



Notice of Meeting

A meeting of the Ara Council will be held:

on **Tuesday 29 October 2019**

at **11.00 am**

in **Room G202, City Campus and via videoconference to
Room TA210, Timaru Campus.**



COUNCIL MEETING AGENDA

Tuesday 29 October 2019

11.00 am*

Room G202, Te Kei, City Campus

**Note: Ara Council only time 10.30am to 11.00 am and the public meeting commences from 11.00am.*

Ara Public Council Meeting			
1) Meeting Business	11.00	1.1 Karakia: Ara Waiata	Kaiārahi
		1.2 Welcome and Apologies	
		1.3 Disclosure of Conflicts of Interest	Attached
		1.4 Meeting held Tuesday 24 September 2019 a Approval of minutes b Matters arising c Action List	Attached
2) For Discussion	11.15	MONTHLY REPORTS 2.1 Chief Executive a) Health and Safety b) Deputy Chief Executives	Attached
		OTHER 2.2 RoVE Update	Verbal
3) For Information	11.35	MONTHLY REPORTS 3.1 Chair Report	Verbal
		3.2 Trustees	Verbal
		3.3 Sub-Committee Reports a Academic Board b Council Audit and Risk Committee c Council Campus Redevelopment Committee	Attached
		OTHER 3.4 2019 Council Work Programme	Attached
		3.5 Media Report	Attached
		3.6 Common Seal Report	Attached
		3.7 Annual Report 2019	Attached
4) General Business	11.50		

**Note: Health and Safety Tour 12.00pm-12.45pm
[Conducted by Dave Currie, Ara Health and Safety Manager].**

PUBLIC EXCLUDED: It will be moved that the public be excluded from the remainder of the meeting. The general subject of the matters to be considered while the public is excluded is:					
5) Strategic Topic	1.00	5.1	RoVE – TEC [Note: Gillian Dudgeon in attendance]	[s9(2) (f), (i), (j)]	
	1.30	5.2	EPI Sector Results 2018 (Tribal) [Note: Adrian Massey in attendance]	[s9(2) (f), (i), (j)]	Presentation
6) Meeting Business	2.15	6.1	Meeting held Tuesday 24 September 2019 (PE) <ul style="list-style-type: none"> • Approval of minutes • Matters arising • Action List 	[s9(2) (f), (i), (j)]	Attached
7) For Discussion	2.20	MONTHLY REPORTS		[s9(2) (i), (j)]	Attached
		7.1	Chief Executive – Public Excluded <ul style="list-style-type: none"> a) Engagement and Wellbeing Survey Results and Webinar Tool b) PBRF Submission [for information] c) Health and Safety d) Student Accommodation Independent Review 		
		7.2	Kaiārahi Report		Attached
8) For Information	2.40	MONTHLY REPORTS Subcommittees and Other			
		8.1	Trustees	[s9(2)(i), (j)]	Verbal
		8.2	Council Audit and Risk Committee - Public Excluded <i>Note: no meeting held in September</i> <ul style="list-style-type: none"> a) Risk Register 	[s9(2)(i), (j)]	Attached
		8.3	Council Campus Redevelopment Committee – Public Excluded <i>Note: no meeting held in September</i>	[s9(2)(i), (j)]	
		8.4	RoVE Response Programme Committee (RRPC) <ul style="list-style-type: none"> a) Meeting Minutes b) Select Committee 	[s9(2) (f), (i), (j)]	Attached
		OTHER	8.5	Transformation Programme Update	[s9(2)(i), (j)]
	8.6	FMA (Framework for Māori Achievement) – note: included in preparation for November workshop	[s9(2)(i), (j)]	Attached	
9) General Business	2.55				

This resolution will be made in reliance on s48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interests protected by s9 of the Official Information Act 1982 which would be prejudiced by the holding of the proceedings of the meeting in public. The section of the Official Information Act which applies is shown beside each item to be considered while the public is excluded:

- *Matters involving confidential information about an identifiable person*
s9(2)(a) – Protect the privacy of natural persons, including that of deceased natural persons
- *Submissions to Parliament and other formal advice*
s9(2)(f) – Maintain confidential conventions which protect political neutrality, and the confidentiality of communications and advice tendered by officials
- *Commercially sensitive financial data*
s9(2)(i) – The Crown or any Department or organisation holding the information to carry out, without prejudice or disadvantage, commercial activities
- *Negotiations in progress with other organisations*
s9(2)(j) – Enable a Minister of the Crown or any Department or organisation holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

10)	3.00pm	Poroporoaki		
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Ko te pae tawhiti
Whāia kia tata.
Ko te pae tata
Whakamaua kia tina

Seek distant horizon to reach
your potential

Haere mai e te iti
Haere mai e te rahi

Come one,
Come all

Kia inu ai tātou
I te puna Māori
I te puna Wānaka

So that you may drink
from the nourishing
spring that is Te Puna Wānaka

Hei tikitiki mōhou
Mō tātou e

To strive for excellence
for all

Haere mai kia kapohia
ngā kai a ngā tīpuna

Come and take hold of
the knowledge of our ancestors

Kua tau tō waka ki Ara e

You have arrived in our midst.

Ara Council 29 October 2019	Agenda Item	1.3
		Information Item
PUBLIC	Presented by	T Gray

ARA COUNCIL REPORT SUMMARY	
TITLE OF REPORT	2019 Register of Disclosure of Conflicts of Interest
BACKGROUND AND PURPOSE	<ul style="list-style-type: none"> • To provide an accurate and up to date register of disclosures of conflicts of interest of the Ara Council members. • Since the September Council meeting, there has been one amendment: <ul style="list-style-type: none"> ❖ Deputy Chair: removal of Specialised Structures Advisory Board (Director).
RECOMMENDATION(S)	Council to check the information on the register is accurate and current and advise the Council Secretary of any changes.
LINK TO ARA STRATEGY	N/A
KEY ISSUES IDENTIFIED	N/A
FINANCIAL IMPLICATIONS FOR ARA	N/A
RISK IMPLICATIONS FOR ARA	N/A

2019 Register of Disclosure of Conflicts of Interest

as at 25 September 2019

Council Members

<p>Janie Annear Deputy Chair [Term: 01/01/16-30/04/20]</p>	<ul style="list-style-type: none"> • Janie Annear Consulting (Director) • Local Government Commissioner • Westhills Forestry Ltd (Shareholder) • Rosehill Trust (Trustee) • Timaru Holdings (Partner) 	<ul style="list-style-type: none"> • Injury Management (Owner)
<p>Thérèse Arseneau (Chair) [Term: 01/05/17-30/04/21]</p>	<ul style="list-style-type: none"> • ChristchurchNZ (Chair and Director) • Christchurch Symphony Orchestra (Chair and Trustee) • J Ballantyne and Company Ltd (Director) • Elder Family Trust (Trustee) 	<ul style="list-style-type: none"> • Therese Arseneau Consulting Ltd (Director and Shareholder) • Regenerate Christchurch (Chair)
<p>Jeremy Boys [Term: 01/01/16-30/04/20]</p>	<ul style="list-style-type: none"> • Opuha Water Ltd (Director) • JW&AM Boys Family Trust (Trustee) 	
<p>Jane Cartwright [Term: 01/05/14-30/04/20]</p>	<ul style="list-style-type: none"> • Ara Foundation (Trustee) • Brackenridge Estate Limited (Chair) • Health Practitioners Disciplinary Tribunal (Member) • Nurse Maude Association (Chair – Clinical Quality & Risk Committee). 	<ul style="list-style-type: none"> • Canterbury Clinical Network (Independent Advisor) • Cartwright-Newton Family Trust (Trustee) • JC Ltd (Director)
<p>Elizabeth Hopkins [Term: 01/05/14-30/04/20]</p>	<ul style="list-style-type: none"> • Ara Foundation (Trustee) • Hi-Aspect (Chair) • Hopkins Partnership (Director and Shareholder) • University of Canterbury (Employee) 	<ul style="list-style-type: none"> • Ministry of Business, Innovation and Employment (MBIE) Science Board (Board Member)
<p>John Hunter CCRC Chair [Term: 01/05/14-30/04/20]</p>	<ul style="list-style-type: none"> • Hunter York Family Trust (Trustee) • Nelson Bays Primary Health (Chair) • PHO Alliance (Executive member) 	
<p>Melanie Taite-Pitama [Term: 01/03/17-28/02/21]</p>	<ul style="list-style-type: none"> • Tuahiwi Education Ltd (Director/Shareholder) • Tuahiwi School Board of Trustees (Member) • Taite Family Trust (Trustee) • Rangiora High School (Advisor to Board of Trustees) 	



Council Officers

<p>Tony Gray Chief Executive</p>	<ul style="list-style-type: none"> • Ara Foundation (Trustee) • Hurford Trust (Trustee) • Ōtautahi Education Development Trust (Trustee) • TANZ Accord (Chair) • TANZ Ltd (Director)
<p>Te Marino Lenihan Kaiārahi</p>	<ul style="list-style-type: none"> • Ka Honua Momona (Traditional Fish Pond Non-Profit Organisation on Moloka'i, Hawai'i) (Board Member) • Kaiapoi Pā Trust (Trustee) • Ngā Aho (National Network of Māori Design Professionals) (Executive) • Ngāi Tahu (Whakapapa)
<p>Christina Yeates Governance and Strategy - Senior Administrator</p>	<ul style="list-style-type: none"> • Nil

Ara Institute of Canterbury

Council Minutes

24 September 2019

Minutes from the Ara Institute of Canterbury Council meeting held on Tuesday 24 September 2019 at 11.00am in Room G202, Te Kei, City Campus and via videoconference to Room TA210, Timaru Campus.

1 Statutory Requirements

1.1 Karakia/Mihi

The meeting commenced with the Ara Waiata led by the Kaiārahi.

1.2 Attendance

a Present

i Voting Members

Janie Annear (Acting Chair), Jeremy Boys, Jane Cartwright, Elizabeth Hopkins, John Hunter and Melanie Taite-Pitama.

ii Non-Voting Officers

Tony Gray (Chief Executive), Te Marino Lenihan (Kaiārahi) and Christina Yeates (Minute Secretary).

iii Management

Darren Mitchell (DCE - Chief Operating Officer);
Part attendance: Karen Te Puke (Acting DCE – Customer Engagement and Experience), George Nelson (DCE – AIR) and Belinda de Zwart (DCE – People and Culture).

iv In Attendance

Mike Rondel (Independent Chair, Council Audit and Risk Committee).
Samesh Mohanlall (Health and Business Reporter, Timaru Herald).

b Apologies

i Voting Members

Thérèse Arseneau (Chair).
Jane Cartwright, Mike Rondel and Christina Yeates for early departure.

ii Non-Voting Officers

Nil.

iii Management

Nil.

1.3 Disclosure of Conflicts of Interest [Pages 19/Ara Council/09/470-471]

a Additions/Alterations to the Disclosures of Conflicts of Interest Schedule

Post meeting, the Deputy Chair advised the following deletion:
Specialised Structures Advisory Board (Director).

b Declarations of interest for items on today's agenda

Nil.

1.4 Confirmation of Minutes [Pages 19/Ara Council/09/472-478]

a Minutes of Committee Meeting – 10 July 2019

*It was **resolved** that the minutes of the ordinary meeting of the Ara Council held on 10 July 2019 (not being a meeting or part of a meeting from which the public was excluded) be confirmed as a correct record of proceedings of that meeting and be signed by the Chair accordingly.*

J Hunter/E Hopkins

Carried

b Action List of Committee Meeting – 10 July 2019

The action list of 10 July 2019 meeting was received and noted. Specific updates are recorded below:

- AP1931 - Health and Safety – Management to recommend process to achieve 100% induction rate: Council were advised that management are currently looking at how best to design the process for full-time tenured and part-time tenured colleagues but with 100% coverage of all new colleagues from day one (tabled document). The induction will be designed appropriately for all colleagues and integrated with onboarding and day one induction. The DCE, P&C advised the estimated implantation for this is within six weeks. Action completed.
- AP1932 DCE Air Report – Blended Delivery – due November 2019.
- AP1933 2019 Council Work Programme – Graduation Speeches/delegate. The CE extended his thanks to Elizabeth and Melanie for their assistance with capping at the recent ceremony. Action completed.

c Matters Arising

Nil.

2 For Discussion

2.1 Chief Executive Report

[Pages 19/Ara Council/09/479-507]

The report was taken as read. Discussion included:

a RoVE : The CE provided a summary of current activity including meetings with the Establishment Board Chair, Barry Jordan, Board member Bret O’Riley and Establishment Unit Executive Director Murray Strong; development of the RRPC (RoVE Response Programme Committee) and the terms of reference (agenda item 2.3) with feedback from John Hunter and Mike Rondel incorporated; and, attendance at the recent Work Development Councils (WDCs) information session.

b Financial Performance Report:

i. The CE provided an overview of the current financial statements tracking as expected, with the impact of the Manawa finance lease charge on the bottom line.

ii. Council queried the underlying cause for the downturn in Business and were advised that this is likely a combination of issues “hidden” by strong international recruitment going back to 2016. There was discussion on the need to look at the various Business product range in relation to how it aligns with industry and across the organisation. The CE advised to expect realistic EFTS figures next year and no inflation of these which had occurred previously; unrealistic growth targets had superseded the need for appropriate management decisions on size and shape of the area. The DCE AIR supported these comments advising of the focus on efficiencies of the existing programme suite and to look at branding awareness and increasing demographics. The CE is confident the plans put in place to address the issues will have a strong response, including the shift in management of Business to a combined department with a fresh focus, combined with the DCE AIR’s leadership.

iii. Council requested that the monies for the completion of insurance are shown separately on the balance sheet.

Action: *The CFO to ensure insurance funds are ringfenced on the balance sheet.*

[AP1934 CE/CFO]

iv. It was agreed that the figure of \$2m for transformation costs on the ytd financial statement needs to be updated to reflect the recent additional commitments Council agreed to; along with a refresh of the forecast column with updated commentary.

Action: *Transformation costs – figure to be updated along with refresh of the forecast column with updated commentary.*

[AP1935 CFO]

2.1a Health and Safety

The CE advised that the main element in development is the Wellbeing programme at Ara with the recent release of the Wellbeing survey to colleagues.

It was **resolved** that the Chief Executive's report and its contents be received and noted.

J Annear

Carried

2.1b DCE Reports

The CE introduced Karen Te Puke, Acting DCE, CEE. The Chair welcomed Karen to the meeting.

The reports were taken as read and the DCE's responded to questions as follows:

DCE Comments:

- i. Industry Engagement: The Acting DCE, CEE elaborated on the two key ways Ara has of engaging with industry: (1) Local advisory committees work with larger organisations that can commit to attendance e.g. Food, Hospitality and Tourism is a good example, meeting with Hotel Managers but not individual restaurant owners. (2) Consultancy networks are more informal ways of engaging with small businesses e.g. hairdressers, beauty therapists etc where Ara can meet internally with the businesses.
- ii. Scholarships – the CE confirmed Ara is now looking at high achievers as well as hardship scholarships.
- iii. Teaching Excellence Awards – confirmed as specific to Ara.
- iv. Council encouraged Ara to register with the IRD as a Research and Development Provider for tax credits.

Action: Ara to register as R&D provider with IRD.

[AP1936 DCE AIR/CFO]

Appendix One – operationalisation of the Framework for Maori Achievement (FMA) with the AIR Leadership Team

- v. Council were interested to see the Maori intelligence work being completed by teams at Ara and emphasised the need for investment in the FMA. The Kaiārahi provided further detail behind colleagues stimulating different approaches to learning aligned to the FMA.
- vi. Council were pleased to see the FMA interwoven into the DCE reports.

2.2 RoVE

As per agenda item 2.1a.

2.3 RoVE Response Programme Committee (RRPC) Terms of Reference

[Pages 19/Ara Council/09/508-511]

The draft terms of reference for the new RRPC were taken as read.

- i. The CE advised that this was an outcome of the August Council workshop with the provision of a Council subcommittee to address the future of RoVE/Ara, with the CE and Council Chair as ex-officio members. The redacted figures will be discussed in public excluded session. Council requested the following additions to the terms of reference:
 - Insert 2.4 Council members may attend as non-voting members.
 - Add a definition of workstreams (intentions of the workstreams) and timelines to enable a timetable to work to.

Action: Additions to the RRPC Terms of Reference: insert item 2.4 as above and insert definition of workstreams and timelines.

[AP1937 CE/CFO]

It was resolved that the RRPC Terms of Reference be approved subject to the additions as advised.

E Hopkins/J Cartwright

Carried

3 For Information

3.1 Chair Report

Noting the Chair's apology for today, there were no items to report.

3.2 Trustees Update

Canterbury Communications Trust (CCT) – it was noted that Ara representation has been reduced from 3 members to 2; and the criteria is such that it does not have to be a Council member. It was noted that Tony Simons remains a member along with two DCE's. It was advised that the number of applications for grants are relatively low at this stage this year.

3.3 Sub-Committee Reports

[Pages 19/Ara Council/09/512-516]

a) Academic Board

The Academic Board report for the meetings held on 4 July and 8 August 2019 was taken as read. Of note, lots of work continues in degree monitoring and consistency reviews. The CE provided an update on developing self-assessment for 2019 and advised of the dry run external evaluation review with an overall favourable report on external evaluation. There is ongoing work toward the

Technology Enhanced Learning Strategy goals, now moving toward a business case and costings.

b) Council Audit and Risk

Council were advised there were no public meetings held for the Council Audit and Risk Committee in August 2019.

c) Council Campus Redevelopment Committee

Council were advised there no matters of substance to report from the Council Campus Redevelopment Committee public meeting held on 15 August 2019. The meeting minutes were taken as read.

3.4 2019 Council Work Programme [Pages 19/Ara Council/09/517-518]

The programme was taken as read.

- a It was agreed to include the FMA presentation for the October Council meeting, and the business case to be provided to Council in advance. Essential to understand how the FMA becomes an integrated part of delivery and is embedded prior to April 2020. The CE advised that this sits at the forefront of the strategic plans for the next two years.
- b Having postponed Council’s ‘Benchmarking’ session with Tribal due to other priorities, it was agreed Tribal would be invited to the October Council meeting to present on the EPI Sector Report for 2018.

Action: Additions to the October Council meeting agenda include FMA and Tribal presentations.

[AP1938 CE]

3.5 July and August Media Report [Pages 19/Ara Council/09/519-520]

The report was taken as read.

4 General Business

Nil.

Note: [11.50am DCE Air and Acting DCE, CEE depart].

There being no further public business, the public meeting closed at 11.50am.

READ AND CONFIRMED

Chair:
29 October 2019

Ara Council Minutes - Action List as of 24 September 2019

# (yr/#)	Date when Action Arose	Agenda Item	Topic	Action	Council Responsibility	Status	Due Meeting date
1932	10/07/19	9.1b(ii)	DCE Air - Report	Blended Delivery report to be provided.	CE/DCE	In progress	26 Nov 19
1934	24/9/19	2.1(iv)	CE Report - Financial Performance Report	Ensure insurance funds are ringfenced on the balance sheet.	CE/CFO	Completed	29 Oct 19
1935	24/9/19	2.1(v)	CE Report - Financial Performance Report	Transformation costs - figure to be updated along with refresh of the forecast column with updated commentary.	CFO	Completed	29 Oct 19
1936	24/9/19	2.1b (iv)	DCE Reports - AIR: Research	Ara to register as R&D provider with IRD.	CFO/DCE AIR	In progress	26 Nov 19
1937	24/9/19	2.3	RRPC - Terms of Reference	Additions: 1) <i>item 2.4 Council members may attend as non-voting members and;</i> 2) <i>insert definition of workstreams and timelines.</i>	CE/CFO	Completed	29 Oct 19
1938	24/9/19	3.4	Council Work Programme	Additions for the October agenda: 1) FMA presentation 2) Tribal Sector Results	CE TML CE	Completed	29 Oct 19

Ara Council 29 October 2019	Agenda Item		2.1
	Decision Item	Discussion Item	Information Item
PUBLIC	Presented by		Tony Gray

ARA COUNCIL REPORT SUMMARY	
TITLE OF REPORT	Chief Executive's Report
BACKGROUND AND PURPOSE	
RECOMMENDATION(S)	That the Chief Executive's Report be received.
LINK TO ARA STRATEGY	-
KEY ISSUES IDENTIFIED	-
FINANCIAL IMPLICATIONS FOR ARA	-
RISK IMPLICATIONS FOR ARA	-
RATIONALE FOR EXCLUDING PUBLIC	NA

Chief Executive's Report

1 RoVE

- a Ara forwarded to the Education and Workforce Select Committee on 11 October 2019 its submission on the Education (Vocational Education and Training Reform) Amendment Bill. Ara expressed a desire to “be heard” at the Select Committee (copy attached).
- b Ara was also a joint submitter of the TANZ document to the Select Committee (copy attached).

2 Financial Performance Report

2.1 Financial Statements – September 2019

- a The September financial figures includes a new forecast of the expected year-end position. The section immediately below discusses only the year to date position. Discussion of year-end performance expectations are in the Reforecast section later in the report.
- b As at 30 September 2019, the reported surplus before abnormal items is \$5.4m, compared to an expected surplus of \$4.2m. Year-to-date surplus after abnormal items (i.e. Transformation Costs) is \$3.9m, ahead of the expected budget position of a \$2.8m surplus.
- c Overall Government Funding is close to budget for the year to date. However, this largely reflects an earlier timing of delivery rather than achieving overall delivery targets. It is still expected that year-end funding will be under budget, see the Reforecast section for details.
- d Domestic Fee income less related scholarships and discounts are collectively over budget by \$567k year-to-date, largely from low usage of the latter.
- e International Fee income continues to exceed budget due to stronger than anticipated student numbers. The significant movements are in the Engineering & Architectural Studies, Business, and Nursing, Midwifery and Allied Health departments. The net position across International Fee Income and the offsetting Commissions and Discounts is \$866k ahead of budget year to date.
- f Overall, student tuition fees income currently exceeds budget by \$1.4m.
- g Other Teaching Income exceeds budget by \$89k. This is primarily in the Trades department.
- h Collectively, the teaching departments currently have total delivery related income \$1.2m higher than budget. In a net sense, this is almost entirely within International student income as those departments exceeding their domestic income targets are offset by those departments below budget. By department, the

main contributors to the positive revenue variance are the Nursing, Midwifery and Allied Health, and Science and Primary Industries departments.

- i Interest income continues to outperform budget (\$185k), however this area will be impacted by change to the Official Cash Rate.
- j Other Revenue is \$325k behind budget, a similar level to the prior month. The budget had anticipated new sources of income for the Computing department that has not been fully realised,
- k Teaching Staff costs are over budget by \$234k. Of this, the teaching departments are currently over budget by \$265k with the \$31k difference being made up by annual leave effects offset by savings in central teaching budgets (for costs such as academic study leave).
- l Non-Teaching staffing is currently under budget by \$500k. \$271k of this saving is in central budgets.
- m Occupancy/property costs are under budget by \$938k. The change in Manawa lease treatment results in a reduction in leasing costs of \$1.2m year to date. This positive variance is offset by higher costs related to security and in cleaning. These higher costs are expected to be ongoing.
- n The finance lease charge for Manawa year-to-date is \$1.05m.
- o General Operating expenditure is \$749k less than budget year-to-date expectations, in line with the variance last month. The main contributors to this saving are \$417k in teaching materials and equipment costs, \$281k in consultant fees, and \$172k in staff travel.
- p Depreciation expenses are \$912k more than budgeted, of which \$634k is due to the recognition of depreciation on the Manawa building.
- q The collective net impact of the accounting changes for the Manawa lease is to increase expenditure (and thus reduce surplus) by \$462k year to date.
- r Transformation costs are \$208k over the original budget year-to-date due to additional projects. This will increase, as the projects approved in late August begin to have a cost impact.
- s There were no unusual movements in the Statement of Financial Position or the Statement of Cash Flows in September.
- t There is one change in presentation of the Statement of Financial Position. As of the 2019 September actuals, the portion of funds held relating to Residual Insurance Proceeds is shown as a separate line. The 2019 Budget, 2019 Forecast, and 2018 Actual columns have not been reverse engineered to split out this category. The 2019 actual figures will be updated each month, and 2020 Budget and Forecast figures will include this category separately.

**Statement of Financial Performance
for the year to 30 September 2019**

	2019 Year to date		Full Year		
	Actual	Budget	2019 Budget	2019 Forecast	2018 Actual
Government Funding					
SAC Funding Level 3-7	40,935,326	41,370,298	54,581,091	52,334,125	52,669,650
SAC Funding Level 1-2	682,787	653,996	803,140	890,916	1,414,879
ACE Funding	351,874	426,797	564,553	498,820	568,717
Youth Guarantee Funding	925,183	959,288	1,278,521	1,287,485	3,157,486
CTC funding	1,940,183	1,695,759	2,144,679	2,167,997	2,036,100
Other Non-EFTS grants	2,212,724	2,018,247	2,621,040	2,682,075	2,982,377
Total	47,048,078	47,124,385	61,993,024	59,861,418	62,829,209
as % of Total Revenue	53.4%	54.2%	54.6%	52.9%	55.9%
Student Tuition Fees					
Domestic Fee Income	23,845,031	23,673,055	30,113,151	30,127,801	28,625,641
less Scholarships/Discounts	(1,543,224)	(1,938,151)	(2,103,067)	(1,839,227)	(2,113,329)
International Fee Income	12,610,002	11,210,475	14,412,452	16,688,900	14,224,405
less Commissions/Discounts	(1,709,549)	(1,176,331)	(1,372,623)	(1,981,375)	(1,474,972)
Total	33,202,260	31,769,048	41,049,913	42,996,100	39,261,745
as % of Total Revenue	37.7%	36.6%	36.1%	38.0%	34.9%
Other Teaching Income					
	1,800,514	1,711,424	2,326,054	2,326,054	2,363,128
as % of Total Revenue	2.0%	2.0%	2.0%	2.1%	2.1%
Other Income					
Interest	1,764,929	1,580,247	2,107,000	2,155,000	2,049,290
Other Revenue	4,367,521	4,692,932	6,151,084	5,887,071	5,860,281
Total	6,132,450	6,273,179	8,258,084	8,042,071	7,909,571
as % of Total Revenue	7.0%	7.2%	7.3%	7.1%	7.0%
Total Revenue	88,183,302	86,878,036	113,627,075	113,225,643	112,363,652

**Statement of Financial Performance
for the year to 30 September 2019 (cont)**

	2019 Year to date		2019 Budget	Full Year	
	Actual	Budget		2019 Forecast	2018 Actual
Personnel Costs					
Teaching	26,196,547	25,962,148	34,791,368	35,235,102	35,040,916
Non-Teaching	<u>26,081,442</u>	<u>26,581,160</u>	<u>35,520,510</u>	<u>35,153,431</u>	<u>35,308,711</u>
Total	52,277,989	52,543,308	70,311,878	70,388,533	70,349,627
as % of Revenue	59.3%	60.5%	61.9%	62.2%	62.6%
Other Costs (except Depreciation)					
Occupancy/Property costs	7,564,093	8,501,797	11,459,292	10,121,660	9,931,934
Finance Lease Charge	1,054,096	-	-	1,404,000	706,554
General Operating Expenditure	<u>13,029,215</u>	<u>13,778,387</u>	<u>19,289,621</u>	<u>18,482,199</u>	<u>18,223,014</u>
Total other costs	21,647,404	22,280,184	30,748,913	30,007,859	28,861,502
as % of Revenue	24.5%	25.6%	27.1%	26.5%	25.7%
Depreciation					
All Depreciation	8,813,339	7,901,253	10,535,000	11,823,000	10,380,199
as % of Revenue	10.0%	9.1%	9.3%	10.4%	9.2%
Total Expenses	<u>82,738,732</u>	<u>82,724,745</u>	<u>111,595,791</u>	<u>112,219,392</u>	<u>109,591,328</u>
Surplus/(Deficit) excl Abnormal	<u>5,444,570</u>	<u>4,153,291</u>	<u>2,031,284</u>	<u>1,006,251</u>	<u>2,772,324</u>
as % of Revenue	6.2%	4.8%	1.8%	0.9%	2.5%
Abnormal Items					
Transformation Costs	(1,558,239)	(1,350,000)	(1,800,000)	(2,640,250)	(1,794,649)
Share of Associate Surplus	-	-	-		75,076
Total Abnormal Items	<u>(1,558,239)</u>	<u>(1,350,000)</u>	<u>(1,800,000)</u>	<u>(2,640,250)</u>	<u>(1,719,573)</u>
Total Surplus/(Deficit)	<u>3,886,331</u>	<u>2,803,291</u>	<u>231,284</u>	<u>(1,633,999)</u>	<u>1,052,751</u>
as % of Revenue	4.4%	3.2%	0.2%	-1.4%	0.9%

Statement of Financial Position as at 30 September 2019

	Actual 30-Sep-19 \$000	Budget 31-Dec-19 \$000	Forecast 31-Dec-19 \$000	Actual 31-Dec-18 \$000
ASSETS				
Current Assets				
Cash and Cash Equivalents	4,030	6,861	3,734	5,859
Loans and Receivables	2,652	4,005	2,670	2,670
Inventories	1,087	1,248	1,321	1,321
Prepayments	953	1,331	1,794	1,794
Short Term Investments	47,898	49,000	54,000	57,683
Residual Insurance Proceeds	28,281	-	-	-
Total Current Assets	84,900	62,445	63,518	69,327
Non-Current Assets				
Property Plant and Equipment	310,755	290,936	313,252	312,219
Intangible Assets	2,428	2,149	2,433	2,834
Investment in Associate	1,209	1,213	1,209	1,209
Total Non-Current Assets	314,391	294,298	316,894	316,263
TOTAL ASSETS	399,292	356,743	380,412	385,590
LIABILITIES				
Current Liabilities				
Trade and other payables	4,942	6,665	5,000	7,901
Finance leases	790	583	829	790
Employee Benefit Liabilities	4,005	1,992	1,992	2,424
Revenue Received in Advance	20,492	7,607	9,149	9,149
Total Current Liabilities	30,229	16,847	16,970	20,264
Non-Current Liabilities				
Finance leases	25,412	955	25,310	25,585
Employee Benefit Liabilities	238	238	238	238
Total Non-Current Liabilities	25,650	1,193	25,548	25,823
TOTAL LIABILITIES	55,879	18,040	42,518	46,086
NET ASSETS	343,413	338,703	337,895	339,503
EQUITY				
Retained Earnings	239,631	236,784	234,114	235,722
Asset Revaluation Reserve	103,782	101,919	103,782	103,782
TOTAL EQUITY	343,413	338,703	337,895	339,503

Statement of Cash Flows
for the year to 30 September 2019

	Year to Sep 2019 \$000	2019 Budget \$000	2019 Forecast \$000	2018 Final \$000
Cash Flows from Operating Activities				
Cash was Provided from:				
Government Grants	47,773	61,993	59,861	62,721
Student Tuition Fees	43,411	41,050	42,996	40,108
Other Teaching Revenue	1,801	2,512	2,326	2,363
Other Revenue	4,998	6,151	5,887	7,674
Interest	1,521	2,107	2,155	1,993
Total	<u>99,503</u>	<u>113,813</u>	<u>113,225</u>	<u>114,859</u>
Cash was Applied to:				
Employees and Suppliers	73,178	101,026	102,325	99,741
Net Cash Effect of Abnormal Items	1,558	1,800	2,640	1,795
Total	<u>74,737</u>	<u>102,826</u>	<u>104,965</u>	<u>101,536</u>
Net Cash Flows from Operating Activities	<u>24,767</u>	<u>10,987</u>	<u>8,260</u>	<u>13,323</u>
Cash Flows from Investing Activities				
Cash was Provided from:				
Sale of Fixed Assets	41	-	-	40
Total	<u>41</u>	<u>-</u>	<u>-</u>	<u>40</u>
Cash was Applied to:				
Purchase of Other Financial Assets	-	-	-	374
Purchase of Fixed Assets	4,104	5,216	5,216	4,503
Campus Capital Plan Spending	2,587	8,000	6,525	5,953
Total	<u>6,691</u>	<u>13,216</u>	<u>11,741</u>	<u>10,830</u>
Net Cash Flows from Investing Activities	<u>(6,650)</u>	<u>(13,216)</u>	<u>(11,741)</u>	<u>(10,790)</u>
Cash Flows from Financing Activities				
Cash was Provided from:				
Equity	26	-	26	-
Total	<u>26</u>	<u>-</u>	<u>26</u>	<u>-</u>
Cash was Applied to:				
Finance Lease Payments	1,478	714	2,354	1,429
Total	<u>1,478</u>	<u>714</u>	<u>2,354</u>	<u>1,429</u>
Net Cash Flows from Financing Activities	<u>(1,452)</u>	<u>(714)</u>	<u>(2,328)</u>	<u>(1,429)</u>
Total Net Cash Flows	<u>16,665</u>	<u>(2,943)</u>	<u>(5,809)</u>	<u>1,104</u>
Opening Cash, Bank & Short Term Investments	63,543	58,804	63,543	62,439
Closing Cash, Bank & Short Term Investments	<u><u>80,207</u></u>	<u><u>55,861</u></u>	<u><u>57,734</u></u>	<u><u>63,543</u></u>

2.2 Reforecast

The expected year-end position has been reviewed in light of second semester enrolment activity and informed by the work undertaken in the central provision of the 2020 budget.

a EFTS

- i In EFTS terms, the total expected performance is largely unchanged, only 13 EFTS different from the reforecast undertaken after the initial enrolment period early in the year. However, the distribution of those EFTS by Department and by Funding Type has shifted.
- ii In Department terms, there has been an improvement in expected Nursing, Midwifery & Allied Health, now expected to outperform budget by 101 EFTS compared to 46 EFTS at the previous reforecast. TANZ eCampus EFTS decline by 24 from the prior forecast. Other Departments all move by 15 EFTS or less.
- iii In funding terms the most notable change has been a decline in expected SAC Funded EFTS at Level 3 and above, with the main increases being in International and Other EFTS.
- iv A breakdown of the expected EFTS position is below; the March Forecast is included for reference.

<u>By Department</u>	2019			
	<u>2019 Forecast</u>	<u>2019 Budget</u>	<u>2019 Forecast (March)</u>	<u>2018 final</u>
Business	616.3	760.5	602.2	684.0
Computing	538.4	553.5	553.5	540.9
Creative Industries	704.6	719.0	719.0	712.0
Engineering & Architectural Studies	721.6	726.1	736.1	676.0
Hospitality & Service Industries	633.1	645.4	635.4	628.3
Humanities	988.3	934.6	984.6	920.1
Nursing, Midwifery & Allied Health	1,776.0	1,675.4	1,720.8	1,614.9
Trades	1,093.2	1,156.3	1,083.2	1,140.2
TANZ eCampus	149.9	223.5	173.5	125.7
	<u>7,221.4</u>	<u>7,394.3</u>	<u>7,208.3</u>	<u>7,042.1</u>

<u>By Funding Type</u>	2019			
	<u>2019 Forecast</u>	<u>2019 Budget</u>	<u>2019 Forecast (March)</u>	<u>2018 final</u>
SAC Funding Level 3+	5,527.1	5,900.8	5,624.8	5,522.8
SAC Funding Level 1-2	139.4	127.6	127.6	110.0
ACE	112.2	127.0	127.0	127.3
Youth Guarantee	102.6	97.7	97.7	114.4
CTC	143.6	132.2	132.2	134.3
Intl	966.2	840.0	930.0	849.8
Other	230.2	168.9	168.9	183.5
	<u>7,221.4</u>	<u>7,394.3</u>	<u>7,208.3</u>	<u>7,042.1</u>

b Effects on Financial Performance

- i There are a number of income implications from the above changes. SAC Funding Level 3+ declines by a further \$729k compared to the previous forecast.
- ii SAC Funding Level 1-2, Youth Guarantee and CTC funding sources all have minor increases in line with EFTS while ACE Funding declines.
- iii Other Non-EFTS grants improves by \$61k. While in year to date terms these grants are \$194k ahead of budget, for many of the related funds this reflects earlier receipt of income rather than additional income. Many are now approaching their annual funding caps.
- iv Collectively, Government Funding is expected to be \$2.1m less than budget, and represents a decline of \$0.6m compared to the March forecast.
- v Domestic Fees are largely in line with the original budget. Part of this relates to TANZ activity. Fees on TANZ courses was not included in the original budget, as ultimately we do not receive the majority of this income. This reforecast shows the actual fees on TANZ courses and the corresponding increase in subcontracting costs (in General Operating Expenditure).
- vi Excluding this impact, Domestic Fees income is \$356k below budget. These are not under budget to the same degree as the corresponding EFTS. The mix of EFTS has moved to higher fee programmes (the change in Nursing EFTS being an obvious example) such that the average fee per EFTS is higher than budgeted.
- vii Discounts and Scholarships are projected to be \$264k under budget at year-end. This assumes the same level of usage in the final quarter of this year as in 2018 so may vary depending on actual usage.
- viii With the increase in International EFTS, the related Fee Income also increases, as do associated Commission and Discounts. As increases in International EFTS beyond the start of the year are largely in the first year of programmes Commissions increase disproportionately as these are typically only paid on the first year of enrolment. Any second or third year EFTS that result from these enrolments will have no commission, improving the relative proportion of Income to Commissions in future years.
- ix Other Teaching Income currently remains unchanged. While EFTS in this area are up, the co-relation between EFTS and \$ in this area is tenuous as most contracts are dependent on a set class size (such that higher EFTS have no associated income) or are based on a cost per hour of delivery whereas EFTS are based on the credit value of the course/qualification. With income currently only \$89k ahead of budget and anecdotal evidence indicating this may be due to more prompt invoicing, it is prudent not to rely on an income increase.
- x Interest Income has had a minor revision upwards of \$48k. While further ahead than this year in to-date terms, the recent cut in the Official Cash Rate and pricing in of expectation around a further cut in November, interest rates on investments are falling markedly. Term Deposits placed in

September were at an average of 2.4%, compared to 3.2% only six months ago.

- xi Other Income declines by \$264k. The new level is largely the same as the 2018 final level. New income sources anticipated have not eventuated to the degree budgeted.
- xii Income overall is forecast to be \$0.4m under budget. This is an improvement from the prior forecast, largely from the improvements in fees income.
- xiii Teaching Staffing is expected to exceed budget by \$444k. This largely represents savings that had been targeted in the budget but not fully achieved.
- xiv Non-Teaching Staffing is expected to be under budget by \$367k. Approximately half of this saving is from lower staffing levels, the other half from low usage of global budgets.
- xv In the case of both Teaching and Non-Teaching staffing these figures assume that any restructuring costs between now and the end of the year would be typical for the time of year, and there is no net impact from annual leave usage (effectively that as a whole, staff are using leave at the same rate they are accruing it). Final figures could vary depending on these factors.
- xvi Occupancy costs have increased by \$0.3m compared to the prior forecast due to the impact of additional cleaning and security requirements. However, these will still be \$1.3m under budget due to the impacts of the change in accounting treatment of the Manawa lease, which were already factored into the prior forecast.
- xvii There is no change to the Finance Lease Charge added to the prior forecast.
- xviii At this stage, we are forecasting General Operating Expenditure to be \$807k below budget at year-end. This is a further movement of \$524k from the prior forecast.
- xix The Depreciation forecast remains unchanged from the prior forecast. This may fall below the forecast depending on remaining capital spend during the year; however any saving would be negligible.
- xx It should be noted that the overall impact of the Manawa lease accounting change has not altered, with a net expected reduction in surplus of \$0.61m across the various impacts on Occupancy Costs, General Operating Expenditure and Depreciation.
- xxi Expenditure overall is forecast to be \$624k higher than budget, though this is \$145k lower compared to the previous forecast as the decline in General Operating Expenditure and Non-Teaching Staffing outweigh the increases elsewhere. Excluding the effects of the Manawa lease accounting change total expenditure should track to budget.
- xxii Total Surplus before abnormal items is \$1.0m. This is \$1.0m down on the original budget but an improvement from the prior forecast, led by the improvement in fees income.

- xxiii Transformation spend increases by \$624k from the additional projects approved by Council at the August workshop, to a new total of \$2.64m.
- xxiv Total Deficit including Transformation Costs is now \$1.63m. This is \$1.87m below the original budget but a small improvement on the prior forecast.

c Effects on Financial Position and Cash Flow

- i The forecast of Financial Position largely reflects differences in the closing balances of 2018 after the 2019 Budget was set. The main change is the recognition of the Manawa finance lease, which is reflected in higher balances for both Property, Plant & Equipment and Finance Leases.
- ii Cash Flow reflects the updated Financial Performance and Financial Position. Although total Net Cash Flows for the year declines from the Budget position, the Closing position improves as Ara began the year with greater cash reserves than originally anticipated.
- iii One item to note is Student Tuition Fees. This may initially appear odd, as the forecast cash inflow is lower than the current position at end of September. There are a number of components to this. The most notable impact is the relative cash timing of International Fees vs the associated commission payment to agents. At this stage, most if not all cash from International students will have been received while outwards commission payments will continue for the remainder of the year.
- iv The forecast Financial Position and Cash Flow include assumptions around the timing of cash payment and receipts across year-end, e.g. the amount of student fees for 2020 enrolments received this year. There will likely be variances in the year-end position depending on these factors, but should be offset in the following year. To use the student fees example if we were to receive lower payments for the following year before year end, these should be offset by higher cash receipts in 2020.



11 October 2019

Submission on the Education (Vocational Education and Training Reform) Amendment Bill

Introduction

1. Ara is the largest tertiary education provider in the South Island, with campuses in Christchurch (3), Ashburton, Timaru and Oamaru, and provision for online learning.
2. In 2018, Ara had 14,005 domestic students, 1,713 international students, over 1,000 staff and generated direct revenue of \$113 million.
3. Ara's success reflects a focus on delivering exceptional learning outcomes to a diverse cohort of students. With 113 years of proud history meeting the vocational learning needs of Canterbury we have a significant track record of high quality graduate outcomes, innovative teaching and learning practices. We engage with key local stakeholders and influencers to ensure that the programmes we provide remain relevant and reflect the needs of the prospective employers of our graduates. Our strong relationship with local Māori is critical to the delivery of our bicultural initiatives and underpins our sense of "place" in the communities that we serve.
4. Ara is a member of the TANZ consortium, a successful collaboration of seven existing ITPs. The TANZ collaborative outcomes have also been shared across the wider sector.
5. Ara supports sector reform and improvement, but is concerned that the intended pace of legislative change will preclude a full identification of the issues facing the sector and does not include a thorough risk analysis of the proposed solutions.

Our Key Concerns

6. This submission from Ara seeks the consideration of the Select Committee on the following key issues that Ara has identified as being of significant risk to the intent or successful implementation of the proposed Reform of Vocational Education in New Zealand.

7. In Ara's view this Bill:
- **diminishes the benefits of independence of institutes and their ability to respond to regional Iwi, industry, and other stakeholder needs;**
 - **undermines academic freedom;**
 - **significantly disadvantages some existing staff in the transition process;**
 - **does not address the need for existing institutional reserves to be ring-fenced for the benefit of the region from which they were derived; and**
 - **risks destabilising the effectiveness of institutions and their existing regional relationships during a significant and lengthy transition period.**
8. Ara is also of the view that an institute/subsidiary which can demonstrate compliance with all the principles of the Charter proposed for NZIST at the new Schedule 22 should be able to remain as a subsidiary.
9. Ara is concerned about the speed with which this Bill is proposed to be passed into law. The Bill is not due to be reported back until 10 February 2020, yet has a commencement date of 1 April 2020. An implementation undertaken in such haste risks undermining the proposed benefits that the reforms are advocating to deliver.¹
10. The cost of this scale of change will be significant, with some aspects unable to be accurately determined without further investigation or design work completed.
11. Options for mitigating these concerns are outlined in the submission below.
12. Ara wishes to be heard on this submission.

Background

13. On 5 April 2019, Ara made a detailed and constructive submission on the RoVE proposal. We have **attached** the April submission ("A"). That submission included the framework of an alternative reform model based on a business case that would:

*"place the locus of decision making regarding educational delivery as close to communities as possible, whilst ensuring coherence for a more connected sector through the provision of a centrally led strategic framework for planning, standardised services, business processes, curriculum development and supporting capability development."*²

¹ The earliest the Second Reading could be is 13 February 2020 leaving only 13 sitting days for all remaining Stages. Parliamentary scrutiny of this important measure is likely to be limited.

² At para 49.

14. Ara supports the creation of a unified vocational education system, with whole of system strategic leadership and key enabling functions at the centre that empowers a flexible, innovative and sustainable regionally led network of providers. We do not support the creation of a single vocational education institute with a single governance and management structure as currently proposed by this Bill.
15. Ara identifies that these proposed reforms are being modelled on similar changes undertaken in Australia, particularly NSW and Queensland. Of notable difference to New Zealand, the Australian reforms started from a more centralised base with pre-existing common systems and business processes. In one Australian jurisdiction the change programme was projected to take in excess of six years. Even with this comparative head start on the New Zealand setting, it is widely known that the Australian reform process has taken significantly longer than was originally forecast, cost more than anticipated, and is yet to fully realise the intended benefit set.
16. Ara strongly supports reform that will rebalance the funding model to ensure a more equitable and transparent allocation of those funds with accountability regarding their application.
17. A more effective, less risk and almost certainly less cost approach³ would be to look at the best performing institutions, such as Ara, identify why they are successful, and leverage from that.
18. Ara believes that the implementation of the Bill in its current form will put at risk realising the intended benefits of the reform process. We articulated our rationale for this in April and suggested alternative pathways for consideration.

Academic and Institutional Freedom

19. Specifically, we are concerned with the loss of independence and regional identity brought about by the consolidation of the 16 institutes of technology and polytechnics (ITPs) into a single institute. Instead, we suggest a unified system rather than a unified institute.
20. In this sector, “autonomy” includes responsiveness to community requirements and being leaders of change. However, it is much more than that. At the core of the autonomy of institutions such as Ara, are the twin concepts of “freedom” and “academic freedom”. Parliament has made its views clear. Section 160 of the Education Act 1989 reads:

160. Object

The object of the provisions of this Act relating to institutions is to give them as much independence and freedom to make academic, operational, and management decisions as is consistent with the nature of the services they provide, the efficient use of national resources, the national interest, and the demands of accountability.

The Bill demonstrably contradicts this object by removing or reducing the ability of Ara to make its own operational and management decisions. Ara is not aware of anything in its own situation that suggests a need for centralised control arising from historical underperformance.

21. Academic freedom is at the core of the tertiary education system and is referenced in Section 161 of the Act. See Attachment B. We believe Section 161 provides for a different class of academic freedom for the future NZIST compared to both that which exists now for ITPs and that which will exist for other tertiary education organisations in the future.
22. We recommend that either the section that constrains academic freedom of the NZIST is removed in its entirety and that Section 161 is retained, or that this Section is amended to clarify that none of the functions or operations of workforce development councils will limit the academic freedom of NZIST (Section 222E(3)).

Discussion of The Bill's Proposals

Winding Up of Subsidiaries

23. The Bill proposes to make each institute a subsidiary of the New Zealand Institute of Skills and Technology (NZIST) on 1 April 2020 and on 31 December 2022 these subsidiaries will cease to exist⁴; although the Governor-General may, by Order in Council made on recommendation of the Minister, extend the date a subsidiary can continue to exist. The current Bill, only delays the winding up of a subsidiary and does not create the possibility for any institute to be exempt from the consolidation. Furthermore, the NZIST Council may even dissolve the subsidiary earlier or transfer the undertaking of the subsidiary⁵.
24. We are concerned primarily with the loss of independence such consolidation would bring for Ara Limited, and the impact that would have on its success.
25. Ara strongly believes that it is not appropriate for the NZIST Council to have the power to dissolve an institution, even if it is an NZIST subsidiary; dissolution is necessarily irrevocable.
26. There is no need for the proposed Section 222ZB, and it should be omitted. If early dissolution is warranted, it should be done by Order in Council, made after due process, including consultation, has been followed.
27. The requirements of an inclusive and transparent consultative process are well established. They require that the consultation must be with all those potentially affected. Given the materially adverse impact that the winding up of Ara Limited will have on students, staff, and stakeholders it is an egregious breach of consultation principles to exclude them.

4 Section 222ZA

5 Section 222ZB

28. Whilst Ara is supportive of the option that a subsidiary can be extended beyond December 2022, there remains the same concern in the process described in Section 222ZA(3). This subsection requires the Minister to consult with NZIST on the proposed extension of a subsidiary's existence. Ara's view is that the Minister and NZIST should not decide upon an extension period without involving the institution or institutions directly affected.
29. We believe that demonstrably well performing institutes such as Ara Limited should be exempt from the mandatory winding up at the end of the transition period. That exemption should be made clear now within legislation and not left to a process that is yet to be determined.
30. Alternatively, the Government should consider a vocational education system with a unified head office offering efficient and effective support to regional providers that are autonomous in their delivery and partnering decisions.

Impact on Employees

Uncertain Tenure

31. The Chief Executive of NZIST is to decide which employees' roles are required and will remain employed by NZIST after the relevant subsidiary is dissolved⁶. This means that although all employment is transferred to the subsidiary⁷, the status of employees' employment after the transition period is very uncertain.
32. CEOs will cease to report to ITP councils (which will be abolished) and instead report to the subsidiary's board of directors. That is the application of orthodox governance and management theory and practice.
33. The significant functions and powers normally held by CEOs will transfer to NZIST. Some may be delegated back to institute CEOs by the NZIST CEO, but that is not ensured, and accountabilities will change. This could significantly impede a subsidiary CEO from performing the daily tasks required for that subsidiary.
34. Ara is concerned that these reforms risk:
- a. the best leaders and staff leaving the sector;
 - b. a destabilisation of an important contributor to the regional economy and its wellbeing during a period running through to at least the election after next; and
 - c. the loss of regional control of capital developed over the 100 years of Ara's (and its predecessors) existence.
35. These risks can be avoided by giving appropriate "subsidiaries" greater certainty. New Section 222ZA(2) only gives the illusion of this, because an Order in Council under it extending the life of a subsidiary could be revoked at any time.

⁶ Clause 5 Schedule 4 New Schedule 23

⁷ Clause 33 Schedule 1 New Part 9

Redundancy

36. Clause 5(4) of the new Schedule 23 (see Schedule 4) states that an employee of a subsidiary is not entitled to receive any payment or benefit on the grounds that the employee's position has ceased to exist. Whilst this provision may be intended to apply to those employees who accept an offer of employment by NZIST, the current drafting would mean that employees who are made redundant and are not offered equivalent employment with NZIST are treated in the same manner as employees who are offered and decline an equivalent offer of employment from NZIST. Put another way, employees who are not offered an equivalent role with NZIST will lose any contractual right to be paid redundancy compensation. We are concerned that this does not make sense and is not fair to employees who are not offered continued employment.
37. It may be no more than an oversight⁸, but to put the matter beyond doubt, we recommend that clause 5(4) is amended by inserting before "is not entitled" the words "who accepts an offer of employment under **subclause (2)**".

Iwi Relations

38. It has long been acknowledged by the Crown that engagement with Māori on a nationalised or pan-Māori level is not a culturally appropriate approach. Even the "large natural groupings" concept has some practical advantages, but brings significant challenges also.
39. The prospect of NZIST determining how the local institutes should engage with Māori fails to recognise and acknowledge the already established and enduring relationships that Ara has with Ngāi Tahu and its hapu as explained at paragraphs 6 to 11 of our 5 April 2019 submission.
40. Ara supports the Mana Ōrike Tiriti relationship and its principles as set out in the TANZ submission and recommends the amendments to the Bill as proposed in its submission.

Meeting Industry Needs Today

41. Ara is proud of its many strategic alliances and practical partnerships with industry. An exemplar is the one with the Canterbury District Health Board (CDHB) and the University of Canterbury that established the Health Research and Education Facility called Manawa.
42. The Manawa facility in the Christchurch Health Research and Education Precinct was opened with justifiable fanfare by the Ministers of Education and Health in January 2019. See attached media item "C".
43. This collaboration was four years in the making.

⁸ Perhaps carried forward from clause 33(4) of the new Part 9 of Schedule 1, where it is appropriate?

44. The facility brings together the partner institutions in a single building with “real-world” learning and research environment.
45. The Ara Executive has conducted a debrief of the processes leading to Manawa and concluded that the key to its success was the localised leadership that enabled agile decision making and a culture of collaborative design.
46. Manawa addresses in a practical and replicable way the concerns that the Government has regarding disconnections between the institutes and workforce requirements. It evidences that responsiveness to industry workforce needs can be enabled within the existing system.

Financial Risks

47. As well as the financial risks already identified by Government officials, there are other financial risks and inequities identified in the Final Decisions Paper (FDP) but not addressed in the Bill.
48. The principal one is that some institutes, Ara included, have material reserves. The FDP proposed ring fencing of appropriate reserves and that a policy would be devised to ensure they are applied in the appropriate region, albeit with the approval of “head office”.
49. Ara believes the Bill should make provision for this, and that it should not be left to head office to devise and implement the policy, at some future, unknown, date.
50. The temptation to use the reserves from one dissolved institute to fund the deficits arising from the dissolution of another institute will be great in the current context. Consequential risk of existing reserves being diverted from supporting the region from which they were derived will be heightened. This perceived risk may incentivise a range of unhelpful behaviours at the subsidiary level in the lead up to dissolution.
51. If dissolution of a subsidiary is needed, that is more likely to result in incorporation in another institution, and Section 217 (especially Section 217(5)) of the Education Act 1989 has an effective mechanism for dealing with that. If an institute is not merged with another, then Section 217(6) would apply.
52. In that case, there would be need for a formal ring fencing of historic reserves to be spent on institution-type services in the region of the dissolved institute. The Audit Office could be called upon to certify the appropriate calculation of those reserves.
53. If successful institutes are not forcibly dissolved and all at the same time, the prospect of institutes with healthy reserves being dissolved and incorporated with another institute is greatly reduced.

Conclusion

54. In Ara's view this Bill:
- **diminishes the benefits of independence of institutes and their ability to respond to regional Iwi, industry, and other stakeholder needs;**
 - **undermines academic freedom;**
 - **significantly disadvantages some existing staff in the transition process;**
 - **does not address the need for existing institutional reserves to be ring-fenced for the benefit of the region from which they were derived; and**
 - **risks destabilising the effectiveness of institutions and their existing regional relationships during a significant and lengthy transition period.**
55. An institute such as Ara, which can demonstrate compliance with all the principles of the Charter proposed for NZIST at the new Schedule 22, should not be subjected to the disestablishment regime.
56. Better still, the disestablishment regime should only be able to be imposed either:
- after the intervention regime in Sections 195B to 195F of the Education Act 1989 has been followed and failed; or
 - by Order in Council made on the recommendation of the Minister who must first consult the board of the institution and give it reasons why the Minister considers the intervention regime will not be effective.
57. Ara urges the Select Committee to recommend that the Bill not proceed in its current form nor to its proposed timetable.
58. Without detracting from that priority position, Ara recommends that, if the Bill proceeds:
- a. New Section 222ZA(3) should be amended by requiring consultation on any extension of the dissolution date with the affected subsidiaries.
 - b. New Section 222ZA(4) should be omitted as it is an unnecessary restriction with the potential to attract challenge through judicial review, and cause unnecessary uncertainties.
 - c. New Section 222ZB should be omitted as it is entirely inappropriate and unnecessary.
 - d. In its place there should be a provision that the Minister, after consulting the institution or institutions concerned can recommend an Order in Council declaring that Section 222ZA(1) does not apply to specified NZIST subsidiaries before a date specified in the Order in Council. To give the necessary certainty, the new section would have to state that the Minister cannot recommend revocation of the Order in Council without consultation with the specified NZIST subsidiaries (Ara acknowledges this could be achieved by appropriate changes to new Section 222ZA(2), if preferred by the drafters).

- e. It should be corrected for the assumed drafting oversight in Clause 5(4) of the new Schedule 23 (see Schedule 4) that states that an employee of a subsidiary is not entitled to receive any payment or benefit on the grounds that the employee's position has ceased to exist.
- f. That it be amended to include provision of certainty for the protection and use of existing institutional reserves for the benefit of the region from which they were derived.

If you have any questions on the feedback included in our submission, please contact:

Tony Gray
Chief Executive
Ara Institute of Canterbury
PO Box 540
Christchurch 8140

We wish that the following appear in support of our submission:

- Dr Therese Arseneau, Council Chair, Ara
- Tony Gray, Chief Executive, Ara

Attachments

- A. Ara's RoVE Submission – 5 April 2019
- B. Section 161, Education Act 1989
- C. Manawa opening media item



5 April 2019

Submission on the Reform of Vocational Education

Ka timu te tai, ka pao te tōrea.

The tide recedes and the oyster-catcher strikes: The time is now to re-wire our sector for the 21st Century

Introduction

- 1 Ara Institute of Canterbury (Ara) welcomes the Government's commitment to the future of Vocational Education and the decisive steps to support a strong, unified, sustainable Vocational Education system. The review of Vocational Education presents an opportunity to address the imbalances in our education system and re-wire it to create an integrated, innovative and student-centred vocational training system to inspire, grow and prepare learners for the opportunities of the future. However, we have concerns with the extent of the emphasis on a structural response as opposed to an effectively led and enabled Vocational Education system.
- 2 Ara conducted extensive internal and external consultation to develop this analysis and reach the conclusions presented in our submission. This consultation included a range of stakeholders including local government, our region's Mayors, iwi, regional economic development agencies, chambers of commerce, the staff, current learners and graduates of Ara.
- 3 We have also drawn on the organisation's success and experience with considerable transformational change, adaption and resilience over the past decade to inform our submission.
- 4 **Key factors to our success include:**
 - **effective local decision making** underpinning responsiveness to regional needs by integrating ourselves fully within the economic development machinery of the region.
 - **engagement with Māori as true partners** generating successful innovations through a commitment to co-design and co-development of programmes including with Papatipu Rūnanga across Canterbury, Tokona te Raki and the He Toki initiatives.
 - **approaching the merger** that created Ara from the perspective of expanding access to vocational and applied professional education across the Canterbury region.

- **taking a systematic approach** to the redevelopment of our campus environments through a regional master planning process that allows us to optimise our physical assets and contribute award-winning facilities such as Kahukura and our world-class, New Zealand first, Health Research and Education Facility partnership with the CDHB – Manawa.
- **the agility of our response to the Canterbury earthquakes**; we re-tooled our provision to align to the exceptional demands of the rebuild of the Canterbury and Kaikoura regions and have embedded ourselves more deeply into the workforce development system of the region.
- **our commitment to high-quality, innovative teaching and learning practices** and growing applied research programmes that are underpinned by effective governance and management, deep product knowledge, quality community engagement and highly capable staff. Ara is one of the few tertiary education organisations (TEOs) to improve its quality assurance rating.

5 The four key priorities of our current transformation agenda are aligned to RoVE and include:

- Students at the heart of everything we do.
- Dynamic world class programmes and delivery.
- High performing customer focussed teams.
- Investment decisions that deliver a sustainable future.

Our Partnership with Iwi

6 Any new establishment of a Vocational Education system must embed a Treaty of Waitangi framework in its foundation.

7 At Ara the success of Māori is integrated into our approach to governance, management and learning and teaching; giving effect to the Treaty of Waitangi principles of partnership and participation.

8 The Treaty based principles underpin our partnership with Te Rūnanga o Ngāi Tahu and reflect the mana whenua status held by local Ngāi Tahu hapū. Through this partnership, we acknowledge that local Ngāi Tahu hapū have a duty of care for their communities (manaakitanga) and responsibility to advocate for their rights and interests in matters that most impact on them (rangatiratanga). The education sector is arguably the most important arena in which their voice is required.

9 The partnership underpins several innovative approaches to Vocational Education in our region including the He Toki Ki Te Rika and He Toki Ki Te Mahi initiatives.

10 Engaging iwi/hapū to speak on behalf of local Māori needs and aspirations is essential if we are to ensure that public services are configured appropriately. The track record of Māori in driving innovation in the delivery of public services including Vocational Education indicates that we have much to gain collectively from this engagement.

- 11 We are concerned that without meaningful engagement with iwi/hapū and other relevant local Māori representatives (e.g. kura kaupapa Māori) the full benefits of the reforms will not be realised. Indeed, we see the real potential for the reformed system to perpetuate the inequalities that currently exist. Engagement with local Māori needs to be an integral part of the reform programme.

A Risky Proposition

- 12 The proposed New Zealand Institute of Skills and Technology would create the world's 30th largest provider of higher education and training with 280,000 learners, relationships with more than 25,000 employers, almost 10,000 staff and \$2 billion in assets.
- 13 We are concerned that the scale of the merger of all sixteen ITPs as proposed carries significant implementation risks; the transition costs have not been quantified but are likely to be high, and there is potential to destabilise the overall system.
- 14 The loss of regional-level decision making will result in the loss of flexibility and the autonomy needed to innovate for local and regional delivery and development.
- 15 The proposed new entity could offer education from foundation certificates to doctoral studies and be responsible for half of all tertiary enrolments in New Zealand. It would dwarf all other TEOs at 6.7 times the size of the next largest (the University of Auckland).
- 16 The transition process will involve considerable opportunity costs. The diversion of staff from key functions including programme development and delivery may interrupt our capacity to maintain business as usual activities and undermine our international reputation.
- 17 We observe that no business case has been presented that robustly tests if the proposed benefits are achievable and justified in the context of the likely and unprecedented level of change cost that these proposals would incur.
- 18 As proposed, Ara believes the newly centralised institute will be less effective in building and sustaining local relationships compared to models that involve stronger regional leadership.
- 19 A centralised entity could risk compromising the flexibility and responsiveness of regional campuses and potentially the capacity to innovate. It also could create a single point of failure.
- 20 Disestablishing the existing provider network and replacing them with a single central entity will have several deleterious impacts. These impacts include a disconnection between the identity of each region and 'their' provider of Vocational Education and training, an implicit downgrading of the relationship between 'local campus staff' and strategic partners including iwi and adding further layers of bureaucracy between frontline teaching staff and the communities they serve.

Our Response to the Proposals

- 21 Ara supports a sustainable, integrated and collaborative Vocational Education sector that delivers for the evolving future of work, delivering for the regions of New Zealand what learners, employers, iwi and communities need to be successful. Any future system must balance the need for national and regional governance and leadership that ensures clear requirements for accountability.
- 22 Ara recognises the need for the reforms and concludes that Proposals 1 and 2 would benefit significantly from further consultation and detail, **but Proposal 3 should be progressed under urgency.**
- 23 **Reform Proposal 1** – Ara supports the creation of a Vocational Education sector combining the roles of ITOs and ITPs, noting however, that we have concerns over the scope of the proposed range of functions of the ISBs.
- 24 **Reform Proposal 2** – Ara supports the creation of a *Vocational Education system*, with whole of system strategic leadership and key enabling functions at the centre that empowers a flexible, innovative and sustainable regionally led network of provision. We do not support the creation of a *single Vocational Education institute* with a single governance and management structure as currently proposed.
- 25 **Reform Proposal 3** – Ara strongly recommends that irrespective of the totality of the reform outcomes, the funding system must be redesigned to recognise the complexities of delivery to geographically dispersed, under-served communities and industries, and the inequalities for Māori. A new funding system must also discourage duplication of effort as well as unsustainable competitive behaviours.

Proposal 1: Re-defined roles for industry bodies and education providers

- 26 We welcome the creation of a Vocational Education sector combining the existing roles of ITOs and ITPs.
- 27 We recognise the need to integrate Vocational Education with the wider education system.
- 28 We support in principle the creation of Industry Skills Bodies (ISBs); however, we have concerns regarding the range of their proposed functions.
- 29 We recommend the role of ISBs being a collaborative and advisory one and caution the risk of ISBs having too prescriptive an approach.
- 30 We support ISBs providing advice to TEC about skills needs and defining skills standards.
- 31 We consider that Vocational Education provision should not be determined by ISBs alone but must also be responsive to the social and cultural needs of the community.
- 32 We do not support the ISBs solely leading purchasing decisions with the TEC.
- 33 We propose ISBs would be a contributor to the development and approval of programmes and associated assessment but not the sole arbiter.

Proposal 2: Create a New Zealand Institute of Skills and Technology

- 34 We **do not support** the creation of a *single Vocational Education institute* with a single governance and management structure as currently proposed.
- 35 We **do support** the creation of a *Vocational Education system*, with centralisation of whole of system strategic leadership and key enabling functions, which empowers a flexible, innovative and sustainable regional network of provision. Any future model for the system should be rebalanced to optimise the existing strengths of:
- a Regional leadership, decision making and management of delivery.
 - b Representation of regions, through governance, advisory bodies, iwi and other local advisory networks.
 - c Responsive to local cultural, enterprise and community stakeholders.
- 36 We propose that a centralised entity is responsible and accountable for system level strategy and planning, core services, business processes and academic and engagement provision.
- 37 We support balancing of national and regional accountability through the establishment of mechanisms for regional governance and leadership; we cannot see how the Regional Leadership Groups could effectively support this critical aspect of a reform system.
- 38 We note the inadequate emphasis within the proposal to meet the goal of ensuring strong iwi/hapū, local government and community participation of Vocational Education provision.
- 39 We advise against the loss of local decision making and the authority to provide for a flexible and responsive approach to the needs of regions.
- 40 We recommend the consideration of including provision of Te Reo, Foundation, and Level 7 and above as part of the system.
- 41 We recommend the inclusion of Graduate qualifications to at least Master's level in the definition of Vocational Education as the increasing sophistication of employers require this (such as nursing, midwifery, allied health, etc).
- 42 We are concerned that there will be dilution of the existing relationships with partners in the regions including iwi/hapū, employers and local government.
- 43 We propose that this reform must also address the broader social impact of education and training; facilitating social development of our communities, helping people develop required skills and knowledge to be resilient in the face of economic and social change.

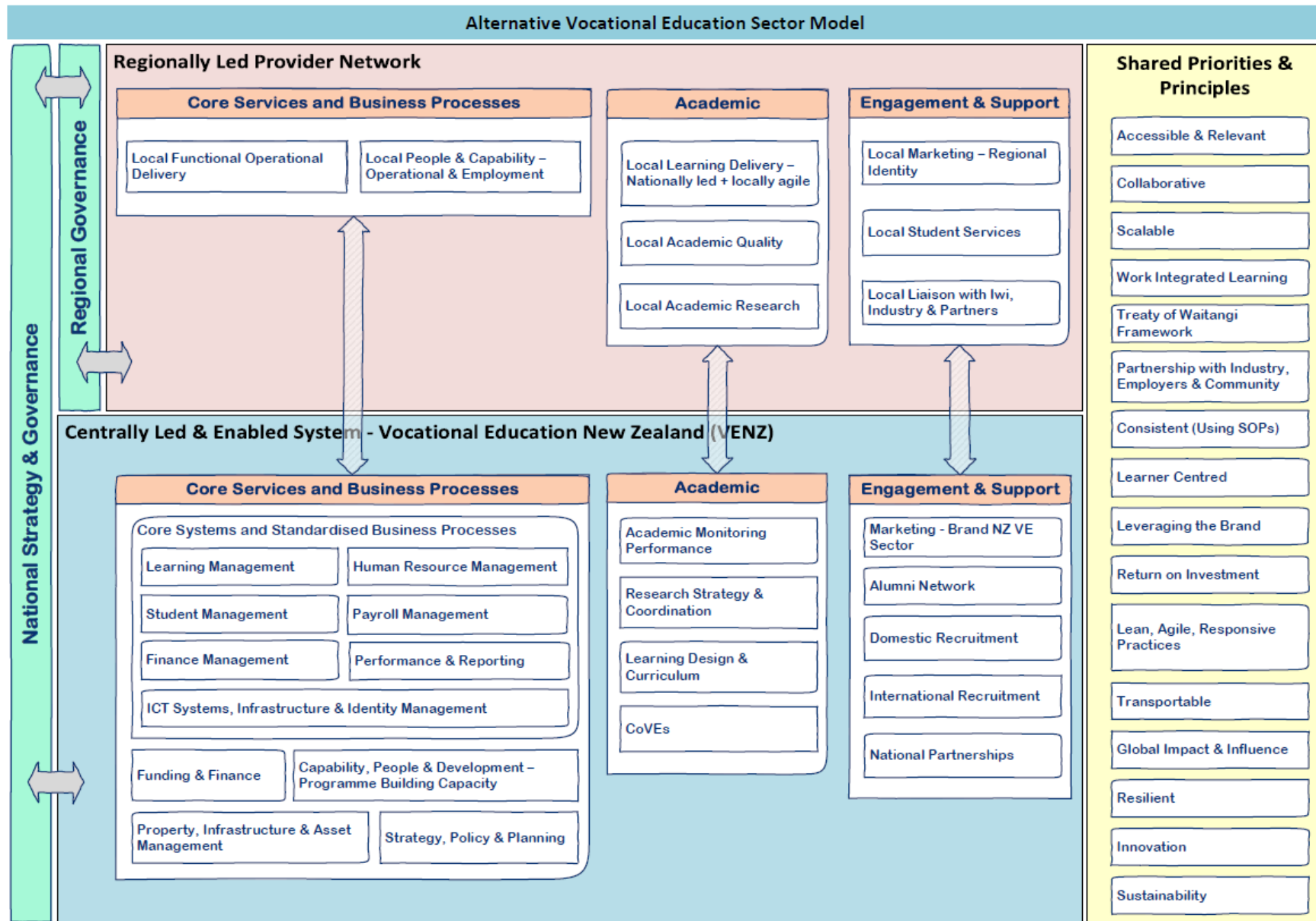
Proposal 3: A unified Vocational Education funding system

- 44 We submit that many of the benefits targeted by the reforms could be achieved through the redesign of the funding system and recommend this is undertaken as a matter of urgency irrespective of the timetable for Proposals 1 and 2.

- 45 We expect that Proposal 3 will be designed to remove existing barriers to collaboration and flexibility and will ensure a sustainable network of provision, reduce duplication of resource and discourage unsustainable competitive behaviours. This new funding system must also recognise the need to improve learning outcomes for Māori, Pasifika and under-served communities and the complexities of delivery to geographically dispersed stakeholders.
- 46 The sector needs a funding system that retains a baseline level of capability in a regional context. Specifically, recognition of the cost of regional educational delivery where class sizes are substantially less than in the urban environment.
- 47 We recommend any new funding model must address the challenges of social inequality, parity of achievement, capability, performance, episodic delivery and capitation approaches.
- 48 We **do not support** the continuation of a predominantly volume-based funding model.

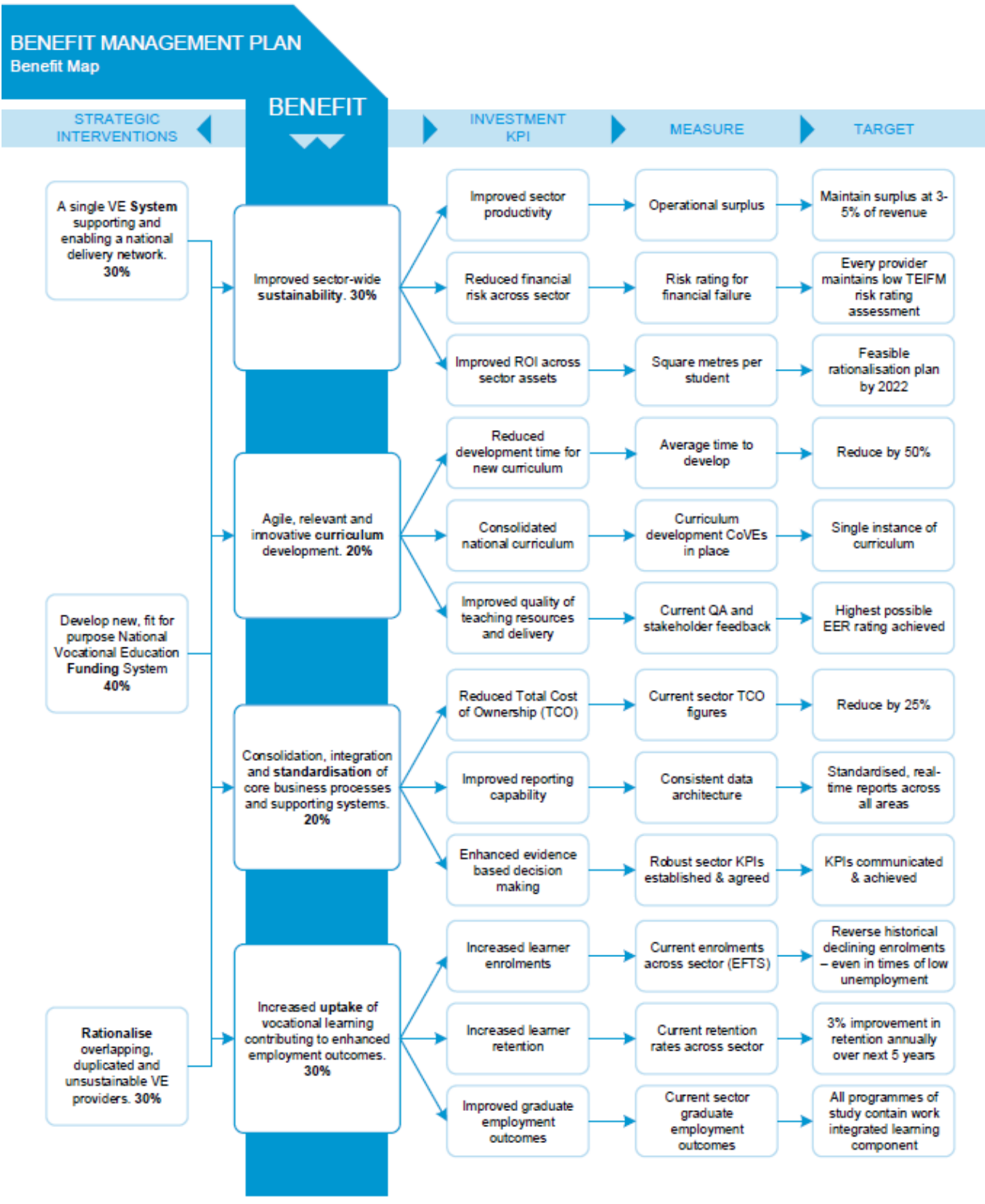
Proposed Alternative Model and Better Business Case

- 49 Ara's proposed alternative model would place the locus of decision making regarding educational delivery as close to communities as possible, whilst ensuring coherence for a more connected sector through the provision of a centrally led strategic framework for planning, standardised services, business processes, curriculum development and supporting capability development.



Changing the Vocational Education System
Meeting Current & Future Challenges and Delivering Better Outcomes for New Zealand

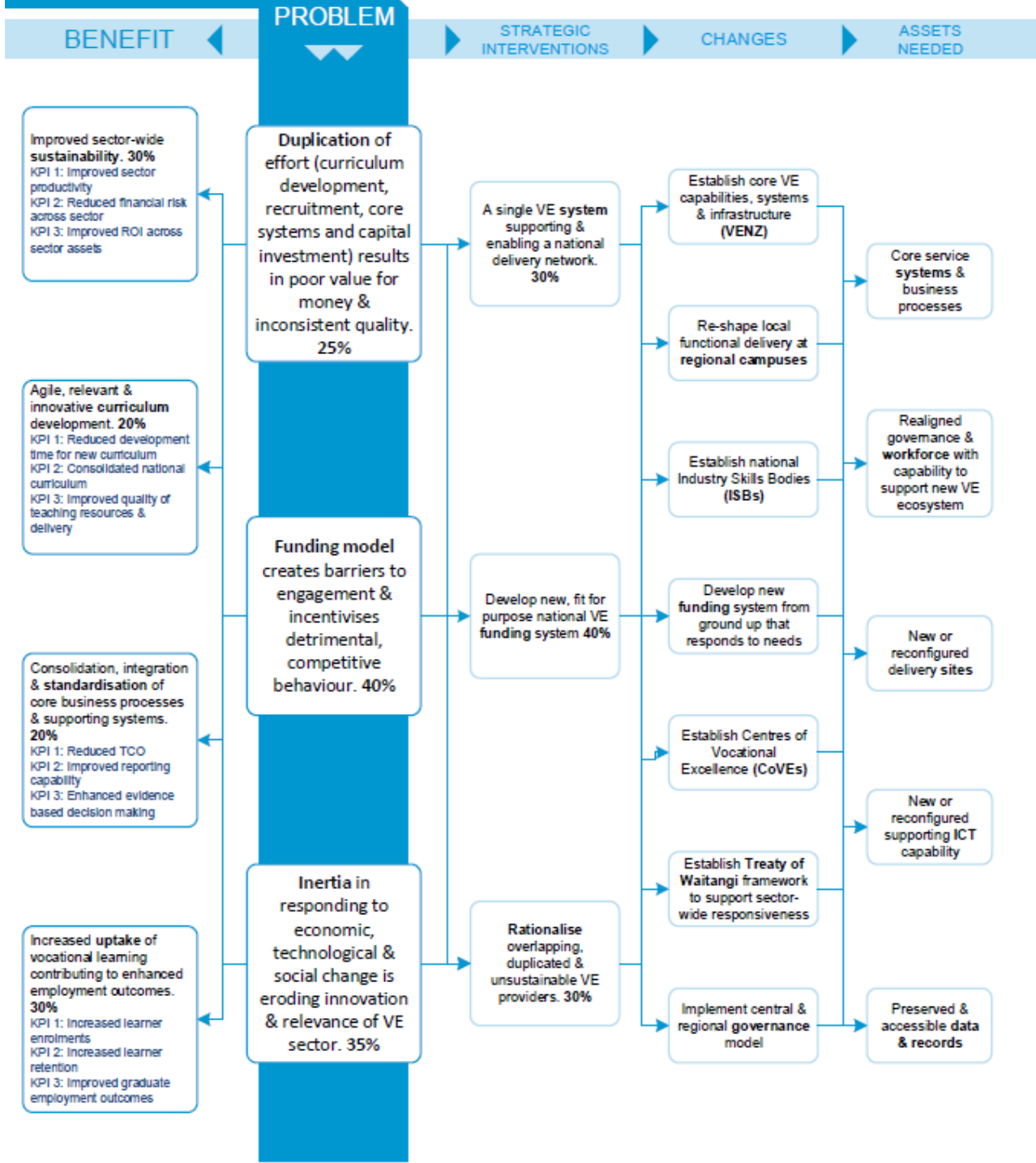
Investor: Government / TEC
 Prepared by: Ara
 Version no: Draft – 0.5
 Last modified: 1st April, 2019



Changing the Vocational Education System
Meeting Current & Future Challenges and Delivering Better Outcomes for New Zealand

Investor: Government / TEC
 Prepared by: Ara
 Version no: Draft – 0.6
 Last modified: 2nd April, 2019

INVESTMENT LOGIC MAP
 Initiative



- 50 Ara's proposed Vocational Education New Zealand (VENZ), would lead the responsibility for strategy, monitoring, capital planning, systems development and deployment, shared curriculum development, continuous professional development and coordination of applied research in consultation with the regional network.
- 51 The network of regionally led providers would be individually responsible and accountable for the delivery of education and training, maintaining local teaching and learning facilities, integration of in-work learning, regional stakeholder engagement, partnerships with local iwi and local innovation.
- 52 Regionally led providers would maintain responsibility for people, capability, operations and act as the employer.
- 53 VENZ would operate a common Academic Board consolidating programme approval decisions and academic statutes.
- 54 VENZ would provision for an ecosystem of unified practice that includes new models of curriculum design and delivery that seamlessly integrates learning in the workplace, on-campus and online.
- 55 VENZ would collaborate on the development and delivery of core service systems and business processes.
- 56 VENZ would take responsibility for the collaborative planning and development of the Centres of Vocational Excellence (CoVEs).

We believe that the aforementioned provides the Minister with the basis of a robust alternative solution to his identification for the need to reform the New Zealand Vocational Education and Training sector.


Ara's proposed alternative model could be expedited more swiftly and with a significant reduction in risk, cost and disruption, whilst preserving those aspects of the current model that are proven to be responsive to the needs of communities, industry and regional economic development.

We would welcome the opportunity to be further engaged in the Minister's consideration of our response and any further development of the next stages of the reform process.

Thank you for the opportunity to submit on the proposals.



Tony Gray
Chief Executive, Ara



Dr Thérèse Arseneau
Council Chair, Ara

Appendix One

Commentary – Better Business Case

Response to the Reform of Vocational Education (RoVE)

Ara Institute of Canterbury

Introduction

- 1 The Government's *Reform of Vocational Education (RoVE)* proposal, announced in mid-February 2019, put forward bold solutions that would require significant and disruptive change in order to make improvements to Vocational Education (VE) in New Zealand. Since the announcement, the proposal has created tension and uncertainty across the sector in anticipation of the outcome of the consultation.
- 2 Throughout the consultation period, we have been grappling with what the changes in the proposals would mean on the ground, how they would impact our learners, colleagues, stakeholders, the regions we serve and how the Government would undertake the proposed changes in a coordinated and timely fashion.
- 3 Further to this, Ara was eager to understand the thinking and the steps that the Government had likely taken to develop the rationale sitting behind the proposal. From Ara's point of view, in order to understand the proposed solutions, we must first understand how they were arrived at and whether they were optimal for resolving the identified problems.

Rationale

- 4 Ara is no stranger to the Government's preferred Better Business Case process having used it to support previous Government investment decisions for the post-earthquake Trades Training project in 2013 and the merger of Aoraki Polytechnic and CPIT into Ara in 2016.
- 5 Assuming the Government would apply the same rigour to its investigation and analysis of the Vocational Education sector as part of this RoVE process, facilitated investment management workshops were carried out with key members of Ara's leadership team.
- 6 The focus of these workshops was to determine the problem, the benefits that need to be delivered to resolve the problem, the range of responses to the problems and ultimately to recommend solutions.

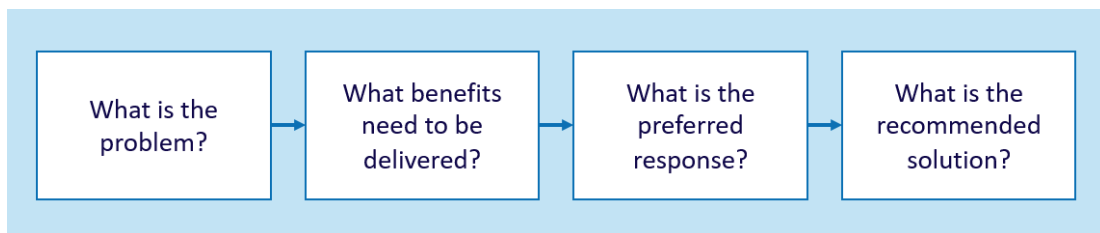


Figure 1: Line of Enquiry from Investment Management Standard 2017 - Technical Guide for Facilitators. 2017, State of Victoria.

- 7 In order to ensure the right information was introduced into the process, RoVE documentation, in particular the 29 January 2019 Cabinet Paper *Consulting on Proposals for Vocational Education System Reform* and other supporting documents including reports from the ITP Roadmap process were fully incorporated into the analysis.
- 8 The **Investment Logic Map (ILM)** and **Benefits Management Plan (BMP)** that were drafted as a result of the workshops were developed using a combination of the problems the Government had identified in its most recent cabinet papers and by tapping into the deep experience and knowledge of the sector held by the workshop participants.
- 9 The workshops sought to test the logic of the solutions the Government had proposed as well as identifying and testing the logic of alternative solutions, proposed as the investment management process was undertaken by the Ara workshop contributors.
- 10 To accompany these documents, a diagram entitled **Proposed Alternative Ara Model** was developed to present an alternative Vocational Education sector model, pictorially. This diagram effectively mirrors the solutions or 'strategic interventions' that feature in both the ILM and BMP documents.

Context and Process

- 11 During the problems' definition workshop, the participants identified elements drawn from the RoVE documents and from their own reading and experience to then produce a series of problems that they believed formed the basis for the remainder of the investment management process. To arrive at this point, a longer list of problems was refined and themes consolidated into three main problem statements:
 - a Duplication of effort (curriculum development, core systems and capital investments) results in poor value for money and inconsistent quality;
 - b Funding model creates barriers to engagement and incentivises detrimental, competitive behaviour; and
 - c Inertia in responding to economic, technological and social change is eroding innovation and relevance of VE sector.
- 12 Accordingly, percentage weightings were applied to these problems initially and once the remainder of the process was completed, they too were refined to ensure the logic stacked up numerically. These percentages were 25%, 40% and 35% respectively.
- 13 A second workshop was held to then take the problem statements and identify the benefits that Government and the sector would need to realise in order for the problems to be resolved. As before, information was shared, debated and captured in lists that were then analysed, refined and consolidated to produce the following benefits:
 - a Improved sector-wide sustainability;
 - b Agile, relevant and innovative curriculum development;
 - c Consolidation, integration and standardisation of core business processes and supporting systems; and
 - d Increased uptake of vocational learning contributing to enhanced employment outcomes.
- 14 These benefits were then rated 30%, 20%, 20% and 30% respectively again aligning logically with the problems they sought to resolve. Using this base information, we were able to transfer the results into the BMP document where key performance indicators (KPIs), baseline measures, target outcomes and the associated strategic interventions could be described.

- 15 Key performance indicators included:
- a Improve sector productivity;
 - b Reduce sector financial risk;
 - c Improve return on investment;
 - d Reduce development time for new curriculum;
 - e Consolidate a national curriculum;
 - f Improve quality of teaching resources and delivery;
 - g Reduce total cost of ownership;
 - h Improve reporting capability;
 - i Enhance evidence-based decision making;
 - j Increase learner enrolments;
 - k Increase learner retention; and
 - l Improve graduate employment outcomes.
- 16 In subsequent workshop settings, the strategic interventions were again lifted from the BMP, back into the ILM where specific changes and assets could be itemised; again, to realise the benefits that would resolve the problems, logically. The strategic interventions derived from the workshops were then refined as:
- a A single VE system supporting and enabling a national delivery network
 - b Develop new, fit for purpose national VE funding system; and
 - c Rationalise overlapping, duplicated and unsustainable VE providers.
- 17 The percentage weighting for each strategic intervention was 30%, 40% and 30% respectively.
- 18 Based on the thinking and analysis of the workshop contributors, the resulting findings had significant alignment to those proposed as part of RoVE with some subtle but significant differences.

Conclusion and Recommendation

- 19 In particular, the solution that RoVE proposes whereby 16 ITPs are consolidated into a single entity, the New Zealand Institute of Skills and Technology (NZIST), is instead replaced by the creation of a single VE system.
- 20 The creation of a single entity did not present by itself as a logical intervention to provide the required benefits and resolve the problems identified, as this is a structural response to what is essentially a systemic problem.
- 21 The BBC process led us to conclude that Proposal 3, to unify the funding system, gave the opportunity to realise the reform's greatest benefits with the least cost and disruption.
- 22 Specifically, the problem statement C, *Inertia in responding to economic, technological and social change* is potentially the one most likely exacerbated by the implementation of a single entity.
- 23 It is recommended that the ILM, BMP and accompanying diagram of a proposed alternative VE sector model are read in parallel to ensure the logic, process and outcomes can be best understood.



Attachment B

New Zealand Legislation Education Act 1989

- Warning: Some amendments have not yet been incorporated.

161 Academic freedom

- (1) It is declared to be the intention of Parliament in enacting the provisions of this Act relating to institutions that academic freedom and the autonomy of institutions are to be preserved and enhanced.
- (2) For the purposes of this section, **academic freedom**, in relation to an institution, means—
 - (a) the freedom of academic staff and students, within the law, to question and test received wisdom, to put forward new ideas and to state controversial or unpopular opinions:
 - (b) the freedom of academic staff and students to engage in research:
 - (c) the freedom of the institution and its staff to regulate the subject matter of courses taught at the institution:
 - (d) the freedom of the institution and its staff to teach and assess students in the manner they consider best promotes learning:
 - (e) the freedom of the institution through its chief executive to appoint its own staff.
- (3) In exercising their academic freedom and autonomy, institutions shall act in a manner that is consistent with—
 - (a) the need for the maintenance by institutions of the highest ethical standards and the need to permit public scrutiny to ensure the maintenance of those standards; and
 - (b) the need for accountability by institutions and the proper use by institutions of resources allocated to them.
- (4) In the performance of their functions the Councils and chief executives of institutions, Ministers, and authorities and agencies of the Crown shall act in all respects so as to give effect to the intention of Parliament as expressed in this section.

Section 161: inserted, on 23 July 1990, by section 36 of the Education Amendment Act 1990 (1990 No 60).

Ministers open Manawa, healthcare training facility

cdhb.health.nz/media-release/ministers-open-manawa-healthcare-training-facility/

January 31, 2019

Thursday 31 January 2019 Media release 3 minutes to read



Minister David Clark and Chris Hipkins officially open Manawa

Minister of Health Dr David Clark and Minister of Education Chris Hipkins jointly opened Manawa health research and education facility, in Te Papa Hauora |The Christchurch Health Precinct today.

A collaborative partnership between Canterbury's health and education sectors, Manawa brings together Ara Institute of Canterbury's nursing, midwifery and medical imaging programmes, Canterbury District Health Board's (CDHB) professional development training and University of Canterbury's (UC) health research in one state-of-the-art facility.

"This is a significant milestone for Canterbury, and a new commitment to working together to achieve the best outcomes for the future of the health workforce in Canterbury," Ara Chief Executive Tony Gray said. "Ara has enjoyed a close collaboration with Canterbury DHB for many years and, together with UC as well, now we are creating an exemplar in collaborative and co-located training and professional development."

Canterbury DHB Chief Executive David Meates said: “Manawa is a fantastic opportunity for the Canterbury Health System to build on our foundation of innovation and integration recognised globally, to create and shape our future health and research workforce. Students, clinicians and researchers are ideally placed in this new setting to learn from, and alongside each other and together solve some of the significant challenges facing health and disability services.”

Professor Gail Gillon, Director of the Child Well-being Research Institute at University of Canterbury said: “UC’s partnership with Canterbury DHB and Ara in the Manawa building is an exciting opportunity for staff and students. They now benefit from connecting with health leaders, influencers and peers by being part of the Health Precinct, and the new research and development opportunities will expand our students’ experience.”

Dr Clark also officially opened the adjacent Christchurch Outpatients building.

Manawa’s simulation floor features realistic operating theatres, hospital wards, home environments and clinics that are used for training tomorrow’s workforce.

Manawa means heart, patience and breath and was bestowed on the facility, along with designs of cultural significance, by Te Pākura Ltd and local iwi.

Manawa also refers to the proverb “Manawa Whenua, Manawa Tangata”, which makes the intimate connection between human health and the health of our environment.

Cultural elements feature throughout Manawa. The principal design throughout the facility is the pūhoro pattern, relating to water. Weaving itself through the pūhoro pattern is aka-kiore (native jasmine), and on every floor is a depiction of a native bird.

The vision for a world class Health Precinct next to Christchurch Hospital emerged in the Blueprint for the City, following the 2011 earthquakes. Manawa is a flagship facility of this precinct – a creative and inspiring hub that integrates world-class healthcare, research and innovation, education and industry.

The facility was blessed in a cultural ceremony prior to occupation in July 2018.

ENDS

FacilitiesHealth PrecinctManawaminister

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Submission by the Tertiary Accord of New Zealand
to the
Education and Workforce Committee
on the
Education (Vocational Education and Training Reform) Amendment Bill

Committee Secretariat
Education and Workforce Committee
Parliament Buildings
Wellington

Thank you for the opportunity to provide feedback on the Education (Vocational Education and Training Reform) Amendment Bill.

The Tertiary Accord of New Zealand (TANZ) is a successful collaboration between seven of New Zealand's leading tertiary education institutes, established in 2000 to promote best practice in applied education.

The members are:

- Ara Institute of Canterbury (Ara)
- Otago Polytechnic (OP)
- Universal College of Learning (UCOL) Palmerston North
- Nelson Marlborough Institute of Technology (NMIT)
- Eastern Institute of Technology (EIT)
- Northland Polytechnic (Northtec)
- Toi Oho Mai Institute of Technology

The aim of the Accord is that, through collaboration, TANZ will strengthen and enhance the performance of member institutions and the ITP sector and show leadership towards a better vocational education system in NZ.

All seven institutions share a commitment to excellence in vocational and applied education.

This submission reflects the views of the members of TANZ.

If you have any questions on the feedback included in our submission, please contact.

Tony Gray
Convenor, TANZ/Chief Executive, Ara Institute of Canterbury
PO Box 540, Christchurch 8011
Email: tony.gray@ara.ac.nz
Phone: 027 243 4889

We wish that the following appear in support of our submission:

- Phil Ker, Chief Executive, Otago Polytechnic
- Mark Oldershaw, Deputy Chief Executive, Eastern Institute of Technology

Summary

Thank you for the opportunity to provide feedback on the Education (Vocational Education and Training Reform) Amendment Bill (the bill).

While we support the broad intention of the bill to ensure that the needs of learners, employers and communities drive the vocational education system, and truly deliver to the regions of New Zealand.

We are concerned that the bill will place too little emphasis on the needs of learners and communities in regional New Zealand, impede local decision-making and flexibility and centralises power in the office of the Minister of Education unduly.

The bill as currently drafted is also not fully consistent with the outcomes of the consultation process and decisions taken by Cabinet relating to the reform of vocational education.

We strongly suggest that the committee recommend several amendments to the bill as set out in appendix one. The most significant of these include:

- **Placing learners at the centre** – the charter for the New Zealand Institute of Skills and Technology (NZIST) needs to provide for suitably broad-based education and training that meets the needs of learners, employers and communities in our regions.
- **Strengthen the Māori/Crown Partnership** – the bill needs to ensure that the governance, management and operations of the NZIST embody the principles of Te Tiriti o Waitangi (the treaty).
- **Earned autonomy** – NZIST should have the option of permanent regional subsidiaries with considerable scope to manage their educational and financial performance, where they can demonstrate a track record of high performance.
- **Institutional autonomy** – the bill needs to affirm the institutional autonomy of what will be New Zealand's largest provider of tertiary education.

We welcome this opportunity to present the committee with:

- our support for the overall intent of the bill;
- our concerns about specific provisions of the bill; and
- our recommendations about how the bill could be improved.

Our support for the overall intent of the bill

The bill provides a foundation for the transition to a seamless, better-integrated system of on the job and provider-based education and training. It has the potential to enhance the work we have done to support the economic and social development of regional New Zealand.

We support the provisions in the bill that:

- establish a unified and cohesive vocational education and training system.
- embed the partnership between Māori and Crown.
- place due emphasis on the needs of Māori and Pasifika employers, and giving all learners equitable access to educational opportunities.
- establish the NZIST to provide, arrange and support education, training and applied research including that leading to the achievement of industry-developed skill standards, qualifications and awards.

- provide for workforce development councils to be established to provide skills leadership, set standards and develop qualifications, endorse programmes and moderate assessments, and provide an advisory and representative role in vocational education and training.
- repeal the Industry Training Act (1992) and providing for the transition of workplace-based training to the NZIST.
- create one funding system for vocational education to support learners, underpin the sustainability of providers and responsiveness to regions and help the workforce development councils to fulfil their roles.

We also support aspects of the proposed NZIST charter (schedule 22 refers) including those that place due emphasis on the Māori-Crown partnership, meeting the needs of Māori and Pasifika employers and giving all learners equitable access to educational opportunities, the commitment to empower regions to make decisions about delivery and operations (schedule 22, section 3(b)), the provisions in the bill to establish subsidiary organisations to provide continuity in the regionally-led delivery of education and training and the framework to establish a seamless system of vocational education and training.

Our concerns

The draft bill makes the NZIST subservient to narrow economic goals, removes the possibility of earned autonomy for NZIST subsidiaries, minimises the role and influence of the Crown's Treaty partner, and results in an undue centralisation of power in the office of the Minister of Education. Significantly, many of the changes the bill anticipates were not consulted on as part of the engagement processes led by the Ministry of Education.

The bill could be strengthened by aligning the charter of the national provider with the needs of learners, employers and communities, recognising the Crown's Treaty partner (iwi) as strategic partners to NZIST and enhancing their influence in NZIST, acknowledging that many regional providers of vocational education are operating successfully and avoid an undue centralisation of authority in the executive.

Placing learners at the centre – the charter for the new national provider needs to provide for suitably broad-based education and training that meets the needs of learners, employers and communities in our regions.

The government is focused on improving the wellbeing of current and future New Zealanders looking beyond traditional measures, such as GDP, to a wider set of indicators of success. This approach builds on the previous government's social investment approach, which sought to put people at the centre of the design and delivery of public services.

Tertiary education has an important role to play in contributing to the human, social, natural and financial/physical aspects of wellbeing. It also is a key contributor to the social, economic and environmental development of regional New Zealand.

Learners need to access education when and where they need it and across their lifetimes. The government has signalled that it will be investing in different, flexible modes of delivery and opportunities offered in learner/ ākonga communities or workplaces.

The NZIST has considerable potential to contribute to meeting New Zealand's economic, social and environmental goals. The new organisation will be New Zealand's largest provider of tertiary and vocational education and in terms of degree and postgraduate students three-quarters of the size of the University of Auckland.

Yet the scope of the NZIST is artificially constrained by several aspects of the draft bill. These are:

- the charter of the NZIST is silent on the significant role that the organisation's constituent subsidiaries already play in providing a wide range of foundation, vocational, undergraduate and postgraduate education and training.
- the charter misses the opportunity to leverage off the structures, leadership and relationships that already exist in our communities. Deep, sustained connections to regional New Zealand are central to realising the potential of the new organisation. We do not accept that a highly centralised model anticipated by the bill will be an enabler of regional engagement and development.
- the bill creates an arbitrary distinction between the NZIST and other tertiary education institutions (TEIs) in terms of their functions and characteristics, exemptions from the work of the workforce development councils, and legal protections for academic freedom (section 222E (3)).

For example, wananga must first request endorsement of capstone assessments by workforce development councils (section 483), the academic freedom of the NZIST is limited by the functions of workforce development councils (section 222 (E) (3)), and the definition of broad-based ITPs in the current section 162 has been replaced with a charter with a narrower focus.

- the bill reduces the scope of research conducted by the new entity from “.....that contributes to the maintenance, advancement, and dissemination of knowledge and expertise and promotes community learning, and by research, particularly applied and technological research,....” to a single reference to applied research.
- the scope and functions of the Workforce Development Councils introduce a degree of confusion involves a clear conflict of interest insofar as they are empowered to set standards and develop qualifications and endorse programmes and moderate assessment, particularly as the scope of the councils in terms of levels of the New Zealand Qualifications Framework is not defined.

The bill makes the NZIST subservient to narrow economic goals. We are concerned that the bill envisages a radical reshaping of the functions of regional providers of tertiary education away from a broad-based mix of vocational and tertiary education toward a narrow focus on vocational education and training to prepare and upskill people in employment.

While workplace-based training is a vital part of New Zealand's skill development system, many of the NZIST's subsidiaries must offer a diverse mix of education and training options to cater to the needs of our regions and deliver on the development aspirations of local iwi and hapū (as treaty partners).

The NZIST and its subsidiaries will need to continue to play an important role in providing regional New Zealand with access to advanced education, particularly where our university system does not have a presence. Indeed, almost half (49%) of enrolments with ITPs nationally are in programmes other than vocational education and training.

The bill should be amended to:

- clarify through the charter for the NZIST that the new organisation will offer a wide diversity of skills for life and work, including vocational training, that meets identified demand and contributes to the maintenance, advancement, and dissemination of knowledge and expertise and promotes community learning, and by research, particularly applied and technological research, that aids development.

- align the definition of the NZIST with that of the other types of tertiary education institutions so that the organisation is ‘...characterised by teaching and research that maintains, advances, and disseminates knowledge and develops intellectual independence, and assists the application of knowledge.’.
- either remove the section that constrains academic freedom of the NZIST in its entirety and retain section 161 or amend that section to clarify that none of the functions or operations of workforce development councils will limit the academic freedom of NZIST (section 222E (3)).
- better reflect the diversity of the 300 research-active staff in ITPs by removing the narrow focus on applied research in section 222B, and replace it with a definition of research that it ‘...contributes to the maintenance, advancement, and dissemination of knowledge and expertise and promotes community learning, and by research, particularly applied and technological research....’.
- change the functions of Workforce Development Councils to remove the development of training packages. This change will provide a clear separation between qualification design and the design of teaching programmes given the implications for academic freedom and reflect the loss of relevant capacity among ITOs to understand and apply good training practice as staff transition to the councils.
- limit the functions of Workforce Development Councils to levels 1-6 on the New Zealand Qualifications Framework to better reflect the appropriate expertise and focus of those organisations (in section 482).

Strengthen the Māori/Crown Partnership – the bill needs to ensure that the governance, management and operations of the NZIST embody the principles of Te Tiriti o Waitangi.

A cornerstone of the Treaty is the principle of Mana Ōrite (or equal mana). Mana Ōrite means that the parties are equal, and their respective views will be heard, considered, and afforded equal influence. This concept means that Māori ought to be able to exert meaningful influence across the governance, management and operations of the agencies of the Crown.

While there are several provisions in the bill that require NZIST to reflect the Maori-Crown partnership, the actual mechanisms by which these will be realised work to diminish the potential influence of Maori. Specifically, the bill:

- limits Māori opportunity to contribute to the governance of the NZIST with just one representative of a Māori Advisory Committee on the council.
- does not address the relationships between the ministerial group, Te Taumata Aronui, the Māori Advisory Committee and NZIST and workforce development councils.
- fails to reflect Mana Ōrite as an organising principle for the new system’s approach to engagement with Maori.
- omits to ensure that NZIST will focus on Maori student success when giving effect to the organisation’s charter.
- underplays the youthful nature of the Māori (and Pacific) populations by identifying adult and second-chance learners as a high priority.
- lacks protections for assets of special nature such as taonga Māori.

- does not convey the special nature of kura-ā-iwi and kura kaupapa Māori as key partners of NZIST in driving and achieving Māori learner success.

The bill makes the misses a major opportunity to address the persistent gap in outcomes between Maori and non-Maori learners. We are concerned that the main mechanism for Maori influence over the governance of NZIST is a second-tier advisory group which will have minimal direct representation on the organisation's council. Similarly, workforce development councils must simply ensure some representation of Maori employers.

This lack of alignment with the principle of Mana Ōrite is pervasive throughout the bill. Taonga Māori are treated indifferently from other assets, kura-ā-iwi and kura kaupapa Māori are not acknowledged, and the particular characteristics of the Maori learner population are unrecognised.

We need to make sure that the treaty partnership is reflected both in the aspirations for the new organisations and in the practical mechanisms set out in the bill to give effect to these. The bill should be amended to:

- introduce a co-governance and co-leadership model that incorporates the principle of Mana Ōrite across all governance, management and operations. This principle should be applied across Te Taumata Aronui, the NZIST, workforce development councils and relevant advisory committees.
- clarify the role of Te Taumata Aronui generally, and in relation to Crown interventions.
- enhance the functions of NZIST so that education delivery is aligned with the needs of iwi and the results of strategic engagement with iwi (section 222b).
- identify Māori learner success as a matter that NZIST must give effect to in executing its operations under the organisation's charter (Schedule 22 Clause 5).
- specify that schools include kura-ā-iwi, and kura kaupapa Māori given the important role that they play in preparing Maori learners for future success.
- create a separate process for the treatment of taonga Māori providing for co-governance of their use and disposal and incorporate the concept of legal personhood.
- provide for industry levies to be applied to initiatives to promote learner success, including for Maori learners (section 501).

Earned autonomy – NZIST should have the option of permanent regional subsidiaries with considerable scope to manage their educational and financial performance, where they can demonstrate a track record of high performance.

The success of the reforms will depend on how well the economic and social needs of our regions are taken into account, reflect local connectedness and responsiveness and allow meaningful regional guardianship of vocational education.

The bill currently places too much emphasis on central control, reducing the ability of the NZIST to identify and respond to changing local demand. Regions need wide scope to determine how best to meet the education and training needs of regional New Zealand.

We think that the principle of localism should guide the way the parliament approaches the bill. Localism involves shifting power and decision-making to citizens and communities. We think that undue concentration of decision-making power in central government and the council will impact on the ability of NZIST to deliver on our shared aspirations for vocational education.

Earned autonomy is one way to both ensure that decisions that affect local communities are made by communities themselves, and the subsidiaries of the NZIST have strong incentives to achieve good outcomes for regions and the nation.

The draft bill has five key elements that unreasonably constrain regional leadership of vocational education which are that:

- proposed subsidiaries will automatically expire on 31 December 2022 unless the Minister agrees to an extension (section 222ZA).
- there are only weak provisions for regions to influence the governance of the new national provider (section 222G).
- there are only six directors for each of the subsidiaries (Schedule 1 Part 9 section 28).
- there are no arrangements for regional representation on the new Workforce Development Councils (section 479).
- despite public assurances, there have been no provisions to retain accrued reserves of ITPs for the betterment of regional New Zealand.

The bill should be amended to:

- provide for earned autonomy and appropriate resourcing of subsidiaries where objective assessments of the past performance of the subsidiaries inform decisions by the Council of the NZIST about the latitude each has in terms of their capital and operational budgets, staffing decisions, academic quality decisions and support systems.
- enable the NZIST Council to make its own decisions about the establishment, level of autonomy and disestablishment of subsidiaries (section 222Z).
- the default assumption that the polytechnics converted to NZIST subsidiaries are automatically disestablished on 31 December 2022 should be removed (section 222ZA). NZIST should have the option to retain on a permanent basis any high-performing subsidiaries as necessary to fulfil its charter (see Institutional Autonomy).
- provide for the NZIST Council to appoint an up to 10 directors for subsidiaries created under Schedule 9, reflecting the size and complexity of the relevant organisations (amending Part 9 subpart 1 section 28).
- ensure that workforce development councils have suitable mechanisms to represent the needs of small and medium enterprises and regional businesses by amending (section 482 (1)).
- provide for historic reserves accrued by regional ITPs to be invested in the relevant regions.

Institutional autonomy – the bill needs to affirm the institutional autonomy of what will be New Zealand’s largest provider of tertiary education.

The success of the reforms will depend on the ability of NZIST to innovate and adapt its offerings to accommodate the diverse and complex needs of more than 300,000 learners and 25,000 employers through the effective application of the skills of more than 10,000 staff and a capital base of \$2b.

This organisational challenge needs to be met while developing relationships with new, untested organisations such as workforce development councils, reconfiguring relationships

with central government and forging different relationships with local and regional communities, businesses and learners.

The organisation will also need an appropriate degree of autonomy to determine its own organisational arrangements to meet these challenges.

We have already outlined how the draft bill constrains the flexibility of NZIST through a narrow economic focus, limitations on academic freedom and the time-limited nature of subsidiaries and weak regional governance. The draft bill further enables an undue centralisation of authority in the office of the Minister of Education and central government agencies.

Taken together, the centralisation of authority raises a clear risk that the NZIST would be subject to political pressure and interference. At the least, it creates a novel institutional form for tertiary education institutions which is more akin to a government department than an autonomous crown entity of tertiary education.

Specifically, the bill is flawed because:

- it gives primacy to the relationship between the NZIST and the Minister of Education by requiring that it owes the duty to give effect to its charter to the Minister of Education (section 222c).
- it centralises too much decision-making in the office of the Minister of Education by providing the use of an Order in Council to make transitional regulations (section 57), extend the dissolution date of a subsidiary (section 222ZA), change the name of the NZIST (section 222A), disapply provisions of the Act to subsidiaries of the NZIST (section 222Z) and dissolve a subsidiary of NZIST (section 222ZB), or a simple decision of the Minister to approve the formation of a subsidiary (section 222Z)
- it raises the possibility of political interference in tertiary education funding by overturning the limitation in the Education Act that the Minister may not identify a specified organisation or organisations to which funding may be provided or denied (section 159M) giving the Minister of Education a new power to direct funding to a provider (section 52).
- it introduces new powers for the Secretary of Education to approve potentially all capital expenditure by the NZIST (section 222N) which are contrary to the existing section 201A which provides institutions with the flexibility to apply its incomes and capital as needed to carry out its characteristic functions and the outcomes of its investment plan.

The bill should be amended so that:

- section 222C, clause 3 is removed so that the NZIST does not owe a duty to the Minister of Education to give effect to its charter.
- decisions relating to the formation of subsidiaries (section 222Z), the extension of the dissolution date of a subsidiary and dissolving of a subsidiary should be vested in the Council of the NZIST (see Earned Autonomy).
- decisions relating to changing of the name of the NZIST should be subject to the same protections as apply to name changes for universities, that is any decision must involve a resolution of the parliament.
- a reasonableness test applies to any requests by the Chief Executive of the TEC for information about the operation of the NZIST or related entities. This change would align with sections 195B (which provides similar powers in relation to other TEIs)

and section 222Q(1) (which provides for a reasonableness test in relation to information requests pertaining to the NZIST).

- remove section 222N on the basis that the existing section 201A is appropriate to an autonomous institution.

How the bill could be improved

The bill would be improved by the changes set out in the following table.

Underlined text should be added to the bill.

Text that has been struck through should be deleted from the bill.

Section	Change type	Change
Additional requirement of NZIST's Council to provide information	Either remove or amend section 159KKB	<p>This section is not consistent with the existing section that applies to TEIs relating to the power of the Chief Executive of the TEC to compel the NZIST Council to provide information.</p> <p>The section appears to be superfluous as section 195B already provides the Chief Executive with the power to compel any 'institution' to provide information.</p> <p>If the section is retained, however, it should be amended to align with other similar provisions, that is by replacing clause 1 with:</p> <p><u>'If the Chief Executive of the Commission has reasonable grounds to believe that the NZIST or any related entity may be at risk,</u> the Chief Executive may, by written notice to the NZIST's Council, require it to provide any information about the operation of NZIST or any related entity of NZIST for the purpose of determining whether there is a risk to, or arising from,-'</p> <p>(a) the governance, management, or financial position of NZIST or a related entity of NZIST; or</p> <p>(b) the education and training performance of students enrolled at NZIST or a related entity of NZIST.</p>
Restrictions on design of funding mechanisms	Consider section 159M	<p>The bill proposes that the Minister of Education may direct funding to NZIST via a funding mechanism.</p> <p>We think that this amendment needs to be carefully considered in light of the other powers that the bill allows the Minister to exercise, and whether these collectively provide an appropriate balance between ministerial oversight and institutional autonomy.</p>

NZIST established	Amend section 222A, and amend section 162 of the Education Act	<p>NZIST established</p> <p>(1) This section establishes the New Zealand Institute of Skills and Technology (NZIST) as a tertiary education institution.</p> <p>(2) The Governor-General may, by Order in Council made on the recommendation of the Minister, do either or both of the following:</p> <p>(a) change the name of NZIST:</p> <p>(b) amend this Act or any other enactment by omitting from it the name of NZIST and substituting some other name.</p> <p>(3) To avoid doubt, NZIST does not cease to be a tertiary education institution merely because its name is changed under subsection (2).</p> <p>Education At (1989) Establishment of institutions</p> <p>(6) In the case of a university <u>or the NZIST</u>, its name may be changed if the procedure set out in subsections (7) to (9) is followed.</p> <p>(7) The university <u>or the NZIST</u> must give written notice to the Minister of the proposed name change.</p> <p>(8) If notice is given, the Minister must present the proposal to the House of Representatives.</p> <p>(9) If the House of Representatives, by resolution, accepts the proposed name change, the Minister must change the name of the university <u>or the NZIST</u> by notice published in the Gazette.</p>
Functions of NZIST	Amend section 222B	<p>Strengthen the function of NZIST relating to the advancement of knowledge and research</p> <p>NZIST has the following functions:</p> <p>(a) to provide or arrange, and support, a range of education and training and conduct applied research:</p> <p><u>(b) to contribute to contributes to the maintenance, advancement, and dissemination of knowledge and expertise and promotes community learning, and by research, particularly applied and technological research:</u></p>

		<p>(c) to be responsive to and to meet the needs of the regions of New Zealand and their learners, industries, employers, and communities by utilising NZIST's national network of tertiary education programmes and activities:</p> <p>(d) to improve the consistency of vocational education and training by using skill standards and working in collaboration with workforce development councils:</p> <p>(e) to improve outcomes in the tertiary education system as a whole, including (without limitation) by making connections with schools and other organisations involved in tertiary education:</p> <p>(f) to improve outcomes for Māori learners and Māori communities in collaboration with Māori and iwi partners and stakeholders.</p> <p><u>(f) Improve outcomes for Māori learners and Māori communities by ensuring education delivery aligns directly with the needs, interests and aspiration of iwi/hapū collectively and individually.</u></p> <p><u>(g) Ensure strategic engagement of iwi/hapū in shaping the strategic, executive and implementation fabric of the sector</u></p> <p><u>(h) Strategic engagement of iwi/hapū in shaping tertiary education provision for Māori</u></p>
Academic Freedom	Either Remove section 16 or amend section 222E	<p>This section provides for a different class of academic freedom for the NZIST compared to other tertiary education institutions.</p> <p>Either remove the section that constrains academic freedom of the NZIST in its entirety and retain section 161 or amend that section to clarify that none of the functions or operations of workforce development councils will limit the academic freedom of NZIST (section 222E (3)).</p>
NZIST and NZIST subsidiary must obtain consent for certain capital projects	Remove section 222N	This section should be removed on the basis that section 201A of the Education Act applies to all tertiary education institutions in determining how they use income and capital.
Formation of NZIST subsidiaries	Replace section 222Z	<p>222Z Formation of NZIST subsidiaries</p> <p>(1) NZIST may , with the written approval of the Minister, form 1 or more NZIST subsidiaries.</p>

Duration of NZIST subsidiaries	Replace section 222ZA	<p>New section</p> <p><u>222ZA Duration and autonomy of NZIST subsidiaries</u></p> <p><u>(1) An NZIST subsidiary listed in the second column of the table in clause 27(3) of Schedule 1 continues in existence until disestablished by the NZIST Council.</u></p> <p><u>(2) The NZIST Council may provide for those subsidiaries with consistently high levels of education and financial performance to exercise a reasonable degree of autonomy in their capital and operational budgets, staffing decisions, academic quality decisions and support systems.</u></p> <p><u>(3) The NZIST Council may disestablish a subsidiary where it is satisfied on reasonable grounds that this action is consistent with the NZIST’s responsibilities under the charter set out in Schedule 22.</u></p>
Interpretation	Amend section 477	<p>The bill provides for a substantial shift in the way brokerage and advisory services and the arranging of training is conducted. It will be important for the brokerage and advising functions of workforce development councils to be distinguished from the functions performed by the NZIST and other tertiary education providers.</p> <p>Insert a definition of brokerage, and of advising into section 477 as follows.</p> <p><u>Brokerage means identifying potential trainees and employers that could provide training that would be arranged by a tertiary education provider.</u></p> <p><u>Advising means providing information to potential and current trainees about the range of vocational education and training that trainees can avail themselves of.</u></p>
Establishment of workforce development councils	Amend section 479	<p>Add to clause 3 that relates to the governance arrangements of workforce development councils so that</p> <p>In making a recommendation relating to the governance arrangements for a workforce development council, the Minister must, as far as is reasonably practicable, ensure that those arrangements provide for—</p> <p>(a) the collective representation of employees in the governance of the council; and</p> <p>(b) the representation on the council of Māori employers from any or all of the 1 or more specified industries.</p> <p><u>(c) there is representation of the regions of New Zealand.</u></p> <p><u>(d) there is representation of small and medium-sized enterprises.</u></p>

Functions of Workforce Development Councils	Amend section 482	Add a new clause (3) <u>In performing its functions of standard setting and developing qualifications, a workforce development council is limited to matters relating to vocational education and training at levels 1-6 (inclusive) on the New Zealand Qualifications Framework</u>
Functions of Workforce Development Councils	Amend section 482	Remove clause (1) (e) in section 482 so that workforce development councils are not conflicted in their functions of, on one hand, standard setting and developing qualifications, and endorsing programmes and moderating assessments. The clause to be deleted is <i>(e) to develop and set training packages:</i> And, as a consequence, delete the definition of a training package in section 477.
NZIST's charter	Amend section	NZIST's charter (1) NZIST must give effect to its charter as set out in Schedule 22. (2) NZIST must report in its annual report on how it has given effect to the charter. (3) The duty in subsection (1) is owed to the Minister.
Charter	Schedule 22	Replace clause 1 with <u>The New Zealand Institute of Skills and Technology (NZIST) exists to provide a wide diversity of continuing education, including vocational training, that contributes to the maintenance, advancement, and dissemination of knowledge and expertise and promotes community learning, and by research, particularly applied and technological research, that aids development.</u> Clause 5 In giving effect to clause 4, NZIST must ensure that— <u>(i) the needs of Maori are afforded high priority.</u>
Establishment of institutions	New section	Amend section 162 of the Education Act to include a new clause 4(b) that states <u>That the New Zealand Institute of Skills and Technology is characterised by teaching and research that maintains, advances, and disseminates knowledge and develops intellectual independence, and assists the application of knowledge.</u>

Initial directors of an NZIST subsidiary	Amend Part 9, subpart 1, section 28	<p>Initial directors of NZIST subsidiary</p> <p>(1) The initial directors of an NZIST subsidiary must comprise at least 4, but not more than 6<u>10</u>, directors.</p> <p>(2) In appointing directors under subclause (1), NZIST must ensure that at least half of the initial directors reside in the region in which the NZIST subsidiary predominately operates.</p>
Transfer of reserves	New section Part 9, subpart 1	<p><u>Transfer of reserves</u></p> <p><u>The net financial assets of the existing polytechnics which vest in the corresponding NZIST subsidiary will be used to support the exercising of the functions of the NZIST in the relevant region of New Zealand.</u></p>
Membership of NZIST's Council	Amend section 222G	<p>The provisions relating to the membership, appointment of members and chairperson and deputy chairperson need to be reconsidered in light of our call for a co-governance/co-leadership model for NZIST.</p> <p>The select committee should give careful consideration to models such as those used as part of the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010 and Te Urewera Act 2014. These acts provide a model for successful co-governance between the Crown and Maori.</p>
Matters to be considered when Minister appoints members to NZIST's council	Amend section 222H	<p>Add to section 222H:</p> <p>222H</p> <p>Matters to be considered when Minister appoints members to NZIST's council</p> <p>(1) It is desirable in principle that, as far as possible, NZIST's council should reflect—</p> <p>(a) the ethnic, gender, and socio-economic diversity, and the diversity of abilities, of New Zealand's population; and</p> <p>(b) the fact that New Zealand is made up of a number of regions <u>and the need for wide regional representation.</u></p> <p>(2) When appointing members of NZIST's council, the Minister must have regard to subsection (1) and must appoint people who (in the Minister's opinion)—</p> <p>(a) have relevant knowledge, skills, and experience in relation to governance, cultural competency, and the importance of diversity; and</p> <p>(b) are likely to be able to fulfil their individual duties to the council; and</p>

		<p>(c) together with the other members of the council, are capable of undertaking its responsibilities, duties, and functions.</p> <p>(3) A person specified in section 222G(1) (a) and (b) is appointed by the council in accordance with the council's statute unless the person is ineligible for appointment under section 222G(2).</p>
Purposes for which levy may be required	Amend section 501	<p>Clause 3</p> <p>In specifying how levy funds are to be used, a levy order may specify 1 or more purposes that will benefit the levy group as a whole and that are related to meeting the costs (including infrastructure and administration costs) associated with developing and maintaining skill standards <u>and undertaking initiatives to promote learner success including for Maori learners</u> for the specified industry.</p>

Ara Council 29 October 2019	Agenda Item	2.1b
		Discussion Item
PUBLIC	Presented by	George Nelson

ARA COUNCIL REPORT SUMMARY	
TITLE OF REPORT	Academic, Innovation and Research Report to Council
BACKGROUND AND PURPOSE	Summary of key activities within AIR Division aligning with Ara Strategic Plan for the month of September/October.
RECOMMENDATION(S)	N/A
LINK TO ARA STRATEGY	Full report linked to strategic focus areas.
KEY ISSUES IDENTIFIED	None.
FINANCIAL IMPLICATIONS FOR ARA	Not meeting EFTS Budget targets.
RISK IMPLICATIONS FOR ARA	Leadership to be confirmed for Nursing, Midwifery and Allied Health.
RATIONALE FOR EXCLUDING PUBLIC	N/A

ACADEMIC, INNOVATION AND RESEARCH (AIR) – REPORT FOR COUNCIL



Executive Summary

Key focus areas this month

Students at the heart of everything we do	
Outcomes delivered during current reporting period	<p>Recruitment</p> <ul style="list-style-type: none"> • Over 150 Māori and Pasifika students participated in two events over two days led by Departments and the Engagement Team. These were very well received, check out the videos below. <ul style="list-style-type: none"> ○ Whai Wheako ki Ara – Māori Have a Go Day https://www.youtube.com/watch?v=RuRYDtB9KUc&feature=youtu.be ○ Pasifika Rise https://www.youtube.com/watch?v=RFNJPwag3Qk&feature=youtu.be • The Department of Trades hosted another successful Ace of Trades evening in early September aimed predominantly at the secondary school sector making sound pathway decisions. Dual Enrolments benefit particularly from this activity. <p>Industry Connections</p> <ul style="list-style-type: none"> • On 3 September Kahukura hosted the Living and Healthy Buildings Showcase, connecting students, tutors and industry. Design Jam on 4 September involved Bachelor of Architectural Studies and some Engineering students working with tutors and industry looking at modifications of Te Puna Wānaka. • Rinnai continue to show strong support for Plumbing, Gasfitting and Drainlaying training at Ara through the provision of gas fires and other fixtures for the newly commissioned Clean Gas Room. Through a reciprocal arrangement, Rinnai conducted an industry technical update on specific gas califont equipment in the room. Benefits to Ara included exposure of our facilities and training to local industry and attendance by tutorial staff to maintain currency with technology. • Senior Managers from Nursing, Midwifery and Allied Health attended an Osteopathic Council of New Zealand stakeholder meeting in Wellington.

- The Manager Strategy, Projects and Agility attended the Post-Secondary International Networks Conference connecting with Chief Executive's from Applied Learning Institutes from Canada, United States, New Zealand and South Korea. A number of new initiatives and potential partnerships are being explored.
- Kaiārahi, Te Marino Lenihan presented the Framework for Māori Achievement to the Hospitality and Service Industries Advisory Board members followed by an interactive workshop.

Te Wiki o Te Reo Māori

A large number of departments got involved in activities for Māori Language Week, including:

- Humanities led the Opening Ceremony, created templates for the pepeha challenge, held kapahaka, and TPW colleagues played an advisory role.
- The Department of Trades full staff meeting included a workshop working through the specifics of preparing a pepeha or introduction aimed at enhancing overall cultural competence.

International Exchanges

Two Humanities (TPW) learners spent two weeks in Canada at Camosun College for a student exchange after Camosun students came to Ara earlier this year. The team are working on shared curriculum internationally for collaborative delivery of an indigenous studies programme.

Connecting with Current Learners

- Engineering and Architectural Studies continue to host shared breakfasts to connect with learners. The latest event on Tuesday 10 September event went very well.
- Fruitful Friday (free fruit for students in Kahukura) received positive feedback from learners.
- 'You Said We Did' comments have been finalised to report back actions that have been made by AIR based on student feedback. Marketing are designing posters and advertising material for inclusion on My Ara, Banners and Digital Signage.
 - Hospitality and Service Industries have scheduled focus groups for all cohorts during Term 4 to discuss student feedback and identify potential actions.
- The Student Experience Survey opened 7 October.

Student Success Strategy

Hospitality and Service Industries and Student Services are reviewing the pilot for the Student Success Strategy and brainstorming areas for improvement for 2020.

ACADEMIC, INNOVATION AND RESEARCH

	<p>Innovation</p> <ul style="list-style-type: none"> • Innovation Manager attendance at a Design Thinking Facilitation mastery course in Wellington has increased capability and provided access to a range of resources and networks that will support Innovation at Ara, and the commercialisation of Design Thinking in 2020. • For the month of September, Te Ōhaka has engaged 31 Ara students in a range of activities. The Ara Spring Sprint programme concludes on Tuesday 15 October, with three of the 10 students making it through to the final. Finalists are from Construction Management, Architecture and Engineering. • The final Eureka Challenge solution 'Strategic Portfolio Vision' pitched to TKM has been handed over as a project to Director Portfolio Strategy for further consultation and implementation. • The People and Culture Academic Promotions Eureka Challenge is progressing well and is due to be completed before the end of the year. Video interviews and support coaching are planned for the participants to seed the design thinking mindset, tools and resources across the organisation. • A deep dive two Day Design Dash is underway for 26 and 27 November. The challenge is focussed on two HSI programmes who both had record numbers of Māori learners and a corresponding record number of incompletes. Called the 'Learner Success' project we will do a deep empathy dive to identify the pain points for students, and the opportunities for improvement to ensure all our students thrive. • Within the AIR Leadership Team, it is pleasing to observe aspects of Design Thinking mindsets and tools being used. Our recent Strategy Workshop is a good example. • Broadcasting held a workshop with current learners around how to make a pitch. This will be rolled out across Humanities degree programmes. <p>Spring Graduation</p> <p>Spring Graduation was held at the Horncastle Arena with broad involvement from AIR, including entertainment from Creative Industries, large attendance from academic colleagues and, of course, the graduating student body.</p>
Dynamic world class programmes and delivery	
Outcomes delivered during current reporting period	<p>Creative Industries</p> <ul style="list-style-type: none"> • The Creative Industries Management Team participated in a planning day at Koukourarata Marae to establish a department plan and explore more efficient use of resources and shared delivery across the portfolio. All applications to develop for 2020 are being submitted with this in mind. • NASDA have proposed another stream enabling learners who do not specialise in all three disciplines to access an alternative study package.

- The Masters of Creative Practice was recommended by the NZQA panel for approval with commendations on Research.

Humanities

- Exploring the potential for a new Study and Career Prep Level 3 and Level 4 pathway for the Bachelor of Broadcasting Communications, allowing Ara to grow the pool of eligible applicants for the degree, and provide pathway options for people who are not accepted.
- Department and Marketing conducted market research around language delivery and the potential target market has overwhelmingly identified part time and evening options as preferred. Māori programmes have already responded to this space, Japanese programmes are being re-positioned to respond to this as part of the re-development process.

Hospitality and Service Industries

- Barbering Level 4 and Beauty Therapy Level 5 are currently at phase 2 development. Exploring potential development of an Executive Diploma in Hospitality Management.
- Hospitality and Service Industries celebrated the graduation of three colleagues:
 - Certificate in Teaching and Learning – Katrina Picillo and Ange Ritchie.
 - Bachelor of International Tourism and Hospitality Management – Gene Foster (First Graduate of this Degree).

Enterprise and Digital Innovation

- The Department of Enterprise and Digital Innovation hosted the New Zealand Applied Business Education Conference with almost 100 delegates attending from Universities, ITPs and other providers. The event was held over three days and included the ITP Business HOD meetings where moderation is the focus.
- The department are looking at efficiencies, particularly within the Bachelor of Applied Management programmes for 2020 and beyond.
- The Department are capitalising on the new name, creating marketing collateral to strengthen 2020 recruitment.
- Xianju Zheng from Chengu Technological University in China is visiting with the department on a colleague exchange, and we are hoping to send an Ara staff member to Chengu in the near future.

Engineering and Architectural Studies

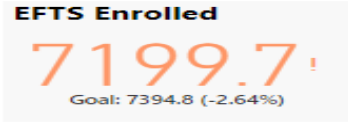
Graduate Certificate in Building Information Modelling (BIM) on track to be delivered in 2020. Graduate Diploma BIM not to be delivered in Semester 1, 2020, however viability and demand for it will be assessed early in 2020 with potential to deliver it in Semester 2, 2020.

	<p>Nursing, Midwifery and Allied Health</p> <p>A suite of Post Graduate Programmes have been approved by a joint panel of NZQA and the Nursing Council of New Zealand. The MOU with WITT for delivery of CAP and Bachelor of Nursing is progressing well with NZQA and New Zealand Nursing Council panels scheduled for October for WITT to seek accreditation to deliver Ara's approved programmes.</p> <p>Trades</p> <p>The Department of Trades celebrated the graduation of four staff members:</p> <ul style="list-style-type: none"> • Deborah Horne - Trades Admissions Team Leader - Diploma in Business. • Stephen Edwards - Trades Electrical Tutor - New Zealand Certificate in Adult and Tertiary Teaching Level 5. • Marc Wust - Trades Electrical Tutor - New Zealand Certificate in Adult and Tertiary Teaching Level 5 and New Zealand Certificate in Adult Literacy and Numeracy Education Level 5. • Ameet Kumar Pillay - Trades Plumbing Tutor - New Zealand Certificate in Adult Literacy and Numeracy Education Level 5. <p>Portfolio</p> <ul style="list-style-type: none"> • Two successful degree panels completed in September/October. Both recommendation for approval with no requirements. • Qualification review – Enrolled Nursing and Applied Science underway and meeting timelines. Consultation request due to go to other providers. <p>Cultural Content</p> <p>The Head of Department of Trades initiated a meeting with Kaiārahi Te Marino Lenihan and Te Waha-Pu Harry Westrupp to explore and re-invigorate initiatives to enhance the engagement, experience and success of Māori students within the department.</p> <p>2019 PBRF Review Panel feedback</p> <p>Ara provided feedback to the 2019 PBRF Review Panel as part of the sector consultation process initiated by the Ministry of Education. This feedback highlighted a desire for greater priority to applied research, sectoral collaboration, and a focus on end-user impacts. This feedback included collated, anonymised, feedback from individual Ara researchers and Departmental Research Groups. This feedback aligned broadly with that given by other ITP research leaders.</p>
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ACADEMIC, INNOVATION AND RESEARCH

	<p>Self-Assessment</p> <ul style="list-style-type: none"> • EER is on hold from NZQA due to RoVE considerations. • Trades Department Managers commenced Self-Assessment capability development sessions in association with Academic Quality team. • Engineering and Architectural Studies are working with Academic Quality around their self-assessment capability needs. • Hospitality and Service Industries facilitators have completed two capability building workshops in preparation for the departments programme evaluation day. A PowerBI training session is to follow. <p>Assessment Review</p> <p>All reports for Humanities and Business have been quality checked. First Executive Summary Reports (Humanities and Business) to be tabled at November Academic Board. Report back to departments planned for same time. Action plans established and the Steering Group will work with departments in planning the implementation and monitoring progress. Good practice also identified and planning for sharing this is underway. Data from all other departments is being collected for progressing to evaluation.</p> <p>Teaching and Learning</p> <p>Four out of seven departments have completed teaching and learning plans for all courses.</p>
High performing customer focused teams	
Outcomes delivered during current reporting period	<p>Teaching Excellence Awards</p> <p>The Teaching Excellence Awards were held with good turnout. Videos of the winners can be viewed here https://infoweb.ara.ac.nz/our-teams/academic-innovation-and-research/academic/Teaching-Awards#</p> <p>Movers and Shakers</p> <p>Department of Enterprise and Digital Innovation colleagues are being relocated to enable transition from the two old departments into one new team. They will be located on the ground floor of N and S Blocks.</p> <p>Policy Development</p> <p>Ara's Quality team are exploring options around policy development across the ITP sector.</p>

ACADEMIC, INNOVATION AND RESEARCH

	<p>Department Changes</p> <ul style="list-style-type: none"> • Cathy Andrew, Head of Department of Nursing, Midwifery and Allied Health has tendered her resignation. Cathy's great work will be celebrated before she departs. • The Learning Design team has been renamed Ara Whakapiki Ako Centre for Educational Advancement. 																																							
<p>Investment decisions that deliver a sustainable future</p>																																								
<p>Outcomes delivered during current reporting period</p>	<p>AIRLT Strategy Workshop The AIR Leadership Team worked together to develop and run a three-day strategy workshop. The team reviewed the 2019 strategy and have developed a Team Charter and draft 2020 response to the Ara Strategy.</p> <p>Budget Process Budgets Mix of Provision and Capex alignment has been the priority throughout September and October.</p>																																							
<p>Summary of financial performance</p>																																								
<ul style="list-style-type: none"> • Creative Industries is going to fall approximately 15 EFTS short of target, however revenue will be close to target. • Humanities will land above the EFTS and revenue targets for 2019 (estimated \$700k ahead of profit targets). 																																								
<p>EFTS Tracking as at 15 October</p>																																								
<p>Enrolments</p>  <p>EFTS Enrolled 7199.7! Goal: 7394.8 (-2.64%)</p>	<table border="1"> <thead> <tr> <th>Dept</th> <th>EFTS</th> <th>Target</th> </tr> </thead> <tbody> <tr><td>ASC</td><td>0.7</td><td>0.0</td></tr> <tr><td>BUS</td><td>612.8</td><td>734.9</td></tr> <tr><td>COM</td><td>528.4</td><td>556.4</td></tr> <tr><td>CRE</td><td>703.7</td><td>719.0</td></tr> <tr><td>EAS</td><td>724.1</td><td>719.8</td></tr> <tr><td>HSI</td><td>628.1</td><td>628.0</td></tr> <tr><td>HUM</td><td>889.7</td><td>840.8</td></tr> <tr><td>NMA</td><td>1740.1</td><td>1674.0</td></tr> <tr><td>SPI</td><td>194.2</td><td>146.9</td></tr> <tr><td>TNZ</td><td>109.0</td><td>223.5</td></tr> <tr><td>TRA</td><td>1068.9</td><td>1151.5</td></tr> <tr><td>Total</td><td>7199.7</td><td>7394.8</td></tr> </tbody> </table>	Dept	EFTS	Target	ASC	0.7	0.0	BUS	612.8	734.9	COM	528.4	556.4	CRE	703.7	719.0	EAS	724.1	719.8	HSI	628.1	628.0	HUM	889.7	840.8	NMA	1740.1	1674.0	SPI	194.2	146.9	TNZ	109.0	223.5	TRA	1068.9	1151.5	Total	7199.7	7394.8
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Ara Council 29 October 2019	Agenda Item	2.1b
		Information Item
PUBLIC	Presented by	Darren Mitchell

ARA COUNCIL REPORT SUMMARY	
TITLE OF REPORT	Corporate Services Division: September – October 2019 Report for Council.
BACKGROUND AND PURPOSE	To provide the Ara Council with insights and information pertaining to the Corporate Services Division for the period of September to October 2019.
RECOMMENDATION(S)	Review and receive the information as provided in the report.
LINK TO ARA STRATEGY	<ul style="list-style-type: none"> • Students at the heart of everything we do • Dynamic world class programmes and delivery • High performing customer focused teams • Investment decisions that deliver a sustainable future
KEY ISSUES IDENTIFIED	Nil.
FINANCIAL IMPLICATIONS FOR ARA	<p>Summary of Financial performance is included within the scope of this report.</p> <p>The Corporate Services portfolio as at 30 September 2019 has exceeded budgeted revenue expectations by \$138k, largely due to stronger performance in interest income. Staffing expenses at a divisional level are \$235k lower than budgeted expectations.</p>
RISK IMPLICATIONS FOR ARA	Nil.
RATIONALE FOR EXCLUDING PUBLIC	N/A.



CORPORATE SERVICES DIVISION – REPORT FOR COUNCIL

Executive Summary

Key focus areas this month

- Complete development of new Risk policy and procedures for TKM and the November Audit and Risk Committee
- Transformation Programme (see separate detailed report to Council)
- Providing project management and business analysis support to the Transformation Programme:
 - People and Culture projects – Employment Business Process, Wellbeing, Induction Refresh, Talent Growth Cycle, Employee Engagement, High Performing Teams and the Health and Safety system
 - Student focused projects – Student Retention, On Line Enrolments, Web Re-platforming, International Agent Portal, Student Case Management Tool enhancements for learner support, MyAra Phase 3, Framework for Maori Achievement and Puhoro STEAM Academy
 - High Performing Organisation projects – Learner Management System operational improvements, Transfer of Programme and Course Repository functionality to Tribal and FMIS Phase 2 approach
- TEC interface, allowing costs and EFTS to be accurately analysed
- Regional Master Plan – detailed requirements analysis and initial high level concepts
- Finalisation of asset transfer from Government to Ara of all land and buildings (final Sale & Purchase agreement completed and being processed)
- Business Analysis and Project Management support for Compliance with new Privacy Regulations, student password management, Attendance & Engagement analysis and Moodle (Learner Management System) operational management
- Support for Ara’s RoVE Response Programme and the associated Council sub-committee

Students at the heart of everything we do

Outcomes delivered during current reporting period

- Demolition of part C block, the capital works team continues to develop plans and timeframes to achieve this over the 2019/2020 Christmas break.
- With the demolition of C block relocating staff/student activity from this area to NS block has been a priority.
- Relocation of staff from O Block and prefabs will also occur over Xmas to NS block. This will enable clearance of the last of the prefabs from site.
- DL lecture theatre upgrade and TPW upgrade/earthquake repairs in planning phases – construction will get underway at the end of the academic year.
- Campus Development -Large car park in Barbadoes street is being resurfaced, completion early November 2019.

CORPORATE SERVICES DIVISION

	<ul style="list-style-type: none"> • Initial analysis and paper to TKM on Student Attendance and Engagement • The complaint portfolio is supported within a responsive timeframe. This is inclusive of OIA requests. For the period of this report, there has been four OIA requests • 2020 Budget development.
Dynamic world class programmes and delivery	
Outcomes delivered during current reporting period	<ul style="list-style-type: none"> • Performance reporting aligned to 2020 targets under development • Professional development of colleagues – Growing Inspiring Leaders and Coaching sessions • Equity report to the TEC • ITO contract negotiations (2020) • Subcontracting development (2020).
High performing customer focused teams	
Outcomes delivered during current reporting period	<ul style="list-style-type: none"> • Terms of Reference, initial plan and programme structure for RoVE Response Programme • Successful upgrade of d365 Fin Ops to v10.0.4, next upgrade to be scheduled October or November. • Scoping of procurement processes in d365 Fin Ops in progress, and on track to finalise the design before year end. • Working with ICT on the Finance datamart which should be completed by the end of the year. • Planned and commenced the cross-training and upskilling activities for the student finance team. • Continued valuable conversations.
Investment decisions that deliver a sustainable future	
Outcomes delivered during current reporting period	<ul style="list-style-type: none"> • Full Business Case for Website Re-platforming delivered with/for Business Lead.
Summary of financial performance	
<p>The Corporate Services portfolio as at 30 September 2019 has exceeded budgeted revenue expectations by \$138k, largely due to stronger performance in interest income. Staffing expenses at a divisional level are \$235k lower than budgeted expectations. GEG has exceeded budget expenditure by \$630k, however, this category included the Manawa Finance lease charge (\$1.05m year-to-date) which was unbudgeted but has been captured in the reforecast. Similarly, both Depreciation and Occupancy costs are impacted by the Manawa lease treatment. Depreciation has exceeded budget by \$764k, however, this is offset by savings within Occupancy costs of \$930k. Overall, Corporate Services has reported a deficit of \$22.0m against a budget of \$21.9m.</p>	

Ara Council 29 October 2019	Agenda Item	2.1b
		For Information
PUBLIC	Presented by	Karen Te Puke

ARA COUNCIL REPORT SUMMARY	
TITLE OF REPORT	Customer Experience and Engagement Division Report for Council.
BACKGROUND AND PURPOSE	To provide Council with a monthly update on the progression of the Division towards achieving Ara's four strategic focus areas including financial performance.
RECOMMENDATION(S)	That Council note the contents of the report.
LINK TO ARA STRATEGY	Division activity that links to the key focus areas of: <ul style="list-style-type: none"> • students at the heart of everything we do • dynamic world class programmes and delivery • high performing customer focused teams • investment decision that deliver a sustainable future
KEY ISSUES IDENTIFIED	Nil. [Note: The Ōtautahi House Team have responded to TEC requirements to report on a stocktake of our accommodation and the systems and processes used to ensure the safety and wellbeing of residents.]
FINANCIAL IMPLICATIONS FOR ARA	Nil. Overall financial performance is good with income ahead of budget. Expenditure is under budget.
RISK IMPLICATIONS FOR ARA	Nil.
RATIONALE FOR EXCLUDING PUBLIC	Not applicable.

CUSTOMER EXPERIENCE AND ENGAGEMENT (CEE) – REPORT FOR COUNCIL



Executive Summary

Key focus areas this month:

- Graduation
- Ōtautahi House Pastoral Care of Residents
- Annual Internal Review of the Education Code of Practice for International Students
- 2020 Recruitment inclusive of a focus on Maori and Pasifika
- 2020 Advertising Campaign
- Website Redevelopment Project initiated
- Case Management Tool (CMT) Project initiated
- 2017-2019 Pasifika Strategy Review
- Industry relationships and connections
- Counselling services
- Ōtautahi House Ball

Students at the heart of everything we do	
Outcomes delivered during current reporting period	<ul style="list-style-type: none"> • Immediate contact was made with all student residents in Ōtautahi House following the tragic event at UC. • All 192 residents were contacted via e-text asking them to reply so that we could ensure all students were safe and well. We received confirmation that all students were. • A number of 'checking-in' with students' activities were undertaken by Debbie Evans, Student Advisor – Accommodation. All students were encouraged to connect with others and to be particularly pro-active during this time. • The Ōtautahi House Team have responded to TEC requirements to report on a stocktake of our accommodation and the systems and processes used to ensure the safety and wellbeing of residents. • A Health and Safety Audit was conducted by David Currie, Health and Safety Manager, which confirmed that current practices meet all H&S requirements. • Ara will contract an external provider to undertake an independent review of Ōtautahi House systems, processes and practices to ensure they are robust and make best- practice recommendations.

CUSTOMER ENGAGEMENT AND EXPERIENCE (CEE)

- Counsellor appointed for Timaru, commencing 21 October 2019.
- Heavy demand for counselling continues at city campus Health Centre. Day to day senior management of a wait list.
- Completed the Annual Review of the Education (Pastoral Care of International Students) Code of Practice 2016 completed and the attestation sent to the NZQA. This involved a number of staff across the CEE Division and the wider Ara.
- A funding application for a group of Ara students to receive scholarships to go on a group study tour to India submitted to Education NZ for consideration by the Prime Ministers Scholarship for Asia panel. An outcome expected in November. Students that registered interest are studying in the Enterprise & Digital Innovation department and would travel in January 2020 if the funding is approved.
- New initiatives developed in line with increasing Maori and Pasifika student participation:
 - The inaugural Pasifika Rise event took place on the 17th of Sept 85+ senior secondary school Pasifika students attended a discovery day at Ara to experience the Ara Advantage. <https://www.youtube.com/watch?v=RFNJPwag3Qk&feature=youtu.be> .
- Whai wheako ki Ara event took place on the 26 September. 55+ senior Māori secondary school students from Whanau Tahī Kura attended a discovery day at Ara to experience the Ara Advantage <https://youtu.be/RuRYDtB9KUC>
- Business breakfasts in Timaru and Christchurch with a focus on Cultural Capability - key note speakers Henare Johnson – Air New Zealand Manager and Dallas Seymour Development and Capability Consultant at Te Runanga Ngai Tahu <https://www.stuff.co.nz/timaru-herald/news/116157583/speaking-te-reo-mori-will-boost-business-rugby-great-says>. Across both events 100+ business partners attended.
- The initial user groups have all now been created in MyAra to enable different experiences to be created for specific content such as location, department or whether students are international or domestic. In its simplest form this can be displaying targeted banner messages for those users.
- Web re-platform: With the business case approved we have now formally incepted the project and are working with the development partner to advance the work with a view to having the new site live by April 2020.
- The end of year advertising campaign has been finalised and is in market until mid-December. It includes digital, print and outdoor advertising.
- Privacy Information audit has been prepared and communications to staff commence week 14 October.
- Online Graduation Process for September ceremony showed a reduction in average days from initial communication to students to enrolment in graduation ceremony reduced from 12 (Spring 2018) to 5.5 (Spring

CUSTOMER ENGAGEMENT AND EXPERIENCE (CEE)

	<p>2019). 90.19% of graduation payments were made via the online channel and 60.6% of those payments were made outside of Ara core business hours.</p> <ul style="list-style-type: none"> • Continued work at combining Student Events and Ambassador Role. The job description is completed, now working through the process of recruitment. • Major promotion of the work of the Health Centre and the new initiatives introduced including Rapid Testing. • Planning already underway for a 2020 Freshies Event season after two successful festivals this year. Including feedback from students and staff around their ideas and concepts. • Fast5 Netball Tournament successfully executed with Mainland Netball. • Working with Student Voice to support an Ara Events Intern. • House Ball planning. Event will run on Friday 25 October. • Student Rep meetings and Student Council continue to meet. 'You Said, We Did' Poster series produced and on display. • The MPTT Learner Support Fund is gaining momentum, however students accessing is lower for He Toki than PTT – the teams are pursuing active ways to ensure the fund is fully utilised for student benefit. Each He Toki and PTT student has an individual plan. Students have been individually contacted to encourage use of the Learner Support Fund. • Evaluating the Student Support pilot trialled in HSI. The process involves feedback from academic and pastoral staff, students and management. Student retention and success will be viewed to see if there has been improvement. • Plans to integrate Student Council and selected staff into CPSA building for a more integrated student experience developed. Now with Facilities to operationalise. Another team have moved into this space – no resolution for a Student Council space yet. • The Early Learning Centre hosted a Parent Evening delivering information to support whanau successfully transitioning their children to school.
Dynamic world class programmes and delivery	
Outcomes delivered during current reporting period	<ul style="list-style-type: none"> • Successful Mental Health Awareness week and promotion with excellent engagement from students. • Contract for delivery of Te Reo Maori to all MSD offices throughout the Canterbury and South Canterbury district is being finalised. • Finalised Experience Ara portfolio for 2020 – will be promoted in schools in late October to support planning for schools and recruitment for 2020.

CUSTOMER ENGAGEMENT AND EXPERIENCE (CEE)

	<ul style="list-style-type: none"> • Delivery of Te Reo Maori to Netball Mainland representatives and whanau as part of the Netball Mainland/Ara community partnership. • Continued to roll-out brochures, posters and other material using the new Ara Advantage-based brand style. • The CMT enhancements project has completed the initial consultation phase with users and is developing the new Unified Interface design for the Microsoft Dynamics tool. • Student Transition Team working on late semester student and Industry events to support employment outcomes: City and Timaru campuses. • Fast5 Netball tournament in conjunction with Mainland Netball (both staff and student teams represented) has been completed, two student teams and three staff teams. • Pasifika Strategy Review in its final stages. • The Early Learning Centre has implemented a new close to nature initiative. Every fortnight an Ara van is booked and a small group of our oldest children travel with two kaiako to Mount Vernon to spend time in nature, reconnect and explore.
High performing customer focused teams	
Outcomes delivered during current reporting period	<ul style="list-style-type: none"> • International Student recruitment activities for 2020 continue with market visits completed in Japan, South Korea, and Philippines. Successful collaborative recruitment and agent events held in Japan and South Korea with Canterbury secondary schools. Market visits to China, Vietnam and India to take place in October and November. • Second series of Growing Inspiring Leaders workshops underway. • Earlier recruitment of 2020 Resident Assistants for Ōtautahi House currently underway to support more extensive training and induction. • Whole of team meeting held to introduce the CEE strategic plan and begin to formulate actions, including customer and student focus, and cultural competencies. • Continued promotion of MyAra app at all events. • CMT Principles, Purpose and Privacy Workshops delivered (X4) to all CMT users– all staff completed the Privacy Commission ‘Privacy 101’ prior to the workshops. • The Early Learning Centre Staff Engagement Action (Poka) Plan has a focus on kindness and gratitude, a recent team meeting was held off site and we connected over food. Kaiako have also been taking turns at cooking a meal for the whole team fortnightly.

CUSTOMER ENGAGEMENT AND EXPERIENCE (CEE)

Investment decisions that deliver a sustainable future	
Outcomes delivered during current reporting period	<ul style="list-style-type: none"> • The total international EFTS achieved for 2019 are 977. Only minor increases are expected between now and the rest of the year with the October intake in the business department due to commence on 14 October. This is an overall 15.6% increase on 2018 EFTS for international. The number of international students studying at Ara is 1,822 year to date. • Appointed Business Development Manager – Jan Connelly who will commence in late October. • Online enrolments project continuing with the process flow diagram being reviewed and details of the functional design document being reviewed through a series of workshops; additional required functionality identified, described and being added to the documentation; PMO team starting to prepare a test plan • Enrolments for 2020 ongoing. • New picnic tables designed and built by Woolston trades students ready for Ōtautahi i House courtyard. • Creation of “child” account at Bidfood which lowers the cost of supplies for student events revolving around food. • Purchase of useful student events equipment to bring down future hires costs. Easy-Ups, Tables, Speakers. • The Early Learning Centre has a zero plastic bag goal and whanau are required to provide a wet bag to eliminate any plastic bags in 2020.
Summary of financial performance	
Overall financial performance is good. Staffing cost overspend is due to staff reductions not realised. Income is ahead of budget. Expenditure is under budget.	

Ara Council 29 October 2019	Agenda Item	2.1b
		Information Item
PUBLIC	Presented by	Belinda de Zwart

ARA COUNCIL REPORT SUMMARY	
TITLE OF REPORT	People and Culture Division – Report for Council
BACKGROUND AND PURPOSE	<ul style="list-style-type: none"> To provide Council with data and information as to how we are ensuring our Colleagues are engaged, capable, safe, feel good and are functioning well. To highlight to Council areas of risk in relating to people and culture (including change leadership) that need to be eliminated or mitigated and provide recommendations.
RECOMMENDATION(S)	That the Ara Council note the contents of this report, in particular the section on Health, Safety and Wellbeing.
LINK TO ARA STRATEGY	<p>Across all four focus areas:</p> <ul style="list-style-type: none"> Students at the Heart of Everything we Do Dynamic world class programmes and delivery High Performing Customer Focused Teams Investment Decisions that deliver a Sustainable Future.
KEY ISSUES IDENTIFIED	<ul style="list-style-type: none"> Improvement in colleague Gallup Survey Engagement year on year benchmark set for Wellbeing at self, team and organisational level. Data confirms anecdotal commentary that Wellbeing of sector is below the general population (slightly at Ara).
FINANCIAL IMPLICATIONS FOR ARA	None.
RISK IMPLICATIONS FOR ARA	<ul style="list-style-type: none"> Slight reduction in risk on change with progress cited in Gallup Engagement Survey Wellbeing of Colleagues as a risk will now be able to be more readily defined with data.
RATIONALE FOR EXCLUDING PUBLIC	N/A

PEOPLE AND CULTURE DIVISION – REPORT FOR COUNCIL



Executive Summary

Key focus areas this month

- Running, analysing and reporting on the annual surveys – Gallup Engagement Survey and the Wellbeing Survey – providing a barometer check
- Strategic Planning – the P&C strategic framework feeding into Ara strategic planning with TKM
- Resourcing the P&C Team – filling vacancies and resourcing accelerated Transformation
- Growing Inspiring Leaders programme implementation and design.

Health, Safety and Wellbeing	
Performance during current reporting period	<ul style="list-style-type: none"> • There were no notifiable or significant incidents during the month. 25 other incidents were reported and 5 required first aid or medical treatment: Year to Date notifiable injuries at 6 are tracking higher than last year. • Engagement in Safety Systems (reporting and activity): 100% of full-time colleagues have completed their H&S induction during the month; reporting of incidents and near misses is slightly improved year on year; and review of Departmental Risks is 95% complete. • An inaugural Wellbeing Survey was conducted that will provide us with internal benchmark data on individual wellbeing, team psychological safety, and psychosocial safety at an organisational level. • There has been a 35% increase year on year on colleague enrolment in “Be Active” activities on offer.
Outcomes delivered during current reporting period	<ul style="list-style-type: none"> • Both the Health, Safety, Wellbeing Leadership Group and Health and Safety Working Group met during the reporting period and good progress was made on the Drug and Alcohol Policy (at Final Draft stage) and the priority projects of Leadership Engagement and Critical Risk definition. • Review against the KPMG report on the Ministry of Education Lockdown against the Ara report was discussed which provided surety of our approach and improvement actions that are well in train. • An inaugural Wellbeing Survey of colleagues was conducted shaped around 3 elements: Self, Team and Organisation Wellbeing. A 70% response rate provided baseline data which confirmed anecdotal information about the individual wellbeing of our colleagues (slightly behind the Canterbury voting age population) and gave us a benchmark for team psychological safety on which we can improve.

PEOPLE AND CULTURE

	<ul style="list-style-type: none"> The Wellbeing Action Group designed and delivered activities across the month centred around Mental Health Awareness Week. Each week focused on one of the four themes of the Maori health promotion framework Te Whare Tapa Wha. Activities included team lunches, a gold coin donation collection, a quiz night, stair climbing challenge, an 'Introduction to Mindfulness' workshop and the publication of a series of mental wellbeing posters developed by a group of Ara's BAppSci students in collaboration with the All Right? campaign. This project was highlighted in an article of Stuff during MHAW). Progress was made on updating the Incident Management procedure, incorporating our learnings from the Lockdown review.
Students at the heart of everything we do	
Outcomes delivered during current reporting period	<ul style="list-style-type: none"> The DCE P&C spent an afternoon shadowing an Ara colleague in a student facing role: a coordinator/advisor from our Creatives Department based in our music jazz building. It was great to see how connected we can be with our students as we build a sense of community. P&C Capability are designing the capability component of the Online enrolments and CMT projects.
Dynamic world class programmes and delivery	
Outcomes delivered during current reporting period	<ul style="list-style-type: none"> P&C Capability are providing support for the Teaching and Learning Framework and Committee and the Assessment Project. A professorial appointment process is being codesigned with AIR and is nearing completion. The Academic Promotions process has concluded with letters being sent out to applicants. The Eureka Challenge around the Academic Promotions process is at the Ideation stage, having already gathered extensive feedback across the organisation on the employee experience of the current process and research on alternative models that exist in other organisations both in an outside the sector. The Trades Department has proactively partnered with P&C Capability to further lift teacher skills via induction, teaching and learning plans and managing challenging behaviour in the classroom. Additionally, team dynamics programmes have been run for teams.
High performing customer focused teams	
Outcomes delivered during current reporting period	<ul style="list-style-type: none"> The P&C Leadership team spent half a day in early September finalising the draft of the P&C strategic framework and broad plan. It informed the "High Performing Customer Focused Teams" component of the TKM strategic planning days in Timaru held mid-September. It will continue to evolve as we 'sense check' it with our partners in the organisation.

PEOPLE AND CULTURE

	<ul style="list-style-type: none"> • A quarterly coaching day was held with the TKM early in October. One year on from the team forming, we explored how we were operating as a team in the areas of trust, healthy conflict, commitment, accountability and being outcome focused. • Engagement Survey results were analysed and shared. Across Ara we have had a .22 meaningful positive shift in engagement taking us to 3.69 and the impact of the introduction of Valuable Conversations and a focus on Wellbeing is tangible. We have shifted from 7% of our teams being engaged in 2018 to 27% in 2019 which is significant progress to build on in 2020. • Work commencing on a recognition framework by bringing together colleagues to discuss options. Nominations for Celebrating our People (an event to be held in November) have been sought with over 40 being received to date. • The Growing Inspiring Leaders (GIL) programme is now touching 3 levels of leadership across the organisation: <ul style="list-style-type: none"> ○ Divisional leaders attended the first round of Group Coaching and some individuals have begun their 360's and 1-1 coaching. 80% of group coaching participants have advised that ○ Departmental level leaders attended their second of three workshops – the feedback is very positive ○ 'Introduction to leadership' – a shorter 3 x half-day workshop series has been planned and advertised for team leaders, programme leaders, influencers. We have been overwhelmed by the positive response and occurrences will commence from early November. • A group of 7 new leaders (including those in seconded 'step up' positions) have been meeting regularly as part of inducting them into leadership. • There has been increased interest from leaders in capability conversations around interpersonal and team building strategies since the GIL Leadership programme. We have provided advice, coaching and facilitation for leaders to lead, co-lead and participate in team activities around facilitation, courageous conversations and team profiles. • A Southern region Capability plan is under development – purpose is to lift the profile of the needs in Southern campuses and to improve coordination of capability effort. A draft will be consulted early November. • P&C Capability is leading a cross-Ara Digital Workforce Capability group (members all have a digital capability role). The purpose is to improve and align collaborative efforts in the digital capability area. The current focus is to initiate and oversee some small cross Ara projects: core digital competencies and a 2020 activity calendar.
Investment decisions that deliver a sustainable future	
Outcomes delivered during current reporting period	<ul style="list-style-type: none"> • The H&S Assura system project plan continues and is working to the expected timeline. Current activity is centred around designing aspects of the system so that is aligned with how we work and the information that we want to derive from the tool to help us be more responsive to risks and make more informed decisions.

PEOPLE AND CULTURE

	<ul style="list-style-type: none"> • A recruitment system provider was sought and selected. An implementation plan that sees operation of Snaphire by November/December this year is underway. • The P&C Capability Trainers have partnered with ICT to seek solutions for a simple training calendar and resource data base (share point) that will improve our information access for colleagues. • Recruitment and onboarding for P&C team members continues. Commencing in this period were 2 Business Partners and an Internal Communications Lead. As part of accelerating transformation, 2 Capability Advisors have been engaged and will commence in November and the Project Manager for Talent role is under offer. Recruitment continues for a Business Partner Lead and a part time Capability Trainer.
Summary of financial performance	
<p>People and Culture Division overall spend is consistent with previous reports: it continues to track within budget overall, with general expenditure underspend balancing out P&C staffing overspend. The overspend in staffing was realised earlier in the year due to coverage for turnover and significant illness and an out of budget addition to the team of a resource to support the operation of the H&S system (Assura).</p>	

Ara Council 29 October 2019	Agenda Item	Page 19/ Ara Council/303200
	Information Item	
PUBLIC	Presented by	T Gray

ARA COUNCIL REPORT SUMMARY	
TITLE OF REPORT	Academic Board
BACKGROUND AND PURPOSE	<p><i>A summary report to Council from Academic Quality of:</i></p> <ul style="list-style-type: none"> <i>The Academic Board meeting was held on 19 September 2019.</i> <p><i>The Academic Board role is to:</i></p> <ul style="list-style-type: none"> <i>Advise Council, and recommend where appropriate, on the academic strategic direction and practices of the institution.</i> <i>Develop, monitor, review and maintain policies on academic matters including research conducted by staff.</i> <i>Consider proposals for new programmes.</i> <i>Approve programmes.</i> <i>Manage sub-committees as required, including:</i> <ul style="list-style-type: none"> <i>Defining delegations, roles, Terms of Reference (ToR) and membership.</i> <i>Receiving and acting on reports.</i> <i>Reviewing performance and effectiveness.</i> <i>Consider and report on any other academic matters which are referred to it by the Council or CE, or which the Board believes are of significant importance.</i>
RECOMMENDATION(S)	1. That the Academic Board report be received.
LINK TO ARA STRATEGY	High Performing Organisation.
KEY ISSUES IDENTIFIED	Nil.
FINANCIAL IMPLICATIONS FOR ARA	-
RISK IMPLICATIONS FOR ARA	-
RATIONALE FOR EXCLUDING PUBLIC	N/A

1 Academic Policies

Due to the removal of the Department Board of Studies, academic policies are being reviewed to include the appropriate department groups for any delegations. Academic Board approved that for assessment decisions that require a timely response a group consisting of the Head of Department, two programme managers and one programme manager from the collaborating department will be formed.

2 Academic Teaching and Learning Framework

The purpose of the Teaching and Learning Framework is to ensure Ara is at the forefront of future focussed teaching and learning that empowers graduates to participate with impact in an evolving workforce. Meeting the goals of the framework will ensure that Ara offers successful, contemporary learning experiences that meet the needs of the learners, communities and stakeholders we serve. Academic Board approved the framework with further work to be completed on the attributes for lower level qualifications to be actioned by the Teaching and Learning sub-committee.

3 Bring Your Own Device (BYOD)

The Teaching and Learning Committee provided some recommendations as guiding principles for the implementation and support of BYOD. It was decided that a working group consisting of Academic Board and departmental colleagues would meet to create a policy using these principles as a starting point.

4 Degree Monitoring reports

Degree Monitoring reports were received for the following programmes:

- Bachelor of Language (Japanese)
- Bachelor of Applied Science (Human Nutrition, Sport and Exercise, and Physical Health and Health Promotion)
- Bachelor of Performing Arts (Music Theatre)
- Bachelor of Design
- Bachelor of Information and Communication Technologies
- Graduate Diploma in Laboratory Technology

These reports had positive feedback with recommendations linked to improved outcomes for learners. It was agreed that a replacement monitor be appointed for the Bachelor of Information and Communications Technology to gain fresh input due to the longevity of the current monitor's service. Both the Bachelor of Information and Communication Technologies and the Graduate Diploma in Laboratory Technology action plans are to be updated to ensure all recommendations are responded to, and reported back at the next meeting.

Final reports relating to the monitoring and moderation for the New Zealand Certificate in English Language (Academic) L4 and New Zealand Diploma in Business L5 were received. It was reported that Ara had responded to the draft reports which resulted in NZQA making some modifications. Whilst this did not affect the overall outcome, it did change some of the requirements. Both teams are meeting monthly with the Portfolio and Assurance Manager to ensure the planned actions are in progress.

2019 Council Work Programme

as at 22 October 2019

Month	Topics	Notified Non-availability
January	Note: No Council Meeting	
	24 REM Committee	J Boys 9 Jan- 5 Feb
February	14 Graduation (Timaru - 2 pm)	
	26 Council Meeting (Christchurch) <ul style="list-style-type: none"> Conflicts of Interest – signed updated register from each member Reconfirm Committee and Trust Memberships Council Documentation Review – Charter/Standing Orders/Statute Board Self-Assessment 2018 End of Year Provisional Financial Report 	
March	13 Council Audit and Risk Committee Meeting	E Hopkins 1-31 March
	19 Council Campus Redevelopment Committee Meeting	
	Chief Executive Remuneration and Performance Review Committee	
	26 Council Meeting (Christchurch)	
	29 Autumn Graduation Ceremonies (9.30 am and 2.30 pm sessions)	
April	10 Council Audit and Risk Committee Meeting	
	30 <ul style="list-style-type: none"> Health and Safety Manager Report Draft Annual Report 2018 Risk Management Framework – Quarterly report 	
May	8 Council Audit and Risk Committee Meeting	
	20 Council Campus Redevelopment Committee Meeting	
	28 Council Meeting (Christchurch) <ul style="list-style-type: none"> Final approval of 2018 Annual Report Report on Affixing of Common Seal Kaiārahi Report Fee Setting 	
	Full Academic Board	
June	13 Council Audit and Risk Committee Meeting	J Hunter 4 June - 7 July T Gray 24-28 June
	17 Chief Executive Remuneration and Performance Review Committee	
	25 Note: no Council Meeting	
July	10 Council Audit and Risk Committee Meeting	M Taite-Pitama - July
	16 Council Campus Redevelopment Committee Meeting	
	10 Council Meeting (Timaru) <ul style="list-style-type: none"> Risk Management Framework - Quarterly Report Pasifika Strategy Report Internationalisation Strategy Report Health and Safety Manager Report Health and Safety Walkabout 	

August	15	Council Campus Redevelopment Committee	<i>J Annear – 18 August to 14 September</i>
	26	Council Audit and Risk Committee	
	27	Council Workshop (1) (Christchurch) ➤ RoVE	
September	11	Council Audit and Risk Committee Meeting (<i>Cancelled</i>)	<i>J Annear – to 14 September</i> <i>T Arseneau 12 September – 14 October</i>
	17	Council Campus Redevelopment Committee Meeting (<i>Cancelled</i>)	
	20	Spring Graduation Ceremony (10am)	
	24	Council Meeting (Christchurch)	
October	?	Chief Executive Remuneration and Performance Review Committee	<i>T Arseneau – to 14 October</i> <i>E Hopkins – 29 October</i>
	29	Council Meeting (Christchurch) <ul style="list-style-type: none"> • Report on Affixing of Common Seal • Risk Management Framework – Quarterly Report • Annual Report 2019 – content/format • Health and Safety Manager Report • Health and Safety Walkabout • Kaiārahi Report • Framework for Māori Achievement • Tribal Presentation 	
	30	Council Rove Response Programme Committee Meeting	
	30	Council Audit and Risk Committee Meeting	
November		Full Academic Board	
	13	Council Rove Response Programme Committee Meeting	
	13	Council Audit and Risk Committee Meeting	
	19	Council Campus Redevelopment Committee Meeting	
	26	Council Workshop (2) (Christchurch) <ul style="list-style-type: none"> • Ensuring Equity in Education; Māori and Pasifika Deep Dive - Framework for Māori Achievement [FMA] • 2019 Budget sign-off 	
	27	Council Rove Response Programme Committee Meeting (Placeholder)	
December	10	Council Meeting (if required) <ul style="list-style-type: none"> • 2019 Budget – Sign off 	
	11	Council Rove Response Programme Committee Meeting	
	4	Council Audit and Risk Committee Meeting	

10.30-11am Council only time; 11am – 3pm Council meeting

Waitangi Day – Wed 6 Feb
 Otago Anniversary – Mon 25 Mar
 Good Fri – 19 April
 Easter Mon – 22 April
 Easter Tue – 23 April
 ANZAC Day – Thurs 26 Apr
 Queen's Birthday – Mon 3 Jun
 South Canterbury Anniversary Day (Timaru Campus) – Mon 23 Sept
 Labour Day – Mon 28 Oct
 Canterbury Anniversary/Show Day – Fri 15 Nov

Christchurch Location – Room G202, Council Room, Te Kei, Christchurch City Campus
 Timaru Location – Room TA210, Council Room, Timaru Campus.

Media Report September 2019

12 September

Maori Language students exchange to Canada

<https://www.ara.ac.nz/news-and-events/news/canadian-exchange-for-maori-language-students>

16 September

Ara Design Jam

<https://www.ara.ac.nz/news-and-events/news/collaborative-creativity-inspires-future-vision>

17 September

Paddy Gower visits NZBC school

<https://www.ara.ac.nz/news-and-events/news/paddy-gower-visits-broadcasting-school-students>

18 September

Renovation Ara and Lincoln Uni students worked with Ara staff to come up with [options to refurbish Ara's Te Puna Wānaka building](#)

20 September

Ara's Graduation speaker

<https://www.ara.ac.nz/news-and-events/news/everything-is-waiting-just-outside-your-comfort-zone>

27 September

Mental Health Ara students worked with the All Right? Wellbeing campaign in Canterbury to [develop an Ara-specific campaign](#)

30 September

Top Teachers Ara [recognised its teaching staff](#) in its teaching and learning awards.

CRFU and Ara partnership

<https://www.ara.ac.nz/news-and-events/news/ara-institute-of-canterbury-assists-rugby-players-with-continuing-education2>

Ara Council 29 October 2019	Agenda Item	3.6
		Information Item
PUBLIC	Presented by	T Gray

ARA COUNCIL REPORT SUMMARY	
TITLE OF REPORT	Affixing of the Common Seal (21 May to 28 October 2019)
BACKGROUND AND PURPOSE	<ul style="list-style-type: none"> Public record of the quarterly report provided to the Ara Council recording the number and type of document to which the common seal has been added. This includes the list of degree and diploma documents signed and sealed by the Council Chair and Chief Executive for the Graduation ceremony held on 20 September 2019.
RECOMMENDATION(S)	That the Ara Council receive and note the contents of the report provided.
LINK TO ARA STRATEGY	N/A
KEY ISSUES IDENTIFIED	N/A
FINANCIAL IMPLICATIONS FOR ARA	N/A
RISK IMPLICATIONS FOR ARA	N/A

Common Seal

The Ara policy on affixing the common seal calls for a quarterly report to the Council recording the number and type of document to which the common seal has been added.

Date	Document	Countersigned	Number
21 October 2019	Sales and Purchase Agreement – SevenOaks (Tranche 3)	T Arseneau (Council Chair) T Gray (Chief Executive)	1

This report covers the period from 21 May to 28 October 2019 and includes the list of the degree and diploma documents signed and sealed by the Council Chair and Chief Executive for the Graduation ceremony held on 20 September 2019.

Graduation documents carrying the Ara Institute of Canterbury Common Seal issued for Graduation 20 September 2019.

Qualification Title	Quantity Awarded
Bachelor of Applied Management	33
Bachelor of Applied Science	5
Bachelor of Architectural Studies	2
Bachelor of Broadcasting Communications	3
Bachelor of Design	4
Bachelor of Engineering Technology	7
Bachelor of Information and Communication Technologies	22
Bachelor of International Tourism and Hospitality Management	1
Bachelor of Midwifery	1
Bachelor of Music Arts	1
Bachelor of Nursing	78
Bachelor of Performing Arts	1
Bachelor of Sustainability and Outdoor Education	2
Diploma in Accounting	1
Diploma in Broadcasting Communications	1
Diploma in Business	8
Diploma in Childbirth Education	1
Diploma in Computer Aided Design	3
Diploma in Environmental and Outdoor Leadership	2
Diploma in Human Resource Management	2
Diploma in Interior Design (Residential)	1
Diploma in Marketing	1
Graduate Diploma in Accounting	3

Qualification Title	Quantity Awarded
Graduate Diploma in Applied Management	11
Graduate Diploma in Business Transformation and Change	3
Graduate Diploma in Computer Aided Design	7
Graduate Diploma in Construction Management	14
Graduate Diploma in Hospitality Management	7
Graduate Diploma in Human Resource Management	2
Graduate Diploma in Information and Communication Technologies	12
Graduate Diploma in Laboratory Technology	7
Graduate Diploma in Marketing and Sales	8
Graduate Diploma in Nursing	2
Graduate Diploma in Operations and Production Management	9
Graduate Diploma in Personal Financial Planning	1
Graduate Diploma in Project Management	7
Graduate Diploma in Quantity Surveying	9
Graduate Diploma in Supply Chain Logistics	6
Graduate Diploma of Information Design	4
New Zealand Diploma in Agribusiness Management (Level 5)	10
New Zealand Diploma in Applied Science (Level 5)	9
New Zealand Diploma in Applied Science (Level 6)	2
New Zealand Diploma in Architectural Technology (Level 6)	1
New Zealand Diploma in Business	13
New Zealand Diploma in Business (Level 5)	26
New Zealand Diploma in Construction (Level 6)	31
New Zealand Diploma in Cookery (Advanced) (Level 5)	24
New Zealand Diploma in Engineering (Level 6)	17
New Zealand Diploma in Enrolled Nursing (Level 5)	43
New Zealand Diploma in Hospitality Management (Level 5)	10
New Zealand Diploma in Hospitality Management (Level 6)	1
New Zealand Diploma in Information Technology Technical Support (Level 5)	16
New Zealand Diploma in Networking (Level 6)	1
New Zealand Diploma in Systems Administration (Level 6)	2
New Zealand Diploma in Web Development and Design (Level 5)	3
Postgraduate Diploma in Health Science	5
TOTAL	506

Tony Gray
Chief Executive

Ara Council 29 October 2019	Agenda Item	3.7
		Decision Item
PUBLIC	Presented by	D Mitchell

ARA COUNCIL REPORT SUMMARY	
TITLE OF REPORT	2019 Annual Report
BACKGROUND AND PURPOSE	<p>The Ara Council is required by law to produce an Annual Report covering financial and non-financial performance for the year ending 31 December 2019.</p> <p>This task is to be completed by Ara management and staff, with external audit by AuditNZ, and oversight by the Audit and Risk Committee on behalf of Council.</p>
RECOMMENDATION(S)	That Council endorses the content and development process of the 2019 Annual Report.
LINK TO ARA STRATEGY	The Annual Report provides a mechanism to report on 2019 achievements, in terms of financial and non-financial performance, as well as performance against strategic goals.
KEY ISSUES IDENTIFIED	The 2019 Ara Annual Report will be developed in a similar manner to the 2018 Ara Annual Report.
FINANCIAL IMPLICATIONS FOR ARA	Nil (preparation and external audit of the Annual Report has been included in existing budgets).
RISK IMPLICATIONS FOR ARA	Ara is required to produce the Annual Report in order to comply with the Education Act 1989 and Crown Entities Act 2004.
RATIONALE FOR EXCLUDING PUBLIC	N/A

2019 Annual Report

1 Introduction

- 1.1 Under the Education Act 1989 and Crown Entities Act 2004, Ara is required to produce an audited Annual Report for the year ending 31 December 2019, including specified financial and non-financial aspects.
- 1.2 It is proposed that the 2019 Ara Annual Report be similar in style and content to the 2018 Ara Annual Report. This means the report will be prepared as a PDF, with a limited number of hard copies produced for government agencies in accordance with statutory requirements.
- 1.3 The preparation of the report will be managed by the Finance and Organisational Performance teams at Ara, with oversight from the Chief Executive, Audit and Risk Committee, and Council, in accordance with the timeline described below.

2 Contents of Annual Report

- 2.1 The Annual Report is proposed to include the following:
 - a Summary infographics highlighting key achievements and metrics from 2019.
 - b Combined Council Chair and Chief Executive Report.
 - c List of Council Members
 - d List of Te Kāhui Manukura members
 - e Strategic Plan
 - f Statement of Service Performance
 - g Financial Statements
 - i Statement of Responsibility
 - ii Statement of Accounting Policies
 - iii Statement of Comprehensive Revenue and Expenses
 - iv Statement of Financial Position
 - v Statement of Cash Flows
 - vi Statement of Changes in Equity
 - vii Statement of Cost of Services
 - viii Childcare Operating Income and Expenditure
 - ix Statement of Special Supplementary Grants
 - x Compulsory Student Services Fees
 - xi Notes to the Financial Statements

- xii Statement of Resources
- h Auditor's Report
- i Equal Education Opportunities
- j Equal Employment Opportunities

3 Timeline of Key Dates

Date	Event
31 December 2019	Ara Institute of Canterbury year-end
14 February 2020	1. Draft content collated in preparation for AuditNZ arrival. 2. Draft design concept completed.
17 February 2020 – 3 April 2020	AuditNZ on site.
March 2020 (meeting date to be set)	Ara Audit and Risk Committee meeting – draft Annual Report considered
3 April 2020 (planned)	Verbal audit clearance given by AuditNZ
April 2020 (meeting date to be set)	Ara Audit and Risk Committee endorsement of final Annual Report
April 2020 (meeting date to be set)	Ara Council meeting – final Annual Report approved (including swap of audit letters).
By 1 May 2020	Hard copies of Annual Report couriered to Parliament, Minister's Office and TEC.
By 1 May 2020	Annual Report published on Ara website.

4 Recommendation

That Council endorses the content and development process of the 2019 Annual Report.