

Event backgrounder: Minister Hipkins' meeting with the Tertiary Education Union

To:	Hon Chris Hipkins, Minister of Education
From:	s9(2)a [REDACTED], Manager Delivery & Projects
Date:	29 June 2022
Reference:	E-21-00317

Purpose

1. You are scheduled to meet with National President, Tina Smith, and with National Secretary, Sandra Grey from the Tertiary Education Union (TEU) on Thursday 30 June 2022 via zoom. The Tertiary Education Commission (TEC) has been asked to provide you with an event backgrounder to help inform your discussions.
2. This backgrounder provides you with a summary of matters that the TEU may raise with you, and questions you may like to ask the TEU.
3. We recommend that you release this event backgrounder with some information of commercial sensitivity withheld.

About the TEU

4. The TEU is a movement of people working collectively to defend and promote quality public tertiary education that is accessible to all. The TEU represents over 10,000 individuals working in tertiary education in New Zealand.

The TEU requested this meeting

5. The TEU wrote to you on 2 June 2022, asking to meet with you to discuss matters including that:
 - it is essential the TEU continues to grow relationships with Te Pūkenga, and it is pushing for stability for staff and the need for wrap around support for them;
 - the TEU is concerned that the funding for capital works in the Te Pūkenga network is only \$40 million;
 - most of the collective agreements at the Te Pūkenga subsidiaries will be expiring during 2022 and staff are entitled to salary increases;
 - university collective agreements are expiring in 2022 and the TEU will “ask for better support and salary increases” for staff;

- “staffing matters cannot be solved without addressing the inflation faced by the sector and staff”; and
- a tripartite process so funding can do more than ‘keep the lights on’ in the tertiary education sector.

6. **s9(2)a** [REDACTED], Senior Policy Manager (Tertiary Policy) at the Ministry of Education will be attending the meeting.

Matters the TEU may raise with you

Collective bargaining

7. Staff workload issues will continue to be at the forefront of discussions with the TEU, especially in the context of the pandemic, hybrid teaching models and the ongoing reform of vocational education. In your speech at the TEU conference you acknowledged and thanked TEU members for their support during the pandemic. You also talked of it still being a time of change for the sector, and that you value the insights, input, and perspectives of the TEU.
8. The TEU will be looking for large wage increases to at least match inflation (6.9 percent in the March 2022 quarter compared with the March 2021 quarter). Any such increases would need to be absorbed by providers which are unlikely to be in a position to agree to such increases especially with EFTS falling in 2022. Providers are likely to note that such an increase would significantly exceed the Annual Maximum Fee Movement for 2022 and the agreed SAC funding rate increase for 2023. In your response to their letter (Ref: CH14650 refers), you advise of wanting to discuss how the impact of the current inflationary environment might be mitigated.
9. On 13 June 2022 you announced that the Government is interested in exploring with public sector unions a pay adjustment proposal.

Pay parity

10. The TEU may ask what you are doing about pay parity/equity. The Government is committed to the efficient and effective delivery of pay equity, addressing low pay and closing gender, Māori, and ethnic pay gaps. This can be seen through increased Government spending as part of Budget 2022, towards pay parity in early learning between qualified, certificated teachers in education and care services and kindergarten teachers.

\$40 million capital investment in Te Pūkenga

11. As part of Budget 2022, the Government agreed to provide up to \$40 million in Crown capital funding to Te Pūkenga to allow it to address high priority building issues across its network of Institute of Technology and Polytechnic subsidiaries. This investment will address urgent building repairs and allow Te Pūkenga to ensure its learning spaces are fit-for-purpose, welcoming and safe.
12. Te Pūkenga had originally sought **s9(2)(b)(ii)** so there remains a level of deferred maintenance and urgent building repairs that will not be able to be undertaken. It should be noted however, that the Crown does not usually fund capital investment in tertiary education institutions (TEIs). We expect Te Pūkenga to develop a financial strategy that returns it to surplus over the medium-term and which allows it to fund its own capital plans.
13. You may wish to note that the Crown does not want to significantly invest in physical infrastructure while the operating model and organisation structure is still being designed. Until this work is finalised, alongside other strategic space planning work being undertaken, Te Pūkenga will not be clear on what assets it needs going forward. This work is also expected to lead to the rationalisation of underutilised assets across the network to raise funds. The draft Programme Business Case assumes Te Pūkenga will realise 20 percent of total land holdings between 2026 to 2028 which will generate **s9(2)(b)(ii)** in cash (although the TEC notes that no specific assets have yet been identified for divestment).

Unification of nursing and social work degree programmes

14. Over the past year, staff from across Te Pūkenga have been involved in redesigning nursing and social work degree programmes in preparation of offering learners a unified set of degree programmes from 2023. Over the next five years, Te Pūkenga plan on unifying all programmes in the network into a single set of fit for purpose programmes delivered in a multi-modal format.
15. The TEU has recently called on Te Pūkenga to stop the current process and work with staff and unions to co-design a different process. TEU members have called for Te Pūkenga to give them more time and to ensure strong staff-driven process to deliver quality, workable and consolidated curriculum. The TEU has said that Te Pūkenga gave nurse tutors and the nursing community only 11 days to review and comment on the consolidated curriculum in nursing and social work.
16. You may want to note that the current process of unifying the programmes has involved ongoing input from staff, learners, employers, professional organisations, and the workforce. Te Pūkenga has legal requirements, additional to those of universities and wānanga, that it must fulfil, as outlined its charter. Schedule 13(4)a of the Education and Training Act 2020 states that Te Pūkenga must operate in a way that allows it to empower students and staff on academic, non-academic, and well-being matters and matters relating to the organisation's practices and services.

Staff consultation on new organisation structure

17. Te Pūkenga is planning on undertaking staff consultation on its new high-level organisation structure from 19 July 2022. It is important that Te Pūkenga lands this work and brings work-based training together with classroom and distance delivery so it can take full advantage of the UFS and deliver a future focussed vocational education and training system to learners. You may wish to ask what involvement the TEU has had in developing the new organisation design and whether it has any concerns on the upcoming staff consultation process.

TITO transition

18. The TEU may want to discuss the progress and impact of TITO transitions on its members. All TITO staff have been transitioned to Te Pūkenga under the existing terms and conditions of their Individual employment contracts. Therefore, there is considerable variability of conditions across the different business units and also across the subsidiaries. Te Pūkenga will need to consider how consistency of employment contracts will be achieved across their full network of provision.
19. Service IQ has signed their transfer agreement, and all is on-track for their transition into Te Pūkenga this Friday (1st July 2022). Service IQ remain committed to a positive staff experience and the ongoing wellbeing of their staff. All Service IQ staff will transition to Te Pūkenga as a Service IQ business unit within the Work Based Learning subsidiary (WBL).
20. The transition of relevant staff from Skills Organisation (Skills Org) to those providers receiving arranging training is on-track. The Skills Org led expression of interest process has been completed and position offers for interested staff are currently being progressed. Some receiving providers have not been able to attract the level and/or quantity of staff they require and are now recruiting externally. At this point there is no concern about being able to meet upcoming delivery expectations with some seeing recruitment as an opportunity to innovate on delivery and engage with employers sooner. Approximately 70 Skills Org staff will transition to Te Pūkenga and will be co-hosted by existing business units within the WBL.
21. Primary Industry Training Organisation (ITO) expects to sign its transfer agreement within the next few weeks. It is actively involved in the Te Pūkenga Operating Model working groups and is strongly advocating for both its staff and industry stakeholders. All Primary ITO staff will transition to Te Pūkenga as a Primary ITO business unit within the WBL.
22. Community Support Services ITO (Careerforce) is currently negotiating its transfer agreement with Te Pūkenga WBL with staff interests front of mind. There are no significant concerns at this time. All Careerforce staff will transition to Te Pūkenga as a Careerforce business unit within the WBL.

23. NZ Hair and Beauty ITO (HITO)'s Transition Plan was approved last week (23 June 2022). Transfer agreement discussions are underway and there are no immediate concerns regarding staff. All HITO staff will transition to Te Pūkenga as a HITO business unit within the WBL

Questions you may like to ask the TEU

24. How is the TEU's working relationship with Te Pūkenga currently?
25. What engagement has the TEU had on the new organisation design of Te Pūkenga?
26. Are staff prepared for the significant consultation process on the new organisation design of Te Pūkenga beginning on 19 July 2022?
27. How does the TEU see the Te Pūkenga charter playing out in practice for them and for their members?
28. What is the TEUs view on moving to a single collective agreement with Te Pūkenga in 2023?
29. What does the TEU envisage a tripartite process would look like, and what would its role be?



Manager/Delivery & Projects

Delivery Directorate

Tertiary Education Commission

29 June 2022

Hon Chris Hipkins

Minister of Education

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