



# 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 ITP<sup>1</sup> 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](https://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](https://www.tepukenga.ac.nz/assets/Publications/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](https://www.tepukenga.ac.nz/assets/Publications/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.

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<sup>1</sup> 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 Options for regional delivery

Tai Poutini Polytechnic

November 2024

*APPROVED*



# Contents

	Page
Executive Summary	3 - 4
Background	6 - 9
Section One: Loss Minimisation	11 - 23
Section Two: Long Term Options	24 - 33
Appendices	
<i>Appendix 1: Definitions</i>	35
<i>Appendix 2: Alternative providers</i>	36-37
<i>Appendix 3: Further detail on options 3 and 4</i>	38

## 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.

# Executive Summary

## Introduction

As part of a Regional Institutes of Technology and Polytechnics (ITP) Viability Programme Volte was engaged to advise on what is required to support Tai Poutini Polytechnic (TPP), currently a division of Te Pūkenga, on its pathway to viability. TPP's standalone annual forecasts, developed as part of the engagement, indicate annual deficits between \$5.0m and \$8.7m.

Volte's Initial Finding Report (delivered August 2024) and High-Level Options Assessment (delivered October 2024) identified proposed initiatives to improve the financial viability of TPP. The viability assessment showed, that even with implementing the financial improvement initiatives, TPP will not be financially viable as a standalone entity by January 2026 or within the longer time-period forecast to FY29.

The High-Level Options Assessment considered the option of merging TPP with another ITP division, and Volte worked closely with the Rohe 4 Executive Director to consider what cost could be reduced via integration with Ara adopting parent systems, platforms and aligning leadership and delivery. This option could provide some further cost savings however is insufficient to ensure that TPP would not be a significant financial burden on the parent ITP.

As TPP was unlikely to be considered to be a viable standalone ITP, Volte was commissioned to deliver a Regional Delivery Options Assessment for TPP (this report) to consider options for regional delivery of tertiary level vocational education and training on the West Coast in relation to the teaching and learning currently provided by TPP.

## Report objective

This report aims to provide a plan to reduce the financial deficit of TPP and assess options for regional delivery of vocational education and training on the West Coast. The report provides a preferred option on the defined assessment criteria and outlines the key considerations for an implementation plan of the preferred option.

This report has leveraged the work done to date as part of the Regional ITP Viability Programme.

## Current financial situation and plan for improvement

Under a standalone scenario, TPP's ongoing deficit, even with undertaking a significant financial improvement plan, is unsustainable. TPP is projected to remain financially unviable as a standalone entity by January 2026, with a forecast EBITDA of negative \$3.3m in FY26. Additional funding of \$4.0m to \$6.0m per annum is required to support TPP, this would be additional subsidy of \$18k - \$28k per EFTS.

The financial improvement plan for TPP has three key steps focused on:

- 1) Refocusing on core delivery to improve contribution for academic delivery.
- 2) Reduced s 9(2)(b)(ii), s 9(2)(ba)(ii) to align to reduced delivery requirements.
- 3) Rationalising TPP's property footprint and sale of surplus assets.

# Executive Summary (cont.)

## Options Assessment

TPP's future cannot be decided on financial metrics alone. Therefore, five options have been identified on potential ways forward for TPP. The options for TPP's future were evaluated against financial and non-financial criteria:

1. **Standalone ITP:** Implement loss minimisation recommendations and seek ongoing government funding.
2. **Federated Model:** TPP becomes part of a federated model with central support.
3. **Subsidiary of a Parent ITP:** TPP retains a management function but relies on a parent ITP for corporate functions.
4. **Merge with another ITP:** Full integration into another ITP.
5. **Closure:** Exit delivery of vocational education on the West Coast.

While this report provides analysis of the financial viability and operational considerations for TPP, it does not include an economic impact assessment. The absence of this assessment means that the broader economic implications for the West Coast region, including potential effects on local businesses, employment, and community services, have not been fully explored.

## Preferred Option

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

## Implementation plan required for the preferred option

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

# Background

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**Te Pūkenga**



## Wider Context

Post-election 2023, the newly formed Government confirmed its intention to disestablish Te Pūkenga and re-establish regional Institutes of Technology and Polytechnics (ITPs).

In the first half of 2024, Te Pūkenga completed financial forecasting and modelling with the Tertiary Education Commission (TEC) to inform advice to the Minister about re-establishing ITPs as possible standalone financially viable and sustainable entities by 2026. ITPs that have a clear pathway to financial sustainability as stand-alone institutions would be given greater autonomy and re-established as autonomous entities from 1 January 2026.

In July, at the TEC's direction, Te Pūkenga engaged external advisors to assess and develop ITP financial viability plans as part of a Regional ITP Viability Programme. Volte was engaged to advise on what is required to support TPP on its pathway to viability, including giving consideration to understanding and confirming the financial position and profitability of TPP. TPP's standalone annual forecasts, developed as part of the engagement, indicate annual deficits between \$5.0m - \$8.7m. In FY24 TPP had a budgeted deficit of \$5.0m and a forecast cash shortfall of \$4.3m.

Volte's Initial Finding Report (delivered August 2024) and High-Level Options Assessment (delivered October 2024) identified proposed initiatives to improve the financial viability of TPP. The viability assessment showed, that even with implementing these financial improvement initiatives, TPP will not be financially viable as a standalone entity by January 2026 or within the longer time-period forecast to FY29, under the current ITP funding model.

## Delivery Locations

TPP is a provider of tertiary level vocational education and training with delivery in:

- **Greymouth** – TPP's main campus, spans 23,671sqm with 6,841sqm owned by Te Pūkenga and the remainder as leasehold.
- **Westport** – TPP provides delivery in hospitality, horticulture, infrastructure works and business administration in Westport from a 900sqm Trades Building. Constructed by TPP in 2015, it lies on a ground lease with Buller District Council. The current lease expires in 2028 with five renewal options of 15 years each.
- **Reefton** – TPP's agriculture programme provides hands-on experience from a 62ha training farm in Reefton owned by Te Pūkenga.
- **Christchurch** – TPP provides advanced scaffolding training from part of SIT's site. This is subcontracted to EarnLearn.
- **Auckland** – TPP provides delivery of scaffolding, rigging, industrial rope access, height safety and crane programmes from the Unitec Mt Albert campus.
- **Wanaka** - Home to TPP's Ski Patrol programme.

# Background

## 2025 Workforce Numbers

TPP has the following staff in functions across all locations:

Function	FTE
Teaching Delivery	46.1 FTE
Central Admin and director	3.2 FTE
Registry & Campus Administration	4.2 FTE
Facilities	3.5 FTE
Student Support	3.2 FTE
Digital	3.0 FTE
Finance	2.9 FTE
Human Resources	1.0 FTE
Marketing & Business Development	1.8 FTE
<b>TOTAL</b>	<b>69 FTE</b>



## Programmes

The programmes TPP currently delivers are set out below. Appendix A1 details TPP's current delivery by programme and provides comment on alternative providers in the national market.

Activity	Revenue (\$000)	EFTS	CM %
Jade & Hard Stone Carving (Diploma)	s 9(2)(b)(ii)	4	s 9(2)(b)(ii)
Jade & Hard Stone Carving (Certificate)		12	
Outdoor Instruction and Guiding (Diploma)		27	
Outdoor Education (Certificate)		40	
Certificate in Automotive Trades		14	
Certificate in Carpentry (Residential and Commercial)		14	
Mining & Quarrying Supervision L4/5		10	
Digger School Westport		18	
Digger School Greymouth		18	
New Zealand Certificate in Foundation Skills (Level 2)		16	
NZ Study & Career Preparation L3		6	
Trades Academy		-	
Other Non-Government Funded Programmes		-	
Certificate in Ski Patrol		11	
Business Admin & Comp Level 3		3	
Certificate in Hospitality		5	
NZC in Skills for living for supported learning (level 1)		-	
National Certificate in Motor Industry (Tyre Servicing)		5	
Agriculture		5	
Certificate in Horticulture		4	
Scaffolding (Earn Learn) – non TTP EFTS		-	
Cert Backcountry & Predator Elimination Skills		-	
<b>Unadjusted FY25 Budget</b>		<b>212</b>	

# Background

## West Coast Regional Profile

The West Coast is New Zealand's least densely populated region creating challenges to have concentrated delivery in one West Coast centre.

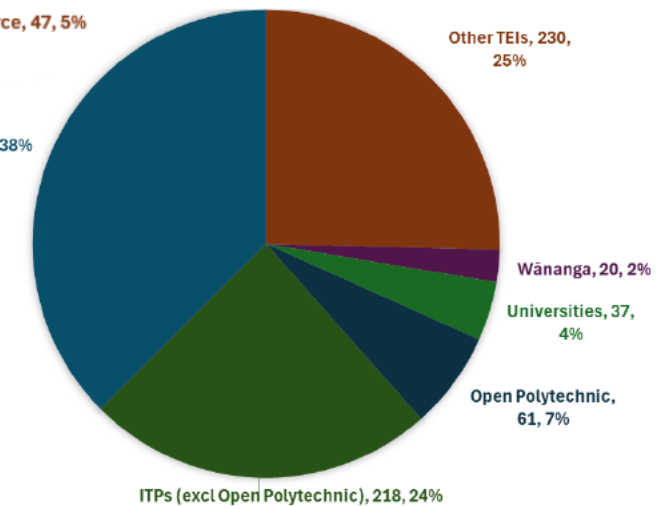
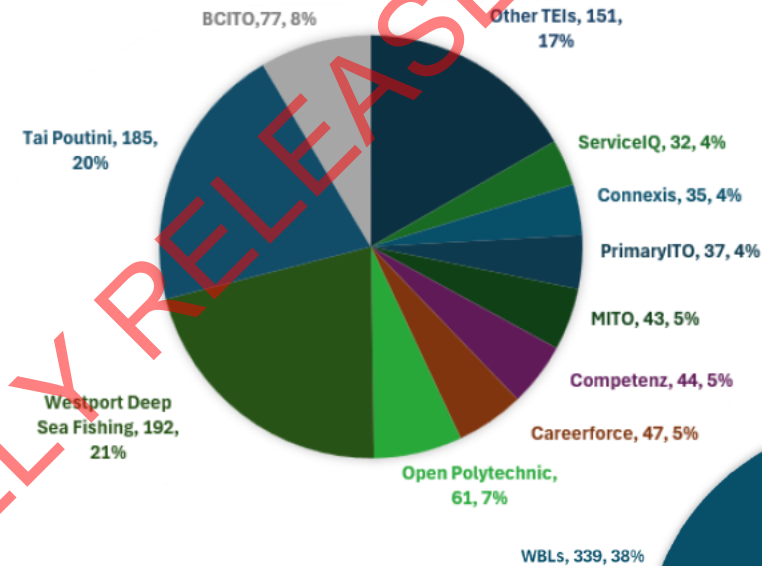
The West Coast Region is New Zealand's smallest market for learners. In 2023 there were an estimated 905 learners in the region (0.3% of all learners in New Zealand).

TPP is the only ITP physically based in the region and accounts for 20% of learners.

With regards to the West Cost Education market:

- 27 different tertiary education organisations (TEOs) operate within the region.
- Six of the other 15 former ITPs (Open Polytechnic, SIT, Otago Polytechnic, Ara, Wintec, and NMIT) have learners within the region.
- Universities (Massey, Otago and Canterbury) hold 4% of the market; a relatively small proportion compared to other regions.
- Proportionally, there are a large number of WBL learners within the West Coast region, at 38%.
- BCITO, Careerforce, Competenz and MITO combined account for 23% of WBL learners.

West Coast Market by Provider (EFTS and % share)



West Coast Market by TEI type (EFTS and % share)

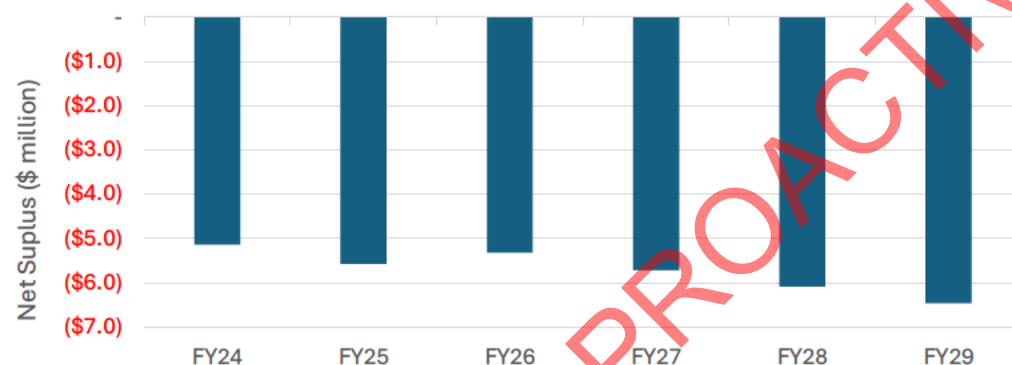
# TPP Current Financial Overview

## Financial Overview

TPP's standalone annual forecasts indicate deficits between \$5.0m - \$6.5m. Forecast student revenue is insufficient to cover personnel expenditure before operating cost and infrastructure requirements are considered. Therefore, TPP financial forecasts and its current balance sheet position suggest that TPP will never be viable as a standalone entity. In FY24, TPP forecast a deficit of \$5.1m and cash shortfall of \$6.3m, indicating that TPP needs financing cash flow of \$0.5m per month to maintain current wage and operating costs.

Currently, Ara is providing substantial support to TPP across most corporate functions at no cost to TPP and an opportunity cost to Ara of s 9(2)(b)(ii) Ara currently has no formal arrangement with TPP on provision of these services. As a standalone ITP, TPP would incur this cost directly, and as such a provision has been included in the forecast.

## Unmitigated Forecast Net Deficit - \$ million



## Key Challenges

TPP has limited options for financial improvement due to:

- **No scale to service overheads** - total EFTS are <0.5% of the ITP sector, with a declining domestic EFTS profile, from a low starting point of ~200 funded EFTS in FY24. This profile reduces the funding available to cover overheads, support and capital expenditure costs, requires flexibility in the resourcing model, and contributes to individual programme viability issues.
- **No high-margin courses, therefore no cross-subsidisation ability** - only ~1/3 of EFTS are in programmes with contribution margin above s 9(2)(b)(ii) With student numbers in decline, this likely will worsen over time.
- **Minimal international student revenue** - 0.3% of revenue in 2023 compared to an average of 11.9% for Te Pūkenga network.
- **TPP's asset utilisation is at approximately half the sector average** - TPP operates in a highly dispersed population with no high population centre to enable efficiencies. Historical and current market analysis suggests that there is limited ability to dispose of surplus existing assets due to the regional socio-economic conditions.

# Section one: Loss Minimisation

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**Te Pūkenga**



# Summary

## Plan to reduce ongoing deficit

Regardless of a decision as to TPP's future, it is critical that the ongoing deficit is minimised. This will require a significant change in delivery. This section of the report provides the framework for TPP to reduce its ongoing deficit. It focuses on the high priority cost-out initiatives to be implemented in 2025, regardless of a decision as to TPP's future. These initiatives will need to be delivered on the basis that TPP need to reduce its operating costs immediately to reduce the deficit as much as possible. The initiatives include:

### *Refocusing on core delivery*

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

### *Optimising support roles*

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

## Basis for loss minimisation plan

This loss minimisation plan is intended to:

- Act as a guiding financial plan to reduce the ongoing deficit at TPP.
- Establish financial KPIs and programme targets associated with improving the financial performance of TPP and assign responsibility for these.
- Develop a timeline as to when TPP will aim to achieve the target financial objectives.
- Define how the financial plans will be measured, managed, reviewed, and reiterated.

This section of the report is set out as follows:

CONTENT	PAGE
Summary	11
Identification of loss minimisation initiatives <ul style="list-style-type: none"><li>• Refocusing on core delivery</li><li>• Optimising support roles</li></ul>	12-14
Forecast financial performance	15-16
Summary target operating model	17
Summary of loss minimisation initiatives	18
Workstreams	19-20
Key performance indicators	21
Risk assessment and mitigation	22

## Programmes MoP and Portfolio

Activity	EFTS	Total Income (\$000)	FY25 FTE	Total Opex (\$000)	EBITDA (\$000)	EBITDA / Total Income	EFTS / FTE
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s 9(2)(b)(ii), s 9(2)(ba)(ii)

The table on the left shows a high number of programmes are running at a loss and are unlikely to achieve profitability due to poor forecast EFTS and increasing operating costs.

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

Jade and Hard Stone Carving is strategically important as TPP is the only divisional provider in NZ. Therefore, although the courses are currently not profitable, TPP should seek to improve profitability s 9(2)(b)(ii), s 9(2)(ba)(ii)

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

1. s 9(2)(b)(ii), s 9(2)(ba)(ii)
- 2.
- 3.

# Step Two

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

BACKGROUND

SECTION 1:  
LOSS MINIMISATION  
INITIATIVES

SECTION 2:  
LONG TERM  
OPTIONS

13

## Workforce

\$000	EFTS	Total Income	FY25 FTE	Teaching Staffing	Non- Teaching Staffing	Occupancy/ Property Costs	General Operating Expenditure	Total Opex	EBITDA
Revised Core Academic Delivery	s 9(2)(b)(ii), s 9(2)(ba)(ii)								
Academic Support Roles and Operating Expenditure									
Student Accommodation									
Shared services support (currently in-kind via Rohe 4)									
Support Cost - Adjusted Budget									
Total									

### Q1 2025 – s 9(2)(b)(ii), s 9(2)(ba)(ii)

- Compared to all other divisions, TPP has (by far) the highest (therefore least efficient) staffing ratios across all functions. This is largely due to the small scale of TPP, as such opportunity for improvement is limited as number of core functions already operate in a shared capacity with single points of failure.

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

- Despite significant savings (relative to the size of TPP), forecast operating costs (with personnel as largest cost element) continue to exceed forecast revenue.

### Q2 2025 – s 9(2)(b)(ii), s 9(2)(ba)(ii)

- Following programme rationalization in Q1 2025, in Q2 FY25 s 9(2)(b)(ii), s 9(2)(ba)(ii)

- Student accommodation would remain on the basis that outdoor recreation was continued as part of the core delivery. s 9(2)(b)(ii), s 9(2)(ba)(ii)

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

•



# Step Three – Consolidate Capital Assets

## Property / Capital Assets

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

There are two property divestment opportunities for TPP:

- s 9(2)(b)(ii), s 9(2)(j)

There are limited further property divestment opportunities for TPP due to:

- The Greymouth campus largely being leasehold landholdings
- The limited buyer's market on the West Coast
- s 9(2)(b)(ii), s 9(2)(j)

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

## Impact of implementing key activities

The changes outlined in the previous slides for reduction in delivery and staffing are required to reduce the operating deficit, and there is a strong argument that these changes should have been previously implemented. However, we note the previous focus was on maintaining as much regional delivery as possible. A key issue is that following the cost reduction, it is still unclear how TPP can continue to operate under current funding conditions.

Staff at TPP have been through a number of changes in the last decade, and significantly reducing staff and delivery at a small regional polytechnic can have material impacts on both the institution and lead to a further decline in student enrolment and satisfaction.

This could lead to long-term damage to the polytechnic's reputation and its ability to attract and retain both students and staff, ultimately further threatening its viability if additional funding to operations (however unlikely) is provided.

As such, this adds additional risk to improving TPP's financial performance as the performance improvements plans could lead to further declines in core programme enrolments and loss of key staff required for delivery.

# Forecast Financial Performance

## Financial Forecast 2025 – 2029 – Base Case Projections

The base case projection assumes a substantial reduction in TPP's education provision and workforce FTE. With the added consolidation of capital footprint, the forecasted EBITDA for FY26 is negative \$3.4m. This includes a s 9(2)(b)(ii) provision for the Rohe 4 support charges, which TPP currently does not pay but would need to consider on a standalone basis.



## Profit and Loss Projection (after implementation) - \$m

	FY24	FY25	FY26	FY27	FY28	FY29
Domestic EFTS	214 <sup>1</sup>	212	182	185	187	188
International EFTS	2	-	-	-	-	-
<b>Total EFTS</b>	<b>216</b>	<b>212</b>	<b>182</b>	<b>185</b>	<b>187</b>	<b>188</b>
Academic FTE	48					
Academic Support FTE	24					
<b>Total FTE</b>	<b>72</b>					
<b>Total Revenue</b>	<b>\$4.6</b>					
Salary and Wages	(\$5.0)					
Other Costs <sup>2</sup>	(\$3.1)					
<b>EBITDA</b>	<b>(\$3.4)</b>					
Depreciation and Amortisation	(\$0.9)					
Net Interest Income / (Expense)	(\$0.8)					
<b>Net Surplus Before Unusuals</b>	<b>(\$5.1)</b>					
Redundancy Costs	-					
Teachout Costs	-					
Implementation Costs	-					
<b>Net Surplus</b>	<b>(\$5.1)</b>					

1. FY24 for EFTS L1-7, block course and youth guarantee to align with FY25 budget.
2. Includes provision for continued shared services provision – not adjusted in FTE.

# Forecast Balance Sheet and Cash Flow

## Cash Flow 2025-2029 (including intercompany debt forgiven)

TPP is forecast to run cash deficits over the period. Surplus asset sales do not provide sufficient offset against forecast cash losses. The financial model assumes that forecast cash losses can be funded via an overdraft facility.

	FY24	FY25	FY26	FY27	FY28	FY29
Operating Inflows	\$4.6	\$5.6	\$4.5	\$4.6	\$4.7	\$4.8
Operating Outflows	(\$9.2)	(\$9.6)	(\$7.8)	(\$8.0)	(\$8.3)	(\$8.5)
Unusual & Non-recurring Items	(\$0.0)	(\$1.2)	(\$0.5)	-	-	-
Net Interest Income	(\$0.8)	(\$0.5)	(\$0.3)	(\$0.5)	(\$0.8)	(\$1.0)
<b>Net Operating Cash Flow (CFO)</b>	<b>(\$5.4)</b>	<b>(\$5.7)</b>	<b>(\$4.1)</b>	<b>(\$4.0)</b>	<b>(\$4.4)</b>	<b>(\$4.7)</b>
Purchase of Assets	(\$0.9)	(\$1.0)	(\$1.0)	(\$1.0)	(\$1.0)	(\$1.0)
Sale of Surplus Assets	-	\$1.3	\$0.3	-	-	-
Other Investment Cash Flows	-	-	-	-	-	-
<b>Net Investment Cash Flow (CFI)</b>	<b>(\$0.9)</b>	<b>\$0.3</b>	<b>(\$0.7)</b>	<b>(\$1.0)</b>	<b>(\$1.0)</b>	<b>(\$1.0)</b>
<b>Net Financing Cash Flow (CFF)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Increase / (Decrease) in cash held</b>	<b>(\$6.3)</b>	<b>(\$5.4)</b>	<b>(\$4.8)</b>	<b>(\$5.0)</b>	<b>(\$5.3)</b>	<b>(\$5.7)</b>

## Balance Sheet 2025-2029 (intercompany debt forgiven)

Under an assumption of a successful implementation of the financial improvement plans, by FY29 there is a forecast total cash shortfall of \$24.8m.

	FY24	FY25	FY26	FY27	FY28	FY29
Cash and Cash Equivalents	\$1.3	(\$4.0)	(\$8.8)	(\$13.8)	(\$19.1)	(\$24.8)
Other Current Assets	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2
<b>Total Current Assets</b>	<b>\$1.6</b>	<b>(\$3.8)</b>	<b>(\$8.6)</b>	<b>(\$13.6)</b>	<b>(\$18.9)</b>	<b>(\$24.6)</b>
<b>Total Non-Current Assets</b>	<b>\$16.4</b>	<b>\$17.7</b>	<b>\$17.5</b>	<b>\$17.6</b>	<b>\$17.7</b>	<b>\$17.9</b>
<b>Total Assets</b>	<b>\$18.0</b>	<b>\$13.9</b>	<b>\$8.8</b>	<b>\$4.0</b>	<b>(\$1.2)</b>	<b>(\$6.7)</b>
<b>Liabilities</b>						
Current Liabilities	\$1.3	\$1.4	\$1.4	\$1.4	\$1.4	\$1.4
Intercompany Debt	\$14.9	-	-	-	-	-
<b>Total Liabilities</b>	<b>\$16.3</b>	<b>\$1.4</b>	<b>\$1.4</b>	<b>\$1.4</b>	<b>\$1.4</b>	<b>\$1.4</b>
<b>Net Assets</b>	<b>\$1.7</b>	<b>\$12.5</b>	<b>\$7.5</b>	<b>\$2.6</b>	<b>(\$2.6)</b>	<b>(\$8.1)</b>
<b>Total Equity</b>	<b>\$1.7</b>	<b>\$12.5</b>	<b>\$7.5</b>	<b>\$2.6</b>	<b>(\$2.6)</b>	<b>(\$8.1)</b>

# Target Operating Model



# Loss Minimisation Initiatives For Tai Poutini

BACKGROUND

SECTION 1:  
LOSS MINIMISATION  
INITIATIVES

SECTION 2:  
LONG TERM  
OPTIONS

18

Area	Type	Description	Approx. Savings/Opportunity
1 s 9(2)(b)(ii), s 9(2)(j)	Divestment	s 9(2)(b)(ii), s 9(2)(j)	
2 s 9(2)(b)(ii), s 9(2)(j)	Divestment	s 9(2)(b)(ii), s 9(2)(j)	
3 s 9(2)(b)(ii), s 9(2)(ba)(ii)	Consolidation	s 9(2)(b)(ii), s 9(2)(ba)(ii)	
4 Programme exits: s 9(2)(b)(ii), s 9(2)(ba)(ii)	Programme exits	s 9(2)(b)(ii), s 9(2)(ba)(ii)	\$0.3m improvement in contribution margin.
5 s 9(2)(b)(ii), s 9(2)(ba)(ii)	Personnel	s 9(2)(b)(ii), s 9(2)(ba)(ii)	
6 Fixed asset review	Divestment	Fixed asset review has identified 24 plant and machinery assets outside Westport and Greymouth. s 9(2)(b)(ii). Further rationalisation of Greymouth and Westport assets could result in further assets for sale.	s 9(2)(b)(ii)

# Workstreams

BACKGROUND

SECTION 1:  
LOSS MINIMISATION  
INITIATIVES

SECTION 2:  
LONG TERM  
OPTIONS

19

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	1	s 9(2)(b)(ii), s 9(2)(j)	Plan for implementation completed Q4 FY24 by Te Pūkenga Strategic Property Director.	Low	Medium	Low	Medium	Low	Low	Te Pūkenga Strategic Property
	2	s 9(2)(b)(ii), s 9(2)(j)	As per above.	Low	Low	Low	Medium	Low	Low	Te Pūkenga Strategic Property
	3	s 9(2)(b)(ii), s 9(2)(ba)(ii)	Plan for implementation completed by Q2 FY25, operational FY26.	Low	Low	Low	Low	Low	Low	Financial analysis and change management

# Workstreams

BACKGROUND

SECTION 1: LOSS MINIMISATION INITIATIVES

SECTION 2: LONG TERM OPTIONS

20

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	4 Programme exits	s 9(2)(b)(ii), s 9(2)(ba)(ii)		High	High	Medium	High	High	High	Financial analysis and change management
Personnel	5 s 9(2)(b)(ii), s 9(2)(ba)(ii)	Plan for implementation completed by Q1 FY25. Changes implemented for Q2 FY25.		High	Medium	Medium	High	Medium	High	Financial analysis and change management
Assets	6 Fixed asset review	<ul style="list-style-type: none"> <li>Review fixed asset register, obtain details regarding condition and state of each asset.</li> <li>Ensure asset tracking and policy is in place for asset disposal process.</li> <li>Engage suitable asset disposal agency to undertake sale on behalf of TTP.</li> </ul>	Conduct asset review over FY25. All surplus assets sold by Q2 FY26.	Low	Low	Low	Low	Low	Low	Financial analysis and equipment broker.

# Key Performance Indicators

The loss minimisation 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 in FY26, continued measurement and assessment of these KPI's after the initial timeframe is recommended to ensure progress and forecast savings are achieved.

Initiative	Responsible	Measure	Q1 2025	Q2 2025	Q3 2025	Q4 2025	FY25	Q1 2026	Q2 2026	Q3 2026	Q4 2026	FY26
s 9(2)(b)(ii), s 9(2)(j)	Te Pūkenga, Strategic Property Director	Cash proceeds	-	-	-	s 9(2)(b)(ii)		-	-	-	-	-
s 9(2)(b)(ii), s 9(2)(j)	Te Pūkenga, Strategic Property Director	Cash proceeds	-	-	-	s 9(2)(b)(ii)		-	-	-	-	-
s 9(2)(b)(ii), s 9(2)(ba)(ii)	Executive Director, Rohe 4	Avoided capital expenditure	-	-	-	-	-	s 9(2)(b)(ii)	-	-	-	s 9(2)(b)(ii)
Programme exits	Executive Director, Rohe 4	Reduction in costs against existing budgets	-	-	-	-	-	s 9(2)(b)(ii)				
s 9(2)(b)(ii), s 9(2)(ba)(ii)	Executive Director, Rohe 4	Reduction in costs against existing budgets	-	-	s 9(2)(b)(ii)							
Fixed asset review	Executive Director, Rohe 4	Cash proceeds	-	-	-	-	-	-	s 9(2)(b)(ii)	-	-	s 9(2)(b)(ii)



# Risk Assessment & Mitigation

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"> <li>Create detailed plans for maintaining essential operations</li> <li>Establish clear communication channels and coordination mechanisms to ensure quick response to any disruptions.</li> <li>Implement a structured change management process to manage the impact of changes on daily operations, ensuring minimal disruption to services and programmes.</li> </ul>
2 Resistance from staff, students, and other stakeholders § 9(2)(b)(i), § 9(2)(ba)(i)	Medium	High	<ul style="list-style-type: none"> <li>Engage in open and transparent communication with all stakeholders to explain the necessity and benefits of the change.</li> <li>Involve stakeholders in the decision-making process.</li> <li>Provide support and flexibility to staff and students, and address concerns promptly.</li> </ul>
3 § 9(2)(b)(ii), § 9(2)(ba)(ii)	High	Low	<ul style="list-style-type: none"> <li>§ 9(2)(b)(ii), § 9(2)(ba)(ii)</li> </ul>
4 Negative impact on decision maker's and sector's reputation due to decision.	High	Medium	<ul style="list-style-type: none"> <li>Maintain transparent and open communication with stakeholders.</li> <li>Develop a crisis management plan to address any reputational issues quickly and effectively.</li> </ul>
5 No market to dispose of assets.	Medium	Medium	<ul style="list-style-type: none"> <li>Ensure assets suitably presented are appropriately marketed.</li> <li>Provide adequate timeframe for disposal.</li> </ul>

## Section Two: Long Term Options

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**Te Pūkenga**

# Long Term Options

## Options

Even after undertaking the loss minimisation activities outlined in the previous slides, TPP is not viable as a standalone entity in its current or future form, and it would be a financial burden and strategic distraction for any acquiring ITP. However, any change to TPP operating as a standalone ITP is not strictly a financial decision and there are social and public good considerations regarding TPP's delivery. Therefore, this report has identified the following five options for consideration for the future of TPP:

1. **Standalone ITP** – Establish TPP as a fully autonomous ITP. To ensure the West Coast retains a polytechnic, the Government would provide an annual subsidy of approximately \$4.0m - \$6.0m to cover the ongoing operational deficit.
2. **Federated model** – Integrate TPP as a division within the proposed federated model. This model would allow centralised support TPP as a non-viable ITP while fostering collaboration among institutions.
3. **Subsidiary of a parent ITP** – Preserve TPP's management function and brand identity for front-end delivery, while a parent ITP provides corporate functions and systems. The parent ITP would assume ultimate responsibility for TPP's performance.
4. **Merge with another ITP** – Fully integrate TPP into another ITP through a takeover, effectively dissolving any independence.
5. **Closure** – Discontinue the delivery of tertiary vocational education through a West Coast-based ITP. Allowing market forces and alternative providers to address any resulting educational gap in the region.

All five of the options assume TPP will follow the loss minimisation initiatives outlined in section one in 2025.

## Evaluation Criteria

To assess the options, five evaluation criteria were developed as set out below. The weighting of each criteria is shown in brackets.

1. **Financial outcomes (50%)** – how well the option supports a pathway to viability for TPP as an organisation.
2. **Greater resilience and stability of the ITP network (12.5%)** – how well the option supports a sustainable operating model for the ITP network.
3. **Achievability (12.5%)** – how well the option is likely to be delivered.
4. **Access and flexibility (12.5%)** – how well the option ensures ready and reliable access to tertiary level vocational education and training on the West Coast.
5. **Improved community responsiveness (12.5%)** – how well the option ensure the needs of the West Coast region, community, employers, learners and business are appropriately met.

An assessment of the options against the evaluation criteria is shown on the next slide followed by a summary of the options.

# Options Assessment

An assessment of the options against the evaluation criteria is shown below.

		OPTION 1		OPTION 2		OPTION 3		OPTION 4		OPTION 5	
		Standalone ITP		Federated model		Subsidiary of a parent ITP		Merge with another ITP		Closure	
Evaluation Criteria		Evaluation	Score	Evaluation	Score	Evaluation	Score	Evaluation	Score	Evaluation	Score
	Financial outcomes (50%)	s 9(2)(b)(ii), s 9(2)(ba)(ii)									
	Greater resilience and stability of the ITP network (12.5%)										
	Achievability (12.5%)										
	Access and flexibility (12.5%)										
	Improved community responsiveness (12.5%)										
Overall evaluation score											
EVALUATION SUMMARY											

# Options Assessment Outcome

## Preferred Option

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



The following slides provide advantages and disadvantages of each option followed by a high-level view of how the preferred option could be delivered.

Further detail regarding options 3 and 4 is provided in appendix A2.

## Options Ranking

An assessment of the options against the evaluation criteria gave the following result:

Option	Score	Rank
Standalone	s 9(2)(b)(ii), s 9(2)(ba)(ii)	
Subsidiary of a parent ITP		
Federated model		
Merge with another ITP		
Closure		

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# Advantages and Disadvantages Of Options

In order to aid the options assessment, we undertook an analysis of the advantages and disadvantages of each option. By weighing the strengths and weaknesses of each, we aimed to provide a clear picture that highlights both the opportunities and challenges they present which are not only financial.

The summary below captures our key findings.

<b>Option 1</b>	<b>Standalone ITP</b>
<b>Advantages</b>	Retains a local polytechnic operating on the West Coast.
<b>Disadvantages</b>	Ongoing funding of \$4.0m - \$6.0m per annum required to support financial deficits.
<b>Conclusion</b>	s 9(2)(b)(ii), s 9(2)(ba)(ii)
<b>Option 2</b>	<b>Federated model</b>
<b>Advantages</b>	Retains a local polytechnic operating on the West Coast.
<b>Disadvantages</b>	The federation would have to support TPP which would come at an opportunity cost to the other federation parties.
<b>Conclusion</b>	Understanding of the federated model is limited so it is difficult to provide an assessment of this option. s 9(2)(b)(ii), s 9(2)(ba)(ii)

# Advantages and Disadvantages Of Options

<b>Option 3</b>	<b>Subsidiary of a parent ITP</b>
<b>Advantages</b>	Retains the resemblance of a local polytechnic operating of the West Coast.
<b>Disadvantages</b>	TPP would be a financial burden and strategic distraction on any acquiring ITP. Additionally, the West Coast community is unlikely to welcome TPP becoming a division of another ITP. Ongoing funding of \$4.0m - \$6.0m per annum required.
<b>Conclusion</b>	s 9(2)(b)(ii), s 9(2)(ba)(ii)
<b>Option 4</b>	<b>Merge with another ITP</b>
<b>Advantages</b>	Retains the resemblance of a local polytechnic operating of the West Coast.
<b>Disadvantages</b>	TPP would be a financial burden and strategic distraction on any acquiring ITP. Additionally, the West Coast community is unlikely to welcome a merger with another ITP.
<b>Conclusion</b>	s 9(2)(b)(ii), s 9(2)(ba)(ii)
<b>Option 5</b>	<b>Closure</b>
<b>Advantages</b>	No ongoing funding is required.
<b>Disadvantages</b>	The West Coast would no longer be served by a local ITP.
<b>Conclusion</b>	s 9(2)(b)(ii), s 9(2)(ba)(ii)

# Options FTE Comparison

An analysis was undertaken comparing the FTE implications of Options 1 (Standalone), 3 (Subsidiary), and 4 (Merger).

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

	Option 1 Standalone	Option 3 Subsidiary			Option 4 Merger		
Function	TPP FTE	TPP FTE	Parent ITP	Total	TPP FTE	Acquirin g ITP	Total
Teaching Delivery	s 9(2)(b)(ii), s 9(2)(ba)(ii)						
Teaching Leadership							
Programme development and quality							
Regional Director / CEO							
Strategic Māori Leadership							
Registry & Campus Administration							
Facilities							
Student Support							
Digital							
Finance							
Marketing & Business Development							
Human Resources							
Health and safety							
Student Accommodation							
TOTAL							
APPROX COST SAVINGS TO OPTION 1							

Footnote:

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



# Implementation of Preferred Option

BACKGROUND

SECTION 1:  
LOSS MINIMISATION  
INITIATIVES

Approved  
SECTION 2:  
LONG TERM  
OPTIONS

30

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Below we have provided a suggested governance and reporting structure for the loss minimisation <sup>s 9(2)(b)(ii), s 9(2)(ba)(ii)</sup> initiatives. We note that changes may be required to roles and responsibilities if any changes to people or positions occur as part of the sector reform.

## Governance

A Loss Minimisation Group will be established for a period of 18 months, with the Rohe 4 Executive Director as the programme owner. Support will be provided by the Executive Leadership team at TPP.

This group will report to Te Pūkenga and be supported by specialist support, as required.

## Loss Minimisation Group

The primary function of the Loss Minimisation Group is to provide comprehensive oversight and operational coordination to achieve the objectives of loss minimisation initiatives.

### Key responsibilities include:

- Monitoring and evaluating the progress of the loss minimization <sup>s 9(2)(b)(ii), s 9(2)(ba)(ii)</sup> initiatives.
- Identifying and addressing any challenges or risks that may impact success.
- Facilitating communication and collaboration among various stakeholders.
- Making informed decisions to adjust the plan as necessary to meet its objectives.
- Reporting regularly to Te Pūkenga on activities and progress.

## Reporting Structure

A structured reporting framework approach is suggested to providing regular updates to Te Pūkenga, ensuring transparency and accountability in the implementation of the initiatives.

The reporting framework will be monthly, allowing for timely assessments and adjustments. The report will include detailed sections on the status updates of each 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.

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.

An example reporting template is provided on the following page.

# Reporting template – Initiative template

Workstream	Initiative	RAG Status for FIP	Actions & Milestones	Commentary	Identified risk commentary	Planned Annual Savings / Uplift	Forecast Annual Savings / Uplift
Personnel	1						
	2						
Expenditure	3						
	4						
Property	5						

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# Appendices

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**Te Pūkenga**

# A1 - Definitions

Term	Definition
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization: A measure of a company's profitability before reinvesting in capital assets.
EFTS	Equivalent Full-Time Student: A unit that measures the workload of a student in a standard academic year.
Federated Model	A structure where multiple institutions share resources under central governance. In this case as referenced in the <a href="#">Ministry of Education Consultation document</a> .
FTE	Full-Time Equivalent: A unit that indicates the workload of an employed person.
ITP	Institutes of Technology and Polytechnics: Public tertiary education institutions in NZ.
Public Good	The benefit or well-being of the general public.
Residual Assets	Remaining assets that need to be disposed of after the primary disposal process.
Rohe 4 Executive Director	The regional executive responsible for overseeing operations of Rohe 4 of Te Pūkenga.
Surplus Assets	Assets no longer needed for operational purposes.
TEC	Tertiary Education Commission: The NZ government agency for tertiary education.
TPP	Tai Poutini Polytechnic: A division of Te Pūkenga providing vocational education.

# A2 - Alternative programme providers

TPP programme	2024 EFTS	Papers in programme	Alternative providers	Comment
Mining and Quarrying Supervision	30.0	<ul style="list-style-type: none"> <li>Quarrying and Mining Supervision (Level 4)</li> <li>Diploma in Quarrying and Mining Supervision (Level 5)</li> </ul>	MITO offers mining and quarrying qualifications, however, does not offer the two qualifications currently offered by TPP.	The TPP programme is delivered via blended learning with a WBL aspect with learners required to have completed one year of relevant industry work prior to enrolling and be currently working in the industry. Opportunity for MITO to work with industry to consider whether the two TPP programme are required and if so, for MITO to leverage its existing expertise and expand its offering to include the qualifications.
Infrastructure Works	24.0	New Zealand Certificate in Civil Infrastructure Bulk Earthworks (Level 3)	Connexis offers this qualification.	Substantial and ongoing investment is required to deliver this training due to continual advances in technology. This suggests delivery would be better suited to a cadetship programme with an employer to keep up with investment requirements.
Scaffolding	0* ITO provision, EFTS not TPP's.	<ul style="list-style-type: none"> <li>New Zealand Certificate in Scaffolding (Proprietary Suspended) (Level 3)</li> <li>Advanced Scaffolding (Level 5)</li> </ul>	Vertical Horizonz offers both qualifications. EarnLearn offers the NZ Certificate in Scaffolding (General) (Level 3)	The TPP programme is run as part-time block courses and workplace training. EarnLearn is subcontracted to provide the apprenticeship aspect. Recommend Vertical Horizonz and EarnLearn discuss jointly delivering scaffolding training.
Business Administration and Computing	3.0	<ul style="list-style-type: none"> <li>New Zealand Certificate in Business (Administration and Technology) (Level 3)</li> <li>New Zealand Certificate in Business (Administration and Technology) (Level 4)</li> </ul>	Numerous other providers, including Open Polytechnic, offer both qualifications.	Numerous providers serve the national market, and the nature of the qualification lends itself well to online learning.
Backcountry and Predator Elimination	1.8	New Zealand Certificate in Conservation (Operations) (Level 4)	NMIT, WITT, UCOL, Toi Ohomai and NorthTec all offer this qualification.	Opportunity for other ITPs to approach the conservation industry, including the Department of Conservation, to discuss whether the TPP qualification includes aspects they require that are not included in the other ITP provider qualifications. Programme has budgeted nil EFTS in FY25.
Hospitality and Tourism	5.0	New Zealand Certificate in Food and Beverage Service (Café Services and Restaurant Services) (Level 3)	Numerous other providers, including Ara, NMIT and SIT provide this qualification.	The national market comprises many providers of this programme.
Professional Culinary Arts	28.6	Certificate in Cookery (Level 4)	Numerous other providers, including Ara, NMIT and SIT provide this qualification.	The national market comprises many providers of this programme. Can be attained through ( <b>recognition of prior learning</b> ) <a href="#">assessment</a>
Jade and Hard Stone Carving	7.5	<ul style="list-style-type: none"> <li>New Zealand Certificate in Arts and Design (Level 3)</li> <li>New Zealand Certificate in Arts and Design (Level 4)</li> <li>New Zealand Diploma in Arts and Design (Level 5)</li> </ul>	EIT, UCOL, Otago Polytechnic, NMIT and Ara all offer Arts and Design at various levels.	Numerous other providers offer the NZ Certificate in Arts and Design at the various levels, however with a broader focus. The TPP offering is narrowly focused on jade and hard stone carving which potentially limits graduate outcomes. Recommend approaching mana whenua to discuss cultural appropriateness of delivery. Due to narrow focus, may be more appropriate for jade carving to be offered under a fee for service model (e.g. ACE community course) as opposed to a NZ Certificate.

# A3 - Alternative programme providers

TPP programme	2024 EFTS	Papers in programme	Alternative providers	Comment
Farming/ Agriculture	6.0	NZ Certificate in Primary Industry Operational Skills with optional strands (Level 3)	<b>Primary ITO</b> offers the NZ Certificate in Primary Industry Skills - Agriculture (Level 2).	Delivery of this qualification is reliant on TPP's training farm in Reefton. Delivery would be better suited to WBL as learners are generally employed by industry.
Ski Patrol	10.9	<ul style="list-style-type: none"> <li>NZ Certificate in Snowsport Patrol (Level 4)</li> <li>NZ Certificate in Avalanche Risk Management (Level 5)</li> </ul>	<b>Skills Active Te Mahi Ako Limited</b> offers both qualifications.	Otago Polytechnic currently provides the Avalanche certificate, s 9(2)(b)(ii), s 9(2)(ba)(ii).  The two programmes are provided by only one other provider, Skills Active Te Mahi Ako Limited, as WBL.
Automotive Trades	12.0	NZ Certificate in Automotive Engineering (Level 3)	Numerous other providers, including <b>Ara</b> , <b>NMIT</b> and <b>SIT</b> , offer this qualification.	The TPP Trades Building in Westport is a fit-for-purpose trades building. Potential opportunity for other providers to deliver training from the site.
Outdoor Education	50	NZ Certificate in Outdoor and Adventure Education (Multi Skilled) (Level 4)	Numerous other providers, including <b>Ara</b> and <b>NMIT</b> , offer this qualification.	The high number of EFTS is largely due to TPP's provision of student accommodation.  This programme is well served by the market and there is an opportunity for other providers to review the differences between their existing offering and TPP's offering to determine opportunities for changes to their existing provision.
Horticulture	6.0	NZ Certificate in Horticulture (General) (Level 3)	Numerous other providers, including <b>Primary ITO</b> and <b>NMIT</b> , offer this qualification.	Opportunity for Primary ITO to deliver.
Carpentry	11.0	NZ Certificate in Construction Trade Skills, Carpentry (Level 3)	Numerous other providers provide this qualification.	Consider this would be better delivered as a managed apprenticeship with <b>BCITO</b> .
Study and Career Preparation	6.0	NZ Certificate in Study and Career Preparation (Level 3)	Numerous other providers provide this qualification. In particular <b>OPNZ</b> .	The national market comprises many providers of this programme.
Foundation Skills	12.0	NZ Certificate in Foundation Skills (Level 2)	Numerous other providers provide this qualification. In particular <b>OPNZ</b> .	The national market comprises many providers of this programme.
Skills for Living for Supported Learning	4.0	Training Scheme in Hospitality Supported Learning (Level 1)	Numerous other providers provide this qualification, including <b>Greymouth High School</b> and <b>South Westland Area School</b> .	The national market comprises many providers of this programme.
West Coast Trades Academy				Partnership between all the West Coast high schools, area schools and tertiary institutions. Greymouth High School coordinates the Academy, and TPP, Whenua Iti Outdoors, NMIT and Papa Taiao Earthcare are the tertiary partners.



# A4 - Further Detail On Options 3 & 4

## Option 3 – Subsidiary of a parent ITP

In this scenario, TPP would operate as a division of a larger ITP, which would provide the necessary back-office support and systems. TPP's local focus would be on programme delivery and people management, maintaining a strong brand presence in the region.

If TPP were to become a subsidiary of a parent ITP, the key changes outlined for loss minimisation would still need to be undertaken.

This would include:

- Reducing West Coast provision to serve approximately 180 EFTS (Equivalent Full-Time Students).
- s 9(2)(b)(ii), s 9(2)(ba)(ii)

The table below outlines the likely allocation of operating model functions between TPP and its parent institution.

Parent functions s 9(2)(b)(ii), s 9(2)(ba)(ii)	TPP functions (as a division of the parent) s 9(2)(b)(ii), s 9(2)(ba)(ii)
<ul style="list-style-type: none"><li>• Programme development and provision of academic quality assurance, policy/procedure</li><li>• Strategic corporate management, incl. compliance, policy procedure</li><li>• Scaled corporate services (Finance, Commercial, Legal, Payroll, HR, Digital)</li><li>• Academic administration (incl. registry / enrolments / completions / printery)</li><li>• Marketing and Business Development.</li></ul>	<ul style="list-style-type: none"><li>• School leadership and management</li><li>• Teaching and learning delivery (excluding School/Programme leadership)</li><li>• Local operations including:<ul style="list-style-type: none"><li>• Site leader and campus operations (facilities)</li><li>• Student support and services, including schools engagement</li><li>• Health and safety and other local (part-time) corporate support – e.g. Human Resources, Tech support.</li></ul></li></ul>

The indicative model and allocation of functions is based on the following assumptions:

- TPP adopt Parent systems/platforms and ICT is managed as a service from Parent.
- Resolve legacy debt (no interest cost).
- Rationalise property footprint.
- Immediate reductions in 2025 to minimise deficit in 2026 with a new structure from 2026.

## Option 4 – Merge with another ITP

In this scenario, TPP would be integrated into another ITP taking on their branding and systems. A small back/middle office workforce would still be needed in the West Coast.

If TPP were to become merged with another ITP, the key changes outlined for loss minimisation would still need to be undertaken.

This would include:

- Reducing West Coast provision to serve approximately 180 EFTS (Equivalent Full-Time Students).
- s 9(2)(b)(ii), s 9(2)(ba)(ii)

The table below outlines the likely allocation of operating model functions between TPP and its acquiring institution.

Acquirer functions s 9(2)(b)(ii), s 9(2)(ba)(ii)	TPP functions (as a division of the parent) s 9(2)(b)(ii), s 9(2)(ba)(ii)
<ul style="list-style-type: none"><li>• School leadership and programme development,</li><li>• Academic quality assurance, policy/procedure</li><li>• Strategic corporate management, incl. compliance, policy procedure</li><li>• Scaled corporate services (Finance, Commercial, Legal, Payroll, HR, Digital)</li><li>• Academic administration (incl. registry / enrolments / completions / printery)</li><li>• Marketing and Business Development.</li></ul>	<ul style="list-style-type: none"><li>• Teaching and learning delivery (excluding School/Programme leadership)</li><li>• Align governance with acquiring ITP</li><li>• Local operations including:<ul style="list-style-type: none"><li>• Site leader and campus operations (facilities)</li><li>• Reception and enquiries</li><li>• Student support and services, including schools engagement</li><li>• Health and safety</li><li>• Very little local support for P&amp;C, and Technology.</li></ul></li></ul>

The indicative model and allocation of functions is based on the following assumptions:

- TPP adopt Parent systems/platforms and ICT is managed as a service from Parent.
- Resolve legacy debt (no interest cost).
- Rationalise property footprint.
- Immediate reductions in 2025 to minimise deficit in 2026 with full integration taking place from 2026.