



Te Pūkenga

15 August 2025

Te Pūkenga - Proactive release of Regional ITP Viability reports

Purpose

This document provides background to the following proactively released Regional ITP¹ Viability report conducted for each Te Pūkenga ITP business division in 2024. It also provides context for the reader to understand the report and the environment in which it was developed and how it has informed subsequent work by each Te Pūkenga ITP business division.

Background

The Government via the Minister for Vocational Education announced on 7 December 2023 that the Government had begun its process to disestablish Te Pūkenga. [Disestablishment of Te Pūkenga begins | Beehive.govt.nz](https://www.beehive.govt.nz/disestablishment-of-te-pukenga-begins)

In a letter dated 20 May 2024 - *Progressing financial sustainability initiatives* – sent to Te Pūkenga Council Acting Chair, Minister Simmonds set out her expectations that Te Pūkenga take action to improve the financial performance and viability of our whole network. The letter is available publicly: www.tepukenga.ac.nz/assets/Publications/Letter-of-expectations-Dec-2023/Letter-to-Te-Pukenga-clarifying-aspects-of-Letter-of-Expectations.pdf.

In June 2024, Te Pūkenga was directed by the Tertiary Education Commission (TEC) to obtain specialist support to review and improve the financial viability of our 16 ITP business divisions to support their ability to become standalone entities in future. Calibre Partners, Volte, PricewaterhouseCoopers, and Deloitte (the Consultants) undertook this work as part of the Regional ITP Viability (RIV) programme. The TEC letters are available here:

- [2024.06.14-Notice-requiring-Te-Pukenga-to-obtain-specialist-help.pdf](#)
- [2024.07.09-Letter-to-Sue-McCormack-Te-Pukenga-re-specialist-help.pdf](#)

In July 2024, the Consultants were engaged and began working with their allocated ITP business divisions to confirm the financial position of each ITP business division, including, understand the profitability of programmes and delivery sites, and assess the utilisation of assets.

Following this work, the Consultants were requested to develop reports with options and possible initiatives and activities that could improve the financial viability and financial positions of each business division. The Consultants submitted draft reports to Te Pūkenga in October 2024 on how each ITP division could become a viable, stand-alone entity, or how it might minimise financial losses and operate as part of a federation or merger.

¹ Institute of Technology and Polytechnic (ITP)

On 20 December 2024, the Government announced the high-level design of the vocational education and training sector, although these decisions did not outline which ITP business divisions would be established, federated or merged: [Vocational education and training decisions support return to regions | Beehive.govt.nz](#)

In January 2025, after waiting for the Government’s announcement, Te Pūkenga Council considered and approved the draft consultant reports for ITP Business Divisions to inform the development of divisional operational implementation plans.

While some business divisions began activities in 2024, this work continued and accelerated in 2025.

On 14 July 2025, the Government announced that ten ITP business divisions would be stood up as standalone entities, two of which would be federated with Open Polytechnic as the anchor ITP, and that four would remain within Te Pūkenga from 1 January 2026: [Regional governance will return to ten polytechnics | Beehive.govt.nz](#)

Important points to note when reading these reports

Assumptions

A significant number of assumptions had to be made by Te Pūkenga and the Consultants, informed by TEC, given the context in which this work was undertaken. Many of the assumptions made are included in the reports and relate to a range of matters. The context for the assumptions included:

- The Government was consulting with the public on proposals for the future structure of the vocational education and training system at the same time as the Consultants were undertaking this work;
- No decisions had been made by the Government on the business divisions that would standalone, and for which merger, federation or another collaborative model could be an option;
- Uncertainty of the funding model and levels of funding in 2026;
- A fiscally constrained environment with relation to government funding in the tertiary sector.

In most cases, the Consultants undertook scenario modelling of a “base case” and a “downside scenario” and the related assumptions are outlined in the reports.

Financial information and data

The financial, staffing and enrolment data and information (current and forecast) contained in these reports were provided to the Consultants at a point in time (during July-September 2024) for the purposes of their analysis. Therefore, this data and information may not align with other data and information within end of year regular reporting and forecasting processes at a business division and Te Pūkenga network level and is not a reflection of where divisions might be at the present time.

Financial viability metrics

While no specific criteria for viability was provided by the Government or agencies, Te Pūkenga instructed the Consultants to consider the Tertiary Education Commission's Financial Monitoring Framework (FMF) as a guide when assessing financial viability of each ITP business division. The FMF can be found here: [Financial monitoring of tertiary education institutions | Tertiary Education Commission](#). We provided the Consultants guiding metrics to use in their assessment to support this work.

Kaimahi (people/staffing)

Information related to kaimahi and forecasted financial modelling in the reports helped inform possible areas that could be reviewed at each business division. The information within the reports was a point in time and provided options and suggestions for the business divisions to consider as they looked at ways to improve their financial position. The reports were not definitive in their options, final decisions around what would be consulted on followed a sign off process and a set of principles.

In deciding on change, business divisions carefully considered a range of matters such as enrolments, ākonga to kaiako (teacher) ratios, programme and course viability, profitability, support functions and personnel costs among other variables to support improving their financial position. These matters then informed the rationale within the change proposals.

Formal change proposals were developed by each business division, which subsequently led to formal consultation processes with affected kaimahi. During consultation kaimahi are encouraged to provide feedback. This is then reviewed before any final decisions are made by business divisions.

Regional ITP Viability Programme Phase 2b – Financial Improvement Plan

Manukau Institute of Technology

22 November 2024

APPROVED



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Report Restrictions

This report is not produced for general circulation outside of the Tertiary Education Commission and Ministers Office. The Financial Improvement Plan is issued pursuant to the terms and conditions set out in our Consultancy Services Order (dated 17 July 2024) and has been prepared solely for the purposes stated herein and within the terms of the CSO. This report should not be relied upon for any other purpose. This report is strictly confidential and (save to the extent required by applicable law and/or regulation) must not be released to any third party without our express written consent which is at Volte’s sole discretion.

Volte has not independently verified the accuracy of all information provided during the course of the review. Accordingly, Volte expresses no opinion on the reliability, accuracy, or completeness of the information provided and upon which Volte has relied.

The statements and opinions expressed herein have been made in good faith, and on the basis that all information relied upon is true and accurate in all material respects, and not misleading by reason of omission or otherwise. The statements and opinions expressed in this report are based on information available as at the date of the report.

Background and Scope

Background

On 5 December 2023 Te Pūkenga Council (“the Council”) received a letter of expectations (LoE) from the Minister for Tertiary Education and Skills (“the Minister”) which confirmed the intention to disestablish Te Pūkenga and re-establish regional Institutes of Technology and Polytechnics (“ITPs”).

On 20 May 2024, the Minister sent a follow up letter to the Council stating that “it is important that Te Pūkenga takes whatever actions it considers necessary to improve the financial performance of the network as a whole, through ensuring each of the individual business divisions can become financially sustainable.”

In June 2024, TEC directed Te Pūkenga to obtain specialist help under section 332 of the Education and Training Act 2020. This specialist help, working in partnership with Te Pūkenga staff, is focused on considering what is required to support a pathway to viability for Te Pūkenga regional business divisions to support a sustainable operating model for the Te Pūkenga network. Four phases of work are envisaged, these are:

- 1. Discovery and Information Gathering - Initial Findings Report
- 2. Financial Improvement Plan – this report
- 3. Implementation Plan Development
- 4. Implementation

Scope of this report

Between May and June 2024, Te Pūkenga and the Tertiary Education Commission (“TEC”) collaborated on financial forecasting and modelling to advise the Minister on potentially re-establishing existing Regional Business Divisions (formerly ITP business divisions) as viable and sustainable standalone entities by 2026.

The financial forecasts indicated that only two ITPs, Ara and OPNZ, were projected to be viable by 2026, assuming changes to the current funding system. MIT was identified as having a pathway to viability.

As a result, Volte was asked to develop a Financial Improvement Plan for MIT. Te Pūkenga has engaged Volte to work alongside MIT leadership in developing this plan.

Executive Summary

Plan to achieve viability by 2026

The TEC and Te Pūkenga ITP Viability Programme (“Programme Governance”) have requested that each division develop financial viability plans that prioritise achieving a 2% net surplus and sight an 11% EBITDA to revenue margin as the target financial benchmark.

This Financial Improvement Plan provides the framework for MIT to achieve financial viability by the beginning of FY26. It is structured into three sections; this structure is set to allow time for any decision on a possible merger and provide a framework for assessing options post-merger or if the merger does not proceed. The sections are summarised in the table below.

Sections	Description
1. Priority Initiatives (including long-term strategic planning)	Section one focuses on the high priority cost-out initiatives to be implemented across FY25, regardless of a potential merger. These will need to be delivered on the basis that both entities (MIT & Unitec) are being set-up as standalone entities but delivered under joint-leadership. Likewise, there are several key strategies required to support the longer-term planning for MIT.
2. Further Cost Saving Initiatives for MIT as a standalone entity post-merger decision	The underlying assumption is that 1 st July 2025 is the date at which MIT and Unitec will receive confirmation of a merger taking place. As such, we have provided a framework for a series of cost-out initiatives to occur after this date.
3. Financial performance systems and objectives	Section three identifies the high-level approach to budget management and financial controls, risk management plan, contingency planning, governance, monitoring and reporting arrangements and key review dates for programmes and operating functions.

Basis for a Financial Improvement Plan

The Financial Improvement Plan currently represents a transitional view of MIT as a division of Te Pūkenga and is expected to be updated and refined as financial projections are updated and the outcome from expected financial improvement initiatives updated. The key objectives of the Financial Improvement Plan are to:

- Enable the wider strategic and specific objectives of Te Pūkenga to be achieved, including those outlined in the Letter of Expectation from the Minister of Education (20th May 2024).
- Act as a guiding financial plan to transition MIT from a division of Te Pūkenga, with moderate financial risk, to a lower risk standalone entity, and thereby restore financial viability and sustainability.
- Establish financial KPIs and programme targets associated with improving the financial performance of the division and assign senior management to be responsible for these.
- Develop a timeline as to when MIT will aim to achieve the target financial objectives.
- Define how the strategic and financial plans will be measured, managed, reviewed, and reiterated. Noting that these financial plans capture a current point in time and regular review and update of these plans needs to coincide with changes to MIT’s shifting horizons.

Executive Summary (cont.)

Target Financial Metrics (Including Immediate Cost-Out Initiatives)

MIT is forecast to meet the required Net Surplus and EBITDA targets (2% and 11% respectively) by FY26, on the basis it achieves an uplift in international EFTS and implements the priority cost out initiatives and some of the key further cost out initiatives.

MIT’s financials are set out in the summary table below. The remainder of this document outlines the process for MIT to drive financial performance towards the target metrics as set out in the table to the right.

MIT Profit & Loss - \$m	FY24	FY25	FY26	FY27	FY28	FY29
Revenue	\$94.3	\$101.5	\$104.1	\$107.2	\$110.1	\$112.6
<i>Personnel Expenditure</i>	(\$62.3)	(\$63.7)	(\$63.1)	(\$64.9)	(\$66.5)	(\$68.0)
<i>Other Expenditure</i>	(\$24.6)	(\$29.9)	(\$29.7)	(\$30.7)	(\$31.6)	(\$32.3)
Total Operating Expenditure	(\$86.9)	(\$93.6)	(\$92.8)	(\$95.5)	(\$98.1)	(\$100.3)
EBITDA	\$7.4	\$8.0	\$11.3	\$11.7	\$12.0	\$12.3
Net Surplus	(\$1.0)	\$0.3	\$3.2	\$3.3	\$3.6	\$4.0
Cash & Cash Equivalents	\$43.0	\$49.3	\$49.6	\$53.1	\$57.0	\$60.9
Capital Expenditure	\$2.1	\$4.6	\$12.1	\$9.7	\$9.9	\$10.1

MIT Key Metrics	FY24	FY25	FY26	FY27	FY28	FY29
Net Operating Surplus Margin	-1%	0%	3%	3%	3%	4%
EBITDA Margin	8%	8%	11%	11%	11%	11%
Personnel to Revenue Ratio	66%	63%	61%	61%	60%	60%
Academic SSR	16.4	17.2	17.4	17.4	17.4	17.4
Allied (Non-Academic) to Academic Staff Ratio	1.1	1.2	1.1	1.1	1.1	1.1
Domestic Students (EFTS)	4,420	4,366	4,366	4,366	4,366	4,366
International Students (EFTS)	381	419	471	505	530	540
Total Students (EFTS)	4,801	4,785	4,837	4,870	4,895	4,906
Academic FTE	292	278	278	280	282	283
Non-Academic FTE	333	322	305	308	310	310
Total FTE	625	599	584	588	591	593
Total Programmes delivered	83	79	79	79	79	79
Programmes discontinued	0	4	0	0	0	0

Executive Summary

People / Staffing

Currently, MIT share senior management costs with Unitec. As a standalone institution, MIT would require an additional ~\$2.4m in senior management overhead costs, including costs of a new Chief Executive Officer.

Programme exits under the base case for MIT have identified 20 FTE that would likely be made redundant with the removal of the programmes on a standalone basis.

Divisional benchmarking indicates the following potential workforce efficiencies:

- s 9(2)(b)(ii), s 9(2)(ba)(ii)
- MIT has provisioned two additional FTEs in digital and additional operating cost for outsourced infrastructure. We note that benchmarking indicates a significant underinvestment in this area, as such the changes in FTE and outsource service delivery will need to be monitored.

Programmes MoP and Portfolio

s 9(2)(b)(ii), s 9(2)(ba)(ii)

Financial sustainability at MIT could be improved by either attracting higher-margin international EFTS to support overheads or by reducing infrastructure costs through campus consolidation.

The majority of MIT programmes currently have a high internal threshold of 60% for contribution margin, this is higher than comparable internal thresholds for ITPs of similar scale.

Executive Summary (cont.)

Property

MIT operates across five campuses: Manukau, Techpark, Ōtara, City, and Mahurangi.

The Manukau campus comprises one building of 18,926sqm and a large area of onsite car parking. The Manukau train station is located within the campus. The building was built in 2015, has five levels and is in excellent condition. MIT leases the land from Auckland Council under a 99-year peppercorn rental.

Techpark is a purpose-built facility which brings together all MIT’s trades and engineering schools. The campus is located adjacent to the Manukau campus. The land is subject to a lease agreement with the developer as landlord and MIT as tenant. The initial lease term is 1 September 2020 – 31 August 2050, with two rights of renewal with a final expiry of 31 August 2070.

The Ōtara campus comprises 17 buildings of approximately 33,756sqm, of varying condition. One of the buildings, the Dilworth Building, is a Category A listed Heritage building. Campus facilities open to the public include a childcare centre, student training hair-salon, restaurant, café and bakery. Ngā Kete Wānanga Marae is located on the campus.

The centrally located City campus houses the NZ Maritime School which features purpose-built maritime training simulators. The campus is located adjacent to the Britomart Transport Centre.

Property (cont.)

The Mahurangi campus is in Warkworth. Several of MIT’s maritime programmes are taught at the campus along with short STCW (Standards of Training, Certification and Watchkeeping for Seafarers) courses, including superyacht training Level 3.



Digital

Digital investment has been included in the forecast for replacing the firewall, all data center hardware, end point device and AV equipment.

Investment to move to a new PABX and voice call solution, deploy Intune and implement Azure has also been included.

Executive Summary (cont.)

Key Objectives / Priority Initiatives

Priority Initiatives

1. Cost Constrained FY25 Budget: Implementing a recruitment freeze and reducing FTE by approximately 11 positions, resulting in annual savings of \$1.1 million from Q1 FY25.
2. s 9(2)(b)(ii), s 9(2)(ba)(ii) FTE review of s 9(2)(b)(ii), s 9(2)(ba)(ii) and low SSR Programmes: Review of several programmes with an aim of 10.0 FTE reduction. \$1.0m savings from Q2 FY25 based on achieving 10 FTE reduction.
3. s 9(2)(b)(ii), s 9(2)(ba)(ii)
4. s 9(2)(b)(ii), s 9(2)(ba)(ii), s 9(2)(j)
5. Exit of s 9(2)(b)(ii), s 9(2)(ba)(ii), which makes a significant negative contribution. \$0.17m savings.
6. Exit of s 9(2)(b)(ii), s 9(2)(ba)(ii) – The programme makes a slight positive contribution of \$50k but has not been deemed of long-term strategic value.
7. s 9(2)(b)(ii), s 9(2)(j)

Long-Term Financial Planning

To support its strategic goals, MIT needs to develop a robust long-term financial plan that is both flexible and adaptable to changing economic and educational landscapes. The financial planning will draw on key subsets of plans as outlined in section 3 (i.e. international strategy) that need to be developed and updated to ensure that MIT can priorities its resources.

Further Consideration / Conclusion

Risk Management

The plan identifies key risks and mitigation strategies, including:

- Disruptions to operations: Mitigated by detailed plans to maintain essential functions.
- Stakeholder resistance: Mitigated by open communication and stakeholder engagement.
- Financial uncertainties: Mitigated by robust financial models and regular updates.
- Quality of educational programmes: Mitigated by strong quality assurance mechanisms.

Governance and Reporting

The Financial Improvement Plan is to be governed by a Governance Board, as appointed by Te Pūkenga, until Advisory Boards are in place. The incoming MIT Chief Executive will have overall responsibility for the implementation and management of the Financial Improvement Plan with the Rohe 1 Executive Director taking responsibility until the Chief Executive is appointed.

Section One: Priority Initiatives

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Te Pūkenga

Priority saving initiatives for MIT

Section One:
Priority Initiatives

Section Two:
Further Cost Saving Initiatives

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Area	Type	Description	Approx. Savings/Opportunity
1 Cost Constrained FY25 Budget	Hiring freeze	MIT's indicative budget provided on the 19 th September had a significant number of planned new roles in FY25, for a total of 650.3 FTEs, a 25.2 FTE increase in personnel on the FY24 forecast. We have worked with MIT to review FY25 budget programme profitability and have conducted workforce benchmarking to determine priority areas within the division. This has led to the reduction of 11 FTE (6 Academic FTE & 5 Non-Academic FTE).	\$1.1m per annum net savings per annum from Q1 FY25.
2 § 9(2)(b)(i), § 9(2)(ba)(i) & Low SSR Programme FTE Reduction	FTE reduction	Several programmes at the § 9(2)(b)(ii), § 9(2)(ba)(ii) and across other disciplines such as § 9(2)(b)(ii), § 9(2)(ba)(ii) etc, should collectively be targeting a 10.0 FTE reduction.	\$1.0m per annum in savings from Q2 FY25 based on achieving 10 FTE reduction. Change costs of approx. \$0.26m have been identified.
3 § 9(2)(b)(ii), § 9(2)(ba)(ii)			
4 § 9(2)(b)(ii), § 9(2)(ba)(ii)			
5 Exit of § 9(2)(b)(i), § 9(2)(ba)(i)	Programme exit	An exit of § 9(2)(b)(i), § 9(2)(ba)(i) which makes a significant negative contribution, could be § 9(2)(b)(i), § 9(2)(ba)(i) An exit at the end of FY25 would see savings accrue from FY26 onwards.	\$0.17m per annum in savings for from Q1 FY26.
6 Exit of § 9(2)(b)(ii), § 9(2)(ba)(ii)	Programme exit	The § 9(2)(b)(ii), § 9(2)(ba)(ii) Programme turns a positive contribution of \$50k per annum, however, has not been deemed of long-term strategic value. Programme exit anticipated by end of Q2 FY25, savings accruing from midway FY25.	\$0.05m loss in positive contribution per annum. 5.4 FTE reduction. Change costs of \$0.15m identified with teach-out costs of \$0.1m.
7 § 9(2)(b)(ii), § 9(2)(j)			

Priority saving initiatives for MIT

Section One:
Priority Initiatives

Section Two:
Further Cost Saving Initiatives

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Area		Type	Description	Approx. Savings/Opportunity
Longer term initiatives				
8	International growth strategy	Strategic planning	Strategy outlining MIT's operations into foreign markets, including market selection, entry strategies, and risk management to achieve international growth and diversify revenue streams.	Significant opportunity for MIT with the introduction of new programmes and market channels.
9	Domestic growth strategy	Strategic planning	Strategy outlining MIT's plans to increase their market share and revenue domestically. Including identifying new market opportunities, enhancing product offerings, improving customer engagement, and optimising operational efficiency to drive growth locally.	Highest revenue segment for MIT.
10	Property strategy	Strategic planning	Strategy defining the approach for managing and optimising MIT's real estate assets. This includes decisions on property acquisition, development, maintenance, and divestment. Key focus on consolidating Auckland delivery to reduce overhead costs.	Opportunity to consolidate delivery.
11	Digital strategy	Strategic planning	Strategy outlining the plan for leveraging digital technologies to enhance business operations, customer engagement, and revenue growth.	Standalone digital strategy to be developed.

PROACTIVELY RELEASED

Workstreams

Section One:
Priority Initiatives

Section Two:
Further Cost Saving Initiatives

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Workstream		Initiative	Description of actions	Timeframe	Level of change – staff	Level of change - learner	Likelihood of not achieving	Impact if not achieved	Regional Impact	Overall risk rating	Additional resourcing requirement (outside BAU)
Personnel	1	Cost Constrained FY25 Budget	<ul style="list-style-type: none">Implement immediate recruitment freeze.Establish a recruitment committee across MIT with a subset of SLT meeting twice a week to approve any variations in employment.Develop communications plan.Confirm programme profitability and workforce benchmarking to determine vacancies not to be filled seeking an overall reduction of 11 FTE (6 Academic FTE & 5 Non-Academic FTE) against initial budget.	Plan for implementation completed by Q1 2025	Medium	Low	Low	High	NA	Medium	None
	2	<div>§ 9(2)(b)(ii), § 9(2)(ba)(i) & Low SSR Programme</div> <div>§ 9(2)(b)(ii), § 9(2)(ba)(i) FTE Reduction</div>	<ul style="list-style-type: none">Undertake programme profitability analysis to confirm the SSR's across § 9(2)(b)(ii), § 9(2)(ba)(i) and other poorer performing disciplines to identify a 10.0 FTE reduction.Develop change proposal and change management plan including impact to services, risks and mitigations, approach, timeframes and resourcing required for approval by Governance.	Plan for implementation completed by Q2 2025	High	Medium	Medium	High	NA	High	Change management resource

Workstreams

Section One:
Priority Initiatives

Section Two:
Further Cost Saving Initiatives

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Workstream	Initiative	Description of actions	Timeframe	Level of change – staff	Level of change – learner	Likelihood of not achieving	Impact if not achieved	Regional Impact	Overall risk rating	Additional resourcing requirement (outside BAU)
Property	3	§ 9(2)(b)(ii), s 9(2)(ba)(ii)	Plan for implementation completed by Q2 2025. Implemented Q1 2026	Medium	Low	Medium	Low	Low	Low	Change management & comms resource
	4		Plan for implementation completed by Q2 2025. Implemented Q1 2026	Medium	Medium	Medium	Low	Low	Medium	Project management

Workstreams

Section One:
Priority Initiatives

Section Two:
Further Cost Saving Initiatives

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Overall Themes
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Workstream	Initiative	Description of actions	Timeframe	Level of change – staff	Level of change - learner	Likelihood of not achieving	Impact if not achieved	Regional Impact	Overall risk rating	Additional resourcing requirement (outside BAU)	
Programmes	5	Exit of s 9(2)(b)(i), s 9(2)(ba)	<ul style="list-style-type: none">Confirm programme profitability analysis undertaken and perform an impact assessment to understand the effects of exiting the programme on its learners and staff. Restraint of trade elements of 12 months have been identified which may affect timings.s 9(2)(b)(ii), s 9(2)(ba)(ii)Create a detailed transition plan that outlines the steps for exiting including timelines, change management strategies, and communication plan to ensure a smooth handover.	Plan for implementation completed by Q1 2026	Low	Medium	Low	Low	NA	Low	None allocated to current staff workload
	6	Exit of s 9(2)(b)(ii), s 9(2)(ba)(ii)	<ul style="list-style-type: none">Confirm programme profitability analysis undertaken and perform an impact assessment to understand the effects of exiting the programme on its learners and staff.Develop stakeholder engagement plan including stakeholder mapping analysis to identify engagement needs and internal communications team on communication channels.Create an explicit exit strategy that outlines the approach to transitioning out of the programme. This should include whether the programme will be taught out.Develop change proposal and change management plan including impact to services, risks and mitigations, approach, timeframes and resourcing required for approval by Governance.	Plan for implementation completed by Q3 2025	Medium	Medium	Medium	Medium	Low	Medium	Change management resource

Workstreams

Section One:
Priority Initiatives

Section Two:
Further Cost Saving Initiatives

Section Three:
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Workstream	Initiative	Description of actions	Timeframe	Level of change – staff	Level of change - learner	Likelihood of not achieving	Impact if not achieved	Regional Impact	Overall risk rating	Additional resourcing requirement (outside BAU)
Programmes	7	<div>9(2)(b)(ii), s 9(2)(j)</div>	Plan for implementation completed by Q1 2025	Medium	Low	Low	Low	NA	Low	Legal resource

Key performance indicators

Section One:
Priority Initiatives

Section Two:
Further Cost Saving Initiatives

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The Financial Improvement Plan is bolstered by a set of key performance indicators (KPIs) designed to measure the overall success and progress of the plan and its initiatives. These plan-level KPIs are crucial for assessing the collective impact of all workstreams and ensuring alignment with the overarching financial goals. While the immediate timeframe targets improvements by the beginning of FY26 (Q1), continued measurement and assessment of these KPI's after the initial timeframe is recommended to ensure progress and forecast savings are achieved.

		Cumulative Savings/Additional Revenue (Q4 FY24 – Q1 FY26)						
Initiative	Responsible	Measure	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Cost constrained FY25	CFO	Savings against preliminary FY25 Budget	-	\$285k	\$570k	\$854k	\$1,139k	\$1,430k
& Low SSR Programme FTE Reduction	DCE Academic	Savings against preliminary FY25 Budget	-	-	\$259k	\$518k	\$777k	\$1,041k
	DCE Learner	Savings against preliminary FY25 Budget	-	-	-	-	-	
	DCE Academic	Savings against preliminary FY25 Budget	-	-	-	-	-	
Exit of	DCE Academic	Savings against preliminary FY25 Budget	-	-	-	-	-	\$44k
Exit of	DCE Academic	Savings against preliminary FY25 Budget	-	-	-	(\$13k)	(\$27k)	(\$48k)
	CFO	Savings against preliminary FY25 Budget	-					
Further Cost Saving Initiatives (included in KPI)								
Targeted reductions in	CFO	Savings against preliminary FY25 Budget	-	-	-	-	\$259k	\$523k
	DCE Academic	Savings against preliminary FY25 Budget	-	-	-	-	\$75k	\$152k

Key performance indicators

Section One:
Priority Initiatives

Section Two:
Further Cost Saving Initiatives

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To ensure the sustained success and growth of MIT, a set of longer-term KPIs have been set through to FY29.

These KPIs are designed to measure progress toward achieving strategic objectives and long-term goals. MIT's associated performance with these KPI's is included in the table to the right.

The KPI's assumes successful implementation of the Financial Improvement Plans, 0% domestic growth, and achieving international growth to 471 EFTS by FY26.

The detailed forecast financial statements are outlined from page 18.

MIT Key Metrics	FY24	FY25	FY26	FY27	FY28	FY29
Net Operating Surplus Margin	-1%	0%	3%	3%	3%	4%
EBITDA Margin	8%	8%	11%	11%	11%	11%
Personnel to Revenue Ratio	66%	63%	61%	61%	60%	60%
Academic SSR	16.4	17.2	17.4	17.4	17.4	17.4
Allied (Non-Academic) to Academic Staff Ratio	1.1	1.2	1.1	1.1	1.1	1.1
Domestic Students (EFTS)	4,420	4,366	4,366	4,366	4,366	4,366
International Students (EFTS)	381	419	471	505	530	540
Total Students (EFTS)	4,801	4,785	4,837	4,870	4,895	4,906
Academic FTE	292	278	278	280	282	283
Non-Academic FTE	333	322	305	308	310	310
Total FTE	625	599	584	588	591	593
Total Programmes delivered	83	79	79	79	79	79
Programmes discontinued	0	4	0	0	0	0

Forecast financials - Profit & Loss

All Units in \$m

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	FY24	FY25	FY26	FY27	FY28	FY29
Revenue						
Government Funding	\$49.5	\$53.9	\$57.4	\$58.5	\$59.6	\$60.8
Tuition Fees - Domestic Students	\$19.9	\$22.6	\$22.8	\$23.2	\$23.7	\$24.2
Tuition Fees - International Students	\$10.0	\$12.5	\$14.3	\$15.6	\$16.7	\$17.4
WBL & Commercial	\$7.1	\$6.4	\$6.1	\$6.2	\$6.4	\$6.5
Trading Income/Rents Received	\$2.3	\$2.5	\$1.7	\$1.8	\$1.8	\$1.8
Other Income	\$2.1	\$1.8	\$1.8	\$1.8	\$1.9	\$1.9
ConCOVE	\$3.4	\$1.8	-	-	-	-
Total Revenue	\$94.3	\$101.5	\$104.1	\$107.2	\$110.1	\$112.6
Operating Expenses						
Wages and Salaries	(\$62.3)	(\$63.7)	(\$63.1)	(\$64.9)	(\$66.5)	(\$68.0)
Other Personnel Costs	-	-	-	-	-	-
Teaching Delivery	(\$8.0)	(\$10.2)	(\$10.4)	(\$10.6)	(\$10.9)	(\$11.1)
Research Costs	-	-	-	-	-	-
Infrastructure/Maintenance	(\$7.8)	(\$8.3)	(\$8.3)	(\$8.4)	(\$8.6)	(\$8.8)
Administration	(\$1.9)	(\$1.5)	(\$0.6)	(\$0.6)	(\$0.6)	(\$0.7)
Professional Services	(\$2.6)	(\$3.8)	(\$3.8)	(\$3.9)	(\$4.0)	(\$4.1)
Other Costs	(\$2.2)	(\$2.4)	(\$2.4)	(\$2.4)	(\$2.5)	(\$2.5)
Commissions	(\$2.0)	(\$3.7)	(\$4.2)	(\$4.6)	(\$5.0)	(\$5.2)
Total Operating Expenses	(\$86.9)	(\$93.6)	(\$92.8)	(\$95.5)	(\$98.1)	(\$100.3)
EBITDA	\$7.4	\$8.0	\$11.3	\$11.7	\$12.0	\$12.3
Depreciation and Amortisation	\$9.5	\$9.8	\$9.7	\$10.1	\$10.2	\$10.2
EBIT	(\$2.1)	(\$1.9)	\$1.5	\$1.6	\$1.9	\$2.1
Net Interest Income	\$1.2	\$2.2	\$1.7	\$1.7	\$1.8	\$1.9
Net Surplus Before Unusual Items	(\$1.0)	\$0.3	\$3.2	\$3.3	\$3.6	\$4.0
Unusual Items						
Gain / Loss on disposal of PPE	-	(\$0.6)	-	-	-	-
Other Unusual or Non-Recurring items	(\$0.5)	(\$0.3)	-	-	-	-
Extraordinary Income	\$0.5	-	-	-	-	-
One-Off Redundancy Costs	-	(\$0.7)	-	-	-	-
Teachout Costs	-	(\$0.1)	-	-	-	-
Implementation Costs	-	(\$0.5)	(\$0.5)	-	-	-
Total Unusual Items	(\$0.0)	(\$2.2)	(\$0.5)	-	-	-
Net Surplus/(Deficit)	(\$1.0)	(\$1.9)	\$2.7	\$3.3	\$3.6	\$4.0

FY25 forecast EBITDA is slightly higher than forecast FY24 EBITDA despite its central costs returning to MIT from Te Pūkenga. Increases in revenue, largely from international tuition revenue and additional UFS funding outstrip rising personnel and teaching delivery costs to provide a \$0.6m increase in EBITDA on the FY24 year.

Additional SAC funding in FY26, assumed to be \$2.5m, combined with the implementation of a number of financial improvements geared towards reducing costs further improves MIT's EBITDA and creates significant headroom (a \$3.0m uplift) from its near breakeven position in FY25; achieving a Net Surplus of \$3.2m before unusual items.

Change costs and assumed redundancy costs are accounted for below the line resulting in a forecast net surplus of \$2.7m in FY26.

Forecast EBITDA - \$ million



Forecast financials - Cash Flow

All Units in \$m

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	FY25	FY26	FY27	FY28	FY29
Operating Cash Flows					
Operating Inflows	\$101.3	\$104.0	\$107.1	\$110.0	\$112.5
Operating Outflows	(\$93.6)	(\$92.8)	(\$95.5)	(\$98.1)	(\$100.3)
Unusual & Non-recurring Items	(\$1.6)	(\$0.5)	-	-	-
Net Interest Income	\$2.2	\$1.7	\$1.7	\$1.8	\$1.9
Net Operating Cash Flow (CFO)	\$8.3	\$12.4	\$13.3	\$13.7	\$14.1
Investment Cash Flows					
Purchase of Assets	(\$4.6)	(\$12.1)	(\$9.7)	(\$9.9)	(\$10.1)
Sale of Surplus Assets	\$2.5	-	-	-	-
Other Investment Cash Flows	-	-	-	-	-
Net Investment Cash Flow (CFI)	(\$2.1)	(\$12.1)	(\$9.7)	(\$9.9)	(\$10.1)
Financing Cash Flows					
Commercial Debt	-	-	-	-	-
Crown Debt	-	-	-	-	-
Finance Leases	-	-	-	-	-
Other Financing Cash Flows	-	-	-	-	-
Net Financing Cash Flow (CFF)	-	-	-	-	-
Net Increase in Cash Held	\$6.3	\$0.2	\$3.6	\$3.8	\$4.0
Opening Cash Balance	\$43.0	\$49.3	\$49.6	\$53.1	\$57.0
Closing Cash Balance	\$49.3	\$49.6	\$53.1	\$57.0	\$60.9

Over the forecast period – FY25 to FY29 net investment in capital expenditure (\$43.9m) is forecast to be funded by forecast Net Operating Cash Flow (\$61.8m).

As such, MIT is forecast to increase its level of cash holding over the forecast period.

Forecast financials - Balance Sheet

All Units in \$m

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	FY24	FY25	FY26	FY27	FY28	FY29
Assets						
Current Assets						
Cash and Cash Equivalents	\$43.0	\$49.3	\$49.6	\$53.1	\$57.0	\$60.9
Trade & Other Receivables	\$2.7	\$2.9	\$3.0	\$3.0	\$3.1	\$3.2
Inventories	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1
Prepayments	\$1.3	\$1.3	\$1.3	\$1.3	\$1.3	\$1.3
Total Current Assets	\$47.1	\$53.6	\$53.9	\$57.6	\$61.5	\$65.5
Non-Current Assets						
Property, Plant and Equipment	\$211.8	\$203.4	\$205.8	\$205.4	\$205.2	\$205.1
Assets Under Construction	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4
Other Non-Current Assets	-	-	-	-	-	-
Total Non-Current Assets	\$212.2	\$203.8	\$206.2	\$205.8	\$205.6	\$205.5
Total Assets	\$259.3	\$257.4	\$260.1	\$263.4	\$267.1	\$271.0
Liabilities						
Current Liabilities						
Trade & Other Payables	\$11.6	\$11.6	\$11.6	\$11.6	\$11.6	\$11.6
Employee Entitlements - Current	\$6.3	\$6.3	\$6.3	\$6.3	\$6.3	\$6.3
Revenues in Advance - Current	\$7.7	\$7.7	\$7.7	\$7.7	\$7.7	\$7.7
Other Current Liabilities	\$1.1	\$1.1	\$1.1	\$1.1	\$1.1	\$1.1
Total Current Liabilities	\$26.7	\$26.7	\$26.7	\$26.7	\$26.7	\$26.7
Non-Current Liabilities						
External Debt	-	-	-	-	-	-
Intercompany Debt	-	-	-	-	-	-
Finance Leases	\$10.4	\$10.4	\$10.4	\$10.4	\$10.4	\$10.4
Employee Entitlements - non-current	\$0.3	\$0.3	\$0.3	\$0.3	\$0.3	\$0.3
Total Non-Current Liabilities	\$10.7	\$10.7	\$10.7	\$10.7	\$10.7	\$10.7
Total Liabilities	\$37.5	\$37.5	\$37.5	\$37.5	\$37.5	\$37.5
Net Assets	\$221.9	\$219.9	\$222.6	\$225.9	\$229.6	\$233.5
Equity						
General Funds	\$128.7	\$126.7	\$129.4	\$132.7	\$136.4	\$140.3
Revaluation Reserve	\$93.2	\$93.2	\$93.2	\$93.2	\$93.2	\$93.2
Crown Capitalisation / (Establishment Dividend)	-	-	-	-	-	-
Total Equity	\$221.9	\$219.9	\$222.6	\$225.9	\$229.6	\$233.5

MIT is forecast to maintain strong cash position over the forecast period, with no core debt.

The Finance lease relates to the Techpark campus in Manukau.

Forecast Cash & Cash Equivalents - \$ million



Key assumptions & risks

Key Financial Assumptions

General Assumptions:

- Full SAC rates and equity funding to resume from January 2026. SAC Funding Plan Growth to not exceed 2% per annum.
- Annual Maximum Fee Movement of 6% in 2025, returning to 2% for remaining out-years.
- Salary Inflation increase as per the budget in 2025 and remains at 2% for remaining out-years.
- Inflation has been assumed to be 2% per annum as per Budget Economic and Fiscal Update 2024 Treasury Estimates.

Entity Specific Assumptions:

Programme Governance has requested that all divisions develop the Financial improvement Plan based on the 0% domestic growth scenario, with moderate international growth. Hence the focus is on removing cost from operations to improve financial performance. The downside scenario focuses on slower international growth at MIT and 0% domestic growth as this is significantly lower than MIT's FY25 budget and anticipated growth projected by the MoE.

- Domestic EFTS Growth Scenarios (as outlined overpage):
 - Base Case and downside case: 0% across FY25-FY29
 - Upside: 1.1% in FY25, 1.5% in FY26 and FY27, 1.0% in FY28 and FY29
- International EFTS Growth per annum:
 - Downside Case: 6.4% in FY25, 2% in FY26 and FY27, 0% in FY28 and FY29
 - Base Case: 10% in FY25, 12.5% in FY26, 7% in FY27, 5% in FY28 and 2% in FY29
 - Upside: 20% in FY25, 12.5% in FY26, 3% from FY27 to FY29

Assumptions - continued

- EFTS to Academic FTE ratio:
 - Base and downside: Moderate improvement on the current ratio of 15.8, reaching 16.2 from FY26 onwards.
 - Upside: Increased improvement on the base case, reaching 16.5 from FY28 onwards.
- Non-Academic FTE to Academic ratios:
 - Base and downside: Negligible improvement on the current ratio of 1.1, holding flat across the forecast period (FY25-FY29).
 - Upside: Slight improvements on the base case.

Risks/Issues identified

General Risks/Issues:

- The analysis and recommendations in this Financial Improvement Plan are accurate as of its issuance. Subsequent data revisions, reforecasts, and environmental changes that could significantly alter these recommendations have not been included.
- Opening capitalisation for standalone entities in 2026 is currently unknown. The Financial Improvement Plan assumes that MIT will have no Crown debt when stood up as an independent entity and it is assumed to have an opening cash balance of \$49.3m on 1 January 2026 as per the financial modelling.
- Readers should be weary when assessing SSR or Personnel to Revenue ratios considering the wide range of accounting conventions across the network and disparity between "healthy" SSR's across programmes, modes of delivery, and associated industries.

Scenario analysis and key sensitivities

Section One:
Priority Initiatives

Section Two:
Further Cost Saving Initiatives

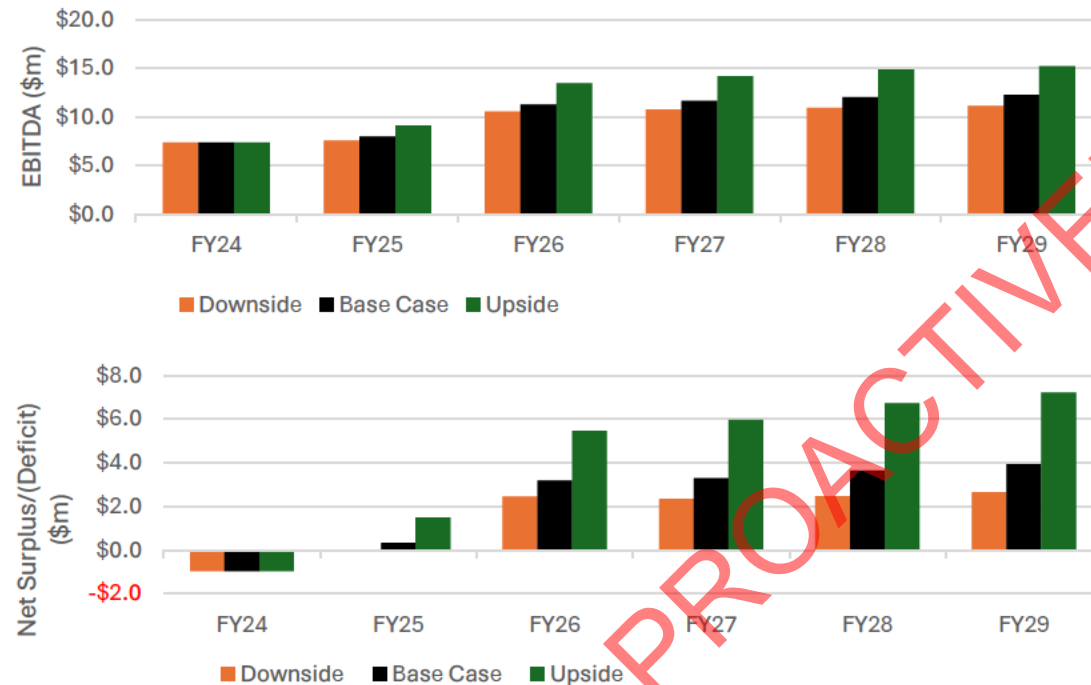
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Scenario Analysis

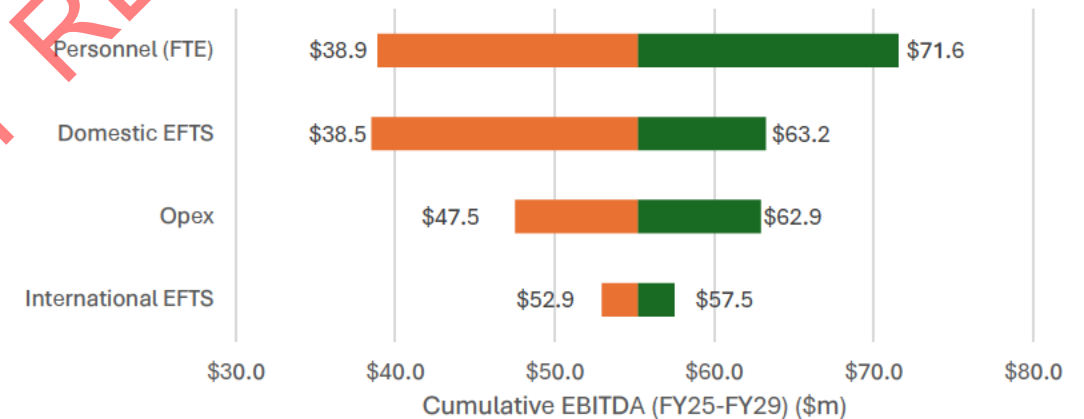
A scenario analysis was undertaken to evaluate how MIT's performance under both a downside and upside scenario, comparative to the current base case. As the base case assumes 0% domestic growth, the downside primarily focuses on lower international growth.

As such, MIT should plan for EBITDA scenarios between \$10.6m - \$13.5m in FY26 and should ensure that capital plans are developed and prioritised to have a number of stage gates should forecast free cash flow be lower than the base case projection.



Variable Sensitivities for EBITDA over FY25 – FY29

The chart below gives the indicative impact of variations across key variables that would impact cumulative EBITDA levels across the forecasted period (FY25-FY29). From our analyses, fluctuations in total FTE across the forecast period FY25-FY29 have the greatest effect on EBITDA, followed by fluctuations in domestic EFTS. We also have assumed limited upside in SAC funding with a maximum TEC plan growth of 2% over the period. As such, there is more downside than upside risk to MIT in Domestic EFTS.



Key Assumption	Sensitivity Range
Higher/Lower Total FTE	Sensitivity range for + / - 5% in Total FTE
Higher/Lower Domestic EFTS	Sensitivity range for + / - 5% in Domestic EFTS
Higher/Lower Opex	Sensitivity range for + / - 5% in Opex
Higher/Lower International EFTS	Sensitivity range for + / - 5% in International EFTS

Section Two: Further Cost Saving Initiatives

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Further saving initiatives

Second Step – Post Merge Decision (assumed 1 July 2025)

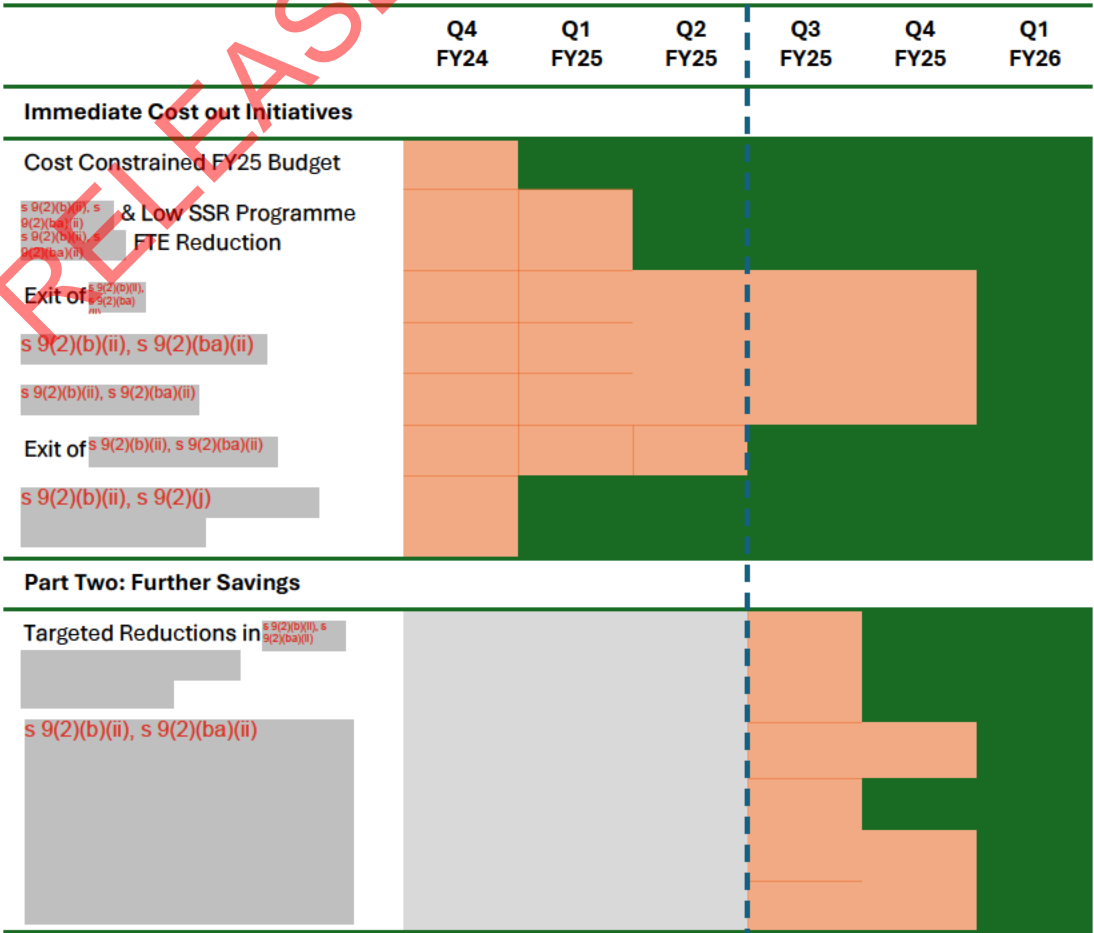
To bridge the gap between the expected outcome of implementing the priority savings targets in FY25 and achieving a 2% surplus, MIT should concentrate on developing additional cost-out initiatives.

For the second round, the initiatives on page 25 ‘further saving initiatives’ have been suggested. If MIT and Unitec continue to operate with some shared delivery or capacity, the implementation of these initiatives will differ. This is because a combined entity would offer greater scope and scale for financial improvement.

For the purpose of the Financial Improvement Plan, we have assumed that a decision regarding a potential merger between MIT and Unitec will be made by 1 July 2025, as indicated in the summary graphic on the right.

Action	Key
Hold for direction on merger	
Plan for implementation	
Implemented	

Summary Financial Planning Timeline



Further saving initiatives

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Suggested additional initiatives, outside of those included within the base case, have been identified below.

Additional Mitigations	Type	Description	Approx. Savings/Opportunity
1 Targeted reductions in Targeted Reductions in s 9(2)(b)(ii), s 9(2)(ba)(ii)	FTE Reduction	Based on Tribal benchmarking analysis with similar sized divisions, MIT could target a further ~10 FTE across s 9(2)(b)(ii), s 9(2)(ba)(ii),	\$1.0m per annum savings from Q4 FY25 based on achieving 10 FTE reduction. Change costs of approx. \$0.26m have been identified.
2 s 9(2)(b)(ii), s 9(2)(ba)(ii)	FTE Reduction	Under the proposed standalone structure, additional FTE are added for s 9(2)(b)(ii), s 9(2)(ba)(ii). On a pure standalone basis, we recommend the s 9(2)(b)(ii), s 9(2)(ba)(ii)	\$0.3m per annum in savings from a 2 FTE reduction from Q4 FY25. Change costs of \$0.08m identified.
3 s 9(2)(b)(ii), s 9(2)(ba)(ii)	Programme Exit	s 9(2)(b)(ii), s 9(2)(ba)(ii) has been identified for exit at the end of FY25 due to the negative contribution margin. Further consideration needs to be given to how the exit of these programmes may affect adjacent programmes such as s 9(2)(b)(ii), s 9(2)(ba)(ii)	\$0.1m per annum from Q1 FY26 in net savings for s 9(2)(b)(ii)
4 s 9(2)(b)(ii), s 9(2)(ba)(ii)	Programme Exit	s 9(2)(b)(ii), s 9(2)(ba)(ii) has been identified for exit at the end of FY25 due to the negative contribution margin. Further consideration needs to be given to how the exit of these programmes may affect adjacent programmes such as s 9(2)(b)(ii), s 9(2)(ba)(ii) and their relative demand.	\$0.02m per annum net savings for s 9(2)(b)(ii) from Q1 FY26.
5 s 9(2)(b)(ii), s 9(2)(ba)(ii)	Programme Exit	Despite the s 9(2)(b)(ii), s 9(2)(ba)(ii) courses are loss leaders, with the FY25 budget accounting for a \$73k negative contribution.	\$0.07m per annum in savings from a 2.2 FTE reduction Q1 FY26. Change costs of \$0.05m identified.

Longer term initiatives

6 Academic Workforce plan	Strategic planning	Academic Workforce plan incorporating benchmarking of workloads and workforce allocation based on demand requirements and linked to programme profitability.	
7 Academic Support plan	Strategic planning	Comprehensive academic support strategy. assessing the optimal team size and investment requirements to significantly enhance organisational efficiency and effectiveness.	

Workstreams

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Workstream	Initiative	Description of actions	Timeframe	Level of change – staff	Level of change – learner	Likelihood of not achieving	Impact if not achieved	Regional Impact	Overall risk rating	Additional resourcing requirement (outside BAU)
Personnel	1 Targeted Reductions in s 9(2)(b)(ii), s 9(2)(ba)(ii)	<ul style="list-style-type: none"> Undertake s 9(2)(b)(ii), s 9(2)(ba)(ii) staff ratio analysis and workforce benchmarking to determine areas of FTE reduction and impact analysis to understand impacts of FTE reduction on service delivery. Develop stakeholder engagement plan including stakeholder mapping analysis to identify engagement needs and internal communications team on communication channels. Develop change proposal and change management plan including impact to services, risks and mitigations, approach, timeframes and resourcing required for approval by Governance. 	Plan for implementation completed by Q4 2025	High	Medium	Medium	High	NA	High	Comms and change management resource
	2 s 9(2)(b)(ii), s 9(2)(ba)(ii)	<ul style="list-style-type: none"> Confirm programme alignment areas and programme profitability analysis in order to target areas for consolidation. Develop stakeholder engagement plan including stakeholder mapping analysis to identify engagement needs and internal communications team on communication channels. Develop change proposal and change management plan including impact to services, risks and mitigations, approach, timeframes and resourcing required for approval by Governance. 	Plan for implementation completed by Q4 2025	Medium	Low	Medium	Medium	NA	Medium	Change management resource

Workstreams

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Workstream	Initiative	Description of actions	Timeframe	Level of change – staff	Level of change - learner	Likelihood of not achieving	Impact if not achieved	Regional Impact	Overall risk rating	Additional resourcing requirement (outside BAU)
Programmes	3	<div>s 9(2)(b)(ii), s 9(2)(ba)(ii)</div> <ul style="list-style-type: none">Develop stakeholder engagement plan including stakeholder mapping analysis to identify engagement needs and internal communications team on communication channels.Undertake analysis of the programme to understand the impact associated with exiting and impact to associated programmes of study, primary <div>s 9(2)(b)(ii), s 9(2)(ba)(ii)</div>.Develop change proposal and change management plan including impact to services, risks and mitigations, approach, timeframes and resourcing required for approval by Governance.	Plan for implementation completed by Q1 2026	Medium	Medium	Medium	Medium	Low	Medium	Change management resource
	4	<div>s 9(2)(b)(ii), s 9(2)(ba)(ii)</div> <ul style="list-style-type: none">Develop stakeholder engagement plan including stakeholder mapping analysis to identify engagement needs and internal communications team on communication channels.Undertake analysis of the programme to understand the impact associated with exiting and impact to associated programmes of study.Develop change proposal and change management plan including impact to services, risks and mitigations, approach, timeframes and resourcing required for approval by Governance.	Plan for implementation completed by Q1 2026	Medium	Medium	Medium	Low	Low	Medium	Change management resource

Workstreams

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Workstream	Initiative	Description of actions	Timeframe	Level of change – staff	Level of change - learner	Likelihood of not achieving	Impact if not achieved	Regional Impact	Overall risk rating	Additional resourcing requirement (outside BAU)
Programmes	5	<p>s 9(2)(b)(ii), s 9(2)(ba)(ii)</p> <ul style="list-style-type: none"> Develop stakeholder engagement plan including stakeholder mapping analysis to identify engagement needs and internal communications team on communication channels. Conduct a comprehensive financial review of each programme to identify areas of inefficiency and potential cost savings including analysing the current funding models. Evaluate the cultural and social impact of each programme to understand the non-financial value to the region. If necessary, develop change proposal and change management plan including impact to services, risks and mitigations, approach, timeframes and resourcing required for approval by Governance. 	Plan for implementation completed by Q1 2026	Medium	Medium	High	Medium	Medium	Medium	Communications resource

PROACTIVELY RELEASED

Section Three: Financial Performance, Systems & Objectives

PROACTIVELY RELEASED



Te Pūkenga

Governance & reporting

Section One:
Priority Initiatives

Section Two:
Further Cost Saving Initiatives

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Governance

A financial recovery management group will be established internally for a period of three years, with the incoming Chief Executive (or existing Rohe 1 Executive Director in the interim) as the owner and Senior Leadership Team (SLT) members assigned as workstream owners. The membership of the financial recovery management group will be reviewed every six months to ensure that the outcomes of the financial recovery plan are being met.

This group will report to the Governance Group, as designated by Te Pūkenga until the Advisory Boards are established. The work of the financial recovery management group will be supported by the internal Communications and People and Culture teams.

Management Group

The primary function of the management group is to provide comprehensive oversight, strategic guidance, and operational coordination to achieve the objectives of the financial recovery plan.

Key responsibilities include:

- Monitoring and evaluating the progress of the financial recovery plan
- Identifying and addressing any challenges or risks that may impact the plan's success
- Ensuring alignment with organisational goals and strategic priorities
- Facilitating communication and collaboration among various stakeholders
- Making informed decisions to adjust the plan as necessary to meet its objectives
- Reporting regularly to the Governance Group on the group's activities and progress.

Reporting structure

A structured reporting framework approach is suggested to provide regular updates to the Governance Group, ensuring transparency and accountability with the implementation of various workstreams and initiatives.

The reporting framework will be bi-monthly, allowing for timely assessments and adjustments. The report will include detailed sections on the status updates of each workstream and initiative, highlighting progress, challenges, and any necessary actions. It will also track how these initiatives are performing against the annual savings targets, providing a clear picture of their financial impact. Additionally, the report will incorporate comprehensive financial information, such as budget allocations, expenditures, and any variances.

To facilitate consistency and ease of use, this document includes a template in the appendices, which can be used for future reporting cycles. This template will outline the key sections and data points required, ensuring that all necessary information is captured and presented in a standardised manner.

Formal Closure of the Financial Improvement Plan

The Financial Improvement Plan can only be closed following the owner (Chief Executive) seeking closure from the Governance Group on the basis a final report is provided outlining achievement against the targets and closure of the initiatives.

Risk assessment & mitigation

Section One:
Priority Initiatives

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Below outlines the risks associated with the plan as a whole, along with the corresponding mitigation strategies designed to minimise their impact. By acknowledging and addressing these risks, we can ensure the plan's objectives are achieved while maintaining stability and resilience throughout the implementation process.

Risk	Impact	Likelihood	Mitigation
1 Disruptions to the day-to-day operations of the entity, impacting its ability to deliver services and programmes effectively.	High	Medium	<ul style="list-style-type: none"> Create detailed plans for maintaining essential operations during periods of change or disruption. This includes identifying critical functions, backup processes, and key personnel. Establish clear communication channels and implement a structured change management process to manage the impact of changes on daily operations, ensuring minimal disruption to services and programmes.
2 Delayed decision regarding merger with MIT resulting in delays for further cost out initiatives and long-term planning.	High	Medium	<ul style="list-style-type: none"> Focus on implementing priority initiatives, maintain communication channels with TEC. Focus on continuous financial improvement and developing a number of smaller cost saving initiative.
3 Resistance from staff, students, or other stakeholders to changes implemented as part of the financial recovery plan.	Medium	High	<ul style="list-style-type: none"> Engage in open and transparent communication with all stakeholders to explain the necessity and benefits of the changes. Involve stakeholders in the decision-making process through consultations and feedback mechanisms to build trust and ownership. Provide support and flexibility to staff and students, and address concerns promptly.
4 Uncertainty in financial projections and funding, which can impact the sustainability of the recovery plan.	Medium	Medium	<ul style="list-style-type: none"> Develop robust financial models and scenarios to anticipate and prepare for different financial outcomes. Regularly review and update financial plans based on actual performance and changing circumstances.
5 Changes implemented during the recovery plan could compromise the quality of educational programmes.	High	Low	<ul style="list-style-type: none"> Ensure that any changes to programmes are carefully assessed for their impact on quality and student outcomes. Implement and maintain strong quality assurance mechanisms. Consider, if necessary, alternative teaching delivery methods that can maintain or enhance programme quality, such as online or blended learning options.
6 Difficulties in divesting underutilised properties, which could delay financial benefits.	Low	Medium	<ul style="list-style-type: none"> Conduct thorough market analyses to determine the best timing and strategies for property divestment. Engage with real estate experts and market the properties effectively to attract potential buyers. Consider leasing options as an interim measure if immediate sale is not feasible.
7 Difficulties in implementing digital transformation initiatives, which could hinder operational efficiency and student experience.	High	Medium	<ul style="list-style-type: none"> Develop a comprehensive digital transformation strategy with clear goals and timelines. Ensure strong immediate support for existing digital platforms and instruments to handle high usage.
8 Regulatory risks arises from changes in laws, regulations, or policies. Including new or amended legislation or regulatory requirements.	High	Medium	<ul style="list-style-type: none"> Monitor and analyse changes in relevant laws, regulations, and policies. Develop and maintain robust compliance frameworks that integrate new or changed regulatory obligations into the entities policies, procedures, and processes.
9 Negative impact on the divisions's reputation due to changes or disruptions.	High	Medium	<ul style="list-style-type: none"> Maintain transparent and open communication with stakeholders to manage expectations and build trust. Develop a crisis management plan to address any reputational issues quickly and effectively.
10 Changes in market demand or enrolment patterns that could affect the division's financial plans.	High	High	<ul style="list-style-type: none"> Conduct market research to stay informed about changing demand and trends. Implement flexible admission and enrolment processes to adapt to changing circumstances.
11 Challenges in implementing the recovery plan, including delays, cost overruns, or failure to achieve intended outcomes.	High	Medium	<ul style="list-style-type: none"> Develop a detailed action plans per workstream with clear milestones and timelines. Regularly monitor progress, identify potential issues early, and make necessary adjustments to stay on track.

Financial Performance Systems

Section One:
Priority Initiatives

Section Two:
Further Cost Saving Initiatives

Section Three:
Financial Performance,
Systems & Objectives

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Overview of Performance Systems and Objectives

MIT needs to commit to maintaining a balanced approach to financial management. In the short term, the focus is on achieving cost savings and stringent cost control to ensure immediate financial stability. Concurrently, MIT needs to have a view of its long-term aspirations by investing in strategic initiatives that foster sustainability, and delivery of its key education performance objectives. Regular updates to the financial plan, coupled with annual and semiannual reviews of key functions and programs, ensure that the institution adapts to changing conditions and meets its financial targets. This proactive approach aims to return MIT to financial viability without delay, while continuously improving its educational offerings and operational efficiency.

Short-Term Focus:

- Achieve cost savings and cost control to stabilise finances.
- Implement strict budget management and expenditure monitoring.
- Prioritize essential services and eliminate non-essential expenses.

Long-Term Aspirations:

- Invest in strategic initiatives that align with future growth and sustainability.
- Foster innovation and development in key vocational programmes.
- Maintain a balance between immediate financial health and long-term goals.

Financial Plan Updates:

- Regularly update the financial plan to reflect current conditions and projections.
- Ensure flexibility to adapt to changing economic and educational landscapes.
- Use data-driven insights to inform financial decisions and adjustments.

Targets and Viability:

- Set clear, achievable financial targets to guide performance.
- Monitor progress closely to ensure timely return to financial viability.
- Engage stakeholders in the financial planning process to foster transparency and accountability.

Review and Action:

- Conduct larger annual and semiannual reviews of key functions and programs alongside smaller monthly reports.
- Take decisive actions based on review outcomes to ensure continuous improvement.
- Implement a no-regrets policy, ensuring actions taken are beneficial regardless of future uncertainties.

How will the short-term focus be achieved?

Regular reviews and a structured approach to financial management will help ensure that the division remains on track to achieve its financial targets and return to financial viability.

Regular Monthly Financial Reporting:

- Conduct detailed monthly financial reports to track expenditures and revenues.
- Ensure transparency and accountability by sharing these reports with all relevant stakeholders.
- Foster a culture of continuous improvement and accountability across the organisation.

Monthly Reviews with CFO and Chief Executive:

- Hold monthly review meetings with the CFO and Chief Executive for all budget holders.
- Discuss financial performance, identify variances, and develop corrective actions.
- Emphasize the importance of budget holders taking responsibility for resolving their own budget issues, with additional funding considered only as a last resort.
- Finance Team to sense check run rate forecast and to ensure that budget holders are providing leadership with the best estimate for year end position, and there are no held contingencies for unlikely events or any surprises regarding cost not included within the forecast.
- MIT needs to foster a culture of accurate forecasting and budgeting – once enrolments are confirmed expectation should be that budget holders hit targets.

Budget Holder Accountability:

- Set clear expectations for budget holders to manage their budgets effectively. Ensure that this is set out in the Delegated Financial Authority Policy, and that there are sufficient measures for corrective action.
- The finance team provides training and support to enhance their financial management skills.
- Encourage proactive problem-solving and innovation to address budget challenges.

People and Culture Support:

- Maintain a rigorous business case process for approving new positions. Ensure that any new hires align with strategic priorities and budget constraints.
- Collaborate with People & Culture (P&C) to support the Senior Leadership Team (SLT) in reviewing resourcing requirements and ensuring that the organisation is shifting resources before requesting new roles.
- P&C to work closely with SLT to monitor and enhance staff performance, ensuring the workload allocation for teaching and tribal benchmarking supports any required roles.

Focus on Improvement Initiatives:

- Utilise the reporting template to highlight and track improvement initiatives as per the report framework of the Financial Improvement Plan.

Long-Term Planning

Section One:
Priority Initiatives

Section Two:
Further Cost Saving Initiatives

Section Three:
Financial Performance,
Systems & Objectives

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Long-Term Aspirations

To ensure that MIT not only survives but thrives, the division will also focus on its long-term aspirations and adapt to shifts in the mode of delivery and changes to programmes. By balancing short-term financial stability with long-term aspirations, MIT can create a resilient and thriving division that meets the needs of its students, staff, and stakeholders.

Strict financial management will enable the financial headroom for investment in strategic initiatives:

- Allocate resources to initiatives that align with future growth and sustainability.
- Focus on areas such as digital transformation, and industry partnerships.
- Ensure a fit for purpose framework is developed for business cases and pilots are developed to ensure that investment decisions are based on sound information.

Adapting to shifts in mode of delivery:

- Embrace innovative teaching methods, including online and hybrid learning models.
- Invest in technology and infrastructure to support flexible and accessible education.
- Continuously update curricula to reflect industry trends and future workforce needs.

Programme changes and development:

- Regularly review and update academic and vocational programs to ensure relevance and quality.
- Introduce new programs that cater to emerging fields and market demands.
- Foster a culture of continuous improvement and innovation in program delivery.

Focus on sustainability and growth:

- Implement initiatives that promote environmental sustainability and social responsibility.
- Strengthen community and industry engagement to enhance the division's reputation and impact.
- Pursue opportunities for growth, such as expanding international collaborations and student recruitment.

Continuous improvement and accountability:

- Conduct regular reviews of key functions and programs to identify areas for improvement.
- Monitor progress closely and adjust strategies as needed to stay on track with long-term goals.

Long-Term Planning Underpinned by Key Detailed Planning

To support its strategic goals, MIT will develop a robust long-term financial plan that is both flexible and adaptable to changing economic and educational landscapes. The financial planning will draw on the following key subsets of plans that require to be developed and updated to ensure that MIT can priorities its resources.

Key Areas of Focus in Long-Term Planning

	Plan	Key Content	Considerations for long / short-term planning
1	Domestic Delivery (academic portfolio)	Ensuring the programmes are of sufficient scale and scope and delivering against regional needs.	Updated programme profitability and ensure that enrolments trends are inline with market expectations. Testing market share for key areas of delivery.
2	International Growth and Sustainability	Strategy for reaching targets growth and ensuring MIT keeps ahead of market trends.	Annual targets for enrolments by programme, new products and channels to provide diversification. Defined investment requirements.
3	Academic Workforce Plan	Enables the short and long-term management of academic workforce.	Academic workloads are benchmarked and allocated based on demand requirements and linked to programme probability.
4	Organisational Efficiency / Academic Support	Plan for academic support roles and efficiently projects that will enable improvements in workforce productivity.	Targeted academic support structure, and team size. Defined investment requirements to improve organisational efficiency.
5	Property Plan	Strategic document outline the vision and then detailed analysis for the for physical space requirements.	Outline key projects as per capital plan, with time and sequencing for delivery. Recommended that condition assessments undertaken on key facilities to establish BAU requirements and how this can be linked to strategic property development.
6	Digital Strategy	Provides the direction for key software platforms decisions and learner experience at MIT.	Total investment requirements, phasing and delivery consideration along with investment decisions existing infrastructure.

Bringing it all together

Section One:
Priority Initiatives

Section Two:
Further Cost Saving Initiatives

Section Three:
Financial Performance,
Systems & Objectives

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Target Setting and Performance Management

To link all these elements together and ensure effective review and updating of KPIs, MIT can follow a structured process to embed a performance evaluation cycle. The purpose of this is to enable the key strategic plans to be developed and incorporated as part of the planning and budget rounds, then included within the enterprise reporting. This provides management and governance a single view of how the ITP is performing against the key objectives.

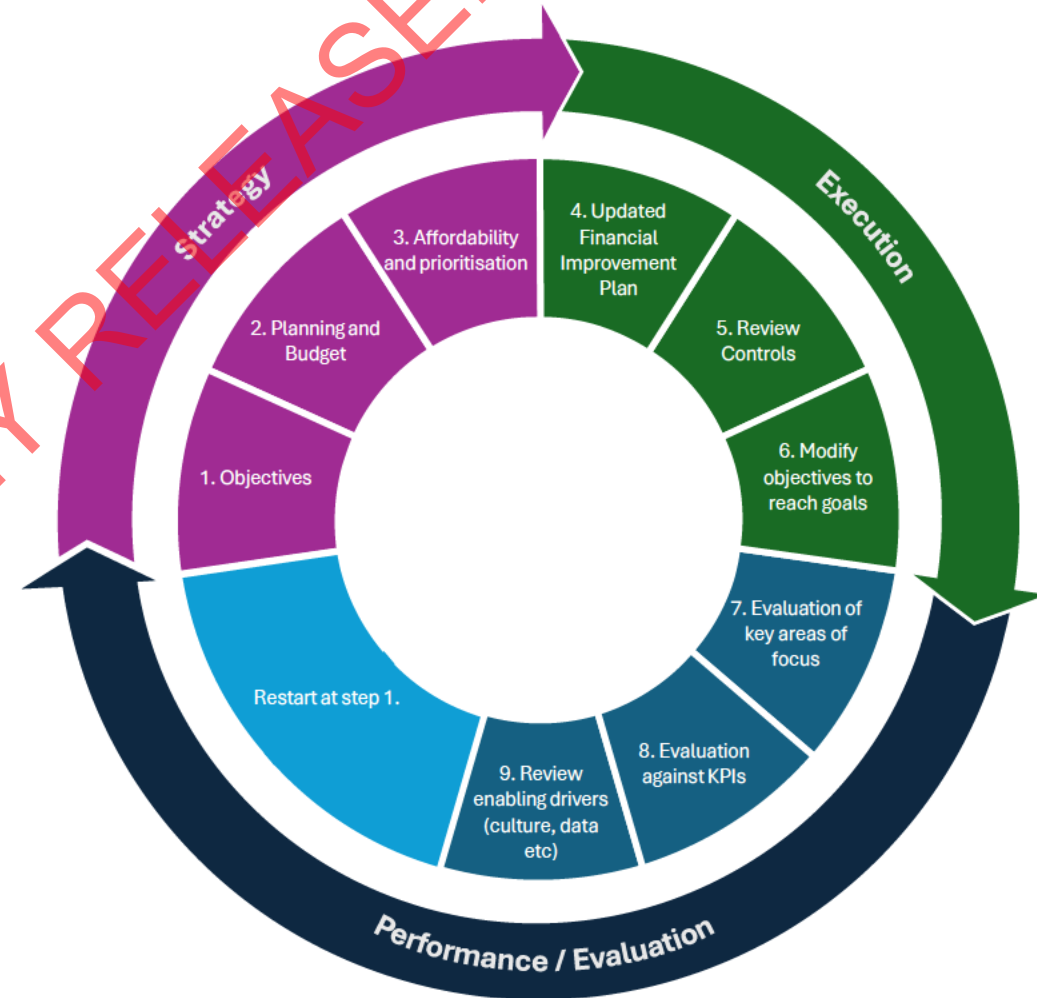
Performance reporting and KPI assessment are key functions of this framework to ensure that objectives are met, and MIT is investing in the key enabling drives such as organisational culture, data availability and stakeholder involvement.

As previously mentioned, a key challenge for MIT is to create the financial headroom to implement strategic plans hence the Financial Improvement Plans initial focus on improving the financial performance of MIT.

As such, it makes sense that MIT focuses on creating the financial headroom in FY25 and then works alongside the appointed governance and leadership to develop the key strategic direction for MIT following the anticipated 2026 spin out from Te Pūkenga.

It also makes sense to align as many KPI's with the required TEC reporting framework to ensure that reporting is efficient and there is clear communication between management, governance and the TEC.

Performance Evaluation Cycle



Appendices

PROACTIVELY RELEASED



Te Pūkenga

Reporting template – Financial Improvement Plan template

MIT Financial Improvement Plan Status Report

Programme Status Report as at: [date]

Approved by: [Programme Owner]

Current programme status: [RAG rating]

Programme Description:

The Financial Improvement Plan has been established to achieve a 2.0% net surplus and sight an 11% EBITDA to revenue margin as the target financial benchmark by FY26.

Progress commentary:

[insert commentary on progress against the plan]

Workstream	Initiative		Status (RAG)	Commentary
Personnel	1	Cost Constrained FY25 Budget		
	2	s 9(2)(b)(ii), s 9(2)(ba)(ii) & Low SSR Programme FTE Reduction s 9(2)(b)(ii), s 9(2)(ba)(ii)		
Property	3	s 9(2)(b)(ii), s 9(2)(ba)(ii)		
	4	s 9(2)(b)(ii), s 9(2)(ba)(ii)		
Programmes	5	Exit of s 9(2)(b)(ii), s 9(2)(ba)(ii)		
	6	Exit of s 9(2)(b)(ii), s 9(2)(ba)(ii)		
	7	s 9(2)(b)(ii), s 9(2)(j)		

Status	Key	%
R – Red		Unlikely to achieve 85% of target
A – Amber		Within 15% of all targets achieved
G – Green		100%+ of target achieved.

Reporting template – Initiative template

Workstream	Initiative	RAG Status for FIP	Actions & Millstones	Commentary	Identified risk commentary	Planned Annual Savings / Uplift	Forecast Annual Savings / Uplift
Personnel	1 Cost Constrained FY25 Budget						
	2 & Low SSR Programme FTE Reduction						
Property	3						
	4						
Programmes	5 Exit of						
	6 Exit of						
	7						

Reporting template – Change Request

Workstream		Initiative	Planned Annual Savings / Uplift	Forecast Annual Savings / Uplift	Change Log	Description	Approved / Rejected
[Name]		[#]	[Initiative Name]		[Unique Change Number]	[Description]	[Outcome]

Area of focus	Description	Further Comment
Describe the nature of the change request	[What has been done, what is the proposed change]	
What are the implications on cost and budget	[Describe the level of impact on the forecast annual savings uplift]	
What is the impact to the scope for the Financial Improvement Plan	[Outline any impact on scope, proposed solutions]	
What is the impact to timing	[How are the benefits timing impacted]	
Change process	[Outline the change process – ie under what delegated authority will be change be approved – ie Management or Governance Approval]	[Subject to confirmation with governance, expectation is any changes outside the agreed tolerance.]

Status	Key	%
R – Red		Unlikely to achieve 85% of target
A – Amber		Within 15% of all targets achieved
G - Green		100%+ of target achieved.

Reporting template – Change Log

Change Log #	Description	Approved / Rejected – Chief Executive	Approved / Rejected – Governance (if required)
[Unique Change Number]	[Description]	[Outcome]	[Outcome]
[Unique Change Number]	[Description]	[Outcome]	[Outcome]
[Unique Change Number]	[Description]	[Outcome]	[Outcome]
[Unique Change Number]	[Description]	[Outcome]	[Outcome]
[Unique Change Number]	[Description]	[Outcome]	[Outcome]
[Unique Change Number]	[Description]	[Outcome]	[Outcome]
[Unique Change Number]	[Description]	[Outcome]	[Outcome]
[Unique Change Number]	[Description]	[Outcome]	[Outcome]

Reporting template – Financial Improvement Plan template

MIT Financial Reporting Status

[Insert commentary from management report on budget tracking]

Current Year Financial Summary:

[Set out current financial performance against budget]

Implications for FIP Targets:

[insert commentary on progress against the plan. This should outline any key issues with regards to cost over runs in capital projects, higher personnel cost or lower enrolments that are going to require mitigation against the P&L]

Status	Key	%
R – Red		Unlikely to achieve 85% of target
A – Amber		Within 15% of all targets achieved
G – Green		100%+ of target achieved.

MIT Key Metrics	FY24	FY25	FY26	FY27	FY28	FY29
Net Operating Surplus Margin	-1%	0%	3%	3%	3%	4%
EBITDA Margin	8%	8%	11%	11%	11%	11%
Personnel to Revenue Ratio	66%	63%	61%	61%	60%	60%
Academic SSR	16.4	17.2	17.4	17.4	17.4	17.4
Allied (Non-Academic) to Academic Staff Ratio	1.1	1.2	1.1	1.1	1.1	1.1
Domestic Students (EFTS)	4,420	4,366	4,366	4,366	4,366	4,366
International Students (EFTS)	381	419	471	505	530	540
Total Students (EFTS)	4,801	4,785	4,837	4,870	4,895	4,906
Academic FTE	292	278	278	280	282	283
Non-Academic FTE	333	322	305	308	310	310
Total FTE	625	599	584	588	591	593
Total Programmes delivered	83	79	79	79	79	79
Programmes discontinued	0	4	0	0	0	0

Reporting template – Detailed Target Reporting

Current Actual / Forecast Metrics							Target Metrics							Actual / Forecast less Target						
MIT	FY24	FY25	FY26	FY27	FY28	FY29	MIT	FY24	FY25	FY26	FY27	FY28	FY29	MIT	FY24	FY25	FY26	FY27	FY28	FY29
Net Operating Surplus Margin	-1%	0%	3%	3%	3%	4%	Net Operating Surplus Margin	-1%	0%	3%	3%	3%	4%	Net Operating Surplus Margin	-%	-%	-%	-%	-%	-%
EBITDA Margin	8%	8%	11%	11%	11%	11%	EBITDA Margin	8%	8%	11%	11%	11%	11%	EBITDA Margin	-%	-%	-%	-%	-%	-%
Personnel to Revenue Ratio	66%	63%	61%	61%	60%	60%	Personnel to Revenue Ratio	66%	63%	61%	61%	60%	60%	Personnel to Revenue Ratio	-%	-%	-%	-%	-%	-%
Academic SSR	16.4	17.2	17.4	17.4	17.4	17.4	Academic SSR	16.4	17.2	17.4	17.4	17.4	17.4	Academic SSR	-	-	-	-	-	-
Allied (Non-Academic) to Academic Staff Ratio	1.1	1.2	1.1	1.1	1.1	1.1	Allied (Non-Academic) to Academic Staff Ratio	1.1	1.2	1.1	1.1	1.1	1.1	Allied (Non-Academic) to Academic Staff Ratio	-	-	-	-	-	-
Domestic Students (EFTS)	4,420	4,366	4,366	4,366	4,366	4,366	Domestic Students (EFTS)	4,420	4,366	4,366	4,366	4,366	4,366	Domestic Students (EFTS)	-	-	-	-	-	-
International Students (EFTS)	381	419	471	505	530	540	International Students (EFTS)	381	419	471	505	530	540	International Students (EFTS)	-	-	-	-	-	-
Total Students (EFTS)	4,801	4,785	4,837	4,870	4,895	4,906	Total Students (EFTS)	4,801	4,785	4,837	4,870	4,895	4,906	Total Students (EFTS)	-	-	-	-	-	-
Academic FTE	292	278	278	280	282	283	Academic FTE	292	278	278	280	282	283	Academic FTE	-	-	-	-	-	-
Non-Academic FTE	333	322	305	308	310	310	Non-Academic FTE	333	322	305	308	310	310	Non-Academic FTE	-	-	-	-	-	-
Total FTE	625	599	584	588	591	593	Total FTE	625	599	584	588	591	593	Total FTE	-	-	-	-	-	-
Total Programmes delivered	83	79	79	79	79	79	Total Programmes delivered	83	79	79	79	79	79	Total Programmes delivered	-	-	-	-	-	-
Programmes discontinued	0	4	0	0	0	0	Programmes discontinued	0	4	0	0	0	0	Programmes discontinued	-	-	-	-	-	-

Financial Monitoring via the FMF

Adopting FMF Framework for the Division

One of the Tertiary Education Commission's (TEC) core functions is to monitor tertiary education institutions (TEIs) and report to the Minister responsible for Tertiary Education on the financial performance of the tertiary sector. There are two primary sections within the Education and Training Act 2020 (the Act) that set the foundation of the TEC's monitoring of TEIs' operations and viability. These are:

- Section 281(1)(e) of the Act requires that a TEI Council must “ensure that the institution operates in a financially responsible manner that ensures efficient use of resources and maintains the institution's long-term viability”.
- Section 405(1)(a) of the Act states that the Chief Executive of the TEC “must, on an ongoing basis, monitor institutions that receive funding in order to assess whether the operation or long-term viability of any of those institutions is at risk”.

The Financial Monitoring Framework (FMF) is a tool used to monitor TEIs' financial performance. The FMF itself has primarily been designed for larger universities and Te Pūkenga as a consolidated building division. However, the ratios it includes do make sense to apply to MIT to provide guidance on any high-risk metrics and can still be used as a tool for management and governance to assess the financial viability of each institution. This should be updated alongside the reporting template on a regular basis. Set out in the adjacent table are the FMF metrics for the Profitability, Liquidity and Debt Affordability Ratios.

[Source: Risk assessment process for tertiary education institutions - and the Tertiary Education Commission's financial monitoring framework](#)

Key Ratios

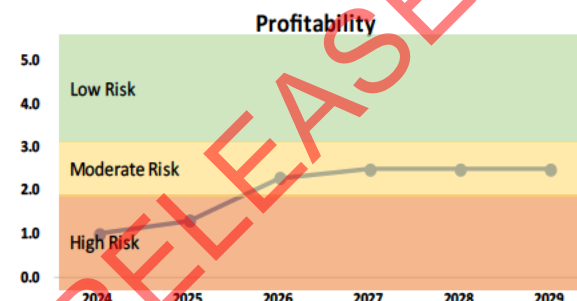
Measures	Ratio	Definition / calculation	Scoring table performance bands:						
			<ul style="list-style-type: none">A score of three and above is considered low riskA score of three to two is considered moderate riskA score of two and below is considered high risk						
			Scores	0	1	2	3	4	5
Profitability	Operating Surplus/Deficit	Operating Surplus/Deficit before/after trust and abnormal items, to total income.	< -4%	-4% to 0%	0% to 2%	2% to 4%	4% to 6%	6% +	
Profitability	Core Earnings	EBITDA to total income.	< 5%	5% to 9%	9% to 11%	11% to 13%	13% to 15%	15% +	
Liquidity	Liquid Funds Ratio	Liquid assets less short-term overdrafts to cash outflow (payments) from operations.	< 5%	5% to 10%	10% to 15%	15% to 20%	20% to 25%	25% +	
Liquidity	Net Cashflow from Operations	Cash inflow (receipts) from operations to Cash outflow (payments) from operations.	< 104%	104% to 108%	108% to 111%	111% to 113%	113% to 115%	115% +	
Debt Affordability	Debt Affordability	Total Debt to EBITDA.	> 4.0x	3.0x to 4.0x	2.0x to 3.0x	1.5x to 2.0x	0x to 1.5x	0	
Debt Affordability	Interest Strain	Interest Paid (within year) to Revenue	> 3%	2.25% to 3%	1.5% to 2.25%	0.75% to 1.5%	0% to 0.75%	< 0%	
Debt Affordability	Debt Equity Ratio	Total Debt to Total Debt plus Equity.	25% +	15% to 25%	7.5% to 15%	> 0% to 7.5%	0% & Core Earning <12%	0% & Core Earning >12%	

Assessment against the Financial Monitoring Framework

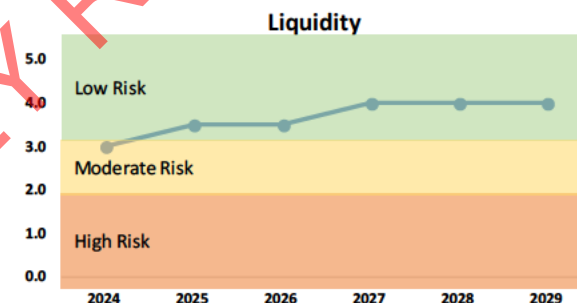
Ratios & Scores

	Weighting	FY24	FY25	FY26	FY27	FY28	FY29
Profitability							
Profitability measures:							
Operating Surplus/Deficit - Before Trust and Abnormal Items (5 year rolling average)		-0.1%	0.9%	2.1%	2.9%	3.3%	3.4%
Operating Surplus/Deficit - Including Trust and Abnormal Items (5 year rolling average)		-0.8%	-0.2%	1.5%	2.6%	3.2%	3.4%
Core Earnings (5 year rolling average)		8.3%	8.8%	9.9%	10.6%	10.9%	10.9%
Resulting in profitability scores of:							
Operating Surplus/Deficit - Before Trust and Abnormal Items (5 year rolling average)	30%	1.0	2.0	3.0	3.0	3.0	3.0
Operating Surplus/Deficit - Including Trust and Abnormal Items (5 year rolling average)	20%	1.0	1.0	2.0	3.0	3.0	3.0
Core Earnings (5 year rolling average)	50%	1.0	1.0	2.0	2.0	2.0	2.0
Average Profitability Score		1.0	1.3	2.3	2.5	2.5	2.5
Liquidity							
Liquidity measures:							
Liquid Funds ratio (5 year rolling average)		50.3%	52.0%	54.2%	56.5%	58.3%	59.7%
Net Cashflow From Operations (5 year rolling average)		106.5%	108.1%	110.7%	112.0%	112.2%	112.2%
Resulting in liquidity scores of:							
Liquid Funds ratio (5 year rolling average)	50%	5.0	5.0	5.0	5.0	5.0	5.0
Net Cashflow From Operations (5 year rolling average)	50%	1.0	2.0	2.0	3.0	3.0	3.0
Average Liquidity Score		3.0	3.5	3.5	4.0	4.0	4.0
Debt Affordability							
Debt Affordability measures:							
Debt Affordability (5 year rolling average)		-	-	-	-	-	-
Interest Strain (5 year rolling average)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Debt Equity Ratio (5 year rolling average)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Resulting in debt affordability scores of:							
Debt Affordability (5 year rolling average)	50%	5.0	5.0	5.0	5.0	5.0	5.0
Interest Strain (5 year rolling average)	25%	5.0	5.0	5.0	5.0	5.0	5.0
Debt Equity Ratio (5 year rolling average)	25%	4.0	4.0	4.0	4.0	4.0	4.0
Average Debt Affordability Score		4.8	4.8	4.8	4.8	4.8	4.8

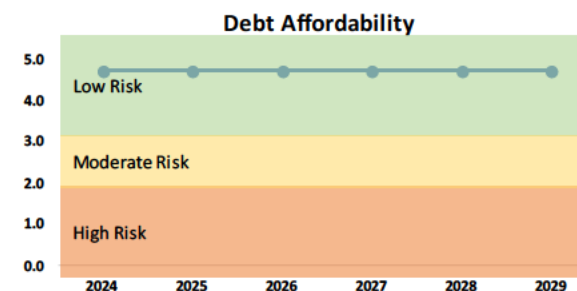
Commentary



Under the FMF, MIT is projected to have relatively poor Profitability over the forecast period. Through the rationalisation of MIT's cost-base with the implementation of immediate cost-out initiatives, MIT achieves a slight improvement to a moderate risk position on the 5-year average by the end of the forecasted period (FY29).



Under the FMF, MIT is forecasted to maintain/improve its liquidity position over the forecasted period (FY25-FY29).



Under the FMF, MIT is forecasted to maintain its debt affordability position over the forecasted period (FY25-FY29).