

Tertiary Education Report: Tai Poutini Polytechnic Capital Injection – Final Milestone Report submission

Date:	17 May 2019	TEC priority:	Medium
Security level:	In Confidence	Report no:	B-19-00640
		Minister's office No:	

ACTION SOUGHT		
	Action sought	Deadline
Hon Chris Hipkins Minister of Education	<p>Note that Tai Poutini Polytechnic has submitted its final Capital Injection funding agreement milestone report</p> <p>Note Tai Poutini Polytechnic has now met all the expectations set out in the Capital Injection funding agreement for 2018</p>	At your earliest convenience
Enclosure: Yes	Round Robin: No	

CONTACT FOR TELEPHONE DISCUSSION (IF REQUIRED)				
Name	Position	Telephone		1st contact
9(2)(a)	Relationship Manager	9(2)(a)	[REDACTED]	✓
Gillian Dudgeon	Deputy Chief Executive – Delivery	9(2)(a)	[REDACTED]	

THE FOLLOWING DEPARTMENTS/AGENCIES HAVE SEEN THIS REPORT							
<input type="checkbox"/> DPMC	<input type="checkbox"/> MPI	<input type="checkbox"/> ENZ	<input type="checkbox"/> ERO	<input type="checkbox"/> MBIE	<input type="checkbox"/> MoE	<input type="checkbox"/> MFAT	
<input type="checkbox"/> MPP	<input type="checkbox"/> MSD	<input type="checkbox"/> NZQA	<input type="checkbox"/> NZTE	<input checked="" type="checkbox"/> TEC	<input type="checkbox"/> TPK	<input type="checkbox"/> Treasury	

Minister's Office to Complete:	<input type="checkbox"/> Approved <input type="checkbox"/> Noted <input type="checkbox"/> Seen <input type="checkbox"/> See Minister's Notes	<input type="checkbox"/> Declined <input type="checkbox"/> Needs change <input type="checkbox"/> Overtaken by Events <input type="checkbox"/> Withdrawn
Comments:		

Recommendations

Hon Chris Hipkins, Minister of Education

It is recommended that you:

1. **note** that Tai Poutini Polytechnic (TPP) has submitted its final Capital Injection funding agreement milestone report;
2. **note** that TPP has now met all the expectations set out in the agreement for 2018;
3. **note** that the final instalment of TPP's capital injection funding was released following positive assessment of its previous milestone report in December 2018; and
4. **sign** and send the attached letter (in Appendix B) to the TPP Crown Manager.
5. **agree** that the TEC release this briefing with some information withheld.

AGREED / NOT AGREED



Gillian Dudgeon

Deputy Chief Executive – Delivery
Tertiary Education Commission

17 May 2019

Hon Chris Hipkins

Minister of Education

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The final milestone report shows TPP has made significant progress

1. Cabinet agreed to give TPP a capital injection of \$8.5 million to enable the polytechnic to maintain its operations and improve its performance in the short term. A funding agreement was signed and the first instalment of \$3 million was paid in early March 2018.
2. You approved the second instalment of \$3.45 million in June 2018 (B/18/00374 refers) and the third and final instalment of \$2.05 million in December 2018 (B/18/00931 refers).
3. The TEC has received the final milestone report (attached as Appendix A) showing that TPP has now met all of the eight targets associated with the Capital Injection funding agreement. Analysis undertaken by TEC supports this conclusion (noting that achievement of all these requirements does not trigger release of any further funding).
4. A letter for you to send to the TPP Crown Manager, Murray Strong, is attached as Appendix B.
5. The TEC and NZQA are continuing to work closely with the Crown Manager and TPP management as they work through TPP's change programme. The expectation for 2019 is that TPP consolidate its 2018 achievements while also looking to further improve its performance.
6. The final report identifies the following key 2018 achievements since the last report was submitted in December 2018:
 - NZQA conducted TPP's external evaluation and review (EER) report in December 2018. This has subsequently resulted in TPP moving from a Category 4 to a Category 3.
 - A Programme Evaluation Process has been developed and trialled to provide a more consistent and more frequent self-assessment across programme areas.
 - Self-assessment against NZQA self-assessment and educational performance rubrics completed and will feature in the 'testing' of staff capability and academic quality.
 - Academic Board workplan has been self-assessed and revised to ensure consistent academic oversight to improve academic quality of teaching and delivery.
 - Stage 3 implementation completed and new structure in place. New leadership team in place and induction, goal and expectation setting completed.
 - Centralised monitoring of compliance accountabilities is in place and being monitored.
7. Overall, TPP has realised significant cost savings for 2018, exceeding its savings target of \$5 million. It is therefore in a slightly better financial situation than expected.

TPP's longer term future remains linked to the Cabinet decision on the future structure of the ITP sector

8. In mid-2019 you will be taking a paper to Cabinet that will propose structural changes to the ITP sector. TPP's future role and structure will be linked to decisions made at this time.
9. While significant progress is being made, TPP will still struggle to remain viable in its current form. The business case submitted to you by the Crown Manager in 2017 was clear that TPP could not survive without ongoing Crown support.
10. As such, TPP has consistently indicated that some level of additional financial support would be needed during 2019. As per our recent advice (B/19/00574 refers), TPP has written to the TEC

9(2)(b)(ii) and 9(2)(f)(iv)
[Redacted text block]

11. The TPP Crown Manager and Chief Executive provided input into the ITP Roadmap 2020 project, reflecting on lessons learnt from TPP's situation.

Appendix A: *Copy of TPP milestone report*

Released in OIA response dated
15 April 2019

Appendix B: *Draft letter to the TPP Crown Manager for your signature, acknowledging the progress that has been made*

Murray Strong
Crown Manager

Dear Murray

Tai Poutini Polytechnic – Capital Injection funding agreement final milestone report

I am writing to acknowledge the significant progress Tai Poutini Polytechnic (TPP) has made in achieving the 2018 actions and targets in the Capital Injection funding agreement.

It is pleasing to note that the TEC has assessed TPP's February 2019 final milestone report and agrees that the ITP has now met all of the eight targets associated with the agreement.

I understand that the TEC and NZQA will continue to collaborate closely with the TPP leadership team as it works through TPP's change programme. My expectation for 2019 is that TPP consolidate its 2018 achievements while also looking for further opportunities to improve its performance in 2019.

9(2)(b)(ii) and 9(2)(f)(iv)



Yours sincerely

Chris Hipkins
Minister of Education