



## Event backgrounder: Meetings in Wairarapa regarding Taratahi and primary sector education and training

<b>To:</b>	Hon Chris Hipkins, Minister of Education
<b>From:</b>	Luke Howard, Acting Manager, Monitoring and Crown Ownership
<b>Date:</b>	21 January 2020
<b>Reference:</b>	E-20-00026

### Purpose

1. This note provides background and supporting information to assist your engagements in the Wairarapa on Thursday, 23 January, 2020 relating to primary sector vocational education and training.
2. We have consulted with the Ministry of Primary Industries (MPI) on this event backgrounder and recommend that you forward it to the Minister of Agriculture for his information.
3. 9(2)(g)(i)

### Background

4. You have three meetings organised on Thursday, 23 January, 2020 at the Brackenridge retreat in the Wairarapa. These include:
  - **10.30am-10.50am: Update on Taratahi.** In attendance at the meeting will be the Minister of Agriculture, Dame Margaret Bazley (as Chair of the Wairarapa Economic Developed Strategy Governance Group), Federated Farmers, and the three Wairarapa Mayors – Alex Beijen, South Wairarapa Mayor, Lyn Patterson, Masterton Mayor, and Greg Lang, Carterton Mayor.
  - 9(2)(j)
  - **4.00pm-4.30pm: Discussion on rural trades and training in Central Hawke's Bay.** You will be meeting with Alex Walker, Mayor of Central Hawke's Bay.

## Background and update on Taratahi

---

### Grant Thornton continue to make progress on the liquidation of the Taratahi trust

5. As you are aware, Grant Thornton were appointed interim liquidators of the Taratahi trust by the High Court on 19 December 2018. They were then appointed liquidators on 5 February 2019 by Order of the High Court.
6. Grant Thornton released its second report on the state of affairs of the Taratahi liquidation in September 2019. This included a summary of assets sales, which leases had been assigned, and that the liquidators had decided to continue to operate the Home Farm and the Telford and Ballantrae leased properties for at least the 2019/20 farming years. It also noted that all employee preferential entitlements had been paid in full by August 2019.
7. The liquidators have received 254 unsecured creditors' claims received to date totalling \$16.6 million. The TEC is the largest unsecured creditor at approximately \$11.9 million. It remains unclear whether there is sufficient assets to clear all unsecured creditor claims.

### The liquidators have run an EOI process for the Taratahi Home Farm which revealed no potential buyers but interest in providing education on the site

8. In September 2019, the liquidators requested expressions of interest for the utilisation of the Home Farm. They outlined there were three key components that needed to be addressed:
  - Ownership of the land;
  - Operation of the farming business; and
  - Operation of the education business.
9. The liquidators received responses from three ITPs – Eastern Institute of Technology (EIT), Universal College of Learning, and Southern Institute of Technology. All three showed interest in operating the education business. No interest was shown to purchase the Home Farm.
10. All three proposals were looking for sub-commercial leases (while the liquidators are seeking a commercial lease) and/or additional Crown support to deliver training on the site or to upgrade facilities. All three ITPs suggested they would be looking to start delivery mid-2020.
11. The Chair of the New Zealand Institute of Skills and Technology (NZIST) Establishment Board has also been made aware of the proposals. He is keen that the three ITPs work together collaboratively with potentially a lead established and the other two providing expertise and assisting with delivery. The Chair is keen that the three ITPs do not compete against each other to the benefit of the liquidators.
12. The TEC has engaged with the three ITPs as well as the liquidators and the Establishment Board Chair. We have encouraged all parties to continue talking to each other to try to find a sensible solution. However, much is dependent on the liquidators' position. We have noted to the liquidators that if a proposal can be agreed upon and additional funding is required over and above TEC funding, that it should be still presented to Ministers and officials for consideration. We would assess any proposal and provide advice to you as required.
13. While we are keen that vocational education and training return to the site as soon as possible, we would want to ensure any proposal is high-quality and sustainable, and consistent with the new operating model of the NZIST. We do not want a replication of the previous model used by Taratahi and for many of the same issues to be encountered. Furthermore, in many ways, it would make sense to resolve ownership of Home Farm before making decisions on long-term arrangements to deliver training on the site. However, there

EVENT BACKGROUNDER: MEETINGS IN WAIRARAPA REGARDING TARATAHI AND PRIMARY SECTOR EDUCATION AND TRAINING

are potential options in the short-term that make use of some of the Taratahi campus that could be explored.

9(2)(ba)(i)

## Growing Future Farmers

---

26. In December 2019, it was announced that a grant of \$750,000 from the Te Ara Mahi allocation of the Provincial Growth Fund has been approved to support the Growing Future Farmers (GFF) programme. GFF is a national employer-led training programme which will initially be piloted in Gisborne, Wairoa and the Wairarapa. The investment will go towards setting up phase one of the GFF scheme which will start with 10 students progressing through the two-year programme. They will graduate with practical on-farm skills as well as a Level 3 NZQA qualification
27. The GFF training programme will be delivered on farms by farm trainers with support from Eastern Institute of Technology, health and safety auditing, employers, as well as a number of industry groups and organisations. Beef and Lamb New Zealand are supporting the programme with \$20,000 and each farm trainer will be providing a farm package which includes fully furnished accommodation, a living allowance and genuine, on-farm workplace training. Students will live and train on the farms and GFF will undertake monitoring and pastoral care responsibilities with a student liaison specialist.
28. The TEC supports the GFF programme as it is supported by industry and students should emerge with highly developed hands-on skills and experience to complement their formal qualification. It is also an innovative network-based farm training model in which students are moved between different farms to ensure a richer and more diverse learning experience. This is important in a sheep and beef industry that increasingly involves more farm diversification and specialisation. Once the GFF programme has been properly established, the TEC is likely to be able fund it.

29. The GFF is likely to be raised in your meeting with Dame Margaret Bazley as well as in your meeting with Alex Walker.

## **Reform of vocational education**

---

### **Update on RoVE**

30. Since August 2019, when the Government introduced the Vocational Education Reform Bill in Parliament, a lot has occurred. This includes:
- Reinforcing the critical importance of regional decision-making and controls (e.g. through seeking directors for NZIST subsidiary boards and forming Regional Skills Leadership Groups (RSLG);
  - Agreeing the number and coverage of the industry led Workforce Development Councils (WDCs) – this includes a primary industries' WDC;
  - Beginning a selection process for two pilot Centres of Vocational Excellence (CoVEs) – for primary and construction, following a series of co-design workshops and webinars involving approximately 170 stakeholders;
  - Forming *Te Taumata Aronui*, a group to provide Māori community and employer perspectives on tertiary education, including vocational education; and
  - Establishing a reference group for a unified funding system underpinning RoVE.

### **Opportunities that RoVE presents (particularly for rural communities)**

31. There are a number of opportunities that the RoVE proposals present, including:
- To ensure delivery is tailored to regional needs, regional campuses of the NZIST could connect strongly with local regional and economic development strategies; have strong relationships with local Government; and work closely with other local education providers, particularly secondary schools.
  - The courses on offer in each region would not be limited by what the local or regional campuses could provide on their own – each campus will be able to draw on the resources of the whole NZIST system to offer what the region needs. This will allow for small but relevant niche courses to be run regionally, giving learners and employers access to greater education and training options without the need for travel.
  - Each region will have a RSLG – aligned to other regional advisory organisations being developed through various Government agencies – to advise the NZIST's national office and the TEC on local skills, to link with local and regional development strategies, and to advise on what mix of courses should be offered in that region.
  - WDCs, such as the primary industries' WDC, will allow for greater engagement with training providers to ensure the training being provided is meeting local needs. The primary industries' WDC general coverage is agriculture, horticulture, fishing, aquaculture, equine, silviculture and harvesting, and sports turf management.
  - There will be opportunities for growth in alternative delivery options such as online courses, micro- credentials and distance learning. There will be the ability for learners to have their training recognised across the VET system and therefore change providers easily.
32. Further engagement is planned on WDCs in early 2020 and the NZIST Establishment Unit plan on publishing their planned stakeholder interactions on their website in the near future.

33. MBIE is currently seeking targeted feedback on the best way to design RSLGs so they work for each region. The expectation is that the first RSLGs will be established by mid-2020.



**Luke Howard**

Acting Manager, Monitoring and Crown  
Ownership

Tertiary Education Commission

21 January 2020



**Hon Chris Hipkins**

Minister of Education

22 / 1 / 20