

18 January 2021

Attention: Minister of Education

Hon. Chris Hipkins

[chris.hipkins@parliament.govt.nz](mailto:chris.hipkins@parliament.govt.nz)

Copy to: Tim Fowler, CEO Tertiary Education Commission; Hon.Kelvin Davis - Associate Minister of Education (Māori Education); Hon. Jan Tinetti - Associate Minister of Education; Hon. Jacinda Ardern - Minister of Parliament for Mt Albert; Murray Strong - Chair Te Pūkenga Board; Kim Ngārimu - Deputy Chair Te Pūkenga Board; Dr. Wayne Ngata - Chair Te Taumata Aronui; Stephen Town - CEO Te Pūkenga; Ana Morrison - DCE Partnerships and Equity; Merran Davis - DCE Transformation and Transition; Peter Winder - Chair MIT / Unitec Board; Gus Gilmore - CEO MIT / Unitec.

## Open Letter

Tēnā koe e te Rangatira, Hon. Chris Hipkins, Minister of Education,

### **Te Whare Wānanga o Wairaka Rūnanga and Staff - Call for a Review of the Unitec / MIT Integrated Executive Leadership Restructure**

I am writing on behalf of members of Te Rūnanga o Te Whare Wānanga o Wairaka and Te Roopu Mataara (Māori staff at Unitec), to raise serious concerns regarding the governance and management restructure of Unitec that has resulted in the appointment of a single CEO and consolidated management team.

Our concerns are about both process and substance with the outcomes being significant, including the destruction of trust with iwi, Māori staff, students and Māori Urban groups. This trust has taken years to establish and to diminish this is unacceptable and deplorable. We also believe that the process and outcome are not conducive with good management and leadership principles. We believe that this is a considerable risk to the institution and the iwi and Crown relationships. To this end, we are seeking:

- a halt to the current disestablishment of executive leadership members for Unitec and MIT,
- A review of the process undertaken to consolidate the executive leadership teams for Unitec and MIT be reviewed and,
- A review of the process that led to the appointment of a single CEO for Unitec and MIT.

### **Background**

In 2018 Te Whare Wānanga o Wairaka had a story that consisted of debt, declining student numbers, a failed transformation project, an academic downgrade to Category 3, the disestablishment of a council and the appointment of a Commissioner, low staff engagement

results, low student net promoter scores (NPS), poor reputation within the local community and the departure of several executive leadership team members.

The remaining executive leadership team members had five weeks to present a renewal plan for the Tertiary Education Commission to present to Cabinet seeking a loan of up to \$50 million to keep the doors open, Unitec was on its knees. The renewal plan had the following priorities:

- To design a sustainable operating model and structure for a minimum of 6,000 EFTS (equivalent full-time students) for 2020 and beyond;
- To realise overall cost savings of 20% across the organisation (\$34 million);
- To engage effectively with stakeholders and key people throughout the process; and
- To enable Unitec to recover and grow in core areas of opportunity.

The executive leadership team learnt from the failed 2014 Transformation project, which aimed to be a world-class leader in contemporary applied learning. The project was poorly implemented, and staff did not feel consulted or heard.

The initial driver for the renewal plan was to find savings to secure a loan, but with the need for financial sustainability came a full examination of the organisation's purpose and priorities. Unitec needed to find \$34 million savings to provide a sustainable operating surplus, which required an initial 20% cost saving. This level of saving required changes to the core business model, and several key areas were identified. These were:

**1. Core purpose and strategic priorities**

Learners needed to be put back at the centre, with an increased focus on Māori, Pacific, Under 25's and International students.

**2. Living Te Noho Kotahitanga**

The 2001 Te Noho Kotahitanga partnership agreement between Māori and Unitec, was the first document of its kind at any NZ tertiary institute. The executive leadership team acknowledged that all decisions needed to be underpinned by Te Noho Kotahitanga principles<sup>1</sup> and Unitec needed to demonstrate the behaviours and values of the partnership agreement.

**3. Examination of core business**

Unitec needed to review its mix of provision, ensuring it continued to meet the needs of the communities it serves.

**4. Organisation structures**

The structure was top-heavy in well-paid management positions. The structure needed to reflect a move to placing learners back at the centre.

**5. Academic quality and best practice**

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<sup>1</sup> <https://www.unitec.ac.nz/about-us/te-noho-kotahitanga-and-unitec>

Following a downgrade to Category 3, the academic quality needed a thorough review.

**6. *Building trust and confidence/lifting staff engagement***

Trust and confidence in senior management was low, and relationships with the staff needed rebuilding. Most importantly, the staff needed to be given hope. Relationships with the unions needed repairing, as did many of the community relationships.

**7. *Continuous improvement***

Self-assessment and review was not the culture of Unitec and tools to improve this needed to be developed.

As a consequence of the above, Manaakitia Te Rito, Unitec's Renewal Strategy (2019-2022) was developed and approved, with Unitec receiving a concessionary loan of up to \$50 million.

Manaakitia Te Rito<sup>2</sup> is our commitment to Te Noho Kotahitanga, the partnership and principles which express our commitment to Te Tiriti o Waitangi and underpins the values and kaupapa of our organisation. It places our learners and community at the centre of everything that we do. We use the Takitahi<sup>3</sup> as a visual representation of this strategy, weaving over one strand, then under the other strand. Takitahi is a symbol that represents synergy, cohesion and strength. Each and every strand - and each of our values and goals is woven together in unity to create the weave. This strategy has been the realisation of the work undertaken by the outgoing Unitec Executive Leadership team, it is their legacy and is now unravelling due to the rapid dismantling of this current team.

**Implementation**

Radical transparency and relentless communications was the call from the executive leadership team. Throughout the remainder of 2018 staff were fully informed and asked to participate in all stages of the project, leaders made themselves visible and accessible to all moving to a communal area in a newly refurbished building.

Communications continually reiterated the core purpose and strategic priorities. Te Noho Kotahitanga was always referred to, and micro-credentials were developed to support staff to unpack and live Te Noho Kotahitanga in their roles.

43 separate restructures were undertaken to adjust the academic structure, to a flatter model. 15% of programmes were cut, and staffing was reduced by 250, a mix of casual and tenured staff.

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<sup>2</sup> Manaakitia te Rito - a powerful metaphor adopted by Unitec's renewal strategy that places students (rito) at the centre of all we do.

<sup>3</sup> Takitahi - Unitec's way of ensuring that all individuals contribute to meeting the outcomes of Manaakitia te Rito.

Investment into extra resources to support Māori, Pacific, Under 25 and International students was made. Relationships with Rūnanga and Fono were repaired and strengthened, with these two key groups becoming the Māori and Pacific community voice.

By the end of 2019, around \$22 million in savings had been realised. Half of this was achieved through workforce reductions and the other half through cutting operational expenditure. The indications have been that by 2022 there will be an operating surplus. The entire process was managed with the values of Unitec, the values of Te Noho Kotahitanga woven through the actions and implementation and led by the Executive Leadership Team in a completely transparent manner. All questions and answers to those questions were released to staff and made available via the staff intranet, a culture of radical transparency and relentless communication that was promised by the Executive Leadership team and had continued, until this most recent review of the Executive Leadership teams across Unitec and MIT. This culture became the culture of Unitec, filtering up, across and down structures and has been integral to the positive results experienced at Unitec over the past two years. This has also been the culture our communities and stakeholders have grown accustomed to, and has been a major contributing factor to the return of many of them to our whenua as evidenced by you in your quote below:

“There are ways of doing that which actually bring people along for the ride. If you look at some of our Polytechs, I take Unitec for example, they made some really tough decisions over the last year as a result of a massive deficit, and they’ve managed to bring people along for that journey, and actually, staff have been complimentary about the tough calls they have been making at Unitec because they process has been good, and even if people have lost their jobs at the end of it, they’ve said “we think this process has been fair, we understand the logic, we understand the reasoning, and we’re behind this process.” So the staff concern, I think, is that they want to be treated with dignity and respect through this process and I think that’s a fair request.” (11/11/2019)

## Results

- In early December 2020, Unitec received an interim result of a strong Category 2. Of significance and a testament to the current Executive Leadership team Question 1.2 ‘What is the value of the outcomes for key stakeholders, including students’ the evaluators stated “ The distinctively bicultural focus of Unitec is based on the recognition of Māori as tāngata whenua and is embedded in Te Noho Kotahitanga, Unitec’s partnership agreement with tāngata whenua. This philosophy is highly valued by tāngata whenua and other stakeholders and underpins the values and kaupapa of the whole organisation.”

Furthermore;

Question 1.5 ‘How effective are governance and management in supporting educational achievement’ an interim rating of Excellent for both Performance and Self Assessment has been awarded, a stark contrast from the previous External Evaluation and Review Report. The strong values-based leadership, the learner at

the centre culture and mutual of the institution feature heavily throughout the report with the evaluators also stating “Management was open in appreciation of the efforts, loyalty and dedication of staff and, equally, many staff expressed confidence in, and appreciation of, Unitec’s leadership.”

- In October, despite Covid-19 challenges, Unitec’s net promoter score was at an all-time high of 23 for returning students and 38 for new students.
- The staff engagement survey completed in November reached 84.5%. The highest results since the survey’s inception in 2014. Historical trends show a direct correlation between positive staff engagement and increased student net promoter scores. However, of concern is the lower endorsement of line management within the Office of the Chief Executive with specific detractors highlighting low endorsements towards collaboration and the creation of an environment for good teamwork.
- The Establishment of an Indigenous and Māori Research Centre – Ngā Wai a te Tūi. Research projects undertaken by Ngā Wai a te Tūi have strengthened relationships with local and national marae.
- Increased numbers of kura kaupapa Māori working with Unitec Pathways College.
- Increased mātauranga Māori content in programmes and across all areas of the business, as an example, please see our bilingual versions of our latest campaign. [English Version](#) [Te Reo Version](#)

### Consultation Process So Far

In July 2020, following the successful appointment of Unitec’s Interim CEO, Merran Davis, to the DCE Transformation and Transition, Gus Gilmore was appointed by the newly formed Unitec / MIT Board as the Joint CEO for Unitec / MIT. On 24 August the Rūnanga submitted to Murray Strong, Stephen Town, Peter Winder and Dr Wayne Ngata a memo containing concerns about the lack of consultation in appointing Gus Gilmore to the CEO position for Unitec<sup>4</sup>. The memo was pushed back by Te Pūkenga to the integrated Unitec / MIT board chair. The Board<sup>5</sup> authorised the Joint Unitec / MIT CEO to write to the Rūnanga to:

- a) confirm the Board’s view that a co-leadership Deputy Chief Executive model is not considered workable given the current context of both MIT and Unitec; and
- b) confirm the Board’s support for a move toward leadership roles that work across both institutions, including a strong focus on Māori and Pasifika learners.

It is evident through these communications that there has been no intention to engage in Tiriti partnership conversations and is an example of power over behaviours, instead of power with behaviours that you would expect to see with Tiriti partners.

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<sup>4</sup> Appendix 1

<sup>5</sup> Minutes from Open Board Meeting held 24 September 2020.



By November 2020, a proposal to restructure the ELTs for an integrated Unitec / MIT was announced. Tier 3 managers whose report lines would be impacted were invited to a 30-minute online presentation at noon on Tuesday 8th December. Permission was required to share the documents further, with a response to the proposed structure required by Friday 11th December at noon - a three-day turnaround to consult with broader staff and provide feedback. Four submissions were made from key Māori rūpū and individuals within Unitec - Te Tumu, Executive Director Student Success, Glenn McKay; Te Rūpū Mataara (100 Māori Staff)<sup>6</sup>; Director Ngā Wai a Te Tūi, Professor Jenny Lee-Morgan; and Te Rūnanga o te Whare Wānanga o Wairaka

A final structure was delivered on Thursday 17th December at 1.15 pm, by an online 30 minute Microsoft Teams meeting to Tier 3 managers whose report lines would be impacted. A 'watered down' version of the final outcome document, missing vital information on feedback and concerns received by the CEO, regarding key structural positions was then delivered via email to all other Unitec staff at 4.00 pm Thursday the 17th of December. We understand executive leadership members received notification individually on Tuesday 15th December and Wednesday 16th December. This process took place when the institution was closing down for Christmas, and many staff were focussed on closing final work tasks or had taken early annual leave to prepare for Christmas holidays. Reading emails was not a high priority, given staff's need to vacate all buildings by midday on the 18th December.

In your letter New Zealand Institute of Skills and Technology – Letter of Expectations to Murray Strong, page 2 confirms *Expectation 1: Te Tiriti o Waitangi: Delivering partnership, protection, participation and equity*. This details the expectation of NZIST to demonstrate a genuine commitment to Te Tiriti o Waitangi and the principles that underpin the relationship between Government and Māori, where there is a joint responsibility to ensure the education system delivers with and for Māori.

The Charter requires NZIST governance, management and operations to give effect to Te Tiriti, recognise that Māori are integral to regional, social, environmental, and economic development; and commit to improving outcomes for Māori learners, hapū and iwi, and employers.

Furthermore, the Crown Tertiary Education Institutions have a responsibility to genuinely partner with Māori to ensure the education system delivers with, and for, Māori.

Following the announcement of the final structure, Te Rūpū Mataara sent a further response to Gus Gilmore, Stephen Town and Murray Strong on Friday 18th December. Te Rūpū Mataara felt that their position as Treaty partners and kaitiaki of Te Noho Kotahitanga had been disregarded at every level. There was a lack of meaningful engagement, consultation and co-design with Māori in all aspects of the change process. The entire approach lacked any tikanga that engaged with the rūpū as Māori and Treaty partners in respectful ways. Many were left feeling demoralised, and concerned for their health and safety as Māori at Unitec. They are aware that the behaviour is not new; with the most recent incident of structural racism receiving much public attention at Waikato University. Understandably, the rūpū felt this was a missed opportunity to continue to build on the work of the outgoing leadership and demonstrate authentic Te Tiriti partnerships.

### Summary of Concerns

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<sup>6</sup> Copies available on request

The rapid appointment of a dual Chief Executive for Unitec and MIT and the accelerated rate at which the entire process; from the proposal for change to the delivery of an outcome, is of great concern. It is also contrary to the values and principles of Te Noho Kotahitanga.

Under Manaakitia te Rito a successful turnaround at Unitec was achieved by an inclusive, authentic partnership approach. Staff, students and key stakeholders were truly consulted and heard with an agreed approach being arrived at. This change in kaupapa is the reason we have been able to move from an organisation with low staff engagement, poor learner outcomes, dissatisfied students and an unsustainable business model. Under the visible, inclusive, value-based leadership of the outgoing Unitec executive team, all of Unitec have worked together to achieve:

- the highest ever net promoter score (NPS);
- our highest ever staff engagement rating;
- the establishment of Ngā Wai a Te Tūi;
- increased presence in our kura kaupapa Māori across Tāmaki Makaurau;
- adoption of Manaakitia te Rito;
- a stronger working partnership with Rūnanga;
- an increased engagement in Te Noho Kotahitanga;
- a concerted effort to embed mātauranga Māori into all that we do, leading to improved outcomes for ākonga Māori; and the list goes on.

Whilst the operating model for Te Pūkenga is still to be designed, consulted or agreed and all ITPs and ITOs are facing considerable change by the end of 2022, we question why one of the largest ITPs in the country is being dismantled at this time. Just a few years ago Unitec was a broken organisation, but under a strong leadership team who upheld the principles of Te Noho Kotahitanga, it is now a stable, sustainable organisation and enjoys a high level of staff and student engagement. The Tāmaki Makaurau strategy is yet to be consulted on, yet all of the executive members who led the renewal of Unitec were disestablished, days out from Christmas. It appears that an unnecessary experiment is happening across Tāmaki and we are out of step with the rest of the country.

In terms of the restructure itself, there is a strong perception of bias where positions appear to have been written for specific existing executive members which has excluded others from being considered for these positions. An artificial attempt to progress the ‘co-partnering’ model has failed, and there has been a lack of transparency throughout. Initially, the change proposal was only given to the affected executive members, and it took considerable urging for the proposal to be shared with other senior leaders who were then only given a few days to respond. Critical to Unitec’s success has been real transparency, authentic consultation and partnering – none of this has occurred in this significant change proposal.

The announcement of the outcome of the proposal was on the day before Unitec closed for the holiday break which is again perceived as strategically timed and many staff are saying they feel vulnerable, disappointed, let down, and concerned about the future of the organisation.

We believe there is a high level of risk around the change process and how it has been poorly managed, and ultimately this has put the whole organisation at risk. There is now a sense of déjà

vu for those staff who had previously experienced the failed transformation project. The Joint Unitec / MIT CEO has indicated there is no intention to restructure any further down the organisation as yet. Instead, he will look to consolidate areas of the business when vacancies arise. The poor management of this change process is the sort of driver that leads to the loss of staff and institutional knowledge that opens the organisation to further risk.

The Tertiary Education Union's commissioned report Blind Faith: Deconstructing Unitec 2015-2017 outlines feedback from Unitec staff regarding the multiple change proposals that contributed to the downfall of Unitec. The report stated "now is also an opportunity to rebuild the institution in an enlightened and progressive way, constructing a democratic and collegial culture of high trust; honesty; a focus on the public interest; respect for staff and students; a progressive tertiary culture; and service. Reform should create a new progressive power-sharing institution". It also noted in its preface that "Several participants in the study pointed out that by the end of 2017, an entirely new executive leadership team had taken over, potentially indicating more enlightened and receptive leadership". This was the beginning of the executive leadership team that has rebuilt Unitec by walking alongside their staff, disestablished days before Christmas 2020.

While the change proposals in the report were large scale and widespread across the organisational structures, the concerns and actions are the same, staff are not being consulted in a transparent or genuine manner, and feedback has not been taken on board.

According to Te Pūkenga Board Chair, Murray Strong, "We have a once in a generation chance to get this right"<sup>7</sup> however we are again being asked in blind faith to deconstruct Unitec.

We look forward to receiving your response to our requests.

Ngā tauwhirotanga o te wāhi ngaro kia koutou ko to whānau,

Nāku noa



Tui Ah Loo

Chair, Te Rūnanga o Te Whare Wānanga o Wairaka

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<sup>7</sup> In Ngākau Mākahi, Te Noho Kotahitanga Marae on the 25th of November 2020,



## Appendix 1: Memo from Te Rūnanga o Te Whare Wānanga o Wairaka.

### MEMO

**To** Murray Strong (Chair, NZIST), Stephen Town (CEO, NZIST)  
**CC** Peter Winder (Chair Board of Directors MIT/Unitec) , and Dr Wayne Ngata (Chair, Te Taumata Aronui)  
**From** Tui Ah Loo (Chair, Te Rūnanga)  
**Date** 24 August 2020  
**Subject** Te Rūnanga o Te Whare Wānanga concern regarding process and impact of the appointment of the CEO of Unitec.

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Tēnā kotou e ngā mana o NZSIT. Tēnei te mihi mahana ki a kotou i tēnei wā taumaha nei mo Aotearoa whānui tonu, hāunga anō te ao whānau. E hoa mā e manako nui ana kei te pai tā koutou noho mai ki o kotou ake kāinga, ngā whānau, tamariki mokopuna hoki.

#### Purpose

Regretfully, the purpose of this memo is to outline on behalf of Te Rūnanga o Te Whare Wānanga o Wairaka , deep concerns about the process and impact of the recent appointment of the CEO of Unitec. As a key Strategic Advisory Committee committed to supporting the CEO and ELT of Unitec, it is deeply disappointing that the Rūnanga has been excluded in this process. This, after nearly forty years of strategic advice and support for Unitec governance and leadership through numerous restructures, appointments and shifts in delivery for Māori including the build of the iconic Te Noho Kōtahitanga Marae.

#### Te Rūnanga o Te Whare Wānanga o Wairaka

By way of background, Te Rūnanga o Te Whare Wānanga (Te Rūnanga) of Wairaka is Unitec's non-executive advisory group providing the Chief Executive, and previously the Commissioner of Unitec, with strategic leadership on responsiveness and effectiveness to Māori. Te Rūnanga also advises Unitec in responding to its Te Tiriti o Waitangi obligations, Te Noho Kōtahitanga partnership agreement, and the Māori Success Strategy. It was established in 2001 through the esteemed leadership of the late Sir Hugh Kawharu, Sir John Turei and other Iwi leaders. For nearly forty years it has provided strategic advice and guidance to Unitec with endorsement and representation from Ngati Whatua ki Orakei and Iwi whānui across Tamaki.

The current members of Te Rūnanga o Te Whare Wānanga o Wairaka are Māori representatives who possess extensive Māori, Government and NGO networks across Tāmaki Makaurau. The members possess specific skills, deep expertise, and demonstrable experience across Māori Tertiary Education, Health, Community and Social Services, Technology, Commerce and Business leadership.

The underperformance of the tertiary system for Māori remains a significant concern for Te Rūnanga. Despite best efforts, participation and achievement outcomes are lower for Māori than the broader population. The current Executive Leadership Team (ELT) at Unitec are committed to closing this achievement gap – and Te Rūnanga have played a crucial role in this journey to date. We are committed to working in partnership with the Chair of the Board of Directors and Unitec's Executive to bring changes that will produce excellent outcomes for all Maori students.

#### Te Noho Kōtahitanga

Unitec is underpinned by Te Noho Kōtahitanga, Unitec's partnership agreement with Māori. The partnership and principles of this agreement express Unitec's commitment to Te Tiriti o Waitangi and underpins the values and kaupapa of Unitec and its renewal strategy – Manaakitia te Rito. The renewal plan was a people led strategy led by its partnership agreement, Te Noho Kōtahitanga. All decisions needed to be underpinned by the values of Te Noho Kōtahitanga and the organisation embraced the partnership 'walking the talk' with a co-leadership approach used by the Chief Executive and Tumu and actively demonstrated the behaviours and values in consultation with the Rūnanga. As indicated in the recent Internal Evaluation Review (IER) Unitec is headed in the right direction and there is still much work to do.

### **Responding to the recent appointment of the Unitec CEO**

It is, therefore, extremely disappointing to have to write this submission on behalf of the Rūnanga to express on our collective behalf, our concerns in regard to the way in which the appointment of Gus Gilmore as Chief Executive of both Unitec and MIT, effective from Monday 31 August has occurred. In particular, there has been no consultation with the Rūnanga on both the process and decision regarding the new CEO. This is deeply offensive and we have also been approached by Maori staff who are upset by the appointment even though our focus is on our advisory function. We believe the selection body must consider how this leadership role can improve the outcomes for Māori students and the organisation.

Given New Zealand's population structure and the need to significantly upskill Iwi Maori a key driver in the success of NZIST will be how you engage with Maori. It is therefore disappointing that Te Rūnanga has been excluded from this critical decision for the future of Unitec. By doing this, the members of Te Rūnanga cannot provide their expert advice, we cannot effectively represent the views of our Māori communities, and we cannot endorse the appointment process. For these reasons, at present, we cannot support the appointment.

### **Recommendation**

We do, however, seek to work forward together in partnership, and we recommend:

- That a permanent appointment to the CE role at Unitec be paused until further dialogue is held with Iwi leaders and Te Rūnanga o Te Whare Wananga o Wairaka including how the view of Treaty partners and stakeholders can be woven into such a critical leadership appointment.

### **Other concerns**

Members of Te Rūnanga support outcomes that improve the wellbeing and success of Māori students. To date, it is not apparent how these outcomes have been considered by the selection panel. Te Rūnanga is concerned that the interests of Māori students and the Māori community have been side-lined.

I would also like an update on the consultation that has taken place to date and the feedback that has been received from Maori stakeholder group's for the appointment.

### **Next steps**

I request an urgent meeting with you to discuss the concerns contained in this letter.