

Te Pūkenga May Finance and Capital Investment Committee

Schedule	Wednesday 31 May 2023, 13:00 — 16:00 NZST
Venue	MITO, 50 Customhouse Quay, Wellington
Organiser	Rebecca Donne

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Te Pūkenga Karakia

Whakarongo rā e Rongo
ki Te Pūkenga
te manawa nei
ki te rongo taketake
te whiwhia, te rawea
te whiwhi-ā-nuku
whiwhi-ā-rangi
i takea mai i te kāhui o ngā ariki.

kia tūturu ka whakamau ai kia tīnā,
Tīnā!
Hui e?
Tāiki e!

Listen o Rongo
to Te Pūkenga
offering gratitude
for the peace and harmony
that allows us to enjoy,
the gifts of the earth
and the heavens
bequests of a higher order.

and bind them firmly.
Firmly!
Do we all concur?
We concur!

Te Pūkenga Finance and Capital Investment Committee

Taipitopito | Details

Te rā Date	Wednesday 31 May 2023
Te wā Time	1pm – 4pm
Te wāhi Location	MITO Boardroom, Level 3, 50 Customhouse Quay, Wellington

Te hunga i tae mai | Attendance

Ngā tāngata i tae atu Attendees	Bill Moran, Jeremy Morley, Josie Keelan, Murray Strong
Ngā tāngata i tamō Apologies	John Brockies
In attendance	Peter Winder (Chief Executive), Michelle Teirney (Chief Financial Officer), Jaala Jacobs (Strategic Property Director, items 6. – 9.), Rachel Clarke (Senior Project Manager, item 7.)
Heamana Chair	Jeremy Morley
Ngā meneti Minutes	Rebecca Donne (Council Secretary)

Rārangi take | Open Agenda

Nama take Agenda item
Karakia timatanga
1. Administration
1.1. Welcome/apologies
1.2. Register of interests
1.3. Schedule of committee membership, meeting dates for 2023, and annual workplan
2. Any other open business
2.1. Terms of Reference discussion
2.2. Quorum and format of future meetings
3. Resolution to exclude the public

Rārangi take | Closed Agenda

Nama take Agenda item	
4.	Administration
4.1.	Minutes of the closed meeting held 26 April 2023
4.2.	Confidential action list
4.3.	Summary of recommendations for this meeting
5.	Financial strategy
5.1.	Finance strategy and updates from May Council meeting on decisions and endorsements
5.2.	International fees and study grants 2024
5.3.	2023 Financial Forecast
5.4.	Transformation design savings (verbal update)
Whakatā Break	
6.	Land divestment strategy and disposal programme
6.1.	Wintec Land Sales
7.	Capital asset management planning and assessment
7.1.	Five year capital plan intentions
8.	Major projects and investment cases
8.1.	Monthly project update
8.2.	EIT Taradale Remediation
9.	High priority buildings programme
9.1.	High priority building programme updates
9.2.	Seismic assessment plan
10.	Any other closed business
	Karakia whakakapi and close of meeting

1. Administration

1.1. Welcome/apologies

For Reference

Presented by Jeremy Morley

Te Pūkenga Council Finance and Capital Investment Committee Register of Interests

As at 29 May 2023

Name	Interest	Nature of Interest
Jeremy Morley Committee Chair	Wellington Free Ambulance	Contractor
	Te Kupenga – Catholic Leadership Institute (A registered PTE)	Contractor
	Racing New Zealand	Director
	Warwick Trust	Settlor, Trustee, and Beneficiary
	YW/Petone Hockey Club Inc	Treasurer
	Wellington Over 60s Cricket	Treasurer
Murray Strong Ex-officio member	Centre of Digital Excellence of NZ Ltd	Chairman
	Southern Digital Transformation Programme – Te Whatu Ora	Chairman
Teorongonui Josie Keelan Member	Te Pūkenga: Unitec	Supervisor
John Brockies Member	Resolve Group Ltd	Director
	Walworth Ltd	Director
Bill Moran Member	Sport New Zealand	Chair
	High Performance Sport New Zealand	Chair
	NZ Sports Foundation	Chair
	WorkSafe NZ	Deputy Chair

Community Trust South	Chair
Southern Generation LP	Chair
Pioneer Energy	Director
Chamber Music at the World's Edge Trust USA	Chair
Youthtown Inc	Trustee
Youthtown Foundation	Trustee
Sky City Casino Charitable Trust Queenstown	Trustee
Parliamentary Education Trust	Trustee
New Zealand Symphony Orchestra Foundation	Trustee

2023 Schedule of Te Pūkenga Council Finance and Capital Investment Committee meetings

As at 29 May 2023

Name and role	Meeting dates	Venue
1. Jeremy Morley, Chair	22 February 2023	Zoom
2. Bill Moran, Member	29 March 2023	Zoom
3. Josie Keelan, Member	26 April 2023	Zoom
4. John Brockies, Member	31 May 2023	MITO
5. Murray Strong, Ex-officio member	w/c 17 July 2023 (TBC)	TBC (in person)
	30 August 2023	Zoom
	27 September 2023	Auckland
	25 October 2023	Zoom
	29 November 2023	TBC (in person)

Finance and Capital Investment Committee Workplan 2023

Agenda item	April 26	May 31	July 17*	August 30	Sept 27	October 25	Nov 29
High Priority Buildings Programme							
Procurement of Property Construction PMO	●						
Seismic Assessment Plan & Policy	●	●	●	●	●	●	●
UCOL Block 12 & 6 for construction	●	●	●	●	●	●	●
WITT block A & B approval for construction		●	●	●	●	●	●
WelTec Petone B block for construction phase		●	●	●	●	●	●
Unitec approval for Demo			●	●	●	●	●
Tranche 2 Approval for 2024					●		
Major Projects and Investment Cases							
Monthly Project Updates	●	●	●	●	●	●	●
NorthTec Whangarei – Initial Investment Case	●						●
EIT Reinstatement Project		●	●	●	●	●	●
Wellington Footprint Strategy Business case			●		●	●	●
Auckland City Footprint Strategy & Maritime Move				●	●	●	●
Capital Asset Management Planning and Assessment							
Independent CAMS Assessment – date TBC							
Property Strategy – date TBC							
Five Year Capital Plan Intentions		●					
Land Divestment Strategy and Disposal Programme							
Wintec - Hamilton Part A & B Value for sale	●	●					
Financial Strategy							
Full Forecast Review		●		●			
Budget Assumptions Review				●			
Budget 2024 Approval						●	●
Fee setting (including student levy)			●				

Legend: ● Endorsement to Council ● Information ● Not delivered to original schedule

Finance and Capital Investment Committee Workplan 2023

Agenda item	April 26	May 31	July 17*	August 30	Sept 27	October 25	Nov 29
Other							
Terms of Reference review			●				

* July meeting date to be confirmed

2. Any other open business

2.1. Terms of Reference discussion

For Discussion

Presented by Jeremy Morley

Finance and Capital Investment Committee

Terms of Reference

1. Objective

- (a) The Finance and Capital Investment (**Committee**) shall be a committee of the Council of the New Zealand Institute of Skills and Technology (**Te Pūkenga**), established by the Council.
- (b) The objectives of the Committee are to:
 - i. recommend to Council the approval of the finance strategy for Te Pūkenga and maintain oversight of its implementation and review;
 - ii. monitor the finances of Te Pūkenga so as to satisfy Council that they are managed in a way that:
 - a. maintains solvency at all times;
 - b. minimises the risk of external intervention in the affairs of Te Pūkenga;
 - c. promotes achievement of Te Pūkenga annual budget, mission and strategic objectives; and
 - iii. assist the Council in fulfilling its strategic, financial and compliance responsibilities through oversight of the capital assets and infrastructure of Te Pūkenga and its Business Divisions (the **Group**).

The management of property (including operating leases), plant, equipment, investments, vehicles, IT infrastructure, strategic databases, brands and intellectual property, monetary assets and liabilities such as working capital, cash and loans falls within the scope of consideration. In undertaking its role with respect to its oversight of the capital assets and infrastructure of Te Pūkenga, the Committee will consider the following aspects of capital asset management:

- Corporate Planning
- Asset information management
- Levels of Service
- Lifecycle management strategy (including risk management)
- Financial forecasts
- Business cases
- Implementation governance
- Engagement with tangata whenua

This emphasises the cyclical nature of the process, the importance of defining and understanding desired outcomes, the nature of current assets, the associated current and future needs, the potential solutions, and implementing the optimum decision.

2. Powers and Authority

- (a) Pursuant to section 73 of the Crown Entities Act 2004, the Council of Te Pūkenga may delegate any of the functions or powers of Te Pūkenga or the Council, either generally or specifically, to a committee by resolution and written notice (other than functions or powers specified in the legislation as not being capable of delegation).
- (b) The Committee has authority to review any matters within its scope of responsibility.
- (c) The Committee is a sub-committee of the Council and has no executive powers, other than those set out in these Terms of Reference, or those powers expressly delegated to it by the Council in accordance with section 73 of the Crown Entities Act.
- (d) The Committee members, where necessary to carry out the functions of the Committee, shall have unrestricted access to and direct communication with Te Pūkenga Tumuaki | Chief Executive, Pourangi Pūtea | Chief Financial Officer and the management personnel of a Business Division and to the extent necessary to meet its responsibilities as set out in this Terms of Reference, may obtain external legal or other professional advice.

3. Membership

- (a) The membership of the Committee shall be comprised of:
 - up to five members, with a minimum of three members (and may include up to two members who are independent of Council and management);
 - the Council Chair as an ex-officio member; and
 - members who collectively demonstrate expertise in financial management, capital asset management, internal control environments and frameworks.
- (b) The Council Chair appoints the Committee Chair and makes recommendations to the Council regarding Committee members. The Council Chair cannot be the Committee Chair.
- (c) The Committee Chair will:
 - represent the Committee to the full Council (including reporting back to the full Council with the recommendations and decisions of the Committee at each Council meeting immediately following a Committee meeting)
 - ensure the effectiveness and integrity of the governance process of the Committee
 - maintain regular dialogue with the Chief Executive over operational matters, to the extent necessary and appropriate to carry out their duties
 - consult with the remainder of the full Council promptly over any matter that gives cause for major concern
 - act as facilitator at meetings of the Committee to ensure that appropriate discussion takes place
- (d) Membership of the Committee shall be periodically assessed as deemed appropriate.
- (e) A person must not be appointed as a member of the Committee unless, before appointment, he or she discloses to the Council the details of any interest the person may have if he or she were a member of such Committee.

- (f) The Council Secretary or other person nominated by the Chair of the Committee shall be secretary to the Committee.

4. Meetings

- (a) The Committee shall meet at least four times each year. Meetings may be conducted by teleconference, videoconference or in person. The Committee may also need to meet on an ad hoc basis to consider approvals requested and/or relevant matters raised by members of the Group. Accordingly, additional meetings may be held if determined necessary by the Chief Executive or Committee, including executive sessions and private meetings with the Council Chair. A special meeting may be convened by a member of the Committee at any time. All Council Members shall be entitled to attend Committee meetings.
- (b) The Pourangi Pūtea | Chief Financial Officer shall service the Committee meetings.
- (c) Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. This would normally be a week prior to the date of the meeting but may be shorter as determined by the Chair of the Committee. Minutes of the meetings shall be prepared, retained and distributed to Committee members, management and external auditors, as well being made available to the Council.
- (d) The Committee may request the attendance of representatives from management and external auditors to assist particular agenda items.
- (e) A quorum shall consist of a majority of Committee members. No business shall be transacted at a Committee meeting in the absence of a quorum.

5. Responsibilities and duties

In order to assist the Council in fulfilling its responsibilities and to oversee the areas outlined in the objectives, the Committee shall:

(a) Financial Approvals

Make recommendations to Council concerning approval of:

- The annual budget of Te Pūkenga (capital and operating);
- Reviews of any capital plan or financial projections; and
- Student fees.

(b) Financial Strategy and planning

Provide advice to Council on:

- The appropriateness of the Strategic Plan objectives relating to financial management;
- Major and sensitive assumptions in the financial projections of Te Pūkenga; and
- Consistency of the financial projections of Te Pūkenga with the Strategic Plan.

(c) Financial position and performance

Monitor and report to Council on the performance of Te Pūkenga against:

- Budget;
- TEC financial risk criteria;

- The financial management parameters of Te Pūkenga;
- Strategic Plan objectives related to financial management; and
- Debt-related or any other external covenants.

and where, as a result of its monitoring activity, it believes that corrective action or any changes to policy, practice or financial parameters are appropriate, recommend the same to Council for implementation.

(d) Group Treasury Policy

- Review, maintain and monitor the robustness and comprehensiveness of the Group Treasury Policy, including the delegations framework therein;
- Review and monitor the implementation of the Group Treasury Policy through receiving regular treasury reports;
- Receive and review issues raised by auditors (both internal and external) in respect of any significant weaknesses in the treasury function;
- Receive submissions from the Director, Finance notifying any matters of non-compliance with the Group Treasury Policy and reporting these to Council for review/approval;
- Annually receive the internal review of the Group Treasury Policy and recommend any changes to Council for approval; and
- Receive the two-yearly fundamental Policy review report and recommend any Group Treasury Policy changes to Council.

(e) Corporate planning

- Review asset management policies and strategies;
- Recommend basis for Asset Management Plan;
- Recommend level of organisational commitment; and
- Recommend a Group capital and asset strategy and provide oversight of the execution of that strategy.

(f) Asset information management

- Recommend information management requirements;
- Review asset condition assessments;
- Review asset performance reporting;
- Review valuations; and
- Commission asset information quality assurance reviews.

(g) Levels of Service

- Establish strategic linkages;
- Recommend statements; and
- Establish measures and targets.

(h) Lifecycle management strategy (including risk management)

- Review lifecycle strategies;
- Review risk management strategies; and
- Review usage and maintenance forecasting.

(i) Financial forecasts

- Review lifecycle analysis; and
- Review depreciation funding.

(j) Business cases

- Review the asset improvement plan;
- Review the annual plan; and
- Review individual programme and project business cases.

(k) Approvals

Approve any requests from Business Divisions for approval from Te Pūkenga relating to capital expenditure, the disposal of property or non-property assets, the approval of an asset management and utilisation plan (or other property related requests), where the approval of such request exceeds the delegated authority of the Tumuaki | Chief Executive of Te Pūkenga as set out in the Delegations Policy for Te Pūkenga or is otherwise referred to the Committee by the Council for a decision.

(l) Implementation governance

Commission independent assurance reviews on project readiness and delivery.

(m) Engagement with tangata whenua

Set expectations regarding engagement with tangata whenua in relation to finance and capital asset management.

(n) Other Responsibilities

- perform other activities related to this Terms of Reference as requested by the Council.
- oversee special investigations as needed.

6. Council reporting obligations

The Committee Chair will report to the Council using the Council's agenda framework to prioritise those strategic and key issues that most concern the Council. The full minutes of the meetings of the Committee will be available to all Council members and the Committee Chair will respond to Council members' questions.

7. Accountability

The Committee shall:

- self-assess its performance against these Terms of Reference on an annual basis.

- confirm annually that all responsibilities outlined in these Terms of Reference have been carried out.
- at its discretion, determine the requirement for an independent review, including the frequency and scope of such a review, to assess its performance against these Terms of Reference.

8. Review of the Terms of Reference

The Committee shall, on an annual basis (or as otherwise necessary), review and if appropriate, update these Terms of Reference for consideration and approval by the Council.

Approved by the Council of Te Pūkenga on 5 April 2023

A handwritten signature in black ink, appearing to read 'Murray W. Strong', written in a cursive style.

Murray W. Strong

Council Chair

2.2. Quorum and format of future meetings

For Discussion

Presented by Jeremy Morley

3. Resolution to exclude the public

Te Pūkenga Council Finance and Capital Investment Committee Meeting

3. Resolution to exclude the public

It will be moved by the Chair that the public be excluded from the remainder of the meeting. This resolution will be made in reliance on section 48(1) of the Local Government Official Information and Meetings Act 1987 (LGOIMA) (noting Te Pūkenga Council is specified, in Schedule 2 of LGOIMA, as a body to which LGOIMA applies) and the particular interests protected by section 9 of the Official Information Act 1982 (OIA) which would be prejudiced by the holding of the relevant parts of the proceedings of the meeting in public.

The general subject of each matter to be considered while the public is excluded and the reason for passing the resolution in relation to each matter are as follows:

Item	General subject of each matter to be considered	Section(s)
4.	Administration	
4.1.	Minutes from closed meeting held 26 April 2023	Section 9(2)(a) OIA Section 9(2)(g)(i) OIA Section 9(2)(i) OIA
4.2.	Confidential action list	Section 9(2)(g)(i) OIA Section 9(2)(i) OIA
4.3.	Summary of recommendations for this meeting	Section 9(2)(g)(i) OIA Section 9(2)(i) OIA
5.	Financial strategy	
5.1.	Finance strategy and updates from May Council meeting on decisions and endorsements	Section 9(2)(g)(i) OIA Section 9(2)(i) OIA
5.2.	International fees and study grants 2024	Section 9(2)(i) OIA Section 9(2)(g)(i) OIA
5.3.	Forecast review	Section 9(2)(i) OIA Section 9(2)(g)(i) OIA

Item	General subject of each matter to be considered	Section(s)
5.4.	Transformation design savings (verbal update)	Section 9(2)(i) OIA Section 9(2)(g)(i) OIA
6.	Land divestment strategy and disposal programme	
6.1.	Wintec Land Sales	Section 9(2)(i) OIA Section 9(2)(g)(i) OIA
7.	Capital asset management planning and assessment	
7.1.	Five year capital plan intentions	Section 9(2)(i) OIA Section 9(2)(g)(i) OIA
8.	Major projects and investment cases	
8.1.	Monthly project update	Section 9(2)(i) OIA Section 9(2)(g)(i) OIA
8.2.	EIT Taradale Remediation	Section 9(2)(i) OIA Section 9(2)(g)(i) OIA
9.	High priority buildings programme	
9.1.	High priority building programme updates	Section 9(2)(i) OIA Section 9(2)(g)(i) OIA
9.2.	Seismic assessment plan	Section 9(2)(i) OIA Section 9(2)(g)(i) OIA
10.	Any other closed business	Section 9(2)(a) OIA Section 9(2)(i) OIA Section 9(2)(g)(i) OIA

Interests

Section	Interest
Section 9(2)(a) OIA	To protect the privacy of natural persons, including that of deceased natural persons.
Section 9(2)(g)(i) OIA	To maintain the effective conduct of public affairs through the free and frank expression of opinion by or between members of any organisation or employees of any organisation in the course of their duty.
Section 9(2)(i) OIA	To enable the organisation holding the information to carry out, without prejudice or disadvantage, commercial activities.

The Chair will also move that certain employees from Te Pūkenga be permitted to remain at the meeting, after the public has been excluded, because of their specific knowledge in relation to the above items. This knowledge, which will be of assistance in relation to the matters above to be discussed, is relevant to those matters because they have assisted in the progression of such matters.