

Event backgrounder: Ministerial visit to Manukau Institute of Technology on Friday, 24 August 2018

To:	Hon Chris Hipkins, Minister of Education
From:	Manager ITP Investment, Operations Directorate
Date:	16 August 2018
Reference:	E/18/00571

Purpose

1. You are scheduled to visit Manukau Institute of Technology (MIT) on Friday 24 August 2018.
2. General information about MIT is attached as Appendix 1. This A3 summary sheet includes a short narrative; delivery enrolment, site and demographic data; financials; and educational performance indicator (EPI) information.
3. Biographies of the Council Chair and Chief Executive of MIT are attached as Appendix 2.
4. MIT's Student Achievement Component (SAC) and Youth Guarantee (YG) funding compared with delivery for 2017 is included in Appendix 3.
5. MIT's funding for 2018 is included in Appendix 4.
6. We recommend that this event backgrounder is proactively released with information about MIT's risk rating on the TEC's financial monitoring framework withheld.

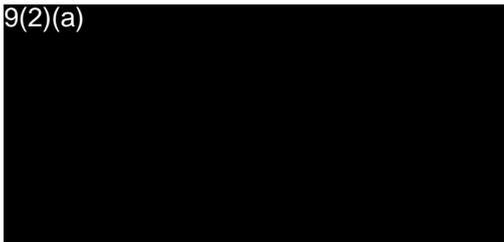
ITP Roadmap

7. The ITP Roadmap 2020 project team is continuing to engage with the ITP sector and other stakeholders to develop the advice we'll provide to you on options for a sustainable future ITP network. Our most recent engagements are:
 - i. Regional engagement visits, which will be complete by 24 August
 - ii. Four focus group sessions with Māori and Pasifika stakeholders.
8. On 9 and 10 August 2018 we brought together around 30 people from across the ITP sector and wider stakeholders in a co-design workshop to explore and identify a small number of coherent models for the future ITP network. MIT's Chair and Chief Executive participated in the co-design workshop. The models will be added into TEC's analytical mix for our advice to you in September. We will be discussing the outcomes of these workshops with you, and how our advice is shaping up, at the ITP Roadmap 2020 strategy session on 28 August.

Regional ITP Roadmap engagement at MIT

9. The Roadmap team visited MIT on 31 July and met with Council members, management, staff, students and community stakeholders. Responding to the diverse communities in South Auckland was a strong theme during the day. We spoke with Council about the challenges for the organisation around investing in significant change. Management and staff spoke about the diverse learners they support and an approach that extends beyond the learner to their family and community. The students we met with praised the personalised support they receive from their tutors. Community stakeholders talked to the growing industry demand in South Auckland and how to invest in the local community to equip people with skills for work in the area.

9(2)(a)



Acting Manager, ITP Investment
Operations Directorate
Tertiary Education Commission
16 August 2018

Hon Chris Hipkins
Minister of Education

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Appendix 1: MIT summary sheet (A3)

TEI PROFILE: Manukau Institute of Technology

Chair: Peter Winder Chief Executive: Gus Gilmore

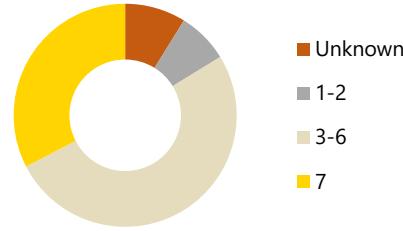
Key narrative: Manukau Institute of Technology (MIT) is a category 1 EER provider that delivers to a high proportion of Pasifika students in South Auckland. Major provision is in engineering and related technologies; management and commerce; health; and society and culture. MIT is the lead provider of two trades academies offering trades and technology programmes to senior secondary school students.



Delivery sites	
Town/city	All EFTS (2017)
Manukau City	6,309
Other sites	223
Total	6,532

Top five qualifications by enrolment	
Qualification	All EFTS (2017)
Bachelor of Nursing	527
Bachelor of Applied Management	273
Construction Technical & Further Education	228
Certificate in Automotive & Mechanical Engineering	146
NZ Certificate in Construction Trade Skills	142

Delivery by NZQF level (all EFTS) for 2017

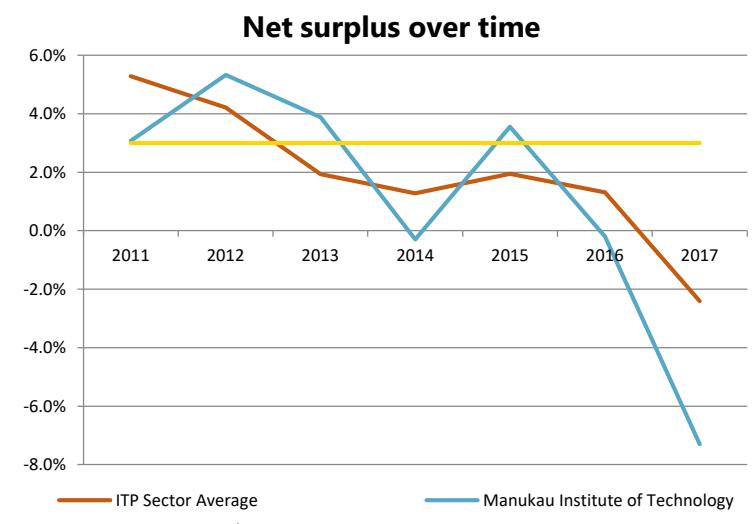


Recent delivery data and demographics

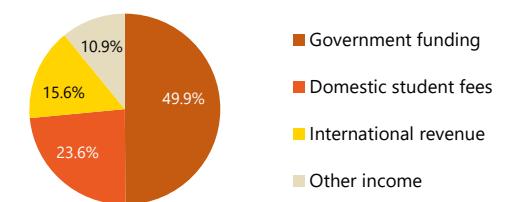
	2015	2016	2017
All EFTS	7,589	7,278	6,532
All learners	16,587	15,619	14,545
% Māori learners	15.1%	14.8%	14.9%
% Pasifika learners	29.1%	28.9%	27.2%
% learners 25 and over	56.1%	53.6%	54.4%
International full-fee delivery:			
EFTS	961	1,059	1,032
As % of all EFTS	12.7%	14.6%	15.8%

Financial commentary: MIT has reverted to deficit after a temporary improvement in profitability in 2015; it Section 9(2)(b)(ii) and 9(2)(ba)(i)

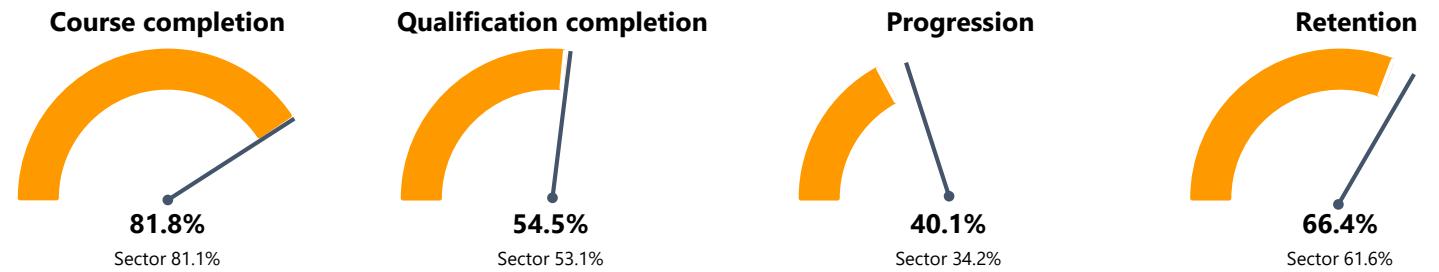
	2015 audited (\$000)	2016 audited (\$000)	2017 audited (\$000)	2016-2017 change
Total Income	113,361	113,933	103,802	↓
Total Government Funding	65,589	62,744	51,756	↓
Total International Income	14,113	17,224	16,156	↓
Total Domestic Fees and Charges	25,977	25,588	24,529	↓
Net surplus before unusual items	4,028	-196	-7,577	↓
Net surplus (before unusual items) ratio	3.6%	(0.2%)	(7.3%)	↓
Net surplus after unusual items	3,037	-133	-7,030	↓
Net surplus (after unusual items) ratio	2.7%	(0.1%)	(6.8%)	↓
Total Liquid assets	4,247	3,727	2,084	↓
Total Debt	33,000	34,500	27,000	↓



Funding source for 2017



Educational Performance (Cohort EPIs)



MIT – Māori and Pasifika EPI rates benchmarked against non-Māori/non-Pasifika, 2017

	Non-Māori and non-Pasifika	Māori	Pasifika		Non-Māori and non-Pasifika	Māori	Pasifika		Non-Māori and non-Pasifika	Māori	Pasifika		Non-Māori and non-Pasifika	Māori	Pasifika
Course completion	87.7%	72.1%	76.3%	81.8%	56.3%	52.5%	51.9%	54.5%	39.3%	40.9%	40.9%	40.1%	69.1%	63.8%	62.1%
Qualification completion															
Progression															
Retention															

ITP sector – Māori and Pasifika EPI rates benchmarked against non-Māori/non-Pasifika, 2017

	Non-Māori and non-Pasifika	Māori	Pasifika		Non-Māori and non-Pasifika	Māori	Pasifika		Non-Māori and non-Pasifika	Māori	Pasifika		Non-Māori and non-Pasifika	Māori	Pasifika
Course completion	84.5%	72.2%	72.2%	81.8%	54.4%	49.7%	51.3%	54.5%	32.6%	37.0%	36.9%	40.1%	63.8%	53.9%	56.8%
Qualification completion															
Progression															
Retention															



Appendix 2: Biographies of key MIT people

Peter Winder, Chair of MIT Council



Mr Winder was appointed Chair in December 2013. He is a Director of McGredy Winder & Co, an Auckland based consulting firm providing services to central and local government and those who work or engage with the public sector. He was Chief Executive of the Auckland Regional Council from 2005–2010, where he was previously Director Transport, and Chief Executive of Local Government New Zealand. Prior to that he was General Manager Industry Strategy at Tourism New Zealand.

Gus Gilmore, Chief Executive of MIT



Gus Gilmore joined MIT in September 2016 as Chief Executive. He graduated from the University of Auckland with a Masters of Business Administration. Mr Gilmore's focus is to provide great education for students and have them ready for their next steps in life. Prior to joining MIT he was Deputy Chief Executive, Operations at the Tertiary Education Commission where he had been focused on improving sector operational performance and delivery.

Appendix 3: MIT's SAC and YG funding compared to delivery in 2017

Note: Not all identified under-delivery is subject to recovery, as a recovery threshold applies for some funds.

Edumis	Provider Name	Fund	Values		
			Total 2017 Funding	\$ Delivered	(Under)/Over Delivered Total
6010	MIT	Student Achievement Component Levels 1 and 2 (Competitive)	\$1,662,615	\$968,751	(\$693,864)
		Student Achievement Component Levels 1 and 2 (Non-competitive)	\$1,005,000	\$822,277	(\$182,723)
		Student Achievement Component Levels 3 and 4 (Competitive)	\$685,425	\$153,371	(\$532,054)
		Student Achievement Component Levels 3 and above	\$39,368,646	\$36,318,235	(\$3,050,411)
		Youth Guarantee	\$5,925,500	\$5,316,494	(\$609,006)
		Youth Guarantee (Dual Pathway)	\$817,033	\$609,777	(\$207,256)
			\$49,464,219	\$44,188,905	(\$5,275,314)

Appendix 4: MIT's funding for 2018

On-plan Funds <i>Funding Period: 1 January 2018 - 31 December 2018</i>	2018 Funding (ex GST)
Adult and Community Education (TEIs) Fund	\$471,646.00
Funding rate for TEIs: \$4,444.44 per EFTS	
Number of EFTS (2018): 106	
Equity Fund Total	\$468,012.00
Amount of funding for Māori students:	\$108,122.97
Amount of funding for Pasifika student:	\$227,040.10
Amount of funding for students with disabilities:	\$132,848.43
Literacy and Numeracy Provision – Intensive Literacy and Numeracy Fund	\$1,216,800.00
Funding rate: \$25 per hour	
Number of approved hours (2018): 48,672	
Literacy and Numeracy Provision – Workplace Literacy and Numeracy Fund (TEO-led strand)	\$253,875.00
Funding rate: \$75 per hour	
Number of approved hours (2018): 3,385	
Performance-Based Research Fund Total	\$398,866.12
Quality Evaluation:	\$390,832.76
<i>Percentage allocated from this component (2018): 0.2256%</i>	
External Research Income:	\$8,033.36
<i>Percentage allocated from this component (2018): 0.0128%</i>	
Specialised English for Speakers of Other Languages – Intensive Literacy and Numeracy, ESOL Fund	\$363,825.00
Funding rate: \$18.75 per hour	
Number of approved hours (2018): 19,404	
Specialised English for Speakers of Other Languages– Intensive Literacy and Numeracy, Refugee English Fund	\$157,743.00
Tuition fee is paid at a dollar per EFTS rate for provision	
Pastoral care is paid at \$400.00 per learner place	
Number of approved places (2018): 51	
Student Achievement Component – Qualifications at Levels 1 and 2 of the NZQF (Competitive Allocation) Fund	\$1,662,225.00
Estimated number of EFTS (2018): 166	
Student Achievement Component – Qualifications at Levels 1 and 2 of the NZQF (Non-competitive Allocation) Fund	\$2,137,251.00
Estimated number of EFTS (2018): 129	

Student Achievement Component – Provision at Level 3 and above on the NZQF Fund	\$35,772,499.00 ¹
Estimated number of EFTS (2018): 4,285	
Student Achievement Component – Provision at Level 3 and above on the NZQF Fund, Levels 3&4 Competitive Pilot	\$685,425.00
Estimated number of EFTS (2018): 65	
Youth Guarantee – Youth Guarantee Provision Fund	\$5,503,977.00
Estimated number of EFTS (2018): 425	
Total On-plan Funding	\$49,092,144.12

¹ This was amended down by \$3M (from \$38,772,499) in July 2018 due to forecast 2018 under-delivery.