



Present

Jenn Bestwick (Chair)	Wayne Ngata
Alastair MacCormick (part meeting)	John Russell
Nancy McConnell	Vivien Sutherland Bridgwater
Kirk Hope (part meeting)	

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 (parts of meeting - technology issues)
 Ian Lee, Deputy Chief Executive – Strategy & Design
 Mat Pawley, Deputy Chief Executive – Information
 Kirsten Ralph, Manager – Strategy and Evaluation, Strategy & Design (Strategy session)
 Tony Scott, Manager - Manager – Operational Strategy Policy & Insights, Strategy & Design (strategy session)
 s9(2)(a), Executive Officer to the Board (EO)

Guests

Andy Jackson, Deputy Secretary, Graduate Achievement, Vocations and Careers – Ministry of Education (MoE) (part strategy session)
 Grant Klinkum, Chief Executive, New Zealand Qualifications Authority (NZQA) (part strategy session)

1 Welcome

Jenn Bestwick welcomed everyone and declared the meeting open.

2 Chief Executive Update

Minute No. TEC200416/02

Tim Fowler gave a COVID-19 update.

TEC

- › Tim Fowler is preparing a video for staff outlining what Alert Level 3 and 2 will look like for them when we move out of Alert Level 4:
 - Alert Level 3 – office closed, all staff working from home, access to office will be for critical reasons only, e.g. IT issues, and will require sign off by two Deputy Chief Executives
 - Alert Level 2 – office open to staff and visitors, maintaining 50 percent of staff working from home, we will target appropriate staff first e.g. those: over 60, with high health risk, with family with high health risk, who travel over 30 minutes on public transport, remainder will be rostered
 - Staff communications for this are being worked on
- › Feedback from staff is very good, they appreciate the messaging about health and wellbeing and low pressure to achieve outputs,
- › 42 staff are in lockdown on their own, Tim Fowler is phoning a couple of these people each day.

Sector

- › Budget 2020 has been the focus for the Minister with three key items:
 - \$1.6 percent increase to tuition subsidies as a result of cost pressures
 - Technology stimulus – includes Careers bid
 - Recovery stimulus package – primary focus on vocational space.
- › There is more to come from Government for tertiary student support package.

- › The Minister would like us to accelerate RoVE where possible. He would like:
 - all WDCs set up by 1 July 2020 – this will require resourcing
 - all ITOs transferred into the IST as soon as possible, preferably by 1 July 2020 – we are not encouraging this as we risk losing the confidence and support of the sector and business and will result in poor outcomes for learners
 - a paper regarding the Minister’s acceleration request is being prepared for consideration at the RoVE Programme Board meeting on Tuesday, 21 April 2020 – this paper will focus on best ways to support learners and employers through the COVID-19 recovery phase and how this can be included in RoVE.

Action Item 200416/02/1: Alastair MacCormick and Tim Fowler are to receive a copy of the Minister’s acceleration request paper if it is not included in the RoVE Programme Board meeting pack for Tuesday, 21 April 2020.

- › s9(2)(g)(i) [REDACTED]
- › Te Wānanga o Aoteroa (TWoA)
 - the TWoA Council are happy in principle with TEC’s proposal discussed the week commencing 13 April 2020
 - we are still discussing/working on the potential of an assurance review/report being completed by an independent person to help with the assurance on how TWoA will reinvest more money into the programme – particularly in relation to areas highlighted in the ERR
 - Tim Fowler discussed TEC’s proposal with s9(2)(a) [REDACTED] Specialist Ministerial Advisor in the Minister’s Office, before going back to TWoA and with the Minister on Tuesday, 14 April 2020 – both were comfortable with TEC moving forward
 - TWoA are keen to put out a media release
 - ~ this could have the advantage of ‘first footing’ any potential OIAs and/or media requests
 - ~ the Board noted this was not the normal process, usually when we do a review, we would release the report, findings and resolution, however this one is different, TWoA did the review, we started an investigation and then chose to move to working together for a better outcome

- ~ we will record a summary of the process, which will include the story behind the uniqueness and relationships in this situation, rather than proactively releasing any documents, as we did not pursue the investigation.

Action Item 200416/02/2: Tim Fowler is to approach Grant Klinkum, NZQA, to discuss how NZQA and TEC work together on supporting TWoA.

Action Item 200416/02/3: Tim Fowler is to share all information released to the media in relation to the TWoA situation with the Board.

- › Most universities are planning online courses for semester two – Victoria University has brought their mid-semester break forward, Auckland University are not planning any face-to-face course until at least 2 July 2020.
- › A paper, informed on information from the sector, has gone to the Minister recommending TEC use \$20m of SAC funding to provide devices for vulnerable students – if signed off, the money will begin to flow in May 2020.
- › Many institutions are also buying devices and/or negotiating plans and loaning these to vulnerable students, so as not to compromise student loan arrangements for students.

Kirk Hope, Tony Scott, Kirsten Ralph and Andy Jackson joined the meeting.

3 COVID-19 Strategic Response

Minute No. TEC200416/3

Ian Lee introduced and overviewed the COVID-19 Strategic Response – Board Session document dated 16 April 2020. The document was informed from the Board's discussion at their Board meeting on 6 April 2020, and includes an overview of:

- › the role of tertiary education and career guidance may play in recovery and work underway
- › scenarios that explore what a post-COVID-19 world might look like
- › how COVID-19 may impact on learners, communities, employers, the sector, and New Zealand
- › principles to guide the design of our response
- › an initial list of topics for exploration over the coming weeks.

General discussion focused on:

- › ensuring equity – ensuring Māori are given opportunities to look at different futures and not put in the position of becoming labourers – the Board noted Wayne Ngata had recently attended a Taumata Aronui meeting (a ministerial Maori education advisory group) and that they were discussing similar points for Māori/Pasifika that TEC are
- › ensuring we follow our principles e.g. equity and learns, skills and employability, funding and careers and remain functional and on supply and demand, and don't get diverted in system and structure think
- › the timing, duration and 'weighting' of the principles
- › ensuring that we are promoting and designing study, at all levels, as a way to help people into employment and having positive pathways as opposed to a way of keeping unemployment levels low and students running up debt without useful pathways to employment
- › looking at pathways as follows:
 - qualifications – longer term study – potentially school leavers
 - upskilling, skills and growth – short term courses – potentially those being redeployed and wanting to retrain
- › potentially there are two types of displaced unemployed workers:
 - short term – need upskilling and requires small incentive to upskill and move where jobs are
 - long term – once unemployed for three months, the mind-set changes – we will need to think about, and support these people differently

Grant Klinkum joined the meeting.

- › using evidence based research – ours, that we invest in and also publically available research
- › using evidence based research to influence investment decisions e.g. what guides institutions if they have to make cuts and how this affects different areas e.g. Māori, students, staff, Kopapa etc.

Feedback from Andrew Jackson:

- › two big disruptions from COVID-19: labour market and vocational training
- › there is the opportunity for universities and the academic world to explore what the higher education could look like in the future rather than reverting to the norm

Feedback from Grant Klinkum:

- › NZQA is keen to discuss fast tracking micro credentials – as a way to help those studying into employment e.g. for use with short term courses and/or for re-deployed people, rather than to encourage provider lead revenue to respond to industry needs
- › NZQA has rapidly approved a number of online courses – by 30 June 2020 these will need to go through a process to prove their quality – it is possible some challenges will arise in this area.

Tim Fowler left the meeting.

General discussion continued:

- › making accessibility to courses easier e.g. simplifying registration process
- › working across agencies, more than just a TEC lens for redeployment e.g. MSD, NZQA
- › potentially creating pilot schemes to fast track unemployed people into meaningful pathways
- › ensuring we look at both hard and soft skills of unemployed
- › TEC being agile and innovative for learning, successfully using the tertiary investment as a creator for pathways to employment
- › TEC's focus speaks to the four 'capitals' of the Government's 'Living Framework'.

Summary

After general discussion and consideration of the draft goals, principles and proposed topics for investigation the Board agreed the following concept, umbrella and sub topics:

Enduring concept

A recovery theme

Umbrella topics

- 1 Equity and learner centricity – with a Māori/Pasifika lens
- 2 Skills and employability (it was noted that in work learning needed increased focus and the needs of employers required greater focus, and that the matching demand and supply is critical)
- 3 Growth for employers – was important enough to separate as a focus area - how the tertiary sector can support growth and innovation and what the role of research?

Sub topics

- 4 Funding and careers levers
- 5 System responsiveness
- 6 Sector sustainability and new ways of learning were inter-connected, with the aim of achieving innovative, sustainable learning driven by learners and employer's needs.

Principles

The Principles need to be reviewed to reflect identified set of strategic topics.

Next steps

TEC will work on bringing this together cohesively and begin exploring the next steps to deliver the key outcomes (skills and employability for students/workers, and growth for employees) via an equity and learner centric lens, with a focus on Māori/Pasifika.

A paper will be circulated for discussion at the Thursday, 23 April 2020 Board teleconference meeting.

4 General business

Gillian Dudgeon noted that the 2021 Investment Round paper that she had mentioned in the meeting on Thursday, 9 April 2020 would be going to the Executive Leadership team for discussion prior to coming to the Board at the future meeting.

5 Close

Andy Jackson and Grant Klinkum thanked TEC and the Board for including them in the strategy discussion, with Grant noting that the NZQA Board will be receiving a paper along similar lines shortly.

Jen Bestwick thanked everyone, including the guests and TEC staff for their participation, noting that it was more important than ever that we are joined and working together to help the recovery of New Zealand's economy.

The teleconference at 5.37pm.

Signed as a true and correct record:

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

Chair

Date: 5 May 2020



Present

Jenn Bestwick (Chair)

Wayne Ngata

Alastair MacCormick (part meeting)

John Russell (part meeting)

Nancy McConnell

Vivien Sutherland Bridgwater

Kirk Hope

Apologies

Mat Pawley, Deputy Chief Executive – Information

In attendance

Tim Fowler, Chief Executive (CE) (part meeting)

Gillian Dudgeon, Deputy Chief Executive – Delivery

John Soulis, Deputy Chief Executive – Corporate and Finance

Paora Ammunson, Deputy Chief Executive – Learner Success – Ōritetanga (parts of meeting - technology issues)

Ian Lee, Deputy Chief Executive – Strategy & Design

Kirsten Ralph, Manager – Strategy and Evaluation, Strategy & Design (Strategy session)

Tony Scott, Manager - Manager – Operational Strategy Policy & Insights, Strategy & Design (strategy session)

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

1 Welcome

Jenn Bestwick welcomed everyone and declared the meeting open at 3.42pm

2 COVID-19 Strategic Response

Minute No. TEC200423/2

Ian Lee overviewed the COVID-19 Strategic Response paper dated 23 April 2020 circulated prior to the meeting.

- › Guidance and feedback from the Board was sought on the:
 - draft Design Principles
 - Topics for investigation
 - members for the recommended cluster working groups.

General discussion

- › The high level statements and narratives under each Design Principles are to be updated as follows:
 - to ensure our recovery contribution goes beyond recovery and is re-oriented and sustainable
 - to ‘call out’ Māori and Pasifika where possible
 - add the word ‘access’ to the Equity high level statement
 - add the words ‘disadvantaged people’ which will pick up youth, the disabled etc to the Equity narrative.
- › The annual investment funding cycle strategy is tied into Design Principle 1 – Recovery contribution; one element of this principle is to reshape and future proof the system, it will look at investment through a post-COVID-19 lens.
- › Board subgroups, comprising Board members, TEC staff and sector representatives, are to be formed to work collaboratively on the post COVID-19 strategy work

Agreed

The Board agreed:

- › The following amended **Design Principles** and high level statements, noting these may evolve as work continues on the COVID-19 strategy work:
 - **Recovery contribution** – ensure that the tertiary education and careers systems propels New Zealand’s recovery
 - **Learner centrality** – put our customers at the centre of the system
 - **Equity** – champion equity and access in process and outcomes.

- › The following Topics for Investigation – noting these will evolve as we work continues on the COVID-19 strategy work:
 - Equity and learner centricity
 - Skills and Employability
 - Growth and innovation
 - Funding and careers
 - System responsiveness
 - Network of provision
- › The following three clusters of Topics for Investigations, and Board members to be part of each Board subgroup to work on each cluster:
 - **Cluster one – Customer** focussed topics – Nancy McCormick, Wayne Ngata and John Russel
 - ~ Equity and learner centricity
 - ~ Skills and employability
 - ~ Growth and innovation
 - **Cluster two – Lever** focused topics – Jenn Bestwick and Vivien Sutherland Bridgwater
 - ~ Funding levers
 - ~ Careers leavers
 - **Cluster three – System** focussed topics – Kirk Hope and Alastair MacCormick
 - ~ System responsiveness
 - ~ Network of provision
- › The subgroups, will work at pace using Skype, emails, phones etc, and stay the same throughout their work. While information sharing will be required, it is not envisaged the Board members will move from subgroup to subgroup. Updates will be provided at the Board’s weekly and monthly meetings.

3 Support learners to access technology enabled tertiary education – delegation of authority

Minute No. TEC200423/03

- › The Minister of Education has been asked to agree that TEC use under-utilised funding in the Tertiary Tuition and Training Multi Category Appropriation within Vote Tertiary Education to support learners to continue to access tertiary education.
- › The purpose of the funding is to help tertiary education TEOs and transitional industry training organisations support learners to continue to access tertiary education and training that has been disrupted due to COVID-19.
- › We are currently in the process of designing an allocation mechanism that balances accountability with the need to provide support with a streamlined process within a short timeframe. We are aim to start payments to TEOs from 5 May 2020.

Resolved

The Board resolved to:

- › **delegate** funding decisions for the use of tertiary education funding to support learners to continue to access tertiary education to TEC's Chief Executive and Deputy Chief Executive, Delivery.

4 Chief Executive Update

Minute No. TEC200423/04

COVID-19 update

- › Government departments and agencies are focussing on preparing to move to Alert Level 3 and then Alert Level 2. TEC will need to retain a level of agility and be able to reprioritise at speed as and when required.
- › During Alert Level 4 approximately 527k people have been in/at work and 670k people working from home; when we move to Alert Level 3, over 1m are expected to return to work, with a large number still working from home, however over 1m will still not be able to work.

- › The Director General – Health, is providing good updates:
 - a record number of tests and rolling weekly averages, there is ongoing targeted testing of health workers, at supermarkets and Māori communities etc
 - there is a possibility that things could be phased when moving from Alert Level 3 to Alert Level 2
 - legal and health related frameworks and individual interventions plans are being developed for Alert Level 2
 - consideration of the use of technology for tracking in Alert Level 2 is progressing.
- › Compulsory education is a mess.

TWoA

- › Wayne Ngata and Tim Fowler are continuing to work with TWoA's Chair and Deputy Chair to progress a draft agreement – they hope to have an initial draft ready to discuss with the Board on Thursday, 30 April 2020.

Universities New Zealand letter

The Board was emailed, and discussed, a copy of a letter Universities New Zealand sent to Minister Hipkins and other members of parliament, dated 23 April 2020 re: Mitigating the impact of Covid-19 on the university sector.

- › Tim Fowler has already discussed TEC's concerns regarding the letter with Derek McCormack, the Chair of Universities New Zealand, and he and Gillian Dudgeon will discuss it further with him on Friday, 24 April 2020.
- › The Board:
 - s9(2)(g)(i) [REDACTED]
 - acknowledged universities have concerns regarding their international students and the related revenue
 - wants to understand the role of Education New Zealand moving forward in supporting universities in relation to funding, international students etc
 - acknowledged that the universities all operate differently and that this letter wraps them all up as one, even though there are differences and the effects of COVID-19 will be different on them
 - s9(2)(g)(i) [REDACTED]

- discussed forming a view of what and how international education looks like post COVID-19 that supports the system and sector viability
- acknowledged potentially post COVID-19 vocational areas may benefit the most with the IST being closer to the areas that are most likely to need upskilling, and an area where universities are going to face contractions and rationalisation.
- › About six months ago, during the investment round, the Board discussed forming a better understanding of the differences between the universities e.g. the positives attributes of each organisation, the nuance etc, to date this has not happened.

Action item 200423/04.1: Tim Fowler is to discuss with Vivien Sutherland Bridgwater what could be covered in the ‘differences between the universities’ work.

Action item 200423/04.2: Tim Fowler and Gillian Dudgeon are to commission a ‘differences between the universities’ piece of work for the Board.

Action item 200423/3: Jenn Bestwick is to reach out to s9(2)(a) Education New Zealand to establish their current thinking.

Hostel fees

- › There is a lack of consistency across the country, amongst the organisations and hostel fees, some are invoicing even if the accommodation is not being used, other have made partial refunds etc, however we don’t have leverage across this.
- › We are concerned this could contribute to students withdrawing from programmes due to hardship; we are getting mixed messages regarding hardship.
- › Some hostels are contracted to third parties, so it is not the universities decision to keep charging.
- › We will continue to watch this area and provide advice where we can; this matter may end up before the Minister.

TEC staff

- › Staff are getting over the novelty of working from home – especially those with young families and school age children.
- › A ‘welfare survey’ will be sent to all staff on Friday, 24 April 2020, this should give robust evidence to wellness, rather than relying on anecdotal feedback.

5 Close

Jen Bestwick thanked everyone for their participation and closed the meeting at 4.50pm.

Signed as a true and correct record:

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

Chair

Date: 8 June 2020



Present

Jenn Bestwick (Chair)
Alastair MacCormick
Kirk Hope

Wayne Ngata
John Russell
Vivien Sutherland Bridgwater

Apologies

Nancy McConnell
Mat Pawley, Deputy Chief Executive – Information
John Soulis, Deputy Chief Executive – Corporate and Finance

In attendance

Tim Fowler, Chief Executive (CE)
Gillian Dudgeon, Deputy Chief Executive – Delivery
Paora Ammunson, Deputy Chief Executive – Learner Success – Ōritetanga
Ian Lee, Deputy Chief Executive – Strategy & Design
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. TEC200430/02

COVID-19 update

- › TEC is working through a variety of issues, both for the organisation and the sector, to prepare for the move from Alert Level 3 to Alert Level 2. Work focuses on contact tracing for Alert Level 2, especially for universities and IST.
- › Alert Level 2 effectively has all institutions open, however the guidelines for this, and in particular contact tracing, are not yet available, making it very difficult for institutions to plan.
- › We have told institutions that they don't have to open on the first day of Alert Level 2, they can work up to it once they have more information and are comfortable they can meet the requirements.
- › It is likely, most businesses' operating costs will be higher in Alert Level 2, as they won't be able to operate completely. Alert Level 2 is likely to have restrictions of gatherings of 100 people indoors and 500 people outdoors, and until contact tracing is operating well, strict social distancing rules. TEC has a planning session for Alert Level 2 scheduled with the sector on Tuesday, 5 May 2020.
- › Consideration will need to be given to institutions and their PCBU obligations for people in work based and work place training.
- › Work continues on the student accommodation issue:
 - Tim Fowler, Gillian Dudgeon and Andy Jackson, Ministry of Education (MoE) meet with representatives from the Students' Association the week commencing 27 April 2020 to discuss this and a number of other issues:
 - ~ the conversation highlighted the ongoing matter of lack of engagement between senior university management with the Students bodies at some universities
 - ~ student bodies have indicated a willingness to work with management to help with some of the solutions
 - ~ we are offering support to build bilateral relationships
 - the Minister has asked us to work with individual university and broker solutions where possible.

- › We continue to work with the Minister on agreeing a plan to accelerate RoVE.
- › TEC is reluctant to pay any SAC early without understanding modelling forecasts – we are pushing the universities for this information.
- › Some providers were vulnerable prior to COVID-19, we are starting to have conversations about who, and what, we want to support in the future.
- › The April 2020 single data return (SDR) closed on 29 April 2020. It is possible that it will be too early for COVID-19 impacts to be reflected in this data.
- › Institutions with agreed investment plans in place with TEC for 2020 are funded to the end of the year. If they have a revenue gap, it is important to identify the size of the gap and how it has developed e.g. covering other costs, loss of international student revenue etc, to help build the solution.
- › Most universities are predicting a loss for the year, however they are not short on cash and have multiple assets; some had huge capital expenditure planned for 2020, this may have to be deferred. They won't have a cash flow issue for 2020, however a long term loss of international student revenue could affect cash flow for 2021 and onwards.
- › Some universities are planning for the current and future situation better than others e.g. one is taking a very customer focused hands on approach as a way to keep their domestic students studying e.g. regular contacts, establishing hardship situations/fund etc; they are planning to put a paper to TEC about what they need to support their students.
- › NZQA:
 - is focusing on ensuring learners are not disadvantaged because of uncertainties around NCEA, some assessments can, others can't, be completed online
 - there is a risk that some students who will have missed, or not been able to participate in education, will not have acquired the knowledge through the academic process throughout the year, this may have a flow on affect for tertiary providers in future years

Action item 200430/02.1: – Paora Ammunson is to ask his team to reach out to NZQA to better understand the risks associated with NCEA uncertainty and the pathways to tertiary education.

- has approved Category 1 and 2 providers to deliver online courses to international students offshore, this may affect the viability of Category 3 providers who have a heavy reliant on international students, however Category 3 providers who are part of the IST could ask another Category 1 or 2 ITP to help them.

- › Education New Zealand (ENZ):
 - is severely impacted by the loss of international students in New Zealand
 - has been researching the evolution of the offerings and branding of the New Zealand system for international students, this work, more than ever, is extremely important
 - TEC is to continue working with ENZ as there are definite synergies to us to see them be successful.

Vivien Sutherland Bridgwater left the meeting due to technology issues.

- › Technology fund
 - the Minister is due to announce the \$20m Technology Fund for tertiary education on Saturday, 2 May 2020
 - TEC will have at least \$10m distributed to the sector by Tuesday, 6 May 2020
 - the allocation is based on feedback from institutions about vulnerable learners and is reimbursing initiatives they have already taken and/or strengthening capability in others
 - the money for the ITPs and ITOs is going to the IST and they will distributed it to their subsidiaries
 - the funds allows some support for the students to obtain devices and connections, it cannot be used by providers to set up courses.

3 Exemption from Industry Training Fund funding offsets for 2020

Minute No. TEC200430/03

The Board noted the 'Exemption from Industry Training Fund funding offsets for 2020 paper and recommendation:

- › the information gives effect to the decision not to make funding recoveries for 2020 there are some additional decisions to be taken which are specific to the way funding to Industry Training Organisations (ITOs) can be recovered

- › under existing delegations the Deputy Chief Executive Delivery has granted all ITOs an exemption from the under-achievement offset in 2020.

Resolved

The Board:

- › **approved** an exemption from the average duration offset for all ITOs in 2020
- › **approved** an exemption from the over-enrolment offset in 2020 for ITOs that can demonstrate a link to COVID-19 impacts.

4 Te Wānanga o Aoteroa (TWOA) update

Minute No. TEC200430/04

The Board noted Tim Fowler's TWOA email update, dated 29 April 2020 and provided guidance on progressing the stalled negotiations:

- › work on the draft agreement has been progressing, however it has stalled due to TEC requesting the inclusion of an Advisor to help provide assurance on the improvements in delivery
- › TWOA is comfortable appointing an Advisor to help build capacity in their executive leadership team, however, they feel adding in the clauses about an Advisor to help provide assurance on the improvements in delivery has come to the table late and is another way of doing an investigation, and shows mistrust, however this is not TEC's intention
- › it is important that TWOA is able to provide the evidence of delivery and TEC felt an Advisor doing this would help in many ways e.g. business development
- › rewording the clauses to include an Advisor, which could be one role with two components could maintain mana and be beneficial to both parties
- › an Advisor could be forward looking, help build capabilities in TWOA's executive leadership team, assist in providing assurances in the improvements in delivery around TARM and in the business development space, helping them build capability in many areas and enhance TEC's investment opportunities with them.

The Board asked Tim Fowler and Wayne Ngata to pursue the Advisor role, modifying terminology if required to make it mana enhancing.

Action item 200430/04.1: Tim Fowler and Wayne Ngata are to continue including an Advisor to provide assurances in the contract negotiations with TWoA.

5 Post COVID-19 Strategic Response workshops

Minute No. TEC200430/05

- › The first two workshops, for the Customer Cluster are scheduled for Monday, 4 May 2020.
- › The output from this work will be circulated on Wednesday, 6 May 2020 for discussion at the Thursday, 7 May 2020 Board conference call.

3 Close

Jen Bestwick thanked everyone for their participation and closed the meeting at 5.05pm.

Signed as a true and correct record:

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

Chair

Date: 8 June 2020



TEC

Board meeting minutes – via teleconference – Tuesday, 5 May 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
Ian Lee, Deputy Chief Executive – Strategy & Design
Mat Pawley, Deputy Chief Executive – Information
s9(2)(a), Executive Officer to the Board (EO)

Commissioners Only Session

Commissioners held a closed session at the end of the meeting.

Commissioners and Chief Executive Session

Not held.

Administration

1 Welcome and apologies

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

Update from Minister's meeting on Monday, 5 May 2020

Jenn Bestwick and Tim Fowler provided an update on the Chair's regular six monthly meeting with the Minister.

- › Reform of Vocational Education (RoVE) – the Minister:
 - is keen to see the RoVE programme accelerated, and has accepted TEC's recommendations on where this might/might not happen successfully e.g. establishment of Work Development Councils (WDCs), advancing the Centre of Vocational Excellence (CoVE) process etc
 - talked about handing a number of things and decisions processes to the TEC Board to aid the acceleration
 - discussed the effects of COVID-19 on IST and the need for flexibility
 - is interested in the effects of COVID-19 on international students and wants to understand what is needed for them to be part of New Zealand economic recovery in 2021, he noted some measures e.g. quarantine requirements etc, might be more of an issue for the IST than universities
- › The Minister
 - is thinking about careers and incentives to support those to complete apprenticeships and those who currently have or can take on apprentices
 - was pleased to see our work on PTEs and wants to keep a close eye on this.

2 Adoption of Board meeting minutes

Minute No. TEC200505/02

Resolved

The Board of Commissioners (the Board) **adopted** the minutes of the following Board meetings as true and correct records of those meetings:

- › 26 March 2020 Board teleconference
- › 2 April 2020 Board teleconference
- › 6 April 2020 Board meeting, via teleconference, with minor amendments
- › 9 April 2020 Board teleconference
- › 16 April 2020 Board teleconference.

3 Action items from previous meetings

Minute No. TEC200505/03

Action items and updates from previous meetings were noted.

- › Action item: 200406/06.1 – Chief Executive’s Report – correct spelling error, should be ‘Intueri’.
- › Action item: 200409/09.1 – Wayne Ngata has not had any contact with David Strong (RoVE) and no input into IST matters. Tim Fowler is to follow this up with David Strong.
- › Action item: 200303/15.1 – No reason to keep this action on hold any longer – Jenn Bestwick will contact Jeremy Morley and start the process for his joining the Audit, Risk and Compliance Committee.

4 Declaration of interests

Minute No. TEC200505/04

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

No updates were recorded during the meeting.

Action item 200505/04.1: Commissioners are to provide any updates to their declarations of interests to s9(2)(a) by email.

Strategy agenda/deep dives/guests

5 COVID-19 Medium and Long-term Strategic Response – verbal update

Minute No. TEC200505/05

- › The first two Cluster 1 – **Customer** – workshops were held on Monday, 4 May 2020. The team is going through the feedback and will issue an update on Wednesday, 6 May 2020 for discussion at the Board's Thursday, 7 May 2020 teleconference.
- › Key issues out of workshops:
 - success for Māori is going to look different depending on regions and Iwi, partnerships with Iwi and identifying pathways for the different regions is going to be critical
 - different groups of people are going to require different options for learning, institutions will need three things in this space:
 - ~ basic philosophical change (ethnicity and customer centricity as forefront of core business)
 - ~ support in terms of capability
 - ~ right incentives e.g. funding structure
 - discussed identifying/supporting winners and those well advanced in key areas e.g. online teaching
 - discussed relationships with the Minister and cross agencies to ensure whole of government response and procurement outcomes that are aligned with our strategy e.g. working with other agencies to ensure tertiary education outcomes and leveraged

› General discussion

- the Board noted that TEC had funded some equity research to be undertaken by AUT some time ago and that this might be relevant/useful to these conversations

Action item 200505/05.1: Paora Ammunson is to locate the AUT research and assess its relevance to the Board's current conversations.

- one goal is to support those already in the system to stay in the system, however there are problems when thinking about volume and scale as we do not yet know what is going to happen with big infrastructure projects and what they will do to support apprentices
- we are already seeing construction slow down and this is likely to continue, incentivising those with, or willing to take on, apprentices is critical, as is how we support apprentices who lose their apprenticeships
- incentivising group training schemes and micro credentials would also help in both the apprenticeship and higher level learning areas of construction as well – especially for target groups e.g. Māori/Pasifika, disadvantaged etc
- Gillian Dudgeon noted that:
 - ~ TEC and Ministry of Education (MoE) are doing a lot of work with government agencies, Māori Council, BCITO to around supporting apprentices to stay in work
 - ~ Group Training Schemes are a 'holding pen' where employers are able to use apprentices when they need them but can't employ them
 - ~ It is about getting the right people to the table at the right time, including Crown Construction, the Construction Sector Accord etc.

- › Work on Cluster 1 – **Customer** – is to continue while work on Cluster 2 – **System Responsiveness** – due to start the week commencing 11 May 2020. Appointments for workshops over the next couple of weeks will be sent out Tuesday/Wednesday, 5 and 6 May 2020. The process will follow the same path as the first workshop: pre-read, workshop, team provides summary of outcomes for wider Board feedback, before team drafts TEC position in the next stage.

Core business and project reporting

6 Chief Executive's report

Minute No. TEC200505/06

The Board noted the 'Chief Executive Report' plus the attached 'Finance Report as at March 2020' and 'Risk Register' reports.

s9(2)(a)

COVID-19 Update

- › The Prime Minister is expected to update the nation on Thursday, 7 May 2020, on what Alert Level 2 will look like, in advance of the proposed announcement, scheduled for Monday, 11 May 2020, on when we will move from Alert Level 3 to Alert Level 2.
- › Professor Philip Hill, a specialist in contact tracing, based in Christchurch, is providing advice to the Government in advance of any announcements.
- › We understand Alert Level 2 may be more relaxed than we first envisaged, however what this means for tertiary institutions is unclear as the rules around social distancing and large gatherings of people are still being worked on.
- › While TEC doesn't have a funding role with international students, their numbers affect the viability of institutions, for this reason, the Minister is comfortable us working with the sector in this area. We will need to be careful in how we do this and ensure we do not get ahead of Cabinet. Some things currently being discussed are:
 - the future of working visas during and after study are an open question post COVID-19 especially given the recession the economy is headed into
 - quarantining international students and where and how this might happen
 - New Zealand's being an attractive destination for international students, especially given our current situation.

- › TEC are working closely with the Ministry of Social Development (MSD) and other agencies to ensure our response to COVID-19 is aligned:
 - both organisations recognise that we have a role to play in New Zealand’s economic recovery and sharing data and working well together will help in many areas
 - the people consideration is extremely important and links more to lifelong learning – it is likely MSD will try to put people into jobs rather than think about careers and that people will want income immediately rather than worry about the long term and career planning
 - MSD is keen for TEC to be involved in the careers conversations so less people hit their books, and/or, are getting the right advice when they hit their books for the first time in the hope of getting them off their books with long term goals more quickly
 - resourcing in the careers planning space could be an issue
 - it is critical that we understand our role and scope in the new landscape moving forward – hopefully TEC’s current strategy work around equality and learner centricity will lead to better and stronger cross agency/partnership (Iwi, Workbridge etc) work to support our products for specific demographics.
- › The Minister wants us to be directive about supply and demand and matching courses/degrees to employer needs and employment. We will inform this work by: working across agencies, with the WDCs and Iwi, learning from past mistakes etc. We want to ensure people have the right pathways to meaningful employment and are able to earn a living wage.
- › TEC are supporting TEIs to manage their borrowing consent obligations in response to COVID-19, when we reach an agreement with someone we will record it in the Risk Register.

Action item 200505/06.1: Gillian Dudgeon is ensure agreements to operate outside current consent thresholds are recorded in the Risk Register.

Staff

- › ELT is well aware of its responsibility for staff wellbeing, especially more now than ever before. Some of our works includes:
 - **Domestic Violence Policy** – this policy is to be considered by the Audit, Risk and Compliance Committee at their Wednesday, 27 May 2020 meeting
 - **Communications** – we are being upfront with staff in communications and videos about staff wellbeing, stress and domestic violence and managers are keeping an eye out for any early warning signs, staff have acknowledged and appreciated the steps we are taking, especially around the stresses related to working from home

- **Wellbeing survey** – our recent wellbeing survey, conducted a few weeks into the COVID-19 lockdown, returned some positive results:
 - ~ 86 percent completion rate
 - ~ 81 percent of staff responded that they were managing workplace stressors well
 - ~ 67 percent of staff have indicated they would like to continue to work two or more days from home on an ongoing basis after lockdown.

Action item 200505/06.2: Tim Fowler is to circulate a summary of the staff wellbeing survey results to the Board.

Board Finance report as at March 2020

- › John Soulis overviewed key points from the March 2020 Finance Report:
 - we are looking at a reduced deficit of \$1.1m as opposed to \$4m in the budget due to lower:
 - ~ core expenses (travel, recruitment and training costs) during the COVID-19 lockdown period
 - ~ committed programmes (Reform of Vocational Education and the Vocational Education and Training marketing campaign)
 - ~ programme initiatives – delays in Careers projects and the operating underspend from the Funds Management Project
 - capital spend has come down to \$4m after reclassifying capital costs to operating expenditure following an asset review
 - we achieved at 97 percent payment of invoices on time and within 10 working days – this is greater than the SSC target
 - we are expecting to hear something from Cabinet on Monday, 11 May 2020 regarding the \$1.2b technical funding issue that has risen out of guaranteeing institutions their funding for the 2020 year.
- › Sensitive, Board and Chief Executive Expenses
The Board noted the Sensitive, Board and Chief Executive Expenses as at March 2020.

Resolved

The Board Chair:

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

The Chair of the Audit, Risk and Compliance Committee

approved the Board Chair's expenses for March 2020.

Risk Register

- › TEC are comfortable with Lincoln University sitting at 'moderate' they have a strong balance sheet and are now making sensible prudent decisions on the way forward. The Monitoring and Crown Ownership team has been working very closely with them on scenario building.

7 Te Wānanga o Aoteroa (TWOA) update

Minute No. TEC200505/7

- › We are making good progress. TWOA is not yet happy with the wording around advisor/s and we continuing to work on it with them. Everything else is largely settled.
- › Once the agreement is finalised and approved we will discuss and agree the way forward regarding communication, careful consideration needs to be given to any potential OIA and proactive release requirements.

Jenn Bestwick thanked Wayne Ngata, Tim Fowler and others involved for their very hard work on this matter.

8 Reform of Vocational Education (RoVE) – Programme Update

Minute No. TEC200505/8

The Board noted the 'Reform of Vocational Education (RoVE) – Programme Update' for April 2020.

- › We have the direction and tools from the Minister to accelerate RoVE Programme initiatives where possible e.g. appointment of interim establishment boards for WDCs etc. This will be discussed at the RoVE Programme Board meeting on Tuesday, 6 April 2020.
- › Some other things we are focusing on are: conversations about apprentices, pathways for learners, opportunities to run collaborative pieces of work for ITOs, ITS and industry etc.
- › We have given a clear direction to IST that the 'learner' needs to be the centre of everything they do.
- › TEC had a positive meeting with ITO Chief Executives recently and are including them in ongoing work e.g. how to remove barriers from micro credentials and how to support learners and employers through the current environment.

- › Work has commenced with EY on the operational design blueprint:
 - this work is aimed at operationalising all the agreed policies and policy changes and ensure everything connects up, turning vision and concepts into operation
 - there is a risk, with the programme spanning a number of years, for divergent to creep in over time, this document will be the blue print of what we set out to do and enable reality checks along the way
 - EY is being used as they are a fresh set of eyes.
- › The right level of autonomy is important in various institutions, the IST will be a monopoly provider, we will need to be careful about the levers and mandates they have and ensure the balance between autonomy and accountability is right; however the Board noted autonomy is something you get once you have proven ability, the IST's first step towards this will be their investment plan for 2021.

Action item 200505/08.1: Tim Fowler is to remind David Strong to reach out to Wayne Ngata – see action item 200309/9/1.

Action Item 200505/8.2 Tim Fowler and Gillian Dudgeon are to point out to David Strong that the RoVE Programme Board papers don't show any strong link to learners and employers.

9 Approval of recovery repayment plans for New Zealand School of Education and Skills Update

Minute No. TEC200505/9

The Board noted the 'Approval of recovery repayment plans for New Zealand Schools of Education and Skills Update' paper dated 4 May 2020.

Resolved

The Board resolved to:

- › **approve** six-month repayment plans for New Zealand School of Education and Skills Update Limited.

10 Overview of work on the impact of COVID-19 on private training establishments

Minute No. TEC200505/10

The Board noted the 'Overview of work on the impact of COVID-19 on private training establishments memo' dated 5 May 2020.

- › This work is in response to a request from the Board on information on the extent to which private training establishment (PTE) viability may be impacted by COVID-19 and the levers we might have available to support any that we identify as essential for the sector.
- › The paper provide an overview of our work to date which has focussed on:
 - PTEs that are most likely at risk of failure due to the impact of COVID-19
 - analysis of potential risks to the TEC's funded network of provision in the event of PTE failures
 - work undertaken to prepare for managing PTE closures when they occur.
- › The Board noted we will need to work with PTEs early to ensure we have a good process in place and understand who is doing what and what support has been put in for students to complete their qualifications.

11 General business

Technology for students

- › The Minister announced \$20m in funding for technology for disadvantaged/vulnerable learners on Saturday, 2 May 2020.
- › We have requested information from 200 institutions regarding disadvantaged/vulnerable learners, others can apply for funds via our website.
- › We are scheduled to pay out \$10m to providers on Wednesday, 6 May 2020, this will either reimburse what they have already bought and provided to disadvantaged/vulnerable learners and/or enable them to provide more.
- › Providers can use the funds to provide devices, connections, training for how to use the equipment, but cannot use the funding to implement online courses.
- › The devices remain the property of the provider and must be returned when no longer needed.

Flexible funding – s9(2)(b)(ii) g

- › MoE is getting work underway in enable TEC to use the SAC funding in a more flexible ways than we can currently.

TEC Board meetings moving forward and Board Committees

- › Jenn Bestwick suggested that following a move to Alert Level 2, and once the COVID-19 Strategic Response work is completed, late May/early June 2020, we could:
 - › move to fortnightly update teleconference calls
 - › maintain our regular monthly board meetings, via teleconference until further notice
 - › discuss/agree our Board Committees, which was deferred in February 2020 pending our strategic planning work, which has been superseded and rolled into the COVID-10 Strategic Response work.

Action Item 200506/11.3 Jenn Bestwick, Tim Fowler and s9(2)(a) are to discuss/develop a revised Board meeting schedule for Board fortnightly updates and monthly meetings.

Alert Level 2 for TEC Staff

- › TEC is looking at various scenarios on how to roll back into work. We are tending to be one level more conservative that we need to be – works well with staff.
- › Once in Alert Level 2, the office will open for staff and visitors, however we are waiting to hear the rules on social distancing before understanding what this looks like for us.
- › One key issue is public transport, we have a large number of staff who live in the Wairarapa or Kapiti Coast – these people will be offered the opportunity to work from home.
- › Tim Fowler will do a video for staff following the Prime Minister’s announcement on Thursday, 7 May 2020.

The Chair thanked everyone for their participation and closed the meeting at 11.54am.

Signed as a true and correct record:



Chair

Date: 8 June 2020

Present

Jenn Bestwick (Chair)
Alastair MacCormick
Kirk Hope
Nancy McConnell

Wayne Ngata
John Russell
Vivien Sutherland Bridgwater

Apologies

Mat Pawley, Deputy Chief Executive – Information
John Soulis, Deputy Chief Executive – Corporate and Finance

In attendance

Tim Fowler, Chief Executive
Gillian Dudgeon, Deputy Chief Executive – Delivery
Paora Ammunson, Deputy Chief Executive – Ōritetanga - Learner Success
Ian Lee, Deputy Chief Executive – Strategy & Design
Kirsten Ralph, Manager – Strategy and Evaluation, Strategy & Design (Items 1-3)
s9(2)(a) Executive Officer to the Board

1 Welcome

Jenn Bestwick welcomed everyone and declared the meeting open.

2 Vote Tertiary Education Budget 2020 – Budget Sensitive

Minute No. TEC200507/02

The Board noted the Late Paper – ‘Vote Tertiary Education Budget 2020 – Budget Sensitive’ paper circulated by email to the Board immediately prior to the meeting.

Tim Fowler provided an update on, and the Board discussed, what Ministers had agreed would be funded through Vote Tertiary Education Budget 2020. As this was ‘budget sensitive’ this discussion was not minuted. ■

3 COVID-19 Strategic Response – Equity and Learner-Centricity Workshop Update

Minute No. TEC200507/03

The Board noted the ‘COVID-19 Strategic Response – Equity and Learner-Centricity Workshop Update’ paper dated 7 May 2020.

Ian Lee overviewed the purpose of the update and scheduled discussion, saying this process would be followed for each of the workshops, (which include Board members, TEC staff and representatives from both the Ministry of Education (MoE) and New Zealand Qualifications Authority (NZQA)), scheduled to discuss the six key topics identified under the three main headings of Customer, Levers and System and Responsiveness.

He noted that it is likely that workshop discussions will overlap other workshop topics and where appropriate this information would be parked and picked up by the relevant workshop.

The plan is to:

- › discuss the summary update from the COVID-19 Strategic Response Equity and Learner Centricity workshop
- › give Board member participants the opportunity to confirm we have captured and synthesised the essence of the discussion correctly and to add any additional feedback
- › invite remaining Board members to provide comment on the summary and provide any additional comments
- › once the workshops are complete – these summaries and their feedback will be used to develop TEC’s position and next steps on each topic and main heading.

General discussion

- › The summary provides a strong direction and aligns with where TEC has been tracking – more humanistic and less focus on EFTS and volume.
- › Focusing on the learner and putting them in control of their learning is critical and a key to success going forward, however we need to ensure we use the right words to signal our intent – phrases like ‘on their own terms’ are a concern and did not clearly articulate the working groups intent, which was to personalise delivery that is culturally affirming.
- › Discussion focused on areas of culturally affirming work that Wayne Ngata and Paora Ammunson are involved in with Te Taumata Aronui, Te Taihu o Ngā Wānanga, Mātauranga Māori and Te Kahui Amokura.
- › The Oritetanga – Learner Success Directorate are preparing a white paper for the Board on their work, which brings together and captures a lot of the items raised during the workshop and Board feedback discussion e.g. equity minded learner centred and cultural learning etc.
- › The Board noted Oritetanga – Learner Success team members, and other Directorate team members are working closely with the – Strategy and Evaluation team on some of the COVID-19 Strategy workshop work.
- › Capability building is important – providers have to be responsive and prepared to have a mind shift, we need to provide incentives and clear signals of what we want; we will need to be strong, and partner, champion and invest but also be prepared to penalise if providers won’t move.
- › The Board has previously talked about having a repository of knowledge e.g. a ‘Reference or Knowledge base, however this has not been progressed.

Action item 200507/03.1: – Paora Ammunson is to test the idea of a Knowledge base the Board can access with his team.

- › When thinking about equity and learner centricity, it is about the student that finds it challenging, not the average student and the A+ student, let’s make sure we keep it deep as well as wide. The global environment in which we operate and our learners are going out into needs to be reflected.

Ian Lee said a further 10 workshop meetings were/or being scheduled to work through all the topics, once these were complete and discussed with the Board his team would commence work on developing TEC’s position.

Kirsten Ralph left the meeting.

4 Approval of recovery repayment plans for Whitireia Community Polytechnic and Wellington Institute of Technology

Minute No. TEC200507/04

The Board noted the 'Approval of recovery repayment plans for Whitireia Community Polytechnic and Wellington Institute of Technology' paper dated 6 May 2020.

- › The Board noted that these organisations are now part of the New Zealand Skill and Technology (NZIST), however we are still working with them directly for the 2020 recovery repayment plans and that any repayment recoveries would go through NZIST from 2021 onwards.

Resolved

The Board approved six-month repayment plans for Whitireia Community Polytechnic Limited and Wellington Institute of Technology Limited.

5 General business

Minute No. TEC200507/05

5.1 Reform of Vocational Education (RoVE)


- › Jenn Bestwick noted that Murray Strong, Chair of NZIST asked for his appreciation and thanks to be noted and passed on to Tim Fowler, Gillian Dudgeon, Luke Howard, s9(2)(a) and the TEC team for their effort and ongoing support to the RoVE team.
- › The decision on where the NZIST head office will be located has been put on hold during the COVID-19 pandemic.

5.2 s9(2)(a)

5 Close

Jen Bestwick thanked everyone for their participation and closed the meeting at 5.02pm.

Signed as a true and correct record:


_____ Chair

Date: 7/7/20



Emailed

Jenn Bestwick (Chair)
Alastair MacCormick
John Russell
Kirk Hope

Nancy McConnell
Vivien Sutherland Bridgwater
Wayne Ngata

Budget Sensitive – Hardship Fund for Learners – funding delegation

Minute No. TEC20514/1

The Board noted the 'Hardship Fund for Learners – delegation of authority' paper dated 14 May 2020.

1. The Minister is expected to announce this initiative as part of Budget on Thursday, 14 May 2020, and is expecting that TEC will allocate funding to TEOs as soon as possible (by the end of this month – May 2020).
2. The funding process requires TEC to send an indicative allocation letter to each TEO advising them of the amount of funding we are proposing to provide. TEOs then need to respond, accepting (either the whole/or in part amount) or declining funding. We then need to load payments into our finance system by midday Tuesday, 26 May 2020.
3. The funding delegation needs to be in order to send those indicative allocation letters. Waiting until the next Board teleconference meeting, scheduled for Thursday, 21 May 2020, will cause significant delays leaving TEOs only 2-3 working days to consider the offer and get back to us; if we are going to be able to make payments on the following Wednesday, 27 May 2020.

4. Given that this is Budget sensitive, TEOs will have no warning of this funding, and will need to take time to consider whether they need or will be able to actually utilise the funding so we'd like to give them as much time as possible to make an informed decision.

Resolved

The Board resolved to:

- › ***delegate*** funding decisions for the Hardship Fund for Learners to TEC's Chief Executive and Deputy Chief Executive, Delivery; and
- › ***note*** that we will add this delegation to our delegations policy.

Chair:  Date: 2/11/20



Emailed

Jenn Bestwick (Chair)
Alastair MacCormick
John Russell
Kirk Hope

Nancy McConnell
Vivien Sutherland Bridgwater
Wayne Ngata

He Kupu Whakatau: an agreement between TEC and Te Wānanga o Aotearoa

Minute No. TEC200515/1

The Board noted the 'He Kupu Whakatau: an agreement between TEC and Te Wānanga o Aotearoa' out of cycle paper.

1. He Kupu Whakatau (Te Kupu) was negotiated between TEC (primarily represented by Wayne Ngata and Tim Fowler) and TWA (primarily represented by Bryan Hemi (Chair) and Vanessa Epairama (Deputy Chair)). TWA's full council has endorsed the agreement, as have the TEC's Chair and Commissioner Ngata. Buddle Findlay engaged in the drafting of Te Kupu to provide legal assurance for TEC.
2. Following the agreement of Te Kupu, TEC and TWA will announce the signing of the agreement in a joint proactive statement to be published on both TEC's and TWA's websites. The statement will primarily focus on the refreshed partnership between the two parties and the commitment to boosting te reo Māori provision and supporting Māori achievement. However, in the interests of transparency, the statement will also need to note that an investigation was commenced, but has been closed off since issues have been resolved via Te Kupu. A joint communications plan is being developed in partnership with TWA.

3. Ministers have been kept updated as negotiations on Te Kupu have progressed, and we will keep their offices updated ahead of any announcement.

Resolved

The Board resolved to:

- › **approve** the *He Kupu Whakatau* agreement between the Tertiary Education Commission and Te Wānanga o Aotearoa
- › **note** that the Chair will sign the agreement on TEC's behalf, and a joint statement announcing the agreement will be published on TEC and TWOA's respective websites.

Chair: _____



Date: _____

2/11/20



Board Teleconference Minutes –Thursday, 21 May 2020

Present

Jenn Bestwick (Chair)
Alastair MacCormick
Kirk Hope
Nancy McConnell

Wayne Ngata
John Russell
Vivien Sutherland Bridgwater

Apologies

Mat Pawley, Deputy Chief Executive – Information
John Soulis, Deputy Chief Executive – Corporate and Finance
Paora Ammunson, Deputy Chief Executive – Ōritetanga - Learner Success

In attendance

Tim Fowler, Chief Executive
Gillian Dudgeon, Deputy Chief Executive – Delivery
Ian Lee, Deputy Chief Executive – Strategy & Design
Kirsten Ralph, Manager – Strategy and Evaluation, Strategy & Design (Items 1-3)
s9(2)(a) Executive Officer to the Board

1 Welcome

Jenn Bestwick welcomed everyone and declared the meeting open.

2 COVID-19 Strategic Response Workshops Update

Minute No. TEC200521/02

Jenn Bestwick thanked Kirsten Ralph and the Strategy and Evaluation team for all their work on COVID-19 Strategic Response workshops.

Ian Lee summarised the COVID-19 Strategic Response workshops held/scheduled and the status of Board updates:

- › Equity and Learner Centricity – workshops completed and update discussed with the Board on 7 May 2020
- › Skills and employability – workshops completed – update circulated for discussion at this (21 May 2020) meeting
- › System Responsiveness – workshops completed – update circulated for discussion at this (21 May 2020) meeting
- › Funding and Careers – workshops underway – update scheduled for Thursday, 4 June 2020
- › Network of provision – workshops underway – update scheduled for Thursday, 4 June 2020
- › Growth and Innovation – workshops scheduled – update scheduled for Thursday, 4 June 2020.

He then invited the Board to discuss the summary updates from the COVID-19 Strategic Response Skills and Employability, and System Responsiveness workshops:

- › giving Board member participants the opportunity to confirm we had captured and synthesised the essence of the discussions correctly and to add any additional feedback, and
- › inviting remaining Board members to provide comment on the summaries and provide additional comments.

Skills and Employability update

Workshop participants felt this was a good summary that captured the main elements of the discussions.

General discussion from the update meeting summary

- › What can we do to upskill employers to engage in the things they need to do?
- › Currently our system is set up to deliver qualifications – we need to be flexible and responsive to delivering skills.
- › There is the possibility that we have a ‘cluster of excellence’ in our employer base and other parts that aren’t so good – this may provide us a group to initially work with.

- › Work based training is significantly undervalued and under-recognised and not reflected in the system; work based training and skills that don't require qualifications are more common in the areas high in job losses from COVID-19 e.g. tourism, hospitality. Often the value in this training is based in terms of the customer.
- › The importance of those delivering the training being at the coal face – too often we have people paying for training and when they are finished they don't have the skills the employer wants.
- › What can we do to help employers, now and in the future, through their issues to support their workforce rather than just what we provide for learners?
- › All of the COVID-19 Strategic Response work is based on the assumption that COVID-19 has been dramatic on the economy and affects all companies, no matter their size.
- › Recognising that tertiary education might not be the most important thing during our economic recovery from COVID-19.
- › Kirsten Ralph noted the specific feedback on the third bullet on 'What does good look like' and will expand this thinking to include capability where we see workforce demand.

System Responsiveness update

Workshop participants felt this was a good summary that captured the main elements of the discussions, which were narrowed down to key things that we should be targeting in terms of leavers, e.g. investment round – having the ability to, and how we positively, incentivise instead of negatively incentivise, and being able to do this outside of EFTs.

General discussion from the update meeting summary

- › Much of the discussion focussed on the university sector, however, even though they get two thirds of our funding, we don't have a full understanding of that sector.
- › Universities are independent of each other at the teaching and training level, however many work together at a research level. There is a lack of focus at a national level on the provision of teaching and training.
- › It is important for us to understand what, and how, each university does what it does.

› s9(2)(g)(i)

- › Working with specific universities showing a willingness to be part of the economy recovery is important. We need to establish what we, and they, are trying to achieve, what we can do to help them, what is getting in the way of them contributing to the economy recovery, how we can support them to achieve their goals, etc.
- › Establishing a collaborative relationship with the New Zealand Institute of Skills and Technology (NZIST), and others, telling them what we are wanting to achieve e.g. a change of behaviour in relation to the network and provision of qualifications would be helpful.

Action item 200521/02.1: – Tim Fowler is to develop an approach to better understand and engage with the university system and circulate this to Jenn Bestwick, Alastair MacCormick and Vivien Sutherland Bridgwater for their feedback.

Kirsten Ralph left the meeting.

3 COVID-19 response: Decisions on the investment round for 2021 plans and funding

Minute No. TEC200521/03

The Board noted the 'COVID-19 response: Decisions on the investment round for 2021 plans and funding' paper dated 21 May 2020.

Gillian Dudgeon overviewed the purpose of the paper:

- › post budget we have sufficient money to run the investment round and give assurance to the sector
- › we propose to do a piece of work scheduling the right things post COVID-19, but don't want to squeeze TEOs to do their plans, so want to go communicate the story so they understand our process
- › this mean we are requesting flexibility from the Board in October/November 2020, possibly requiring a mid-month meeting to sign off approvals
- › this year is about making the sector solid and comfortable – but signalling changes for the next round.

General discussion

- › The proposed process, to provide an indicative allocation based on our usual methodology for most TEOs, is what we have done in the past. Identifying and engaging with TEOs with significant actual or expected reductions in enrolments and making adjustments

based on what we know about COVID-19 impacts is proactive. Working with them early, and the revised Plan engagement process will allow us to discuss a realistic final allocation for 2021 with these TEOs.

- › Work in relation to micro credentials has started – this will be part of the conditions of funding viz micro-credentials
- › The 2020 budget allocation has allayed our concerns over the commitment the Minister made to organisations regarding their 2020 funding, due to COVID-19 and provided flexibility moving forward.
- › The Board noted the need to carefully manage our own resources as we implement this investment round while also managing the impact of COVID-19 on learners and TEOs, accelerating the Reform of Vocational Education (RoVE), implementing Budget 2020, and prepare for the upcoming publication of a new TES.

Resolved

The Board resolved to:

- › **note** the disruption to our annual investment round caused by the impact of COVID-19
- › **approve** using the flexibility we have within our normal investment process to make the changes to approach in Appendix 1 of the ‘COVID-19 response: Decisions on the investment round for 2021 plans and funding’ paper dated 21 May 2020, which will allow us to manage these disruptions
- › **approve** the proposed adjustments to the timing of key milestones in the Plan process in Appendix 2 of the ‘COVID-19 response: Decisions on the investment round for 2021 plans and funding’ paper dated 21 May 2020, which includes rescheduling indicative allocations, provisioning of plan templates, and supplementary plan guidance from 1 June 2020 to 29 June 2020 to ensure they respond to COVID-19 impacts
- › **note** the proposed approach of early communication and focusing our engagements with tertiary education organisations (TEOs), on two groups:
 - TEOs that are experiencing the biggest challenges to their delivery models and business continuity, and
 - TEOs that can help ensure that the expected increase in enrolments provides the labour market with the right skills and equips vulnerable learners, including among Māori and Pacific people, with new skills and opportunity to engage in the employment market
- › **note** the need to carefully direct our own resources as we implement this investment round while also managing the impact of COVID-19 on learners and TEOs, accelerating the Reform of Vocational Education (ROVE), implementing Budget 2020, and prepare for the upcoming publication of a new TES.

4 Reinstating learners' fees-free entitlements – delegation of power

Minute No. TEC2005021/04

The Board noted the 'Reinstating learners' fees-free entitlements – delegation of power' paper dated 21 May 2020.

Resolved

The Board resolved to:

- › *note that the fees-free delegation is being updated to specify situations in which we can reinstate learner's fees-free entitlements where study or training has been impacted due to COVID-19*
- › *delegate funding decisions associated with reinstating learners' fees-free entitlements to TEC's Chief Executive or Deputy Chief Executive, Delivery*
- › *note that we will add this delegation to our delegations policy.*

5 Chief Executive Update

Minute No. TEC2005021/05

COVID-19 Update

- › We are reaching another milestone – government agencies are beginning to return to normal structures after they stood up in March 2020 to help with the COVID-19 response.
- › It is anticipated that changes will continue to be made in Alert Level 2 e.g. more freedoms and enlarged gatherings and group sizes etc, and that we will move to Alert Level 1 in two-three weeks.
- › Level 1 may see a reduction in requirements for social distancing and reduced rules for air and public transport
 - currently those running large lectures/classes are except from group numbers restrictions with requirements, this is making it difficult and many are holding off until the requirements are reduced
 - we will also need to consider the potential for high levels of anxieties affecting the number of those returning to lectures/classes.
- › Border controls will be considered as a separate issue.

- › If we continue to have low or zero cases the pressure will go on the government to move to Level 1 quickly, especially if the border remains closed. It is a very delicate balance – the shift between a purely health related process towards a much greater focus on economy will become acute if we see more large numbers of jobs losses.
- › TEC is doing some work on scenarios, including the economics, to open the border for international education. This will be a government driven, not sector driven, decision and is likely to have heavy quarantine requirements. It is unlikely to have international education started before February/March 2021, however if we are looking at a long quarantine, that part will need to start a lot earlier than February/March 2021.
- › We need to have steps in place for existing international students who couldn't get here this year e.g. summer school etc.
- › TEC is meeting each individual university and their CFO to gain better insight as to how they are going to approach things going forward, particularly in relation to international students and the potential loss of revenue.
- › The new NZIST is getting organised – they still only have a small number of people in head office, which will be located in Hamilton. We are seeing evidence of them starting to work as one instead of 16 different organisations. We continue to work with them very closely.

6 Chief Executives' group on Employment Initiatives

Minute No. TEC200521/06

The Board noted the letter from Peter Hughes to Debbie Power - cc Tim Fowler - re Chief executives' group on Employment Initiatives dated 21 May 2020 which was emailed to the Board during the meeting.

- › The Future of Work and Employment Ministers group, six different Ministers, involved in employment portfolios have been rethinking how they want to approach their activities post COVID-19.
- › As a result, SSC has established a 'Chief Executives' group on Employment Initiatives'; this group is to be led by Debbie Power – Ministry of Social Development and includes: Iona Holsted – Ministry of Education, Carolyn Tremain – Ministry of Business, Innovation, and Employment and Tim Fowler.
- › The letter circulated during the meeting sets out the process and work required from this group.

7 General business

Minute No. TEC200521/07

7.1 Economic CEs Meeting

Reform of Vocational Education (RoVE) was a top topic at a recent Economic CEs meeting. This underpins the need to accelerate RoVE and puts our work more centrally in the economic recovery picture.

7.2 Reform of Vocational Education (RoVE)

- › Progress has been made on the Workforce Development Councils (WDC) with some excellent support from TEC.
- › A 'deep dive' on the work needed to accelerate RoVE – particular the WDCs, was held during the RoVE Programme Board meeting on Tuesday, 19 May 2020. The Minister has delegated the authority to establish the WDCs interim establishment board to Tim Fowler, who is comfortable with progress and process following the deep dive.
- › The NZIST will get to choose where the WDCs are located, TEC can make suggestions, but cannot control this. We will encourage them to share resources where practical.

Action item 200521/05.2.1: – Gillian Dudgeon and s9(2)(a) are to note a deep dive on the WDCs and their implications for future investment rounds is to be included on the July 2020 Board meeting agenda.

7.3 Te Wānanga o Aotearoa (TWOA)

- › Tim Fowler updated the Minister on the TWOA agreement; he is comfortable with the agreement and next steps.
- › Paora Ammunson is to planning to brief Minister Davis on the agreement.
- › We are currently developing the communications for both organisations' websites – these will be passed by the Minister before they are released.
- › TEC plans to capture the learnings from this issue to help prevent them happening again.

7.4 Audit, Risk and Compliance Committee

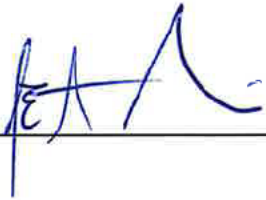
Jeremy Morley was happy to be appointed as a 'non-commission Committee member' to the Audit, Risk and Compliance Committee. However he still does some work for PwC and they are risk adverse, so they have suggested he provides his support

as an independent consultant rather than as governance appointment. We are working on the paper work to finalise this now, it is expected Jeremy will join the Audit, Risk and Compliance Committee meeting scheduled for Wednesday, 27 May 2020.

8 Close

Jen Bestwick thanked everyone for their participation and closed the full meeting at 5.02pm, the Board proceeded with a Board only time which was not minuted.

Signed as a true and correct record:



Chair

Date: 7/7/20

Board Teleconference Minutes –Thursday, 4 June 2020

Present

Jenn Bestwick (Chair)
Alastair MacCormick
Kirk Hope

Nancy McConnell
John Russell
Vivien Sutherland Bridgwater

Apologies

Wayne Ngata, Commissioner
Gillian Dudgeon, Deputy Chief Executive – Delivery
John Soulis, Deputy Chief Executive – Corporate and Finance
Mat Pawley, Deputy Chief Executive – Information

In attendance

Tim Fowler, Chief Executive
Ian Lee, Deputy Chief Executive – Strategy & Design
Paora Ammunson, Deputy Chief Executive – Ōritetanga - Learner Success (part meeting)
Kirsten Ralph, Manager – Strategy and Evaluation, Strategy & Design (Item 1-2)
s9(2)(a) Executive Officer to the Board

1 Welcome

Jenn Bestwick welcomed everyone and declared the meeting open.

2 COVID-19 Strategic Response Workshops Update

Minute No. TEC200604/2

Ian Lee invited the Board to discuss the summary updates from the COVID-19 Strategic Response Funding and Careers, and Network of provision workshops:

- › giving Board member participants the opportunity to confirm we had captured and synthesised the essence of the discussions correctly and to add any additional feedback, and
- › inviting remaining Board members to provide comment on the summaries and provide additional comments.

Funding and Careers update

Workshop participants felt this was an extremely good and accurate summary that captured the main elements of the discussions well.

General discussion from the update meeting summary

- › A great capture that will help us hold ourselves to account.
- › The emerging plan, from all the workshops, is very big and will take time to build and implement. Working out what is achievable, how and when, is paramount. Prioritisation is critical – especially in the current climate.
- › Expanding our ‘careers’ mandate and how this might happen
 - when Careers New Zealand merged with TEC in 2017, we received a Minister directive to stop providing careers advice/guidance
 - we have provided the Minister with a briefing paper as to how TEC might assist with careers advice/guidance work in the current environment, with a request to change that mandate
 - if approved, we will partner with CDANZ to provide this service, we may also have the opportunity to tap into Māori/Pasifika networks
 - our approach would be multi-channelled e.g. call centres websites, print material etc across agencies.

Network of provision update

Workshop participants felt this was a good summary, but that it could be ‘sharpened in some areas’ and that it was missing some key points of the discussions.

General discussion from the update meeting summary

- › We need to strengthen the information relating to feedback loops from customers and aligning EPIs.
- › The Minister is encouraging TEC to be more directive and active in the vocational degree space.
- › Problem statement 3 – ‘TEC is not making optimal use of its levers, relationships, and data to shape a collaborative and coordinated network of provision that is resilient, relevant and needs based’ is accurate – we have the opportunity to change behaviours.

Next steps

- › There is one last workshop update to be completed and discussed on Thursday, 18 June 2020.
- › Ian Lee will provide an updated overview of next steps at the Board meeting on Monday, 8 June 2020, it will include the process for a cross section of subject matter experts developing a range of recommendations across the six streams for Board consideration at the 6 July 2020 Board meeting.

3 International student numbers

Minute No. TEC200604/3

The Board noted the ‘Modelling Individual Australian Universities Resilience in Managing Overseas Student Revenue Losses from the COVID-19 Pandemic’ article written by Ian Marshman and Frank Larkins – University of Melbourne (published online) emailed to them prior to the update meeting.

- › This article makes for scary reading – we are lucky New Zealand doesn’t have the same market share and hasn’t been as reliant on international student revenue as long as Australia has been i.e. five years vs 15 years.
- › All our universities planned growth budgets for 2020 based on increased international student revenue, we are working with them to see what this looks like now.

- › Tim Fowler has requested the Monitoring and Crown Ownership team do some similar research based on New Zealand universities, scenario and numbers.
- › The Minister has a Cabinet paper on the proposed rebuilding of the international student market.
- › Education New Zealand are the marketing arm of this work, however they are limited as to what they can do at the moment.

Action item 200604/03.1: Tim Fowler is to provide a copy of the Cabinet paper on the proposed rebuilding of the international student market to the Board.

Kirsten Ralph left the meeting.

4 Ombudsman investigation into Fees Free processes

Minute No. TEC200604/4

The Board noted the ‘Ombudsman investigation into Fees Free processes’ paper dated 4 June 2020.

Tim Fowler overviewed the ‘Ombudsman investigation into Fees Free processes’ paper and sought the Board’s feedback on TEC’s proposed approach.

- › The Fees Free process was set up in a six week period at the end of 2017. At that time, it was decided that using a ‘statutory declaration’ was the best way to collect data in relation to whether a learner was eligible for Fees Free or not.
- › There are several steps in the eligibility process including a number for rights of appeal and complains. The Ombudsman is the primary external appeal body through which learners can appeal TEC’s decision if they are unhappy with the outcome of other appeals.
- › The Ombudsman has released his final opinion on two investigations, s9(2)(g)(i)
- › s9(2)(a)
- › s9(2)(a), 9(2)(b)(ii)

- › These situations would not have arisen had the learners not submitted false statutory declaration, however if our process was more timely they may have been eligible to apply/qualify for a student loan in the relevant study year – s9(2)(a)
- › We propose to acknowledge there are parts of the review process we could have done better, as well as offering s9(2)(a) in the relevant study
- › There are risks, the Ombudsman can take this further if he doesn't accept our proposal.
- › Buddle Findlay, TEC's legal advisors, support our approach and proposal, as does s9(2)(a) Specialist Ministerial Advisor. We plan to discuss this matter with Minister on Monday, 8 June 2020 before responding to the Ombudsman.

General discussion

- › Doing a review will allow us to recalibrate and ensure our process is fit for purpose.
- › We do not know how many more cases, similar to this, there are, however the Ombudsman has said there are more. Considering the overall numbers in Fees Free – it won't be big.

The Board supported TEC's proposed approach outlined in paragraphs 18-23 of the 'Ombudsman investigation into Fees Free processes' paper dated 4 June 2020.

Action item 200604/04.1: Tim Fowler is to update the Board on next steps after his discussion with Minister on Monday, 8 June 2020.

5 Support funding for Group Training Schemes – delegation of authority

Minute No. TEC200604/5

The Board noted the ‘Support funding for Group Training Schemes – delegation of power’ paper dated 4 June 2020.

The Board noted that this delegation would be added to the Delegations Policy.

Resolved

The Board resolved to delegate funding decisions for the use of funding to support Group Training Schemes to TEC’s Chief Executive and Deputy Chief Executive, Delivery.

6 Chief Executive Update

Minute No. TEC200604/6

COVID-19 Update

- › The Executive Leadership Team and Corporate and Finance team are doing some work in preparation for moving to Alert Level 1 very soon.
- › Under Alert Level 1 all staff will be able to come back into the office, and go about their day-to-day work without restrictions e.g. domestic travel etc.
- › We are looking at ways to continue with flexible working arrangements for those that want them, while still maintaining good culture, social and work continuity – some HR policies will be reviewed as a result of this.
- › It is anticipated that any potential cost savings with people working from home, e.g. potential lease reductions etc, would be eaten up in increased technology costs.

Vivien Sutherland Bridgwater and Nancy McConnell left the meeting.

7 General business

Minute No. TEC200604/07

5.1

s9(2)(a)

5.2 July 2020 Board meeting

It is planned that the 6 July 2020 Board meeting will be a full day face-to-face meeting in Wellington – this is in the diaries.

8 Close

Jen Bestwick thanked everyone for their participation and closed the full meeting at 2.50pm.

Signed as a true and correct record:



Chair

Date: 7/7/20



Board meeting minutes – via teleconference – 9.00am, Monday, 8 June 2020

Present

Jenn Bestwick (Chair)

Kirk Hope (from 9.26am)

Alastair MacCormick

Nancy McConnell

Wayne Ngata

Vivien Sutherland Bridgwater (from 9.11am)

Apologies

John Russell

In attendance

Tim Fowler, Chief Executive

Gillian Dudgeon, Deputy Chief Executive – Delivery

John Soulis, Deputy Chief Executive – Corporate and Finance

Paora Ammunson, Deputy Chief Executive – Learner Success – Ōritetanga

Ian Lee, Deputy Chief Executive – Strategy & Design

Mat Pawley, Deputy Chief Executive – Information

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

Commissioners and Chief Executive Session

Commissioners held a closed session with the Chief Executive at the end of the meeting.

Commissioners Only Session

Commissioners held a closed session at the end of the meeting.

Administration

1 Welcome and apologies

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

2 Adoption of Board meeting minutes

Minute No. TEC200608/2

Resolved

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

- › 23 April 2020 Board teleconference
- › 30 April 2020 Board teleconference
- › 5 May 2020 Board meeting, via teleconference.

3 Action items update as at 2 June 2020

Minute No. TEC200608/3

The Board noted the 'Action items update as at 2 June 2020' paper dated 2 June 2020.

- › **Item No: 200430/2.1** – Paora Ammunson outlined a paper being prepared by his team for the 6 July 2020 Board meeting regarding the changes to NCEA in 2020 in relation to university entrance requirements.
- › **Item No: 200416/2.2** – We are expecting an update from Te Wānanga o Aoteroa (TWOA) regarding the appointment of an advisor by Friday, 12 June 2020.

4 Declaration of interests

Minute No. TEC200608/4

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

No updates were recorded during the meeting.

Strategy agenda/deep dives/guests

5 COVID-19 Medium and Long-term Strategic Response – verbal update

Minute No. TEC200608/5

Ian Lee provided an update on the COVID-19 Strategic Response workshops and next steps.

- › The final workshop summary and update paper, Growth and Innovation, is to be discussed at the Board update meeting on Thursday, 18 June 2020.
- › A cross functional subject matter expert team within TEC will synthesise the summaries and feedback, and prepare an update, next steps and recommendations across the six following streams for Board consideration at the Monday, 6 July 2020 Board meeting.
 - Equity and learner centricity
 - System responsiveness
 - Skills and employability
 - Funding and Careers
 - Network of provision
 - Growth and innovation.

Core business and project reporting

6 Chief Executive's report

Minute No. TEC200608/6

The Board noted the 'Chief Executive Report' dated 8 June 2020 plus the attached 'OPM Scorecard as at 30 April 2020, Priority Project Updates as at 30 April 2020 and Risk Register as at June 2020' reports.

OPM Scorecard

- › The scorecard included some normal updates i.e. 'Getting the basics right for our customers and our people' and 'Contractor number information' as well as new 'TEC during the COVID-19 pandemic information'.
- › 'Customer Contact – Total enquiries' and 'Customer Contact – Call volume' are in the 'Red'. We have actions in place and are confident we will resolve these quickly, but until we do, we will not reach service level agreement across the board.
- › Following a review by 9 Dots (external consultants) we have employed additional resource and fast tracked technology, enabling the team to work more cohesively. It will take time for the new people to building their knowledge, however we are making good progress and seeing the benefits already.
- › During the COVID-19 lockdown period the team focussed on closing inquiries, a key focus area. In February 2020 we were closing 10 percent, we are now closing 30 percent.
- › We don't anticipate an increased workload from Tiro Whetū and most apprentice queries will be referred/handled by the Ministry of Social Development (MSD), however we are preparing for Fees Free, an increase in general study queries and managing changes with TEOs.

Priority Projects – April 2020

- › **RoVE – 'Amber'**
 - we are making progress with the acceleration that Minister has sought
 - we received a high number of good calibre, cross cultural, applicants for the Interim Workforce Development Councils (WDC); a sub-group from the RoVE Programme Board will consider these and make final recommendation for the 48 positions to Tim Fowler, who has been delegated the authority to appoint the Interim WDCs by the Minister

- the Interim WDCs will be appointed for a period of up to six months – the formal entities cannot be established until October 2020.
- › **Careers System – ‘Red’**
 - *Tiro Whetū* – this does not reflect the funding allocated in Budget 2020; now it is funded, a governance structure is being implemented to manage the fast tracking of Tiro Whetū
 - *Inspiring the Future* – we are planning to secure external resource to support a TEC team with internal implementation.
- › **Data 2020 – ‘Red’**
 - discussed and minuted during the Chief Executive Report discussion.
- › **Unified Funding System (Phase 2), Learner Success, Purpose, Vision and TEC Strategic Priorities, Te Honoa Wānanga (Wānanga Sector Dialogue) and Giving effect to the TES – ‘Amber’**
 - these will either speed up or slow down following COVID-19.

Employment, Education and Training Ministerial Group

- › To ensure initiatives are able to have a practical impact in a timely way, the Labour Market and the Future of Work Ministers Groups have been combined to form the Employment, Education and Training Ministerial Group (EETMG). They have weekly meetings which are chaired by the Minister of Education.

Budget 2020

- › There were five different allocations included in Budget 2020 to support apprentices and access to education; striving for a single approach for these across agencies is important and will take some time before it becomes business as usual. We are working with other agencies, i.e. MSD to help develop service design and delivery methods.
- › There is a lot of policy talk/development happening. There is a risk TEC could get caught in the middle, with the Minister making announcements and us having the information available and ready for learners at the right time.
- › TEC are working with BCITO and the Construction Accord, who both have concerns regarding potential jobs losses or jobs not being available for existing apprentices. The NZIST are also doing some work in this area.
- › TEC are encouraging ITOs to provide pastoral care and look after apprentices if they lose their jobs or work based learning opportunities.

VET marketing campaign

- › The vocational education and training marketing campaign is funded out of Budget 2019; we are preparing for a July 2020 roll out.

Action item 200608/6.1: The VET marketing campaign information is to be circulated to the Board prior to it commencing in July 2020.

Data 2020

- › This project has moved into the 'Red' due to the accumulated impacts from Covid-19 lockdown, delays in finding and on-boarding developers and the outcomes from a project review.
- › A new project manager was appointed in late February 2020, he has completed a review and options analysis of alternative delivery approaches. This will be discussed with TEC management in June 2020 prior to an update paper being tabled at the 6 July 2020 Board meeting.
- › The review identified a number of issues regarding project approach and scope and is likely to require the budget to be significantly increased to deliver on the required outcomes.
- › Grant Thornton (external consultants) completed two reviews of our methodology, however it is possible the reviews were a bit narrow in terms of quality process set up, and identifying any potential problems with the methodology drivers.
- › There are risks associated with the delay e.g. continuing to use the existing unsupported system.

Action item 200608/6.1: Mat Pawley is to prepare a Data2020 project update for the 6 July 2020 Board meeting.

Tiro Whetū

- › Following the funding allocation in Budget 2020, we are setting up robust governance and programme management structures that will support successful delivery of the project over the next four years.
- › When considering the new name, it would be good to have both an English and Māori name, we need something that will have immediate impact with all New Zealanders.
- › The Board will be kept updated as we work through the implementation and renaming process.

Action item 200608/6.3: When renaming Tiro Whetū, both an English and Māori name is to be considered.

- › The CoRE process is a six yearly process managed by the Royal Society on TEC's behalf. The Board agreed it had confidence in the way the Royal Society do this work, however they felt there could be better and timelier communication regarding the review process.
- › The funding for CoRE comes to TEC from government, with instructions which we translate into the goals and objectives; it is not clear if these include anything specific relating to vulnerable/indigenous learners, or whether we are missing opportunities in this area; it is some time since the CoRE's goals and objectives have been reviewed at a policy level.
- › Irrespective of who is doing the research – we would expect a Māori component and that this is tracked – we have monitored this in the past.

Action item 200608/6.4: Gillian Dudgeon is to provide the Board with a copy of the current CoRE goals and objects and next steps.

- › Both CoRE and PBRF were meant to be temporary and have finite lives. They have created stability and become critical to university portfolios. We need to ensure the funding achieves what we want it to achieve.
- › It was suggested a discussion is needed with the Ministry of Education around policy setting and achieving the links between research, education and excellence – this would potentially be integrated with the work coming out of the board strategy discussions.

Action item 200608/6.5 – Ian Lee is to ensure discussions with MoE on CoREs and the links between research, education and excellence is included in the on-going Board strategy work and next steps.

Audit of Otago Polytechnic – sensitive expenditure issue

- › The Board noted the sensitive expenditure issue raised by the Office of the Auditor General (OAG) as part of its 2020 audit of Otago Polytechnic.
- › The OAG suggests the issue related to processes and good governance not being followed in relation to an overseas trip for some staff.
- › Tim Fowler has recently written to the Chair of Otago Polytechnic Limited, Tony Allison (who was not the Chair of Otago Polytechnic when the trip occurred) and the Chair of NZIST to make clear my expectations with regard to such expenditure.

TEC Staff

- › The Board expressed their thanks to all TEC staff for their dedication and hard work during the COVID-19 lockdown period – making particular mention of the ICT team – who went above and beyond with their rapid response in helping everyone set up and work from home quickly.

Values and behaviour

- › The Board were pleased to see the update on the work TEC are doing internally on values and behaviour and queried whether this should flow into the current strategy work.
- › Ian Lee noted that once the COVID-19 strategy response next steps of ‘what, how, why’ were agreed by the Board we could drill down to the next level in terms of values, behaviours and processes.
- › When thinking values and behaviours, it is also to think of the measurement of these – as this helps drive behavioural change.

Diligent (Board Books)

- › Jenn Bestwick noted that a tidy up of ‘Diligent’ was underway by the Board Secretary; archiving many sets of Board papers and reorganising the Resource Centre with new file structure and content to help ease of use. This will be maintained on a regular basis.
- › The Board noted that Diligent is the preferred option for Board papers and resource material and that it is not normal for a Board to have access to the organisation’s main filing system.

Risk Register

- › We anticipate the new NZIST will face a number of challenges in 2020/21 as it continues its transformation work – the Board would like an update from them once their new Chief Executive starts.

Action item 200608/6.6: Murray Strong and Stephan Town are to be invited to the August 2020 Board meeting to provide an update on the potential challenges in 2020/21.

7 Board Finance report as at April 2020

Minute No. TEC200608/7

The Board noted the 'Board Finance report as at April 2020' dated 8 June 2020.

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

- › our \$0.4m YTD deficit is forecast to increase to a \$1m-\$2m deficit by financial year end, mainly due to accelerated depreciation from our fixed assets review and extra annual leave taken during the COVID-19 lockdown period
- › committed programmes are under budget by \$3.2m mainly due to delay in spending in RoVE and Vocational Education and Training Marketing Campaign
- › Grant funding of \$1.2b has gone through the accounts
- › No real change in cash.

Sensitive, Board and Chief Executive Expenses

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

Resolved

The Board Chair:

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

The Chair of the Audit, Risk and Compliance Committee

approved the Board Chair's expenses for April 2020.

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

Minute No. TEC200608/8

The Board noted the 'Reform of Vocational Education (RoVE) – Programme Update for May 2020' dated 8 June 2020.

- › We are doing a quality job and meeting the Minister's expectations in relation to accelerating RoVE.

- › The Minister continues to signal that he would like to see the TITOs transition happen more quickly; we have brought in additional resources and anticipate receiving draft plans from all the TITOs within the next couple of weeks, this will help in establishing how this might happen.
- › The plans will be considered and signed off by TEC, we are expecting most to go to NZIST, some will go to Wānanga and PTEs. The newness of the new structure and system will create some challenges.
- › The Unified Funding System is being recalibrated given some Budget 2020 announcements and COVID-19 – an updated is scheduled to come to the Board on 6 July 2020.
- › The connection between RoVE and Te Taumata Aronui is working well.
- › The draft Memorandum of Understanding between TEC and NZIST has been sent to NZIST for their input and feedback.
- › Work on the Primary and Construction sector Centres of Vocational Excellence (CoVEs) continues, and is starting for other CoVEs.
- › Work has been accelerated on the establishment of the interim Regional Skills Leadership Groups – this is being completed by the Ministry of Business, Innovation and Employment (MBIE).
- › The RoVE Programme Board has seen the first draft of the EY Blue print work.

Action item 200608/8.1: Gillian Dudgeon is to provide the Board with a copy of the draft Memorandum of Understanding between TEC and NZIST at the appropriate time.

9 **s9(2)(b)(ii)** in the Taratahi Agricultural Training Centre liquidation

Minute No. TEC200608/9

The Board noted the **s9(2)(b)(ii)** in the Taratahi Agricultural Training Centre liquidation' paper dated 8 June 2020.

s9(2)(a).

- › Good progress is being made with the liquidator, however this is a complex situation that will take time.
- › **s9(2)(b)(ii)** will help remove barriers and aid the liquidator in progressing things further.
- › If the farm is sold as proposed – TEC will recoup more money than was previously assumed.
- › Ongoing updates will be provided in the Chief Executive's Report.

Resolved

The Board resolved to:

- › **agree to s9(2)(b)(ii)** in the Taratahi liquidation to facilitate the sale of the Home Farm to **s(2)(j)** and re-establish vocational education and training on the site
- › **agree s9(2)(b)(ii)** subject to the following conditions:
 - resolution of the claim to the Home Farm by the Perry family
 - **s9(2)(j)** purchasing the Home Farm
 - appropriate education returning to the Home Farm, including lease agreements being in place and any Crown funding being approved, and
 - all required statutory decisions being approved.

10 Statement of Performance Expectations 2020/21

Minute No. TEC200608/10

The Board noted the 'Statement of Performance Expectations 2020/21' dated 8 June 2020

The Board:

- › noted that the Audit, Risk and Compliance Committee had recommended the TEC Statement of Performance Expectations 2020/21 to the Board for their approval
- › recorded their thanks to the TEC staff who turned around last minute feedback extremely quickly
- › requested that the Māori translations in the Statement of Performance Expectations 2020/21 be checked for consistency with other Māori translations in other TEC documents.

Action item 200608/10.1: Paora Ammunson is to check the Māori translations in the Statement of Performance Expectations 2020/21 for consistency with other Māori translations in other TEC documents and advise the Organisation Planning and Performance if any changes are to be made.

Resolved

The Board resolved to:

- › **approve** the TEC Statement of Performance Expectations 2020/21
- › **delegate** the sign out of the final electronic copy of the Statement of Performance Expectations 2020/21 to Jenn Bestwick, Board Chair and Alistair MacCormick, Audit, Risk and Compliance Committee Chair, using electronic signatures.

11 Wednesday, 27 May 2020 Audit, Risk and Compliance Committee Meeting update

Minute No. TEC200608/11

The Board noted the draft 'Audit, Risk and Compliance Committee meeting minutes' for 27 May 2020.

- › **Item 6 – Draft Statement of Performance Expectations 2020/21**
 - The Audit Risk and Compliance Committee Chair was not comfortable with the way 'the commitment to fully fund TEI grants in 2020' was reported, however agreed to leave this after follow up emails/discussions with John Soulis and Jeremy Morley (Independent Consultant) on the Committee.
- › **Item 8 – Internal Audit Progress Update**
 - s9(2)(a) Audit New Zealand, made comment that TEC is very active and positive with its internal audits and their follow up on actions and that he would struggle to name another organisation that does it as well.
- › **Items 9 and 10 - Recruitment and Selection Audit – actions and Recruitment and Selection Audit – Internal Audit Report 2019/20**
 - The Committee strongly recommended TEC fund and accelerate the enhanced use of Springboard for our recruitment processes.
- › **Item 14 – Monitoring the New Zealand Institute of Skills and Technology**
 - There will be significant challenges to monitoring the new NZIST, the Committee noted TEC are working closely and collaborative with them and lending them resources while they are building their team and knowledge.

12 Update on appointment of non-commission member to the interim Audit, Risk and Compliance Committee

Minute No. TEC200608/12

The Board noted the 'Update on appointment of non-commission member to the interim Audit, Risk and Compliance Committee' dated 8 June 2020.

- › The Board noted:
 - that Jeremy Morley had declared the following conflicts of interest ahead of his appointment as an Independent Consultant to the Audit, Risk and Compliance Committee
 - ~ currently a part time employee of PwC which provides a range of services to TEC
 - ~ as part of employment with PwC, currently leads a piece of work for TEC in respect of the monitoring of the Polytechnic sector
 - ~ engaged on a part-time consultancy basis by Te Kupenga – Catholic Theological College, a PTE which delivers Catholic tertiary education, and which receives SAC/EFTS/PBRF funding from TEC
 - ~ currently Chair of the Funding Reference Group for the Unified Funding System workstream, appointed under a contract which is jointly managed by TEC and the Ministry of Education.
 - the TEC and Audit, Risk and Compliance Committee Chairs considered these conflicts/potential conflicts and decided that if there was an actual conflict during a meeting, or while Jeremy was working within the bounds of his Independent Consultant contract, it would be managed at the time and communicated and minuted in the ARCC minutes.
- › Jeremy Morley, Independent Consultant to the attended his first Committee meeting on Wednesday, 27 May 2020.

Action item 200608/12.1 s9(2)(a) is to invite Jeremy Morley to the 6 July 2020 Board meeting lunch to meet other Commissioners.

13 2020/21 Internal Audit Work Programme

Minute No. TEC200608/13

The Board noted the '2020/21 Internal Audit Work Programme' dated 8 June 2020.

- › The Board noted that the Audit, Risk and Compliance Committee endorsed the 2020/21 Internal Audit Work Programme, for Board approval, at their meeting on 27 May 2020.

Resolved

The Board resolved to:

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

14 Domestic Violence Leave Policy

Minute No. TEC200608/14

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

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

Resolved

The Board resolved to:

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

15 Financial Policy Review

Minute No. TEC200608/15

The Board noted the 'Financial Policy Review' dated 8 June 2020 plus Accounting for Leases Policy and Capitalisation and Capital Expenditure Management Policy.

- › The Board noted that the Audit, Risk and Compliance Committee endorsed the Financial Policy Review paper plus the Accounting for Leases Policy, with amendments, and the Capitalisation and Capital Expenditure Management Policy, for Board approval, at their meeting on 27 May 2020.

Resolved

The Board resolved to:

- › **approve** the revised Accounting for Leases Policy dated May 2020
- › **approve** that the Chief Executive be given delegation to approve lease extensions and rights of renewals of no more than 5 percent per annum of the annual cost of the original lease
- › **note** that we will update the Delegation Policy to reflect this delegation once approved
- › **approve** the revised Capitalisation and Capital Expenditure Management Policy dated May 2020.

16 Grants Debtors Write-offs

Minute No. TEC200608/10

The Board noted the 'Grants Debtors Write-offs' dated 8 June 2020.

- › The Board noted:
 - that the Audit, Risk and Compliance Committee endorsed the Grants Debtors Write-offs paper, for Board approval, at their meeting on 27 May 2020
 - the status of grants debtors as at 6 May 2020 as set out in the Appendix of the 'Grants Debtors Write-offs' report dated 8 June 2020

- that we have already received \$2.7m in cash of offset \$7.6m in June 2020.

Resolved

The Board resolved to

- › **approve** a write off of \$1,224,369.97 (GST inclusive) of debt in 2019/20.

17 Background on Intueri Education Group Limited and Quantum Education Group

Minute No. TEC200608/17

The Board noted the 'Background on Intueri Education Group Limited and Quantum Education Group' update dated 8 June 2020.

- › This matter precedes the current Board members, the update and following attached papers informs them on the matter.
 - 20 November 2015 – letter from Tim Fowler to Rob Facer, CEO and Director, Intueri Educaiton Group, re Intueri Group Issues - Quantum, NZSOS, Transfer of EFTS – SIGNED
 - 3 December 2015 – letter from Tim Fowler to Rob Facer CEO and Director, Intueri Education Group, response to Rob Facer
 - Deloitte – Report to TEC Quantum Education Group dated 31 August 2017
 - TEC investigation overview: Quantum Education Group Limited – 14 November 2017
 - Quantum investigation shows manipulation maximised earnings - Media release – 20 December 2017.
- › It is possible TEC could be called as a witness.
- › It is likely that this matter could go on for some time as it was a big investigation across multiple different facets.
- › s9(2)(h)
- › A third tier manager, no longer employed by TEC, provided advice to both Quantum Education Group and Intueri Educaiton Group while employed by TEC.

s9(2)(h)

Action Item 200608/17.2: Tim Fowler is to alert past TEC Commissioners and former TEC staff involved with the Intueri Education Group Limited and Quantum Education Group that this matter is proceeding to court action.

Close

The Chair thanked everyone for their participation and closed the meeting at 11.20am, before commencing the Commissioner and Chief Executive Only and Commissioner only sessions – which were not minuted.

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: 7 July 2020