



Te Pūkenga

22 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](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.

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

**Whitireia New Zealand / Wellington
Institute of Technology
Approved**

PricewaterhouseCoopers
22 November 2024





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Approved

Attention: Gus Gilmore s 9(2)(a)

By email: s 9(2)(a)

Copied to: s 9(2)(a)

22 November 2024

Dear Gus s 9(2)(a)

Regional ITP Viability Programme: Phase 2b Report for Whitireia New Zealand / Wellington Institute of Technology

In accordance with the Consultancy Services Order dated 17 Jul 2024 (CSO) and variations dated 30 Aug 2024 and 12 November 2024 between PwC and Te Pūkenga ('you' or 'the Client'), we present our Phase 2b report - Financial Improvement Plan - for Whitireia New Zealand / Wellington Institute of Technology (W&W) for the Regional ITP Viability Programme.

Our key focus has been on the items detailed in Minutes of Consultants from 31 October 2024 provided by Te Pūkenga:

- Current state analysis
- Financial improvement initiatives – an overview of key initiatives that need to be undertaken which underpin the financial forecasts, including scale, timing and resources required
- Key modelling assumptions underpinning the financial forecasts (EFTS demand, pricing assumptions, etc)
- Financial forecasting for each year through to 2029, including a full set of financial statements (including cash flows)
- Assessment against the Financial Monitoring Framework
- Sensitivity analyses to the base case
- Performance metrics – what are the key performance indicators (KPIs) to measure the success of the Financial Improvement Plan
- How financial management practices will be implemented to ensure the benefits are delivered
- An overview of key risks, assumptions and caveats to the implementation of the Financial Improvement Plan
- Commentary about how robust financial management and controls will be implemented

Please refer Appendix One for further details.

We acknowledge that where information has been supplied to us by Te Pūkenga and / or W&W, this information has not been independently validated or verified by us. In particular, we did not conduct any form of audit in respect of the information and accordingly, we express no opinion on the reliability, accuracy, or completeness of the information provided to us and upon which we will have relied.

This is a draft report. The comments in this draft report are subject to amendment or withdrawal. Our definitive findings and conclusions will be those set out in the final report. It should be read in conjunction with the Important Notice following, as well as the risks and assumptions included in Section 6 and Appendix One of this document.

This report is not intended for general publication or circulation and should not be copied to any party without our prior written consent.

We have appreciated the opportunity to work alongside you and look forward to discussing the content of this report with you.

Yours sincerely

John Fisk
Partner

Richard Nacey
Partner

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Important notice

Important message to any person not authorised to have access to this Report.

Any person who is not an addressee of this Report or who has not signed and returned to PwC a Hold Harmless Letter is not authorised to have access to this Report.

Should any unauthorised person obtain access to and read this Report, by reading this Report such person accepts and agrees to the following terms:

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2. The reader of this Report acknowledges that this Report was prepared at the direction of our addressee client and may not include all advice and / or procedures deemed necessary for the purposes of the reader.
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4. Further, the reader agrees that this Report is not to be referred to or quoted, in whole or in part, in any prospectus, registration statement, offering circular, public filing, loan, other agreement or document and not to distribute the Report without PwC's prior written consent.

This document has been prepared for and only for Te Pūkenga, in accordance with the terms of the Consultancy Services Order (CSO) dated 17 July 2024, pursuant to variations dated 30 August 2024 and 12 November 2024, and the Scope of Services and Restrictions set out in Appendix One and for no other purpose.

We do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this document is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

This Report may contain information obtained or derived from a variety of sources. PwC has not sought to establish the reliability of those sources or verified the information so provided, nor carried out anything in the nature of an audit. Accordingly, no representation or warranty of any kind (whether express or implied) is given by PwC to any person (except to the extent agreed (or otherwise) with our client under the relevant terms of the CSO) as to the accuracy or completeness of the Report. 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.

Since 2020, there have been a number of factors that have impacted businesses in New Zealand and globally. While the disruption caused by the initial impact of the COVID-19 pandemic has generally passed, in many instances supply chain disruptions followed and may still linger. Disruptions have also resulted from the conflict in Ukraine and related trade constraints. Many economies are also experiencing a period of elevated uncertainty associated with inflation and interest rate movements. While we have sought to factor these matters into our assessment, we suggest an added level of consideration on the part of the reader of this Report as to the impact of wider macroeconomic factors.

Our scope and approach

Our scope



PwC has undertaken a limited scope assessment of the current state of W&W's financial position and operations, extending the analysis undertaken in Phase 1 and 2A. This is focused solely on potential actions and recommendations to achieve financial viability.

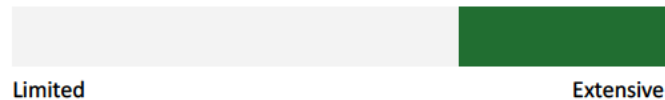
As noted throughout this document, a range of limitations apply to our work, including that it has not taken into consideration any desire to maintain a regional or national network of educational provision, and accordingly, that BDs have been considered in isolation. It also does not take into consideration educational performance, obligations under Te Tiriti o Waitangi, or employment legislation requirements. Information on potential future operating model structure and considerations for shared services is limited in scope. Please refer to Appendix One for more details.

Access to client



PwC's work was carried out predominantly on a desktop basis, but was supplemented by engagement with Te Pūkenga and W&W. This engagement is a continuation of that outlined in our Phase 1 report, and undertaken in Phase 2A. On the advice of Te Pūkenga, PwC's engagement with BDs took into consideration the high volume of activity being faced by W&W at present.

Access to information



Information provided in Phase 2B was a continuation of that requested under Phases 1 and 2A. 2B offered an opportunity to further refine understanding of this information. W&W responded to information requests promptly and fulfilled these within a reasonable timeframe.

Clarity of information



The information provided by W&W, together with access to Te Pūkenga and key W&W personnel, has allowed us to gain a high level understanding of some of the more significant risks associated with its current position. However, given the timeframe for this report, the depth of analysis on information provided should be considered limited in nature, and all analysis is based on current operational and policy settings. We have not carried out anything in the nature of an audit. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of the information in this report that has been provided to us and upon which we have relied.

1. Executive Summary

PROACTIVELY RELEASED



Te Pūkenga

Overview

Approved



W&W is based in the Wellington region. It was formed out of the combination of two separate ITPs, Whitireia New Zealand and Wellington Institute of Technology. W&W has several large campuses, with EFTS delivery spread across Wellington City, Petone, and Porirua. W&W operates in a crowded market and has a 9% market share of Wellington's learner market across all tertiary education provision.

W&W is not financially viable as a standalone institution on 1 January 2026, however, is on a pathway to financial viability over the longer term to FY29 (breakeven in FY28).

W&W does not achieve all of Te Pūkenga's key performance indicators (KPIs). However, W&W does achieve Te Pūkenga's net surplus KPI of 2% of revenue from FY29 following the restructure of its property portfolio. Furthermore, W&W can achieve Te Pūkenga's EBITDA KPI of 11%, if the following saving initiatives can be achieved:

- reductions in W&W's \$3m annual insurance premium. W&W's insurance premiums are significantly higher than its ITP sector comparables due to the Wellington region location. An annual \$0.5m insurance saving has been forecast from FY28 following the restructure of W&W's property portfolio and optimising insurance arrangements. There is upside to W&W if further savings can be achieved.
- s 9(2)(b)(ii), s 9(2)(j)

W&W has faced significant property portfolio challenges for the past decade and substantial structural change is required. W&W's reduced level of delivery no longer aligns with the size of its campuses. There is a considerable cost to restructure W&W in order to improve financial performance, which will likely need to be funded by Te Pūkenga or the Crown.

The cost of change for W&W may impact the appetite to provide continued support, however, a significant portion of the cost is already obligated and will be incurred irrespective of the decision to support W&W as a standalone entity.

3,967 EFTS

(90% domestic) forecast to be delivered in 2025, with key delivery in Construction Trades, Nursing and Regulated Health Professions, Social Services.

570 FTE

707 individual staff, with 51.5% of staff (by FTE) employed through a Collective Employment Agreement (CEA) as at July 2024.

3 locations

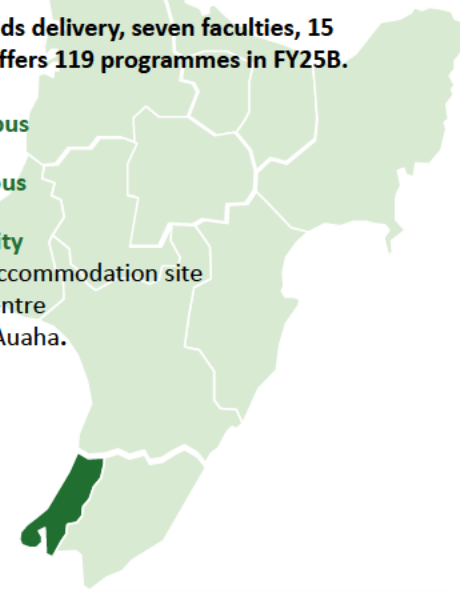
plus Cook Islands delivery, seven faculties, 15 domains and offers 119 programmes in FY25B.

Porirua Campus

Petone Campus

Wellington City

- Student accommodation site
- Regent Centre
- Te Kāhui Auaha.



Options considered

Approved



The options for W&W are somewhat limited to achieve a pathway to financial viability are somewhat limited, however, a range of options have been considered before selecting the preferred option.

		Pathway to financial viability	Impact on provision	Benefits	Challenges
1	Reduce provision to Nursing, ICT/Business and Trades	W&W has strong contribution margins across multiple domains and reducing provision substantially results in insufficient contribution to support corporate costs	Significant loss of provision to the Wellington region.	Smaller institution with reduced property footprint.	Reduce ability to navigate demand shocks. Requires Tower Block which has significant deferred maintenance. Significant staff change. Significant property restructure.
2	Maintain Te Kāhui Auaha Wellington City provision	Moving provision back into Te Kāhui Auaha does not provide material upside as W&W has space to deliver the profitable ICT / Business provision in Petone (already transitioned).	Provision maintained in the Wellington region. Likely increased demand for International students.	Backup campus if Tower Block becomes unusable. Maintain Wellington City campus (utilised by students from other campuses)	s 9(2)(b)(ii), s 9(2)(i) Significant property restructure for Petone and Porirua.
3	Operate from only Petone or Porirua	W&W has strong contribution margins across multiple domains and reducing provision substantially results in insufficient contribution to support corporate costs	Significant loss of provision to the Wellington region.	Smaller institution with reduced property footprint. Ability to reduce future capital expenditure.	Reduce ability to navigate demand shocks. Significant staff change. Significant property restructure.
4	W&W as a 'satellite campus' of another ITP offering only Nursing and Trades	W&W is on a pathway to financial viability, however, this option does not include any corporate costs and the contribution to another ITP to provide such services is unlikely to be sufficient.	Significantly loss of provision to the Wellington region.	Increased ability to withstand demand shocks as part of a larger institution Smaller Wellington based institution with reduced property footprint.	Loss of autonomy and likely 'local voice' for the Wellington Region. Significant staff change, including corporate / support teams provided outside the region. Significant property restructure.
5	Substantial property and workforce restructure, limited programme changes	W&W is on a pathway to financial viability	Provision maintained in the Wellington region	Restructure of property footprint to reduce infrastructure costs and future capital expenditure.	Significant staff change Significant property restructure

Preferred option

Summary - Key initiatives and cost of change

Key focus areas/activities needed

W&W has faced significant property portfolio challenges and substantial structural change is required. W&W's cost saving initiatives can be broken out into the following key focus areas/activities:

Property: W&W can achieve significant annual savings through the exit of onerous lease obligations. This can be achieved through a lease buyout of 222 Willis Street s 9(2)(b)(ii), s 9(2)(j)

People: W&W can achieve significant savings through workforce restructure. However, the required scale of change is substantial and it is not without operational risks.

Programmes: W&W has a mature programme rationalisation process, with limited upside available through aggressive programme closures. W&W has been through an extended period of programme rationalisation and optimisation of its delivery portfolio due to the financial challenges it has faced over the historical period prior to the establishment of Te Pūkenga.

Debt: W&W has intercompany debt with Te Pūkenga that generates significant interest costs. This debt needs to be settled as W&W is unable to service it.

The table below summarises the key initiatives identified to improve W&W's financial performance (note savings are phased so not all achieved on day one):

Initiative	Potential savings impact (\$) p.a	Confidence level
Settlement of Intercompany Debt	\$2.7m (requires \$46.2m debt repayment)	High
Leased Property: Exit of 222 Willis Street (student accommodation)	\$2.0m s 9(2)(b)(ii), s 9(2)(j)	High
		Medium
Critical Property need: Campus consolidation and remediation	\$0.6m instructure costs and \$0.5m insurance	Medium
Programme rationalisation, positive contribution so no teach out costs required to be funded	(\$0.9m) negative impact on contribution margin, includes teach out.	Medium
Staffing - Non teaching	\$3.2m	Medium
Operating saving	\$0.3m	Medium

Cost of the change / recapitalisation

W&W has net change and recapitalisation costs totaling \$67.0m (of which a net \$28.5m relates to new commitments) that will need to be funded. W&W is unable to support any level of debt despite significant forecast proceeds from divestment opportunities. Some of the costs are not immediate and could remain with Te Pūkenga to resolve (i.e lease obligations) over a period of time. Estimated W&W change and recapitalisation costs are outlined in the below table:

Cost of Change (FY25 - FY27)	Already obligated	New commitments	Total	Confidence level
Critical property needs	-	\$12.1m	\$12.1m	Medium
Critical IT Investment + other CAPEX	-	\$5.5m	\$5.5m	Medium
Leased property	\$10.7m	-	\$10.7m	Medium
Intercompany debt	\$46.2m	-	\$46.2m	High
Crown loans	-	-	-	n/a
Estimated redundancy costs	\$4.9m	-	\$4.9m	Medium
Estimated teach out costs	-	-	-	n/a
Change management / support	-	TBC	TBC	n/a
3 months OPEX - 2026	-	\$18.2m	\$18.2m	High
Total funding needs	\$61.8m	\$35.8m	\$97.6m	
Funded by:				
2025 free cash flow funding	\$4.7m*	\$0.9m	\$5.6m	n/a
2026 free cash flow funding	-	\$2.8m	\$2.8m	n/a
2027 free cash flow funding	-	\$4.0m	\$4.0m	n/a
Asset Divestment - 2025 (gross of costs)	\$1.0m	-	\$1.0m	Medium
Asset Divestment - 2026 (gross of costs)	-	-	-	n/a
Asset Divestment - 2027+ (gross of costs)	\$17.1m	-	\$17.1m	Medium
Committed funding streams	-	-	-	n/a
Total self-funding	\$22.8m	\$7.7m	\$30.5m	
Total net capital required	\$39.0m	\$28.1m	\$67.0m	

*cash at bank at end of FY24

Confidence level descriptors:

Low: Preliminary analysis undertaken and/or limited data available to assess; work may be ongoing to validate or quantify

Medium: Reasonable confidence in the fidelity of the total cost and impact; some further confirmation may be ongoing to validate or quantify

High: Confidence in the fidelity of the total cost and impact; minimal further work required on this topic to validate or quantify.

Indicative financial performance

Approved



Financial forecast 2025-2029

W&W's FY25 Budget has been reviewed in detail and validated. While we have comfort in W&W's overall budgeting process, in our view there is a high level of risk in W&W's revenue growth in international delivery, both traditional international EFTS and offshore (China) delivery. Accordingly, we have sensitised revenue in FY25 by \$1.5m and set more conservative long term growth figures, with an additional \$250k of offshore delivery in FY26 and FY27 - aligning with W&W's FY25 Budget with an adjustment for timing risk. **However, if offshore delivery income is not achieved (after our sensitivity adjustment), W&W's pathway to financial viability is more challenging.** Refer sensitivity scenario analysis on page 53.

W&W is forecast to generate a surplus from FY28 following the restructure of its workforce and initial restructure of its property portfolio. W&W does not achieve all of Te Pūkenga's key performance indicators (KPI), however, if insurance costs (which are disproportionality high due to being in the Wellington Region) are normalised to ITP comparables, financial KPIs are achieved in the out-years. We outline the key financial statistics for W&W - including Te Pūkenga's KPIs and the financial monitoring framework - following modelling the initiatives into the financial forecast, on page 13.

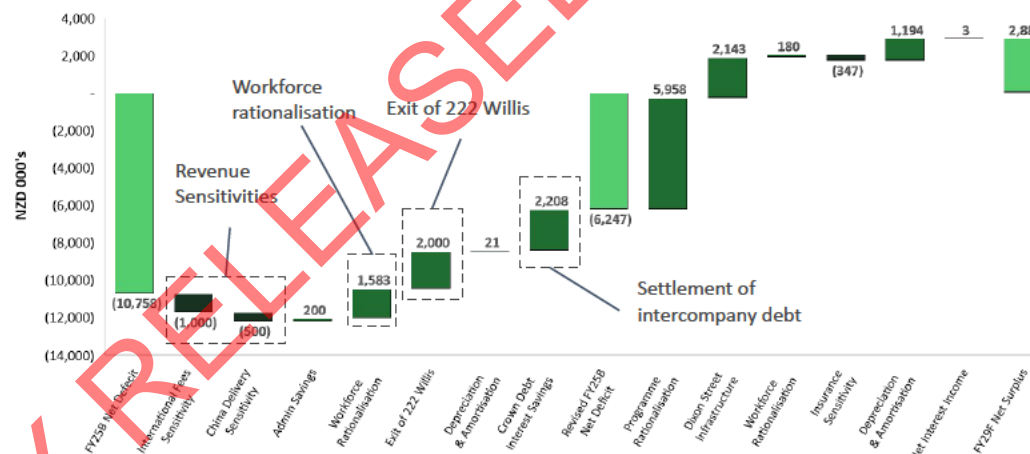
s 9(2)(b)(ii), s 9(2)(j)

Restructuring initiatives and opportunities have been identified to illustrate an appropriate 'right-sized' W&W. These initiatives are included in the modelling and have been bridged to show the impact when assessing W&W's long term forecast. We outline the initiatives and opportunities identified and the potential savings impact on page 14.

Assumptions and risks (including growth rates) to the FY25 Budget, and FY26 through FY29 long term forecast are discussed on page 49.

Note: Insurance cost is included in Administration expenses in FY24 and FY25B.

W&W FY25B to revised FY25B to FY29F



W&W Financial Performance Forecast (\$'000)	FY24F	FY25B	Revised FY25	FY26F	FY27F	FY28F	FY29F
Government Funding	38,183	40,977	40,977	41,138	41,324	42,160	43,013
Domestic Student Fees	15,419	16,858	16,858	16,924	17,000	17,343	17,694
International Student Fees	6,812	9,116	8,116	8,414	9,011	9,467	9,946
Other Teaching Income	7,269	9,986	9,486	9,895	10,308	10,522	10,741
Trading Income	2,863	2,273	2,273	1,206	1,264	1,533	1,509
Other Income	1,671	1,342	1,342	1,051	1,057	1,078	1,100
Total Revenue	72,217	80,552	79,052	78,627	79,964	82,104	84,005
Personnel Expenses	(48,880)	(51,012)	(49,429)	(47,422)	(46,963)	(47,902)	(48,860)
Teaching Delivery	(8,942)	(9,880)	(9,880)	(9,707)	(9,854)	(10,059)	(10,269)
Infrastructure	(12,266)	(11,882)	(9,882)	(4,186)	(4,331)	(4,439)	(4,234)
Administration	(6,933)	(11,736)	(8,631)	(8,717)	(8,793)	(8,969)	(9,149)
Insurance	-	-	(2,905)	(2,951)	(2,995)	(2,680)	(2,734)
Total Operating Exp.	(77,021)	(84,510)	(80,727)	(72,984)	(72,936)	(74,050)	(75,245)
EBITDA	(4,804)	(3,958)	(1,675)	5,643	7,028	8,055	8,760
Depreciation & Amortisation	(4,438)	(4,747)	(4,726)	(4,597)	(4,652)	(4,419)	(3,532)
Net Interest Income	(772)	(2,053)	154	(15)	(198)	(175)	157
Total Non-Operating Exp.	(5,210)	(6,800)	(4,571)	(4,612)	(4,851)	(4,594)	(3,374)
Surplus / (Deficit) Before Unusual Items	(10,014)	(10,758)	(6,247)	1,031	2,178	3,461	5,385
Surplus / (Deficit)	(10,014)	(10,758)	(6,247)	(1,469)	(322)	961	2,885

W&W Forecast KPIs	FY24F	FY25B	Revised FY25	FY26F	FY27F	FY28F	FY29F
Total FTEs	568	505	458	437	415	415	415
Domestic EFTS	3,547	3,567	3,567	3,510	3,439	3,439	3,440
International EFTS	298	400	357	363	381	392	404
EBITDA margin	(7%)	(5%)	(2%)	7%	9%	10%	10%
Surplus / Deficit Margin	(14%)	(13%)	(8%)	(2%)	(0%)	1%	3%

Indicative balance sheet

Balance sheet 2025-2029

W&W is unable to support any level of debt and the change costs of \$67.0m will need to be funded, likely by Te Pūkenga and / or the Crown. Accordingly, change costs are shown via equity injection in the balance sheet, increasing equity from \$114.3m in FY24 to \$163.2m in FY25 Revised.

The forecast change costs include the \$46.2m intercompany loan which is unlikely to be 'funded with cash' and repaid (although we have modelled this in Revised FY25 for illustrative purposes). Rather it is our understanding that this will be 'written off', which would obviously reduced the 'cash' change costs, but it is still considered a cost of change from W&W's perspective.

W&W and Te Pūkenga have advised that there is deferred technical debt of \$2.7m, which has been modelled in FY25. A comprehensive review of platforms directly supports the required investment for deferred technical debt, however, there remains ongoing future investment, which has been factored into the forecast as an annual BAU investment.

In our view, depreciation and amortisation expenses are a suitable proxy for capital expenditure (plus a \$250k annual capital expenditure allowance to acknowledge additional maintenance likely required due to the deferral of capital upgrades). We have discussed this position with W&W and Te Pūkenga and agreed it is an accurate position. Please refer table opposite for the capital expenditure included in the financial forecast.

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

W&W Forecast Financial Position (\$'000)	FY24F	FY25B	Revised FY25	FY26F	FY27F	FY28F	FY29F
Assets							
Cash and Cash Equivalents	4,692	2,125	3,569	(4,248)	(4,693)	(3,294)	15,076
Trade & Other Receivables	8,206	7,943	9,007	8,958	9,111	9,329	9,571
Other Financial Assets	-	-	-	-	-	-	-
Other Current Assets	285	137	137	137	137	137	137
Total Current Asset	13,182	10,205	12,714	4,848	4,555	6,172	24,784
Property, Plant and Equipment	175,565	176,558	179,977	174,982	174,228	173,572	163,205
Assets Under Construction	1,512	3,115	3,115	-	-	-	-
Total Non-Current Assets	177,077	179,673	183,092	174,982	174,228	173,572	163,205
Total Assets	190,259	189,878	195,805	179,830	178,783	179,744	187,989
Liabilities							
Trade & Other Payables	4,301	2,474	2,474	2,474	2,474	2,474	2,474
Employee Entitlements	7,037	5,975	5,975	5,975	5,975	5,975	5,975
Revenues in Advance	1,941	-	-	-	-	-	-
Other Current Liabilities	11,165	19,535	19,535	19,535	19,535	19,535	19,535
Total Current Liabilities	24,443	27,984	27,984	27,984	27,984	27,984	27,984
Intercompany Debt	46,183	46,183	-	-	-	-	-
Finance Leases	-	-	-	-	-	-	-
Employee Entitlements	15	15	15	15	15	15	15
Other Non-current Liabilities	5,279	5,094	5,094	5,094	5,094	5,094	5,094
Total Non-Current Liabilities	51,477	51,292	5,109	5,109	5,109	5,109	5,109
Total Liabilities	75,921	79,276	33,093	33,093	33,093	33,093	33,093
Net Assets	114,339	110,603	162,713	146,737	145,690	146,651	154,896
Equity							
Total Equity	114,339	110,603	162,713	146,737	145,690	146,651	154,896

W&W capital expenditure requirements for the period revised FY25 to FY29

W&W CAPEX (\$'000)	Revised FY25	FY26F	FY27F	FY28F	FY29F
IT	\$2,700	\$1,000	\$1,000	\$1,000	\$1,000
Buildings	\$2,056	\$6,892	\$3,106	\$2,488	\$2,541
Vehicles	\$25	\$25	\$25	\$25	\$25
Library	\$50	\$50	\$50	\$50	\$50
Equipment, Furniture	\$200	\$200	\$200	\$200	\$200
Minor capital Works	\$0	\$0	\$0	\$0	\$0
CAPEX	\$5,031	\$8,167	\$4,381	\$3,763	\$3,816

Indicative Cashflow

Cash flow 2025-2029

Following recapitalisation, W&W has a forecast cash position that increases from \$3.6m in FY25B opening to \$15.1m in FY29 closing. The strong cash position in FY29 is driven by property divestment. However, we note that bridging finance of between \$10m and \$20m will be required over the period FY26 through FY28 due to the timing of asset divestment and erosion of working capital buffer.

Loans

W&W does not generate the level of profitability required to support any level of debt on its balance sheet. The forecast \$46.2m intercompany debt relates to historical loans (i.e pre establishment of Te Pūkenga) and trading losses incurred by W&W whilst it has been within Te Pūkenga. We note that W&W has no Crown debt and the historical funding from the Crown was in the form of a 'bailout' (i.e equity injection). This intercompany loan has been included as a cost of change as outlined previously.

Working Capital

We have modelled working capital requirements to be 3 months of average operating expenditure (as requested by Te Pūkenga), resulting in required working capital of \$18.2m. We are of the view that two months may be more appropriate to manage W&W's working capital requirements on 'day one'. In addition to W&W's high fixed cost base, it has regular and reliable cash inflows. This figure includes a buffer for timing and allows for one-off expenditure (i.e. annual insurance and software licenses).

IT

W&W has a significant 'technical debt' with some critical IT infrastructure of \$2.7m coming due for replacement and / or out of support that requires funding to reduce risk of failure. Furthermore, ongoing annual IT investment is required as discussed on the prior page.

W&W Net Cash Position FY25B to revised FY25 to FY29



W&W Cash Flow Forecast (\$'000)	FY24F	FY25B	Revised FY25B	FY26F	FY27F	FY28F	FY29F
Operating Cash Flow							
Operating Inflows		80,963	78,398	78,675	79,812	81,886	83,763
Operating Outflows		(81,761)	(77,187)	(72,984)	(72,936)	(74,050)	(75,245)
\$ 9(2)(b)(ii), s 9(2)(i)		-	-	(2,500)	(2,500)	(2,500)	(2,500)
One-off Property costs		-	(443)	(361)	(131)	-	-
Net Interest Income		(2,053)	154	(15)	(198)	(175)	157
Net Operating Cash Flow (CFO)		(2,852)	923	2,816	4,046	5,161	6,175
Investment Cash Flows							
Purchase of Assets		(7,343)	(11,773)	(8,167)	(4,381)	(3,763)	(3,816)
Sale of Surplus Assets		-	1,033	-	1,075	-	16,010
Net Investment Cash Flow (CFI)		(7,343)	(10,741)	(8,167)	(3,306)	(3,763)	12,195
Financing Cash Flows							
Intercompany Debt		-	(46,183)	-	-	-	-
Other Financing Cash Flows		(185)	(185)	-	0	-	-
Government Cash Injection		-	67,049	-	-	-	-
Redundancy Costs		-	(1,285)	(2,466)	(1,186)	-	-
Leased Property		-	(10,700)	-	-	-	-
Net Financing Cash Flow (CFF)		(185)	8,695	(2,466)	(1,186)	-	-
Net increase in cash held		(10,380)	(1,122)	(7,817)	(445)	1,399	18,370
Opening Cash Balance		4,692	4,692	3,569	(4,248)	(4,693)	(3,294)
Closing Cash Balance		(5,688)	3,569	(4,248)	(4,693)	(3,294)	15,076

KPIs and Financial Monitoring Framework

Financial KPIs

Table opposite provides a summary of W&W's key performance indicators (KPIs) for the period 2024 to 2029. Te Pūkenga has set targets for Personnel cost to Revenue ratio (60%), EBITDA margin (11%), Net Operating Surplus Margin (2%) and Academic Student Staff ratio (SSR) (19:1), with the particular focus on EBITDA margin and Net Operating Surplus Margin.

We note the following in respect of the forecast modeling:

- Personnel cost to Revenue ratio of 60% is achieved from FY26 onwards.
- Net Operating Surplus Margin target of 2% is achieved in FY29.
- EBITDA margin of 13% is achieved in FY29 when insurance is excluded (due to the significantly higher insurance costs than ITP comparables). However the EBITDA margin reduced to 9% when insurance costs are included. s 9(2)(b)(ii), s 9(2)(i) KPIs will achieve target, despite the high insurance cost, if this cost was excluded.
- Academic SSR ratio won't be met during the forecast period. We are of the view that this KPI can only be met if there are significant changes to W&W's programme mode of delivery. We note that programmes requiring higher safety considerations (such as Trades) adversely impact overall SSR ratios.

FMF 2025-2029

The table opposite provides the financial monitoring framework (FMF) assessment for W&W. We note the following;

- Profitability Risk is forecast to reduce from high in FY25 to moderate in FY29, driven by gradually improving operating performance of W&W over the forecast period.
- Liquidity risk is forecast to remain high due to low (negative) cash balances.
- Debt Affordability is forecast to reduce from high in FY25 to low in FY25 revised, which is a direct result of the settlement of intercompany debt.

Refer page 67 of Appendix Two for further details on the FMF.

W&W Financial KPIs for period FY25F to FY29F

W&W Forecast KPIs	FY24F	FY25B	Revised FY25	FY26F	FY27F	FY28F	FY29F
Personnel to Revenue ratio	68%	63%	63%	60%	59%	58%	58%
EBITDA margin (excl. insurance)	(7%)	(5%)	2%	11%	13%	13%	14%
EBITDA margin (incl. insurance)	(7%)	(5%)	(2%)	7%	9%	10%	10%
Net Operating surplus margin (before one-off items)	(14%)	(13%)	(8%)	(2%)	(0%)	1%	3%
Academic SSR	-	15.78	15.61	16.85	18.33	18.39	18.45
Allied to Academic Staff ratio	0.90	1.01	0.91	0.90	0.99	0.99	0.99
Domestic EFTS	3,547	3,567	3,567	3,510	3,439	3,439	3,440
International EFTS	298	400	357	363	381	392	404
Staff - Academic	299	251	251	230	208	208	208
Staff - Non Academic	269	253	207	207	207	207	207
Staff - Total FTE	568	505	458	437	415	415	415
Total Programmes Retained	-	119	113	109	109	109	109
Programmes Ceased	n/a	n/a	6	4	-	-	-

W&W Financial Monitoring Framework Score FY24F to FY29F

FMF Summary (Risk level)	FY24F	FY25B	Revised FY25B	FY26F	FY27F	FY28F	FY29F
Profitability Risk	High	High	High	High	High	Moderate	Moderate
Liquidity Risk	High	High	High	High	High	High	High
Debt Affordability Risk	High	High	Low	Low	Low	Low	Low

FMF Summary (Risk level)	FY24F	FY25B	Revised FY25B	FY26F	FY27F	FY28F	FY29F
Profitability Risk	-	-	-	0.3	1.6	2.6	3.0
Liquidity Risk	-	-	-	0.5	0.5	0.5	1.5
Debt Affordability Risk	1.5	1.0	4.3	4.3	4.5	4.5	4.5

FMF Profitability Scores	FY24F	FY25B	Revised FY25B	FY26F	FY27F	FY28F	FY29F
Operating Surplus/Deficit - Before Trust and Abnormal Items (5 year rolling average)	-	-	-	1.0	3.0	4.0	4.0
Operating Surplus/Deficit - Including Trust and Abnormal Items (5 year rolling average)	-	-	-	-	1.0	2.0	4.0
Core Earnings (5 year rolling average)	-	-	-	-	1.0	2.0	2.0
Weighted Average	-	-	-	0.3	1.6	2.6	3.0

FMF Liquidity Scores	FY24F	FY25B	Revised FY25B	FY26F	FY27F	FY28F	FY29F
Liquid Funds ratio (5 year rolling average)	-	-	-	-	-	-	2.0
Net Cashflow From Operations (5 year rolling average)	-	-	-	1.0	1.0	1.0	1.0
Weighted Average	-	-	-	0.5	0.5	0.5	1.5

FMF Debt Affordability Scores	FY24F	FY25B	Revised FY25B	FY26F	FY27F	FY28F	FY29F
Debt Affordability (5 year rolling average)	-	-	5.0	5.0	5.0	5.0	5.0
Interest Strain (5 year rolling average)	4.0	3.0	4.0	4.0	4.0	4.0	4.0
Debt Equity Ratio (5 year rolling average)	2.0	1.0	3.0	3.0	4.0	4.0	4.0
Weighted Average	1.5	1.0	4.3	4.3	4.5	4.5	4.5

Details of key focus areas/activities

Initiatives	Description	Cost of change	Potential impact p.a.	Confidence level	Timing / Milestones
Settlement of intercompany debt	Reduction in debt servicing requirements through the settlement of forecast \$46.2m intercompany debt.	\$46.2m	\$2.7m	High	1Q 2025
Exit of 222 Willis Street (student accommodation)	Removal of lease obligation. Assignment of lease	s 9(2)(b)(ii), s 9(2)(j)		High	1Q 2025
				Medium	1Q 2026
Campus consolidation	\$8.6m is required to remediate buildings and support campus consolidation. Right-sizing of delivery in Petone and Porirua provides savings of \$0.6m in infrastructure expenses. Refer insurance savings below.	\$8.6m capital expenditure	\$0.6m	Medium	2026 - 2027
Programme rationalisation	W&W has a mature programme rationalisation process, with limited upside. Ceasing delivery of provision to better align to W&W's property portfolio generates a contribution margin loss redundancies of \$0.9m. This initiative impacts an estimated 164 EFTS and 43 FTE. Estimated redundancy cost based on average tenure of W&W staff and Collective Agreement terms.		(\$0.9m)	Medium	2025-2026
Staffing - Non teaching	Reduction in corporate support staff aligned with reduction in delivery. This impacts 47 FTE. Estimated redundancy cost based on average tenure of W&W staff and Collective Agreement redundancies terms.	\$2.8m staff	\$3.2m	Medium	Q3 2025
Operating savings	Savings of \$0.1m can be achieved from the reduction in programme delivery. These are not direct initiatives that have been identified but instead relate to the assumption that 25% of Administration expenses are variable (i.e 75% are fixed) as EFTS volumes decrease. W&W consider that a reduction in license costs of \$0.2m can be achieved due to FTE reductions. This is in addition to the assumed variable costs based on EFTS volumes decrease (see below)	n.a.	\$0.3m	Medium	2025-2027
Insurance	Te Pūkenga has advised that \$0.5m savings in premiums can be achieved through "insurance optimisation". While W&W has significant premiums when compared to the sector (\$3m versus \$0.5m comparables), this additional cost is related to the Wellington region. Achieving immediate savings appears challenging so we have not included this in the modelling until the property rationalisation is completed in FY27, but if these are achievable in the shorter term, there is potential upside.	n.a.	\$0.5m	Low-Medium	Q1 2028

2. Property

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Te Pūkenga

Overview



Footprint (usable gross floor area)

48,700 sqm GFA
Current total (usable GFA)

18,500 sqm GFA
Footprint reduction (usable GFA)

30,200 sqm GFA
Future total (usable GFA)



Cost

\$8.6m
Investment in change

\$635k p.a. from 2029
Infrastructure costs avoided

s 9(2)(b)(ii), s 9(2)(j)
Net asset sales revenue

s 9(2)(b)(ii), s 9(2)(j)
Gross asset sales revenue

Asset sales revenue (Net includes estimated costs of sale and Gross reflects anticipated asset value in the market before estimated costs of sale).

Current	Future (estimated)	Change
18,900 sqm GFA General teaching space	9,500 sqm GFA	-50% Change
19,600 sqm GFA Specialist teaching space	16,600 sqm GFA	-15% Change
2,500 sqm GFA Admin office space	1,300 sqm GFA	-46% Change

Note these components do not include 'other' (e.g. storage and space leased out) and as such will not sum to the overall total above. Note all figures are rounded.

\$9.8m p.a.
Current infrastructure costs

\$9.1m p.a.
Future infrastructure costs

-7%
Change

\$1m p.a.
Current third party lease revenue

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

s 9(2)(b)(ii)

%
Change

Future State Overview

Current state

Consists of three campuses totalling c. 53,700 sqm gross floor area

1 Porirua Campus, Wi Neera Drive, Porirua

Owned | 20,900 sqm | 1,437 EFTS

Comprised of around 50 buildings across 5 blocks. While the location is good, buildings are aged and the campus has more space than is required.

2 Petone Campus, Kensington Ave, Petone

Owned | 25,000 sqm | 1,927 EFTS

Comprised of eight buildings, two residential dwellings, and an unused childcare centre. The campus has more space than is required and various buildings with quality and deferred maintenance issues.

3 Wellington City

3 leases | 18,900 sqm | 210 EFTS

- Te Kāhui Auaha, delivery and administration
- 222 Willis Street, student accommodation
- Regent Centre, delivery.

Te Kāhui Auaha is W&W's key site in Wellington City, but is not utilised well or needed long term. 222 Willis Street and the Regent Centre are not currently being utilised.

Future state

Consists of two campuses, each reduced in size and totalling c. 43,100 sqm gross floor area

1 Porirua Campus

Owned | s 9(2)(b)(ii), s 9(2)(ba)(ii) sqm | 1,437 EFTS

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

2 Petone Campus

Owned | s 9(2)(b)(ii), s 9(2)(ba)(ii) sqm | 1,994 EFTS

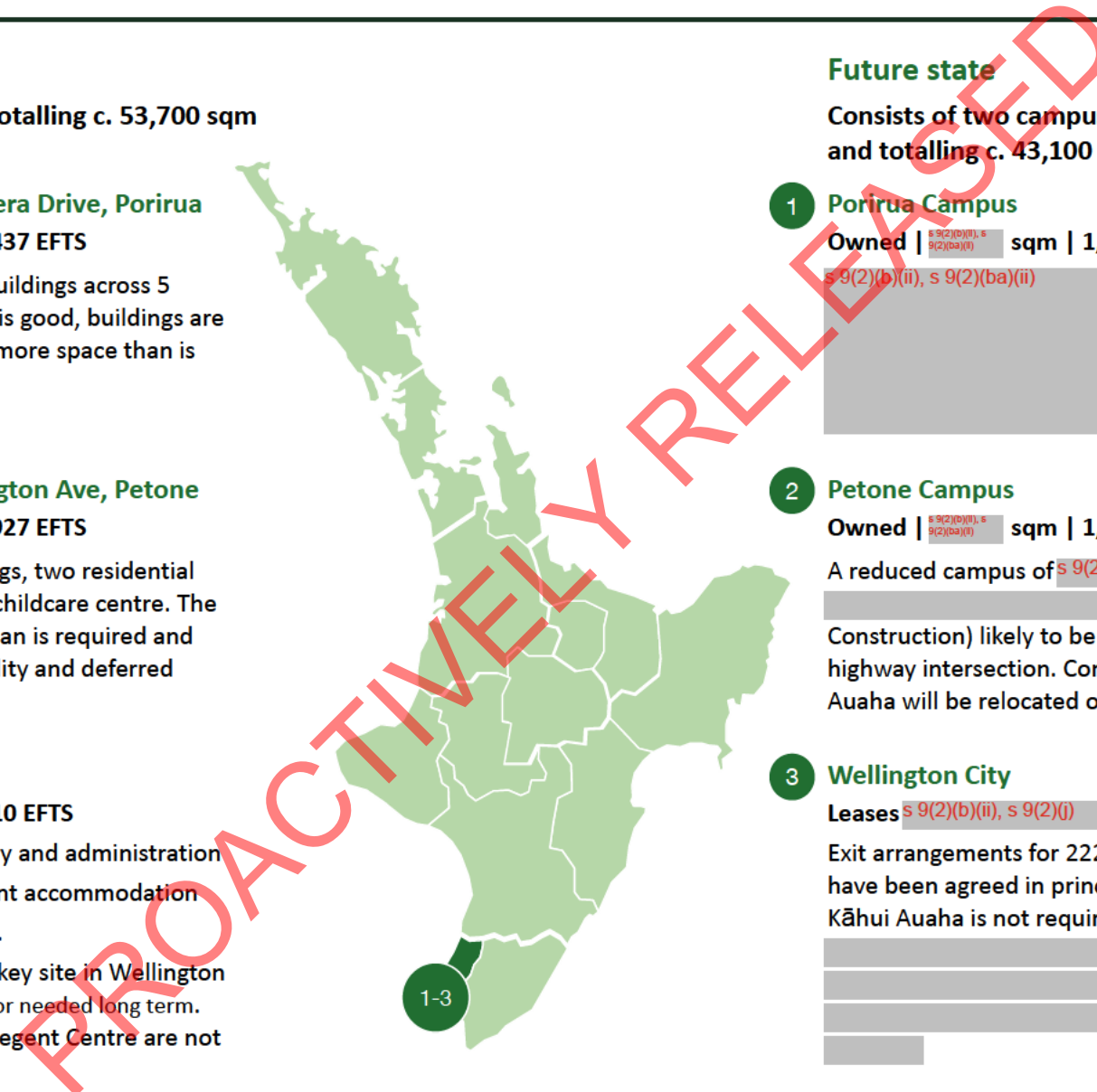
A reduced campus of s 9(2)(b)(ii), s 9(2)(ba)(ii), and J Block (School of Construction) likely to be compulsorily acquired for a planned highway intersection. Continuing programmes from Te Kāhui Auaha will be relocated onto this campus.

3 Wellington City

Leases s 9(2)(b)(ii), s 9(2)(j) sqm | 0 EFTS

Exit arrangements for 222 Willis Street and the Regent Centre have been agreed in principle and are being finalised. Te Kāhui Auaha is not required for delivery s 9(2)(b)(ii), s 9(2)(j)

1-3



Key Activities / Opportunities

	Porirua	Petone	Wellington
Challenges	The Porirua campus has more space than is required and varying quality of buildings.	The Petone campus has more space than is required, and various buildings with quality and deferred maintenance issues. This results in an overall excess of space, and varying quality of spaces between buildings.	The main campus (Te Kāhui Auaha) is good quality but not utilised well or needed long term. W&W has entered into a long term lease (next expiry is 2038) that has significant future obligations. The Regent Centre site is exited, s 9(2)(b)(ii), s 9(2)(j), and 222 Willis St (accommodation) is not needed by W&W.
Opportunities	The opportunities are to consolidate, divest excess land and buildings and utilise the sales revenue to invest in retained land and buildings. A secondary opportunity is avoiding future infrastructure costs relating to the divested land and buildings.		The key opportunity is to exit all obligations for at least the Regent Centre and 222 Willis St, s 9(2)(b)(ii), s 9(2)(j)
Proposed changes	s 9(2)(b)(ii), s 9(2)(ba)(ii) Complete improvement works across retained blocks.	s 9(2)(b)(ii), s 9(2)(ba)(ii) Complete improvement works across retained blocks.	Te Kāhui Auaha s 9(2)(b)(ii), s 9(2)(j) Regent Centre s 9(2)(b)(ii), s 9(2)(j) 222 Willis St Finalise negotiations with s 9(2)(b)(ii), s 9(2)(j)

Activity Description and Cost of Change

Property Activity Description

Overall, there is around \$11.3m that needs to be invested within the next five years in order to support footprint consolidation to be fit for the future.

Porirua Campus

s 9(2)(b)(ii)

Improvements and changes include:

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

Investment required

Asset Sales

Infrastructure savings

s 9(2)(b)(ii)

s 9(2)(b)(ii)

s 9(2)(b)(ii)

Petone Campus

Various capital improvements need to be made in order to support consolidation, s 9(2)(b)(ii), s 9(2)(j)

Improvements and changes include:

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

Investment required

Asset Sales

Infrastructure savings

s 9(2)(b)(ii)

s 9(2)(b)(ii)

s 9(2)(b)(ii)

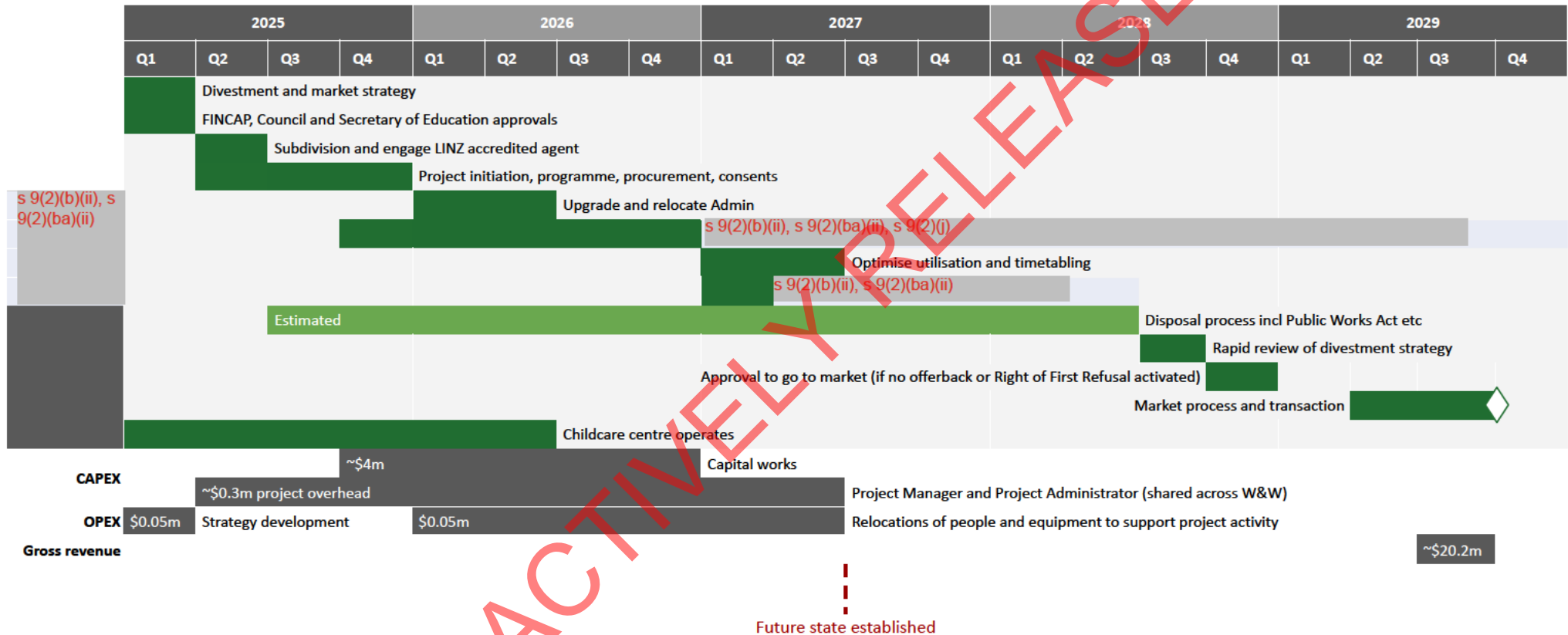
Wellington City

Exit of 222 Willis St and the Regent Centre are effectively financial transactions, with a cost of s 9(2)(b)(ii) (assignment of lease s 9(2)(b)(ii), s 9(2)(j) and s 9(2)(b)(ii), s 9(2)(j) respectively.

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

Porirua Campus Indicative Programme

Change-related works will take place across 2026 and part of 2027, with the campus being optimised to future teaching by mid-2027. The expected timing of project costs, and asset sales revenue, are shown below.



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Porirua Campus Map

W&W will s 9(2)(b)(ii), s 9(2)(ba)(ii)

Improvement works will be completed s 9(2)(b)(ii)

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

Te Rūnanga o Toa Rangatira will continue to lease A and B Blocks for the term of the current lease.

Where Te Rūnanga o Toa Rangatira currently have licences to occupy several rooms in C Block s 9(2)(b)(ii)

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

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

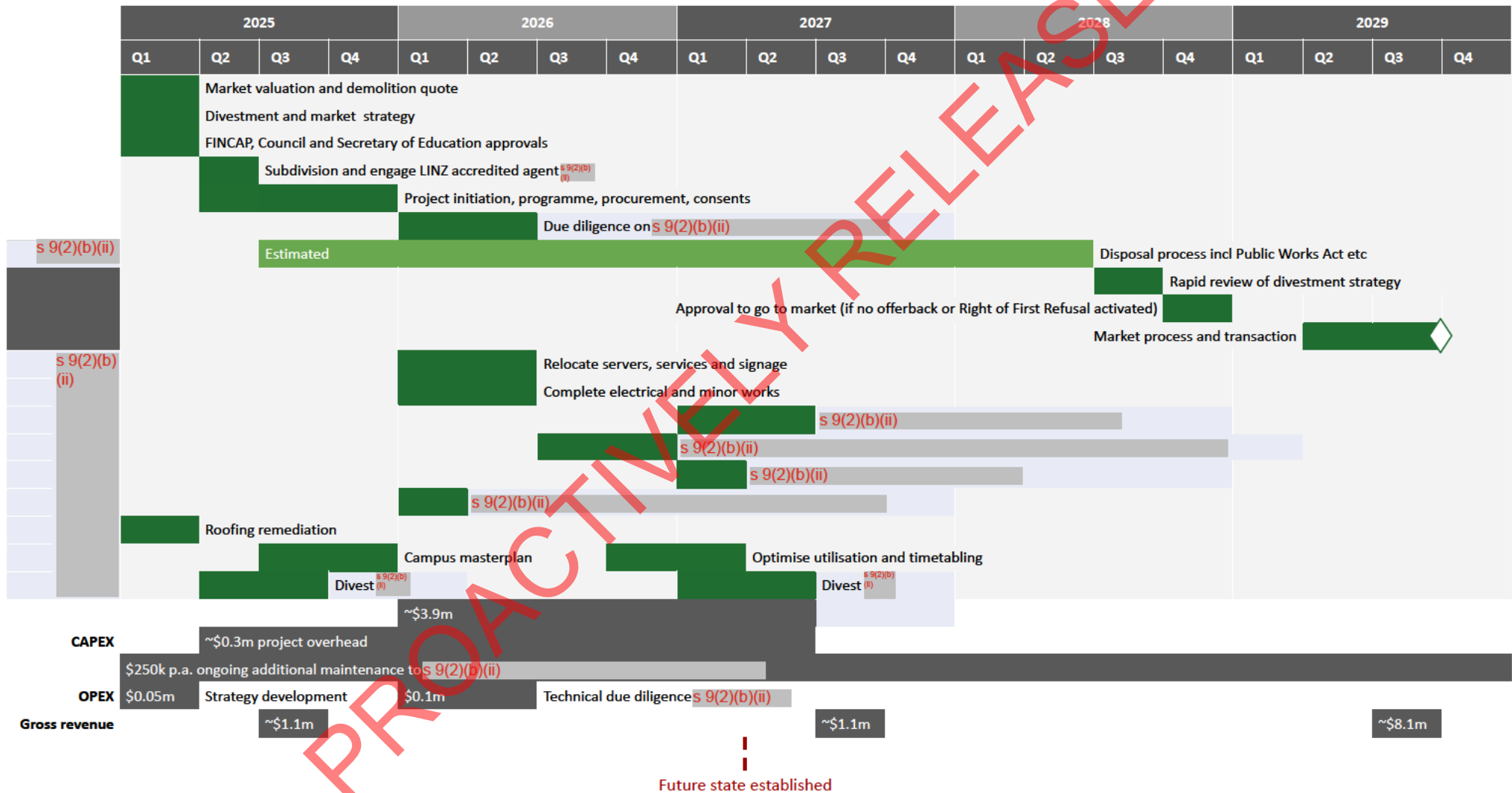
Key

- Mothball or Divest
- Retain
- New



Petone Campus Indicative Programme

Change-related works will take place across 2026, with the campus being optimised to future teaching by early-2027. The expected timing of project costs, and asset sales revenue, are shown below.



Petone Campus Map



J Block (School of Construction)

W&W will consolidate the main campus, s 9(2)(b)(ii), s 9(2)(ba)(ii), s 9(2)(j)

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Te Kāhui Auaha Options Summary

There are six key options for the Te Kāhui Auaha site. Two have been discounted and four are taken into the matrix on the next page.

Exit			Retain		
Financial impact			Financial impact		
s 9(2)(b)(ii), s 9(2)(j)					
Pros	Pros	Pros	Pros	Pros	Pros
s 9(2)(b)(ii), s 9(2)(j)					
Cons	Cons	Cons	Cons	Cons	Cons
s 9(2)(b)(ii), s 9(2)(j)					
Summary	Summary	Summary	Summary	Summary	Summary
s 9(2)(b)(ii), s 9(2)(j)					
✗ Discounted	✓ Matrix	✗ Discounted	✓ Matrix	✓ Matrix	✓ Matrix
	1		2	3	4

Approved

Te Kāhui Auaha Options Matrix



The options for Te Kāhui Auaha are somewhat limited, s 9(2)(b)(ii)

Estimated Cost	Risks	Impact on provision	Benefits	Timing	Confidence	Comments
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s 9(2)(b)(ii), s 9(2)(ba)(ii), s 9(2)(j)

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Te Kāhui Auaha Description

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

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

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Key Next Steps

Porirua	Petone	Wellington
<p>Commission a divestment and market strategy to determine the highest and best use, target buyer/s and marketing strategies for the best return. This will inform the expected return, key risks and strategies to support the LINZ accredited agent.</p> <p>Secure FINCAP, Council and Secretary of Education confirmation of surplus status and approval to s 9(2)(b)(ii), s 9(2)(j) .</p> <p>s 9(2)(b)(ii), s 9(2)(j)</p>	<p>s 9(2)(b)(ii), s 9(2)(j)</p> <p>Commission a divestment and market strategy to determine the highest and best use, target buyer/s and marketing strategies for best return. This will inform the expected return, key risks and strategies to support the LINZ accredited agent.</p> <p>Secure FINCAP, Council and Secretary of Education confirmation of surplus status and approval s 9(2)(b)(ii), s 9(2)(j) .</p> <p>Develop a 'masterplan' for campus utilisation to confirm how spaces will be utilised and that capacity will be sufficient.</p> <p>s 9(2)(b)(ii), s 9(2)(j)</p>	<p>Finalise lease assignment s 9(2)(b)(ii), s 9(2)(j) for 222 Willis St.</p> <p>Finalise s 9(2)(b)(ii), s 9(2)(j) the Regent Centre.</p> <p>s 9(2)(b)(ii), s 9(2)(j)</p>
Secure Project Manager and Project Administrator during Q1 2025.		

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3. Programmes

PROACTIVELY RELEASED



Te Pūkenga

Overview

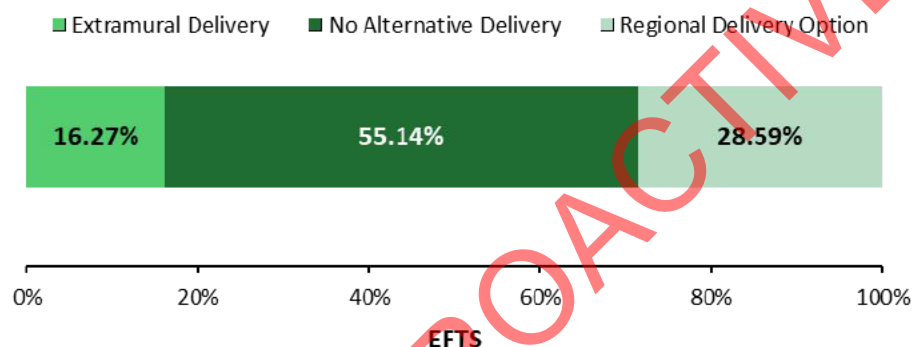
Overview

W&W delivers 119 programmes under 15 domains and is forecast to generate \$73.3m revenue and \$41.4m contribution margin in FY25B. Three core domains - Nursing, Regulated Health Professions / Social Services, and Construction Trades - represent 48% of revenue and 46% of contribution margin.

W&W has a mature programme rationalisation process, with limited upside available through aggressive programme closures. W&W's domains are relatively similar sizes generating acceptable contribution margin percentages. W&W has been through an extended period of programme rationalisation and optimisation of its delivery portfolio due to the financial challenges it has faced over the historical period prior to the establishment of Te Pūkenga.

55% of W&W's provision (on an EFTS basis based on NZQA qualification code) has no alternative regional or extramural provision.

W&W Programme Delivery Alternatives (by EFTS)



W&W Domain Portfolio Analysis FY25B (Size of Bubble = EFTS)



Domain	Revenue	Expenses	Contribution	CM %	EFTS	FTE	EFTS/ FTE
Animal	s 9(2)(b)(ii)						
Arts, Design and Media							
Construction Services							
Construction Trades							
Engineering & Logistics							
Foundations							
Hairdressing & Beauty							
Hospitality & Tourism							
ICT							
Kaiwhina and Health							
Mātauranga Māori							
Nursing							
Pathways							
Regulated Health Professions, Social Services							
Services							
Trades Academy							
Total							

Locations

Locations

W&W delivers from three primary locations - Petone, Porirua and Wellington City, with some regionally based, overseas (Cook Islands) and extramural delivery. Petone and Porirua represent the majority of W&W's delivery (84% of EFTS) and contribution margin (84% at \$19.4m). Furthermore, delivery offshore in China is not included in this analysis as is not EFTS based.

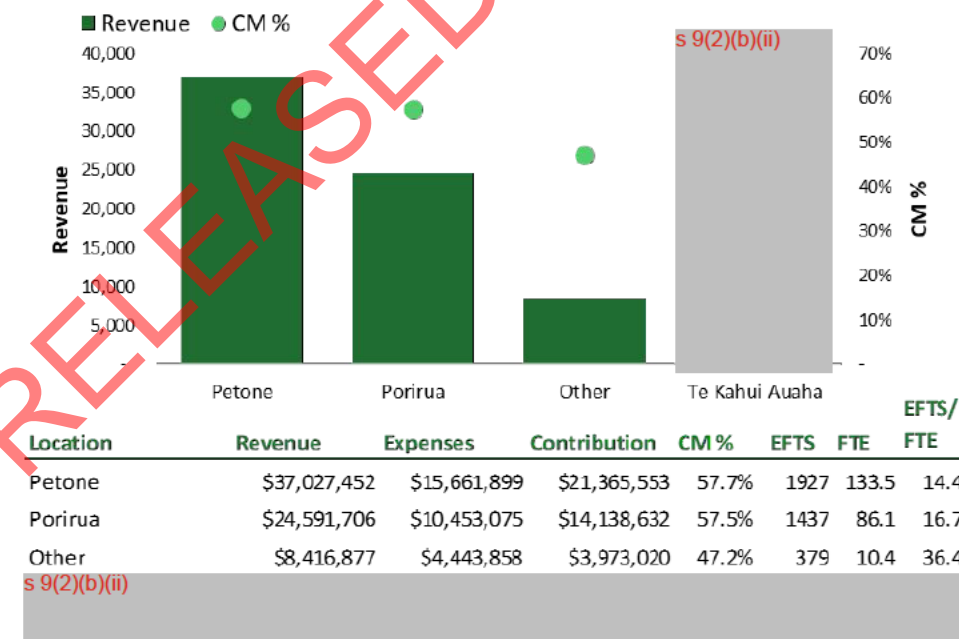
W&W's provision across its three Wellington sites does differ, although predominantly Nursing is delivered in Porirua and Trades/ Construction in Petone, albeit with some crossover. There are relative differences in the demographic groups between each location and the likelihood of EFTS moving (in any majority) between sites (if any of the sites were closed) is likely limited. Historically some provision (primarily delivery aimed at international students) has been relocated from Wellington City to Petone. We note that the students still utilise the Wellington City campus.

W&W operates in a crowded market and has a 9%¹ market share of Wellington's learner market across all tertiary education provision, with a number of universities and PTEs delivering in the region.

Te Kahui Auaha, Wellington City

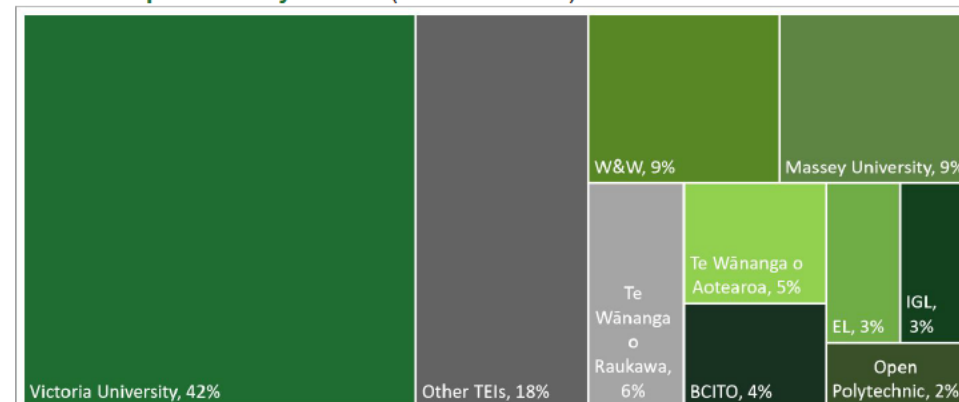
s 9(2)(b)(ii), s 9(2)(i)

W&W Location Performance



Note: The figures above exclude location based infrastructure costs and faculty costs

W&W Competitor Analysis 2023 (% of Total EFTS)



Programmes

Programmes

W&W has a mature programme rationalisation process, with limited upside available through aggressive programme closures. ^{s 9(2)(b)(ii)}

^{s 9(2)(b)(ii)} W&W achieves this 'target benchmark' for the vast majority of its programmes delivered.

The table below shows the proposed level of change that is in-scope and being considered for divestment at a programme level in the modelling, however, it is noted that there is likely to be a high degree of impact on the community from the proposed cessation of provision, especially the low level delivery.

^{s 9(2)(b)(ii)}

We are comfortable there is limited contagion risk to other programmes from ceasing delivery due to the limited scale of programme rationalisation. We have not considered any opportunities created through a change to delivery mode.

Where provision has closed, unless already planned by W&W for delivery from an alternative location, the working assumption is that the provision / offering would not move to an alternative campus.

We have not overlaid community or societal demand or need for this delivery. Further detailed list of both retained and ceased programmes is provided on pages 68 - 71 in Appendix Three.

Programme Phasing

Due to enrollment for FY25 already well established, the modelling and assumption is that all delivery continues for FY25, excluding mid-year enrolments that can be ceased (i.e not opened) without a direct impact on learners. These enrolments would represent downside to the scenario in FY25.

W&W has teach out requirements for delivery of programmes that have a duration of greater than 12 months (i.e goes beyond FY25). In order to manage this teachout, these programme taught out during FY26 (there are no programmes that have a duration of over 24 months without alternative providers). ^{s 9(2)(b)(ii)}

^{s 9(2)(b)(ii), s 9(2)(ba)(ii)}

Outlined below is the teachout requirements / programme phasing impact included in the modelling, with the revenue and cost removed from the forecast the year after the teach-out is completed:

W&W Programme Phasing (\$'000)	Revised FY25	FY26F	FY27F	FY28F +	Total
Revenue Lost	-	(2,510)	(1,011)	-	(3,521)
Teachout Cost	-	2,317	313	-	2,630
Contribution	-	(193)	(698)	-	(891)
Programmes Dropped	-	6	4	-	10
Academic FTE Teachout (Programme Level)	-	8	4	-	12
EFTS Teachout	-	91	73	-	164

Note: Programme phasing excludes faculty FTE reductions and addition academic FTE savings from workforce optimisation not related to programme closures.

4. Operating Model

PROACTIVELY RELEASED



Te Pūkenga

Operating model considerations

Future effort will be essential to refine W&W's operating model and organisational structure

In Phases 2A and 2B, our primary focus has been on identifying the essential business capabilities that ITPs will need to function as viable, standalone entities in the future. The accompanying high-level thematic view (at right) of a prospective operating model for ITPs has served as a framework for our structural design work, detailed on the following pages.

While broader strategic decisions for the future ITP sector are pending, our efforts have concentrated on core business capabilities at level three of the proposed model. These capabilities include critical functions such as finance, human resources, student support, teaching and learning, administration, and IT. Our structural design approach presumes that capacity equates to capability, with further discussion on internal capability to manage significant changes at W&W elaborated on page 56. Where possible, we have minimised changes to the academic office (beyond those necessitated by potential programme closure). Further work may be required by W&W to refine which roles technically should sit within its back office, as opposed to being classified as academic delivery. We have tried to maintain the classification provided to us by W&W in its 'revised' structure; this will need revisiting.

Our work has been influenced by elements of the delivery model, including W&W's staffing profile, property portfolio, and its mix of provision (level two). Our engagement with W&W throughout Phase 2B has exposed us to their preferred model for delivery; we have worked together to present a pragmatic model that reduces headcount, but aligns to W&W's stated community need. We have also considered critical functional enablers at level four of the model, such as infrastructure, workforce, and organisational design. Although we have not delved into the legislative framework of W&W, we have identified financial arrangement changes necessary to achieve viability (level five).

On page 35, following an outline of our ITP operating model, we have stated how well the proposed structural design of W&W (included on page 43 onwards) is likely to be able to deliver against each stated function. Where a function is excluded, we provide justification for its omission, or options for its delivery. We also note where functions are outsourced. The vast majority of omissions relate to potential strategic choices given a need to considerably reduce headcount to achieve financial viability.

It is important to recognise that the structures presented shows what W&W would look like post-teach out, and that it will take some time to transition towards this state. Discussions on potential phasing are included on page 47, but independent employment advice will need to be sought, along with considerable work to undertake role mapping, union engagement, and design. W&W's journey towards a viable future will involve **significant transformation in its operational strategy, necessitating both immediate and longer-term adjustments**. We note that for W&W this is not just around people, but is also closely linked with its property portfolio and programme offering. Future effort will be essential to refine W&W's operating model and organisational structure, so that it can achieve not just financial viability, but financial sustainability. Adoption of changes from Phases 2A /2B, whether partially or fully, will necessitate a paradigm shift in W&W's operations. We do not provide a perspective on the achievability of this, but not that it would be a challenge for any organisation - particularly those already having shed significant headcount - to fundamentally change how it operates. We also note this is not the first attempt of W&W to shift its operating model. The sheer scale of potential change may result in additional uncertainty and capability loss. In Section Seven, we have noted that (depending on the level of change adopted) further support may be required to drive transformation.

Strategy

1

Delivery model

2

Functional
capabilities

3

Functional
enablers

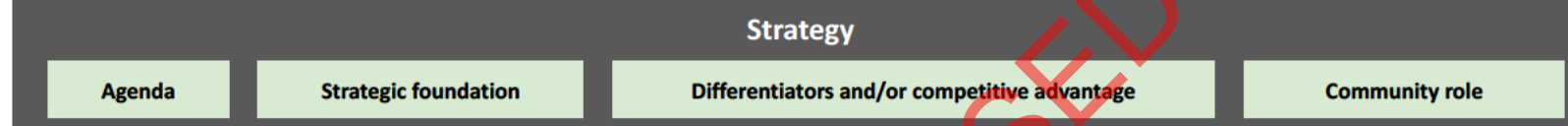
4

Legislative and
corporate
structure

5

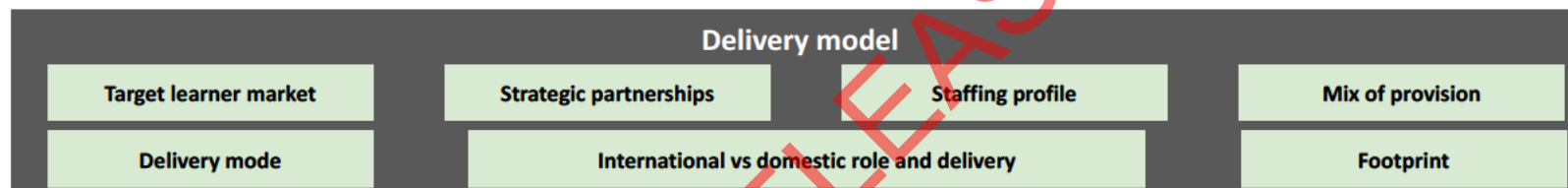
Operating model considerations

The fundamental strategic role of, and differentiator for, each ITP, plus their role in the community



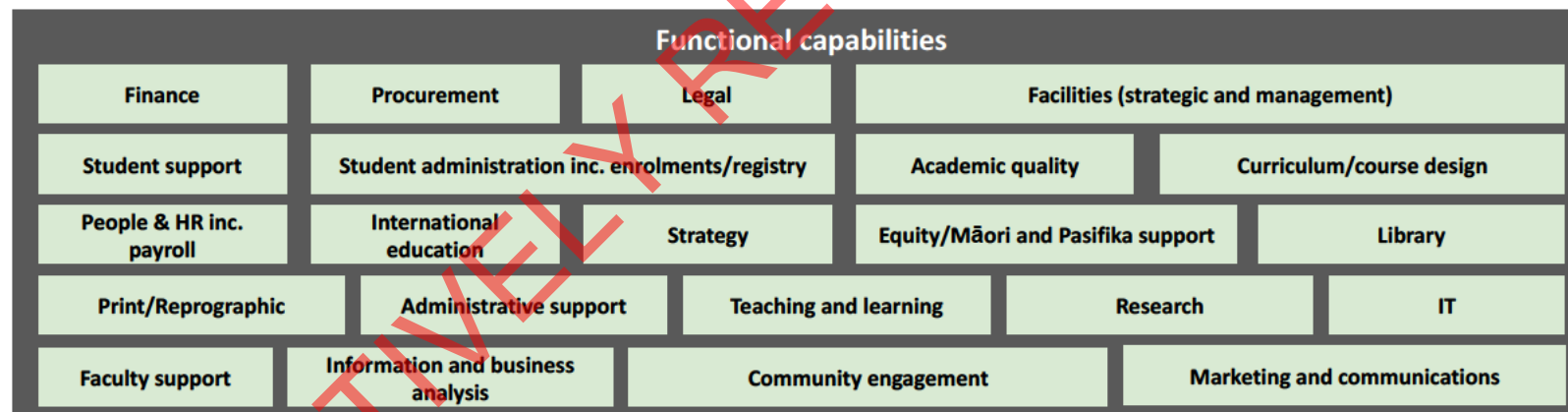
1

The ways in which the ITP intends to deliver its 'offering', tertiary education.



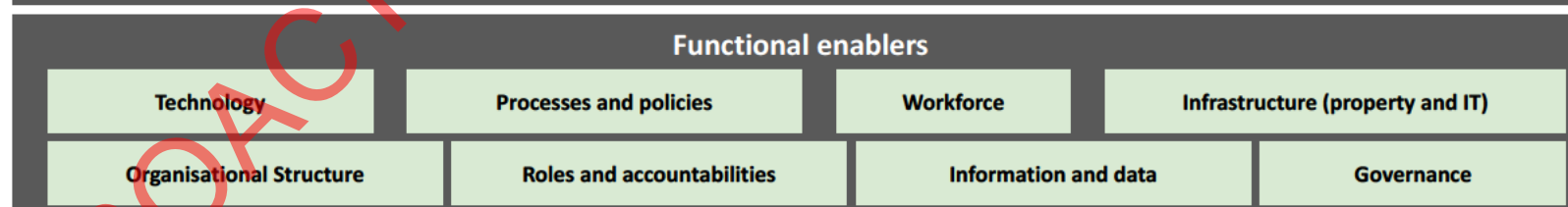
2

The baseline functional capabilities required for a standalone ITP.



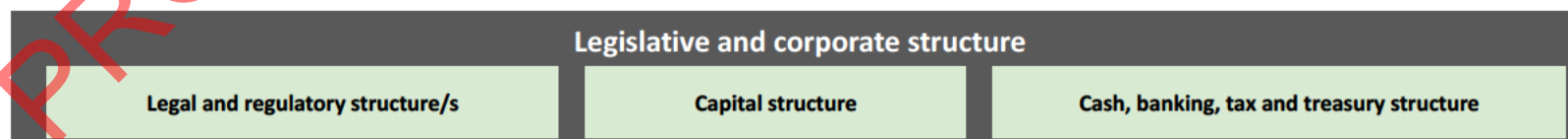
3

The enabling factors that will support effective operations and delivery.



4

The legislative structure and arrangements that will allow an ITP to function.



5

Functional capability assessment (1/4)

Function	Included elements	In structure?	Outsourced?	Notes
Finance	Includes strategic finance and accounts management functionality	✓		Includes Director level Finance, Planning and Reporting role. Financial lead manages strategic finance and accounts management. Separate Reporting and Planning Lead and function. Flexibility to reshape the roles under the Financial Lead and Reporting and Planning Lead if desired.
Procurement*	Contract assessment, contract review	✓	✓	It is assumed that a Business Information Analyst role within the Finance, Planning and Reporting Group will focus on procurement. However, large scale procurement advice will likely be outsourced.*
Legal*	Legal advice, legal review		✓	Continuation of current approach to outsource legal services.
Facilities (strategic and management)*	Facilities management, facilities operations, maintenance, security	✓	✓	Facilities and Fleet Lead role, supported by a small team. This may be reduced further in future. An option exists for a centralised or shared strategic property management function across ITPs, future reductions may be made in this space *
Student support	Māori/Pasifika student support, student health, careers advice, student engagement, mentoring, learning support	✓		Positions retained in new structure. Note that it appears Budget V6 already had made reductions to Student Support roles.
Student administration	Enrolment administration functions, enrolment data management, enrolment advice	✓		Includes Enrolment and Registry Lead (Registrar) and two Team Leaders managing the wider team which also incorporates timetabling. International education enrolments have not been split from domestic enrolments.
Academic quality	Includes quality assurance, academic data management	✓		Nested in Academic office but roles classified as Non-academic.

* In Appendix Six, we note a range of functions that may be able to be delivered through some sort of shared services functionality. This function is included on that list.

Functional capability assessment (2/4)

Function	Included elements	In structure?	Outsourced?	Notes
Curriculum/course design*	Includes instructional design, course design	✓	✓	<i>Academic Quality team (nested under Director Teacher and Learning) includes this functionality; may need increasing depending on determined need in future, or additional outsourced capability.</i>
People & HR inc. payroll*	Payroll, recruitment, employment relations, functional HR, health and safety	✓		<i>Slightly reduced team based on smaller back office/overall FTE size.</i>
International education	International education advisors, international education strategy and recruitment	✓		<i>International Marketing Specialist/Manager roles moved to Communications and Marketing team, but expected to work closely with International Lead and team. Optionality to absorb International Student Advisory into general Enrolment Advisor team to streamline further.</i>
Strategy	Strategic development, planning and reporting	✓		<i>Reporting and Planning Lead and team is present. Leadership structure has been designed to create optimum spans of control, within reason, to allow for strategic delivery. Lead roles with a strategic component (such as People, Financial, Communications and Marketing, International) have appropriate spans of control to allow for strategic development. However, the large number of strategic roles that appeared to be present within the previous structure were unable to be facilitated going forward due to cost constraints. There is the option to identify whether further roles in the presented structure could be reduced to add a small strategic function.</i>
Equity/Māori and Pasifika support	Student support tailored to Māori and Pasifika, Māori and Pasifika strategy	✓		<i>Noting that this is reduced compared to the prior structure. Chief Advisor Māori/Pasifika role has been developed for strategic engagement and community engagement.</i>

* In Appendix Six, we note a range of functions that may be able to be delivered through some sort of shared services functionality. This function is included on that list.

Functional capability assessment (3/4)

Function	Included elements	In structure?	Outsourced?	Notes
Library	Library staffing	✓		Reduced team due to larger size of function.
Print/Reprographic*			✓	Continuation of current approach to outsource print/reprographic services.
Administrative support	Non-academic support roles	✓		Team Administrators have been assigned to back office roles, and there are a small number of other specialist Coordinator roles. There is potential scope to reduce further depending on decisions made around the back office structure.
Teaching and learning	All academic roles	✓		Except to reduce overall numbers in accordance with potential programme closures, we have not reduced academic roles.
Research	Research roles	✓		Small presence retained in Teaching Innovation and Research team, along with Lead. Anticipated that research is also an expectation of some academic staff, so not represented as a role or roles in the structure.
IT*	Helpdesk, technology function and support, technology maintenance	✓		Technology Lead role and two small teams with team leaders, one focused on helpdesk/support and the other on general technology. Slight reduction in headcount to account for reduced FTE/EFTS, and spread of technology across locations.
Faculty support	Academic (faculty) and non-academic support roles	✓		While we have reduced back office support roles in accordance with programme closures, ratios of administrative staff remain high with scope for future improvement. We believe there may be scope for further rationalisation of Programme Manager, Operations Manager, and Academic Administration roles, but the structure developed represents a starting point for consideration that needs to be overlaid against the practical operations of W&W and its future needs.

* In Appendix Six, we note a range of functions that may be able to be delivered through some sort of shared services functionality. This function is included on that list.

Functional capability assessment (4/4)

Function	Included elements	In structure?	Outsourced?	Notes
Information and business analysis	Planning, reporting, business analysis, KPI tracking, Government reporting and monitoring, Investment Plan development	✓		Team nested under the Reporting and Planning Lead.
Community engagement	Engagement with employers to support job brokering, connections with schooling system, connection to iwi/hapu and Pasifika communities	✓		Reduced numbers. Anticipated Chief Advisor Māori/Pasifika would lead in this space, and the Student Pathways team would have a key connection into the workforce/employers. Student Pathways Team would also support Trades Academy students.
Marketing and communications*	Marketing, international marketing, social media, communications (internal and external)	✓		Very slightly reduced team to account for reduction in EFTS/FTE. We have incorporated International Marketing/Communications Specialist into this team and consolidated roles, including a combined Communications and Marketing Lead.

* In Appendix Six, we note a range of functions that may be able to be delivered through some sort of shared services functionality. This function is included on that list.

Functional capability assessment

An approximate summary of capability/capacity by FTE count

For each functional capability area, we have shown the indicative permanent and fixed term FTE currently within W&W and the potential FTE in future. Detailed organisational design decisions will determine possible future FTE headcount levels. Note that this table does not tally with the existing FTE structure, as there are some FTE that are currently employed that do not align to core business functionality or will not be supported in future ^{§ 9(2)(b)(ii), § 9(2)(j)}. In addition, there is some inconsistency in how roles are classified (academic or non academic) in Budget V6 and the proposed future headcount document provided to us. FTE count is approximate only and based on Budget FY25 V6 data (i.e. some reductions had already been applied to this data, given the payroll data for our Phase 1 report showed a headcount of 570 FTE, Budget V6 shows 530 FTE); we have applied logical assessment of roles into the groupings below to provide approximate numbers. We note some roles may be split across multiple areas, this is a simplistic comparison only.

Function	Current FTE within W&W	Potential future FTE level	Function	Current FTE within W&W	Potential future FTE level
Finance	10 FTE	8 FTE	Library	6.2 FTE	2.5 FTE
Procurement	1 FTE	1 FTE, may also be outsourced	Print/Reprographic	0 FTE	0 FTE - likely outsourced
Legal	0 FTE	0 FTE - likely outsourced	Administrative support ²	22 FTE	16 FTE
Facilities (strategic and management) ^{§ 9(2)(a)(i), § 9(2)(j)}	11 FTE	11 FTE	Teaching and learning ⁶	242 FTE	202.8 FTE
Student support ¹	35.6 FTE	31.3 FTE	Research	2 FTE	2 FTE - other roles within team (Teaching Excellence and Flexible Learning) may focus on research but unclear from titles
Student administration ⁵	28 FTE	26 FTE	IT ³	21 FTE	21 FTE
Academic quality and Curriculum/course design	14.5 FTE	10 FTE, this may need to increase in future depending on development needs	Faculty support ⁴	70 FTE	44.7 FTE
People & HR inc. payroll	14.3 FTE	11.4 FTE	Information and business analysis	8 FTE	8 FTE
International education	8.5 FTE	6.8 FTE	Community engagement	N/A FTE	No specific roles, but we note that within Student Support, outreach roles may focus on this, along with the Chief Advisor Māori/Pasifika role
Strategy	1 FTE	1 FTE (CE) noting earlier comments about strategy split across a number of roles	Marketing and communications	10.7 FTE	10 FTE
Equity/Māori and Pasifika support	2.5 FTE + included within general student support figures	Included within general student support figures, plus Chief Advisor Māori/Pasifika role	Governance	Te Pūkenga hosted overall Governance functions	To be hosted within W&W

1. Student support includes Advisors, Mentors, Jobs Brokers, Learning Support, Team Leaders

2. Administrative support includes non-faculty administration roles, such as Executive Officer, Operations Manager, Administrator, Coordinator - some of these are specialised support officers, supporting functions like HR, marketing and finance

3. We acknowledge the large IT footprint and recognise that considerable digital transformation is required. This team should reduce in size following this transformation.

4. Faculty support includes Heads of Schools, Technicians, Team Administrators within Faculties, Programme Managers, Coordinators, Team Leaders.

5. Includes Timetabling and Bookings Coordinator, Support Administrator, Project Coordinator and Administrator, Administrator, Business Support Administrator, Registry Coordinator and in future state Operations Lead

6. Discrepancies between W&W Budget and future structure FTE allocation account for the difference in reduction between Budget and future state.

Business capabilities within W&W

Capability assessment in a readiness construct

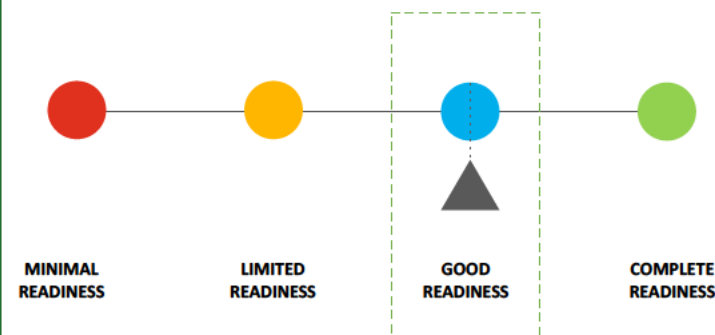
Our Phase 1 report provided a brief change readiness assessment for W&W. This has been updated noting we have not witnessed any significant change from our original assessment (noting no in-depth analysis has been performed). We acknowledge the limited engagement with W&W during this review and that this assessment should serve as a foundation for further discussion and validation regarding readiness between Te Pūkenga and W&W. Appendix Three of our Phase 1 report sets out the descriptors used to evaluate BD acceptance of and preparedness for change, illustrating what PwC considers 'best-in-class' for an engaged and change-ready organisation. The rating provided offers a comprehensive overview of both acceptance and preparedness. Please note that this assessment does not take into consideration any readiness related to core systems; basic information on core systems were included in Phase 2A reports as provided by Te Pūkenga, and information on funding to achieve core system functionality has been incorporated into this report.

Summary of assessment

- Further engagement with W&W over the course of Phase 2B indicated a good understanding of the scale and scope of potential change, including people, property and programme change, and how this might be facilitated. This progress towards acceptance of the potential scale of change, alongside acceptance of the challenge of potential change.
- W&W has demonstrated further maturity in its approach to evaluating performances of its offering and reducing course numbers. This is the result of its extended period of financial underperformance prior to the establishment of Te Pūkenga, and has left a limited scope for further programme rationalisation. While some rationalisation has occurred, this has been primarily driven by footprint.
- Historical focus on increased performance has created internal capability to manage change and viability within W&W; however, additional change will be required at pace to support viability. We also acknowledge the upcoming loss of a capable Finance Director; this capability will need to be filled by an appropriately experienced finance professional to ensure W&W is able to carefully manage and monitor costs, and support the change process.
- In discussion with W&W around a potential new people structure, it had already begun to realise potential opportunities to streamline its management structure and operating model. Therefore, the structure presented in this document builds upon these discussions, and shows progress towards a 'right sized' model.
- While holding strong internal capabilities, support from Te Pūkenga or the Crown may be required to help facilitate conversations around the potential merger of other entities into W&W.
- Lastly, it is acknowledged that the previous 'closer working relationship' (and later semi-merger) of the former Weltec and Whitireia ITPs has faced a series of challenges. Given any new ITP will be a single entity, these issues will need a strong focus over the change period and a concerted change management approach.

Overall rating

Limited readiness



W&W is in a good position to manage its pathway to viability, provided it is able to effectively manage out some of its property agreements and revisit its operating structure.

5. People and workforce

PROACTIVELY RELEASED



Te Pūkenga

Introduction to potential structure

Overview of changes considered					W&W organisational structure - methodology and limitations				
<p>Management has budgeted 530.5 FTE permanent and fixed term roles in its FY25 budget (v6), across academic (251) and non-academic (253) staff. In order to achieve financial viability, and to reflect reduced academic delivery and overall campus footprint, W&W's staffing numbers should reduce to reflect the new operating environment and circumstances. We have identified potential FTE reductions across both academic and non-academic roles outlined below:</p>					<p>To achieve our indicative FTE numbers, we have focused on potential reductions to academic delivery, and then have apportioned non-academic reductions across remaining staff. PwC undertook this work independently, then worked with W&W who had also identified potential opportunities for headcount reduction. It is acknowledged that the structure presented in this document is intended as indicative; further analysis (including role mapping and impact assessment) will be required before determining a potential future structure.</p> <p>We have used remuneration information provided by W&W for costing. This is based on preliminary role analysis (without job description assessment) to determine which roles may remain within the structure. Therefore, the costs assumed should be representative of actual costs likely to be incurred by W&W. Redundancy costs, as described on the next page, are however based on average figures.</p> <p>There is not an exact correlation between teaching FTE and structural FTE (i.e. a role may contain 0.3 FTE teaching time and 0.2 FTE administrative duties, and therefore we cannot assume a 1:1 reduction in FTE); our structure has tried to take this into account.</p> <p>The proposed structural design will be required to be adjusted over time, should economic and organisational conditions allow, and on the basis of ongoing work on the strategic role of the future ITP sector. It has been assumed that the structure goes live in mid-2025. Please refer to programme phasing in Section 3 to understand how teach out may occur.</p> <p>This work is presented as only one potential structure; noting that detailed organisational design work (including detailed job mapping and impact analysis) would be required before any decision on a future structure is determined. Information on a process to achieve this is noted on page 47.</p>				
Function	Location	FTE reduction	Est. Savings p.a	Est. Redundancy					
Academic	Various	43	\$2.9m	\$2.2m					
Non-academic	Various	47	\$3.2m	\$2.8m					
Total		90	\$6.1m	\$5.0m					
<p>In addition, W&W has confirmed that its FY25 budget V6 includes reductions in Casual and Contracted staff, as below:</p>									
Function	Type	Location	FTE reduction	Est. Savings p.a					
Academic	Casual	Various	6	\$0.6M					
Non-academic	Casual	Various	2	\$0.1M					
Academic	Contractor	Various	2.5	\$0.2M					
Non-academic	Contractor	Various	2.5	\$0.2M					
Total			13	\$1.2M					
<p>Academic staff - 43 academic FTEs have been identified through the programme (and location) profitability analysis. Redundancy for some of these staff may be delayed due to teach out.</p> <p>Non-academic staff - We have taken a simplified approach to identifying which functions are essential for BD delivery, and have attempted to adapt the W&W non-academic staffing profile in accordance with the reduction in academic roles identified. Through this high-level approach, we have identified 47 FTEs, with an estimated annual remuneration savings of \$3.2m (excluding redundancy costs). Please see page 52 for assumptions.</p> <p>The illustrative structure size is 428 FTE, following the above potential FTE reductions identified, and including casual and contracted staff.</p>									

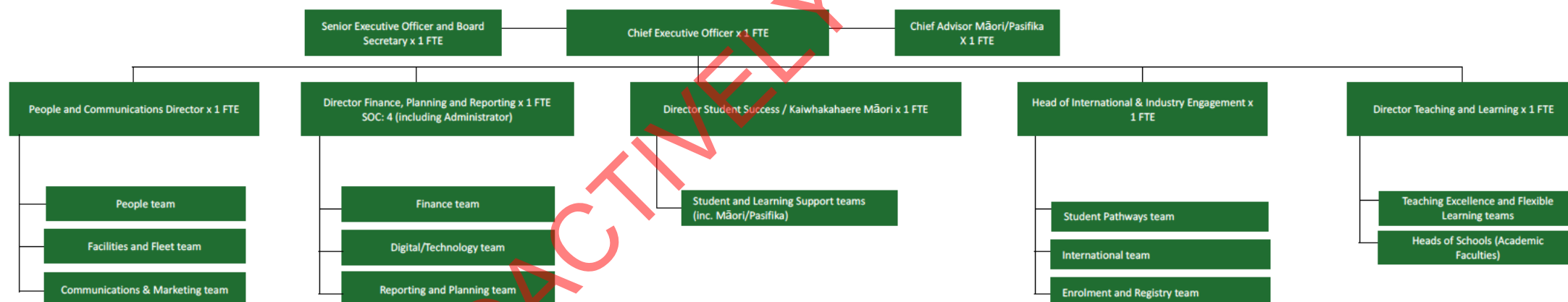
Management structure

Proposed management structure

The management layer structure (Tiers 1 and 2) presented below indicates potential Tier 1 and 2 roles within W&W in the future state, plus L3 functional areas. An expansion of the full non-academic (back office) structural chart is included on the following page. All management roles listed sit in the non-academic office. The faculty structure is included on page 45.

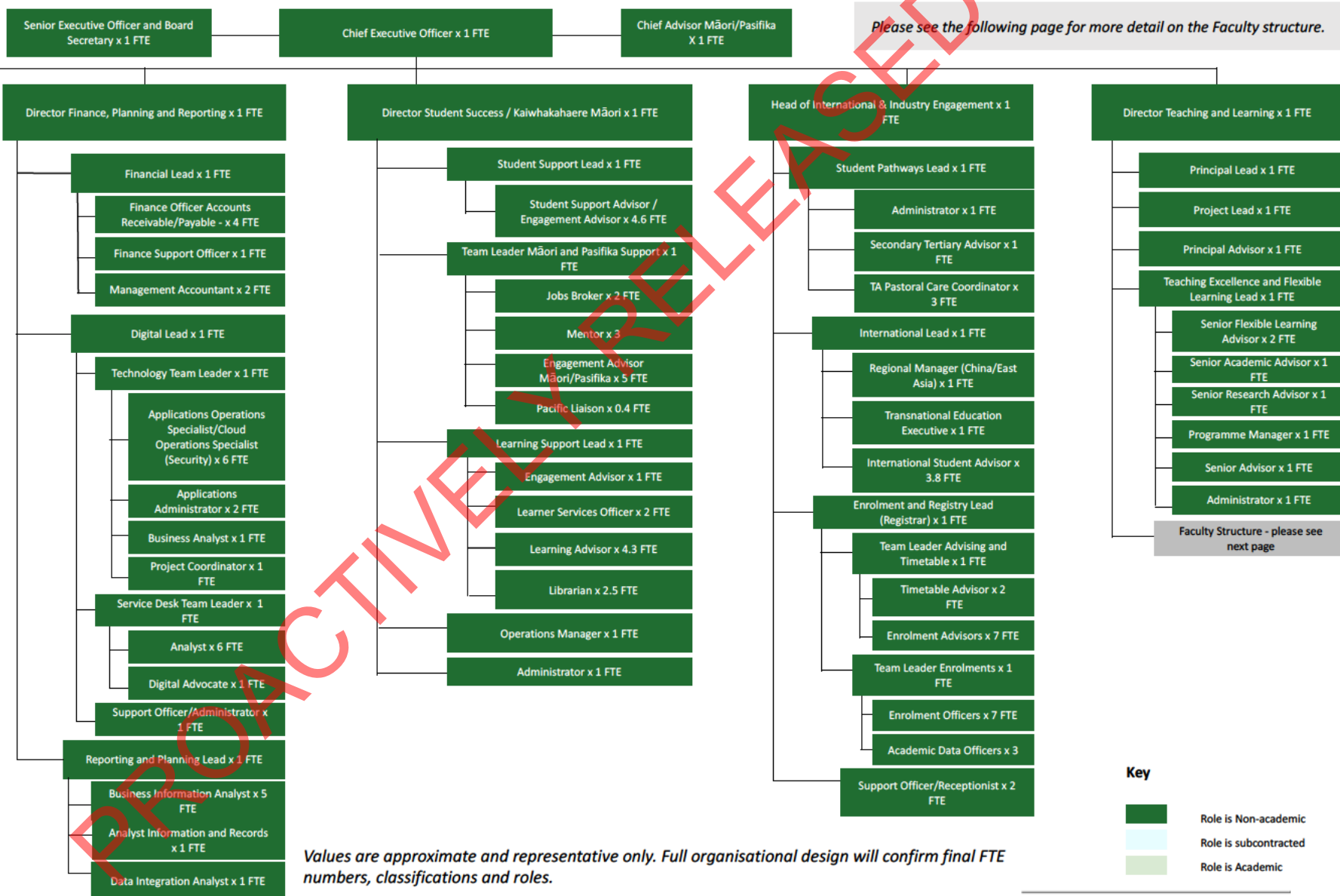
Please note that our structure charts may not include all subcontractor roles. We acknowledge that these have been budgeted for by W&W, and that our headcount across this structure will not tally with the overall headcount presented on page 46.

As a consistent taxonomy of academic roles within the former ITP sector does not appear to exist and classification differs across BDs, we have maintained the classification provided to us by W&W. However, we note there may be errors or inconsistencies in this approach. Values represented in our organisational charts are approximate and representative only. Full organisational design will confirm final FTE numbers, classifications and roles. W&W will need to determine if the structure accurately reflects potential delivery needs and people requirements.



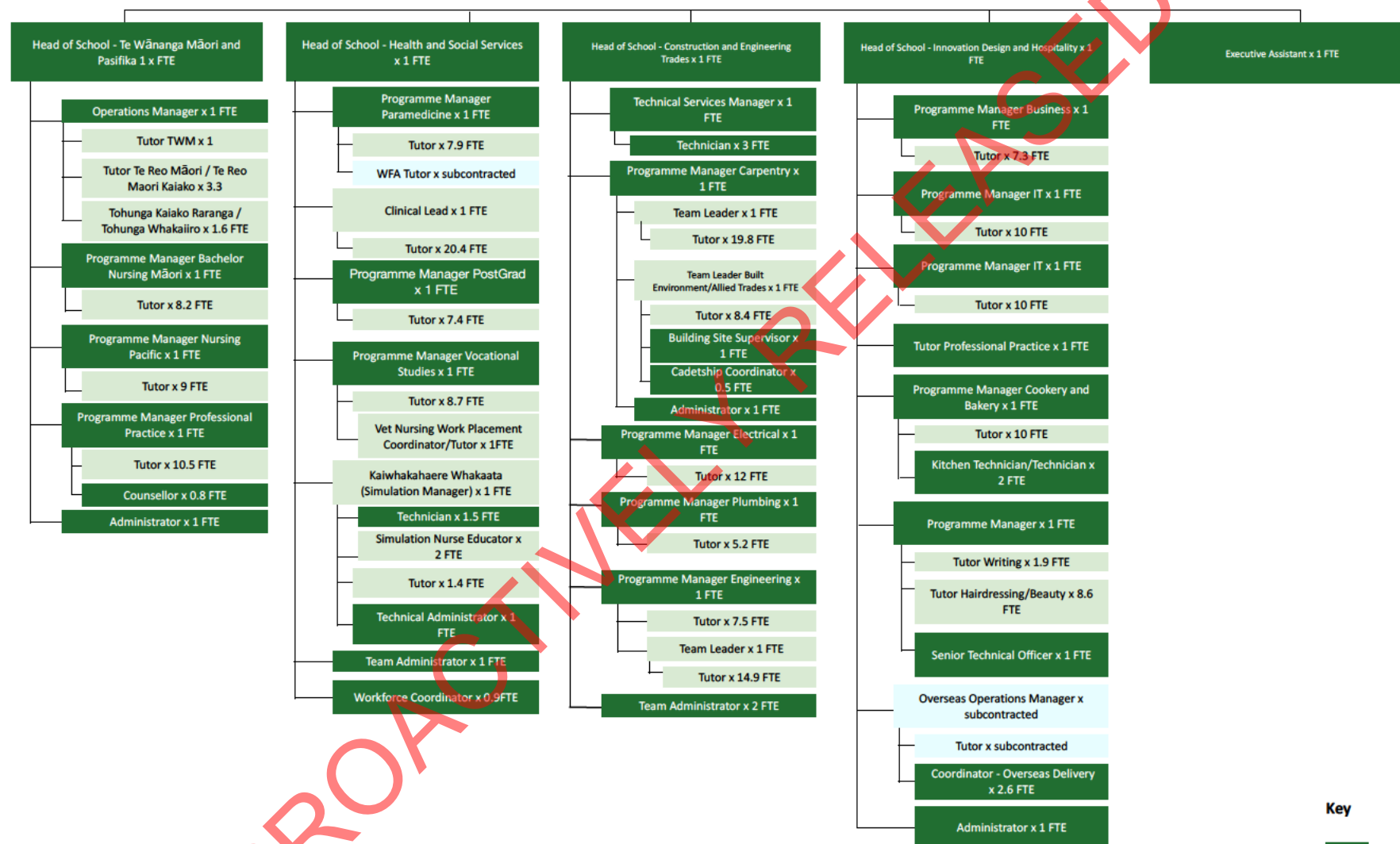
Values are approximate and representative only. Full organisational design will confirm final FTE numbers, classifications and roles.

Potential organisational structure - mid-2025



Values are approximate and representative only. Full organisational design will confirm final FTE numbers, classifications and roles.

Potential faculty structure - mid-2025



Key

	Role is Non-academic
	Role is subcontracted
	Role is Academic

Values are approximate and representative only. Full organisational design will confirm final FTE numbers, classifications and roles.

Structure costings

Cost of the potential new W&W structure

As noted earlier, W&W supplied us with information on their current budgeted workforce, and had begun to develop a potential structure on this basis. Therefore, the savings demonstrated at right are based on the difference between the cost of the potential new structure based on current remuneration, and the former budgeted cost for FY25 (V6). This is a different version than that used for comparison in Phase 2A, with a starting point of 530 FTE.

The cost is based on total fixed remuneration, but we have also included the potential cost for KiwiSaver. Information on the data used to calculate redundancies is available on page 52. We note that we have used a conservative approach to cost redundancy. This includes all fixed term staff who may not be eligible for redundancy. Operational decisions by W&W may reduce this value.

Further work is required by W&W to undertake detailed assessment to support costing. This work must be undertaken prior to Te Pūkenga considering consultation, and will likely need to be undertaken alongside unions. This will considerably alter the cost of the new structure, because decisions will need to be made around which specific roles may grandparent into any new structure, and these may be at a higher salary level. There are contracted terms within the CEAs of both TIASA and TEU that require Te Pūkenga to pay an equalisation allowance for two years, or of an equivalent lump sum, where an individual is confirmed in a role at a salary level lower than their old role.

CEA terms state that reconfirmation into a new role can only occur if the position responsibilities are the same or very similar to those of a current position, and the salary range can be no less than the current position, which may result in higher than intended redundancy costs even if it a 'similar' position exists in any new structure. We have not had access to job descriptions during this process, nor have we sought to design new roles for any potential structure.

It is anticipated that the staffing profile described on the previous few pages will be realised by the middle of FY25. Any redundancies required for FY25 (after potential restructure), FY26 and FY27 teach out would be deferred redundancies. Programme phase out is described in Section 3.

We have not considered potential governance costs, given a need for legislative confirmation. More information on governance and potential costs are included as Appendix Four.

Summary of people change (FY25B)

Total permanent/fixed term FTE reduction compared to Budget	89.6
New structure back office size	206.5
New structure academic office size	208.4
New permanent/fixed term FTE size	414.9
Contractor FTE	12.8
Total structure size	427.7
Indirect personnel expenses*	\$0.8m
Kiwisaver**	\$1.1m
Cost for permanent and fixed term FTE	\$40.6m
Cost for contractor FTE	\$1.1m
Total structure cost	\$43.6m
Potential savings Academic	\$2.9m
Potential savings Non-academic	\$3.2m
Total remuneration savings	\$6.1m
Total potential cost of change including 50% contingency***	\$4.9m

* Further analysis may reduce this value further.

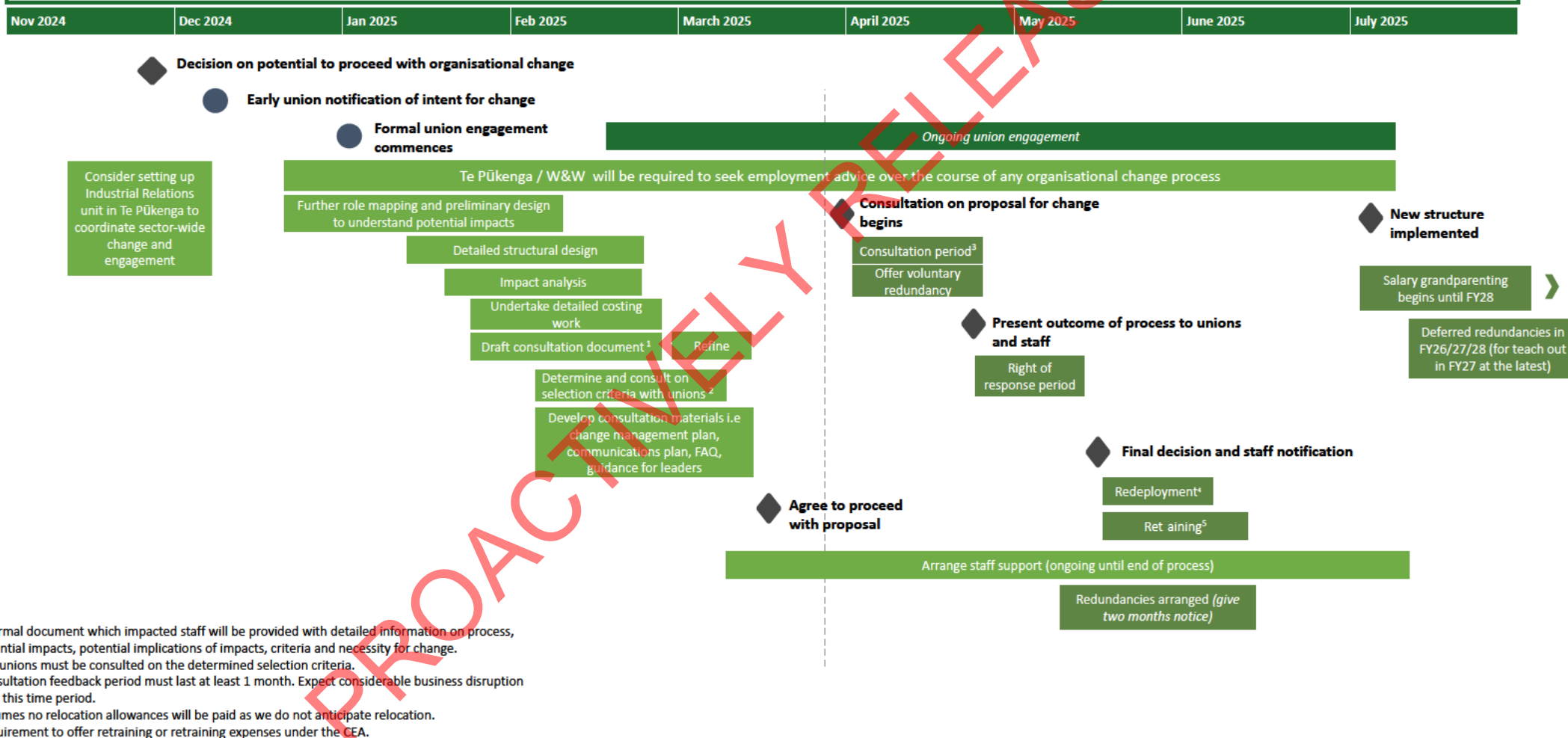
** Estimated reduction based on FTE reduction.

*** The 50% contingency applied to 'cost of change' (i.e. redundancy payments) is included to help mitigate the impact of unassessed major change, as identified at left. Please see page 52 for more information on these costings.

Potential pathway for organisational change

The timeline below presents a perspective on the minimum steps to deliver organisational change

Below, we have created a high level timeline showing the minimum steps required to deliver an organisational change process. It is noted that any delays in the process outlined below might push out cost savings into future years, acknowledging that a half year of savings for non-academic staff will be realised FY25. It is anticipated that W&W may run one organisational change process, but defer redundancies for teach out until later in 2027.



- 1 A formal document which impacted staff will be provided with detailed information on process, potential impacts, potential implications of impacts, criteria and necessity for change.
- 2 The unions must be consulted on the determined selection criteria.
- 3 Consultation feedback period must last at least 1 month. Expect considerable business disruption over this time period.
- 4 Assumes no relocation allowances will be paid as we do not anticipate relocation.
- 5 Requirement to offer retraining or retraining expenses under the CEA.



6. Assumptions, sensitivities and risks

PROACTIVELY RELEASED



Te Pūkenga

Risks / assumptions - forecast

FY25 Budget - assumptions and risks

Revenue

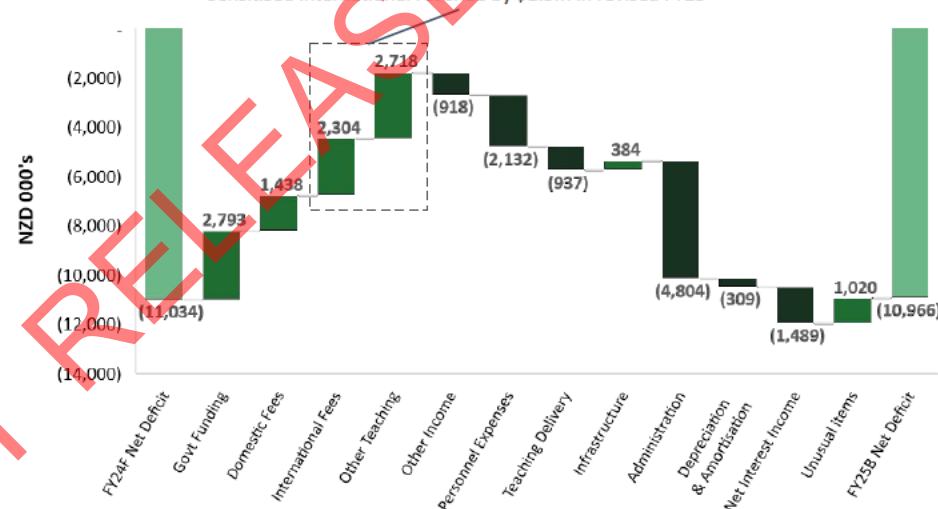
Government funding	Revenue assumptions / allocation provided by Te Pūkenga. We are advised there are no material caps or constraints. Furthermore, included revenue increases are primarily resulting from the change from the Unified Funding System to SAC.
Domestic Student Fees	6% Annual Maximum Fee Movement (AMFM) proposed by the Government. Budgeted growth of 20 domestic EFTS. The 6% increase may impact demand on domestic enrolments, however, it is too early to note any trends.
International Student Fees	Increase in International student fees primarily driven an increase of 102 EFTS (34%). There is risk to this revenue as even if this level of enrolment growth can be generated, there is a risk that student visas are not issued or delayed by Immigration NZ, which has occurred historically. We have sensitised this revenue by \$1m. Key person risk exists as W&W is dependent on the agent and the relationships they have in-market.
Other Teaching Income	Contract income budgeted to increase significantly due to the four key contracts that have been developed with local providers in China (i.e. teaching delivery in China). s 9(2)(b)(ii)
Other Income	Trading sales income has decreased due to the loss of an ongoing relationship with Kāinga Ora buying the relocatable houses.

Expenses

Personnel Expenses	W&W has removed 30 FTE through a recent change process. Budget is based on adjustment for the actuals and approved vacancy roles. Increased expenditure is primarily driven by the budgeted 4% increase to salaries.
Teaching Delivery	Increase of \$450k in sub-contracted delivery costs related to teaching provided by external parties s 9(2)(b)(ii), s 9(2)(j)
Infrastructure	Cuba Street lease cost of \$1.2m has been removed (now included in Te Pūkenga National Office), however, infrastructure costs budgeted to increase due to the costs required for 222 Willis Street s 9(2)(b)(ii), s 9(2)(j)
Administration	Majority of increase is attributed to the costs of \$4.7m passed down from Te Pūkenga Head Office.

FY24 Reforecast to FY25 Budget waterfall chart

Sensitised international revenue by \$1.5m in revised FY25



FY26 - FY29 - Assumptions

Revenue

EFTS	Domestic EFTS: 0% per annum International EFTS: 5% for 2026 - 2027, 3% per annum thereafter
Revenue Assumptions	Government funding: Adjusted proportionally for 2% growth on 2025 budget All revenue (excl. Government funding): 2% increase per annum (proxy for inflation) Offshore (China) Delivery: s 9(2)(b)(ii)

Expenses

Expenditure	Expenditure: 2% increase per annum (proxy for inflation), including insurance costs. Administration: 75% fixed, 25% variable movement based on EFTS Research Costs: 75% fixed, 25% variable movement based on FTE
Personnel Expenses	Salary growth of 2% per annum. FTE growth is 0% per annum.

Risks / assumptions

Assumptions and risks/issues identified

- This report has not taken into account the obligations of W&W in relation to te tiriti o Waitangi. Potential divestment in programmes (and property/locations) that support cultural uplift may have ramifications under te tiriti, and will need to be explored in detail with iwi, hapu and whānau.
- We have not completed any engagement with stakeholders (outside of W&W leadership) to understand community needs, and to test potential models, the appropriateness, and the suitability/alignment to regional needs.
- Due to limited timeframes we are unable to assess the financial benefits of a merger or the proposed federated model, however, note that historically synergies and cost savings have been challenging to achieve in the sector through such processes.
- The Minister's recent consultation process has concluded, but we are not yet aware of its outcomes. Accordingly we are unable to factor the outcome into these recommendations, including whether future ITPs are able to undertake the arrangement of work-based learning and further details on the federated model (i.e assess the benefits to W&W).
- We have not modelled any Governance costs for the standalone institutions. We have noted the potential cost for Governance in Appendix Four, but have not assumed this costing given it is pending legislative agreement.
- Our analysis has not taken into account any future competitive activity between BDs/ITPs, which may impact on organisational operating model decisions (including people, property and provision). Some discussion of competition is included in Appendix Five.
- W&W s 9(2)(b)(ii), s 9(2)(ba)(ii), s 9(2)(i) may present some political and media risk.

Delivery

- We recognise that removing specific courses or qualifications could have adverse societal and educational impacts; each decision will need to consider wider impacts.

Delivery

- This report has not sought to triangulate the value of delivery to regions and communities. It is expected that the financial recommendations made in this document will now be considered in the context of regional need, to determine what an appropriate mix of provision may contain.
- There is likely a high degree of impact on the community from the proposed ceased delivery of programmes, s 9(2)(b)(ii), s 9(2)(ba)(ii)
- We have not considered any opportunities created through a change to delivery mode.
- The key assumption for W&W's forecast is that delivery would not move between campus locations. This represents upside in the analysis.
- Where possible provision has remained at either Porirua and Petone (i.e we have close similar provision at one campus and continued it at the alternative location), without assuming learners would shift location. If students showed a willingness to shift locations, this could provide upside to the analysis.

Key assumptions - property

- Pursuant to Te Pūkenga instruction, capital works includes only essential priority works that have been identified as immediately required to continue delivery, safe utilisation of buildings or enable consolidation. There will still be further capital works and deferred maintenance needing to be rectified over the medium term.
- If sufficient funding is unavailable to ITP's to carry out remaining capital works and ongoing maintenance then property assets will continue to be run-to-failure, impacting ongoing feasibility.
- Some capital works costs have been estimated by cost consultants, while others have not yet been scoped and costed and provisional placeholder estimates have been utilised. A full capital works programme needs to be developed, phased and costed by cost consultants including verifying estimates used.

Key risks / assumptions - property

Key assumptions - property

- Assumptions used in modelling include:
 - Discount rate (nominal) of 10% (real NZ Treasury discount rate of 8% plus 2% inflation)
 - 2.0% annual inflation
 - 3.2% annual energy escalation
 - 2.5% annual commercial rates escalation
 - 3.0% annual cost escalation for build cost component of capital works
 - 70% of capex works are build cost, and 30% are associated fees and non-build costs
 - 50% of infrastructure costs (energy and cleaning) can be eliminated through mothballing a building, while 75% can be eliminated from demolition or removal (leaving only remaining land-related costs for that site)
 - 2% (of current asset value, W&W Fixed Asset Register) annual capex maintenance
 - 10sqm per EFTS for space utilisation planning
 - Asset sales are subject to costs of sale that are material and highly variable. For example disposal costs (through the LINZ Accredited Agent) including sales commission, subdivision, surveying, legal, utilities subdivision, processing fees and consenting are estimated as 15% of gross asset sale pursuant to TEC's TEI Crown Asset Disposal guidelines, and a Crown retention of a further 20% (TEC's TEI Crown Asset Disposal guidelines) before the true net sale value is returned to W&W.
- s 9(2)(b)(ii), s 9(2)(i)

Key risks/issues identified

- Only immediately critical capital works required to continue delivery or enable consolidation have been included. We note there will still be further significant capital improvements, s 9(2)(b)(ii)
- A long term strategic asset management plan needs to be developed to identify prioritised investment on capital and operating maintenance activities to avoid a future deferred maintenance problem.
- Building utilisation has been estimated using a utilisation allowance per headcount (based on Gross Floor Area data and ratio provided by Te Pūkenga) and as such will need a campus masterplan to be developed taking into account classroom size and count, and timetabling, to confirm the proposed delivery will work within the proposed buildings.
- Establishing the property change programme by Q2 2025 is essential. Without sufficient time for procurement, design and consenting, the programme for delivering the works will likely be delayed.
- There are no market valuations for the assets proposed to be divested in Petone, and only a limited demolition quotation. Values for these need to be understood better in order to inform model forecasting and inform the proposed market divestment strategy to identify a pathway to the highest potential return.
- Understanding of the asset disposal process is incomplete. Factors needing to be better understood include LINZ disposal timeframes and costs (assuming the standard Crown disposal process for education assets is utilised) including subdivision and zoning changes required, and whether the Crown will retain any proceeds pursuant to the TEC's TEI Crown Asset Disposal guidelines.
- Utilities and infrastructure may span areas being subdivided and divested. This will need verifying and currently unbudgeted costs will likely be incurred to separate services. The cost to execute can be material.

Risks / assumptions - workforce

Assumptions - workforce and structural organisational change

- Work undertaken to support this report has not involved any employment relations legal advice or union engagement. We understand Te Pūkenga is receiving separate legal advice and managing union engagement. This work therefore does not constitute employment advice; no assessment on its achievability within legislation or employment agreements is provided.
- The report identifies potential FTE reductions based solely on financial viability. We have discussed the potential reductions with W&W and they provided their own perspective on this, which fed into design.
- We assume that decisions on FTE reductions are to be made by the commissioning parties, considering network-wide implications, staffing profile changes, and regional presence.
- Our analysis assumes the BD needs to operate as a standalone entity. FTE reductions are exploratory; they do not present any definitive recommendation for restructure or follow a standard, complete organisational design process. Potential reductions are categorised across academic and non-academic roles, broadly following W&W's classification.
- A minimum level of operational delivery (capability and capacity) has been considered when identifying potential FTE reductions; for example, maintaining key operational functions to stand alone. Full role analysis was not conducted to understand how roles may map into a new structure.
- We used actual remuneration information provided by W&W for costing, and W&W's Budget V6 FY25. Vacancies have not been considered.
- We used an average of savings potentially achieved across W&W back office and academic office to create average salaries (\$63k and \$65k respectively). We used average tenure/annual leave liability to cost redundancy.
- Costing assumes all FTE as permanent roles. Any changes to the roles of fixed-term employees, making up less than 3% of FTE at W&W, may reduce theoretical redundancy costs. Potential training and relocation costs were not included in analysis. Individual redundancy costs may vary by role, tenure, contract terms, and annual leave balance. A standard redundancy approach using CEA clauses was applied for all FTE reductions.

Risks/issues identified

- The classification of 'major change' under New Zealand Employment Law, which may increase redundancy costs, was not considered, given we did not undertake a full impact analysis. As noted above, this analysis does not constitute employment advice. A 50% contingency has been added to estimated redundancy costs for unassessed impacts (i.e. 'major change').
- We used a pragmatic approach to identify potential remuneration and redundancy costings, but this work is preliminary, indicative, and subject to change.
- Potential FTE reductions could result in additional uncertainty, leading to potential staffing level decline and capability loss within the BD.
- The FTE reductions contained in this report aim to create a financially viable organisation but do not necessarily represent a financially and strategically sustainable one. The strategic role and future intention of ITPs may impact the viability and sustainability of the presented FTE level.
- Standard CEA clauses may not reflect IEA clauses, and we did not have access to IEA clauses. Our approach of using CEA clauses may impact on potential redundancy costs. We have calculated redundancy costs as at the middle of a calendar year for the purpose of simplicity. The actual date of any change will impact on overall costs.
- Double/triple hatting (i.e., people working across multiple roles) is common within BDs. As our analysis focused on roles, not people, multiple role holdings were not considered, possibly overestimating savings and underestimating redundancy costs. This is a simplistic, representative approach that may not account for the complexities of academic delivery and roles.
- Redundancy was calculated on a per FTE, not headcount, basis, assuming 1 FTE per role. It is expected that redundancy calculations may change based on actual headcount.
- Grandparenting existing staff may reduce immediate redundancy costs but maintain future redundancy liabilities. CEA obligations on grandparenting were not identified.

Sensitivity analysis

Sensitivity analysis

The forecast is subject to a range of risks (and upsides) discussed in this report. We have already sensitised for key risks in our revised FY25, particularly as it relates to the international income growth assumptions by management. Our sensitivity analysis outlines additional potential scenarios, underpinned by a different set of assumptions for growth and the level of savings forecast to be achieved. The three sensitivities modelled are as follows:

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

-

-

The graphs on the right capture forecast EBITDA and underlying surplus / deficit under each sensitivity relative to the revised FY25 forecast for the period. The sensitivities and modelling has been completed on a high-level basis for illustrative purposes only.

We note that none of the sensitives captures all upsides or risks that may occur or arise. We have not accommodated changes to policy settings, re-acceleration of inflation or any reduction in EFTS levels, which may occur. These, alongside other risks, may have further negative impact on W&W's performance over the forecast period and result in further shortfall in financial performance.

EBITDA sensitivity

s 9(2)(b)(ii)

Underlying Surplus / Deficit sensitivity

s 9(2)(b)(ii)

7. Financial management and controls

PROACTIVELY RELEASED



Te Pūkenga

Financial management and controls recommended

Proposed changes to W&W's operations are not immaterial. Once clear decisions have been made about which financial opportunities need to be implemented, it is important to empower W&W to deliver these by ensuring the right processes are in place to track and monitor progress, and that clear roles, responsibilities and accountabilities are defined at W&W and Te Pūkenga. A brief introduction to financial management practices and controls that will need to be implemented at W&W are summarised below, noting that capabilities in programme delivery and change management are also considered important to achieve the financial outcomes desired.

Reporting and monitoring going forward

The following financial practices are required to support improved monitoring of financial performance at W&W. These behaviours should be embedded at all levels of the organisation with all budget holders accountable and actively monitoring.

Reporting and monitoring change initiatives

We have also outlined key activities below that W&W will have to deliver to ensure that the benefits of the financial improvement initiatives implemented are achieved. We note that for W&W, further strategic capabilities may be required (particularly in the finance space) as outlined on page 40. As outlined on the following page, the extent of decisions made will also drive the potential need for a transformation management function.

Focus area	Detailed activities
Alignment on financial improvement plan	<ul style="list-style-type: none"> Determine and agree financial improvement initiatives to be implemented. Agree Financial KPIs for ongoing monitoring.
Define Roles, Responsibilities & Accountabilities	<ul style="list-style-type: none"> Future CEO to be sought with a capability to sponsor and drive change, Executive will be held accountable for delivery and experienced in transformative change. Identify a change owner within W&W Executive who can oversee the overall programme, and can support identifying the key owners of each initiative. Define the role of Te Pūkenga and what it is responsible or accountable for, or needs to be consulted or informed about (RACI approach).
Planning and sequencing	<ul style="list-style-type: none"> Develop and agree detailed plans including dependencies of initiatives and key milestones. Understand any requirements or resources outside of W&W's control. Understand internal capacity or constraints on initiative delivery (including workforce changes, once confirmed) and reflect this into sequencing of activities over FY25 / 26.
Budgeting and forecasting	<ul style="list-style-type: none"> Agree initiative budgets and overall financial improvement budget. Communicate to budget owners. Incorporate regular forecasting to reflect changes into underlying assumptions. Incorporate regular meetings and reviews to ensure progress is aligned with expectations, and revision / control processes for where deviation occurs.
Reporting	<ul style="list-style-type: none"> Establish a mechanism for tracking and monitoring financials (actuals against budget). Create financial reporting outputs to provide stakeholders with information required to enable decision making. Establish programme reporting including initiative status, risks and issues and financial performance. Agree reporting cadence.
Review Financial Controls	<ul style="list-style-type: none"> Establish clear delegations for workforce change and approval processes to manage FTE and establishment. Develop or enhance change controls to ensure oversight and clarity over changes to budgets or operations. Apply clear and comprehensive financial risk management approach across organisation.

Budgeting and forecasting

- Scenario planning:** incorporate budget scenarios to account for various financial outcomes and uncertainties including downside student forecasts (international and domestic).
- Reassess cost allocations:** consider how costs are allocated to academic / non-academic or campus locations to better understand the cost drivers and manage expenditure more effectively.

Strategic Workforce Planning

- Workforce budgeting:** integrate workforce planning into the financial budgeting process, aligning staff levels with financial constraints and strategic goals.
- Workforce establishment data set management:** create and confirm establishment data set and introduce planning controls to account for any change in FTE.

Reporting

- Financial reporting:** ensure that appropriate visibility of financial performance is provided to management to enable decision making and ongoing performance monitoring (e.g. by campus and school).
- KPI monitoring:** ensure regular monitoring of KPIs against budget to ensure that any deterioration can be quickly identified and responded to.

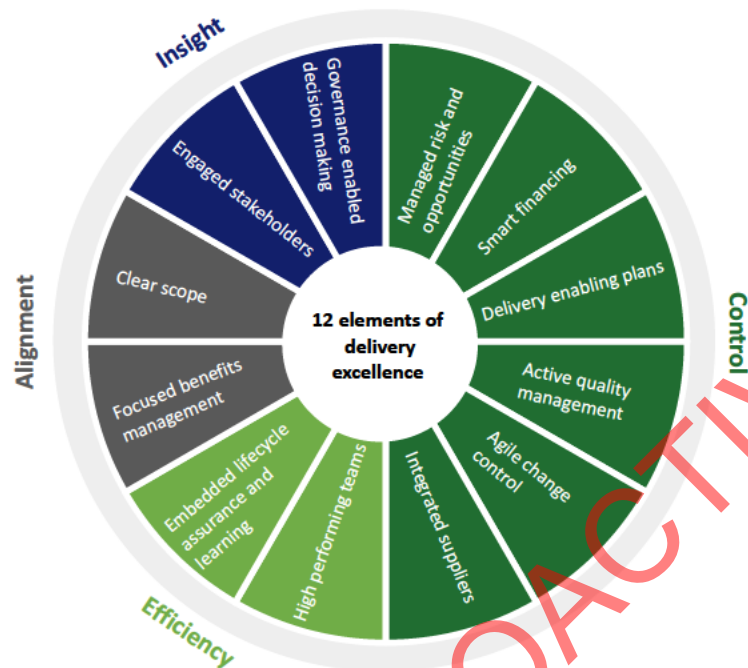
Programme profitability management

- Regular review:** of the financial performance of programmes to improvement initiatives to be identified and implemented early, or enable rationalisation where required.

Transformation programme management

W&W will be required to undertake a series of transformations; we note that additional capability may be required to support this

The scale and scope of decisions about W&W's future will determine the support needed for implementation; we have therefore not costed support at present or included this in the financial forecast. However, we recommend a Transformation Programme Management Office (TPMO) to coordinate and drive any major change within W&W. This page details the nature of a TPMO, and how it supports transformation. The 12 elements of transformation delivery excellence, based on leading Portfolio, Programme, and Project Management methodologies and detailed at left below, outline the key components for successful transformation programmes. Applying these elements should yield the listed benefits. On the right, we present the TPMO structure, which should include at least four roles: Programme Director, Programme Manager, Transformation Lead, and Programme Coordinator, with brief role profiles provided for consideration.



Insight - Effective reporting that tracks strategic change initiatives with tailored communication to stakeholders.

Control - Controlled implementation to agreed timelines, resource level and cost.

Efficiency - Identifying and eliminating overlap; exploiting synergies for efficiency and savings.

Alignment - Connecting execution with strategic direction and ensure ongoing alignment.

Governance + Programme Leadership

Programme Strategy, Oversight & Governance

This component aligns objectives with organisational goals, monitors progress and performance and establishes policies, procedures and roles for effective control and decision making.

Programme Management

The purpose of programme management is to coordinate and oversee multiple related projects to achieve strategic objectives and deliver significant benefits. It ensures that resources are efficiently utilised, and the various projects within the programme are aligned and integrated to maximise overall value.

Programme Controls & Assurance

This component ensures that a programme is delivered efficiently, on time, and within budget by implementing structured processes for monitoring, reporting, and compliance.

Transformation Expertise

This component enhances the capability to manage and execute transformation initiatives effectively, over and above business as usual activity, mitigating risk associated with major change and ensuring the likelihood of transformation success through collaborative effort.

Programme Director

This role provides strategic leadership, oversight, and coordination, ensuring that all change projects and initiatives align with the overall change programme's objectives, are executed efficiently, and deliver the intended benefits.

Programme Manager

This role oversees the planning, execution, and delivery of one or multiple interrelated projects (including transformation delivery) ensuring they align with the programme's objectives and strategic goals, while managing resources, risks, and stakeholder communication.

Transformation Lead

This role provides executive-level guidance and oversight, ensuring the successful implementation of strategic change initiatives, aligning the programme with overarching ITP objectives, and driving W&W's fundamental transformation needs. It has a key role in interacting with change governance.

Financial Recovery Governance Group

It is recommended that a Financial Recovery Governance Group is established to support ongoing financial management

A Financial Recovery Governance Group (FRGG) should be established internally for a period of three years, with the Chief Executive (CE) of W&W as the 'owner' and senior leadership members assigned as workstream 'owners'. In addition, this group may be supported by members of the proposed Transformation Programme Management Office, with a potential structure of this included on the previous page. The membership of the FRGG will be reviewed every six months to ensure that the outcomes of the Financial Improvement Plan are being met, and whether appropriate capability is held across the group to progress initiatives. It may also be beneficial to have an independent advisor to the Group, with a financial and change management skill set.

This group will report to the ITP Governance Group, as designated by Te Pūkenga until the Advisory Boards are established. The work of the FRGG will be supported by internal communications and people teams.

Financial Recovery Governance Group

The primary function of the FRGG is to provide comprehensive oversight, strategic guidance, and operational coordination to achieve the objectives of the Financial Improvement Plan.

- Key responsibilities include:
- Monitoring and evaluating the progress of the Financial Improvement 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 ITP Governance Group on the FRGG's activities and progress of the Financial Improvement Plan.
- Review and update the Financial Improvement Plan when additional information or new initiatives are identified.

Reporting structure

A structured reporting framework approach is suggested to provide regular updates to the ITP Governance Group, ensuring transparency and accountability with the implementation of various work streams and initiatives of the Financial Improvement Plan.

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.

Transformation risk assessment and mitigation

Change of the scale recommended in this document comes with an inherent level of risk

The table below, and the pages following, outlines the risks associated with the initiatives outlined in the Financial Improvement Plan, along with potential mitigation strategies designed to minimise their impact. By acknowledging and addressing these risks, there may be an increased likelihood of success for initiative implementation, acknowledging that a range of unknowns exist at present which may impact on overall feasibility and achievability. In addition, we note that some of the additional activities noted under mitigations will need to be achieved on top of business-as-usual functions; which may already be impacted by a proposed reduction in staff headcount. As noted on page 40, W&W may require additional transformational change support to ensure the effectiveness of the major changes contained in the Financial Improvement Plan.

Risk		Impact	Likelihood	Mitigation
1	There is a risk of disruption to the day-to-day operations of the entity, impacting its ability to deliver programmes and support functions effectively.	High	High	<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.• Collate (and if necessary, update or cleanse) data, processes and policies to ensure that, in the event of personnel handover, consistency of approach can be maintained.• Establish clear communication channels and coordination mechanisms to ensure quick response to any disruptions.• Implement a structured change management process to manage the impact of changes on daily operations, ensuring minimal disruption to services and programmes.
2	There is a risk of resistance from staff, students, or other stakeholders to changes proposed (and implemented) as part of the Financial Improvement 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 proposed changes.• Involve stakeholders in the decision-making process through consultations and feedback mechanisms to build trust, buy-in and ownership.• Provide support and flexibility to staff and students, and address concerns promptly.• Consider how to engage with unions and utilise union networks and support across the wider staffing network.
3	There is a risk of uncertainty in financial projections and funding, which may impact the sustainability of transformational change.	High	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.• Review and update the Financial Improvement Plan when additional information or new initiatives are identified.
4	There is a risk that changes implemented could compromise the quality of educational programmes and/or remove access to regional delivery of tertiary education for New Zealanders.	Medium	Medium	<ul style="list-style-type: none">• Ensure that any changes (including closures) to programmes are carefully assessed for their impact on quality and student outcomes, and determine areas of core priority delivery to be maintained.• 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.• Where delivery is ceased or taught out, work with stakeholders (students and TEC) to identify where alternative provision may be available
5	There is a risk that difficulties in divesting properties may delay financial benefits.	Medium	Medium	<ul style="list-style-type: none">• Conduct thorough market analyses to determine the best timing and strategies for property divestment.• Engage with LINZ and / or real estate experts to market the properties effectively to attract potential buyers.

Transformation risk assessment and mitigation

Change of the scale recommended in this document comes with an inherent level of risk

Risk		Impact	Likelihood	Mitigation
6	There is a risk that difficulty in implementing digital transformation initiatives may 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.Ensure that any consideration of mode of delivery changes are staged to sequence with digital transformation initiatives that support blended or distance learning.
7	There is a risk that changes in laws, regulations, or policies (included new or amended legislation or regulatory requirements) may impact on the requirements of the ITP, or its ability to deliver.	Medium	Medium	<ul style="list-style-type: none">Monitor and analyse changes in relevant laws, regulations, and policies, including the outcome of recent consultation and any changes to W&W's ability to undertake work based learning.Develop and maintain robust compliance frameworks that integrate new or changed regulatory obligations into the entities policies, procedures, and processes.
8	There is a risk that ongoing change may have a negative impact on W&W's reputation.	Medium	High	<ul style="list-style-type: none">Maintain transparent and open communication with stakeholders to manage expectations and build trust. This includes not only local and community stakeholders but also international and offshore delivery partners.Develop a crisis management plan to address any reputational issues quickly and effectively.
9	There is a risk that changes in market demand or enrolment patterns may impact future financial performance.	High	Medium	<ul style="list-style-type: none">Engage with stakeholders to stay informed about changing demand and trends.Implement flexible admission and enrolment processes to adapt to changing circumstances.Investigate the diversification of delivery outside of core EFTS funding, where profitable, to cross subsidise delivery.Explore flexible staffing options (such as higher numbers of fixed-term staff) where appropriate and achievable.
10	There is a risk that a range of challenges may be faced during the transformation process, 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.Develop early-intervention processes to realign approach if it appears that benefits are unlikely to be realised; ensure transformation approaches and ongoing delivery has baked in flexibility and 'exit ramps' as required.
11	There is a risk that a lack of direction on the future strategy of the ITP sector may mean the creation of institutions that are not fit for purpose.	High	Medium	<ul style="list-style-type: none">Engage closely with central Government (TEC) to understand the proposed strategic purpose of the ITP sector vis a vis the University, Private Training Establishment and Industry Training sectors.Ensure that any future organisational structure or operating model offers requisite flexibility to adapt to future needs of learners.Consider how to develop organisational resilience for change given the likelihood of ongoing change within the ITP sector.
12	There is a risk that increased competition resulting from the dissolution of Te Pūkenga may impact financial performance.	High	Medium	<ul style="list-style-type: none">In conjunction with financial management activity, identify opportunities for further cost rationalisation and efficiencies, mode of delivery changes, which may need to be required if increased competition results from the disestablishment of Te Pūkenga.Consider memorandum of understanding between ITPs to promote non-competition in certain areas of delivery or regions, or closer working relationships to leverage capabilities or delivery.

Financial performance systems

Overview of performance systems and objectives

On this page, we have expanded on the financial management approaches by outlining the key objectives W&W will need to achieve over the shorter and longer term, noting (at right) a range of focus areas for the immediate term.

In the short term, it is expected that W&W will focus on achieving cost savings and stringent cost control to ensure financial viability. Management will work to achieve W&W's long-term strategic goals concurrently, by investing in strategic initiatives that foster sustainability and delivery of its key education performance objectives. Regular review and updates to the Financial Improvement Plan, coupled with agreed periodic reviews of key functions and programmes, will help to ensure W&W's adaptability to changing conditions and ability to meet its financial improvement targets. This proactive approach aims to return W&W to financial viability, while maintaining a quality educational offering and achieving operational efficiency.

W&W should have the following 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.

As well as focusing on short term goals:

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

Which can be enabled through the following:

Financial planning - regularly review and update the Financial Improvement Plan to reflect current conditions and projections, ensuring flexibility to adapt to changing economic and educational landscapes, and using data-driven insights to inform financial decisions and adjustments.

Setting clear targets - establishing clear, achievable financial targets to guide performance, monitoring progress closely to ensure timely return to financial viability, and engaging internal stakeholders in the financial planning process to foster transparency and accountability.

Continuous improvement - conducting bimonthly or quarterly reviews of key functions, programmes and initiatives, taking decisive actions based on review outcomes to ensure continuous improvement, and implementing a no-regrets policy, ensuring actions taken are beneficial regardless of future uncertainties.

W&W's immediate focus will be around cost controls, reporting and effective budget management

Regular reviews and a structured approach to financial management will help ensure that the W&W remains on track to achieve its financial targets / KPIs and return to financial viability. An introduction to how this may be achieved is below.

Regular reporting:

- Conduct timely and detailed monthly financial reporting to track financial performance, including down to a cost centre level.
- Ensure transparency and accountability by sharing reports with all relevant stakeholders and openly discussing achievements and challenges.
- Foster a culture of continuous improvement and accountability across the institution.

Monthly Finance Director/CE review:

- Monthly meetings discussing financial performance, identifying variances, and developing corrective actions, using these sessions to emphasise budget holder responsibility for resolving 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 surprises regarding cost not within the forecast.
- Fostering 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 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 will be expected to provide training and support to enhance financial management skills across W&W.

People focus:

- Maintain a rigorous business case process for approving new positions. Ensure that any new hires align with W&W's strategic priorities and budget constraints.
- Collaborate with HR team in reviewing resourcing requirements and ensuring that the institution is shifting resources before requesting new roles.
- HR to work closely with senior staff to monitor and enhance staff performance, ensuring the workload allocation for teaching and benchmarking supports any required roles.

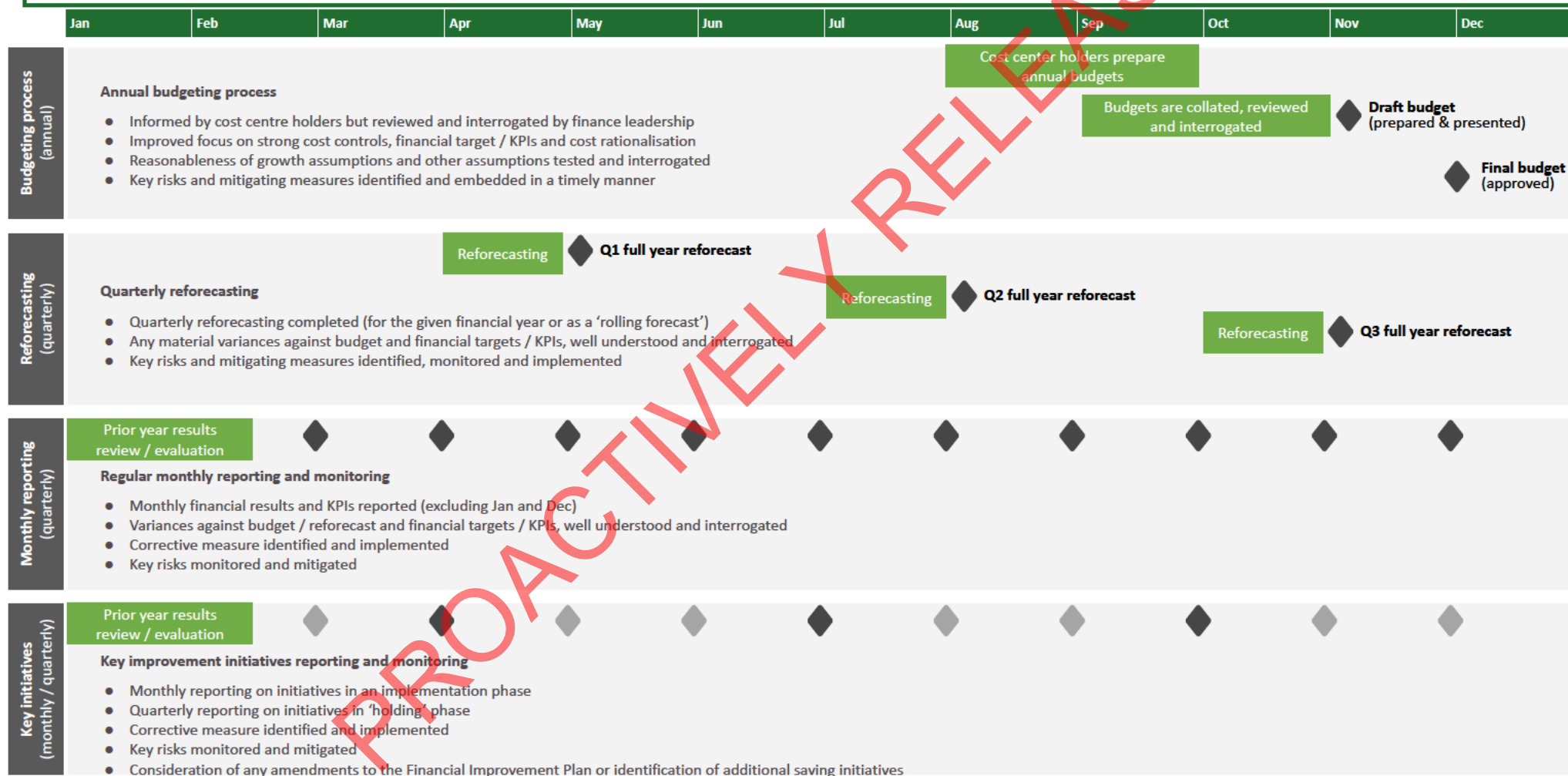
Focus on Improvement Initiatives:

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

Financial management controls calendar

Illustrative management controls calendar

Below we have provided an indicative financial management controls calendar across key financial management activities including budgeting, reforecasting, financial reporting and improvement initiative reporting and monitoring. This approach is designed to provide improved structure, visibility and control over key focus areas and to support budget holders and management to take timely remedial actions, and mitigate and manage any excess risks. This is an illustrative calendar only that can be adjusted.



Long-term planning

Over the longer term, W&W needs to be resilient to external shocks

In addition to maintaining the good practice established through the 'immediate' cost management approach, W&W will need to turn towards a longer-term, strategic focus to enable it for future success.

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 offering 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 programmes that cater to emerging fields and market / workforce demands.
- Foster a culture of continuous improvement and innovation in programme delivery.

Focus on sustainability and growth:

- Implement initiatives that promote environmental sustainability and social responsibility.
- Strengthen community and industry engagement to enhance the W&W'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 programmes to identify areas for improvement.

Detailed planning activity will support a longer-term strategic approach

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

Plan	Key Content	Considerations for long / short-term planning
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. Measure against agreed KPIs.
International Growth and Sustainability	Strategy for reaching targets growth and ensuring W&W keeps ahead of market trends	Annual targets for enrolments by programme, new products and channels to provide diversification. Defined investment requirements. Measure against agreed KPIs.
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.
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. Measure against agreed KPIs.
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. Link condition assessments undertaken on key facilities to strategic property development. Ensure appropriate capital investment is completed so deferred maintenance issues don't arise.
Digital Strategy	Provides the direction for key software platforms decisions and learner experience at W&W.	Total investment requirements, phasing and delivery consideration along with investment decisions existing infrastructure. Consider opportunities to leverage across ITP sector with joint approach.

Target setting and performance management

Performance management can support an ongoing focus on financial success

To link all these elements together and ensure effective review and updating of KPIs, W&W can follow a structured process to embed a performance evaluation cycle.

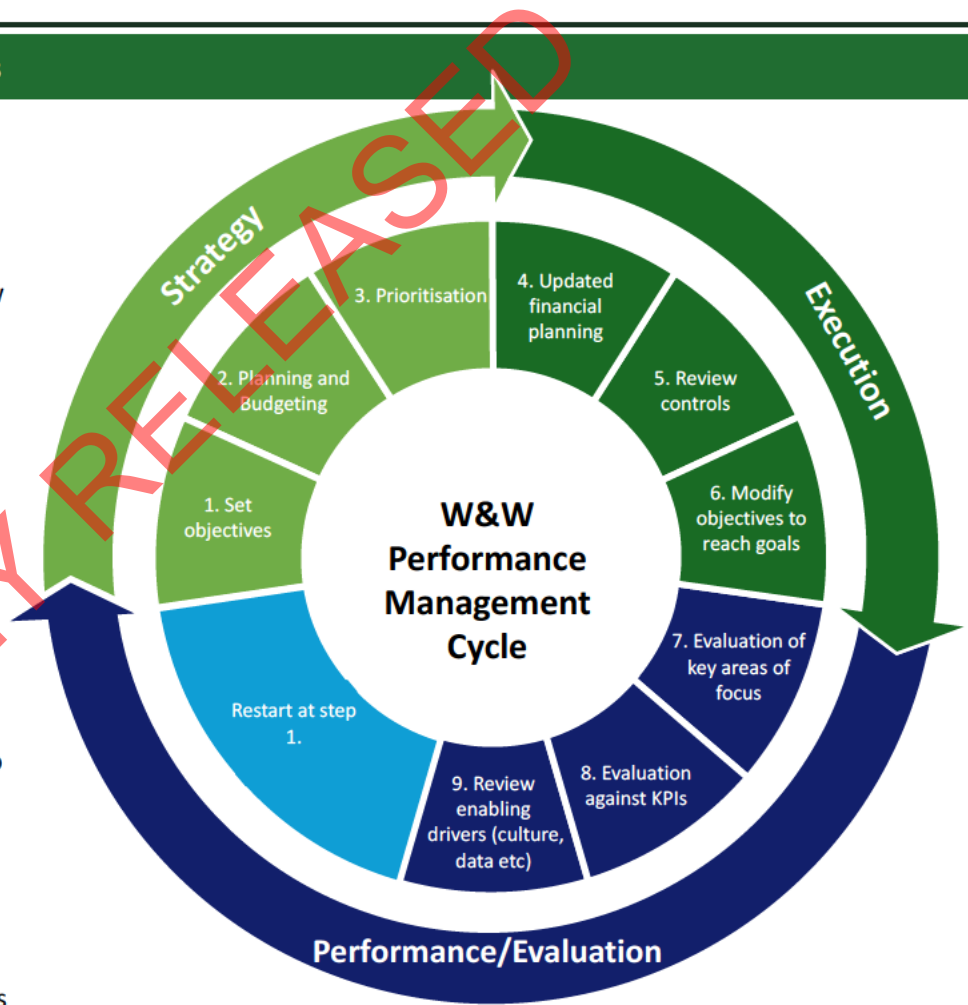
The purpose of this cycle is to enable key strategic plans to be developed and incorporated as part of the planning and budget rounds, then included within the enterprise reporting. This provides management and governance a single view of how W&W is performing against the key objectives and targets.

Performance reporting and KPI assessment are key functions of this framework to ensure that objectives are met, and that W&W is investing in the key enabling drivers such as organisational culture, data availability/usage and stakeholder engagement.

Given the current state of W&W's finances, there is a need to create financial headroom to implement strategic initiatives; hence this document - the Financial Improvement Plan - provides an initial focus on improving the financial performance of W&W. It acknowledges longer-term aspirations that W&W will work towards as it reassesses and transforms the current state.

As such, it makes sense that W&W focuses on creating the financial headroom in FY25 and FY26 and then works alongside the appointed governance and leadership to develop the key strategic direction for W&W following its potential separation as a standalone institution in 2026.

While we have included some potential KPIs below (and these are presented in addition to the 'core' financial metrics for ITPS, noting that appropriate *metrics* will need to be determined in accordance with these KPIs), W&W should align 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. It is anticipated that TEC's Crown Monitoring unit will have a strong expectation for enhanced KPI performance from any individual ITP in future; and will be expected to demonstrate financial achievement as an ongoing requirement of Investment Plan approval. Financial and organisational KPI improvement must also be considered alongside Educational Performance Indicator achievement.



Revenue Growth Rate	Operational Margin	Cost per EFTS
Graduate Employment Rate	Student Satisfaction Rate	Rate of community partnership funding obtained
Diversity and Inclusion Index	Compensation Ratio	Attrition

Appendices

PROACTIVELY RELEASED



Te Pūkenga

Appendix One - Scope of Services (1/2)

Scope	Process
Scope	<p>This Report has been prepared in accordance with our Consultancy Services Order (CSO) dated 17 July 2024, pursuant to variations dated 30 August 2024 and 12 November 2024, and covers the scope detailed under Phase 2b of the CSO and variation.</p> <p>Scope Phase 2b</p> <p>Under Phase 2b we've been asked to provide a report which includes a Financial Improvement Plan or Merger Plan and Operating Model for each institution included in the scope. The report should include:</p> <p>Operating model:</p> <ul style="list-style-type: none"> • Outcome of key regional stakeholder engagement • Programmes proposed to be delivered and the proposed modes, locations • The support and overhead services required to facilitate this delivery • Any key changes envisaged to property and capital assets, including sale, repurposing to deliver the proposed mix of provision and services • Any key changes in delivery to the region either by retrenchment or mode change (e.g. face to face to blended, online in conjunction with Open Polytechnic) • Any key considerations and proposed options for digital assets and services initially through engagement with Te Pūkenga Digital Leadership • An overview of key initiatives that need to be undertaken which underpin the operating model, including scale, timing and resources required • Any identified opportunities for shared services or arrangements between institutions that provide a financially viable and improved service • People/staffing changes and requirements to deliver proposed programmes/mix of provision and other services identified • Any other critical areas related to the institution (e.g. if it owns and runs a childcare facility on site) • Identified risks/assumptions in the proposed Operating Model, including implications on regions and industries of changes to programmes/mix of provision/services <p>Financial Plan:</p> <ul style="list-style-type: none"> • Financial forecasting for each year through to 2030, including: <ul style="list-style-type: none"> o Indicative Profit and Loss o Indicative Balance Sheet o Key financial initiatives and forecast scale and timing of impact o Sensitivity analyses • An overview of key initiatives that need to be undertaken which underpin the financial forecasts, including scale, timing and resources required • An overview of key risks, assumptions and caveats to the implementation of the Financial Improvement Plan

Appendix One - Scope of Services (2/2)

Scope	Process
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Scope	<p>Consequently, Te Pūkenga has instructed us through its Minutes of Consultants dated 31 October 2024 to focus on the following:</p> <ul style="list-style-type: none">• Current state analysis• Financial improvement initiatives – an overview of key initiatives that need to be undertaken which underpin the financial forecasts, including scale, timing and resources required• Key modelling assumptions underpinning the financial forecasts (EFTS demand, pricing assumptions, etc)• Financial forecasting for each year through to 2029, including a full set of financial statements (including cash flows)• Assessment against the Financial Monitoring Framework• Sensitivity analyses to the base case• Performance metrics – what are the KPIs to measure the success of the Financial Improvement Plan• How financial management practices will be implemented to ensure the benefits are delivered.• An overview of key risks, assumptions and caveats to the implementation of the Financial Improvement Plan.• Commentary about how robust financial management and controls will be implemented. <p>It is our understanding that the above key points are the focus of the scope of the Phase 2b report and supersede the scope outlined in the CSO.</p>
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Appendix Two - FMF Reporting

TEC is mandated to monitor tertiary education institutions (TEIs), including Te Pūkenga, to assess risks to their operations or long-term viability.

Financial risk is evaluated through a FMF alongside other financial analyses.

The FMF provides a consistent methodology for assessing TEIs' financial performance. It includes formulaic calculations for profitability, liquidity, and debt affordability, yielding low, medium, or high-risk ratings.

It does so through the following high level approach:

Step 1: Calculate performance measures across eight measures

Of these eight measures, three relate to profitability, two to liquidity, and three to debt affordability.

Ratios are calculated as a weighted average over five years (2 historical, the current year, 2 forecast). The current year is weighted the highest.

Step 2: Convert measures to scores and apply metric weightings

Weighted averages are scored 0 to 5 based on sector data.

Scoring Criteria: Below 2: High risk, 2 to 3: Medium risk. Above 3: Low risk

Step 3: Calculate final dimension Scores

Within each dimension (profitability, liquidity, debt affordability) each measure is assigned a weighting to place additional emphasis on more important measures. The final score for each dimension is the sum of each measures score, and gives a value between zero and five.

Dimension Scoring: Below 2: High risk, 2 to 3: Medium risk, Above 3: Low risk

Tables showing scoring and metric weightings are detailed at right.

Profitability Scoring							
Measure	Definition / Calculation	0	1.0	2.0	3.0	4.0	5.0
Operating surplus/deficit before trust and abnormal items	Operating surplus/deficit before net trust and abnormal items to total income less net trust income	< -4%	-4% to 0%	0% to 2%	2% to 4%	4% to 6%	6% +
Operating surplus/deficit after trust and abnormal items	Operating surplus/deficit after trust and abnormal items to total income	< -4%	-4% to 0%	0% to 2%	2% to 4%	4% to 6%	6% +
Core earnings	EBITDA to total income	< 4%	4% to 9%	9% to 11%	11% to 13%	13% to 15%	15% +
Liquidity Scoring							
Measure	Definition / Calculation	0	1.0	2.0	3.0	4.0	5.0
Liquid funds ratio	Liquid assets and undrawn borrowings less short-term overdrafts to cash outflows (payments) from operations	< 5%	5% to 10%	10% to 15%	15% to 20%	20% to 25%	25% +
Net cash flow from operations	Cash inflows (receipts) from operations to cash outflows (payments) from operations	< 104%	104% to 108%	108% to 111%	111% to 113%	113% to 115%	115% +
Debt Affordability Scoring							
Measure	Definition / Calculation	0	1.0	2.0	3.0	4.0	5.0
Relative debt level	Total debt to EBITDA	>4.0	3.0 to 4.0	2.0 to 3.0	1.5 to 2.0	0 to 1.5	0
Interest strain	Interest paid to revenue	> 3%	3% to 2.25%	2.25% to 1.5%	1.5% to 0.75%	0.75% to 0%	< 0%
Debt-equity ratio	Total debt to total debt plus equity	25% +	15% to 25%	7.5% to 15%	0% to 7.5%	0%	0% and 12% + Core Earnings
Metric Weightings							
Dimensions							
Profitability		Liquidity		Debt Affordability			
Measure	Weighting	Measure	Weighting	Measure	Weighting		
Operating surplus/deficit before trust and abnormal items	30%	Liquid funds ratio	50%	Relative debt level	50%		
Operating surplus/deficit after trust and abnormal items	20%	Net cash flow from operations	50%	Interest strain	25%		
Core earnings	50%			Debt-equity ratio	25%		

Appendix Three - Delivery (1/3)

List of programmes s 9(2)(b)(ii), s 9(2)(ba)(ii)

Department	Location	Programme Code	Programme Title	EFTS	Revenue	FTE	Payroll	Materials	Other Costs	Total Costs	Contribution	CM %	Alternative Delivery Options
Animal	Petone	NZ487	New Zealand Certificate in Animal Care (Companion Animals) (Level 3)	s 9(2)(b)(ii), s 9(2)(ba)(ii)									Extramural Delivery Option
Animal	Petone	NZ4388	New Zealand Certificate in Animal Healthcare Assisting (Level 4)										Extramural Delivery Option
Animal	Petone	NZ4389	New Zealand Diploma in Veterinary Nursing (Level 6)										No alternative delivery options
Arts, Design and Media	Distance and Block Courses	NZ3408	NZ Diploma in Writing for Creative Industries										Extramural Delivery Option
Arts, Design and Media	Te Kahu Auaha	PR4976	3048 - WW Applied Publishing Programme										No alternative delivery options
Construction Services	Petone	NZ2416	New Zealand Diploma in Architectural Technology (Level 6)										Extramural Delivery Option
Construction Services	Petone	NZ2420	New Zealand Diploma in Construction (Level 6)										Extramural Delivery Option
Construction Trades	Petone	HV4543	Electrical Inspectors										No alternative delivery options
Construction Trades	Petone	HV4548	Electrical Appliance Serviceperson										No alternative delivery options
Construction Trades	Petone	HV4550	Electrical Service Technician										No alternative delivery options
Construction Trades	Petone	NZ2660	New Zealand Certificate in Plumbing, Gasfitting and Draining (Pre-Apprenticeship) (Level 3)										No alternative delivery options
Construction Trades	Petone	NZ2738	New Zealand Certificate in Carpentry (Level 4)										No alternative delivery options
Construction Trades	Petone	NZ2834	New Zealand Certificate in Construction Trade Skills (Level 3) Allied Trades										No alternative delivery options
Construction Trades	Petone	NZ2834	New Zealand Certificate in Construction Trade Skills (Level 3) Carpentry										No alternative delivery options
Construction Trades	Porirua	NZ2834	New Zealand Certificate in Construction Trade Skills (Level 3) Carpentry										No alternative delivery options
Construction Trades	Petone	NZ4316	New Zealand Certificate in Electrical Pre-Trade (Level 3)										Regional and Extramural Delivery Options
Construction Trades	Petone	WB2661	New Zealand Apprenticeship in Draining (Level 4)										No alternative delivery options
Construction Trades	Petone	WB2662	New Zealand Apprenticeship in Gasfitting (Level 4)										No alternative delivery options
Construction Trades	Petone	WB2663	New Zealand Apprenticeship in Plumbing, Gasfitting and Draining (Level 4)										Extramural Delivery Option
Construction Trades	Petone	WB3568	New Zealand Apprenticeship in Painting and Decorating (Level 4)										No alternative delivery options
Construction Trades	Petone	WB4204	New Zealand Apprenticeship in Electrical Trade (Level 4) (Electrical Supply)										No alternative delivery options
Engineering & Logistics	Petone	HV4581	MRG and TIG Introduction										No alternative delivery options
Engineering & Logistics	Petone	NZ2612	3111 - WW Diploma in Engineering										Extramural Delivery Option
Engineering & Logistics	Petone	NZ2715	New Zealand Certificate in Mechanical Engineering (Level 3)										No alternative delivery options
Engineering & Logistics	Petone	NZ2719	New Zealand Certificate in Engineering Fabrication (Trade) (Level 4)										No alternative delivery options
Engineering & Logistics	Petone	NZ3008	New Zealand Certificate in Collision Repair and Automotive Refinishing (Level 3)										No alternative delivery options
Engineering & Logistics	Petone	NZ3097	New Zealand Certificate in Automotive Engineering (Level 3)										No alternative delivery options
Engineering & Logistics	Petone	NZ3450	New Zealand Certificate in Light Automotive Engineering (Level 4)										No alternative delivery options
Engineering & Logistics	Petone	NZ3915	New Zealand Certificate in Electric Vehicle Automotive Engineering (Level 5)										Extramural Delivery Option
Engineering & Logistics	Petone	WB2388	New Zealand Apprenticeship in Electrical Engineering Theory and Practice (Trade) (Level 4)										No alternative delivery options
Engineering & Logistics	Petone	WB2714	New Zealand Apprenticeship in Mechanical Engineering (Trade) (Level 4)										No alternative delivery options
Engineering & Logistics	Petone	WB2719	New Zealand Apprenticeship in Engineering Fabrication (Trade) (Level 4)										No alternative delivery options
Engineering & Logistics	Petone	WB3118	New Zealand Apprenticeship in Heavy Automotive Engineering (Level 4)										No alternative delivery options
Engineering & Logistics	Petone	WB3450	WB3450 New Zealand Apprenticeship in Light Automotive Engineering (Level 4)										No alternative delivery options
Engineering & Logistics	Petone	WB3915	WB3915 New Zealand Apprenticeship in Electrical Vehicle Automotive Engineering (Level 5)										No alternative delivery options

PROPOSED - NOT FINALLY RELEASED

Appendix Three - Delivery (2/3)

List of programmes s 9(2)(b)(ii), s 9(2)(ba)(ii)

Department	Location	Programme Code	Programme Title	EFTS	Revenue	FTE	Payroll	Materials	Other Costs	Total Costs	Contribution	CM %	Alternative Delivery Options
Hairdressing & Beauty	Porirua	NZ2115	New Zealand Certificate in Commercial Barbering (Level 4)	s 9(2)(b)(ii), s 9(2)(ba)(ii)									Regional and Extramural Delivery Options
Hairdressing & Beauty	Te Kahui Auaha	NZ2335	New Zealand Certificate in Commercial Barbering (Level 4)										Regional and Extramural Delivery Options
Hairdressing & Beauty	Petone	NZ2411	New Zealand Certificate in Hairdressing (Salon Support) (Level 3)										Regional Delivery Option
Hairdressing & Beauty	Porirua	NZ2411	New Zealand Certificate in Hairdressing (Salon Support) (Level 3)										Regional Delivery Option
Hairdressing & Beauty	Petone	NZ2413	New Zealand Certificate in Hairdressing (Professional Stylist) (Level 4)										No alternative delivery options
Hairdressing & Beauty	Petone	NZ2862	New Zealand Certificate in Foundation Skills (Level 2)										Regional and Extramural Delivery Options
Hairdressing & Beauty	Porirua	NZ2862	New Zealand Certificate in Foundation Skills (Level 2)										Regional and Extramural Delivery Options
Hairdressing & Beauty	Petone	NZ3442	New Zealand Certificate in Makeup and Skin Care (Introduction) (Level 3)										Regional and Extramural Delivery Options
Hairdressing & Beauty	Te Kahui Auaha	NZ3442	New Zealand Certificate in Makeup and Skin Care (Introduction) (Level 3)										Regional and Extramural Delivery Options
Hairdressing & Beauty	Petone	NZ3444	New Zealand Certificate in Beauty Therapy (Level 4)										Regional and Extramural Delivery Options
Hairdressing & Beauty	Te Kahui Auaha	NZ3444	New Zealand Certificate in Beauty Therapy (Level 4)										Regional and Extramural Delivery Options
Hairdressing & Beauty	Te Kahui Auaha	NZ3456	New Zealand Certificate in Makeup Artistry (Level 4)										No alternative delivery options
Hairdressing & Beauty	Te Kahui Auaha	WB2115	New Zealand Apprenticeship in Commercial Barbering (Level 4)										No alternative delivery options
Hairdressing & Beauty	Petone	WB2413	New Zealand Apprenticeship in Hairdressing (Professional Stylist) (Level 4)										No alternative delivery options
Hairdressing & Beauty	Te Kahui Auaha	WB2413	New Zealand Apprenticeship in Hairdressing (Professional Stylist) (Level 4)										No alternative delivery options
Hospitality & Tourism	Petone	HV4599	Food Safety Practice in a Commercial Environment (Training Scheme)										No alternative delivery options
Hospitality & Tourism	Petone	NZ1841	New Zealand Certificate in Baking (Level 3)										No alternative delivery options
Hospitality & Tourism	Petone	NZ1842	New Zealand Certificate in Baking (Generalist) (Level 4)										No alternative delivery options
Hospitality & Tourism	Petone	NZ2100	New Zealand Certificate in Cookery (Level 3)										No alternative delivery options
Hospitality & Tourism	Petone	NZ2101	New Zealand Certificate in Cookery (Level 4)										Extramural Delivery Option
Hospitality & Tourism	Petone	NZ2105	New Zealand Certificate in Food and Beverage Service (Level 4) (Restaurant Services)										No alternative delivery options
Hospitality & Tourism	Petone	NZ2539	New Zealand Diploma in Hospitality Management (Level 5)										No alternative delivery options
Hospitality & Tourism	Petone	NZ4366	New Zealand Certificate in Hospitality (Level 3)										No alternative delivery options
ICT	Petone	HV4701	HV4701 Bachelor of Information Technology										No alternative delivery options
ICT	Petone	HV4709	Graduate Diploma in Information Technology										No alternative delivery options
ICT	Petone	NZ2594	New Zealand Certificate in Information Technology Essentials (Level 4)										Extramural Delivery Option
ICT	Petone	NZ2596	New Zealand Diploma in Information Technology Technical Support (Level 5)										Regional and Extramural Delivery Options
ICT	Petone	NZ2597	New Zealand Diploma in Information Systems (Level 5)										No alternative delivery options
ICT	Petone	PR4962	Postgraduate Diploma in Information Technology										No alternative delivery options
ICT	Petone	PR4962	Postgraduate Diploma in Information Technology										No alternative delivery options
ICT	Petone	PR4974	Master of Information Technology										No alternative delivery options
Kaiwhina and Health	Petone	NZ2470	New Zealand Certificate in Health and Wellbeing (Level 3)										Regional and Extramural Delivery Options
Kaiwhina and Health	Porirua	NZ2989	New Zealand Certificate in Health and Wellbeing (Peer Support) (Level 4)										No alternative delivery options
Kaiwhina and Health	Distance and Block Courses	NZ2992	New Zealand Certificate in Health and Wellbeing (Social and Community Services) (Level 4) (Community Health Work)										Regional and Extramural Delivery Options
Kaiwhina and Health	Porirua	NZ2992	New Zealand Certificate in Health and Wellbeing (Social and Community Services) (Level 4) (Community Health Work)										Regional and Extramural Delivery Options
Kaiwhina and Health	Porirua	NZ2992	New Zealand Certificate in Health and Wellbeing (Social and Community Services) (Level 4) (Community Health Work)										Regional and Extramural Delivery Options

STRICTLY PRIVATE AND CONFIDENTIAL

Appendix Three - Delivery (3/4)



List of programmes s 9(2)(b)(ii), s 9(2)(ba)(ii)

Department	Location	Programme Code	Programme Title	EFTS	Revenue	FTE	Payroll	Materials	Other Costs	Total Costs	Contribution	CM %	Alternative Delivery Options
Mātauranga Māori	Porirua	NZ2791	New Zealand Diploma in Ngā Toi	s 9(2)(b)(ii), s 9(2)(ba)(ii)									No alternative delivery options
Mātauranga Māori	Porirua	NZ3043	New Zealand Certificate in Te Reo (Rumaki Reo Rua) (Level 1)										Regional and Extramural Delivery Options
Mātauranga Māori	Porirua	NZ3044	New Zealand Certificate in Te Reo (Rumaki Reo Rua) (Level 2)										Regional and Extramural Delivery Options
Mātauranga Māori	Porirua	NZ3045	New Zealand Certificate in Te Reo (Rumaki Reo Rua) (Level 3)										Regional and Extramural Delivery Options
Mātauranga Māori	Porirua	NZ3046	New Zealand Certificate in Te Reo (Rumaki Reo Rua) (Level 4)										Regional and Extramural Delivery Options
Mātauranga Māori	Porirua	NZ3418	New Zealand Certificate in Music (Level 4)										No alternative delivery options
Mātauranga Māori	Porirua	PR4942	3069 - WW Bachelor of Nursing Maori										No alternative delivery options
- Nursing	Porirua	NZ2889	3075 - WW Diploma in Enrolled Nursing										Extramural Delivery Option
- Nursing	Porirua	PR4624	3070 - WW Bachelor of Nursing										No alternative delivery options
- Nursing	Distance and Block	PR4801	3071 - WW Pos Grad Cert - Primary Health Care										No alternative delivery options
- Nursing	Cook Islands	PR4817	Bachelor of Nursing Pacific										No alternative delivery options
- Nursing	Porirua	PR4817	Bachelor of Nursing Pacific										No alternative delivery options
- Nursing	Porirua	PR4831	Graduate Diploma in Nursing Pacific										No alternative delivery options
- Nursing	Distance and Block	PR4863	3072 - WW Post Grad Cert - Nursing										No alternative delivery options
- Nursing	Porirua	PR4874	3019 - WW Competency Assessment										No alternative delivery options
Pathways	Petone	HV4578	Wellington Trades Academy (Level 2)										No alternative delivery options
Pathways	Petone	HV4578	Wellington Trades Academy (Level 2)										No alternative delivery options
Pathways	Porirua	HV4578	Wellington Trades Academy (Level 2)										No alternative delivery options
Pathways	Porirua	HV4578	Wellington Trades Academy (Level 2)										No alternative delivery options
Pathways	Porirua	HV4578	Wellington Trades Academy (Level 2)										No alternative delivery options
Regulated Health Professions, Porirua	Porirua	HV4700	3103 - WW Counselling and Addictions										No alternative delivery options
Regulated Health Professions, Courses	Distance and Block	NZ3065	New Zealand Diploma in Ambulance Practice (Level 5)										No alternative delivery options
Regulated Health Professions, Porirua	Porirua	NZ3803	3104 - WW Youth Development										Regional Delivery Option
Regulated Health Professions, Courses	Distance and Block	PR4851	Bachelor of Health Science (Paramedic)										No alternative delivery options
Regulated Health Professions, Porirua	Porirua	PR4851	Bachelor of Health Science (Paramedic)										No alternative delivery options
Regulated Health Professions, Courses	Distance and Block	PR4862	3024 - WW Post Graduate - Specialty Care										No alternative delivery options
Regulated Health Professions, Porirua	Porirua	PR4997	3017 - WW Bachelor of Social Work										No alternative delivery options
Services	Petone	HV4702	Bachelor of Applied Business Management										No alternative delivery options
Services	Petone	NZ2452	New Zealand Certificate in Business (Administration and Technology) (Level 3)										Extramural Delivery Option
Services	Petone	NZ2459	New Zealand Diploma in Business (Level 5)										Regional and Extramural Delivery Options
Services	Petone	NZ2461	New Zealand Certificate in Business (Administration and Technology) (Level 4)										Regional and Extramural Delivery Options
Services	Porirua	NZ2461	New Zealand Certificate in Business (Administration and Technology) (Level 4)										Regional and Extramural Delivery Options
Services	Petone	PR4961	Postgraduate Diploma in Management										No alternative delivery options
Services	Petone	PR4962	Master of Management										No alternative delivery options
Services	Petone	PR4962	Master of Management										No alternative delivery options
Services	Petone	PR4990	3073 - WW Professional Practice										No alternative delivery options
Trades Academy	Porirua	PR4993	Whitireia Trades Academy Programme (Health Science)										No alternative delivery options
Trades Academy	Porirua	TA0001	Trades Academy Performing Arts										No alternative delivery options
Total		5	90										16 alternative delivery programmes

PROACTIVELY RELEASED

Appendix Three - Delivery (4/4)

List of programmes s 9(2)(b)(ii), s 9(2)(ba)(ii)

Department	Location	Programme Code	Programme Title	EFTS	Revenue	FTE	Payroll	Materials	Other Costs	Total Costs	Contribution	CM %	Alternative Delivery Options
Arts, Design and Media	Te Kahui Auaha	No code	Film and Television Production	s 9(2)(b)(ii), s 9(2)(ba)(ii)									Invalid code
Arts, Design and Media	Te Kahui Auaha	NZ2627	New Zealand Certificate in Arts and Design (Level 4)										Extramural Delivery Option
Arts, Design and Media	Te Kahui Auaha	NZ2636	New Zealand Diploma in Arts and Design (Level 5)										Regional and Extramural Delivery Options
Arts, Design and Media	Te Kahui Auaha	NZ3426	New Zealand Diploma in Dance (Level 6)										Regional Delivery Option
Arts, Design and Media	Te Kahui Auaha	NZ3429	New Zealand Diploma in Drama (Level 6)										No alternative delivery options
Arts, Design and Media	Te Kahui Auaha	NZ3434	New Zealand Diploma in Performing Arts (Level 6)										No alternative delivery options
Arts, Design and Media	Te Kahui Auaha	PR5005	Bachelor of Creativity (Digital Media)										No alternative delivery options
Arts, Design and Media	Te Kahui Auaha	PR5005	Bachelor of Creativity (Performing Arts)										No alternative delivery options
Foundations	Petone	NZ2853	New Zealand Certificate in Skills for Living for Supported										No alternative delivery options
Foundations	Petone	NZ4373	New Zealand Certificate in Skills for Learning and Working for Supported Learners (Level 1)										No alternative delivery options
Total		2	9	10									3 alternative delivery programmes

PROACTIVELY RELEASED

Appendix Four - Governance considerations

Potential requirement to form an ITP Council

Currently, Section 320 of the Education and Training Act 2020 Act requires Te Pūkenga to have a Council of at least eight, but no more than 12, members, including the following:

- 1 member who is a member of, and elected by, its staff committee; and
- 1 member who is a member of, and elected by, its students' committee; and
- 1 member who is a member of, and elected by, its Māori advisory committee; and
- the rest of the members must be appointed by the Minister.

Individual BDs do not have a Council requirement legislated, but likely run other functions (such as Audit and Risk Committee and Academic Boards) within their operational baselines (i.e. not incurring additional Council fees).

When independent ITPs existed prior to the existence of Te Pūkenga, Education (Polytechnics) Amendment Act 2009 set their requirements for governance. While this will be dependent on the legislated requirements for future ITPs, we have assumed that similar (if not more stringent) governance requirements will be applied to any future ITPs.

Below, we have noted the key governance structures that ITPs may be expected to host. The potential cost of these structures in accordance with Cabinet Office circular CO (22) 2, which outlines the Revised Fees Framework for members appointed to bodies in which the Crown has an interest, including Tertiary Education Institutions (which TEIs would become as independent entities once removed from Te Pūkenga) is \$181,174. We have assumed that ITPs would utilise Level 4 fees under the aforementioned framework, resulting in maximum annual fees of a maximum of \$40,117 for a Chair, and \$20,251 for Council members. There would be a requirement for appointments to be submitted to the Cabinet Appointments and Honours Committee. We have not costed the value of this into our work; given it is pending legislative confirmation.

An ITP Council must consist of:

- Four members appointed by the Minister
- Four members appointed by the Council in accordance with statutes.

The council of a designated ITP should appoint members who possess relevant knowledge, skills, or experience and are able to fulfill their duties effectively. It is also desirable for the council to include Māori members and reflect the ethnic and socio-economic diversity of the community it serves. Terms are four years.

A Chairperson and Deputy-chairperson must be appointed.

As stated above, this is the minimum requirement, and other governance arrangements may be sought or arranged by ITPs, resulting in further cost.

It is also noted that previous legislation allowed for the combining of ITP Councils under certain circumstances.

Appendix Five - Mode of delivery

Consideration on mode of delivery

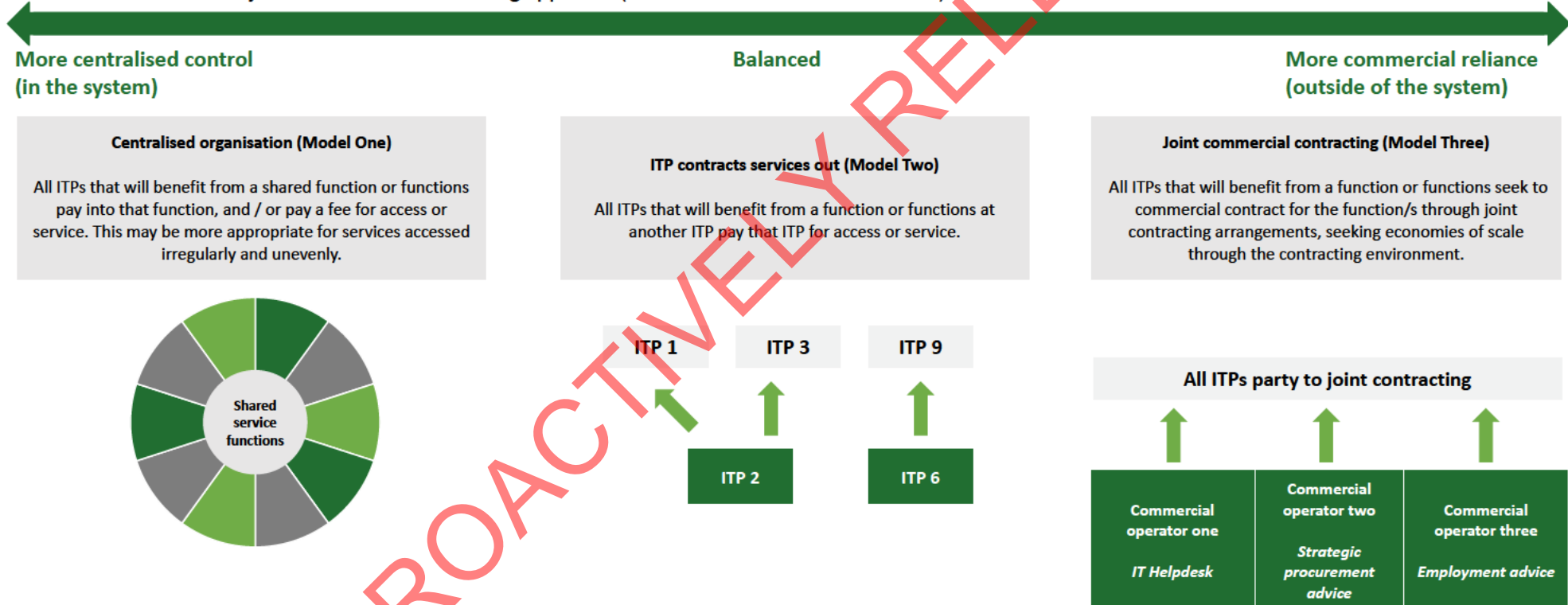
Outlined below are aspects that will need to be addressed in respect to mode of delivery changes at W&W:

1. **IT and technology**
 - Significant investment in IT infrastructure and course development will be required to transitioning to a different mode of delivery.
 - A significant technology upgrade programme is required for W&W to achieve a change in how it delivers.
2. **Programmes**
 - Practical courses such as construction may not be fully adaptable to blended or online learning; and may be mandated to require certain number of 'face to face' hours. In addition, programmes may need to be approved by the New Zealand Qualifications Authority (NZQA) for new delivery modes.
 - An understanding of the intellectual property arrangements of current programmes being taught will be required before consideration of how they may be delivered in future (i.e. what may be the property of the Open Polytechnic compared to W&W).
3. **Property**
 - Future decisions on property holdings, including potential reduction in property space, will affect delivery methods, or force a shift to alternative modes. W&W may need to consider modifying hours of operation or adopting blended/online learning, noting this may be restricted by CEA conditions.
4. **Students**
 - A detailed analysis of learner demographic and cohorts will be necessary to determine the potential success of online or blended learning.
 - Adequate technology capability is essential for remote, distance, or blended learning. Some cohorts may lack access to facilities and/or technology to engage in education and training, and utilisation of property may still be required for delivery.
 - Students need to be capable and willing to engage with the new delivery mode.
5. **Staff**
 - Staff need to be capable and willing to engage with the new delivery mode, with experience in developing and delivering online and blended learning.
 - Additional staff - with different capabilities - may be required to support this mode of delivery, requiring further cost to W&W.
6. **Competition and market dynamics:**
 - Increased competition is expected due to the separation of ITPs looking to increase revenue through distance or blended learning.
 - Any existing focus (whether agreed or implied) on regional delivery may diminish, and some ITPs may focus on increasing distance delivery in profitable programmes.
 - There is uncertainty about cost efficiencies and the impact on profitability from a change in mode of delivery.
 - Offering fees-free or scholarship education (in order to attract EFTS funding, without learner fees, and a challenging enrolment environment) could affect income and property consolidation.
 - Government-approved EFTS allocations (domestic EFTS are capped) and international learner considerations play a role in delivery decisions.

Appendix Six - Shared Services

There are a range of functionalities that could potentially be offered through a shared service arrangement

In undertaking our analysis across BDs, we have identified a range of services which could be offered through some sort of shared service functionality. While we understand there is limited desire to retain any sort of centralised function through Te Pūkenga, the need for the following services intermittently across the network may mean there is value in retaining a shared services function obtained on a user-pays basis, along with an annual contribution towards overheads. Alternatively, in the absence of a shared service functionality, common contracting terms with commercial suppliers could be sought in an attempt to gain the most commercially viable cost for services, or one ITP could 'contract' our services. Below, we outline these three potential models for service access. We acknowledge that a challenge faced by any shared services model will be the competitiveness required by ITPs to deliver in a challenging operational environment; which may move any consideration of shared service towards a joint commercial contracting approach (rather than a 'collaborate' model).



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Appendix Six - Shared Services *continued*

Functionalities that could be shared services

The shared services presented below could incorporate one or more of the models identified. For example, curriculum design could be centralised, with IT services provided through a commercial contracting environment with the aim of achieving a strong price point via economies of scale. We have noted which functions we believe may best be delivered using the three models on the page previous. Our assessment is broadly informed by the likelihood whether a shared service functionality could support a number of organisations at once (i.e. frequency and access), whether capability may exist currently within the network to outsource, based on our limited engagement with current BDs (model two), or whether a commercial operator may be best placed to deliver a function (model three).

Employment advice

Description: provision of employment advice related to employment relations, industrial disputes, employer rights and responsibilities

Model One	Model Two	Model Three
✓	✓	✓

Strategic procurement

Description: provision of services related to strategic procurement specific to the IT sector, including large scale IT and systems

Model One	Model Two	Model Three
		✓

IT Helpdesk

Description: provision of day-to-day technology and IT support to staff

Model One	Model Two	Model Three
	✓	✓

Print and reprographic

Description: provision of printing and education related graphic design services

Model One	Model Two	Model Three
	✓	✓

Change management and organisational transformation

Description: delivery of change management and major transformational change activities to support the ITP sector to transform

Model One	Model Two	Model Three
		✓

Strategic property management including facilities

Description: provision of strategic property management and acquisition decisions, particularly those related to major investment, divestment and/or improvements

Model One	Model Two	Model Three
		✓

Legal services

Description: provision of generalised legal advice to support day to day operations at future ITPs

Model One	Model Two	Model Three
		✓

Curriculum design and course development

Description: provision of educational development, curriculum design and course development services to support future ITPs

Model One	Model Two	Model Three
✓	✓	

Marketing and communications including international

Description: provision of services to support internal and external communications, marketing social media and design related to communications and marketing

Model One	Model Two	Model Three
✓		✓

Payroll

Description: provision of people payroll services

Model One	Model Two	Model Three
		✓

Insurance

Description: seeking optimum contracted terms for insurance arrangements for ITPs

Model One	Model Two	Model Three
		✓

The variety of systems for finance, HR, education delivery and student management across the Te Pūkenga network may impede on 'closer working arrangements' utilising those systems. Therefore, our recommendations on potential model options (outlined on the previous page) take this into account where technology may be a 'blocker' to closer operations, noting progress has been achieved in standardising some finance systems across the network.

Appendix Seven - Employment Agreements

W&W's Employment Agreements have specific requirements related to organisational change

We have not had access to Individual Employment Agreement (IEA) clauses through this work; all of our assumptions are therefore based on the CEA requirements we have been able to access, acknowledging these may be more or less generous than IEA clauses. The following does not constitute employment advice, but is based on our interpretation of the TIASA and TEU CEAs, noting several clauses that must be adhered to during potential organisational change processes. These clauses are summarised below, excluding most provisions related to redundancy payouts and notice periods, a brief summary of which can be found appended to our Phase 1 Report:

- Te Pūkenga must notify both unions (TEU/TIASA) of any significant structural changes early and must consult with the unions regarding these changes.
- Te Pūkenga will provide the union with an opportunity to be involved in any review directly affecting its members.
- Te Pūkenga must consult with the unions regarding the selection criteria for redundancy (TEU CEA clause only).
- Te Pūkenga should prioritise managing redundancies through attrition before applying selection criteria.
- Re-location should be considered across the national network as an alternative to minimise redundancies where possible. If staff are required to relocate, they are eligible for a relocation allowance.
- The consultation period must last at least one month (28 days under the TEU CEA and one month under the TIASA CEA).
- Te Pūkenga should initially seek voluntary redundancies before applying selection criteria (TEU CEA clause only).
- If staff are redeployed to a lower-paying role, they must receive an additional allowance for the following two years (grandparented clause).

To meet its requirements under Employment Legislation and its contracted employment terms, this means that W&W will need to incorporate the following high level activities into its timeline for any change:

- Development of a consultation document which clearly describes the review's purpose, timeline, potential impacts, and engagement plan
- Early engagement and communication of the change process with the unions
- Early development and consultation on selection criteria with the unions
- A consultation period with staff that lasts at least one month
- A voluntary redundancy process during the consultation period
- Consideration of the grandparented period for additional allowances for lower salaries

On page 47 of this document, we provide a high level overview of the work we believe may be required to deliver organisational change. Due to the nature of the potential change across the Te Pūkenga network, relocating staff and managing redundancy through attrition are unlikely to be plausible options. Therefore, these options have not been included in the proposed timeline. Instead, a robust conversation will need to be held with unions to discuss why these options have not been considered in full or will not be wholly effective in achieving the review's outcomes.

We note that individual BDs have some BD specific clauses that may impact on potential future costs (UCOL has a specific schedule of planned pay increases that may deviate from the 4% estimation used in this document); these will need to be considered as any costings are firmed up in future through organisational design activity.

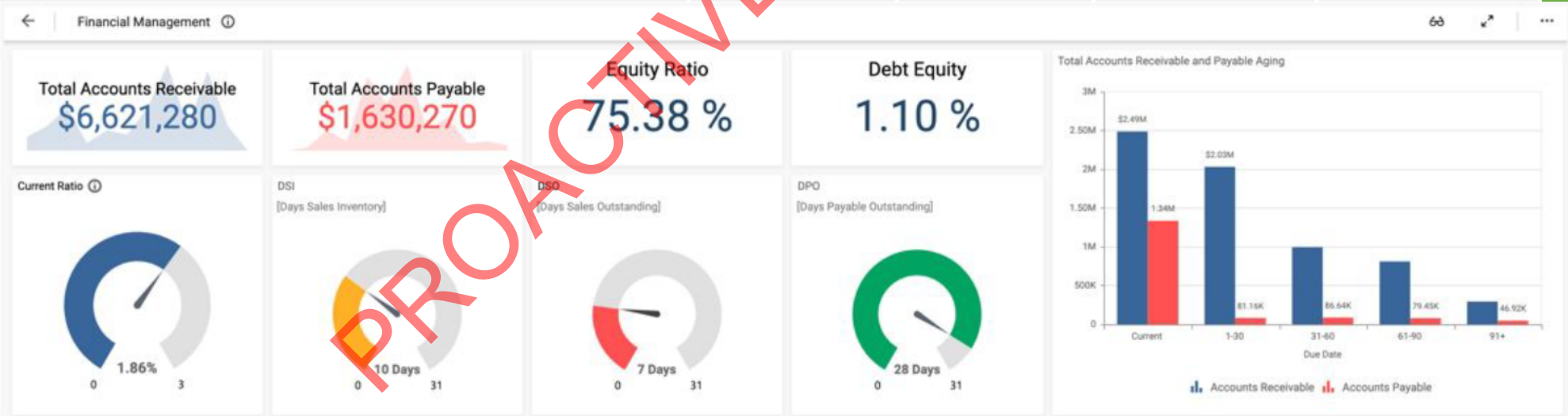
Appendix Eight - Status Report template

Transformation Programme update #X (DATE)

This box is intended to provide a brief overview of key activities undertaken, highlight progress made, and point out major risks and concerns over the reporting period.

Transformation status	
This period	Last period
G	G

YTD spend	Budget	Spend	Project savings YTD	Savings achieved	Overall rating
Allocation 1 (workstream x)					
Allocation 2 (workstream x)					
Allocation 3 (workstream x)					
Allocation 4 (workstream x)					
Allocation 5 (workstream x)					
Allocation 6 (workstream x)					



Key:

G

Timelines and key milestones are on-track for delivery and within budget.

A

Moderate Risk. Needs attention but plans in place to address, but budget attention required.

R

There are significant risks likely to adversely impact delivery and budget.

Issued to	XXXX
Issued by	XXXX

Appendix Eight - Status Report template

Workstream view

Strictly Private and Confidential



Workstream one - Overall financial performance		
General update and initiative progress	Key risks, issues and mitigations	Key decisions and/or expenditure
<ul style="list-style-type: none">• X• X• X• X	<ul style="list-style-type: none">• X• X• X• X	<ul style="list-style-type: none">• X• X• X• X
Spend against budget		
Key variations raised for noting		
Overall status	Timelines and key milestones are on-track for delivery and within budget.	

Focus on specific budget areas			
General update		Key risks, issues and mitigations	Key decisions and/or expenditure
Budget area one	<ul style="list-style-type: none">• X• X• X	<ul style="list-style-type: none">• X• X• X	<ul style="list-style-type: none">• X• X• X
Budget area two	<ul style="list-style-type: none">• X• X• X	<ul style="list-style-type: none">• X• X• X	<ul style="list-style-type: none">• X• X• X
Budget area three	<ul style="list-style-type: none">• X• X• X	<ul style="list-style-type: none">• X• X• X	<ul style="list-style-type: none">• X• X• X
Budget area four	<ul style="list-style-type: none">• X• X• X	<ul style="list-style-type: none">• X• X• X	<ul style="list-style-type: none">• X• X• X

Key expenditure update	
Budget area one	

Appendix Eight - Status Report template

Workstream view

Workstream X - workstream name		
General update and initiative progress	Key risks, issues and mitigations	Key decisions and/or expenditure
<ul style="list-style-type: none">• X• X• X• X	<ul style="list-style-type: none">• X• X• X• X	<ul style="list-style-type: none">• X• X• X• X
Spend against budget		
Key variations raised for noting		
Overall status	Timelines and key milestones are on-track for delivery and within budget.	

Workstream X - workstream name		
General update and initiative progress	Key risks, issues and mitigations	Key decisions and/or expenditure
<ul style="list-style-type: none">• X• X• X• X	<ul style="list-style-type: none">• X• X• X• X	<ul style="list-style-type: none">• X• X• X• X
Spend against budget		
Key variations raised for noting		
Overall status	Timelines and key milestones are on-track for delivery and within budget.	

Workstream X - workstream name		
General update and initiative progress	Key risks, issues and mitigations	Key decisions and/or expenditure
<ul style="list-style-type: none">• X• X• X• X	<ul style="list-style-type: none">• X• X• X• X	<ul style="list-style-type: none">• X• X• X• X
Spend against budget		
Key variations raised for noting		
Overall status	Timelines and key milestones are on-track for delivery and within budget.	

Appendix Eight - Status Report template

Dependencies and actions

Strictly Private and Confidential



Risk register

Date added	Risk	Likelihood	Impact	Proposed mitigation	Status	Owner
	There is a risk that... if this risk is realised, the result may be that...					
	There is a risk that... if this risk is realised, the result may be that...					
	There is a risk that... if this risk is realised, the result may be that...					
	There is a risk that... if this risk is realised, the result may be that...					

Action register

Date added	Action	Lead	Status	Due
	Action 1			
	Action 2			
	Action 3			
	Action 4			