



## **CABINET FEES FRAMEWORK REQUEST – Tertiary Education Commission, Deputy Chair Fee Exception**

<b>Date:</b>	<b>14 August 2023</b>		
<b>To:</b>	<b>Hon Jan Tinetti, Minister of Education</b>		
<b>Action Sought:</b>	<b>Sign and send</b> the attached letter to the Minister of Education	<b>Due Date</b>	14 August 2023
<b>Report No:</b>	2023-0229		
<b>Contact:</b>	Robert Anderson, Director, System and Agency Performance, <a href="#">9(2)(a) privacy</a>		
<b>Encl:</b>	Yes	<b>Priority:</b>	High
<b>Security Level:</b>	<b>IN CONFIDENCE</b>		

### **Executive Summary**

1. The Minister of Education, Hon Jan Tinetti (The Minister), is seeking your support for a fee exception for the Deputy Chair of Tertiary Education Commission | Te Amorangi Mātauranga Matua (TEC) Board.
2. The Minister is proposing an exceptional fee for Dr Ngata of \$44,100 per annum for two years, which will put the fee slightly below the current Chair's fee of \$47,628 per annum. The increase to the fee is 150 percent increase on Dr Ngata's current fee (\$29,400 per annum).
3. The rationale for the proposed fee exception is to better reflect the higher-than-normal workload on the Deputy Chair to support the delivery of key priorities, including the Reform of Vocational Education (RoVE), Ōritetanga – tertiary education success for all, and the transfer of careers work from the Ministry of Social Development.
4. Te Kawa Mataaho (the Commission) notes the Minister's rationale for an exception due to the increased workload that Dr Ngata has taken on since his appointment as Deputy Chair. The additional work also relates directly to key priorities that the TEC Board is delivering, with a significant focus on reform for the tertiary education system.
5. The current economic and fiscal context is an important consideration that needs to be taken into account in considering fee exceptions. Ministers have signalled a strong focus on fiscal sustainability, and Crown entities have an important part to play in contributing to this outcome.

6. Weighing these factors up, the Commission's view is that there is some justification for considering an adjustment to Dr Ngata's fees to reflect the additional responsibilities and workload he has taken on. Additionally, the TEC Board currently holds two vacant positions.
7. The Commission advises a further 25 percent on top of Dr Ngata's current fee is more appropriate in the current context, with a review of the exception within 18 months. This proposal would put Dr Ngata's fee at an annual rate of \$36,750. A review within 18 months would also provide an opportunity for the Minister to consider the Board's workload and fee classification under the Cabinet Fees Framework.
8. The Minister has requested the exception is backdated to the appointment of Dr Ngata as Deputy Chair in December 2022. The Cabinet Fees Framework advises that backdating of increases should generally be avoided. However, given the time period and nature of the additional work required by the Board, there is a basis for considering backdating on this occasion.
9. The Commission recommends you support the Minister with the exception of a further 25 percent increase, backdated to 1 December 2022, with a review at 18 months, at the Cabinet Appointment and Honours Committee and Cabinet. It is recommended that you agree to sign the attached letter providing support to this revised proposal.

### **Recommended Action**

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We recommend that you:


a **note** the Minister's proposal to pay an exceptional fee to the Deputy Chair of Tertiary Education Commission

b **sign** the attached letter to the Minister of Education

*Agree/disagree*

c **agree** that Te Kawa Mataaho release this briefing in full once it has been considered by you.

*Agree/disagree.*

  
Hon Andrew Little  
**Minister for the Public Service**

## **CABINET FEES FRAMEWORK REQUEST: Tertiary Education Commission, Deputy Chair**

### **Purpose of Report**

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10. This briefing is in response to a request from the Minister of Education, Hon Jan Tinetti (the Minister) for an exceptional fee increase for the Deputy Chair of Tertiary Education Commission | Te Amorangi Mātauranga Matua (TEC) to better reflect the higher-than-normal workload.

### **Context**

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11. TEC has a critical role in shaping the education system and leading through system changes. The ongoing implementation of the Reform of Vocational Education (RoVE) programme has impacted significantly on the workload at the governance level.
12. The increase in the complexity and volume of the Board's work also includes changes to funding systems, the Board's work leading Ōritetanga – tertiary education success for all, and the transfer of careers work from the Ministry of Social Development.
13. The option of increasing the current Chair's workload was ruled out as the Minister has advised that the current Chair, Jenn Bestwick, did not have the capacity to take on additional work. As such the preference was to delegate the additional workload to the Deputy Chair.
14. The TEC board are classified as Group 3a Level 2 under the Cabinet Fees Framework with the fees set at an annual rate. The fee ranges are \$34,623 - \$73,552 for the Chair and \$17,309 - \$36,773 for members.

### **Minister's proposal**

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15. Dr Wayne Ngata MNZM was appointed as the Deputy Chair of TEC in December 2022 after three years on the Board as a member. Since he assumed the Deputy Chair role, his delegated workload has quickly increased to a similar level to the Chair's normal workload.
16. When the Chair's workload began to increase beyond actual and reasonable levels, Dr Ngata's broad skills, experience and leadership meant that he was relied on to relieve some of the work pressure of the Chair. The Minister has highlighted that if the fees do not reflect the high workload Dr Ngata has been carrying there is a risk, he may choose not to continue on the TEC Board.
17. The Minister is proposing to increase the fee to 150 percent of the current Deputy Chair rate for a two-year period, backdating to December 2022, when Dr Ngata was appointed as Deputy Chair. The rationale for the proposed fee exception is to better reflect the higher-than-normal workload on the Deputy Chair.
18. According to the Cabinet Fees Framework, deputy chair fees are paid an additional 25 percent of the member rate with Dr Ngata's current fee at \$29,400 per annum and the Chair fee at \$47,628.
19. The Minister is proposing an exceptional fee for the Deputy Chair of \$44,100 per annum for two years, which will put the fee slightly below the current Chair's fee. The Minister has suggested this will reflect the Chair's legislative accountability for the organisation whilst acknowledging the workload distribution for the Deputy Chair.

## Financial Implications

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20. The Minister of Education advises this additional cost can be absorbed by TEC.

## Our advice

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21. Te Kawa Mataaho (the Commission) notes the Minister's rationale for an exception due to the increased workload that Dr Ngata has taken on since his appointment as Deputy Chair. The additional work relates directly to key priorities that the TEC Board is delivering, with a significant focus on reform for the tertiary education system.
22. The current economic and fiscal context is an important consideration that needs to be taken into account in considering fee exceptions. Ministers have signalled a strong focus on fiscal sustainability, and Crown entities have an important part to play in contributing to this outcome.
23. Weighing these factors up, the Commission's view is that there is some justification for considering an adjustment to Dr Ngata's fees to reflect the additional responsibilities and workload he has taken on. Advice from the Ministry of Education is that Dr Ngata taking this additional workload has been necessary for the Board to support the delivery of the significant work programme TEC is leading.
24. In this context, the Commission recommends that the proposed fee exception is adjusted to reflect the current economic and fiscal context. The Commission advises a further 25 percent on top of Dr Ngata's current fee is more appropriate, with a review of the exception within 18 months. This proposal would put Dr Ngata's fee at an annual rate of \$36,750. A review within 18 months would also provide an opportunity for the Minister to consider the Board's workload and fee classification under the Cabinet Fees Framework.
25. The Minister has requested the exception is backdated to the appointment of Dr Ngata as Deputy Chair in December 2022. The Cabinet Fees Framework advises that backdating of increases should generally be avoided. Our view is that this additional work was already underway at the time of Dr Ngata's appointment and should have been a factor in considering the fees at the time. However, given complex nature of the additional work required, there is a basis for considering backdating on this occasion.
26. The Commission recommends you support the Minister with the exception of a further 25 percent increase to his current rate at the Appointment and Honours Committee and Cabinet.

## Risks

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27. 9(2)(g)(i) free and frank  
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## Next Steps

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28. It is recommended you sign and send the attached letter advising your support to increase Dr Ngata's fees by 25 percent, backdated to 1 December 2022, and that a review of the Board's workload and fee classification is undertaken within 18 months.
29. If you agree, The Commission will proactively release this briefing in full once considered by you.