

**Rebecca Keoghan**

**Board Chair**

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**cc Alex Cabrera**

**Chief Executive**

**Tai Poutini Polytechnic Limited**

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15 May 2020

Tēnā koe Rebecca

### **Letter of Expectations**

On 1 April 2020, Tai Poutini Polytechnic became a wholly-owned subsidiary of NZIST, a large, high-profile Crown Entity and Tertiary Education Institution. We are writing to convey our key expectations of Tai Poutini Polytechnic as it begins to operate in accordance with our Charter and commence the transformation required by Cabinet. These expectations, and the delivery of them, are a critical element in achieving the Reform of Vocational Education. We are committed to these expectations. From time to time we may update them to meet emerging needs. The transformation required is substantial, and it will not be achieved without the collective effort and commitment of the full NZIST network.

This letter, and any subsequent letters, should be read in conjunction with your Constitution and the Operational and Financial Parameters Direction.

The purpose of this letter is to be clear about the expectations that the NZIST Council has of you, your Board, your management team and Tai Poutini Polytechnic. The effectiveness of NZIST requires and relies on all parts of the NZIST network working together towards this aim. We are a national network, and your Board's effective performance forms a key aspect of our collective performance.

**The NZIST Council has been charged with transforming vocational learning – making it more responsive to the needs of all regions of New Zealand, their learners, industries, employers, and communities.**

Our mission is defined by Parliament through our Charter and by the wishes of Cabinet. Additionally, the Minister of Education has been clear with the NZIST Council on the intent of the reform and the direction our transformation should take. The Minister has provided initial funding for planning, design and early implementation.

The NZIST Council is committed to the role we have been asked to play in the Government's broader strategic objectives including the Reform of Vocational Education, the Tertiary Education Strategy and the International Education Strategy, as well as supporting the Future of Work Tripartite Forum and the national response to COVID-19.

**The path forward is still being formed; we commit to being as open and transparent as possible, engaging early and adopting co-design wherever practical. We ask you for the same openness and transparency. We will work through the transition period noted in the legislation together to effect the transformation needed to meet the challenges we face.**

Over the coming year, the NZIST Council will begin to determine its preferred future operating model and an implementation strategy. NZIST expects that Tai Poutini Polytechnic will contribute and support this development through making available the skill, expertise and knowledge throughout all levels of your organisation to support that developmental effort. NZIST will seek funding from the Crown to deliver this programme.

We commit to moving at pace, whilst at the same time being responsive to the changing environment we all find ourselves in.

**NZIST and its subsidiaries will prioritise urgency of action regarding Te Tiriti o Waitangi: Delivering partnership, protection and participation to achieve equity for Māori.**

We are committed to an effective Te Tiriti o Waitangi partnership, and we require Tai Poutini Polytechnic to be an effective Te Tiriti o Waitangi partner. As part of the transformation programme we will work with you to give effect to this together.

We expect Tai Poutini Polytechnic to demonstrate a genuine commitment to Te Tiriti o Waitangi and the principles that underpin the relationship of Government and Māori. Under Te Tiriti o Waitangi, the Government, education sector agencies and Crown entity providers have joint responsibility with Māori to ensure the education system delivers with, and for, Māori.

The Charter requires NZIST governance, management and operations, including the NZIST subsidiary network, to give effect to Te Tiriti o Waitangi, to recognise that Māori are integral to regional social, environmental, and economic development; and commit to improving outcomes for Māori learners, whanau, hapū and iwi, communities and employers.

As a NZIST subsidiary you have an equal responsibility to genuinely partner with Māori to ensure the education system delivers with, and for, Māori. For Tai Poutini Polytechnic this means:

- embedding a commitment to Te Tiriti o Waitangi | the Treaty of Waitangi in your organisational policy and practices,
- embedding equity for Māori learners in the culture, delivery and outcomes across the whole of Tai Poutini Polytechnic,
- interrogating governance and leadership decisions for their ability to transform the status quo and deliver equitable outcomes for Māori,

- ensuring Māori rangatiratanga is supported by enabling Māori as individuals, whānau, hapū, iwi, mana whenua, or a combination of these, to be actively engaged and able to participate in decision making,
- valuing, validating and protecting local knowledge, interests and values,
- sharing learnings, resources and strategies with the NZIST network, and,
- lifting leadership practice and cultural capability to effectively partner with Māori and contribute to Te Tiriti o Waitangi honouring relationships across the organisation.

We expect Tai Poutini Polytechnic to work actively to lift the leadership practice and cultural capability of Tai Poutini Polytechnic staff to effectively partner with Māori. This should be achieved through tailored cultural capability frameworks and tools that are consistent with the Te Arawhiti Māori Crown Relations Capability Framework.

**Our primary expectation is that the Board and its management team are champions for change.**

The major determinants of a successful transformation are a clear strategy and for all staff to feel ownership of that strategy. Our expectation is that you, your Board, and in particular your Chief Executive and executive team, be change leaders and change champions. We expect alignment between the NZIST network's strategy, the direction that you set for Tai Poutini Polytechnic and the delivery led by your Chief Executive. The performance of your Board and management team will be essential to the effective performance of the subsidiary and its contribution to our national network.

Given that the transformation programme and wider reform will need to draw heavily from the talent and expertise of Tai Poutini Polytechnic's staff, we also expect a proactive contribution to the wider NZIST network. This may involve things such as secondments, participating in working groups, replication and sharing of best practice across the network and ensuring all decisions factor in network considerations.

As you would normally expect, communication from Tai Poutini Polytechnic to its staff is expected to be open and transparent in accordance with the approach the parent is taking and that staff are engaged in discussions regarding transformation and change as we work towards achieving the goals we have been set.

The involvement of students and learners, on-campus, on-line and on-job is also expected and included in the Charter. NZIST expects to receive regular reporting on staff and student/learner engagement as the transformation proceeds.

**The Board and executive of Tai Poutini Polytechnic may need to act in the best interests of NZIST (and its network) from time to time, within the context of best endeavours to meet the needs of your communities.**

The Constitution of Tai Poutini Polytechnic provides that the Board may act in the best interests of the parent even though it may not, at times, be in the best interests of the NZIST subsidiary. While we expect the Boards of NZIST subsidiaries to, as required from time to time, act in the best interests of NZIST (including its network) even though it may not be in the best interests of the relevant NZIST subsidiary, we also commit to operate in a manner that ensures

that, as stated in the Charter, regional representatives are empowered to make decisions about delivery and operations that are informed by local relationships and to make decisions that meet the needs of regional communities.

Within these commitments, we expect that your Board not only support our transformation programme but that Tai Poutini Polytechnic actively builds innovative partnerships with the other NZIST subsidiaries, moving from an autonomous institution to one of being part of a national network of service and provision. This expectation applies from the outset and we look forward to you contributing to the transformation of the network.

This does not mean that all parts of our subsidiary network will necessarily be contributing to every project, but it does mean that projects are delivered in a manner that provide the best outcome for the group. We expect cooperation and coordination between subsidiaries across all capabilities and services and for this to be evident and reported in the way in which all subsidiaries contribute to the network.

As part of this new way of working, we expect an early focus on:

- working collaboratively to reset our groups' international education approach,
- a joined-up response to COVID-19,
- preparing to deliver work-based learning and associated TITO activity, and,
- preparing to develop the new business and operating models.

The parent subsidiary model is a different way of operating to what the sector has been used to previously. The obligations on you as the Board are different to those that applied to members of the previous Council. The manner in which your Chief Executive operates also changes. They are expected to work through your Board to ensure you have the assurance that the manner in which they are executing the plans of Tai Poutini Polytechnic and the group is sound.

**We expect that Tai Poutini Polytechnic works to deliver the Government's ambitions to improve equity.**

Although the transformation programme will support national initiatives that will support equity, these will be most effective when combined with community-centred engagement. We expect that Tai Poutini Polytechnic work with its communities to improve equity of access and achievement for learners as described by the Education Act and Reform of Vocational Education, and our legislated Charter commitments.

**We expect you to engage with us openly and early – No Surprises, Either Way.**

We are committed to being as open and transparent as possible and we expect that relationship to go both ways. We expect Tai Poutini Polytechnic to establish an active 'no-surprise' early disclosure regime that runs from operational staff, through management and governance, to your shareholders. If in doubt, please disclose.

**We expect to be provided timely historic and forecast management reports.**

So that we can measure progress and report externally, we expect Tai Poutini Polytechnic to provide relevant historic and forecast management information on a timely basis. This includes regular assessment of organisational risk. Further detail relevant to this expectation is provided in the Operational and Financial Parameters Direction.

Given the existing financial pressures and potential impact of COVID-19, the establishment of a robust flow of prospective and retrospective management information is a matter of urgency. We anticipate significant investment will be required to anticipate subsidiary cash shortfalls and engage with the Crown as required.

**We expect that robust management and financial controls be maintained.**

At this time of uncertainty and change, management and financial controls are put under strain and there is often a heightened risk of fraud and error. We expect Tai Poutini Polytechnic to actively consider how it will manage the risk and ensure that controls are operating as intended.

The expectations set out in this letter reflect the substantial challenge that we face – to simultaneously transform the learner experience, shift to a single national network, and to manage financial pressures.

These expectations will underpin how we will consider the performance of our network, Tai Poutini Polytechnic and your performance as a Board. Similarly, we expect they will underpin how you might monitor the performance of your Chief Executive.

Thank you for you and your Board members' willingness to take on this governance leadership role as part of the transformation of vocational education. We look forward to working together with you to ensure that NZIST meets the obligations in its legislated Charter in meeting the vocational and educational needs of all regions and local communities.

Ngā mihi



Murray W. Strong  
**Chairman, NZIST Council**



Chris Collins  
**Interim CEO, NZIST**

**Cc. Hon Chris Hipkins, Minister of Education**

**Tim Fowler, Chief Executive, Tertiary Education Commission**