

## Aide-Memoire: Te Pūkenga quarterly monitoring report – December 2022 quarter

---

<b>To:</b>	Hon Jan Tinetti, Minister of Education
<b>From:</b>	Gillian Dudgeon, Deputy Chief Executive – Delivery, Tertiary Education Commission
<b>Date:</b>	17 February 2023
<b>Reference:</b>	AM-23-00059

### Purpose

---

1. This aide-memoire provides an assessment of Te Pūkenga's performance following receipt of its quarterly report for the December 2022 quarter. It also incorporates information obtained through our wider monitoring activity, including information received since Te Pūkenga submitted its quarterly report on 27 January 2023, so that it provides the most up-to-date picture possible. Te Pūkenga's full quarterly report is attached.

### Executive summary

---

2. Over the December 2022 quarter, Te Pūkenga completed the successful disestablishment and transition of all of the former Institute of Technology and Polytechnic (ITP) subsidiaries into Te Pūkenga and the transition of the 'arranging training' function from Transitional Industry Training Organisations (TITOs). On 31 December 2022, Te Pūkenga also disestablished Work-Based Learning Limited (WBL), which had been used as a temporary subsidiary to receive TITO functions over 2021 and 2022. As a result, all staff now sit within business units of the same organisation and the Council has direct oversight of all operations. This is a significant milestone which should enable more strategic and integrated decision making, as well as support the overall movement towards Te Pūkenga operating as a single, cohesive network.
3. In December 2022, the large majority of a new executive team was appointed. Seven out of nine Deputy Chief Executives are now in place with nearly all of those appointed coming from within the sector, providing depth of tertiary education experience. Acting Chief Executive Peter Winder was also confirmed as the permanent Chief Executive. While there will be a transition period where the executive team needs to get up to speed, the certainty from having a permanent leadership structure in place should help drive improved decision making going forward.
4. Over the December 2022 quarter, Te Pūkenga began formal consultation with staff in some back office functions as part of moving to its new organisation structure. The new Digital and People, Culture and Wellbeing structures were consulted on while consultation on the Finance and Property function has recently begun. Over 2023, Te Pūkenga will consult with the remainder of staff so that by the end of the year the new organisation structure is fully implemented. The key challenge remains the design and implementation of the ako delivery business group and how the delivery of work-based, campus-based, and online education and training becomes integrated.

5. Overall, good progress continues to be made by Te Pūkenga building off momentum developed in the previous quarter. However, due to previous delays, Te Pūkenga must continue to deliver at pace given the significant size of its transformation programme and the tight timelines in which to deliver it. A key challenge that is being raised by Te Pūkenga is resourcing, and this is likely to be an ongoing issue going forward. Te Pūkenga must ensure its planning is robust – an aspect that has not always been done well to date – and that it is constantly reviewing its forward resourcing needs so its overall workplan remains on track. Robust programme management and having the right governance structures in place will also be important, and this is an area we are continuing to engage with Te Pūkenga on.

6. 9(2)(b)(ii)

7. 9(2)(b)(ii)

9(2)(g)(i)


The Council and management will need to quickly implement initiatives in response to lower enrolments to mitigate the financial impact. It is integral that Te Pūkenga continue to work hard on a transformation plan which will support it moving towards financial sustainability, acknowledging that moving to a sustainable model will take several years to achieve.


## Summary – RAG status


**Key:**


 Low risk

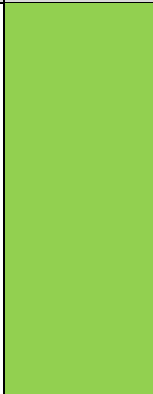
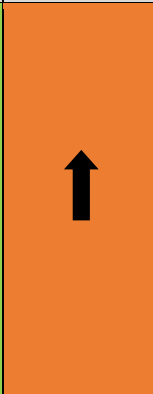
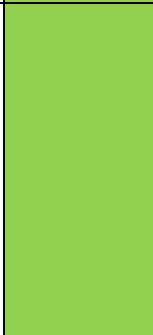
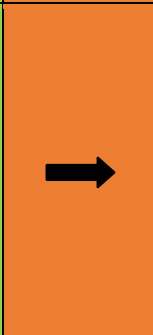
 Medium risk

 High risk – plan required to get back on track








 Improved since previous quarter

 Unchanged since previous quarter

 Worsened since previous quarter

Work stream or focus area	TEC rating of where Te Pūkenga should be	TEC rating based on current activity	Commentary
Operating model and organisation structure			Over the quarter, all remaining ITP subsidiaries and TITOs transitioned into Te Pūkenga and WBL was disestablished. The structure for key back office functions – Digital, Finance and Property, People, Culture and Wellbeing – have now been designed and are either confirmed or being consulted on. Te Pūkenga is now focussing on the design of four other business groups: Ako Delivery; Academic Centre and Learning Systems; Learner, Employer Experience and Attraction; and Te Tiriti. Te Pūkenga plan on consulting on all four groups at the same time by mid-2023 in anticipation of recruitment being undertaken later in 2023. This work will present challenges both in the design of the business groups but also through consulting with such a large number of staff at one time, which will require careful management. Many design challenges continue to be worked through including how on-job, off-job, and online delivery is integrated and what is delivered and managed locally versus regionally or nationally. Getting this right is critical to achieving the desired outcomes of Te Pūkenga and the wider reforms.
Capital asset strategy			In December 2022, the TEC Chief Executive approved Te Pūkenga’s high priority capital plan and the first \$25 million of the \$40 million in capital funding provided through Budget 2022 was paid to Te Pūkenga. Te Pūkenga are now focussed on delivering the projects outlined in the high priority capital plan. This funding needs to be spent or committed before the final \$15 million is released. Te Pūkenga is also prioritising reviewing its property needs, beginning with rationalising its property portfolio in central Auckland and Wellington. Over the next year, we expect Te Pūkenga to continue to work through its approach to property divestment. 9(2)(f)(iv)

This figure may need to be reassessed given current financial performance and following Budget 2023 decisions.

<p><b>Network collaboration</b></p>			<p>Te Pūkenga continue to seek opportunities for collaborative activity and delivery across its business divisions. This includes across both work-based and provider-based delivery. With all staff now under one structure, we expect greater collaboration to occur going forward. However, large gains are unlikely to be made until the new organisation structure is in place.</p>
<p><b>Māori partnerships and equity</b></p>			<p>Limited progress was made in this area over the December 2022 quarter with a number of major milestones in the partnerships and equity workstream being missed, which Te Pūkenga attributed to resourcing issues. A key focus over 2023 for Te Pūkenga will be the prioritisation and embedding of its equity strategy and learner success plan. This reinforces the importance of planning and forward resourcing if Te Pūkenga is to achieve its goals.</p>
<p><b>Financial performance</b></p>			<p>9(2)(b)(ii)</p> <p>Management will need to implement a range of cost savings and mitigations as soon as practicable to reduce the size of the deficit.</p>
<p><b>Enrolments</b></p>			<p>Te Pūkenga EFTS fell by 10 percent over 2022. This was driven by a 9 percent decline in SAC/YG funded EFTS and a 36 percent decline in full-fee international EFTS. While the transition of TITOs into WBL makes comparisons difficult, work-based delivery rose 7 percent for the sector as a whole over 2022. 9(2)(b)(ii)</p>
<p><b>Reporting</b></p>			<p>There remains a need for Te Pūkenga to improve overall reporting both on its transformation programme as well as on core operational performance including financial, enrolment and risk reporting. Te Pūkenga has highlighted this as an area it urgently wants to improve, particularly financial and enrolment reporting. 9(2)(b)(ii)</p> <p>which will require careful monitoring and responses to be implemented that minimise the financial impacts. We will be looking for evidence of improved reporting over coming quarters. 9(2)(g)(i)</p>
<p><b>Management</b></p>			<p>The large majority of a new executive team was appointed in December 2022 with six of the seven new DCE appointments from the tertiary education sector. This is a welcome improvement – however, there remains a need for transformation expertise to be brought on to support the executive team. It is important that the new ELT quickly get up to speed and begin working as a cohesive team. Major decisions are required over the next year, as well as driving the required culture change so that the network operates as one organisation. Two positions on the executive team remain unfilled – the Chief of Staff and DCE Tiriti Outcomes. Te Pūkenga are currently recruiting for these positions.</p>
<p><b>Governance</b></p>			<p>There are a range of significant decisions to be made over 2023 that will require strong leadership by the Council. To support this, the Council has moved to monthly meetings from the six-weekly meetings undertaken in 2022. Te Pūkenga has also set up monthly meetings of the finance and capital investment sub-committee which should ensure stronger oversight of Te Pūkenga’s financial performance and the actions that are being put in place to address financial sustainability issues. Te Pūkenga recently decided to disestablish its transformation committee. A key issue for the TEC going forward is understanding who has oversight of Te Pūkenga’s wider transformation, and what governance arrangements are put in place to oversee its significant and complex IT systems integration programme. This includes how it will now leverage independent expertise through governance structures. This is a key issue we will be engaging with Te Pūkenga on over the coming quarter. We still consider the reporting from management to Council on both transformation and key operational matters needs to improve. This is particularly important given the subsidiary boards no longer exist.</p>

## Key developments since our last report

---

### Progress continues to be made against Te Pūkenga’s action plan...

8. In August 2022, as part of the reset of its work programme, Te Pūkenga developed an 11-point action plan which largely focussed on the structural and staffing changes required, financial sustainability, and other key activities to support Te Pūkenga’s transformation programme. The 11 actions later became 10, and Te Pūkenga has outlined its progress against these in its quarterly report.
9. Overall, good progress continues to be made against the action plan although some aspects are naturally progressing faster than others as Te Pūkenga prioritises certain areas of work. Of the 10 actions, Te Pūkenga has rated two as ‘green’, one as ‘amber/green’, two as ‘amber’, and five as ‘amber/red’. The key actions around organisation structure, implementation approach, and financial sustainability have been rated ‘amber/red’, unchanged from the September 2022 quarter.
10. Te Pūkenga has also rated its overall Transition and Transformation work programme as ‘amber/red’, a deterioration from ‘amber’ in October 2022. The key reason for the worsening rating has been long-term resourcing issues which means a number of milestones have been missed or not delivered fully. Over the December 2022 quarter, only 70 percent of key milestones were fully achieved.
11. The TEC agrees with the overall ratings in the action plan and for the wider work programme. While progress continues to be made in key areas, the ratings reflect that a large amount of work still needs to be undertaken and that these are complex and challenging projects, which carry a range of risks. While resolving resourcing challenges and improving overall planning will assist, we consider the programme will remain high risk for the foreseeable future.

### ...as a new executive team has been established...

12. Over December 2022, a new senior executive team was established. Acting Chief Executive Peter Winder was appointed as the permanent Chief Executive on a fixed term contract through to June 2025 while seven of the nine Deputy Chief Executives (DCEs) commenced in their permanent roles. Four DCEs were appointed from the previous ITP sector and one from the industry training sector while the DCE Strategy and Transformation also has tertiary education experience. Te Pūkenga is currently recruiting for the two remaining DCE positions – Chief of Staff and DCE Tiriti Outcomes – following an initial unsuccessful recruitment process.
13. The establishment of a permanent executive team is a major milestone and should help drive improved performance and decision making. Given the large, interdependent work programme, the executive team must begin to work quickly as a cohesive unit as major decisions are required over 2023. There is also a critical need to drive the culture change from 25 separate organisations into a single, unified network. This culture change needs to occur if Te Pūkenga is to achieve its sought benefits.
14. Recruitment for the wider leadership team is also underway. Te Pūkenga is currently about to commence interviews for the eight regional co-leadership positions and the eight nationally led ako network leads.

### ...and all parts of the network have now fully transitioned into Te Pūkenga...

15. Over the December 2022 quarter, all remaining ITP and TITO transitions were completed and Te Pūkenga’s WBL subsidiary was disestablished. This process was completed successfully with all staff transfers occurring smoothly. Te Pūkenga now has direct oversight of all operations across the network. This will bring some challenges in governance and oversight (i.e. there will no longer be subsidiary boards) and exposes some existing gaps (e.g. the continued lack of an internal audit function) but should allow more consistent and improved decision making across the network. With all staff operating under the same structure, it should

also allow Te Pūkenga to implement the new organisation structure, operating model, and move towards financial sustainability more easily.

**...with the first aspects of the new organisation structure being implemented...**

16. Te Pūkenga is taking a phased approach to implementing its new organisation structure with the aim of the new structure being in place by the end of 2023. Over late 2022, Te Pūkenga consulted on the new structures for Digital and People, Culture, and Wellbeing (PCW). The Digital and PCW structures have now been finalised and recruitment underway. The objective for both business groups is that they will go live on 1 April 2023. The Finance and Property proposed structure has recently gone out for consultation with staff.
17. Te Pūkenga is currently finalising the timetable for the transition of remaining business groups. However, we understand that it is now planning to design and consult on four of the remaining business groups at once: Ako Delivery; Academic Centre and Learning Systems; Te Tiriti; and Learner, Employer Experience and Attraction. This is largely due to the interconnectedness of the four business groups and the difficulty in designing the proposed structures in isolation. Te Pūkenga hope to begin consultation on these four groups by the middle of 2023. This will require significant planning and effort given the large number of staff involved.
18. Later in 2023, Te Pūkenga will commence the design process for Strategy and Transformation, and the Office of the Chief Executive.

**...although there is still no clarity on how on-job and off-job delivery will be integrated...**

19. As we highlighted in our previous monitoring report (AM-22-00695 refers), we consider the biggest design challenge centres around how the Ako Delivery and Academic Centre and Learning business groups work in practice. These two groups comprise the majority of staff and integrating work-based, campus-based, and online delivery into a single, unified model is at the heart of achieving the outcomes of the reforms. The design must also give effect to the matrix model being proposed which balances regional operations and delivery within the eight nationally led ako networks. This includes making decisions around what is delivered and managed locally versus regionally or nationally.
20. Creating a single, unified model is a large and complex piece of work. Te Pūkenga will need to redefine many roles across its workforce and bring staff together to operate in a completely different way than they did in their previous ITP and TITO sectors. Given its importance, Te Pūkenga will need to provide clear timelines and reporting against these timelines to ensure it remains on track and overall progress can be monitored. It will also need to ensure it retains the confidence of industry through this process, which will be crucial to the success of Te Pūkenga's new operating model and its ability to grow work-based delivery.
21. To date, there has been a lack of clarity on how the ako networks will work in practise and how on-job and off-job delivery will be integrated. We have yet to have any meaningful engagement or view any material on the proposed new design. This will be a key matter we engage with Te Pūkenga on over the coming quarter.

**...but capacity constraints remain a major issue**

22. Given the size and complexity of Te Pūkenga's transformation programme, a range of capability is needed to ensure it is delivered successfully and on time. This includes resource that has experience delivering large transformation programmes. Te Pūkenga has raised resourcing as a key challenge, and we consider this is likely to be an ongoing issue given the tight labour market. It is important that Te Pūkenga continues to improve its planning and has a clear roadmap, so that its capability needs are known, and resourcing risks can be managed as well as possible.
23. Related to the resourcing challenges is that Te Pūkenga will need to continue to manage staff retention issues. There remain key person risks across Te Pūkenga, with a small team of individuals driving the work programme and making the majority of decisions. There is also a

risk that during the transition phase there may be a loss of key institutional knowledge (particularly around systems and in-flight projects) that will need to be managed carefully.

## Crown funding and recent developments

---

### Several funding decisions have been made regarding Te Pūkenga recently...

24. As part of Budget 2022, the Government agreed to provide up to \$40 million in Crown capital funding to Te Pūkenga to allow it to address high priority building issues across its network of ITP subsidiaries. Before funding could be released, Te Pūkenga was required to submit a high priority capital plan to the TEC that set out what projects will be funded (or part-funded) by the Crown investment.
25. In December 2022, the TEC Chief Executive approved Te Pūkenga's high priority capital plan, and the Ministry of Education paid the first tranche of \$25 million in funding. The second tranche of \$15 million can be released in 2023/24 subject to the approval of the TEC Chief Executive. The funding agreement requires Te Pūkenga to have spent or committed the first \$25 million before the second tranche of funding can be paid. We will begin receiving regular reporting on how the high priority capital plan is progressing from next quarter.
26. In February 2023, Joint Ministers endorsed Te Pūkenga's Key Systems Single Stage Business Case (SSBC) and agreed to release \$15.6 million in Crown funding to deliver three technology solutions. Going forward, Te Pūkenga will need to report against the milestones stated in the SSBC as well as the overall use of funding as part of its regular quarterly reporting to the TEC. This reporting will need to clearly show progress against the targets outlined in the SSBC and how the three primary benefits are being realised.
27. In February 2023, Joint Ministers also agreed that Te Pūkenga could retain the \$9.9 million in underspent Integration and Transformation funding, which had been provided as part of 2020 Cabinet decisions. The Crown funding agreement required all Integration and Transformation funding to be spent by 31 December 2022, but Ministers have now agreed this funding can be retained for use over the first half of 2023.

### ...and decisions regarding the PBC will be made as part of Budget 2023

28. Te Pūkenga submitted a PBC to the former Minister of Education on 31 October 2022 <sup>9(2)(f)(iv)</sup>  
[REDACTED] This funding will be considered as part of Budget 2023. We provided advice to the former Minister of Education on 29 November 2022 (AM-22-00769 refers), and we are due to meet with you and the Minister of Finance on 22 February 2023 to discuss the bid.
29. Going forward, we will continue to work with Te Pūkenga to understand its latest plans with regards to the IT systems integration, including its business case pathway. <sup>9(2)(b)(ii)</sup>  
[REDACTED]
30. We will also engage with Te Pūkenga on the programme management and governance structures it intends to put in place to manage the work as well as the assurance approach that will be used. These matters are important to ensure the transformation programme is a success – however, it will also assist in the development of a new Crown funding agreement, dependent on further Crown funding being provided.

## EFTS and financial performance

### Total enrolments fell by 10 percent over 2022...

31. Provider-based EFTS fell by 10.2 percent (6,972 EFTS) in 2022. This was driven by an 8.9 percent (5,211 EFTS) decrease in student achievement component and Youth Guarantee (YG) funded EFTS and a 36.1 percent decline (2,861 EFTS) in full-fee international EFTS.
32. Te Pūkenga had budgeted for a 4 percent increase in EFTS in 2022 so the actual result was significantly worse than budget. Partially offsetting the decline was an increase in work-based learning. While the transition of TITOs into WBL over 2022 makes comparisons difficult, total standard training measures (or STMs, which are used to measure the quantity of industry training) rose 7.3 percent over the wider sector in the December 2022 quarter compared to a year ago.

### ...which will result in a large deficit being reported for the year...

33. Te Pūkenga budgeted for a \$58.7 million deficit in 2022. Following a \$110 million deficit being forecast in April 2022, as a result of weakness in both domestic provider-based and international enrolments, Te Pūkenga targeted 3 percent savings across its network. It also undertook a comprehensive reforecast of full-year financial performance based on data to the year to June 2022. This resulted in Te Pūkenga forecasting a full year deficit of \$63.6 million.

34. 9(2)(b)(ii)

This result is driven by a large deficit across the former ITP subsidiaries, with WBL reporting a 9(2)(b)(ii) as at the end of November 2022.

35. Relative to the reforecast undertaken in August 2022, 9(2)(b)(ii)

So while underlying performance appears to be in line with the August 2022 reforecast (including the 3 percent savings target largely being achieved), these 9(2)(b)(ii)

36. We will formally receive Te Pūkenga's draft result for Te Pūkenga on 24 February 2023. Te Pūkenga's 2022 audited result will not be available until the end of May 2023.

### ...but Te Pūkenga's cash position remains strong...

37. Despite the large deficit, overall cash balances remain strong with Te Pūkenga having 9(2)(b)(ii) in cash and short-term investments as at November 2022. This is 9(2)(b)(ii) better than budget and partly reflects a significant reduction in capital expenditure 9(2)(b)(ii). Te Pūkenga also has no commercial bank debt and a 9(2)(b)(ii) with Westpac as part of a 9(2)(b)(ii) from the Secretary for Education provided in December 2022.

38. Given Te Pūkenga's access to cash, we have no concerns around its liquidity or short-term viability. Our concerns primarily relate to Te Pūkenga's medium to long-term sustainability and the need for these cash reserves to help fund Te Pūkenga's transformation and other capital expenditure needs rather than to fund deficits.

9(2)(b)(ii)

39. 9(2)(b)(ii)

9(2)(b)(ii)

9(2)(g)(i)

**...but lower enrolments in 2023 means further cost savings will need to be made...**

40. 9(2)(b)(ii) Te Pūkenga need to urgently implement a range of actions to reduce overall expenditure. These will need to be targeted towards provider-based delivery given that is where the largest enrolment declines have continued to occur over the past two years and given the unified funding system now funds on-campus and extramural delivery at a lower rate (with work-based learning funded at a higher rate). Te Pūkenga note that it is closely monitoring enrolment levels and will be prepared to respond to various enrolment scenarios early in 2023.
41. However, reducing costs across the former ITPs brings challenges given many parts of the network have already removed considerable expense over recent years, including the 3 percent savings made over late 2022. 9(2)(b)(ii) There is minimal discretionary spending that can be stopped 9(2)(i)
- High inflation and associated cost pressures will also negatively impact Te Pūkenga's ability to achieve its budgeted deficit and ultimately move towards financial sustainability.
42. Given lower enrolments and the difficulty in removing costs from the current structure, this puts pressure on the design of the new organisation structure and ensuring sufficient cost can be removed through its implementation. Te Pūkenga needs to ensure it is moving towards a model that is affordable and sustainable in the long-term. This will require management and the Council to make trade-offs around the outcomes it is seeking to achieve through the new organisation design, financial sustainability, and the speed of implementation. We would note that the delay in commencing its transformation over the past three years has created significant additional financial pressure.
43. Nevertheless, even with bold decisions being made in this area, the efficiencies that can be achieved through the new organisation design will take time to be realised. Any changes made over 2023 will only have limited benefit this year (restructuring costs are likely to exceed benefits over the year) with more significant benefits being realised from 2024. 9(2)(b)(ii), 9(2)(i)

**...and a finance strategy is due to be completed by mid-2023...**

44. 9(2)(g)(i)
45. As part of the new borrowing consent provided at the end of 2022, the Secretary for Education required that Te Pūkenga complete a finance strategy by 30 June 2023. Given the challenges Te Pūkenga is facing, we encourage significant effort is put into the development of the strategy. It is important that Te Pūkenga has clear plans and milestones in place to guide decision making and allow Te Pūkenga's Council and finance committee to hold management to account on overall financial performance. A key aspect of the strategy needs to be how Te Pūkenga will rationalise its property portfolio and raise cash through asset divestments.



### **...with Te Pūkenga planning improvements to financial and performance reporting**

46. As highlighted in several of our previous monitoring reports, Te Pūkenga needs to improve financial and performance reporting. This issue is acknowledged by Te Pūkenga and with the commencement of a new chief financial officer in November 2022, we are hopeful good progress will be made in this area over 2023. This has become a particularly important issue given the removal of all subsidiary boards and the dissolution of WBL.
47. It is integral that Te Pūkenga management and Council are provided with high quality information on both past and future enrolment trends, financial performance, and educational performance so that it can make well-informed decisions – especially given Te Pūkenga’s current financial position and the softness in enrolments. We will continue to engage with management on the quality of overall reporting.

## **Governance**

---

### **You are required to make changes to the Council before the end of March...**

48. As we have previously advised you, five of the eight Ministerial appointments for Te Pūkenga are due to expire on 31 March 2023. No statutory provision exists for members to continue in post until reappointed or replaced so decisions will need to be made before this date. The appointments provide an opportunity to address some of the skill gaps identified in an independent governance review undertaken in early 2022 by Dame Karen Sewell and Belinda Clark. This included greater state sector experience, and experience governing a large organisation in transformation. We also consider financial capability and IT experience are needed on the Council. We will continue to work with you on the appointments over the next month.

### **...while Te Pūkenga is reviewing its own governance structures and processes**

49. The Council has moved to monthly meetings in 2023, increasing the frequency from six-weekly in 2022. Given the large volume of decisions that need to be made this year, we support this change. Te Pūkenga is also looking to utilise its Council sub-committees more in 2023, including monthly meetings of the finance and capital investment committee and bimonthly meetings scheduled for the risk and audit committee. This should hopefully help free up space for the Council to focus more on strategic issues, leaving more operational matters and in-depth discussions for sub-committees.
50. At the end of 2022, Te Pūkenga decided to disband its transformation committee which had been set up in response to a recommendation from the strategic review of Te Pūkenga’s transformation programme undertaken in February 2022. The transformation committee was established in April 2022 with Murray Jack and Sir Brian Roche the two independent members supporting other Council members. Its role was to provide greater focus and oversight of Te Pūkenga’s transformation programme.
51. Te Pūkenga has informed the TEC that it is reviewing its governance and programme management structures for its transformation, including how it will operate and govern its digital transformation. Over recent years, we have had various concerns with how such structures have been operating and are planning to engage closely with Te Pūkenga as it progresses this work. In our view, the previous transformation committee should have remained in place until this review was completed and alternative arrangements could be implemented.
52. Given the complexity and size of Te Pūkenga’s transformation, it is important that its governance and decision-making processes are as robust and effective as possible. Critical to this will be ensuring independent expertise, particularly specialist IT and transformation expertise, is brought in to support overall governance, especially given the transformation committee has ceased. Such expertise may need to be at multiple levels (i.e. both as part of Council sub-committees and at project/programme level governance). It is important this work is progressed quickly.

## Key strategic risks

---

53. As part of the reset of its work programme and transition pathway, Te Pūkenga undertook a reset of its enterprise risk register. The revised risk register remains in draft format and is yet to be approved by the risk and assurance committee, as it will be further developed by the new executive team as it acquires ownership of the risks. Nevertheless, nine themed enterprise risks were provided in Te Pūkenga’s quarterly report. They are:

- Financial sustainability
- Legislative or regulatory compliance
- Staff capability, capacity, and engagement
- Digital systems
- Stakeholder engagement
- Transition and transformation
- Inconsistent quality of academic outcomes
- Safety and wellbeing
- Catastrophic events/significant disruptions

54. 9(2)(g)(i)



## Next steps and future reports

---

55. Our next formal quarterly update to you will be in May 2023 following Te Pūkenga’s quarterly report for the March 2023 quarter which will be provided to the TEC at the end of April 2023. Given this is the first formal monitoring report on Te Pūkenga you have received, we would welcome any feedback on the approach and style of the report to ensure you are receiving the information most valuable to you.

56. We recommend that this aide-memoire is proactively released with information withheld that is commercially sensitive and to maintain the effective conduct of public affairs through free and frank expression of opinions.

Handwritten signature of Gillian Dudgeon in blue ink.

**Gillian Dudgeon**

Deputy Chief Executive – Delivery  
Tertiary Education Commission

17 February 2023

Handwritten signature of Hon Jan Tinetti in blue ink.

**Hon Jan Tinetti**

Minister of Education

   25 / 02 / 2023