- › Operational oversight/insights
 - daily education sector meetings in place for well over a month
 - a focus on international students and domestic students abroad
 - working with TEIs on ensuring they have plans and support in place
 - spent considerable time on exemption application
- › Response and recovery
- › Financial impacts for TEIs and ITPs
 - ITPs are keeping calm and carrying on – they have different enrolment periods which helps and have recently seen an increase in Indian students
 - universities are well resourced – however they may need to eat into reserves for a period of time
 - each university and its international student numbers is different, and as such, are affected differently; some are thinking outside the square for their delivery platforms and contingency planning; planning is also starting on if domestic campuses are affected
 - longer term – TEC may need to think about what funding we might need to provide to assist providers if the domestic campuses are affected

- › Actions for TEC to support sector impacts
 - clarification on expectations on universities and polytechnics to achieve a three percent surplus
 - PTEs and other organisations e.g. community providers
 - impact on EPIs and other funding condition measures.

Mat Pawley and Ian Lee left the meeting.

Core business and project reporting

8 Chief Executive's report

Minute No. TEC200309/08

The Board noted the 'Chief Executive Report' plus the attached Scorecard, Board Finance Report as at January 2020 and Risk Register.

The Board congratulated the TEC team on an extremely successful 'Drawing the Future' launch and noted Tim had received plenty of positive feedback and media attention – over 5k views in LinkedIn.

- › Priority Projects
 - the Board discussed the eight Priority Projects, and noted:
 - Data 2020 – the risk rating has deteriorated since last reporting in February 2020; this is due to an internal audit which was completed by the newly appointed Project Manager who is providing more solidity on all components of the project and providing better assurance on the project over all; we are currently looking to source two developers which is proving challenging due to the scarcity of this resource type in the market.
- › CE update
 - Coronavirus – discussed and minuted under Item 7

- Te Wānanga o Aotearoa (TWOA)
 - ~ Wayne Ngata and Tim Fowler have progressed matters with TWOA in a face-to-face meeting, while Tim would have liked a little more movement from TWOA, things are in a good space with dialogue still open. Tentative agreement, for discussion with the respective Boards, has been reached as follows:
 - TEC is to acknowledge reinvestment in the business taken by TWOA to bring their systems and processes up to a required level – it was acknowledged this was around s9(2)(i)
 - s9(2)(i)
 - ~ Wayne highlighted that the discussions were face saving for both parties and focused on using te reo and Te Ao Māori to move through the issues and towards building a strong working relationship moving forward
 - ~ For the benefit of new Commissioners and reminder for sitting Commissioners, the Chair outlined the issue:
 - TEC funded a qualification, we know the qualification is in demand and has a high pass rate
 - NZQA approved the course, and its size is the key driver for how much it is funded
 - TWOA provided the courses with great outcome for learners but cannot provide evidence of delivery of all learner contact hours agreed with NZQA and funded by TEC
 - TWOA initiated an internal review that highlighted the lack of evidence to prove contact hours. Once this issue was known to TEC we have been doing our own investigation
 - Previous Board minutes record visions of a s9(2)(b)(ii). The CE pointed out that the situation was materially different from previous investigations. In this case there were very good learner outcomes which was mostly not the case in previous investigations and we are clear there was no intent to rot the system. TEC is committed to ensuring the outcome of this situation is equitable with previous investigations and the CE noted he thought this was still possible even if a final recovery amount was considerably smaller than first estimated
 - it is important that TEC and TWOA find a 'mana' enhancing solution that ensures we have administered our duties correctly and fairly
 - ~ The CE talked the Board through the process TEC had taken to get to their worst case recovery position:
 - Once TEC and NZQA were aware of the TWOA audit highlighting a lack of evidence contact hours they completed an audit themselves, this included interviews of tutors and students

- TEC shared the draft report with TWoA, they initially did not challenge the findings, so, based on the lack of evidence, a mechanical calculation was done on the non-evidenced contact hours resulting in the s9(2)(b)(ii) [REDACTED] (recorded in previous minutes)
 - s9(2)(b)(ii) [REDACTED]
- ~ the Board discussed various options and ways forward, including: s9(2)(b)(ii) [REDACTED]
- ~ the Board agreed that the next step was waiting for NZQA to resolve the crediting issue and us agree on matters moving forward, at which time we might be able to agree an s9(2)(b)(ii) [REDACTED]

Action item 200309/08.1: Wayne Ngata and TEC are to continue to work with TWoA and keep the Board updated as matters progress.

- Massey University is currently seeking feedback from staff on discussion documents that present a significant restructure of the University. It is possible this could eventually move to a formal change process in due course, but there is at least one more round of discussion documents scheduled before Massey University makes that call.
 - › Risk Register – updates were noted
 - › Board Finance report as at January 2020
- The Deputy Chief Executive Corporate and Finance overviewed the Board finance report.
- January 2020 accounts – we are \$4.5m lower than budget due to delays in the recruitment of core personnel, lower spend on committed programmes, primarily RoVE and delays and savings in our programme initiatives
 - Capital spend is slightly lower in January – this is normal year-on- year
 - indicators are positive for our current Careers budget bid.

Resolved

The Board Chair:

approved the Board of Commissioners' and Chief Executive's expenses for January 2020.

The Chair of the Audit, Risk and Compliance Committee

approved the Board Chair's expenses for January 2020.

David strong joined the meeting

9 Reform of Vocational Education (RoVE) – Programme Update

Minute No. TEC200309/09

The Board noted the 'Reform of Vocational Education (RoVE) – Programme Update'.

David Strong summarised the above report:

- › the first ITO/ITP Chairs and CEs meeting, held on 5 March 2020 was very successful
- › we are making good progress across the entire project – current focus is on the readiness of the NZIST Establishment Unit, design and establishment of the first two Workforce Development Councils and stakeholder engagement and implementation designed of a Unified Funding System
- › work continues on the transition places for the ITOs to the NZIST
- › work continues on engagement with Māori and Iwi
- › progress is being made on the Centres of Vocational Excellence

Action item 200207/1: David Strong is to discuss engagement with Māori with Wayne Ngata.

Alastair MacCormick gave an update from the RoVE Programme Board:

- › until the NZIST has a clear strategy for incorporating the ITOs it shouldn't happen
- › NZQA's role in RoVE is far bigger than just the Rules workstream
- › resourcing levels are okay over the whole project, however some specific areas e.g. stakeholder engagement, need to be watched – a stakeholder
- › engagement team has been formed and external expertise will be contracted if necessary.

A video, about re-imagining vocational learning and the naming of the NZIST was shown to the Board.

David Strong left the meeting.

18 Update on the 2019 Performance Based Research Fund Panel Review process

Minute No. TEC200309/17

Alastair MacCormick voiced disappointment and concern that the Board did not get the opportunity to comment on the Performance Based Research Fund (PBRF) Independent Review Panel report and TEC's feedback prior to it going to Minister Salesa. He went on to voice his frustration, that in his view, the Board and TEC are failing to recognise that two thirds of what TEC invests is in the universities and that we are failing to see that our research funding motivates what the academics do. He feels the review is very narrow in its outcomes and that we are losing opportunities with our universities and researchers.

Tim Fowler acknowledged Alastair's concerns and view, saying that the Executive Leadership Team felt the same way, but had little, if any, influence on the final report. He also noted that the outcomes of the review were a function of the modest terms of reference for the review.

The Board noted that both TEC and the Board would have the opportunity to provide feedback during the consultation period and that this would be an extremely important time to provide some in-depth comprehensive feedback, particularly in the science and education area.

Gillian Dudgeon, noted it was important the Panel did not recommend/develop something we could not operationalise and that their view had been fed back to the Ministry of Education.

Paora Ammunson suggested the Associate Ministers would welcome engagement with the Board in relation to Māori researchers.

Tim Fowler left the meeting.

10 Delegating approval of transition plans developed by transitional industry training organisations

Minute No. TEC200309/10

The Board noted the 'Delegating approval of transition plans developed by transitional industry training organisations' paper.

The Board noted:

- › some ITOs have considered what a transition plan might look like – others haven't
- › the process and framework for signing off a transition has not been developed yet.

Action item 200309/10/1: Gillian Dudgeon is to provide information on what an ITO transition plan might look like and what principles TEC will follow when signing off an ITO transitional plan.

Resolved

The Board resolved that:

*subject to receiving a copy of the principals for signing off an ITO transition plan, to **delegate** the approval of transition plans developed by transitional industry training organisations to the Deputy Chief Executive Delivery and the Chief*

11 Approval of 2020 funding amendments for New Zealand Management Academies Ltd

Minute No. TEC200309/11

The Board noted the 'Approval of 2020 funding amendments for New Zealand Management Academies Ltd' paper.

Resolved

The Board resolved to:

approve the 2020 significant plan amendment for 8661 New Zealand Management Academies Ltd (NZMA) as a result of the amalgamation of: 7526 Global Education Group Ltd (GEG); 8490 New Zealand Institute of Sport (NZIS) and 9611 New Zealand College of Massage (NZCM). NZMA will be the sole remaining entity

approve the merger of GEG, NZIS and NZCM's current 2020 allocations (combined \$6.626M) into NZMA's current approved allocation of \$20.928M, as listed in Appendix One. This will result in a new total funding allocation for NZMA of \$27.554M

12 Approval of 2020 funding amendment for Unitec New Zealand

Minute No. TEC200309/12

The Board noted the 'Approval of 2020 funding amendment for Unitec New Zealand' paper.

Resolved

The Board resolved to:

approve the 2020 amendment contained in Appendix One for Unitec New Zealand

13 Delegation of 2020 Māori and Pasifika Trades Training funding decisions for extreme risk TEO

Minute No. TEC200309/13

The Board noted the 'Delegation of 2020 Māori and Pasifika Trades Training funding decisions for extreme risk TEO' paper.

Resolved

The Board resolved to:

delegate 2020 Māori and Pasifika Trades Training funding decisions for extreme risk TEO to the Chief Executive.

Gillian Dudgeon advised that her team had been working with the Open Polytechnic and were almost at the stage of making a recommendation. The Board confirmed they were happy to receive this recommendation as an 'out of cycle' approval request rather than waiting until the April 2020 Board meeting.

Accountability documents

14 Draft 2020/21 Statement of Performance Expectations Draft 2020/21 Statement of Expectations

Minute No. TEC200309/13

The Board noted the 'Draft 2020/21 Statement of Performance Expectations' paper.

The Board noted:

- › that the draft 2020/21 Statement of Performance Expectations (SPE) included performance measure information only and that forecast financial statements will be added into the version going to the Audit Risk and Compliance Committee meeting on 25 March 2020
- › further versions of the draft 2020/21 SPE will be presented to the Board in May and then June 2020 for final approval

Board feedback:

- › include information in relation to the Treaty of Waitangi
- › strengthen the statement on page 29
- › consider how we demonstrate the targets/gap between Māori/Pasifika and others – maybe showing parity and then the gap
- › use font size and colour to show targets and gaps
- › summarise the top areas we have not moved on or want to focus on.

Action item 200309/14/1: John Soulis is to provide the Board's feedback on the draft 2020/21 SPE to his team, prior to them forwarding and updated version to the Audit Risk and Compliance Committee meeting on 25 March 2020.

Committee updates

15 Board Committee – Interim member appointments

Minute No. TEC200309/15

The Board noted the ‘Board Committee – Interim member appointments’ paper.

The Board noted:

- › at its 11 February 2020 Board meeting, the Board agreed to defer appointing Board committee members until after its strategic planning day (at that time the date was yet to be determined)
- › in the interim, to ensure business continuity, the Chair recommended appointing interim committee members to the Audit, Risk and Assurance and Remuneration Committees until such time the Board agrees its 2020 Board committee requirements
- › to enhance, strengthen and cover any potential gaps within the Audit, Risk and Compliance Committee’s interim committee members’ skills sets, the Chair recommended the appointment of an independent committee member, noting that his fees would be paid in accordance of the ‘The Board sets the fees for non-Commissioner committee members and Crown entity subsidiary board members’ paragraphs in the TEC Governance Manual dated December 2019
- › that both Committees will operate under their respective Terms of Reference dated May 2017 until such time that the Terms of Reference are reviewed and approved by the Board
- › that any Board member can attend any Board committee meeting and that all Board committee agendas, papers and minutes are available on Diligent for all Board members to see.

Resolved

The Board resolved to:

appoint Alastair MacCormick (Chair), Jenn Bestwick, Nancy McConnell and Jeremy Morley (non-Commissioner member) as interim members of the Audit, Risk and Compliance Committee from 9 March 2020 until further notice

appoint, Vivien Sutherland Bridgwater (Chair), Kirk Hope and Jenn Bestwick as interim members of the Remuneration Committee from 9 March until further notice.

Action item 200309/15/1: s9(2)(a) is to draft an appointment letter for the Chair to sign appointing Jeremy Morley as a non-commission Audit, Risk and Compliance Committee interim member.

Action item 200309/15/2: s9(2)(a) to advise the relevant people within TEC of the Board Committee interim member appointments.

16 ARCC – next meeting scheduled for 25 March 2020

The Board noted the next Audit, Risk and Compliance Committee meeting is scheduled for Wednesday, 25 March 2020.

Information and items for noting

17 Update on the Tertiary Education Strategy

The Board noted the 'Update on the Tertiary Education Strategy' paper.

The Board noted the Tertiary Education Strategy is close to landing.

Any other business

Forward agenda items

- › Reflection on induction day discussions – March 2020
- › Board forward calendar – March 2020
- › Strategy planning – April 2020

The Chair invited everyone around the table to provide comment on the meeting – in general everyone was happy, feels the Board is settling in well and are looking forward to the strategic planning day.

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

Signed as a true and correct record:

A handwritten signature in black ink, appearing to be 'F. H.', written in a cursive style.

Chair

Date: 6 April 2020



Emailed

Jenn Bestwick (Chair)
Alastair MacCormick
John Russell
Kirk Hope

Nancy McConnell
Vivien Sutherland Bridgwater
Wayne Ngata

Out of Cycle approval of 2020 funding amendment for the Open Polytechnic of New Zealand

Minute No. TEC200317/1

The Board noted the 'Out of cycle approval of 2020 funding amendment for the Open Polytechnic of New Zealand' (A1537559).

Approval from the Board was sought for an in-year increase in funding for the Open Polytechnic of New Zealand (OPNZ) as per below:

TEO	Fund	Current 2020 Allocation	Amendment	Revised 2020 Allocation
Open Polytechnic of New Zealand	SAC Levels 3 and above	\$37,000,977	\$3,704,556	\$40,705,533

(All figures exclude GST)

Resolved

The Board resolved to:

- > approve the 2020 amendment outlined in Appendix One for Open Polytechnic of New Zealand; and
- > agree to note by return email to the Board Secretary, any details of the proposed funding recommendations or conditions that you do not approve, the reasons why, and any alternative decisions made.

Signed as a true and correct record:

Chair:  _____

Date: 2/11/20 _____



Present

Jenn Bestwick (Chair)
Kirk Hope
Alastair MacCormick
Nancy McConnell

Wayne Ngata
John Russell
Vivien Sutherland Bridgwater

Apologies

None

In attendance

Tim Fowler, Chief Executive (CE)
Gillian Dudgeon, Deputy Chief Executive – Delivery
John Soulis, Deputy Chief Executive – Corporate and Finance
s9(2)(a) , Executive Officer to the Board (EO)

1 Welcome and introduction

Jenn Bestwick welcomed everyone and declared the meeting open. She overviewed the purpose of the weekly conference calls:

- › to ensure the Board are up-to-date as possible during the rapidly changing times of the COVID-19 emergency
- › to provide the Chief Executive with the right support, and where necessary, decisions, during this time.

She noted that there is the potential for some regular Board meeting items/decisions to be made during these calls.

2 Chief Executive update

Minute No. TEC200319/02

Tim Fowler's update was broken into two parts: sector and TEC

Sector

- › As of 3.30pm, today – Thursday, 19 March 2020, the advice on mass gatherings, 'no more than 100 people inside', with some exceptions e.g. workplaces, schools, supermarkets, and public transport, does not cover Tertiary institutes, however they are still an essential service in relation to residential students who have not been able to get home e.g. health services, pastoral care etc.
- › We have been asked to collate information for the Minister on the sector's ability to deliver online courses:
 - this looks reasonable in the short term
 - most can deliver online course
 - those involving 'labs' can do up to about eight weeks before it becomes more difficult.
- › We have received notification that one PTE has closed – 40 percent of students are sick, worried or not attending, so they have taken the precaution of closing for two weeks.
- › We narrowly averted the TWoA closing itself – they had concerned students and staff – Tim Fowler and Iona Halstead (MoE) spoke with their Chair and Chief Executive and are now providing them with extra support to ensure they are able to keep operating.
- › We are receiving telephone calls and emails daily from TEOs advising that they have students being tested, to date, we have not had any positive results, and we are not updating the Minister after each call but will keep him informed of the overall picture.
- › We are meeting internally and will consider a number of sector issues:
 - modelling and forecasting – we will complete some work on funding, monitoring, performance, borrowing covenants etc in the week commencing 23 March 2020
 - cash flow for PTEs/ITOs – whether we continue to pay to the end of the year and not do any claw backs during the year as we normally would
 - recovery letters to TEOs – we were due to issue 2019 recovery letters the week commencing 16 March 2020, this has been deferred pending a conversation with the Minister, this amounts to \$50m, which is important to recover and redistribute.

TEC

- › Tim Fowler narrated a video for staff on TEC's preparedness and approach moving forward (a copy of this was emailed to the Board after the teleconference call). We are already putting steps in place:
 - we have tested our ability to work from home, half the organisation worked from home on Wednesday and Thursday (18 and 19 March 2020), this will be evaluated on Friday, 20 March 2020 and we will assess what we need to put in place for half the staff to work from home should we want/need them to at any given time – we want to stay ahead of the Government instructions on this
 - we will prioritise people with health issues, people with family with health issues and use of public transport and distance travelled, to work from home first
 - we have implemented a total ban on all international travel and essential travel for domestic travel – which must now be approved by the Chief Executive – we have asked people to either use technology or defer their meetings.

General discussion – sector

- › More information on mass gatherings, and how it pertains to TEOs, is to come.
- › At this point, it is not expected that all TEOs, or all parts of a TEO, will close if one/some cases are reported – each TEO has a Primary Health Organisation on campus, they are used to dealing with outbreaks (think measles and mumps), however if the case/s was in a Halls of Residence this would probably shut down.
- › There is information available to support TEOs, and they are already taking the necessary steps, regarding providing classes over multiple campuses and on different platforms.
- › While TEOs are making progress on moving to deliver many courses online, we know that a number of students across all campuses don't have the necessary equipment/access – it was also noted that:
 - not all students can complete their work remotely e.g. specific types of research work, those requiring 'labs' etc
 - the Ministry of Education (MoE) are assisting school age families without technology connections, this may have a flow on affect for some of students
 - TEC has recently signalled concern and opportunities for funding in this area in a paper sent to the Minister

Action Item 200319/02/1: Gillian Dudgeon is to forward a copy of the paper sent to the Minister to the Board.

- › TWoA –
 - TEC and MoE are committed to helping the TWoA; they work with and support a number of vulnerable people, closing down could affect them greatly. The Chair suggested s9(2)(a), based in Cambridge, could be a good support for TEC in this area
 - we are no further ahead in relation to the investigation and recovery following the NZQA meeting – however TWoA have indicated they want to keep moving ahead with TEC to find a solution.
- › TEC is working on scenario analysis for what things will look like if things get worse e.g. some/all closures, short/long term, loss of academic year etc.
- › The PTE sector has a higher dependency on short-term courses, and because of the border closure they are not going to get the next cycle of students as they are not coming into the country.
- › There is a possibility that some institutes might have problems meeting deliverables and we are developing initiatives on creating capability; this may result in recommendations to the Board.
- › We can do some work on borrowing covenants.
- › We will need to consider how we approach the 2019 Recovery round, e.g. can it be a combined package with 2020, and how many it affects and what those affects might be. We will draft a letter for discussion with the Minister in the first instance.

General discussion – TEC

- › Four or five staff are in self-isolation following overseas travel – there are no health concerns at this point.
- › We are not yet sure if we have any staff still overseas.
- › The Board fully supports TEC's social distancing, advanced planning for working from home and travel restrictions initiatives.
- › RoVE – not slowing down
 - the new IST Council is due to start on 1 April 2020
 - the first induction for ITP regional councils has been completed remotely
 - it is going to go down to the wire for getting the funding for the new IST to Cabinet.
- › The Chair reiterated that the purpose of the weekly Board conference call – to ensure that the Board are being kept-up-to-date on current work and any scenario planning for the future should things get worse, without creating extra unnecessary work for TEC.
- › The Board noted the letter from the Prime Minister dated 19 March 2020 regarding the All-of-Government response to COVID-19 being intensified with immediate effect.

The Chair thanked everyone for their participation and closed the teleconference at 5.00pm.

Signed as a true and correct record:

A handwritten signature in black ink, consisting of several fluid, overlapping strokes that form a stylized, cursive-like mark.

Chair

Date: 6 April 2020



Present

Jenn Bestwick (Chair)
Kirk Hope
Alastair MacCormick
Nancy McConnell

Wayne Ngata
John Russell
Vivien Sutherland Bridgwater (delayed)

Apologies

None

In attendance

Tim Fowler, Chief Executive (CE)
Gillian Dudgeon, Deputy Chief Executive – Delivery
John Soulis, Deputy Chief Executive – Corporate and Finance
s9(2)(a), Executive Officer to the Board (EO)

1 Welcome

Jenn Bestwick welcomed everyone and declared the meeting open, noting the trouble some people had had accessing the conference call due to system overload.

Action Item 200326/01/1: s9(2)(a) is to research/implement other teleconferencing options e.g. Zoom, Skype for Business etc.

Jen Bestwick referenced her update email sent to the Board on Wednesday, 25 March 2020.

2 Chief Executive Update

Minute No. TEC200326/02

COVID-19 Update

Tim Fowler noted a lot had happened since the last Board teleconference call on Thursday, 19 March 2020. On Monday, 23 March 2020 the Prime Minister announced the country was moving from Alert Level 2 to Alert Level 3 immediately, and Alert Level 4 in 48 hours, midnight Wednesday, 25 March 2020. The Board noted the following Alert levels:

- Alert Level 1 – Prepare – disease is contained
- Alert Level 2 – Reduce – Disease is contained, but risks of community transmission growing
- Alert Level 3 – Restrict – Heightened risk that disease is not contained
- Alert Level 4 – Eliminate – Likely that disease is not contained.

For most of the week commencing 23 March 2020, TEC has been planning for working in the Alert Level 4 space as quickly as we can.

Tim Fowler's update was broken into two parts: sector and TEC

Sector

- › Telecommunications overload hindered a Sector teleconference call on Tuesday, 24 March 2020 where we talked the institutions through what Alert Level 4 looked like for them:
 - all tertiary institutes of any kind would be closed
 - specific essential services will be required to operate residential hostels around the country for both domestic and international students
 - approximately 5000 students may not be able to return home – this number will change with the Government extension on domestic travel for people to get home.
- › Government messaging is helping our concerns about students flouting the rules for social distancing and not taking the COVID-19 situation seriously enough.
- › Concerns regarding Victoria University's pastoral care has been worked through.

- › Tim Fowler sought clarification on the Minister’s statement that all Tertiary institutions will continue to be paid for the remainder of 2020:
 - if an institution has a TEC approved investment plan for 2020 the ETL will continue to be funded for the entire year for that amount of money and recovery will not be sought if the institution doesn’t get the number of students agreed
 - this includes Fees Free and EPI or performance indicators not met
 - this equates to approximately \$70-80m in recoveries that we would not do next year.
- › At this time of year, we would normally be preparing to recover the previous year’s funding which had not been consumed. We were about to start the process to recover \$73m the week commencing 15 March 2020 for the 2019 funding, but put this on hold pending a conversation with the Minister. The Minister is supportive of us continuing with the recovery as it relates to activities before COVID-19 and ensures equitably with recoveries already done. The recovery process will be run in May 2020 instead of April 2020– allowing time to plan for queries for payment plans.
- › A number of institutions are bringing their semester breaks forward, or closing down for two weeks, to enable them to implement distance/remote learning.
- › Given institutions are assured of 2020 funding, there is an expectation that staff will be looked after and paid accordingly – an email, to this affect was sent to institutions on Thursday, 26 March 2020. We will have more oversight of this for the ITOs/ITPs when the new IST starts on 1 April 2020.
- › We need the right messaging, at the right time, to encourage institutions to make the hard decisions and look at sustainability and capability for the long term.
- › Some PTE funding is held until the service is delivered, if they deliver the course online, they can access they money – if they can’t deliver online (and don’t deliver) they cannot access the money until they can start delivery again.

TEC

- › 60+ plus staff attended a Leadership Team meeting on Thursday, 26 March 2020 –by Skype.
- › We are encouraging Managers to have daily catch ups (work, 1:1s, socials) with their teams.
- › People have settled into working from home well – ICT team have provided a phenomenal service to staff and we have been receiving really positive and appreciative feedback.
- › The HR Team will be providing ‘tips and tricks’ over the coming weeks to help people through the lockdown period.

- › We have made it very clear to staff that we know some people will not be as effective and efficient as they normally would be in the office, and that this may be even harder for those with young children and/or during the school holiday period. We want people to be comfortable and not feel guilty if they have interruptions or are not working well and will continue to work with staff on this in the coming weeks.

General discussion

- › General discussion focussed on:
 - developing a strategy for post COVID-19 – an initial paper, outlining process and next steps, will be discussed at the 6 April 2020 Board meeting
 - the need to deprioritise some work and the importance of the ongoing RoVE work moving forward
 - sector communication during the de-escalation and post-COVID-19 periods
 - sector delivery in the new online environment e.g. some courses focussing on academic and doing ‘labs’ later
 - the potential for apprentices to lose the work based opportunities
 - inequity – amongst students, providers, regions and ethnicity e.g. access to, and working with, technology (more than just equipment and connections e.g. how to use it)

Action Item 200326/02/1: Tim Fowler and Jenn Bestwick are to feedback the TEC Board’s concerns regarding inequity and access to technology to MoE.

- taking the opportunities to do things differently, making bold decisions and doing things that we may not have had the courage to do prior to COVID-19 e.g. the opportunity to push/promote Māori/Pasifika education
- the training and educations needs of businesses going forward – this is going to be different post-COVID-19, we need to ensure we capture this in our strategic planning
- ensuring that we understand that not all the providers are in the same financial position as the larger institutions, e.g. PTEs, are how we work with them moving forward

Jenn Bestwick left the meeting due to technology issues. Alastair MacCormick took over chairing the meeting.

- › The Board acknowledged and thanked the TEC Executive leadership team – saying they were doing an amazing job, had their priorities right and were executing them extremely well. They asked them to ensure they were looking after themselves and well as their staff.

- › Repayment plans for TEOs
 - repayment plans for individual TEOs are currently being worked on
 - the plans will be relatively technical – they would normally come to the Board for approval – however, Tim Fowler suggested the Board delegate these to a Board-subgroup to approve
 - we are not sure on the quantity – but might be a significant number – all plans will go through a TEC process and be triaged before coming to the Board

Resolved

The Board resolved to delegate the approval of TEO repayment plans to a Board subgroup to be appointed by Jenn Bestwick and Tim Fowler.

The Deputy Chair thanked everyone for their participation and closed the teleconference at 5.09pm.

Signed as a true and correct record:

A handwritten signature in black ink, appearing to be 'Jenn Bestwick', written over a faint horizontal line.

Chair

Date: 5 May 2020



Present

Jenn Bestwick (Chair)

Wayne Ngata

Kirk Hope

John Russell

Alastair MacCormick (delayed)

Vivien Sutherland Bridgwater

Nancy McConnell

Apologies

None

In attendance

Tim Fowler, Chief Executive (CE)

Gillian Dudgeon, Deputy Chief Executive – Delivery

s9(2)(a), Executive Officer to the Board (EO)

1 Welcome

Jenn Bestwick welcomed everyone and declared the meeting open.

2 Chief Executive Update

Minute No. TEC200402/02

Tim Fowler's update was broken into two parts: sector and TEC

TEC

› TEC's technology is working well – thanks to the fantastic work and support from the ICT team.

- › Tim Fowler is encouraging the Executive Leadership Team (ELT) and Leadership team and Tier 3 people to focus on their and their staffs' health and wellbeing, saying this is a 'marathon not a sprint'
 - we are having fortnightly Skype meetings with Leadership and Tier 3 people (approximately 30-35 people)
 - ELT is focused on checking in with people and doing weekly Directorate meetings
 - reality is setting in for staff – they are beginning to realise what they miss while working at home e.g. their energy coming from personal interactions with colleagues etc.

Sector

- › Education is an important part of the de-escalation framework the Government is developing. The Framework will go to Cabinet early the week commencing 6 April 2020 and will form the principles and decision making points for de-escalating from Alert Level 4 to Alert Level 3.
- › The Government will look at many options for de-escalation – continuing on Alert Level 4 for more than four weeks, partial de-escalation, regional de-escalation etc.
- › More and more testing is being done, this will enable more onshore modelling, and this, coupled with international modelling, will enable the Government to make the de-escalation call at the right time.
- › There are still concerns about students, and young people who might be students, flouting the Alert Level 4 lockdown rules. We have asked Vice Chancellors to increase their efforts in this area and we will use abiding students to communicate with students.
- › We are working with the universities to establish what de-escalation might look like and will provide this information to the Ministry of Education (MoE) and Government when appropriate. This will include considerations given to behaviour and psychological issues.
- › We have been focusing on six key areas:
 - **communication with sector about funding**
 - a letter was sent on Monday, 30 March 2020, clarifying the Minister's previous statement about tertiary funding:
 - ~ if an institution has a TEC approved investment plan for 2020 the ETL will continue to be funded for the entire year for that amount of money and recovery will not be sought if the institution doesn't get the number of students agreed
 - ~ this includes Fees Free and EPI or performance indicators not being met
 - ~ this equates to approximately \$2b in committed and guaranteed funding
 - it is still going to be very difficult for those institutions who rely on international student income.

- **staying in touch with the sector**
 - ~ we are receiving a lot of requests from the Ministers office for information
 - ~ we are checking in with the various institutions – many have taken early or longer mid-term breaks to give them time to get their online capability in place
- **de-escalation**
 - ~ we have begun work on strategic planning for post COVID-19
 - ~ an initial paper will be included in the Monday, 6 April 2020 Board meeting papers
- **digital equity**
 - ~ we are working with MoE, who is also working with schools, regarding students without devices and/or technology connections
- **pastoral care**
 - ~ 6000+ students in residential halls, we are regularly checking through the universities that they are abiding by lock down rules and receiving pastoral care
 - ~ most are in halls of residents
 - ~ we are maintaining contact with institutions and being available if they have concerns/queries
- **Budget**
 - ~ the May 2020 budget will potentially be divided into two: budget for costs increases already committed to and a stimulus package for post COVID-19
 - ~ we have put the Careers bid back into the package and will be speaking with the Minister the week commencing 6 April 2020 about it
 - ~ potentially, any increase in budget for the education area will focus on IT and digital.

3 General discussion

Minute No. TEC200402/03

- › Key points from a round the table discussion follow:
 - what progress being made in the digital equity area?
 - ~ we know a number of institutions are doing work in this area – we have asked for information e.g. numbers, areas etc so that we can integrate this with the work MoE are doing
 - ~ MoE are researching how the student loan scheme can be expanded to assist in this area e.g. for buying devices
 - ~ PTEs are also researching providing devices to students
 - ~ it is only worthwhile providing a device if the institution can deliver the learning for that person
 - ~ we are trying to get a snapshot of what is being delivered online, and how, and what cannot be delivered online
 - the scheduled Monday, 4 May 2020 strategy day
 - ~ this will not now happen in the agreed format, however, strategy planning will continue
 - ~ the Strategy and Design team are working on the proposed process for strategy planning for post COVID-19 – this will be discussed at the Monday, 6 April Board meeting
 - ~ we will possibly form small Board subgroups to work with TEC staff on initiatives between meetings, report backs could be to the weekly Thursday conference calls or monthly Board meetings
 - ~ it is important to ensure we use the funding system to ensure tertiary education is equitable and part of the economic solution post COVID-19
 - the affect the lockdown might have on secondary schools and the pathway to tertiary education e.g. NCEA level 3
 - ~ NZQA has been discussing what internal assessment might look like for NCEA level 3, whether UE is still required and how pathways to tertiary might work without it
 - ~ NZQA have also been discussing with sector what can be moved online for NCEA levels 1 and 2
 - whether there needs to be any additional assistance in the pastoral care area to help prevent students flouting the rules
 - whether the Board wants to be bold and use the COVID-19 crisis to create opportunities to do things differently

- identifying other barriers for students e.g. if you are an ITO/ITPs student and you are accessing studylink, you cannot take more than two weeks leave during your course – otherwise you are deemed not to have completed your course
- RoVE
 - ~ 1 April 2020 was day one for the new IST
 - ~ they had their first Council meeting electronically and are in business – they received their funding letter from TEC
 - ~ they have deferred decisions on their formal name and location of head office
 - ~ they will have a different picture moving forward, e.g. what businesses will they be planning for, apprenticeships may change, student numbers may increase; the opportunity to involve more people in designing the training and learning to support businesses in the future
 - ~ there is a risk we won't achieve the culture change we wanted from RoVE because of the recession after COVID-19 – this is our opportunity to get it right
- understanding transferable skills and the opportunities that come out of this is critical e.g. infrastructure and construction could be an area government could encourage retraining in.

4 6 April 2020 Board meeting

The Board meeting will be a mix of business as usual and starting the strategy discussion. The agenda will be light, a two hour meeting. Papers, which will be significantly reduced, will be issued on Friday, 3 April 2020.

The Chair thanked everyone for their participation and closed the teleconference at 5.01pm.

Signed as a true and correct record:



Chair

Date: 5 May 2020



Emailed

Jenn Bestwick (Chair)
Alastair MacCormick
John Russell
Kirk Hope

Nancy McConnell
Vivien Sutherland Bridgwater
Wayne Ngata

Approval for Amendment to Chief Executive's Employment package for year ending June 2019

Minute No. TEC200403/1

The Board noted the 'Approval for Amendment to Chief Executive's Employment package for year ending June 2019' paper dated 3 April 2020 .

- › The Remuneration Commission has commissioned a State Services Commission Panel Member to review the Chief Executive's position as it has not been resized since 2012 and does not reflect the transfer of Careers NZ to TEC.

s9(2)(a)

Resolved

The Board resolved to:

- › **proceed** with a job resizing exercise using one of the State Services Commission panel providers to obtain an updated job size for the CEO role
- › approve a variation of the Chief Executive's contract from 1 April 2020 s9(2)(a)
- › s9(2)(a)
- › s9(2)(a)

f/a - 2/11/20



TEC

Board meeting minutes – via teleconference – Monday, 6 April 2020

Present

Jenn Bestwick (Chair)
Kirk Hope
Alastair MacCormick
Nancy McConnell

Wayne Ngata
John Russell
Vivien Sutherland Bridgwater

Apologies

None

In attendance

Tim Fowler, Chief Executive (CE)
Gillian Dudgeon, Deputy Chief Executive – Delivery
John Soulis, Deputy Chief Executive – Corporate and Finance
Paora Ammunson, Deputy Chief Executive – Learner Success – Ōritetanga (part meeting due to technology issues)
Ian Lee, Deputy Chief Executive – Strategy & Design
Mat Pawley, Deputy Chief Executive – Information
Kirsten Ralph, Manager – Strategy and Evaluation, Strategy & Design (Item 5)
s9(2)(a) , Executive Officer to the Board (EO)

Commissioners Only Session

Commissioners held a closed session.

Commissioners and Chief Executive Session

Commissioners held a closed session with the Chief Executive.

Administration

1 Welcome and apologies

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

She noted this was the first full Board meeting using technology (Skype for Business) and operating within the COVID-19 Alert Level 4 lockdown rules. She highlighted, that the agenda was shorter than usual, covering the compliance business as usual items that could not be handled during the weekly Board teleconference meetings and the proposed strategic planning process for post-GOVID-19.

2 Adoption of Board meeting minutes

Minute No. TEC200406/02

Resolved

*The Board of Commissioners (the Board) **adopted** the minutes of the 9 March 2020 Board meeting as a true and correct record.*

*The Board of Commissioners (the Board) **adopted** the minutes of the 19 March 2020 Board teleconference meeting as a true and correct record.*

3 Action items from previous meetings

Minute No. TEC200406/03

- › Action items and updates from previous meetings were noted.
- › Action item 200211/05.6 – **TWoA (Te Wānanga o Aoteroa) Update** – has been superseded by subsequent work in this area.

- › Action item 180611/7 – **Undertake two test exercises per annum in accordance with the Business Continuity Management policy** – a test exercise won't be required for some time as the current COVID-19 pandemic and Alert Level 4 lockdown rules we are working under has well and truly tested the plan and has proven its suitability.

4 Declaration of interests

Minute No. TEC200406/04

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

No updates were recorded.

Strategy agenda/deep dives/guests

Kirsten Ralph joined the meeting

5 COVID-19 Medium and Long-term Strategic Response

Minute No. TEC200406/05

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

General discussion summary:

- › there are now new and bigger opportunities facing the sector
- › we need to be ready and respond quickly in both a strategic and tactical way when the Minister requests information to feed into the Government's stimulus package
- › the proposed post COVID-19 strategy approach, which will be iterative over four-six weeks, will be based on the government's and other pieces of international and domestic work and should give us a sense of our short – medium goals

- › it is likely the May 2020 budget will be broken into two:
 - high pressure point business as usual budget e.g. increase in budget for TEOs of 16 percent
 - stimulus package responding to COVID-19 – we anticipate this will target technology and improving capability for distance and/or online learning and may include the Careers bid
- › it is likely the Government will want to see results from investment quickly and not want to wait two-three years for results.

Summary of Board feedback (in no particular order) to inform the strategic planning work:

We should/need to:

- › maintain spending power to help the economy recover, therefore we should be looking at efficiencies, not cutting public services and public servant salaries
- › understand the use of technology and remote teaching vs labs and research sessions critical to completion of qualifications
- › look after RoVE, ITOs and ITPs to ensure workplace learning essential to apprenticeships doesn't collapse
- › facilitate an increase in access and reduce barriers to micro credentials
- › ensure our work is cross ministries/agencies to enable a cohesive picture across Government
- › develop a set of principles and decision making criteria, to use in guiding the design of our response and when possible tensions occur
- › consider de-prioritising some current projects and business as usual items due to the potential new work coming from the COVID-19 recovery work (the principles and decision making criteria will help with this)
- › focus our priorities in the areas we can have the biggest impact for the future e.g. profiling skills vs qualifications, ensuring employers are well equipped and served in being able to get access to people with the skills they require, etc
- › maximise and prioritise opportunities, be innovative, bold and prepared to take risks, use the data and circumstances to try things we may not have in the past, focus on equity – particularly for Māori and Pasifika
- › profile the learner, focus on learner design offerings, micro credentials, engagement with communities and cohorts
- › align pathways from secondary school to tertiary education and be collaborative with industry
- › recognise both hard and soft transferrable skills and look at what skills a person has and how these can transfer in the future
- › identify the role of tertiary education in the recovery of, and propelling the economy forward e.g. working with secondary schools and MSD, for unemployed, to help get people into/back into the work force

- › consider the capacity, mix of skills and qualifications, and modes of delivery to meet the needs of our potential clients over the next three to five years; demand is likely to grow in short-term programmes for those looking to retrain or upskill to get back into the work force, while school leavers are likely to want qualifications that take longer to complete
- › establish the barriers for people wanting short-term programmes and upskilling/retraining e.g. childcare, travel, study assistance being less than unemployment etc
- › consider the opportunities we may lose with funding guaranteed for the remainder of 2020 as we will not have the flexibility to buy new things, we will need to be savvy in encouraging providers to change their offerings
- › consider the effect on TEC, should the government make any determination on retaining exiting staffing levels and remunerations in the public sector e.g. the use of contractors may be limited.

The Board agreed:

- › to be agile and flexible as new evidence and data comes to hand when forming the post COVID-19 strategy
- › to form a Board subgroup (to be determined by Jenn Bestwick and Tim Fowler) to work with TEC staff on developing the draft principles and framework for developing the post COVID-19 strategy
- › that iterations of the post COVID-19 strategy work will be presented at both the Board's weekly Thursday meetings and monthly Board meetings as required.

Action item 200406/05.1: s9(2)(a) is to arrange a meeting for Ian Lee, Tim Fowler and Jenn Bestwick to discuss forming a Board sub group to work with TEC staff on the initial steps of the post COVID-19 strategy.

Kirsten Ralph left the meeting.

Core business and project reporting

6 Chief Executive's report

Minute No. TEC200406/06

The Board noted the 'Chief Executive Report' plus the attached Financial Impact of COVID-19 on our Operational Expenses and Board Finance Report as at February 2020 reports.

- › During the weekend of 4 April 2020, a 'class action' was lodged against the owners of Intueri a large corporate PTE that went 'belly up' in 2017. TEC is well prepared and have plenty of information should we be asked to give evidence if it goes to court. This case could take some time and become quite ugly as it progresses through the system. Tim Fowler doesn't believe there is any legal exposure for TEC. The Monitoring and Crown Ownership team in the Delivery Directorate have the lead on this work. Background information will be provided to the Board at the future Board meeting.

Action item 200406/06.1: Tim Fowler is to provide the Board with the background information to the Intueri case in June 2020.

- › COVID-19 Update
Sector
 - Government is working on the de-escalation path out of Alert Level 4, however the sense is that no decisions will be made until relatively close to the end of the current four week lock down period, as they want to use as much New Zealand based data as possible, rather than relying on offshore data, before making a decision
 - there is a general sense that four weeks at Alert Level 4 may not be enough – or if we move – we may spend longer in Alert Level 3 to allow more evidence and data to be collected to support more de-escalation
 - we have been asked to provide information for de-escalation from Alert Level 4 to 3 and then Alert Level 3 to 2
 - it is possible that Alert Level 4 and 3 might look very similar for the tertiary sector, however some key contact sessions e.g. labs and research sessions, might be offered with social distancing rules in Alert Level 3 and it is more likely that Alert Level 2 is where students are able to return to their institution with fewer restrictions
 - we need to be aware of possible and differing behavioural and psychological issues amongst students as we move through the different alert levels – some students might not feel comfortable returning to their institution until at least Alert Level 1 or no alert level at all

- there is a fine balance between enforcement and social license – currently there is a strong view amongst the New Zealand public that the four week lock down is the right thing to do – whether this continues as our statistics improve will be interesting to see
- we are staying in touch with, and as close as possible to, the sector during this process – we are having weekly calls, issuing written updates regularly and Tim Fowler is speaking to a different Chief Executive each day.

TEC

- in general the TEC team are doing well, however there have been struggles for some
- the first week was spent setting up and beginning a new normal, we are not quite as productive as when we are in the office but that is to be expected given the huge adjustment for staff, some haven't had technology issues, some have young children, or children on school holidays to consider, some people's work involves a lot of collaboration with others in the office – which is now more difficult, people are doing their best and finding innovative ways to get their work done
- while we are working as agile as possible, and using technology where we can, some work and projects may be delayed and/or need reprioritisation
- ministerials have dropped off significantly.
- › Chief Executive's delegation to write-off debts endorsement
 - The Board **endorsed** the Chief Executive's write-off of \$45,976 in relation to the wash up payment due by Hagley Community College.*
- › Board Finance report as at February 2020
 - Finance will begin a new detailed forecast of the business the week commencing 6 April 2020
 - we are waiting to hear from the Ministry of Education (MoE) and Treasury whether the Statement of Performance Expectations and/or Letter of Expectations will be delayed or deferred to 2021.

Jenn Bestwick noted that at a recent sector Chief Executives meeting in March 2020 they had discussed the potential for Letters of Expectations to include something on cross agency alignment and that this will be even more important now.

Resolved

The Board Chair:

approved the Board of Commissioners' and Chief Executive's expenses for February 2020.

The Chair of the Audit, Risk and Compliance Committee

approved the Board Chair's expenses for February 2020.

7 COVID-19 Grant Funding Expenditure Transfer

Minute No. TEC200406/07

The Board noted the 'COVID-19 Grant Funding Expenditure Transfer' paper dated 6 April 2020.

- › By saying that TEO funding will not be reduced, irrespective of student numbers, the Minister has effectively made TEO funding 'unconditional'. This has a specific meaning and expenditure recognition timing within the Government grants accounting framework, and creates a large liability in the vicinity of \$1.2b.
- › We are working with MoE, Treasury and Audit NZ on this and will ask Cabinet to agree to a fiscally neutral adjustment, across two years, to transfer of existing Vote Tertiary Education funding from the 2020/21 financial year into 2019/20 to offset the increase in costs.
- › This is purely an accrual adjustment and does not change the cash profile for grant payments, or cash payments between Government agencies
- › The Minister is aware of this issue and the work being done to solve any issues.
- › The Board noted recent announcements re Directors facing insolvency and are following guidance in this area.

8 Te Wānanga o Aoteroa (TWOA) update

Minute No. TEC200406/8

- › Following a further meeting with the TWOA Chair and Deputy Chair, where there was no movement on TWOA's offer discussed by the Board during their March 2020 Board meeting, Wayne Ngata and Tim Fowler discussed next steps. They considered:
 - the feedback from the March 2020 Board meeting
 - where we want TWOA to be in 2020/21, e.g. operating at a level where the communities and cohorts are well served
 - that TWOA are critical to TEC's pathway going forward
 - that we have concerns regarding their capacity and capability to deliver in their current structure
 - feedback from NZQA on their EERbefore recommending that TEC continue to work with TWOA to find a solution.
- › Jenn Bestwick overviewed NZQA's EER rating system – saying most organisations are ranked 2/2, (1 being the highest) s9(2)(b)(ii) s9(2)(b)(ii).
- › Tim Fowler suggested using a process TEC had previously used in similar situations, appointing an advisor, to work with TWOA's management and Council. Effectively, we would ask TWOA to invite, at their expense, a jointly approved advisor to work with them, and attend all Council meetings; if they don't agree we could still have the power to make an appointment if we think that step is necessary.
- › The Board s9(2)(g)(i) s9(2)(g)(i).
- › After noting Paora Ammunson's suggestion that some of the systemic system issues might be picked up and worked on as part of the broader Wānanga Review project, Jenn Bestwick queried whether the bigger picture was how we navigate the bridge over the next few months to preserve and enhance their core sector capability while we work out the path for wānanga to thrive in the tertiary education system.
- › Having a discussion with TWOA on the future focus of, and investment in, their current capability and capacity and the need to support this as part of the solution would be beneficial.
 - TEC to acknowledge reinvestment in the business taken by TWOA to bring their systems and processes up to a required level
 - s9(2)(i) s9(2)(i).

Agreed

The Board agreed to offer the s9(2)(b)(ii) to TWoA, pending a discussion with the Minister and NZQA first:

- › TEC is to acknowledge TWoA's reinvestment, of around s9(2)(i) in the business to bring their systems and processes up to a required level
- › a s9(2)(i)
- › a dollar amount, s9(2)(i) to be included in their balance sheet to improve their sector performance and delivery
- › the appointment, at TWoA's expense, of an advisor, agreed by both parties, to work with TWoA management and Council
- › the agreement, as well as TWoA's plans to improve their sector performance and delivery is to be put in writing and agreed by both parties.

Action item 200406/08.1: TEC are to discuss the Board s9(2)(b)(ii) with TWOA with the Minister and NZQA.

Action item 200406/08.2: Wayne Ngata and Tim Fowler are to continue to work with TWoA and keep the Board updated as matters progress.

The Board thanked Wayne Ngata and Tim Fowler for their ongoing work with TWoA.

9 Supporting government suppliers with improved invoice payment practices

Minute No. TEC200406/9

The Board noted the 'Supporting government suppliers with improved invoice payment practices' update date 6 April 2020.

10 Update on the proposed process for the draft 2020/21 Statement of Performance Expectations

Minute No. TEC200406/10

John Soulis outlined the amended process, for the completion of the draft 2020/21 Statement of Performance Expectations (SPE):

- › the first draft of the SPE went to the Board for consideration and feedback on 9 March 2020

- › the second draft, including the Board feedback and updated financials, was sent to the Audit, Risk and Compliance Committee (ARCC) for feedback at their meeting on Wednesday, 25 March 2020
- › the ARCC meeting scheduled for Wednesday, 25 March 2020 did not proceed due to the COVID-19 Alert Level 4 lock down, however some members of the ARCC Committee took the opportunity to provide email feedback on the draft SPE
- › an updated draft SPE, including this feedback and additional paragraphs, relating to COVID-19 and updated financials will be issued via email to the Board (rather than ARCC) on Thursday, 9 April 2020 for further comment and feedback by Thursday, 16 April 2020
- › any further feedback will be collated, and where applicable included in a further draft, which will then go to the Minister as a first draft at the end of April 2020, the Board will get a copy of the version that goes to the Minister if there are substantial changes resulting their feedback
- › the final draft SPE will be included in the June 2020 Board papers for approval before being sent to the Minister as the final version.

The Board noted that MoE are in discussion with Treasury regarding government compliance documents and that the dates and/or requirement for the SPE might change.

11 Update on deferred 25 March 2020 ARCC meeting

Minute No. TEC200406/11

The Board noted that:

- › the Audit, Risk and Compliance meeting scheduled for Wednesday 25 March 2020 did not take place due to the COVID-19 Alert Level 4 lock down
- › the agenda for this meeting has been split into three and was being handled as follows:
 - one item - draft 2020/21 Statement of Performance Expectations – was to be commented on by ARCC members prior to being updated and sent by email to the full Board for further comment
 - five items – ARCC members have been invited to provide email feedback as these were information only papers
 - six items – ARCC members have been invited to provide email feedback, prior to the papers being reissued for an ARCC teleconference – with a date yet to be determined.

12 Update from the Minister's meeting on Monday, 6 April 2020

Discussions at the Minister's meeting, attended by Gillian Dudgeon focused on:

- › schools moving between COVID-19 alert levels
- › the Minister's office is likely to commission some work pertaining to skills
- › cross agency work e.g. education and welfare systems working together, labour market policy work
- › ramping up RoVE work – may result in a paper to the Minister
- › timing of budget relief e.g. digital skills package will be released the week commencing 6 April 2020

The Chair thanked everyone for their participation and closed the meeting at 12.32pm.

Signed as a true and correct record:

A handwritten signature in black ink, appearing to be 'F. H.', written in a cursive style.

Chair

Date: 5 May 2020



Present

Jenn Bestwick (Chair)

Alastair MacCormick (part meeting)

Nancy McConnell

Wayne Ngata

John Russell

Vivien Sutherland Bridgwater

Apologies

Kirk Hope

In attendance

Tim Fowler, Chief Executive (CE)

Gillian Dudgeon, Deputy Chief Executive – Delivery

s9(2)(a), Executive Officer to the Board (EO)

1 Welcome

Jenn Bestwick welcomed everyone and declared the meeting open

She noted receipt of the ‘Changing between Alert Levels – guidelines for Tertiary Education Organisations’ paper Gillian Dudgeon had forwarded to the Board on Wednesday, 8 April 2020.

2 Chief Executive Update

Minute No. TEC200409/02

Tim Fowler noted there had not been any DPMC, Cabinet or COVID-19 meetings over the Easter weekend.

Sector

- › The Education system got a big 'shout out' from the Prime Minister during the COVID-19 news bulletin on Thursday, 9 April 2020.
- › A recent Colmar Brunton poll, completed in New Zealand and other G7 countries, shows New Zealand is scoring consistently higher (over 84 percent vs mid 50-60 percent) than other G7 countries, in the publics' eye in three main areas:
 - Do you approve of the Governments actions in relation to COVID-19 – 84% vs 54.5%
 - Do you have confidence in the decisions the Government is or will make for New Zealand – 87% vs 57%
 - How do you rates the Governments communications – 97% vs 62%.

Clearly people support the Government at this point in time, however as we move through the different alert levels and start our economic recovery this is likely to change up and down, especially when reality sets in and hard decisions have to be made.

- › In their daily news bulletins, the Prime Minister and Dr Ashley Bloomfield, Director General of Health, are telling us:
 - New Zealand's data is showing that our efforts in Alert Level 4 are paying off
 - more targeted and group testing is planned and critical to decision making
 - a full 14 days quarantine for anyone crossing the New Zealand border has been implemented – not a lot is expected the as the number crossing the border has reduced significantly.
- › GDP for the June 2020 quarter is expected to be down and we have recorded the highest number of unemployment for some years.
- › The latest TransTasman publication contains articles relating to health and economic development during and post COVID-19.

Action Item 200409/02/1: s9(2)(a) is to ask Jen Pearce for a copy of the latest TransTasman publication to send to the Board.

- › De-escalation work is well underway – a framework, co-developed by the sector, describes the case for going from Alert Level 4 to 3 and offers the opportunity in some areas to go from Alert Level 4 to 2, based and driven by health evidence in first instance.
- › How long we spend in each alert level, and whether we will need to go back up in alert levels will be determined by health evidence and people following the rules at each level.

- › The Prime Minister announced today, Thursday, 9 April 2020, that a decision about de-escalation and moving from Alert Level 4 would be made and announced on Monday, 20 April 2020.

Alastair MacCormick joined the meeting.

- › It is likely Alert Level 3, won't look much different to Alert Level 4, however under Alert Level 2, people may be able to meet in small groups, with social distancing rules, meaning some Universities may be able to restart labs/ research sessions. What this may look like is still being determined.
- › The ability to contact trace will be imperative – this may affect different types of providers e.g. apprentices.
- › The work demands on providers' staff, and how they will be expected to work in the future needs to be considered carefully. If labs/research sessions are restarted with social distancing still in place – the same labs/research sessions may have to be offered a number of times to get everyone through them, if staff are asked to work in shifts, different hours etc to accommodate this – it may affect employment arrangements.
- › For 2020, institutions who have agreed plans in place, have had their funding guaranteed, it is up to them how they use it. Their only barriers are their level of innovation, willingness to change academic structures and capability and capacity to implement. This means they could change the way the labs/research sessions components of courses are offered, or when courses are due for completion, to ensure all people have the opportunity to complete the sessions.
- › There are indications that students are not keen on block, or elongating courses, without breaks. Some students are also indicating that how they are being asked to learn now, is not what they signed up for, so may want to withdraw.
- › How we support the learner and provider is going to look very different for a very long time, if not for ever. It will also look different in different regions. We will need to factor this into our strategic planning.
- › Tim Fowler has a fortnightly meeting with TIASA, NZUSA and TEU scheduled – they are keen to be part of the solution.
- › The Minister and Tim Fowler addressed a COVID-19 Selection Committee meeting the week commencing Monday, 6 April 2020. This meeting was quite easy compared to some of the other COVID-19 Select Committee sessions currently happening.

- › Concern has been voiced that tertiary students will miss out on available devices as tertiary was left out of the Minister's technology package announced on Wednesday, 8 April 2020.
 - Tim Fowler acknowledged that senior secondary schools with NCEA exams were being prioritised in the package announced.
 - He advised that TEC are working with the Ministry of Education (MoE) on technology issues, including devices and connections and that we are waiting for information back from the sector to progress the work.
 - TEC and MoE are providing support to institutions who are buying laptops, and/or printing hard copy and providing these to vulnerable students.
 - It was noted that many tertiary students don't need the same kit as schools students.
 - MoE has the capacity and is helping institutions access hardcopy print and distribution support.
- › Almost all PTEs who are members of ITENZ are delivery online or via hardcopy.
- › Some work is being done in the student refund area, however we will need to focus on how to get those who drop out re-engaged and ensure they are not disadvantaged by dropping out. Some ITPs are offering credits as a way to retain students.
- › Tim Fowler has been discussing financial implications of COVID-19 with Vice Chancellors, many are starting to work on the international/domestic student number implications.
- › Tim Fowler is preparing a video for institutions to simplify and re-enforce the message regarding site access.

3 Te Wānanga o Aoteroa (TWOA) update

Minute No. TEC200409/3

- › Wayne Ngata and Tim Fowler discussed the TEC Board's proposed way forward, agreed at their Board meeting on Monday, 6 April 2020, with TWOA's Chair and Deputy Chair.
- › The TWOA Chair and Deputy Chair were comfortable with the proposal and are going to discuss it with their Board the week commencing Monday, 13 April 2020.
- › The TWOA Chair has asked TEC to start drafting the first letter of agreement.
- › Tim Fowler discussed the TEC Board's proposal with s9(2)(a) (Minister's office) prior to discussing it with TWOA and will be discussing it with directly with the Minister on Tuesday, 14 April 2020.
- › This is a 'mana' enhancing outcome.

4 General business

- › The Delivery Directorate propose to provide the Board with a paper on initial thinking for the 2021 investment round in the next couple of weeks.
- › The draft 2020/21 Statement of Performance Expectations will be emailed to the Board tonight (Thursday, 9 April 2020) for their feedback by Thursday, 16 April 2020.
- › Jenn Bestwick, Tim Fowler, Ian Less and s9(2)(a) had a further discussion on the post COVID-19 strategy work on Wednesday, 8 April 2020 (action item from 6 April 2020 Board meeting). A small Board sub group, comprising: Jenn Bestwick, Alastair MacCormick, Wayne Nagata and Kirk Hope was appointed to assist TEC staff with some pre-work, prior to a paper being emailed to the Board on Wednesday, 15 April 2020 for discussion at the Board's teleconference meeting on Thursday, 16 April 2020.
- › Victoria University pastoral care – the issue recently printed in the media was pre-lock down and occurred as a result of technology failure, not University failure. Victoria University has taken steps to mitigate this failure happening again. We are now receiving fortnightly updates on pastoral care from all TEOs.
- › Jenn Bestwick mentioned the amount of positive feedback she was getting from the sector on the work Tim Fowler is doing during the COVID-19 pandemic.

The Chair thanked everyone for their participation, acknowledging everyone's participation in this new way of working, and closed the teleconference at 5.02pm.

Signed as a true and correct record:



Chair

Date: 5 May 2020