

## Event backgrounder: Ministerial visit to Ara Institute of Canterbury on Wednesday, 22 August 2018

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<b>To:</b>	Hon Chris Hipkins, Minister of Education
<b>From:</b>	Manager ITP Investment, Operations Directorate
<b>Date:</b>	15 August 2018
<b>Reference:</b>	E/18/00569

### Purpose

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1. You are scheduled to visit Ara Institute of Canterbury (Ara) on Wednesday 22 August 2018 between 1.50 and 2.30pm.
2. General information about Ara is attached as Appendix 1. This A3 summary sheet includes a short narrative; delivery enrolment, site and demographic data; financials; and educational performance indicator (EPI) information.
3. Biographies of the Council Chair and Chief Executive of Ara are attached as Appendix 2.
4. Ara's SAC and YG funding compared with delivery for 2017 is included in Appendix 3.
5. Ara's funding for 2018 is included in Appendix 4.
6. We recommend that this aide-memoire is proactively released with information about Ara's risk rating on the TEC's financial monitoring framework withheld.

### ITP Roadmap

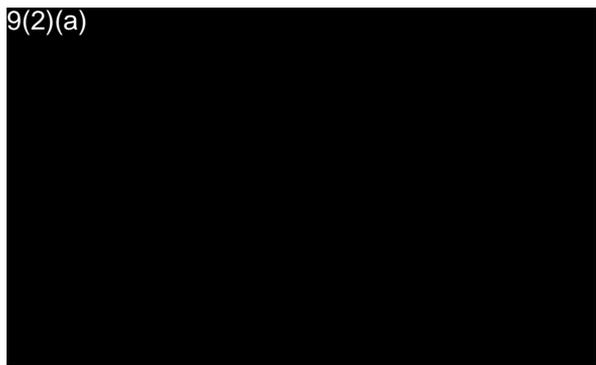
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7. The ITP Roadmap 2020 project team is continuing to engage with the ITP sector and other stakeholders to develop the advice we'll provide to you on options for a sustainable future ITP network. Our most recent engagements are:
  - i. Regional engagement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

### **Regional ITP Roadmap engagement at Ara**

9. TEC and other tertiary government stakeholders met with the Ara Council, the senior leadership team and a large group of staff at a recent regional ITP Roadmap workshop in Christchurch.
10. During the Roadmap engagement the Council committed to Ara remaining highly engaged with its community across the greater Canterbury region, and to its flagship health delivery through the Health Research Education Facility (HREF).
11. The TEC and related agencies also met with approximately 30 stakeholders from across the business and local government communities. These stakeholders are strongly committed to Ara providing targeted learning for industry in their region as a way of ensuring young people remain in Canterbury. They are also very interested in any new funding that allows for innovative and responsive programmes to be quickly developed to meet industry need. At the moment, the lag from identification of need to a product delivery is too long to meet industry requirements.
12. Ara has a longstanding and close relationship with local iwi which was highlighted by iwi representatives present at the Roadmap workshop.

9(2)(a)



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

**Hon Chris Hipkins**  
Minister of Education  
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## **Appendix 1: Ara summary sheet (A3)**

(refer accompanying A3)

# TEI PROFILE: Ara Institute of Technology

Chair: Thérèse Arseneau Chief Executive: Tony Gray

**Key narrative:** Ara Institute of Technology (Ara) is a category 1 EER provider that delivers to learners in the greater Canterbury region. Major provision is in nursing; management and commerce; engineering and related technologies; and society and culture. Ara was formed on 1 January 2016 through the merger of Christchurch Polytechnic Institute of Technology (CPIT) and Aoraki Polytechnic. As a Christchurch-based tertiary education institution, Ara (formerly CPIT) has been exempt from volume-based funding recoveries and performance-linked funding following the Canterbury earthquakes.

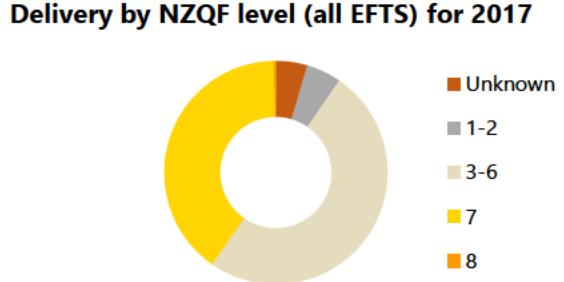


**Delivery sites**

Town/city	All EFTS (2017)
Christchurch	6,273
Timaru	409
Extramural	230
Other sites	150
<b>Total</b>	<b>7,062</b>

**Top five qualifications by enrolment**

Qualification	All EFTS (2017)
Bachelor of Nursing	674
Bachelor of Design	260
Bachelor of Applied Management	238
Bachelor of Broadcasting Communications	194
National Certificate in Carpentry (Lvl 4)	179



**Recent delivery data and demographics**

	2015 <sup>1</sup>	2016	2017
All EFTS	6,709	7,639	7,062
All learners	15,824	17,370	16,294
% Māori learners	11.1%	11.3%	11.4%
% Pasifika learners	3.8%	4.1%	4.2%
% learners 25 and over	50.7%	48.9%	49.3%
International full-fee delivery:			
EFTS	842	1,020	874
As % of all EFTS	12.6%	13.4%	12.4%

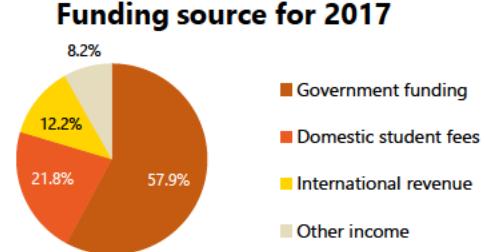
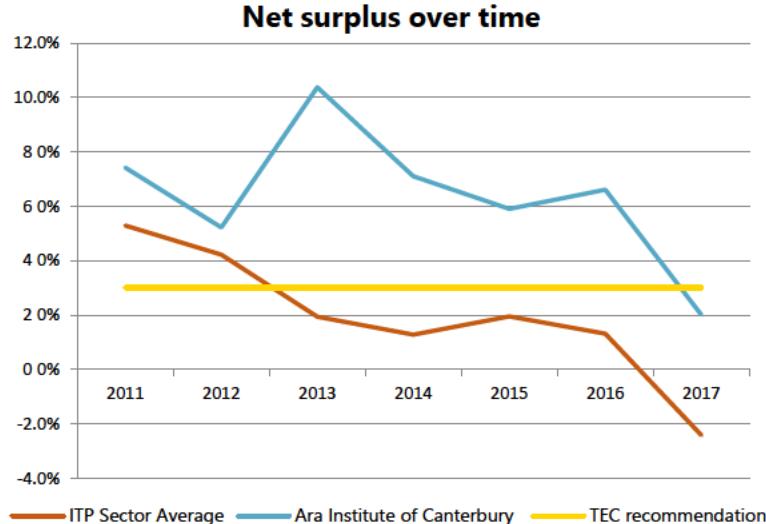


Data reviewed: 25 May 2018

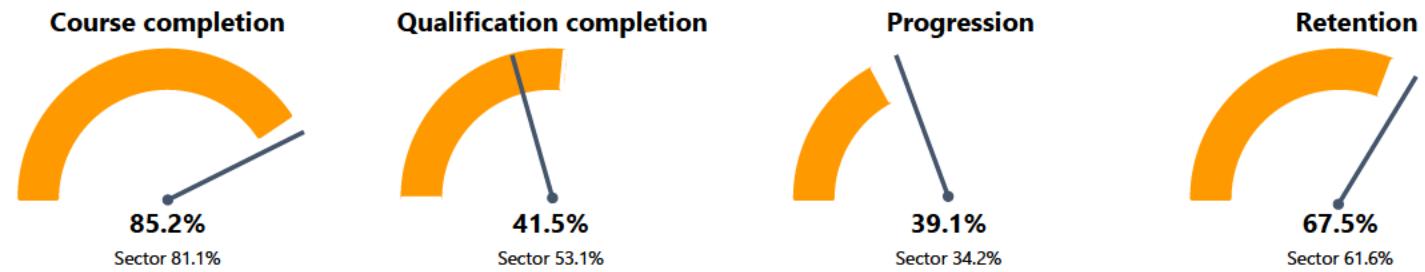
<sup>1</sup>All data for 2015 is for CPIT only (i.e. pre-merger)

**Financial commentary:** Ara's financial performance has been impacted by the Canterbury earthquakes since 2011. While 2017 performance has declined, Section 9(2)(b)(ii) and 9(2)(ba)(i)

	2015 audited (\$000)	2016 audited (\$000)	2017 audited (\$000)	2016-2017 change
<b>Total Income</b>	100,436	116,161	112,036	↓
<b>Total Government Funding</b>	58,024	67,990	64,828	↓
<b>Total International Income</b>	11,139	14,414	13,653	↓
<b>Total Domestic Fees and Charges</b>	22,315	25,057	24,412	↓
<b>Net surplus before unusual items</b>	5,963	7,713	2,816	↓
<b>Net surplus (before unusual items) ratio</b>	5.9%	6.6%	2.5%	↓
<b>Net surplus after unusual items</b>	19,227	31,468	2,823	↓
<b>Net surplus (after unusual items) ratio</b>	19.1%	27.1%	2.5%	↓
<b>Total Liquid assets</b>	59,692	61,274	62,439	↑
<b>Total Debt</b>	1,031	11,894	13,502	↑



## Educational Performance (Cohort EPIs)



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

Non-Māori and non-Pasifika	Māori	Pasifika									
86.8%	77.6%	72.3%	42.4%	35.7%	42.6%	40.0%	32.2%	40.8%	68.1%	63.8%	63.5%

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

Non-Māori and non-Pasifika	Māori	Pasifika									
84.5%	72.2%	72.2%	54.4%	49.7%	51.3%	32.6%	37.0%	36.9%	63.8%	53.9%	56.8%

## Appendix 2: Biographies of key Ara people

### Dr Therese Arseneau, Chair of Ara Council

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Thérèse Arseneau has over 30 years' experience in the tertiary education sector in New Zealand and Canada. A political scientist with particular interest in elections and the electoral systems of New Zealand, Canada, Australia and the United States, she has lectured in Canadian and New Zealand universities and is currently a Senior Research Fellow in Political Science at the University of Canterbury in Christchurch. In 2011, she received the University of Canterbury Teaching Award for excellence in teaching.

Dr Arseneau was a member of the New Zealand Electoral Commission's Expert Advisory Panel for the 2011 referendum on the electoral system and the post-referendum review of MMP. More recently she has advised the Commission on its voter participation strategy and the flag referendum. Thérèse has extensive experience as a political and election night analyst for TVNZ and TV3 in New Zealand and for CBC TV and Radio in Canada.

Dr Arseneau also has wide-ranging governance experience including current roles as Chair of ChristchurchNZ, Ara Institute of Canterbury and the Christchurch Symphony Orchestra, and as a Director of J Ballantynes Company Ltd. Previously she was Deputy Chair of the Family Help Trust, Director and Chair of Enterprise North Canterbury, Trustee and Vice-Chair of Rangi Ruru Girls School and Director of the Social Sciences and Humanities Research Council of Canada.

She completed a BA Honours (First Class) at St. Francis Xavier University, Canada, and a DPhil and MPhil in Politics at Oxford University, UK which she attended as a Commonwealth Scholar.

### Tony Gray, Chief Executive of Ara

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Tony Gray has spent his professional life in education. He came to Ara in 2017 from Nelson Marlborough Institute of Technology (NMIT) where he was CE for 11 years, leaving the institute in excellent health with a top NZQA review.

Along with a Bachelor and Graduate Diploma qualification in education, Tony is a Fellow of The New Zealand Institute of Management (FNZIM), a graduate of the Institute of Directors Professional Directors' Programme and a Chartered Biologist, amongst other achievements.

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

*Note: Ara is currently operating under a Funding Guarantee. This means that, since the Canterbury earthquakes, it has been excluded from any volume-based funding recoveries and performance linked funding consequences. The Funding Guarantee expires at the end of 2018.*

Edumis	Provider Name	Fund	Values		
			Total 2017 Funding	\$ Delivered	(Under)/Over Delivered Total
6006	Ara	Student Achievement Component Levels 1 and 2 (Competitive)	\$1,092,008	\$646,831	(\$445,177)
		Student Achievement Component Levels 1 and 2 (Non-competitive) <sup>1</sup>	\$176,621	\$111,401	(\$65,220)
		Student Achievement Component Levels 3 and above	\$52,167,700	\$49,849,040	(\$2,318,660)
		Youth Guarantee	\$2,628,068	\$1,897,942	(\$730,126)
		Youth Guarantee (Dual Pathway)	\$440,263	\$452,468	\$12,205
			<b>\$56,504,660</b>	<b>\$52,957,682</b>	<b>(\$3,546,978)</b>

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<sup>1</sup> Excludes MPTT delivery at levels 1 and 2

## Appendix 4: Ara's funding for 2018

**On-plan Funds** *Funding Period: 1 January 2018 - 31 December 2018*

**2018 Funding (ex GST)**

<b>Adult and Community Education (TEIs) Fund</b> Funding rate for TEIs: \$4,444.44 per EFTS Number of EFTS (2018): 127	\$568,717.00
<b>Equity Fund Total</b> Amount of funding for Māori students: Amount of funding for Pasifika student: Amount of funding for students with disabilities:	\$292,882.00 \$99,504.57 \$24,878.31 \$172,062.60
<b>Intensive Literacy and Numeracy Fund</b> Funding rate: \$25 per hour Number of approved hours (2018): 6,486	\$162,150.00
<b>Performance-Based Research Fund Total</b> Quality Evaluation: External Research Income:	\$479,835.48 \$475,103.18 \$4,732.29
<b>Specialised English for Speakers of Other Languages – Intensive Literacy and Numeracy, ESOL Fund</b> Funding rate: \$18.75 per hour Number of approved hours (2018): 8,800	\$165,000.00
<b>Specialised English for Speakers of Other Languages– Intensive Literacy and Numeracy, Refugee English Fund</b> Tuition fee is paid at a dollar per EFTS rate for provision Pastoral care is paid at \$400.00 per learner place Number of approved places (2018): 93	\$149,650.07
<b>Student Achievement Component – Qualifications at Levels 1 and 2 of the NZQF (Competitive Allocation) Fund</b> Estimated number of EFTS (2018): 126	\$1,092,008.00
<b>Student Achievement Component – Qualifications at Levels 1 and 2 of the NZQF (Non-competitive Allocation) Fund</b> Estimated number of EFTS (2018): 0	\$322,871.00
<b>Student Achievement Component – Qualifications at Levels 1 and 2 of the NZQF (Non-competitive Allocation) Fund –</b>	\$67,380.00
<b>Special supplementary grant for special education Student Achievement Component – Provision at Level 3 and above on the NZQF Fund</b> Estimated number of EFTS (2018): 5,719	\$52,669,650.00
<b>Youth Guarantee – Youth Guarantee Provision Fund</b> Estimated number of EFTS (2018): 186	\$2,628,068.00
<b>Total On-plan Funding</b>	<b>\$58,598,211.55</b>