

Highlights



Central oversight and consistency
Stage three of organisational structure change completed. New control processes in place for 2019.

Quality and moderation
Progress against the EER Improvement Plan has been self-assessed against how well staff are aware and processes are embedded. Staff awareness has increased considerably.

Department of Conservation
Training calendar in development in conjunction with West Coast DoC to provide training opportunities for DoC employees to develop transferable skills into other areas within DoC therefore reducing attrition rates for the West Coast. Particularly important for the West Coast where it is difficult to recruit for ranger positions.

Connecting employers with job seekers on the West Coast
Web application for Coast Connect developing and launch scheduled for the end of March. TPP will be the connector between employers and seekers, which could be students as well as people from the community.

On track At risk Completed

The requirements of the Capital Inject Funding Agreement for 2018 have been met in their entirety. 2019 targets and actions are an extension of the targets for 2018 with the expectation that TPP will lift its performance further. The focus for 2019 is to fully embed new processes and culture developed in 2018. The challenges for 2019 remain the same as for 2018.

Progress against targets

- Ongoing operation savings of \$5 million**

 - Ongoing savings of \$5.8m achieved. 18% uplift on plan.
 - **s9(2)(b)(ii)**

What's next: Continue efforts to achieve ongoing savings of \$6 million for 2018/2019

- Improve EER rating to category 3 by December 2018 (EER visit scheduled 4-7 Dec)**

 - EER conducted in December 2018. Awaiting result of EER.

What's next: Self-assessment Working Group continuing from 2018 to embed self-assessment across the organisation lifting self-assessment capability and educational performance. **Quality Improvement Plan for 2019** developed extending 2018 actions and efforts to ensure momentum gained in 2018 is continued in 2019.

- Develop and document relationships with SIT, Open Polytechnic, Te Wānanga o Aotearoa**

 - MoU developed and signed with SIT for academic support and delivery.
 - MoU developed and signed with Open Polytechnic for academic support and delivery.
 - MoU developed and signed with Te Wānanga o Aotearoa for delivery support.

- Increase staff capability, academic quality and improve self-assessment**

 - Programme Evaluation Process trialled in 2018 rolled out to all programmes for 2019. Consistent outputs sought for 2019. Self-assessment against NZQA self-assessment and educational performance rubrics to feature in the organisation 'testing' staff capability and academic quality.
 - Academic Board workplan self-assessed and revised to ensure consistent academic oversight to improve academic quality of teaching and delivery.

What's next: Continued use of data dashboards and a revision of existing against self-assessment feedback from Tutors for 2019. Graduate destination data gathering rolled out for all programmes in 2019 using trialled process. Self-assessment and monitoring of impacts of quality improvements to become a standing item for discussion at team meetings, leadership meetings and for formal committees.

- Centralisation of organisational structure to enable quality improvement and oversight**

 - Stage 3 implementation completed and new structure in place. New leadership team in place and induction, goal and expectation setting completed. Delays incurred during restructures have negatively impacted on the financial bottom line.
 - New Institutional Academic Committee with revised Terms of Reference created to 'reset' expectations under new centralised faculty.

What's next: Work on capability building with new induction process being developed. Management training plan developed for 2019. Culture project to be implemented to consolidate organisation after the restructuring process and significant changes to prepare staff for sector changes that may come.

- Improve management and compliance accountabilities**

 - Centralised monitoring of compliance accountabilities is in place and being monitored for effectiveness.

What's next: Expecting all programmes student contact hours mapped in APlus+ and monitored 'real time' for 2019 delivery. TPP Internal Policies include an internal audit schedule that aligns with policy review dates for 2019.

- Workforce and training needs analysis completed for West Coast region**

 - Workforce and training needs analysis completed to inform MoP.
 - Survey of West Coast businesses in collaboration with Development West Coast completed.
 - Current job prospects on the West Coast collected and analysed to determine alignment with training needs analysis.

What's next: Future needs of the West Coast region included in the workforce development plan for the Core Competency Framework for TPP.

- Mix of provision aligned with West Coast region workforce and training needs analysis**

 - Web application called 'Coast Connect' set for launch in March 2019.
 - Mix of Provision developed for TPP Investment Plan – Investment Plan with TEC Investment Manager for approval by TEC Board.
 - Staff, community, Iwi and industry stakeholders canvassed to inform Mix of Provision

What's next: Continue the work engaging with the community, industry and local agencies to determine training needs and provide training options for the benefit of the community.

Progress against actions

1. Ongoing Cost control and measures

s9(2)(b)(i)

Operating cost reductions

- 38% reduction in total operating expenses. **s9(2)(b)(ii)**

2. Improving quality systems and processes

EER Improvement Plan progress provided in a separate report. NZQA "Is satisfied that TPP are making good progress against the agreed action plan" as at November 2018. New TPP Quality Improvement Plan 2019 provided as progress report for 2019.

3. Improve responsiveness to students and employers on the West Coast

In 2018 learners at TPP experienced delays in reporting of their results due to the results verification process set by NZQA as a result of the category 4 rating. TPP sent letters to students enrolled at TPP and to schools and parents for those students engaged in the West Coast Trades Academy delivery at TPP. TPP also maintained contact with the Ministry of Education to ensure that they are abreast of the delays in reporting from TPP for trades academy students. For 2019 TPP has developed a plan, put in place resourcing, included Trades Academy in the self-assessment process, and improved the results reporting process to ensure results are processed as quickly as possible so that all credits achieved at the West Coast Trades Academy through TPP are available for learners to contribute to their school NCEA results.

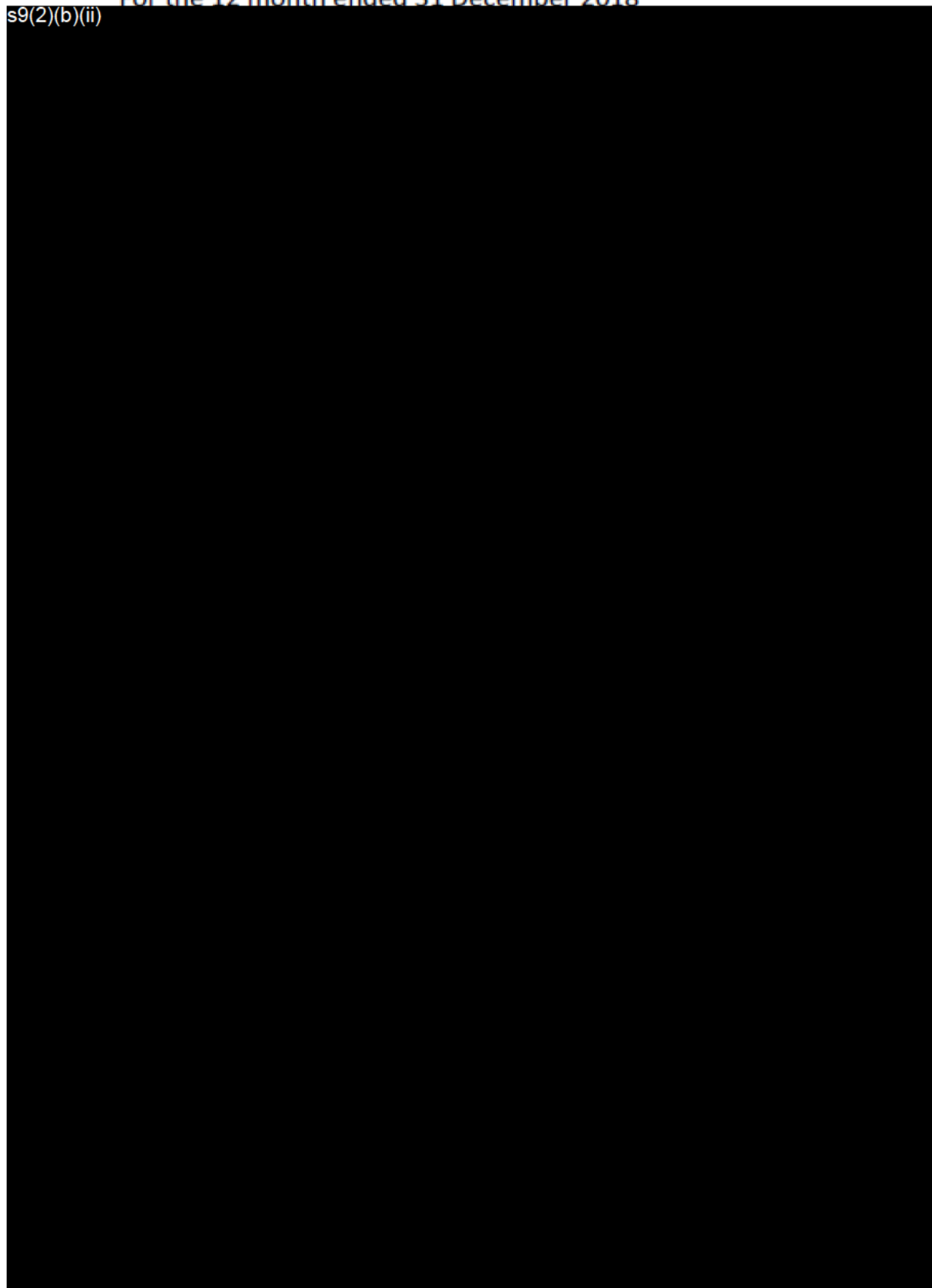
Challenges/Mitigation

- **Challenge** – Scale and scope of change initiatives required to turn TPP around eg becoming a student centric organisation, financial viability, building organisational capability, structure realignment, right-sizing, programme rationalisation with resulting reduction in sites/revenue, change management and maintaining staff morale, quality systems and processes, improvements, meeting commitments to agencies, stakeholder and community relationships. **Mitigation** - prioritisation of tasks that have the greatest impact on outcome. Internal capability built with support from external expertise.
- **Challenge** - Managing internal changes in the context of growing and prolonged uncertainty where far-reaching changes in the structure of the tertiary sector is predicted, creating another layer of tension and complexity particularly in terms of creating a vision for TPP. **Mitigation** - Open and transparent communication with staff and agencies. Ongoing focus on stakeholder and community relationships.
- **Challenge** - Implementing and imbedding quality processes and new culture across staff and sites within a short time-frame. **Mitigation** - Two new roles established to manage and monitor significant components of the improvement plan The Director Recovery Activities and Director Project Management Office focused on change activities and guiding staff through critical business as usual activities.
- **Challenge** - Achieving future viability and right sizing the organisation while losing significant proportion of TPPs provision. **Mitigation** - Refocusing on regional needs, improving relevance, reducing costs and improving productivity. On-going communication outlining the long-term benefits of current initiatives and efficiencies.
- **Challenge** - Organizational capability to ensure TPP continues to move forward. De-escalation of the intervention prior to new practices and leadership being confirmed/embedded and/or insufficient guidance from agencies regarding the future state of the ITP sector. **Mitigation** - Capability building and ensuring a strong governance and management team underpin future viability and continues improvements.
- **Challenge** - Conflicts of interest for management and governance roles given the small population size of the West Coast. **Mitigation** – Clear roles and responsibilities. Policy, register and disclosure requirements. Management and governance roles need to manage their interests in a way that is transparent and does not compromise the decision that is being made as per Office of the Auditor General guidance.
- **Challenge** – Tangible movement in culture required within short timeframe. **Mitigation** – Redevelopment of roles to clarify accountability and responsibility. Creation of a single faculty to support central oversight, internal communications, process development and organizational cohesion.
- **Challenge** – Lack of self-assessment capability across the organisation. **Mitigation** – Capability development initiatives with a particular focus on self-assessment for staff, management and governance. Embedding self-assessment processes.

Challenges

Performance Summary

For the 12 month ended 31 December 2018



Key Comments

- We have met and exceeded the target of \$5m ongoing savings as agreed with Central Agencies.
- s9(2)(b)(ii) 2019 will see the full \$4m savings.
- Secured MOE funding is down \$1.7m from the original budget due to MoP transformation. Revenue has also been impacted by limited take-up on transition to ITO delivery, non-strategic areas such as Waikato as well as poor quality delivery (OSH/FCR etc) being discontinued and new programmes not yet running.
- We will continue to enroll students provided delivery meets quality standards and focus on embedding changes.
- Cash and term deposits available at the end of December 2018 were approx. \$5m.

Revenue

There was a large rollover of EFTS from 2017 to 2018 (366 EFTS) for which tuition fees were recognised in 2017 due to a change in accounting standards. The rollover from 2018 to 2019 is only 34 EFTS. This means 2018 year revenue reflects a very large mis-match between the recognition of revenue and incurring the costs of delivery. Student enrolments have also been slightly less than anticipated.

s9(2)(b)(ii), s9(2)(f)(iv)

Operational Expenditure

Operational expenditure is below the revised budget and represents savings of \$2.7m compared to the original 2018 budget.

Depreciation

Depreciation is \$113k less than the revised 2018 budget and \$457k less than the original budget. A number of vehicles and other assets were disposed during 2018. Further work will continue in early 2019 to identify other assets that can be disposed and provide further savings.

Surplus/Deficit

The reduced revenue is the most significant reason for the variation the revised 2018 budget. Staffing costs also did not reduce as early as anticipated.

In 2019 TPP funding has been further reduced by the transfer of Emergency management and Search and rescue provision to the Ministry of Transport placing a further strain on TPP's budget. ITO Funding expectations were not met in 2018 and this will have a flow on effect for 2019.

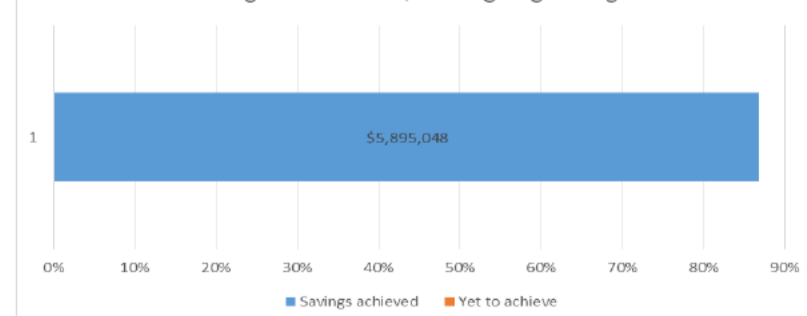
* Transformational costs are included within Staffing and Operational expenditure for statutory reporting. Capital Injections are recognised directly in Equity for statutory reporting.
 ** TPP recognises EFTS and the associated revenue based on delivery. PBE Statutory reporting requires this revenue to be recognised based on enrolled EFTS. Full year Budget (Original) includes the discontinued MAINZ business unit.
 Please note that the EFTS figures quoted in the financial report above are the EFTS consumed, i.e. the proportion delivered ytd, not the total value of EFTS enrolled for the year.

Target EFTS	Consumed EFTS YTD as at 31 December 2018
899.8	902

Capital Injection Funding

	Spend (\$000s) As at Dec 2018	Budget (\$000s) 2018 Full Year
Project Management	385	300
HR & Change Management	1689	1700
Staff Development	145	200
Academic	549	600
Systems	367	500
Facilities and Capital	152	500
Communications and Student Assistance	175	200
Compliance	285	200
Transitional deficit and remote subsidy		2250
	3747	6450

Progress towards \$5m ongoing savings



2018 ytd savings compared to \$5m target

We have achieved more than the \$5.8m target savings and 18% uplift on plan.

We have transferred leases to the value of \$0.9m with associated outgoings of \$0.3m and

s9(2)(b)(ii) Previously capitalized costs for courses no longer offered have since been written off. This will reduce amortization costs in 2019.

s9(2)(b)(ii), s9(2)(f)(iv)

Key Comments

- The remote subsidy included in the 2019 budget is less than that required and refers to an amount allocated in the last cash injection. TEC work on a July to June financial year, whereas ITPs have a January to December financial year. We are awaiting a decision from the Minister on any additional amount for the remainder of 2019.
- Target EFTS is 700 for 2019. EMSAR funding is unlikely to be allocated to TPP for 2019 representing a reduction of \$1m in funding.
- Reduction in MoE funding and associated tuition fees funding is due to cessation of delivery of low quality programmes and those that do not align to the West Coast region.
- Paybill reduction was delayed in 2018 due to timing of restructures and inability to recruit some permanent positions.
- ITO funding expectations were not met in 2018 due to delay in new model delivery. This will have a flow on effect on funding expectation in 2019.

s9(2)(b)(ii)

Tai Poutini Polytechnic has outlined a number of actions against objectives agreed through the internal self-assessment and evaluation that occurred in 2018.

Key: On Track ● On Track ● Less than 50% ● At risk ●

1. Strengthen self-assessment capability to improve and support effective management and oversight of educational and organisational performance. ●
2. Ensure planned improvements consistently implemented across the organisation and that the impact of improvement initiatives are regularly monitored. ●
3. Implement effective maintenance of academic standards and integrity, including ensuring consistent approach to assessment and moderation practices. ●
4. Strengthen processes to ensure accurate, valid and timely data is available and analysed to inform self-assessment activities and decision-making ●
5. Use understanding of how well services are contributing to learner wellbeing and success to improve learning and support services ●
6. Improve stakeholder engagement to increase understanding of the needs of communities and industries. ●
7. Systematically collect information on graduate destinations and the effectiveness of graduates in the workplace, and analyses the data to inform programme development. ●
8. Improve effective management of important compliance accountabilities across the whole organisation ●

This plan tracks progress against these actions and is centrally monitored by Management Team. Regular reporting of progress against actions is provided to Academic Board by the Leader - Academic. Minutes of Academic Board are provided to Council for update on progress.