

## Event backgrounder: Meeting with the Tertiary Education Union (TEU) at Waikato Institute of Technology (Wintec)

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| <b>To:</b>        | Hon Chris Hipkins, Minister of Education |
| <b>From:</b>      | s9(2)(b)(ii), Programme Director RoVE    |
| <b>Date:</b>      | 25 February 2019                         |
| <b>Reference:</b> | E-19-00246                               |

### Purpose

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1. The Tertiary Education Union (TEU) at Waikato institute of Technology (Wintec) has asked for you to speak to their members on 27 February 2019.
2. The TEC and MoE will visit Wintec to discuss the Reform of Vocational Education (RoVE) on Tuesday 12 March.
3. General information about Wintec is attached as Appendix 1. The A3 summary sheet includes a short narrative, delivery enrolment, site and demographic data, financial commentary, and educational performance indicator (EPI) information for the 2017 year. Complete EPI information is not yet available for the 2018 year.
4. We recommend that this backgrounder is proactively released.

### RoVE consultation with Wintec's TEU members

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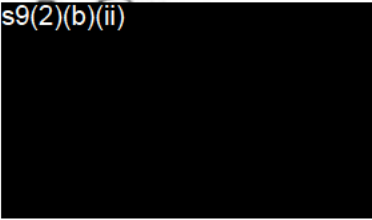
5. The TEU has already welcomed the RoVE proposals, while noting that it may be a difficult time for staff. The TEU were heavily involved in the consultation around the ITP Roadmap 2020.
6. Wintec staff are likely to ask questions about what the proposals mean for future staffing. As the proposal is still under consultation and subject to change, it would not be appropriate for you to comment on this matter.
7. You may be interested in the TEU's views on how the RoVE proposals could benefit the wider education system, including connections with secondary and tertiary, and between foundation tertiary education and further study and employment.
8. You may also wish to encourage the TEU members to access the information about the consultation process by visiting the Reform of Vocational Education page on the Kōrero Mātauranga website at <https://conversation.education.govt.nz/conversations/reform-of-vocational-education/>. Wintec's staff can provide feedback on the RoVE proposal by emailing [vocationaleducation.reform@education.govt.nz](mailto:vocationaleducation.reform@education.govt.nz) or contact the Reform of Vocational Education team on 0800 462 543.

## Other matters

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9. Wintec recently published the outcomes of an investigation by Simon Mount QC into complaints made about the conduct of the Wintec chief executive Mark Flowers. Audit New Zealand has also carried out additional audit assurance work on travel expenses related to past and present executive members, redundancy and severance payments at Wintec.
10. These investigations looked into concerns that were originally raised in 2015 and internally investigated by Wintec. They became the subject of media attention in 2016 and 2017 when Mark Flowers was reappointed as Wintec's chief executive.
11. Simon Mount QC's investigation "did not find the majority of complaints to be established on the balance of probabilities", but did identify instances where the chief executive should have better managed conflicts of interest, and where Wintec did not adequately respond to a serious complaint. Only a brief summary of the QC's investigation has been made public to protect the confidentiality and privacy of those involved.
12. Audit New Zealand's additional assurance work raised a number of concerns relating to "the processes, patterns of behaviour, and level of documentation" related to international travel expenditure, which they consider "do not meet accepted standards of public sector behaviour and provide an increased opportunity for the misuse of public money".
13. Although these are matters to be addressed by the Wintec council, as Wintec is an autonomous institution, s9(2)(g)(i) [REDACTED]  
[REDACTED] You have stated publicly that Wintec needs to urgently review its systems and policies to ensure they align with the expectations for public entities.
14. Mark Flowers is currently on gardening leave due to ill health, and will formally retire on 1 March 2019. Prior to your announcements about RoVE, Wintec had been in the process of recruiting a new chief executive, with some media outlets reporting that Wintec was spending \$75,000 on an executive search company. Wintec has since halted its search, following your announcements about RoVE.

s9(2)(b)(ii)



Programme Director

Delivery Directorate / ITP Structural Reform

Tertiary Education Commission

25 February 2018

**Hon Chris Hipkins**

Minister of Education

\_\_\_ / \_\_\_ / \_\_\_

## Appendix One: Key facts

### TEI PROFILE: Waikato Institute of Technology

Chair: Barry Harris

Chief Executive: Mark Flowers

**Key narrative:** Waikato Institute of Technology (Wintec) is a category 1 EER provider with a central campus in the heart of Hamilton City. Major provision is in nursing; engineering and related technologies; society and culture; and management and commerce. Wintec is the most active ITP in the international tertiary education arena, delivering a range of qualifications offshore (especially in China and Saudi Arabia). It is also the lead provider of the largest trades academy.



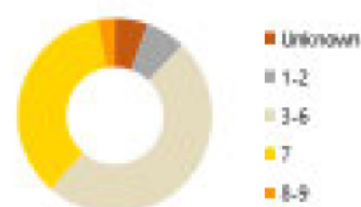
#### Delivery sites

| Town/City     | All EFTS (2017) |
|---------------|-----------------|
| Hamilton City | 5,987           |
| Ederamunui    | 370             |
| Other sites   | 122             |
| <b>Total</b>  | <b>6,479</b>    |

#### Top five qualifications by enrolment

| Qualification                       | All EFTS (2017) |
|-------------------------------------|-----------------|
| Bachelor of Nursing                 | 611             |
| Building & Transport (TO Contracts) | 501             |
| Bachelor of Media Arts              | 328             |
| Self-Funded Contract Programmes     | 235             |
| Bachelor of Applied Management      | 224             |

#### Delivery by NZQF level (all EFTS) for 2017



#### Recent delivery data and demographics

|                                  | 2015   | 2016   | 2017   |
|----------------------------------|--------|--------|--------|
| All EFTS                         | 6,981  | 6,962  | 6,479  |
| All learners                     | 23,653 | 23,375 | 14,772 |
| % Māori learners                 | 18.2%  | 18.5%  | 22.3%  |
| % Pasifika learners              | 4.0%   | 4.7%   | 5.7%   |
| % learners 25 and over           | 59.4%  | 60.8%  | 49.5%  |
| International full-fee delivery: |        |        |        |
| EFTS                             | 931    | 1,009  | 1,004  |
| As % of all EFTS                 | 13.3%  | 14.5%  | 16.4%  |

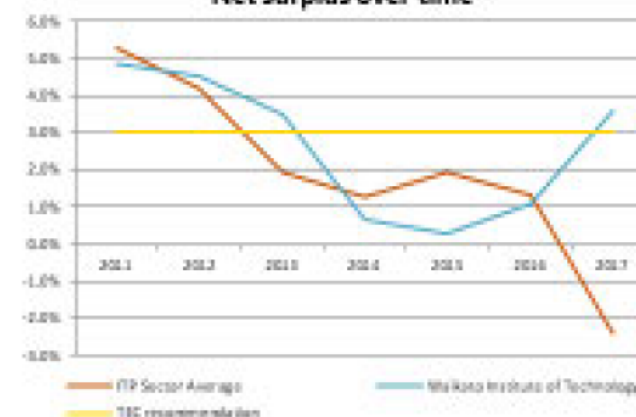
**Financial commentary:** Wintec has recovered to post a reasonable surplus in 2017. s9(2)(b)(ii)

s9(2)(b)(ii)  
s9(2)(b)(ii)

s9(2)(b)(ii)

|  | 2015 audited (\$'000) | 2016 audited (\$'000) | 2017 audited (\$'000) | 2016-2017 change |
|--|-----------------------|-----------------------|-----------------------|------------------|
| Total Income                             | 94,032                | 96,877                | 105,156               | ↑                |
| Total Government Funding                 | 50,214                | 52,519                | 49,387                | ↓                |
| Total International Income               | 13,721                | 15,148                | 18,751                | ↑                |
| Total Domestic Fees and Charges          | 20,875                | 19,123                | 19,458                | ↑                |
| Net surplus, before unusual items        | 257                   | 1,064                 | 1,726                 | ↑                |
| Net surplus (before unusual items) ratio | 0.3%                  | 1.1%                  | 1.6%                  | ↑                |
| Net surplus, after unusual items         | -1,208                | 1,459                 | 2,226                 | ↓                |
| Net surplus (after unusual items) ratio  | -0.5%                 | 2.1%                  | 2.1%                  | ↓                |
| Total Liquid assets                      | -2,545                | -4,332                | -1,826                | ↑                |
| Total Debt                               | 20,800                | 12,800                | 18,326                | ↑                |

#### Net surplus over time



#### Funding source for 2017



### Educational Performance (Cohort EPIs)

#### Course completion



#### Qualification completion



#### Progression



#### Retention



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

|                   | Non-Māori and non-Pasifika | Māori | Pasifika | Non-Māori and non-Pasifika | Māori | Pasifika | Non-Māori and non-Pasifika | Māori | Pasifika | Non-Māori and non-Pasifika | Māori | Pasifika |
|-------------------|----------------------------|-------|----------|----------------------------|-------|----------|----------------------------|-------|----------|----------------------------|-------|----------|
| Course completion | 82.0%                      | 68.9% | 70.4%    | 54.9%                      | 38.5% | 38.1%    | 47.7%                      | 44.0% | 44.7%    | 73.8%                      | 58.5% | 51.4%    |

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

|                   | Non-Māori and non-Pasifika | Māori | Pasifika | Non-Māori and non-Pasifika | Māori | Pasifika | Non-Māori and non-Pasifika | Māori | Pasifika | Non-Māori and non-Pasifika | Māori | Pasifika |
|-------------------|----------------------------|-------|----------|----------------------------|-------|----------|----------------------------|-------|----------|----------------------------|-------|----------|
| Course completion | 84.5%                      | 72.2% | 72.2%    | 54.4%                      | 49.7% | 51.3%    | 32.0%                      | 37.0% | 30.9%    | 63.8%                      | 53.9% | 56.8%    |