



MINISTRY OF EDUCATION

Te Tāhuhu o te Mātauranga

20 November 2012

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Talent2 NZ Limited &
Talent2 International Limited
Level 24
360 Collins Street
Melbourne
VIC 3000

Attention: Brian Ashton

Dear Brian

NOTIFICATION OF ESCALATION OF NON-CRITICAL KEY PERFORMANCE INDICATORS

- 1 I write in relation to the Education Schools Payroll Outsourcing Agreement dated on or about 11 August 2008, between the Ministry, Talent2 NZ Limited (*Supplier*) and Talent2 International Limited (*Guarantor*), as amended from time to time (*Master Agreement*).¹
- 2 This letter notifies Talent2 that its failure to meet in pay periods 12 and 13 of 2012 the Non-Critical Key Performance Indicators (*KPIs*) identified below has resulted in those KPIs being escalated to and deemed to be Critical KPIs (*Deemed Critical KPIs*) pursuant to clause 13.2 of the Master Agreement.
- 3 The table below sets out the details of the Non-Critical KPIs that are now Deemed Critical KPIs and the reason for that escalation.

Deemed Critical KPI	Escalation Rationale
Phone answering	Failure to meet in successive pay periods and no remedy plan provided in respect of first failure
Termination payment	Failure to meet in successive pay periods and no remedy plan provided in respect of first failure
Payroll error resolution time	Failure to meet in successive pay periods and no remedy plan provided in respect of first failure
New appointments	Failure to meet in successive pay periods and no remedy plan provided in respect of first failure

¹ In this letter, references to the Master Agreement include a reference to its Schedules and Service Schedules. Terms defined in the Master Agreement have the same meanings when used in this letter, including the appendices of this letter. Unless the context requires otherwise, a reference in this letter to an Appendix is a reference to an appendix of this letter.

Deemed Critical KPI	Escalation Rationale
Average Call Handling Time	Failure to meet in successive pay periods and no remedy plan provided in respect of first failure
Call Abandonment Rate	Failure to meet in successive pay periods and no remedy plan provided in respect of first failure
Incident Resolution Time	Failure to meet in successive pay periods and no remedy plan provided in respect of first failure
Mailing	Failure to meet in successive pay periods and no remedy plan provided in respect of first failure
Reports sent	Failure to meet in successive pay periods and no remedy plan provided in respect of first failure
Pay Period Service Level Reporting	Failure to meet in successive pay periods and no remedy plan provided in respect of first failure
Terminate Employees	Failure to meet in successive pay periods and no remedy plan provided in respect of first failure
Assess salaries	Failure to meet in successive pay periods and no remedy plan provided in respect of first failure

- 4 To avoid doubt, the Deemed Critical KPIs detailed in the table above are now subject to clause 13.3 of the Master Agreement, in particular but not exclusively for the purposes of calculating the fees payable for pay period 14.
- 5 This letter is without prejudice to all other rights and remedies available to the Ministry, whether under the Master Agreement or at law, arising from Talent2's failures as outlined in this letter or that otherwise have occurred.
- 6 If you have any questions, please contact me.

Yours faithfully

Rebecca Elvy
Group Manager Education Workforce