

## Tertiary Education Report: Report to Ministers from the Lincoln University Governance Oversight Group

|                        |               |                              |            |
|------------------------|---------------|------------------------------|------------|
| <b>Date:</b>           | 13 April 2021 | <b>TEC priority:</b>         | Medium     |
| <b>Security level:</b> | In Confidence | <b>Report no:</b>            | B-21-00155 |
|                        |               | <b>Minister's office No:</b> |            |

| ACTION SOUGHT                                     |   |                        |
|---|---|------------------------|
|   | Action sought   | Deadline               |
| <b>Hon Chris Hipkins</b><br>Minister of Education | <p><b>note</b> that the Lincoln University Governance Oversight Group met on 2 March 2021 and the Chair of the Governance Oversight Group's report to Ministers is attached;</p> <p><b>forward</b> this briefing and the Chair's report to the Minister of Finance for his information.</p> | As soon as practicable |
| <b>Enclosure:</b> Yes                             | <b>Round Robin:</b> No  |                        |

| CONTACT FOR TELEPHONE DISCUSSION (IF REQUIRED) |                                  |           |  |             |
|--|----------------------------------|-----------|--|-------------|
| Name   | Position                         | Telephone |  | 1st contact |
| s9(2)(a)                                       | Principal Advisor                | s9(2)(a)  |  | ✓           |
| Gillian Dudgeon                                | Deputy Chief Executive, Delivery | s9(2)(a)  |  |             |

### THE FOLLOWING DEPARTMENTS/AGENCIES HAVE SEEN THIS REPORT

- DPMC   
  MPI   
  ENZ   
  ERO   
  MBIE   
  MoE   
  MFAT  
 MPP   
  MSD   
  NZQA   
  NZTE   
 TEC   
  TPK   
 Treasury

- Minister's Office to Complete:**
 Approved   
  Declined  
 Noted   
  Needs change  
 Seen   
  Overtaken by Events  
 See Minister's Notes   
  Withdrawn

**Comments:**

## Recommendation

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**Hon Chris Hipkins**, Minister of Education

*It is recommended that you:*

1. **note** that the Lincoln University (Lincoln) Governance Oversight Group (GOG) met on 2 March 2021 and the Chair of the GOG's report to Ministers is attached;
2. **forward** this briefing and the Chair's report to the Minister of Finance for his information;
3. **agree** that the Tertiary Education Commission proactively release this briefing and the Chair's report with commercially sensitive information withheld to allow Lincoln to carry on without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).



**Gillian Dudgeon**

Deputy Chief Executive, Delivery  
Tertiary Education Commission

13 April 2021

**Hon Chris Hipkins**

Minister of Education

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**Hon Grant Robertson**

Minister of Finance

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## Background

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1. In November 2019, Cabinet agreed to provide up to \$80 million in Crown capital funding to Lincoln University (Lincoln) to support the rebuild of its science facilities [CAB-19-MIN-0583], as part of its wider campus redevelopment and transformation programme – *Moving Forward*.
2. A funding agreement was signed between the Crown and Lincoln outlining the terms under which the Crown agreed to provide capital funding, and the accountability and reporting mechanisms that were to be put in place. This was signed by the Minister of Finance and the Minister of Education on behalf of the Crown in December 2019 (B-19-01460 refers).
3. Consistent with the Cabinet decision, the funding agreement specified that a Governance Oversight Group (GOG) was to be established. The GOG's role is to ensure that there is strong monitoring and accountability for delivering Lincoln's *Moving Forward* Programme and its proposed benefits, and to ensure that the Programme is being appropriately governed.
4. The Chair of the Lincoln GOG is Murray Coppersmith. In addition to the Independent Chair, the GOG includes:
  - The Chair of the TEC Board – Jenn Bestwick;
  - The Chief Executive of the TEC – Tim Fowler;
  - The Lincoln Chancellor – Bruce Gemmell;
  - The Chair of Lincoln's Capital Assets Council sub-Committee – Janice Fredric; and
  - The Acting Lincoln Vice-Chancellor – Professor Bruce McKenzie.

## March 2021 meeting

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5. I attach the latest report from the Chair of the Lincoln GOG and seek your agreement to forward the report to the Minister of Finance.
6. The current report from the GOG Chair takes account of the meeting on 2 March 2021 and any developments since that date. Overall, it shows that the campus redevelopment programme is on track with the Sports and Recreation Centre recently completed and the Science South science facilities due to be completed by June 2021. Preliminary work has commenced on Science North – Lincoln's main new Science facilities.
7. Lincoln is managing the impacts of COVID-19 relatively well and reported an overall deficit of \$2 million for 2020 – a strong result in the current environment. The result is inclusive of \$4 million of unusual costs (largely redundancy costs), indicating underlying performance was stronger. Lincoln's cash position continues to be strong, and Joint Ministers recently agreed (B-21-00035 refers) to bring forward the Crown's capital payments to Lincoln to support the affordability of the Science North project and mitigate some of the impacts of COVID-19 on Lincoln and its redevelopment programme.
8. At the March meeting, the GOG considered and endorsed the full range of performance measures that Lincoln will be monitored against as part of the Crown funding agreement. These measures were updated to reflect the negative impact from COVID-19 as well as add performance measures that were not able to be set at the time the funding agreement was signed (e.g. the detailed construction programme). The Chair has attached these targets to his report for your information.
9. The next GOG meeting will be in April 2021. The GOG Chair will update you following that meeting as required.