



Te Pūkenga

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20 May 2025

[REDACTED]

By email: [REDACTED]

Tēnā koe [REDACTED]

Request under the Official Information Act 1982

I refer to your emails dated 29 April 2025 sent to Hon Penny Simmonds, Minister for Vocational Education, requesting information in relation to the Minister's response to a written parliamentary question (WPQ) from [REDACTED] that asked:

What advice, if any, has the Minister received on Te Pūkenga returning a surplus, by date and title?

The Office of Hon Penny Simmonds transferred your request to Te Pūkenga on 30 April 2025.

Noting your correction of the WPQ reference number, you requested the following information:

I request copies of the following documents referenced in your reply to Written Parliamentary Question 18195 (2025):

"I have been given advice in a Report to the Minister for Vocational Education, Te Pūkenga, dated 11 February 2025."

This letter provides a formal decision on your request under the Official Information Act 1982 (OIA).

The decision

A copy of the Te Pūkenga document you have requested titled *Report to Minister for Vocational Education 11 February 2025* is attached at **Appendix One**.

Two figures from within the Report have been withheld with reliance on section 9(2)(b)(ii) of the OIA:

- *to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.*

We do not consider the need to withhold this information is outweighed by the public interest in its release at this time.

You have the right to make a complaint to the Ombudsman under section 28(3) of the OIA if you are not happy with this response. Information about how to do this is available at www.ombudsman.parliament.nz or by calling 0800 802 602.

We may publish our OIA responses and the information contained in our reply to you on our website. Before publishing we will remove any personal or identifiable information.

Ngā mihi

A handwritten signature in black ink, appearing to read 'Gus Gilmore', with a large, stylized loop at the beginning.

Gus Gilmore
Tumuaki | Chief Executive

Report to Minister for Vocational Education

11 February 2025

To:	Hon Penny Simmonds, Minister for Vocational Education
Cc:	Tim Fowler, Chief Executive, Tertiary Education Commission
From:	Gus Gilmore, Chief Executive, Te Pūkenga NZIST
Date:	11 February 2025

Introduction

1. I am pleased to present our first regular report to you for the 2025 year. We intend to provide these reports to you monthly, to supplement our regular meetings. We will also provide other ad hoc updates as required during the year.
2. We have a significant year ahead of us. There is an immense amount of planning, design and development work that Te Pūkenga - New Zealand Institute of Skills and Technology (NZIST) and government agencies will need to undertake to implement the Government’s direction for the sector. We have begun as much of this work as possible and will continue to work with you and your officials to implement the Government’s decisions while delivering to our 240,000 learners.
3. Work-based learning (WBL) division leaders and I appreciated the opportunity to join your consultation session this week on the work-based learning options for the future. We look forward to the outcome of the consultation process and to support and implement those decisions going forward.

Financial Performance

Enrolments

4. I am pleased to say that the strong growth experienced in 2024 has continued into 2025 with most ITP divisions reporting double digit growth. As at 31 January 2025, we experienced a 7% increase in enrolments overall compared to the same time last year. WBL divisions enrolments are not yet available.

Table One: 2025 year to date enrolments compared to 2024

Enrolment type (EFTS)	2025 Budget year end	2025 YTD	2024 YTD	YTD % variance
Domestic	56,557	34,978	32,845	6.4%
International	6,937	3,263	2,903	12.3%
Total	63,494	38,241	35,748	7%

5. While international enrolments are up, we remain concerned about processing times and high decline rates for some of our priority markets, particularly for our largest markets of India and China. We are working closely with Immigration New Zealand and our agents to address this. We are also exploring diversification strategies and looking at markets in Southeast Asia.
6. Growing International income is a key focus for the year. 2024 is looking to finish at around s 9(2)
(b)(ii) million, some 43% up on the previous year but approximately s 9(2)
(b)(ii) million below pre-pandemic levels. Our first goal is to reach pre-pandemic levels as soon as possible.
7. Campus based divisions are preparing to welcome new students and returning learners for the 2025 year, with orientation weeks underway. We understand you are going to attend one or two of these.

2024 Audit

8. We are currently engaged with Audit New Zealand on our 2024 audit. While the final results are still subject to the audit, it is likely to be a surplus. These results, along with increased enrolments in 2025 and implementation of activities to improve ITP divisions' financial positions, puts us in good stead to deliver the Government's expectations on establishing autonomous ITPs from 2026 and managing through this transition.

Progressing disestablishment and transition

National Office and regional leadership

9. The NZIST National Office is now operating as a lean unit that enables us to meet our legislative requirements and compliance functions while supporting delivery of the Government's expectations to establish autonomous ITPs. I expect that we will maintain a lean National Office until our disestablishment, however this will be subject to our role in the establishment and transition of divisions out of Te Pūkenga.
10. All ITP business divisions now have dedicated Operational Leads with a laser focus on improving financial viability while continuing to deliver excellent teaching and training for our learners. A key priority for them in 2025 is to deliver their financial improvement plans.

Progressing disestablishment and transition

11. Last month, NZIST leadership team met with TEC to discuss roles and responsibilities between agencies as work is progressed to establish new entities and disestablish Te Pūkenga. It is clear from this conversation we will need to continue working closely with agencies and have a high level of responsibility in transitioning ITP divisions out of NZIST and establishing new entities.
12. We will provide further updates as this work progresses.

Regional ITP Viability

13. On 16 January 2025, the NZIST Council considered and approved the implementation of the financial improvement plans for each ITP division. Our small programme team at National Office (made up of existing staff) has been working closely with ITP divisions to support them establish their project teams to deliver their financial improvement plans. These project teams are at various stages of planning and implementation.

14. As the year progresses and we understand the impact of enrolments on the financial positions of individual ITP divisions, some plans may need to be adjusted to ensure ITPs can achieve their forecast viable state.
15. I expect the media attention from late last year to only intensify, especially in the first six months of the year. There will be a greater number of staff change proposals, programme closures and impacts on ITP division campus footprints that will need to be announced and progressed. We will continue to operate in a transparent manner, particularly in our communications with staff in line with our Communications and Engagement Strategy. We will keep TEC and your office informed of progress and any significant announcements.

Staff morale and culture during transition

16. I remain concerned about staff morale, culture and retention. While the holiday period provided an opportunity for staff to recharge, 2025 will be a demanding year given the amount of work required in a dynamic environment. Morale and retention have been a key risk raised by ITP and WBL division leads through most of 2024. The scale and impacts of the changes from the Regional ITP Viability programme and the subsequent establishment and transition activities to set up new ITPs will be significant. I expect this to continue to create uncertainty for staff.
17. While we are operating efficiently and lean at National Office – my key concern is retention. Managing staff wellbeing and retaining key institutional knowledge and capability will be critical. Due to expectations on us and the pace of work in 2025 it will be critical for us retain key staff to reduce risks to implementation.

Governance

18. NZIST Council will have its first full meeting of the year this week (13 February). The agenda includes a session on academic risk management, which is a key concern during transition.



Gus Gilmore
Chief Executive
Te Pūkenga | NZIST
11 February 2025