2021

Report for the Year Ended 31 December 2021

Waikato Institute of Technology Limited

Annual Group Financial Statements 2021

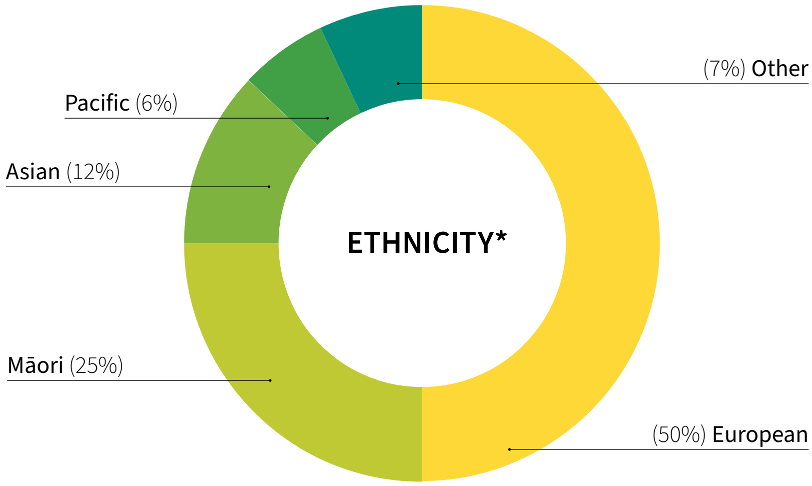
Company Directory

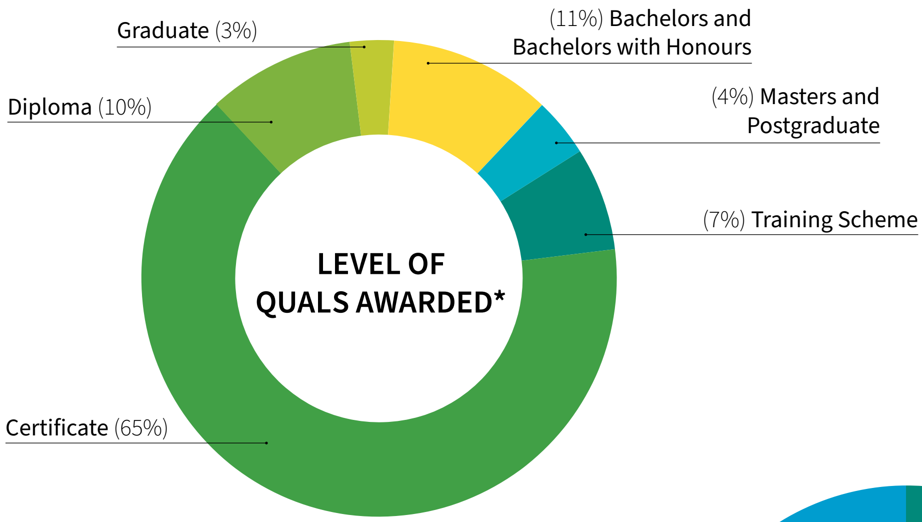
Registered Office	Wintec City Campus, Gate 3, 150 Tristram Street, Hamilton, 3204, NZ
Incorporation number	77929496 (01 April 2020)
Shareholders	New Zealand Institute of Skills and Technology
Type of entity	Tertiary Education Institution
Shares issued and fully paid	100
Current directors	Michael John Cameron CRAWFORD Margaret Patricia DEVLIN Kiri Adrianne GOULTER Tania Lee HODGES Raewyn Janeen MAHARA Niwa Ranji NURI Pamela Romsos STOREY

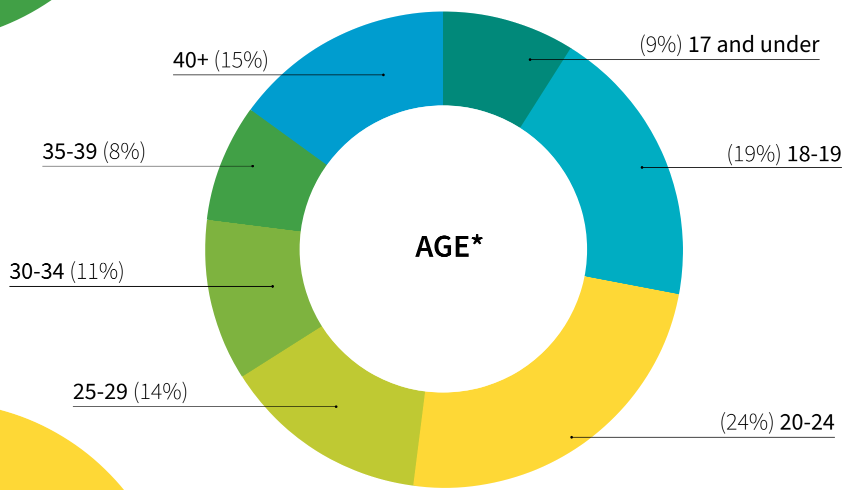
Contents

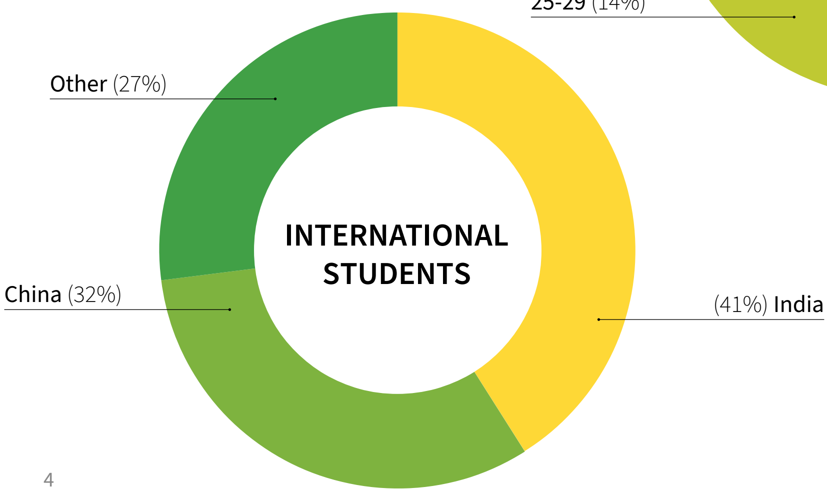
Student Statistics 2021 Summary

**This information relates to the Student Achievement Component, Level 1 and 2 On Plan Process Funding, Plan Process Level 1 and 2 under 25, Level 1 and 2 Competitive Process Pilot Funding, Training Level 3 and 4, Māori and Pacific Trades Training Level 1 and 2, Māori and Pacific Trades Training Level 3 and 4, Trades Academy, Youth Guarantee, Secondary-Tertiary Partnerships Dual Pathway initiative funding only.*









Percentage figures may be rounded.

INTERNATIONAL EFTS BY COUNTRY

	2017	2018	2019	2020	2021
India	371	445	602	770	170
China	457	404	362	182	132
Korea (South)	37	47	62	48	24
Nepal	21	32	33	46	9
Philippines	13	10	18	23	10
Sri Lanka	25	20	20	22	6
Colombia	6	8	14	9	0
Fiji	8	12	8	7	8
South Africa	6	4	7	7	7
Other	89	96	80	67	43
Total	**1,064**	**1,078**	**1,207**	**1,181**	**409**

The top 9 countries ranked according to the highest EFTS in 2021. All remaining countries are Grouped as "other".

TEC FUNDED* EFTS BY LEVEL OF STUDY

	2017	2018	2019	2020	2021
Levels 1-2	8%	6%	6%	7%	6%
Levels 3-4	34%	38%	39%	38%	39%
Levels 5-6	15%	16%	15%	16%	17%
Levels 7+	43%	41%	40%	39%	38%

**Student Achievement Component, Level 1 and 2 On Plan Process Funding, Plan Process L1 & 2 under 25, Level 1 and 2 Competitive Process Funding, Level 3 and 4 Competitive Process Pilot Funding, Māori and Pacific Trades Training L1 and 2, Māori and Pacific Trades Training L3 and 4, Trades Academy, Youth Guarantee, Secondary-Tertiary Partnerships Dual Pathway initiative funding only.*

TEC FUNDED* EFTS BY ETHNICITY

	2017		2018		2019		2020		2021	
European	2,344	52%	2,290	52%	2111	50%	2,037	49%	2,409	50%
Māori	1,174	26%	1,143	26%	1084	26%	1,012	25%	1,198	25%
Asian	407	9%	418	9%	448	11%	467	11%	584	12%
Pacific	228	5%	244	5%	216	5%	228	6%	265	6%
Other	345	8%	348	8%	347	8%	374	9%	362	7%
Total	**4,498**		**4,443**		**4,207**		**4,119**		**4,818**	

**Student Achievement Component, Level 1 and 2 On Plan Process Funding, Plan Process L1 & 2 under 25, Level 1 and 2 Competitive Process Funding, Level 3 and 4 Competitive Process Pilot Funding, Māori and Pacific Trades Training L1 and 2, Māori and Pacific Trades Training L3 and 4, Trades Academy, Youth Guarantee, Secondary-Tertiary Partnerships Dual Pathway initiative funding only.*
Percentage figures may be rounded.
A student may select up to three ethnicities. Their primary ethnicity only has been included in this table.
Those in the "other" category includes students entered as non-declared, other and unknown.

TEC FUNDED* EFTS FOR YOUTH (UNDER 25) AND OLDER STUDENTS

	2017		2018		2019		2020		2021	
Youth (Under 25)	2,534	56%	2,449	55%	2,267	54%	2,266	55%	2,514	52%
25 and older	1,964	44%	1,994	45%	1,940	46%	1,853	45%	2,304	48%
Total	**4,498**		**4,443**		**4,207**		**4,119**		**4,818**	

**Student Achievement Component, Level 1 and 2 On Plan Process Funding, Plan Process L1 & 2 under 25, Level 1 and 2 Competitive Process Funding, Level 3 and 4 Competitive Process Pilot Funding, Māori and Pacific Trades Training L1 and 2, Māori and Pacific Trades Training L3 and 4, Trades Academy, Youth Guarantee, Secondary-Tertiary Partnerships Dual Pathway initiative funding only.*

Age in years are counted as at the 1st of July in the year of the class start date of the enrolment, as per reporting requirements to the Tertiary Education Commission.

TOTAL EQUIVALENT FULL TIME STUDENTS (EFTS) BY SOURCE OF FUNDING

	2017	2018	2019	2020	2021
Adult and Community Education (ACE)	105	109	80	38	73
Student Achievement Component*	4,189	4,217	4,011	3,894	4,597
Youth Guarantee & Trades Academy**	309	226	196	225	221
Total TEC Funded	**4,603**	**4,551**	**4,287**	**4,157**	**4,891**
International	1,064	1,078	1,207	1,181	409
Industry Training Organisation	691	719	703	525	422
Other	120	109	85	63	60
Total non TEC Funded	**1,876**	**1,905**	**1,995**	**1,769**	**891**
Grand Total	**6,479**	**6,456**	**6,281**	**5,927**	**5,782**

** Student Achievement Component (SAC) includes the following funding sources:*

- Level 1 and 2 Competitive Process Funding

- Level 1 and 2 On Plan Process Funding

- Level 1 and 2 On Plan Process Funding under 25

- Māori Pacific Trades Training L1 & 2

- Māori Pacific Trades Training L3 & 4

- SAC Level 3 & 4 Competitive Process Funding

- TEC (SAC) funding

***Youth Guarantee & Trades Academy funding includes the Secondary-Tertiary Partnerships Dual Pathway initiative. International includes International Full fee Paying students only. Some International students are TEC funded and included in the TEC funded category.*

TEC FUNDED* QUALIFICATION COMPLETIONS BY YEAR

	2017	2018	2019	2020	2021
Masters	20	38	38	30	29
Postgraduate Level	83	70	51	47	78
Bachelors with Honours	19	21	12	9	11
Bachelor Degree Level	436	449	430	317	326
Graduate Level	39	51	62	84	56
Diploma Level	349	367	325	297	301
Certificate Level	1,892	1,733	1,905	1,845	1,905
Training Scheme Level	12	116	125	84	201
Other	46	13	37	13	25
Total	**2,896**	**2,858**	**2,985**	**2,726**	**2,932**

This represents the number of qualifications completed for each year.

Figures for qualifications are draft only as of 7 March 2022. Further qualifications may be awarded for the 2021 year in 2022.

**Student Achievement Component, Level 1 and 2 On Plan Process Funding, Plan Process L1 & 2 under 25, Level 1 and 2 Competitive Process Funding, Level 3 and 4 Competitive Process Pilot Funding, Māori and Pacific Trades Training L1 and 2, Māori and Pacific Trades Training L3 and 4, Trades Academy, Youth Guarantee, Secondary-Tertiary Partnerships Dual Pathway initiative funding only.*

Qualification types are grouped according those specified by Wintec's Quality and Academic Unit.

TEC FUNDED* EFTS BY AGE GROUP

	2017	2018	2019	2020	2021
17 Years and Under	395	398	374	439	444
18 - 19 Years	892	824	760	758	910
20 - 24 Years	1,246	1,226	1,133	1,069	1,160
25 - 29 Years	622	595	565	572	678
30 - 34 Years	380	409	384	371	513
35 - 39 Years	300	326	298	280	367
40 - 44 Years	232	231	244	218	268
45 - 49 Years	186	189	208	196	204
50 - 54 Years	131	137	114	111	144
55 - 59 Years	79	67	78	61	72
60 - 64 Years	27	32	33	34	41
65 Years and Over	6	8	15	11	17
Total	**4,498**	**4,443**	**4,207**	**4,119**	**4,818**

**Student Achievement Component, Level 1 and 2 On Plan Process Funding, Plan Process L1 & 2 under 25, Level 1 and 2 Competitive Process Funding, Level 3 and 4 Competitive Process Pilot Funding, Māori and Pacific Trades Training L1 and 2, Māori and Pacific Trades Training L3 and 4, Trades Academy, Youth Guarantee, Secondary-Tertiary Partnerships Dual Pathway initiative funding only.*

STATEMENT OF COST OF OUTPUTS

Wintec recognises one class of output that results from its activities. This output is teaching and learning.
The following table provides details of the output cost.

Output	2021 $000	Budget $000	2020 $000
Teaching and Learning	**101,575**	**97,840**	**106,196**

Compulsory Student Services Levy Disclosure

	Advocacy and Legal Advice	Careers Information advice and guidance, disabilities	Health Service and pastoral care	Counselling	Employment information	Financial support and advice	Media	Childcare services	Clubs and Societies	Sports, recreation and cultural services	Total
	$	$	$	$	$	$	$	$	$	$	$
Compulsory Student Service Fees	0	657,743	623,155	0	0	0	0	0	0	0	1,280,898
Other	0	588,761	88,730	0	0	0	0	0	0	0	677,491
Total Revenue	0	**1,246,504**	**711,885**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1,958,389**
Expenses	0	1,393,100	1,090,993	0	0	0	0	0	0	0	2,484,093
Total Expenses	**0**	**1,393,100**	**1,090,993**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2,484,093**
Surplus/(deficit)	**0**	**(146,596)**	**(379,108)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(525,704)**

Compulsory Student Services Levy (CSSL)

The compulsory student services levy per equivalent full-time student for the year ended 31 December 2021 is $555.00.

The compulsory student services levy revenue is recognised when the course withdrawal date has passed, which is when the student is no longer entitled to a refund for withdrawing from the course.

All CSSL income and expenditure is separately accounted for in Wintec's accounting system.

Careers advice and guidance

We provide support to students to assist their transition into employment. Support includes curriculum vitae (CV) workshops, interview practice and career guidance.

Health service, counselling and pastoral care

Wintec has doctors and nurses available, who provide a number of services to support students to stay well, obtain advice and gain medical assistance when needed.

We also have counsellors and international advisors available to provide students with pastoral care.

A chaplain is also available to provide pastoral care, spiritual guidance and counselling.

We have kaiāwhina and student advisors who act as a direct link between students and our support services.
They are embedded within 'at risk' programmes to aid in study completion and retention of students.

Te Kete Kōnae

Te Kete Kōnae is the Māori and Pacific Learning Support Centre on campus.

It practises and promotes manaakitanga and whanaungatanga for all students at Wintec. Its aim is to empower tauira Māori and Pacific to get the best out of their time studying.

Our marae is multi-purpose, where students and staff can conduct and experience teaching, learning and pastoral support in a uniquely Māori environment.

Student Learning Services

We provide academic learning support through workshops, in-class tutoring, groups, drop-ins and online sessions. We also provide academic and equipment support to people with disabilities.

Kidz@Wintec

We offer convenient and affordable childcare facilities for students and staff. Bookings are tailored to meet student needs and can be made on an hourly basis, offering more flexibility for students than traditional sessional bookings in the community.

Equal Education Opportunities 2022

Wintec's student support services provide quality, student-centered disability support, general academic learning services and pastoral care to all enrolled students. By basing the support services on ākonga needs, we are continuing to ensure support services are accessible to as many ākonga as possible.

In 2021, working together with ākonga, kaimahi and Wintec Kaumatua Tame Pokaia, we changed the name of the Disability Services team to ***Accessibility Services – Manaaki Tauira Ake***. The term 'Accessibility' was identified by students using the service as more mana enhancing, focusing on enhancing access to education by making the environment more accessible and inclusive. Building on this ākonga-led change, and to align with the Tōia Mai Excellence Framework and the incorporation of mātauranga Māori across the team, we have changed the name of, the Student Experience team.

Te Kete Manaaki is the new, overarching name for the Student Experience team, talking to the mana that each ākonga brings with them, and the role of our kaimahi to support, uplift and guide them while they are here. The teams that make up Te Kete Manaaki are:

- Manaaki Ākonga
  - Accessibility
  - Āniwaniwa
  - Tuākana
  - Peer tutoring
- Manaaki Pūkenga – Academic Learning Advisors
- Kaiāwhina – Pastoral care

These teams of staff all work closely together to centre the learner in their support, as well as working with the wider Wintec support team.

Manaaki Ākonga – Accessibility Services supports students with any impairment, learning difficulty or health-related conditions, to help improve participation, retention and successful completion. The services provided include practical support, such as reader/writers, notetakers in classrooms, software, and equipment, as well as advocacy.

In 2021, 18 casual staff supported 207 students to access their learning: 100 students received 3,133 hours of notetaker support, and 114 students received reader/writer support for exams at a total of 818 hours. As part of the team there is also a full-time Accessibility Manager and full-time Student Accessibility Advisor.

The Accessibility team issued 104 mobility car park permits this year.

Other projects being worked on by the Accessibility team include staff education across Wintec to help increase awareness of what disability may look like, and tools to help support these students (online and kanohi ki kanohi). The use of software as a larger part of notetaker support for our students is also being explored, which would support the model of creating more independence, and would also significantly reduce the cost of having physical note takers in classrooms. Education on using preventative measures to reduce eye strain and general ergonomic workstation advice is being created, and a disability action plan is being worked through to align with ākonga needs identified by Te Pūkenga.

In addition to the dedicated support from the Accessibility team, ākonga are supported in their studies in holistic ways through Te Kete Manaaki and the wider support team.

Manaaki Pūkenga – Academic Learning Advisors have a continued focus on supporting students to become independent and capable learners. They do this not only through traditional 1:1 and small group sessions, but also by embedding academic support within targeted programmes across Wintec. By being present in classes, Manaaki Pūkenga have more opportunities to support greater numbers of students, develop meaningful relationships with students and tutors, and can more efficiently identify students who may need extra support. By creating a culture that normalises support, we are working towards mitigating the stigma attached to asking for help.

Pastoral support is delivered by our team of Kaiāwhina. Similar to the Manaaki Pūkenga, these staff are available to ākonga through being embedded in classes, as well as providing 1:1 sessions when required. Targeted support was also proactively delivered to Māori and Pacific students through the Māori and Pacific Trade Training team, while many International and New Zealand resident students for whom English is not their first language were also supported in their study with workshops, online resources and embedded support available.

Networks of peer mentors in the form of peer tutors (support around a specific learning outcome) and tuakana (holistic and ongoing models of peer support) were also created in priority programmes across the institution.

DIVERSITY AND INCLUSION

Diversity and Inclusion

In 2021 we have significantly increased our strategic and management priority directed at improving equitable outcomes for Māori learners and developing an organisational approach to Te Tiriti-based partnering. Through Te Nga whā Whakatupu, Ōritetanga and now Tōia Mai, we have engaged in and sustained an iterative approach to addressing disparities in achievement levels between Māori, non-Māori and non-Pacific learners. With a holistic and long-term view of supporting ākonga to achieve success and wellbeing in education experiences and improved social and economic status, we have implemented a range of support initiatives aimed at improving Wintec's educational performance outcomes for Māori learners, alongside Māori success as Māori (refer to section 6 in this RFI for trend data).

Many of the initiatives implemented have resulted in improved course completion rates for Māori, Pacific and disabled learners, with particular success seen in Tōia Mai NSEAR programmes. It is also worth noting that the implementation of Manaaki Support (approximately 2800 grants awarded in 2021) significantly improved learner persistence in study – showing the impact of meeting basic learner needs as a support mechanism to achieve educational success.

Ākonga are at the heart of all that we do, and we take our role in supporting their journey to success seriously. Our ākonga are diverse, with a wide range of backgrounds and experiences, and come to us with different expectations and different needs.

In 2021 we established initiatives include maintaining our e-learning and design capability to support professional development programmes; on-going monitoring of kaimahi completion of the first 90 days (onboarding) programme; and continued implementation of Safe 365 (deferred from 2021 due to restrictions imposed by COVID-19).

Strategies to attract and retain Māori and Pacific staff continue as part of our focus on improving workforce representation. A report commissioned by Wintec from Strategic Pay in June 2021, "Pay Equity (Ethnicity)", indicates that Wintec is above the sector median for Māori and Pacific workforce representation; however, we recognise this is not a static indicator, and will fluctuate as kaimahi join or leave Wintec.

Kaimahi capability initiatives in 2021 were largely driven by Tōia Mai, prioritised around cultural responsiveness beginning with professional development to address issues of unconscious bias. Te Tiriti workshops for kaimahi will continue, and targeted professional development for kaiako in core skills and pedagogy remains a priority.

Over the past few years, we have been implementing the Gender Tick accreditation programme, which recognises businesses that demonstrate gender equity in their workplace. There are five criteria for accreditation: gender inclusive culture, safe workplace, flexible work and leave, leadership representation and equal pay. We are currently in the re-accreditation process, having achieved our first accreditation and recognition in 2020.

Part of the success in the Gender Tick programme has been the implementation of the Diversity and Inclusion Policy, along with initiatives to address our Gender and Equity pay gap, Āniwaniwa (rainbow) alliance, and the implementation of an independent whistle blower service (Report it Now). These initiatives have identified gaps and the continued focus on closing these gaps at an organisational and governance level continues to see improvements in this area.

Ethnicity of Staff (Permanent and Fixed Term)

Ethnicity	Female	Male	Total	%
NZ European/Pākeha	260	148	408	53.5%
Māori	92	41	133	17.4%
Other European	57	35	92	12.1%
Other	38	33	71	9.3%
Pacific	18	18	36	4.7%
Indian	20	15	35	4.6%
Chinese	9	17	26	3.4%
Other Asian	11	6	17	2.2%
No data	46	25	71	9.3%
Total of all reported ethnic Groups *	**551**	**338**	**889**	**116.5%**

** To align with Statistics New Zealand and the Ministry of Education's methodology, staff may select up to four ethnic Groups, and all of these will be included in reporting. This means that the percentage figures add up to more than 100%.*

Gender pay gap

As of 1 January 2022, our overall gender pay gap is 7.4%. This indicates that men have a higher median pay rate than women; however, it is important to note that due to the high proportion of female kaimahi (62% of our workforce), particularly in lower pay bands, the overall gap is not truly representative of our position when comparing roles like-for-like.

This figure compares the hourly pay of the median man and median woman at Wintec, based on total remuneration. Our analysis covers all permanent employees (excluding executive members, in line with best practice), a total of 694 kaimahi.

In June 2021, Statistics NZ put the national gender pay gap at 9.1%, and the public service gender pay gap (2021) was 8.6%.

We have made a range of commitments towards the gender pay gap, including reporting annually on our gap, and continuing to detect and address any disparities in pay equity.

Ethnicity pay gap

Our ethnicity pay gap as of 1 January 2022 is outlined below:

Ethnicity	Median Pay Gap
NZ European/Pākeha	0.0%
Māori	5.5%
Asian	1.8%
Pacific *	-0.2%
Other *	-1.4%

** A negative figure indicates that the group in question has a higher median pay rate than the rest of the sample group.*

The gap is measured by comparing the median hourly rate of each specific ethnicity against all others. Our analysis covers all permanent employees who have provided ethnicity information (excluding executive members, in line with best practice), a total of 628 kaimahi.

Employee Remuneration

The number of employees or former employees who received remuneration and other benefits of $100,000 or more within specified $10,000 bands were as follows:

Total remuneration paid:	Year ended 31 Dec 2021	9 months ended 31 Dec 2020
$100,000 to $109,999	42	9
$110,000 to $119,999	22	13
$120,000 to $129,999	12	4
$130,000 to $139,999	7	1
$140,000 to $149,999	4	2
$150,000 to $159,999	5	0
$160,000 to $169,999	3	3
$170,000 to $179,999	1	1
$180,000 to $189,999	1	0
$190,000 to $190,999	1	1
$200,000 to $209,999	0	1
$210,000 to $219,999	4	0
$220,000 to $229,999	1	0
$230,000 to $239,999	0	1
$250,000 to $259,999	1	0
$290,000 to $299,999	1	0
$340,000 to $349,000	1	0
Total number of employees	**106**	**36**

During the period ended 31 December 2021, 21 employees received compensation and other benefits in relation to cessation totalling $969,456.

FINANCIAL PERFORMANCE

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Waikato Institute of Technology Limited and group's financial statements for the year ended 31 December 2021

The Auditor-General is the auditor of Waikato Institute of Technology Limited (the company) and group. The Auditor-General has appointed me, Karen MacKenzie, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the company and group on his behalf.

OPINION

We have audited the financial statements of the company and group on pages 21 to 79, that comprise the statement of financial position as at 31 December 2021, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion, the financial statements of the company and group on pages 21 to 79, which have been prepared on a disestablishment basis:

- present fairly, in all material respects:
  - the financial position as at 31 December 2021; and
  - the financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Reporting Standards.

Our audit was completed on 31 May 2022. This is the date at which our opinion is expressed.

The basis for our opinion is explained below and we draw attention to the financial statements being prepared on a disestablishment basis. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

EMPHASIS OF MATTER – THE FINANCIAL STATEMENTS HAVE BEEN PREPARED ON A DISESTABLISHMENT BASIS

Without modifying our opinion, we draw attention to the basis of preparation section of Note 1 on page 28 and Note 23 on page 76, which outlines the decision that the company will be dissolved on 31 May 2022. The company therefore prepared its financial statements on a disestablishment basis.

There have been no changes to the values of assets and liabilities as the operations of the company will be transferred to Te Pūkenga at their carrying value.

BASIS FOR OUR OPINION

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS

The Board of Directors is responsible on behalf of the company and group for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible on behalf of the company and group for assessing the company and group's ability to continue as a going concern. If the Board of Directors concludes that a going concern basis of accounting is inappropriate, the Board of Directors is responsible for preparing financial statements on a disestablishment basis and making appropriate disclosures.

The Board of Directors' responsibilities arise from the Education and Training Act 2020 and the Crown Entities Act 2004.

RESPONSIBILITIES OF THE AUDITOR FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the Board approved budget for the company and group.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company and group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We conclude on the appropriateness of the use of the disestablishment basis by the Board of Directors.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
Our responsibilities arise from the Public Audit Act 2001.

OTHER INFORMATION

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 4 to 14, 20, and 81 to 93 but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENCE

We are independent of the company and group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit, we have provided a report on the group's performance-based research fund -eligible external research income. This is compatible with those independence requirements. Other than the audit and this assignment, we have no relationship with or interests in the company or any of its subsidiaries.

Karen MacKenzie
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand

Statement of Responsibility

for the year ended 31 December 2021

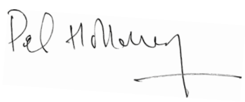
In terms of Section 306 of the Education and Training Act 2020 and Section 155 of the Crown Entities Act 2004, we hereby certify that:

1. we have been responsible for the preparation of these Financial Statements and Statement of Service Performance and the judgments used therein; and
2. we have been responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting; and
3. we are of the opinion that these Financial Statements and the Statement of Service Performance fairly reflect the financial position and operations of the Institute and Group for the year ended 31 December 2021.

Signed by:

Niwa Nuri
Chair

David Christiansen
Chief Executive



Paul Holloway
Chief Financial Officer

30 May 2022

Statement of Comprehensive Revenue and Expense

for the financial year ended 31 December 2021

		Group			Institute		
All in $'000	**Notes**	**Actual 2021**	**Budget 2021**	**Actual 2020**	**Actual 2021**	**Budget 2021**	**Actual 2020**
Revenue							
Government grants	2	52,169	51,946	1,891	52,169	51,946	1,891
Tuition fees	2	27,607	27,776	23,635	27,607	27,776	23,635
Other revenue	2	21,922	15,311	13,299	17,098	9,985	10,614
Total revenue		**101,698**	**95,033**	**38,825**	**96,873**	**89,707**	**36,140**
Expense							
Employee expenses	3	65,928	64,920	49,748	62,495	61,389	47,218
Depreciation expense	3, 8	6,249	5,543	4,845	5,998	5,316	4,650
Amortisation expense	3, 9	4,573	2,322	2,841	4,457	2,284	2,755
Interest expense	3	441	702	504	438	690	496
Administration and other expenses	3	31,330	29,084	23,190	28,188	28,161	22,034
Total expense		**108,521**	**102,571**	**81,128**	**101,575**	**97,840**	**77,153**
Surplus/(deficit)		**(6,824)**	**(7,538)**	**(42,303)**	**(4,702)**	**(8,133)**	**(41,013)**
Other comprehensive revenue and expense							
Items that will not be reclassified to surplus/(deficit)							
Revaluation of land and buildings	8	30,406	0	0	30,406	0	0
Total items that will not be reclassified to surplus/(deficit)		**30,406**	**0**	**0**	**30,406**	**0**	**0**
Total items that may be reclassified to surplus/(deficit)		**0**	**0**	**0**	**0**	**0**	**0**
Total other comprehensive revenue and expense		**30,406**	**0**	**0**	**30,406**	**0**	**0**
Total comprehensive revenue and expense		**23,583**	**(7,538)**	**(42,303)**	**25,704**	**(8,133)**	**(41,013)**
Total comprehensive revenue and expense for the period attributable to:							
Non-controlling interests		0	0	0	0	0	0
Owners of the controlling entity		**23,583**	**(7,538)**	**(42,303)**	**25,704**	**(8,133)**	**(41,013)**
Total		**23,583**	**(7,538)**	**(42,303)**	**25,704**	**(8,133)**	**(41,013)**

Explanations of major variances against budget are provided in Note 17.
The accompanying notes form part of these financial statements.

** 2020 is for the 9 months to December.*

Statement of Financial Position

as at 31 December 2021

		Group			Institute		
All in $'000	**Note**	**Actual 2021**	**Budget 2021**	**Actual 2020**	**Actual 2021**	**Budget 2021**	**Actual 2020**
Assets							
Current assets							
Cash and cash equivalents	4	5,079	3,443	2,578	2,368	0	83
Student fees and other receivables	5	17,961	6,797	15,445	17,543	6,250	15,103
Prepayments		1,027	500	587	983	500	541
Inventory	6	307	400	282	307	400	282
Assets held for sale	7	0	0	2,064	0	0	2,064
Total current assets		**24,374**	**11,140**	**20,956**	**21,201**	**7,150**	**18,073**
Non-current assets							
Property, plant and equipment	8	187,727	157,825	165,202	187,704	155,329	162,400
Intangible assets	9	10,758	13,724	14,956	10,508	13,506	14,591
Investment in Subsidiaries		0	2,414	0	2,398	2,414	2,398
Term deposits	14	652	652	655	652	652	655
Total non-current assets		**199,137**	**174,615**	**180,813**	**201,262**	**171,901**	**180,043**
Total assets		**223,511**	**185,755**	**201,769**	**222,463**	**179,051**	**198,116**
Liabilities							
Current liabilities							
Trade and other payables	10	3,599	3,546	5,965	3,440	2,500	5,774
Employee entitlements	11	4,559	4,303	4,338	4,353	4,150	4,039
Revenue received in advance	12	20,214	7,145	18,756	19,276	7,000	17,761
Borrowings	13	29,291	4,654	2,014	30,291	4,654	2,014
Total current liabilities		**57,663**	**19,648**	**31,073**	**57,360**	**18,304**	**29,588**

All in $'000	Note	Group Actual 2021	Group Budget 2021	Group Actual 2020	Institute Actual 2021	Institute Budget 2021	Institute Actual 2020
Non-current liabilities							
Provisions		0	902	0	0	0	0
Employee entitlements	11	36	0	114	36	0	114
Borrowings	13	215	35,559	28,566	215	35,000	29,266
Total non-current liabilities		**251**	**36,461**	**28,680**	**251**	**35,000**	**29,380**
Total liabilities		**57,914**	**56,109**	**59,753**	**57,611**	**53,304**	**58,968**
Net assets		**165,598**	**129,646**	**142,016**	**164,852**	**125,747**	**139,149**
Equity							
General funds	16	109,567	89,524	116,390	108,821	85,975	113,523
Property revaluation reserve	16	55,378	39,118	24,972	55,378	39,118	24,972
Trust, endowments and bequests	16	652	1,004	654	652	654	654
Total equity		**165,598**	**129,646**	**142,016**	**164,852**	**125,747**	**139,149**

Explanations of major variances against budget are provided in Note 17.

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

for the financial year ended 31 December 2021

		Group			Institute		
All in $'000	**Note**	**Actual 2021**	**Budget 2021**	**Actual 2020**	**Actual 2021**	**Budget 2021**	**Actual 2020**
Opening balance *		**142,016**	**137,184**	**184,319**	**139,149**	**133,875**	**180,162**
Other comprehensive revenue and expense							
Surplus/(deficit)	16	(6,824)	(7,538)	(42,303)	(4,702)	(8,133)	(41,013)
Other comprehensive revenue	16	30,406	0	0	30,406	0	0
Total comprehensive revenue and expense		**23,583**	**(7,538)**	**(42,303)**	**25,704**	**(8,133)**	**(41,013)**
Non comprehensive revenue and expense items							
Other contributions from the Crown		0	0	0	0	0	0
Distribution to the Crown		0	0	0	0	0	0
Suspensory loans from the Crown		0	0	0	0	0	0
Total non-comprehensive revenue		**0**	**0**	**0**	**0**	**0**	**0**
Balance at 31 December		**165,598**	**129,646**	**142,016**	**164,852**	**125,742**	**139,149**

Explanations of major variances against budget are provided in Note 17.

The accompanying notes form part of these financial statements.

** Opening balance for 2021: 1 January (2020: 1 April)*

Statement of Cash Flows

for the financial year ended 31 December 2021

All in $'000	Note	Group Actual 2021	Group Budget 2021	Group Actual 2020	Institute Actual 2021	Institute Budget 2021	Institute Actual 2020
Cash flows from operating activities							
Receipts from Government grants		52,130	51,946	38,758	52,130	51,946	38,758
Receipts from student fees		23,219	28,776	7,008	23,219	28,776	7,008
Receipt of dividends		0	0	0	0	0	1,000
Receipt of interest		29	399	54	11	350	19
Receipt of other revenue		25,262	17,102	12,186	18,431	9,885	8,607
Goods and services tax (net)		(262)	0	(3,307)	(296)	0	(3,343)
Payments to employees		(65,785)	(62,531)	(49,756)	(62,259)	(59,000)	(47,258)
Payments to suppliers		(31,062)	(33,573)	(21,944)	(28,570)	(30,050)	(20,917)
Dividends paid		0	0	0	350	0	0
Interest paid		(441)	(690)	(504)	(438)	(690)	(496)
Net cash flow from operating activities		**3,091**	**1,429**	**(17,505)**	**2,578**	**1,217**	**(16,622)**
Cash flows from investing activities							
Proceeds from sale of property, plant and equipment		2,124	4,000	0	2,124	4,000	0
Proceeds from sale or maturity of investments		0	0	0	0	0	0
Purchase of property, plant and equipment		(1,267)	(3,895)	(2,027)	(1,267)	(3,875)	(2,015)
Purchase of investments		0	0	0	0	0	0
Purchase of intangible assets		(375)	(20)	(909)	(375)	0	(869)
Net cash flow used in investing activities		**482**	**85**	**(2,936)**	**482**	**125**	**(2,884)**
Cash flows from financing activities							
Proceeds from borrowings		(1,074)	0	19,722	(776)	0	20,722
Repayment of borrowings		0	0	(1,382)	0	0	(1,382)
Net cash flows from financing activities		**(1,074)**	**0**	**18,340**	**(776)**	**0**	**19,340**
Net (decrease)/increase in cash and cash equivalents		**2,500**	**1,514**	**(2,101)**	**2,285**	**1,342**	**(166)**
Cash and cash equivalents at beginning of the period		**2,578**	**(2,725)**	**4,679**	**83**	**(5,996)**	**249**
Cash and cash equivalents at end of the year	4	**5,079**	**(1,211)**	**2,578**	**2,368**	**(4,654)**	**83**

Explanations of major variances against budget are provided in Note 17.

The accompanying notes form part of these financial statements.

Statement of Cash Flows

for the financial year ended 31 December 2021

RECONCILIATION OF NET SURPLUS/(DEFICIT) TO THE NET CASH FLOW FROM OPERATING ACTIVITIES

		Group		Institute	
All in $'000	**Note**	**Actual 2021**	**Actual 2020**	**Actual 2021**	**Actual 2020**
Surplus/(deficit)		(6,824)	(42,303)	(4,702)	(41,013)
Add/(less) non-cash items					
Depreciation and amortisation expense		10,822	7,686	10,455	7,405
Bad debt provision movement		(332)	502	(329)	491
Other losses/(gains)		0	0	0	0
Add/(less) items classified as investing or financing activities:					
Net loss/(gain) on disposal of property, plant and equipment		309	0	309	0
Net loss/(gain) on disposal of Trust operations		2,252	0	0	0
Add/(less) movements in working capital:					
(Increase)/decrease in accounts receivable and other receivables		(2,184)	28,114	(2,112)	27,984
(Increase)/decrease in inventories		(25)	130	(25)	130
(Increase)/decrease in prepayments		(440)	575	(442)	583
Increase/(decrease) in employee entitlements		143	(8)	236	(40)
Increase/(decrease) in trade and other payables		(276)	(1,833)	(520)	(2,009)
Increase/(decrease) in provisions		0	0	0	0
Increase/(decrease) in fees in advance		(354)	(10,368)	(297)	(10,153)
Net cash from operating activities		**3,091**	**(17,505)**	**2,578**	**(16,622)**

Explanations of major variances against budget are provided in Note 17.

The accompanying notes form part of these financial statements.

Notes index

for the financial year ended 31 December 2021

Notes to the Financial Statements

for the financial year ended 31 December 2021

1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

The Waikato Institute of Technology Limited (the Institute) is a Tertiary Education Institution (TEI) that is domiciled and operates in New Zealand. The relevant legislation governing operations includes the Crown Entities Act 2004 and the Education and Training Act 2020.

The Institute and Group consist of Waikato Institute of Technology (Wintec) Limited and its subsidiaries, SODA Inc. Limited, LearningWorks Limited, Polytechnics Institute New Zealand (PINZ), Wintec KSA, MondragonWintecKSA, the Wintec Foundation Trust. The Institute's interest in its associate Motortrain Limited, is equity accounted in the Group financial statements. These entities are all incorporated in New Zealand with the exception of MondragonWintecKSA, which is incorporated in Saudi Arabia. Refer to note 22 for further details of all entities included in the Group.

The Waikato Institute of Technology Limited provides educational and research services for the benefit of the community. It does not operate to make a financial return.

The Institute has designated itself and the Group as public benefit entities (PBE) for the purposes of complying with generally accepted accounting practice.

The financial statements of the Institute and the Group are for the year ended 31 December 2021, and were authorised for issue by the Board on 30 May 2022.

BASIS OF PREPARATION

Use of disestablishment basis of accounting

The Education and Training Act 2020 (the Act) states that each Te Pūkenga subsidiary continues in existence only until the close of 31 December 2022, at which point all the rights, assets, and liabilities of the Te Pūkenga subsidiary will be transferred to Te Pūkenga. The Act allows Te Pūkenga to dissolve Waikato Institute of Technology Limited before 31 December 2022 and transfer some or all the rights, assets, and liabilities to Te Pūkenga or another Te Pūkenga subsidiary.

Subsequent to year end, decisions were made to dissolve Waikato Institute of Technology Limited on 31 May 2022. Further information is provided in Note 23, Events after balance date.

As Waikato Institute of Technology Limited will cease to exist on 31 May 2022, the financial statements have been prepared on a disestablishment basis. Because the vocational education will continue to be provided after the transfer, no changes were made to the carrying value of assets and liabilities as a result of the disestablishment basis of accounting.

Reporting period

Waikato Institute of Technology Limited came into existence on 1 April 2020. Therefore, the reporting period for the 2020 comparatives is for the nine months from 1 April 2020 to 31 December 2020. The reporting period for the Actuals for 2021 and Budget 2021 is for the twelve months 1 January 2021 to 31 December 2021.

Statement of compliance

The financial statements of the Institute and the Group have been prepared in accordance with the requirements of the Crown Entities Act 2004 and the Education and Training Act 2020, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The Institute is a Tier 1 entity and the financial statements have been prepared in accordance with PBE Standards. These financial statements comply with PBE Standards

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values, other than the Board member remuneration disclosures and the related party transaction disclosures in Note 20, are rounded to the nearest thousand dollars ($000). Board member remuneration and related party transaction disclosures are rounded to the nearest dollar.

Standards early adopted

The Instutite and the subsidiaries of The Institute early adopted PBE IPSAS 41 Financial Instruments for the year ended 31 December 2021. This new standard is effective for periods beginning on or after 1 January 2022; however, The Institute has elected to early adopt the standard. PBE IPSAS 41 establishes requirements for the recognition and measurement of financial instruments by Tier 1 and Tier 2 public benefit entities. This standard replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement.

As a result of the adoption of PBE IPSAS 41, the Group has adopted consequential amendments to PBE IPSAS 1 Presentation of Financial Statements, which require impairment of financial assets to be presented in a separate line item in the statement of comprehensive revenue and expense. Consequently, Te Pūkenga reclassified impairment losses amounting to $0 recognised under PBE IPSAS 29, from $0 to impairment loss on receivables in the consolidated statement of comprehensive revenue and expense for the year ended 31 December 2021.

Additionally, the Group has adopted consequential amendments to PBE IPSAS 30 Financial Instruments: Disclosures. Classification and measurement of financial assets and financial liabilities PBE IPSAS 41 contains three principal classification categories for financial assets: measured at amortised costs; fair value through other comprehensive revenue and expense (FVOCRE); and fair value through surplus or deficit (FVTSD). The classification of financial assets under PBE IPSAS 41 is based on the business model in which a financial asset is managed and its contractual cash flow characteristics. PBE IPSAS 41 eliminates the previous PBE IPSAS 29 categories of held to maturity, loans and receivables and available for sale.

PBE IPSAS 41 largely retains the existing requirements in PBE IPSAS 29 for classification and measurement of financial liabilities. The adoption of PBE IPSAS 41 has not had a significant effect on the Group's accounting policies related to financial liabilities and derivative financial instruments.

The effect of adopting PBE IPSAS 41 on the carrying amounts of financial assets as at 1 January 2021 relates solely to the new impairment requirements .

PBE IPSAS 41 replaces the 'incurred loss' model in PBE IPSAS 29 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost.

The Group has determined that the application of PBE IPSAS 41's impairment requirements at 1 January 2020 results in an additional allowance of impairment as follows:

Loss allowance at 31 December 2020 under PBE IPSAS 29	0
Tuition fees and other receivables	0
Loans to subsidiaries	0
Opening loss allowance at 1 January 2021	0

Standards issued and not yet effective and not early adopted
Standards and amendments issued but not yet effective that have not been early adopted and which are relevant to the Institute are:

Amendment to PBE IPSAS 2 Statement of Cash Flows:
An amendment to PBE IPSAS 2 Statement of Cash Flows requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including changes arising from both cash flows and non-cash changes. This amendment is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The Institute does not intend to early adopt the amendment.

PBE FRS 48 Service Performance Reporting: PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2021. The Institute has not yet determined how application of PBE FRS 48 will affect its statement of service performance.

The Institute has not yet assessed in detail the impact of the new standard.

Transition
Waikato Institute of Technology Limited and the subsidiaries of Waikato Institute of Technology Limited have used an exemption not to restate comparative information for prior periods with respect to classification and measurement (including impairment requirements). Differences in carrying amounts of financial assets and liabilities resulting from adoption of PBE IPSAS 41 are recognised in general funds as at 1 January 2021. Accordingly the information presented for 2020 does not generally reflect the requirements of PBE IPSAS 41, but rather those of PBE IPSAS 29.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outline below.

Budget figures
The budget figures for the Institute and Group have been derived from the budgets approved by the Waikato Institute of Technology Board for the 2021 financial year on 05 October 2020 and are reported for the period from 1 January 2021 to 31 December 2021. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

Critical accounting estimates and assumptions
In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions might differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that might have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

(a) Impairment of non-financial assets - The Institute and Group assess impairment of all assets at each reporting date by evaluating conditions specific to the Institute and Group and to the particular asset that may lead to impairment. These include programme performance, technology, economic and political environments and future programme expectations. If an impairment trigger exists the recoverable amount of the asset is determined. The Institute does not consider that the triggers for impairment testing have been significant enough, therefore no provisions has been made during the financial year.

(b) Classification of assets and liabilities as held for sale - The Institute and Group classify assets and liabilities as held for sale when its carrying amount will be recovered through a sale transaction. The assets and liabilities must be available for immediate sale and the Institute must be committed to selling the asset either through entering into a contractual sale agreement or the activation of and commitment to a programme to locate a buyer and dispose of the assets and liabilities.

Notes to the Financial Statements

for the financial year ended 31 December 2021

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(c) Estimation of useful lives of assets - The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment) and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

(d) Estimating the fair value of land, buildings and infrastructure – refer to note 8.

Foreign currency transactions
Foreign currency transactions (including those subject to forward foreign exchange contracts) are translated into NZ$ (the functional currency) using the spot exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Goods and services tax
Items in the financial statements are stated exclusive of GST, except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position. The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

Income tax
The Institute and the Group are exempt from Income Tax. Accordingly, no provision has been made for Income Tax.

2. REVENUE

ACCOUNTING POLICY
Revenue is measured at fair value. The specific accounting policies for significant revenue items are explained below:

Student Achievement Component funding
Student Achievement Component (SAC) funding is the main source of operational funding from the Tertiary Education Commission (TEC). The Institute considers SAC funding to be non-exchange revenue and would normally recognise SAC funding as revenue when the course withdrawal date has passed, based on the number of eligible students enrolled in the course at that date and the value of the course. However, for the 2020 year, the predecessor ITP has recognised all the funding for 2020. This was because, in response to the COVID-19 pandemic, the TEC confirmed at the end of March 2020 that it will not seek repayment of 2020 Investment Plan funding, which includes SAC funding, if there is under-delivery in the 2020 year. As a consequence, the Institute has not recognised any SAC funding during the nine-month period. Wintec and Group has recognised all the funding received for SAC revenue for 2021. This was because Te Pūkenga confirmed any overdelivery will be claimed at group level and will be redistributed.

Tuition fees
Domestic student tuition fees are subsidised by Government funding and are considered non-exchange. Revenue is recognised when the course withdrawal date has passed, which is when a student is no longer entitled to a refund for withdrawing from the course.

International student tuition fees are accounted for as exchange transactions and recognised as revenue on a course percentage of completion basis. The percentage of completion is measured by reference to the days of the course completed as a proportion of the total course days.

Fees-free revenue
The Institute considers fees-free revenue is non-exchange revenue and recognises revenue when the course withdrawal date for an eligible student has passed. The Institute has presented funding received for fees-free as part of tuition fees. This is on the basis that receipts from the TEC are for payment on behalf of the student as specified in the relevant funding mechanism. However, for the 2020 year, the predecessor ITP has recognised all the 2020 fees-free funding because, in response to the Covid-19 pandemic, the TEC confirmed that it will not seek repayment of 2020 fees-free funding. As a consequence, the Institute has not recognised any fees-free funding during the nine-month period. For the 2021, Fees-Free revenue is recognised based on actual results.

Performance-based research fund
The Institute considers funding received from the Performance-Based Research Fund (PBRF) to be non-exchange in nature. PBRF funding is specifically identified by the TEC as being for a funding period as required by section 425 of the Education and Training Act 2020. The Institute recognises its confirmed allocation of PBRF funding at the commencement of the specified funding period, which is the same as the financial year. PBRF revenue is measured based on the funding entitlement adjusted for any expected adjustments as part of the final wash-up process. Indicative funding for future periods is not recognised until confirmed for that future period.

Research revenue
For an exchange research contract, revenue is recognised on a percentage completion basis. The percentage of completion is measured by reference to the actual research expenditure incurred as a proportion of total expenditure expected to be incurred.

For a non-exchange research contract, the total funding receivable under the contract is recognised as revenue immediately, unless there are substantive conditions in the contract. If there are substantive conditions, revenue is recognised when the conditions are satisfied. A condition could include the requirement to complete research to the satisfaction of the funder to retain funding or return unspent funds. Revenue for future periods is not recognised where the contract contains substantive termination provisions for failure to comply with the requirements of the contract. Conditions and termination provisions need to be substantive, which is assessed by considering factors such as contract monitoring mechanisms of the funder and the past practice of the funder.

Other grants received
Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and then recognised as revenue when the conditions of the grant are satisfied.

Donations, trust funds, endowments, bequests, and pledges
Donations, trust funds, endowments, and bequests for the benefit of the Institute are recognised as an asset and revenue when the right to receive the funding or asset has been established, unless there is an obligation in substance to return the funds if conditions are not met. If there is such an obligation, they are initially recorded as revenue in advance and then recognised as revenue when the conditions are satisfied. Pledges are not recognised as assets or revenue until the pledged item is received.

Sales of goods
Revenue from the sale of goods is recognised when the product is sold to the customer.

Accommodation services
Revenue from the provision of accommodation services is recognised on a percentage completion basis. This is determined by reference to the number of accommodation days used up till balance date as a proportion of the total accommodation days contracted for with the individual.

Interest and dividends
Interest revenue is recognised by accruing on a time proportion basis the interest due for the investment. Dividends are recognised when the right to receive payment has been established.

Notes to the Financial Statements

for the financial year ended 31 December 2021

2. REVENUE (CONTINUED)

	Group		Institute	
All in $'000	**Actual 2021**	**Actual 2020**	**Actual 2021**	**Actual 2020**
Government funding classified as non-exchange transactions				
Student disability grant	114	0	114	0
Literacy funding	365	0	365	0
Youth guarantee funding	781	100	781	100
Other Government grants	324	48	324	48
Māori and Pacific Islands grant	2,140	555	2,140	555
Student Achievement Component (SAC) funding	44,447	946	44,447	946
Performance-Based Research funding	1,236	0	1,236	0
Other Government funding	2,762	242	2,762	242
Total Government funding classified as non-exchange transactions	**52,169**	**1,891**	**52,169**	**1,891**
Tuition fees and departmental revenue classified as exchange transactions				
Tuition fees - international students	7,257	15,327	7,257	15,327
Total tuition fees and departmental revenue classified as exchange transactions	**7,257**	**15,327**	**7,257**	**15,327**
Tuition fees and departmental revenue classified as non-exchange transactions				
Tuition fees - domestic students	9,375	4,862	9,375	4,862
Tuition fees - Fees-Free	3,925	1,019	3,925	1,019
Tuition fees - TTAF	6,395	1,767	6,395	1,767
Other tuition fees classed as non-exchange transactions	656	660	656	660
Total tuition fees and departmental revenue classified as non-exchange transactions	**20,350**	**8,308**	**20,350**	**8,308**
Total tuition fees and departmental revenue	**27,607**	**23,635**	**27,607**	**23,635**
Other revenue classified as exchange transactions				
Other revenue	19,440	11,499	14,284	8,143
Interest revenue	29	54	11	19
Dividend revenue	0	0	350	1,000
Student service fees	1,958	1,155	1,958	861
Total other revenue classified as exchange transactions	**21,427**	**12,708**	**16,604**	**10,023**

All in $'000	Group Actual 2021	Group Actual 2020	Institute Actual 2021	Institute Actual 2020
Other revenue classified as non-exchange transactions				
Research revenue	494	591	494	591
Total other revenue classified as non-exchange transactions	**494**	**591**	**494**	**591**
Total other revenue	**21,922**	**13,299**	**17,098**	**10,614**

Revenue classification

	Group Actual 2021	Group Actual 2020	Institute Actual 2021	Institute Actual 2020
Exchange revenue	28,685	28,035	23,861	25,350
Non-exchange revenue	73,013	10,790	73,013	10,790
Total tuition fees and departmental revenue classified as exchange transactions	**101,698**	**38,825**	**96,873**	**36,140**

Notes to the Financial Statements

for the financial year ended 31 December 2021

3. EXPENDITURE

SCHOLARSHIPS
Scholarships awarded by the Institute that reduce the amount of tuition fees payable by the student are accounted for as an expense and not offset against student tuition fees revenue.

		Group		Institute	
All in $'000	**Note**	**Actual 2021**	**Actual 2020**	**Actual 2021**	**Actual 2020**
Employee expenses					
Wages and salaries		62,554	44,589	59,513	42,478
Defined contribution plan employer contributions		1,603	1,255	1,531	1,199
Councillors and board fees	20	339	241	169	107
Other employee expenses		1,432	3,662	1,282	3,434
Total employee expenses		**65,928**	**49,748**	**62,495**	**47,218**
Depreciation and amortisation expenses					
Depreciation	8	6,249	4,845	5,998	4,650
Amortisation	9	4,573	2,841	4,457	2,755
Total depreciation and amortisation		**10,822**	**7,686**	**10,455**	**7,405**
Interest expense					
Interest expense		441	504	438	496
Total interest		**441**	**504**	**438**	**496**
Administration and other expenditure					
Auditors' remuneration					
Fees paid to Audit New Zealand for financial statement audit		210	223	210	196
Fees paid to other auditors		32	0	0	0
Additional audit fee for Performance-Based Research funding		0	6	0	6
Total auditors' remuneration		**242**	**229**	**210**	**202**

All in $'000	Note	Group Actual 2021	Group Actual 2020	Institute Actual 2021	Institute Actual 2020
General costs					
Operating lease payments		2,292	1,155	2,084	1,155
Bad and doubtful debts - written off		13	332	7	330
Net increase/(decrease) bad and doubtful debts provision	5	0	835	0	838
Course delivery expenses		5,145	5,103	7,010	5,256
Donations & koha		11	5	11	5
Research & development expense		299	267	299	267
Loss on disposal of property, plant and equipment		309	0	309	0
Loss on disposal of Trust operations	22	2,252	0	0	0
Administrative, materials and consumables expenses		16,169	11,777	13,829	10,360
Scholarships		90	43	93	43
Other expenditure		4,506	3,444	4,335	3,578
Total general costs		**31,086**	**22,961**	**27,977**	**21,832**
Total Administration and other expenditure		**31,330**	**23,190**	**28,188**	**22,034**
Total expense		**108,521**	**81,129**	**101,575**	**77,153**

4. CASH AND CASH EQUIVALENTS

ACCOUNTING POLICY

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

All in $'000	Group Actual 2021	Group Actual 2020	Institute Actual 2021	Institute Actual 2020
Cash at bank and on hand	2,443	348	2,367	83
Call deposits	2,472	2,070	1	0
Term deposits with maturities of 3 months or less at acquisition	164	160	0	0
Per statement of financial position	**5,079**	**2,578**	**2,368**	**83**
Bank overdraft	0	0	0	0
Per statement of cashflows	5,079	2,578	2,368	83

Although cash and cash equivalents at 31st December 2021 are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because estimated allowance is trivial.

Notes to the Financial Statements

for the financial year ended 31 December 2021

5. STUDENT FEES AND OTHER RECEIVABLES

ACCOUNTING POLICY

Short-term receivables are recorded at the amount due, less any allowance for expected credit losses (ECL). This allowance is calculated based on lifetime ECL.

In measuring ECL, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

Short-term receivables are written off when there is no reasonable expectation of recovery.

Previous accounting policy for impairment of receivables.

For the previous year, the allowance for credit losses was based on the incurred credit loss model. An allowance for credit losses was recognised only when there was objective evidence of impairment that the amount due would not be fully collected.

A receivable is considered uncollectable when there is evidence that the amount will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

Student fees are due before the course begins or are due on enrolment if the course has already begun. For courses that span more than one semester, domestic students can arrange to pay in instalments. Student fees receivable are non-interest bearing and are generally paid in full by the course start date. Therefore, their carrying value approximates their fair value.

Other receivables are non-interest bearing and are generally settled on 30 day terms. Therefore the carrying value of other receivables approximates their fair value.

	Group		Institute	
All in $'000	**Actual 2021**	**Actual 2020**	**Actual 2021**	**Actual 2020**
Receivables classified as exchange transactions				
Student fees and sundry receivables	2,143	1,654	2,142	1,654
Related party receivables	0	0	0	0
Other receivables	551	2,166	11	1,815
Total receivables classified as exchange transactions	**2,694**	**3,820**	**2,153**	**3,469**
Receivables classified as non-exchange transactions				
Student fees and sundry receivables	16,845	13,535	16,845	13,533
Related party receivables	0	0	115	0
Other non-exchange receivables	0	0	0	0
Total receivables classified as non-exchange transactions	**16,845**	**13,535**	**16,960**	**13,533**
Total student fees and other receivables (excluding uncollectability)	**19,539**	**17,355**	**19,114**	**17,002**
Less allowance for expected credit losses	(1,578)	(1,910)	(1,570)	(1,899)
Total student fees and other receivables	**17,961**	**15,445**	**17,543**	**15,103**

All in $'000	Group 2021 Gross	Group 2021 Expected credit loss	Group 2021 Net	Institute 2021 Gross	Institute 2021 Expected credit loss	Institute 2021 Net
Ageing profile for receivables at year end						
Not past due	15,743	0	15,743	15,743	0	15,743
Past due 1 - 30 days	1,255	(50)	1,205	990	(50)	940
Past due 30 - 60 days	940	(68)	872	921	(60)	861
Past due 61 - 90 days	157	(78)	79	35	(35)	0
Past due over 90 days	1,445	(1,382)	63	1,424	(1,424)	0
Total uncollectability	**19,540**	**(1,578)**	**17,961**	**19,115**	**(1,570)**	**17,543**

All in $'000	Group 2020 Gross	Group 2020 Expected credit loss	Group 2020 Net	Institute 2020 Gross	Institute 2020 Expected credit loss	Institute 2020 Net
Ageing profile for receivables at year end						
Not past due	11,856	0	11,856	11,756	0	11,756
Past due 1 - 30 days	3,426	(140)	3,286	3,253	(137)	3,116
Past due 30 - 60 days	98	(10)	88	17	(2)	15
Past due 61 - 90 days	431	(216)	215	432	(216)	216
Past due over 90 days	1,544	(1,544)	0	1,544	(1,544)	0
Total uncollectability	**17,355**	**(1,910)**	**15,445**	**17,002**	**(1,899)**	**15,103**

All in $'000	Group Actual 2021	Group Actual 2020	Institute Actual 2021	Institute Actual 2020
Movements in allowance for credit loss as follows				
Balance at 1 Jan measured under PBE IPSAS 29	(1,910)	(1,436)	(1,899)	(1,408)
Expected credit losses adjustment due to adoption of PBE 241	0	0	0	0
Opening balance for credit losses 1 Jan 2021	(1,910)	(1,436)	(1,899)	(1,408)
Additional provisions made during the year	0	(650)	0	(650)
Revision in loss allowance made during the year	0	(174)	0	(171)
Receivables written-off during the year	332	350	329	330
At 31 December 2021	**(1,578)**	**(1,910)**	**(1,570)**	**(1,899)**

The Institute and Group hold no collateral as security or other credit enhancements over receivables that are either past due or uncollectable.

** Opening balance for 2020 is 1 April and for 2021 is 1 January*

Notes to the Financial Statements

for the financial year ended 31 December 2021

6. INVENTORY

ACCOUNTING POLICY
Inventories are held for distribution or for use in the provision of goods and services. The measurement of inventories depends on whether the inventories are held for commercial or non-commercial (distribution at no charge or for a nominal charge) distribution or use. Inventories are measured as follows:

- Commercial: measured at the lower of cost and net realisable value.
- Non-commercial: measured at cost, adjusted for any loss of service potential.

Cost is allocated using the first in, first out (FIFO) method, which assumes the inventories that were purchased first are distributed or used first.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition. Any write-down from cost to net realisable value or for the loss of service potential is recognised in surplus or deficit in the year of the write-down.

	Group		Institute	
All in $'000	**Actual 2021**	**Actual 2020**	**Actual 2021**	**Actual 2020**
Commercial Inventory	307	282	307	282
Total inventory carrying value	**307**	**282**	**307**	**282**

No inventories are pledged as security for liabilities (2020: $nil).

7. ASSETS HELD FOR SALE

	Group		Institute	
All in $'000	**Actual 2021**	**Actual 2020**	**Actual 2021**	**Actual 2020**
Property held for sale	0	2,064	0	2,064
Total assets held for sale	**0**	**2,064**	**0**	**2,064**

In 2020 the property held for sale represented land at Ward Street. A contract for sale and purchase was signed in 2020 and the sale was settled on 31 March 2021.

Non-current assets held for sale
A non-current asset is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The asset is measured at the lower of its carrying amount and fair value less costs to sell. Write-downs of the asset are recognised in the surplus or deficit. Any increases in fair value (less costs to sell) are recognised in the surplus or deficit up to the level of any impairment losses that have previously been recognised. A non-current asset is not depreciated or amortised while classified as held for sale.

8. PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

Property, plant, and equipment consists of seven asset classes: land, buildings, infrastructure, computer hardware, furniture and equipment, motor vehicles, and library collection. Land is measured at fair value, and buildings and infrastructure are measured at fair value less accumulated depreciation. All other asset classes are measured at cost, less accumulated depreciation and impairment losses.

Revaluation

Land, buildings, and infrastructure are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. Revaluation movements are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Additions

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Institute and the Group and the cost of the item can be measured reliably. Work in progress is recognised at cost less impairment and is not depreciated. In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition. Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Institute and the Group and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred. Additions over $2,000 in value are capitalised. Amounts under this are expensed.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to general funds within equity.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

- Buildings (including components) 25 to 100 years 1% to 4%
- Infrastructure 10 to 50 years 2% to 10%
- Computer hardware 5 years 20%
- Furniture and equipment 2 to 13 years 7.7% to 50%
- Motor vehicles 4 years 25%
- Library collection 10 years 10%

Impairment of property, plant and equipment

Property, plant, and equipment are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. If an asset's carrying amount exceeds its recoverable amount, the asset is considered to be impaired and the carrying amount is written-down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of an impairment loss is also recognised in the surplus or deficit. For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return. For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return. The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

Restrictions on title

Under the Education and Training Act 2020, The Institute is required to notify Te Pūkenga, which then obtains consent from the Secretary for Education, to dispose of land and buildings. There are also various restrictions in the form of historic designations, reserve and endowment encumbrances attached to land. The Institute and Group do not consider it practical to disclose in detail the value of land subject to these restrictions.

Notes to the Financial Statements

for the financial year ended 31 December 2021

8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Valuation

The most recent valuation of land and buildings was performed by an independent registered valuer, Telfer Young (Waikato) Limited. The valuation is effective as at 31 December 2021. The most recent valuation for infrastructure assets was performed by Klu'd up. The valuation is effective as at 31 December 2021.

Land

Land is valued at fair value using market-based evidence best on its highest and best use, with reference to comparable land sales.

Adjustments have been made to the “unencumbered” land value for campus land where the land is zoned for current use. The adjustment is intended to reflect that the highest and best use is likely to be other than the current use and that there would be a cost associated with unlocking that alternative use. A direct adjustment equating to 8.5% of the unencumbered value was made for the Rotokauri Campus land. The City Campus is subject to a perpetual leasehold interest while the site is used for Tertiary Education purposes and as part of the anticipated on-going use by Wintec the market value of the land is shown as the lessee’s interest, which is a proportion of the overall freehold land value.

Restrictions on the Institute and Group's ability to sell land would normally not impair the value of the land because the Institute and Group has operational use of the land for the foreseeable future and will substantially receive the full benefits of outright ownership.

Buildings

Specialised buildings (e.g. campuses) are valued at fair value using depreciated replacement cost because no reliable market data is available for buildings designed for education delivery purposes.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

- The replacement asset is based on replacement with modern equivalent assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity. There have been no optimisation adjustments for the most recent valuations.
- The replacement cost is derived from recent construction contracts of similar assets, commercial/industrial assets and reference to QV Costbuilder. Construction costs range from $225 to $6,665 per square metre, depending on the nature of the specific asset valued.
- The property has been valued on the basis that the buildings meet the current earthquake standards.
- The remaining useful life of assets is estimated after considering factors such as the condition of the asset, future maintenance and replacement plans, and experience with similar buildings.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

There have been no optimisation adjustments for the most recent valuations.

Infrastructure

Infrastructure assets such as roads, car parks, footpaths, underground utilities (for example, water supply and sewerage treatment systems), and site drainage have been independently valued at depreciated replacement cost. The valuations have been performed in accordance with the New Zealand Asset Valuation and Depreciation Guidelines issued by NAMS Group. The significant assumptions applied in the determining the depreciated replacement cost of infrastructure assets are similar to those described above for specialised buildings.

Restrictions on title

Under the Education and Training Act 2020, the Institute is required to notify Te Pūkenga, which then obtains consent from the Secretary for Education, to dispose of land and buildings.

There are also various restrictions in the form of historic designations, reserve, and endowment encumbrances attached to the land. The Institute and Group does not consider it practical to disclose in detail the value of land subject to these restrictions.


TE
AWA
N

Notes to the Financial Statements

for the financial year ended 31 December 2021

8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	1 Jan 2021			2021					31 Dec 2021		
All in $'000	Cost or fair value	Accumulated depreciation	Net carrying value	Additions	Disposals at cost	Depreciation on disposal	Depreciation	Revaluation	Cost or fair value	Accumulated depreciation	Net carrying value
Land	21,904	0	21,904	0	0	0	0	7,782	29,686	0	29,686
Infrastructure	14,361	(791)	13,570	2,066	(650)	280	(344)	4,007	18,929	0	18,929
Buildings	119,932	(6,835)	113,097	129	(3,722)	1,110	(2,547)	18,617	126,684	0	126,684
Furniture and equipment	18,361	(11,843)	6,518	394	(3,055)	3,156	(1,149)	0	15,700	(9,836)	5,864
Computer hardware	17,218	(11,605)	5,613	1,156	(5,883)	5,883	(2,065)	0	12,492	(7,787)	4,705
Motor vehicles	344	(316)	28	50	(168)	150	(15)	0	226	(181)	44
Library collection	4,623	(4,080)	543	194	(3,937)	3,937	(128)	0	881	(271)	609
Artwork	274	0	274	2	0	0	0	0	276	0	276
Total property, plant and equipment	**197,016**	**(35,470)**	**161,546**	**3,992**	**(17,415)**	**14,516**	**(6,248)**	**30,406**	**204,871**	**(18,075)**	**186,796**

Assets under construction	1 Jan 2021	2021			31 Dec 2021
All in $'000	Opening Value	Additions	Expensed	Capitalisations	Closing Value
Buildings	3,459	553	(1,304)	(2,195)	513
Computer hardware	78	1,115	0	(1,157)	36
Furniture and equipment	101	132	0	(6)	228
Library collection	0	194	0	(194)	0
Motor vehicles	0	122	0	(50)	72
Plant and Equipment	17	446	0	(381)	82
Total	**3,655**	**2,562**	**(1,304)**	**(3,983)**	**931**

Total property, plant and equipment	**187,727**

Institute	1 Jan 2021			2021					31 Dec 2021		
All in $’000	Cost or fair value	Accumulated depreciation	Net carrying value	Additions	Disposals at cost	Depreciation on disposal	Depreciation	Revaluation	Cost or fair value	Accumulated depreciation	Net carrying value
Land	21,904	0	21,904	0	0	0	0	7,782	29,686	0	29,686
Infrastructure	14,361	(791)	13,570	2,066	(650)	280	(344)	4,007	18,928	0	18,928
Buildings	116,210	(5,725)	110,485	129	(10)	10	(2,547)	18,617	126,684	0	126,684
Furniture and equipment	17,662	(11,299)	6,363	394	(2,453)	2,452	(913)	0	15,603	(9,760)	5,843
Computer hardware	17,141	(11,535)	5,606	1,157	(5,883)	5,883	(2,060)	0	12,415	(7,711)	4,704
Motor vehicles	307	(307)	0	50	(131)	131	(5)	0	226	(182)	44
Library collection	4,623	(4,080)	543	194	(3,937)	3,937	(128)	0	881	(272)	609
Artwork	274	0	274	2	0	0	0	0	276	0	276
Total property, plant and equipment	**192,482**	**(33,737)**	**158,746**	**3,992**	**(13,064)**	**12,693**	**(5,997)**	**30,406**	**204,698**	**(17,925)**	**186,773**

Assets under construction	1 Jan 2021	2021			31 Dec 2021
All in $’000	Opening Value	Additions	Expensed	Capitalisations	Closing Value
Buildings and Infrastructure	3,459	513	(1,304)	(2,195)	513
Computer hardware	78	1,115	0	(1,157)	36
Furniture and equipment	101	132	0	(6)	228
Library collection	0	194	0	(194)	0
Motor vehicles	0	122	0	(50)	72
Plant and Equipment	17	446	0	(381)	82
Total	**3,655**	**2,562**	**(1,304)**	**(3,983)**	**931**

Total property, plant and equipment	**187,704**

Notes to the Financial Statements

for the financial year ended 31 December 2021

8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	**1 Apr 2020**			**2020**					**31 Dec 2020**		
All in $'000	**Cost or fair value**	**Accumulated depreciation**	**Net carrying value**	**Additions**	**Disposals at cost**	**Depreciation on disposal**	**Depreciation**	**Reclassification**	**Cost or fair value**	**Accumulated depreciation**	**Net carrying value**
Land	23,968	0	23,968	0	0	0	0	(2,064)	21,904	0	21,904
Infrastructure	14,361	(419)	13,942	0	0	0	(372)	0	14,361	(791)	13,570
Buildings	118,913	(4,751)	114,162	1,019	0	0	(2,084)	0	119,932	(6,835)	113,097
Furniture and equipment	17,674	(11,145)	6,529	687	0	0	(698)	0	18,361	(11,843)	6,518
Computer hardware	15,315	(10,007)	5,308	1,903	0	0	(1,598)	0	17,218	(11,605)	5,613
Motor vehicles	344	(306)	38	0	0	0	(10)	0	344	(316)	28
Library collection	4,261	(3,997)	264	361	0	0	(83)	0	4,622	(4,080)	542
Artwork	274	0	274	0	0	0	0	0	274	0	274
Total property, plant and equipment	**195,110**	**(30,625)**	**164,485**	**3,970**	**0**	**0**	**(4,845)**	**(2,064)**	**197,016**	**(35,470)**	**161,547**

Assets under construction	**1 Apr 2020**	**2020**		**31 Dec 2020**
All in $'000	**Opening Value**	**Additions**	**Capitalisations**	**Closing Value**
Buildings	3,718	778	(1,037)	3,459
Computer hardware	796	1,064	(1,782)	78
Furniture and equipment	716	73	(671)	118
Library collection	213	149	(362)	0
Total	**5,443**	**2,064**	**(3,852)**	**3,655**
Total property, plant and equipment				**165,202**

Institute	1 Apr 2020			2020					31 Dec 2020		
All in $'000	Cost or fair value	Accumulated depreciation	Net carrying value	Additions	Disposals at cost	Depreciation on disposal	Depreciation	Reclassification	Cost or fair value	Accumulated depreciation	Net carrying value
Land	23,968	0	23,968	0	0	0	0	(2,064)	21,904	0	21,904
Infrastructure	14,361	(419)	13,942	0	0	0	(372)	0	14,361	(791)	13,570
Buildings	115,191	(3,829)	111,362	1,019	0	0	(1,896)	0	116,210	(5,725)	110,485
Furniture and equipment	16,975	(10,595)	6,380	687	0	0	(704)	0	17,662	(11,299)	6,363
Computer hardware	15,237	(9,943)	5,294	1,904	0	0	(1,592)	0	17,141	(11,535)	5,606
Motor vehicles	307	(304)	3	0	0	0	(3)	0	307	(307)	0
Library collection	4,261	(3,997)	264	362	0	0	(83)	0	4,623	(4,080)	543
Artwork	274	0	274	0	0	0	0	0	274	0	274
Total property, plant and equipment	**190,574**	**(29,087)**	**161,487**	**3,972**	**0**	**0**	**(4,650)**	**(2,064)**	**192,482**	**(33,737)**	**158,745**

Assets under construction	1 Apr 2020	2020		31 Dec 2020
All in $'000	Opening Value	Additions	Capitalisations	Closing Value
Buildings	3,718	778	(1,037)	3,459
Computer hardware	796	1,064	(1,782)	78
Furniture and equipment	716	73	(671)	118
Library collection	213	149	(362)	0
Total	**5,443**	**2,064**	**(3,852)**	**3,655**

Total property, plant and equipment	**162,400**

Notes to the Financial Statements

for the financial year ended 31 December 2021

9. INTANGIBLE ASSETS

ACCOUNTING POLICY

Software acquisition and development

Computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include software development employee costs and relevant professional fees. Staff training costs are recognised as an expense when incurred. Costs associated with maintaining computer software are recognised as an expense when incurred.

Course-related software and websites

Course-related software and website development costs are classified as software and accounted for in accordance with the accounting policy for software. Capitalised costs are tested for impairment and, once available for use, amortised in accordance with that policy.

Courses purchased from other organisations

Separately acquired courses and programmes (including trademarks and licences) acquired from outside of the Te Pūkenga Group are initially recognised at historical cost. They have a finite useful life and, subsequent to initial recognition, are carried at cost less accumulated amortisation and impairment losses. They are amortised over a period not exceeding 5 years.

Internally developed courses

Course development costs are expensed when incurred unless the course development costs are directly attributable to the design of identifiable programmes controlled by the Group, in which case they are recognised as intangible assets where all of the following criteria are met:

(a) The course material is identifiable and the use and redistribution of course material is controlled by the Group through legal or other means.

(b) It is probable that the courses will generate future economic benefits attributable to the course and the cost can be reliably measured. This is the case when:

(i) it is technically feasible to complete the development so that the course or programme will be available for use and/or sale;

(ii) management intends to complete the development of the course or programme and use or sell it:

(iii) there is an ability to use or sell the course or programme;

(iv) it can be demonstrated how the course or programme will generate probable future economic benefits;

(v) there are adequate technical, financial and other resources available to complete development of the course or programme and to use or sell the course or programme; and

(vi) the expenditure attributable to the course or programme development can be reliably measured.

Capitalised course development costs related to courses that are not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Capitalised course development costs are amortised from the point at which the course or programme is ready for use and are amortised over a period not exceeding 5 years. They are carried at cost less accumulated amortisation and impairment losses. They are tested for impairment whenever there is an indication that the asset may be impaired.

Intellectual property development

Research costs are expensed as incurred in the surplus or deficit. Development costs that are directly attributable to the design, construction and testing of pre-production or pre-use prototypes and models associated with intellectual property development are recognised as an intangible asset if all the following can be demonstrated:

- It is technically feasible to complete the product so that it will be available for use or sale.
- Management intends to complete the product and use or sell it.
- There is an ability to use or sell the product.
- It can be demonstrated how the product will generate probable future economic benefits.
- Adequate technical, financial, and other resources to complete the development and to use or sell the product are available.
- The expenditure attributable to the product during its development can be reliably measured.

Other development expenses that do not meet these criteria are recognised as an expense as incurred in the surplus or deficit. Development costs previously recognised as an expense cannot be subsequently recognised as an asset.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

- Computer software 3 to 6 years 16.7% to 33.3%
- Course Development 4 years 25%

The useful life of completed projects will be established at project completion.

Impairment of intangible assets

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment.

Group	1 Jan 2021			2021					31 Dec 2021		
All in $'000	Cost or fair value	Accumulated depreciation	Net carrying value	Additions	Disposals at cost	Amortisation on disposal	Amortisation	Revaluation	Cost or fair value	Accumulated depreciation	Net carrying value
Computer software	23,602	(12,899)	10,703	122	(184)	184	(3,472)	0	23,540	(16,187)	7,353
Goodwill	407	(407)	0	0	0	0	0	0	407	(407)	0
Course development	2,382	(511)	1,871	2,157	0	0	(1,102)	0	4,539	(1,613)	2,926
Total intangible assets	**26,391**	**(13,817)**	**12,574**	**2,279**	**(184)**	**184**	**(4,574)**	**0**	**28,487**	**(18,207)**	**10,280**

Intangible assets under construction	1 Jan 2021	2021		31 Dec 2021
All in $'000	Cost	Additions	Capitalisations	Net Carrying Value
Computer software	225	376	(122)	478
Course development	2,157	0	(2,157)	0
Total	**2,382**	**376**	**(2,279)**	**478**

Total intangibles	**10,756**

Notes to the Financial Statements

for the financial year ended 31 December 2021

9. INTANGIBLE ASSETS (CONTINUED)

Institute	**1 Jan 2021**			**2021**					**31 Dec 2021**		
All in $'000	**Cost or fair value**	**Accumulated depreciation**	**Net carrying value**	**Additions**	**Disposals at cost**	**Amortisation on disposal**	**Amortisation**	**Revaluation**	**Cost or fair value**	**Accumulated depreciation**	**Net carrying value**
Computer software	23,380	(12,825)	10,555	122	(184)	184	(3,431)	0	23,318	(16,073)	7,245
Goodwill	0	0	0	0	0	0	0	0	0	0	0
Course development	1,947	(293)	1,654	2,157	0	0	(1,026)	0	4,104	(1,319)	2,785
Total intangible assets	**25,327**	**(13,118)**	**12,209**	**2,279**	**(184)**	**184**	**(4,457)**	**0**	**27,422**	**(17,392)**	**10,030**

Intangible assets under construction	**1 Jan 2021**	**2021**		**31 Dec 2021**
All in $'000	**Cost**	**Additions**	**Capitalisations**	**Net Carrying Value**
Computer software	225	376	122	478
Course development	2,157	0	2,157	0
Total	**2,382**	**376**	**2,279**	**478**

Total intangibles	**10,508**

Group	1 Apr 2020			2020					31 Dec 2020		
All in $'000	Cost or fair value	Accumulated depreciation	Net carrying value	Additions	Net book value of disposals	Amortisation	Reclassifications	Revaluation	Cost or fair value	Accumulated depreciation	Net carrying value
Computer software	21,707	(10,445)	11,262	1,595	39	(2,493)	0	0	23,602	(12,899)	10,703
Goodwill	407	(407)	0	0	0	0	0	0	407	(407)	0
Course development	435	(105)	330	1,947	0	(348)	0	0	2,382	(511)	1,871
Total intangible assets	**22,549**	**(10,957)**	**11,592**	**3,802**	**39**	**(2,841)**	**0**	**0**	**26,391**	**(13,817)**	**12,574**

Intangible assets under construction	1 Apr 2020	2020			31 Dec 2020
All in $'000	Cost	Additions	Expensed	Capitalisations	Net Carrying Value
Computer software	1,317	884	0	(1,976)	225
Course development	5,264	106	(1,266)	(1,947)	2,157
Total	**6,581**	**990**	**(1,266)**	**(3,923)**	**2,382**
Total intangibles					**14,956**

Amortisation

All in $'000	Amortisation on disposals	Impairment losses recognised	Impairment losses reversed	Amortisation	Total amortisation
Computer software	0	0	0	(2,493)	(2,493)
Goodwill	0	0	0	0	0
Course development	0	0	0	(348)	(348)
Total amortisation	**0**	**0**	**0**	**(2,841)**	**(2,841)**

Notes to the Financial Statements

for the financial year ended 31 December 2021

9. INTANGIBLE ASSETS (CONTINUED)

Institute	1 Apr 2020			2020					31 Dec 2020		
All in $'000	Cost or fair value	Accumulated depreciation	Net carrying value	Additions	Net book value of disposals	Amortisation	Reclassifications	Revaluation	Cost or fair value	Accumulated depreciation	Net carrying value
Computer software	21,525	(10,363)	11,162	1,855	0	(2,462)	0	0	23,380	(12,825)	10,555
Goodwill	0	0	0	0	0	0	0	0	0	0	0
Course development	0	0	0	1,947	0	(293)	0	0	1,947	(293)	1,654
Total intangible assets	**21,525**	**(10,363)**	**11,162**	**3,802**	**0**	**(2,755)**	**0**	**0**	**25,327**	**(13,118)**	**12,209**

Intangible assets under construction	1 Apr 2020	2020			31 Dec 2020
All in $'000	Cost	Additions	Expensed	Capitalisations	Net Carrying Value
Computer software	1,317	884	0	(1,976)	225
Course development	5,263	106	(1,266)	(1,947)	2,157
Total	**6,580**	**990**	**(1,266)**	**(3,923)**	**2,382**
Total intangibles					**14,951**

Amortisation

All in $'000	Amortisation on disposals	Impairment losses recognised	Impairment losses reversed	Amortisation	Total amortisation
Computer software	0	0	0	(2,462)	(2,462)
Goodwill	0	0	0	0	0
Course development	0	0	0	(293)	(293)
Total amortisation	**0**	**0**	**0**	**(2,755)**	**(2,755)**

10. TRADE AND OTHER PAYABLES

ACCOUNTING POLICY
Short-term payables are recorded at the amount payable. Payables are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of payables approximates their fair value.

Payables under exchange transactions	**Group**		**Institute**	
All in $'000	**Actual 2021**	**Actual 2020**	**Actual 2021**	**Actual 2020**
Trade payables	(1,686)	(2,065)	(1,787)	(2,036)
Related party payables	(83)	0	0	0
Other payables	(1,257)	(3,065)	(1,156)	(2,945)
Total payables under exchange transactions	**(3,026)**	**(5,130)**	**(2,943)**	**(4,981)**

Payables under non-exchange transactions				
Other payables				
Related party payables				
Net GST payable/(receivable)	(573)	(835)	(497)	(793)
Total payables under non-exchange transactions	**(573)**	**(835)**	**(497)**	**(793)**
Total trade and other payables	**(3,599)**	**(5,965)**	**(3,440)**	**(5,774)**

Notes to the Financial Statements

for the financial year ended 31 December 2021

11. EMPLOYEE ENTITLEMENTS

ACCOUNTING POLICY

Employee benefits that are due to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to - but not yet taken - at balance date, and sick leave.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the year in which the employee provides the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

Presentation of employee entitlements

Annual leave is classified as a current liability. All other employee entitlements are classified as a non-current liability.

Superannuation schemes

Employer contributions to KiwiSaver, the Government Superannuation Fund, and other defined contribution superannuation schemes are accounted for as defined contribution schemes and are recognised as an expense in the surplus or deficit when incurred.

Employee entitlements	**Group**		**Institute**	
All in $'000	**Actual 2021**	**Actual 2020**	**Actual 2021**	**Actual 2020**
Accrued pay	(659)	(464)	(631)	(444)
Annual leave	(2,832)	(2,759)	(2,686)	(2,590)
Long service leave	(36)	(32)	(36)	(32)
Other employee entitlements	(1,069)	(1,197)	(1,035)	(1,087)
Total Employee benefit liabilities	**(4,595)**	**(4,452)**	**(4,389)**	**(4,153)**
Current portion	**(4,559)**	**(4,338)**	**(4,353)**	**(4,039)**
Non-current portion	**(36)**	**(114)**	**(36)**	**(114)**
Total employee benefit liabilities	**(4,595)**	**(4,452)**	**(4,389)**	**(4,153)**

12. REVENUE RECEIVED IN ADVANCE

	Group		Institute	
All in $'000	**Actual 2021**	**Actual 2020**	**Actual 2021**	**Actual 2020**
Revenue received in advance				
Government grants	(1,791)	(1,830)	(1,791)	(1,830)
Students' fees	(17,485)	(15,931)	(17,485)	(15,931)
Other revenue received in advance	(938)	(995)	0	0
Total revenue received in advance	**(20,214)**	**(18,756)**	**(19,276)**	**(17,761)**
Current portion	(20,214)	(18,756)	(19,276)	(17,761)
Non-current portion	0	0	0	0
Total revenue received in advance	**(20,214)**	**(18,756)**	**(19,276)**	**(17,761)**

13. BORROWINGS

ACCOUNTING POLICY
Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the Institute or the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

Borrowings	Group		Institute	
All in $'000	**Actual 2021**	**Actual 2020**	**Actual 2021**	**Actual 2020**
Current portion	(29,291)	(2,014)	(30,291)	(2,014)
Non-current portion	(215)	(28,566)	(215)	(29,266)
Total	**(29,506)**	**(30,580)**	**(30,506)**	**(31,280)**

Borrowings
The Institute has a loan facility of $43.5m with its parent Te Pūkenga providing funding for capital projects and liquidity.

Notes to the Financial Statements

for the financial year ended 31 December 2021

14. OTHER FINANCIAL ASSETS AND LIABILITIES

ACCOUNTING POLICY

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit, in which case the transaction costs are recognised in the surplus or deficit.

Term deposits and loans to subsidiaries

Term deposits and loans to subsidiaries are initially measured at the amount invested. Where applicable, interest is subsequently accrued and added to the investment balance. At year end, term deposits and loans to subsidiaries are assessed for indicators of impairment. If they are impaired, the amount not expected to be collected is recognised in the surplus or deficit.

Fair value

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) - Financial instruments with quoted prices for identical instruments in active markets.
- Valuation techniques using observable inputs (level 2) - Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) - Financial instruments valued using models where one or more significant inputs are not observable.

Impairment of financial assets held at amortised cost

The Group recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that Te Pūkenga expects to receive).

Lifetime ECLs are ECLs that result from all possible default events over the expected life of a financial instrument. 12 month ECLs are the portion of ECLs that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). Loss allowances on cash and cash equivalents, term deposits and loans to subsidiaries are measured at 12 month ECLs if credit risk has not increased significantly since initial recognition. Should credit risk of these instruments increase significantly, loss allowances are measured at an amount equal to lifetime ECL.

Loss allowances for receivables are always measured at an amount equal to lifetime ECLS. Te Pūkenga applies the simplified approach, as permitted by PBE IPSAS 41. For the simplified approach the Group establishes a provision matrix that is based on historical credit loss experience, adjusted for current and forward-looking information on macroeconomic factors affecting the ability of the customer to settle the amount receivable.

The Group considers a financial asset to be in default when:

- The financial asset is more than 30 days past due, and/or
- The borrower is unlikely to pay its credit obligations to the Group in full.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The unrecoverable portion of a financial asset is written off when the Group has no reasonable expectations of recovering all or some of a financial asset. For student fees, the Group has a policy of writing off the gross carrying amount when the receivable is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery.

The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

	Group		Institute	
All in $'000	**Actual 2021**	**Actual 2020**	**Actual 2021**	**Actual 2020**
Financial instrument categories				
The accounting policies for financial instruments have been applied to the line items below:				
Financial assets - loans and receivables at amortised cost				
Cash and cash equivalents	5,079	2,578	2,368	83
Term deposits with maturities greater than 3 months at acquisition	652	654	652	654
Student fees and other receivables	17,961	15,445	17,543	15,103
Total loans and receivables	**23,692**	**18,678**	**20,563**	**15,841**
Financial assets - available for sale at fair value				
Government bonds				
Financial assets - available for sale	0	2,064	0	2,064
Total available for sale	**0**	**2,064**	**0**	**2,064**
Financial liabilities				
Financial liabilities measured at amortised cost				
Trade and other payables	(3,026)	(5,130)	(2,943)	(4,981)
Borrowing	(29,506)	(30,580)	(30,506)	(31,280)
Total financial liabilities measured at amortised cost	**(32,532)**	**(35,710)**	**(33,449)**	**(36,261)**

Notes to the Financial Statements

for the financial year ended 31 December 2021

14. OTHER FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Financial instruments risks

The Institute and the Group's activities expose it to a variety of financial risks, including market risk, credit risk, and liquidity risk. The Institute and the Group has policies to manage these risks and seeks to minimise exposure from financial instruments. These policies do not allow any transactions are that speculative in nature to be entered into.

Contractual maturity analysis of financial liabilities

The table below analyses financial liabilities into relevant maturity Groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are contractual undiscounted cash flows:

Group 2021

All in $'000	Carrying amount	Contractual cashflow	Less than 6 months	6-12 months	1-2 years	2-3 years	More than 3 years
Trade and other payables	(3,026)	(3,026)	(3,026)	0	0	0	0
Borrowings	(29,506)	(29,506)	0	(29,291)	0	0	(215)
Finance leases	0	0	0	0	0	0	0
Total financial liabilities at amortised cost	**(32,532)**	**(32,532)**	**(3,026)**	**(29,291)**	**0**	**0**	**(215)**

Group 2020

All in $'000	Carrying amount	Contractual cashflow	Less than 6 months	6-12 months	1-2 years	2-3 years	More than 3 years
Trade and other payables	(5,130)	(5,130)	(5,130)	0	0	0	0
Borrowings	(30,580)	(30,580)	(1,965)	(49)	(28,566)	0	0
Finance leases	0	0	0	0	0	0	0
Total financial liabilities at amortised cost	**(35,710)**	**(35,710)**	**(7,095)**	**(49)**	**(28,566)**	**0**	**0**

Institute 2021

All in $'000	Carrying amount	Contractual cashflow	Less than 6 months	6-12 months	1-2 years	2-3 years	More than 3 years
Trade and other payables	(2,943)	(2,943)	(2,943)	0	0	0	0
Borrowings	(30,506)	(30,506)	0	(29,291)	0	0	(1,215)
Total financial liabilities at amortised cost	**(33,449)**	**(33,449)**	**(2,943)**	**(29,291)**	**0**	**0**	**(1,215)**

Institute 2020

All in $'000	Carrying amount	Contractual cashflow	Less than 6 months	6-12 months	1-2 years	2-3 years	More than 3 years
Trade and other payables	(4,981)	(4,981)	(4,981)	0	0	0	0
Borrowings	(31,280)	(31,280)	(1,965)	(49)	(29,266)	0	0
Total financial liabilities at amortised cost	**(36,261)**	**(36,261)**	**(6,946)**	**(49)**	**(29,266)**	**0**	**0**

MARKET RISK

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. The Institute is exposed to price risk. The investment philosophy and approach is conservative; it recognises that all investments held should be low risk.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Institute and the Group is exposed to currency risk. The Institute and the Group manages currency risks by entering forward foreign exchange contracts and through diversifying investments across different currencies.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates of interest create exposure to fair value interest rate risk. The Institute and the Group does not actively manage its exposure to fair value interest rate risk. The following table sets out the carrying amount, by maturity, of the financial instruments that are exposed to interest rate risk:

	Group				Institute			
	2021				2021			
	<1 year	>1 year - <2 years	>2 years	Total	<1 year	>1 year - <2 years	>2 years	Total
Cash and cash equivalents	5,079	0	0	5,079	2,368	0	0	2,368
Term deposits	652	0	0	652	652	0	0	652

	Group				Institute			
	2020				2020			
	<1 year	>1 year - <2 years	>2 years	Total	<1 year	>1 year - <2 years	>2 years	Total
Cash and cash equivalents	2,578	0	0	2,578	83	0	0	83
Term deposits	655	0	0	655	655	0	0	654

Cash flow interest rate risks

Cash flow interest rate risk is the risk that cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates create exposure to cash flow interest rate risk. Te Pūkenga has a treasury management policy designed to ensure debt levels are sustainable and servicing costs are minimised. Interest rate swaps are utilised to manage interest rate risk.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the Institute and the Group, causing it to incur a loss. In the normal course of business, the Institute and the Group is exposed to credit risk from cash and term deposits with banks, receivables, Government bonds, loans to subsidiaries, derivative financial instrument assets, and bonds within the managed fund investment. For each of these, the maximum credit exposure is best represented by the carrying amount in the statement of financial position.

Due to the timing of its cash inflows and outflows, surplus cash is invested into term deposits and bonds, which give rise to credit risk. The Institute and the Group limits the amount of credit exposure to any one financial institution for term deposits to no more than 25% of total investments held. The Institute and the Group invests funds only with registered banks that have a Standard and Poor's credit rating of at least A2 for short-term investments and A for long-term investments. The Institute and the Group has experienced no defaults of interest or principal payments for term deposits. The Institute and the Group holds no collateral or other credit enhancements for financial instruments that give rise to credit risk.

Notes to the Financial Statements

for the financial year ended 31 December 2021

14. OTHER FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

	Group		Institute	
All in $'000	**Actual 2021**	**Actual 2020**	**Actual 2021**	**Actual 2020**
The maximum credit exposure for each class of financial instrument is as follows:				
Cash and cash equivalents	5,079	2,578	2,368	83
Long Term deposits	652	655	652	655
Investments in Subsidiaries	0	0	2,398	2,397
Student fees and other receivables	17,961	15,445	17,543	15,103
Total credit risk on loans and receivables	**23,692**	**18,678**	**22,961**	**18,238**

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates:

Counterparties with credit ratings				
Cash and cash equivalents:				
AA-	5,079	2,578	2,368	83
A	0	0	0	0
Short term deposits:				
AA-	652	655	652	655
A	0	0	0	0
Counterparties without credit ratings				
Existing counterparty with no defaults in the past	17,961	15,445	17,543	17,500
Existing counterparty with defaults in the past	0	0	0	0
Total Counterparties without credit ratings	23,692	18,678	20,563	18,238

Debtors and other receivables				
Existing counterparty with no defaults in the past	17,961	15,445	17,543	15,103
Existing counterparty with defaults in the past	0	0	0	0
Total debtors and other receivables	**17,961**	**15,445**	**17,543**	**15,103**

Trade and other receivables
Trade and receivables mainly arise from the operation functions, therefore there are no procedures in place to monitor or report the credit quality of trade and other receivables with reference to internal or external credit ratings. The Institute is not exposed to any material concentrations of credit risk. Trade and other receivables balances are monitored on an ongoing basis to ensure that the exposure to bad debts is not significant.

Liquidity risk
Liquidity risk is the risk that the Institute and the Group will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. The Institute aims to maintain flexibility in funding by keeping committed credit lines available. The Institute and the Group manages liquidity risk by continuously monitoring forecast and actual cash flow requirements.

The table below analyses financial liabilities (excluding derivatives) into relevant maturity Groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate of the instrument at balance date. The amounts disclosed are the undiscounted contractual cash flows.

Group 2021

All in $'000	Carrying amount	Contractual cashflows	Less than 6 months	6- 12 months	1 - 2 years	2 - 3 years	More than 3 years
Payables	1,769	1,769	1,769	0	0	0	0
Accrued expenses	1,257	1,257	1,257	0	0	0	0
Unsecured loans	29,506	29,506	0	29,291	0	0	215
Total	**32,532**	**32,532**	**3,026**	**29,291**	**0**	**0**	**215**

Institute 2021

All in $'000	Carrying amount	Contractual cashflows	Less than 6 months	6- 12 months	1 - 2 years	2 - 3 years	More than 3 years
Payables	1,787	1,787	1,787	0	0	0	0
Accrued expenses	1,156	1,156	1,156	0	0	0	0
Unsecured loans	30,506	30,506	0	30,291	0	0	215
Total	**33,449**	**33,449**	**2,943**	**30,291**	**0**	**0**	**215**

Notes to the Financial Statements

for the financial year ended 31 December 2021

14. OTHER FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Group 2020

All in $'000	Carrying amount	Contractual cashflows	Less than 6 months	6- 12 months	1 - 2 years	2 - 3 years	More than 3 years
Payables	(2,065)	(2,065)	(2,065)	0	0	0	0
Accrued expenses	(3,065)	(3,065)	(3,065)	0	0	0	0
Unsecured loans	0	0	0	0	0	0	0
Secured loans	(30,580)	(30,580)	(1,965)	(49)	(28,566)	0	0
Total	**(35,710)**	**(35,710)**	**(7,095)**	**(49)**	**(28,566)**	**0**	**0**

Institute 2020

All in $'000	Carrying amount	Contractual cashflows	Less than 6 months	6- 12 months	1 - 2 years	2 - 3 years	More than 3 years
Payables	(2,036)	(2,036)	(2,036)	0	0	0	0
Accrued expenses	(2,945)	(2,945)	(2,945)	0	0	0	0
Unsecured loans	0	0	0	0	0	0	0
Secured loans	(31,280)	(31,280)	(1,965)	(49)	(29,266)	0	0
Total	**(36,261)**	**(36,261)**	**(6,946)**	**(49)**	**(29,266)**	**0**	**0**

Sensitivity analysis

The tables below illustrate the potential effect on the surplus or deficit and equity (excluding general funds) for reasonably possible market movements in price and interest rates, with all other variables held constant, based on financial instrument exposures at balance date.

Group	**+100BPS**		**-100BPS**	
Interest rate risk 31 December 2021	**Surplus**	**Equity**	Surplus	**Equity**
Financial assets				
Cash and cash equivalents	51	51	(51)	(51)
Short term deposits for terms of 3 months or less	6	6	(6)	(6)
Financial liabilities				
Borrowings	(295)	(295)	295	295
Total sensitivity to interest rate risk	**(238)**	**(238)**	**238**	**238**

Institute	**+100BPS**		**-100BPS**	
Interest rate risk 31 December 2021	**Surplus**	**Equity**	Surplus	**Equity**
Financial assets				
Cash and cash equivalents	1	1	(1)	(1)
Short term deposits for terms of 3 months or less	6	6	(6)	(6)
Financial liabilities				
Borrowings	(306)	(306)	306	306
Total sensitivity to interest rate risk	**(299)**	**(299)**	**299**	**299**

Notes to the Financial Statements

for the financial year ended 31 December 2021

14. OTHER FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Group	+100BPS		-100BPS	
Interest rate risk 31 December 2020	**Surplus**	**Equity**	Surplus	**Equity**
Financial assets				
Cash and cash equivalents	26	26	(26)	(26)
Short term deposits for terms of 3 months or less	6	6	(6)	(6)
Financial liabilities				
Borrowings	(306)	(306)	306	306
Total sensitivity to interest rate risk	**(274)**	**(274)**	**274**	**274**

Institute	+100BPS		-100BPS	
Interest rate risk 31 December 2020	**Surplus**	**Equity**	Surplus	**Equity**
Financial assets				
Cash and cash equivalents	1	1	(1)	(1)
Short term deposits for terms of 3 months or less	6	6	(6)	(6)
Financial liabilities				
Borrowings	(313)	(313)	313	313
Total sensitivity to interest rate risk	**(306)**	**(306)**	**306**	**306**

Currency Risk
Currency risk (or foreign exchange risk) arises on financial instruments that are denominated in a foreign currency (i.e. in a currency other than the functional currency in which they are measured). For the purpose of this Standard, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency. The Institute and Group are not exposed to any significant currency risk.

Other Price Risk
Other price risk arises on financial instruments because of changes in, commodity prices or equity prices. The Institute and Group are not exposed to any other price risk.

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease in 100 bps is equivalent to a decrease in interest rates of 1.0%.

Fair value estimation and fair value hierarchy

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement for disclosure purposes. Fair value is the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's-length transaction. The fair values of all financial instruments equate to carrying values.

Fair value hierarchy disclosures

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price - Financial instruments with quoted prices for identical instruments in active markets.
- Valuation techniques using observable inputs - Financial instruments with quoted process for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where significant inputs are observable.
- Valuation techniques with significant non-observable inputs - Financial instruments valued using models where one or more significant inputs are not observable.

Group

	Valuation Technique			
All in $'000	**Total**	**Quoted market price**	**Observable inputs**	**Significant non-observable inputs**
Fair value of financial instruments 31 December 2021				
Financial assets				
Cash and cash equivalents	5,079	5,079	0	0
Term deposits	652	652	0	0
Financial liabilities				
Borrowings	(29,706)	(29,706)	0	0
Total	**(23,975)**	**(23,975)**	**0**	**0**

Institute

	Valuation Technique			
All in $'000	**Total**	**Quoted market price**	**Observable inputs**	**Significant non-observable inputs**
Fair value of financial instruments 31 December 2021				
Financial assets				
Cash and cash equivalents	2,368	2,368	0	0
Term deposits	652	652	0	0
Financial liabilities				
Borrowings	(30,506)	(30,506)	0	0
Total	**(27,486)**	**(27,486)**	**0**	**0**

Notes to the Financial Statements

for the financial year ended 31 December 2021

14. OTHER FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Group

All in $'000	Total	Quoted market price	Observable inputs	Significant non-observable inputs	Valuation technique
Fair value of financial instruments 31 December 2020					
Financial assets					
Cash and cash equivalents	2,578	2,578	0	0	0
Term deposits	655	655	0	0	0
Financial liabilities					
Borrowings	(30,580)	(30,580)	0	0	0
Total	**(27,347)**	**(27,347)**	**0**	**0**	**0**

Institute

All in $'000	Total	Quoted market price	Observable inputs	Significant non-observable inputs	Valuation technique
Fair value of financial instruments 31 December 2020					
Financial assets					
Cash and cash equivalents	83	83	0	0	0
Term deposits	655	655	0	0	0
Financial liabilities					
Borrowings	(31,280)	(31,280)	0	0	0
Total	**(30,542)**	**(30,542)**	**0**	**0**	**0**

Notes to the Financial Statements

for the financial year ended 31 December 2021

15. CAPITAL MANAGEMENT

The Institute and the Group's capital is its equity, which comprises accumulated funds and reserves. Equity is represented by net assets. The Institute is subject to the financial management and accountability provisions of the Crown Entities Act 2004 and the Education and Training Act 2020, which impose restrictions in relation to borrowings, acquisition of securities, issuing guarantees and indemnities, and the use of derivatives and is compliant with these requirements. The Institute manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments and general financial dealings to ensure that the Institute effectively achieves its objectives and purpose, while remaining a going concern. All external obligations imposed have been satisfied with the exception of TEC conditions of consent.

16. EQUITY

ACCOUNTING POLICY

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- general funds;
- property revaluation reserves.
- fair value through other comprehensive revenue and expense reserve; and
- trusts and bequests reserve.

Property revaluation reserves

These reserves relate to the revaluation of land, buildings and infrastructure assets to fair value.

Fair value through other comprehensive revenue and expense reserve

This reserve comprises the cumulative net change of financial assets classified as fair value through other comprehensive revenue and expense.

Trusts and bequests reserve

The trusts and bequests reserve is a component of equity, which has been created by the Institute.

Transfers from the reserve may be made only for certain specified purposes or when certain specified conditions are met. The restrictions on use may be established by the Institute or legally through the terms and conditions of specific trusts and bequests.

Share capital

On 1 April 2020, the institute issued 100 shares to Te Pūkenga in accordance with clause 20(1)(c) of Schedule 1 to the Education and Training Act 2020. Each share carries one vote and equal share in dividends and distribution of the Institute's surplus assets.

All in $'000	Note	Group Actual 2021	Group Actual 2020	Institute Actual 2021	Institute Actual 2020
General funds					
Opening balance *		116,390	158,693	113,523	154,536
Opening balance adjustment		0	0	0	0
Transfer from revaluation reserves on sale of assets held for sale		0	0	0	0
Distribution to the Crown		0	0	0	0
Surplus/(deficit) for the year before other comprehensive revenue and expenditure		(6,824)	(42,303)	(4,702)	(41,013)
Capital contributions from the Crown		0	0	0	0
Balance as at 31 December		**109,565**	**116,390**	**108,821**	**113,523**
Property revaluation reserves					
Opening balance *		24,972	24,972	24,972	24,972
Property revaluation reserve transfer on reclassification		0	0	0	0
Transfer to equity on sale of assets held for sale		0	0	0	0
Land net revaluations gain		7,782	0	7,782	0
Infrastructure revaluation gain		4,007	0	4,007	0
Buildings net revaluations gain		18,617	0	18,617	0
Balance as at 31 December		**55,378**	**24,972**	**55,378**	**24,972**
Property revaluation reserves					
Property revaluation reserves consist of:					
Land		24,542	16,760	24,542	16,760
Infrastructure		5,647	1,640	5,647	1,640
Buildings		25,189	6,572	25,189	6,572
Total property revaluation reserves		**55,378**	**24,972**	**55,378**	**24,972**
Trusts and bequests					
Opening balance		654	654	654	654
Interest received		8	15	8	15
Less grants awarded		(10)	(15)	(10)	(15)
Total trusts and bequests		**652**	**654**	**652**	**654**
Total equity		**165,598**	**142,016**	**164,852**	**139,149**

** Opening balance for 2021: 1 January (2020: 1 April).*

Notes to the Financial Statements

for the financial year ended 31 December 2021

17. MAJOR BUDGET VARIATIONS

Explanations for major comprehensive revenue and expense budget variations from the Institute's 2021 budget are detailed below in this table:

	Group			Institute		
All in $'000	**Actual 2021**	**Budget 2021**	**Variance**	**Actual 2021**	**Budget 2021**	**Variance**
Statement of comprehensive revenue and expense						
Surplus/(deficit)	(6,824)	(7,538)	714	(4,702)	(8,133)	3,431
Revenue variances						
Government funding	52,169	51,946	223	52,169	51,946	223
Student fees and departmental revenue	27,607	27,776	(169)	27,607	27,776	(169)
Other revenue	21,922	15,311	6,611	17,098	9,985	7,113
Expenditure variances						
Employee benefit expenses	65,928	64,920	1,008	62,495	61,389	1,106
Depreciation and amortisation	10,822	7,865	2,957	10,454	7,600	2,854
Interest expense	441	702	(261)	438	690	(252)
Administration and other expenses	31,330	29,084	2,246	28,188	28,161	27
Other comprehensive revenue and expense						
Other comprehensive revenue and expense	30,406	0	30,406	30,406	0	30,406
Total comprehensive revenue and expense	**23,583**	**(7,538)**	**31,121**	**25,704**	**(8,133)**	**33,837**

Explanations for major statement of financial position budget variations from the 2021 Institute budget are detailed below in this table:

	Group			Institute		
All in $'000	**Actual 2021**	**Budget 2021**	**Variance**	**Actual 2021**	**Budget 2021**	**Variance**
Statement of financial position						
Current assets	24,374	11,140	13,234	21,201	7,150	14,051
Non-current assets	199,137	174,615	24,522	201,262	171,896	29,366
Current liabilities	57,663	19,648	38,015	57,360	18,304	39,056
Non-current liabilities	251	36,461	(36,210)	251	35,000	(34,749)
Equity	165,598	129,646	35,952	164,852	125,742	39,110

Explanations for major statement of cash flows budget variations from the 2021 Institute budget are detailed below in this table:

	Group			Institute		
All in $'000	**Actual 2021**	**Budget 2021**	**Variance**	**Actual 2021**	**Budget 2021**	**Variance**
Statement of cash flows						
Cash flow from operating activities	3,091	1,429	1,662	2,578	1,217	1,361
Cash flow used in investing activities	482	85	397	482	125	357
Cash flows from financing activities	(1,074)	0	(1,074)	(776)	0	(776)
Net (decrease)/increase in cash and cash equivalents	2,500	1,514	986	2,285	1,342	943
Cash and cash equivalents at beginning of the period	2,578	(2,725)	5,303	83	(5,996)	6,079
Total cash and cash equivalents at end of the period	**5,079**	**(1,211)**	**6,290**	**2,368**	**(4,654)**	**7,022**

Explanations of major budget variations:

Statement of Comprehensive Revenue and Expense:

Other revenue ($7.2m favourable)

Other revenue of $7.1M 2021 Act vs Bud relates to $1.7M Fees-free revenue having no clawback. Trading commercial revenue exceeding budgeted amount by $1.2M in total and tuition fees revenue from overseas partnerships exceeding the budgeted amounts.

Employee benefit expense ($1m unfavourable)

Relates to overspend in academic staffing to accommodate the increase in domestic student volumes in 2021 which was not expected at the time of budget.

Depreciation/Amortisation ($2.9m unfavourable)

Increased due to capitalisation of course development during the year resulting in more amortisation. Increase was also associated with adopting Te Pūkenga useful lives/ depreciation rates for the full year.

Administration and other expenses ($2.8m unfavourable

Loss on disposal of Wintec Student Resident Trust of $2.6m

Statement of Financial Position:

Borrowings overall ($10m favourable)

Budget based on facility total and actual was underdrawn – less capital works than expected due to COVID-19 in 2021.

Non-current asset ($24m favourable)

Mainly driven from the annual asset review, which has seen a substantial increase in asset valuation ($22.6m in buildings and $7.7m in land).

Current and Non-current liabilities

Main drivers being current borrowings (explained above under borrowings) and I\increase in revenue received in advance (with the same correlation seen in accounts receivable), the main driver being the increase in domestic student volumes.

Notes to the Financial Statements

for the financial year ended 31 December 2021

18. OPERATING LEASES

Accounting policy

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

	Group		Institute	
All in $'000	**Actual 2021**	**Actual 2020**	**Actual 2021**	**Actual 2020**
Leases as lessee				
Non-cancellable operating lease rentals are payable as follows:				
Not later than one year	1,953	1,236	1,858	1,142
Later than one year and not later than five years	5,910	3,467	5,610	3,087
Later than five years	12,085	7,021	12,085	7,005
Total leases as lessee	**19,948**	**11,724**	**19,553**	**11,234**

19. COMMITMENTS AND CONTINGENCIES

	Group		Institute	
All in $'000	**Actual 2021**	**Actual 2020**	**Actual 2021**	**Actual 2020**
The Institute has the following commitments at balance date:				
Capital commitments				
Capital commitments denote approved capital expenditure contracted for at year-end not yet incurred.	0	0	0	0
Approved and committed				
Buildings - Waikato Institute of Technology Ltd	0	0	0	0
Other plant, property and equipment	0	0	0	0
Intangible assets	0	0	0	0
Total capital commitments	**0**	**0**	**0**	**0**

The Institute has the following contingent assets at balance date:				
Contingent assets				
Contingent asset	0	0	0	0
Total contingent assets	**0**	**0**	**0**	**0**

The Institute has the following contingent liabilities at balance date:				
Contingent liabilities				
Wintec entered into an operation and maintenance agreement with the Colleges of Excellence in the Kingdom of Saudi Arabia on 08 April 2014. Under this agreement Wintec was required to provide a performance bond which was done under a counter agreement between Bank of New Zeland and Banque Saudi Fransi. In 2019 Wintec has ceased this operation and is in the process of winding up the companies. The amount of this bond at 31 December 2020 was $2.0m. On 03 December 2021 the bond was cancelled. The Institute and Group have no other contingent liabilities.	0	2,000	0	2,000
Total contingent liabilities	**0**	**2,000**	**0**	**2,000**

Notes to the Financial Statements

for the financial year ended 31 December 2021

20. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL

Accounting policy

Related party disclosures have not been made for transactions with related parties that are:

- within a normal supplier or client/recipient relationship; and
- on terms and conditions no more or less favourable than those that are reasonable to expect that the Institute would have adopted in dealing with the party at arm's length in the same circumstances.

Further, transactions with government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements with TEIs and undertaken on the normal terms and conditions for such transactions.

No Board members have received compensation, other than below.

	Group		Institute	
All in $'s	**Actual 2021**	**Actual 2020**	**Actual 2021**	**Actual 2020**
Key management personnel compensation				
Board members				
Full-time equivalent members	1.0	1.0	1.0	1.0
Remuneration	269,386	106,851	164,386	106,851
Directors and Chief Executive				
Full-time equivalent members	10.0	10.0	8.0	8.0
Remuneration	2,402,229	1,698,746	1,994,828	1,390,876
Total full-time equivalent members	**11.0**	**11.0**	**9.0**	**9.0**
Total key management personnel remuneration	**2,671,615**	**1,805,597**	**2,159,214**	**1,497,727**

Board member remuneration				
Niwa Nuri (Te Arawa)	39,855	25,906	39,855	25,906
Margaret Devlin	24,906	16,189	24,906	16,189
Michael Crawford	19,925	12,951	19,925	12,951
Kiri Goulter	19,925	12,951	19,925	12,951
Tania Hodges	19,925	12,951	19,925	12,951
Raewyn Mahara	19,925	12,951	19,925	12,951
Pamela Storey	19,925	12,951	19,925	12,951
Robert Heebink	15,000	0	0	0
Kim Hill-Taite	15,000	0	0	0
Andrew West	25,000	0	0	0
Geoff Day	20,000	0	0	0
Craig McFarlane	30,000	0	0	0
Total Board members remuneration	**269,386**	**106,851**	**164,386**	**106,851**

21. DIRECTORS' INTERESTS

Directors have disclosed the following interests for the period ended 31 December 2021 in accordance with Section 140 of the Companies Act 1993.

Director	Entity	Relationship
CRAWFORD, Michael John Cameron	Wintec Student Residence Trust	Trustee
	Michael Crawford Family Trust	Trustee
	Institute of Directors	Chartered Member
	Chartered Accountants Australia and New Zealand	Member
	High Court of NZ	Enrolled Barrister & Solicitor
	NZ Shareholders Association	Member
	Enterprise Angels	Member & Investor Representative
	Forest & Bird	Member
	Tātau Tātau Commercial Ltd	Director
	Frank Risk Management Ltd	Chair
	Frank Risk New Zealand Ltd	Chair
	Horsham Ltd	Director & Shareholder
	Treasury - Risk and Audit Committee	Member
	Student Rentals New Zealand Ltd	Director
	Nyriad Ltd	Shareholder
	Datagate Innovation Ltd	Shareholder
	Figured Ltd	Shareholder
	UBCO Ltd	Shareholder
	Roholm Ltd	Shareholder
	Enterprise Angels Fund 2 LP	Investor
	InsightAI Ltd	Investor
	Galileo Mining Ltd (Aust)	Investor
DEVLIN, Margaret	Institute of Directors	Chartered Fellow, and also Institute of Directors' Waikato Branch Committee Member
	Lyttleton Port	Chair, Member of the Audit and Risk Committee, Member of the People and Performance Committee
	Watercare Services Ltd	Chairman and also member of Audit and Risk Committee, Te Tangata Committee and major Capital Project Committee
	Waikato Regional Airport Ltd	Director, also Audit Committee Member and Property Committee Member
	Women in Infrastructure Network	Chairman
	IT Partners Group	Director
	Aurora Energy	Director, Chair Audit and Risk Committee
	Infrastructure New Zealand	Director and Chair
	Hospice Waikato	Chairman
	Waimea Water Ltd	Director

Notes to the Financial Statements

for the financial year ended 31 December 2021

21. DIRECTORS' INTERESTS (CONTINUED)

Director	Entity	Relationship
GOULTER, Kiri Adrianne	The Wintec Foundation	Trustee
	Kiri Goulter Consulting Ltd	Director
	Santana Ventures	Director
	Te Awa River Ride Trust	Trustee
	Business Mentors New Zealand	Business Mentor
	Regional Tourism New Zealand Trust	Contractor
	Te Aroha Thermal Spa Development Governance Group	Board Member
HODGES, Tania Lee	Digital Indigenous.com Ltd	Managing Director and Shareholder
	Te Pūkenga	Council Member (Ministerial Appointment)
	Toi Ohomai Institute of Technology Ltd	Director
	Whanau.com Trust	Trustee
	Independent Whanau Ora Advisory Group	Member
	Waikato Tainui Koiora Strategy Panel	Panel Member
MAHARA, Raewyn Janeen	Tertiary Education Commission - Te Taumata Aronui Maaori and Iwi Advisory Board	Board member
	Waikato-Tainui	General Manager, Education and Pathways
	Ministry of Education - National Maaori NCEA Panel	Panel Member
NURI, Niwa Ranji	Tuhono Trust	Accountant
	Rototuna Primary School	Trustee
	Te Arawa Lakes Trust	Trustee
	Lotteries Oranga Marae Committee	Committee Member
	Tu Tonu Limited	Director
	Grandparents Raising Grandchildren Trust	Trustee
	Te Kopu NZ Ltd	Chair
	Hemi James Robb Whanau Trust	Chair
	Taranaki Tona Nuri Whanau Trust	Chair
	Hariata Robb – Kawha Whanau Trust	Chair
	Ngati Tarawhai Iwi Trust	Trustee
	Toi Ohomai Institute of Technology Ltd	Director
STOREY, Pamela Romsos	The Good Collective	Director
	Waikato Regional Council	Councillor - Waikato Constituency
	Rabobank New Zealand	Chair - Upper North Island Client Council
	Fonterra	Shareholder/Supplier
	LIC	Shareholder
	Ballance Agri Nutrients	Shareholder
	Taniwha Estate Ltd	Director
	Taniwha Trust	Trustee
	Farmlands	Shareholder
	Lower Waikato River Catchment Ecological Trust	Trustee (appointed by the Waikato Regional Council)

22. INVESTMENTS IN SUBSIDIARIES AND CONSOLIDATION

The Group financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses, and cash flows of entities in the Group on a line-by-line basis. All intra-Group balances, transactions, revenue, and expenses are eliminated on consolidation. The Group financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The consolidation of an entity begins from the date the Institute obtains control of the entity and ceases when the Institute loses control of the entity.

Subsidiaries

The Institute consolidates in the Group financial statements those entities it controls. Control exists where the Institute is exposed, or has rights, to variable benefits (either financial or non-financial) and has the ability to affect the nature and amount of those benefits from its power over the entity. Power can exist over an entity if, by virtue of its purpose and design, the relevant activities and the way in which the relevant activities of the entity can be directed has been predetermined by the Institute. Investments in subsidiaries are measured at cost in the parent financial statements.

Subsidiary	Ownership %	Balance date	Business Activity
Soda Inc Ltd	100	31-Dec	Creative industries business incubator
Motortrain Limited	25	31-Dec	Developing training materials for motor industry
MondragonWintec Saudia arabia LLC	100	31-Dec	Now dormant
Wintec KSA Limited	100	31-Dec	Now dormant
Polytechnics International New Zealand (PINZ)	100	31-Dec	Off-shore consultancy
Wintec Foundation Trust	100	31-Dec	Charitable Trust
Wintec Students Resident Trust	0	31-Dec	Student Accommodation
LearningWorks Ltd	100	31-Dec	Developing and delivering training to industry

The Institute controls the Wintec Foundation Trust for financial reporting purposes because the Institute predetermined the objectives of the Trust at establishment and all benefits flow back to Wintec.

The Wintec Student Residence Trust is consolidated into the Group in accordance with PBE IPSAS 35 Consolidated Financial Statements. The Trust is a registered Charitable Trust and was established for the purpose of providing, maintaining and administrating residential accommodation for students attending the Institute courses. While the Institute's voting right is limited to appoint one representative to the Board of trustees of the Trust, the Institute has concluded that it controls the Trust for financial reporting purposes. This is because the Institute predetermined the objectives of the Trust at establishment, and it benefits from the activities of the Trust. Additionally, the Institute has a special relationship with the Trust due to the following rights it holds:

- Reviewing the performance of the Trust and their key performance indicators
- Direct the Trust in respect of the provision of the services
- Have the services of the Trust be provided to its student residents only
- Approve/consent Institute branding materials
- Approve/veto operating and capital budgets, decorations and demolition on the accommodation building
- Terminate for restructuring purposes should the Institute decide to have another operator.

Notes to the Financial Statements

for the financial year ended 31 December 2021

22. INVESTMENTS IN SUBSIDIARIES AND CONSOLIDATION (CONTINUED)

Loss on disposal of Wintec Student Residence Trust operations
On 30 December 2021, the operations of the Trust including its assets and liabilities were resettled into a new charitable trust, the Student Residence Trust Aotearoa (SRTA), which is not controlled by the Institute. As a result, the Group has disposed of the assets and liabilities of the Trust in the consolidated financial statements. The loss on disposal of $2,252 is reported in the surplus or deficit as administration and other expenses.

Disposal of Trust	**$**
Bank	78
Current Asset	52
Fixed Asset	2,570
Total Assets	**2,700**
Total current liabilities	(350)
Non-current Liabilitiess	(97)
Total liabilities	**(447)**
Total Equity	**2,252**

Investment in associates
Motortrain Limited is a dormant company and has not traded. It holds no assets or libabilities.

Investment in associates	**Ownership %**	**Balance date**	**Business Activity**
Motortrain Limited	25	31-Dec	Developing training materials for motor industry

23. EVENTS AFTER BALANCE DATE

As explained in note 1, the Education and Training Act 2020 (the Act) states that each Te Pūkenga subsidiary continues in existence until 31 December 2022 at which point all the rights, assets and liabilities of the Te Pūkenga subsidiary will be transferred to Te Pūkenga. The Act allows Te Pūkenga to dissolve Waikato Institute of Technology Limited before this date and transfer some or all the rights, assets and liabilities to Te Pūkenga or another Te Pūkenga subsidiary. The dissolution of Waikato Institute of Technology Limited on 31 May 2022 was approved by the Board of Te Pūkenga on 5 April 2022.

24. COVID-19

The effects of COVID-19 on the Institute
On 11 March 2020, the World Health Organisation declared the outbreak of COVID-19 a pandemic and two weeks later the New Zealand Government declared a State of National Emergency. From this, the country was in lockdown at Alert Level 4 for the period 26 March to 27 April and remained in lockdown at Alert Level 3, thereafter, until 13 May. COVID-19 continues to cause disruptions around the world and in New Zealand.

During the periods of lockdown, the Institute closed all delivery sites and brought forward the mid-semester break to align with the new timing of the school holidays in New Zealand. Most staff moved to a 'work from home' model and teaching was changed to on-line delivery after the mid-semester break.

The Institute has continued with on-line delivery where possible. For those students that benefit from face-to-face training, classes have resumed. In 2021 Wintec continues to deliver a mix of on-line and classroom-based learning where required.

The effect on our operations is reflected in these financial statements based on the information available to the date these financial statements are signed. While the borders remain closed Wintec has not been able to welcome international students on campus, which is reflected in these financial statements.

We have also disclosed in the financial statements our significant assumptions and judgements regarding the future potential impacts that may have a material impact on the Institute. These uncertainties may have a material impact on the Institute in the future.

Ongoing financial difficulties and funding support
The TEC has confirmed that 2022 funding for Investment Plans and Fees Free will continue through Te Pūkenga. Te Pūkenga has informed ITPs that it will not recover 2021 funding because of either non-achievement of Education Performance Indicators or under-delivery during the 2021 year. This provides the Institute with certainty that it can continue to deliver to students despite the continued disruptions caused by COVID-19.

The Institute has held external debt since 2008 and has used debt historically as a mechanism to fund capital investment. The Company also has access to an $8.5 million overdraft facility. In June 2021 the Institute's parent, Te Pūkenga, paid back the loan owed by the Institute to the Bank of New Zealand and the Institute now has a loan with Te Pūkenga.

The cash flow impact of the change has significantly reduced the interest costs on the loan.

Te Pūkenga is the 100% shareholder of the Company. The Company has received a letter of support from Te Pūkenga advising Te Pūkenga's intentions to provide financial support to the Company sufficient to ensure that:

- The company is able to pay its debts as they become due in the normal course of business; and
- The business of the Company may be carried on in a manner not likely to create a substantial risk of serious loss to the Company's creditors being created as a consequence of the financial position of the Company.

Student fees
Although the borders are closed for our international students, many were in country before the lockdown and have been studying on-line. The International EFTS are down but not significantly for semester two; we are anticipating a reduction in contribution of $3.8m. The borders did not open for the 2021 intake and we had a reduction in the number of anticipated students and therefore a decrease in student revenue for 2021.

The domestic student numbers are stable, and we are not expecting a significant reduction in students for 2022.

Operating expenses
As a result of COVID-19, the Institute has incurred additional expenditure of $0.2m on:

Ensuring the buildings were cleaned to a higher standard than we would normally expect to ensure that any chance of transmission was minimised for staff and students who are on campus.

Purchases of personal protection equipment such as face masks, gloves and hand sanitisers are still being made, especially for the trades ,including the restaurant students and staff.

Impairment of tangible and intangible assets
An impairment assessment has been completed for tangible and intangible assets. Except for the impairment of some course development assets relating to our overseas entity due to the cessation of the venture, all other assets were not materially impaired by COVID-19.

Other
Receivables have been reviewed for impairment and a provision of $1.50 million has been made.

Notes to the Financial Statements

for the financial year ended 31 December 2021

25. ADOPTION OF PBE IPSAS 41 FINANCIAL INSTRUMENTS

The Institute and Group have elected to early adopt PBE IPSAS 41 Financial instruments.

In accordance with the transitional provisions of PBE IPSAS 41, the Institute has elected not to restate the information for previous years to comply with PBE IPSAS 41. The comparative information continues to be reported under PBE IPSAS 29. Adjustments arising from the adoption of PBE IPSAS 41 are recognised in opening equity at 1 January 2021.

Accounting policies have been updated to comply with PBE IPSAS 41. The main updates are:

- Note 10 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying a lifetime expected credit loss model.
- Note 14 Investments:
    - » Term deposits, and loans to subsidiaries: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

On the date of initial application of PBE IPSAS 41, being 1 January 2021, the classification of financial instruments under PBE IPSAS 29 and PBE IPSAS 41 is as follows:

Institute

	Original PBE IPSAS 29 category	New PBE IPSAS 41 category	Closing balance 31 December 2020 (PBE IPSAS 29)	Adoption of PBE IPSAS 41 adjustment	Opening balance 1 January 2021 (PBE IPSAS 41)
Cash at bank and on hand	Loans and receivables	Amortised cost	83	0	83
Term deposits	Loans and receivables	Amortised cost	655	0	655
Receivables	Loans and receivables	Amortised cost	15,103	0	15,103
Total financial assets			**15,841**	**0**	**15,841**

Group

	Original PBE IPSAS 29 category	New PBE IPSAS 41 category	Closing balance 31 December 2020 (PBE IPSAS 29)	Adoption of PBE IPSAS 41 adjustment	Opening balance 1 January 2021 (PBE IPSAS 41)
Cash at bank and on hand	Loans and receivables	Amortised cost	2,578	0	2,578
Term deposits	Loans and receivables	Amortised cost	655	0	655
Receivables	Loans and receivables	Amortised cost	15,445	0	15,445
Total financial assets			**18,678**	**0**	**18,678**

26. REPORTING TIMEFRAME

The Minister of Education indicated in a letter to Te Pūkenga that the Institute's reporting requirements are derived from section 306 of the Education and Training Act 2020 (ETA) and that audited financial statements need to be prepared. Section 306 of the ETA refers to the Crown Entities Act 2004 (CEA) financial statement preparation and audit provisions. Section 156 of the CEA refers to the financial statements being prepared and provided to the auditor within 3 months of year end, and the Auditor-General providing an audit report on those financial statements within 4 months of year end. The 4-month time frame was not met in respect of the 2021 financial statements.

27. CHILDCARE SUMMARY

	Actual 2021 $'000	Budget 2021 $'000	Actual 2020 $'000
Revenue			
Government grants (children under two)	253	262	178
Government grants (two and over)	116	80	77
Government grants (20 hours ECE)	252	263	215
Government grants (plus 10)	44	45	37
Incentive grant	0	0	0
Fees Work and Income New Zealand (WINZ)	167	100	92
Other fees targeted	74	112	79
Other trading revenue	**906**	**862**	**678**

Expense			
Staffing	607	725	526
Other costs	88	58	38
Other trading expenses	**695**	**783**	**564**
Trading surplus	**211**	**79**	**114**

STATEMENT OF SERVICE PERFORMANCE

Statement of Service Performance

The 2021 Statement of Service Performance (SSP) comprises the set of key performance indicators (KPIs) agreed with TEC and approved as part of the Investment Plan 2019-20 (with EPI targets set for 3 years to 2021).

The Investment Plan is Wintec's funding agreement with the Tertiary Education Commission (TEC). It contains the key performance indicators agreed between Wintec and the TEC for the period of the Investment Plan (2019-20). The KPIs demonstrate Wintec's progress towards success in:

- delivering quality provision, which is relevant to the needs of the region's learners, communities, and employers;
- driving improved educational outcomes, improving infrastructure and facilities to enable quality teaching and learning, and enhance work and social environments;
- increasing financial sustainability, and
- securing greater organisational efficiency.

In addition to the Investment Plan, Wintec also has Strategic and Business Plans, written to engage staff, students, employers, community organisations, international partners and other stakeholders with Wintec's strategic vision and our strategies for achieving success.

The 2021 SSP includes the mandated Educational Performance Indicators (EPIs) agreed with TEC through the 2019-2020 Investment Plan process, and key financial indicators agreed with TEC. In addition to the SSP, this section provides a summary of key initiatives arising out of the 2021 Business Plan.

For the most part, they focus on shifting our performance towards achieving parity for Māori and Pacific cohorts, relative to non-Māori and non-Pacific, by 2022. These stretch targets have been set for three years (as required by TEC in the Investment Plan), using 2017 EPI results as the baseline. In some cases, the shift required is relatively small (between 1-2%). For others, the shift is greater, and may be up to 5% over three years. Initiatives piloted during 2019 to lift student outcomes have continued and are now part of the Tōia Mai programme of work; a whole-of-organisation, holistic approach to improving learner outcomes. These initiatives will require time to mature and have an impact on closing the parity gap.

Notes Student Achievement Component (SAC) funding includes:

- Competitive Process Funding
- EFTS-based tuition subsidies
- Māori and Pacific Trades Training (MPTT) Levels 1 and 2
- Māori and Pacific Trades Training (MPTT) Levels 3 and 4
- Plan Process Funding
- Plan Process Levels 1 and 2 for under 25s
- SAC Level 3 and 4 Competitive Process Funding

Key terms:

EFTS – Equivalent Full Time Student/s
EPI – Educational Performance Indicator
FTE – Full Time Equivalent
ITP – Institute of Technology and Polytechnic
MPTT – Māori and Pacific Trades Training
NSEAR – New Student Enrolment and Retention
NZQF – New Zealand Qualification Framework
PBRF – Performance Based Research Fund
PTE – Private Training Establishment
SAC – Student Achievement Component
SCC – Successful Course Completion
STP – Secondary Tertiary Partnerships
TEC – Tertiary Education Commission
TNW – Te Ngawhā Whakatupu
TROQ – Targeted Review of Qualifications
WTA – Waikato Trades Academy

Educational Performance (All SAC Funded Students)

Objectives		Measures			
Participation		**2019 Actual**	**2020 Actual**	**2021 Planned**	**2021 Actual***
Level 1 to 3	Māori	29%	28%	32%	28%
	Pacific	6.5%	7.7%	8%	7.3%
	Non-Māori and Non-Pacific	66%	66%	60%	66%
Level 4 to 7 (non-degree)	Māori	23%	22%	28%	22%
	Pacific	6.5%	7%	8%	6.5%
	Non-Māori and Non-Pacific	71%	72%	64%	72%
Level 7 degree	Māori	24%	25%	25%	25%
	Pacific	6.7%	7.1%	6%	8.2%
	Non-Māori and Non-Pacific	71%	70%	69%	69%
Level 8 to 10	Māori	18%	11%	15%	12%
	Pacific	3.2%	3.4%	5%	7.5%
	Non-Māori and Non-Pacific	79%	86%	80%	84%
First-year retention					
Level 4 to 7 (non-degree)	Māori	45%	50%	55%	69%
	Pacific	56%	30%	55%	50%
	Non-Māori and Non-Pacific	61%	62%	60%	65%
Level 7 degree	Māori	69%	63%	74%	64%
	Pacific	71%	68.9%	76%	78.9%
	Non-Māori and Non-Pacific	72%	73%	76%	78%
Progression					
Level 1 to 3	Māori	25%	18%	50%	too early to report (data not available from TEC until June 2022)
	Pacific	21%	19/6%	50%	too early to report (data not available from TEC until June 2022)
	Non-Māori and Non-Pacific	38%	42%	55%	too early to report (data not available from TEC until June 2022)
Course completion					
Level 1 to 10	Māori	66%	67%	81%	67.1%
	Pacific	64%	67.3%	81%	67.3%
	Non-Māori and Non-Pacific	79%	78%	83%	78.4%
Number of expected graduates**					
Level 1 to 3	Māori	214	167	200	301
	Pacific	50	59	50	66
	Non-Māori and Non-Pacific	701	754	420	834

** Results as at 7 March 2022. To be updated as further information becomes available.*

*** Results as at 7 March 2022. To be updated as further qualifications are marked as complete and confirmed for graduation.*

2021 Context

Initiatives to support equitable outcomes for all learners.

PARTICIPATION

Goals for increased enrolments and participation for Māori and Pacific learners are agreed with TEC and articulated in Wintec's Investment Plan 2019-20 (formulated in 2018) with targets set to 2021.

Levels 1 to 3

28% (314 of 1,111 EFTS) of SAC funded enrolments in New Zealand Qualification Framework (NZQF) Levels 1 to 3 identified as Māori, below the targeted participation rate of 32%. While this result is an improvement on that achieved in 2020, it is consistent with previous years. This may be attributed in part to an overall drive to lift Māori participation at higher levels of the NZQF and a shift in provision resulting in fewer programmes being available at lower levels. Participation rates are particularly strong for this cohort in the areas of Science and Primary Industries and Trades, while participation in Level 1 to 3 Business continues to be low.

Pacific ākonga comprise 7.3% of SAC funded enrolments at level 1 to 3, which is below the target set of 8%. This is slightly lower than the 7.7% reached in 2020; however, as this is a relatively small cohort it is more subject to fluctuations over time. Within this cohort there has been an increase in enrolments in Trades programmes (up 5 EFTS on 2020 levels), Business (up 3.5 EFTS on 2020 levels) and Applied Science and Primary Industries (up 3 EFTS on 2020). These increases offset a slight reduction in other areas (e.g., Education and English Language).

Non-Māori and Non-Pacific ākonga accounted for approximately 66% of all enrolments at levels 1 to 3 in 2021. Although that is equivalent to the result achieved in 2020, in absolute terms it represents a 17.3% increase in enrolments (from 629 EFTS in 2020 to 738 EFTS in 2021) and primarily in Trades provision.

Levels 4 to 7 (non-degree)

Overall, there was an increase in total EFTS in levels 4 to 7 (non-degree programmes) across all ethnicities, from 3,318 EFTS in 2020 to 3,789 EFTS in 2021. This may be attributed to more learners choosing to study in an environment where COVID-19 has affected employment rates in some industries.

Approximately 22% (383 EFTS) of all enrolments at Levels 4 to 7 non-degree identified as Māori. This is an increase on 2020 levels, although below the target set of 28%. Of particular note is growth on 2020 levels in the areas of Education and Foundation Pathways, Trades, and Science and Primary Industries (an increase of 24 EFTS, 20 EFTS, and 12 EFTS respectively).

6.5% of overall SAC-funded enrolments at levels 4-7 (non-degree) identified as Pacific, which is slightly lower than 2020 levels (7.1%) and below the target set (8%).

In absolute terms, however, the number of equivalent full-time Pacific enrolments in 2021 increased, from 100.2 EFTS in 2020 to 111.7 EFTS in 2021. Slight decreases in Media Arts, Education, Science and Primary Industries, and Health are offset by slight increases in other areas. It should be noted, however, that this is a relatively small cohort, and overall results are subject to fluctuation year on year.

Participation for Non-Māori and Non-Pacific in this cohort remained steady on 2020 levels at 72%, and above the target set (69%). The largest proportion of this cohort were enrolled in English Language programmes, primarily delivered to New Zealand citizens / residents for whom English is not their first language. This cohort also represented the highest proportion of enrolments in Science and Primary Industries (83%) and Information Technology (81%).

Level 7 degree

Overall, EFTS in Level 7 degree programmes increased from 1,435 EFTS in 2020 to 1,628 EFTS in 2021.

25% of enrolments in Level 7 degree programmes identified as Māori, consistent with the result in 2020 and on target. Overall Māori EFTS increased from 359 EFTS in 2020 to 406 EFTS in 2021, with particular increases in Health and Social Practice (up 178 EFTS on 2020) and Media Arts (up 20 EFTS on 2020).

135.5 EFTS (8.2%) out of a total 1,627.6 EFTS delivered at Level 7 degree identified as Pacific; exceeding the target set (6%) and showing a steady increase year on year since 2015 (from 5.4% in 2015 to 7.2% in 2020). Growth is particularly strong across our health portfolio, with an increase of 15.4 EFTS in the Bachelor of Nursing, and an increase of 24.1 EFTS in health and social practice programmes overall.

The target 69% Non-Māori and Non-Pacific enrolments in Level 7 degree programmes has been met. Overall, participation rate for this cohort has decreased slightly over time, as there are now larger proportions of Māori and Pacific ākonga studying at this level. Growth is evident across most programme areas, with the exception of Media Arts, Engineering, and Health-related provision.

Levels 8 to 10

Approximately 138 EFTS were delivered at Levels 8 to 10, with 16 EFTS (12%) identifying as Māori, 7.5% (10.3 EFTS) identifying as Pacific, and 84% (115 EFTS) Non-Māori and Non-Pacific. The majority of our postgraduate enrolments are in the area of Health and Social Practice, which accounts for nearly 70% of Non-Māori and Non-Pacific enrolments at this level.

FIRST-YEAR RETENTION

Levels 4 to 7 (non-degree)

Overall, the rate of first-year retention across Levels 4 to 7 (non-degree) is subject to fluctuation due to the relatively small number of eligible learners in this cohort, as Wintec offers few qualifications at this level that are more than 2 EFTS in duration (predominantly programmes in Engineering and Industrial Design).

Across all learner Groups there has been an increase in absolute terms in first-year retention in 2021. This is in part due to the success of a range of initiatives implemented through Tōia Mai across a range of programmes, including whakawhanaungatanga support for 539 learners in Semester 2, achieving a retention rate of 87%. Initiatives such as these are continually being refined and implemented across a wider range of programmes and will continue into 2022.

A significant increase in first-year retention for Māori learners at Levels 4 to 7 (non-degree) from 45% in 2019 to 50% in 2020 and 69% in 2021 is pleasing, and reflective of the initiatives embedded across Wintec to lift learner success. 72% of learners in this cohort are enrolled in Engineering and Industrial Design programmes, with a 71% retention rate in 2021.

In absolute terms, the first-year retention rate for Pacific learners at Levels 4 to 7 (non-degree) has increased from 43% in 2020 to 50% in 2021. However, it should be noted that this is a small cohort (6 enrolments in 2020, all of whom enrolled in Engineering and Industrial Design programmes), and the non-retention of one student has a significant impact on the overall result.

For Non-Māori and Non-Pacific, first-year retention at Level 4 to 7 (non-degree) increased slightly on 2020 levels (61%) to 65% in 2021. This measure may fluctuate each year due to the relatively small number of students in this cohort (150 students) with Wintec offering few non-degree programmes that are 2 or more EFTS in duration. A majority (85%) of the students were within the Centre for Engineering and Industrial Design, where a retention rate of 66% was recorded.

FIRST-YEAR RETENTION

Level 7 degree

The first-year retention rate for Māori at Level 7 degree remains steady at 64%, although significantly below the target set (74%). More than half of the ākonga in this cohort (54%) were enrolled in Health and Social Practice programmes, which saw a first-year retention rate of 68%. 44 ākonga in this cohort identified as Pacific and achieved a first-year retention rate of 78.9% (a significant increase on 2020 levels, at 68.9%). Relatively small numbers in this cohort affect overall results, which are subject to fluctuations over time. As with Māori ākonga, approximately 50% of Pacific ākonga were enrolled in programmes in the area of health and social practice, with a first-year retention rate of 81.8%.

First-year retention for Non-Māori and Non-Pacific at Level 7 degree increased 5 percentage points from 73% in 2020 to 78% in 2021. This result reflects an increase in the number of learners in the starting cohort, and a slight increase in retention overall. It is worth noting that approximately 50% of all learners at Level 7 degree are enrolled in Health and Social Practice programmes, which have shown an increase in retention overall year on year.

PROGRESSION

Progression is the rate of enrolment in a higher-level qualification in the following year for students who have completed a qualification at levels 1-4 of the National Qualification Framework (NQF). Students may progress to qualifications at the same institution, or another institution in New Zealand. Progression data is made available by TEC in April 2022 (the final due date for 2021 results).

COURSE COMPLETION

Course completion for Māori learners at Levels 1 to 10 is currently at 67%, lower than the 70% recorded in 2020 and significantly below the 2021 target (81%). It should be noted that the 2021 result provided here is an interim one, and is expected to increase once final results are provided by TEC. Overall, however, the disparity between Māori, and Non-Māori and Non-Pacific is decreasing, as the initiatives developed and implemented through Ōritetanga and now Tōia Mai to better support learner success and achieve equitable outcomes take effect.

Pacific course completion rates for Levels 1 to 10 are currently 67.3%, and consistent with the result achieved in 2020, although significantly below the 2021 target (81%). It should be noted, however, that this is a relatively small cohort, and subject to fluctuations year on year.

Course completions for Non-Māori and Non-Pacific are currently sitting at 75%, which is a decrease on the 2020 result (78%) and below the 2021 target set (83%). In absolute terms, programme areas that have the biggest decline are also those areas where we have the highest number of enrolments (eg, Health and Social Practice, and Trades). It is likely, given the ongoing impact of COVID-19, that there is a direct correlation between lockdowns and declining course completions across all cohorts.

NUMBER OF EXPECTED GRADUATES LEVELS 1 TO 3

Note: Graduation figures for 2021 cannot yet be finalised as course results will not be finalised until April 2022 and qualifications may be conferred after this time.

As at 19 January 2022, 301 SAC-funded qualifications at Levels 1 to 3 had been completed by Māori learners, which exceeds the target set (200 graduates) and is higher than the 2020 result (184 graduates). The majority of graduates in this cohort (175, or 58%) were enrolled in Trades-related provision (e.g., building and construction, automotive engineering, and construction trades skills).

There are currently 66 Level 1 to 3 Pacific graduates, higher than the target set (50 graduates) although slightly lower than the result achieved in 2020 (59 graduates). Just under half of the graduates in this cohort (31 out of 66) were enrolled in trades-related provision. Programmes in this area were the focus of specific Tōia Mai initiatives to lift learner outcomes, and specifically to improve parity for Māori and Pacific. The impact of those initiatives can be seen in the steadily improving results for these ākonga over time.

As at 26 January 2021, 834 qualifications at Levels 1 to 3 had been completed by Non-Māori and Non-Pacific learners, which is an increase on 2019 levels (701 graduates) and far exceeds the target set (420 graduates). Approximately 57% of all completions were in the Centre for Trades and the Centre for Languages.

Educational Performance (All SAC Funded Learning)

	Measures		
Objectives	**2020 Actual**	**2021 Planned**	**2021 Actual**
TEC SAC Level 3+ EFTS (12% increase on 2020 levels)	3,780 EFTS	4,260 EFTS	4,491 EFTS (18% increase on 2020 levels)
Delivery of provision targeted to meet Youth Guarantee (YG) priorities	48% (24 EFTS delivered)	100% (13 EFTS delivered)	75% (9.75 EFTS delivered)

As at 25 February 2022, a total of 4,491 ***SAC-funded EFTS (Level 3 and above)*** were delivered in 2021, exceeding the target set (4,260 EFTS). Growth in enrolments in Semester 2 contributed to this increase, which equates to an 18% increase on 2020 volumes, and revenue growth of $8.32M or 23.5% (from $35.728M in 2020 to $43.749M in 2021).

Youth Guarantee (YG) EFTS has declined year on year, from 48 EFTS in 2019 (96% of allocation), to 24 EFTS in 2020 (48% of allocation), and 9.75 EFTS in 2021 (75% of allocation).

This is consistent with YG delivery across New Zealand, due to changes in the eligibility criteria for YG funding, and the availability of other fees-free trades and associated programmes. We have taken this into consideration in setting the targets for 2022.

Educational Outcomes

	Measures			
Objectives	2019 Actual	2020 Actual	2021 Planned	2021 Actual
Student satisfaction	92%	93%	92%	86%
Graduate satisfaction	89%	91%	90%	93%
Employer and Engagement Satisfaction	85%	86%	80%	86%

Annual surveys are used to gauge customer satisfaction and engagement with key stakeholder Groups.

Student Satisfaction
Student satisfaction has declined since 2020, when 93% of respondents were satisfied with their programme of study. This decline appears to be influenced by the impact of COVID-19 on the learner experience, particularly delaying tauira access to practical learning opportunities (e.g. work placements and practical classes) – although opportunities were provided for learners to catch up when alert levels dropped.

A total of 86% of students in 2021 were satisfied with their programme of study. Among reasons given by tauira for their satisfaction were the teaching staff and the efforts they go to in ensuring learners feel supported, prepared and welcome. They also acknowledged the understanding and flexible learning arrangements (including extensions and adaptation to online delivery) provided by their tutors as a result of COVID-19 lockdowns. Class peers also had a positive impact on learner experience. Support services, including the Manaaki Financial Grant and loan laptops provided during lockdown were also greatly appreciated. Many learners also acknowledged the hands-on, practical nature of their programmes.

Māori learners provided very positive feedback regarding their teaching staff, describing them as supportive, understanding of circumstances that impact study, and invested in their success. These tauira also developed strong support networks with their peers. Wintec support services also contributed to a positive experience for this cohort.

Pacific learners valued the support and flexibility offered by their teaching staff. These tauira also felt a sense of belonging, enjoyed meeting new people and valued their learning environments. The additional support offered was appreciated by this cohort.

International learners provided positive feedback about their understanding tutors, how well teaching staff adapted to online teaching and the feedback they provided. They enjoyed interacting with peers and appreciated the proactive check-ins from Wintec. These learners also valued learning skills that prepared them for employment in industry.

During the 2021 COVID-19 lockdown, Learner Pulses enabled us to ask learners not only how they were going with their study, but also about their financial and resource needs. Data were used to enable targeted support, which included phone calls to learners who requested assistance. Wintec was able to assist learners with family, food, shelter, mental health and study needs, providing a truly holistic support system. Learner Pulse insights were reported to Faculty, the Executive team and Wintec Board, detailing the experiences of our learners, and how Wintec was responding to the needs identified, ensuring the learner voice was heard at all levels of the organisation.

The Learner Pulse Framework will continue to be developed in 2022 as part of the Tōia Mai Excellence Framework that will guide system-wide change to enable Wintec to improve equitable outcomes for Māori and Pacific learners and demonstrate Te Tiriti o Waitangi partnerships.

The student satisfaction metric in this report is based on their overall programme satisfaction as measured by the end of semester Learner Pulse. In 2021 a total of 8501 students were surveyed and 2851 responses received. The margin of error for the survey is +/- 1.6%.

Graduate Satisfaction
The Graduate Destination Survey enables Wintec to assess progress towards our goal of producing satisfied, industry-relevant and employable graduates. It allows us to track graduate employment and further study outcomes over time and to gather feedback on the relevance of our qualifications to industry.

Wintec graduates are surveyed approximately six months after they complete their studies. All graduates who have successfully completed a Wintec programme that leads to a formal qualification the previous year are included in the survey, which includes questions regarding employment, further study and the programme recently completed. In 2021 a total of 3511 graduates were surveyed and 1109 responses were received. The margin of error for the survey is +/- 2.4%.

The graduate satisfaction metric in this report is based on overall programme satisfaction (93%). This is the highest satisfaction level ever recorded by this survey. Graduate satisfaction levels above 90 percent were also recorded for these indicators: quality of teaching, programme content, development of skills and knowledge, career prospects, and programme resources and facilities. The highest level of satisfaction (96%) was with the development of skills and knowledge, which reflects Wintec's role as a provider of vocational and professional education.

Overall, 93% of graduates surveyed were in employment or further study at the time of the survey, noticeably higher than the previous year (86% in 2020). This positive outcome reflects the favourable impact of COVID-19 on the employment market in 2021.

Considerable favourable feedback was received from Wintec graduates regarding the real-world, hands-on training that enabled an easy transition into the workplace. The opportunity to complete industry placements resulted in job offers for some graduates.

Graduates also acknowledged the industry-relevant programme content, the expert knowledge of their tutors, and the support services provided. It was apparent that class peers were also a considerable source of support and added to a positive learning experience. The flexible learning style, including part-time and online learning options, was acknowledged as enabling learners to fit study around other life commitments.

The support and flexibility provided during the 2020 COVID-19 lockdown was noted as vital in enabling graduates to successfully complete their qualifications.

Favourable feedback was received from Māori graduates regarding the knowledge and practical skills gained through their Wintec qualification. They valued the hands-on learning experiences and industry placements. For some Māori graduates, the option to study in a Māori stream and the bi-cultural approach to learning enhanced their experience. They also acknowledged the quality of teaching, their supportive peers, and the support services provided.

Pacific graduates valued the practical style of learning including opportunities for industry placements. They also acknowledged the support provided by their tutors, as well as Wintec support services. Opportunities for face-to-face learning were also valued by this cohort.

International graduates commented favourably on the programme content and practical learning opportunities, including industry placements. The opportunity to gain knowledge of New Zealand processes and industry was also noted. They also acknowledged the quality of teaching as well as the support provided by tutors and peers.

The feedback from this survey indicates Wintec programmes are successfully preparing graduates to participate in productive employment through relevant skills and knowledge gained through our teaching and learning activities.

Feedback received from our graduates remains an important aspect of our improvement initiatives. It provides teaching centres with information on the employment and further study outcomes of their graduates – information which is also valuable in marketing Wintec qualifications. Graduate feedback is also used to improve programmes for subsequent student cohorts.

In 2022, in line with the approach we have taken with the Learner Pulse, the intention is to broaden our collection of data on graduate outcomes to supplement the information we gain from the Graduate Destination Survey. This will bring together data held by teaching centres, other databases, and the survey - enabling a more complete picture of graduate outcomes.

Employer and Engagement Satisfaction Survey

Wintec's relationship with industry, as a provider of vocational training, is critical in order to ensure it is able to provide relevant qualifications and work-ready and employable graduates. Wintec aims to build collaborative and mutually beneficial partnerships with business, industry and the community.

An annual online survey of those involved in Wintec employer engagement activities, relevant industry associates, and employers identified through the graduate survey is conducted to gain feedback about Wintec graduates, the effectiveness of industry engagement and links with industry.

In 2021 a total of 398 industry contacts were surveyed and 113 responses were received. Employer satisfaction (84%) was similar to that recorded in previous years (86% in 2020 and 85% in 2019). The margin of error for the survey is +/- 8.3%.

Reasons given by employers for recommending Wintec graduates included their industry-relevant knowledge and skills gained through on-job training (including industry work placements and internships), the fresh perspectives new graduates bring, their cultural knowledge, strong work ethic and willingness to learn. Other employers noted that Wintec graduates were technically proficient, had current skills and knowledge, and are often more prepared for the transition into the workforce than graduates of other institutions. An ability to think critically, professionalism and problem-solving skills were also provided as reasons for recommending Wintec graduates. This feedback emphasises the importance of industry placements during training and for tutors to spend time in industry to maintain current skills and knowledge.

Members of Wintec's industry engagement groups valued the opportunity to partner with Wintec in the development of programmes, as well as being able to keep Wintec informed of the current state of industry sectors.

The results of this survey confirm that Wintec is continuing to successfully meet industry needs through the provision of highly employable graduates. The levels of satisfaction with Wintec graduates and the way Wintec works with industry/ employers to develop qualifications are evidence of Wintec's success in continuing to develop its relationship with industry and employers.

2021 Business Plan Commitments

The 2021 Wintec Business Plan accompanies the 2021 Budget, and is our annual operational plan, outlining our priority activities, projects and outcomes to be delivered and measured under five key focus areas:

- Tōia Mai
- Educational Quality
- Organisational Performance
- Capability and Wellbeing
- International

It should be noted that initiatives relating to Māori and Pacific are primarily delivered through the Tōia Mai work programme (see table below). Educational Performance Indicators (EPI) outcomes are included in the tables above.

Key points:

Tōia Mai

Kaupapa Mahi	**Key Initiative**
TANGATA - Tauira are empowered to persist on their learning journey through to success	Embed whakawhanaungatanga framework and activities
	Holistic support and advisory model
KAIAKO - are culturally competent, responsive and reflective for the success of tauira	Implement catapult courses
	Kaiako participate in programmes that develop overall responsiveness
	Kaiako participate in programmes to enhance core skills and effective pedagogy
KOTAHITANGA - Partnerships through rangahau, strategic alignment and collaboration so that learners, iwi and community share the rewards of equity-minded education, employment and cultural responsiveness	Develop an organisational wide approach to Te Tiriti partnerships and engagement with tauira
	Te Tiriti partnerships and engagement with whānau, hapū, iwi including Māori organisations
	Equity and Partnerships as defined by Whānau, hapū and iwi
RANGATIRATANGA - Embed a transformed culture where leadership decision-making is made with learner needs at the centre	Design, plan and embed governance and policy framework for partnership and equity
	Lead the change in capability, recruitment, on-boarding and culture
POUTAMA - Implement systems and structures that result in increased satisfaction, participation, retention and completion	Learner-Centred Systems & Structures
HANGARAU - Technology is used in the service of education to enable successful outcomes and remove barriers for learners	Data and Technology intentionally enables learner success
	Evidence-based decision making

Phase 1 of Tōia Mai in 2021 focused on the co-design of prototypes across six kaupapa mahi (see table above) to shape the future of Te Tiriti Partnerships and Equity at Wintec. Key achievements from this programme include:

- Embedding of Partnership and Equity outcomes in the Tōia Mai benefits framework.
- Development of a tracking dashboard to monitor progress and provide confidence for the Wintec Board of progress towards achieving the desired outcomes.
- Universal Learner Needs and Learner Personas have been reviewed against Learner Pulse reports and Te Pūkenga student personas, and the introduction of a biannual review to ensure they remain aligned.
- Design and delivery of equity and partnership workshops with the Executive Leadership Team, and co-design of a Tōia Mai plan for change communications.
- NSEAR has been formally aligned to Tōia Mai, building upon existing relationships and exemplary ākonga-centred practice. This will further strengthen Wintec's partnership and equity efforts and ensure the integration of mātauranga Māori.
- The self-assessment approach to Te Pae Tawhiti and the cycle and schedule developed and implemented at Wintec have been shared with Te Tira Manukura (Executive Māori leadership forum) the network's Academic Managers Forum and Te Pūkenga staff. This sharing of information ensures that the key drivers for self-assessment are underpinned by the work that that is being conducted through Tōia Mai to achieve genuine Te Tiriti partnerships and equitable outcomes for Māori.

Many of the initiatives implemented have resulted in improved course completion rates for Māori, Pacific and disabled learners, with particular success seen in NSEAR programmes. It is also worth noting that there has been a significant reduction in disparity where learners have received Manaaki Support (approximately 2800 grants awarded in 2021) – demonstrating that where we are able to support learners to meet their basic needs, it enables them to better focus on their studies. These initiatives, together with other co-design initiatives developed in 2021, will be implemented in 2022 as "business as usual" and the Tōia Mai project team will enter phase 2 of co-design.

One such initiative is the development of Te Ngira Customer Relationship Management system (CRM), to support engagement with whanau, hapū, iwi and other Māori organisations.

Other Business Plan Objectives

Focus Areas	**Measures**		
Objectives	**2020 Baseline**	**2021 Planned**	**2021 Actual**
Educational Quality			
Further develop Kaupapa rangahau community-based innovation projects and Mātauranga Māori individual rangahau development.	n/a	n/a	see commentary below
Research degree completions	29	33	30
Identify opportunities for new and extended delivery across the Waikato	n/a	n/a	see commentary below
Increase the quality of research outputs, as defined by PBRF	n/a	n/a	see commentary below
Organisational Performance			
Achieve targeted SAC L3+ allocation	3,780 EFTS	4,260 EFTS	4,491 FTS
Achieve MPTT EFTS target	303 EFTS	326 EFTS	326 EFTS
Achieve agreed Youth Guarantee EFTS target	24 EFTS	13 EFTS	9.75 EFTS
Achieve budgeted PBRF revenue	$1.13M	$1.2M	$1.2M
External research income (excluding Ligar)	$60,000	$54,000	$124,000
Achieve operational efficiency targets	n/a	41 FTE reduction	40.9 FTE
Capability and Wellbeing			
Achieve Workwell Gold status	Silver	Gold	Gold
Increase Māori staff workforce representation	15.1%	18%	17.4%
Increase Pacific staff workforce representation	3.9%	5.9%	4.8%
Increase Employee Engagement score on 2020 levels	74%	77%	71%
International			
Achieve international on-shore EFTS	1,181 EFTS	466 EFTS	409 EFTS
Achieve international off-shore colleges revenue	$2.2M	$2.24M	$2.470M
Achieve revenue from international off-shore commercial initiatives	$1.02M	$2.19M	$1.38M
Meet the provisions of The Education (Pastoral Care of International Students) Code of Practice 2016.	n/a	n/a	see comments below
Achieve Train the Trainer (short course) revenue	$2.2M	$2.5M	$40,000
Achieve revenue from international off-shore commercial initiatives	$2.3M	$2.6M	$1.02M

2021 Business Plan Commitments (continued)

Key points:

Educational Quality

A new regional delivery partnership was established with Ngāti Koroki Kahukura in 2021 for Horticulture programmes to be delivered at Maungatautari. While the partnership was established, delivery of the first full-time programme was delayed until January 2022 due to the re-emergence of COVID-19 in the region. Strategies to increase mana whenua partnership models of delivery will continue into 2022 with three priority pilot initiatives to be launched. The pilots will help to develop the regional delivery framework for mana whenua beyond 2022.

In 2021, there were a total of 30 research degree completions, one more than the result achieved in 2020, but below the target set through the Investment Plan process of 33. However, it should be noted that 8 students who were due to complete their research papers in 2021 have been granted an extension into 2022 and will therefore factor into the 2022 results. Reasons for deferral are varied, and include the impact of COVID-19 lockdowns, and other personal factors which required students to seek extensions to their studies.

Overall, there has been strong growth in the number and quality of research outputs as defined by PBRF. Most notably, and for the first time since 2013, there were three internationally published research monographs (in media arts, and social practice), and high-quality journal articles published by staff from most disciplines across Wintec.

Organisational Performance

As at 25 February 2022, a total of 4491 SAC-funded Level 3+ EFTS were delivered in 2021. This represents an 18% (771 EFTS) increase on 2020 volumes (from a 2020-year end total of 3780 EFTS), and increased revenue of $8.32M or 23.5% (from $35.728m in 2020 to $43.749m in 2021).

COVID-19 and associated lockdowns affected our Semester 1 intake in 2020, with modest recovery being achieved in Semester 2 through an increased focus on regional delivery, additional intakes, and direct sales to businesses. This increase in enrolments continued into the first Semester of 2021, although enrolments dropped off in Semester 2. However, the overall impact is a higher enrolment rate in 2021 than was previously projected. We do not anticipate increases of this nature will continue into 2022 and have adjusted our planned EFTS accordingly.

A total of 326 EFTS were delivered through Māori and Pacific Trades Training (MPTT) in 2021; an increase of 23 EFTS on 2020 volumes. Increased enrolments in the first semester overall in 2021 meant that our MPTT target was achieved much earlier in the year than anticipated. COVID-19 lockdowns continued to present some challenges; however, continued provision of technology and other materials to assist with studies (rolled out during the first lockdown periods in 2020) ensured that our students were well equipped to participate fully in their studies to successful completion.

Operational efficiencies of 40.9 FTE (against a target of 41 FTE) was achieved across three phases of staff reductions in 2021. Largely associated with a change in our international student base (as a result of the on-going impact of border closures and COVID-19), efficiencies were achieved across two academic units (Business and Enterprise, and Information Technology), corporate international office staff, and improvements to the student / academic staff ratio. Further efficiencies are planned for 2022.

Youth Guarantee EFTS are declining year on year, from 48 EFTS in 2019, to 24 EFTS in 2020 (below the target set of 50 EFTS). In 2021, we revised our target down to 13 EFTS; however, we were not able to achieve target, reaching only 9.75 EFTS. There are two primary reasons for this:

- eligibility criteria for learners to access this funded delivery are very restrictive and only extend to a limited number of programmes, and
- the government's budget announcement of fees-free trades and associated programmes, which further reduces eligibility.

This is an issue experienced by all providers across the tertiary network. We have taken this into consideration in setting the 2022 target.

Wellbeing and Capability

Overall, our 2021 Employee Engagement survey response rate was positive (76%, 548 participants). While this is slightly lower than the response rate in 2020 (82%, 585 participants) this can be attributed to delays in the scheduling of the survey, impacted by COVID-19 lockdowns. Our Employee Engagement score of 71% is higher than the 2021 public service average of 69%. For comparison purposes, we have taken the average survey score across the public service agencies who conducted surveys in 2021, although it should be noted that scores were only available for four agencies. An organisation Employee Experience and Engagement Plan has been developed, to be implemented and monitored throughout 2022.

Strategies to increase Māori staff representation to 18% and Pacific staff representation to 5.9% continued into 2021 achieving year-end results of 17.4% Māori and 4.8% Pacific, an improvement on 2020 resultss. While it should be noted that approximately 9% of staff have not provided ethnicity information, we continue to encourage staff to enter their ethnicity details via our self-service payroll portal to improve our reporting of staff representation. It is also notable that of 41 new permanent and fixed term staff appointed since 1 January 2022, 12 identify as Māori and three as Pacific. These staff are not reflected in the year-end 2021 figures and will be reported in 2022.

As at 1 January 2022, our overall gender pay gap is 7.4%. This indicates that men have a higher median pay rate than women; however, it is important to note that due to the high proportion of female kaimahi (62% of our workforce), particularly in lower pay bands, the overall gap is not truly representative of our position when comparing roles like-for-like. When compared with the national gender pay gap (9.1%) and the public service gender pay gap (8.6%) we recognise there is work yet to do to achieve equity. We have made a range of commitments towards the gender pay gap, including reporting annually on our gap, and continuing to detect and address any disparities in pay equity.

There has been a slight decrease in our employee engagement score (from 74% in 2020 to 71% in 2021). Overall, however, the 2021 engagement score and results compared to 2020 are stable except for the last question resulting in a 7% unfavourable drop where staff were asked "I rarely think about looking for another job at another company". This is understandable with the current uncertainties of COVID-19 levels, Te Pūkenga transition and our internal change programme Tōia Mai.

International

International on-shore EFTS in 2021 were at 409 EFTS, compared to a target of 466 EFTS, with the main driver for the reduction being an assumption that there would be a limited opening of the borders in the second semester. This was not the case. Compared to 2020, international EFTS reduced by 772 EFTS.

International student wellbeing and engagement was a continued focus in 2021. We increased the availability of international student support advisers on both our city and Rotokauri campuses. We implemented a new process for identifying students at risk, enabling early intervention and targeted support to be put in place, and reviewed our system for monitoring and following-up on non-attendance to further ensure safety and wellbeing of our international students.

While COVID-19 continues to impact our international activities, there have been some positive results with year-end revenue from international off-shore colleges at $2.470M, exceeding the target of $2.24M.

Year-end revenue from the provision of international off-shore commercial activities in 2021 is $1.38M, below the target set ($2.19M), impacted by the continued travel restrictions imposed as a result of COVID-19. Notwithstanding this, projects were delivered using remote delivery approaches (established with funding partners in 2020) to ensure some continuity of delivery.

OUR MISSION

To build stronger communities through education, research and career development.

Mā te mātauranga, te rangahau, me te whai mahi e ora ai te iwi.


Wintec
Te Pūkenga