



Te Pūkenga Subsidiaries Governance Framework Summary (February 2022)

Please note this document summarises Te Pūkenga Subsidiaries Governance Framework (particularly in relation to matters which require Te Pūkenga and Secretarial approval), and regard should be had to the relevant underlying document (as referred to below). Please note this document may be updated by Te Pūkenga from time to time. Where a matter requires Te Pūkenga or Secretarial approval, a Te Pūkenga Subsidiary should seek approval from Te Pūkenga using the Te Pūkenga Approval Matters – Request for Approval Form.

Please note that to process a request for approval, time is required and so we ask that all relevant papers are provided 30 days before a decision is required.

<p>Key:</p> <ul style="list-style-type: none"> ✓ means the requirement is set out in relevant legislation ✓ means the requirement is set out in a Te Pūkenga Subsidiary Constitution ✓ means the requirement is set out in the Operational and Financial Parameters Direction (OFP Direction) dated March 2021 	<p>Decision / Action by Te Pūkenga Subsidiary</p>	<p>Requires Te Pūkenga Approval?</p>	<p>Requires Te Pūkenga Notification?</p>	<p>Requires Secretary or Ministerial Approval (to be sought by Te Pūkenga for and on behalf of the Te Pūkenga Subsidiary)</p>	<p>Notes</p>
<p>GOVERNANCE FRAMEWORK DOCUMENTATION</p> <ol style="list-style-type: none"> 1. Te Pūkenga Functions and Charter 2. Te Pūkenga Statement of Intent 3. Constitutions of Te Pūkenga Subsidiaries 4. Operational and Financial Parameters Directions of Te Pūkenga Subsidiaries 5. Letter of Expectations from Te Pūkenga (dated June 2021) together with any supplemental Letters of Expectation that may be issued. <p>GUIDING PRINCIPLE TO DECISION-MAKING BY TE PŪKENGA SUBSIDIARIES</p> <p>Each Te Pūkenga Subsidiary must engage constructively with Te Pūkenga as we move through the final year of the transition period. It is assumed that all internal policies, particularly delegations' policies, have been updated as required to reflect the governance framework introduced on 1 April 2022 so that any required consents are</p>	<p>A. Restricted Thresholds</p>				
	<p>1. Capital expenditure</p> <p>Agreeing to incur, or incurring, capital expenditure in respect of a capital project:</p> <ul style="list-style-type: none"> • which will, or is likely to, result in the Te Pūkenga Subsidiary exceeding its capital expenditure budget in the annual budget; and/or • if the cost of, or level of risk of, the capital project is equal to or above the threshold amount set by the Secretary pursuant to s222N of the Education Act 1989 (or section 327 of the Education and Training Act 2020) and: <ul style="list-style-type: none"> ○ the capital project is not within a capital plan of Te Pūkenga approved in writing by the Secretary; or ○ Te Pūkenga has not already obtained the written consent of the Secretary for the capital project. <p><i>Notes relate to new capital projects and Secretary approval under section 327 of the Education and Training Act 2020.</i></p> <p>The interim threshold amounts for 2022 set by the Secretary pursuant to s327(2) of the Education and Training Act 2020 are also detailed in the Notes column. In short, Secretarial approval will not be required if:</p> <ul style="list-style-type: none"> • the capital expenditure is <u>within the 2022 capital expenditure budget</u>; or 	<p style="text-align: center;">✓✓</p> <p style="text-align: center;">(unless expenditure is below threshold in OFP Direction – being the threshold amount set by the Secretary)</p>		<p style="text-align: center;">✓</p> <p style="text-align: center;">(if required by section 327 of the Education and Training Act 2020)</p>	<ul style="list-style-type: none"> • See Schedule 2 of the Constitution (para (a)) and the OFP Direction (para 1(a)). • The threshold amount specified in the OFP Direction is an amount equal to or greater than the threshold amount (or level of risk) set by the Secretary pursuant to section 327 of the Education and Training Act 2020. The interim threshold is being reviewed by TEC. However, for ease as we move into the final year of transition, the thresholds will be maintained at the levels set out in the first column. • In practical terms, this means that capital expenditure that exceeds the threshold set in 2021 will require prior approval of Te Pūkenga (using the <i>Te Pūkenga Approval Matters – Request for Approval Form</i>). Te Pūkenga will approve the expenditure if appropriate and will seek the approval of the Secretary for that expenditure where this is required. <p>New Capital Projects on and from 1 January 2022</p> <ul style="list-style-type: none"> • The Secretary has consulted with Te Pūkenga on interim capital project thresholds for 2022. However, the 2021 thresholds will continue to apply internally within Te Pūkenga, with recourse then being had by Te Pūkenga to the Secretary where the 2022 thresholds are exceeded. <ul style="list-style-type: none"> ○ In summary, capital expenditure committed, or undertaken in a transaction or related series of transactions, by a Te Pūkenga Subsidiary will require Te Pūkenga approval if the capital expenditure is unbudgeted or exceeds the budget and the value of the commitment is more than \$1 million and the aggregate value of the “Unbudgeted Expenditure” in relation to such commitments or transactions across the relevant Te Pūkenga Subsidiary in respect of 2021 exceeds \$5 million. For this purpose, “Unbudgeted Expenditure” means capital expenditure that is not provided for in the annual budget for 2022 that was approved by the Council of Te Pūkenga.

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sought and required notices are provided in relation to relevant matters.	<ul style="list-style-type: none"> the capital expenditure <u>exceeds the 2022 capital expenditure budget</u>, and: <ul style="list-style-type: none"> the value of the commitment or transaction is <u>less than \$1 million</u>; and the <u>aggregate value</u> of the "Unbudgeted Expenditure" in relation to such transactions across the relevant Te Pūkenga Subsidiary in respect of 2022 <u>does not exceed \$5 million</u>. 				
<p style="text-align: center;">TE PŪKENGA FUNCTIONS</p> <p style="text-align: center;">Each Te Pūkenga Subsidiary must give effect to the functions of Te Pūkenga:</p> <ol style="list-style-type: none"> To provide or arrange, and support, a variety of education and training, including vocational, foundation, and degree-level or higher education and training; To conduct research, with a focus on applied and technological research; To be responsive to and to meet the needs of the regions of New Zealand and their learners, industries, employers, and communities by utilising Te Pūkenga 's national network of tertiary education programmes and activities; To improve the consistency of vocational education and training 	<p>2. New Debt and New Borrowing Limits</p> <ul style="list-style-type: none"> Any new borrowing, issuing of debentures or otherwise raising money (except in relation to any finance leases). Entering into any new finance lease that would result in Te Pūkenga Subsidiary's Tier 1 borrowing being in excess of the Tier 1 "exempt borrowing" limit in the Ministerial Determination on Exempt Borrowing (https://gazette.govt.nz/notice/id/2014-go2538) Any new borrowing limits in relation to any existing debt or borrowing facilities. 	<p style="text-align: center;">✓✓</p> <p style="text-align: center;">(all new borrowing and new borrowing limits require consent of Te Pūkenga)</p>		<p style="text-align: center;">✓</p> <p style="text-align: center;">(pursuant to section 282(4) and 328 of the Education and Training Act 2020, unless the consent of the Secretary is not required under section 282(5) of the Education and Training Act 2020)</p>	<ul style="list-style-type: none"> See Schedule 2 of the Constitution (paras (b) and (n)) and the OFP Direction (para 1(b)). Refer to Gazette of 1 May 2014 for Ministerial Determination on Exempt Borrowing (https://gazette.govt.nz/notice/id/2014-go2538), TEC guidance on Finance Leases (https://www.tec.govt.nz/teo/working-with-teos/tei/finance-lease/) and TEC guidance on Exempt Borrowing (https://www.tec.govt.nz/teo/working-with-teos/tei/borrowing/). Internal borrowing limits are approved by Council. The Secretary has approved the Group external borrowing b Te Pūkenga. Intra-group borrowing is governed by the Master Intra-Group Loan Agreement and Treasury Policy.
	<p>3. Drawdown on existing debt facilities</p> <p>Drawing-down on any existing debt or borrowing facilities either:</p> <ul style="list-style-type: none"> in advance of the budgeted draw-downs for the financial year; and/or in excess of the total budgeted draw-downs for the financial year by the specified threshold, being where the total draw- 	<p style="text-align: center;">✓✓</p> <p style="text-align: center;">(unless draw-down is below the threshold in OFP Direction – i.e., where total draw-downs would be more than 105% of total budgeted</p>			<ul style="list-style-type: none"> See Schedule 2 of the Constitution (para (c)) and the OFP Direction (para 1(c)) for the specified threshold.



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<p>by using skill standards and working in collaboration with workforce development councils;</p> <p>5. To improve outcomes in the tertiary education system as a whole, including (without limitation) by making connections with schools and other organisations involved in tertiary education and by promoting and supporting life-long learning;</p> <p>6. To improve outcomes for Māori learners and Māori communities in collaboration with Māori and iwi partners, hapū, and interested persons or bodies; and</p> <p>7. To carry out any other functions consistent with Te Pūkenga's role as a tertiary education institution.</p> <p style="text-align: center;">TE PŪKENGA CHARTER</p> <p style="text-align: center;">Each Te Pūkenga Subsidiary must give effect to the Te Pūkenga Charter:</p> <p>1. Te Pūkenga – The New Zealand Institute of Skills and Technology (Te Pūkenga) exists to perform the functions set out in section 315 of the Education and Training Act 2020.</p> <p>2. Te Pūkenga will be responsive to the needs of all regions of New Zealand, their learners, industries, employers, and communities.</p>	<p>downs would be more than 105% of total budgeted draw-downs.</p>	<p>draw-downs for the financial year)</p>			
	<p>4. Disposal of property assets</p> <p>Selling or otherwise disposing (including by way of gifting) of property assets or interests in property assets above the specified threshold, being an amount equal to or greater than the property asset disposal threshold determined by the Minister pursuant to section 282(5) of the Education and Training Act 2020.</p>	<p style="text-align: center;">✓✓</p> <p>(unless disposal is below specified threshold in OFP Direction – being the specified formula determined by the Minister)</p>		✓	<ul style="list-style-type: none"> See Schedule 2 of the Constitution (para (d)), which provides that the disposal of all assets (or interests in assets) requires Te Pūkenga consent as a “Reserved Matter” (Te Pūkenga Approval Matter) if the disposal is in excess of the threshold amount set out in the OFP Direction. See paragraph 1(d) of the OFP Direction for the threshold. See sections 282(4) and 328 of the Education and Training Act 2020 for the requirement to obtain written consent of the Secretary (subject to the provisions of section 282(5) of the Education and Training Act 2020). Section 282(5) of the Education and Training Act 2020 provides that the consent of the Secretary is not required for selling or otherwise disposing of, an asset or an interest in an asset, where the value of the asset or interest does not exceed an amount determined by the Minister or an amount ascertained in accordance with a formula determined by the Minister. The Minister has determined that particular consent requirements apply to the disposal of property assets and/or interests in property assets (excluding land and buildings held in Crown title). Guidance published by the Tertiary Education Commission specifies that: <ul style="list-style-type: none"> Property means land and/or buildings. An interest in land includes an easement. Ordinarily, an interest in land would also include a lease, but there are particular consent requirements for leases (see section 7 of this table). A property disposal includes the selling of property and the demolition of buildings. The Minister has specified a formula for determining the threshold amount for disposals of property and/or interests in property assets. Disposals valued above that threshold amount require the consent of the Secretary. Please refer to the Tertiary Education Commission's website for further details: https://www.tec.govt.nz/teo/working-with-teos/tei/asset-management-teis/land-buildings/
	<p>5. Disposal of non-property assets</p> <p>Leasing, selling or otherwise disposing (including by way of gifting) of non-property assets or interests in non-property assets in a transaction, or series of related transactions, above a specified threshold, being an amount equal to</p>	<p style="text-align: center;">✓✓</p> <p>(unless disposal is below threshold in OFP Direction)</p>		✓	<ul style="list-style-type: none"> See Schedule 2 of the Constitution (para (d)), which provides that the disposal of all assets (or interests in assets) requires Te Pūkenga consent as a Te Pūkenga Approval Matter if the disposal is in excess of the threshold amount set out in the OFP Direction. See paragraph 1(e) of the OFP Direction for the threshold – being an amount equal to the threshold amount of disposals of plant and equipment and financial assets as determined by the Minister pursuant to section 192(5) of the



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3. To meet the needs of regions throughout New Zealand, Te Pūkenga must— (a) offer in each region a mix of education and training, including on-the-job, face-to-face, and distance delivery that is accessible to the learners of that region and meets the needs of its learners, industries, and communities; and (b) operate in a manner that ensures its regional representatives are empowered to make decisions about delivery and operations that are informed by local relationships and to make decisions that meet the needs of their communities; and	the threshold amount of disposals of plant and equipment and financial assets as determined by the Minister pursuant to section 192(5) of the Education Act 1989 (being a specified formula) or section 282(5) of the Education and Training Act 2020.			unless the consent of the Secretary is not required under section 282(5) of the Education and Training Act)	Education Act 1989 (being a specified formula) or section 282(5) of the Education and Training Act 2020. <ul style="list-style-type: none"> See sections 282(4) and 328 of the Education and Training Act 2020 for the requirement to obtain written consent of the Secretary (subject to the provisions of section 282(5) of the Education and Training Act 2020). Section 282(5) of the Education and Training Act 2020 provides that the consent of the Secretary is not required for selling or otherwise disposing of, an asset or an interest in an asset, where the value of the asset or interest does not exceed an amount determined by the Minister or an amount ascertained in accordance with a formula determined by the Minister. The Minister has specified a formula for determining the threshold amount for disposals of plant and equipment and financial assets. Disposals valued above that threshold amount require the consent of the Secretary. Please refer to the Tertiary Education Commission's website for further details: https://www.tec.govt.nz/teo/working-with-teos/tei/asset-management-teis/sale-plant-equipment-financial-assets/
(c) ensure that international learners are attracted to train and study in regions throughout New Zealand; and (d) ensure that there is collaboration across its national network; and (e) maintain a high-quality coherent network of infrastructure that meets regional skills needs.	6. Charging of assets Mortgaging or otherwise charging any assets or interests.	✓✓		✓ (pursuant to sections 282(4) and 328 of the Education and Training Act 2020, unless the consent of the Secretary is not required under section 282(5) of the Education and Training Act)	<ul style="list-style-type: none"> See Schedule 2 of the Constitution (para (e)) and the OFP Direction (para 1(f)). The threshold for charging or mortgaging of assets in the OFP Direction without requiring Te Pūkenga consent is zero. Practically, this means that all proposed charging or mortgaging of assets by a Te Pūkenga Subsidiary will require Te Pūkenga consent. This allows Te Pūkenga to ensure its ongoing compliance with legislative provisions (see below) and obligations relating to the Te Pūkenga Group's financing arrangements. See sections 328 and 282(4) of the Education and Training Act 2020 for the requirement to obtain written consent of the Secretary (subject to the provisions of section 282(5) of the Education and Training Act 2020). Section 282(5) of the Education and Training Act 2020 provides that the consent of the Secretary is not required for mortgaging or otherwise charging an asset or an interest in an asset, where the value of the asset or interest does not exceed an amount determined by the Minister or an amount ascertained in accordance with a formula determined by the Minister.
4. Te Pūkenga must operate in a way that allows it to— (a) empower students and staff on academic, non-academic, and	7. Leases and licences Entering into leases or licences (but excluding where a counterparty exercises any right of renewal) of land, buildings or parts of buildings	✓✓ (unless lease or licence is below time and value thresholds in OFP Direction – being		✓ (pursuant to sections 282(4) and 328 of the Education and Training Act 2020,	<ul style="list-style-type: none"> See Schedule 2 of the Constitution (para (f)) and the OFP Direction (para 1(g)). See sections 282(4) and 328 of the Education and Training Act 2020 for the requirement to obtain written consent of the Secretary for granting



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well-being matters and matters relating to the organisation's practices and services; and (b) develop meaningful partnerships with— (i) industry across the country, including Māori and Pacific employers, smaller employers, and those operating in niche sectors; and (ii) communities at a local level, including hapū and iwi, and Pacific communities; and (c) use the insights gained through partnerships to— (i) develop and provide vocational education and training that meets short-term and long-term skills needs; and (ii) expand industry training into smaller employers and niche sectors; and (iii) align education and training delivery to support the unique social and economic goals of local communities;	(by the Te Pūkenga Subsidiary as grantor or grantee): <ul style="list-style-type: none"> where the annual rent payable or receivable is in excess of the threshold amount, being \$400,000; or which is for a term (including any rights of renewal) in excess of three years (for Te Pūkenga approval) or 15 years (for Secretarial approval) 	\$400,000 and three years)		but only for granting particular leases of land or buildings or parts of buildings over 15 years)	leases of land or buildings or parts of buildings (subject to the provisions of section 282(5) of the Education and Training Act 2020). <ul style="list-style-type: none"> Section 282(5) of the Education and Training Act 2020 provides that the consent of the Secretary is not required for granting a lease for a term that does not exceed, and when added to any term for which the lease may be renewed does not exceed, 15 years. 	
	B. Restricted Actions					
	8. Receipt of gifts Receipt of any of gifts of real property (e.g., land and buildings), personal property (e.g., shares or options to acquire shares) or any other asset, real property or personal property that has material or long-term operating or capital costs or liabilities (including contingent liabilities)	✓			<ul style="list-style-type: none"> See Schedule 2 of the Constitution (para (g)) (including for a detailed description of the types of gifts). 	
	9. Annual Academic Programme Any development of, or changes to, any qualifications, programmes or related course material outside of any annual academic programme agreed with Te Pūkenga from time to time	✓			<ul style="list-style-type: none"> See Schedule 2 of the Constitution (para (h)). Please note that Te Pūkenga has not agreed any annual academic programme with Te Pūkenga Subsidiaries and so, in practice, this provision will not apply unless and until that occurs. However, please see item 21 below in relation to programme delivery. 	
	10. Name of Te Pūkenga Subsidiary Changing the name of a Te Pūkenga Subsidiary	✓			<ul style="list-style-type: none"> See Schedule 2 of the Constitution (para (i)). 	
	11. Acquiring shares or interests Acquiring shares in any company or acquiring an interest in any partnership, joint venture, or other association of persons, or an interest in a company other than in its shares	✓			<ul style="list-style-type: none"> See Schedule 2 of the Constitution (para (j)). 	
	12. Trusts Settling a trust or being appointed a trustee of a trust	✓			<ul style="list-style-type: none"> See Schedule 2 of the Constitution (para (k)). 	
	13. Additional subsidiaries	✓		✓	<ul style="list-style-type: none"> See Schedule 2 of the Constitution (para (l)), which provides that the incorporation, establishment or acquisition of a subsidiary by a Te 	



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(iv) work towards equity for learners and staff of different genders, ethnicities, cultures, and abilities; and (d) reflect Māori-Crown partnerships in order to— (i) ensure that its governance, management, and operations give effect to Te Tiriti o Waitangi; and (ii) recognise that Māori are key actors in regional social, environmental, and economic development; and (iii) respond to the needs of and improve outcomes for Māori learners, whanau, hapū and iwi, and employers; and (e) hold inclusivity and equity as core principles, recognising and valuing the diversity of all of its learners, and providing the unique types of support different learners need to succeed; and (f) meet the needs of all of its learners, in particular those who are under-served by the education system, including (without limitation) Māori,	Incorporating, establishing or acquiring a subsidiary company				Pūkenga Subsidiary requires the approval of Te Pūkenga as a Te Pūkenga Approval Matter.
	14. Ring-fenced amounts Expending, drawing-down or otherwise dealing with any amounts that have been ring-fenced by the Te Pūkenga Subsidiary in accordance with any ring-fencing policy of Te Pūkenga	✓			<ul style="list-style-type: none"> See Schedule 2 of the Constitution (para (m)) and the Te Pūkenga Cash Reserves and Ring-Fencing Policy (Ring-Fencing Policy). A copy of the Ring-Fencing Policy and further information is available at: https://vocationaleducation.ac.nz/news/category/news/how-the-ring-fencing-policy-works-and-what-it-means In summary, the Ring-Fencing Policy requires that the Ring-Fencing Policy is applied to a ring-fenced amount based on existing qualifying cash reserves as at 31 March 2020 (Ring-Fenced Amount). The Ring-Fenced Amount is to be used solely in the relevant regions in which the relevant Te Pūkenga Subsidiary was located and operated when it was brought into the Te Pūkenga group on 1 April 2020. Approval to use the Ring-Fenced Amount will be in accordance with the relevant nature of the expenditure – e.g., a request to Te Pūkenga to spend all or part of the Ring-Fenced Amount on a capital project will be considered in light of the capital expenditure Te Pūkenga Approval Matter referred to at item 1 of this document.
	15. Director Remuneration Authorisation of Director Remuneration	✓			<ul style="list-style-type: none"> See Schedule 2 (para (o)) and clause 13 of the Constitution. Remuneration must be in accordance with the Fees Framework.
	16. Director indemnity and insurance Providing an indemnity and effecting insurance for directors of the Te Pūkenga Subsidiary	✓			<ul style="list-style-type: none"> See clause 14.1 of the Constitution. Note that section 162 of the Companies Act 1993 provides an indemnity may be provided and insurance effected by the Te Pūkenga Subsidiary in respect of its directors if expressly authorised by the Te Pūkenga Subsidiary's constitution.
	17. Asset management and utilisation plans Approval of an asset management and utilisation plan for the Te Pūkenga Subsidiary	✓			<ul style="list-style-type: none"> See Schedule 2 of the Constitution (para (p)).
	18. Budgets and funding <ul style="list-style-type: none"> Adoption of budget guidelines Approval of an annual budget and funding and delivery proposal 	✓			<ul style="list-style-type: none"> See Schedule 2 of the Constitution (para (q) and (r)).
	19. Out of scope activities	✓			<ul style="list-style-type: none"> See Schedule 2 of the Constitution (para (s)).



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Pacific, and disabled learners; and (g) promote equitable access to learning opportunities for learners across all regions; and (h) have culturally responsive delivery approaches, whether on campus, in the workplace, online, or otherwise; and (i) work collaboratively with schools, wānanga, and other tertiary education organisations (including workforce development councils) to improve the outcomes of the education system as a whole, including the transition of learners into employment. 5. In giving effect to clause 4, Te Pūkenga must ensure that— (a) students and employers can transition seamlessly between delivery sites and educational modes, including between workplaces and other forms and places of learning; and (b) programmes of study and qualifications are portable and consistent, yet flexible enough to meet local needs; and (c) the academic integrity of the education and training	Approval of any transaction or activity which is inconsistent with the scope and/or nature of the Te Pūkenga Subsidiary's activities set out in the approved annual budget and funding proposal				
	20. Major transactions Entering into any major transaction (as defined in section 129 of the Companies Act 1993).	✓			<ul style="list-style-type: none"> See section 129 of the Companies Act 1993. A major transaction, in relation to a Te Pūkenga Subsidiary, means: <ul style="list-style-type: none"> the acquisition of, or an agreement to acquire, whether contingent or not, assets the value of which is more than half the value of the Te Pūkenga Subsidiary's assets before the acquisition; or the disposition of, or an agreement to dispose of, whether contingent or not, assets of the Te Pūkenga Subsidiary the value of which is more than half the value of the Te Pūkenga Subsidiary's assets before the disposition; or a transaction that has or is likely to have the effect of the Te Pūkenga Subsidiary acquiring rights or interests or incurring obligations or liabilities, including contingent liabilities, the value of which is more than half the value of the Te Pūkenga Subsidiary's assets before the transaction.
	21. Operational Te Pūkenga Approval Matters Decisions on any operational matter which is specified to be a Reserved Matter/Te Pūkenga Approval Matter in an OFP Direction, including any: <ul style="list-style-type: none"> change to the remuneration of Chief Executive approval of any remuneration for any new Chief Executive approval of any proposed changes to the terms and conditions of employment of the Chief Executive, or any proposed terms and conditions for any new Chief Executive negotiation and agreement of any Multi Employer Collective Agreement change, development and implementation of business systems materially inconsistent with guidelines and limits adopted by Te Pūkenga and notified to the Te Pūkenga Subsidiary 	✓✓			<ul style="list-style-type: none"> See Schedule 2 of the Constitution (para (t)). The specific operational matters requiring Te Pūkenga approval will be set out in the OFP Direction issued by Te Pūkenga from time to time.



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<p>programmes it delivers is protected; and</p> <p>(d) New Zealand's reputation as a quality study destination for international learners is sustained; and</p> <p>(e) the range of education and training options available to learners and employers is appropriately broad and current; and</p> <p>(f) future skill needs are anticipated and quickly responded to; and</p> <p>(g) teaching and learning is supported by research, evidence, and best practice; and</p> <p>(h) learning pathways provide learners with a range of opportunities to progress to higher levels of education and training, and also into employment; and</p> <p>(i) the needs of adult and second-chance learners are afforded high priority.</p>	<ul style="list-style-type: none"> • setting of student fees outside of the annual budget agreed by Te Pūkenga • adoption of any academic policies, student regulations and statutes that are inconsistent with any model academic policies, student regulations and statutes notified by Te Pūkenga to the Te Pūkenga Subsidiary from time to time • decision to remove a programme from, add a programme to, or change any programme on (where the change would result in a material change to the nature, scope and purpose of that programme that would impact on the Te Pūkenga network of programme delivery), the list of programmes prepared by the Te Pūkenga Subsidiary to support the Te Pūkenga Subsidiary's then-current investment plan provided to the Tertiary Education Commission for the purposes of the Te Pūkenga Subsidiary obtaining SAC funding • change of scope of regional delivery of programmes • decision relating to the design or implementation of regional or international marketing which is materially inconsistent with the brand standards and/or marketing approach of Te Pūkenga • decision relating to the entry of the Company into risk management facilities (including the establishment of a derivative dealing line/limits with a bank, or the signing of an ISDA agreement) 				
C. Notification and Consultation Matters					
	<p>22. Matters requiring notification and consultation</p> <p>Matters specified in an OFP Direction in respect of which the Te Pūkenga Subsidiary must give Te Pūkenga reasonable notice, consult with Te</p>		✓✓ (Note that consultation is also required)		<ul style="list-style-type: none"> • The specific matters requiring notification and consultation will be set out in the OFP Direction issued by Te Pūkenga from time to time (see clause 7.2(c) of the Constitution). • Please note that Te Pūkenga issued guidance to Te Pūkenga Subsidiaries on 5 June 2020 regarding collective bargaining and, in



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	Pūkenga and have due regard to comments from Te Pūkenga, including any: <ul style="list-style-type: none"> circumstances where the Te Pūkenga Subsidiary is likely to exceed, or exceeds, 102% of its total budgeted operating expenditure for a financial year circumstances where the Te Pūkenga Subsidiary is likely to receive, or receives, less than 98% of its total budgeted operating expenditure for a financial year appointment of Chief Executive performance review of Chief Executive adoption or amendment of student regulations and statutes (where consent is not required above) development and adoption of the Te Pūkenga Subsidiary's statement of strategic intent initiating bargaining for, bargaining and entering into any Collective Employment Agreement (other than a MECA) (provided that the Te Pūkenga Subsidiary must ensure that the terms of any concluded Collective Employment Agreement are within agreed parameters set by Te Pūkenga as notified by Te Pūkenga from time to time, with any departure from those parameters (if any) requiring Te Pūkenga consent, and with any difficulties in concluding a Collective Employment Agreement to be advised by the Te Pūkenga Subsidiary to Te Pūkenga) proposed restructuring of the Te Pūkenga Subsidiary which would in the Te Pūkenga Subsidiary's view, have a substantial impact on the strategic direction and initiatives as notified by Te Pūkenga to the Te Pūkenga Subsidiary from time to time. For any other proposed restructuring, the Company is expected to (i) participate in any Te Pūkenga group transition programme that 				particular, the parameters that will apply to Collective Employment Agreements as contemplated by the OFP Direction.



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	exists, and (ii) notify Te Pūkenga of the outcome, in each case in order to keep Te Pūkenga informed The OFP Direction also provides that Te Pūkenga Subsidiaries are required to notify Te Pūkenga (but not consult with Te Pūkenga) where there are any new employment policies introduced.				

