2019 Annual Report

Wintec
WAIKATO INSTITUTE OF TECHNOLOGY
Te Kuratini o Waikato

Contents

13,325

students studied at Wintec in 2019 (not EFTS)

1,902
international students

11,423
domestic students

1ST
Wintec hosted NZ's first Māori and Pasifika Tertiary Learning Advisors Hui-Fono

910
STAFF

46%
of our students are aged
UNDER 25

89%
graduate satisfaction

25%
of our students are Māori

AWARDED
Silver Standard
WorkWell accreditation

CHENGDU UNIVERSITY WINTEC ALUMNI ASSOCIATION ESTABLISHED
EST. 2019

12%
increase in international students from 2018

41 MASTERS
QUALIFICATION COMPLETIONS

$$$$$
Wintec receives the innovation Award in YWCA Equal Pay Awards

Strategic Direction

Wintec's strategic goals describe the opportunities and challenges ahead. These goals underpin our planning process and guide our direction and decision making.

Our graduates are highly sought after by employers

Our aim is to ensure our students are successful because they learn industry-relevant skills in innovative ways, in educational settings that reflect 'the real world'.

We help build the economy and strengthen communities

Our aim is to raise our profile and influence, to enable us to work strategically with industry, local government, communities and other tertiary education providers to improve the economic and social wellbeing of our region.

Wintec is a leader in international education, on shore and off shore

Our aim is to develop our expertise in export education and our local and global alliances to enable us to deliver internationally-relevant, quality education services wherever they are needed in the world. This includes extending our capability beyond the delivery of international quality-assured programmes here and abroad, to the successful management of major off-shore consultancy and joint venture activities.

Wintec is a modern and financially sustainable organisation

Our aim is to be recognised as a financially well-performing, modern organisation, which delivers financial, social and environmental benefits for our customers and wider communities.

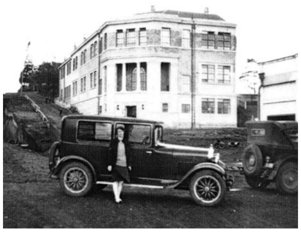
Our research and commercialisation deliver real world solutions

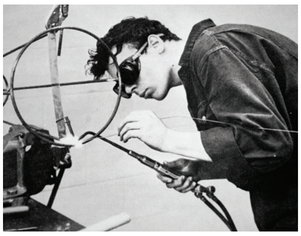
Our aim is to ensure that our research and commercialisation activity drives productivity in our region. Our strong reputation for providing practical solutions to industry-identified problems, for leading knowledge and technology transfer between ourselves and industry, and our high-quality research facilities, enable us to attract commercial and industry partners. Our applied research strengthens our reputation for quality, research-informed vocational teaching.

The Connect Programme – our organisational change programme

Wintec is a well-developed organisation, and we have an ambitious direction of travel. A great deal of innovation and connectedness is required to achieve our objectives. To succeed we will continue to use project management and change management disciplines developed through the Connect Programme.

Connect strengthens our capability and capacity to ensure we deliver on our strategic goals. Using a centralised approach, our change programme is as much about how we work together, as it is about what we are working on.





1924
Hamilton Technical College is founded to provide technical and trades training in the Waikato region.

1968
Name changes to the Waikato Technical Institute, with a wide range of programmes in engineering, science, accountancy, business management and building trades.

1985
Horticulture teaching begins at Hamilton Gardens.

1987
Name changes to The Waikato Polytechnic to reflect the widening scope of our educational activities.

1990
Satellite campuses open in Te Kuiti and Thames.

1990s
Following government tertiary reforms, the institute becomes a body corporate with a Chief Executive and Council.

A range of degrees in nursing, midwifery, business, sport and exercise science, information technology and media arts are developed in response to changing employment needs.

1992
First degree is offered (Bachelor of Business).

1994
The innovative Artechmobile is built and hits the road to provide mobile computer education to regional communities.

1999
Land is purchased on Avalon Drive to establish a campus with ample space for trades, sports and hospitality training.

2000
First postgraduate qualification is offered (Postgraduate Diploma in Nursing).

2001
Name changes to the Waikato Institute of Technology and two years later, the Wintec brand is adopted.

2007
Award-winning Gallagher Hub opens and is adopted by students as their space for studying and recreation.

2009
Wintec wins three national tertiary education awards for its global role (particulary its partnership in China), innovation support services (for its creative industries business incubator SODA Inc.) and relevant learning (for its Employer Partnership Groups).

Wintec receives government funding to develop an agritechnology educational centre in the Waikato.

2010
Wintec opens a hub at its Avalon campus, a central studying and social space for students, staff and visitors.

Wintec House, the historical corner brick building on the city campus re-opens after a $17m refurbishment.

2011
Our Avalon campus in the north of Hamilton is renamed Wintec Rotokauri campus. The name change reflects the changing configuration and growth of the campus.

95 Years of innovation and growth

2012

Wintec opens Te Kōpū Mānia o Kirikiriroa marae on its city campus.

Wintec receives the New Zealand Business Achievement Award from the New Zealand Business Excellence Foundation.

2013

Wintec and the Waikato Regional Diabetes Service gain recognition from the International Diabetes Federation for excellence in providing diabetes training to nurses.

Wintec wins the Fletcher Construction Judges' Choice Award from the Property Council for its campus modernisation programme.

Our Media Arts complex is refurbished and a new multi-storey office building, the PWC Centre, is constructed on the corner of our city campus, adjacent to Wintec House.

2014

Wintec celebrates 90 years since the first classes were taught at our heritage building Wintec House.

Our state-of-the-art $25m Engineering and Trades building opens at the Rotokauri campus.

2015

Jinhua Polytechnic Wintec International College in China opens.

The first student accommodation complex on our city campus, Wintec Apartments, opens.

Our state-of-the-art Engineering and Trades facility wins the Education Project category and receives a gold medal at the New Zealand Commercial Project Awards.

2016

International student numbers reach nearly 1,800 equating to 1,009 equivalent full-time students.

Rotokauri student hub and campus is redesigned and refurbished.

2017

Wintec wins the Global Operator Award at the 2017 Westpac Waikato Business Awards.

Wintec joins the Global Design Factory Network and establishes New Zealand's first and only Design Factory, Design Factory NZ.

Ako: Teaching and Learning Directions provides a framework to embed principles and practices into Wintec's future teaching delivery.

2018

Wintec gains approval to open a physiotherapy school.

Wintec celebrates a 10-year collaborative relationship with Chengdu University.

Soda Inc. wins the Not for Profit Award at the Waikato Business Awards.

Tōia Mai, an interactive waka sculpture developed as a Wintec project, is gifted to HamiltonCity and sited on Hamilton's Ferrybank.

The Qingdao Training Centre, a collaboration between Wintec and Qingdao Training College, opens in China.

Wintec opens a second international college in Guizhou, China.

2019

Wintec launches New Zealand's first new physiotherapy school in 45 years with a culturally responsive curriculum.

Wintec is the first ITP in New Zealand to offer both an accredited Bachelor and a Master of Nursing Science programme.

Wintec embarks on the Ōritetanga (learner success) project with the Tertiary Education Commission to develop a framework to better understand and support students.

Wintec receives the Innovation Award at the YWCA Equal Pay Awards.

LearningWorks wins two awards at the Independent Tertiary Education New Zealand awards.

CHAIR'S AND CHIEF EXECUTIVE'S REPORTS

Chair's Report

It's certainly been an eventful and busy year both at a sector level, and for Wintec.

While the announcement and subsequent roll-out of the Government's Reform of Vocational Education (RoVE) reforms has dominated the sector headlines throughout the year, Wintec has performed solidly and progressively in 2019.

Wintec, at all levels, has shown an unwavering commitment to learner success, by progressing significant initiatives such as Oritetanga, investing in ways to better understand and support the needs of students, improving retention strategies, increasing the focus on Māori and Pasifika outcomes, and ongoing reviews of its programmes and delivery.

Our focus has been on quality educational outcomes and ensuring financial viability, all the while working with a challenging and outdated funding model. The model needs reworking to ensure smarter investments to provide better outcomes for students at appropriate levels and the flow on effects to our employers, community and regional economy.

Over the last several years, like the rest of the sector, we have experienced a decline in domestic student enrolments, leading us to resize the Institution to ensure we remained financially sustainable. For 2019 we specifically approved a core operating budget deficit of $0.4 million, plus change costs of $1 million. This enabled us to maintain capability as we implemented the changes required to be sustainable and avoided the need to make wholesale cuts as seen elsewhere in the sector.

Our group deficit for 2019 was $4.1 million including abnormal items and asset write downs. Before abnormal items and asset write downs, our core group surplus was $0.8 million.

Overseeing the direction of the organisation and ensuring there are robust strategic and operational plans in place and being implemented is a key governance role for our Council. There is a lot of work occurring throughout the organisation on multiple levels to enhance the experience of our students and ultimately produce a skilled workforce, nationally and globally.

Over the year there has been a lot of change and information to absorb by our staff, stakeholders, students and our Council. One of the most significant reforms to occur in vocational education in New Zealand was announced in February 2019. The direction of the reforms is a positive one, to create a new organisation that will provide work-based, off-the-job, and online vocational learning and training across the country. However, understanding the evolving picture of what the reforms mean at a practical level naturally brings uncertainty and inevitable change.

Wintec and its place in this region as a quality educational provider does not change. It was pleasing to see more than 120 of our community and business stakeholders attend Wintec's annual stakeholder event in late November (one of our biggest turnouts ever) to hear about the achievements

of Wintec, its future focus, and understand more about the sector reforms. It was great to see such positive engagement and support from our employers, iwi, and communities – it reinforced to me just how important Wintec is in this region and the many touch-points it has with employers, businesses and community providers.

Being able to be part of celebrating our students' success at graduation time, remains one of my highlights as Chair. Awarding qualifications to hundreds of students from all walks of life and backgrounds at the graduation ceremonies is a humbling experience. It reinforces the importance of having a quality, educational institution in our region producing skilled graduates in a range of specialities, ready to go out into the workplace to add value and strengthen our communities.

Thank you to David Christiansen, Chief Executive, and the senior leadership team for the regular, transparent communications around the reforms which have been passed onto Wintec staff and our stakeholders and the wider communities throughout the year.

This will continue to be important in the foreseeable future. Balancing the achievement of business as usual activities, alongside significant pending change in the sector, is challenging, and requires focus, good leadership and commitment from everyone.

We had some governance changes early in 2019 with terms ending for long-standing member Aaron Rink, who served 14 years on the Council, and Sandie Gusscott.

I'd like to thank and acknowledge the significant contribution they made over the years to Wintec and the Wintec Council and their passion to see vocational education succeed and grow at Wintec.

In April 2019 we welcomed Waikato regional leaders Simon Lockwood and Vicky McLennan to the Council. Both have brought new knowledge, diverse skills and governance experience to our Council.

There are further governance changes to come with the reforms. From 31 March 2020, the current board will be disestablished, and new boards will be in place for Wintec and all other ITPs, who become subsidiaries of the new entity on 1 April 2020.

I have enjoyed being part of Wintec, and I'd like to thank my fellow Council members, Chief Executive David Christiansen, the senior executive team, all staff, and our many stakeholders in business, industry and community groups, who all play a part in Wintec's success. We've been around for 95 years, and we will be around for many more, but maybe in a different form.

Barry Harris
Chair

Chair, Barry Harris, and Chief Executive, David Christiansen.

Chief Executive's Report

It has been an incredibly busy and complex year, and one that both posed many challenges for Wintec (and the sector). It also saw the very best side of Wintec, as it rose to meet those challenges while retaining a clear focus on progressing some exciting and important initiatives.

In February the Minister launched the Government's Reform of Vocational Education (RoVE). Translating what that meant for students, staff industry, employers and community groups, was a constant focus in 2019, and one that continues. I have been humbled at times with the obvious interest, expressed about Wintec by many of our partners, which demonstrates the depth of connections our organisation has across the region.

Our position remains, as it has been since the Minister's announcement, that we support the opportunities to transform and improve vocational education and training for the benefit of graduates and employers, as long as the implementation is worked through methodically, patiently and deliberately. While some of the changes carry risk, it's worth remembering that without risk very little of significance is achieved.

Another event of national significance in 2019 was the Christchurch mosque shootings in March. This incident had considerable impact on many in our wider Wintec community. While geographically Waikato was some distance from the event, the diversity of our hundreds of staff and students meant this incident affected many deeply. It serves as a terrible reminder to constantly attend to managing tolerance around diversity, and ensure this value is lived and reinforced throughout our organisations, and communities.

It was always going to be a challenging year, with slightly decreasing domestic student enrolments reflecting the strength of the economy and employment levels. The Wintec Council has been tremendously supportive in driving for the right balance of pushing the organisation to maintain its viability, while also maintaining as much capability and capacity as possible.

We realised significant savings in many areas during 2019, through reduced operating budgets and vacancy management, while keeping as much of our core capability as we could. The goal was to ensure that Wintec goes into 2020 in good shape financially, and continues to add maximum value to its students, stakeholders, staff and the community in the future.

Before abnormal items, our core group surplus was $0.8million, and this reflects strong management of core operating costs and good performance by our subsidiaries too.

We undertook a comprehensive review of a wide range of our activities as we sought to manage our internal costs and reposition Wintec for the future. There was a need for us to review and change our business model to reflect constrained funding and reducing domestic enrolments and, at the same time, focus on increasing student services and improving future students' outcomes, particularly for our Māori and Pasifika students. This led to a range of abnormal items such as restructuring, and change management costs. We also had some asset impairments.

As a result our group deficit for 2019 was $4.1million after all abnormal items such as restructuring, change management costs, and asset impairment.

The asset impairment reflects the decision to exit provision from within the Kingdom of Saudi Arabia at the end of our five-year contract. That decision reflects the changing conditions within Saudi Arabia over recent years and the uncertainty in that market going forward.

It is important to note that over the last five years we have posted total international revenue of $105million, which has contributed $33million to support the provision of core education services to our domestic students.

Overall, our underlying financial operating position, while challenging, remains fundamentally solid.

It was also pleasing to note that in 2019 we reduced our overall debt levels by $5.8million.

It has been a great year for international enrolments increasing by 12% on 2018 level. It was also a busy year for partnership development and growth, and for our short course and commercial activities. It was also great to see the Chengdu University Wintec Alumni Association established; the result of a decade-long successful collaboration between our two institutions.

Over the last two years Wintec has been on a journey transforming our student support model with a view to enhancing the quality of student experience and reducing attrition, especially for students from disadvantaged backgrounds.

The Minister of Education, and the Tertiary Education Commission (TEC) have also made clear the priority they are putting on raising the outcomes achieved by disadvantaged students, particularly Māori and Pasifika. In 2019 this led us to engage with TEC, as one of four tertiary organisations undertaking flagship projects under the Ōritetanga initiative. This has seen Wintec undertake a massive amount of work on analysing student achievement, student learner journey mapping, development of personas, intervention strategies and the development of an over-arching student support eco-system 'Kia Eke Panuku', which will underpin our implementation of a range of student support enhancements as we drive toward the Government's goal for parity.

In addition to this in 2019 we reworked Te Ngawhā Whakatupu, our Māori Capability Framework and we will be relaunching it in 2020.

Striving to be a good employer (and significant work on well-being health and safety, inclusion, diversity and gender pay parity) has been a key focus throughout 2019.

This was a year in which we reworked and implemented many new policies, processes, procedures and initiatives to ensure we are more culture-led and focused on staff engagement and well-being. These policies included the prevention of and response to Bullying and Harassment, Diversity and Inclusion, and staff training associated with these. *(Read more in the Highlights and Equal Employment Opportunities sections)*.

We also conducted Wintec’s first online employee engagement survey. We had an 87% participation rate from staff, and an overall engagement category score of 64%. It was a really pleasing result and we received some good feedback on areas we can focus on for future improvement. Initiatives like this survey reflect the steady approach that management and the Council have taken regarding the commitment to staff engagement. Thank you to everyone who has been part of this impressive programme of work.

I’d like to take the opportunity to thank the boards, chief executives and staff of our subsidiary companies; Soda Inc., and LearningWorks, for their dedication and performance. Soda Inc, a unique business incubator, has added tremendous value to the region over the years, and it was great to see them celebrate their 10-year milestone.

LearningWorks is sector leading in its development of a commercial model for content development and curriculum design. It was great to see the team winning some key awards for their work, and LearningWorks has the potential to offer even more value to the tertiary education sector as we move into the reforms.

There were a lot of awards and accolades to celebrate across Wintec in 2019, including our award at the national YWCA Equal Pay Awards, LearningWorks receiving awards from the sector for innovation; leadership, and professional development; as well as Wintec becoming the first organisation in the Waikato to be awarded the staff wellbeing WorkWell Silver Standard Accreditation. (Read more about our awards in the Highlights section).

In our busy year, we also farewell two executive members. Gaye Barton, our Dean, retired after 21 years with us. It was a well-earned retirement and Gaye made a huge contribution to leading the revitalisation and implementation of our Ako: Teaching and Learning Directions. Graeme Ward, our Executive Director of Infrastructure and Assets, resigned to embark on a new commercial opportunity. Graeme was with us for nine years and played a big part in leading our campus development programme, which included buildings such as Wintec House and the Engineering and Trades facility.

Thank you to the executive team for your leadership and hard work in a year that brought with it a lot of challenges, and to the Wintec Council for your sound and supportive governance, enabling us to continue to be a sustainable and innovative organisation.

I’d like to thank, the wider senior leadership team, and all staff across the organisation who relentlessly kept the focus on financial viability, while all the time continuing to deliver quality education and provision to our students.

The support and input from our many employers, industry and community partners, iwi and business leaders is immense and appreciated. Your input makes Wintec relevant and focused on delivering quality education for our students, and in creating the future skilled workforce the region needs.

I’m looking forward to what 2020 will bring. We will continue our focus on Ōritetanga, and Māori and Pasifika initiatives, with learner success remaining at the heart of what we do, as well as engaging fully with the sector reforms.

David Christiansen
Chief Executive

Members of Council

Members of the Waikato Institute of Technology Council as at 31 December 2019:

Member		Appointed by	Current term ends*
Barry Harris	Council Chair	Minister for Tertiary Education	31/03/2020
Niwa Nuri	Deputy Chair	Minister for Tertiary Education	31/03/2020
Desmond Brennan		Wintec Council	31/03/2020
Margaret Devlin	Chair (People and Culture Committee)	Minister for Tertiary Education	31/03/2020
Kiri Goulter		Minister for Tertiary Education	31/03/2020
Simon Lockwood		Wintec Council	31/03/2020
Vicky McLennan		Wintec Council	31/03/2020
Ping S'ng	Chair (Finance and Risk Committee)	Wintec Council	31/03/2020

Winner of the Institute of Directors' Waikato Branch Emerging Director Award 2018, Carla Muller received a one year governance internship on the Wintec Council from 1 October 2018. On 20 May 2019 the Council extended Carla's internship to 31 March 2020.

**Current term ends due to the disestablishment of Wintec.*

Members who left the Council during the year:

Sandra Gusscott		Wintec Council	30/04/2019
Aaron Rink		Wintec Council	30/04/2019

Committees of the Council

People and Culture Committee

Functions include:

a) Provide advice and guidance on the strategic direction of Wintec's overall employee objectives and the policies designed to achieve them.

b) Consider relevant policies and systems related to people and culture, and health and safety, where appropriate, recommend changes to the Chief Executive or Council, and monitor their implementation.

c) Help identify developments and drivers that are relevant to Wintec's success to help inform its strategic people priorities.

d) Monitor relevant Wintec performance indicators.

e) Conduct an annual review of the Chief Executive's performance and remuneration and report recommendations to the Council; and make recommendations regarding the Chief Executive's performance objectives for each year.

Members are: Margaret Devlin (Chair), Simon Lockwood, Vicky McLennan.

Finance and Risk Committee

Functions include ensuring Wintec adopts sound organisational and financial management practices; providing assurance regarding the quality of financial information, the accounting policies adopted, and the financial statements issued by Wintec; overseeing risk management and monitoring, organisational policies, and reviewing the annual budget and budget implementation.

Members are: Ping S'ng (Chair), Desmond Brennan, Kiri Goulter, Niwa Nuri.

Barry Harris, as Council Chair, is an ex-officio member of the People and Culture and Finance and Risk committees.

The Wintec Council
From left to right, standing: Kiri Goulter, Barry Harris, Desmond Brennan, Ping S'ng, Carla Muller.
From left to right, seated: Margaret Devlin, Vicky McLennan, Niwa Nuri.
(Absent Simon Lockwood)

Change ahead for New Zealand's ITP sector

2019 will be remembered for the Government announcement to reform New Zealand's vocational education sector. RoVE - the Reform of Vocational Education has become a familiar acronym across the sector and our wider community.

The creation of a single New Zealand-wide vocational organisation, the New Zealand Institute of Skills and Technology or NZIST (working name) will combine the current Institutes of Technology and Polytechnics (ITPs) functions and institutions, and Industry Training Organisations (ITOs) functions.

From 1 April 2020, 16 ITP subsidiaries will move under one entity, and over a two-year transition period, they will become an integrated network of provision. Waikato Institute of Technology (Wintec) will be one of these subsidiaries.

NZIST, as the establishment unit, will determine operating parameters for all subsidiaries and design the implementation.

Newly-formed Regional Leadership Groups and Workforce Development Councils will be developed, and the NZIST Establishment Unit and Board formalised.

The aim is to meet the regional needs of industry, employers and communities.

A regional focus will remain throughout, and Regional Leadership Groups will drive regional responsiveness. They will connect with local strategies, develop strong relationships with local government and bodies, and work closely with local education providers.

There will also be Centres of Vocational Excellence (CoVE) and through these centres, our regional strengths will be developed.

The formation of NZIST is a big undertaking that will take several years to build. The reform is an endorsement that vocational education is important to New Zealand, our economy, and our future workforce.

It's good for our students and if done well, will increase the range of training and learning opportunities available. Regional and local developments will still occur and remain, and there is potential for increased sector engagement, creating a more industry and learner-centric system.

The reform also signals enhanced engagement with iwi, a strong commitment to Treaty of Waitangi-based partnerships and an emphasis on learner outcomes, in particular, recognising Māori and Pasifika needs.

Right now, the reforms won't change anything for our students. They can complete their training through their chosen provider and their qualification or credential can continue as normal, now and into 2020.

In the future, students will have more access to learner and employer networks as they move between "on the job" and "off the job" learning.

There will be one voice for the combined sector, a strong and continued degree and postgraduate offering, and greater opportunities for research and development, through collaboration.

The year 2019 will be remembered for the Government announcement to reform New Zealand's vocational education sector.

HIGHLIGHTS

Teaching and Learning - Ako

There's a real buzz in the air at Design Factory NZ

Increasing youth engagement in local government and dealing with waste left behind after major events are just two of the problem-solving challenges Wintec's Design Factory NZ students worked on this year.

Design Factory NZ is part of a Design Factory Global Network (DFGN); a network of innovation hubs based in research institutes and universities across the globe. DFGN is on a mission to create change in the world of learning and research through passion-based culture and effective problem solving.

Two years ago, Wintec launched Design Factory NZ with 12 students. The roll is steadily increasing and along with it, there is growing interest for training solutions - driven by design thinking from community, industry and local government organisations.

This year, 65 Wintec students signed up for a different type of learning. They originally enrolled at Wintec to study various disciplines, but at Design Factory NZ, they'll work together, solve problems and come up with solutions as a team. Not unlike a real-world workplace.

The students come from a range of disciplines including fashion, engineering, sports science, education, IT and management. They worked on 12 projects and presented solutions to help solve difficult problems for seven industry partners.

"It's amazing to see how this has grown from a pilot programme to a multi-stream class," says Design Factory NZ Director, Margi Moore.

"Having 65 students deeply engaged with real-world challenges puts a real buzz in the air."

The students worked with industry problems provided by external partners including Hamilton City Council, Genesis Energy, Xtreme Zero Waste, Waikato Regional Council and Hauraki District Council.

Their large-scale, complex problems benefit from cross-disciplinary design-thinking and problem-solving from creative thinkers outside their organisation.

This year eight students enrolled in Wintec's Post Graduate Certificate of Innovation or Master of Applied Innovation qualifications through Design Factory NZ, resulting in the first Master's degree completion at the Design Factory NZ.

The audience at the end of semester, Design Factory NZ Gala applauds the students.

Wintec became the first ITP in New Zealand to offer an accredited Bachelor and a Master of Nursing Science programme.

New degree puts nursing in reach for more people

In 2019, Wintec became the first of the Institutes of Technology and Polytechnics (ITPs) in New Zealand to offer Bachelor's and Master's pre-registration nursing qualifications.

The Master of Nursing Science aims to put more culturally responsive, work-ready nurses into our communities.

The outcome is to have more culturally responsive work-ready nurses to meet the health care needs of Māori, Pasifika, rural and remote health consumers within their communities.

The two-year pre-registration programme allows relevant degree-qualified students a direct and much faster route to a nursing career.

Students are able to study closer to home through blended learning and block courses, making pursuing a nursing career a reality.

Chief Nursing and Midwifery Officer at Waikato District Health Board, Sue Hayward, worked with Wintec to develop the degree.

"This new pathway enables more people to become part of a professional group that has a significant influence on health delivery, and it gives potential employers the opportunity to have individuals with valuable life and academic experience in their teams.

"We know that to continue to attract people into health, particularly nursing, various pathways and options must be developed to keep pace with the reality of today's environment. This programme supports that endeavour."

Wintec is the only ITP in New Zealand to be approved and accredited to deliver the full range of nursing programmes for enrolled nursing, registered nursing, return to nursing/ competency assessment, registered nurse prescribing and nurse practitioners.

Our People

Secondment from Wintec brings new leadership for Creative Waikato

A collaboration with a view to furthering arts pathways for the Waikato community saw Wintec Research Leader Dr Jeremy Mayall seconded as Acting Chief Executive to Creative Waikato in 2019.

Jeremy shared his time between the two organisations, as Acting Chief Executive of Creative Waikato and Research Leader and Postgraduate Supervisor for Wintec School of Media Arts.

Head of the School of Media Arts at Wintec, Sam Cunnane, says the industry secondment is a partnership that's useful for both organisations and a new lens for Wintec.

"This is a leadership development opportunity for Jeremy and a partnership that gives both organisations greater collective impact. It's an exciting catalyst for new creative leadership in the Waikato region."

Jeremy, a researcher, composer, producer and performer, has a holistic view of art for the Waikato region. Alongside his role at Wintec as a Research Leader, he has been working professionally in the industry for a number of years. This has included working in musical performance, installation, musical theatre, recording and film scores, and collaborating with people across many arts disciplines.

His projects through Wintec and with Creative Waikato have included Piano and Eggs, Tasty Tunes, Te Ruru Light Festival, and the New Works Incubator, a regional performing arts development programme.

"This industry secondment strengthens the connection between Wintec and Creative Waikato and our collective impact in the region. It has presented an opportunity to be involved in the great work that Creative Waikato does, as well as providing an avenue to explore capability building through developing further arts pathways for our community. It has also allowed for a broader strategic view of the arts, and its relationship to our ongoing vision for research," says Jeremy.

Wintec academic and researcher Dr Jeremy Mayall joined Creative Waikato on an industry secondment as interim Acting Chief Executive.

Tertiary students have been recognised as a vulnerable population for the first-time presentation of mental health problems. It is important to teach them the skills to support one another.

Mental health first aid is more than a Band-Aid

Growing demand for Wintec's mental health first aid training resulted in 20 public workshops, 170 trained staff and four facilitators in 2019. Now the programme is being offered to the wider community.

Wintec academic staff member, Sarah Christensen, spearheads the initiative.

"Tertiary students have been recognised as a vulnerable population for the first-time presentation of mental health problems. They are trying to balance life with study, work, family and financial demands and this can cause stress. It is important to teach them the skills to support one another.

"We tend to hear the words 'mental health' and automatically link them to mental illness. This programme helps increase mental health knowledge to reduce stigmatising attitudes and promotes earlier help-seeking behaviour."

Students enrolled in Wintec's Centre for Health and Social Practice are trained in mental health first aid as part of the New Zealand Certificate in Health and Wellbeing, which launched in October 2019.

The training teaches the skills needed to help support a person in distress until professional help arrives.

"These workshops are for everyone from small businesses to industry and the wider community. The skills learnt can be applied to a peer, colleague or family member."

Funding from the Ministry of Education's International Wellbeing Strategy helped deliver five workshops directed towards homestay families and residential advisors with the International Education Association (ISANA). These workshops took place in Auckland, Hamilton, Wellington, Christchurch and Dunedin.

Additional funding was also secured to reach international students with I AM HE(R) Charitable Trust.

Mental health first aid was piloted in 2017 at Wintec.

Ray of sunshine wins Dr Hare Puke Māori Leadership Scholarship

Reina Daji, Wintec's Library Customer Service Assistant, was named as the 2019 recipient of the prestigious Hare Puke Māori Leadership Scholarship.

Reina, who is of Ngā Puhi and Ngāti Tūwharetoa descent, was chosen for her passion for improving the services she provides to students in the library, and boldly introducing te reo Māori and cultural elements.

Liaison Librarian Rachel Axcell explains that Reina has been a member of the library team for more than 18 months and has really made her mark.

"Reina has encouraged and supported the library team in learning te reo Māori, with each library meeting now starting with a karakia and waiata, bringing us closer together.

"Reina has embraced all personal development opportunities that have come her way, winning a scholarship to attend the Te Rōpū Whakahau conference last year. She is also part of the Wintec He Manukura Māori group, and relishes being around such inspirational women at Wintec.

"The library and Wintec are sunnier places with Reina in them," says Rachel.

"Reina recognised the need for creating a large scale kete (kit) of resources to guide students study both in the library, and in her role as kaiāwhina for the new physiotherapy programme. She also wants to expand and grow her leadership skills as an extension of Wintec's He Manukura Māori programme," says Wintec Director of Māori, Hera White.

"Reina came across in her application as a young person that Hare Puke would want to nurture."

Wintec established the scholarship in 2008 for staff to recognise and honour its late kaumātua, Dr Hare Puke.

Its goal is to enable Māori staff to gain further leadership and management skills.

Reina is planning to use the scholarship to continue participating in a Women and Leadership New Zealand programme called Leading Edge.

Reina Daji in Wintec's city campus library.

New Board Chair and Independent Directors for Soda Inc.

Soda Inc. had high interest, with more than 70 applicants for two governance roles; Board Chair and Board Independent Director.

Kim Hill-Taite and Dr Andrew West were both appointed to the roles of Board Independent Directors and Dr West was appointed Board Chair.

Founder and Director of Stratigi, Kim is a top-level business strategist, coach and consultant who is widely sought after throughout New Zealand for her expertise and skills in all areas of running businesses.

Andrew is a General Partner at Matū, a pre-seed/seed capital fund that invests through a hands-on, managed approach. Along with fellow GPs and partner investors, Dr West is growing Matū into a significant fund that supports paradigm-changing science for the benefit of all species on the planet, not just the human species.

Soda Inc. is a Wintec not-for-profit start-up support organisation, based in the Waikato, that works with entrepreneurs across New Zealand. In 2019 the organisation celebrated its 10 year anniversary.

Soda Inc. Board Member Rob Heebink said the appointments of Kim and Andrew would complement the skills and experience of the Soda Board.

Since 2009 Soda Inc. has worked with hundreds of entrepreneurs through a range of events and programmes designed to educate founders and accelerate business creation and the growth of early stage ventures.

Awards and Accolades

Katrina Van de Ven (holding her award) with her Wintec colleagues at the HRINZ Awards.

What drives NZ's HR Manager of the year?

Wintec's Katrina Van de Ven is adamant she wouldn't have been awarded New Zealand HR Manager of the Year if it wasn't for the team around her.

In March, Katrina was honoured as the 2019 New Zealand HR Manager of the Year by the Human Resources Institute of New Zealand (HRINZ). The HRINZ annual awards acknowledge individuals who exhibit excellence in the field of human resources and highlight the importance of the profession in their workplaces.

Katrina, who is Wintec's Executive Director People and Culture and Acting Dean, says she is honoured by the award.

"Our People and Culture team surprised me with the nomination for this award. I feel very grateful that I work with passionate and talented people as I wouldn't have received this award without the Wintec team supporting me."

Katrina has been at Wintec for six years, with three years as Executive Director of People and Culture.

"I'm driven by what we do here at Wintec," she says. "To be part of a team that has a meaningful purpose, to develop our future workforce and create work-ready graduates – that's what really excites me about my role."

"What drives excellence in human resources, and is key to my approach in my profession, is ensuring you are kind and always valuing people."

Wintec first in the Waikato to be recognised for staff wellbeing

Wintec is the first organisation in the Waikato to be awarded the WorkWell Silver Standard Accreditation.

The accreditation, awarded for our ongoing commitment to our people and their wellbeing, is an accomplishment Wintec's Chief Executive, David Christiansen, is very proud of.

"A big congratulations to our People and Culture team who have led the drive to bring greater awareness and practice of wellbeing into our workplace. Well done. This milestone also recognises the practises that have been put in place and the increasing support and uptake from the wider workplace."

Silver standard accreditation is evidence that an organisation is maintaining and strengthening its workplace wellbeing activities and wellbeing is integrated into 'business as usual'.

Equal Pay Awards name Wintec a winning workplace for women

Wintec joined three other leading New Zealand businesses on stage to receive an award at the sixth annual YWCA Equal Pay Awards.

Wintec received the Innovation Award in recognition of the Wintec Industry Sharing Experience (WISE) programme which allows staff and students to form valuable partnerships with employers through industry secondments and teaching partnerships.

This novel way of addressing the workplace pay gap was praised by judge Rob Campbell, who described the initiative as “a very good public sector corporate initiative which reflects sound organisational strategy and passion from those delivering”.

WISE is a modern approach to the professional career break, allowing staff the opportunity to take a secondment with an external organisation. The programme was launched in conjunction with flexible working and career break processes to build on staff wellbeing and morale, improve retention rates and increase industry currency.

The Innovation Award celebrates innovative responses to addressing the equal pay gap while criteria also assessed Wintec’s wider approach to gender needs in the workplace and community.

The Awards honour businesses that make conscious efforts to address diversity and inclusion in the workplace, gender equality and equal pay. In 2019, Statistics New Zealand found that the official pay gap was 9.3 per cent. New Zealand women, on average, earn less per hour than men.

From Left to right, Katria Raffan, Jane Bland and Katrina Van de Ven of Wintec receive the Innovation Award at the sixth annual Equal Pay Awards in Auckland.

LearningWorks scoops national education awards

Learning design, technologies and training specialist, LearningWorks took out two of the seven awards at the annual Independent Tertiary Education New Zealand (ITENZ) Awards.

LearningWorks, a Wintec-owned company, won the Innovative Use of Technology Award and the Leadership and Professional Development Award.

The awards were presented at the annual ITENZ conference where it was also announced that LearningWorks Chief Executive Sandra Hutton will join the ITENZ Board.

Sandra says winning the awards “is a big deal” as capability is important in the education sector and her team deserve the recognition for the great work they do.

“Like many people who work in this field, we’re not good at singing our praises, we’re here to help learning work and make a difference to others.

“These awards have given us a chance to reflect on the work we do and the value of that. Winning is great, but even without that, we found the submission process really valuable.”

Wintec Chief Executive David Christiansen says the awards are evidence of LearningWorks’ credibility in a changing sector environment.

“It has been a tough year for our subsidiaries while we work through the wider context of the Government’s reform for the vocational education sector.

“In the meantime, the team at LearningWorks has been quietly building their capability, creating new partnerships and adding value to the many organisations they work with and the learners experiencing their products.”

The award-winning LearningWorks team:From Left to right, Lisa Jones, Sandra Hutton, Donna Cunniffe and Jeremy Fitzpatrick.

Learner Success

Ōritetanga – a tertiary education system that works for all

Wintec is taking the national lead with the Tertiary Education Commission (TEC) on this project, which is developing a framework to understand the needs of students.

The TEC recognises that learner success is critical to a thriving New Zealand and that many learners, particularly Māori and Pasifika people, face barriers that affect their participation and completion rates.

Wintec was one of the tertiary partners invited to take part in the pilot project and a dedicated Ōritetanga team got to work early in 2019.

The Wintec team is designing strategies to help students to be successful based on data analysis and student interviews. Their work is to paint a comprehensive picture of where the points of attrition lie and why some students don't even make it to day one of their tertiary education.

The team is led by Executive Director Products and Planning, Warwick Pitts, who says one outcome will be huge gains for students, particularly Māori and Pasifika learners as attrition is high for this group.

"Student journey mapping has enabled us to identify various personas among our student subjects with common traits. We've tracked their activity through the stages of their student journey from pre-enrolment onwards.

"From there we can map out the percentage of students will drop out at each phase, and from there, develop an approach that is likely to work with that type of person."

The data is revealing particular personas that connect to a wider group at Wintec, all sharing common traits. This commonality is providing themes that can be addressed to improve the student experience.

Contributors to students leaving include a negative high school experience, lack of self-confidence, financial stress, commitments making it hard to study, uncertainty and a lack of guidance.

The results from the journey mapping being carried out by the Ōritetanga team are having a wider impact on shaping retention strategies for students.

In 2019 we targeted 15 programmes and more than 80 staff delivered 150 actions to help improve retention and completion for students.

Another 2019 initiative to support student success has been the development of Tuakana – Teina, a student mentoring network across selected programmes.

Scholarship winner is mining his musical talent

Casey Messent was walking to class when he got the call to say he was the 2019 recipient of the Gordon Chesterman scholarship.

Now he can continue his study and follow his dream to create music and events from the natural amphitheatre on the site of the former Huntly East Mine.

This promising musician has been writing music since the age of 12 and was in his first year, studying a Bachelor of Music and Performing Arts at Wintec.

"I was pretty stoked to say the least. It definitely made my day," he says.

In 2019, Casey was one of the first students to enrol in the new three-year Bachelor of Performing Arts and Music degree at Wintec.

"Enrolling in this programme was the best decision I've ever made – it's allowed me to be myself again.

When he isn't studying, working part-time, performing, composing or producing music, supporting young musicians to develop their craft or volunteering his time for local productions you will find Casey helping with the rehabilitation of the Huntly East Mine.

Casey Messent is the 2019 recipient of the Gordon Chesterman Scholarship.

The 2019 Wintec Adult Learner Award winners. From left to right Shamila Saldanha, Nooti Waho, Emma Wellwood, Emelia Harris, Toni Smith and Leonard Walker.

Wintec awards outstanding adult learners

Twenty-two outstanding adult students who are striving to be the best in their fields were celebrated at the 2019 Wintec Adult Learner Awards.

The six overall award winners studied a diverse range of vocational qualifications including midwifery, arboriculture, commercial music, information technology and strategic management.

Adult Learner Awards were given to Emma Wellwood (Midwifery), Leonard Walker (Bachelor of Media Arts (Commercial Music) and Emelia Harris (Certificate Te Ara Putake). Nooti Waho (Certificate in Arboriculture Level 4) and Toni Smith (Bachelor of Applied Information Technology) were recognised with Māori and Pasifika Adult Learner Awards and the International Student Award went to Shamila Saldanha (Graduate Diploma in Strategic Management).

Wintec Acting Dean and Director of People and Culture Katrina Van de Ven says the awards acknowledge the challenges and sacrifices adult learners have.

"Our adult learners have returned to learning and through dedication and commitment, many achieve beyond what they ever thought possible.

"They are making an investment in their futures and as learners, they face challenges. Many have made big sacrifices, balancing time, energy, family and work commitments to keep going."

Katrina says that unlike many school-leavers, adult students may have already experienced more of life and are clear about what they are studying and why, and they also know what they hope to achieve.

Adult students make up around 45% of Wintec's student population and numbers have increased by 6% in the past five years.

Going Global

Chengdu University Wintec Alumni Association officially launched

A decade-long collaboration has now resulted in an alumni association to build on the successful partnership between Wintec and Chengdu University.

The Chengdu University Wintec Alumni Association was officially launched at Wintec in Hamilton in December, making the partnership between the institutions grow even stronger.

Six inaugural members were welcomed in person into the new association by President Wang Qingyuan from Chengdu University and Wintec Chief Executive David Christiansen at a special ceremony attended by Chengdu University (CDU) representatives, Wintec staff and current and former students who have studied or taught at the institutions.

The partnership between Wintec and Chengdu University started in 2008, and in that time over 300 faculty, staff and student exchanges have occurred.

President Wang said he was extremely excited about the launch of the association and the opportunities it will open for all. It is also fitting considering Hamilton and Chengdu are sister cities.

He stated that more than 100 students from Chengdu University have been to New Zealand to study, with around 50 obtaining Bachelor's degree and post-graduate degrees from Wintec. More than 20 of those alumni work in New Zealand.

A total of 61 faculty and staff members and 12 students from Wintec have visited CDU for lectures and exchanges. They are all alumni of the New Zealand branch of the alumni association.

Wintec Chief Executive David Christiansen says the Wintec and CDU relationship has moved from strength to strength. The visit this year from President Wang and a delegation of CDU educators, particularly focused around further collaboration with Early Childhood Education, was another significant commitment in the ongoing international relationship.

He said the launch of the Chengdu University Wintec Alumni Association is important as it reinforces the vision of promoting global connectedness and lifelong relationships for students, staff and parents between the two educational institutions.

Chengdu University President Wang Qingyuan (left) and Wintec Chief Executive David Christiansen (second from right) with inaugural members of the Chengdu University Wintec Alumni Association. Alumni from left to right are: John Zhou, Vivian (Wei Ding), Roy (Wang Guan), Lys (Liao Shan), Mason Holloway and Reimen (Lyu Younan).

A dream comes true! Basira thanks the Prime Minister

It was a dream come true for Wintec language student, Basira Frotan when she got to thank the Prime Minister, Jacinda Ardern for her support of Muslim people at Fieldays.

Wintec language student Basira Frotan had a dream come true during a class trip to Fieldays in Hamilton when she got the opportunity to thank Prime Minister Jacinda Ardern, for her support of Muslims in New Zealand.

Basira, from Afghanistan, has been in New Zealand for six years. This was her first visit to Fieldays, the largest agricultural event in the Southern Hemisphere and she had no idea what to expect. What she didn't anticipate was a meeting with New Zealand's Prime Minister Jacinda Ardern.

Wintec Centre for Languages tutor, Karen Kemsley took Basira and her classmates along to the official opening ceremony and it was there, they happened to hear the Prime Minister speak.

Basira, who has dreamt of hugging Jacinda and thanking her since the Christchurch shootings in March, described how Jacinda's words, "We are one" and "They are us", had touched her heart and gave her energy when she was reeling from the shock of the shootings.

At Fieldays, Basira got her opportunity when her tutor led her through the Prime Minister's entourage, chatted briefly with the security detail and arranged for Basira to talk with the Prime Minister.

Leading educators from China visit Wintec

Senior leaders from 10 leading Chinese vocational education institutions met at Wintec to find inspiration in the way teaching and learning is delivered.

The delegates were in New Zealand for two weeks to learn about our vocational education system and upgrade their knowledge and skills as part of the New Zealand China Vocational Education and Training Model Programme.

Wintec Chief Executive David Christiansen says overseas training programmes play an important part in the development of professional and vocational education in China and are part of the Chinese government's decision to accelerate the modernisation of its professional and vocational education and training.

"The Model Programme vision is to establish model institutes of technology in China and to assist the Chinese to educate and train their future workforce.

"Wintec was delighted to once again host a Vocational Education Leadership Training (VELT) delegation from China. These delegations, led by the China Education Association for International Exchange, provide a chance for us to build strong relationships and learn from each other."

David says the leaders have an interest in how New Zealand's vocational education sector engages with and adapts itself to meet the needs of industry and the wider community. They also want to understand how to develop their students' critical and creative thinking to enhance innovation and entrepreneurship in China.

A highlight of their visit to Wintec was a workshop at the Design Factory NZ where students from a variety of study disciplines work with industry partners to solve problems using design thinking.

Visiting Chinese education leaders experienced the Design Factory NZ at Wintec where students use design thinking to solve industry problems.

Internationalisation continues to grow at Wintec

Onshore and offshore partnerships, recruitment and opportunities continue to grow at Wintec.

This year Wintec experienced an 12% increase in international enrolment, with 1,200 full-time equivalent students enrolled. These students contribute to a diverse and lively cross-cultural campus and provide revenue to support the development of Wintec.

Enrolment from India increased by 35%. China, Korea and Saudi also continue to be top sources of international enrolments. International onshore recruitment delivered $2 million in short course revenue alone.

Offshore activity also included the delivery of geothermal training to over 300 geothermal sector staff and academics in Indonesia, and a programme design for Whittaker's cocoa growers in Samoa.

Nurses in Kiribati will also benefit from the input of Wintec health training expertise now that a contract has been confirmed to further develop a Bachelor of Nursing programme in collaboration with James Cook University (Australia).

In China, the Qingdao Technical College (QTC) training hub, launched in 2018, is now fully operational.

Internationalisation continues to expand at Wintec through education and training delivery.

Innovation

LearningWorks and Open Polytechnic collaborate to train on-job assessors

LearningWorks Chief Executive Sandra Hutton and Open Polytechnic Chief Executive Caroline Seelig.

LearningWorks and Open Polytechnic have teamed up to co-develop a course that will train on-job assessors through online and blended learning.

The new collaboration between Open Polytechnic, New Zealand's largest online distance provider, and learning design, technologies and training specialist LearningWorks, sees both organisations working side-by-side, sharing resources and intellectual property to design the course.

Employees from both LearningWorks, a subsidiary of Wintec, and Open Polytechnic designed the course, to be offered through iQualify, Open Polytechnic's online learning platform.

LearningWorks' plan is to deliver the course in a blended mode, face-to-face and online, with Open Polytechnic offering the course solely online.

The opportunity to work together came about during a meeting earlier in the year between Sandra Hutton, Chief Executive of LearningWorks, and Open Polytechnic Chief Executive Dr Caroline Seelig.

Initial discussions highlighted the benefits the two organisations could offer on-job assessors by combining the rich learning design and training resources available from both organisations.

The new course, Workplace Assessor, is now offered by both organisations.

Future You takes the guesswork out of career decisions

Wintec launched a new online careers tool in 2019 to help with the biggest issue prospective students face - deciding what to study.

The new tool, Future You, is designed to aid students in understanding what careers they may be suited to and matches their profile to the relevant programmes they need to study.

Wintec Executive Director Products and Planning, Warwick Pitts, says Wintec students represent a wide range of ethnicity, age and experiences, and making the right enrolment choice is critical to their success.

"Our challenge as vocational educators is to support and guide students through their learning experience, no matter what their pathway is. Making the right decision early is critical for students as it saves time, money and can create better opportunities for them to be successful.

We developed the Future You as a fun, but seriously engaging tool to help set our students on their future career pathway. We hope potential students receive significant benefits from using this new resource."

Future You can be found on wintec.ac.nz. Warwick says the new tool is part of a major project to enable better study success for students.

"Our next step is to develop a pathways tool which informs the user what programmes they are eligible for and what the gaps are, based on their existing qualifications."

Māori and Pasifika

MPTT proud: The 2019 Wintec Level 3 Carpentry class with their mentors, the 'Aunties' and tutor, Gene Cooper.

Māori and Pasifika Trades Training going from strength to strength

It has been a great year all round for Māori Pasifika Trades Training (MPTT) at Wintec and that's thanks to our partners, our students and their tutors, who all achieve because there is a plan, a workforce and a way of doing things.

Wintec has signed a new partnership agreement with iwi community and industry partners to continue to deliver MPTT at Wintec. The agreement with Waikato-Tainui, K'aute Pasifika, OneStaff and BCITO will ensure more opportunities for Māori and Pasifika people.

Māori Pasifika Trades Training was launched at Wintec in 2014. As one of the largest consortiums in the country, Wintec also has the highest graduation rates.

For Māori and Pasifika people wanting a trades career, the MPTT initiative is a pathway to a wide range of trade qualifications and apprenticeships. The end goal is for participants to gain skilled and sustainable employment and the course is free to 16 to 40 year-olds.

Wintec has helped more than 150 MPTT students into employment since 2014.

Better health outcomes for Māori start with a culturally aware and responsive workforce

Creating educational programmes that ensure all graduates possess the knowledge and skills expected to engage effectively with whānau and Māori communities is an important step towards reducing barriers and inequities for Māori in the health system.

Wintec's Centre for Health and Social Practice has now embedded introductory te reo Māori and learning relating to tikanga Māori or Māori cultural practices and principles through all of its programmes.

Former Wintec Director, Centre for Health and Social Practice, Dr Angela Beaton said qualifications that are fit for purpose for the bicultural context of Aotearoa are crucial in developing practitioners who can work effectively with whānau and help to reduce barriers and inequities for Māori in the health system.

One example is ensuring non-Māori graduates are equipped to pronounce Māori names accurately and understand tikanga Māori and applications to practice.

"Our staff and students are enthusiastic about taking this learning and considering how this knowledge may be applied in practice. It is part of our role as educators to graduate health and social care professionals who meet the needs of our communities to provide effective and culturally responsive care."

The Centre for Health and Social Practice staff have worked closely with Māori students, staff and industry partners, who have all provided valuable input to support curriculum changes within the Centre.

Wintec staff are also being supported to build capability in te reo and tikanga Māori, to increase confidence and skills in teaching and learning in a bicultural context and with Māori learners. This support is offered through the professional development short course, Te Tauihu. At the end of 2019, 389 Wintec staff had completed the programme.

The 'aunties,' Miriama Wara and Ataneta Barakat are learning how to build at Wintec.

Two Māori 'aunties' are taking carpentry class to new levels

There was a different kind of buzz going on in one of Wintec's carpentry classes where two 'aunties' swapped their handbags for toolbelts.

The 'aunties' are Miriama Wara and Ataneta Barakat and they signed up to the Māori Trades Training (MTT) scheme to learn how to build. They were the only women in a class of around 20 Māori and Pasifika youth enrolled in the Māori and Pasifika Trades Training Scheme (MPTT), and they had a special kind of influence on the class.

Wintec tutor Gene Cooper smiles when he talks about his adult students who he says, "put 120% into everything they do," including supporting their fellow students.

"They have brought a calmness to the class. They speak up for students and the students respect them and go to them for advice. They are two amazing ladies who came here because they want to be able to understand the building process from the ground up, including what products to use and the law around building consent. They've added a whole new dimension to this class."

While the younger generation in the class have got careers in their sights, it's a different story for the two Waikato-Tainui women who have a plan to reconnect their whānau (wider family) with their ancestral land.

"The environment is different in this class, it's a whānau environment, some of the students ask for advice because we're mums and we can understand," says Miriama.

Their course ended in November but along the way they progressed from using hand tools to create timber joints, to building a sawhorse before completing a simple shed.

"I'm already eyeing up where I can add the toilet and shower," says Ataneta.

Together they say the knowledge they have gained, has helped them look at things differently.

Their story has had an effect on recruitment. As a result Wintec launched two extra mid-year carpentry classes and a new Carpentry Level 4 Managed Apprenticeship programme which attracted 23 new students.

Educators gather to grow Māori and Pasifika learner success

More than 70 delegates from across New Zealand attended the nation's first Māori and Pasifika Tertiary Learning Advisors Hui-Fono (conference) at Wintec.

Led by Tania Oxenham Wintec Māori Learning Advisor and Association of Tertiary Learning Advisors of Aotearoa New Zealand (ATLAANZ) executive member, the conference aimed to further professional development in Māori and Pasifika teaching and learning practises.

Tania was a key driver of the event after joining the ATLAANZ executive committee in late 2018. The Hui-Fono (which translates to 'a gathering for a focused purpose' in te reo Māori and various Pasifika languages) was proposed to help bridge the gap between groups working with Māori and Pasifika students.

"Although the Hui-Fono specifically focused on Māori and Pasifika issues, we all work together to deal with those issues.

"The challenge is: 'will you walk in my world view?' We encourage our peers to walk with us in our world of learning and teaching. We want to build a true partnership where we both view the world through the other's eyes."

Topics included Pacific indigenous frameworks, spiritual safe-learning practices for Māori and Pasifika students and the Māori concept of time. Wintec presented on how to empower adult learners through Māori and Pasifika Trade Training and Te Ōritetanga, the learner success model being developed by Wintec and the Tertiary Education Commission.

The Hui-Fono took place in front of a packed audience that included representatives from WelTec, Massey University, Auckland University of Technology, Unitec, and the Ara Institute of Canterbury.

Kate Wynyard from Wintec discusses human design thinking, research and learner success. Photo: Frances Kroondijk.

Whānau is everything for four Māori Masters graduates

Four Māori nurses graduated in 2019 with Masters degrees from Waikato Institute of Technology (Wintec), and all agree that time is the biggest challenge, and a supportive network means everything.

The four, Myra Pourau (Ngāti Raukawa, Ngāti Maniapoto, Ngāti Te Rangi), Ellyn Proffit (Ngāti Porou), Janette Ngaheu (Ngāti Awa, Te Pahipoto, Ngāti Pikiao), and Natalie Lewis (Ngāti Tuwharetoa, Ngāti Porou, Tainui) all value education in progressing their careers and want to inspire others to follow an academic pathway to find success.

Myra Pourau and Ellyn Proffit both graduated with a Master of Nursing and Janette Ngaheu and Natalie Lewis both graduated with a Master of Professional Practice.

Wintec Chief Executive David Christiansen says Māori achievement is a focus at Wintec and it's important that learners are enabled with the right tools and support to achieve success.

"Around 26% of Wintec students identify as Māori and we're really proud of that. What makes us even happier is the levels of achievement our Māori students are attaining.

"Māori student success is crucial if we are to develop a workforce that reflects the diversity and the needs of our community and reduces health inequities for Māori. These four Masters graduates are great role models in this respect, particularly for those considering a career in nursing."

Wintec graduated 12 Masters students in health and social practice in 2019. Wintec graduation was held in March, when 1,200 graduates from the 2,000 eligible celebrated their success at one of five ceremonies in Hamilton.

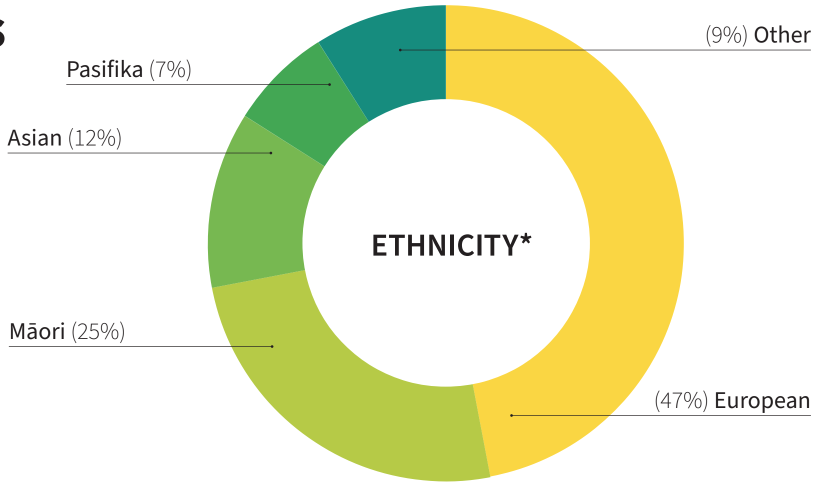
Natalie Lewis, Janette Ngaheu and Myra Pourau graduated at Wintec's Centre for Health and Social Practice ceremony at Claudelands.

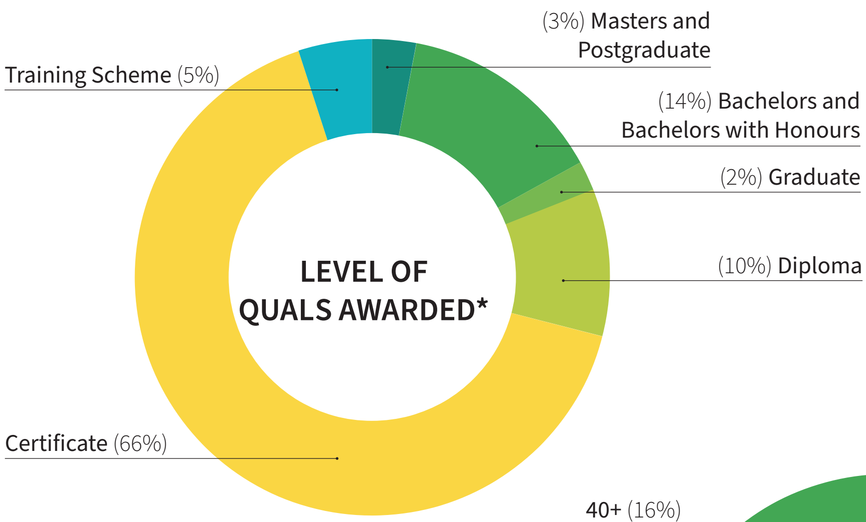
Ellyn Proffit is capped by Wintec Council Chair Barry Harris at Te Kōpū Mania o Kirikiriroa Marae Graduation ceremony on Wintec's Hamilton campus.

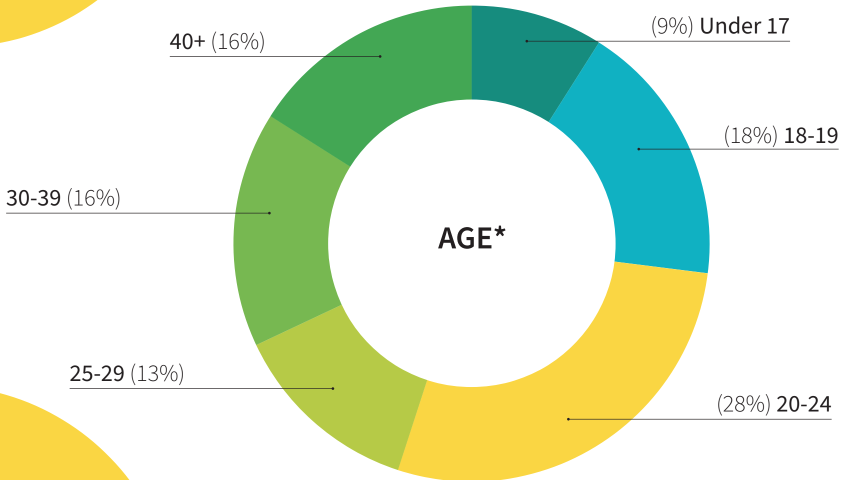
STUDENT STATISTICS

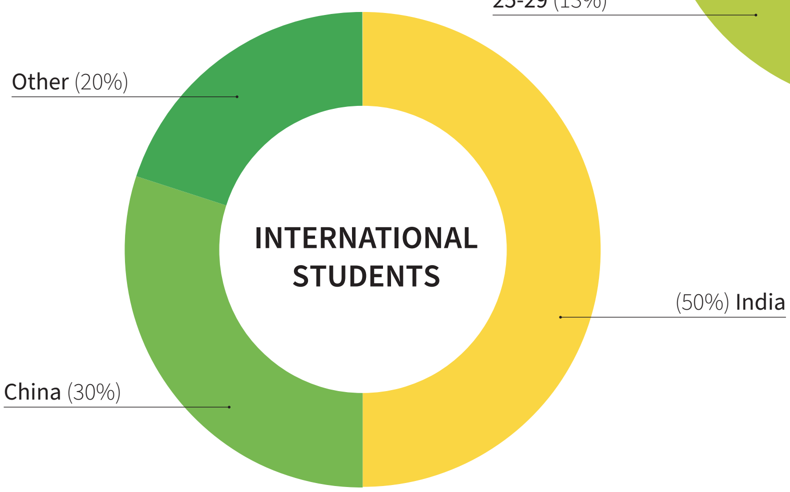
Student Statistics 2019 Summary

**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 Pasifika Trades Training Level 1 and 2, Māori and Pasifika 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

	2015	2016	2017	2018	2019
India	316	331	371	445	602
China	425	463	457	404	362
Korea, (South) Republic of	12	12	37	47	63
Nepal	20	13	21	32	33
Sri Lanka	13	21	25	20	20
Philippines	14	22	13	10	18
Kenya	6	12	15	14	9
Fiji	11	8	8	12	8
Brazil	9	12	8	10	7
Other	73	92	89	84	85
Total	**897**	**987**	**1,042**	**1,078**	**1,207**

The top 9 countries ranked according to the highest EFTS in 2019. All remaining countries are grouped as "other".

TEC FUNDED* EFTS BY LEVEL OF STUDY

	2015	2016	2017	2018	2019
Levels 1-2	11%	12%	8%	6%	6%
Levels 3-4	30%	33%	34%	38%	39%
Levels 5-6	14%	14%	15%	16%	15%
Levels 7+	43%	41%	43%	41%	40%

**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 Pasifika Trades Training L1 and 2, Māori and Pasifika Trades Training L3 and 4, Trades Academy, Youth Guarantee, Secondary-Tertiary Partnerships Dual Pathway initiative funding only.*

TEC FUNDED* EFTS BY ETHNICITY

	2015		2016		2017		2018		2019	
European	2,572	53%	2,541	52%	2,344	52%	2,290	52%	1,982	47%
Māori	1,215	25%	1,296	27%	1,174	26%	1,143	26%	1,080	25%
Asian	427	9%	422	9%	407	9%	418	9%	494	12%
Pasifika	248	5%	252	5%	228	5%	244	5%	274	7%
Other	385	8%	376	8%	345	8%	348	8%	378	9%
Total	**4,847**		**4,888**		**4,498**		**4,443**		**4,208**	

**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 Pasifika Trades Training L1 and 2, Māori and Pasifika 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.
The "other" category includes students entered as non-declared, other and unknown.

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

	2015		2016		2017		2018		2019	
Youth (Under 25)	2,884	59%	2,889	60%	2,534	56%	2,449	55%	1,939	46%
25 and older	1,963	41%	1,999	41%	1,964	44%	1,994	45%	2,269	54%
Total	**4,847**		**4,888**		**4,498**		**4,443**		**4,208**	

**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 Pasifika Trades Training L1 and 2, Māori and Pasifika Trades Training L3 and 4, Trades Academy, Youth Guarantee, Secondary-Tertiary Partnerships Dual Pathway initiative funding only.*

Age in years is 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

	2015	2016	2017	2018	2019
Adult and Community Education	107	108	105	109	80
Student Achievement Component	4,501	4,550	4,189	4,217	4,012
Youth Guarantee and Trades Academy	346	337	309	226	196
Total TEC funded	**4,954**	**4,995**	**4,603**	**4,551**	**4,288**
International	930	1,009	1,064	1,078	1,207
Industry Training Organisation	812	714	691	719	703
Other	286	243	120	109	85
Total non TEC funded	**2,028**	**1,967**	**1,876**	**1,905**	**1,995**
Grand total	**6,982**	**6,962**	**6,479**	**6,456**	**6,282**

** 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 Pasifika Trades Training Level 1 and 2*
- *Māori Pasifika Trades Training Level 3 and 4*
- *SAC Level 3 and 4 Competitive Process Funding*
- *TEC (SAC) Funding*

Youth Guarantee and 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

	2015	2016	2017	2018	2019
Masters	13	12	15	30	41
Postgraduate Level	50	53	84	69	52
Bachelors with Honours	16	9	21	19	9
Bachelor Degree Level	464	496	438	448	395
Graduate Level	44	59	48	57	71
Diploma Level	328	305	355	367	287
Certificate Level	2,127	2,146	1,933	1,756	1,851
Training Scheme Level	88	19	12	117	157
Total	**3,130**	**3,099**	**2,906**	**2,863**	**2,863**

This represents the number of qualifications completed for each year.

Figures for qualifications are draft only as of 23 January, 2019. Further qualifications may be awarded for the 2019 year in 2020.

**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 Pasifika Trades Training L1 and 2, Māori and Pasifika Trades Training Level 3 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

	2015	2016	2017	2018	2019
17 Years and Under	413	436	395	398	374
18 - 19 Years	1,022	1,047	892	824	761
20 - 24 Years	1,449	1,406	1,246	1,226	1,134
25 - 29 Years	583	612	622	595	564
30 - 34 Years	356	375	380	409	384
35 - 39 Years	312	324	300	326	298
40 - 44 Years	261	239	232	231	244
45 - 49 Years	200	197	186	189	208
50 - 54 Years	157	140	131	137	115
55 - 59 Years	63	72	79	67	79
60 - 64 Years	25	29	27	32	33
65 Years and Over	5	10	6	8	15
Total	**4,847**	**4,888**	**4,498**	**4,443**	**4,208**

**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 Pasifika Trades Training L1 and 2, Māori and Pasifika Trades Training Level 3 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 result from its activities. This output is teaching and learning. The following table provides details of the output cost.

Output	**2019 $’000**	**Budget $’000**	**2018 $’000**
Teaching and Learning	**99,628**	**101,661**	**96,161**

Compulsory Student Services Levy Disclosure

	Advocacy and legal advice	Careers advice and guidance and disabilities	Health service, and pastoral care	Counselling	Employment information	Financial support and advice	Media	Childcare services	Clubs and societies	Sports recreation and cultural	Total
	$	$		$	$	$	$	$	$	$	$
Compulsory Student Service Fees	-	829,348	643,015	135,372	-	-	-	-	-	-	1,607,735
Other	-	117,507	298,982		-	-	-	-	-	-	416,489
Total Revenue	**-**	**946,855**	**$941,997**	**135,372**	**-**	**-**	**-**	**-**	**-**	**-**	**2,024,225**
Expenses	-	1,246,363	617,986	114,671	-	-	-	-	-	-	1,979,020
Total Expenses	**-**	**1,246,363**	**617,986**	**114,671**	**-**	**-**	**-**	**-**	**-**	**-**	**1,979,020**
Surplus/(deficit)	**-**	**(299,508)**	**324,012**	**20,701**	**-**	**-**	**-**	**-**	**-**	**-**	**45,204**

Compulsory Student Services Levy (CSSL)

The compulsory student services levy per equivalent full-time student for the year ended 2019 is $475.00.

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 for students, 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 Pasifika 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 Pasifika 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.

DIVERSITY AND INCLUSION

Diversity and Inclusion

In 2019, our diversity and inclusion vision was progressed through:

- Receiving the Innovation Award at the YWCA Equal Pay Awards, in recognition of the Wintec Industry Sharing Experience (WISE) programme, which allows staff and students to form valuable partnerships with employers through industry secondments and teaching partnerships. The Innovation award celebrates innovative responses to addressing the equal pay gap, while criteria also assessed our wider approach to gender needs in the workplace and community.
- Developing new Prevention of, and Response to, Sexual Harassment, and Family Violence policies.
- Developing training for staff and managers to support our Anti-bullying and Harassment and Prevention and Response to Sexual Harassment policies. This training is delivered via our online learning management system and followed up with face-to-face workshops for managers.
- Training staff to be specialist family violence contact people. A list of family violence contact people is available to all staff via the Digital Workplace, and to students via MyLearning.
- Continuing to deliver Mental Health First Aid workshops to teach staff to provide initial help to students and other people experiencing mental health issues. A list of trained Mental Health First Aid first responders is available to all staff via the Digital Workplace.
- Continuing to deliver and enrol staff in our cultural competency module Te Tauihu, at the end of 2019 389 Wintec staff have completed the programme which was first introduced in 2014.
- Awarding the Hare Puke Māori Leadership Scholarship, which enables members of our Māori community to gain leadership skills that in turn will benefit other Māori. Ten staff have now benefited from this scholarship since its inception in 2008.
- Promoting Māori, Cook Island Māori, Chinese, Fijian, Tongan and other language weeks to staff through the This Week @ Wintec email newsletter.
- Horahia Matariki, our Matariki festival, which included 20 events for staff and students.
- Hei Oranga Mōu, a month of free wellbeing events for staff and students.
- Continuing our involvement with local providers of supported employment services.

Ethnicity of Staff (Permanent and Fixed Term)

Ethnicity	Female	Male	Total	%
NZ European/Pākeha	271	153	424	53.9%
Other European	72	36	106	13.5%
Māori	71	31	102	13.0%
Other	30	32	62	7.9%
Indian	19	17	36	4.6%
Pasifika	12	15	27	3.4%
Other Asian	10	15	25	3.2%
Chinese	9	8	17	2.2%
No data	68	45	113	14.4%
Total	**560**	**352**	**912**	**115.9%**

** This year, we have changed the methodology for reporting on ethnicity, to align with Statistics New Zealand and the Ministry of Education. Staff may select up to three ethnic groups, and all of these will be included in reporting. This means that the percentage figures add up to more than 100%.*

Equal Education Opportunities

Wintec's Student Learning Services provides quality, student-centred disability support and, along with Te Kete Kōnae, general academic learning services to all enrolled students.

In 2019, Student Learning Services continued to offer a high level of advocacy, information and support to students who disclosed impairments. Nine staff provided 2,925 hours of note-taker services to help improve the participation, retention, completion and progression of students who required these services. The disabilities team also supported students by issuing 58 mobility parking permits, providing arrangements for 68 exams where a reader/writer was required, as well as providing equipment to aid their ability to study at Wintec, including dictaphones, ergonomic chairs, mobility scooters and lumbar cushions. Electronic adjustable tables have been in demand this year. These tables were also incorporated as part of the City Campus hub remodel. Additionally, peer support services were provided by Student Learning Services where required.

The Learning Advisors within Student Learning Services and Te Kete Kōnae have a continued focus on enabling students to become independent and capable learners. They do this through traditional one-on-one and small group sessions, and by embedding support within targeted programmes across Wintec. Being present in classes, Learning Advisors have more opportunities to support greater numbers of students; they develop meaningful relationships with students and tutors, and can more efficiently identify students who may need extra support. Creating a culture that normalises support, we are working towards mitigating the stigma attached to asking for help.

In 2019, Student Learning Services and Te Kete Kōnae provided support to 2,774 and 861 individual students respectively, with some students potentially accessing both services. Levels of satisfaction with the support services are consistently high. Completion rates equalling those of the wider student body were also recorded. Services included writing and study skills courses, workshops, peer tutoring, tuakana-teina mentoring facilitation, one-on-one learning support, and the embedding of academic and pastoral support services within priority programmes of study across faculty.

Targeted support was also offered to Māori and Pasifika students through the Māori and Pasifika Trade Training scheme, while many International and New Zealand resident students, for whom English is not their first language, were also supported in their study through the workshops, online resources and embedded support available. Disabilities services staff also worked with Wintec staff to educate them on how to support students with disabilities, in one-to-one and group sessions.

FINANCIAL PERFORMANCE

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Waikato Institute of Technology and group's financial statements and statement of service performance for the year ended 31 December 2019

The Auditor-General is the auditor of Waikato Institute of Technology (the Institute) and group. The Auditor-General has appointed me, B H Halford, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of service performance of the Institute and group on his behalf.

OPINION

We have audited:

- the financial statements of the Institute and group on pages 53 to 97, that comprise the statement of financial position as at 31 December 2019, 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; and
- the statement of service performance of the Institute and group on pages 100 to 115.

In our opinion:

- the financial statements of the Institute and group on pages 53 to 97,which have been prepared on a disestablishment basis:
  - present fairly, in all material respects:
    - the financial position as at 31 December 2019; and
    - the financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand1 in accordance with Public Benefit Entity Reporting Standards; and
- the statement of service performance on pages 100 to 115:
  - presents fairly, in all material respects, the Institute and group's service performance achievements as compared with the forecast outcomes included in the investment plan for the year ended 31 December 2019; and
  - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 31 March 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw your attention to the financial statements being appropriately prepared on a disestablishment basis and the impact of the COVID-19 pandemic. In addition, we outline the responsibilities of the Council and our responsibilities relating to the financial statements and the statement of service performance, we comment on other information, and we explain our independence.

The financial statements have been appropriately prepared on a disestablishment basis

Without modifying our opinion, we draw your attention to the accounting policy and note 21 on page 88, about the financial statements being prepared on a disestablishment basis. We consider the disestablishment basis to be appropriate because the Institute will cease as an entity and transfer its assets and liabilities to Waikato Institute of Technology Limited on 1 April 2020 as a result of the reform of the institutes of technology and polytechnics sector.

Emphasis of Matter – COVID-19

Without further modifying our opinion, we draw attention to the disclosures in note 21 on page 88 to 89 which outline the possible effects to the Institute as a result of the COVID-19 pandemic. It is difficult to determine the full effect of it on the Institute at this time.

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 Council for the financial statements and the statement of service performance

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

The Council is also responsible on behalf of the

Institute and group for preparing a statement of service performance that is fairly presented and that complies with generally accepted accounting practice in New Zealand.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the statement of service performance, the Council is responsible on behalf of the Institute and group for assessing the Institute and group's ability to continue as a going concern. If the Council concludes that the going concern basis of accounting is inappropriate, the Council is responsible for preparing financial statements on a non-going concern basis and making appropriate disclosures.

The Council's responsibilities arise from the Crown Entities Act 2004 and the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements and the statement of service performance

Our objectives are to obtain reasonable assurance about whether the financial statements and the statement of service performance, 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 and statement of service performance.

For the budget information reported in the financial statements and the statement of service performance, our procedures were limited to checking that the information agreed to the Institute and group's approved budget for the financial statements, and the investment plan for the statement of service performance.

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

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 and the statement of service performance, 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 Institute 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 Council.
- We conclude on the appropriateness of the non-going concern basis of accounting by the Council.
- We evaluate the overall presentation, structure and content of the financial statements and the statement of service performance, including the disclosures, and whether the financial statements and the statement of service performance represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements and the statement of service performance of the entities or business activities within the group to express an opinion on the consolidated financial statements and the consolidated statement of service performance. 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 Council 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 Council is responsible for the other information. The other information comprises the information included on pages 1 to 52, 98 to 99, and 116 to 120, but does not include the financial statements and the statement of service performance, and our auditor's report thereon.

Our opinion on the financial statements and the statement of service performance 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 and the statement of service performance, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the statement of service performance 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 Institute 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 (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit, we have performed a review of the Performance Based Research Fund – External Research Income declaration for the year ended 31 December 2019, which is compatible with those independence requirements. Other than the audit and this engagement, we have no relationship with or interests in the Institute or any of its subsidiaries.

B H Halford
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand


MAANIA O KIRIKIRIROA

Statement of Responsibility

for the year ended 31 December 2019

The Council and management are responsible for the preparation of the Waikato Institute of Technology and Group's financial statements and statement of service performance, and for the judgements made in them.

The Council and management of the Waikato Institute of Technology have the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the Council and management's opinion, these financial statements and statement of service performance fairly reflect the financial position and operations of the Waikato Institute of Technology and Group for the year ended 31 December 2019.

Signed by:

Barry Harris
Chair

David Christiansen
Chief Executive

Paul Holloway
Chief Financial Officer

Statement of Comprehensive Revenue and Expense

for the year ended 31 December 2019

		Group			Institute		
	Notes	Actual 2019 $'000	Budget 2019 $'000	Actual 2018 $'000	Actual 2019 $'000	Budget 2019 $'000	Actual 2018 $'000
Revenue							
Government grants	2(a)	49,591	45,762	55,451	44,465	45,762	45,373
Student tuition fees	2(b)	35,364	35,901	33,476	35,364	35,901	33,476
Other revenue	2(c)	20,470	32,323	19,716	17,060	18,359	16,035
Total revenue		**105,425**	**113,986**	**108,643**	**96,889**	**100,023**	**94,885**
Expense							
Employee expense	3	(64,780)	(68,226)	(67,142)	(59,292)	(59,558)	(57,431)
Depreciation and amortisation expense	11,12	(8,429)	(7,556)	(7,326)	(7,245)	(7,283)	(6,263)
Other expense	5	(32,092)	(37,846)	(34,211)	(31,867)	(33,770)	(31,513)
Finance expense	4	(1,257)	(1,058)	(956)	(1,224)	(1,050)	(955)
Impairment of assets		(2,938)	-	-	(3,024)	-	(935)
Impairment of assets reversal		-	-	-	-	-	1,581
Property and buildings revaluations		-	-	-	-	-	-
Total expense		**(109,496)**	**(114,686)**	**(109,634)**	**(102,652)**	**(101,661)**	**(95,515)**
Share of associates surplus/(deficit)		-	-	-	-	-	-
Surplus/(deficit)		**(4,071)**	**(700)**	**(991)**	**(5,764)**	**(1,638)**	**(631)**
Total surplus attributable to: Waikato Institute of Technology		(4,071)	(700)	(991)	(5,764)	(1,638)	(631)
Non-controlling interest		-	-	-	-	-	-
Other comprehensive revenue/(expense)							
Property and building revaluations	11	-	-	7,324	-	-	7,324
Profit on purchase of subsidiary		-	-	-	-	-	-
Impairment of assets		-	-	-	-	-	-
Total other comprehensive revenue/(expense)		**-**	**-**	**7,324**	**-**	**-**	**7,324**
Total comprehensive revenue/(expense)		**(4,071)**	**(700)**	**6,333**	**(5,764)**	**(1,638)**	**6,693**
Total comprehensive revenue attributable to: Waikato Institute of Technology		(4,071)	(700)	6,333	(5,764)	(1,638)	6,693
Non-controlling interest		-	-	-	-	-	-

Explanation of major variances against budget are provided in note 23.

The accompanying notes form part of these financial statements.

Statement of Financial Position

as at 31 December 2019

		Group			Institute		
	Notes	Actual 2019 $'000	Budget 2019 $'000	Actual 2018 $'000	Actual 2019 $'000	Budget 2019 $'000	Actual 2018 $'000
Assets							
Current assets							
Cash and cash equivalents	6	4,025	3,660	3,133	169	-	305
Receivables	7	25,194	19,582	21,071	24,767	17,582	19,298
Inventories	8	412	284	284	412	284	284
Related party loans		-	-	-	-	500	-
Prepayments		1,022	159	1,414	998	159	1,174
Total current assets		**30,653**	**23,685**	**25,902**	**26,346**	**18,525**	**21,061**
Non-current assets							
Investments in associates	10	-	-	-	-	-	-
Other financial assets	9	654	634	654	3,066	5,579	6,244
Property, plant and equipment	11	164,366	160,751	166,285	164,910	160,328	165,326
Intangible assets	12	21,339	15,230	23,214	20,882	14,930	20,149
Total non-current assets		**186,359**	**176,615**	**190,153**	**188,858**	**180,837**	**191,719**
Total assets		**217,012**	**200,300**	**216,055**	**215,204**	**199,362**	**212,779**
Liabilities							
Current liabilities							
Payables	13	5,980	6,343	8,563	5,871	6,343	6,515
Employee entitlements	14	3,975	2,550	3,663	3,734	2,550	3,284
Deferred revenue	15	35,546	19,767	21,838	35,545	19,767	21,527
Interest-bearing loans and borrowings	16	49	5,844	279	49	5,844	279
Total current liabilities		**45,550**	**34,504**	**34,343**	**45,199**	**34,504**	**31,605**

		Group			Institute		
	Notes	Actual 2019 $'000	Budget 2019 $'000	Actual 2018 $'000	Actual 2019 $'000	Budget 2019 $'000	Actual 2018 $'000
Non-current liabilities							
Interest-bearing loans and borrowings	16	24,687	23,000	30,113	24,687	23,000	30,113
Provisions		-	-	-	-	-	-
Employee entitlements	14	146	197	899	147	197	126
Total non-current liabilities		**24,833**	**23,197**	**31,012**	**24,834**	**23,197**	**30,239**
Total liabilities		**70,383**	**57,701**	**65,355**	**70,033**	**57,701**	**61,844**
Total net assets		**146,629**	**142,599**	**150,700**	**145,171**	**141,661**	**150,936**
Equity							
General funds		106,409	110,182	110,479	105,399	109,244	111,164
Restricted reserves		654	623	654	654	623	654
Property revaluation reserve		39,118	31,794	39,118	39,118	31,794	39,118
Total equity attributable to the Institute		**146,181**	**142,599**	**150,251**	**145,171**	**141,661**	**150,936**
Non-controlling interest		449	-	449	-	-	-
Total equity	17	**146,629**	**142,599**	**150,700**	**145,171**	**141,661**	**150,936**

Explanation of major variances against budget are provided in note 23.
The accompanying notes form part of these financial statements.

These financial statements were approved for signing by the Council on 31/03/2020.

David Christiansen
Chief Executive

Paul Holloway
Chief Financial Officer

Statement of Changes in Equity

for the year ended 31 December 2019

	Group			Institute		
	Actual 2019 $'000	Budget 2019 $'000	Actual 2018 $'000	Actual 2019 $'000	Budget 2019 $'000	Actual 2018 $'000
Balance at 1 January	150,700	143,299	144,367	150,935	143,299	144,242
Comprehensive revenue						
Surplus/(deficit)	(4,071)	(700)	(991)	(5,764)	(1,638)	(631)
Other comprehensive revenue	-	-	7,324	-	-	7,324
Total comprehensive revenue	**(4,071)**	**(700)**	**6,333**	**(5,764)**	**(1,638)**	**6,693**
Balance before non-comprehensive revenue at 31 December	**146,629**	**142,599**	**150,700**	**145,171**	**141,661**	**150,935**
Non-comprehensive revenue items						
Restricted reserves transfers	-	-	-	-	-	-
Capital contributions from owners	-	-	-	-	-	-
Suspensory loans from the Crown	-	-	-	-	-	-
Total non-comprehensive revenue items	**-**	**-**	**-**	**-**	**-**	**-**
Balance at 31 December	**146,629**	**142,599**	**150,700**	**145,171**	**141,661**	**150,935**
Total comprehensive revenue for the year	**(4,071)**	**(700)**	**6,333**	**(5,764)**	**(1,638)**	**6,693**
Total comprehensive revenue attributable to: The Waikato Institute of Technology	(4,071)	(700)	6,332	(5,764)	(1,638)	6,693
Non-controlling interest	-	-	-	-	-	-

Explanation of major variances against budget are provided in note 23.

The accompanying notes form part of these financial statements.

Statement of Cash Flows

for the year ended 31 December 2019

	Group			Institute		
	Actual 2019 $'000	Budget 2019 $'000	Actual 2018 $'000	Actual 2019 $'000	Budget 2019 $'000	Actual 2018 $'000
Cash flows from operating activities						
Receipt of government grants	51,603	45,354	55,451	46,477	45,354	45,373
Receipt of student tuition fees	40,957	38,357	32,888	40,608	38,357	34,768
Interest revenue received	85	-	312	26	-	312
Dividend income	-	50	-	350	300	-
Receipt of other revenue	24,377	33,437	20,056	19,194	16,012	16,622
Payments to employees	(65,221)	(70,987)	(67,298)	(58,821)	(56,953)	(58,411)
Payments to suppliers	(35,797)	(38,162)	(37,276)	(34,142)	(36,251)	(34,325)
Interest paid	(1,257)	(1,050)	(956)	(1,224)	(1,050)	(955)
Goods and services tax (net)	31	-	561	301	-	290
Net cash flows from operating activities	**14,778**	**6,999**	**3,738**	**12,769**	**5,769**	**3,674**
Cash flows from investing activities						
Purchase of property, plant and equipment	(5,584)	(4,916)	(5,664)	(5,584)	(4,776)	(5,664)
Purchase of intangible assets	(2,794)	(3,162)	(10,122)	(1,705)	(3,062)	(10,122)
Acquisition of investments	-	-	-	-	-	-
Receipts from sale of investments	-	-	-	-	-	-
Proceeds from sale of property, plant and equipment	147	1,900	-	41	1,900	-
Net cash flows used in investing activities	**(8,230)**	**(6,178)**	**(15,786)**	**(7,248)**	**(5,938)**	**(15,786)**
Cash flows from financing activities						
Capital contributions received from the Crown	-	-	-	-	-	-
Proceeds from borrowings	21	-	16,756	21	-	16,756
Repayment of borrowings	(5,426)	-	-	(5,426)	-	-
Payment of finance leases	-	-	-	-	-	-
Net cash flows from financing activities	**(5,405)**	**-**	**16,756**	**(5,405)**	**-**	**16,756**
Net increase/(decrease) in cash and cash equivalents	1,143	821	4,708	115	(169)	4,644
Cash and cash equivalents at the beginning of the period	2,882	(3,006)	(1,826)	54	(5,675)	(4,590)
Cash and cash equivalents at the end of the period	**4,025**	**(2,185)**	**2,882**	**169**	**(5,844)**	**54**

Cash is offset by the overdraft per borrowings note 16. Explanation of major variances against budget are provided in note 23.
The accompanying notes form part of these financial statements.

Statement of Cash Flows

for the year ended 31 December 2019

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

	Group		Institute	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Net surplus/(deficit)	(4,071)	(991)	(5,764)	(631)
Add/(less) non-cash items				
Share of associates surplus/(deficit)	-	-	-	-
Depreciation and amortisation expense	8,429	7,326	7,245	6,263
(Gains)/losses on fair value of investment property	-	-	-	-
Increase/(decrease) in non-current employee entitlements	-	-	-	-
Bad debts	(753)	702	21	(71)
Property & buildings revaluations	-	-	-	-
Impairment of fixed assets	2,938	-	3,024	935
Fair value impairment	-	-	-	(1,581)
Total non-cash items	**10,614**	**8,028**	**10,290**	**5,546**
Add/(less) items classified as investing or financing activities				
(Gains)/losses on disposal of property, plant and equipment	-	-	-	-
(Gains)/losses on disposal of investments classified as fair value through other comprehensive income	23	-	-	-
Total items classified as investing or financing activities	**23**	**-**	**-**	**-**
Add/(less) movements in working capital items				
(Increase) / decrease in inventories	(128)	-	(128)	-
(Increase) / decrease in receivables	(4,123)	(2,555)	(6,264)	(1,886)
(Increase) / decrease in prepayments	392	(1,033)	176	(1,015)
Increase / (decrease) in payables	(1,949)	187	(10)	151
Increase / (decrease) in revenue received in advance	13,708	960	14,018	1,918
Increase / (decrease) in provisions	-	-	-	-
Increase / (decrease) in current employee entitlements	312	(858)	450	(909)
Increase / (decrease) in related party loans	-	-	-	500
Net movements in working capital items	**8,212**	**(3,299)**	**8,242**	**(1,241)**
Net cash flow from operating activities	**14,778**	**3,738**	**12,769**	**3,674**

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

for the year ended 31 December 2019

1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

The Waikato Institute of Technology (the Institute) is a Tertiary Education Institution (TEI) that is domiciled in New Zealand. The relevant legislation governing the Institute's operations includes the Crown Entities Act 2004 and the Education Act 1989.

The Institute and Group consist of Waikato Institute of Technology (Wintec) and its subsidiaries, SODA Inc. Limited, LearningWorks Limited, LearningWorks International Limited, Prima Group Limited, Ligar Polymers Limited, Polytechnics Institute New Zealand (PINZ), Wintec KSA, MondragonWintecKSA, Wintec KSA, and the Wintec Foundation Trust, our associates Ligar GP Ltd, Ligar Limited Partnership, and Motortrain Limited. These entities are all incorporated in New Zealand with the exception of MondragonWintecKSA which is incorporated in Saudi Arabia. Refer to note 24 for further details of all entities included in the Group.

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 primary objective of the Institute and Group is to provide 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 (PBEs) for financial reporting purposes. The financial statements of the Institute and Group for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Council on 31 March 2020.

BASIS OF PREPARATION

Use of the disestablishment basis of accounting

The Minister of Education announced the Government's decisions on the Reform of Vocational Education proposals on 1 August 2019, and has since enacted the Education (Vocational Education and Training and Reform) Amendment Act (the Act) 2020 on 24 February 2020 to give effect to those reforms.

In essence, the Act reforms the delivery of vocational education in New Zealand by creating a new Crown entity, the New Zealand Institute of Skills and Technology (NZIST) and converting all existing institutes of technology and polytechnics (ITPs) into crown entity companies, which will take over the operational activities of existing ITPs.

The Act disestablishes the Waikato Institute of Technology and transfers its assets and liabilities to a new company, Waikato Institute of Technology Limited on1 april 2020. As a result, the Waikato Institute of Technology has prepared its financial statements on a disestablishment basis.

However, because vocational education will continue to be provided through the Waikato Institute of Technology Limited, no change needs to be made to the measurement or classification of assets and liabilities. Decisions about the future of these assets and liabilities will be the responsibility of the new entity.

Statement of compliance

The financial statements of the Institute and Group have been prepared in accordance with the requirements of the Crown Entities Act 2004 and the Education Act 1989, which include the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with PBE standards.

These financial statements comply with PBE accounting standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values other than the council member remuneration disclosures and the related party disclosures in note 19 are rounded to the nearest thousand dollars ($'000). Council member remuneration and related party transaction disclosures are rounded to the nearest dollar.

Standards issued and not yet effective and have not been early adopted

PBE IPSAS 41 Financial Instruments

PBE IPSAS 41 Financial Instruments replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement and PBE IFRS 9 Financial Instruments and is effective for financial years beginning on or after 1 January 2022, with earlier adoption permitted. The main changes compared to PBE IPSAS 29 that are relevant to the Institute are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which might result in the earlier recognition of impairment losses.

The Institute intends to adopt PBE IPSAS 41 for the 31 December 2022 financial year. The Institute has not yet assessed in detail the impact of the new standard.

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for annual periods beginning on or after 1 January 2021. The Institute is required to prepare its performance information in accordance with generally accepted accounting practice (GAAP). The Institute is considering whether it will early adopt PBE FRS 48 for the 31 December 2020 year end rather than apply the existing performance information requirements of PBE IPSAS 1. The Institute has not yet determined how application of PBE FRS 48 will affect its statement of service performance.

Amendments 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 both changes arising from 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.

New and amended standards adopted by the Institute

Adoption of PBE IFRS 9 Financial Instrument

The Institute and Group have adopted the new group financial statements standards PBE IPSAS 34 to PBE IPSAS 38. In accordance with the transitional provisions of PBE IFRS 9, the Institute has elected not to restate the information for previous years to comply with PBE IFRS 9. Adjustments arising from the adoption of PBE IFRS 9 are recognised in opening equity at 1 January 2019. Refer to note 25 for transition disclosure upon adoption.

Adoption of PBE IPSAS 34 – PBE IPSAS 38

In adopting these new standards the Institute and Group has updated its accounting policies for its investments in subsidiaries, joint ventures and associates.

As part of adopting PBE IPSAS 35 Consolidated Financial Statements, the Institute has reviewed the Group and there are no changes to the financials. No restatement is required.

As the Institute's investment in associates and jointly controlled entity interest is accounted for using the equity basis method in the consolidated accounts, there have been no adjustments made as at 31 December 2019 as a result of the adoption of PBE IPSAS 34 - PBE IPSAS 38.

SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The Group financial statements are prepared by adding together items of assets, liabilities, equity, revenue, expenses, and cashflow on a line-by-line basis. All significant intergroup balances, transactions, income and expenses are eliminated on consolidation. The Institute's investments in its subsidiaries are carried at cost in the parent's financial statements.

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.

Investment in subsidiaries are measured at cost in the Institute's parent financial statements.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Associates

An associate is an entity over which the Institute has significant influence and that is neither a subsidiary nor an interest in a joint venture. Investments in associates are accounted for in the group financial statements using the equity method of accounting.

Investments in associates are measured at cost in the Institute's parent financial statements.

Joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the agreed sharing of control of an arrangement by way of a binding arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investment in joint ventures are measured at cost in the Institutes parent financial statements.

Equity method of accounting in group financial statements

Investments in associates and joint ventures are accounted for in the group financial statements using the equity method of accounting.

Under the equity method of accounting, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the group's share of the change in net assets of the entity after the date of acquisition. The Group's share of the surplus or deficit is recognised in the Group surplus or deficit. Distributions received from the investee reduce the carrying amount of the investment in the Group financial statements.

If the share of deficits of the entity equals or exceeds the interest in the entity, the group discontinues recognising its share of further deficits. After the group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the entity. If the entity subsequently reports surpluses, the group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Revenue

Revenue is measured at fair value.

The specific accounting policies for significant revenue items are explained below:

Student Achievement Component (SAC) funding

SAC funding is the Institute's main source of operational funding from the Tertiary Education Commission (TEC). The Institute considers SAC funding to be non-exchange revenue and recognises 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.

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 student fees. This is on the basis that receipts from TEC are for payment on behalf of the student as specified in the relevant funding mechanism.

Student tuition fees

Domestic student tuition fees are subsidised by government funding (SAC) and are considered non-exchange. 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.

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.

Performance-Based Research Fund (PBRF) revenue

The Institute considers PBRF funding to be non-exchange in nature. PBRF funding is specifically identified by the TEC as being for a funding period as required by section 159YA of the Education Act 1989. The Institute recognises its confirmed allocation of PBRF funding at the commencement of the specified funding period, which is the same as the Institute's financial year. PBRF revenue is measured based on the Institute's 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

The Institute exercises its judgement in determining whether funding received under a research contract is an exchange or non-exchange transaction. In determining whether a research contract is exchange or non-exchange, the Institute considers factors such as the following:

- Whether the funder has substantive rights to the research output. This is a persuasive indicator of exchange or non-exchange.
- How the research funds were obtained. For example, whether through a commercial tender process for specified work or for applying to a more general research funding pool.
- Nature of the funder.
- Specificity of the research brief or contract.

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 to total expenditure 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.

Judgement is often required in determining the timing of revenue recognition for the contracts that span a balance date and multi-year research contracts.

Other grants received

Other grants received 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 when received and recognised as revenue when the conditions of the grant are satisfied.

Sale of materials

Revenue is recognised when the significant risks and rewards of ownership have passed to the buyer and can be reliably measured.

Interest and dividends

Interest income is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established.

Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

Leases

Operating leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as the lease income.

Operating lease payments are recognised as an expense in the Statement of Comprehensive Revenue and Expense on a straight-line basis over the lease term.

Cash and equivalents

Cash in the balance sheet comprises cash at bank and in hand and short-term deposits with an original maturity of three months or less. While cash and cash equivalent at 31 December 2019 are subject to the expected credit loss requirements of PBE IFRS 9, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

Receivables

Short-term receivables are recorded at the amount due, less an allowance for credit losses. The Institute applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables.

In measuring expected credit losses, 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.

Investments and other financial assets

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

Financial assets are classified into the following categories for the purposes of measurement.

- Amortised cost and;
- Fair value through surplus or deficit;
- Fair value through other comprehensive revenue and expense.

Classification of the financial asset depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Amortised cost

Financial assets shall be measured at amortised cost if the asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Term deposits and loans to subsidiaries are initially measured at the amount invested. Interest is subsequently accrued and added to the investment and loan balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if it is acquired principally for the purpose of selling in the short-term or is part of a portfolio that is managed together and for which there is evidence of short-term profit taking.

Financial assets acquired principally for the purpose of selling in the short-term or as part of a portfolio classified as held for trading are classified as a current asset. After initial recognition financial assets in this category are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit.

Financial assets at fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated as fair value through other comprehensive revenue and expense or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the investment within 12 months of balance date. The Institute and Group designate in this category:

- Investments that it intends to hold long-term but which may be realised before maturity; and
- Shareholdings that it holds for strategic purposes.

After initial recognition these investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit.

Recognition and de-recognition

Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Institute and Group have transferred substantially all the risks and rewards of ownership.

On de-recognition the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Impairment of financial assets

From 1 January 2019, for receivables and other financial assets, the Institute applies the simplified approach permitted by PBE IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivable.

Inventories

Inventories are valued at the lower of cost and net realisable value. Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost using the first in first out method), adjusted when applicable, for any loss of service potential. Where inventories are acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Inventories held for resale-purchase cost on a first-in, first-out basis;
- Materials and consumables to be utilised for rendering of services- purchase cost on a first-in, first-out basis.

Net realisable value is the estimated selling price in the ordinary course of activities less the estimated costs necessary to make the sale.

Property, plant and equipment

Property, plant and equipment consist of the following asset classes:

- land
- buildings
- computer hardware
- furniture and equipment
- library collection
- motor vehicles
- infrastructure

The measurement basis used for determining the gross carrying amount for each class of assets is as follows:

- Land is measured at fair value. Buildings and infrastructure are measured at fair value less accumulated depreciation and accumulated impairment losses.
- All other assets 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 five years.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from fair value. If there is evidence supporting a material difference, then the off-cycle asset classes are revalued.

Revaluation of property, plant and equipment is carried out on a class of asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and 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 not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that off-sets 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 if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Institute and 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.

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 at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the disposal 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 the property revaluation reserves, in respect of those assets, are transferred to general funds.

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.

Class of assets	Rate (pa)
Land	0%
Furniture and equipment	5%-33.33%
Motor vehicles	20%
Library	20%
Computer hardware	8%-33.33%
Buildings	
Structure	1-58 years
Fit out	1-58 years
Services	1-58 years
Infrastructure	10-60 years

Leasehold improvements are depreciated over the shorter of the unexpired period of the lease or the estimated remaining useful lives of the improvements.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Held for sale

Property, plant and equipment is re-classified as a current asset held for sale when its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The re-classification takes place when the asset is considered to be available for immediate sale in its present condition subject only to the usual and customary terms for sales of such assets and the sale is considered highly probable.

Intangible assets and goodwill

Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software, annual operating licenses are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Course development costs

Course development costs are recognised as an expense in the Statement of Comprehensive Revenue and Expense in the year in which they are incurred unless the development is for a new product or requires more than 50% redevelopment to bring course materials up to date.

Intellectual Property Development

Research costs are recognised as an expense in the surplus or deficit in the year in which they are incurred.

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 period is recognised in the surplus or deficit.

A summary of the policies applied to the Institute and Group's intangible assets is as follows:

Intangible Assets	Method	Useful life	Internally generated/ acquired
Computer software	Straight line	Finite 2-15 years	Internally generated Separately acquired
Goodwill	Cost less impairment	Indefinite	Separately acquired
Course development	Straight line	3-5 years	Internally generated Separately acquired

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is presented with intangible assets.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the fair value of the identifiable net assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less accumulated impairment losses.

An impairment loss recognised for goodwill is not reversed.

Impairment

The carrying values of plant and equipment other than those whose future economic benefits are not directly related to their ability to generate net cash are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Institute and Group would, if deprived of the asset, replace its remaining future economic benefits or service potential.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written-down to the recoverable amount. For revalued assets the impairment loss is recognised in other comprehensive revenue and expense to the extent the impairment loss does not exceed the amount in the revaluation reserve in equity for that same class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

Assets held for educational and related matters and related activities are assessed for impairment by considering the assets for obsolescence, changes in useful life assessments, optimisation and other related matters.

Payables

Short term creditors and other short-term payables are recorded at their face value.

Interest-bearing loans and borrowing

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of transaction costs associated with the borrowing.

After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Institute or Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

Employee entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, and annual leave earned but not yet taken at balance date. A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date; to the extent it will be used by staff to cover those future absences. A liability and an expense are recognised for bonuses and at risk components where contractually obliged or where there is a past practice that has created a constructive obligation.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of period in which the employee renders 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 staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and the present value of the estimated future cash flows.

Presentation of employee entitlements

Sick leave, annual leave, vested long service leave, and non-vested long service leave and retirement gratuities expected to be settled within 12 months of the balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to KiwiSaver, the government superannuation fund, and other defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

Equity

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of components. The components of equity are:

- general funds
- property revaluation reserve
- restricted reserves
- share capital
- non-controlling interests

Property revaluation reserves

This reserve relates to the revaluation of property, plant, and equipment to fair value.

Restricted reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Institute. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Non-controlling interests

Non-controlling reserves represent the value of funds belonging to the other entities outside of the Wintec Group that arise on consolidation.

Goods and services tax

All items in the financial statements are stated exclusive of goods and services tax (GST), except 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 Inland Revenue Department (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 Group is exempt from income tax. Accordingly, no provision has been made for income tax.

Budget figures

The budget figures are those approved by the Council on 17 December 2018. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

Key judgements, estimates and assumptions

In preparing these financial statements, the Institute and Group have made estimates and assumptions concerning the future. These estimates and assumptions may 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 have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

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.

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.

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.

Property revalation

Note 11 provides information about the estimates and assumptions exercised in the measurement of revalued land, building and infrastructure.

Capital management

The Institute and Group's capital is its equity, which comprises general funds, property revaluation and restricted reserves and non-controlling interests. Equity is represented by net assets.

The Institute is subject to the financial management and accountability provisions of the Education Act 1989, which includes restrictions in relation to: disposing of assets or interests in assets, ability to mortgage or otherwise charge assets or interests in assets, granting leases of land or buildings or parts of buildings, and borrowing.

The Institute and Group manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. The Institute's and Group's equity are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing the Institute's and Group's equity is to ensure that they effectively and efficiently achieve the goals and objectives for which they have been established, while remaining a going concern.

Notes to the Financial Statements

for the year ended 31 December 2019

2 REVENUE

	Group		Institute	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
(a) Government grants				
Non-exchange revenue				
Student Achievement Component (SAC) funding	36,758	38,778	36,758	38,778
Other international funding	5,126	10,078	-	-
Other grants	7,707	6,595	7,707	6,595
Total government grants non-exchange revenue	**49,591**	**55,451**	**44,465**	**45,373**
(b) Student tuition fees				
Non-exchange revenue				
Fees from domestic students	15,430	16,004	15,430	16,004
Exchange revenue				
Fees from international students	19,934	17,472	19,934	17,472
Total tuition fees from non-exchange and exchange revenue	**35,364**	**33,476**	**35,364**	**33,476**
(c) Other exchange revenue				
Childcare operations	836	826	836	826
Student services levy	1,608	1,490	1,608	1,490
Gain on disposal of property, plant and equipment	-	-	-	-
Interest earned on bank deposits	85	458	26	428
Revenue from other operating activities	17,941	16,942	14,590	13,291
Total other exchange revenue	**20,470**	**19,716**	**17,060**	**16,035**

Notes to the Financial Statements

for the year ended 31 December 2019

3 EMPLOYEE EXPENSE

	Group		Institute	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Employee benefits expense				
Wages and salaries	(62,891)	(66,276)	(57,341)	(56,812)
Defined contribution plan employer contributions	(1,578)	(1,724)	(1,501)	(1,528)
(Increase)/decrease in employee entitlements	(312)	858	(450)	909
Total employee benefits expense	**(64,780)**	**(67,142)**	**(59,292)**	**(57,432)**

Employer contributions to defined contribution plans include contributions to Kiwisaver, the Defined Benefit Plan Contribution Scheme, and the Government Superannuation Fund.

4 FINANCE EXPENSE

	Group		Institute	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Bank loans and overdrafts	(1,243)	(951)	(1,215)	(957)
Debt collection fees	(9)	2	(9)	2
Other finance costs	(4)	(7)	-	-
Total finance expense	**(1,257)**	**(956)**	**(1,224)**	**(955)**

Notes to the Financial Statements

for the year ended 31 December 2019

5 OTHER EXPENSE

	Group		Institute	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Fees to Audit New Zealand for the audit of financial statements	(191)	(165)	(191)	(165)
Fees to Audit New Zealand for audit of subsidiaries	-	-	-	-
Fees to Audit New Zealand for other assurance work	(6)	(136)	(6)	(136)
Loss on disposal of property, plant and equipment	(23)	-	(23)	-
Donations and koha	(12)	(6)	(12)	(6)
Impairment of receivables	(8)	(19)	(8)	(19)
Aggregate research and development costs	(411)	(1,021)	(411)	(1,021)
Operating lease payments	(2,099)	(2,430)	(1,901)	(1,911)
Occupancy costs	(4,372)	(4,591)	(3,613)	(3,968)
Administration costs	(11,118)	(12,617)	(10,218)	(9,592)
Other Costs	(13,851)	(13,226)	(15,483)	(14,694)
Total other expense	**(32,092)**	**(34,211)**	**(31,867)**	**(31,513)**

The other assurance services provided by Audit New Zealand in 2018 related to a review of overseas travel by senior staff for a number of years. A report has been received. Audit New Zealand also completed a review of the Performance Based Research Funding (PBRF - ERI) in both 2018 and 2019.

Notes to the Financial Statements

for the year ended 31 December 2019

6 CASH AND CASH EQUIVALENTS

	Group		Institute	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Cash at bank and in hand	2,465	3,133	169	305
Call deposits	1,560	-	-	-
Term deposits with maturities less than 3 months at acquisition	-	-	-	-
Total cash and cash equivalents	**4,025**	**3,133**	**169**	**305**

Cash at bank and on hand earns interest at floating rates based on daily bank deposit rates.
The carrying value of cash at bank, call deposits, and term deposits with maturities less than 3 months approximates their fair value.

Reconciliation of cash for the purpose of the statement of cash flows.
For the purpose of the Statement of Cash Flows, cash and cash equivalents compromise the following as at 31 December:

		Group		Institute	
	Notes	**2019 $'000**	**2018 $'000**	**2019 $'000**	**2018 $'000**
Cash at bank and on hand		2,465	3,133	169	305
Short-term deposits		1,560	-	-	-
Bank overdrafts	16	-	(251)	-	(251)
Total		**4,025**	**2,882**	**169**	**54**

Financial assets recognised subject to restrictions:
Included in cash and cash equivalents are unspent funds with restrictions that relate to the delivery of educational services and research by the Institute. Other than for Trust funds, it is not practicable for the Institute to provide further detailed information about the restrictions. Further information about Trust funds is provided in Note 9.

Notes to the Financial Statements

for the year ended 31 December 2019

7 RECEIVABLES

	Group		Institute	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Student fees receivables				
Non-exchange student receivables	14,801	10,690	14,801	10,690
Exchange student receivables	6,449	1,836	6,449	1,836
Less:provision for impairment	-	-	-	-
Net student fee receivables	21,250	12,526	21,250	12,526
Other receivables				
Related party receivables	276	-	668	3,284
Other receivables	3,668	8,565	2,849	3,489
Less provision for impairment	-	(20)	-	-
Total other exhange receivables	**25,194**	**21,071**	**24,767**	**19,298**

Fair Value

Student fees are due before a course commences or are due upon enrolment if the course has already begun. For courses that span more than one semester, domestic students can arrange to pay in two instalments. Student fee receivables are non-interest bearing and are generally paid in full by course commencement 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.

The ageing profile of receivables as at 31 December 2019 and 2018 are detailed below:

	2019			2018		
	Gross $'000	Provision for uncollectability $'000	Net $'000	Gross $'000	Provision for uncollectability $'000	Net $'000
Not past due	-	-	-	10,838	-	10,838
Past due 1-30 days	18,819	-	18,819	4,564	-	4,564
Past due 31-60 days	1,904	-	1,904	643	-	643
Past due 61-90 days	1,104	-	1,104	277	-	277
Past due over 90 days	2,940	-	2,940	2,976	-	2,976
Total	**24,767**	**-**	**24,767**	**19,298**	**-**	**19,298**

All receivables greater than 30 days in age are considered to be past due.

There are no provisions for uncollectability on other receivables and no amounts overdue.

Due to the large number of student fee receivables, the uncollectability assessment is performed on a collective basis, based on an analysis of past collection history and debt write-offs.

Notes to the Financial Statements

for the year ended 31 December 2019

Movements in the provision for uncollectability of receivables are as follows:

	Group		Institute	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
At 1 January	-	-	-	-
Additional provisions made during year	-	(20)	-	-
Provisions reversed during the year	-	-	-	-
Receivables written-off during the year	-	-	-	-
Total impairment of receivables	**-**	(20)	-	-

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

8 INVENTORIES

	Group		Institute	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Commercial inventories	412	284	412	284
Total inventories	**412**	**284**	**412**	**284**

No inventories are pledged as security for liabilities (2018 $nil).

9 OTHER FINANCIAL ASSETS

	Group		Institute	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Special funds investments (term deposits) with maturities greater than 3 months	654	654	654	654
Shares in subsidiaries (cost)	-	-	2,412	5,590
Total other financial assets	**654**	**654**	**3,066**	**6,244**

Special Trust Funds - Special Trust Funds are restricted equity reserves held specifically in trust for the purpose of generating interest for students to access, upon application and meeting specified conditions.

Loans to subsidiaries - Loans to related parties are unsecured, non-interest bearing, and are repayable on demand. The fair value of the on demand loans cannot be less than the amount repayable on demand. Therefore, the carrying value of loans on demand reflects their fair value.

Unlisted shares are held in non-commercial entities and are carried at cost because either :
- the fair value of the investment cannot be reliably determined using a standardised valuation technique; or
- we cannot determine the fair value
There is currently no intention to dispose of these assets.

Impairment - Writedown of assets held in Mondragon Saudi Arabia and Wintec Kingdom of Saudi Arabia.

At the balance date Wintec wrote down the assets held in MondragonWintec Saudi Arabia and Wintec Kingdom of Saudi Arabia Limited as the contract to teach in Saudi Arabia has been terminated and Wintec is in the process of winding up the companies. Wintec wrote down $3.178m. There have been no other impairment provisions for other financial assets (2018 Wintec reversed an impairment in Learning Works amounting to $1.581m)

Notes to the Financial Statements

for the year ended 31 December 2019

10 INVESTMENT IN ASSOCIATES

	Group	Group
	2019 $'000	**2018 $'000**
Investment in Ligar Limited Partnership (cost)	673	673
Equity accounted carrying amount	-	-

Group's share of summarised financial information of associate

Assets	240	553
Liabilities	(359)	(939)
Revenues	45	90
Surplus/(deficit)	**(264)**	**(417)**

Group's Interest	11.91%	26.77%
Share of associate's contingent liabilities	-	-
Contingent liabilities that arise because of several liability	-	-

LearningWorks Limited's share of the results of Ligar Limited Partnership is as follows:

	Group	Group
	2019 $'000	**2018 $'000**
Investment in associate		
Opening balance	673	673
Investment	-	-
Share of retained surplus/(deficit)	(1490)	(1225)
Closing balance	**-**	**-**
Represented by:		
Share of increase in net assets of associate (carrying value)	-	-

The investment of $673k in Ligar Limited Partnership has been written down to $0 in the Group and the remaining deficit of $817k will be noted and carried forward to be written down against future surpluses until the balance is positive and then will be reflected in the financial statements.

Ligar GP Limited is an associate, however it has been dormant since inception so there are no values to equity account for in the group financial statements, and no cost value to recognise in the Institute's financial statements.

Ligar Limited Partnership has a balance date of 30 September to align with its major stakeholder.

Notes to the Financial Statements

for the year ended 31 December 2019

11 PROPERTY, PLANT AND EQUIPMENT

Valuation

The most recent valuations of land, buildings was performed by an independent registered valuer, Telfer Young (Waikato) LimIted. The valuation is effective as at 31 December 2018. The most recent valuation for infrastructure assets was performed by Klu'd up. The valuation is effective as at 31 December 2018.

Land

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

'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 the replacement with modern equivalent assets with adjustments where appropriate for obsilescence due to over-design or surplus capacity.
- The replacement is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- The property has been valued on the basis that the buildings meet the current earthquake standards.
- The remaining useful life of assets is estimated.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings (for example, residential buildings) are valued at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value.

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 determining the depreciated replacement cost of infrastructure assets are similiar to those described above for specialised buildings.

Restrictions on title

Under the Education Act 1989, the Institute and group is required to obtain consent from the Ministry of Education to dispose or sell of property where the value of the property exceeds an amount determined by the Minister.

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

Work in progress

The total amount of property, plant, and equipment in the course of construction in the Institution is $3.270 million (2018 $3.734 million).

Work in progress relates to the following asset classes:

	Actual 2019 $'000	Actual 2018 $'000
Property, plant and equipment		
Buildings	2,493	2,593
Furniture and equipment	587	968
Library collection	190	173
Intangible assets		
Computer software	1,890	7,026
Qualifications	6,347	2,347
Total work in progress	**11,507**	**13,107**

Notes to the Financial Statements

for the year ended 31 December 2019

11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2019	Cost 01/01/2019	Accumulated Depreciation 01/01/2019	Carrying Amount 01/01/2019	Additions	Disposals at cost	Depreciation on disposal	Impairment/ Depreciation Charge	Revaluation Surplus	Reclassification of assets between classes cost	Reclassification of assets between classes depreciation	Cost 31/12/2019	Accumulated Depreciation 31/12/2019	Carrying Amount 31/12/2019
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group													
Land	23,968	-	23,968	-	-	-	-	-	-	-	23,968	-	23,968
Buildings	112,919	-	112,919	2,169	(28)	3	(3,207)	-	-	-	115,060	(3,205)	111,855
Infrastructure	13,568	-	13,568	793	-	-	(296)	-	-	-	14,361	(296)	14,065
Computer hardware	12,957	(9,002)	3,955	2,411	(274)	243	(1,511)	-	-	-	15,094	(10,270)	4,824
Furniture and equipment	17,848	(9,937)	7,911	64	(23)	256	(1,357)	-	-	-	17,889	(11,038)	6,851
Motor vehicles	315	(287)	28	-	(9)	-	(15)	-	-	-	307	(302)	6
Library collection	4,103	(3,901)	202	-	-	-	(80)	-	-	-	4,103	(3,981)	122
Work in progress	3,734	-	3,734	1,345	(2,402)	-	-	-	-	-	2,676	-	2,676
Total Group	**189,412**	**(23,127)**	**166,285**	**6,782**	**(2,737)**	**503**	**(6,467)**	**-**	**-**	**-**	**193,458**	**(29,092)**	**164,366**
Institute													
Land	23,968	-	23,968	-	-	-	-	-	-	-	23,968	-	23,968
Buildings	112,919	-	112,919	2,169	(28)	3	(3,207)	-	-	-	115,060	(3,204)	111,855
Infrastructure	13,568	-	13,568	793	-	-	(296)	-	-	-	14,361	(296)	14,065
Computer hardware	12,057	(8,685)	3,372	2,409	(12)	12	(973)	-	-	-	14,453	(9,646)	4,808
Furniture and equipment	17,186	(9,644)	7,542	43	-	-	(768)	-	-	-	17,230	(10,412)	6,818
Motor vehicles	307	(287)	21	-	-	-	(15)	-	-	-	307	(302)	5
Library collection	4,103	(3,901)	202	-	-	-	(80)	-	-	-	4,103	(3,981)	122
Work in progress	3,734	-	3,734	1,938	(2,402)	-	-	-	-	-	3,269	-	3,269
Total Institute	**187,842**	**(22,517)**	**165,326**	**7,352**	**(2,442)**	**15**	**(5,339)**	**-**	**-**	**-**	**192,753**	**(27,842)**	**164,910**

11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2018	Cost 01/01/2018	Accumulated Depreciation 01/01/2018	Carrying Amount 01/01/2018	Additions	Disposals at cost	Depreciation on disposal	Impairment/ Depreciation Charge	Revaluation Surplus	Reclassification of assets between classes cost	Reclassification of assets between classes depreciation	Cost 31/12/2018	Accumulated Depreciation 31/12/2018	Carrying Amount 31/12/2018
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group													
Land	21,575	-	21,575	-	-	-	-	2,393	-	-	23,968	-	23,968
Buildings	108,799	(2,670)	106,129	3,453	-	-	(2,553)	5,108	1,099	(317)	112,919	-	112,919
Infrastructure	15,936	(1,720)	14,216	-	-	-	(426)	(177)	(45)	-	13,568	-	13,568
Computer hardware	12,086	(8,071)	4,015	874	-	-	(931)	-	(3)	-	12,957	(9,002)	3,955
Furniture and equipment	18,646	(9,315)	9,331	253	-	-	(939)	-	(1,051)	317	17,848	(9,937)	7,911
Motor vehicles	315	(269)	46	-	-	-	(17)	-	-	-	315	(287)	28
Library collection	4,103	(3,798)	305	-	-	-	(103)	-	-	-	4,103	(3,901)	202
Work in progress	2,829	-	2,829	5,485	(4,580)	-		-	-	-	3,734	-	3,734
Total Group	**184,289**	**(25,845)**	**158,446**	**10,065**	**(4,580)**	-	**(4,969)**	**7,324**	-	-	**189,412**	**(23,127)**	**166,285**
Institute													
Land	21,575	-	21,575	-	-	-	-	2,393	-	-	23,968	-	23,968
Buildings	108,799	(2,670)	106,129	3,453	-	-	(2,553)	5,108	1,099	(317)	112,919	-	112,919
Infrastructure	15,936	(1,720)	14,216	-	-	-	(426)	(177)	(45)	-	13,568	-	13,568
Computer hardware	11,186	(7,923)	3,263	874	-	-	(762)	-	(3)	-	12,057	(8,685)	3,372
Furniture and equipment	17,984	(9,181)	8,803	253	-	-	(780)	-	(1,051)	317	17,186	(9,644)	7,542
Motor vehicles	307	(269)	38	-	-	-	(18)	-	-	-	307	(287)	21
Library collection	4,103	(3,798)	305	-	-	-	(103)	-	-	-	4,103	(3,901)	202
Work in progress	2,829	-	2,829	5,485	(4,580)	-	-	-	-	-	3,734	-	3,734
Total Institute	**182,719**	**(25,561)**	**157,158**	**10,065**	**(4,580)**	-	**(4,642)**	**7,324**	-	-	**187,842**	**(22,517)**	**165,326**

Notes to the Financial Statements

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12 INTANGIBLE ASSETS

There are no restrictions over the title of the Institute's and Group's intangible assets, nor is any intangible asset pledged as security for liabilities.

The total amount of intangible assets under development is $8.237m. (2018: $9.373m).

	Cost 01/01/2019	Accumulated amortisation 01/01/2019	Carrying amount 01/01/2019	Additions	Impairment at cost	Impairment amortisation on disposals	Amortisation	Disposal	Reclassification between asset classes cost	Reclassification between asset classes depreciation	Cost 31/12/2019	Accumulated Amortisation 31/12/2019	Carrying Amount 31/12/2019
2019	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group													
Computer software	24,238	(13,359)	10,879	2,928	(5,304)	5,287	(1,914)	-	(140)	66	21,722	(9,921)	11,801
Work in progress	9,373	-	9,373	4,718	-	-	-	(5,853)	-	-	8,237	-	8,238
Purchased goodwill	407	(407)	-	-	-	-	-	-	-	-	407	(407)	-
Identifiable intangible assets	2,690	-	2,690	-	(2,690)	-	-	-	-	-	(0)	-	(0)
Qualifications	1,246	(974)	272	1,002	-	-	(47)	-	140	(66)	2,388	(1,087)	1,301
Total Group	**37,954**	**(14,740)**	**23,214**	**8,648**	**(7,995)**	**5,287**	**(1,961)**	**(5,853)**	**-**	**-**	**32,754**	**(11,415)**	**21,339**
Institute													
Computer software	24,004	(13,228)	10,776	2,840	(5,304)	5,287	(1,905)	-	-	-	21,540	(9,846)	11,694
Work in progress	9,373	-	9,373	4,718	-	-	-	(5,853)	-	-	8,238	-	8,238
Purchased goodwill	-	-	-	-	-	-	-	-	-	-	-	-	-
Qualifications	-	-	-	950	-	-	-	-	-	-	950	-	950
Total Institute	**33,377**	**(13,228)**	**20,149**	**8,508**	**(5,304)**	**5,287**	**(1,905)**	**(5,853)**	**-**	**-**	**30,726**	**(9,846)**	**20,882**

2018	Cost 01/01/2018	Accumulated amortisation 01/01/2018	Carrying amount 01/01/2018	Additions	Impairment at cost	Impairment amortisation on disposals	Amortisation	Disposal	Reclassification between asset classes cost	Reclassification between asset classes depreciation	Cost 31/12/2018	Accumulated Amortisation 31/12/2018	Carrying Amount 31/12/2018
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group													
Computer software	20,748	(11,729)	9,019	3,490	-	-	(1,630)	-	-	-	24,238	(13,359)	10,879
Work in progress	2,741	-	2,741	10,122	-	-	-	(3,490)	-	-	9,373	-	9,373
Purchased goodwill	407	(407)	-	-	-	-	-	-	-	-	407	(407)	-
Identifiable intangible assets	2,690	-	2,690	-	-	-	-	-	-	-	2,690	-	2,690
Qualifications	1,246	(248)	998	-	-	-	(726)	-	-	-	1,246	(974)	272
Total Group	**27,832**	**(12,384)**	**15,448**	**13,612**	**-**	**-**	**(2,356)**	**(3,490)**	**-**	**-**	**37,954**	**(14,740)**	**23,214**
Institute													
Computer software	20,514	(11,606)	8,908	3,490	-	-	(1,622)	-	-	-	24,004	(13,228)	10,776
Work in progress	2,741	-	2,741	10,122	-	-	-	(3,490)	-	-	9,373	-	9,373
Purchased goodwill	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Institute	**23,255**	**(11,606)**	**11,649**	**13,612**	**-**	**-**	**(1,622)**	**(3,490)**	**-**	**-**	**33,377**	**(13,228)**	**20,149**

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for the year ended 31 December 2019

13 PAYABLES

	Group		Institute	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Payables under exchange transactions				
Creditors	1,517	1,628	1,876	2,863
Accrued expenses	3,169	5,672	2,780	2,738
Total payables under exchange transactions	**4,686**	**7,300**	**4,656**	**5,601**
Payables under non-exchange transactions				
Taxes payable	1,294	1,263	1,215	914
Total payables	**5,980**	**8,563**	**5,871**	**6,515**

Payables are non-interest bearing and are normally settled on 30 day terms. Therefore the carrying value of payables approximates their fair value.

Notes to the Financial Statements

for the year ended 31 December 2019

14 EMPLOYEE ENTITLEMENTS

	Group		Institute	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Current portion				
Accrued pay	1,426	1,408	1,307	1,163
Annual leave	2,549	2,254	2,426	2,121
Total current portion	**3,975**	**3,663**	**3,734**	**3,284**
Non-current portion				
Long service leave	39	792	41	20
Retirement gratuities	106	106	106	106
Total non-current portion	**146**	**899**	**147**	**126**
Total employee entitlements	**4,121**	**4,562**	**3,881**	**3,411**

The present value of the retirement gratuities depends on factors that are determined on an actuarial basis. Two key assumptions used in calculating this liability include the discount rate of 2.23%, and the salary inflation factor of 2.92%.
Any changes in these assumptions will affect the amount of the liability. Expected future payments are discounted using forward discount rates derived from the yield curve of New Zealand Government bonds. The discount rates used have maturities that match, as closely as possible, the estimated future cash outflows. The salary inflation factor has been determined after considering historical salary inflation patterns and after obtaining independent advice from an independent actuary.
If the salary inflation factor were to increase or decrease by 1% from that used, with all other factors held constant, the carrying amount of the retirement gratuity liability would be an estimated $1,595 higher/lower (2018 $1,352). If the discount rates used were to increase or decrease by 1% from that used, with all other factors held constant, the carrying amount of the retirement gratuity liability would be an estimated $1,680 higher/lower (2018 $1,445).

15 DEFERRED REVENUE

	Group		Institute	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Tuition fees non-exchange	19,481	13,335	19,481	13,335
Tuition fees exchange	16,003	8,181	16,003	8,181
Other exchanges revenue received in advance	62	322	61	11
Total deferred revenue	**35,546**	**21,838**	**35,545**	**21,527**

Deferred revenue from tuition fees includes both liabilities recognised for domestic student fees received for which the course withdrawal date has not yet passed and for international student fees, which is based on the percentage completion of the course.

Notes to the Financial Statements

for the year ended 31 December 2019

16 BORROWINGS

	Group		Institute	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Current				
Bank overdraft	-	251	-	251
Secured loans	49	28	49	28
Total current portion	**49**	**279**	**49**	**279**
Non-current				
Secured loans	24,687	30,113	24,687	30,113
Total non-current portion	24,687	30,113	24,687	30,113
Total borrowings	**24,736**	**30,392**	**24,736**	**30,392**

Interest terms for secured loans

Secured loans are issued using a customised average rate loan (CARL) facility which has portions of its principal drawn down at floating, capped, range, and/or fixed rates of interest. Interest rates are weighted and reset monthly, based according to the principal outstanding for each portion.

The Institute's current borrowings including the bank overdraft is $24.7m as at 31 December 2019 (2018 $30.392m).

Security

The overdraft and secured loans are secured by a negative pledge agreement between the Bank of New Zealand and the Institute. The maximum amount that can be drawn down against the overdraft facility is $8.5m

Bank covenants

- As at 30 June and 31 December: Term Debt/ (Term Debt + Equity) <=20%
- As at 30 June and 31 December: EBITA/Gross Interest >= 3.00x
- Non BNZ Debt in excess of $250,000

TEC conditions of consent

- net surplus ratio of at least 2.5%.
- cash ratio of at least 111%.
- interest cover ratio of no less than 2.5 times.
- debt equity (gearing) ratio of 20% or less until 2020 and 15% or less for 2021.
- leverage ratio of no more than 3.0 times until 2019 and 2.5 times from 2020.
- maintain a liquidity ratio of 10% or higher

Wintec did not meet some of the TEC conditions and in accordance with TEC we have advised the TEC of the breach and confirmed with them that there has been no default or potential default of any terms of the range rate term loan facility or working capitial facility.

The Institute and Group have no finance leases.

Notes to the Financial Statements

for the year ended 31 December 2019

17 EQUITY

	Group		Institute	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
General funds				
Balance at 1 January	110,479	111,501	111,162	111,826
Property revaluation reserve transfer on disposal	-	-	-	-
Surplus / (deficit) for the year	(4,071)	(991)	(5,764)	(631)
Transfer from revaluation reserve on disposal	-	-	-	-
Transfers to restricted reserves	-	(31)	-	(31)
Balance at 31 December	106,409	110,479	105,399	111,164
Property revaluation reserves				
Balance at 1 January	39,118	31,794	39,118	31,794
Land net revaluation gains/(losses)	-	2,393	-	2,393
Buildings net revaluation gains/(losses)	-	5,108	-	5,108
Infrastructure net revaluation gains/(losses)	-	(177)	-	(177)
Balance at 31 December	39,118	39,118	39,118	39,118
Restricted reserves				
Balance at 1 January	654	623	654	623
Appropriation of net surplus	-	31	-	31
Application of trusts and bequests	-	-	-	-
Balance at 31 December	654	654	654	654
Non-controlling interest				
Balance at 1 January	449	449	-	-
Capital contributions from owners	-	-	-	-
Surplus / (deficit) for the year	-	-	-	-
Balance at 31 December	449	449	-	-
Total equity	**146,629**	**150,700**	**145,170**	**150,936**
Property revaluation reserves consists of:				
Land	30,906	30,906	30,906	30,906
Infrastructure	1,640	1,640	1,640	1,640
Buildings	6,572	6,572	6,572	6,572
Total property revaluation reserves	**39,118**	**39,118**	**39,118**	**39,118**

Restricted reserves

Restricted reserves consist of bequest and trust funds held by the Institute on behalf of others.

Notes to the Financial Statements

for the year ended 31 December 2019

18 COMMITMENTS AND CONTINGENCIES

Operating Lease Commitments

Institute and Group as Lessees

The Institute has entered into commercial campus leases. The Institute is able to exit leases with a right of renewal at renewal date, and the disclosure has been made with the assumption that all rights of renewal will be exercised. As such, the commitment has been disclosed for the entire term of the lease.

The Institute has entered into commercial leases on certain motor vehicles and items of small machinery where it is not in the best interest of the Institute to purchase these assets.

These leases have an average life of between four and 10 years with renewal terms included in the contracts.

Renewals are at the option of the specific entity that holds the lease.

There are no restrictions placed upon the lessee by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases as at 31 December are as follows:

	Group		Institute	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Within one year	1,069	1,562	967	1,460
After one year but not more than five years	3,461	3,518	3,080	3,138
More than five years	7,612	8,653	7,501	8,258
Total non-cancellable operating leases	**12,141**	**13,733**	**11,548**	**12,856**

These commitments include the perpetually renewable lease with Tainui for the city campus land. The term of the lease is 20 years with further rights of renewal of 20 years.

Institute and Group as lessors

All leases are operating leases. The majority of these leases have a non-cancellable term of 36 months, with the exception of two leases that have a non-cancellable term of 48 months. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Group		Institute	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Within one year	-	-	-	-
After one year but not more than five years	-	-	-	-
More than five years	-	-	-	-
Total non-cancellable operating leases	**-**	**-**	**-**	**-**

No contingent rents have been recognised in the statement of comprehensive revenue during the year.

Finance lease and hire purchase commitments

The Institute and Group have no finance leases or hire purchase contracts. (2018:nil).

Capital commitments

At 31 December 2019 the Institute has $nil commitments (2018: $nil).

Contingent assets

The Institute and Group have no contingent assets (2018: nil).

Contingent liabilities

Wintec entered into an operation and maintenance agreement with the Colleges of Excellence in the Kingdom of Saudi Arabia on 8 April 2014.Under this agreement Wintec was required to provide a performance bond which was done under a counter agreement between the Bank of New Zealand and Banque Saudi Fransi. In 2019 Wintec has ceased this operation and is in the process of winding up the companies. Wintec has performed all its obligations however the performance bond is still in place. The amount of this bond as at 31 December 2019 was $2.3m (2018: $7m). As at 31 March 2020 the Bond has been reduced to $1.8m and renewed until the finalisation of the outstanding issues.

The Institute and Group have no other contingent liabilities.

Employee settlement payments

During the year ended 31 December 2019, 17 (2018:7) employees received compensation and other benefits in relation to cessation totalling $523,848 (2018:$116,622). This includes redundancy payments, retirement payments and other severance payments.

Notes to the Financial Statements

for the year ended 31 December 2019

19 RELATED PARTY DISCLOSURE

Related party discloures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship 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 when they are consistent with the normal operating arrangements with TEIs and undertaken on the normal terms and conditions for such transactions.

There are no related party transactions other than those noted below which require disclosure.

Key management personnel compensation

	Group		Institute	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Council members				
Full-time equivalent members	1	1	1	1
Remuneration	160	160	160	160
Executive management team, including the Chief Executive				
Full-time equivalent members	13	13	11	11
Remuneration	2,440	3,019	2,051	2,644
Total full-time equivalent members	14	14	12	12
Total key management personnel compensation	**2,600**	**3,179**	**2,211**	**2,804**

The full-time equivalent for Council members has been determined based on the frequency and length of Council meetings and the estimated time for members to prepare for meetings.

Councillors’ remuneration

Councillor remuneration paid or payable during the year was:

Council member	Actual 2019 $	Actual 2018 $
Brennan, Desmond	17,120	17,120
Devlin, Margaret	17,120	17,120
Goulter, Kiri	17,120	11,413
Gusscott, Sandra**	5,707	17,120
Harris, Barry	35,952	35,952
Howse, Steve (Deputy Chair)*	-	7,133
Lockwood, Simon***	11,413	-
McLennan, Vicky***	11,413	-
Nuri, Niwa (Deputy Chair)	21,400	19,973
Rink, Aaron**	5,707	17,120
S'ng Ping	17,120	17,120
Total councillors’ fees	**160,072**	**160,071**

*term ended 30 April 2018 **term ended 30 April 2019 **term commenced 30 April 2019

Notes to the Financial Statements

for the year ended 31 December 2019

20 CHILDCARE SUMMARY

	Actual 2019 $'000	Budget 2019 $'000	Actual 2018 $'000
Revenue			
Government grants (children under two)	237	235	255
Government grants (two and over)	114	78	81
Government grants (20 hours ECE)	223	219	242
Government grants (plus 10)	34	31	32
Incentive grant	-	-	-
Fees Work and Income New Zealand (WINZ)	109	105	99
Other fees targeted	120	125	119
Other trading revenue	**836**	**794**	**826**
Expense			
Staffing	692	745	652
Other costs	52	44	69
Other trading expenses	**744**	**788**	**721**
Trading surplus	**92**	**5**	**105**

21 EVENTS AFTER THE BALANCE SHEET DATE

Use of the disestablishment basis of accounting

The Minister of Education announced the Government's decisions on the Reform of Vocational Education proposals on 1 August 2019, and has since enacted the Education (Vocational Education and Training and Reform) Amendment Act (the Act) 2020 on 24 February 2020 to give effect to those reforms.

In essence, the Act reforms the delivery of vocational education in New Zealand by creating a new Crown entity, the New Zealand Institute of Skills and Technology (NZIST) and converting all existing institutes of technology and polytechnics (ITPs) into crown entity companies, which will take over the operational activities of existing ITPs.

The Act disestablishes the Waikato Institute of Technology and transfers its assets and liabilities to a new company, Waikato Institute of Technology Limited on1 April 2020. As a result, the Waikato Institute of Technology has prepared its financial statements on a disestablishment basis.

However, because vocational education will continue to be provided through the Waikato Institute of Technology Limited, no change needs to be made to the measurement or classification of assets and liabilities. Decisions about the future of these assets and liabilities will be the responsibility of the new entity.

Covid-19

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic and two weeks later the New Zealand Government declared a State of National Emergency. From this the country is at Alert Level 4, and in lockdown. As a result, economic uncertainties have arisen which are likely to negatively affect our operations and services.

Notes to the Financial Statements

for the year ended 31 December 2019

We describe below the possible effects that we have identified on the Institute as a result of the COVID-19 pandemic.

Before the lockdown we had been planning for this event and have moved our staff to working from home. The support services are operating effectively supporting staff, students and the organisation. We are in the process of moving our teaching as much as possible to online delivery. The extent of the ability to move to online delivery varies from programme to programme. At this stage, we are unable to determine the impact any disruption to delivery may have on students, our revenue stream and future cash flows, including borrowings and borrowing covenants. We are comforted by the announcement by the government that TEO's like Wintec will continue to receive their agreed 2020 Investment plan funding and fees free funding through 2020 and that here will not be any in plan amendment reductions or wash-ups for Education Performance Indicators (EPIs) or under-delivery in relation to the 2020 year funding. This security of our main government revenue places us in a strong position to manage any loss of other income.

At this time, it is difficult to determine the full effect of the COVID-19 pandemic, and there could be other matters that affect the Institute. It is also difficult to predict the longer-term impact of the shutdown and subsequent recovery by wider New Zealand; however, it is likely that following a downturn in the economy there will be an increased demand for vocational education & training.

22 FINANCIAL INSTRUMENT CATEGORIES

The accounting policies for financial instruments have been applied to the line items below.

	Group		Institute	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Financial assets at amortised cost				
Loans and receivables				
Cash and cash equivalents	4,025	3,133	169	305
Receivables	25,194	21,071	24,767	19,298
Other financial assets				
Term deposits	-	-	-	-
Loans to related parties	-	-	-	-
Special funds investments	654	654	654	654
Other investments	-	-	-	-
Total Financial assets at amortised cost	**29,873**	**24,858**	**25,605**	**20,257**
Financial liabilities				
Financial liabilities at amortised cost				
Bank overdraft	-	251	-	251
Payables	5,980	8,563	5,871	6,515
Secured loans	24,736	30,141	24,736	30,141
Total Financial liabilities at amortised cost	**30,716**	**38,955**	**30,607**	**36,907**

Notes to the Financial Statements

for the year ended 31 December 2019

The Institute and Group do not have government bonds, derivatives or managed funds.

FINANCIAL INSTRUMENT RISKS

The Institute and Group have a series of policies to manage the risks associated with financial instruments. They are risk averse and seek to minimise exposure from their treasury activities. These policies do not allow any transactions that are speculative in nature to be entered into.

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 and Group do not hold any financial instruments which are exposed to price risk.

Currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Institute and Group are not exposed to any significant currency risk.

Fair value interest rate risk
Fair value interest rate risk is the risk that the fair value or future cash flows 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 Group does not actively manage their exposure to fair value interest rate risk.

Cash flow interest rate risk
Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates create and groub exposure to cash flow interest rate risk. The Institute does not generally enter into borrowing or investments with variable interest rates.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the Institute and Group, causing it to incur a loss. Due to the timing of its cash inflows and outflows, surplus cash is invested into term deposits which give rise to credit risk.

The Institute and Group limit the amount of credit exposure to any one financial institution for term deposits to no more than 40% of total investments held. The Institute Group invests funds only with registered banks that have a Standard and Poor's credit rating of at least AA for short term investments and AA for long-term investments. The Insitute and Group has experienced no defaults of interest or principal payments for the term deposits. The Institute and Group hold no collateral or other credit enhancements for financial instruments that give rise to credit risk.

Liquity risk

Management of liquidity risk

Liquidity risk is the risk that the Institute and 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 Group manages liquidity risk by continuously monitoring forecast and actual cash flow requirements.

The Institute and Group has a maximum amount that can be drawn down against its overdraft facility of $8.5m (2018 $8.5m). This facility can be used for a maximum period of 90 days in any twelve month period. The Institute and Group manages liquidity risk by matching the maturity profiles of financial assets and liabilities for 2019.

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:

	Group		Institute	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Counterparties with credit ratings				
Cash at bank and term deposits				
AA	-	-	-	-
AA-	4,679	3,787	823	959
Total cash at bank and term deposits	**4,679**	**3,787**	**823**	**959**
Counterparties with credit ratings				
Loans to related parties				
Existing counterparty with no defaults in the past	-	-	-	-
Existing counterparty with defaults in the past	-	-	-	-
Total loans to related parties	**-**	**-**	**-**	**-**
Receivables				
Existing counterparty with no defaults in the past	25,194	21,071	24,767	19,298
Existing counterparty with defaults in the past	-	-	-	-
Total receivables	**25,194**	**21,071**	**24,767**	**19,298**

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for the year ended 31 December 2019

CONTRACTUAL MATURITY ANALYSIS OF FINANCIAL LIABILITIES, EXCLUDING DERIVATIVES

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

	Carrying amount $’000	Contractual cashflows $’000	<6 months $’000	6-12 months $’000	1-2 years $’000	2-3 years $’000	>3 years $’000
Institute 2019							
Bank overdraft	-	-	-	-	-	-	-
Payables	5,871	5,871	5,871	-	-	-	-
Accrued pay	1,307	1,307	1,307	-	-	-	-
Secured loans	24,736	24,736	-	49	-	24,687	-
Total	**31,914**	**31,914**	**7,178**	**49**	**-**	**24,687**	**-**
Group 2019							
Bank overdraft	-	-	-	-	-	-	-
Payables	5,980	5,980	5,980	-	-	-	-
Accrued pay	1,426	1,426	1,426	-	-	-	-
Secured loans	24,736	24,736	-	49	-	24,687	-
Total	**32,142**	**32,142**	**7,406**	**49**	**-**	**24,687**	**-**
Institute 2018							
Bank overdraft	251	251	251	-	-	-	-
Payables	6,515	6,515	6,515	-	-	-	-
Accrued pay	1,163	1,163	1,163	-	-	-	-
Secured loans	30,141	30,141	-	28	-	-	30,113
Total	**38,070**	**38,070**	**7,929**	**28**	**-**	**-**	**30,113**
Group 2018							
Bank overdraft	251	251	251	-	-	-	-
Payables	8,563	8,563	8,563	-	-	-	-
Accrued pay	1,408	1,408	1,408	-	-	-	-
Secured loans	30,141	30,141	-	28	-	-	30,113
Total	**40,363**	**40,363**	**10,222**	**28**	**-**	**-**	**30,113**

Contractual maturity analysis of derivative financial liabilities.

The Institute and Group do not have derivative financial liabilities.

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CONTRACTUAL MATURITY ANALYSIS OF FINANCIAL ASSETS

The table below analyses financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date:

	Carrying amount $'000	Contractual cashflows $'000	<6 months $'000	6-12 months $'000	1-2 years $'000	2-3 years $'000	>3 years $'000
Institute 2019							
Cash and cash equivalents	169	169	169	-	-	-	-
Receivables	24,767	24,767	24,767	-	-	-	-
Government bonds	-	-	-	-	-	-	-
Term deposits	654	654	-	654	-	-	-
Total	**25,590**	**25,590**	**24,936**	**654**	**-**	**-**	**-**
Group 2019							
Cash and cash equivalents	4,025	4,025	4,025	-	-	-	-
Receivables	25,194	25,194	25,194	-	-	-	-
Government bonds	-	-	-	-	-	-	-
Term deposits	654	654	-	654	-	-	-
Total	**29,873**	**29,873**	**29,219**	**654**	**-**	**-**	**-**
Institute 2018							
Cash and cash equivalents	305	305	305	-	-	-	-
Receivables	19,298	19,298	19,298	-	-	-	-
Government bonds	-	-	-	-	-	-	-
Term deposits	654	654	-	654	-	-	-
Total	**20,257**	**20,257**	**19,603**	**654**	**-**	**-**	**-**
Group 2018							
Cash and cash equivalents	3,133	3,133	3,133	-	-	-	-
Receivables	21,071	21,071	21,071	-	-	-	-
Government bonds	-	-	-	-	-	-	-
Term deposits	654	654	-	654	-	-	-
Total	**24,858**	**24,858**	**24,204**	**654**	**-**	**-**	**-**

Notes to the Financial Statements

for the year ended 31 December 2019

SENSITIVITY ANALYSIS

The tables below illustrate the potential income or expense and equity (excluding general funds) impact for reasonable possible market movements with all other variables held constant, based on financial instruments exposures at the balance date.

	2019 $'000				2018 $'000			
	-50bps		+50bps		-50bps		+50bps	
	Surplus	Other equity	Surplus	Other equity	Surplus	Other equity	Surplus	Other equity
Interest rate risk - Institute								
Financial assets								
Cash and cash equivalents	(2)	-	2	-	(5)	-	5	-
Financial liabilities								
Secured loans	65	-	(65)	-	70	-	(70)	-
Total sensitivity	**63**	**-**	**(63)**	**-**	**65**	**-**	**(65)**	**-**
Interest rate risk - Group								
Financial assets								
Cash and cash equivalents	(26)	-	26	-	(25)	-	25	-
Financial liabilities								
Secured loans	65	-	(65)	-	70	-	(70)	-
Total sensitivity	**39**	**-**	**(39)**	**-**	**45**	**-**	**(45)**	**-**

Explanation of interest rate risk sensitivity

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 50bps is equivalent to a decrease in interest rates of 0.5%.

Interest on financial instruments, classified as floating rate, is re-priced at intervals of less than one year. Interest on financial instruments classified as fixed rate until maturity of the instrument.

The other financial instruments of the Institute that are not included in the above tables are non-interest bearing.

Notes to the Financial Statements

for the year ended 31 December 2019

23 PERFORMANCE AGAINST BUDGET

Revenue

Parent Revenue

Revenue for the year was $96.9m, which is $3.1m unfavourable to budget and $2.1m higher than the prior year.

The main contributing factors are:

- Government Grants revenue was unfavourable to budget by $1.3m and $0.9m when comparing with prior year. This was due to lower than anticipated domestic ETFS in level 3+ and lower ITO revenue due to lower student volumes.
- Tuition fees were also unfavourable to budget by $0.6m but favourable when comparing to prior year by $1.9m. We received lower domestic fees revenue due to lower student volumes but this was partially offset by higher international volumes.
- Other Revenue ($1.3m unfavourable to budget and $1m favourable to the prior year) – This is predominately due to increased year on year offshore activity although the increase was lower than budgeted primarily due to lower than expected activity in Saudi Arabia and China.

Group Revenue

Revenue for the group was $105.4m, which is $8.5m unfavourable to budget and $3.2m less than the prior year which in addition to the above revenue variances was due to lower sales in our onshore subsidiaries and exiting the Saudi Colleges (the budget had included a further semester in 2019).

Operating Costs

Total operating costs for the period ending 31 December were $102.7m which is $1.0m unfavourable to budget and $7.1m less when compared to the prior year.

Main operating expenditure variances are as follows:

- Personnel costs were $0.27 million favourable to budget mainly due to staff efficiencies and $1.9 higher than the previous year mainly due to wage inflation, lower staff capitalisation and higher leave balances.
- Depreciation was slightly higher than budget and $1.0 million higher than last year due to one off adjustment that were made in 2018.
- Operating Costs were $1.9 million lower than budget due to lower cost associated with lower revenues and efficiencies. The year on year increase in other expenditure of $0.4 million is predominately due to inflationary cost pressures.
- Finance costs are $0.2 million more than budget due to delays in the sale of land that was to be used to reduce debt. Year on year costs are $0.3 million higher due to higher average debt balances in 2019 compared to 2018.
- Impairment costs are $3.0 million unfavourable due to reduced activity in Saudi Arabia and the associated write down of our investment.

Group Operating

Operating costs for the group was $109.5m, which is $5.2m favourable to budget and $0.1m less than the prior year which in addition to the above variances was due to lower activity in Saudi Arabia.

Parent Balance Sheet

Total equity for the year ended 31 December 2019 was $145.2m which is $3.5m favourable to budget and $5.8m unfavourable to the prior year. The Main reason for this variance was an asset revaluation exercise (Asset Revaluation Reserve $7.3 million increase) that occurred after the budget was approved by Council.

The main contributing factors are:

- Increase in debtors and revenue in advance driven by higher volumes on international enrolments with a net variance of $8.5 million against budget and year on year.
- Term debt, overdraft facilities and cash was $3.9 million favourable to budget and $5.8 million favourable 2018. In the main this is due to improved international volumes and partially offset by the delay in the land sale.
- Fixed and Intangible assets are $10.5 million more than budget primarily due to the asset revaluation and the delay in the land sale. Year on year Fixed and Intangible Assets increased by $0.3 million due to asset purchases being at a similar level to deprecation.
- Financial Assets were $3.1 million unfavourable to budget and year on year. Due to the write down of our investment in Saudi Aribia.
- Employee Entitlements increased by $0.5 million year on year due to higher leave balances.

24 DETAILS OF HOLDINGS IN SUBSIDIARIES AND ASSOCIATES ARE SHOWN BELOW

Subsidiary/Associate/Joint Venture	% Ownership	Balance date	Business activity
Soda Inc Ltd*	100%	31/12	Creative industries business incubator
Motortrain Limited	25%	31/12	Developing training materials for motor industry
MondragonWintec Saudi Arabia LLC*	100%	31/12	Education
Wintec KSA Limited*	100%	31/12	Education
Ligar Limited Partnership	26.77%	30/09	Research
Ligar Polymers limited***	50%	31/12	Research
Ligar GP Limited***	11.9%	30/09	Research
Polytechnics International New Zealand (PINZ)*	100%	31/12	Off shore consultancy
Wintec Foundation	100%	31/12	Charitable Trust
Prima Group Ltd**[1]	100%	31/12	Investment Holding Company
LearningWorks Ltd*	100%	31/12	Developing and delivering training to industry
LearningWorks International Limited***[2]	100%	31/12	Developing and delivering training to industry

**100% owned by Wintec*

***100% owned by Wintec Foundation*

****100% owned by LearningWorks Ltd*

****100% owned by LearningWorks Ltd*

1. Deregistered 20 September 2018

2. Deregistered 15 May 2018

Notes to the Financial Statements

for the year ended 31 December 2019

25 ACCOUNTING STANDARD PBE IPSAS 29 AND PBE IFRS 9

Accounting policies have been updated to comply with PBE IFRS 9. The main updates are:

- Note 7 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.
- Note 9 Other financial assets: Term deposits 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 IFRS 9, being 1 January 2019, the classification of financial instruments under PBE IPSAS 29 and PBE IFRS 9 is as follows:

	Original PBE IPSAS 29 Category	NEW PBE IFRS 9 Category	Closing balance 31 December 2018 (PBE IPSAS 29)		Adoption of PBE IFRS 9 adjustment		Opening balance 1 January 2019 (PBE IFRS 9)	
			Group $'000	Institute $'000	Group $'000	Institute $'000	Group $'000	Institute $'000
Cash at bank and on hand	Loans and receivables	Amortised cost	3,133	305	-	-	3,133	305
Receivables	Loans and receivables	Amortised cost	21,071	19,298	-	-	21,071	19,298
Special funds' investment	Loans and receivables	Amortised cost	654	654	-	-	654	654

The measurement categories and carrying amounts for financial liabilities have not changed between the closing 31 December 2018 and opening 1 January 2019 dates as a result of the transition to PBE IFRS 9.

STATEMENT OF SERVICE PERFORMANCE

Statement of Service Performance

The 2019 Statement of Service Performance (SSP) comprises the set of key performance indicators (KPIs) agreed with the Tertiary Education Commission (TEC) and approved as part of the Investment Plan 2019-2020.

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 (2019-2020). 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, by improving infrastructure and facilities to enable quality teaching and learning that enhances work and social environments;
- increasing financial sustainability; and
- securing greater organisational efficiency.

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

The 2019 SSP includes the mandated Educational Performance Indicators (EPIs) agreed with TEC through the 2019-2020 Investment Plan, other EPIs by TEC considered after assessing our 2018 performance, and key initiatives arising out of our 2019 Business Plan.

These plans focus on improving our performance towards achieving parity for Māori and Pasifika cohorts, relative to non-Māori and non-Pasifika, by 2022. 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 and 2% by 2022). For others, the shift is greater, and may be up to 5%. Initiatives piloted during 2019 to lift student outcomes will continue into 2020 and beyond. These initiatives will require time to mature to have real impact on closing the parity gap.

Note: As part of the 2019-2020 Investment Plan process, the TEC changed the EPIs for tertiary providers, and applied them to all funding sources, not just the Student Achievement Component (SAC) funding, as in previous years.

The new EPIs are expressed according to different strategic groups (Māori, Pasifika, and Non-Māori and Non-Pasifika), and across different cohort groupings (Level 1 to 3, Level 4 to 7 non degree, Level 7 degree, and Level 8 to 10). In addition, the TEC has introduced new cohort-based measures for qualification completion and first-year retention.

A consequence of the above is that for some indicators there is no direct correlation between the EPIs reported in 2018 and the new EPIs that we are now required to report on in 2019. Where EPIs reported in 2018 are no longer required, they are marked as "n/a" (not applicable). New EPIs are highlighted.

Note: Progression is the rate of re-enrolment in a higher-level qualification in the following year for learners who have completed a qualification at Level 1 to 4 on the New Zealand Qualification Framework (NQF). Learners may progress to higher level study within the same institution or in other New Zealand tertiary institutions.

Progression data and course completion data in this report is interim only (as reported by the TEC), however we do not expect final results to change significantly as final data is made available later in 2020.

Student Achievement Component (SAC) funding includes:

- Competitive Process Funding
- EFTS based tuition subsidies
- Māori and Pasifika Trades Training (MPTT) Levels 1 and 2
- Māori and Pasifika Trades Training (MPTT) Levels 3 and 4
- Plan Process Funding
- Plan Process Levels 1 and 2 under 25
- 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 Pasifika Trades Training

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

TROQ – Targeted Review of Qualifications

WTA – Waikato Trades Academy

Educational Performance (SAC Funded and International):

Note: These indicators sit outside of the agreed 2019 SSP. They are included to provide context.

	Measures				
Objectives	**2016 Actual**	**2017 Actual**	**2018 Actual**	**2019 Planned**	**2019 Actual**
Retention					
Level 3 and above*	62%	61%	62%	n/a	n/a
First year retention**					
Level 4 to 7 (non-degree)**	60%	62%	54%	n/a	61%
Level 7 degree**	72%	72%	74%	n/a	75%
Progression***					
Level 1 to 3, to a higher level*	45%	43%	35%	n/a	n/a
Level 1 to 3**	54%	61%	58%	n/a	37%
Course completion					
Level 3 and above*	71%	70%	75%	n/a	n/a
Level 4 and above*	72%	73%	77%	n/a	n/a
Level 1 to 10**	80%	80%	78%	n/a	78%
Qualification completion					
Level 3 and above*	56%	55%	58%	n/a	n/a
Level 4 and above*	58%	56%	63%	n/a	n/a
Number of expected graduates**					
Level 1 to 3**	3,649	3,499	3,648	n/a	3,726

** These indicators are no longer required by TEC.*
*** These are new measures, prescribed by TEC through the 2019-20 Investment Plan process.*
**** Note change in wording from "Level 1 to 3, to a higher level" to "Level 1 to 3".*

First Year Retention Domestic and International Students

Overall, first year retention for SAC funded and international learners increased in 2019 for both non-degree and degree programmes, with international up four percentage points (89% in 2019, against 85% in 2018) and domestic-funded (SAC) up two percentage points (68% in 2019, against 66% in 2018).

Progression Domestic and International Students

A large decrease in progression for the Level 1-3 cohort was observed in 2019, from 58% in 2018 to 37% in 2019. A decline in both SAC funded (52% to 33%) and international learners (79% to 55%).

This was partially due to changes in provision and/or delivery where learners are not required/or in some cases unable to progress to higher level programmes. Examples include one-year programmes or delivery of trades programmes in Correctional facilities. In addition, strong employment opportunities enable learners to enter the workforce directly without the requirement for further study. The employment and unemployment rates across New Zealand for the December 2019 quarter were 67.3% and 4.0% respectively , indicating a strong employment market.

Progression of international learners is almost exclusively in English language programmes. Changes to the delivery of one programme mean that learners progress to another programme of the same level, rather than a higher-level programme. This is counted as non-progression and adversely impacts upon progression levels.

Course Completion Domestic and International Students

Interim course completion rates for SAC funded and international learners is consistent year on year at 78%. However, within this measure there was increased performance in international completion rates (91% in 2019, against 83% in 2015), and a corresponding decrease for SAC funded learners (75% in 2019, down three percentage points from 78% in 2015) and in the main due to an increase in withdrawn enrolments, which are recorded as non-completion.

Educational Performance (All SAC Funded):

Note: These indicators sit outside of the agreed 2019 SSP. They are included to provide context.

	Measures				
Objectives	**2016 Actual**	**2017 Actual**	**2018 Actual**	**2019 Planned**	**2019 Actual**
First year retention**					
Level 4 to 7 (non-degree)**	56%	55%	48%	n/a	57%
Level 7 degree**	70%	72%	71%	n/a	71%
Progression					
Level 1 to 3, to a higher level*	45%	43%	35%	n/a	n/a
Level 1 to 3**	n/a	n/a	n/a	n/a	25%
Course completion					
Level 3 and above*	71%	70%	75%	n/a	n/a
Level 4 and above*	72%	73%	77%	n/a	n/a
Level 1 to 10**	78%	79%	75%	n/a	75%
Qualification completion					
Level 3 and above*	56%	55%	58%	n/a	n/a
Level 4 and above*	58%	56%	63%	n/a	n/a
Number of expected graduates**					
Level 1 to 3**	2,981	2,766	2,814	n/a	2,817

** These indicators are no longer required by TEC.*
*** These are new measures, prescribed by TEC through the 2019-20 Investment Plan process.*

First Year Retention for Domestic Funded Students

Overall SAC funded retention increased from 66% (2018) to 68% in 2019. This was primarily due to an increase in the Level 4 to 7 non-degree cohort from 48% in 2018 to 57% in 2019.

Progression for Domestic Funded Students

Progression rates declined across all cohorts from 52% in 2018 to 33% in 2019*. This was partially due to changes in provision/delivery where learners were not expected or able to progress to higher level programmes, including increased delivery of trades programmes in Correctional facilities. Additionally, strong employment opportunities may enable learners to enter the workforce directly without the requirement for further study.

Course Completion for Domestic Funded Students

Overall, course completion rates were consistent with 2018 levels at 75%. There was an improvement from 59% to 63% in the Level 1 to 3 cohort English language programmes were primarily responsible for this increase.

** These measures were not part of previous year's SSP indicators.*

Educational Performance (All SAC Funded Learning):

	Measures				
Objectives	**2016 Actual**	**2017 Actual**	**2018 Actual**	**2019 Planned**	**2019 Actual**
Percentage of agreed TEC SAC funding achieved	98.8%	98.6%	100.8%	102%	96%*
Delivery of provision targeted to meet Youth Guarantee (YG) priorities	89%	100%	54% (49 EFTS delivered)	100% (50 EFTS)	96% (48 EFTS delivered)

** Note these figures are as at 29 January 2020, to be confirmed once TEC have released final data.*

Key points:

As at 29 January 2020, a total of 3,895 SAC-funded EFTS were delivered in 2019, equating to 96% of our funding allocation. This is a drop in EFTS of approximately 4% when compared to 2018, arising out of various environmental factors. Wintec continues to deliver quality education and has implemented process improvements to address this issue and to increase retention and completion rates for our learners.

During 2019, in partnership with the TEC Ōritetanga directorate, we carried out detailed analysis of learners, resulting in attrition analysis and the development of nine persona which 85% of learners who leave Wintec. This work culminated in a submission to TEC of a formal benefits analysis, including social and financial assessment of increased learner success, enabled through deliberate re-engineering of structures, processes and systems.

Achieving sustainable uplift of learner success requires a whole-of-organisation systematic change. In response to the data analysis, and through an equity minded redesign, Wintec has developed momentum strategies that address institutional level systems and structures, new business models, mindsets and behaviours to empower this change. It is this work that we are carrying forward into 2020.

Youth Guarantee (YG) EFTS remained steady year on year (48 EFTS delivered in 2019, and 49 EFTS delivered in 2018 against a target of 91 EFTS), although slightly short of the target set (50 EFTS).

Māori Educational Performance

	Measures				
Objectives (SAC)	**2016 Actual**	**2017 Actual**	**2018 Actual**	**2019 Planned**	**2019 Actual**
Māori					
Participation					
Level 1 to 2*	2%	n/a	n/a	n/a	n/a
Level 1 to 3**	n/a	n/a	n/a	30%	29%
Level 3 and above*	24%	24%	25%	n/a	n/a
Level 4 and above*	21%	20%	18%	n/a	n/a
Level 4 to 7 (non-degree)**	n/a	n/a	n/a	27%	23%
Level 7 degree**	n/a	n/a	n/a	23%	24%
Level 8-10**	n/a	n/a	n/a	15%	18%
Retention					
Level 3 and above*	62%	61%	62%	n/a	n/a
Level 4 to 7 (non-degree)**	n/a	n/a	n/a	45%	45%
Level 7 degree**	n/a	n/a	n/a	67%	69%
Progression					
Level 1 to 3, to a higher level*	45%	43%	35%	n/a	n/a
Level 1 to 3**	n/a	n/a	n/a	46%	25%
Course completion					
Level 3 and above*	71%	70%	75%	n/a	n/a
Level 4 and above*	72%	73%	77%	n/a	n/a
Level 1 to 10**	n/a	n/a	n/a	73%	66%
Qualification completion					
Level 3 and above*	56%	55%	58%	n/a	n/a
Level 4 and above*	58%	56%	63%	n/a	n/a
Number of expected graduates**					
Level 1 to 3**	n/a	n/a	n/a	190	214

** These indicators are no longer required by TEC.*

*** These are new measures, prescribed by TEC through the 2019-20 Investment Plan process.*

Key points:

Following the successful pilot in 2018, the student-to-student Tuakana-Teina programme was officially rolled out in Semester 2, 2019, with a focus on priority programmes in health and social practice (Bachelor of Nursing, Bachelor of Counselling, and Bachelor of Social Work) and Business. The support model deliberately set Māori principles and actions as resilient foundations to guide Tuakana practice. This has been hugely successful in encouraging Tuakana to network with their peers and to provide appropriate support within their scope of practice. The philosophical shift from western-style training and teaching to a culturally responsive and student enhanced approach shows an underlying shift in empathy and care from the Tuakana to Teina. The responsiveness of Tuakana and results shown by Teina suggest that the key processes adopted by the team have provided a solid framework from which to build equity and cultural capital.

Overall 80 learners opted in to participate in the programme, those being a mix of New Zealand European, New Zealand Māori, Pasifika, migrants and international learners, with the majority being New Zealand European and New Zealand Māori. Analysis of Course Completion Rates found that the learners who participated in the Tuakana-Teina programme on average had a course completion rate of 87%, compared to those who did not participate at 67%.

Participation

29% (or 296 out of 1,011 EFTS) of SAC-funded enrolments in 2019 at Level 1 to 3 identified as Māori. Although this is slightly below the target of 30% it is similar to previous years (between 28% and 34% from 2014-2018). However, this does represent growth in absolute terms (EFTS were between 200 and 285 between 2014-2018). Growth in enrolments are primarily in Trades programmes.

334 EFTS (23%) in Level 4 to 7 (non-degree) programmes identified as Māori, a decrease of four percentage points since 2016 (521 EFTS, or 27%). However, there is a decrease in all cohorts at this level, which may indicate other factors such as high employment rate.

24% of enrolments in Level 7 degree programmes identified as Māori, which is slightly above the target set (23%).

For Level 8 to 10, 20 EFTS (18%) identified as Māori. This is an increase of 5% on 2018 levels (17 out of 127 EFTS, or 13%).

First year retention

Overall, Māori learners performed well in first year retention (64%) and approached parity with Non-Māori and Non-Pasifika (68%) in 2019. This is a significant improvement on 2017 levels where there was a parity gap of 14% between these cohorts.

The SAC-funded retention rate for Māori at Level 4 to 7 (non-degree) is currently at 45%, which is an increase of five percentage points on 2018 levels. This measure can fluctuate each year due to the relatively small number of learners in this cohort

The retention rate for Māori at Level 7 degree was 69%, an increase of 6% points on 2018 levels (63%). Retention of Māori learners at Level 7 degree has fluctuated between 58% and 65% in the last five years, making the outcome in 2019 particularly pleasing.

Progression

Progression rates for Māori at Level 1 to 3 were 25%, down from as high as 47% in 2015. This is partially due to changes in provision/delivery where learners are enrolled in short-term programmes, for specific purposes, where there may not be a requirement to the progress to higher level programmes. An example of this is the horticulture training that was provided in marae-based regional campuses to iwi to enable stewardship/kaitiakitanga of the environment.

Course completion

Course completion for Māori at Level 1 to 10 is currently at 66%, similar to 2018 levels (67%) but below the 73% target set.

The disparity between Māori and non-Māori and non-Pasifika increased from 12% in 2016 to 15% in 2019, with the greatest disparity in the Level 1 to 3 cohort (17%), and generally decreased at higher levels of the NQF (13% at Level 4 to 7 non-degree, and 6% at Level 7).

Number of expected graduates

214 SAC-funded qualifications were completed by Māori at Level 1 to 3, exceeding the target set of 190 graduates. As more qualifications are ratified during 2020, this number is expected to increase, and will exceed the 2019 total of 214 qualifications (109 in Trades, and 59 in Science and Primary Industries).

Pasifika Educational Performance

	Measures				
Objectives (SAC)	**2016 Actual**	**2017 Actual**	**2018 Actual**	**2019 Planned**	**2019 Actual**
Pasifika					
Participation					
Level 1 to 2*	0.4%	n/a	n/a	n/a	n/a
Level 1 to 3**	n/a	n/a	n/a	7%	6.5%
Level 3 and above*	6%	7%	7%	n/a	n/a
Level 4 and above*	6%	6%	5%	n/a	n/a
Level 4 to 7 (non-degree)**	n/a	n/a	n/a	8%	6.5%
Level 7 degree**	n/a	n/a	n/a	6%	6.7%
Level 8 to 10**	n/a	n/a	n/a	5%	3.2%
Retention					
Level 3 and above*	67%	63%	67%	n/a	n/a
Level 4 to 7 (non-degree)**	n/a	n/a	n/a	45%	56%
Level 7 degree**	n/a	n/a	n/a	67%	71%
Progression					
Level 1 to 3, to a higher level*	38%	41%	60%	n/a	n/a
Level 1 to 3**	n/a	n/a	n/a	44%	21%
Course completion					
Level 3 and above*	71%	72%	71%	n/a	n/a
Level 4 and above*	72%	76%	71%	n/a	n/a
Level 1 to 10**	n/a	n/a	n/a	74%	64%
Qualification completion					
Level 3 and above*	62%	58%	56%	n/a	n/a
Level 4 and above*	63%	61%	58%	n/a	n/a
Number of expected graduates**					
Level 1 to 3**	n/a	n/a	n/a	45	50

** These indicators are no longer required by TEC.*

*** These are new measures, prescribed by TEC through the 2019-20 Investment Plan process.*

Key points:

To extend and enhance our Pasifika support, in 2019 we established Kaveingā Ngākau, a Pasifika Steering Group, to bring leadership and direction to the needs and aspirations of Pasifika learners and staff. Together with the Māori Achievement Unit, the group is focussed on:

- the development of a Pasifika Success Strategy;
- hosting a Pasifika whakawhanaungatanga event, and engagement with the Pasifika community;
- undertaking a review of the Pasifika Engagement Strategy, and
- strategies to grow the Pasifika Club (currently at 92 members).

Other Pasifika engagement activities during 2019 included:

- Presence at the Nesian Festival;
- Engagement with Talents of the Pacific during Vai film screening as part of the Matariki calendar;
- Supporting Tongan language week celebrations, and
- Supporting Fijian Language week celebrations.

Participation

Pasifika enrolments at Level 1 to 3 were higher than previous years (between 47 and 51 EFTS from 2015-2017) and represented 6.5% of our Level 1 to 3 learners, which was slightly below the target set of 7%. This can be attributed to a combination of increased provision at Level 1 to 3 overall (1,011 EFTS in 2019, against 930 EFTS in 2018) and fewer Pasifika enrolments at these levels (66 EFTS in 2019, against 75 EFTS in 2018). A decrease in enrolments in the areas of Science and Primary Industries, and Trades was primarily responsible for this outcome (a decline of 13 EFTS on 2018 levels).

Of all SAC-funded enrolments at Level 4 to 7 (non-degree) 6.5% identified as Pasifika, which was slightly lower than in previous years (between 7.2% and 8.2% in 2015-2018). A decrease in Pasifika enrolments in the areas of Business and Enterprise, Education and Foundation Pathways, and Trades, was partially off-set by increased enrolments in the Centre for Health and Social Practice.

97 EFTS out of 1,459 EFTS (6.7%) identified as Pasifika at Level 7 degree level. This proportion was higher than previous years (between 5% and 6% from 2015-2018) but represented as decrease in provision compared to 2018, when just over 100 EFTS were delivered. The decline in total EFTS for the degree cohort (1,459 EFTS in 2019, against 1,608 EFTS in 2018) and increased Pasifika enrolments demonstrates the impact on outcomes where there are fluctuations in the size of a relatively small cohort.

- Participation rates for Pasifika at Level 8 to 10 fell from 6% in 2018 to 3.2% in 2019. This is a small cohort, and therefore subject to larger fluctuations in outcomes. Enrolments decreased from 7.2 EFTS in 2018 to 3.5 EFTS in 2019.

First year retention

Pasifika learners reached parity with Non-Māori and Non-Pasifika for overall first-year retention in 2019, with a result of 68%. This was a significant improvement from 2017, with a result of 19%.

The SAC-funded retention rate for Pasifika at Level 4 to 7 (non-degree) is currently 56%, double that of 2018. However, there were only nine learners in the starting cohort, 77% of whom were enrolled in the areas of Engineering and Industrial Design. The non-retention of a single student would result in a significant change for this relatively small cohort.

The SAC-funded retention rate for Pasifika at Level 7 degree is currently at 71%, and consistent with outcomes recorded from 2014-2018 (62% - 76%). The small number of learners in this cohort (45 learners enrolled in 2019) impact on the outcome of this indicator. Approximately 45% of learners in this cohort were enrolled in programmes in Health and Social Practice, achieving an 80% retention rate. This is a particularly pleasing result and demonstrates our commitment to lifting provision for this cohort to higher levels of the New Zealand Qualifications Framework.

Progression

The progression rate for Pasifika at Level 1 to 3 was 21%, based on interim data from the TEC. A combination of delivery to learners in Correctional facilities, where learners are not expected or able to progress to higher level programmes, and changes in provision in Trades programmes contributed to the decrease in progression.

Course completion

Course completion rates for Pasifika at Level 1 to 10 are currently at 64%, increase of 1 percentage point on the 2018 rate (63%), although below the 74% target set. Completion rates for Pasifika at degree level were 14% below. The completion rates for Non-Māori and Non-Pasifika. Fluctuations year on year are expected as this is a relatively small cohort.

Number of expected graduates

50 SAC-funded qualifications were completed by Pasifika at Level 1 to 3 (23 qualifications awarded in Trades, and 19 in the area of Business and Enterprise). The target was exceeded and further qualifications may be ratified in 2020. This outcome is consistent with 2018 rates, where 50 qualifications were awarded.

Non-Māori and Non-Pasifika Educational Performance

	Measures				
Objectives (SAC)	**2016 Actual**	**2017 Actual**	**2018 Actual**	**2019 Planned**	**2019 Actual**
Non-Māori and Non-Pasifika					
Participation					
Level 1 to 3	n/a	n/a	n/a	63%	66%
Level 4 to 7 (non-degree)	n/a	n/a	n/a	65%	71%
Level 7 degree	n/a	n/a	n/a	71%	71%
Level 8 to 10	n/a	n/a	n/a	80%	79%
First year retention					
Level 4 to 7 (non-degree)	n/a	n/a	n/a	60%	61%
Level 7 degree	n/a	n/a	n/a	75%	72%
Progression					
Level 1 to 3	n/a	n/a	n/a	55%	38%
Course completion					
Level 1 to 10	n/a	n/a	n/a	83%	79%
Number of expected graduates					
Level 1 to 3	n/a	n/a	n/a	430	701

Note: this is a new cohort grouping, and all of these indicators are being reported for the first time in this Annual Report. They were not required prior to 2019, and therefore marked as "n/a" (not applicable). Consequently, there are no previous years' results to provide a comparison.

Participation

66% (667 EFTS out of 1,011 EFTS) of enrolments at Level 1 to 3 in 2019 identified as Non- Māori and Non-Pasifika, which was an increase of 3% on 2018 levels (588 EFTS). There has also been continued growth in Level 1 to 3 provision over time, from 479 EFTS in 2014. This is primarily due to growth in Business and Enterprise, English Language, and Trades.

Despite fewer Non-Māori and Non-Pasifika SAC funded enrolments at Level 4 to 7 (non-degree) (1,019 EFTS in 2019, against 1,098 EFTS in 2018), the participation rate for this cohort remained steady at 71%.

Fewer postgraduate enrolments resulted in a 3% decrease in EFTS delivered at Level 8 to 10 for Non-Māori and Non-Pasifika (85 EFTS in 2019, against 104 EFTS in 2018). This decrease can be attributed, in part, to changes in the TEC's funding policy, where funding for research-based postgraduate study for international learners has ceased.

First-year retention

The SAC-funded retention rate for Non-Māori and Non-Pasifika at Level 4 to 7 (non-degree) was 61%, an increase of 9% on 2018 levels (52%). This measure may fluctuate each year due to the relatively small number of learners in this cohort with Wintec offering few non-degree programmes which are two or more EFTS in duration.

The retention rate for Non-Māori and Non-Pasifika at Level 7 degree was 72%, a decrease from 75% and 74% in 2017 and 2018 respectively. This can be attributed in part to there being a smaller number of learners in the starting cohort and a slight decline in the number of learners retained.

Progression

The 2019 results for Non-Māori and Non-Pasifika progression at Level 1 to 3 was 38%, compared to 55% in 2018. This is mainly driven by changes in provision, including increased delivery in Trades programmes from NQF Level 2 to 3, enabling direct entry into the workforce rather than higher-level study. Increased delivery within Correctional facilities and changes in English language provision also contributed to the decrease.

A buoyant economy and high employment rates, as noted earlier, has allowed learners entry into the workforce, rather than progressing to further study.

Course completion

Overall course completions at Level 1 to 10 for this cohort are currently at 79%. This is an interim value only as final results are provided by TEC after April 2020 (the final due date for 2019 results). This is the same as the 2018 rate.

Number of expected graduates

The number of expected graduates at Level 1 to 3 for this cohort for 2019 cannot yet be finalised as course results are not available until April 2020. Qualifications may be conferred after this time. As at 23 January 2020, 701 SAC-funded qualifications have been completed, which exceeds the target set (430 graduates).

Educational Outcomes

	Measures				
Objectives	**2016 Actual**	**2017 Actual**	**2018 Actual**	**2019 Planned**	**2019 Actual**
Student satisfaction	91%	92%	90%	90%	92%
Graduate satisfaction	93%	91%	91%	90%	89%
Employer and industry satisfaction	84%	82%	n/a	n/a	n/a
Employer and Engagement satisfaction*	77%	75%	79%	80%	85%

** This measure cannot be directly compared to previous years as this new indicator combines both employer and Employer Engagement Group satisfaction rates (these were reported separately in past years).*

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

Student Satisfaction

Since 2018 Wintec has operated a Customer Insights Framework, Student Voice, which includes surveying learners at key interaction points of their journey. Once surveys are closed the results are immediately available to staff. This allows Wintec to respond to student feedback in a timely manner, and demonstrates that Wintec is listening and using student feedback to directly inform decision-making.

Learners are asked questions regarding their satisfaction with various elements of their programme of study (e.g. programme content, quality of teaching, programme organisation and management, programme facilities and resources, and overall satisfaction). A total of 4,885 learners were surveyed and 2,543 responses received. The margin of error for the survey is +/- 1.4%.

Our student satisfaction levels were over 90% for quality of teaching, programme content, learning environment and overall programme satisfaction. An improvement in satisfaction with programme management and organisation was recorded from 2018 to 2019.

Learners commented favourably on their knowledgeable and supportive tutors as well as the student support available. They also appreciated the industry-relevant content of their programmes, the hands-on and practical learning style, and Wintec's modern learning facilities.

Graduate Destination Survey

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. Questions are around employment, further study and the programme recently completed. In 2019 a total of 3,059 graduates were surveyed and 983 responses were received. The margin of error for the survey is +/- 2.6%.

Graduate satisfaction levels above 90% were recorded for four of the eight indicators measured in the survey: programme content, development of skills and knowledge, career prospects, and programme resources and facilities. The highest level of satisfaction (93.5%) was with the development of skills and knowledge, which reflects Wintec's role as a provider of vocational and professional education. Respondents commented favourably on how the acquisition of knowledge and practical skills (often gained through work placements) prepared them for the workplace. Graduates also highly valued their knowledgeable tutors as well as the support provided to enable them to succeed in their studies.

Employer and Engagement Satisfaction Survey

These are measured through an annual online survey of our Employer Engagement Group (EEG) members, relevant industry associates and employers identified through the graduate survey. A total of 330 were surveyed and 95 responses received. The measure is above target and within the margin of error for the survey (+/- 8.5%). Favourable feedback was received from employers regarding the industry readiness of graduates in terms of their knowledge and practical skills gained through work placements. They also valued the way Wintec engages with industry to ensure the relevance of qualifications offered.

International EFTS

	Measures				
Objectives	**2016 Actual**	**2017 Actual**	**2018 Actual**	**2019 Planned**	**2019 Actual**
The number of international EFTS	1,009	1,064	1,091	1,150	1,207
International fees revenue ($M)	$15.1 M	$16.8 M	$17.47 M	$18.2 M	$19.9 M

A total of 1,207 International Full Fee-Paying EFTS were delivered in 2019, exceeding the targeted 1,150 EFTS and higher than the 2018 result (1,091 EFTS).

An increase in EFTS from India (602 EFTS in 2019, against 445 EFTS in 2018) mitigated a decrease in enrolments from China (362 EFTS in 2019, against 404 EFTS in 2018). The decrease in EFTS from China mirrors a decrease nationwide, amongst the ITP and PTE sectors.

Wintec Research

	Measures				
Objectives	**2016 Actual**	**2017 Actual**	**2018 Actual**	**2019 Planned**	**2019 Actual**
PBRF research revenue	$585,000	$658,331	$673,722	$767,000	$1,102,000
External research income earned (includes Ligar)	$398,000	$917,000	$697,174	$780,000	$475,000
The number of research degrees completed	36	21	39	31	39

Wintec's Performance Based Research Funding (PBRF) has increased over time across all PBRF funding streams – quality measures, postgraduate research degree completions, with the largest increase in external research income funding. Of the Institutes of Technology and Polytechnics (ITPs), Wintec ranked second in terms of success in all components of PBRF, third in terms of success in the 2018 Quality Evaluation and second in terms of funding. This is a significant achievement and demonstrates our commitment to building a strong research culture at Wintec.

Of particular note is the 61% increase in the number of portfolios submitted between 2012, with 41 portfolios and 2018 with 66 portfolios. This is representative of the substantial increase in the number of researchers at Wintec, and recruitment of a large number of newly PhD qualified staff into post-grad teaching roles.

2019 Business Plan Commitments

Focus Areas	Measures		
Objectives	**2018 Baseline**	**2019 Planned**	**2019 Actual**
Organisational Performance			
Achieve international on-shore EFTS target	1,083 EFTS	1,150 EFTS	1,207 EFTS
Achieve international off-shore revenue target	$7.6M	$8.2M	$6.3M
Achieve MPTT EFTS target	290 EFTS	296 EFTS	285 EFTS
Achieve external research income target (excluding Ligar)	tbc	$427,000	$75,000
People, Product and Pedagogy			
Invest subject matter expert (SME) hours through EDH for product development	$1.1M	$1.2M	$1.09M
Invest instructional design hours through EDH for product development	$1.3M	$1.2M	$1.21M
Reduce gender pay disparity	6.8%	5%	2.9%
Māori and Pasifika			
Increase Māori and Pasifika workforce representation	17%	17%	16.4%
Review and evaluate Te Ngawhā Whakatupu (Māori Capability Framework)	n/a (new initiative)	Review completed by 31 Dec	Review completed. See below.
Establish Pasifika Steering Group, to revise Pasifika Engagement Plan, and complete Pasifika strategy document.	n/a (new initiative)	Provide feedback to Exec on proposed approach	Steering Group established. See below.
Employer Partnerships			
Increase work integrated learning on 2018 levels	50%	100% (50% increase on 2018 levels)	100% of Level 1 to 5 programmes 97% of Level 7 programmes
Embed industry teaching partnerships in our programmes	80%	50%	87%
Increase the number of staff who are “industry active” (on 2018 levels)	38%	50% (7% increase on 2018 levels)	Goal dropped for 2019
Internationalisation			
Grow EFTS from India and China through additional in-country management in India, and increased application conversion	852 EFTS	1,000 EFTS	962 EFTS
Increase additional pathway partners, through extending existing Chinese pathways	14 active partnerships	3 pathways agreed.	Target achieved 17 active pathways now in place

Key points:

Organisational Performance

It is pleasing to note steady year-on-year growth in international on-shore EFTS. This is in part due to growth from India, supported by additional in-country management and increased conversion of applications received. A total of 1,207 EFTS were delivered in 2019, an increase of 12% on 2018 levels (1,078 EFTS) exceeding the target of 1,150 EFTS.

We achieved $6.3M in international off-shore revenue, short of the target set of $8.2M. The reduction is due to timing of the project in Indonesia and our operations in the Kingdom of Saudi Arabia. While we had good year-on-year growth in our short course market and our partnership colleges off-shore, they were slightly below budget.

A total of 285 EFTS were delivered through Māori and Pasifika Trades Training (MPTT). While the target of 296 EFTS was not reached, this is the greatest volume of delivery since the inception of MPTT. The largest proportion of MPTT delivery is in Trades (170 EFTS, or 60%), and Te Ara Putake (My Academic Pathway) which delivered 58 EFTS.

In 2019, we achieved $75,000 in external research funding against a target of $427,000. This reduction is due to a change in focus in 2019 to improving our core research capacity and capability and improving our PBRF profile. Our year-on-year increase in PBRF funding of $335,000 is a reinvestment in further developing our research staff.

People, Product and Pedagogy

In 2019 product development was primarily focussed in the Centre for Health and Social Practice, continuing the multi-year development of the Bachelor of Physiotherapy, modernisation of the Bachelor of Midwifery, Bachelor of Counselling, and Bachelor of Social Work. Modernisation was also undertaken across several Secondary-Tertiary Partnership (STP) programmes, as well as new developments in Carpentry, and micro-credentials for the Financial Services sector.

A key driver for Wintec in 2019 was to reduce gender pay disparity. The gap reduced from 6.8% in 2018 to 2.9% in 2019.

We also focused on diversity and inclusion through:

- Participating in the Industry Sharing Experience (WISE) programme which allows staff and learners to form valuable partnerships with employers through industry secondments and teaching partnerships. The Innovation award celebrates innovative responses to addressing the equal pay gap while criteria also assessed our wider approach to gender needs in the workplace and community.
- Developing new Prevention of, and Response to, Sexual Harassment, and Family Violence policies.
- Developing training for staff and managers to support our Anti-bullying and Harassment and Prevention and Response to Sexual Harassment policies. This training is delivered via our online learning management system and followed up with face-to-face workshops for managers.
- Continuing to deliver Mental Health First Aid workshops to teach staff to provide initial help to learners and other people experiencing mental health issues.
- Awarding the Hare Puke Māori Leadership Scholarship, which enables members of our Māori community to gain leadership skills that in turn will benefit other Māori. Ten staff have now benefited from this scholarship since its inception in 2008.
- Promoting Māori, Cook Island Māori, Chinese, Fijian, Tongan and other language weeks to staff through the This Week @ Wintec email newsletter.
- Horahia Matariki, our Matariki festival which included 20 events for staff and learners.
- Hei Oranga Mōu, a month of free wellbeing events for staff and learners.

Māori and Pasifika Staff

Māori and Pasifika staff representation increased on 2018 levels to 16.4%, although slightly lower than the target set of 17%. A wānanga, held in mid-2019, with Māori and Pasifika staff provided insights and perspectives concerning the recruitment and retention of Māori and Pasifika staff at Wintec. The session included activities, data gathering and feedback to better understand what attracted Māori and Pasifika staff to Wintec or impacted negatively on their employment here. An analysis of the wānanga insights led to the development of some key recommendations, and the development of a workplan to be implemented in 2020.

Māori and Pasifika Students

In 2019, we conducted a review of Te Ngawhā Whakatupu (our Māori Capability Framework) to assess the visibility and effectiveness of the framework in lifting organisational capability, particularly in relation to cultural competency and responsiveness. As a result of that review, an implementation plan has been developed to be rolled out in 2020, which includes:

- designing a suite of whakawhanaungatanga activities, to enable learners to build meaningful connections;
- implementing tuakana and peer tutor services for first-year learners, and
- designing the roles and functions of a staff capability unit.

Pasifika learners represent approximately 6.5% of all enrolments at Wintec, from foundation level to degree level and postgraduate study. We have continued our support for, and recruitment of, Pasifika learners across many areas within Wintec, including:

- Māori and Pasifika Trades Training (MPTT)
- Kāveinga Ngākau (Pasifika steering group)
- Te Kete Konae, and
- links with PTEs and external stakeholders (eg, the PowerUP programme).

A new partnership agreement was signed with Waikato-Tainui, K'aute Pasifika, OneStaff and BCITO to create more opportunity for Māori and Pasifika people wanting to pursue a career in trades, ensuring that Māori and Pasifika Trades Training (MPTT) will continue to be offered in Waikato. Having the country's largest MPTT consortium at Wintec, this partnership and the connections we have with the community and industry, is important to ensuring continued student success.

Employer Partnerships

Our approach to employer partnerships ensures that we deliver on the Wintec Customer Promise:

Our promise to learners

We promise you workplace experiences every year of your study to help you build meaningful networks and prepare you for employment.

Our promise to employers

We promise to partner with you and provide opportunities to help shape the employees of the future.

Our Industry Engagement Policy provides us with the flexibility to be able to respond to different industry environments through a variety of mechanisms, which include:

- Employer Partnership Groups
- Advisory Groups and Industry Forums
- Interviews, workshops, and networking events.

In 2019, we exceeded our target of including industry teaching partnerships in 80% of our programmes, achieving 87%. More than half of all our modules taught at Wintec now include a form of industry teaching partnership, where industry experts are invited to teach, speak to and/or work alongside our staff and learners.

Work-integrated learning at Wintec is situated within an industry context, ranging from work experience to internship/practicum placements or work-based learning, with a goal to create work-ready graduates and lifelong learners.

In 2019, all programmes at Level 1 to 5 provided opportunities for work-integrated learning, aligned with the principles and guidelines in Ako: Teaching and Learning Directions. 97% of all programmes at Level 6 and 7 provide work-based learning opportunities, exceeding the target set.

Internationalisation

A total of 1,207 International EFTS were delivered in 2019, exceeding the targeted 1,150 EFTS and higher than the 2018 result (1,091 EFTS). An increase in EFTS from India (600 EFTS in 2019, against 445 EFTS in 2018) mitigated a decrease in enrolments from China (362 EFTS in 2019, against 404 EFTS in 2018). This increase brings the total number of EFTS from India to 35%, while EFTS from the Subcontinent (India, Sri Lanka and Nepal) now account for more than 50% of all international EFTS at Wintec.

Our target of increasing the number of pathway partners from 14 to 17 has been achieved. Additional pathways in the disciplines of Information Technology and Media Arts have been developed with existing partners in the Beijing/Guangdong Cluster and with Chengdu University.

Revenue from our international offshore commercialisation activities reached $2M in 2019. Commercialisation comprises:

- *Consultancy* - Commercial solutions for needs analysis, competency assessment, workforce planning, and skills development at company, sector and government levels,
- *Development Services* - Contextualising, designing and implementing development programmes in emerging economies funded by both governments and International Finance Institutions.

The Chengdu University Wintec Alumni Association was officially launched, to build on the successful ten-year partnership between Wintec and Chengdu University (CDU). Since the partnership began in 2008, over 300 faculty, staff, and student exchanges have occurred. Of those 300, more than 100 learners from CDU have been to New Zealand to study, with around 50 obtaining degree and post-graduate qualifications from Wintec. More than 20 of those alumni now work in New Zealand. A total of 61 faculty and staff members and 12 learners from Wintec have visited CDU for lectures and exchanges. They are all alumni of the New Zealand branch of the alumni association.

Discontinued Educational Performance Indicators

As indicated earlier, these measures are no longer required by TEC. Consequently, they have been marked "n/a" (not applicable).

Learners Aged Under 25 Educational Performance

	Measures				
Objectives (SAC)	**2016 Actual**	**2017 Actual**	**2018 Actual**	**2019 Planned**	**2019 Actual**
Course completion					
Level 3 and above*	78%	77%	78%	n/a	n/a
Level 4 and above*	80%	80%	82%	n/a	n/a
Qualification completion					
Level 3 and above*	64%	66%	61%	n/a	n/a
Level 4 and above*	66%	69%	66%	n/a	n/a
Participation					
Level 3 and above*	53%	52%	52%	n/a	n/a
Level 4 and above*	48%	45%	40%	n/a	n/a

Educational Performance (All SAC Funded Learners)

	Measures				
Objectives (SAC)	**2016 Actual**	**2017 Actual**	**2018 Actual**	**2019 Planned**	**2019 Actual**
All learners					
Course completion					
Level 1-2	69%	n/a	n/a	n/a	n/a
Level 3 and above	79%	79%	81%	n/a	n/a
Level 4 and above	80%	81%	83%	n/a	n/a
Qualification completion					
Level 1 to 2	55%	n/a	n/a	n/a	n/a
Level 3 and above	71%	71%	69%	n/a	n/a
Level 4 and above	73%	74%	73%	n/a	n/a
Progression					
Level 1 to 2, to a higher level	55%	n/a	n/a	n/a	n/a
Level 1 to 3, to a higher level	47%	54%	52%	n/a	n/a
Retention					
Level 1 to 2	56%	n/a	n/a	n/a	n/a
Level 3 and above	69%	70%	71%	n/a	n/a

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Wintec gratefully acknowledges our many partners and supporters across the region, New Zealand and around the world.

We would like to thank the following:
Over 300 industry and community leaders who participate in employer partnership groups, advisory groups, industry forums and in many one-on-one engagements for all their industry and community expertise and support, enabling us to ensure our qualifications and training are current and meet the needs of employers in the region.

Hundreds of industry teaching partners who help us creating work-ready graduates. They teach or assess our students, mentor our staff and students, research with us, support teachers in industry secondments and provide opportunities for work-based learning for our students.

Private training establishments (PTEs) who work with us to pathway students into Wintec: NZMA, Vision College, Fairview Educational Services, Responsive Trade Education, South Pacific Institute, K'aute Pasifika Trust, Education Action, Kershaw Training Enterprises, Morrinsville Training Centre, Valley Education and Training Enterprises, Waikato Institute for Leisure and Sports, Varda, Aposotolic Training Centre (Vision College), Waikato Institute of Education (WIE), Kiwi Institute of Teaching and Education (KIWI).

The many partnerships which include scholarships, internships, inter agency support, and employment opportunities that benefit our students from a variety of ethnic groups including the Saudi, Afghani, Somali, Colombian, Korean, Filipino, Pasifika and Chinese communities. These include the Red Cross, Settlement Centre Waikato, the Office of Ethnic Communities and Hamilton City Council, among many others.

Waikato, Hawke's Bay, Hauora Tairāwhiti, Lakes, Bay of Plenty and Taranaki District Health Boards for their assistance in delivery of education relating to nursing, midwifery, social work, physiotherapy and mental health and addictions in their regions. In addition, private hospitals, aged care providers, Māori health and social care providers, birthing facilities, community midwives and a wide range of health and social service providers for their support of Centre for Health and Social Practice education, research and practice activities.

Our Waikato and regional Trades Academy secondary partners.

ACLX, Creative Waikato, Trust Waikato, Hamilton Central Business Association, and Resene for their sponsorship and support of the Te Ruru festival.

Our industry research partners including Beef and Lamb New Zealand, Ligar Polymers, Fundi Hols, Trust Waikato, Wel Trust, DV Bryant Trust, Waikato Regional Council and the University of Waikato.

Our strategic alliance partners Child Matters, Community Living Trust, Community Waikato, Habitat for Humanity, K'aute Pasifika and Sport Waikato.

The Waikato Māori and Pasifika Trades Training and Employment consortium partners Waikato Tainui, K'aute Pasifika Trust, BCITO and OneStaff.

Ngāti Haua Iwi Trust partnership to deliver horticulture programmes at Mangateparu Ag Tec site, Morrinsville. Waikato Tainui collaboration with Education Youth Pathways.

Dame Te Atairangikaahu Nursing scholarship sponsors; Office of the Kingitanga, Peter Rogers, Staples Rodway, Waikato Tainui, Te Hauora o Ngāti Haua, National Kōhanga Reo, Ngā Miro and Kirkwood Family Trust.

The many sponsors of our various events, scholarships and awards.

Cambridge High School, Child Matters, Co-members of the Engineering Secondary Tertiary Partnership Consortium, Community Living Trust, Community Waikato, Competenz, DairyNZ, Primary ITO and Dairy Training Ltd, Department of Corrections, Department of Labour, Education New Zealand, Engineering Education-to-Employment (E2E), Employers and Manufacturers Association, Gallagher Group, Habitat for Humanity, Hamilton City Council, Hamilton City Netball Centre, Hyundai NZ, KaosPilot, K'aute Pasifika, LearningWorks, Midlands Hockey, Milwaulkee, Ministry of Education, Ministry of Foreign Affairs and Trade, Ministry of Social Development, Modern Transport Group, New Zealand Outdoor Instructors Association, New Zealand Trade and Enterprise, Ngā Miro Health, Ngāruawāhia High School, Otorohanga District Development Board, Pasifika community groups, Perpetual Guardian Trust, Perry Outdoor Education Trust , Plumbing World, Smart Environmental, Soda Inc., South Waikato and Thames Coromandel District Councils for their support of our satellite campuses, Sport Waikato, St Paul's Collegiate School, St Peter's School Cambridge, The Ethic Committee, Te Waka, Tertiary Education Commission, Teng Tools, The Instillery, Tihoi Venture School – St Paul's Collegiate and Waikato Chamber of Commerce, Waikato District Council and WECA (Waikato Engineering Careers Association).

Norris Ward McKinnon directors for the donation of $25,000 to the Wintec Foundation, for the benefit of Wintec students.

Our international partners in China including:

Beihua University, Beijing Contemporary Music Academy, Beijing Fengtai Vocational High School, Beijing Polytechnic, Beijing Sports University, Changchun University of Science and Technology, Changsha Social Work College, Changsha

University, Chengdu University, Chengdu University of Information Technology, Guizhou Light Industry Vocational Technical College, Hebei Sports University, Hunan Industry Polytechnic, Institute of Vocational Education of Beijing Academy of Educational Sciences, Jilin Engineering Normal University, Jinhua Polytechnic, Mianyang Polytechnic, Ningbo Polytechnic, Pingdingshan University, Qilu University of Technology, Qingdao Technical College, Qiqihar Medical University, Sanjiang University, Shaanxi Polytechnic Institute, Shandong University of Technology, Shandong Jiaotong University, Shenzhen Bao'an Central Hospital, Shenzhen Continuing Medical Education Centre, Shenzhen Medical School, Shenzhen People's Hospital, Tianjin Academy of Fine Arts, Tianjin Light Industry Vocational Technical College, Tianjin University of Technology and Education, Tianjin Administrative Institute, University of Jinan, Wuhan No.1 Commercial School, Wuxi Institute of Technology, Xi'an Aeronautical Polytechnic Institute

Our Guangdong and Beijing Vocational School Cluster partners: Beijing Information Management School, Donguan Science and Technology School, Guangdong Commercial Vocational School, Guangdong Finance and Economics Vocational School, Guangdong Foreign Trade School, Nanhai Information Technology School, Shenzhen Bolun Vocational and Technical School, Shenzhen No.1 Vocational School of Technology and Shenzhen No.2 Vocational School of Technology.

Our international partners at:

Australia Pacific Technical College, Butter and Olive College of Pastry and Culinary Arts (Malaysia), Changwon National University (South Korea), DUOC UC (Chile), Fiji National University (Fiji), Gachon University (South Korea), Gyeongu University (South Korea), Hanbat National University (South Korea), Inha University (South Korea), K J Somaiya Institute of Management Studies and Research (India), Kyung-Hee University (South Korea), Matsue College of Technology (Japan), Institute of National Colleges of Technology (Japan), Praboromarajchanok Institute (Thailand), Rajamangala University of Technology Krungthep (Thailand), Politeknik Negeri Jakarta (Indonesia) and Badan Pengembangan Sumber Daya Manusia(Indonesia), Semyung University (South Korea), Shimane University (Japan), Teikyo University (Japan), Thakur Institute of Management Studies and Research (India), The University of the South Pacific, Universitas Gadjah Mada (Indonesia) and University Santo Tomás (Chile).

To our international partners that provided student exchange and study abroad opportunities in South Korea, France, Austria, Finland, Canada, Denmark, the Netherlands, Chile, and Poland.

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.*


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