

Budgets 2022 – Questions not covered in the live hui, 24 September 2021

Q: The UPC team is growing and continues to grow with no direct benefit, majority of these students will come to Unitec anyway.

A: Staffing in the UPC space has only increased by 2.4 FTE (including teaching FTE) in 5 years, with Vocational Pathway, STAR and Trades Academy students having increased heavily since 2017; we have gone from 10 partners to 35 in this space, delivering in 2017 to a little over 200 students, in 2021 this number is close to 500, with almost the same staffing as in 2017.

\$5.8+ million of work has come into Unitec in 2021 as a result of the initiatives of this team, close to \$1.5 million of that alone from conversion of Vocational Pathway and Trades Academy students.

Q: Are we sure the Tribal benchmarking is comparing like for like? Decisions are being made on which teams are to make the largest cuts based on benchmarks where we know that teams at Unitec are structured differently to other ITPs.

A: The Tribal Benchmarking has been used by TEC and ITPs to provide both financial and non-financial measures. Data is normalised against core revenue and it is one view of comparing the ITPs' performance. Recognising the need to improve our operating margin – given that Unitec's margin is the lowest in the sector, we determined all support areas needed to improve their cost structures and Schools were viewed on a case by case basis dependent on EFTS.

Q: How much was the cost of cleaning the asbestos in several buildings while the service age of those are in question? How to defend that cost?

A: As per an earlier response the cost was \$2m and, regardless of the cost, the safety of our staff and students was our number one priority.

Q: If cost savings are asked of areas whose costs is nearly all staff, is it fair to say that staff cuts are the last option?

A: With staffing costs making up just under 70% of our operating costs these clearly have the largest impact when looking at cost savings. However as mentioned, we have also worked with cost centre managers to review all other costs, fixed term staffing, contractors and other "non-permanent" staff costs. Our priority is to reduce non-staff spending first.

Q: Is this a fait accompli? If we're able to find additional revenue via EFTS or other revenue streams, could the \$2.5m savings target change?

A: As mentioned, we will constantly review the 2022 budget by way of a monthly re-forecast, and if evidence supports any additional revenue that requires additional resource to deliver, then we would adjust our expenditure for this. Given the majority of our government funding is capped and international EFTS are impacted by the closed borders, we have to take a conservative yet realistic approach to next year's revenue.

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Q: Our enrolment system is broken because of continuous restructure. We lose good staff in the process, we have been told conversion rate is not great. We are again trying to restructure.

A: The enrolment process for new & transferring students has been a success story for Unitec since bringing it back in house in Semester 2 2017. We've processed more applications in 2021 than 2020; year on year we've decreased the time taken from receipt of an application to contact & issuing an offer. Over 92% of applicants are now contacted within 48 hours of their application by a Specialist, following pre-assessment checks. The Student Net Promoter Score (NPS) for the enrolment process has continued up each year since we brought in back in house in Semester 2 2017, and is now an exemplar.

The conversion rate in isolation is not an accurate gauge of enrolment success. It is highly variable across programmes and Schools. Also, where there are caps for the number of students in classes and an increasing number of applications, this equation lowers the conversion rate. Where the programmes are in our largest areas such as Construction, this can add significant weight to the overall institute's result. This is particularly the situation in those programmes with TTAF funding, i.e. demand exceeds supply.

Continued resourcing cuts in Enrolment & Academic Operations have been the catalyst for making processes as efficient as possible within the constraints we have, i.e. academic regulations, codes of practice, legislative provisions & IT systems. However, it is acknowledged that with the increases in applications the efficiency opportunities have plateaued and that with decreases in resources, the applicants may experience longer processing times. This is a risk and we will mitigate that risk where ever we can.

Earlier in the year we added extra resource to the enrolments team to help clear a backlog of enrolments that were banking up, our priority will always be to make sure the team is well resourced during these peak times.

Q: The admin and enrolments teams need bolstering to convert more applications rather than making cuts... this is where the problem is if there aren't enough staff in this area maybe?

A: Please see response above.

Q: SEAtS costs a lot of staff times (especially under lockdown situation) with questionable benefits. How much has Unitec spent on SEAtS in 2021?

A: SEAtS is used to track student attendance. The compliance costs for tracking international student attendance are less than any fines that could be incurred, and other implications, for not being compliant in this space.

Q: So what is the aggregate overall decline in revenue for next year?

A: Overall revenue for next year is down approximately 3.5%, made up mainly from International and Other non-EFTS Revenue impacted by the land sale.

Q: What impact will the cuts to TTK staffing have on all School academic staff and consequently the students?

A: The first priority is to reduce non-staff spending. If we do come to a point where we need to look at reducing staff costs, questions like this would be considered carefully through a consultation process.

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Q: Will there be funding available for increases in teaching staff for those programs that have had increased enrolments, so as to maintain teaching quality? - eg as a result of TTAF

A: A question similar to this was answered on the day. Yes, any areas that are undergoing growth have had additional costs baked into their budgets to reflect the additional delivery.

Q: When you make budget cuts and therefore savings, this of course has an impact on operations and we can assume that it means a 'loss' in efficiency for example. This loss is felt throughout Unitec, not in the area of cuts only. We cannot expect the same outcomes when we make cuts. Therefore when these budget cuts are made - can we expect that would come with an explanation from ELT about what they will be doing to lower expectations from all staff at Unitec?

A: Ongoing cost control is important when we have our income falling. Making those cuts are not done lightly and, if we do progress with cuts, we will need to carefully consider any impact on outcomes and mitigate them wherever we can. Process improvements is a way to minimise impact on outcome yet still save on costs. We need think carefully of alternative ways to achieve the same outcome.

Q: It seems a self-defeating thing through the Unitec/ MIT merger that we give one person two persons' jobs and expect them to perform well and increasing their salaries as Gus you have mentioned.

A: This is more a statement than a question. I don't agree with the premise of the statement, however it's up to the incumbents in these situations to use their time in the best way possible and work with the rest of the team to achieve the best outcomes.

Q: Throughout this year with an integrated ELT operating there seems to have been an increase in EAs being appointed - how is this cost saving?

A. EA support at Unitec is currently 2 FTE out of a budgeted 3.5 FTE. Two appointments have been made this year, one at Unitec and one at MIT, both filling vacant positions. MIT had 4 EAs pre the change and still have this level of resource. The number of EAs across Unitec and MIT overall has therefore decreased.