NMIT COUNCIL MEETING OPEN AGENDA

THURSDAY, 7 NOVEMBER 2019

Time: 9.30am – 2.00pm
Venue: NMIT Nelson Campus, Mahitahi Colab Boardroom

ITEM	TOPIC
Administrative	
1.	Apologies
2.	Register of Interests and Conflicts of Interests
3.	Confirmation of Minutes of meeting held 3 October 2019
4.	Action Items
Safety, Health & Wellbeing	
5.	Safety, Health & Wellbeing Report
Performance Reporting	
6.	Chief Executive's Report
7.	EFTS and Financial Reporting as at 30 September 2019
For Information	
8.	SANITI Report
9.	Correspondence a) Nelson City Council Education (VETR) Amendment Bill submission b) Tasman District Council Education (VETR) Amendment Bill submission c) Marlborough District Council Education (VETR) Amendment Bill submission d) Bragato Research Institute Education (VETR) Amendment Bill submission e) Nelson Tasman Chamber of Commerce Education (VETR) Amendment Bill submission f) Marlborough Chamber of Commerce Education (VETR) Amendment Bill submission g) Nelson Regional Development Agency Education (VETR) Amendment Bill submission h) Nelson MP Nick Smith Education (VETR) Amendment Bill submission i) Finance Forum ITP Education (VETR) Amendment Bill submission
10.	Acronyms & Frequently used Academic Definitions

PART II: IN COMMITTEE

To consider and if thought fit, to pass the following resolution:
That members of the public and the press be excluded from the following part of the proceedings of this meeting namely:

- In Committee Administrative Items
- 2020 Budget
- Richmond Campus Update
- Strategy Progress Report
- Audit Committee verbal report
- Key Educational Performance Indicators
- Chief Executive's Report
- NMIT Risk Register
- Common Seal usage report
- Acronyms & Frequently used Academic Definitions

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(I) of the Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject each matter to be considered	*Reason for passing this resolution in relation to each matter*	*Grounds under section resolution (sec 48(1) of the Local Government Official Information And Meetings Act 1987)*
Sector Issues *Financial Matters*		*Commercial sensitivity*

MEETING TIMETABLE

Time:	9.30am – 10.30am	Open Council meeting
	10.30am – 12.00pm	In Committee Council meeting
	12.00pm – 12.30pm	Lunch with Executive Team & Mahitahi partners
	12.30pm – 2.00pm	In Committee Council meeting continues
	2.00pm	Conclusion of meeting

COUNCIL MEMBER REGISTER OF INTERESTS	
Daryl Wehner	• Port Nelson Ltd: Chief Financial Officer • Chartered Accountants Australia and New Zealand: Member • Tasman Bay Stevedoring Co. Ltd: Director
Paul Steere	• Nelson Airport Ltd: Chair & Director • The NZ King Salmon Group: Director • Alan Scott Wines: Board Member • Seafood Research Strategic Advisory Committee (advising the Board of Seafood Innovations Ltd): Member • New Zealand King Salmon Exports Limited: Director • New Zealand King Salmon USA Incorporated: Director • Aquaculture Advisory Group South Pacific Committee Suva and Nouméa: Member
Gabrielle Hervey	• Suter Art Gallery Trust Board: Deputy Chair • Cecil Woods Nominees Ltd • Nelson Golf Club: Board Member • New Zealand International Affairs Institute (Nelson branch): Secretary • Regional Growth Fund: Advisor **Possible Conflicts of Interest:** • Suter Art Gallery – Some NMIT art students work on projects and exhibitions • New Zealand International Affairs Institute (Nelson branch) at times rent NMIT meeting space
Charles Newton	• Education consultant
Tracy Johnston	• TRC Tourism: Consultant • Dayvinleigh Limited: Co-owner • Wine Marlborough: Board member • Wine and Food Festival Committee: Chair • Institute of Directors: Nelson/Marlborough Committee **Possible Conflict of Interest** • Personally acquainted with the current Chair of TEC
Win Greenaway	• Tauhara Middle Lands Trust: Chief Executive

As at 31 October 2019

Des Ashton	• Ashton Technologies Ltd (Aviation, Defence, Engineering and Business Consultant): Director • NZ Aeronautical Trusts Ltd: Director **Possible Conflicts of Interest:** • Next door neighbour and friend on Staff at NMIT • Some Ashton Technologies clients have potential training business interests with NMIT – will declare these individually if they arise
Cornelius Prinsloo	• Student Association of Nelson-Marlborough Institute of Technology Incorporated (SANITI): Student President **Possible Conflicts of Interest** • Some SANITI events are co-funded by NMIT • Close relationship with previous SANITI President Rachel Boyack, Chair of Labour Party's Policy Council

COUNCIL OBSERVER REGISTER OF INTERESTS	
Emma Thompson	• Publik Ltd: Managing Director • Tasman Bays Heritage Trust: Interim Chairperson • Salisbury School: Chairperson **Possible Conflicts of Interest:** • Some Publik Ltd clients such as Master Joiners Nelson Marlborough, Port Nelson and Brook Sanctuary have interests with NMIT – will declare these individually if they arise • Some Salisbury School students attend NMIT

EXECUTIVE TEAM REGISTER OF INTERESTS	
Andrew Luke	• Te Runanga O Ngāti Rārua: Trustee • Sustainable Seas National Science Challenge: Kahui Māori Member
Carole Crawford	• Singer Solutions Ltd: Director
Grant Kerr	• None
Liam Sloan	• INNOVATE Charitable Trust: Trustee
Sue Smart	• Sorrento Enterprises Ltd: Director
Vicki Bryson	• None

As at 31 October 2019

UNCONFIRMED MINUTES OF NELSON MARLBOROUGH INSTITUTE OF TECHNOLOGY COUNCIL MEETING HELD AT NMIT NELSON CAMPUS ON 3 OCTOBER 2019, COMMENCING AT 9.30AM.

PRESENT
D Wehner (Chair), G Hervey, T Johnston, P Steere, D Ashton, W Greenaway, C Prinsloo

IN ATTENDANCE
L Sloan (Chief Executive), J Spencer (Minutes), E Thompson (Observer)

1. APOLOGIES

C Newton

2. REGISTER OF INTERESTS AND CONFLICTS OF INTERESTS

Remove P Steere from Kaynemail Ltd and remove T Johnston from Bike Walk Marlborough Trust.

No conflicts noted.

3. CONFIRMATION OF MINUTES OF MEETING HELD ON 15 AUGUST 2019

P Steere noted that it was disappointing to see eCampus numbers dropping away.

C Prinsloo reported there had been no progress with Kowhai Lounge but meetings were being arranged to ensure SANITI was involved.

Resolved: That the Minutes of the meeting held on 15 August, as circulated and read by members, be confirmed.

4. ACTION ITEMS

Council noted the action item list.

5. SAFETY, HEALTH & WELLBEING REPORT

Council discussed wellbeing support available to staff and students. L Sloan noted more funding had been requested for support in the RoVE submissions. D Wehner suggested putting a business case in for support resources during the RoVE transition. L Sloan confirmed this could be a priority after working on the Education Amendment Bill submission.

L Sloan updated Council on NMIT actions following the discovery of a deceased Canterbury student. Staff contacted Nikau Apartments who did a sweep of all rooms. Staff are working on an action plan for ongoing monitoring of students and will send a formal response to the Ministry. L Sloan was confident that regular monitoring happened at Nikau Apartments and NMIT had good relationships with homestay providers.

Council agreed to provide a formal response to TEC by 29 November incorporating details from the staff report. The response did not require an independent reviewer.

D Wehner was concerned at the length of it took for health and safety investigations to be completed and also the low number of contractors (60%) registering when on-site. L Sloan to find out why numbers were low and to get comparative numbers with other organisations e.g. Port Nelson, ITPs.

L Sloan noted there was only one person on the health and safety team health and safety at NMIT compared with two last year.

Council received the Safety, Health & Wellbeing Report.

6. 2020 COUNCIL & AUDIT COMMITTEE WORK-PLAN

It was noted the re-forecast of financials was removed and that the work-plan covered all of 2020 despite RoVE uncertainty. NZIST Chair, Barry Jordan, will attend every Council meeting until change over in April 2020.

Council approved the 2020 Council and Audit Committee work-plan.

7. CHIEF EXECUTIVE'S REPORT

L Sloan reported that NMIT had representatives on two NZIST workstream groups with Sarah Proctor-Thomson on the Academic Architecture workstream and Will Tregidga on the International Education workstream.

Council received the Chief Executive's Report for the period 8 August to 19 September 2019.

8. EFTS AND FINANCIAL UPDATE AS AT 31 AUGUST 2019

L Sloan advised the 2020 budget was at around $1m deficit but that number could still improve. L Sloan to find out why Facilities figure was up by $300k.

Council discussed the 2020 budget and noted it be NMIT's third loss in a row. Will allow time at next Audit meeting to fully discuss and understand the budget. L Sloan to organise an additional meeting to workshop the budget ahead of the Audit meeting.

Budget currently looking at $3m loss contributed to by drop in funding of EFTS by $2m and increments on staffing costs.

Council received the EFTS and Financial Update report to 31 August 2019.

9. SANITI REPORT

C Prinsloo spoke to the SANITI report. He noted the new Head of Learner Services had been very good for students and SANITI.

C Prinsloo noted concern that misconduct numbers were rising and there was an apparent increase in violence although he was happy with the process to manage them.

Council received the SANITI report.

10. TEC ADVICE TO ITP COUNCILS (SEPTEMBER 2019)

Council received the 30 September 2019 TEC advice to ITP Councils for their information.

IN COMMITTEE

Resolved: That members of the public and press be excluded from the following part of the proceedings of this meeting, namely:

- In Committee Administrative Items
- Education (Vocational Education and Training Reform) Amendment Bill
- Tikanga Statement of Commitment
- Strategy Progress Report
- 2019 Gallup Employee Engagement Survey
- Legislative Compliance
- Key Educational Performance Indicators
- Chief Executive's Report
- NMIT Risk Register
- Common Seal usage report

The general subject of each matter to be considered while the public be excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject matter to be considered	*Reason for passing this resolution in relation to each other*	*Grounds under Section resolution (sec.48(1)) of the Local Government Official Information and Meetings Act 1987*
Financial & Sector Matters	*Commercial sensitivity*	

Resolved: That Council move out of 'In Committee'

There being no further business, the meeting closed at 1.40pm

Confirmed: _____ Dated: 7 November 2019

ACTION ITEMS FROM OPEN NMIT COUNCIL MEETING – 3 OCTOBER 2019

Chair: Daryl Wehner

ACTION ITEMS

ACTION ITEMS FROM 3 OCTOBER 2019 MEETING

	TASK	RESPONSIBLE	DEADLINE	STATUS UPDATE
1.	Council to provide stocktake and overview of NMIT accommodation services and arrangements to TEC, and include a review of processes, systems and procedures used in accommodation services.	L Sloan/ J Edgar	29 November	External consultant commissioned to undertake audit. See also In Committee correspondence.
2.	Submit business case for extra resourcing to manage change through RoVE transition.	L Sloan	7 November 2019	No action taken to date with exception of discussing with Chair in 1:1.

ACTION ITEMS FROM 15 AUGUST 2019 MEETING

	TASK	RESPONSIBLE	DEADLINE	STATUS UPDATE
3.	Report back on financial analysis of China Partnerships	V Bryson	7 November 2019	Included in In Committee Chief Executive report.

REPORT TO NMIT COUNCIL | 7 NOVEMBER 2019
ITEM 5

SAFETY, HEALTH AND WELLBEING REPORT: SEPTEMBER 2019

GRANT KERR: EXECUTIVE DIRECTOR – STRATEGY, ENTERPRISE & SUSTAINABILITY

PURPOSE

To update Council on safety, health and wellbeing (SHW) performance for the current reporting period.

EXECUTIVE SUMMARY

Council receives the safety, health and wellbeing report at each meeting. The reports provide a dashboard and commentary analysis on lead and lag indicators. Key points to note are:

- Key Performance Indicators
    2. Work is continuing on reducing investigation completion timelines. Significant improvement on average weeks taken to complete from last year by approximately 70%.
    5. Marlborough Campus schedule to conduct a fire drill on 31 October at which time they will become compliant with Fire and Emergency regulations.
    9. Safety, Health and Wellbeing Group prioritised more time on other agenda items
- There were no notifiable events during this period.
- There were no injuries requiring medical treatment.
- There were two Near Miss events reported and investigated. See Event Summary and Findings section for more details.
- The following trends are comparing to the previous year:
    - Trend of decreasing number of incidents being reported has continued with 12 in September compared to 17 in the same period last year.
    - The year to date incidents are also lower this year at 145 compared to 189 last year. Medical treatment was sought for 10 incidents this year and at the same time last year there were 21 that required medical treatment.

RECOMMENDATION

That Council members receive this report for their information.

APPENDIX

a) Safety, Health and Wellbeing Report Dashboard: September 2019
b) Safety, Health and Wellbeing Leadership Group Minutes 19 September 2019

SAFETY, HEALTH AND WELLBEING DASHBOARD: SEPTEMBER 2019

KEY PERFORMANCE INDICATORS

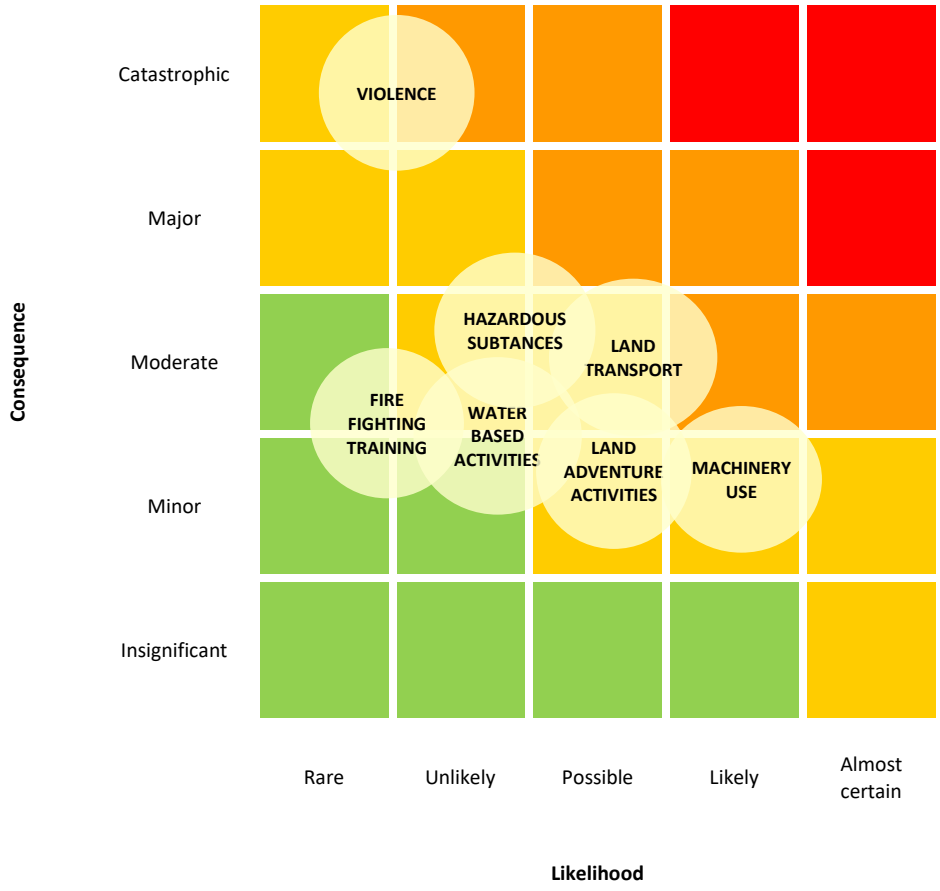
The next section contain key health and safety performance measures for NMIT for the third quarter (**1 July to 30 September 2019**). Trends compare to the previous quarter.

H&S FRAMEWORK	KEY PERFORMANCE INDICATOR	CURRENT QUARTER			PERFORMANCE		
		Activity	Compliant	Actual %	Target %	Key	Trend %
1. Hazard & Risk management	New work risks have been eliminated or minimised by implementing control measures	21	15	71	100		↑ +26
	Planned area inspections completed *(15 per quarter)*	Under development					
2. H&S Event management	Notifiable events are notified to WorkSafe as soon as possible after becoming aware of the event.	0	0	0	100		NA
	H&S events are investigated within 2 weeks of being reported (near misses, accidents, pain & discomfort)	44	21	48	80		↑ +3
3. Training	New NMIT team members have completed a job/site specific H&S induction	61	39	64	100		↑ +16
4. Emergency Management	Fire drills at Nelson, Marlborough and Woodbourne were conducted within the last six months	3	2	67	100		↓ -33
5. Working with other organisations	Regular maintenance type contractors working on **Nelson Campus** are registered on SiteWise prequalification or other accredited system	28	18	64	80		↓ -3
	Quarterly H&S meetings held with key Stakeholders partners on Campus	1	1	100	100		→ 0
6. Wellbeing initiatives and support	Wellbeing activities/initiatives available to staff to access as per wellbeing calendar *(February to November, at least 1 per month)*	7	7	100	100		→ 0
	Wellbeing activities/initiatives available to students as per annual SANITI calendar			100	100		→ 0
7. Worker and Student participation	Monthly H&S committee meetings held *(May to December)*	3	3	100	100		NA
	H&S Representative coverage across NMIT	12	10	83	100		→ 0
8. Monitoring, and Continuous Improvement	Planned internal Audits completed *(one per quarter)*	1	1	100	100		→ 0
9. Governance and Leadership	Institute of Directors' 'diagnostic questions' discussed at SHW Leadership meetings *(starting June)*	3	0	0	100		↓ -100
	Planned safety walks completed (*Q2&4 – 4 per quarter, Q3 – 8 per quarter)*	8	8	100	100		→ 0

Key: Meets standard | Working towards standard (50-99) | Below standard (1-49) | Not started/Developing/NA (0)

LEAD INDICATORS

RISK PROFILE



SUMMARY OF CRITICAL RISKS

Risk	Description	Management Overview	Level of assurance	Issues/Comments
Hazardous substance use	Use of multiple chemicals and compressed gasses for cleaning, maintenance, repair, laboratory, art, flares and contact with biohazards	Inventories reviewed annually and Safety Data Sheets (SDS) held and readily available.		Nothing new to report

Risk	Description	Management Overview	Level of assurance	Issues/Comments
Land transport	Vehicle fleet, including buses, vans, cars, trailers. Risk of vehicle / vehicle and person / vehicle collision in car parks used by students and team members	Safe Driving and Fleet Management Policy, Driver Approval form (including licence details) required to drive an NMIT vehicle (passenger licence to drive bus), car park permit system on Nelson campus, speed limit and judder bars. Voluntary driver assessments available to staff.		**Rear left tyre blew out on fleet vehicle driving up east side of the Whangamoa hills – see Event Learning and Improvement for more details.** **Fleet van scraped against truck as it was being parked.** **Bimini top folded back and broke stainless tubing when boat being transported in high winds. In future Bimini top to be removed for long drives.**
Machinery use	Use of multiple machines in Automotive, Engineering, Carpentry, Aviation, Arts & Media, Campus Services workshops.	Audit of workshops, includes inspection of machine guarding. Hazard register maintained and reviewed annually. Exposure monitoring of workshops**.** On completion of new extraction systems in Nelson Engineering workshop another exposure monitoring report to be commissioned to gauge effectiveness of changes made in Building Barn, Engineering, Automotive and Art & Media workshops.		Nothing new to report.
Water based activities	Vessel handling and fast rescue boat training, kayaking, white water rafting, water sampling.	Maritime Transport Operator Plan approved by Maritime NZ. Basic boat handling training pre-requisite for advanced training. Supervision by approved qualified Skippers. Hazard registers maintained and reviewed. Risk assessments and Intentions forms prior to activity.		Nothing new to report.
Land Adventure activities	Rock climbing, off track tramping, skiing, scrub clearing.	SOPs used and externally audited for high risk activities. Risk assessments and Intentions forms completed prior to activity. Call care used for overnight activities. Smartrak GPS satellite devices are available for emergency response for remote activities.		Nothing new to report.
Fire fighting training	Advanced firefighting including use of Breathing Apparatus and controlled fires in specialist facility.	Medical examination required prior to training. Regular audit of fire training facility. Competent trainers. Regular equipment inspections.		Nothing new to report.
Violence	Potential for active shooter on or in vicinity of campus.	Lockdown procedures being developed and incorporated into Emergency Procedures flipchart.		**Student threw a pruning saw in the direction of another student– see Event Learning and Improvement for more details.**

Key: High Satisfactory Low

AUDITS AND INSPECTIONS

Type	Sep	YTD	YTD (last year)
Area Inspection	0	5	10
Audit - External	0	0	1
Audit - Internal	1	3	1
Emergency Drills	1	4	4
SHW Walks	8	17	11
Site Inspection	0	0	2
Total	**10**	**29**	**29**

SAFETY OBSERVATIONS

Type	Sep	YTD	YTD (last year)
Safe Practice	0	1	5
Unsafe Practice	8	81	100
Unsafe Conditions	3	40	49
Suggestion	1	23	17
Total	**12**	**145**	**171**

CONTRACTOR SAFETY MANAGEMENT

Type	Sep	YTD	Contractor monitoring findings
Inductions*	11	195	Contractor using scissorlift provided evidence of Elevated Work Platform (EWP) training prior to starting job. Danger tape was set up to isolate work area and spotter on the ground to ensure area kept clear.
Worker sign ins*	82	1,387	
No. of workers*	29	223	
No. of organisations*	19	71	
Permit to work issued	0	15	
Task Analysis reviewed	1	32	

* Nelson Campus only

HEALTH AND SAFETY WORK PLAN UPDATE

Objective	WorkSafe Focus	Status	Comments
1. Enhance reporting to NMIT Council	Leadership	🟢	Achieved.
2. Implement Chemwatch (inventory database for managing chemicals and Safety Data Sheets)	Risk Management	🟡	Work still in progress.
3. Increasing the number of H&S representatives (HSR) across NMIT to 26 and make sure they attend HSR training	Employee Engagement	🟡	Dates in November and December being looked at for HSR Representative training. Difficulty in getting sufficient numbers to run course. Will approach other organisations to see if they have people that may want to attend training.
4. Implement health and safety self-assessment tool for managers	Leadership	🟡	Work still in progress.
5. Implement trial with Aviation (Woodbourne) for a student portal to log Events and Safety Observations in Assura	Employee Engagement	🔵	As previously stated, this project is being postponed until 2020.
6. Increase the number of contractors accredited under SiteWise prequalification by 50% (currently 30)	Leadership	🟢	Achieved. Currently 46 NMIT contractors are registered with SiteWise.

Key: 🟢 Achieved 🟡 In progress – on track 🔴 In progress – at risk of not achieving 🔵 Not started

LEADERSHIP AND ENGAGEMENT

Action	Findings/outcomes/ issues raised
Safety, Health and Wellbeing Walks	**Marlborough Campus** – Good awareness and grasp of health and safety issues. Staff having to manage student mental wellbeing issues. **Campus Services** – procedures in place to mitigate hazards in storeroom and workshop. Good layout of office space. Walkways clear and not cluttered. Great to see the electronic 'sign in' screen. **Information and Enrolments Centre** – Openness of work space bright lively, colourful, accessible. Ongoing team concern with confidentiality and visibility of information to passers-by. **Information Technology Customer Service** – Workspace is clear, clean and appropriate. Job to be logged to fix fire door. **Maritime** – no observations recorded. **Nelson Engineering workshop** – Good awareness of safety requirements. Recent improvements made to extractor systems. Minor oil spill covered with sawdust. **Nelson Automotive workshop** – Clear layout and good housekeeping, and extraction systems all in use. Suggestion for additional signage for hearing protection and emergency procedures. **Library Learning Centre** – Modifications to shelving trolley has made it easier to operate and reduced double handling. Annual testing for fire extinguisher was out of date and request to get tested was actioned.
H&S Committee	A team was formed to do research on emergency kits to have on campus. Training on various aspects of Assura will be included in future meeting so that H&S reps are in a better position to promote using Assura and reporting incidents. Recommendation made to publish an article on intranet about the measles outbreak. Demonstration on how to upload induction checklists into Assura. There is a new article on Knowledge Base about Assura. Reminder to encourage Near Miss reporting. H&S Committee expressed concern and disappointment at how long it is taking to get a lockdown procedure implemented.

ACTIONS FROM PREVIOUS REPORTS

MEETING DATE	TASK	RESPONSIBLE	DUE DATE	STATUS
27/06/2019	Annual review of chemical inventories	Department HSNO key users	August 2019	In progress – 8 of 20 chemical inventories have been completed for 2019. Managers to follow up with HSNO key users to make sure review completed.
15/08/2019	Investigation into incident where team member caught arm on the sharp point of offcut when clearing out offcuts from drop zone.	Curriculum Manager	16 August	Investigation complete – metal protruding from top of bin. In future metal will be cut down so that no metal is protruding from bin.
03/10/2018	Investigation into incident where team member twisted knee when leg got caught between boat seat and console on Kura vessel during Fast Rescue Boat course	Curriculum Manager	2 October	Investigation in progress.

LAG INDICATORS

DASHBOARD

Events

#Reported

12 (17)

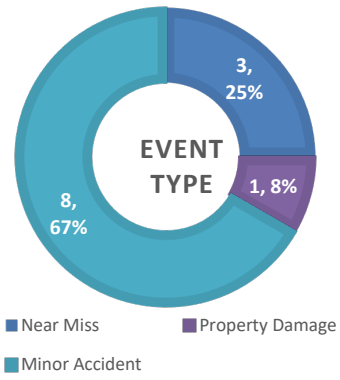
#Investigated

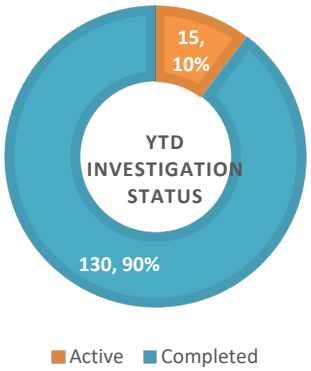
33 (12)

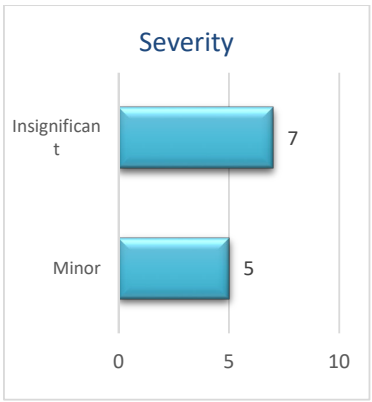
#Notifiable

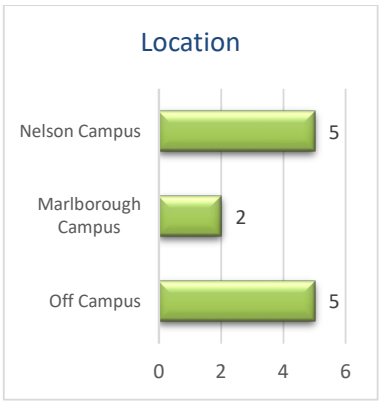
0 (0)

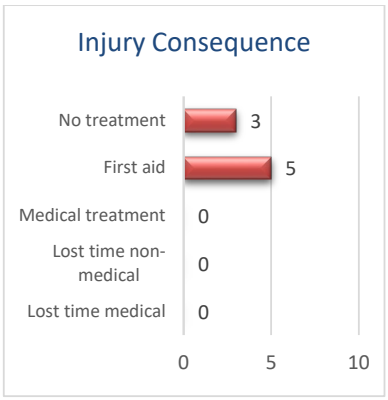
Key: (same period previous year)

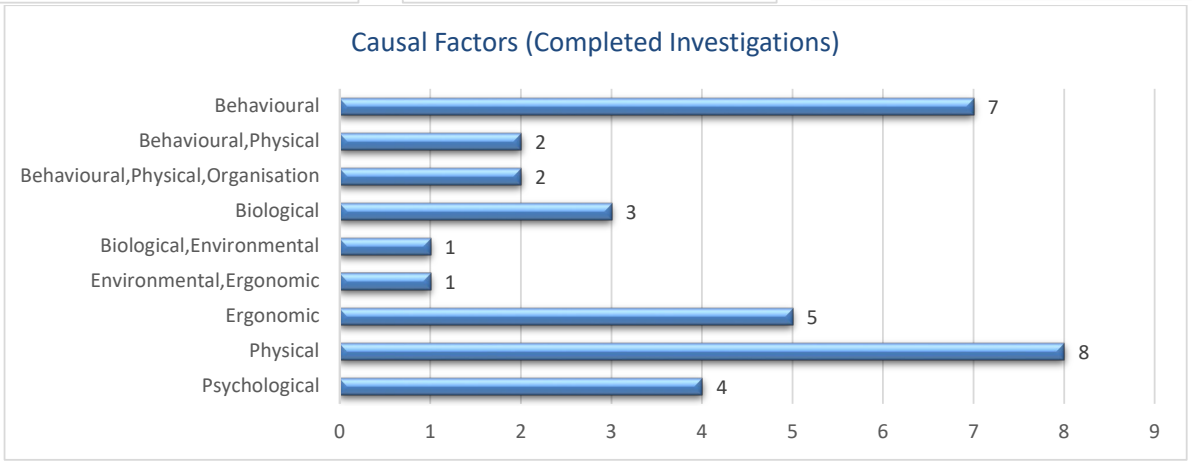




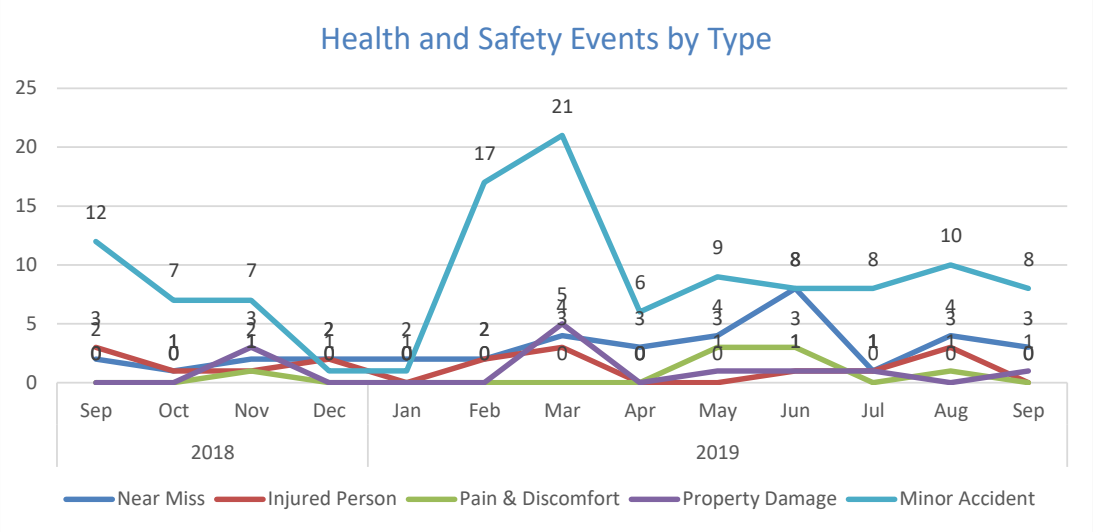








HEALTH AND SAFETY EVENTS SUMMARY



EVENT LEARNING AND IMPROVEMENT

Summary	Findings/Action taken following investigation	Level of assurance
Near miss – student threw a pruning saw in the direction of another student	**Main contributing factors were:** • Student interactions in and out of class time **Recommendations:** • Managed by formal complaints process • Student moved to online learning and has limited contact with other classmates • Student receiving anger management support	
Near miss – team member was travelling in NMIT fleet vehicle going approx. 70-80 km per hour up the east side of the Whangamoa hills, on a straight piece of road when the rear left tyre blew out. Driver was able to maintain control of vehicle, pulled over and got assistance from passerby to get tyre changed.	The person looking after Marlborough vehicle fleet is no longer employed by NMIT so unable to be interviewed for the investigation. **Main contributing factors were:** • Tyres were of poor quality and mismatched **Recommendations:** • Vehicle was fitted with four new tyres before the return trip back to Blenheim • Tyres on all Marlborough vehicles were checked for road worthiness	

MINUTES

Meeting Purpose: Safety, Health and Wellbeing Leadership Group

Date:	19 September 2019	**Location:**	Maungatapu Boardroom
Chair:	Liam Sloan	**Minutes:**	Jude Spencer
Start Time:	10.30pm	**Finish Time:**	12.00pm

Attendees:	Liam Sloan, Grant Kerr, Jackie Britz, Pam Graham, Carole Crawford, Des Ashton (by Skype), Susannah Roddick, Katrina Marwick, Jude Spencer
Apologies:	

Agenda Items	**Who / When**
1. Previous Meeting Minutes **Safety, Health and Wellbeing Leadership Group – 13 June 2019** • Minutes of 13 June 2019 meeting approved by Group. Carole/Jackie • **Matters arising** • WhosOnLocation – working on capex for hardware and now with IT to set up. • Incident notifications updated following bus accident. • Jackie advised it was difficult to track wellbeing using Power BI as wellbeing did not have standard measures. • Pam has done some work on automating reports to Council however it still takes a lot of time to collate reports. **Health and Safety Committee Minutes – 8 August & 5 September 2019** • Minutes received by the Group. Liam/Katrina	
2. Safety, Health and Wellbeing Report September 2019 • Pam reported a lack of incident reporting. Group noted concern with one department in particular which has not reported incidents or made health and safety observations. • Carole to note at next Performance Panel that an incident occurred where NMIT was advised by ACC in the first instance rather than by the curriculum area. Jackie and Carole to follow up with relevant Curriculum Manager. • The Group discussed reasons why incidents were not being reported. Suggested de-mystifying Assura with staff which the Health and Safety Committee was already working on. Grant to do a Polly update to staff regarding the need to report incidents. • The number of audits is on target but area inspections are behind. Discussed lower rate of inspections compared to same time last year. Pam advised more communication to managers was needed to get area inspections to happen and there was a need to raise awareness of definitions and tools to help managers know what to do. Would aim to have five inspections per month. • Inductions – low numbers reported in Assura impacted by some managers being away.	Carole/Jackie Grant

MINUTES

• Susannah reported contract staff were not paid for inductions and Liam recommended adding an hour in all contracts for inductions. • Group discussed how to get the risk level of assurance from amber to green. Grant noted some risks cannot be removed e.g. violence. Agreed that steps will be taken over the coming months to investigate /identify steps to achieve a high level of assurance. • Still two areas without health and safety reps. • Next year reports will be run based on when incidents are reported rather than when they occurred. • Des reported on his health and safety walk at Marlborough Campus and was happy with the awareness and grasp of health and safety issues. Good descriptions of how workplace had been set up to avoid hazards. Concern about two student self-harm incidents and Carole advised they were being managed. • Katrina reported there was a greater anxiety among students and that it was difficult to help individuals without asking personal questions. It was agreed it is more important to be satisfied that there is no risk. Jackie advised there was a video on Polly which could be helpful.	Pam
3. Health and safety legislation – PCBU duty of care • The Group reviewed the obligations of being a Person Conducting a Business or Undertaking (PCBU) and providing a primary duty of care. • Discussed the importance of culture in health and safety at work and staff management as a way of ensuring staff are in the right state to be at work. Workload often tied to wellbeing. Constantly dealing with communications and workloads and having staff understand expectations. • Agreed work environment was generally ok and any issues could be dealt with. • Jackie advised the Gallup survey identified concerns across NMIT regarding workload, terms and conditions and the biggest risk was around workload and the wellbeing of team members. People were talking about it more and seeking out more help. There is generally a lot of support in place for staff and Learner Services and SANITI work closely together to support students. • Overall the Group was comfortable that NMIT had safe plant and structures. A recent insurance audit showed some areas for improvement and changes had been made. • Some areas do very well with safe work systems but there were others where hazard registers need to be included in Assura. • Group to continue discussion at next meeting. Health and Safety Committee to workshop the areas where improvements could be made.	
4. Any Other Business • On behalf of the Safety, Health and Wellbeing Leadership Group, Liam thanked Jackie for all the work she has done on safety, health and wellbeing at NMIT.	
5. Health and safety walk around The Group finished the meeting by splitting up and visiting Automotive, Engineering and M Block for a health and safety walk.	

Final meeting of the year 19 November 10.00am.

NMIT

Information Paper

Nā: Liam Sloan, Chief Executive

Ki a: NMIT Council

Te Kaupapa: Chief Executive's Report (Open)

Te Kaituhi: Liam Sloan

Te rā: 7 November 2019

1. PURPOSE:

1.1 To provide Council with a high level update on NMIT Chief Executive business for the period 20 September – 30 October 2019

2. POINTS OF INFORMATION:

2.1 Team NMIT Engagement Activities

2.1.1 Engaging with Team NMIT event

Our third 'Engage with Team NMIT' event took place in September providing team members with an opportunity to network, share good practice and take some time out to mix and mingle. The event was very well attended and with positive feedback received it is very much anticipated this new format will continue to be implemented in 2020.

2.1.2 Fruit and chocolate drop

The Chief Executive and POD Manager did a fruit and chocolate drop across all campuses w/b 4 November to thank Team NMIT for all their hard work, and to encourage colleagues to take care of themselves and those around them as we prepare for year-end activities and graduation.

2.2 External Stakeholder Engagements

2.2.1 NMIT hosted MBIE Endeavour Funding Roadshow, first time to be held in Nelson, providing chance to meet and network with MBIE research funding decision makers.

2.2.2 Digital Technologies, Arts and Media recently refreshed website information along with schools and industry engagement with positive impacts. Examples include: Nelson College for Girls are including a CGI programme that aligns with NMIT's CGI; a

Readers and Writers Festival event onsite; and Weta FX including NMIT as a Tertiary Partner on their Weta website.

2.2.3 Social Sciences Bachelor of Social Work team ran a day long Symposium for Fieldwork Educators, seeing 50 attendees.

2.2.4 Positive negotiations with Ningxia Wine Bureau in China, beating out Bordeaux Wine School and Hong Kong Polytechnic University, to sign 30 – 40 Masters students per year to NMIT.

2.2.5 Attended the RNZAF Base Woodbourne Change of Command ceremony on 23 October to welcome the incoming Base Commander Peter De Rungs.

2.3 People and Culture

2.3.1 Structural and line management changes

Within the Office of the Chief Executive there have been a number of changes:-

2.3.1.1 Carole Crawford has taken on the new role of Director – Marlborough.

2.3.1.2 Liam Sloan has added the curriculum and teaching portfolio to his CE role.

2.3.1.3 Sue Smart has added Dean of International Curriculum and Team Leader Learning Innovation and Insights to her portfolio of Executive Director – Customer Experience and Excellence.

2.3.1.4 Ashleigh Cooke has taken on the role of Executive Support Manager responsible for line management of administrative support to all team members.

2.3.1.5 Jude Spencer has taken on the role of Information Manager.

2.3.1.6 Recruitment and selection of a 'new' Transformation Manager role is underway. This will replace role of People and Organisation Development Manager.

2.4 RoVE

2.4.1 Education (Vocational Education and Training Reform) Amendment Bill Submission

NMIT submitted a response to the bill. Our response was backed up by a small number of submissions from key stakeholders including Nelson, Tasman and Marlborough District Councils, NRDA, Chambers of Commerce in Nelson and Marlborough. TANZ Accord also submitted a written response.

The Council Chair and Chief Executive will present to the Education and Workforce Committee on 6 November 2019.

2.4.2 Regional Skills Leadership Group

Regional Skills Leadership Groups (RSLGs) will be set up from July 2020, and their Regional Workforce Plans will be considered in TEC funding decisions.

- The main purpose of RSLGs will be to inform government decisions on tertiary education, employment assistance, and skill shortages (the latter for immigration purposes). The extent of that influence will be worked out down the track, but the current language suggests that TEC will have to pay more attention to WDCs than to RSLGs.
- RSLGs won't be established until July 2020, which means that it is very unlikely that their decisions will affect tertiary education funding until the 2022 calendar year.
- The focus on regional council areas for RSLGs might be a pointer as to how NZIST is organised.
- MBIE and RSLGs will have to make difficult choices about the nature of their plans, in order to gain coverage and credibility. They'll need to strike a balance between overly specific projections (which won't be believed) and just calling for generic skills (which has been said before). We'll predict that they'll focus mainly on areas with high growth and regional uniqueness, where significant labour needs might be evident.

2.4.3 NZIST CE

The New Zealand Institute of Skills and Technology have advertised for its Chief Executive. The global recruitment process is being managed by Sheffield Consultancy.

2.5 Applications and Enrolments to date

Master of Applied Management continues high growth with an additional 49 fulltime learners in Term 4 and over 50 expected for Term 5.

Domestic	Applications Received	Volume Percentage	Enrolment Accepted/Ready	Conversion Rate
2018	8,782		5,600	64%
2019	8,102	-8%	5,469	68%

International	Applications Received	Volume Percentage	Enrolment Accepted/Ready	Conversion Rate
2018	4,076		955	23%
2019	5,866	44%	945	16%

2.6 Media Monitoring

This report shows the overall graph with the number of stories that included NMIT, published between 13 September and 20 October 2019. The link to the report is below:

https://app2.cision.com/report?id=5746aa75-14b0-40d2-a06a-cf6dc7c61722

2.8 <u>TANZ eCampus</u>

As previously reported TANZ eCampus numbers are lower than budget.

3. RECOMMENDATION

That the Council receives the Chief Executive's report for their information.

Liam Sloan 30 October 2019

REPORT TO NMIT COUNCIL | 7 NOVEMBER 2019
ITEM 7

EFTS AND FINANCIAL UPDATES AS AT 30 SEPTEMBER 2019

VICKI BRYSON: DIRECTOR FINANCE, COMPLIANCE & BUSINESS INTELLIGENCE

PURPOSE

To provide Council with an EFTS and Financial update as at 30 September 2019.

SUMMARY

NMIT's September year-to-date surplus is $7.1m, $0.2m unfavourable to budget. Revenues remain lower than budget due to a combination of lower TEC funded and Youth Guarantee EFTS, a different EFTS mix, and timing of In China revenues. The lower than budgeted revenues are only partly offset by lower operating & staffing costs.

NMIT is forecasting a deficit of $0.9m for the full year.

ALIGNMENT TO NMIT'S PRIMARY STRATEGIC OBJECTIVES

Strategic Priorities	Y / N	Comments
Standing out educationally		
Exceptional vocational opportunities		
Motivated and clever teams		
Active collaboration		
Financial fitness	Y	
Gearing up for the future		

RECOMMENDATION

That the Council:

Receives the financial and EFTS report for the year to date 30 September 2019.

APPENDIX

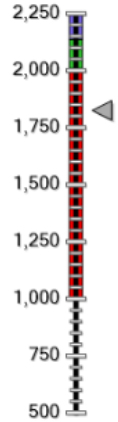
a) EFTS Reporting as at 30 September 2019
b) Financial Reporting and Analysis for the period ending 30 September 2019

Nelson & Marlborough Institute of Technology

EFTS Reporting as at 30 September 2019

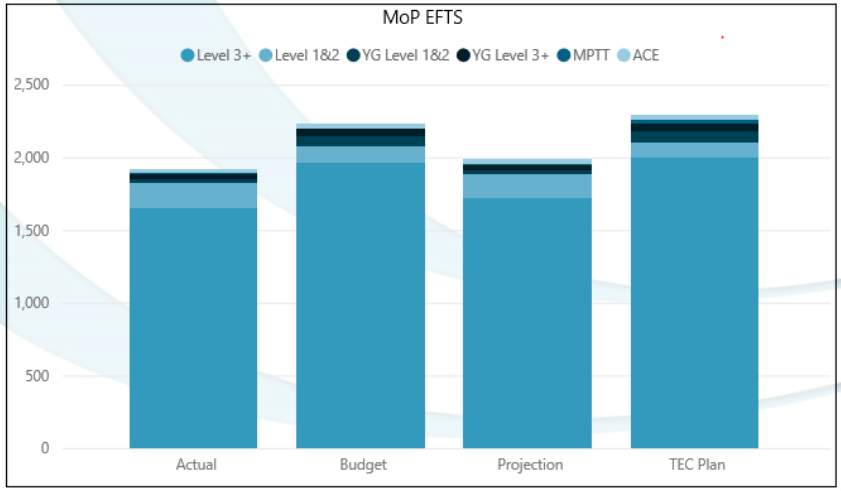
EFTS Reporting

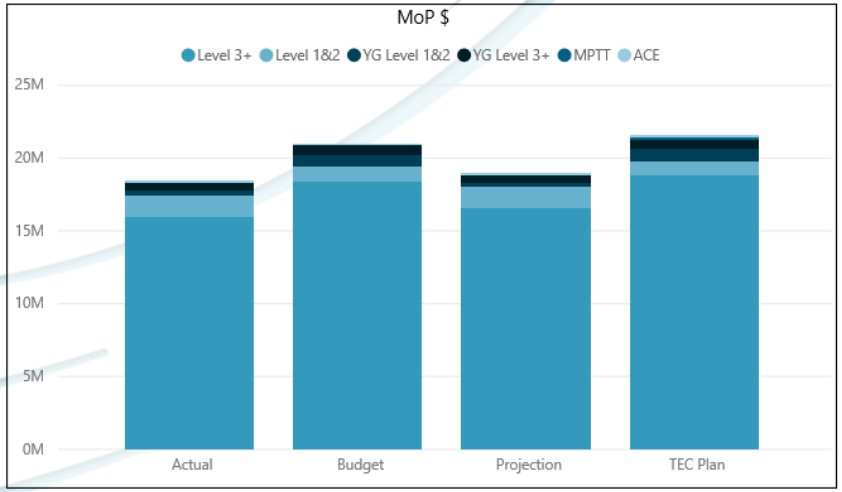
NMIT EFTS @ 25-Sep-2019 (EA & EW Status)											
Valuetype	SAC	INT.	CHINA	ITO	YG	STAR	Other	DPP	MPTT	ACE	Total EFTS
2019 Actual	1,825.31	475.70	264.75	18.91	58.25	43.22	89.73	0.00	5.12	32.57	2,812.93
2019 Budget	2,082.08	439.45	272.05	16.60	115.92	51.50	55.75	0.00	0.00	35.00	3,067.73
2019 Projected	1,890.05	475.24	264.79	24.42	57.75	45.36	92.56	0.00	5.12	35.15	2,889.76
2019 Plan	2,109.16	439.45	272.05	16.60	125.51	51.50	55.75	0.00	28.90	35.00	3,133.30
% EFTS Variances											
Actual(YtD) to Budget(FY)	(256.78)	36.25	(7.31)	2.31	(57.68)	(8.28)	33.98	0.00	5.12	(2.43)	(254.81)
%Actual(YtD) / Budget(FY)	87.7%	108.2%	97.3%	113.9%	50.2%	83.9%	160.9%	0%	0%	93.1%	91.7%
Actual(YtD) to Projection(FY)	(64.74)	0.46	(0.04)	(5.51)	0.50	(2.13)	(2.82)	0.00	0.00	(2.57)	(76.83)
%Actual(YtD) / Projection(FY)	96.6%	100.1%	100.0%	77.4%	100.9%	95.3%	96.9%	0%	100%	92.7%	97.3%



Programme Area EFTS incl. of distributed JV progs.														
Value Type	Applied Business	Maritime	Primary Industries	Aviation	Engineering & Construction	International Curriculum Dean	Arts, Media & Digital Technologies	Social Sciences	Tertiary Pathways	Hospitality & Service Sectors	Health & Fitness	Te Toki Pakohe	Learning, Innovation & Delivery	Total
2019 Actual YtD	402.04	156.97	313.79	117.15	232.99	264.75	324.73	275.66	197.65	111.81	233.45	175.74	3.94	2,810.68
2019 Budget FY	417.00	209.40	299.00	118.34	261.85	272.05	432.29	311.04	171.08	151.50	270.31	149.26	4.61	3,067.73
2019 Projected FY	426.07	163.31	334.17	117.06	248.21	264.79	332.21	277.98	194.61	113.69	233.09	178.38	3.96	2,887.51
2019 Plan FY	417.00	209.40	327.90	118.34	261.85	272.05	432.29	351.42	160.73	151.50	270.31	155.90	4.61	3,133.30
% EFTS Variances														
Actual(YtD) to Budget(FY)	(14.96)	(52.43)	14.79	(1.18)	(28.86)	(7.31)	(107.55)	(35.39)	26.56	(39.69)	(36.85)	26.48	(0.67)	(254.81)
%Actual(YtD) / Budget(FY)	96.4%	75.0%	104.9%	99.0%	89.0%	97.3%	75.1%	88.6%	115.5%	73.8%	86.4%	117.7%	85.5%	91.7%
Actual(YtD) to Projection(FY)	(24.02)	(6.34)	(20.38)	0.10	(15.22)	(0.04)	(7.48)	(2.32)	3.04	(1.88)	0.36	(2.64)	(0.02)	
%Actual(YtD) / Projection(FY)	94.4%	96.1%	93.9%	100.1%	93.9%	100.0%	100.0%	99.2%	101.6%	98.3%	100.2%	98.5%	99.6%	97.3%

EFTS Reporting – Mix of Provision





EFTS	Level 3+	Level 1&2	YG Level 1&2	YG Level 3+	MPTT	ACE	Total
Actual	1,655.73	169.80	29.55	33.62	5.12	32.64	**1,926.47**
Budget	1,968.15	113.93	67.67	48.25	0.00	35.00	**2,233.01**
Projection	1,720.42	169.63	26.70	35.50	5.12	35.15	**1,992.52**
TEC Plan	2,003.61	105.55	77.26	48.25	28.90	35.00	**2,298.57**

$	Level 3+	Level 1&2	YG Level 1&2	YG Level 3+	MPTT	ACE	Total
Actual	15,988,658	1,463,855	327,015	480,812	20,478	145,063	**18,425,881**
Budget	18,400,528	1,039,168	730,876	689,975	0	155,540	**21,016,087**
Projection	16,547,178	1,464,105	288,360	507,650	20,480	156,184	**18,983,958**
TEC Plan	18,805,685	954,635	834,436	689,975	115,600	155,540	**21,555,871**

	Level 3+	Level 1&2	YG Level 1&2	YG Level 3+	MPTT	ACE	Total
Act vs. Bud	-312.42	55.87	-38.12	-14.63	5.12	-2.36	**-306.54**
Act vs. Bud %	84.1%	149.0%	43.7%	69.7%	Infinity	93.3%	**86.3%**
Act vs. Proj	-64.69	0.17	2.85	-1.88	0.00	-2.50	**-66.05**
Act vs. Proj %	96.2%	100.1%	110.7%	94.7%	100.0%	92.9%	**96.7%**
Act vs. Pln	-347.88	64.26	-47.71	-14.63	-23.78	-2.36	**-372.10**
Act vs. Pln %	82.6%	160.9%	38.2%	69.7%	17.7%	93.3%	**83.8%**
Proj vs. Pln	-283.19	64.09	-50.56	-12.75	-23.78	0.14	**-306.05**
Proj vs. Pln %	85.9%	160.7%	34.6%	73.6%	17.7%	100.4%	**86.7%**

	Level 3+	Level 1&2	YG Level 1&2	YG Level 3+	MPTT	ACE	Total
Act vs. Bud $	-2,411,871	424,687	-403,861	-209,163	20,478	-10,477	**-2,590,206**
Act vs. Bud $ %	86.9%	140.9%	44.7%	69.7%	Infinity	93.3%	**87.7%**
Act vs. Proj $	-558,520	-250	38,655	-26,838	-2	-11,121	**-558,077**
Act vs. Proj $ %	96.6%	100.0%	113.4%	94.7%	100.0%	92.9%	**97.1%**
Act vs. Pln $	-2,817,027	509,220	-507,421	-209,163	-95,122	-10,477	**-3,129,990**
Act vs. Pln $ %	85.0%	153.3%	39.2%	69.7%	17.7%	93.3%	**85.5%**
Proj vs. Pln $	-2,258,507	509,470	-546,076	-182,325	-95,120	644	**-2,571,914**
Proj vs. Pln $ %	88.0%	153.4%	34.6%	73.6%	17.7%	100.4%	**88.1%**

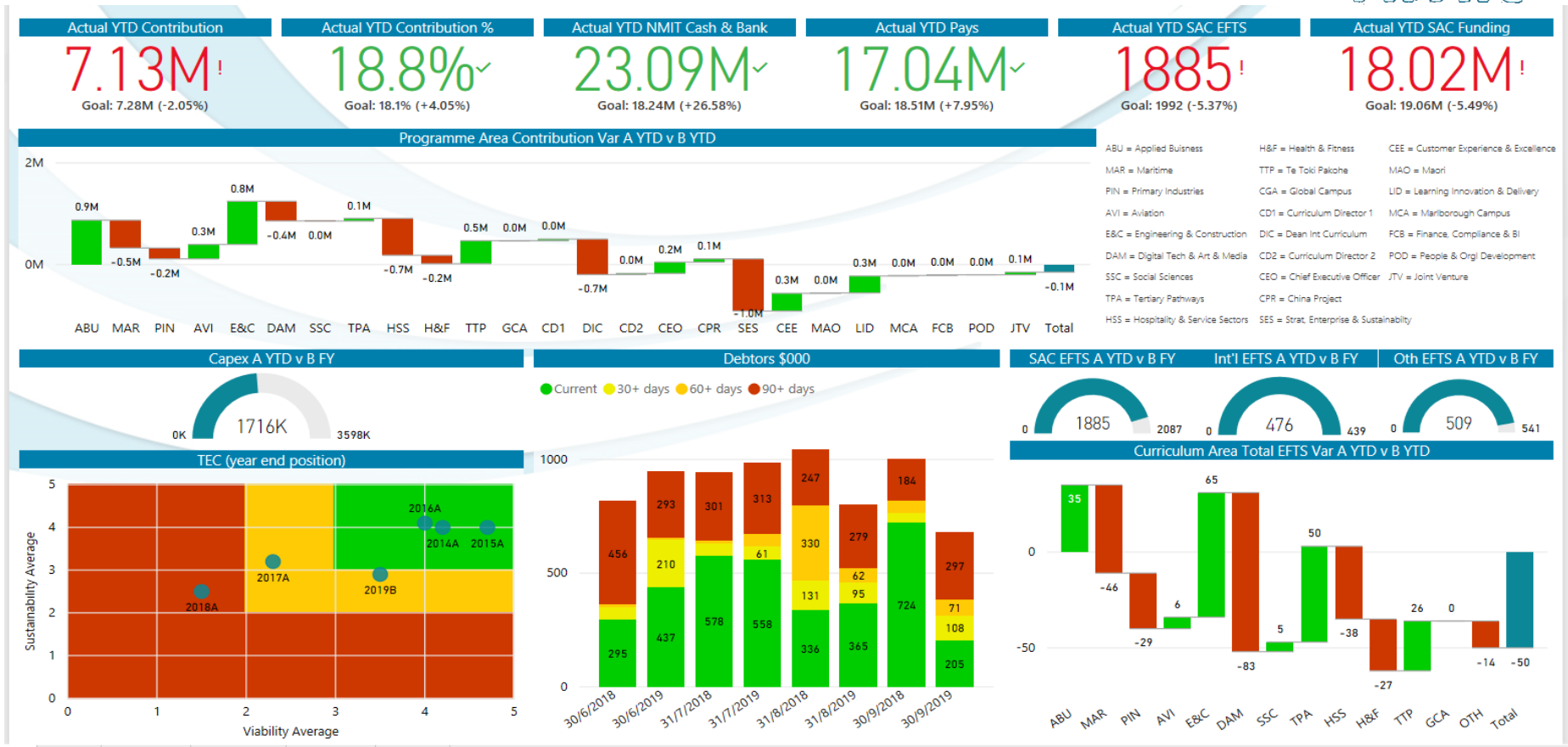
Nelson & Marlborough Institute of Technology

Financial Reporting & Analysis

For Period Ending 30 September 2019

Vicki Bryson: Executive Director of Finance, Business Intelligence and Compliance

NMIT Executive Summary



NMIT Financial Operating Statement
For the period ending 30 September 2019

Category Description	Year to Date				Full Year		
($000's)	Actual	Budget	$ Variance	%+(-)Variance	Budget	2018	2017
Income							
TEC Funding	18,213	19,209	(995)	(5)%	20,010	19,423	18,073
Youth Guarantee	805	1,431	(626)	(44)%	1,524	819	1,530
ITO	122	185	(63)	(34)%	185	207	225
Star & Trades Academy	544	423	121	29%	564	467	460
Student Fees - Domestic	6,755	7,897	(1,142)	(14)%	8,197	7,286	7,161
Student Fees - International	7,485	6,427	1,058	16%	6,879	7,289	8,187
Interest & Dividends	498	525	(27)	(5)%	700	661	743
Other Income	3,482	4,166	(684)	(16)%	4,897	5,117	5,350
Total Income	**37,905**	**40,263**	**(2,359)**	**(6)%**	**42,956**	**41,269**	**41,729**
Expenditure							
Class Resources	1,610	1,744	134	8%	2,121	2,232	2,341
International Commissions	1,791	2,017	225	11%	2,174	1,623	1,854
Curriculum Support	29	59	30	51%	74	58	54
Information Technology	1,072	1,027	(45)	(4)%	1,363	1,185	1,192
HR & Training	418	523	105	20%	661	606	762
Marketing & Promotions	304	499	195	39%	639	562	841
Admin & Support	1,123	1,500	378	25%	1,958	2,836	2,861
Facilities	1,735	1,630	(106)	(6)%	2,070	4,857	3,203
Depreciation, Amortisation & Impairment	3,592	3,000	(592)	(20)%	4,000	4,636	4,170
JV/TANZ Costs	2,058	2,470	412	17%	2,929	1,876	1,798
Total Opex Expenses	**13,732**	**14,469**	**737**	**5%**	**17,989**	**20,471**	**19,081**
Academic Pay	8,885	9,940	1,055	11%	13,310	12,809	13,224
Support Staff Pay	8,153	8,570	417	5%	11,515	10,829	11,274
Total Staffing Costs	**17,038**	**18,510**	**1,472**	**8%**	**24,825**	**23,638**	**24,498**
Total Expenditure	**30,770**	**32,980**	**2,210**	**7%**	**42,814**	**44,109**	**43,579**
Contribution	**7,135**	**7,284**	**(149)**	**(2)%**	**143**	**(2,841)**	**(1,850)**
Contribution %	**19%**	**18%**			**0%**	**-7%**	**-4%**

YTD contribution in dollar terms remains unfavourable to budget, although contribution % is above budget. All income streams, with the exception of Star & Trades Academy and International Student Fees, are unfavourable to budget. The majority of the unfavourable revenue variance is offset by under budget YTD operating expenditure and staffing costs. Term 4 increase in MAM fees has shown a quick timing variance which will subside before year end.

6

Income : variance explanation

Category Description	Year to Date				Full Year		
($000's)	Actual	Budget	$ Variance	%+(-)Variance	Budget	2018	2017
Income							
TEC Funding	18,213	19,209	(995)	(5)%	20,010	19,423	18,073
Youth Guarantee	805	1,431	(626)	(44)%	1,524	819	1,530
ITO	122	185	(63)	(34)%	185	207	225
Star & Trades Academy	544	423	121	29%	564	467	460
Student Fees - Domestic	6,755	7,897	(1,142)	(14)%	8,197	7,286	7,161
Student Fees - International	7,485	6,427	1,058	16%	6,879	7,289	8,187
Interest & Dividends	498	525	(27)	(5)%	700	661	743
Other Income	3,482	4,166	(684)	(16)%	4,897	5,117	5,350
Total Income	**37,905**	**40,263**	**(2,359)**	**(6)%**	**42,956**	**41,269**	**41,729**

Income variance has improved during the month but is still 6% unfavourable to budget overall.

x TEC funding remains unfavourable to budget with total EFTS down 101.5. This variance is made up predominantly of shortfalls in Level 3+ (down 165.4 EFTS on budget) partially offset by an increase in Level 1-2 EFTS (up 89.5).

x Youth Guarantee funding is unfavourable to budget, with EFTS 52% of budgeted levels. This is a common theme in ITPs this year due to Fees Free impact.

x ITO fees are unfavourable due to lower than budgeted EFTS for Competenz & MITO apprentices.

✓ Star & Trades Academy favourable to budget reflecting the delivery of the West Coast TA programmes, but is still expected to be less than the full year budget position due to increased competition & lack of STAR deliveries.

× Domestic student fees are unfavourable to budget, with lower fees from both self-funded courses (China project mentoring fees) & TEC funded courses (due to a combination of lower EFTS overall & different EFTS mix).

✓ International fees are favourable to budget due to significantly higher YTD EFTS which, excluding In China delivery, are 58 ahead of YTD budget. MAM and NZCEL L3+ courses make up the majority of this favourable variance but there is also timing difference due to T4 fees release expected to reverse.

x Interest & dividend income is unfavourable to budget due to lower interest rates.

x Other income remains below YTD budget, largely due to a change in the allocation of revenues for In China delivery in late 2018 that has resulted in a difference in the timing of revenues between actual and budget ($0.8m). It is expected that this variance will reduce in October/November 2019 when the new intakes occur

Operating Expenditure - variance explanation

Category Description	Year to Date				Full Year		
($000's)	Actual	Budget	$ Variance	%+(-)Variance	Budget	2018	2017
Income							
TEC Funding	18,213	19,209	(995)	(5)%	20,010	19,423	18,073
Youth Guarantee	805	1,431	(626)	(44)%	1,524	819	1,530
ITO	122	185	(63)	(34)%	185	207	225
Star & Trades Academy	544	423	121	29%	564	467	460
Student Fees - Domestic	6,755	7,897	(1,142)	(14)%	8,197	7,286	7,161
Student Fees - International	7,485	6,427	1,058	16%	6,879	7,289	8,187
Interest & Dividends	498	525	(27)	(5)%	700	661	743
Other Income	3,482	4,166	(684)	(16)%	4,897	5,117	5,350
Total Income	**37,905**	**40,263**	**(2,359)**	**(6)%**	**42,956**	**41,269**	**41,729**

Opex variance improved during the month and remains favourable to budget (5% overall), partly offsetting the unfavourable revenue variance.

Significant variances include**:**

- ✓ Savings in Class Resources, with a reduction in course travel & accommodation costs due to lower YG EFTS (i.e. reduced travel allowance payments) and lower clinical experience costs. These savings have been partially offset by increased ELP travel costs. Moderation costs remain below budget but this variance is expected to reduce by year end.
- ✓ Lower International Commissions due to the change in China income timing as referred to in the Income section. This favourable variance is forecast to reduce by year end.
- ✓ Favourable variance in Curriculum Support costs due to the timing of research expenses, although full year expenditure is expected to exceed budget.
- x Unfavourable variance in Information Technology with unbudgeted licence fees for Bachelor of Computer Generated Imagery & Diploma in Nautical Science. Unbudgeted programme development costs have also been incurred in Hospitality and Services
- ✓ Favourable variance in HR & Training due to savings in professional memberships and timing of staff professional development expenditure.

Operating Expenditure - variance explanation cont'd

Category Description	Year to Date				Full Year		
($000's)	Actual	Budget	$ Variance	%+(-)Variance	Budget	2018	2017
Expenditure							
Class Resources	1,610	1,744	134	8%	2,121	2,232	2,341
International Commissions	1,791	2,017	225	11%	2,174	1,623	1,854
Curriculum Support	29	59	30	51%	74	58	54
Information Technology	1,072	1,027	(45)	(4)%	1,363	1,185	1,192
HR & Training	418	523	105	20%	661	606	762
Marketing & Promotions	304	499	195	39%	639	562	841
Admin & Support	1,123	1,500	378	25%	1,958	2,836	2,861
Facilities	1,735	1,630	(106)	(6)%	2,070	4,857	3,203
Depreciation, Amortisation & Impairment	3,592	3,000	(592)	(20)%	4,000	4,636	4,170
JV/TANZ Costs	2,058	2,470	412	17%	2,929	1,876	1,798
Total Opex Expenses	**13,732**	**14,469**	**737**	**5%**	**17,989**	**20,471**	**19,081**

- ✓ Favourable variance in Marketing & Promotions expenditure due to the timing of marketing activities. This variance is forecast to reduce by year end, with only a small favourable variance expected due to savings in international marketing costs.
- ✓ Favourable variance in Admin & Support costs with lower expenditure in most expense categories (in particular consultants fees, photocopying/printing, travel & accommodation–admin and purchases-admin). These variances are partly offset by unfavourable expenditure on SANITI SLA (contra Other Revenue). This variance is forecast to reduce by year end, although will remain $0.2 million under budget.
- x Unfavourable variance in overall Facilities Costs, with overspends in cleaning/recycling/rubbish (up $97k on budget), energy (up $40k) and insurance (up $37k) partly offset by savings in R&M (down $140k on budget) due to delays in maintenance work. The unfavourable variance is forecast to increase by year end.
- x Unfavourable Depreciation expense variance due to higher depreciation charges from 2018 buildings revaluation. Depreciation is forecast to be $0.9m overspent for the year.
- ✓ Favourable variance in JV/TANZ costs due to lower eCampus & SUTI EFTS, partly offset by additional EFTS allocated to Seafood Training Services. Skills Update Training Limited have withdrawn from the joint venture contract with final delivery completed in September. Delivery of some programmes has been transitioned back in-house. JV/TANZ costs are forecast to be favourable by $0.6m for the full year.

Pays - variance explanation

Category Description	Year to Date				Full Year		
($000's)	Actual	Budget	$ Variance	%+(-)Variance	Budget	2018	2017
Academic Pay	8,885	9,940	1,055	11%	13,310	12,809	13,224
Support Staff Pay	8,153	8,570	417	5%	11,515	10,829	11,274
Total Staffing Costs	**17,038**	**18,510**	**1,472**	**8%**	**24,825**	**23,638**	**24,498**

Academic pays

- ✓ Favourable by $1.05m in total due to reduced spend on contractors (particularly In China delivery and mentors for China project students) and programme development costs in Engineering & Construction and Aviation. Savings also achieved in reduction in part time staff in Te Toki Pakohe and nursing courses. Delays in recruiting for vacant positions (coordination, programme lead specialists) have contributed to the academic underspend. Offsetting these savings is an overspend on permanent tutorial staff, predominantly in Applied Business, Primary Industries, Engineering & Construction and Te Toki Pakohe
- ✓ Full year academic pay is forecast to be $1.3m favourable to budget.
- ▪ The TEU collective agreement expired on 1 March 2019 and has now been settled. Payment of back pay to academic staff on IEA's was paid in September.

Support Staff pays

- ✓ Favourable to budget by $0.4m, with savings from vacant positions due to delays in recruitment (business support coordinators, TOTSTA coordination, HR administration).
- ✓ Full year support staff pay is forecast to be $0.5m favourable to budget.

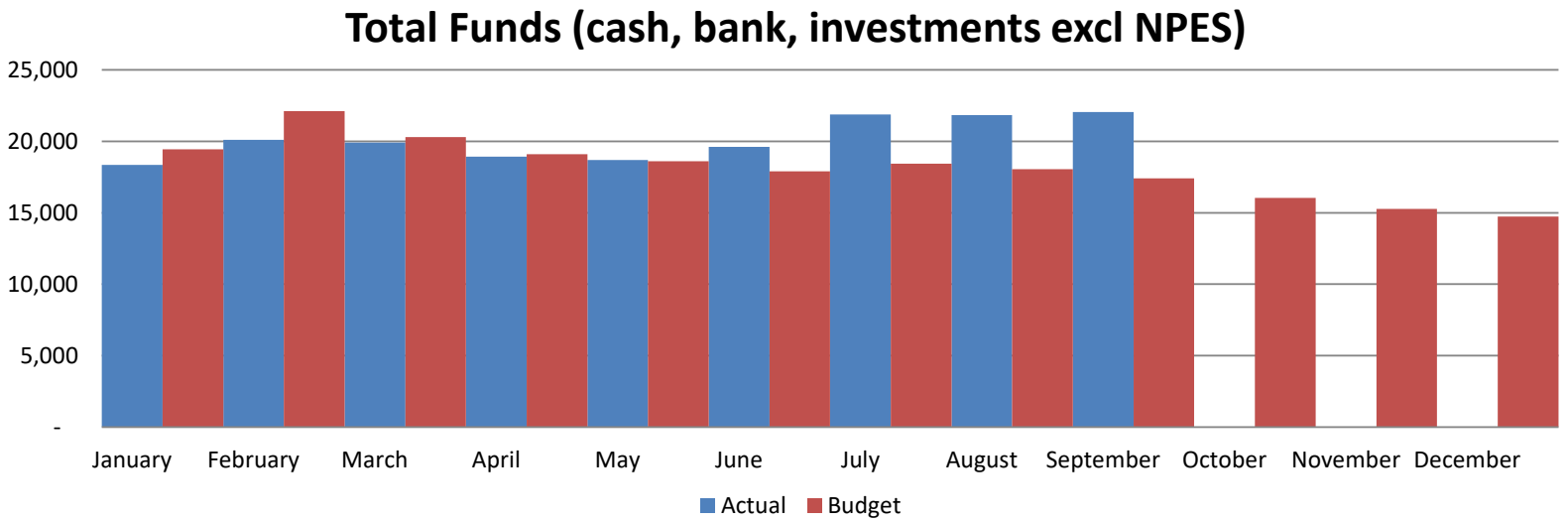
YTD pays $1.4m favourable to budget with savings from reductions in staff/contractors due to lower EFTS in some programmes together with delays in recruitment.

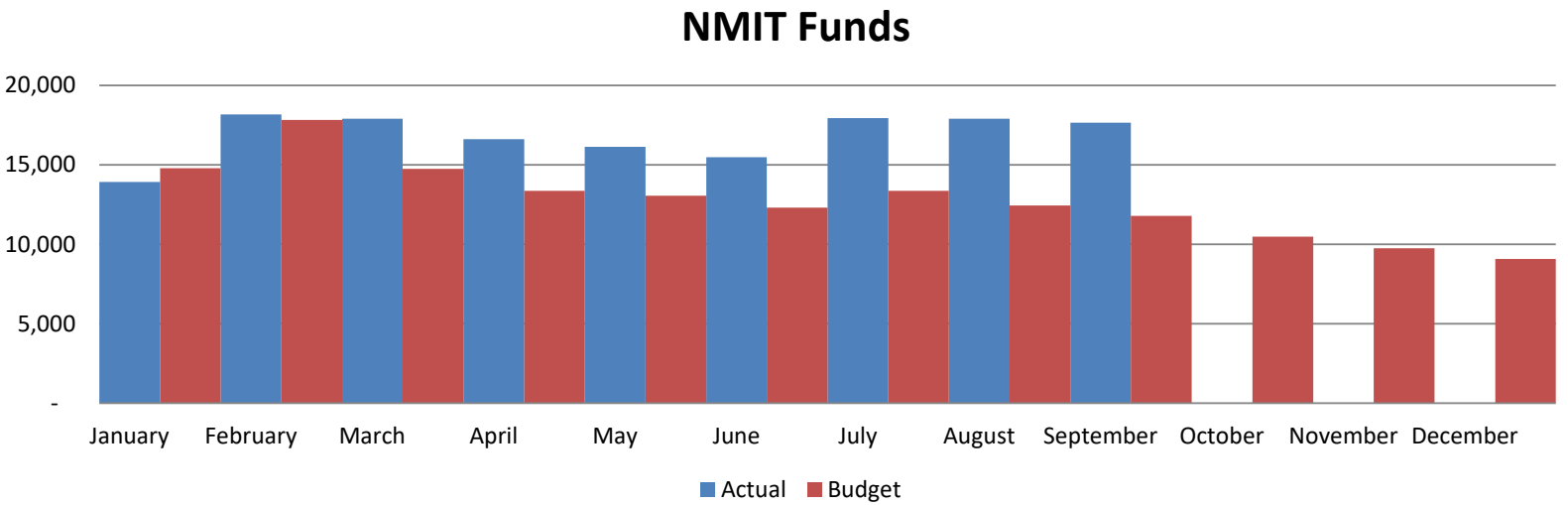
Capital Expenditure as at 30 September 2019

	2019 YTD Actual	2019 Original Budget	2018 Carry Forward	2019 Agreed Savings	2019 Revised Budget	Balance To Spend	%
Land	-	-	-	-	-	-	0%
Buildings	387	240	313	(195)	358	(29)	108%
Art	-	-	-	-	-	-	0%
Computers	555	1,335	164	(320)	1,178	623	47%
Programme Development	77	857	-	-	857	780	9%
Plant & Equipment	548	948	-	(199)	749	201	73%
Vehicles	192	97	-	-	97	(95)	198%
Books	51	121	-	(15)	106	55	48%
Work in progress movement	(94)	-	-	-	-	94	0%
Total	**1,716**	**3,598**	**477**	**(729)**	**3,346**	**1,630**	**51%**

- 51% of revised capex budget spent to date. Overspends in buildings and vehicles categories is due to release of costs in work in progress at December 2018.
- Budget carried forward from 2018 is for the Trades barn upgrade $43k, Sports Turf remediation $270k, and storage for Bachelor of Computer Generated Imagery $164k.
- $729k savings are to be made from the original 2019 capex budget.
- No additional capex approvals are being granted for 2019. All capex requirements must be met from existing approved budget via substitution if required.

Cash flow Graph





NMIT funds have reduced slightly on last month to $17.6m although are now $5.8m ahead of budget. The higher than budgeted level of NMIT funds is due to a combination of higher cash & investments and lower than budgeted student fees in advance (which is deducted from bank & investments in arriving at the NMIT funds balance).

NMIT Financial Statement of Position
As at 30 September 2019

	Institute Actual 30th September 2019 ($000)	Budget 30th September 2019 ($000)	Actual Prior Year ($000)
Assets			
Current assets			
Cash and cash equivalents	2,093	5,643	853
Debtors and other receivables	3,196	5,939	5,125
Investments	21,000	12,600	17,085
Prepayments	510	463	533
Total current assets	26,799	24,645	23,596
Non-current assets			
Investments	1,160	1,081	1,081
Property, plant and equipment	90,208	84,874	86,254
Intangible assets	2,142	3,931	2,497
Total non-current assets	93,511	89,887	89,833
Total assets	120,310	114,532	113,429
Liabilities			
Current liabilities			
Creditors & other payables	3,121	3,223	3,233
Revenue received in advance	5,029	6,139	4,021
Provisions	2,117	2,099	2,091
Other financial liabilities	1,656	1,325	1,422
Total current liabilities	11,924	12,785	10,768
Non-current liabilities			
Provisions	222	192	192
Total non-current liabilities	222	192	192
Total liabilities	12,145	12,976	10,959
Net assets	**108,165**	**101,556**	**102,470**
Equity			
Capital introduced	29,039	29,039	29,039
Accumulated funds	22,820	22,916	23,830
Revaluation reserves	53,450	46,745	46,745
Capital reserves	2,855	2,855	2,855
Total equity	**108,165**	**101,556**	**102,470**

- NMIT's net assets / total equity have increased to $6.6m favourable to budget. Debtors are lower than budgeted but offset by higher than budgeted cash & investments. Non-current assets are favourable to budget due to the unbudgeted increase in value of land and buildings from the 2018 revaluation, partly offset by higher current year depreciation & a lower YTD capex spend. Current liabilities are favourable due to lower student fees in advance.
- NMIT's working capital position remains strong.

NMIT Financial Statement of Cashflows
For the period ending 30 September 2019

	Institute Actual 30September 2019 ($000)	Budget 30September 2019 ($000)	Actual 30September 2018 ($000)
Cash flows from operating activities			
Receipts from government grants	16,331	15,477	14,677
Receipts from tuition fees	12,586	13,130	11,447
Receipts from other income	5,213	5,867	5,215
Interest income received	445	525	535
Payments to employees	(16,697)	(18,174)	(16,906)
Payments to suppliers	(9,506)	(10,924)	(12,846)
Interest paid	-	-	(0)
GST (net)	194	(3)	14
Net cash flows from operating activities	8,566	5,899	2,135
Cash flows from investing activities			
Receipts from sale of property, plant and equipment			-
Realisation of investments	-	-	19
Purchase of property, plant and equipment	(2,114)	(2,269)	(2,901)
Purchase of intangible assets	429	(427)	(47)
Acquisition of investments	(6,900)	-	-
Net cash flows from investing activities	(8,586)	(2,696)	(2,929)
Net increase/(decrease) in cash and cash equivalents	(20)	3,204	(794)
Cash and cash equivalents at beginning of year	2,113	2,440	1,647
Closing cash and cash equivalents	**2,093**	**5,643**	**853**

- Net cash flows from operating activities are $2.7m favourable to budget, with lower income being more than offset by lower expenditure.
- Net cash flows from investing are $(5.9)m unfavourable, but this includes $(6.9)m investment of funds in short-term deposits (unbudgeted). Cash and cash equivalents are $(3.6)m unfavourable to budget, however including short term investments, the overall cash and cash equivalent position is $4.9m favourable to budget.

2019 Live Budget

Category Description	Year to Date			Full Year			
	Actual	Budget	% Achieved	Actual	Budget	% Achieved	Live Budget % Achieved
Income							
TEC Funding	19,019	20,640		19,019	21,535		19,355
Fees	14,240	14,324		14,240	15,076		14,743
Interest & Dividends	498	525		498	700		600
Other Income	4,148	4,774		4,148	5,646		5,498
Total Income	**37,905**	**40,263**		**37,905**	**42,956**		**40,196**
Operating Expenditure							
Class Resources	1,610	1,744		1,610	2,121		1,882
International Commissions	1,791	2,017		1,791	2,174		2,277
Curriculum Support	29	59		29	74		68
Information Technology	1,072	1,027		1,072	1,363		1,430
HR & Training	418	523		418	661		622
Marketing & Promotions	304	499		304	639		575
Admin & Support	1,123	1,500		1,123	1,958		1,739
Facilities (Site)	1,735	1,630		1,735	2,070		2,387
JV/TANZ Costs	2,058	2,470		2,058	2,929		2,269
Depreciation, Amortisation & Impairment	3,592	3,000		3,592	4,000		4,890
Interest Expense	-	-		-	-		-
Total Opex	**13,732**	**14,469**		**13,732**	**17,989**		**18,138**
Academic Staff Costs	8,885	9,940		8,885	13,310		12,006
Support Staff Costs	8,153	8,570		8,153	11,515		10,950
Total Staffing Costs	**17,038**	**18,510**		**17,038**	**24,825**		**22,956**
Total Expenditure	**30,770**	**32,980**		**30,770**	**42,814**		**41,095**
Contribution	**7,135**	**7,284**		**7,135**	**143**		**(899)**
Contribution %	**19%**	**18%**		**19%**	**0%**		**(2)%**

Year end forecast deficit is $(0.9)m compared to Budget surplus of $0.1m. This is primarily due to a reduction in TEC funding of $(2.2)m due to lower EFTS in eCampus, Youth Guarantee and programmes such as Bachelor of Nursing. Fee income is now forecast to be unfavourable to budget by $(0.3)m, with lower fees in domestic SAC funded courses partly offset by higher international student fees. Full year Operating Expenses are now forecast to be favourable to budget by $0.1m, with savings in Class Resources, JV/TANZ costs and Admin and Support expenditure offset by higher Depreciation and Facilities costs. Staffing Costs are forecast to be $1.9m favourable to budget.

Nelson & Marlborough Institute of Technology

Investments

Investments as at 30 September 2019

a) Summary		30 September 2019			31 August 2019		Change	
Bank	Rating	Amount	Average Rate	Average Term	Amount	Average Rate	Value	Average Rate
ANZ	AA-	3,350,000	3.165%	183.50	5,300,000	3.230%	(1,950,000)	(0.06)%
BNZ	AA-	2,400,000	3.300%	197.00	2,400,000	3.300%	-	0.00%
SBS	BBB	13,950,000	3.244%	195.25	13,300,000	3.328%	650,000	(0.08)%
Westpac	AA-	1,300,000	2.894%	175.33	200,000	3.160%	1,100,000	(0.27)%
Total		**$21,000,000**	**3.216%**	**191.95**	**$21,200,000**	**3.299%**	**($200,000)**	**(0.08)%**
b) Other Cash not on deposit		$ 2,092,997			$ 1,669,723		423,275	
c) New Deposits during Month		$ 3,450,000			$ 3,300,000		150,000	
d) Deposits broken in month		$ -			$ -		-	
e) Due Repayment coming month		$ 3,200,000			$ 3,650,000		(450,000)	

October 2019

SANITI REPORT FOR COUNCIL

CORNELIUS PRINSLOO, STUDENT PRESIDENT

PRESIDENTIAL BLURB

STRATEGIC GOAL ONE: EVENTS AND CAMPUS CULTURE

Surveys have been collated and the 2020 Strategic Plan developed accordingly. Students are surprisingly requesting more food events. Who would have guessed? Additionally, variety and more dietary consideration was raised, which we will be exploring for the next events.

We are already working on our 2020 event delivery, continuing to add new events that we have not done in the past. Students reported a very high level of satisfaction with this year's events, including the international activities which took students on cultural and Te Tau Ihu focused trips.

Campus culture is pretty much where it's been, with SANITI eagerly awaiting a visit from Grant Kerr to discuss the CAM plan and how the Students Association and student spaces will fit into this.

STRATEGIC GOAL TWO: SUPPORT, ADVOCACY, EMPLOYMENT

Advocacy and support remain the most used service, with low level resolution being the focus. The team at SANITI has spent a large amount of their time on high need students, and found the hours needed per case to have increased. This year we have also experienced an increase in students needing financial assistance and mental health support. Operations Manager Jaycob Brown has been requested to run wellbeing workshops in the engineering and trades area, where the number of young males needing support climbed immensely.

Employment Services has just done a survey of students that went through assistance with this service. Once collated it will be reported to NMIT under our SLA agreement.

We have nearly hit target on the Program Representatives with the hopes that the summer school programs will provide the last needed numbers and ensure representation during the holidays. A big thank you to NMIT staff members Sharon, Warwick and Suzannah for their appearances at the reps meetings to answer questions.

STRATEGIC GOAL THREE: REPRESENTATION AND COLLABORATION

The Executive team has successfully run a SGM this month, with a new goal being revealed in our strategic plan. Goal 4 will focus on transitioning and sustainability of the Association. Over the next few months this goal will be developed further and student input gathered on what they wish to see on this campus and elsewhere.

With RoVE changes taking place by April, our AGM may need to be adjusted to allow for changes to be enacted swiftly.

We have continued to represent students on Academic Board, Learning and Teaching, Ethics Committee, Quality Committee, Health and Safety Committee and on IAB's.

OTHER SANITI BUSINESS

SANITI is currently engaged in negotiations surrounding our 2020 SLA with NMIT

Office of the Mayor

11 October 2019

Committee Secretariat
Education and Workforce Committee
Parliament Buildings
Wellington

Attention: Committee Members

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

Thank you for the opportunity to provide feedback on the Education (Vocational Education and Training Reform) Amendment Bill and the consequential reforms of the vocational education sector. This submission is made in my capacity as Mayor of Nelson as Council meetings have ended for this triennium. It is, however, consistent with Nelson City Council's submission dated 3 April 2019 to the Reform of Vocational Education proposal (attached). My submission also supports the Nelson Marlborough Institute of Technology's (NMIT) submission to this Bill.

Regional Autonomy

The Nelson City Council April submission on the Reform of Vocational Education clearly stated the Council's position that a centralised New Zealand Institute of Skills and Technology model had the potential to hamper local autonomy and generate regional inequities. The proposed Bill does nothing to alleviate or address these concerns. The Bill clearly erodes the autonomy of regional institutes of technology to develop programmes that best fits their community. And, it is not clear whether NMIT will continue to have decision making ability over things like the delivery and content of courses to meet the needs of employers within our region.

Recommendation

If the Bill is passed into legislation, I recommend that it should include provision for the ongoing autonomy and academic freedom of regional subsidiaries.

Assets and Cash Reserves

Our 4 April 2019 submission raised the pride and confidence that residents have in our local Nelson based provider and the support generated for it. Council itself has a long-established relationship with NMIT that enabled the gifting of land upon which the campus is built.

As the Bill is currently drafted, all assets which currently belong to NMIT will go into general NZIST reserves over the longer term.

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A2280685

I am opposed to the transfer of assets, previously gifted by Nelson City Council, to a centralised institution. This was never contemplated as an outcome of that gift of land by Council in 1905, and is not supported. This action will deprive our region of the investment of monies generated by our combined work and intended for use here.

Recommendation

I recommend that in order to maintain strong regional ownership and involvement, assets gifted to NMIT together with cash reserves should be "ring-fenced" for the benefit of the Nelson/Marlborough region.

NMIT submission

I understand that in their submission, NMIT has raised concerns about the process of developing the Bill, including that the Bill includes many provisions which were not proposed in previous Government consultation documents. These provisions are inconsistent with the feedback provided and/or with published Cabinet decisions. Furthermore they are not included in the scope of the design groups currently being formed by the NZIST Establishment Unit. I support NMIT's view that these proposals should be worked through with stakeholders before being included in draft legislation.

In regards to the proposed unified approach to vocational education and training, NMIT makes the point that while they support, in principle, this objective, they consider that the parts of the Bill relating to the establishment of the NZIST are flawed. Of greatest concern is that the Bill will lead to a highly centralised decision making and control, with an overall shift in power to the Minister, government agencies or the Council of NZIST. Such a move is likely to result in a notable reduction of accountability and responsiveness to regions and communities.

Recommendation

I share NMIT concerns, and request that these parts of the Bill be reconsidered.

Yours sincerely

Rachael Reese, JP
Mayor of Nelson

A2280685

Office of the Mayor

3 April 2019

Hon Chris Hipkins
Minister of Education
C/- Reform of Vocational Education Team
By Email:
vocationaleducation.reform@education.govt.nz

Dear Minister

NELSON CITY COUNCIL SUBMISSION ON REFORM OF VOCATIONAL EDUCATION

Thank you for the opportunity to provide feedback on your proposals regarding reform of the vocational education sector. This submission represents the views of the Nelson City Council, and is also provided in support of the Nelson Marlborough Institute of Technology's (NMIT) submission. We see NMIT as a key partner in delivering on our aspirations for Nelson as the Smart Little City, he tāone tōrire a Whakatū.

We welcome aspects of the proposals you have put forward. In particular, those relating to the delivery of a more robust and quality-driven funding model that enables holistic and future-focused education, and the creation of Centres of Vocational Excellence.

Reflecting our region's evident strengths, NMIT has particular expertise in the areas of viticulture, maritime, aviation engineering, aquaculture, and artificial intelligence. Existing productive relationships between NMIT, industry stakeholders, and our local science and research community could be further enhanced through Centres of Vocational Excellence. This could enable us to fully capitalise on our strengths, and offer a high-quality education and investment proposition for our region and the wider sector. Subject to understanding further details about how such a model would work, we stand ready to work alongside you and local stakeholders to bring such a possibility to fruition.

On the other hand, the proposals regarding a centralised "New Zealand Institute of Skills and Technology" do raise particular concerns regarding their potential to hamper local autonomy and generate regional inequities. Our residents are rightly proud of NMIT, and have supported it since its establishment in 1905, including via an initial gift of land upon which the campus was built. NMIT's first rate educational offerings are underpinned by its commitment to providing future-focused learning and "work and world ready graduates".

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It has an established record of investing in innovation, for example its maritime simulation system, which is the only one of its kind in the country.

NMIT's engagement with industry and employers was recognised as a particular strength when its NZQA category 1 status was reaffirmed in 2017, and NMIT also has close and effective relationships with local iwi. With around $100 million in assets, and cash reserves of approximately $20 million, the Institute also has a healthy balance sheet.

The presence of a strong, regionally-branded tertiary provider delivers significant benefits for Te Tau Ihu (the Top of the South). This includes a sizeable contribution to our local economy, drawing talent and investment to the area, promoting our unique regional credentials and industry strengths, and offering school leavers – who may otherwise leave the region – a meaningful education and employment pathway. The latter is particularly important as we grapple with the implications of an uneven demographic profile and ageing population.

We do not want to see the strengths and unique character of an important regional institution diminished by these reforms. The matters of greatest concern to us include a loss of the regional autonomy that enables NMIT to be responsive, nimble, and genuinely connected to the needs of the local community. This rests on sound governance that is rooted here. A model that outsources critical decisions to a national governing body has the potential to be unnecessarily bureaucratic and result in regional imbalances. We are not convinced that the creation of a regional leadership group – mandated only to advise – would be sufficient to offset these risks. We are also concerned by potential implications for local jobs and course provision.

Furthermore, potential centralisation of NMIT's assets and application of its carefully accumulated reserves elsewhere would do little to reward prudent financial management by NMIT's board, nor incentivise it into the future. It would also deprive our region of the investment of monies generated and intended for use here. Seeking to shore up struggling parts of the sector by redistributing surpluses therefore risks creating an inequity for Te Tau Ihu.

We accept that there is a need to focus on underperforming Institutes of Technology and Polytechnics (ITPs) and pursue efficiency gains wherever possible. There is also a strong rationale for identifying and promulgating best practice throughout the sector. We consider that this could be best achieved by centralising a limited suite of functions, including those considered under the Tu Kahikatea/Network model.

We also note that proposals regarding alternative delivery models for apprenticeships and in-work training are prompting concerns for local employers, Industry Training Organisations, Private Training Organisations, and their respective students and apprentices. We encourage you to provide reassurance that the move to Industry Skills Bodies and delivery of training by ITPs will be implemented in a manner that avoids widespread redundancies, loss of expertise and skills from the sector, and disruption for learners.

In summary, Nelson City Council recognises that there are genuine questions regarding the financial sustainability of some vocational education providers and the delivery of value for money for New Zealand tax payers. We support your ambition to address these points. However, we struggle to see that this necessitates sector-wide reforms that could impact negatively on strong performers such as NMIT. We encourage you to arrive at an approach that supports regional autonomy while also ensuring high quality educational outcomes.

Yours sincerely

Rachel Reese, JP
Mayor of Nelson

Item of business :

Education (Vocational Education and Training Reform) Amendment Bill

Submission name :

Tasman District Council

Comments

Regional Governance
The submission by Tasman District Council dated 3 April clearly stated our lack of confidence in centralisation of governance of Institutes of Technology and polytechnics and highlighted the strong local support from our communities in maintaining regional governance.
The Bill s provisions for regions to be involved in the governance of the new vocational education system appear limited to transitional arrangements where subsidiary boards of 4-6 directors will be established, sitting between the NZIST Council and regional chief executives. There does not appear to be any other contribution of regional governance on an ongoing basis.
Under the Bill the roles of the boards of directors and chief executive will be restricted to implementation of decisions made at the NZIST Council level, together with day-to-day operational and management issues. We do not support this erosion of regional governance which we contend will result in a loss of confidence and connection with the institute.

Assets and Cash Reserves
As the Bill is currently drafted, all assets which currently belong to NMIT will go into general NZIST reserves over the longer term. An initial gift of land was made when NMIT was established in 1905 and NMIT now has approximately $100M in assets and $20M cash reserves which has been built up over a considerable period of time.
We are opposed to the transfer of assets to a centralised institution and potential divestment from our region. NMIT has been gifted substantial assets by stakeholders. The assets reflect historical investments within the region and have been built up over 115 years since land for community education was first provided in 1904.

Recommendations

We recommend that the Bill should include provisions for regional governance structures and for strategic decisions to be carried out in the regions, on a permanent basis.

We recommend that in order to maintain strong regional ownership and involvement, assets gifted to NMIT together with cash reserves should be ring-fenced for the benefit of the Nelson/Marlborough region following 2022.

Education (Vocational Education and Training Reform) Amendment Bill

Consolidated Marlborough Submission

October 2019

Background

This is a regional submission, developed by Marlborough District Council (hereafter MDC) on behalf of the Marlborough community.

The submission is based in part on activities undertaken by the *Marlborough Smart+Connected Skills and Employment* initiative. This programme was established in Q4 2018 in response to an identified requirement for a multi-industry, cross-sector approach to addressing an increasingly significant set of challenges related to vocational and tertiary education provision, as well as labour and skills shortages in the region.

The submission was developed through consultation between representatives of local government, industry, business organisations, education providers, industry training organisations, local government and community welfare and youth organisations, with input as required from relevant national government departments and ministries.

Summary

From Marlborough's perspective, the principal points raised below are as follows:

- In order to ensure regional autonomy in the provision of tertiary and vocational education in Marlborough, the Act should mandate the creation of separate NZIST subsidiaries in Nelson and Marlborough;
- The establishment of the Boards of Directors of NZIST Subsidiaries should include extensive consultation with all relevant local stakeholders;
- The dissolution of NZIST subsidiaries, or the extension of the lifespan of these subsidiaries, should include extensive consultation with all relevant local stakeholders; and
- Upon dissolution of NZIST subsidiaries, the rights, assets and liabilities of these subsidiaries should be transferred to appropriate local bodies, rather to NZIST.

Comments

1. Part 15A of the draft Bill relates to the proposed creation of a New Zealand Institute of Skills and Technology (NZIST), as well as the creation of a number of subsidiary institutions. Each of the points listed below addresses a specific concern held by MDC with regard to the creation of NZIER and its subsidiaries.

2. Based upon the description provided in Clause 27 of the draft Bill, it would appear that the 16 existing polytechnics in New Zealand will be converted into subsidiary organisations of NZIST, and that the term of existence for these subsidiaries is intended to be from 1 April 2020 to 31 December 2022.

3. In this regard, MDC would propose that in the case of Nelson Marlborough Institute of Technology, the Act creates two separate subsidiary organisations, one in Nelson and one in Marlborough.

4. This recommendation is based on the fact that a Centre of Vocational Excellence for viticulture and winemaking is proposed to be located at the Marlborough campus of NMIT, located in Budge Street, Blenheim. Furthermore, the Bragato Research Institute, New Zealand's national wine research institution, is currently under construction at the Budge Street campus. Additional investment in Marlborough's wine industry research and education capacity is also being sought, through an application to the Provincial Growth Fund by the Marlborough Research Centre.

5. With regard to the location of the Centre of Vocational Excellence in Marlborough, according to statistics released by New Zealand Winegrowers, 77% of New Zealand's total wine grape harvest in 2019, and more than 80% of total national wine exports in 2018, originated in Marlborough.

6. Furthermore, the location of a NZIST subsidiary in Marlborough is consistent with the approach adopted by the New Zealand government in various policy development processes related to skills development and labour market reform, as well as in other aspects of the reform process for vocational education. Under this approach, Marlborough is consistently recognised as a distinct labour market and as a region in its own right, as opposed to being included in a broader upper South Island region.

7. With regard to the composition of the Boards of NZIST subsidiaries, the draft Bill states that these are intended to comprise of 4-6 Directors, with at least 50% of these Directors to be resident in the region in which each subsidiary is located. No provisions are however included in the draft Bill regarding any consultation requirements related to the composition of these Boards.

8. In this regard, it is MDC's position that the composition of the Boards of NZIST should be decided on the basis of meaningful consultation with all relevant local stakeholders, including local government, mana whenua iwi, industry bodies, business organisations and relevant community organisations. In particular, such consultation should take into account the views of bodies such as Regional Skills Leadership Groups, that are proposed as different elements of the current legislative amendment process.

9. With regard to the process proposed for the dissolution of NZIST subsidiaries at the end of the transition period on 31 December 2022, it is MDC's understanding that the discretion for this dissolution, or for the extension of the life span of subsidiaries, lies effectively with the Minister of Education, or with the NZIST Council. It is further understood that the Minister is required to consult with NZIST prior to recommending the extension of the life span of these subsidiaries.

10. In this regard, it is MDC's position that the proposed level of consultation regarding the dissolution of NZIST subsidiaries or the extension of their life span(s), is wholly inadequate. Such consultation must instead be broadened to take into account community views from within the regions in which NZIST subsidiaries are located. As in the case of the appointment of Directors to the Boards of NZIST subsidiaries (described in Point 8 above), relevant stakeholders to be consulted include local government, mana whenua iwi, local offices of various central government entities engaged in tertiary and vocational education and workforce development, industry bodies, chambers of commerce and other business organisations, relevant community organisations, secondary education providers and Regional Skills Leadership Groups.

11. With regard to the rights, assets and liabilities of NZIST subsidiaries, it is understood that upon dissolution of these subsidiaries, their assets, rights and liabilities will be transferred to NZIST. In this regard, it is further understood that the dissolution of an NZIST subsidiary does not necessarily imply the cessation of tertiary and vocational education activities by NZIST with the region in which a former subsidiary is located.

12. At the same time, however, the dissolution of NZIST subsidiaries and the transfer of their rights, assets and liabilities to NZIST, implies a significant reduction in the degree of local control over these rights, assets and liabilities. This is of particular relevance in the case of assets that were in the past gifted to existing polytechnics by local government, community organisations or individual philanthropists.

13. In the case of Marlborough, this is of particular concern, due to the fact that the Marlborough Research Centre, which receives the majority of its funding from MDC, is located on the Budge Street campus of NMIT in Blenheim.

14. Consequently, MDC would instead propose that upon dissolution on NZIST subsidiaries, their rights, assets and liabilities are transferred to appropriate local bodies, which may include local Councils, Council-controlled organisations, or existing or newly formed Trust, as deemed appropriate in each instance.

We trust that the above concerns and recommendations, as expressed by MDC on behalf of the Marlborough community, will receive the favourable consideration of the Workforce and Education Committee and the Minister of Education.

MDC and the *Marlborough Smart+Connected Skills and Employment* initiative welcome the opportunity for further discussion with the Committee and the Minister regarding the provisions of the draft Bill.

BRAGATO
RESEARCH INSTITUTE
NEW ZEALAND GRAPE AND WINE RESEARCH
RANGAHAU KAREPE, WĀINA O AOTEAROA

11 October 2019

Committee Secretariat
Education and Workforce Committee
Parliament Buildings
WELLINGTON

By email to: ew@parliament.govt.nz

SUBMISSION ON EDUCATION (VOCATIONAL EDUCATION AND TRAINING REFORM) AMENDMENT BILL

Thank you for the opportunity to make the following comments and recommendations in relation to the Education (Vocational Education and Training Reform) Amendment Bill (the Bill).

This submission is made on behalf of New Zealand Winegrowers Research Centre Ltd, trading as Bragato Research Institute (BRI). BRI was established as a Regional Research Institute with funding from MBIE and the Marlborough District Council, and is wholly-owned by New Zealand Winegrowers – the national representative body for New Zealand's wine industry.

BRI is located on NMIT's Marlborough campus in Blenheim and is currently building a national Research Winery – a key piece of research and innovation infrastructure for the benefit of the whole industry. The Research Winery is being built on land owned by NMIT.

This submission addresses two key issues:
1. Regional Autonomy
2. Assets and Cash Reserves

1. Regional Autonomy

Comment
The Bill erodes the autonomy of regional ITPs and amends the Act so that the academic freedom currently enjoyed by ITPs is replaced by academic freedom for NZIST and its subsidiaries. NZIST will hold the decision-making power to determine the actions of its subsidiaries (like NMIT) thereby removing existing regional autonomy. As a result, is it not clear whether NMIT will be able to make decisions about course content and delivery to meet the needs of students and employers within the region.

BRAGATO RESEARCH INSTITUTE
NEW ZEALAND GRAPE AND WINE RESEARCH
RANGAHAU KAREPE, WĀINA O AOTEAROA

The New Zealand wine industry has an important and successful partnership with NMIT to develop courses and provide specific industry training within our region. BRI is continuing and deepening that relationship through our decision to co-locate alongside NMIT. We believe it would be disadvantageous to the sector if this existing partnership approach was removed or centralised.

Recommendation
We recommend that the Bill should ensure regional subsidiaries like NMIT have the flexibility and autonomy needed to continue to develop content and determine location of courses to meet the vocational requirements of students and employers in the region, and adapt quickly to changes in those requirements.

2. Assets and Cash Reserves

Comment
As the Bill is currently drafted, all assets which currently belong to NMIT will go into general NZIST reserves over time. Subsidiary companies will retain legal ownership and control over assets (including cash reserves) and employees during the interim period, which we understand is 2022 or thereabouts. On expiry of the interim period, subsidiary companies will cease to exist as separate entities, and as a result, regions will lose ownership and control of their assets.

As mentioned above, BRI has a partnership with NMIT that includes the use of land and facilities. Our connection is directly with NMIT and it was our intent that this partnership would continue. We do not believe that the insertion of a central agency in this existing strong relationship will add any value, or improve delivery of education and training to meet the sector's needs.

Recommendation
We recommend that in order to maintain and strengthen existing partnerships, such as the one between NMIT and BRI, regional ownership of assets should be "ring-fenced" for the benefit of the Nelson/Marlborough region following 2022.

Thank you again for the opportunity to provide these thoughts and recommendations which we trust can be reflected in the final drafting of the legislation.

Yours sincerely

MJ LOZA
CEO
mj.loza@bri.co.nz
021 993 389

NELSON TASMAN CHAMBER OF COMMERCE

Mahitahi Colab |
322, Hardy Street |
Nelson 7010 |

Committee Secretariat
Education and Workforce Committee
Parliament Buildings
Wellington

10th October 2019

Attn: Members of the Education and Workforce Committee,

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

The Nelson Tasman Chamber of Commerce is a not-for-profit membership organisation that has been supporting businesses and commercial activity in the region since 1858. We are affiliated to the NZ Chamber of Commerce which is part of the International Chamber of Commerce network. A key purpose of the Nelson Tasman Chamber of Commerce is help create the best commercial environment for business to flourish. Vocational training that supports our regional commercial sector is vital. Our aim is to ensure that businesses in the regional can access and maintain the skilled workforce they require, when they need it.

Thus, while we support in principle the unified approach to vocational education and training, we consider that the parts of the Bill relating to the establishment of the NZIST are flawed. They will lead to high centralised decision making and control, with an overall shift in power to the Minister, government agencies or the Council of NZIST. There will be a corresponding lack of accountability and responsiveness to regions and communities, resulting in a significant number of employers disengaging from formal workplace training arrangements.

Please see below our recommendations for amendments to the Bill:

1. Regional Autonomy

Nelson Tasman Chamber of Commerce has a close relationship with NMIT and we contribute advice and local knowledge around required vocational training and delivery. We do not believe that removal of that influence will be in the best interests of employers in our region. Current arrangements enable effective collaboration between NMIT and the region's employers and that collaborative relationship should continue.

The proposed Bill erodes the autonomy of regional ITPs and gives academic freedom to NZIST, removing existing regional autonomy and centralising decisions within NZIST. As a result, is it not clear whether NMIT will continue to have decision making ability over things like course content and delivery to meet the needs of employers within our region. As noted above, we see this as essential to ensure provision of training that is relevant to, and supportive of our business community.

We recommend that the Bill should provide for the ongoing autonomy and academic freedom of regional subsidiaries.

NELSON TASMAN CHAMBER OF COMMERCE

Mahitahi Colab |
322, Hardy Street |
Nelson 7010 |

2. Regional Governance

The Bill's provisions for regions to be involved in the governance of the new vocational education system appear limited to transitional arrangements (through to 2022) where subsidiary boards will be established and will sit between the NZIST Council and regional chief executives. There does not appear to be any other contribution of regional governance on an ongoing basis.

We are concerned that unless regional decision-making rights are clarified, the roles of the boards of directors and chief executive will be restricted to implementation of decisions made at the NZIST Council level, together with day-to-day operational and management issues.

We recommend that the Bill should include provisions for regional governance structures and for strategic decisions to be carried out in the regions, on a permanent basis.

3. Assets and Cash Reserves

As the Bill is currently drafted, all assets which currently belong to NMIT will go into general NZIST reserves over the longer term.

We are opposed to the transfer of assets to a centralised institution and potential divestment from our region. NMIT has been gifted substantial assets by stakeholders in our region. The assets reflect historical investments within the region and have been built up over 115 years since land for community education was first provided in 1904.

We recommend that in order to maintain strong regional ownership and involvement, assets gifted to NMIT together with cash reserves should be "ring-fenced" for the benefit of the Nelson/Marlborough region following 2022.

Thank you for your consideration of this submission.

Your sincerely

Ali Boswijk

CEO, Nelson Tasman Chamber of Commerce

Marlborough Chamber of Commerce

Committee Secretariat
Education and Workforce Committee
Parliament Buildings
Wellington
ew@parliament.govt.nz

CC Nita van Grinsven – Marlborough Chamber President

On behalf of The Marlborough Chamber of Commerce I would like to make the following submission to the Education Workforce Committee on the Education Amendment Bill.

The Marlborough Chamber of Commerce is a not-for-profit membership-based service organisation that has been the home and voice of business in the Marlborough region since 1887. We have over 380 members and provide a range of programmes and initiatives that make us one of the most valuable sources of business support and advocacy in Marlborough.

Our submission is summarised as below:

Regional Autonomy

Marlborough Chamber of Commerce has a close relationship with NMIT and we contribute advice and local knowledge around required vocational training and delivery. We do not believe that removal of that influence will be in the best interests of employers in our region. Current arrangements enable effective collaboration between NMIT and the regions employers and that collaborative relationship should continue.

The risk is that the proposed Bill will erode the autonomy of NMIT giving NZIST academic freedom to determine the actions of subsidiaries and removing existing regional autonomy and centralising decisions within NZIST. As a result, is it not clear whether NMIT will continue to have decision making ability over things like the delivery and content of courses to meet the needs of employers within our region and as a result we cannot support the Bill.

We recommend that the Bill should provide for the ongoing autonomy and academic freedom of regional subsidiaries.

Regional Governance

The Bill's provisions for regions to be involved in the governance of the new vocational education system appear limited to transitional arrangements where subsidiary boards of 4-6 directors will be established, sitting between the NZIST Council and regional chief executives. There does not appear to be any other contribution of regional governance on an ongoing basis.

We are concerned that unless regional decision-making rights are clarified, the roles of the boards of directors and chief executive will be restricted to implementation of decisions made at the NZIST Council level, together with day-to-day operational and management issues.

We recommend that the Bill should include provisions for regional governance structures and for strategic decisions to be carried out in the regions, on a permanent basis.

Assets and Cash Reserves

As the Bill is currently drafted, all assets which currently belong to NMIT will go into general NZIST reserves over the longer term.

We are opposed to the transfer of assets to a centralised institution and potential divestment from our region. NMIT has been gifted substantial assets by stakeholders. The assets reflect historical investments within the region and have been built up over 115 years since land for community education was first provided in 1904.

We recommend that in order to maintain strong regional ownership and involvement, assets gifted to NMIT together with cash reserves should be "ring-fenced" for the benefit of the Nelson/Marlborough region following 2022.

On behalf of the Marlborough Chamber of Commerce

Hans Neilson
Chief Executive
Marlborough Chamber of Commerce

Education Amendment Bill
Submission from the Nelson Regional Development Agency

1.0 Introduction

The Nelson Regional Development Agency (NRDA) is a Council Controlled Organisation owned by the Nelson City Council (NCC) with funding provided by the Tasman District Council (TDC). All NRDA services are delivered with a combined Nelson Tasman regional focus.

The NRDA exists to make a difference to the future prosperity of the Nelson Tasman region through positioning, connecting and promoting the region. We do this by partnering with the public and private sectors in the attraction and retention of talent, visitors and investors who want to add value to the identity of the extraordinary Nelson Tasman region and who will make a positive contribution to our region's future.

NRDA is also a founding partner of the the Mahitahi Colab. This submission builds on the combined submission of the Nelson Regional Development Agency, Nelson Tasman Chamber of Commerce and Mahitahi Colab to the earlier round of consultation regarding the Reform of Vocational Education on 3rd April 2019.

2.0 Summary of key submission points:

1. In summary, NRDA is concerned about the process of developing the Bill. It would appear that the Bill includes many provisions which were not proposed in previous Government consultation documents. They are not consistent with the feedback provided or with published Cabinet decisions and are not included in the scope of the design groups currently being formed by the NZIST Establishment Unit. In our view, these proposals should be worked through with stakeholders before being included in draft legislation.

2. While we support in principle the unified approach to vocational education and training, we consider that the parts of the Bill relating to the establishment of the NZIST are concerning. They will lead to high centralised decision making and control, resulting in a corresponding lack of accountability and responsiveness to regions and communities' needs.

Regional Governance

3. The Bill's provisions for regions to be involved in the governance of the new vocational education system appear limited. There does not appear to be a sufficient amount of regional representation on the new Workforce Development Councils and with the dissolution of current ITP councils the governance function will be performed by NZIST's Council (the majority of the members of which will be appointed by the Minister). The Nelson Regional Development Agency has a close partnership with NMIT and the NMIT Council. We believe that there is significant value in ensuring that there is local representation at a Governance level. Local people understand local issues, priorities and process. This regional knowledge cannot be replaced or replicated by a centralised body.

4. In our earlier submission to the Reform of Vocational Education we stated our view that removing autonomy and local decision making from NMIT would be a retrograde step. Despite that the Bill restricts regional decision-making to implementation of decisions made at the NZIST Council level, together with day-to-day operational and management issues. We do not support this.

5. ***We recommend that the Bill should include provisions for regional governance structures and for strategic decisions to be carried out in the regions, on a permanent basis.***

Assets and Cash Reserves

6. As the Bill is drafted, all assets which currently belong to NMIT will go into general NZIST reserves at the end of the interim period. At that point, subsidiary companies (NMIT) will cease to exist as separate entities, and as a result, regions will lose ownership and control of their assets.

7. The Nelson Regional Development Agency is opposed to the transfer of assets to a centralised institution. We raised this issue in our previous submission on the Reform of Vocational Education where we clearly stated

that we do not support the centralisation of balance sheet, capital assets and budget setting. NMIT is a well-run service provider producing work and world ready graduates.

8. NMIT has been gifted substantial assets by stakeholders who strongly support their role as a leading tertiary institution. The assets reflect historical investments within the region and have been built up over 115 years since land for community education was first provided in 1904.

9. ***We recommend that in order to maintain strong regional ownership and involvement, assets gifted to NMIT together with cash reserves should be "ring-fenced" for the benefit of the Nelson/Marlborough region following 2022.***

Mark Rawson
Chief Executive
Nelson Regional Development Agency

10th October 2019

Item of business :

Education (Vocational Education and Training Reform) Amendment Bill

Submission name :

Nick Smith

Comments

The Government s decision to nationalise our Nelson Marlborough Institute of Technology into a mega institute of New Zealand s 16 polytechnics and 11 industry training organisations is huge for Nelson.

Nelson has had an independent polytechnic for 115 years and it is one of New Zealand s most innovative and successful. It was ranked New Zealand s top polytechnic in 2018 with high qualification completion rates and excellent job placement figures. It is financially strong with over $20 million in reserves. The co-location of our Chamber of Commerce and the Regional Development Agency at NMIT shows the strength of its links with local businesses. NMIT is not broken and does not need fixing.

NMIT s importance to Nelson is that it is one of only three major public institutions funded by Government alongside our hospital and the independent Cawthron Institute. We do not, like many other regions, have a university, defence base or prison. NMIT is a critical economic asset that earns Nelson over $40 million a year and which employs 300 Nelsonians.

This mega-merger means Nelson loses control and the good name and brand of NMIT. Its Board is currently made up of 100% locals. The new governance board announced last Friday has no one from Nelson or Marlborough. Our current Chief Executive effectively becomes a branch manager. The Government is taking the assets like the land in Hardy Street that was paid for by Nelson ratepayers.

The Government justifies this radical change saying some institutions are in financial trouble. The bulk of the losses were at one institute Unitec in Auckland. Why punish well run institutes for the poorly run ones? Why opt for a mega-institute when it is the biggest that is in trouble?

Education Minister Chris Hipkins says there are too many institutions running programmes like training truck drivers, teachers and nurses. Some regions like Nelson will lose these programmes. This ignores that many students have family and other commitments that means they need local programmes.

Labour believes big government is better and more efficient. The Kiwibuild failure shows this ideology is flawed. Over $200 million is planned to be spent on the administration and rebranding costs of the change. This money would be better spent on students and training.

Labour has no mandate for this radical change. It was not mentioned by them at the last election. 80% of public submissions opposed the proposal of a single nationwide polytechnic. Industry Training Organisations say it will wreck the system. Invercargill Mayor Tim Shadbolt says it will rip the heart out of regional New Zealand. The Government s own advisers have warned

that these Polytech changes will fail. Treasury says it will cause extreme workplace disruption and will have extreme impacts on regions.

NMIT leaders are in an awful position. If they criticise the reforms, they undermine the confidence of their staff and students. They put their own jobs at risk. They have chosen to damn it with faint praise. I commend them for their efforts in at least protecting NMIT s cash reserves.

I have four major concerns:

1. I oppose the loss of local control.
2. I worry there will be fewer local training opportunities and apprenticeships.
3. I am concerned about the disruption and loss of Nelson jobs.
4. I am concerned there will be fewer international students and the loss of their $6 million contribution to Nelson s economy.

Recommendations

That the Nelson Marlborough Institute of Technology remain an independant organisation with a local Board who control the assets and direction of the Institute using the current model which has been operating successfully in a financially sustainable manner and delivering quality training that serves the needs of local industry for over 100 years.

It is my submission that the Polytech mega-merger does not proceed.

Submission from ITP members of the ITP and Wananga Finance Forum

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 ITP members of the ITP and Wananga Finance Forum (a longstanding collaboration of senior finance professionals working within their institutes) represent the following ITPs:

Eastern Institute of Technology
Manukau Institute of Technology
Nelson Marlborough Institute of Technology
Northland Polytechnic
Otago Polytechnic
Southern Institute of Technology
Tai Poutini Polytechnic
Toi Ohomai Institute of Technology
Unitec New Zealand
Waikato Institute of Technology

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

Victor Saywell
Facilitator – ITP and Wananga Finance Forum

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

- V Saywell
- L Homersham

Executive Summary

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

We support the 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.

As those responsible for the financial operations, management and reporting for our respective ITPs we are concerned by the proposed change of entity from ITP's to subsidiary companies of NZIST from 1 April 2020 that is included in the draft legislation, We are concerned that this change will have a significant negative impact on the complexity, amount of work and comprehension of financial and non-financial reporting during the transition period through 2020, and that will continue through all of 2021 in terms of lack of comparative reporting, at a time when clear financial and performance management and monitoring will be very important. We agree that any full merger of ITPs into NZIST should not occur in the initial years.

We believe the outcomes desired by the reform of vocational education can be achieved through legislative changes to ITPs without the creation of ITPs as registered subsidiary companies of NZIST.

However, if the change to subsidiary companies must proceed, it should take place at the end of a financial/academic year and not part way through, to avoid very significant unintended transitional issues. A date for the creation of companies that would significantly mitigate the issues would be either 31 December 2020 or 1 January 2021 (there are technical complexities around which particular date would be better that specialised advice should be sought on).

This submission is confined to the issues outlined above only and does not attempt to address any other aspects of the Bill.

Introduction

It is clear that there is a desire to enact visible and timely change and the ITP Sector recognises and supports the need for change. However, there is concern that the nature and timing of some of these changes will have a significant negative impact during the transition period on:

- the complexity of meeting accounting and legislative requirements,
- the significant increase in work and time that will be required, and
- the comprehension of financial and non-financial performance reporting over a two year period.

While creation of subsidiary companies would potentially create a perception of change and aid progress towards a single NZIST, we believe there are alternative ways in which to achieve the desired results with less detrimental impacts.

Proposed Alternatives

There does not appear to be a significant purpose or benefit gained from the creation of new subsidiary companies that could not be achieved by the following proposed preferred alternative:

Existing ITP's as Crown Entities become subsidiaries of the new Crown Entity NZIST
The Crown Entities Act 2004 specifically recognises such a possibility. Continuing as Crown Entities allows ITPs to focus more on the vocational education core changes and reduces the risk of weakened financial management arising from changing entities part way through a financial year.

In order to reinforce the change and to support the desired outcomes, additional associated oversight measures in the Bill for ITPs could be introduced from 1 April 2020 when NZIST is created. For example:

- ITP's governance arrangements can be changed to reflect those proposed for the subsidiary companies (number of directors, appointment process, etc);
- Reduced institutional autonomy.

If this proposal is not acceptable, the second preferred alternative is to make the above changes to ITPs on 1 April 2020, but defer the transition to new subsidiary companies until 31 December 2020/1 January 2021.

The creation of NZIST and associated changes as proposed will still bring the real change intended, but with a better, simpler and more efficient administrative approach that avoids the risk of weaker ITP financial management through transition. In support of the proposal we comment below on the adverse impacts of moving to a new subsidiary company structure and the timing of that transition.

Comments on Changing to Limited Liability Companies

The creation of new subsidiary companies creates significant additional work, costs, and risks that could be avoided by the proposed alternative. This is a complex situation and the expected consequences have not been outlined in the briefing papers. Given the complexity, specialised advice will likely need to be obtained. However, the likely impacts and additional work anticipated are outlined below:

- Requirement for an additional reporting period and audit at the end of March 2020 for the cessation of the old ITP entities (see below for other timing impacts);
- Administrational changes create significant work e.g.:
    - New bank accounts and logistics around informing changes to customers, updating collateral and tracking payments;
    - Potentially setting up of new accounting ledgers for the new entities;

  - New IRD numbers and related system implications for tracking and reporting the change;
  - New GST registration number and flow on complications of this in regards to invoicing in particular; and
  - Any company legislation implications.
- Creates work in recasting 2020 budgets for a split period and with new accounting policies for NZIST and the new subsidiary companies;
- Uncertainty around reporting on a going concern/dissolution basis; and
- Accounting, statement of service performance and auditing matters for the transition are still under consideration. This creates real uncertainty, rework and time pressures around how to report and budget for any changes in legislation and accounting policies.

Comments on Timing of Change

Transitioning to a new company part way through an academic and financial year will be significantly distracting and a barrier to progress and risk management. Some of the issues that will arise from the part year reporting are outlined below:

- Increased financial reporting (and audit) through the first year transition period (two year ends in 2020, one at 3 months then again 9 month reporting);
- Accounting and auditing matters for the transition are still under consideration. This creates real uncertainty, rework and time pressures around how to report and budget for any changes in legislation and accounting policies. A delay to the structure change until 31 December 2020/1 January 2021 would provide time to for NZIST to determine clear accounting and auditing processes and policies and for subsidiaries to prepare for and action those;
- Creates work in recasting a split 2020 budget under two different sets of accounting policies;
- At the early stages of NZIST when there are new governing body members that don't have historical institutional perspectives the financial reporting will not be comparable or informative:
  - There will not be comparatives for the final 3 month period of the old entities or the 9 month period of the new entities affecting financial reporting through all of 2020 and 2021;
  - Policies will have changed between the two entities;
  - Due to PBE non-exchange income financial standard reporting rules and the activity spread of an academic year the 3 months of the old entities would likely report large surpluses and the 9 months of the new entities would report large deficits.
- Reporting on EPI's and some other data for a 3 month or 9 month period for the Statement of Service Performance would not be possible in any meaningful way;
- Managing and governing through a split (3 and 9 months) or extended (15 months) year becomes more difficult;
- Reporting on a split or extended year is more difficult, including how the accounting system copes with the variation in a standard reporting year of 12 periods; and

- All funding approvals for 2020 from TEC are for a twelve month period. A split period makes tracking and reporting on this more complicated than necessary. In particular funding relates to EFTS delivery, but financial reporting measurements of revenue are based on entitlement to funding, so very large differences would occur for each of the 3 month and 9 month reporting periods because of the transition occurring during the academic year, rather than at 31 December.

Conclusion

The current legislation to establish subsidiary companies adds a significant unnecessary burden to the ITP sector and therefore to NZIST also, but does not add any value towards achieving the required change and will be a significant distraction to progress on real vocational education change.

We urge you to consider our proposal not to establish subsidiary companies, however if this cannot be changed we urge you to delay the establishment of the subsidiary companies until 31 December 2020/1 January 2021, even if interim changes are made to ITPs from 1 April 2020 when NZIST is established.

Should the legislation be enacted as drafted and subsidiary companies established at 1 April 2020, the sector will require additional resourcing to cover the significant extra work that will be generated. Even so delays in reporting are virtually inevitable and difficulty in understanding the financial information reported through 2020 and 2021, which may weaken financial and performance management, appears unavoidable.

13 October 2019

NMIT Acronyms *[Aug 2019]*

ACE	Adult and Community Education
ADP	Academic Development Proposal
AMFM	Annual Maximum Fee Movement
ALNAT	Adult Literacy and Numeracy Assessment Tool
ASM	Academic Staff Member
ATEM	Association of Tertiary Education Management Inc.
AUT	Auckland University of Technology
BAM	Bachelor of Arts and Media
BAppSocSci	Bachelor of Applied Social Science
BCOM	Bachelor of Commerce
BCT	Business & Computer Studies
BIT	Bachelor of Information Technology
BMETS	Basic Mechanical Engineering Training Skills
BN	Bachelor of Nursing
BUA	Beijing University of Agriculture
BVA	Bachelor of Visual Arts
CA and ACA	Chartered Accountant and Associate Chartered Accountant
CAA	Civil Aviation Authority
CAANZ	Chartered Accountants Association of New Zealand
CAM	Capital Asset Management
CAP	Competence Assessment (Nursing)
CAU	China Agricultural University
CC	Cross Credit
CD	Curriculum Director
CEA	Collective Employment Agreement
CM	Curriculum Manager
CoVE	Centre of Vocational Excellence
CT	Credit Transfer
CTLT	Certificate in Tertiary Learning and Teaching
CTS	Core Transferable Skills
CVP	Certificate in Vineyard Practice
DAS	Directory of Assessment Standards (NZQA)
DTLT	Diploma in Tertiary Learning and Teaching

EAP	Employee Assistance Programme
ED CEE	Executive Director – Customer Experience and Excellence
ED FCB	Executive Director – Finance, Compliance and Business Intelligence
ED LID	Executive Director – Learning Innovation and Delivery
ED M	Executive Director – Māori
ED SES	Executive Director – Strategy, Enterprise and Sustainability
EEdO	Equal Education Opportunities
EEO	Equal Employment Opportunities
EER	External Evaluation and Review
EFTS	Equivalent Full-Time Student
ELP	English Language Programme
EoI	Expression of Interest
EPI	Education Performance Indicator
ESOL	English for Speakers of Other Languages
ESP	Employment Scholarship Programme
FTE	Full Time Equivalent
GC	Global Campus
GSE	Group Study Exchange
GTW	Ground Training Wing (at Woodbourne Air Force Base)
HITO	Hairdressing Industry Training Organisation
HR	Human Resources
IEA	Individual Employment Agreement
ITO	Industry Training Organisation
ITPNZ	Institutes of Technology and Polytechnics of New Zealand
ITPQ	Institutes of Technology and Polytechnics Quality
ITPs	Institutes of Technology and Polytechnics
KEQ	Key Evaluation Question
KPI	Key Performance Indicator
LIIT	Learning Innovation and Insights Team

LLC	Library Learning Centre
LLN	Literacy, Language and Numeracy
MDC	Marlborough District Council
ML	Marlborough
MoA	Memorandum of Agreement
MoE	Ministry of Education
MoP	Mix of Provision
MoU	Memorandum of Understanding
MRoQ	Mandatory Review of Qualifications
NAMS	New Zealand Asset Management Support
NCC	Nelson City Council
NCEA	National Certificate of Educational Achievement
NEET	Not in Employment, Education or Training (Youth)
NMIT	Nelson Marlborough Institute of Technology
NQF	National Qualifications Framework
NRDA	Nelson Regional Development Agency
NZDB	NZ Diploma in Business 120 credits L5 (new qualification 2017)
NZCALNE	New Zealand Certificate in Adult Literacy and Numeracy Education
NZCATT	New Zealand Certificate in Adult Tertiary Teaching
NZDip Bus	NZ Diploma in Business 240 Credits L6 (old qualification)
NZIM	New Zealand Institute of Management (Part of old NZDipBus)
NZQA	New Zealand Qualification Authority
NZQF	New Zealand Qualifications Framework
NZTE	New Zealand Trade and Enterprise
OAG	Office of the Auditor General
OCP	Organisational Counselling Programmes (Student Counselling Service)
OTEPs	Other Tertiary Education Providers
PAC	Programme Approval Committee
PASM	Principal Academic Staff Member

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PEAP	Post EER Action Plan
PBRF	Performance-Based Research Fund
PLATO	Programme of Learning and Teaching Observations
POD	People and Organisation Development
PoS	Programme of Study
PTE	Private Training Establishment
QMS	Quality Management System
RAC	Recognition of Academic Credit
REANNZ	Research and Education Advanced Network New Zealand Ltd.
RFP	Request for Proposal
RNZAF	Royal New Zealand Air Force
RoVE	Review of Vocational Education
RPL	Recognition of Prior Learning
RSG	Refugee Study Grant
SAC	Student Achievement Component
SANITI	Students Association of Nelson Marlborough Institute of Technology Inc
SAR	Self-Assessment Report
SASM	Senior Academic Staff Member
SDL	Staff Digital Literacy
SDR	Single Data Return
SHW	Safety, Health and Wellbeing
SIG	Special Interest Group

SME	Subject Matter Expert
SMS	Student Management System
SSB	Standard Setting Body
SSC	State Services Commission
SSG	Special Supplementary Grants
SSP	Sub-sector Provider
STAR	Secondary Tertiary Alignment Resource
STCW	Standards of Training and Certification of Watchkeepers
STEM	Science, Technology, Engineering and Mathematics
SUTI	Skills Update Training Institute
TAMU	Tertiary Advisory Monitoring Unit
TANZ	Tertiary Accord of New Zealand
TDC	Tasman District Council
TEC	Tertiary Education Commission
TEC/Skill NZ	Training Opportunities Programmes Funded by TEC/Skill NZ
TEI	Tertiary Education Institution
TEO	Tertiary Education Organisation
TEOC	Tertiary Education Organisation Component fund
TES	Tertiary Education Strategy
TEU	Tertiary Education Union
TIASA	Tertiary Institutes Allied Staff Association

TOTSTA	Top of the South Trades Academy
TRoQ	Targeted Review of Qualifications
TTMU	Te Tiriti o Waitangi Monitoring Unit
TTP	Te Toki Pakohe
YG	Youth Guarantee

Frequently used Academic Definitions

Word or phrase	Meaning	Definition
Academic Committees		A standing committee of the ***Academic Board*** responsible for maintaining academic standards for designated programmes and courses. There are two Academic Committees: • Academic Committee - serving the needs of all Curriculum Areas for results approvals, Moderation Plan approval, award approvals, decisions on exclusion, special assessment results etc. • Recognition of Academic Credit (RAC) Committee – considering applications from students for Cross Credits and RPLs.
CMR	Consent and Moderation Requirements	This is an NZQA document that outlines the requirements for achieving 'consent to assess against standards' and the ongoing moderation expectations. CMRs are developed by standard-setting bodies (SSBs). Before assessing learners against unit standards NMIT has to be granted consent to assess against those standards. NMIT already has consent to assess against a large number of unit standards. If however a new / revised programme requires unit standards that we do not have consent to assess against, we would have to prepare and submit an application to NZQA.
Credit		A numerical value assigned to unit standards, courses and programmes of study that reflects the estimated student time/effort required to meet the assessment requirements. In most cases, one credit represents approximately ten hours of student learning time (inclusive of scheduled class contact, assessment time, work experience or internships, other directed time and independent/self-directed study). A credit value of 120 is generally equivalent to one year of full time study and 1.0 EFTS.
CT	Credit Transfer	Internal Credit Transfer: Credit for the same course already earned in another qualification **from NMIT** External Credit Transfer: Credit for the same course already earned in another qualification **from another institution**

CC	Cross Credit	The granting of academic credit towards a qualification delivered by NMIT, from a **similar** course already completed as part of another approved qualification.
DAS	Directory of Assessment Standards	The Directory of Assessment Standards (DAS) lists all quality assured unit and achievement standards, known collectively as 'assessment standards'.
ebs	Unit Instances (UIs) Unit Instance Occurrences (UIOs)	The Student Management System used at NMIT to establish student study contracts, report to TEC and to generate academic records. The specifications of all NMIT's approved programmes of study. Holds all the general information about a programme of study, but not the details that will change with each year or Semester the course is offered The details that will change with each year or Semester the course is offered (e.g. dates, fees, venues, etc).
EFTS	Equivalent Full Time Student	One EFTS is 1.0 Equivalent Fulltime Student.
EER	External Evaluation and Review	A periodic evaluation of NMIT, by NZQA, to provide a statement of confidence (judgement) about the organisation's educational performance and capability in self-assessment.
EPIs	Educational Performance Indicators	The TEC has published information on the educational performance of tertiary education organisations based on agreed educational performance indicators: • successful course completion • student retention • qualification completion, and • student progression.
ILP	Individual Learning Plan	An Individual Learning Plan essentially belongs to the student. It identifies a student's learning goals, personal goals, timescales, resources and any support required to meet those goals.
ITP	Institute of Technology and Polytechnic	
MoE	Ministry of Education	

NZQA	New Zealand Qualifications Authority	New Zealand Qualifications Authority. Key aspects of the NZQA role are to: • develop, register and support the New Zealand Qualifications Framework • manage the external assessment of secondary school students and moderate secondary schools' internal assessment activities and processes • quality assure non-university tertiary education organisations and their courses, and moderate assessment activities and processes for national qualifications for NZQA-owned unit standards • maintain effective liaison with overseas certifying and validating bodies in order to recognise overseas educational and vocational qualifications in New Zealand, and to achieve recognition of New Zealand educational and vocational qualifications overseas • act as a standard-setting body
NZQF	New Zealand Qualifications Framework	A list of all quality assured qualifications in New Zealand. The framework is the definitive source for accurate and current information on each qualification.
PAC	Programme Approval Committee	A standing committee of the NMIT Academic Board responsible for evaluating and recommending approval of academic developments.
Programme Regulations - including Course Descriptors		The Programme Regulations describe the formal rules of the Programme and its constituent courses. Programme Regulations are the legally binding, contractual obligations of staff and enrolled students. They are used by academic staff to guide delivery of the Programme and its courses. Course Descriptors indicate teaching hours, hours of total student learning, course aims, learning outcomes, unit standards (if included), assessment methods, learning and teaching approaches, requirements for successful completion of the course. ***Approved Programme Regulations and Course Descriptors are not altered, and are used by academic and administrative staff to guide delivery of the programme and its courses.***
PLATO	Programme of Learning and Teaching Observations	The Programme is an important and integral part of NMIT's Quality Assurance System. It is designed to ensure maximum effectiveness of curriculum delivery by encouraging the sharing of good practice within NMIT. The Programme

		encourages discussion within programme teams and across NMIT on improving teaching and learning.
QMS	Quality Management System	A system of clearly defined institutional structures, processes, responsibilities and resources used to manage quality improvement. Accordingly, the QMS includes all aspects of NMIT operations, all work areas and all geographic locations.
RAC	Recognition of Academic Credit	The process for formally recognising relevant experience and/or study that has been achieved prior to completion of a qualification offered by NMIT, as academic credit for a course or courses at NMIT. Includes: Cross Credits, Credit Transfers and RPLs
RPL	Recognition of Prior Learning	A process that makes use of evaluation of evidence of academic achievement and/or work/life experience to assess relevant learning.
Records Management		The effective and efficient operation of NMIT's record keeping systems, including implementing the use of the electronic document management system across the institute.
SA	Self-assessment	The ongoing processes NMIT uses to gain evidence of its own effectiveness in providing quality education.
SAC Funding	Student Achievement Component (SAC) funding	The Government's contribution to the direct costs of teaching, learning, and other costs driven by learner numbers. SAC funding comprises two elements: 1. The programme element, which relates to the types of programmes or courses approved for funding in NMIT's Investment Plan, is based on the SAC funding categories (A, B C etc) 2. The volume element, which relates to the number of valid enrolments in those programmes or courses.
SAR	Self-assessment Report	Self-assessment should be continuous, culminating in formal annual review of the previous year, recorded in a Self-assessment Report (SAR).
SDR	Single Data Return	Data items that are specifically required by the Ministry of Education (MOE) and the Tertiary Education Commission (TEC) for funding, monitoring performance against Investment Plans, publishing performance information, as well as statistical reporting purposes.

		All students for which a valid enrolment has been made in ebs are required to be reported, regardless of the level of study or the funding source. Information is required on student characteristics, course enrolment details, course and qualification completions, course details, and actual EFTS on a monthly basis. Further information on EFTS forecasts is required as part of the validation process. Submitted three times a year (April, August and December).
SMS	Student Management System	How NMIT manages all its student data. Currently using ebs
Student Feedback • **First Impressions** • **Course / Tutor** • **Learner Experience** • **Graduate Destination**		Student surveys are a vital tool for conducting systematic, evidence based, inquiries that are an integral part of NMIT's Self-Assessment process - not just for specific programmes but also for business support areas. It also provides evidence that improvements are actually occurring. **First Impressions** – within first 4 – 8 weeks of the programme **Course / Tutor** – scheduled, at suitable time, by Programme Area **Learner Experience** – within last 2-4 weeks of the programme **Graduate Destination** – conducted 6 months following Graduation
TANZ	Tertiary Accord of New Zealand	A network of ITPs - comprising: • NorthTec • Toi Ohomai • Universal College of Learning (UCOL) • EIT • NMIT • Ara Institute of Canterbury • Otago Polytechnic
TEC	Tertiary Education Commission	Responsible for funding tertiary education in New Zealand
3v6		New course or programme change approval form