

Hon Chris Hipkins

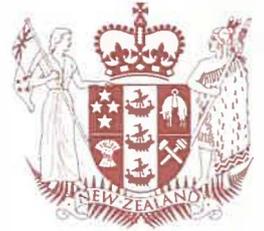
MP for Rimutaka

Minister of Education

Minister of State Services

Leader of the House

Minister Responsible for Ministerial Services



04 MAR 2019

Dr Neil Barns
Commissioner
Whitireia Community Polytechnic and Wellington Institute of Technology
Private Bag 39803
Wellington Mail Centre
Lower Hutt 5045

Dear Neil

Merger business case

Thank you for meeting with me on 18 December 2018 to discuss Whitireia Community Polytechnic (Whitireia) and Wellington Institute of Technology (WelTec), and your proposal to merge the two institutions.

I would like to thank you for the submission of your merger business case. I appreciate that it was the result of a significant body of work by you, the Chief Executive, senior management and staff at both Whitireia and WelTec. I would also like to acknowledge that informing you of my views on the merger at the announcement of my proposed reforms was not the best forum to do so.

I have carefully considered the merger business case. While there is a clear rationale for the merger, given my proposed Reform of Vocational Education, I do not believe it is in the best interests of the tertiary education system to progress with a merger at this time.

As I recently announced, I propose to establish a New Zealand Institute of Skills and Technology from 1 January 2020. A merger between Whitireia and WelTec at this time, subject to consultation, would mean two sets of major structural and governance changes in less than a year, with two sets of associated change costs and impacts on staff. I am also concerned it would create some confusion for students and other stakeholders in the context of my proposed reforms.

I am aware that Whitireia and WelTec have a significant change programme planned for 2019 to reduce costs in an effort to achieve a break-even result in 2020. I appreciate that making changes at this time will be difficult, given the substantial transformation on the horizon and the uncertainty this creates. However, under your leadership as Commissioner, I expect Whitireia and WelTec will continue to strive to achieve the change programme targets agreed with the Tertiary Education Commission as part of the funding agreement with the Crown for the \$15 million in support provided to Whitireia. I also expect you to take any other such

actions required to reduce your deficit within the bounds of the current arrangements between the two institutions.

I look forward to engaging with you further over the coming months as part of the consultation on the Reform of Vocational Education, and Whitireia and WelTec's financial situation.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'CHIPKINS', with a stylized flourish at the end.

Chris Hipkins
Minister of Education

cc. Tim Fowler, Chief Executive, Tertiary Education Commission
Chris Gosling, Chief Executive, Whitireia and WelTec