

Event backgrounder: Attendance at ROVE consultation at NorthTec in Whangarei on Wednesday 27 February 2019

To:	Hon Chris Hipkins, Minister of Education
From:	s9(2)(a) Acting DCE Delivery, Delivery Directorate
Date:	22 February 2019
Reference:	E-19-00140

Purpose

1. You are visiting NorthTec to discuss the Reform of Vocational Education (ROVE) on Wednesday 27 February 2019, where you will meet with the NorthTec Board and interim Chief Executive from 8.30am – 10.00am. You will then head to the Apprentice Restaurant to meet with NorthTec's wider management group from 10.15am – 11.00am. A staff/student drop in and a stakeholder session will be held later in the day, before a community session in the evening.
2. General information about NorthTec is attached as Appendix 1. The A3 summary sheet includes a short narrative; delivery enrolment, site and demographic data; financial commentary and educational performance indicator (EPI) information for the 2017 year.
3. NorthTec delivery information in Appendix 1 has not been updated for the 2018 delivery year yet, as finalised data are not available until the April SDR has been submitted and analysed. However, an indicative view of NorthTec's Student Achievement Component (SAC) and Youth Guarantee (YG) funding compared with delivery for 2018 is included in Appendix 2.
4. Biographies of the Council Chair and interim Chief Executive of NorthTec are attached as Appendix 3.
5. NorthTec's funding for 2019 is included in Appendix 4.
6. We recommend that this backgrounder is proactively released.

ROVE consultation at NorthTec

7. Stakeholder mapping information for the ROVE consultation at NorthTec is included as Appendix 5.
8. NorthTec's interim Chief Executive and senior staff have been broadly positive regarding the ROVE proposals. NorthTec recognises that operating as a small, standalone ITP is not working well for its region, and welcomes a more integrated vocational model. As with other regions however, concerns exist around potential impacts on regional responsiveness, particularly in regard to Māori learner and iwi business/industry educational needs.
9. Te Rūnanga o Ngāti Hine chairman Pita Tipene is pleased with the ROVE proposals' plans to remove competition between NorthTec and ITOs, but is also concerned that it could lead to a disconnect between what courses are offered and what is actually needed. He believes the

regional leadership group for Tai Tokerau needs some decision-making authority if this risk is to be mitigated.

NorthTec is moving to a more responsive delivery model

10. In late 2017/early 2018 NorthTec had to close or cancel a number of programmes on its main and satellite campuses as low student numbers rendered them unviable. The cancellations generated a high degree of media attention and community concern and, coupled with other financial pressures, led NorthTec to look at new ways of delivering to its remote campuses, and of providing low-volume courses to learners.
11. In September 2018 NorthTec re-opened the Kerikeri campus as a partnership between NorthTec and local hapū Ngāti Rehia. In early 2019, the interim Chief Executive signed off on several similar joint initiatives and partnerships for delivery across the region. NorthTec's approach is to focus on utilising shared facilities (community multi-use hubs) and on a networked provision of pastoral support services that can follow its learners. This includes using localised generic models coordinated between partners that can plug into national and centralised resources. Small and accessible industry and skill specific qualifications are targeted to meet local industry need and programmes are being developed around a "lifetime learner" model.
12. Part of NorthTec's refocusing involves the ITP becoming more involved in wider community initiatives – such as supporting the Māori arts hub in Whangarei through offering arts and culture provision. NorthTec is also supporting MSD initiatives like Manuka planting and the Hihiaua Peninsula Project.
13. Alongside developing flexible delivery options for the region, NorthTec is refocusing on its critical success factors – with Māori achievement, regional blended delivery, strong relationships and economic sustainability as its main foci.

Tai Tokerau Northland regional tertiary Investment Plan (TRIP)

14. A partnership developed between Northland tertiary organisations, industry bodies, iwi, Pasifika and local government, the TRIP represents the collective voice of Te Tai Tokerau as it responds to the challenges faced by learners and tertiary organisations in the region.
15. Widespread regional engagement and consultation occurred to inform the TRIP. The result is a comprehensive regional tertiary education plan and work programme with a clear kaupapa. The TRIP acts as an anchor for wider Tai Tokerau tertiary education and careers-related work in the region. It also acts as a key enabler to achieve educational success for people in Tai Tokerau – particularly for Māori.
16. The plan focuses on He Whenua for the 2019 investment year – agriculture, forestry, fishing and environment-focused education, and is designed as an iterative, ongoing process. NorthTec was the key driver of the TRIP to date, and is progressing the next iteration.
17. Other areas of focus for Te Tai Tokerau will be developed over the coming years. These include tourism, construction and infrastructure, and manufacturing and technology.

Other NorthTec focus areas

Forestry delivery

18. NorthTec has partnerships in place with forestry owners such as PF Olsen to deliver a work-based (SAC funded) model of provision. It initially began this delivery in Northland before extending further out of region. s9(2)(ba)(i)

19. NorthTec recognises the need to collaborate with ITOs and other providers in this field, particularly as forestry is a high cost training model due to the levels of supervision required for safe training and the remote location of the workplace.

Māori and Pasifika Trades Training (MPTT)

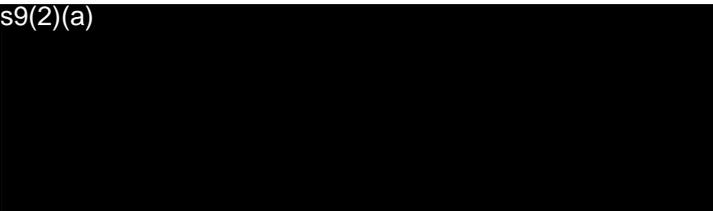
20. NorthTec is a tertiary provider to Te Matarau Education Trust, a collective of five Northland Hapū and Iwi that is contracted as an MPTT consortium.

21. A 'Mana Wahine' MPTT forestry training programme aimed at women is starting in March at NorthTec's Dargaville campus. Training will be at the nearby Iwi-connected forest at Pouto.

Corrections provision

22. NorthTec plans to deliver to 364 learners across Auckland Prison, Northern Regional Corrections Facility, and Auckland Region Women's facility. This will mostly be at levels 2-3.

s9(2)(a)



s9(2)(a)

Acting Deputy Chief Executive - Delivery
Tertiary Education Commission

22 February 2019

Hon Chris Hipkins

Minister of Education

___ / ___ / ___

Appendix 1: NorthTec summary sheet (A3)

(refer accompanying A3)

TEI PROFILE: NorthTec

Chair: Jane Hindle Chief Executive: Wayne Jackson (interim)

Key narrative: NorthTec is a category 2 EER provider servicing the Northland region. It delivers significant building and trades related programmes; in addition to provision in agriculture and the environment; forestry; health; and society and culture. NorthTec is a key partner in the Tai Tokerau Northland initiative to improve secondary-tertiary transition and tertiary education participation rates for people in the region.

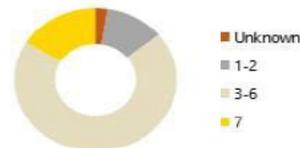


Town/city	All EFTS (2017)
Whangarei	2,173
Auckland	560
Far North	492
Extremural	55
Other sites	464
Total	3,744

Top five qualifications by enrolment

Qualification	All EFTS (2017)
National Cert in Motor Industry (Lvl 4)	368
Bachelor of Nursing	230
NZ Diploma in Business (Lvl 6)	136
Te Pokaitahi Ngapuhi-Nui-Tonu	133
Diploma in Information Systems	121

Delivery by NZQF level (all EFTS) for 2017

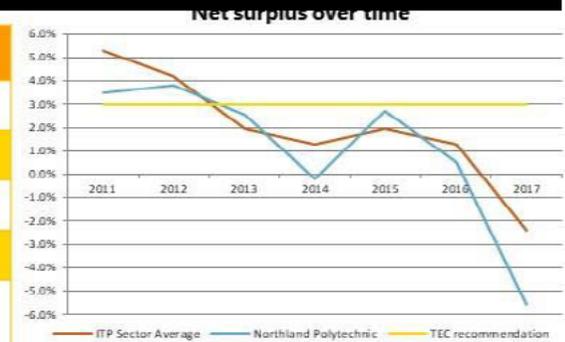


Recent delivery data and demographics

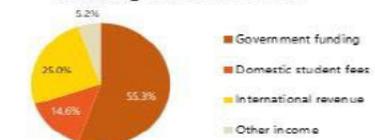
	2015	2016	2017
All EFTS	3,790	3,941	3,744
All learners	8,985	8,803	9,061
% Māori learners	36.2%	34.7%	32.8%
% Pasifika learners	3.6%	4.1%	4.2%
% learners 25 and over	60.6%	58.0%	55.0%
International full-fee delivery:			
EFTS	526	672	740
As % of all EFTS	13.9%	17.1%	19.8%

s9(2)(b)(ii)

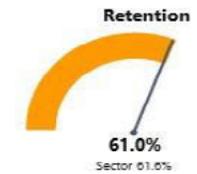
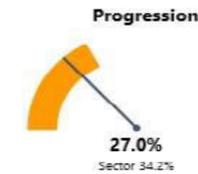
	2015 audited (\$'000)	2016 audited (\$'000)	2017 audited (\$'000)	2016-2017 change
Total Income	42,763	44,681	42,405	↓
Total Government Funding	27,471	27,450	23,439	↓
Total International Income	7,120	9,029	10,583	↑
Total Domestic Fees and Charges	6,497	6,346	6,192	↓
Net surplus before unusual items	1,158	245	-2,053	↓
Net surplus (before unusual items) ratio	2.7%	0.5%	(4.8%)	↓
Net surplus after unusual items	913	56	-3,357	↓
Net surplus (after unusual items) ratio	2.1%	0.1%	(7.9%)	↓
Total Liquid assets	15,207	16,610	15,129	↓
Total Debt	0	0	0	



Funding source for 2017



Educational Performance (Cohort EPIs)



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

Non-Māori and non-Pasifika	Māori	Pasifika									
86.3%	74.2%	80.1%	69.7%	58.4%	62.1%	23.9%	30.0%	25.4%	62.8%	57.4%	63.2%

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: NorthTec's SAC and YG funding compared to delivery in 2018

Note: Delivery and funding values are indicative and subject to change after the April SDR has been submitted and analysed.

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

Edumis	Provider Name	Fund	Values		
			Total 2018 Funding	\$ Delivered	(Under)/Over Delivered Total
6012	NorthTec	Student Achievement Component Levels 1 and 2 (Non-Competitive)	\$1,560,450	\$1,621,595	\$61,145
		Student Achievement Component Levels 3 and 4 (Competitive)	\$1,365,000	\$1,612,550	\$247,550
		Student Achievement Component Levels 3 and above	\$14,018,450	\$14,005,094	(\$13,356)
		Youth Guarantee	\$1,381,205	\$1,290,709	(\$90,496)
		Youth Guarantee (Dual Pathway)	\$261,600	\$0	(\$261,600)
6011 Total			\$18,586,705	\$18,529,948	(\$56,757)

Total On-plan SAC and YG funding for NorthTec for 2019 is **\$19,160,840**. This is an increase of \$630,892 (or 3.40%) over NorthTec's indicative 2018 SAC and YG delivery of \$18,529,948. A fuller breakdown of 2019 funding is outlined in Appendix 4.

Appendix 3: Biographies of NorthTec Council Chair and (interim) Chief Executive

Jane Hindle, Chair of NorthTec Council



Jane Hindle is a council-appointed member who was appointed Deputy Chair in 2017. Ms Hindle has been involved in the data and telecommunications industry for 23 years working in the UK, Europe and New Zealand, with 12 years on the board of the Telecommunications Users Association NZ. Since moving to the Far North in 2000, her governance experience includes Board of Enterprise Northland, the R. Tucker Thompson Sail Training Trust, the Te Au Marie 1769 Sestercennial Trust, and Hikoi Tahī Walking Tours.

Wayne Jackson, Interim Chief Executive



Wayne Jackson has stepped in as Interim Chief Executive of NorthTec from his position as Chair following the resignation of Dr Mark Ewen at the end of 2018. He was appointed Chair in May 2017, after joining the Council in 2016.

Wayne is a company director working with clients in business strategy and governance through Governus, his advisory company. This includes work with community education providers. He is a trustee of the Auckland City Mission.

He is a former Chief Executive Officer of Grant Thornton NZ, and was a Partner with Ernst and Young NZ for 19 years and a director of its Business Advisory Practice.

Wayne has held CEO roles in the NZ meat export industry and Hanimex Filmpro, and was Client Service Director for AC Nielsen PTY Ltd. He has held a number of directorships including Chair of Farm Brands Ltd, Chair of Q Theatre and a director of the Aquatx group of companies.

Appendix 4: NorthTec's funding for 2019

The table below shows NorthTec's initial 2019 funding allocation.

On-plan Funds <i>Funding Period: 1 January 2019 - 31 December 2019</i>	2019 Funding (ex GST)
Adult and Community Education (TEIs)	\$301,407.00
Student Achievement Component – Qualifications at Levels 1 and 2 of the NZQF	\$1,503,190.00
Student Achievement Component – Provision at Level 3 and above on the NZQF	\$16,018,451.00
Youth Guarantee	\$1,639,199.00
Equity total funding	TBC
Equity funding for Māori students	TBC
Equity funding for Pasifika students	TBC
Equity funding for students with disabilities	TBC
Performance-Based Research Fund	\$106,071.01
Total On-plan Funding	\$19,568,318.01

Appendix 5: Stakeholder mapping information

Information about the ITP	
Number and location of campuses	NorthTec – Tai Tokerau Wananga Whangarei
Board Chair	Jane Hindle
Board members	<ul style="list-style-type: none"> • Bronwyn Yates • Ken Eastwood • Murray Bain • Eru Lyndon • Kate Cherrington
Chief Executive	Wayne Jackson (acting CE)
Union/s	Student Council
Student union lead/s	Stacey Lemon-Connew
Affiliated Iwi	<ul style="list-style-type: none"> • Te Uri o Hau • Ngāpuhi
Affiliated community organisations/ industry/ employers	
Local media	The Northern Advocate, The Northland Age

About this ITP

9(2)(g)(i)

