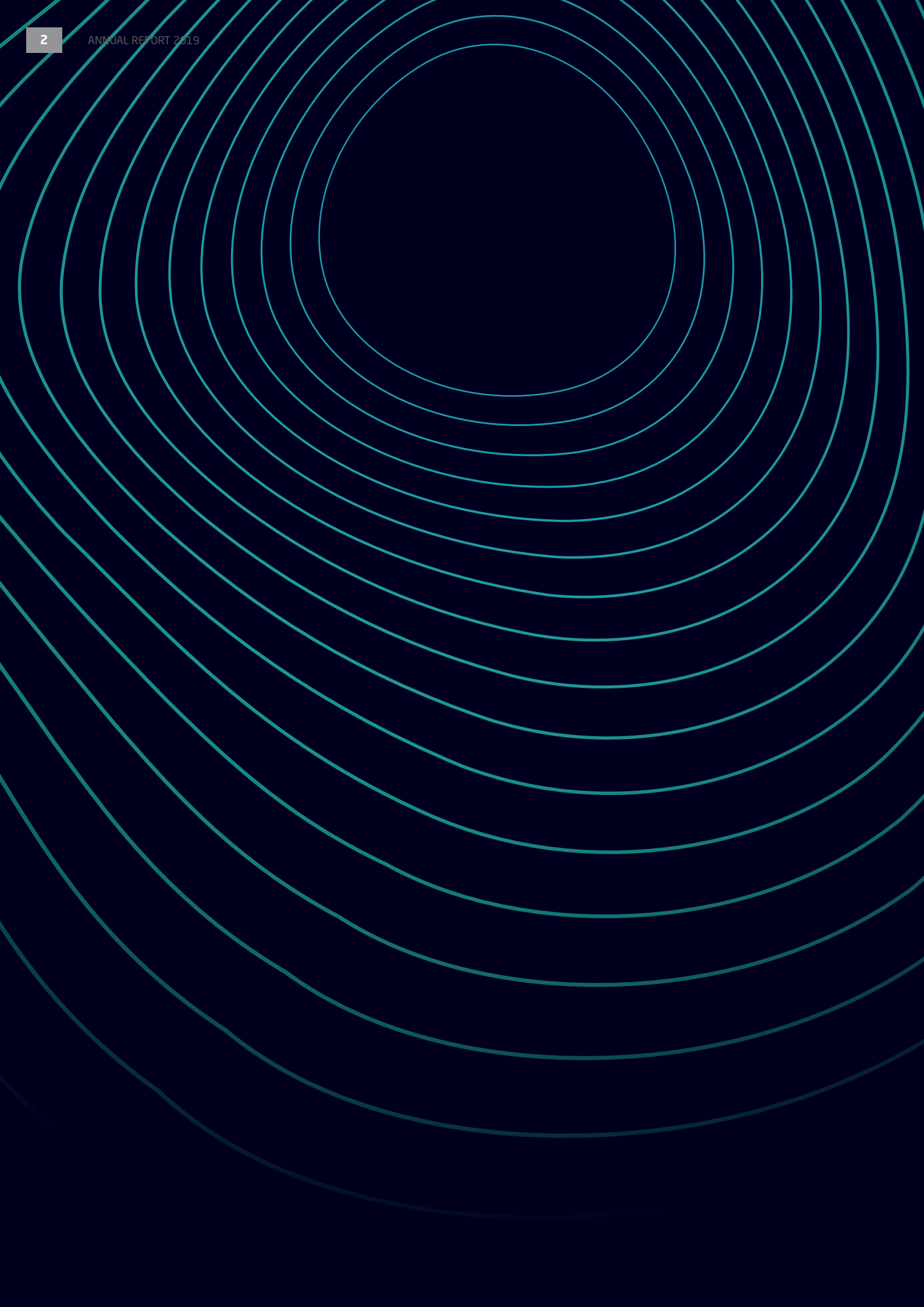




WELTEC ANNUAL | 20
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& WHITIREIA





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VISION WHAKAKITENGA

Learning together. Transforming lives.

Te ako ngātahi. Te whakaahua kētanga o te tangata.

DISTINCTIVENESS AHUREITANGA

We are about the people of this place and we have special relationships with local Iwi: WelTec with Te Ātiawa and Whitireia with Ngāti Toa Rangatira. Together, we are more than the sum of our parts.

Mā tātou, mō tātou Ko WelTec ki Te Ātiawa, ko Whitireia ki Ngāti Toa. E haere kōtūi nei me kura-takahi-puni tātou.

VALUES NGĀ KAUPAPA E WHĀ

A sense of belonging for all learners *Whakapapa*

Connected through partnerships *Whānaungatanga*

Supporting, growing, challenging *Manaaki*

Doing things the right way, according to values *Tikanga*

GOALS NGĀ WHAINGĀ

By 2021, the WelTec and Whitireia whānau will be dynamic, innovative providers of vocational education, fully integrated with the community, supporting learners to engage in their first jobs, to upskill to change roles, and to learn for life.

Whole of person

Partnering through the learning and career journey.

Helping learners to increase their contribution to society.

Whole of learning framework

Providing relevant, high quality programmes and services to meet the needs of industry and the community.

Whole of community

Collaborating with and contributing to Iwi, industry, secondary schools, Pacific and the wider community.

Whole of place

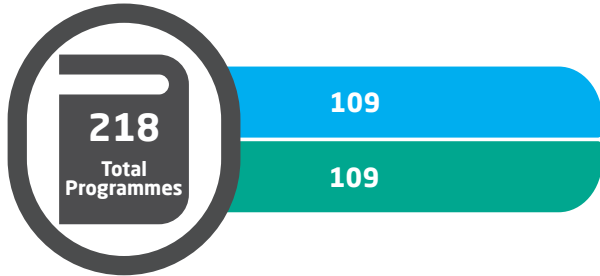
Engaging with people across the country and across the world to ensure our programmes and services are relevant, portable and high-quality.

Whole of system

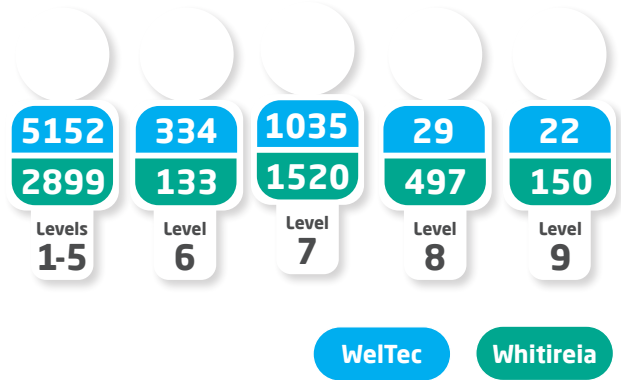
Taking a system-wide perspective to the delivery of coherent, effective and efficient learning services.

KEY STATISTICS

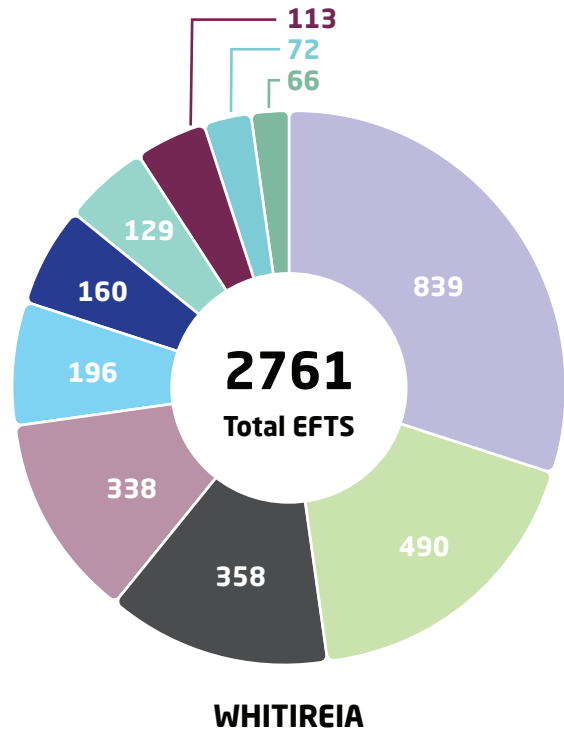
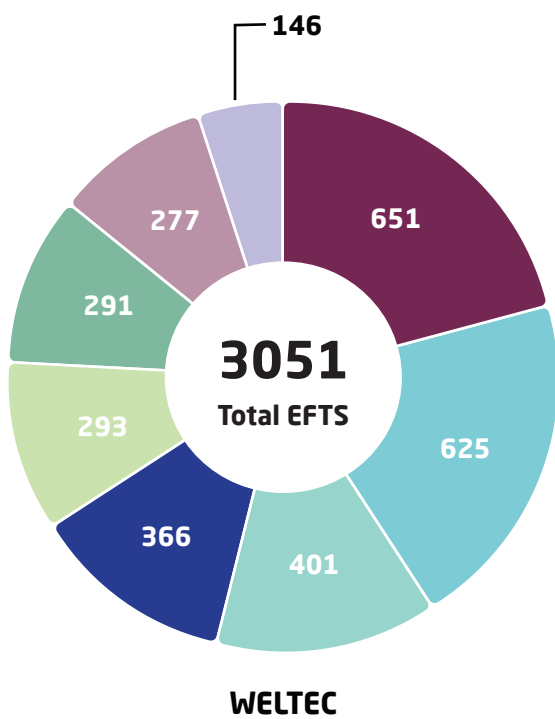
Total number of Programmes*



Students by Qualification Level (students can have multiple contracts for study)



Total EFTS Headcount and EFTS by School

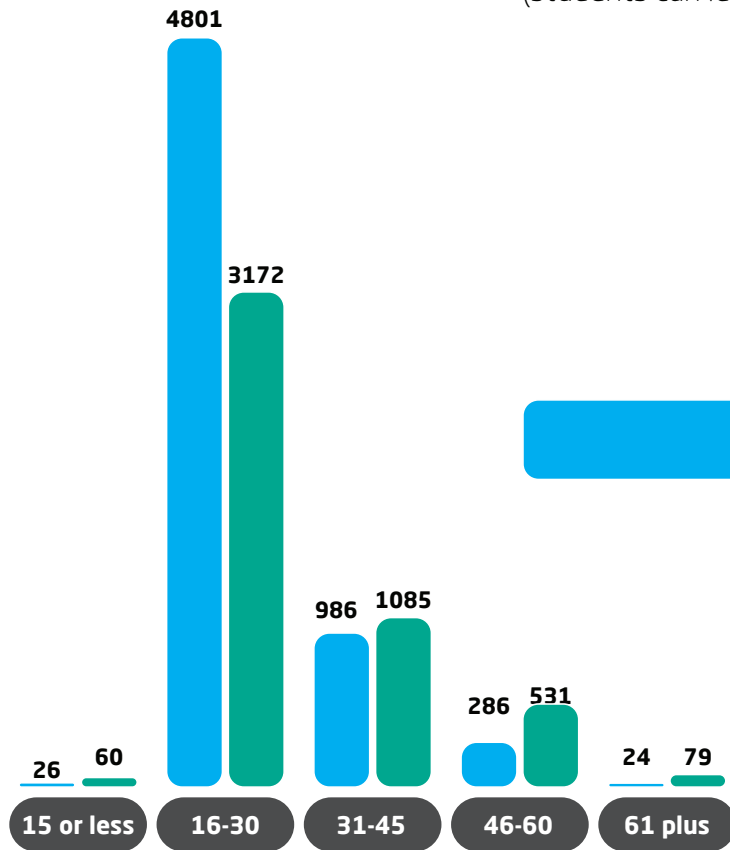


- School of Business
- School of Construction
- School of Creativity
- School of Engineering
- School of Information Technology
- School of Social Services
- Te Wananga Maori
- School of Auckland
- School of Health
- School of Hospitality and Tourism

Percentage of Students by Gender

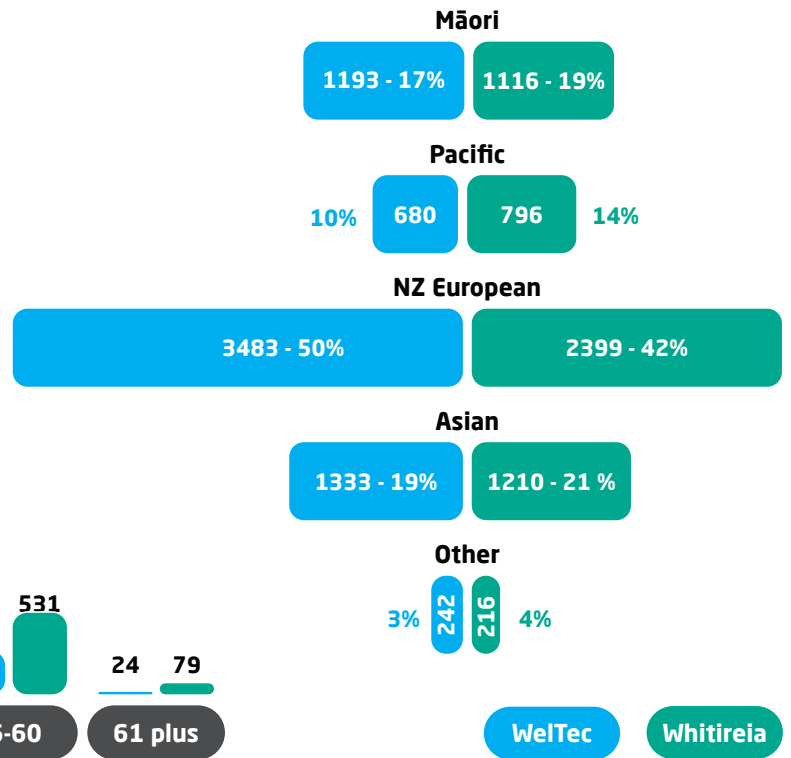


Student Age Profile

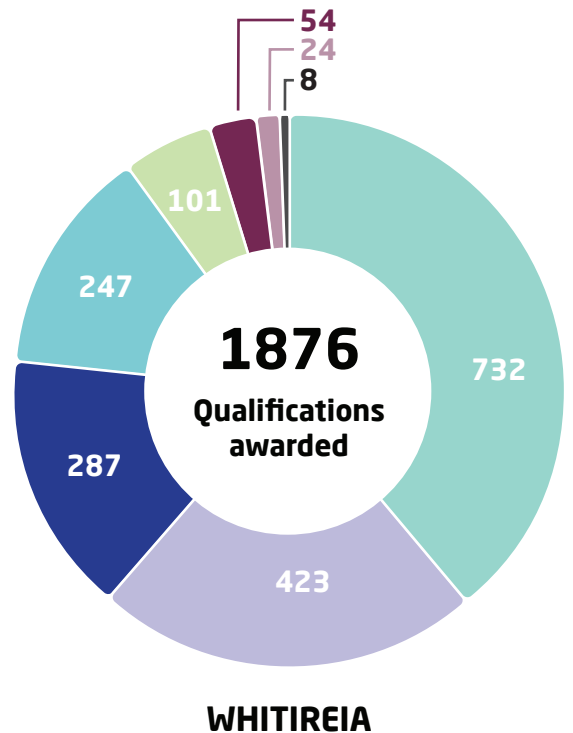
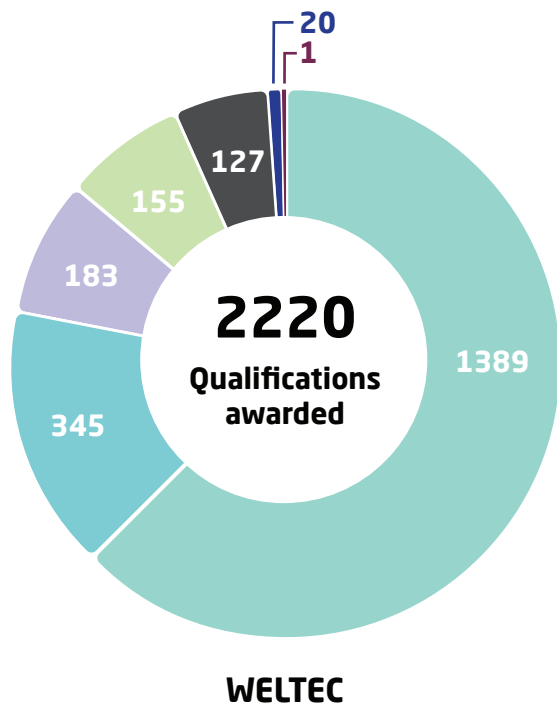


Student Ethnicity

(students can identify as up to three ethnicities)



Number of Qualifications Awarded



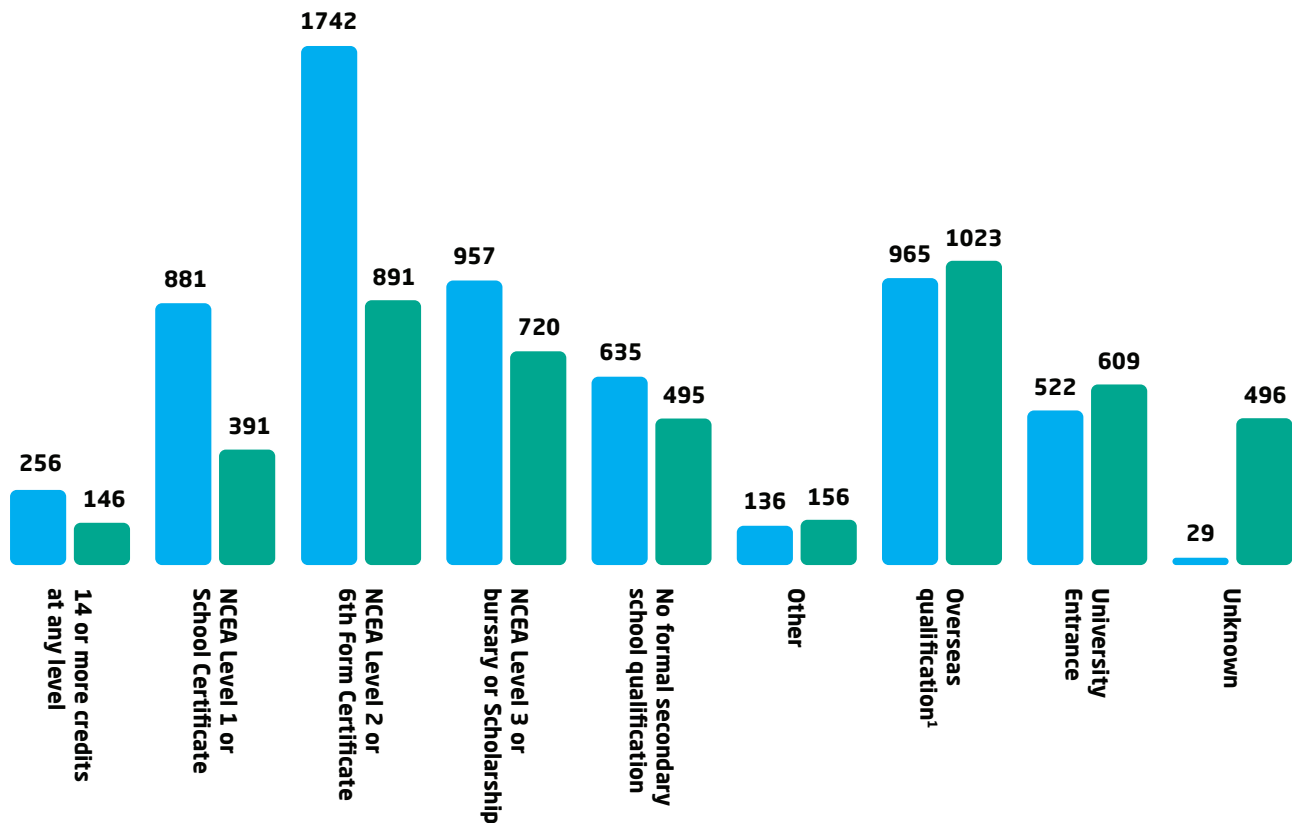
New students from Secondary School

WelTec

Whitireia



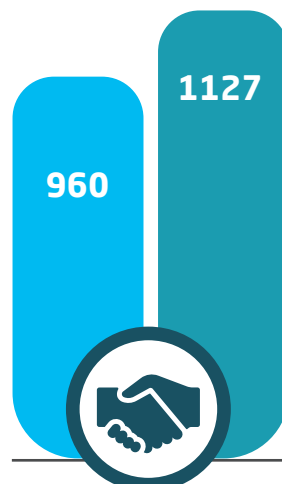
Highest Secondary School Qualification



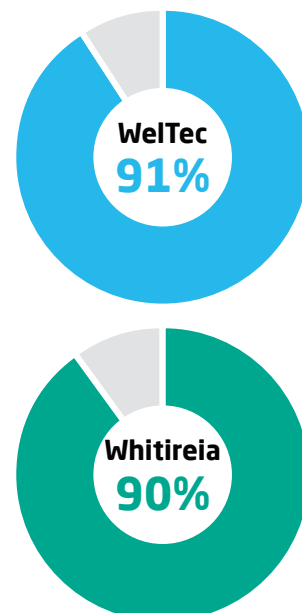
WelTec and Whitireia contribution to Gross Domestic Product (GDP)²



WelTec and Whitireia contribution to the economy: (FTEs³)



Proportion of graduates in employment and/or further study



Wellington region

New Zealand

¹ Includes International Baccalaureate & Cambridge Exams

² Business and Economic Research Ltd

³ Whitireia and WelTec's direct employment is estimated to have generated total employment of 960 positions regionally and 1,127 nationally

Learner Home Location

WelTec

Whitireia

Auckland / Northland

173 550

Central / Upper North Island

487 311

Wairarapa

158 69

Kāpiti / Manawatu

457 479

Upper Hutt

669 159

Lower Hutt

1925 473

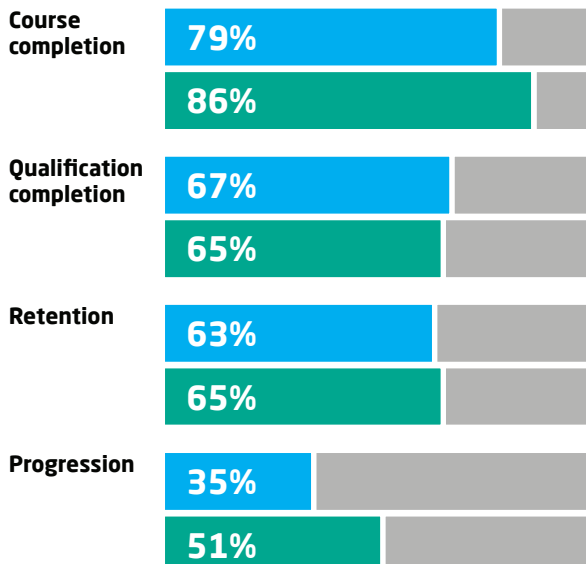
Wellington

2030 2266

South Island

225 248

Student Achievement Component SAC Level 3 and Above Results⁵



EFTS Funding Type

WelTec⁴

Whitireia

Funding Type	WelTec ⁴	Whitireia
SAC Level 3+	1901	1861
International	430	496
ITO off job training	288	0
Youth Guarantee	90	61
STAR funded student	86	13
MPTT Level 3-4	90	57
SAC Level 1-2	78	89
Trades Academy	60	38
Domestic full fee paying students	15	12
ACE	11	91
Other Contracts	0	39
ICT Graduate School	1	3
Total EFTS*	3050	2760
All SAC*	2070	2011

*Difference due to EFTS rounding.



Dr Neil Barns – Commissioner



Chris Gosling – Chief Executive

COMMISSIONER AND CHIEF EXECUTIVE'S FOREWORD

The 2019 Annual Report for Wellington Institute of Technology (WelTec) and Whitireia Community Polytechnic (Whitireia) provides an overview of the year reporting achievement against our educational, financial, and administrative plans. 2019 was another challenging year for our institutions but we celebrated many institutional and learner achievements and ended the year in a better financial position for the start of 2020.

During the year we completed the implementation of our change programme, E Tū Ma Tātou - Our People, Our Challenges, Our Future. The programme was a response to the serious financial issues both institutions faced; and Whitireia more particularly. Part of this programme included major restructuring across both institutions within the academic and corporate areas. Significant cost savings were required to be achieved. Although the changes were difficult, our two institutions are now in a much stronger position to deliver quality vocational education and training.

Combined, WelTec and Whitireia provided education and training to more than 11,087 learners during 2019 (5,815 EFTS), including 1,821 learners studying fees-free. International EFTS at WelTec remained relatively stable with 430 compared to 477 in 2018 however at Whitireia international EFTS reduced by 246, dropping from 742 in 2018 to 496 in 2019.

WelTec and Whitireia are responsible for course delivery, academic quality management, and the coordination of Māori and Pacific Trades Training (MPTT) in the Wellington region. MPTT funding provides scholarships to Māori and Pacific learners to acquire key skills and attributes that allow them to gain employment in the trades and take up an apprenticeship or other higher-level training programmes. In 2019, 186 learners were involved in the MPTT scheme and we provided 45 Tools

Grants which enabled learners to purchase tools once they had a confirmed apprenticeship training agreement. We are proud to be able to support Māori and Pacific learners to develop the practical skills to enable them to effectively contribute to their local communities and businesses.

The Wellington Trades Academy is a partnership between WelTec, Whitireia and local secondary schools to provide year long NCEA level 2 training programmes that prepare learners for employment or further study. We are pleased to report that a total of 265 secondary students enrolled in the Academy and 211 (80%) successfully completed their course in 2019, compared with a total of 257 students enrolled in 2018, with 167 (65%) successfully completing. The Academy allows students to stay enrolled in school and come to us once or twice per week to learn career-based skills in a subject of their choice.

We begin 2020 ready to transform into effective subsidiaries of NZIST on April 1st as part of the Reform of Vocational Education (ROVE) programme announced by the Minister during the year. Further ROVE changes and integration of on-job training responsibilities will be implemented over time. We look forward to working closely with the central agencies, industry training organisations, other institutes of technology and our communities to ensure we achieve ROVE's objectives.

INSTITUTIONAL HIGHLIGHTS

Research Funding

We far outperformed other polytechnics with funding increases allocated by the Tertiary Education Commission for the quality of our applied research and associated industry engagement and student learning. Due to the excellent work of our applied research teaching staff and students, Whitireia received a 120% research funding increase and WelTec a 69% increase. This came to a total of \$597,000 in 2019.

Excellent results in education performance

Both our institutions achieved excellent results in the annual Education Performance Indicators (EPIs) released by the Tertiary Education Commission. Whitireia achieved 66% in retention and 51% in progression, with WelTec achieving 71% in qualification completions. This was a superb result and reflected our commitment to delivering successful outcomes for our learners and for the communities we serve.

New engineering degree apprenticeship

During the year WelTec, in partnership with Otago Polytechnic, developed an innovative new way of delivering a degree qualification for engineers. The Bachelor of Engineering Technology degree apprenticeship enables students to remain employed while working towards their degree (Level 7) qualification. This marks the first time in New Zealand that an engineering degree is offered through an apprenticeship delivery model. We are hopeful that this new way of delivering degree-level education will transform the way in which vocationally oriented degrees are taught.

New Ministry of Health contract

Whitireia was awarded a contract with the Ministry of Health to provide essential vocational training to people currently working within adult forensic mental health services (FMHS). "Forensic practice" refers to supporting and working with patients in the justice system with mental health or addiction issues. Under the contract, Whitireia will offer its one-year Postgraduate Certificate in Specialty Care programme to at least 20 forensic mental health workers from across New Zealand.

Rimutaka Prison partnership

More than 100 men at Rimutaka Prison took part in graduation ceremonies in 2019 to recognise their successful completion of WelTec programmes that qualify them in trade certificates Levels 2 and 3. Since it was launched in 2008, this successful partnership has seen 1,083 men enrol in WelTec's Level 2 Vocational Pathways programmes or trades related Level 3 programmes.

New learn-as-you-earn cookery programme

Wellington's hospitality sector welcomed a new 'learn-while-you-earn' programme for chefs, to be delivered for the first time in 2020. The WelTec Managed Traineeship New Zealand Certificate in Cookery Level 4 was designed for trainee chefs already working in professional kitchens and is on offer from 2020. High-profile restaurants including Charley Noble and Logan Brown and the Wellington Hospitality Group all welcomed the programme.

HIGHLIGHTS OF STUDENT ACHIEVEMENTS

APRA award winner

Angelique Te Rauna, a Whitireia student studying Level 4 Certificate in Music, won a coveted APRA Silver Scroll award for her song Ka Ao. Previous winners include Dave Dobbyn, Bic Runga and Che Fu. We are thrilled for Angelique and want to acknowledge the role our tutors played in supporting Angelique on her music journey.

Student chef among best in the world

WelTec student Dominic Muollo-Gray placed 11th out of 55 competitors at the Young Chef Olympiad 2020 competition held in India in early 2020. WelTec has a long history in competing at regional, national, and international levels and its Professional Cookery programmes are recognised internationally as a benchmark for quality entry level chef training.



Dominic Muollo-Gray

Excellence awards

Four of our international students received awards at the Wellington International Student Excellence Awards in November 2019: Matthew Hitchiner (United Kingdom) – BHS Paramedic for Academic Excellence; Kee-Hew Hong (Korea) – Highly commended for Creativity; Michael Cabatbat (Philippines) – Highly commended for Alumni Achievement; and Romesh Amarasekara (Sri Lanka) – Highly commended for Community Engagement.



Students enter the Takapūwāhia marae for the Bachelor of Nursing Māori pōwhiri.



Pacific Dance students perform at Te Kete Wānanga, Whitireia

The Bachelor of Nursing Māori

The Bachelor of Nursing Māori Programme entered its 10th year of delivery in July 2019 and the decision was made to transition the programme from the School of Health to Te Wānanga Māori according to the original intent. This decision was welcomed by Ngāti Toa Rangatira, other stakeholders, staff, and students. A celebration of this transition was planned for early 2020 but will now be held later in the year due to COVID restrictions.

Māori and Pacific dance programme returns home to Porirua

In 2019 the decision was made to move the Māori and Pacific dance programme at Whitireia back home to Porirua after 10 years in Wellington city. The programme moved in February 2020 and the timing meant students were able to participate in a week of workshops as part of Te Ata, an inaugural festival within the New Zealand Festival of the Arts based exclusively in Porirua. The two-year programme, the New Zealand Diploma in Performing Arts – Māori and Pacific Dance, has a proud history for turning out award-winning students.

Contribution to social housing

The first two new state homes completed as part of a partnership between WelTec and Whitireia and Housing New Zealand were blessed in June. This marked a milestone in the partnership, which aims to build nearly 50 new state homes over the next five years. Most of the new homes are being built by our trade students on our WelTec and Whitireia campuses, while our students “behind the wire” at Rimutaka Prison will build one new house per year.

ACKNOWLEDGMENTS

The contribution we make as institutions depends on the passion, ability, dedication, and hard work of our staff. Despite the many challenges of 2019, our people remained absolutely committed to delivering the best possible teaching, learning and support services for our learners. We acknowledge and thank them for that commitment.

Ngā mihi nui ki a koutou



CHRIS GOSLING
Chief Executive



Dr NEIL BARNS
Commissioner



Engineering students fabricating custom-made cooling boxes as a part of a class project.

ACADEMIC

During 2019, the Teaching Excellence and Flexible Learning team continued to support academic staff capability. The SharePoint Academic Hub provided a wide variety of teacher-support resources, and complementary workshops were offered regularly to staff. A Teacher Capability Framework was developed, outlining indicators for best practice at Academic Staff Member (ASM), Senior Academic Staff Member (SASM) and Principal Academic Staff Member (PASM) levels. This framework will be used for performance goal setting, progression, and promotion in 2020.

In 2019, the Teaching Excellence and Flexible Learning team finished a long-standing Ako Project on Real Good Teacher Guides, involving WelTec, Whitireia, Eastern Institute of Technology, Nelson Marlborough Institute of Technology, Taratahi Agricultural Training Centre, and Universal College of Learning. These guides promoted 21st Century learning and teaching utilising technology and design-rich learning experiences.

The ongoing internal review and development process saw the redevelopment and NZQA approval of several programmes. The Graduate Certificates and Diplomas in Cybersecurity, Information Technology, Applied Business Management and Creativity as well as several Certificates and Diplomas in Cookery, Health and Wellbeing, Youth Work and Tourism & Travel.

RESEARCH AND INNOVATION

Research and Innovation continued to be key activities supporting graduate and postgraduate programmes across WelTec and Whitireia. Both WelTec and Whitireia had a substantial increase in Performance-Based Research Funding (PBRF) rated staff. WelTec increased from 7.91 to 14.57 (FTE) and Whitireia increased from 12.09 to 26.11 (FTE). Aligned to this, there were over 30 research-active staff profiled on the institutions' external internet sites. In 2019, this was evident in the increasing presence of research active staff in internationally recognised journal publications and conferences.

2019 included research activities centred around engineering, with the successful accreditation of the new asset management degree apprenticeship in the Bachelor of Engineering Technology, developed with Otago Polytechnic. \$1.89 million was raised to pilot the new programme and measure its impact on industry. For WelTec James MacKay led this project setting up relationships with other tertiary providers around the world who were also in the process of developing similar degree apprenticeships.

In addition to this project which has led to several conference presentations both in New Zealand and internationally, 2019 saw the publication of a book by Routledge on the results of three year-long Language and Trades Projects.

A highlight of 2019 was the developing connection between research and teaching, demonstrated by staff who had actively engaged in activities that represented research-led teaching and innovation. This enabled the suite of programmes offered to be both responsive to the changing landscape of industry and, in turn, industry valuing WelTec and Whitireia seeing them as leaders and innovators in their respective fields.

Other highlights during 2019 included:

- Najif Ismail, a chartered consulting engineer, publishing five peer reviewed structural engineering articles. Najif is the top-rated researcher at WelTec and Whitireia.
- Dr Keith Macky publishing two book chapters and one journal article on work processes and systems, consumer engagement and digital marketing.
- Dr Marta Vos co-publishing a paper at the Pacific Asian Conference on Information Systems in China on the interface that can occur between information technology artefacts and indigenous (Māori) ways of being.
- Dr Steve McKinlay sitting on the Executive Board, as Executive Director, for the International Association of Computing and Philosophy (IACAP) Board. His work in applied science has also seen him present internationally throughout 2019 as well as holding a Visiting Teaching Fellow position at the University of Applied Science in Bavaria, Germany.
- Dr Andrew Zaliwski receiving the Brown Badge from the Informing Science Institute (USA) for his contribution to research in journals and conferences. In 2019 he became a board member of the Journal of Information Technology Education and published work on 3D authoring for blended learning at the 22nd SIGSAND/PL AIS EuroSymposium.
- Dr Mathew Puravady publishing extensively on cryptocurrency and finance in several international journals and conferences.
- Paul Bryant presenting his work in information security and digital forensics in a showcase of skills and innovation event in Mumbai.
- Adam Ransfield's completing a Masters in Tourism exploring the impact of traditional Māori cultural values on the social, environmental, and economic sustainability of tourism in Aotearoa New Zealand which has been used to inform the ongoing development of programmes in hospitality.
- Jamie Smiler from the School of Creativity and Hospitality authoring the State of Tourism industry report in 2019, surveying 494 industry members.
- Robyn Appleyard completing the final year of a Teaching and Learning Research Initiative Partnership Project between Whitireia and Massey University on the academic development and support offered to students.
- Dany Pike, Senior Makeup Artistry Tutor at Te Auaha, showcasing her work in special effects makeup artistry in Mumbai.
- Sean Thompson receiving the People's Choice Award for his presentation on General Practitioners perspectives on Advanced Care Directives and their accessibility by paramedics when making resuscitation decisions at the Paramedics Australasia International Conference.
- Annie Kane, Carolyn Tait and Kerri Arcus publishing an article in the prestigious journal Nurse Education in Practice on the perception of internationally qualified nurses on the competencies that pertain to patient safety.
- Tane Rangihuna receiving the Sarah Gordon Award for the best presentation by a service user at the Service Users Academia Symposium. Tane is involved in a project led by Wendy Trimmer exploring the Lived Experience in the Classroom with tutors and students at Whitireia and with Kites.
- Dr Elizabeth Asbury contributing to several journal articles and presented conference papers on paramedic education, responding to trauma in the field of paramedicine and emergency response, and primary mental health education for correctional nurses
- Dr Fiona Beals being sponsored by Victoria University of Wellington to co-present the findings of Ngā Moemoea ō Āpōpō (funded by Ngā Pae o te Māramatanga) at the World Congress of Qualitative Inquiry (USA).
- Sunethra Pitawala obtaining her Master's in Engineering from Victoria University on the Mathematical Modelling of Dynamic Weighing Systems; she presented the findings of her topic at the ICMAE'19 conference in Kuala Lumpur.
- Dr Induka Werellagama's work on wastewater treatment and litter quantification attracting substantial grants. He presented at several conferences in 2019, including IAHR World Congress in Panama City and an International Research Symposium in Sri Lanka, where he was the keynote speaker.



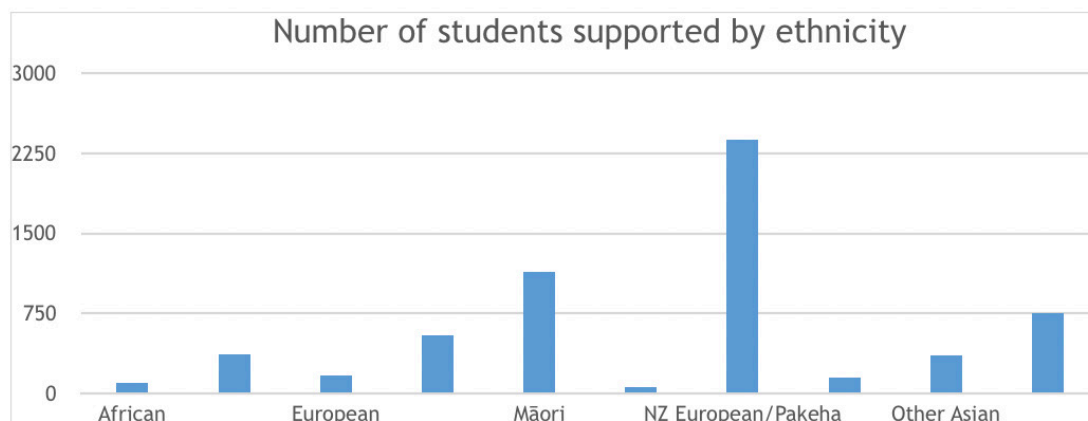
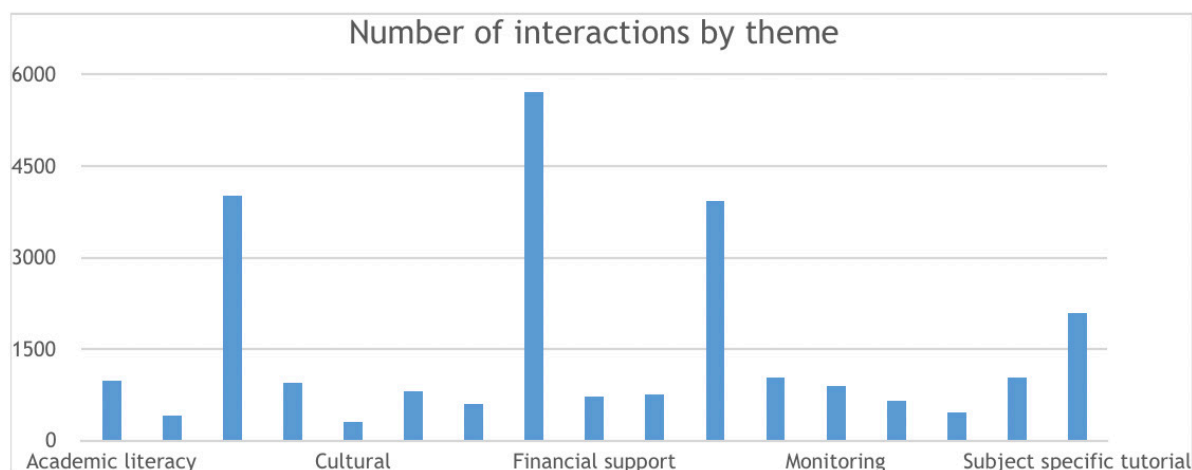
Sean Thompson

EQUAL EDUCATION OPPORTUNITIES

WelTec and Whitireia Learner Support and Services (LSS) staff and Tamaiti Whangai worked collaboratively across all campuses in 2019 to provide an equitable and inclusive support service eliminating potential barriers impacting on students' success. The teams worked towards the common goal of identifying and eliminating a variety of challenges to both academic progress and students' wellbeing. A range of academic services and pastoral support was offered, to enhance students' experiences as they navigated their learning journeys with WelTec and Whitireia.

In 2019, almost 6,000 students were supported across WelTec and Whitireia, totalling approximately 27,500 interactions. This is depicted below, by: campus, interaction, and ethnicity of students:

Campus	No of students supported	No of Interctions
Auckland	113	237
CBD	1,072	4,580
Petone	2,326	10,509
Porirua	2,050	11,520
Distance / off campus	372	904



During 2019, WelTec and Whitireia offered a range of programmes that attracted students from groups in the community striving for equitable access to education. These programmes included the New Zealand Certificate in Skills for Living for Supported Learning, the Learning Shop (NEETS), and ACE funded community programmes. Learners were supported both internally by experienced and dedicated tutors, the LSS team, and externally by agencies such as Work Bridge and WINZ.



Our New Zealand Certificate in Skills for Living (for Supported Learners) (NZCSL) students pose for a photo after outdoor-based learning at Belmont Regional Park

DISABILITY SUPPORT

In 2019, enabling students to overcome barriers to learning was a major focus for our Engagement Advisors (Disability, Mental Wellbeing and Learning Difficulties) and the Learning Advisors (Specific Learning Differences). The team supported over 267 exams for 92 individual students between March and November offering reader/writer assistance. The team liaised with third party stakeholders such as Work Bridge, Capital and Coast District Health Board (CCDHB), Central Regional Health School and parents to ensure that students were fully supported. Assistance was also provided with applications for extra time and assignment extensions.

Two specially trained Learning Advisors conducted 28 dyslexia screening tests (DAST) with students and made recommendations for their future studies. Several Irlen's screening tests were conducted to help determine visual issues that the students were struggling with. This resulted in supporting a small number of students to have access to coloured overlays and obtain glasses especially tailored to support this condition.

Specialist equipment was purchased for the use of all students, including Dictaphones for blind/partially sighted students and C-Pen readers used predominantly to support students struggling with dyslexia, dyspraxia, and dyscalculia.

The mental health of all students was a priority for the whole team. The Engagement Advisors (Disability, Mental Wellbeing and Learning Difficulties) worked together with community mental health services to establish support plans for students, ensuring their on-campus safety and retention. This triangulated approach to supporting both students and staff minimised barriers to success and ensured that teaching staff were better equipped to support students with additional and complex needs. Students were referred to Vitae and Piki, counselling services for additional support.

Library

During 2019, the WelTec and Whitireia libraries provided students and staff with information resources and support needed to succeed in their learning and research activities. Library processes, services and collections were monitored to ensure the diverse needs of all users were met. This included students who studied via distance or off campus.

Library and learning spaces were central to the student and campus experience with WelTec and Whitireia libraries providing access to a broad range of print and digital resources. This supported all teaching programmes across both institutions.



LEAP students and staff at the Whitireia Orientation

LEAP

The Leadership, Employability, Action and Participation (LEAP) programme ran for a third consecutive year in 2019. This programme continued to be an asset to WelTec and Whitireia helping to ensure that students were recognised within the community. A student facing programme, LEAP engaged students from all campuses and subjects of study and encouraged the participation of students from all cultural and ability-level backgrounds. LEAP aimed to equip students with enhanced employability and leadership skills and connect them to their local communities.

2019 saw a group of dedicated students contribute their time to supporting a wide number of external organisations including Kaibosh, the Heart Foundation, Volunteer Hutt, and a host of other non-profits in the Wellington region. The students spent over 500 hours supporting events and charitable causes. Eleven students gained their certificates in 2019 with more planning to carry on and gain their certificates in 2020.

Student Events and Activities

In 2019 a variety of events were held including several Pacific language weeks, Kai n Kōrero, Pacific come to Lunch, Diwali and Sign Language week. The purpose of these events was to promote awareness and support diverse groups. The LSS team prioritised Mental Health Awareness week and developed an activity packed programme which ran across the whole week. This included, mindfulness sessions, breathing workshops and Yoga.

A Wellbeing Kete was developed by a small working group which was handed out to students across all our Wellington campuses. The Kete was comprised of several different cards promoting external support providers including Piki, Vitae, Text 1737, mental health and addictions organisations and cultural support services inclusive of Aunty Dee's. The Kete was well received and has been prioritised as an outreach and support tool for both Trimester 1 and 2 in 2020.



Students interact with Leisha, Learning Advisor – Pacific, at the Rainbow Rendezvous stall at Orientation

Rainbow Support

In 2019 several LSS staff members worked toward establishing a network of community rainbow groups in order to create a directory of organisations which all staff could use for student referrals. Staff also helped to maintain the student-focused Rainbow Rendezvous group Facebook page connecting directly with LGBTQIA+ students studying at WelTec and Whitireia.

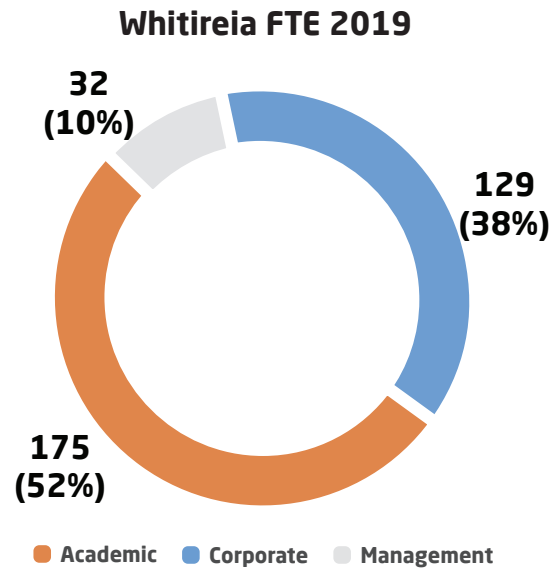
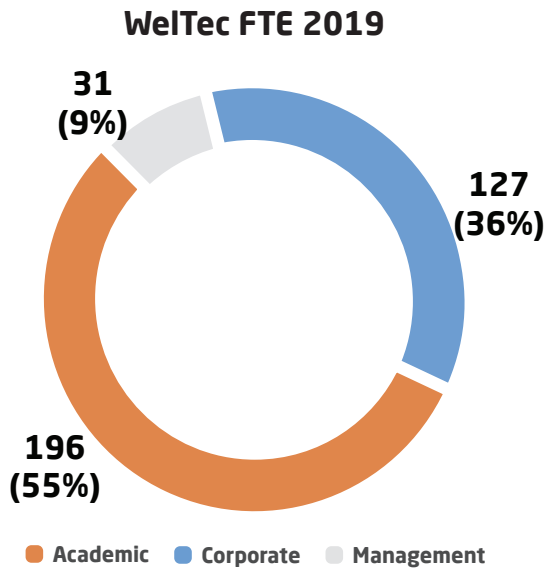
A Rainbow Charter was drawn up by staff and students which outlined expectations regarding supporting Rainbow matters on campus. Several members of the LSS team were Rainbow Champions actively promoting inclusivity and rainbow engagement across all campuses.

WelTec and Whitireia walked in the 2019 Wellington International Pride Parade, highlighting both institutions as rainbow friendly education providers. 2020 will see the creation of a staff and student rainbow forum group ensuring there is a rainbow voice considered throughout WelTec and Whitireia policies and planning.

OUR PEOPLE

FULL TIME EMPLOYEES 2018-2019

Both institutions have seen a decline in full time employees (FTEs) over the 2018-2019 period, due to a heavy focus on cost management across both Institutions.



WelTec had a reduction of 36 FTE from 2018 and Whitireia a reduction of 76 FTE. This equated to an overall total reduction of 112 FTE.

	WelTec	Whitireia
Corporate	12 (9%)	39 (23%)
Academic	19 (9%)	32 (15%)
Management	5 (14%)	5 (14%)
Total	36 (9%)	76 (18%)

HEALTH AND SAFETY

The key focus for the Health, Safety and Sustainability team in 2019 was centred on engaging with and upskilling our people and further developing our emergency management processes.

Monthly campus health and safety inductions were introduced at each campus to help lift the health and safety profile and embed good health and safety practices across our institutions; and it was encouraging to have many of our long-standing staff attend. Health and Safety Resource Hub noticeboards were also installed across all campuses to provide staff and students with key health and safety information.

WelTec and Whitireia also continued to offer free sexually transmitted infections (STIs) checking on campus and promoted messages of safety by making condoms free and available to all students.

Fire evacuation schemes were updated for both the Petone and Porirua campuses, and Emergency procedure flipcharts and evacuation signage were displayed across all campuses. An intern was recruited through the WelTec and Whitireia LEAP programme to work with the Health, Safety and Sustainability team on this project.

Electronic health and safety reporting procedures were further developed to provide our staff with a mechanism to report hazards, near misses and incidents online. The new system enabled staff to report from anywhere, anytime and on any device, including cell phones.

A variety of health and safety training opportunities were offered to our staff, including first aid and fire warden training, hazard and risk management, as well as chemical handling.

SUSTAINABILITY

The Health, Safety and Sustainability team participated in several environmental sustainability initiatives, including the national recycling programme for used writing instruments, where pens, highlighters and felt tips are remoulded to make new products.

The institutions also supported Keep NZ Beautiful week and Plastic Free July. Staff from each campus took part in several beach clean ups across the Wellington region. Te Whare Ako were also accepted into the Enviroschools programme as outlined on page 31 later in the report.

EQUAL EMPLOYMENT OPPORTUNITIES

In 2019, we continued to demonstrate our commitment to being upstanding employers and advocating organisation-wide Equal Employment Opportunity (EEO) practices relating to the recruitment and selection of staff.

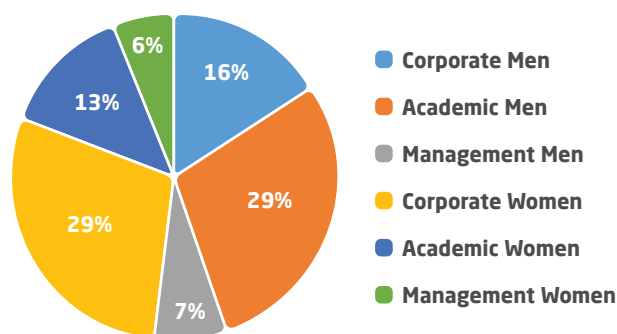
Women represented nearly half of our employees and were well represented at all levels and roles in our institutions. We have seen an increased percentage of women in both Corporate and Management roles at both institutions during 2019.

Ethnicity of 2019 Employees

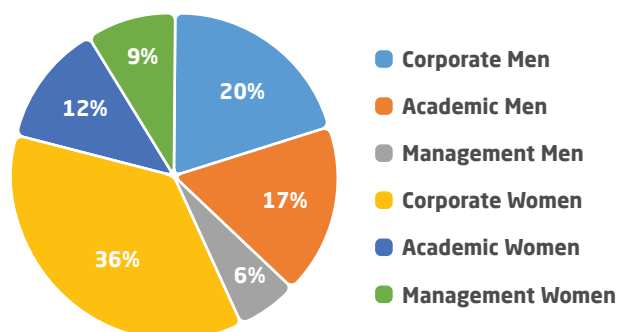
When recruiting people at WelTec and Whitireia ethnicity is self-selected and recorded. Diversity is valued and we benefit from the knowledge and perspectives of a workforce that includes New Zealand European, Māori, Pacific, and Asian origin. We continue to interrogate our recruitment processes to raise the number of Māori and Pacific staff employed at the institutions.

Ethnicity (%)	Corporate	Academic	Management
NZ European	18%	30%	5%
	17%	32%	5%
Maori	4%	5%	0%
	3%	5%	0%
Pacific	2%	1%	0%
	2%	3%	0%
Asian	1%	5%	0%
	1%	4%	0%
Other	1%	1%	0%
	1%	3%	0%
Unknown	9%	17%	1%
	9%	14%	1%

WelTec



Whitireia



Statement of Service Performance

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REPORTING ON OUTCOMES

IMPROVING HUMAN, SOCIAL, NATURAL AND FINANCIAL/PHYSICAL WELLBEING IN OUR COMMUNITIES

WelTec and Whitireia continue to evaluate and report our performance against our Strategic Framework 2017-2021 within the context of the Treasury's Living Standards Framework (LSF⁶). The framework uses a broad set of focus areas, grouped as four interdependent capitals, as indicators of sustainable intergenerational wellbeing for our stakeholders:

Human Capital encompasses people's skills, knowledge, and physical and mental strength. These are the things that enable people to participate fully in work, study, recreation, and in society more broadly.

For WelTec and Whitireia, this means supporting learners to increase their contribution to society by providing high quality, relevant programmes and services that meet the needs of learners, industry, community, and iwi. This also means enabling our learners to embrace upskilling, enhance their physical and mental wellbeing, and develop their skills in ways that are relevant to modern-day society.

Social Capital is comprised of the norms and values that underpin society. It includes things like trust, the rule of law, the Crown-Māori relationship, cultural identity, and the connections between people and communities.

Our learners come to us from diverse community groups, and include school leavers, Māori and Pacific, NEETS, those in the workforce, those looking to upskill, and first-in-family learners. We build social capital by celebrating diversity in our communities, boosting achievement of Māori and Pacific learners, partnering with local iwi, and growing international linkages with other education institutions.

Natural Capital refers to all aspects of the natural environment needed to support life and human activity. It includes land, soil, water, plants and animals, as well as minerals and energy resources.

We contribute to natural capital by working with the community on conservation projects and focusing on strengthening our research capabilities as an organisation to produce environmental research.

Financial/Physical Capital includes houses, roads, buildings, factories, equipment, and vehicles. These make up the country's physical and financial assets which have a direct role in supporting incomes and material living conditions.

For us, this means commercial sector and community partnerships, and ensuring learners meet their full potential through increasing both individual and community productivity.

While WelTec and Whitireia activities and provision are most directly related to human capital, the four capitals are interrelated, which means that contributing to human capital in turn contributes to the growth, distribution and sustainability of social, natural and financial/physical capital. For example, enhancing our learners' research skills can develop their potential to contribute to natural capital development through environmental research projects, and ensuring that learners meet their full potential in terms of contributing to the built environment or business projects can help to improve a region's financial and physical capital.

DEVELOPING HUMAN CAPITAL

Enhancing employment outcomes

In 2019, 4,096 qualifications were awarded to learners who studied with WelTec and Whitireia. Most of these learners are now utilising their knowledge and skills in employment or further study.

The combined results of the 2019 WelTec and Whitireia graduate outcome surveys showed that within 6 months of graduation, 97.6% of responding graduates were in employment⁷, and/or further education or training and/or actively looking for employment. Of those respondents that were in employment, 73% were in fields related to their qualification; 11% were not in qualification-related employment and 16% indicated that they were actively looking for qualification-related work. The results also showed that 37% of respondents were in further study. Of those in employment, 23% indicated they were also enrolled in either part or full-time study, with 11% of those in full-time study. Of the graduates in further study, 67% returned to either WelTec or Whitireia.

We directly placed 327 WelTec students in apprenticeships in 2019, supporting them to learn hands-on skills to become practitioners in their chosen trade. This was an increase of 36 students compared to 2018, when 291 students went into an apprenticeship. The knowledge and training gained during apprenticeships greatly enhanced the employability prospects of our learners. We also provided education and training to 1,146 people who were unemployed or on a benefit (NEETs), enabling them to participate in society and earn a living for themselves.

Survey results also showed that our learners were highly satisfied with the soft skill development they gained throughout their qualification:

6. The LSF is used to measure and report on contribution to intergenerational wellbeing: long-term wellbeing that creates higher living standards for New Zealanders and continues to be strong for future generations. New Zealand Treasury. (2018). The Treasury Approach to the Living Standards Framework. Retrieved from <https://treasury.govt.nz/publications/tp/living-standards-framework-dashboard-update>.

7. Statistics New Zealand. (2019). Employed. Retrieved from <http://datainfolplus.stats.govt.nz/Item/nz.govt.stats/96afe908-8ad8-442d-9650-524ec6cbb4eb>.

<i>At the end of their programmes or the year, the following percentage of learners agreed:</i>	WelTec				
	All	Māori	Pacific	Under25	International
My ability to work independently has improved	95%	94%	97%	97%	99%
My ability to work effectively with others has improved	95%	95%	97%	96%	98%
My communication skills have developed	95%	93%	96%	96%	99%
My numeracy/maths skills have improved	85%	83%	88%	84%	91%
My computing/IT skills have developed	87%	81%	92%	86%	92%
	Whitireia				
	All	Māori	Pacific	Under25	International
My ability to work independently has improved	96%	96%	99%	95%	95%
My ability to work effectively with others has improved	96%	97%	100%	96%	94%
My communication skills have developed	97%	96%	99%	97%	99%
My numeracy/maths skills have improved	84%	83%	93%	80%	92%
My computing/IT skills have developed	90%	93%	97%	88%	91%

Note: The number of respondents at WelTec was 826 and at Whitireia was 843.

Graduates who were in employment indicated high levels of satisfaction with their qualifications and training:

- 84% agreed or agreed strongly that they had acquired the skills and knowledge required for their position
- 85% agreed or agreed strongly that their qualification had prepared them for future work requirements
- 88% agreed or agreed strongly that had an appropriate understanding of health and safety practices
- 86% were deemed work-ready
- 87% agreed or agreed strongly that their qualification prepared them well for further study

Survey results also showed that on the whole, employers were happy with the graduates we developed for them. A significant change in collection methodology for this survey resulted in a significantly lower number of employer responses. However, the methodology used graduate employment survey data to clearly link employers to graduates, and some employers, most notably DHBs, were represented only once even though they employed many graduates. The table below shows that between 2018 and 2019, employers who either agreed or strongly agreed with the below statements for WelTec remained largely similar, while Whitireia results improved:

EMPLOYER SATISFACTION WITH WELTEC AND WHITIREIA GRADUATES

Source: ESS20

Broad Statements

	WelTec		Whitireia	
	2018	2019	2018	2019
The training programme developed my employee's skills and knowledge in relation to their job or position	78%	82%	85%	89%
The student's knowledge, skills and attitudes reflect those I expect from a student with a qualification in this field	84%	83%	90%	91%
The student/s have been prepared for work (i.e. work-ready)	73%	83%	85%	91%
Students have the skills necessary for my future workforce requirements	80%	83%	83%	86%
Overall, I am very satisfied with their knowledge and skills	77%	86%	86%	85%

Note: The number of respondents at WelTec in 2018 was 114 and 42 in 2019. The number of respondents at Whitireia was 67 in 2018 and 22 in 2019.

Successful outcomes for MPTT

MPTT scholarships provided financial and learning support to students of Māori and Pacific descent studying trade programmes in 2019. MPTT was in its sixth year of operation in 2019, and had a successful year engaging with 186 Māori and Pacific learners in pre-trades training (up to NZQA Level 4). Two new programmes were introduced in 2019 in response to demand from iwi and community: The New Zealand Certificate in Construction Trade Skills (Level 3) Painting and Decorating, and the New Zealand Certificate in Construction Trade Skills (Level 3) Tiling.

MPTT continued to attract Māori and Pacific men and women to the trades and is a successful pathway for learners who may not have thrived in other forms of education. Forty-eight women participated in 2019, which is nearly 26% of the total MPTT cohort. This has increased from 33 in 2014 (15%), 47 in 2015 (19%), 47 in 2016 (23%), and 47 in 2017 (26%). It is a decrease from 2018 when 65 women participated (30%), however fewer hairdressing and barbering programmes were offered in 2019.

Just over 16% of this cohort were unemployed or on a benefit before starting their MPTT course. MPTT connected students to iwi and the community, provided culturally responsive education that contributed to social change, and produced work-ready graduates with in-demand skills. An immeasurably valuable benefit for MPTT students is the wrap-around pastoral and cultural support provided by Tamaiti Whangai, Ngāti Toa, Te

Atiawa, and Pacific Church leaders. Culturally responsive support from MPTT staff ensured that any challenges faced by MPTT students in 2019 were able to be addressed.

MPTT scholarships also included a tools grants to help graduates who were successfully placed into an apprenticeship to cover the costs of tools for their trade. Two job brokers worked with MPTT students and their whānau, acting as a link between students and local industries to place students into apprenticeships or employment. MPTT students also completed a Passport to Work, which is a checklist of skills and requirements in demand by employers, including a driver's license, site safety skills, health and safety skills, soft skills such as time management, innovative thinking, CV writing skills, and interview skills.



Angelique Te Rauna

Student Success profile

Angelique Te Rauna, School of Creativity

In 2019, Angelique Te Rauna, a second-year student at Whitireia studying Level 4 Certificate in Music, won a coveted APRA Silver Scroll award for her song Ka Ao. The Silver Scroll Award is New Zealand's most prestigious songwriting award, recognising outstanding achievement in the craft of song writing. Past winners include Dave Dobbyn, Bic Runga, King Kapisi and Che Fu.

Angelique grew up in Wainuiomata and through the local music scene she met Te Auaha graduate Caleb Haapu, guitarist with band Sons of Zion, who encouraged her to audition for a place at Te Auaha. The Level 4 Certificate of Music helped Angelique develop as a musician in a way that she didn't believe she would have done otherwise.

"The course has taught me so much about music. Before I was just singing what, I heard, but now I understand the structure involved in a piece of music and being able to read and write music makes a huge difference," said Angelique.

It was also during a community music gathering in Wainui that Angelique met music producer and another Te Auaha music graduate, Tyna Keelan, and together they wrote and produced the song 'Ka Ao'. The original English lyrics were translated into Te Reo by Angelique's uncle Maturanga Te Rau. Tyna Keelan put 'Ka Ao' forward to be considered for the prestigious Mahia award at the APRA Silver Scroll Awards and Angelique, Tyna and Maturanga won. The Mahia award recognises the art of contemporary Māori songwriting and celebrates artists which use Te Reo to tell their stories.

CONTRIBUTING TO SOCIAL CAPITAL

Social capital is accumulated through activities and interventions that equip people with the ability to play a useful role as citizens, or that help people to live safely and securely. Social capital strongly complements human capital, as the following examples illustrate.

Rimutaka Prison Learners

Our dedicated tutors have been teaching and engaging with over 1,000 learners in Rimutaka Prison since 2008.

Rimutaka learners had a successful and productive year in 2019; in partnership with the Department of Corrections, we supported 125 learners in prison to graduate with a WelTec qualification.

In 2019, a second house was built within Rimutaka Prison (the first house was completed in 2018). A partnership between WelTec and Housing New Zealand was agreed in 2019, which aims to build nearly 50 new social houses over the next five years on our WelTec and Whitireia campuses and includes one house a year being built within Rimutaka Prison.

Painting and decorating, and tiling qualifications (strands of the Level 3 NZ Certificate in Construction Trade Skills) were run for the first time in 2019 in Rimutaka. Seventy learners inside the wire gained the qualification: 49 with a strand in painting and decorating, and 21 with a strand in tiling.

For many of our Rimutaka learners, it was the first time they had experienced any success in education, and often the first time they have engaged in any tertiary level education. Many were from the priority groups identified in the Tertiary Education Strategy: 50% of learners identified as Māori and 15% identified as Pacific. Gaining or improving literacy and numeracy skills was an important outcome for our Rimutaka learners, tutors embed literacy and numeracy skills into the qualifications they deliver. Our education and training have helped to develop our Rimutaka learners as people, improved their soft skills and communication, and gave them the ability to work with people from different cultures and in teams. This will open new doors to employment and allow them to develop valued skills to make a positive contribution to their communities upon release. Having a trade to go into reduces the risk of reoffending and returning to prison. Learners engaged in WelTec trades training at Rimutaka Prison not only gained a qualification directly related to industry needs, but also gained real skills that improve their post-release opportunities.

Supported Living for Supported Learners

In 2019, 24 students graduated from the Skills for Living for Supported Learners programme offered by WelTec at both Petone and Porirua. This programme equipped the students (with a range of disabilities or specific learning needs such as intellectual disability, sensory disability, and mental illness) with key skills to move on to further learning or work. These skills included navigating public transport, living independently, doing outdoor challenges such as abseiling and rafting and challenging themselves by learning strategies and gaining confidence to overcome their fears. This enabled the students to gain confidence to meet their aspirations, support their life goals and participate and contribute as a productive citizen of Aotearoa New Zealand.



Commemoration of Ngāti Toa Te Tiriti o Waitangi signing, on 19 June 2019

CULTURAL CAPITAL BUILDING AND CELEBRATIONS

Cultural capital can be thought of as knowledge that helps us understand and embrace different cultures and contributes to social equality and overall social capital. Throughout the 2019 year, we organised many events that contributed to, and celebrated, cultural capital in our communities. Our iwi relationships and relationships with the Pacific community are central to our cultural capital building; many of our events were focused on enhancing and supporting the cultural capital of Māori and Pacific. Some examples from 2019 include:

Matariki celebrations

We highlighted the importance of Matariki, the Māori New Year throughout June 2019, commencing with Karakia and performances by the students from Te Ara Whanui Kura kaupapa Māori o nga Kohanga Reo o Te Awakairangi. Each week a different activity was undertaken, which ranged from Māori Kai being prepared and offered to staff and students, displays of Korowai, Poi, Raranga and Taiaha. The final week saw a display of Haka and Waiata performed by our Māori Trades Training Carpentry Students.

Te Hui Matariki

Te Hui Matariki – Evaluative Conversations Hui – “Driving Success” was established and held at WelTec Petone for WelTec and Whitireia staff. The aim of the hui in 2019 was to share best practice across programmes and Schools, discover new ways of overcoming teaching challenges, identify reasons for student’s success and explore opportunities for greater collaboration and co-operation with colleagues. The hui is now intended to be an annual event for the purpose of providing a space for reflection on the year that has been and insights for the year that is coming.

Commemoration of Ngāti Toa Te Tiriti o Waitangi signing

On 19 June 2019, we commemorated the Ngāti Toa Te Tiriti o Waitangi signing at dawn on the summit of Whitireia maunga. This was attended by staff and students of Whitireia, the Porirua City Council Mayor, and the Porirua community including secondary schools, the Royal NZ Police College, and other community groups. Dr Te Taku Parai of Ngāti Toa Rangatira

led the group and provided the Karakia, Mihi and korero about Ngāti Toa and their signatories to Te Tiriti o Waitangi. He also described the significance of the site to Ngāti Toa Rangatira.

Celebrating Pacific

The Pacific community artists in residence project at Whitireia was established and included three Tokelau artists: Moses Viliamu, Jack Kirifi and Zac Mateo. All three artists have long associations with the Arts at Whitireia. The residency runs for 18 months and at the end of which the artists will present their portfolio of works at an exhibition. During the first part of the residency in 2019, Moses, Jack and Zac have hosted community workshops for schools, fellow artists and small Pacific groups and supported Pacific language week activities. The artists were selected by Creative New Zealand to be part of the New Zealand delegation to exhibit at the Festival of Pacific Arts & Culture in Hawaii in 2020. The Festival is the world’s largest celebration of indigenous Pacific Islanders drawing together artists, cultural practitioners, and scholars from across the Pacific. In preparation for the Festival the artists did a first run of the visual installation, “Cry of the Stolen People” for Hawaii at the Whitireia Porirua campus in October 2019.

Pacific Island language weeks

WelTec and Whitireia celebrated the languages and cultures of eight Pacific nations in 2019. The celebrations involved a range of activities for students, staff, and members of each cultural community. Tutors incorporated their new language skills in their engagement with students, and students enjoyed the importance placed on their languages and cultures. In 2020 nine Pacific languages will be celebrated.

Pacific professional development for staff

The Pacific Strategy Team hosted Pacific staff forums, cultural awareness workshops and research workshops for WelTec and Whitireia staff and facilitated by Dr Seini Taufa, lead researcher for Moana Research, Dr Aliitasi Sua-Tavila and Jean Mitaera. The workshops were part of the Pacific Strategy’s goal of building Pacific cultural capability and competency for WelTec and Whitireia staff. These were well attended and have generated demand for more workshops to be facilitated in 2020.

SUPPORTING NATURAL CAPITAL

Community sustainability

Recycling initiatives

WelTec and Whitireia participated in a national recycling programme for used writing instruments, where old pens, felt tips and markers can be recycled into new products. Once collected, the writing instruments are cleaned and melted into hard plastic that can be remoulded to make new recycled products. Collections boxes were made available in libraries and learning commons across all campuses. There was good uptake last year by both staff and students.

Plastic free July

The Sustainable Business Network launched Plastic Free July (a global programme aimed at reducing single use plastic waste) by holding an event at our Te Auaha campus. Local businesses shared their solutions and alternatives to using plastic. Speakers from local businesses were invited to present plastic free initiatives. The event was well attended by staff, students, and the Wellington community.

EnviroSchools

Enviroschools Wellington, welcomed Te Whare Ako to the Enviroschools Programme in 2019. Enviroschools is an environmental action-based programme where young people are empowered to design and lead sustainability projects in their schools, neighbourhoods, and country. Centre staff were excited to receive recognition for their commitment to protecting the planet. The team is now planning how they can operate a 'bronze level', which is the first level in the programme.

Engineering student worked with Hutt City Council on water quality project

In November 2019, 51 of WelTec's engineering students exhibited their final year projects in Petone. The symposium was a myriad display of engineering feats put together by Bachelor of Engineering Technology, Graduate Diploma in Engineering and Diploma of Architectural Technology students. One of the students, Amy Sutherland, a mum of three and completing her Bachelor of Engineering Technology, worked with Hutt City Council to assess the effectiveness of their newly installed rain garden.

Hutt City Council built a rain garden to help manage water and contaminant flow from a 1,200 square metre carpark and Amy wanted to find out the effectiveness of this. Rain gardens are supposed to mimic nature's natural hydrological processes to lower heavy water flows and remove pollutants. Amy sampled the water runoff into the rain garden at different times during a rainfall event and found that the rain garden removed over 65% of 'suspended solids' and 51% of zinc and significantly reduced water flows after heavy rain by 85%.

Sylvio Leal, subdivision engineer at Hutt City Council, who worked with Amy on the project, said there was an increasing need to ensure engineers considered, understood, and took appropriate measures to protect our environment through engineered solutions.



Student Amy and tutors Malcom and Induka at the Petone Engineering Showcase (with her project looking at rain-gardens use to reduce peak waterflows during storm events)

CONSERVATION EVENTS IN THE COMMUNITY

Campus and community clean-up for Keep NZ Beautiful Week

As part of the Keep New Zealand Beautiful Week, clean up events were coordinated at each of our campuses. Staff and students actively participated in the programme, collecting bags full of rubbish from the local areas. Staff and students from the WelTec and Whitireia Sustainability Team also took part in several beach clean-up events around the Wellington region. The WelTec and Whitireia NZCSL also held clean up events around the Petone and Porirua campuses and surrounds on a monthly basis.



WelTec NZCSL clean up in the Petone area



Whitireia NZCSL clean-up in the Titahi Bay area

Sustainability perceptions

In response to our intention to enhance environmental sustainability, we maintained the questions about sustainability in our First Impressions (FIS) and Student Experience (SES) surveys. The FIS was conducted shortly after the commencement of each programme's teaching and the SES was conducted in November – December. This separation allowed us to capture changes in students' perceptions of our sustainability performance over the year. Initially students were asked how important environmental sustainability was to them and how important they felt the institution considered environmental sustainability, then later they were asked whether they agreed that we had demonstrated environmental sustainability across the year. There were positive results overall, and the Whitireia campuses did very well in meeting students' sustainability expectations.

First Impressions (Mar - Aug)	WelTec	Whitireia
Environmental sustainability is important to me	99%	98%
I feel the institution cares about environmental sustainability	93%	85%
<i>Perception gap</i>	6%	13%
Student Experience (Nov - Dec)		
We demonstrated we care about environmental sustainability	89%	97%
Final experience gap	10%	1%

Source: 2019 Aggregated Reporting.

DEVELOPING FINANCIAL/ PHYSICAL CAPITAL

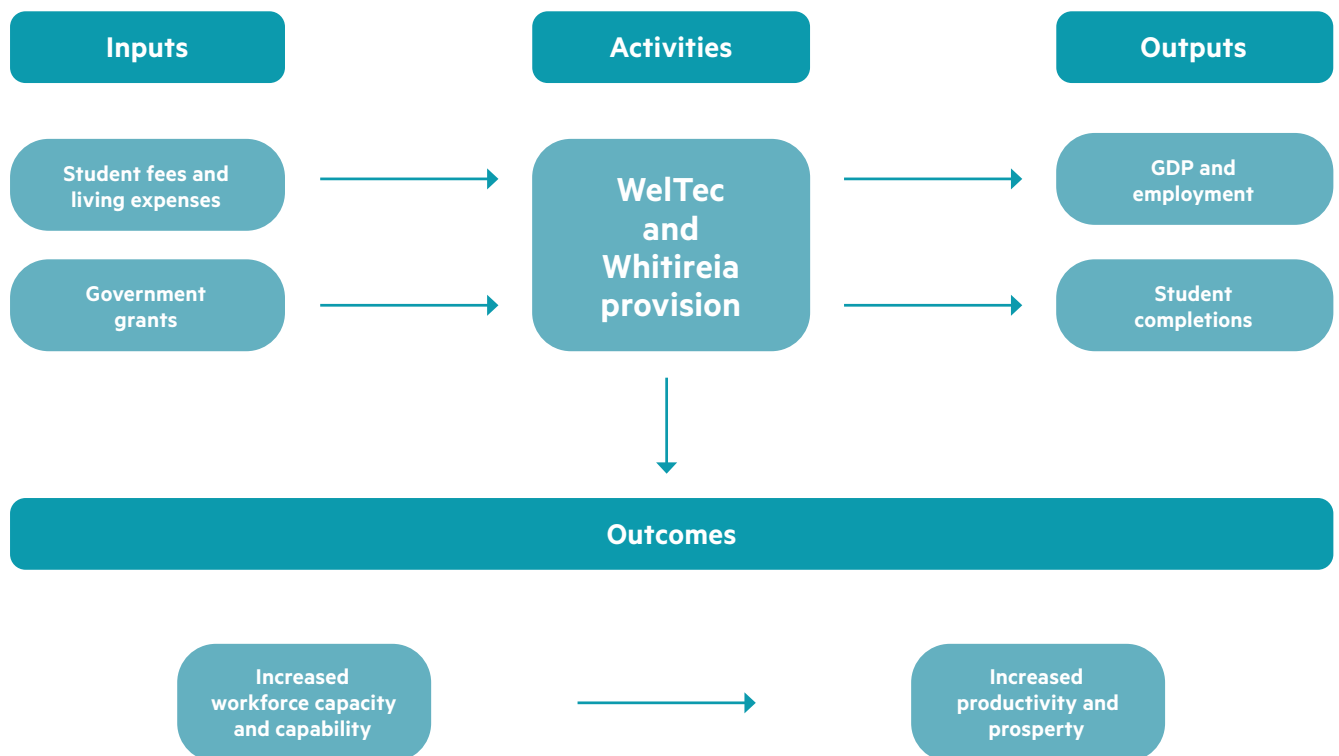
Many WelTec and Whitireia graduates go on to work in local industries and contribute to maintaining and developing the nation's physical assets, such as our graduates who work in construction and engineering industries. Across WelTec and Whitireia, 761 learners completed a qualification in construction or engineering in 2019, who are now able to use their skills to contribute to physical capital building in the community. WelTec and Whitireia also made a significant contribution to the strength and prosperity of our local economies. Our operations generated GDP and employment, but most importantly produced skilled and trained workers who added to the capacity and productivity of local and national workforces. Intangible knowledge-based assets like new technologies and innovative ideas

produced by students/graduates were also significant contributors to financial capital; 281 learners completed one of our IT qualifications in 2019.

We also indirectly contributed to financial and physical capital by providing learners with skills that allow them to earn higher incomes. This will enable them to own financial and physical assets, such as property and vehicles, and use their income to support their families or start/develop their own business, which contributes to physical asset development in local communities like stores and service spaces. The 2019 Graduate Employment Outcomes Survey (GEOS) showed that 2.3% of WelTec respondents were in self-employment or employed as a contractor, along with 8.9% of Whitireia respondents; these are indicators of having started or

developed one's own business. The chart below illustrates how WelTec and Whitireia contribute to economic growth in the Wellington region:

How WelTec and Whitireia contribute to regional economic growth



BERL economic contribution

Business and Economic Research Limited (BERL) estimations for 2019 show WelTec and Whitireia remain important contributors to the economies of Wellington, Auckland and to New Zealand. The following BERL estimates for expenditure, GDP, and employment include estimations of multiplier effects (often known as flow-on effects). Our combined impact on GDP in 2019 was \$127 million in the Wellington region, \$8.2 million in the Auckland region,

and \$144 million nationally. In terms of employment, WelTec and Whitireia were responsible for direct employment of 648 full time equivalent (FTE) jobs in the Wellington region, when allowing for multiplier effects the total was 960 FTEs. At a national level, total employment was 1,127 FTEs including 87 FTEs in the Auckland region. Our expenditure was a significant economic contributor: \$166 million in Wellington, \$10.3 million in Auckland, and \$195 million nationally.

Wellington



Expenditure

**\$166
Million**



GDP

**\$127
Million**



Employment

**960
FTEs**

Auckland



Expenditure

**\$10.3
Million**



GDP

**\$8.2
Million**



Employment

**87
FTEs**

New Zealand



Expenditure

**\$195
Million**



GDP

**\$144
Million**



Employment

**1,127
FTEs**



Whitireia, Porirua campus



WelTec, Petone campus.

BUSINESS PLAN PERFORMANCE

The 2019 WelTec and Whitireia Business Plan is linked to both the Strategic Framework and the 2019 Investment Plan. It also reflects the high-level goals of E Tū Ma Tātou - Our People. Our Challenges. Our Future - an organisational change programme that began in November 2018. This signals a gearing up of the WelTec and Whitireia strategic partnership, with the next evolutionary step in:

- a co-ordinated and strategic approach to academic planning and provision,
- including being better positioned to the Review of Vocational Education 2020;
- a regionally co-ordinated approach to Māori aspirations and success;
- a regionally co-ordinated approach to Pacific participation and achievement;
- a regionally co-ordinated approach to pathways for our ākonga;
- a co-ordinated regional approach to both community and industry need; and shared services and facilities, including alignment of systems and processes that reduce cost, add value, and enable further collaboration.

WHOLE OF ORGANISATION ACTIVITIES

The planned activities contributed to the Strategic Goals

E Tū Ma Tātou:

Renewal and Simplification - Readiness

Whole of Learning Framework:

Providing relevant and high-quality programmes and services to meet the needs of industry and the community

Whole of System:

Taking a system-wide perspective to the delivery of coherent, effective and efficient learning services

Outputs planned for in 2019

WelTec and Whitireia planning revised in light of E Tū Ma Tātou

Year's Progress

A financially viable and sustainable portfolio for 2020 was developed and approved in June 2019. Mixes of provision for 2020 were submitted to TEC in July 2019 and funding for 2020 was confirmed in November 2019.

WelTec and Whitireia organisational arrangements are streamlined.

E Tū Ma Tātou coordinated and drove organisational structural review. This streamlined both institutions; strengthen the financial position; be better able to meet changing student and industry needs; and be ready to respond to RoVE. Te Kāinga, one shared intranet across WelTec and Whitireia, was launched in October 2019. This provided a central place to access internal news, information, and links for both institutions.

Consistent performance management, professional development, recruitment and health and safety systems across WelTec and Whitireia

The Teacher Capabilities Framework was approved and rolled out to schools. The Framework was linked to Performance Planning, Appraisal and Promotion. New projects were developed to upgrade digital skills as part of the teacher induction process and as a refresher for experienced tutors, as well as the use of badge micro credentialing for staff professional development.

Health and Safety guidelines for WelTec and Whitireia were updated to include improved accident and incident reporting and investigation procedures.

Outputs planned for in 2019

WelTec and Whitireia Campus Development Plan is refreshed

Year's Progress

Leased accommodation was exited at Dixon St in Wellington with IT and Business offerings moving to Te Kāhui Auaha.
Work continued on the disposal of surplus leased space in Kāpiti and Auckland.

Learning environments (physical and virtual) are responsive to learner requirements.

Pacific content has been migrated to the new online platform. Updates for Te Wānanga Ako / Learning and Teaching Site have been developed.
The Tamaiti Whāngai SharePoint page has been developed and updated to include videos, interviews, and information in support of Students/Whānau/Iwi.
Kupega Korero Pacific was fully operationalised with new content including tutor resources.

Institutional viability and sustainability

Comprehensive legislative reporting across WelTec and Whitireia and all controlled entities was completed. JLT continued to meet to provide an overview of statutory compliance.

Improvements to the monitoring process and financial controls were implemented in the first quarter of 2019.

A more integrated approach to marketing WelTec and Whitireia programmes, is developed for domestic audiences with an increasing focus on active content development / aggregation across both digital channels and social media platform

Two joint-branded enrolments campaigns were delivered in 2019 to support the trimester one and two intakes.

Both campaigns comprised a mix of traditional outdoor, print and radio executions with additional cinema and on-demand video placements and a significant digital investment.

Investment in digital platforms resulted in the release of a joint-branded site whitireiaweltec.ac.nz and joint-branded Facebook and Instagram social channels.

PRIORITY 1 DELIVERING SKILLS FOR INDUSTRY

The planned activities contributed to the Strategic Goals

Whole of Learning Framework:

Providing relevant and high quality programmes and services to meet the needs of industry and the community

Whole of Person:

Partnering through the learning and career journey. Helping learners to increase their contribution to society

Outputs planned for in 2019

The Strategic Portfolio Framework is used to review School programme portfolios across WelTec and Whitireia over 2019.

Year's Progress

The Pacific Reference Group provided feedback on curriculum development/ changes. All new programmes developed, included appropriate and sufficient consultation with relevant stakeholders and industry. Consultation processes between institutions and Mana Whenua for new programmes were collaboratively developed. Te Atiawa and Ngāti Toa provided feedback on new programmes.

17 new programmes were approved by NZQA in 2019. Five of these were at level 4 or below, four at level 5 or 6, and eight at level 7. The level 7 programmes included the Bachelor of Applied Business and Management, the Graduate Diploma and Certificate in Cyber Security, and the Bachelor of Engineering Technology (Apprenticeship Model).

All annual self-evaluation reports (APERs) were completed. All level 7 and above APER reports were submitted to NZQA by 31 June 2019.

An industry and community engagement plan that is purposeful and effective and results in relevant programmes.

Each School had a process for industry engagement that was inclusive at multiple levels; from new programme development to strategic planning and the changing workforce needs.

The Māori Reference Group to the School of Health and Social Services was established and met in May 2019. Te Atiawa and the Kaiwhakahaere Māori WelTec both participated.

The TupuToa internship programme (private sector – NZ and international placements) near graduating Pacific students was introduced and three Whitireia and WelTec students were selected to participate. A fourth student successfully gained a TupuTai internship (public sector) with the Ministry of Social Development.

Good teaching and learning practice improves outcomes for learners.

The Learning and Teaching Hub on Office 365 SharePoint was launched in February 2019. This site was designed as a 'one-stop-shop' for all resources teaching and learning, to support teaching and learning practice. This includes tutors tool kits, resources around teaching practice, best practice advice on assessment and moderation as well as professional development and training and events.

The Teacher Development Framework was redeveloped as a tool to add in capability development and promotions and progression.

The Kaiwhakahaere Māori and Dean Te Wānanga Māori have agreed a model for reviewing activity to improve success outcomes for Māori learners. Workshops improving staff capability have been facilitated with topics including Moodle, Mahara, Turnitin and engaging learners.

Videos have been created about Lesson Planning and Using Technology for Learning, developed as part of the "for Real Good Teacher guides" project.

Outputs planned for in 2019

Student, Graduate and Employer Satisfaction Surveys provide valid and reliable data that supports evaluation and improvement.

Year's Progress

Improvements in Surveys were primarily centred on implementing the process improvements developed during 2018.

Student satisfaction feedback was gathered through two surveys, the SES Student Experience, and PES Programme Experience surveys. The combined results showed a significant difference in experience based largely on the type and level of the programmes covered by the two surveys.

WelTec and Whitireia Graduate Satisfaction

Overall, I am satisfied with this institution	All learner responses			PES: mostly L1-4/5 'trades' programmes			SES: mostly L5+ 'degrees' and related programmes		
	%	n	rate%	%	n	rate%	%	n	rate%
WelTec	88%	826	28%	93%	494	34%	80%	332	23%
Whitireia	92%	843	31%	95%	304	36%	91%	539	30%

Note: n = Number of Respondent

The 2019 GEOS reported graduate's engagement in employment or further education at rates similar to previous years - indicating the institutions were preparing graduates for existing employment opportunities with the skillsets and attitudes employers are seeking. Specific satisfaction responses in relation to graduate employment outcomes were as indicated in the table below.

Whitireia and WelTec Graduate Employment Outcomes 2016-2019 by percent

Graduates indicating engagement in employment or further education	2019	2018	2017	2016
WelTec	91%	89%	91%	77%
Whitireia	90%	90%	90%	82%

Graduates' perceptions of how well their qualifications prepared them for their next destination

Destination	Indicator	WelTec				Whitireia			
		2019	2018	2017	2016	2019	2018	2017	2016
In Employment	I was adequately prepared for employment (I am work-ready).	85%	80%	72%	79%	88%	80%	76%	81%
	I have the skills and knowledge I require for my job or position.	82%	79%	78%	92%	86%	80%	84%	90%
Further Study	Subject-specific practical skills and theory matched the requirements of my further study		77%	77%	NA		90%	78%	NA
	Overall, my qualification prepared me well for new studies		93%	70%	NA		90%	76%	NA
	The subject-specific theory and practical skills I learnt in the qualification prepared me well for my further studies.	85%				88%			

Note: The margin of error for the 2019 GEOS was $\pm 5.3\%$.

Overall response rates are lower compared to some other institutions, but the trend is slowly improving response rates as the systems and processes become more familiar to staff and reliable in the flow of delivery.

PRIORITY 2 GETTING AT-RISK YOUNG PEOPLE INTO A CAREER

The planned activities contributed to the Strategic Goals

Whole of Person:

Partnering through the learning and career journey. Helping learners to increase their contribution to society

Whole of Community:

Collaborating with and contributing to Iwi, industry, secondary schools, Pacific and the wider community

Outputs planned for in 2019

Extension of the secondary/tertiary interface to further support young people at risk into tertiary education.

Year's Progress

Demand for secondary/tertiary interface provision, from secondary schools increased in 2019 seeing a total of 260 students studying with the Wellington Trades Academy at either WelTec or Whitireia. This was an increase on 2018 when 257 places were filled and on par with 2017 at 260 places.

Due to the consistently high demand, an additional 120 places were requested for 2020, making a total of 370 places. This additional funding was confirmed in November 2019.

The planned 2019 portfolio is delivered; learners are supported to achieve within Schools.

WelTec and Whitireia continued to provide Youth Guarantee and Level 1 and 2 programmes during 2019. Foundation programmes were realigned into schools according to the foundation subject to allow for embedding the student within their chosen field of study. Pastoral care was undertaken primarily by assigned tutors for foundation level, and Student Support Services assisted when required. We also offered dedicated Youth Guarantee, Māori, and Pacific pastoral support for students.

The Revive tool within Aplus+ allowed for early identification of students who presented with a variety of learning barriers, and this tool allowed tutors to access extra support for these students. There were a range of referrals to community organisations for further support for students, and we had Piki and Vitae on site for supporting students. The Learner Support Team also ran campus wide activities and promotional events, coordinated sporting and cultural events bringing life and vitality to campus life.

The joint careers model developed during 2018, was implemented in 2019 with one Careers Advisor working across both WelTec and Whitireia.

PRIORITY 3 BOOSTING ACHIEVEMENT FOR MĀORI AND PACIFIC

The planned activities contributed to the Strategic Goals

Whole of Person:

Partnering through the learning and career journey. Helping learners to increase their contribution to society

Whole of Community:

Collaborating with and contributing to Iwi, industry, secondary schools, Pacific and the wider community

Outputs planned for in 2019

Progress is made in closing the parity gaps between Māori and other learners

Year's Progress

The Kaiwhakahaere Māori WelTec and Dean Te Wānanga Māori Whitireia were appointed to the Joint Leadership Team.

The 2019 EPIs are reported later in the Annual Report. Highlights include:

- The actual numbers of Māori learners and the participation rate at level 4 and above either remained the same or increased at WelTec between 2018 and 2019, while the number of learners and the participation rate decreased at Whitireia. At WelTec, the number of Māori learners remained the same at 417 and the participation rate increased from 17% to 19%. At Whitireia, during the same time period, the number of Māori learners at this level decreased from 511 to 467 learners and the participation rate decreased from 23% to 22%.
- SAC level 1 to 10 course completion rates for WelTec Māori learners increased from 70% in 2018 to 72% in 2019. For non-Māori and non-Pacific learners, the course completion rate went from 84% in 2018 to 82% in 2019. The gap between these two measures at WelTec decreased from 14 percentage points in 2018 to 10 percentage points in 2019.
- SAC level 1 to 10 course completion rates for Whitireia Māori learners increased from 72% in 2018 to 78% in 2019. For non-Māori and non-Pacific learners, the course completion rate went from 88% in 2018 to 89% in 2019. The gap between these two measures at Whitireia decreased from 16 percentage points in 2018 to 11 percentage points in 2019.

SAC Māori learners by number at level 4 and above: WelTec and Whitireia 2017-2019*

	2017		2018		2019	
	Total Students	Māori Students	Total Students	Māori Students	Total Students	Māori Students
WelTec	2304	439	2249	417	2078	417
Whitireia	2368	497	2231	511	2138	467

*Internal data as at 05 March 2020

SAC Māori participation rate at level 4 and above: WelTec and Whitireia 2017-2019*

	2017			2018			2019		
	Total EFTS	Māori EFTS	Rate	Total EFTS	Māori EFTS	Rate	Total EFTS	Māori EFTS	Rate
WelTec	1558	285	18%	1561	272	17%	1380	268	19%
Whitireia	1658	364	22%	1672	392	23%	1661	368	22%

* This uses internal data as at 05 March 2020 and highlights participation of Māori learners within Level 4 and above. This data reflects a different measure to the performance commitments targets for participation. The internal data measures participation as a percentage of Level 4 and above learners, while TEC EPIs measure participation as a percentage of all SAC, Levels 1 to 10.

Outputs planned for in 2019

Professional development to ensure staff have the knowledge and skills to engage effectively with Māori learners and communities

Year's Progress

A framework for improving the ability of Heads of School to drive increased staff competence when working with Māori has been developed and includes four overarching goals for influencing and improving successful outcomes for Māori learners.

Cultural Capability indicators when working with Maori were reviewed for the Teacher Capabilities Framework.

CE and staff attendance at Oritetanga – Tertiary Success for Everyone Conference in Auckland.

Academic Supervision Workshop Whitireia/WelTec -presentation "The role of Te Tiriti o Waitangi in Research".

Progress is made in closing the parity gaps between Pacific learners and other learners.

The Pacific Strategy Team was established and includes: Pacific engagement advisors, community liaison and academic advisor roles. The 2019 EPLs are reported later in the Annual Report. Highlights include:

- The actual numbers of Pacific learners at SAC level 4 and above decreased at both WelTec and Whitireia between 2018 and 2019. At WelTec, the number of Pacific learners decreased from 300 to 287 and at Whitireia the number of Pacific learners decreased from 426 to 413. During the same period, the participation rate for Pacific learners at WelTec for SAC level 4 and above increased from 12% in 2018 to 13% in 2019. At Whitireia the participation rate for Pacific learners at SAC Level 4 and above remained the same at 19%.
- SAC level 1 to 10 course completion rates for WelTec Pacific learners increased from 74% in 2018 to 75% in 2019. For non-Māori and non-Pacific learners, the course completion rate went from 84% in 2018 to 81% in 2019. The gap between these two measures at WelTec decreased from 10 percentage points in 2018 to 6 percentage points in 2019.
- SAC level 1 to 10 course completion rates for Whitireia Pacific learners remained at 78% for both 2018 and 2019. For non-Māori and non-Pacific learners, the course completion rate went from 88% in 2018 to 89% in 2019. The gap between these two measures at Whitireia increased from 10 percentage points in 2018 to 11 percentage points in 2019.

SAC Pacific learners by number at level 4 and above: WelTec and Whitireia 2017-2019*

	2017		2018		2019	
	Total Students	Pacific Students	Total Students	Pacific Students	Total Students	Pacific Students
WelTec	2304	305	2249	300	2078	287
Whitireia	2368	426	2231	426	2138	413

SAC Pacific participation rate at level 4 and above: WelTec and Whitireia 2017-2019*

	2017			2018			2019		
	Total EFTS	Pacific EFTS	Rate	Total EFTS	Pacific EFTS	Rate	Total EFTS	Pacific EFTS	Rate
WelTec	1558	183	12%	1561	186	12%	1380	175	13%
Whitireia	1658	330	20%	1672	317	19%	1661	308	19%

* This uses internal data as at 05 March 2020 and highlights participation of Pacific learners within Level 4 and above. This data reflects a different measure to the performance commitments targets for participation. The internal data measures participation as a percentage of Level 4 and above learners, while TEC EPLs measure participation as a percentage of all SAC, Levels 1 to 10.

Outputs planned for in 2019

Professional development to ensure staff have the knowledge and skills to engage effectively with Pacific learners and communities

Year's Progress

Two Pacific Cultural Awareness and Pacific Research workshops were developed in 2019 and will be offered in 2020.

Professional development was introduced by the Pacific Strategy team to include pastoral care, advocacy, and professional boundaries. This will be delivered in Trimester 1 2020.

PRIORITY 4 IMPROVING ADULT LITERACY AND NUMERACY

The planned activities contributed to the Strategic Goals

Whole of Person:

Partnering through the learning and career journey. Helping learners to increase their contribution to society

Outputs planned for in 2019

Professional development to ensure staff have the knowledge and skills to build literacy and numeracy skills in learners.

Year's Progress

A set of newly edited literacy and numeracy guides were developed for the tutors at levels one, two and three. The Literacy and Numeracy advisor worked in collaboration with the Teaching Excellence and Flexible Learning team to develop and furnish a Moodle site launched in February 2019. This site contained ready to use literacy and numeracy resources and templates for tutors. Tutors now have ready access to literacy and numeracy ideas to deliver within their lessons. Tutors have also been supported to develop customised, contextualised literacy and numeracy resources.

Progress diagnostic assessments were undertaken at the end of 2019. The Literacy and Numeracy Advisor provided support and guidance for tutors with students working at levels one and two. 18 out of 24 tutors teaching at Level 1 and 2 are either qualified or in the process of gaining a literacy and numeracy qualification.

PRIORITY 5 STRENGTHENING RESEARCH-BASED INSTITUTIONS

The planned activities contributed to the Strategic Goals

Whole of Learning Framework:

Providing relevant and high-quality programmes and services to meet the needs of industry and the community

Whole of Community:

Collaborating with and contributing to iwi, industry, secondary schools, Pacific and the wider community

Outputs planned for in 2019

Build capability through recruitment, ongoing support, targeting research and collaborative opportunities with iwi/Māori, business and industry, and fostering and promoting excellence in research and innovation.

Year's Progress

A Research Forum was held in place of the Annual Research Symposium in November 2019.

WelTec and Whitireia received a substantial increase in PBRF in 2019 in recognition of increased research activity. WelTec increased from 7.91 to 14.57 (FTE); Whitireia from 12.09 to 26.11 (FTE).

The Kaiwhakahaere Māori and Dean Te Wānanga Māori met with the Director Academic and Manager Research to discuss the development of a Māori Research Strategy. Māori staff members joined a Peer Review Panel to ensure that applications based on Kaupapa Māori were understood and considered appropriately.

The following inter/trans-disciplinary research and/or industry-connected research projects were continued on in 2019 from 2018:

- School of Creativity delivered the Tourism Industry Aotearoa annual State of the Industry report.
- School of Engineering led the TEC funded Degree Apprenticeship E2e project, with Otago Polytechnic and Massey University (NZQA approved the Degree for 2020 delivery).
- School of Social Services collaborated with Victoria University on Ako Aotearoa National project 'From Good to Great: The 10 Habits of Phenomenal Educators for Pacific Learners'.
- School of Engineering was involved in several partnership projects with Wellington City Council and Hutt City Council on Waterway Litter Quantitation and Inflow Capacity of Cycle Friendly Sump Grates.
- School of Business and IT and School of Health and Social Services worked on an App for the Paramedic industry.

Other activities in 2019 included:

- Work began on a Pacific Research Action Plan.
- Support commenced for Māori researchers to attend a research hui in Auckland.
- Dean Te Wananga Māori contributed to an iwi speaker series for the Ministry of Education on whakapapa, education and the impacts on Māori whanau.
- Over 30 research active staff had their research profiles on the institution's external internet sites.

PRIORITY 6 GROWING INTERNATIONAL LINKAGES

The planned activities contributed to the Strategic Goals

Whole of Place:

Engaging with people across the country and across the world to ensure our programmes and services are relevant, portable and high-quality

Outputs planned for in 2019

A more integrated approach to marketing WelTec and Whitireia and subsidiary programmes to key international markets.

Year's Progress

There was significant progress in streamlining the marketing of WelTec and Whitireia programmes to international markets. We created a central international marketing team with a single strategic plan across both institutions. We developed a new single international website dedicated for Whitireia and WelTec's international students.

INVESTMENT PLAN PERFORMANCE COMMITMENTS

In 2019, a single Investment Plan was in place across WelTec and Whitireia. Separate performance indicators were agreed with the Tertiary Education Commission, for the performance of WelTec and Whitireia and these were individually assessed and reported on.

An in-depth analysis of results and development of actions to improve outcomes takes place as part of the annual self-evaluation and reporting cycle that is completed post-publication of the Annual Report.

WelTec non-Māori and non-Pacific Educational Performance

Objectives		Measures			
		2017 Actual	2018 Actual	2019 Planned	2019 Actual
SAC					
non-Māori and non-Pacific⁸					
First Year Retention⁹	Level 4 to 7 (non-degree)	53%	68%	52%	64%
	Level 7 degree	76%	67%	75%	75%
Expected Graduates¹⁰	The number of graduates at Level 1 to 3	448	443	435	395
Course Completion¹¹	Level 1 to 10	85%	84%	84%	82%
Progression¹²	Level 1 to 3, to a higher level	42%	36%	40%	36%
Participation¹³	Level 1-3	56%	57%	56%	56%
	Level 4 to 7 (non-degree)	69%	72%	70%	68%
	Level 7 degree	76%	75%	76%	76%
	Level 8 to 10	65%	74%	70%	73%

All non-Māori and non-Pacific SAC learners have achieved or exceeded targets in first year retention and the figures continue to be consistent over the last three years. Low graduate numbers reflect low enrolments compared to previous years. The course completion rate missed the target by 2 percentage points due to low completion rates at level 1 to 3. The average participation rate across all levels is on par with the TEC agreed targets.

8. Percentage of non-Priority Group EFTS as a percent of the total EFTS of the designated group

9. This indicator shows the proportion of learners that complete a qualification or re-enrol at the same tertiary provider in the following year.

10. This indicator shows the number of learners in SAC Group funding who graduated in a reporting year. This indicator is new for 2019 and replaces the qualification completion rate indicator used in prior years.

11. This indicator shows the proportion of courses enrolled in that are successfully completed

12. This indicator shows the proportion of learners who progress to study at a higher level after completing a qualification at levels 1 to 3.

13. Participation is calculated based on the proportion of these EFTS to all SAC EFTS at each institution.

WelTec Māori Educational Performance

Objectives		Measures			
		2017 Actual	2018 Actual	2019 Planned	2019 Actual
SAC					
Māori¹⁴					
First year retention	Level 4 to 7 (non-degree)	40%	33%	39%	40%
	Level 7 degree	74%	73%	70%	52%
Expected Graduates	The number of graduates at Level 1 to 3	205	191	190	193
Course Completion	Level 1 to 10	73%	70%	73%	72%
Progression	Level 1 to 3, to a higher level	35%	30%	36%	30%
Participation	Level 1 to 3	31%	29%	30%	32%
	Level 4 to 7 (non-degree)	21%	19%	20%	21%
	Level 7 degree	15%	15%	15%	15%
	Level 8 to 10	11%	15%	15%	19%

There is a drop in first year retention at level 7 compared to past years. This is mainly due to a decrease in the number of Māori learners in the cohort and a decrease in the retention rate in some programmes. For example, the Bachelor of Youth Development dropped by 10 students and went from 70% to 33% in 2018 and 2019 respectively, while the Bachelor of Applied Management went from 10 students to 2 students and from 60% to 0% in 2018 and 2019 respectively.

Graduate numbers and course completions have increased compared to 2018. Māori learner participation continues to be consistent over the last three years.

WelTec Pacific Educational Performance

Objectives		Measures			
		2017 Actual	2018 Actual	2019 Planned	2019 Actual
SAC					
Pacific¹⁵					
First year retention	Level 4 to 7 (non-degree)	43%	52%	40%	50%
	Level 7 degree	42%	72%	55%	58%
Expected Graduates	The number of graduates at Level 1 to 3	104	122	100	110
Course Completion	Level 1 to 10	69%	74%	69%	75%
Progression	Level 1 to 3, to a higher level	42%	41%	36%	36%
Participation	Level 1 to 3	17%	18%	17%	17%
	Level 4 to 7 (non-degree)	12%	12%	11%	13%
	Level 7 degree	11%	12%	10%	12%
	Level 8 to 10	24%	13%	15%	8%

Pacific learners achieved or exceeded their educational performance targets in all but one case. Participation for level 8 to 10 has been falling over the last three years. The marked drop in 2019, is due to there being no Pacific students enrolled in any level 8 programmes in 2019.

Course completion improved against both 2018 actual and 2019 target. Progression is on par with the expected target.

14. Percentage of Priority Group EFTS as a percent of the total EFTS of the designated group.

15. Percentage of Priority Group EFTS as a percent of the total EFTS of the designated group.


WellTec Youth Guarantee Educational Performance

Objectives		Measures			
		2017 Actual	2018 Actual	2019 Planned	2019 Actual
Youth Guarantee					
Expected Graduates	The number of non-Māori and non-Pacific graduates at Level 1 to 3	81	65	80	68
	The number of Māori graduates at Level 1 to 3	40	21	40	16
	The number of Pacific graduates at Level 1 to 3	10	12	23	9
Course Completion					
	Level 1 to 3	69%	62%	69%	69%
Progression					
Progression	The rate for non-Māori and non-Pacific students at Level 1 to 3	49%	61%	50%	56%
	The rate for Māori students at Level 1 to 3	50%	57%	50%	52%
	The rate for Pacific students at Level 1 to 3	68%	82%	68%	64%

Youth Guarantee performance reflected the challenges of the learner cohort. The needs of these learners were complex and varied, with learners entering these programmes with little or no previous academic achievement at school. Course completions for levels 1 to 3 has however increased significantly compared to 2018 but is on par with 2017 and 2019 targets.

Progression to a higher level has been impacted by the strong labour market, many learners chose to go directly into employment over enrolling in higher-level qualifications leading to better employment opportunities.

WelTec International EFTS

Objectives	Measures			
	2017 Actual	2018 Actual	2019 Planned	2019 Actual
The number of International EFTS	631	477	505	429

2019 International enrolments did not achieve target and were down on 2018 actuals by 48 EFTS. Enrolments were impacted by continuing pressures in the international market.

WelTec Research

Objectives	Measures			
	2017 Actual	2018 Actual	2019 Planned	2019 Actual
The amount of External Research Income earned	\$77,761	\$306,479	\$180,000	\$244,339
The number of Research Degrees completed	2	8	2	7

The amount of ERI earned was higher than expected. This was however consistent with 2018 funding and included the BEng Tech apprenticeship development funding from TEC.

WelTec EFTS achievement

Objectives	Measures			
	2017 Actual	2018 Actual	2019 Planned	2019 Actual
SAC Level 1 to 2	86.83	87.86	81.30	78.05
SAC Level 3 and above including MPTT	2168.40	2178.30	2324.27	1990.91
Youth Guarantee	124.34	100.69	113.50	89.78
ICT Graduate School	1.88	1.63	5.00	1.47
Secondary School based delivery	184.47	156.50	167.57	146.60
Industry Training Organisation (ITO)	511.27	388.53	398.00	288.19
Adult and Community Education (ACE)	16.07	14.63	16.07	11.42
Full Fee and Contracts	21.39	21.89	19.04	14.68
International	630.95	477.09	505.00	429.84
Total WelTec Delivery	3745.61	3427.12	3529.75	3050.94

The reduction in learner numbers illustrates the strong New Zealand, and most particularly the Wellington, labour market where employment is now more often preferred over study. The secondary schools' incentive to achieve government targets of learners achieving NCEA level 2 has led to lower numbers eligible for WelTec's level 1 to 2 provision.

ITO delivery has decreased since 2017 and has not achieved planned delivery due to a reduction in demand for automotive engineering and Motor Industry-based provision.

Overall actual EFTS did not achieve planned delivery in 2019.

* Actuals rounded to two decimal points¹⁶. Excludes Le Cordon Bleu New Zealand Institute Limited Partnership.

16. The totals in the EFTS achievement tables for WelTec contain rounding errors (up to 0.01 EFTS) for some years only.

Whitireia non-maori and non-Pacific 2018 Educational Performance

Objectives		Measures			
		2017 Actual	2018 Actual	2019 Planned	2019 Actual
SAC					
Non-Māori and non-Pacific¹⁷					
First year retention¹⁸	Level 4 to 7 (non-degree)	55%	67%	65%	79%
	Level 7 degree	73%	75%	72%	68%
Expected Graduates¹⁹	The number of graduates at Level 1 to 3	357	247	229	167
Course Completion²⁰	Level 1 to 10	89%	88%	87%	89%
Progression²¹	Level 1 to 3, to a higher level	27%	43%	28%	50%
Participation²²	Level 1 to 3	53%	44%	47%	38%
	Level 4 to 7 (non-degree)	57%	58%	56%	57%
	Level 7 degree	63%	62%	62%	64%
	Level 8 to 10	67%	66%	65%	64%

The increase in first year retention for level 4 to 7 is due to more learners being retained in the cohort (23 out of 29 students were retained).

Course completion continues to be consistent over the last three years. Progression to a higher level is consistent with 2018. A gradual decline in non-Māori and non-Pacific participation level 1 to 3 is apparent over the last three years, as Māori and Pacific participation has increased.

Whitireia Māori Educational Performance

Objectives		Measures			
		2017 Actual	2018 Actual	2019 Planned	2019 Actual
SAC					
Māori²³					
First year retention	Level 4 to 7 (non-degree)	36%	75%	50%	50%
	Level 7 degree	63%	69%	72%	59%
Expected Graduates	The number of graduates at Level 1 to 3	130	124	134	137
Course Completion	Level 1 to 10	80%	72%	81%	78%
Progression	Level 1 to 3, to a higher level	28%	47%	28%	42%
Participation	Level 1 to 3	28%	32%	30%	40%
	Level 4 to 7 (non-degree)	28%	28%	26%	28%
	Level 7 degree	20%	22%	20%	21%
	Level 8 to 10	15%	17%	15%	13%

17. Percentage of non-Priority Group EFTS as a percent of the total EFTS of the designated group.

18. This indicator shows the proportion of learners that complete a qualification or re-enrol at the same tertiary provider in the following year.

19. This indicator shows the number of learners in SAC Group funding who graduated in a reporting year. This indicator is new for 2019 and replaces the qualification completion rate indicator used in prior years.

20. This indicator shows the proportion of courses enrolled in that are successfully completed.


Whitireia Pacific Educational Performance

Objectives		Measures			
		2017 Actual	2018 Actual	2019 Planned	2019 Actual
SAC					
Pacific²⁴					
First year retention	Level 4 to 7 (non-degree)	30%	50%	46%	-
	Level 7 degree	74%	75%	74%	63%
Expected Graduates	The number of graduates at Level 1 to 3	116	125	112	101
Course Completion	Level 1 to 10	82%	78%	80%	78%
Progression	Level 1 to 3, to a higher level	27%	62%	28%	53%
Participation	Level 1 to 3	23%	28%	23%	31%
	Level 4 to 7 (non-degree)	18%	17%	18%	17%
	Level 7 degree	20%	20%	19%	18%
	Level 8 to 10	18%	19%	20%	23%

First year retention for level 4 to 7 (non-degree) has no result for Pacific learners as there were no Pacific learners in the cohort. In 2018, there were two learners in the cohort, and one was retained resulting in 50% retention rate. The decrease in First year retention for level 7 degree is caused by lower enrolments than in previous years.

Course completion results did not meet the targets but were consistent with 2018 results. The average participation of Pacific learners was on par with the targets and 2018 outcomes.

21. This indicator shows the proportion of learners who progress to study at a higher level after completing a qualification at levels 1 to 3.

22. Participation is calculated based on the proportion of these EFTS to all SAC EFTS at each institution.

23. Percentage of Priority Group EFTS as a percent of the total EFTS of the designated group.

24. Percentage of Priority Group EFTS as a percent of the total EFTS of the designated group.

Whitireia Youth Guarantee Educational Performance

Objectives		Measures			
		2017 Actual	2018 Actual	2019 Planned	2019 Actual
Youth Guarantee					
Expected Graduates	The number of non-Māori and non-Pacific graduates at Level 1 to 3	31	34	60	30
	The number of Māori graduates at Level 1 to 3	22	16	32	8
	The number of Pacific graduates at Level 1 to 3	24	20	21	13
Course Completion	Level 1 to 3	72%	72%	71%	64%
Progression	The rate for non-Māori and non-Pacific students at Level 1 to 3	31%	33%	30%	23%
	The rate for Māori students at Level 1 to 3	44%	13%	30%	31%
	The rate for Pacific students at Level 1 to 3	12%	33%	30%	21%

Youth Guarantee performance reflected the challenges of the learner cohort. The needs of these learners were complex and varied, with learners entering these programmes with little or no previous academic achievement at school. Academics, with the assistance of Learner Support are reviewing the 2019 Youth Guarantee Course Completion result to identify any common themes and implement changes to improve performance in 2020. Progression to a higher level has been impacted by the strong labour market, many learners chose to go directly into employment over enrolling in higher-level qualifications leading to better employment opportunities

Whitireia International EFTS

Objectives	Measures			
	2017 Actual	2018 Actual	2019 Planned	2019 Actual
The number of International EFTS	1058	742	532	496

International EFTS numbers have continued to decrease year on year, in part as a result of the challenges in the international education market. No EFTS were delivered in Tonga in 2019.

Whitireia Research

Objectives	Measures			
	2017 Actual	2018 Actual	2019 Planned	2019 Actual
The amount of External Research income earned	\$17,730	\$18,533	\$25,000	\$9,950
The number of Research Degrees completed	11	17	15	17

The total value of external research earned in 2019 was below target and significantly less than previous years, but the number of research degrees completed was consistent with 2018.

Applications for grants funding were sought and the applications that were successful, were those of lower monetary value.

Whitireia EFTS Achievement

Objectives	Measures			
	2017 Actual	2018 Actual	2019 Planned	2019 Actual
SAC Level 1 to 2	125.83	72.23	107.00	88.82
SAC Level 3 and above including MPTT	1965.24	2024.58	2048.33	1918.61
Youth Guarantee	113.23	95.73	102.00	61.37
ICT Graduate School	3.37	0.63	5.00	3.19
Secondary School based delivery	55.23	58.05	57.13	50.80
Adult and Community Education	73.50	84.88	85.00	91.13
Full Fee and Contracts	45.02	41.75	7.00	51.03
International	1058.20	742.16	532.00	496.43
Total Whitireia EFTS	3439.63	3120.00	2943.46	2761.38

* Actuals rounded to two decimal points²⁵

The reduction in learner numbers illustrates the strong New Zealand, and most particularly the Wellington, labour market where employment is now more often preferred over study. The secondary schools' incentive to achieve government targets of learners achieving NCEA level 2 has led to lower numbers eligible for Whitireia level 1 to 2 and Youth Guarantee provision. SAC level 3 and above EFTS also declined in 2019 with most of the decline being experienced at level three and four

provision in Hospitality, Tourism, and Social Services.

ACE provision in Te Reo was strong and exceeded previous years' delivery.

Whitireia international EFTS numbers continued to decline. International actual delivery was well below planned delivery.

Overall actual EFTS did not achieve planned delivery.

25. The totals in the academic achievement tables for both WelTec and Whitireia contain rounding errors (up to 0.02 EFTS) for some years only.

Financial Statements

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WELTEC

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

For the year ended 31 December 2019

	Note	Group			Parent	
		2019 Actual \$000	2019 Budget \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
Revenue						
Revenue from non-exchange transactions						
Government funding	2	22,283	24,901	24,694	22,283	24,694
Tuition funding	3	9,033	11,732	9,668	9,031	9,639
Revenue from exchange transactions						
Tuition funding	4	8,047	7,215	8,051	8,047	8,038
Other teaching	5	2,997	2,250	3,554	3,020	3,521
Other income	6	5,477	7,271	5,876	2,515	2,481
Interest income		20	134	22	20	21
Total operating income		47,857	53,503	51,865	44,916	48,394
Expenses						
Personnel costs	7	28,261	30,597	30,503	28,251	30,109
Teaching delivery		4,212	4,420	3,769	4,172	3,700
Administration expenses	8	4,642	5,365	6,126	4,638	6,111
Infrastructure costs	9	10,222	10,795	10,327	7,262	7,176
Depreciation and amortisation	10	4,682	4,406	4,776	4,681	4,773
Loss on disposal of fixed assets		-	-	171	-	171
Total expenses		52,019	55,583	55,672	49,004	52,040
Surplus/(deficit) before non-operating items		(4,162)	(2,080)	(3,807)	(4,088)	(3,646)
Non operating items (expense)/income	11	(2,120)	(2,000)	(2,861)	(2,118)	(2,407)
Share of jointly controlled entities (loss)/profit	14	-	-	(200)	-	-
Surplus/(deficit)		(6,282)	(4,080)	(6,868)	(6,206)	(6,053)
Other comprehensive revenue and expenditure						
Movement in property revaluation reserve	23	-	-	2,662	-	2,663
Total comprehensive revenue and expenses		(6,282)	(4,080)	(4,206)	(6,206)	(3,390)

Explanations of major variances against budget are provided in note 24. Budget figures are unaudited.

The accompanying notes form part of these financial statements.

WELTEC

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

	Note	Group			Parent	
		2019 Actual \$000	2019 Budget \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
Balance at 1 January	23	79,515	79,516	83,321	81,065	84,457
Comprehensive revenue and expenses						
Surplus/(deficit)		(6,282)	(4,080)	(6,868)	(6,206)	(6,054)
Other comprehensive revenue and expenses	23	-	-	2,662	-	2,662
Total comprehensive revenue and expenses		(6,282)	(4,080)	(4,206)	(6,206)	(3,392)
Balance at 31 December	23	73,233	75,436	79,515	74,859	81,065

Explanations of major variances against budget are provided in note 24. Budget figures are unaudited.

The accompanying notes form part of these financial statements.

WELTEC

STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Note	Group			Parent	
		2019 Actual \$000	2019 Budget \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
ASSETS						
Current assets						
Cash and cash equivalents		5,029	1,840	1,715	4,450	384
Debtors and other receivables	12	7,283	5,422	10,198	6,939	10,174
Inventory		433	284	534	433	534
Assets Held for Sale	15	1,319	-	2,760	1,319	2,760
Total current assets		14,064	7,546	15,207	13,141	13,852
Non current assets						
Investment in associate and jointly controlled entities	14	-	-	-	-	-
Property, plant and equipment	16	69,186	71,343	72,600	69,188	72,601
Intangible assets	17	8,295	8,398	9,190	8,296	9,190
Total non current assets		77,481	79,741	81,790	77,484	81,791
Total assets		91,545	87,287	96,997	90,625	95,643

Explanations of major variances against budget are provided in note 24. Budget figures are unaudited.

The accompanying notes form part of these financial statements.

WELTEC

STATEMENT OF FINANCIAL POSITION

Continued

	Note	Group			Parent	
		2019 Actual \$000	2019 Budget \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
LIABILITIES						
Current liabilities						
Bank overdraft	18	25	-	482	25	482
Creditors and other payables	19	6,143	2,793	4,863	5,889	4,337
Employee entitlements	20	2,255	1,789	2,282	2,242	2,274
Revenue in advance	21	7,238	3,989	7,213	6,841	6,673
Provisions		430	-	737	-	307
Total current liabilities		16,091	8,571	15,577	14,997	14,073
Non current liabilities						
Employee entitlements	20	271	225	225	271	225
Other non-current liabilities	22	1,950	3,055	1,680	498	280
Total non current liabilities		2,221	3,280	1,905	769	505
Total liabilities		18,312	11,851	17,482	15,766	14,578
Net assets		73,233	75,436	79,515	74,859	81,065
EQUITY						
General funds	23	36,152	38,355	42,434	37,778	43,984
Property revaluation reserve	23	37,081	37,081	37,081	37,081	37,081
Total equity		73,233	75,436	79,515	74,859	81,065

Explanations of major variances against budget are provided in note 24. Budget figures are unaudited.

The accompanying notes form part of these financial statements.

WELTEC

STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

	Group			Parent	
	2019 Actual \$000	2019 Budget \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
Cash flows from operating activities					
Receipts from customers	51,330	55,806	50,549	48,856	47,302
Interest received	20	-	22	20	21
Payments to suppliers and employees	(49,378)	(53,181)	(51,798)	(46,158)	(48,856)
GST (net)	54	(100)	267	60	265
Net cash provided by operating activities	2,026	2,525	(960)	2,778	(1,268)
Cash flows from investing activities					
Receipts from sale of property, plant and equipment	1,620	3,600	1,500	1,620	1,500
Purchase of property, plant and equipment	(313)	(2,500)	(425)	(313)	(425)
Purchase of intangible assets	(19)	(500)	(325)	(19)	(325)
Proceeds from disposal of CPP	-	-	1,000	-	1,000
Capital injection CPP	-	-	(858)	-	(858)
Net cash provided by investing activities	1,288	600	892	1,288	892
Cash flows from financing activities					
Borrowings	-	(3,000)	482	-	482
Net cash provided by in financing activities	-	(3,000)	482	-	482
Net increase cash and cash equivalents	3,314	125	414	4,066	106
Cash and cash equivalents at the beginning of the financial year	1,715	1,715	1,301	384	278
Cash and cash equivalents at the end of the financial year	5,029	1,840	1,715	4,450	384

The accompanying notes form part of these financial statements. Budget figures are unaudited.

WELTEC

STATEMENT OF CASH FLOWS

Continued

	Group		Parent	
	2019 Actual \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
Reconciliation of profit for the period to net cash flows from operating activities				
Surplus/(deficit)	(6,282)	(6,869)	(6,206)	(6,054)
Add/(less) non-cash items:				
Depreciation and amortisation of non current assets	4,682	4,776	4,681	4,773
Loss/(gain) on disposal of non current assets	-	4	-	4
Loss/(gain) on disposal of assets held for sale	(179)	969	(179)	969
Doubtful debt provision increase/(decrease)	(62)	131	(62)	131
Other non cash expenses	(1,391)	71	8	71
Rent Straight Line Adjustment	1,666	484	214	231
Share of associate (profit)/loss	-	200	-	-
Add/(less) movements in working capital items:				
Decrease/(increase) in receivables and prepayments	2,977	(2,229)	3,297	(2,231)
Decrease/(increase) in inventories	101	(441)	101	(441)
(Decrease)/increase in payables	1,280	641	1,552	513
(Decrease)/increase in bank overdraft	(457)	-	(457)	-
(Decrease)/increase in employee entitlements	(27)	364	(32)	365
(Decrease)/increase in income in advance	25	204	168	95
(Decrease)/increase in provisions	(307)	737	(307)	307
Net cash from operating activities	2,026	(958)	2,778	(1,267)

The accompanying notes form part of these financial statements. Budget figures are unaudited.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

Wellington Institute of Technology (WelTec) is a Tertiary Education Institution (TEI) governed by the Crown Entities Act 2004 and the Education Act 1989. It provides full-time and part-time tertiary education in New Zealand.

The structure of WelTec and the Group is described in the table below. All jointly controlled entities are equity accounted into the Group financial statements. All subsidiaries, associates, and jointly controlled entities are incorporated and domiciled in New Zealand.

Entity	Owning Entity	Ownership Interest	Effective Ownership	Method of Accounting	Status on 31 December 2019
Wellington Institute of Technology	N/A	N/A	N/A (Parent)	N/A	Active
WelTec Enterprises Limited	Wellington Institute of Technology	100% Ownership	Subsidiary	Full Consolidation	Active
W ² Shared Services Limited	Wellington Institute of Technology	50% Interest	Joint venture	Equity Accounting	Dormant
WelTec Student Accommodation Limited	Wellington Institute of Technology	100% Ownership	Subsidiary	Full Consolidation	Active
LCB Management Limited	WelTec Enterprises Limited	50% Interest	Joint venture	Equity Accounting	Active

W² Shared Services Limited was removed from the Companies Register on 27 February 2020.

The primary objective of WelTec and the Group is to provide tertiary education services for benefit of the community rather than making a financial return.

The financial statements of WelTec and the Group are for the year ended 31 December 2019. The financial statements were authorised for issue by the Board on 18 December 2020.

BASIS OF PREPARATION

The financial statements of Wellington Institute of Technology (WelTec) and the Group have been prepared on a disestablishment basis as Wellington Institute of Technology ceased to operate and its assets, liabilities and operations have been transferred to a new company, Wellington Institute of Technology Limited (WelTec Limited) controlled by New Zealand Institute of Skills & Technology (NZIST) on 1 April 2020.

On 1 August 2019, Education Minister Chris Hipkins announced the Government's decisions on the Reform of Vocational Education (RoVE) proposals. One of the seven key changes was to create a new kind of organisation that will provide work-based, off-the-job, and online vocational learning and training across New Zealand.

With a working name of the New Zealand Institute of Skills & Technology (NZIST), the Institute has brought together the existing 16 Institutes of Technology and Polytechnics.

On 24 February 2020 the Education (Vocational Education and Training Reform) Amendment Bill received Royal Assent to take effect on 1 April 2020 at which time all assets, liabilities, and obligations of the Wellington Institute of Technology have passed to Wellington Institute of Technology Limited, a wholly owned subsidiary of the New Zealand Institute of Skills and Technology.

Whilst the disestablishment basis has been adopted for the preparation of the 31 December 2019 financial statements the carrying values of assets and liabilities have not been adjusted to reflect the realisation basis as the assets of WelTec will continue to be used by Wellington Institute of Technology Limited for the same purpose as currently applied and the liabilities of WelTec will be met in the normal course of business by Wellington Institute of Technology Limited. Assets and liabilities have been assessed in consideration of the best available information at the date of the approval of the financial statements, 18 December 2020.

UNDERLYING FINANCIAL PERFORMANCE

For the year ended 31 December 2019 WelTec and the Group incurred deficits of \$6.206 million and \$6.282 million respectively. Subsequent to that period WelTec and the Group have forecast to incur deficits of \$0.350 million and \$0.340 million in the 2020 financial year. The continuing viability of WelTec and its ability to continue as a going concern is dependent upon it being able to generate sustainable revenue

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increases whilst being successful in managing personnel and operating costs to reflect the lower revenue base, including realising benefits of effectively rationalising the owned and leased properties.

A cash flow forecast to the end of the 2020 financial year prepared by management has indicated that the operations of the new entity (WelTec limited) and the Group have sufficient cash assets to be able to meet its debts as and when they are due. The Student Achievement Component (SAC) funding for the 2020 year has been guaranteed by the Tertiary Education Commission (TEC) across the Institutes of Technology and Polytechnics Sector as a result of the COVID-19 pandemic. To manage the liquidity of the Group, WelTec has in place an approved borrowing facilities of \$5 million as further outlined in note 18 and 26. Over the course of 2019, a major change programme, E Tū Ma Tātou, was carried out across the Group that has targeted personnel and operational expenditure savings to get Whitireia and WelTec to breakeven in future years.

Statement of Compliance

The financial statements of WelTec and the 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).

As the primary objective of WelTec and the Group is to provide goods or services for community and social benefit, rather than for making a financial return, WelTec and the Group are public benefit entities for the purpose of complying with NZ GAAP.

The financial statements of WelTec and the Group comply with Public Benefit Entity (PBE) accounting standards and have been prepared in accordance with Tier 1 PBE accounting standards.

Measurement base

The financial statements have been prepared on a historical cost basis, except for assets classified as held for sale, land, buildings and plant, which have been measured at fair value, and other fair value measurements as provided for within the accounting policies.

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000), except where indicated. The functional currency of WelTec and Group is New Zealand dollars (NZ\$).

Changes in accounting policies and disclosures

There have been no changes in accounting policies during the financial year other than new standards adopted which has been outlined below. Other than disclosure considerations, there are no other impacts of the standards and interpretations applicable for the first time during the year.

PBE IPSAS 1 amendments become effective from 1 January 2018. The amendments remove the reference to an "approved budget" and replace with general purpose prospective financial statements. The standard also clarifies that the comparison

between prospective and historical financial statements should be disclosed either on the face of the financial statements or in a separate note. WelTec and the Group disclose the comparison in note 24 to the financial statements.

New standards adopted

PBE IPSAS 34, 35, 36, 37 and 38 have been adopted in relation to the definition of control of entities and group account. Adopting these new standards does not have any significant impact on current consolidation process and disclosure methods.

PBE IPSAS 21 and 26 have been adopted in relation to impairment of revalued assets. There has been no revaluation done on assets for the year, therefore, there is no impact on the resulted from this adoption.

PBE IPSAS 39 has been adopted in relation to employee benefits. WelTec and the Group maintains the standard annual leave, long service leave and sick leave. Therefore, the adoption of standard does not have a significant impact on the calculation of those balances and the disclosures.

Standards issued and not yet effective

PBE IPSAS 3 requires disclosure of the possible impact of new and revised PBE standards that have been issued but are not yet effective. The standards that may impact on WelTec in future years are:

PBE IFRS 9 relates to Financial Instruments and will replace most of the requirements of PBE IPSAS 29. The standard will change the note disclosures, and is effective from 1 January 2022. PBE IFRS 9 requires WelTec and the Group to record expected credit losses on its receivables. WelTec and the Group expects to apply the simplified approach and record lifetime expected losses on student receivables. WelTec and the Group has determined that, due to the unsecured nature of its student debtors, the loss allowance will increase based on the current student and other debtors. Other debtors represent intercompany receivables and future expected credit losses are not considered material.

PBE FRS 48 relates to Service Performance Reporting. This may change note disclosures. This standard is effective 1 January 2022.

The above standards will be applicable to Wellington Institute of Technology Limited (established on 1 April 2020), but will not impact the reporting of Wellington Institute of Technology.

SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

These financial statements comprise the financial statements of WelTec ("the Parent") and its controlled entities (together, "the Group") as at 31 December 2019.

Subsidiaries

WelTec consolidates in the group financial statements all entities where WelTec has the capacity to control the financing and operating policies of an entity so as to obtain benefits from the activities of the entity. This power exists where WelTec controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by WelTec or where the determination of such policies is unable to materially impact

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the level of potential ownership benefits that arise from the activities of the subsidiary.

All significant intra-group balances, transactions, income, and expenses are eliminated on consolidation. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

Investments in subsidiaries are carried at cost in the WelTec parent entity financial statements and tested for impairment on an annual basis.

Associates and jointly controlled entities

WelTec's associates and jointly controlled entities are accounted for in the Group financial statements using the equity method. An associate is an entity over which WelTec has significant influence and that is neither a subsidiary nor an interest in a joint venture. A jointly controlled entity is an entity over which WelTec has joint control. The investment in associates and joint ventures is initially recognised at cost and the carrying amount is increased or decreased to recognise the Group's share of the surplus or deficit of the associate or joint venture 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 an associate or a jointly controlled entity reduce the carrying amount of the investment in the Group financial statements.

If the share of the deficit of an associate or a jointly controlled entity equals or exceeds an interest in the associate or jointly controlled entity, the Group discontinues recognising its share of further deficit. After the Group's interest is reduced to zero, additional deficit is 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 associate or jointly controlled entity. If the associate or jointly controlled entity subsequently reports a surplus, the Group will resume recognising its share of those surplus only after its share of the surplus equals the share of deficit not recognised.

Where the Group transacts with an associate or jointly controlled entity, surplus or deficit is eliminated to the extent of the Group's interest in the relevant associate. Investments in associates and jointly controlled entities are carried at cost in the WelTec parent entity financial statements and tested annually for impairment. Where an impairment is determined to exist, it is recognised as a write-down through the Statement of Comprehensive revenue and expenses.

Revenue

Revenue is measured as the fair value of the consideration received or receivable and is recognised to the extent that it is probable that the economic benefits will flow to WelTec and the Group and the revenue can be reliably measured. The following specific criteria must also be met before revenue is recognised:

Revenue from Non-Exchange Transactions Government grants

Government grants are recognised when eligibility to receive the grant has been established. Student Achievement Component

Funding (SAC) is WelTec's main source of operational funding from the Tertiary Education Commission (TEC). SAC funding is considered to be non-exchange revenue and the entitlement is established upon the withdrawal period for an individual's course of study having passed.

Revenues from non-exchange transactions with the Government and government agencies is recognised when the Group obtains control of the transferred asset and:

- it is probable that the economic benefits or service potential related to the asset will flow to the Group and can be measured reliably; and
- the transfer is free from conditions that require the asset to be refunded or returned to the Government if the conditions are not fulfilled.

WelTec considers Performance-Based Research Funding (PBRF) to be non-exchange in nature. PBRF is specifically identified by the TEC as being for a funding period as required by section 159YA of the Education Act 1989. WelTec recognises its confirmed allocation of PBRF funding at the commencement of the specified funding period, which is the same as WelTec's financial year. PBRF revenue is measured based upon WelTec's entitlement adjusted for any adjustments as part of the final wash-up process. Indicative funding for future periods is not recognised until confirmed for the future period.

Domestic student tuition fees

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

Fees Free Income

Fees-free revenue is paid by the government on behalf of students and is therefore considered to be non-exchange revenue. Fees-free income is recognised when the course withdrawal date for an eligible student has passed. WelTec has presented funding received for fees-free as part of domestic student tuition fees on the basis that receipts from TEC are for payment on behalf of the student as specified in the relevant funding mechanism.

Donations

Donations and bequests are recognised as revenue when the right to receive the fund or asset has been established, unless there is an obligation in substance to return the funds if conditions of the donation are not met. If there is such an obligation, they are initially recorded as revenue in advance when received and recognised as revenue when the conditions are satisfied.

Revenue from Non-Exchange Transactions International student tuition fees

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 total course days.

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Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods, and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the Group.

Rendering of services

Revenue from a contract to provide services through an exchange transaction is recognised by reference to the stage of completion of the contract at balance date.

Research income and other grants

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

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

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

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

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

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

Interest revenue and dividends

Interest revenue is recognised on a time-proportionate basis that takes into account the effective yield on the financial asset.

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

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date. The substance of the arrangement depends on whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Operating leases

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

Foreign Currency Transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction.

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

Cash and Cash Equivalents

Cash and cash equivalents represents all bank positions, which are maintained to support day to day operations. Cash and cash equivalents includes cash on hand and in banks and other short-term highly liquid investments with original maturities of three months or less, and outstanding bank overdrafts. The carrying value of cash at bank, call deposits and term deposits maturing in less than 90 days approximates their fair value. If bank overdrafts are operating they are shown within borrowings in current liabilities.

Receivables

Trade receivables, student receivables and other receivables are recorded at their face value, less any provision for impairment.

Financial assets

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

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

WELTEC

There are four categories of financial assets under PBE IPSAS 29. WelTec holds financial assets classified as loans and other receivables. Classification of the financial asset depends on the purpose for which the instruments were acquired.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. Related party receivables that are repayable on demand are classified as a non-current asset because repayment of the receivable is not expected within 12 months of the balance date.

After initial recognition loans and receivables are measured at amortised cost using the effective interest method less any provision for impairment. Gains and losses when the asset is impaired or derecognised are recognised in surplus or deficit.

Impairment of financial assets

At each balance date, WelTec and the Group assesses whether there is any objective evidence that a financial asset or group of assets is impaired. Any impairment losses are recognised in surplus or deficit.

Loans and receivables (including cash and cash equivalents and debtors and other receivables)

Impairment of a loan or a receivable is established when there is objective evidence that WelTec and the Group will not be able to collect amounts due according to the original terms of the debt. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy and the default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due). For other financial assets, impairment losses are recognised directly against the instruments carrying amount.

Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or nominal cost), the cost of inventory is its fair value at the date of acquisition.

After initial recognition, inventories held for resale are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to make the sale, exchange, or distribution.

Property, Plant and Equipment

Property, plant, and equipment consists of the following asset classes: land, buildings, leasehold improvements, plant, equipment,

computer hardware, furniture and fittings, motor vehicles, library collection, and assets under construction.

Land and buildings

Land is measured at fair value, and buildings are measured at fair value less accumulated depreciation and impairment losses. Fair value is determined on the basis of an annual independent valuation prepared by registered valuers. Land values are based on either comparable sales value method or discounted cash flows or capitalisation of net income (as determined to be appropriate by the independent valuer). Buildings are valued based on depreciated replacement cost due to their specialised nature, or based on expected market value if not specialised. This methodology is an acceptable estimate of fair value due to the lack of market-based evidence for education delivery purposes.

Revaluations of property, plant, and equipment are accounted for on a class-of-asset basis.

Any revaluation increase arising on the revaluation of land and buildings is credited to the appropriate revaluation reserve, except to the extent that it reverses a revaluation decrease for the same class of asset previously recorded as an expense in the surplus or deficit, in which case the increase is recorded in the surplus or deficit to the extent of the decrease previously charged.

A decrease in carrying amount arising on the revaluation of land and buildings is charged as an expense in the surplus or deficit to the extent that it exceeds the balance, if any, held in the asset revaluation reserve.

Plant

Plant is measured at fair value less accumulated depreciation and impairment losses. Fair value is determined on the basis of a three yearly independent valuation prepared by registered valuers based on discounted cash flows.

Any revaluation increase arising on the revaluation of plant is credited to the appropriate revaluation reserve, except to the extent that it reverses a revaluation decrease for the same class of asset previously recorded as an expense in the surplus or deficit, in which case the increase is recorded in the surplus or deficit to the extent of the decrease previously charged.

A decrease in carrying amount arising on the revaluation of plant is charged as an expense in the surplus or deficit to the extent that it exceeds the balance, if any, held in the asset revaluation reserve.

Other property, plant and equipment

All other 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 WelTec and Group and the cost of the item can be measured reliably. All other asset classes are measured at deemed cost on acquisition less any accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of the acquisition.

Assets under construction

Assets under construction are disclosed separately. Upon completion, the asset's total cost is transferred to the appropriate asset class, at which point depreciation begins.

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 profit or loss. When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to general funds.

Depreciation

Depreciation has been provided on all property, plant and equipment, excluding land. Depreciation is calculated on a straight-line basis, at rates that expense the assets' cost (or valuation) to their estimated residual values over their useful life.

The useful life of each class of asset is as follows:

Class of asset	Life (Years)	Depreciation rate
Buildings	10 - 50	2% - 10%
Leasehold improvements	2 - 15	7% - 50%
Plant	3 - 30	3% - 33%
Equipment	3 - 5	20% - 33%
Furniture and fittings	5	20%
Library collection	5	20%
Hardware	1 - 8	12.5% - 100%
Motor Vehicles	5	20%

Leasehold improvements are depreciated over the shorter period of the useful life of the asset or the unexpired period of the lease.

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

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits or service potential embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intellectual property costs

Development costs for new intellectual property internally developed or acquired which have a benefit of more than one year have been capitalised. Such costs are expected to be recovered, and are amortised on a straight-line basis over the period of their expected useful lives, being three years.

Software

All software purchased or created by WelTec and Group which have a benefit of more than one year have been capitalised. Such costs are expected to be recovered, and are amortised on a straight-line basis over the period of their expected useful lives, being three years.

Right to use

'Right to Use' refers to items of a capital nature that WelTec and Group have not purchased, but have an agreement to use with the same access rights as if WelTec and the Group was the owner. Such costs are expected to be recovered and are amortised on a straight-line basis over the period of the agreement. The agreement period will be within any relevant lease period timeframe.

Assets under construction

Course development and software assets under construction are treated as an intangible asset until completion. Upon completion of a project, the total cost is transferred to the appropriate asset class, at which point amortisation begins.

Amortisation

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

The amortisation expense on intangible assets with finite lives is recognised in surplus or deficit as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in surplus or deficit when the asset is derecognised.

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Class of asset	Life (Years)	Depreciation rate
Intellectual property	3	33%
Software	3	33%
Right to use asset	21	5%

Impairment of Property, Plant, and Equipment and Intangible Assets

Assets that are not revalued are reviewed for indicators of impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. When there is an indicator of impairment, the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. 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.

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 with an impairment loss recognised in the profit or loss.

Payables

Trade payables and other accounts payable are recognised when WelTec and the Group becomes obliged to make future payments resulting from the purchase of goods and services. These are recorded at their face value.

Employee entitlements

Employee entitlements 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, annual leave earned but not yet taken at balance date and sick leave.

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 historical average amount of additional days used by staff to cover those future absences.

A liability and an expense is recognised for bonuses, where there is a contractual obligation.

Long term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement leave 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.

Expected future payments are discounted using the official cash rate. The inflation factor is based on the expected long-term increase in remuneration for employees.

Presentation of employee entitlements

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

Superannuation Schemes

Defined contribution schemes such as employer contributions to KiwiSaver, the Government Superannuation Scheme and other such superannuation schemes are accounted for as defined contribution schemes and are recognised as an expense in the profit or loss when incurred.

Equity

Equity, being the difference between total assets and total liabilities reflects the Crown's interest in WelTec and Group. This public equity is disaggregated and classified into a number of reserves to enable clearer identification of the specific uses/sources of accumulated funds. The components of equity are:

- General funds
- Property revaluation reserve

Reserves

WelTec and Group has an asset revaluation reserve which has been generated by the revaluation of plant, land and buildings, as outlined in the Property, Plant and Equipment policy.

Goods and Services Tax

All items in the financial statements are stated exclusive of goods and services tax (GST), except for trade and other receivables and trade and other 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 Inland Revenue is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from Inland Revenue, 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

Tertiary institutions are exempt from payment of income tax, as they are treated by the Inland Revenue Department as charitable organisations. Accordingly, no income tax is provided for.

Budget Figures

The budget figures are those approved by the Board of WelTec Limited at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP and are consistent with the accounting policies adopted by the Board of WelTec Limited for the preparation of the financial statements. The budget figures are not audited.

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Provisions

Provisions are recognised when: a present obligation (legal or constructive) arises as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Provisions are reviewed at each balance date, and adjusted to reflect the current best estimate. When it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision shall be reversed.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Critical accounting estimates and assumptions

In preparing these financial statements, WelTec and the Group has 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:

Trade and other receivables

Note 12 provides information about the estimates and assumptions exercised in the provisioning for doubtful debts.

Land, buildings and plant valuation

Note 16 provides information about the estimates and assumptions including useful lives exercised in the measurement of revalued land, buildings and plant. Utilisation in relation to whether any optimisation adjustment required is also a factor.

Assets held for sale

Note 15 provides information about the judgements and assumptions exercised in the measurement and classification of non-current assets held for sale.

Retirement leave

Note 20 provides information about the estimates and assumptions exercised in the measurement of retirement leave.

Onerous Leases

Note 26 provides information about the estimates and assumptions exercised in the provisioning of onerous leases.

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies for the year ended 31 December 2019:

Crown-owned land and buildings

Property in the legal name of the Crown that is occupied by the institute and group is recognised as an asset in the statement of financial position. The institute and the group considers that it has assumed all the normal risks and rewards of ownership of this property despite legal ownership not being transferred and accordingly it would be misleading to exclude these assets from the financial statements.

The legal ownership of the land and buildings is detailed as follows:

	Land		Buildings	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Institute-owned	18,929	18,929	46,968	46,936
Crown-owned	-	-	-	-
Total	18,929	18,929	46,968	46,936

Restrictions on disposal of these Crown owned land and buildings are in place, as per section 192 of the Education Act 1989.

Distinction between revenue and capital contributions

Most Crown funding received is operational in nature and is provided by the Crown under the authority of an expense appropriation and is recognised as revenue. Where funding is received from the Crown under the authority of a capital appropriation, WelTec and the Group accounts for the funding as an equity injection directly in equity. Information about any equity injections recognised in equity is disclosed in note 23.

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	Group		Parent	
	2019 Actual \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
2 NON EXCHANGE GOVERNMENT FUNDING				
TEC Student Achievement Component	18,769	20,379	18,769	20,379
TEC Adult & Community Education	51	65	51	65
TEC Youth Guarantee	1,209	1,324	1,209	1,324
TEC Trades Academy	1,326	1,347	1,326	1,347
TEC Equity funding	132	134	132	134
TEC Other On-plan funding	374	951	374	951
TEC Off-plan funding	422	494	422	494
	22,283	24,694	22,283	24,694
3 NON EXCHANGE TUITION FUNDING				
Domestic students	5,247	5,829	5,245	5,800
Fees Free	3,786	3,839	3,786	3,839
	9,033	9,668	9,031	9,639
4 EXCHANGE TUITION FUNDING				
Domestic students tuition	159	215	159	215
International students	7,080	7,296	7,080	7,296
Other fees	808	540	808	527
	8,047	8,051	8,047	8,038
5 OTHER TEACHING				
Contract students	2,652	3,241	2,652	3,241
Generic contract income	345	312	368	280
	2,997	3,553	3,020	3,521
6 OTHER INCOME				
Trading income	3,268	4,474	1,528	1,151
Gain / (loss) on disposal of assets	(1)	(4)	(1)	(4)
Other income	2,210	1,406	988	1,334
	5,477	5,876	2,515	2,481

	Group		Parent	
	2019 Actual \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
7 PERSONNEL COSTS				
Short term employee benefits	27,244	29,338	27,235	28,965
Defined contribution plan - employer contributions	666	745	666	734
Associated personnel expenses	351	420	350	411
	28,261	30,503	28,251	30,110

8 ADMINISTRATION EXPENSES

Administrative expenditure	4,025	5,713	4,020	5,698
Non personnel research expense	139	4	139	4
Bad debts expense	82	90	82	90
Increase / (decrease) in doubtful debt provision	180	131	180	131
Remuneration of auditors - external audit	216	188	217	188
	4,642	6,126	4,638	6,111

9 INFRASTRUCTURE COSTS

Information & computer technology	891	1,134	887	1,119
Insurance	1,161	966	738	592
Operating leases	5,006	5,406	2,810	3,118
Occupancy	3,164	2,821	2,827	2,347
	10,222	10,327	7,262	7,176

10 DEPRECIATION & AMORTISATION

Depreciation	3,769	3,995	3,768	3,992
Amortisation	913	781	913	781
	4,682	4,776	4,681	4,773

11 NON OPERATING COSTS/(INCOME)

E Tu Ma Tatou Project	901	328	901	328
Redundancy expense	1,025	984	1,023	961
Impairment of Held for Sale Asset Property	-	797	-	797
Onerous Leases	-	737	-	307
Sale of property proceeds	(180)	-	(180)	-
Professional Services	100	-	100	-
Other	274	15	274	14
	2,120	2,861	2,118	2,407

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12 DEBTORS AND OTHER RECEIVABLES

	Group		Parent	
	2019 Actual \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
Student tuition receivables	3,665	5,441	3,665	5,441
Trade receivables and prepayments	2,112	2,321	1,679	2,241
Related party receivables (note 29)	1,825	2,817	1,914	2,873
Provision for doubtful debts	(319)	(381)	(319)	(381)
	7,283	10,198	6,939	10,174

Fair value

Student receivables are inclusive of exchange and non-exchange transactions. All student fees are due before a course commences or upon enrolment if the course has already begun. 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 student receivables and trade receivables as at year end is detailed below.

WelTec and the Group				
<i>Student Receivables</i>				
Not past due 1 - 30 days	3,301	4,961	3,301	4,961
Past due 31 - 60 days	15	52	15	52
Past due 61 - 90 days	-	-	-	-
Past due over 90 days	349	427	349	427
	3,665	5,440	3,665	5,440

<i>Trade Receivables</i>				
Not past due 1 - 30 days	133	502	133	281
Past due 31 - 60 days	303	32	296	32
Past due 61 - 90 days	170	-	163	-
Past due over 90 days	404	571	258	571
	1,010	1,105	850	884

All receivables greater than 30 days in age are considered to be past due. There are provisions for impairment against receivables with overdue amounts over 90 days as it is managements judgement that there is objective evidence that WelTec and the Group will not be able to collect amounts due at this stage.

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

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

At 1 January	(381)	(250)	(381)	(250)
Provisions reversed during the year	-	-	-	-
Bad debts written off against provision during the year	109	(6)	109	(6)
Provision released/(additional provision made) during the year	(47)	(125)	(47)	(125)
At 31 December	(319)	(381)	(319)	(381)

13 INVESTMENT IN SUBSIDIARY

WelTec Enterprises Limited investment has \$nil carrying value.

WelTec Enterprises Limited has a 31 December balance date.

WelTec established WelTec Enterprises Limited in 2014. WelTec Enterprises Limited has ownership interest in WelTec Student Accommodation Limited (100%), and LCB Management Limited (50%). WelTec Student Accommodation Limited provides student accommodation services located at 222 Willis Street, Wellington.

14 INVESTMENT IN ASSOCIATE AND JOINTLY CONTROLLED ENTITIES

Investment in Associate

MotorTrain Limited

MotorTrain Limited is a shell company in which WelTec holds a 25% interest. No transactions took place during the year.

Investment in jointly controlled entities

W² Shared Services Limited

W² Shared Services Limited is jointly owned on a 50:50 basis with Whitireia Community Polytechnic and began trading in January 2015 to replace the unincorporated joint venture structure utilised in 2014. W² Shared Services Limited operations were ceased during the previous financial year and at 31 December 2019 there were nil net assets, nil profit / loss and no equity invested. The entity was wound-up on 27 February 2020.

LCB Management Limited

WelTec Enterprises Limited holds the Group's investment in LCB Management Limited. LCB Management Limited is a General Partner of Le Cordon Bleu New Zealand Institute Limited Partnership (LCBNZI).

WelTec and LCBNZI run jointly developed premises in the New Zealand Centre for Culinary and Hospitality Arts, lower Cuba Street in Wellington City. WelTec's School of Hospitality and the LCBNZI Cuisine School co-locate in this facility. Academic delivery commenced in September 2012. The carrying value of this investment is \$Nil (2018: \$Nil).

15 ASSETS HELD FOR SALE

On 31 December 2016, various properties consisting of land and buildings were classified as held for sale. Prior to the classification, the land and buildings were recognised within the Group's property, plant and equipment as part of the operational land and buildings. The carrying value of these assets as at 31 December 2019 was \$1.319 million (2018: \$2.760 million).

During the year a property with the carrying amount of \$1.441 million, previously held for sale, was sold for \$1.62 million. A profit on sale of \$0.179 million was recognised in the current year's deficit.

At 31 December 2019, in management's judgement there are no changes to the underlying circumstances that may otherwise change the classification of these assets held for sale. The sale of the land and buildings is expected to be completed within the 2020 financial year.

16 PROPERTY, PLANT AND EQUIPMENT

GROUP 2019 \$000	Land and Buildings	Leasehold Improvement	Plant	Equipment	Hardware	Furniture and Fittings	Motor Vehicles	Library Collection	Assets under Construction	Total
Gross Carrying Amount										
Balance as at 1 January	65,865	7,163	2,047	1,577	10,034	2,749	338	2,636	-	92,409
Additions	32	-	119	-	63	9	5	85	30	343
Disposals	-	-	-	-	(28)	-	-	-	-	(28)
Reclassifications	-	-	-	-	-	-	-	-	-	-
Net revaluation increments/decrements	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December	65,897	7,163	2,166	1,577	10,069	2,758	343	2,721	30	92,724
Accumulated Depreciation										
Balance as at 1 January	-	3,094	1,020	1,465	9,234	2,567	84	2,346	-	19,809
Depreciation Expense	2,207	458	290	53	549	60	38	113	-	3,768
Disposals	-	-	(11)	-	(28)	-	-	-	-	(39)
Reclassifications	-	-	-	-	-	-	-	-	-	-
Net revaluation increments/decrements	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December	2,207	3,552	1,299	1,518	9,755	2,627	122	2,459	-	23,538
Net Book Value	63,690	3,611	867	59	314	131	221	262	30	69,186

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Parent 2019 \$000	Land and Buildings	Leasehold Improvement	Plant	Equipment	Hardware	Furniture and Fittings	Motor Vehicles	Library Collection	Assets under Construction	Total
Gross Carrying Amount										
Balance as at 1 January	65,865	7,162	2,047	1,570	10,025	2,709	338	2,636	-	92,352
Additions	32	-	119	-	63	9	5	85	30	343
Disposals	-	-	-	-	(28)	-	-	-	-	(28)
Reclassifications	-	-	-	-	-	-	-	-	-	-
Net revaluation increments/ decrements	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December	65,897	7,162	2,166	1,570	10,060	2,718	343	2,721	30	92,667
Accumulated Depreciation										
Balance as at 1 January	-	3,093	1,020	1,459	9,223	2,527	83	2,346	-	19,751
Depreciation Expense	2,207	458	290	53	549	59	38	113	-	3,767
Disposals	-	-	(11)	-	(28)	-	-	-	-	(39)
Reclassifications	-	-	-	-	-	-	-	-	-	-
Net revaluation increments/ decrements	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December	2,207	3,551	1,299	1,512	9,744	2,586	121	2,459	-	23,479
Net Book Value	63,690	3,611	867	58	316	132	222	262	30	69,188

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GROUP 2018 \$000	Land and Buildings	Leasehold Improvement	Plant	Equipment	Hardware	Furniture and Fittings	Motor Vehicles	Library Collection	Assets under Construction	Total
Gross Carrying Amount										
Balance as at 1 January	65,173	9,910	2,024	1,548	10,974	2,745	344	2,545	40	95,303
Additions	-	-	44	13	273	4	(3)	91	-	422
Disposals	-	(2,747)	-	(8)	(1,212)	-	-	-	-	(3,967)
Reclassifications	-	-	(21)	24	-	-	(3)	-	(40)	(40)
Net revaluation increments/decrements	692	-	-	-	-	-	-	-	-	692
Balance as at 31 December	65,865	7,163	2,047	1,577	10,034	2,749	338	2,636	-	92,409
Accumulated Depreciation										
Balance as at 1 January	-	5,373	583	1,364	9,673	2,490	46	2,218	-	21,748
Depreciation Expense	1,971	465	438	107	771	77	38	128	-	3,996
Disposals	-	(2,745)	-	(8)	(1,211)	-	-	-	-	(3,964)
Reclassifications	-	-	(1)	1	-	-	-	-	-	-
Net revaluation increments/decrements	(1,971)	-	-	-	-	-	-	-	-	(1,971)
Balance as at 31 December	-	3,094	1,020	1,465	9,234	2,567	84	2,346	-	19,809
Net Book Value	65,865	4,069	1,027	112	800	183	254	290	-	72,600
Parent 2018 \$000										
Gross Carrying Amount										
Balance as at 1 January	65,173	9,910	2,024	1,541	10,964	2,705	344	2,545	40	95,246
Additions	-	-	44	13	273	4	(3)	91	-	422
Disposals	-	(2,748)	-	(8)	(1,212)	-	-	-	-	(3,968)
Reclassifications	-	-	(21)	24	-	-	(3)	-	(40)	(40)
Net revaluation increments/decrements	692	-	-	-	-	-	-	-	-	692
Balance as at 31 December	65,865	7,162	2,047	1,570	10,025	2,709	338	2,636	-	92,352

WELTEC

Parent 2018 \$000	Land and Buildings	Leasehold Improvement	Plant	Equipment	Hardware	Furniture and Fittings	Motor Vehicles	Library Collection	Assets under Construction	Total
Accumulated Depreciation										
Balance as at 1 January	-	5,373	583	1,360	9,663	2,452	46	2,218	-	21,695
Depreciation Expense	1,971	465	438	106	771	75	38	128	-	3,992
Disposals	-	(2,745)	-	(8)	(1,211)	-	-	-	-	(3,964)
Reclassifications	-	-	(1)	1	-	-	-	-	-	-
Net revaluation increments/ decrements	(1,971)	-	-	-	-	-	-	-	-	(1,971)
Balance as at 31 December	-	3,093	1,020	1,459	9,223	2,527	83	2,346	-	19,751
Net Book Value	65,865	4,069	1,027	111	802	182	255	290	-	72,601

Land and buildings carried at fair value

An independent valuation of the land and buildings was performed by Darroch Limited, registered independent valuers as at 31 December 2018. Land fair value is determined by reference to market-based evidence being the amount for which the assets could be exchanged between a knowledgeable willing buyer and seller in an arm's length transaction. Reference has been made to the best use of the land on an "unencumbered" basis, adjusted for designations against the land or the use of the land is restricted because of reserve or endowment status.

Specialist buildings are valued at fair value using depreciation replacement cost methodology. This methodology is an acceptable estimate of fair value due to the lack of market-based evidence for education delivery purposes.

Restrictions on title

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

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

Plant carried at fair value

An independent valuation of plant was performed by Forbes Valuation, a registered independent valuer as at 31 December 2016. This valuation was undertaken for all plant used in the delivery and support of education outcomes provided by WelTec using market based information.

17 INTANGIBLE ASSETS

Group \$000	2019				2018			
	Right to Use Leasehold Improvements	Software	Intellectual Property	Total	Right to Use Leasehold Improvements	Software	Intellectual Property	Total
Gross Carrying Amount								
Balance as at 1 January	8,568	4,423	2,050	15,041	8,639	4,098	2,010	14,747
Additions	-	19	-	19	-	325	-	325
Disposals	-	-	-	-	(71)	-	-	(71)
Reclassifications	-	-	-	-	-	-	40	40
Balance as at 31 December	8,568	4,442	2,050	15,060	8,568	4,423	2,050	15,041

17 INTANGIBLE ASSETS CONTINUED

Accumulated Amortisation	2019				2018			
	Right to Use Leasehold Improvements	Software	Intellectual Property	Total	Right to Use Leasehold Improvements	Software	Intellectual Property	Total
Balance as at 1 January	362	3,480	2,010	5,852	-	3,061	2,010	5,071
Amortisation Expense	428	472	13	913	362	419	-	781
Disposals	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Balance as at 31 December	790	3,952	2,023	6,765	362	3,480	2,010	5,852
Net Book Value	7,778	490	27	8,295	8,206	943	40	9,190

Parent \$000	Right to Use Leasehold Improvements	Software	Intellectual Property	Total	Right to Use Leasehold Improvements	Software	Intellectual Property	Total
Gross Carrying Amount								
Balance as at 1 January	8,568	4,397	2,050	15,015	8,639	4,072	2,010	14,721
Additions	-	19	-	19	-	325	-	325
Disposals	-	-	-	-	(71)	-	-	(71)
Reclassifications	-	-	-	-	-	-	40	40
Balance as at 31 December	8,568	4,416	2,050	15,034	8,568	4,397	2,050	15,015
Accumulated Amortisation								
Balance as at 1 January	362	3,453	2,010	5,825	-	3,034	2,010	5,044
Amortisation Expense	428	472	13	913	362	419	-	781
Disposals	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Balance as at 31 December	790	3,925	2,023	6,738	362	3,453	2,010	5,825
Net Book Value	7,778	491	27	8,296	8,206	944	40	9,190

There are no restrictions over the title of WelTec or Group's intangible assets, nor are any intangible assets pledged as security for liabilities.

18 BANK OVERDRAFT

WelTec had in place at 31 December 2019 an overdraft facility of \$5 million, of which \$25 thousand was drawn down at 31 December 2019 (2018 - overdraft facility of \$5 million, of which \$482 thousand was drawn down at 31 December 2018). Interest is payable at 3.27%.

19 TRADE AND OTHER PAYABLES

	Group		Parent	
	2019 Actual \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
Trade payables	5,014	2,328	4,866	1,896
Related party payable (note 29)	230	1,690	122	1,599
Goods and services tax (GST) payable	899	845	901	841
	6,143	4,863	5,889	4,336

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

20 EMPLOYEE ENTITLEMENTS

Current provision				
Accrued employee payments	50	(10)	51	-4
Annual and discretionary leave	1,935	2,000	1,921	1,986
Current long service leave	29	26	29	26
Sick leave	241	266	241	266
	2,255	2,282	2,242	2,274

A provision is recognised for post employment benefits payable to employees. Employees are entitled to annual leave pay, and certain long serving employees entitled to long service leave and retirement leave. Annual leave and sick leave entitlements expected to be settled within 12 months of the balance date are measured at the current rates of pay and classified as current liabilities.

Non-current provision				
Long Service leave	76	65	76	65
Retirement leave	195	159	195	159
	271	224	271	224

Entitlements related to long service leave and retirement leave have been calculated at the present value of future cash flows determined on an actuarial basis and classified as non-current liabilities. Two key assumptions used in calculating this liability include the discount rate and salary inflation factors. The discount rate used was 1.73% for Long Service Leave (2018: 1.86%) and 1.23% for Retirement Leave (2018: 1.86%). The salary inflation factor was 1% (2018: 1%). Any changes in these assumptions will impact on the carrying amount of the liability.

Expected future payments are discounted using forward discount rates as provided by the Treasury. The salary inflation factor has been determined after considering historical salary inflation patterns and referencing the Treasury time series of Fiscal and Economic Indicators.

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 leave would be \$8,000 higher/lower and the long service leave would be \$3,400 higher/lower.

If the discount rate used were to increase or decrease by 1% from that used, with all other factors held constant, the carrying amount of the retirement leave would be \$7,500 higher/lower while the long service leave would be \$3,700 higher/lower.

WELTEC

21 REVENUE IN ADVANCE

	Group		Parent	
	2019 Actual \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
Student income in advance	6,786	6,216	6,786	6,216
Other income in advance	452	997	55	456
	7,238	7,213	6,841	6,672

22 OTHER NON-CURRENT LIABILITIES

	Group		Parent	
	2019 Actual \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
Rent Straight Line Adjustment	1,936	1,670	484	270
Other non-current liabilities	14	10	14	10
	1,950	1,680	498	280

23 EQUITY

General funds				
Balance at 1 January	42,434	48,563	43,984	49,298
Deficit for the year	(6,282)	(6,869)	(6,206)	(6,054)
Transfer between reserves	-	740	-	740
Balance at 31 December	36,152	42,434	37,778	43,984
Property revaluation reserve				
Balance at 1 January	37,081	35,159	37,081	35,159
Revaluation movements during the year	-	2,662	-	2,662
Transfer between reserves	-	(740)	-	(740)
Balance at 31 December	37,081	37,081	37,081	37,081
Total equity	73,233	79,515	74,859	81,065

Capital Management

WelTec 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.

WelTec manages its revenues, expenses, assets, liabilities and general financial dealings prudently and in a manner that promotes the current and future interests of the community. WelTec's equity is largely managed as a by-product of managing revenues, expenses, assets, liabilities and general financial dealings.

The objective of managing WelTec's equity is to ensure that it effectively and efficiently achieves the goals and objectives for which it has been established, while remaining a going concern.

24 EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Statement of comprehensive income

WelTec Group

EFTS based government funding and tuition fees have experienced a decline in the current period as a result of deteriorating student enrolments, particularly in the international space. Government funding was \$22.28m against a budget of \$24.90m and tuition fees a total of \$17.08m vs. \$18.947m budgeted.

Overall, expenditure has been under budget, with an underspend in personnel costs (\$28.26m vs \$30.6m budget) as a result vacancies leading to restructuring, and increased savings in other areas such as administration expenses (\$4.642m vs. \$5.365m budget).

Actual non-operating expenditure was slightly higher than budget (\$2.12m vs. \$2m budgeted gain). Increased non-operating expenditure was incurred as a result of redundancies, impairment of property held for sale and onerous leases.

Subsidiaries and jointly controlled entities

There were no major variances against budget in the statement of comprehensive income for subsidiaries.

Group Balance Sheet and Cash flows

Cash at 31 December 2019 was \$5.03m vs a budget of \$1.84m. This is a result of lower debt repayments than budgeted.

Assets held for sale were \$1.319m vs. a budget of \$nil. This is because assets were budgeted to sell during the current financial year, which did not occur. Indications are that assets will be sold in the 2020 financial year.

25 COMMITMENTS

	Group and parent	
	2019 Actual \$000	2018 Actual \$000
(a) Capital expenditure commitments		
Software	-	-
	-	-

(b) Lease commitments

Non cancellable operating lease commitments are disclosed in note 26 to the financial statements.

WELTEC

26 LEASES

(a) Operating lease commitments - WeTec and the Group as lessee WeTec Parent

WeTec and the Group enter into operating leases for buildings and vehicles:

Building premises are leased for WeTec satellite delivery offices in Auckland and Christchurch, and for WeTec delivery in Wellington city. The length of terms of these leases vary from under 12 months to 22 years, with rights to renewal on a number of contracts.

WeTec Student Accommodation Limited has entered into an operating lease for the building located at 222 Willis Street, Wellington. The initial lease term is for 15 years with further rights to renewal included within the contract.

WeTec and Whitireia have entered into a joint lease for Te Kahui Auaha premises at 82-92 Cuba Street (21 years term). The two institutions are jointly and severally liable for the lease costs and 34% of the lease commitment has been included in the operating commitments.

Vehicles are leased over 3 - 5 year terms depending on the type of vehicle concerned.

	Group		Parent	
	2019 Actual \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
(b) Non-cancellable operating lease payments				
Not later than 1 year	4,467	4,701	2,246	2,537
Between 1 and 5 years	18,145	18,412	8,633	9,141
Later than 5 years	31,881	35,759	20,900	22,431
	54,493	58,872	31,779	34,109

27 CONTINGENT LIABILITIES

WeTec and Whitireia were party to a joint venture which provided certain students studying specific courses with assurances that may give rise to the requirement to refund fees. As at 31 December 2019 management has determined that the likelihood of claims being made to the Institutes, under this scheme, is less likely than probable and that an estimate of any future liability can not be accurately measured. Management will continue to review this assumption on a regular basis.

WeTec and the Group have no contingent liabilities as at 31 December 2019 (2018: Nil).

28 FINANCIAL INSTRUMENTS

(a) Financial instrument categories

Accounting policies for financial instruments have been applied to each class of financial asset and financial liability outlined below. Cash and cash equivalents and debtors and other receivables are all loans and receivables. The book values of each equals their fair value.

(b) Financial instrument risks

Risk Management

The Finance department provides treasury management services for WelTec, co-ordinating the access to domestic and international financial markets and management of the financial risks relating to the operations of the business.

WelTec does not enter into, or trade financial instruments for speculative purposes.

Details of significant accounting policies and methods adopted, including the criteria for recognition, and the basis of measurement applied in respect of each class of financial asset, financial liability and equity instrument are disclosed in the Accounting Policies section of these financial statements.

Currency risk

WelTec has no material exposure to movements in foreign exchange rates. Income sourced from overseas is received in New Zealand dollar equivalents, while trading supplies sourced from international providers are not a material portion of WelTec's annual expenditure. Council Policy on foreign exchange states that should an international purchase of \$20,000 or more be required, investigation is made into forward cover. At balance date no forward contracts or any other form of hedging exist.

Credit risk

Credit risk exposure for WelTec exists principally within cash and cash equivalents, and trade and other receivables balances.

Credit risk in respect of cash holdings is managed by spreading short term investment deposits with the major trading banks within New Zealand, while ensuring WelTec receives the best return on the funds invested, as specified by Council Policy. Receivable balances are unsecured. They are stated at their estimated realisable value after providing for amounts not considered recoverable.

The maximum credit exposure for each class of financial instrument is equal to the carrying value of cash and cash equivalent and trade and other receivables.

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		Parent	
	2019 Actual \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
Counterparties with credit ratings				
Cash and cash equivalents AA- rating	5,029	1,715	4,450	384
Total cash and cash equivalents	5,029	1,715	4,450	384
Counterparties without credit ratings				
Student tuition, Trade receivables and prepayments	5,777	7,763	5,344	7,682
Total trade and other receivables	5,777	7,763	5,344	7,682

Liquidity risk

WelTec manages liquidity risk by maintaining adequate reserves to ensure the provision of educational services for the foreseeable future. This is completed by continuously monitoring and forecasting cash flows for the medium term. The maximisation of operational inflows and efficient management of operational and investing outflows ensures sufficient cash reserves are maintained. An overdraft facility of \$5 million is in place of which \$25 thousand been drawn down at 31 December 2019 (2018: \$5 million was arranged of which \$482 thousand had been drawn down at 31 December 2018).

WELTEC

Contractual maturity analysis of financial liabilities

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

	Carrying amount \$000	Contractual Cash flow \$000	Less than 6 months \$000	6-12 months \$000	1-2 years \$000
Group 2019					
Trade and other payables	5,244	5,244	5,244	-	-
Total	5,244	5,244	5,244	-	-
Parent 2019					
Trade and other payables	4,988	4,988	4,988	-	-
Total	4,988	4,988	4,988	-	-

Group 2018

Trade and other payables	4,018	4,018	4,018	-	-
Total	4,018	4,018	4,018	-	-
Parent 2018					
Trade and other payables	3,495	3,495	3,495	-	-
Total	3,495	3,495	3,495	-	-

Interest rate risk

WelTec has exposure to interest rate risk to the extent that it has outstanding investments at fixed rates. The interest rates risk on investments is managed through the use of short term investments, in accordance with Council Policy. No significant exposure to interest rate risk exists on the remaining financial assets and liabilities.

Sensitivity analysis

The table below illustrate the potential profit or loss and equity impact for reasonably possible market movements, with all other variables held constant, based on financial instrument exposures at the balance date.

	2019		2018	
	Profit -50bps \$000	Profit +50bps \$000	Profit -50bps \$000	Profit +50bps \$000
Group and Institute Interest rate risk				
Financial Assets				
Cash and cash equivalents	(25)	25	-	-
Other financial assets	-	-	-	-
Total sensitivity	(25)	25	-	-

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 on a basis points (bps) movement. For example, a decrease in 25 bps is equivalent to a decrease in interest rates of 0.25%. The sensitivity for interest rate swaps has been calculated using a derivative valuation model based on a parallel shift in interest rates of -50bps/+50bps.

29 RELATED PARTY DISCLOSURES

WelTec and Whitireia are related parties as a consequence of the joint leadership. The general nature of the trading between WelTec and Whitireia is shared employee and operating costs, including shared premises. Whitireia was contracted to deliver Trades Academy delivery for WelTec during 2019. The transactions are at cost.

Transactions with key management personnel

Other Intangible Assets, is a 'Right To Use' the leasehold of the joint lease for premises at 82-92 Cuba Street and 65 Dixon Street Wellington, with Whitireia Community Polytechnic.

Transactions with key management personnel

Key management personnel includes the Commissioner and executive management. Whitireia and WelTec has a Joint Leadership Team (consisting of the CEO and six Directors). The costs of Council members and JLT are shared between Whitireia and WelTec on a 50/50 basis. In 2018, the combined Council was disestablished and the Commissioner was appointed by the Crown. Consequently the fees recorded for Council members in 2018 are for the period from 1 January 2018 to 11 October 2018.

	Group		Parent	
	2019 Actual \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
Joint Leadership Team (6 FTE x 50%) (2018: 8 FTE x 50%)	808	843	808	843
Commissioner - Dr Neil Barns	44	15	44	15

Council members (paid jointly by WelTec and Whitireia - 50% of fees recognised by WelTec)

Greg Campbell (Chairperson)	-	17	-	17
Roger Sowry (Prior Chairperson)	-	-	-	-
Vaughan Renner (Deputy Chairperson)	-	10	-	10
Deborah Hume	-	8	-	8
Nancy McIntosh - Ward	-	8	-	8
Antony Royal	-	8	-	8
Kabini Sanga	-	8	-	8
Fran Wilde	-	8	-	8
Jackie Lloyd	-	8	-	8
Total Council Fees	-	75	-	75

Related party transactions with subsidiary, associate, and jointly controlled entity

Crown / Government

The Government influences the roles of WelTec as well as providing a significant source of revenue, as disclosed in note 2.

In conducting its activities, WelTec is required to pay various taxes and levies (such as GST, PAYE, and ACC levies) to the Crown and entities related to the Crown. The payment of these taxes and levies is based on the standard terms and conditions that apply to all tax and levy payers. WelTec is exempt from paying income tax and FBT.

WelTec purchases goods and services from entities related to the Crown and it also provides services to entities related to the Crown. The purchase and provision of goods and services to government-related entities for the year ended 31 December 2019 are immaterial compared to WelTec's total revenue and expenditure and have all been conducted on an arms' length basis. These purchases include the purchase of electricity from Meridian, air travel from Air New Zealand, postal services from NZ Post and procurement services from the Ministry of Economic Development.

During the reporting period WelTec and Group entered into transactions with LCBNZI Limited Partnership, a partnership in which WelTec holds an equity interest through WelTec Enterprises Limited (refer note 14). These transactions occurred within a normal supplier relationship on terms and conditions no more or less favourable than those which it is reasonable to expect WelTec would have adopted if dealing with the partnership as per any independent third party.

WELTEC

	Parent	
	2019 Actual \$000	2018 Actual \$000
Subsidiary		
<i>Wellington Student Accommodation Limited</i>		
Debtor for services provided by WelTec	40	56
Payable for services provided by WelTec Student Accommodation Limited	-	-

	Group and Parent	
	2019 Actual \$000	2018 Actual \$000
LCBNZI Limited Partnership		
Services provided by WelTec and Group	306	1,926
Receivable for services provided by WelTec and Group	429	280
Payable for services provided by LCBNZI (Parent)	281	709
Payable for services provided by LCBNZI (Group)	281	800
Expense accrued for services provided by LCBNZI	-	10
Jointly Controlled Entities		
Computer Power Plus Joint Venture		
Services provided by WelTec	-	85
W² Shared Services Limited		
Services received from W ²	-	1,231
Entities Under Common Control		
Whitireia Community Polytechnic		
Receivable for services provided by WelTec	1,767	2,370
Payable for services provided by Whitireia	-	890
Prepayments for services provided by Whitireia	-	1,337
Income accrued for services provided by WelTec	-	167

30 EVENTS AFTER BALANCE DATE

On 1 August 2019, Education Minister Chris Hipkins announced the Government's decisions on the Reform of Vocational Education (RoVE) proposals. One of the seven key changes is to create a new kind of organisation that will provide work-based, off-the-job, and online vocational learning and training across New Zealand.

With a working name of the New Zealand Institute of Skills & Technology (NZIST), the Institute will bring together the existing 16 Institutes of Technology and Polytechnics.

On 24 February 2020 the Education (Vocational Education and Training Reform) Amendment Bill received Royal Assent which took effect on 1 April 2020 at which time all assets, liabilities, and operations of the Wellington Institute of Technology passed to the Wellington Institute of Technology Limited, a wholly owned subsidiary of the New Zealand Institute of Skills and Technology. At this same time WelTec had a change in leadership with a new chief executive and the governance structure shifted from the model of a commissioner to a board of directors.

Whilst the disestablishment basis has been adopted for the preparation of the 31 December 2019 financial statements the carrying values of assets and liabilities have not been adjusted to reflect the realisation basis as the assets of WelTec will continue to be used by Wellington Institute of Technology Limited for the same purpose as currently applied and the liabilities of WelTec will be met in the normal course of business by Wellington Institute of Technology Limited. Assets and liabilities have been assessed in consideration of the best available information at the date of the approval of the financial statements, 18 September 2020.

On 20 March 2020, New Zealand closed all borders and entry ports to all non-residents. On 21 March 2020, Prime Minister Jacinda Ardern announced the introduction of a country-wide alert level system made up of four levels, with 1 being the least risk of infection and 4 the highest. At the time of the announcement, New Zealand was at level 2. On 23 March 2020 New Zealand shifted to alert level 3, and on 25 March 2020 to alert level 4. Under alert level 4 people were instructed to stay at home (in their bubble) other than for essential personal movement. All businesses, including educational facilities, were closed except for essential services. Whilst the restrictions were progressively lifted in May 2020 there have been ongoing movement restrictions and the borders remain closed to non-residents of New Zealand.

COVID-19 (novel coronavirus) and the associated travel restrictions will impact the tertiary sector in New Zealand for so long as New Zealand's borders remain shut to international students. The impact of COVID-19 is not limited to reduced international student numbers, as the disruption within New Zealand and to WelTec's operations has contributed to reduced domestic student numbers to date. In recognition of the financial impact of COVID-19, on 31 March 2020 the Tertiary Education Commission communicated that the Minister of Education confirmed there will be no requirement to recover any Investment Plan funding because of either, poor Education Performance Indicators (EPIs), or under-delivery during the 2020 year. Alongside this, WelTec is implementing strategies to reduce the overall impact of COVID-19 such as remote learning, and will continue to work closely with NZIST and other subsidiaries across the sector.

WELTEC

STATEMENT OF COMPLIANCE AND RESPONSIBILITY

FOR THE YEAR ENDED 31 DECEMBER 2019

STATEMENT OF COMPLIANCE

The Commissioner and management of WelTec confirm that all the statutory requirements in relation to this annual report, as outlined in the Education Act 1989, have been met, with the exception that as at the time of reporting these financial statements, WelTec was in breach of its statutory reporting deadline of 30 April 2020.

Signed by



Justin Lester
Chair

18 December 2020

STATEMENT OF RESPONSIBILITY

The Council and management accept responsibility for the preparation of the annual financial statements and judgements used in them, and hereby adopt the financial statements as presented. They also accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting and service performance reporting.

In the Council and management's opinion, the annual financial statements for the year ended 31 December 2019 fairly reflect the financial position, financial performance and service performance achievements of WelTec.



Mark Oldershaw
Chief Executive

18 December 2020

Financial Statements

Whitireia

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WHITIREIA

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

For the year ended 31 December 2019

	Note	Group			Parent	
		2019 Actual \$000	2019 Budget \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
Revenue						
Revenue from non-exchange transactions						
Government grants	2	20,719	22,615	23,171	20,719	20,952
Tuition funding	2	10,039	11,695	11,916	10,039	9,866
Donations and koha		122	-	115	52	-
Revenue from exchange transactions						
Tuition funding		8,716	9,058	11,903	8,716	11,434
Revenue from other operating activities	2	4,801	4,845	5,586	4,801	7,189
Interest revenue		173	235	89	159	69
Profit on disposal of fixed assets		15	-	176	15	176
Total revenue		44,585	48,447	52,956	44,501	49,686
Expenses						
Personnel costs	3	26,270	27,407	32,277	26,270	32,275
Depreciation expenses	10	4,776	4,864	5,353	4,776	5,353
Amortisation expenses	11	284	289	292	284	292
Course related expenses		1,921	2,388	2,265	1,920	2,265
Occupancy costs		7,985	8,260	8,566	7,985	8,566
Project expenses		2,614	2,182	5,501	2,204	2,132
Other expenses	4	8,539	7,461	9,350	8,393	9,038
Trading activities		266	234	242	266	242
Loss on disposal of fixed assets		1	-	54	1	54
Total expenses		52,656	53,085	63,900	52,099	60,217
Surplus/(deficit) before non-operating items		(8,071)	(4,638)	(10,944)	(7,598)	(10,531)
Non-operating items						
Non operating items (expense)	5	(1,263)	(1,609)	(5,954)	(1,263)	(6,658)
Share of jointly controlled entities (loss)/profit		-	-	(200)	-	-
Surplus/(deficit)		(9,334)	(6,247)	(17,098)	(8,861)	(17,189)
Other comprehensive revenue and expenditure						
Revaluation gain on property, plant and equipment		-	-	-	-	-
Total comprehensive revenue and expenses		(9,334)	(6,247)	(17,098)	(8,861)	(17,189)

The accompanying notes form part of these financial statements. Budget figures are unaudited.

WHITIREIA

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

	Note	Group			Parent	
		2019 Actual \$000	2019 Budget \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
Balance at 1 January	18	57,566	58,404	62,664	56,895	62,084
Comprehensive revenue and expenses						
Surplus/(deficit)		(9,334)	(6,247)	(17,098)	(8,861)	(17,189)
Other comprehensive revenue and expenses		-		-	-	-
Total comprehensive revenue and expenses		(9,334)	(6,247)	(17,098)	(8,861)	(17,189)
Equity adjustment						
Crown Capital injection	18	8,000	3,000	12,000	8,000	12,000
Balance at 31 December		56,232	55,157	57,566	56,034	56,895

The accompanying notes form part of these financial statements. Budget figures are unaudited.

WHITIREIA

STATEMENT OF FINANCIAL POSITION

as at 31 December 2019

	Note	Group			Parent	
		2019 Actual \$000	2019 Budget \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
Assets						
Current assets						
Cash and cash equivalents	6	8,889	1,592	5,392	8,858	5,344
Debtors and other receivables	7	5,979	5,624	7,875	6,272	7,799
Inventory	8	166	244	204	166	204
Prepayments		521	-	-	521	-
Current portion of financial assets in the nature of investments	9	392	362	-	-	-
Assets Held for Sale	12	-		2,550	-	2,550
Total current assets		15,947	7,822	16,021	15,817	15,897
Non-current assets						
Financial assets in the nature of investments	9	-	-	382	-	-
Property, plant and equipment	10	83,146	85,533	87,584	83,146	87,584
Intangible assets	11	156	747	438	156	438
Total non current assets		83,302	86,277	88,404	83,302	88,022
Total assets		99,249	94,099	104,425	99,119	103,919
Liabilities						
Current liabilities						
Creditors and other payables	13	8,445	5,542	7,466	8,533	7,631
Special accounts	14	61	-	5	61	5
Revenue received in advance	15	8,013	8,565	11,172	7,993	11,172
Employee entitlements	16	1,873	2,133	2,327	1,873	2,327
Current provisions	17	1,614	1,500	846	1,614	846
Loans and borrowings		13,944	12,500	13,949	13,944	13,949
Deposits held on the sale of property		-	-	239	-	239
Total current liabilities		33,950	30,240	36,004	34,018	36,169
Non-current Liabilities						
Employee entitlements	16	141	1,735	177	141	177
Revenue received in advance	15	8,326	5,200	8,332	8,326	8,332
Provisions	17	600	217	2,345	600	2,345
Total non current liabilities		9,067	7,152	10,855	9,067	10,855
Total liabilities		43,017	37,392	46,859	43,085	47,024
Net assets		56,232	56,707	57,566	56,034	56,895
Equity						
General funds	18	32,958	33,445	34,292	32,772	33,633
Property revaluation reserves	18	23,262	23,262	23,262	23,262	23,262
Restricted reserves	18	12	-	12	-	-
Total equity		56,232	56,707	57,566	56,034	56,895

The accompanying notes form part of these financial statements. Budget figures are unaudited.

WHITIREIA

STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

	Note	Group			Parent	
		2019 Actual \$000	2019 Budget \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
Cash flows from operating activities						
Receipts of government grants		22,096	24,267	23,171	22,180	20,951
Receipt of student tuition fees		14,689	15,832	23,433	14,682	21,044
Receipt of other ancillary income		9,142	9,402	4,984	8,709	6,468
Interest received / (paid)		173	-	(319)	159	(338)
Net GST received / (paid)		570	(500)	(52)	619	(108)
Payment to employees		(27,330)	(27,126)	(33,597)	(27,330)	(33,591)
Payment to suppliers		(25,767)	(25,574)	(24,626)	(25,429)	(20,861)
Net cash provided by/(used in) operating activities		(6,427)	(3,700)	(7,006)	(6,410)	(6,435)
Cash flows from investing activities						
Purchase of property, plant and equipment		(375)	(3,000)	(4,674)	(375)	(4,674)
Purchase of intangibles		(2)	-	(28)	(2)	(28)
Proceeds from sale of property, plant and equipment		2,311	2,900	641	2,311	647
Net proceeds from / purchase of financial assets in the nature of investments		(10)	-	(9)	(10)	-
Proceeds from disposal of CPP		-	-	1,000	-	1,000
Capital injection CPP		-	-	(858)	-	(858)
Net cash provided by/(used in) investing activities		1,924	(100)	(3,928)	1,924	(3,913)
Cash flows from financing activities						
Repayment of loan		-	(3,000)	-	-	-
Proceeds from Crown Capital Injection		8,000	3,000	12,000	8,000	12,000
Net cash provided by/(used in) financing activities		8,000	-	12,000	8,000	12,000
Net (decrease)/increase in cash and cash equivalents		3,497	(3,800)	1,066	3,514	1,652
Cash and cash equivalents at the beginning of the financial year		5,392	5,392	4,326	5,344	3,692
Cash and cash equivalents at the end of the financial year	6	8,889	1,592	5,392	8,858	5,344

The GST (net) component of operating activities reflects the net GST paid to and received from the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes, and to be consistent with other primary financial statements.

The accompanying notes form part of these financial statements. Budget figures are unaudited.

WHITIREIA

STATEMENT OF CASH FLOWS

Continued

Note	Group		Parent		
	2019 Actual \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000	
Reconciliation of profit for the period to net cash flows from operating activities					
Surplus/(deficit)		(9,334)	(17,098)	(8,861)	(17,189)
Add/(less) non-cash items:					
Depreciation		4,776	5,353	4,776	5,353
Amortisation		284	292	284	292
Share of associate (profit)/loss		-	200	-	-
(Profit) / loss on disposal of assets		15	(307)	15	(307)
Other non cash expenses		79	-	53	-
Impairment of investment in subsidiaries		-	-	-	691
Write off on investment and property		-	1,693	-	1,693
Increase/(Decrease) in bad debt provision		70	62	70	62
Interest on loan recognised as principal		-	49	-	49
Add / (less) movements in working capital items					
Decrease/(increase) in inventories		38	(116)	38	(116)
Decrease/(increase) in debtors and other receivables		1,826	(71)	1,457	(1,528)
Decrease/(increase) in prepayments		(521)	436	(521)	432
Decrease/(increase) in taxation receivable		-	18	-	-
(Decrease)/increase in creditors and other payables		979	2,746	902	3,141
(Decrease)/increase in revenue received in advance		(3,165)	(1,377)	(3,185)	(124)
(Decrease)/increase in employee entitlements		(490)	(86)	(454)	(86)
(Decrease)/increase in loans and borrowings		(5)	-	(5)	-
(Decrease)/increase in provisions		(978)	1,200	(978)	1,200
Net cash from operating activities		(6,427)	(7,006)	(6,410)	(6,437)

The accompanying notes form part of these financial statements. Budget figures are unaudited.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

Whitireia Community Polytechnic (Whitireia) is a TEI governed by the Crown Entities Act 2004 and the Education Act 1989. It provides full-time and part-time tertiary education in New Zealand.

Whitireia and the Group consists of Whitireia Community Polytechnic and its subsidiaries, Whitireia New Zealand Limited (WNZL) (100% owned), non-trading subsidiary Whitireia Enterprises Ltd (100% owned) and Whitireia Foundation (100% interest). Whitireia also holds W² Shared Services Limited (50% owned) as a jointly controlled entity with Wellington Institute of Technology. W² Shared Services Limited was dormant on 31 December 2019 and was removed from the companies register on 27 February 2020. All jointly controlled entities are equity accounted into the Group financial statements. All subsidiaries, associates, and jointly controlled entities are incorporated and domiciled in New Zealand.

The primary objective of Whitireia and the Group is to provide tertiary education services for the benefit of the community rather than making a financial return.

The financial statements of Whitireia and the Group are for the year ended 31 December 2019. The financial statements were authorised for issue by the Board on 18 December 2020.

BASIS OF PREPARATION

The financial statements of Whitireia Community Polytechnic (Whitireia) and the Group have been prepared on a disestablishment basis as Whitireia ceased to operate and its assets, liabilities and operations were transferred to a new company, Whitireia Community Polytechnic Limited (Whitireia Limited) controlled by New Zealand Institute of Skills & Technology (NZIST) on 1 April 2020.

On 1 August 2019, Education Minister Chris Hipkins announced the Government's decisions on the Reform of Vocational Education (RoVE) proposals. One of the seven key changes was to create a new kind of organisation that will provide work-based, off-the-job, and online vocational learning and training across New Zealand.

With a working name of the New Zealand Institute of Skills & Technology (NZIST), the Institute has brought together the existing 16 Institutes of Technology and Polytechnics.

On 24 February 2020 the Education (Vocational Education and Training Reform) Amendment Bill received Royal Assent to take effect on 1 April 2020 at which time all assets, liabilities, and obligations of the Whitireia passed to Whitireia Limited, a wholly owned subsidiary of the New Zealand Institute of Skills and Technology.

Whilst the disestablishment basis has been adopted for the preparation of the 31 December 2019 financial statements the carrying values of assets and liabilities have not been adjusted to reflect the realisation basis as the assets of Whitireia will continue to be used by Whitireia Limited for the same purpose as currently applied and the liabilities of Whitireia will be met in the normal course of business by Whitireia Limited. Assets and liabilities have been assessed in consideration of the best available information at the date of the approval of the financial statements, 18 December 2020.

UNDERLYING FINANCIAL PERFORMANCE

For the year ended 31 December 2019 Whitireia and the Group incurred deficits of \$8.861 million and \$9.334 million respectively. Subsequent to that period Whitireia and the Group have forecast to incur deficits of \$6.050 million and \$6.044 million in the 2020 financial year. The continuing viability of Whitireia and its ability to continue as a going concern is dependent upon it being able to generate sustainable revenue increases whilst being successful in managing personnel and operating costs to reflect the lower revenue base, including realising benefits of effectively rationalising the owned and leased properties.

A cash flow forecast for the next 12 months prepared by management has indicated that the operations of the new entity (Whitireia Limited) and the Group have sufficient cash assets to be able to meet its debts as and when they are due. The Student Achievement Component (SAC) funding for the 2020 year has been guaranteed by the Tertiary Education Commission (TEC) across the Institutes of Technology and Polytechnics Sector as a result of the COVID-19 pandemic. Over the course of 2019, a major change programme, E Tū Ma Tātou, was carried out across the Group that has targeted personnel and operational expenditure savings to get Whitireia and WelTec to breakeven in future years. To manage the liquidity of the Group, the Crown provided equity injections during 2019 of \$8 million. This injection enabled Whitireia to manage its short-term liquidity and operating commitments as these fell due.

Whitireia has in place an approved borrowing facility of \$14 million.

Statement of Compliance

The financial statements of Whitireia and the 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).

As the primary objective of Whitireia and the Group is to provide goods or services for community and social benefit, rather than for making a financial return, Whitireia and the Group are public benefit entities for the purpose of complying with NZ GAAP.

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These financial statements have been prepared in accordance with PBE Standards and comply with Tier 1 PBE accounting standards, and other applicable financial reporting standards as appropriate for public benefit entities.

Measurement base

The financial statements have been prepared on a historical cost basis, except for assets classified as held for sale, and land and buildings, which have been measured at fair value and other fair value amendments as provided for within the accounting policies.

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000). The functional currency of Whitireia and the Group is New Zealand Dollars (NZ\$).

Changes in accounting policies and disclosures

There have been no changes in accounting policies during the financial year other than new standards adopted which has been outlined below. Other than disclosure considerations, there are no other impacts of the standards and interpretations applicable for the first time during the year.

PBE IPSAS 1 amendments become effective from 1 January 2018. The amendments removes the reference to an "approved budget" and replace with general purpose prospective financial statements. The standard also clarifies that the comparison between prospective and historical financial statements should be disclosed either on the face of the financial statements or in a separate note. Whitireia and the Group disclose the comparison in the note 24 of the financial statements.

New standards adopted

PBE IPSAS 34, 35, 36, 37 and 38 have been adopted in relation to the definition of control of entities and group account. Adopting these new standards does not have any significant impact on current consolidation process and disclosure methods.

PBE IPSAS 21 and 26 have been adopted in relation to impairment of revalued assets. There has been no revaluation done on assets for the year, therefore, there is no impact on the result from this adoption.

PBE IPSAS 39 has been adopted in relation to employee benefits. WelTec and the Group maintains the standard annual leave, long service leave and sick leave. Therefore, the adoption of standard does not have a significant impact on the calculation of those balances and the disclosures.

Standards issued and not yet effective

PBE IPSAS 3 requires disclosure of the possible impact of new and revised PBE standards that have been issued but are not yet effective. The standards that may impact on Whitireia in future years are:

PBE IFRS 9 relates to Financial Instruments and will replace most of the requirements of PBE IPSAS 29. The standard will change the note disclosures, and is effective from 1 January 2022. PBE IFRS 9 requires Whitireia and the Group to record expected credit losses on its receivables. Whitireia and the Group expects to apply the simplified approach and record lifetime expected losses on student receivables. Whitireia and the Group has determined that, due to the unsecured nature of its student debtors, the loss allowance will increase based on the current student and other debtors. Other debtors represent intercompany receivables and future expected credit losses are not considered material.

PBE FRS 48 relates to Service Performance Reporting. This may change note disclosures. This standard is effective 1 January 2022.

The above standards will be applicable to Whitireia Community Polytechnic Limited (established 1 April 2020), but will not impact the reporting of Whitireia Community Polytechnic.

SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

These financial statements comprise the financial statements of Whitireia ("the Parent") and its controlled entities (together, "the Group") as at 31 December 2019.

Subsidiaries

Whitireia consolidates in the group financial statements all entities where Whitireia has the capacity to control the financing and operating policies of an entity so as to obtain benefits from the activities of the entity. This power exists where Whitireia controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by Whitireia or where the determination of such policies is unable to materially impact the level of potential ownership benefits that arise from the activities of the subsidiary.

Intra-company transactions, balances and unrealised gains on transactions between group entities are eliminated in full on consolidation. Unrealised losses are also eliminated. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

Investments in subsidiaries are carried at cost in the Whitireia parent entity financial statements and tested for impairment on an annual basis.

Revenue

Revenue is measured at fair value and is recognised to the extent that it is probable that the economic benefits will flow to Whitireia and the Group and the revenue can be reliably measured. The following specific criteria must also be met before revenue is recognised:

Revenue from Non-Exchange Transactions

Government grants

Government grants are recognised when eligibility to receive the grant has been established. Student Achievement Component Funding (SAC) is Whitireia's main source of operational funding

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from the Tertiary Education Commission (TEC). SAC funding is considered to be non-exchange revenue and the entitlement is established upon the withdrawal period for an individual's course of study having passed.

Revenues from non-exchange transactions with the Government and government agencies is recognised when the Group obtains control of the transferred asset and:

- it is probable that the economic benefits or service potential related to the asset will flow to the Group and can be measured reliably; and
- the transfer is free from conditions that require the asset to be refunded or returned to the Government if the conditions are not fulfilled.

Whitireia considers Performance-Based Research Funding (PBRF) to be non-exchange in nature. PBRF is specifically identified by the TEC as being for a funding period as required by section 159YA of the Education Act 1989. Whitireia recognises its confirmed allocation of PBRF funding at the commencement of the specified funding period, which is the same as Whitireia's financial year. PBRF revenue is measured based upon Whitireia's entitlement adjusted for any adjustments as part of the final wash-up process. Indicative funding for future periods is not recognised until confirmed for the future period.

Domestic student tuition fees

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

Fees Free Income

Fees-free revenue is paid by the government on behalf of students and is therefore considered to be non-exchange revenue. Fees-free income is recognised when the course withdrawal date for an eligible student has passed. Whitireia has presented funding received for fees-free as part of domestic student tuition fees on the basis that receipts from TEC are for payment on behalf of the student as specified in the relevant funding mechanism.

Donations

Donations and bequests are recognised as revenue when the right to receive the fund or asset has been established, unless there is an obligation in substance to return the funds if conditions of the donation are not met. If there is such an obligation, they are initially recorded as revenue in advance when received and recognised as revenue when the conditions are satisfied.

Revenue from Exchange Transactions

International student tuition fees

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 total course days.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have

passed to the buyer, usually on delivery of the goods, and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the Group.

Rendering of services

Revenue from a contract to provide services through an exchange transaction is recognised by reference to the stage of completion of the contract at balance date.

Interest and dividends

Interest revenue is recognised on a time-proportionate basis that takes into account the effective yield on the financial asset.

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

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date. The substance of the arrangement depends on whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Operating leases

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

Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction

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

Cash and cash equivalents

Cash and cash equivalents represents all bank positions, which are maintained to support day to day operations. Cash and cash equivalents includes cash on hand and in banks and other short-term highly liquid investments with original maturities of three months or less, and outstanding bank overdrafts. The carrying value of cash at bank, call deposits and term deposits maturing in less than 90 days approximates their fair value. If bank overdrafts are operating they are shown within current liabilities.

Receivables

Trade receivables, student receivables and other receivables are recorded at their face value, less any provision for impairment.

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Scholarships

Scholarships awarded by Whitireia that reduce the amount of tuition fees payable by the student are offset against student fees revenue.

Borrowing costs

Borrowing costs are recognised as an expense in the financial year in which they are incurred.

Financial assets

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

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

There are four categories of financial assets under PBE IPSAS 29. Whitireia holds financial assets classified as loans and other receivables. Classification of the financial asset depends on the purpose for which the instruments were acquired.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. Related party receivables that are repayable on demand are classified as a non-current asset because repayment of the receivable is not expected within 12 months of the balance date.

After initial recognition loans and receivables are measured at amortised cost using the effective interest method less any provision for impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Impairment of financial assets

At each balance date, Whitireia and Group assesses whether there is any objective evidence that a financial asset or Group of assets is impaired. Any impairment losses are recognised in surplus or deficit.

Loans and receivables (including cash and cash equivalents and debtors and other receivables)

Impairment of a loan or a receivable is established when there is objective evidence that Whitireia and the Group will not be able to collect amounts due according to the original terms of the debt. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy and the default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due). For other financial assets, impairment losses are recognised directly against the instruments carrying amount.

Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or nominal cost), the cost of inventory is its fair value at the date of acquisition.

After initial recognition, inventories held for resale are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to make the sale, exchange, or distribution.

Property, plant and equipment

Property, plant and equipment consists of the following asset classes: land and buildings, plant and machinery, motor vehicles, computer hardware, furniture and fittings, artwork, library collection, office equipment, teaching equipment, leasehold improvements, communication systems and signage.

Land and buildings

Land is measured at fair value, and buildings are measured at fair value less accumulated depreciation and impairment losses. All other asset classes are measured at deemed cost on acquisition less any accumulated depreciation and impairment losses.

Revaluations

Land and buildings are revalued with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at least every two years.

The carrying values of revalued assets are assessed biannually by independent valuers 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.

Land and buildings revaluation movements are accounted for on a class of asset basis.

The net revaluation results are credited or debited to other comprehensive income and is 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 income but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive income.

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 Whitireia and the Group and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

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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.

Depreciation

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

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

Leasehold improvements are depreciated over the unexpired

Class of asset	Life (years)	Depreciation rate
Buildings	10 - 50	2% - 10%
Plant and Machinery	4 - 12	8% - 25%
Motor Vehicles	5 - 8	12.5% - 20%
Computer Hardware	1 - 5	20% - 100%
Furniture and Fittings	2 - 21	5% - 50%
Library Collection	5 - 10	10% - 20%
Office Equipment	4 - 10	10% - 25%
Leasehold Improvements	1 - 21	5% - 100%
Communication Systems	3 - 10	10% - 33%

period of the lease or the estimated useful lives of the improvements, whichever is the shorter.

For revalued assets, any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the assets.

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

An asset's carrying amount is written down immediately to its recoverable amount, or recoverable service amount, if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount. Please refer to policy on impairment of non-financial assets below.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits or service potential are expected from its use or disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in surplus or deficit.

Upon disposal or derecognition, any revaluation reserve relating to the particular asset being sold is transferred to accumulated comprehensive revenue and expense.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits or service potential embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention and ability to complete and use or sell the asset;
- How the asset will generate future economic benefits or service potential; and
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

Software

The Group holds several computer software packages for internal use, including purchased software and software developed in-house by the Group.

'Purchased software is recognised and measured at the cost incurred to acquire the software. Developed software is recognised and measured during the development stage in accordance with the Research and development paragraph above. Costs that are directly associated with the development of the software, including employee costs, are capitalised as an intangible asset. Staff training costs and costs associated with maintaining computer software are recognised as expenses in surplus or deficit when incurred.

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Course development costs

'Course development costs relate to development of educational courses and are capitalised if purchased wholly from other institutes of learning.

Amortisation

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

The amortisation expense on intangible assets with finite lives is recognised in surplus or deficit as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in surplus or deficit when the asset is derecognised.

Class of asset	Life	Amortisation method	Internally generated or acquired
Computer Software	3 years	Straight line	Some acquired and some internally generated

Impairment of property, plant, and equipment and intangible assets

Intangible assets that have an indefinite useful life, or not yet available for use, and goodwill, are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

The value in use for cash-generating assets is the present value of expected future cash flows.

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 income 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.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

Impairment related to goodwill cannot be reversed. The reversal of an impairment loss on a revalued asset is credited to other comprehensive income and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount the reversal of an impairment loss is recognised in the surplus or deficit.

Assets held for sale

Properties that are not required for service delivery and are intended to be sold are classified as held for sale.

Gains and losses arising from a change in the fair value of properties held for sale are recognised in the surplus or deficit.

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Employee entitlements**Wages, salaries, annual leave and sick leave**

Employee entitlements 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, annual leave earned but not yet taken at balance date and sick leave.

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 historical average amount of additional days used by staff to cover those future absences.

A liability and an expense is recognised for bonuses, where there is a contractual obligation.

Long term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement leave 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, long service leave and retirement leave expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

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Superannuation schemes

Defined contribution schemes such as employer contributions to KiwiSaver, the Government Superannuation Scheme and other such superannuation schemes are accounted for as defined contribution schemes and are recognised as an expense in the profit or loss when incurred.

Provisions

Provisions are recognised when: a present obligation (legal or constructive) arises as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Provisions are reviewed at each balance date, and adjusted to reflect the current best estimate. When it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision shall be reversed.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Equity

Equity, being the difference between total assets and total liabilities reflects the Crown's interest in Whitireia and Group. This public equity is disaggregated and classified into a number of reserves to enable clearer identification of the specific uses/sources of accumulated funds. The components of equity are:

- General funds;
- Property revaluation reserves;
- Restricted reserves.

Crown capital injection

Capital injection receivable or received from the Crown is recognised directly into the equity. The portion of the Crown funding not received during the year and where the conditions attached to the funding are not met is disclosed in the financial statements.

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 Whitireia. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Property revaluation reserves

This reserve relates to the revaluation of property to fair value.

Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of goods and services tax (GST), except for debtors and other receivables and creditors and other 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 GST relating to investing and financing activities, is classified as net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income Tax

Whitireia Community Polytechnic and WNZL are exempt from income tax, pursuant to section 55BA (as amended) of the Income Tax Act 2007. Whitireia Foundation is exempt from income tax, pursuant to sections CW 41 and 42 of the Income Tax Act 2007.

Budget figures

The budget figures are those approved by the Board of Whitireia Limited at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP and are consistent with the accounting policies adopted by the Board of Whitireia Limited for the preparation of the financial statements. The budget figures are not audited.

Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from 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.

Onerous leases

Notes 5 and 17 provide information about the estimates and assumptions exercised in the provisioning for onerous leases.

Trade and other receivables

Note 7 provides information about the estimates and assumptions exercised in the provisioning for doubtful debts.

Land and buildings valuation

Note 11 provides information about the estimates and assumptions exercised in the measurement of revalued land, buildings and plant. Utilisation in relation to whether any organisation adjustment required, is also a factor.

Non-current assets held for sale

Note 13 provides information about the judgements and assumptions exercised in the measurement and classification of non-current assets held for sale.

Retirement leave

Note 17 provides information about the estimates and assumptions exercised in the measurement of retirement leave.

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Provisions

Note 18 provides information about the estimates and assumptions exercised in the raising and measuring provisions. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies for the year ended 31 December 2019:

Crown owned land and buildings

Property in the legal name of the Crown that is occupied by the institute and group is recognised as an asset in the statement of financial position. The institute and the group considers that it has assumed all the normal risks and rewards of ownership of this property despite legal ownership not being transferred and accordingly it would be misleading to exclude these assets from the financial statements.

The legal ownership of the land and buildings is detailed as follows:

	Land		Buildings	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Institute-owned	14,550	14,550	44,812	44,791
Crown-owned	-	-	-	-
Total	14,550	14,550	44,812	44,791

Restrictions on disposal of these Crown owned land and buildings are in place, as per section 192 of the Education Act 1989.

Distinction between revenue and capital contributions

Most Crown funding received is operational in nature and is provided by the Crown under the authority of an expense appropriation and is recognised as revenue. Where funding is received from the Crown under the authority of a capital appropriation, Whitireia and the Group accounts for the funding as an equity injection directly in equity. Information about equity injections recognised in equity is disclosed in note 18.

Disestablishment

The financial statements of Whitireia Community Polytechnic (Whitireia) and the Group have been prepared on a disestablishment basis as Whitireia ceased to operate and its assets, liabilities and operations were transferred to a new company, Whitireia Community Polytechnic Limited (Whitireia Limited) controlled by New Zealand Institute of Skills & Technology (NZIST) on 1 April 2020.

WHITIREIA

	Group		Parent	
	2019 Actual \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
2 REVENUE				
Non-exchange Government funding				
Student achievement component (SAC) funding	18,166	21,556	18,166	19,344
Performance-based research funding	436	207	436	207
Other government grants	2,117	1,408	2,117	1,401
	20,719	23,171	20,719	20,952
Non-exchange tuition funding				
Domestic Students	7,524	9,716	7,524	7,666
Fees Free	2,515	2,200	2,515	2,200
	10,039	11,916	10,039	9,866
Other revenue				
Rental revenue	703	811	703	811
Education service contracts	1,410	2,565	1,410	4,168
Bookshop income	382	354	382	354
Dividends received	2	2	2	2
Other income	2,304	1,829	2,304	1,829
	4,801	5,561	4,801	7,164

	2019 Actual \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
3 PERSONNEL COSTS				
Councillor fees (Note 22)	45	75	45	75
Commissioner's fee (Note 22)	44	15	44	15
Academic salaries	14,239	17,857	14,239	17,857
General salaries and wages	11,348	13,630	11,348	13,628
Defined contribution plan employer contributions	594	698	594	698
	26,270	32,275	26,270	32,273

Please refer to Note 5 for redundancy expenses incurred.

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	Group		Parent	
	2019 Actual \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
4 OTHER EXPENSES				
Audit Fees	280	250	277	197
Advertising and public relations	874	1,035	874	1,035
Bad debts	304	175	237	55
Bank Charges	96	115	96	114
Catering	97	164	97	164
Commissions paid	1,714	1,607	1,714	1,607
Consultants & Legal	180	177	179	176
Equipment Lease	94	76	94	76
Export Education Levy	44	72	44	71
Fees and subscriptions	29	73	29	73
Graduation costs	103	123	103	123
Grants & Scholarships	5	7	5	7
Immigration Visa Fees	30	25	30	25
Information technology	1,621	2,612	1,621	2,612
Insurance	828	497	828	497
Interest Paid	497	457	497	457
Motor Vehicle Expenses	275	311	275	311
Office Costs	127	195	127	195
Operating lease payments	238	272	238	272
Other operating	164	234	164	234
Postage	13	19	13	19
Repairs & Maintenance Information Technology	57	32	57	32
Sundry Expenses	540	310	540	289
Travel & Accommodation	232	390	232	390
Whitireia Scholarships	97	123	22	7
	8,539	9,351	8,393	9,038

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5 NON-OPERATING EXPENSE

	Group		Parent	
	2019 Actual \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
Redundancy expenses	(1,806)	(1,230)	(1,806)	(1,230)
Impairment of investments	-	-	-	(693)
Onerous leases (recognition)/derecognition	1,084	(2,181)	1,084	(2,181)
Leasehold improvements written off	-	(1,691)	-	(1,691)
Sale of property proceeds	295	-	295	-
Professional Services	(35)	-	(35)	-
Other	(801)	(852)	(801)	(863)
Total	(1,263)	(5,954)	(1,263)	(6,658)

NON-OPERATING ITEMS**Redundancy expenses**

During the year the management team ran various initiatives to realign the staff positions in line with changing student demand. These costs represent restructuring and realignment of staff positions and redundancy payments made during the year.

Campus Relocation and Consultants

The Creative programmes were relocated from Porirua to the new creative centre in Wellington, Te Kāhui Auaha, a joint development with WelTec. Construction and engineering programmes were relocated from Mohuia Crescent, Porirua, to the main campus as part of a series of initiatives to consolidate programmes and improve space utilisation.

Onerous leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date. The substance of the arrangement depends on whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement. Leases that represent onerous contracts are recognised as provisions.

Leasehold improvements written off

Whitireia is seeking to exit the Kāpiti Campus lease as at March 2020. As a result the net book value of leasehold improvements was written off in the prior year.

6 CASH AND CASH EQUIVALENTS

	Group		Parent	
	2019 Actual \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
Cash at bank and in hand	8,889	5,362	8,858	5,343
Term deposits with maturities less than 3 months	-	30	-	1
	8,889	5,392	8,858	5,344

The carrying value of cash at bank, call deposits, and term deposits with original maturities less than three months approximates their fair value.

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7 DEBTORS AND OTHER RECEIVABLES

	Group		Parent	
	2019 Actual \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
Tuition fees receivable	5,606	5,388	5,606	5,275
Provision for doubtful debts	(96)	(26)	(96)	(26)
TEC Fees Free	178	-	178	-
Related Party Receivables (Note 22)	-	1,334	307	1,350
Other debtors and receivables	291	1,179	277	1,200
	5,979	7,875	6,272	7,799

Fair value

Student receivables are inclusive of exchange and non-exchange transactions. All student fees are due before a course commences or upon enrolment if the course has already begun. 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.

Impairment

The ageing profile of student receivables and trade receivables as at year end is detailed below:

	Group		Parent	
	2019 Actual \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
Student Receivables				
Not past due 1 - 30 days	2,563	4,003	2,563	4,003
Past due 31 - 60 days	1,944	843	1,944	843
Past due 61 - 90 days	929	228	929	228
Past due over 90 days	170	314	170	201
	5,606	5,388	5,606	5,275
Trade Receivables				
Not past due 1 - 30 days	1	20	1	95
Past due 31 - 60 days	114	279	114	279
Past due 61 - 90 days	96	25	96	25
Past due over 90 days	27	210	27	210
	238	534	238	609

All receivables greater than 30 days in age are considered to be past due. There are provisions for impairment against receivables with overdue amounts over 90 days as it is managements judgement that there is objective evidence that Whitireia and the Group will not be able to collect amounts due at this stage.

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

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Movements in the provision for impairment of student fee receivables are as follows:

	Group		Parent	
	2019 Actual \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
At 1 January	26	88	26	88
Additional provisions made during the year	96	26	96	26
Receivables written off during the year	(26)	(88)	(26)	(88)
At 31 December	96	26	96	26

8 INVENTORY

Inventory held for sale or provision of services at commercial terms:

	2019 Actual \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
Materials and consumables (at cost)	166	204	166	204
Total inventory at the lower of cost and net realisable value	166	204	166	204

9 FINANCIAL ASSETS IN THE NATURE OF INVESTMENTS

	Effective interest rate %	Maturity	2019 Actual \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
Current deposits with bank						
ASB - Foundation	3.37%	31/03/20	280	-	-	-
ASB - Foundation	3.37%	31/03/20	102	-	-	-
ASB - Foundation	3.24%	31/03/20	10	-	-	-
			392	-	-	-

Non Current

Investment in controlled entity (at valuation)			-	-	-	-
ASB - foundation			-	280	-	-
ASB - Foundation			-	102	-	-
			-	382	-	-

The deposit with banks classified as current assets are those with original maturing periods of greater than three months and less than twelve months.

The investment in controlled entity was for WNZL (100% owned on 31 December 2017). This investment has been written down to nil during the prior year and WNZL was non-operational at balance date.

W² Shared Services Limited

W2 Shared Services Limited is jointly owned on a 50%:50% basis with Wellington Institute of Technology and began trading in January 2015 to replace the unincorporated joint venture structure utilised in 2014. W2 Shared Services Limited stopped operating during the year and has nil net assets, nil profit and no equity invested. The entity was wound up on 27 February 2020.

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10 PROPERTY, PLANT AND EQUIPMENT

GROUP 2019 \$000	Land and buildings	Leasehold improvements	Computer Hardware	Furniture and fittings and artwork	Library collection	Plant and machinery	Motor Vehicles	Office Equipment	Communication systems	Construction Work in Progress	Total
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Gross Carrying Amount

Balance as at 1 January	59,341	32,467	8,316	3,992	3,544	7,056	900	494	1,227	-	117,337
Additions	21	-	78	93	88	57	-	38	-	-	375
Disposals	-	-	(17)	(4)	-	(160)	-	-	-	-	(181)
Reclassifications	-	-	-	-	-	-	-	-	-	-	-
Net revaluation increments/ decrements	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December	59,362	32,467	8,377	4,081	3,632	6,953	900	532	1,227	-	117,531

Accumulated Depreciation

Balance as at 1 January	1,811	7,141	7,164	2,743	2,975	5,433	832	448	1,207	-	29,754
Depreciation Expense	1,837	1,604	416	248	161	441	40	9	20	-	4,776
Disposals	-	-	(17)	(2)	-	(126)	-	-	-	-	(145)
Reclassifications	-	-	-	-	-	-	-	-	-	-	-
Net revaluation increments/ decrements	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December	3,648	8,745	7,563	2,989	3,136	5,748	872	457	1,227	-	34,385
Net Book Value	55,714	23,722	814	1,092	496	1,205	28	75	-	-	83,146

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Parent 2019 \$000	Land and buildings	Leasehold improvements	Computer Hardware	Furniture and fittings and artwork	Library collection	Plant and machinery	Motor Vehicles	Office Equipment	Communication systems	Construction Work in Progress	Total
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Disposals	-	-	(17)	(4)	-	(160)	-	-	-	-	(181)
Reclassifications	-	-	-	-	-	-	-	-	-	-	-
Net revaluation increments/ decrements	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December	59,362	32,467	8,377	4,081	3,632	6,953	900	532	1,227	-	117,531

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Depreciation Expense	1,837	1,604	416	248	161	441	40	9	20	-	4,776
Disposals	-	-	(17)	(2)	-	(126)	-	-	-	-	(145)
Reclassifications	-	-	-	-	-	-	-	-	-	-	-
Net revaluation increments/ decrements	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December	3,648	8,745	7,563	2,989	3,136	5,748	872	457	1,227	-	34,385
Net Book Value	55,714	23,722	814	1,092	496	1,205	28	75	-	-	83,146

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Group 2018 \$000	Land and buildings	Leasehold improvements	Computer Hardware	Furniture and fittings and artwork	Library collection	Plant and machinery	Motor Vehicles	Office Equipment	Communication systems	Construction Work in Progress	Total
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Gross Carrying Amount

Balance as at 1 January	60,350	12,767	7,875	3,376	3,511	5,512	900	456	1,227	24,500	120,474
Additions	5	207	116	2	33	371	-	38	-	3,902	4,674
Disposals	(2,632)	(4,994)	(43)	(5)	-	(36)	-	-	-	(101)	(7,811)
Reclassifications	1,618	24,487	368	619	-	1,209	-	-	-	(28,301)	-
Net revaluation increments/ decrements	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December	59,341	32,467	8,316	3,992	3,544	7,056	900	494	1,227	-	117,338

Accumulated Depreciation

Balance as at 1 January	-	8,549	6,757	2,468	2,811	4,950	782	440	1,196	-	27,953
Depreciation Expense	1,840	2,082	440	275	164	483	50	8	11	-	5,353
Disposals	(29)	(3,490)	(33)	-	-	-	-	-	-	-	(3,552)
Reclassifications	-	-	-	-	-	-	-	-	-	-	-
Net revaluation increments/ decrements	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December	1,811	7,141	7,164	2,743	2,975	5,433	832	448	1,207	-	29,754
Net Book Value	57,530	25,326	1,152	1,249	569	1,623	68	46	20	-	87,584

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Parent 2018 \$000	Land and buildings	Leasehold improvements	Computer Hardware	Furniture and fittings and artwork	Library collection	Plant and machinery	Motor Vehicles	Office Equipment	Communication systems	Construction Work in Progress	Total
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Disposals	(2,632)	(4,994)	(43)	(5)	-	(36)	-	-	-	(101)	(7,811)
Reclassifications	1,618	24,487	368	619	-	1,209	-	-	-	(28,301)	-
Net revaluation increments/ decrements	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December	59,341	32,467	8,316	3,992	3,544	7,056	900	494	1,227	-	117,338

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Depreciation Expense	1,840	2,082	440	275	164	483	50	8	11	-	5,353
Disposals	(29)	(3,490)	(33)	-	-	-	-	-	-	-	(3,552)
Reclassifications	-	-	-	-	-	-	-	-	-	-	-
Net revaluation increments/ decrements	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December	1,811	7,141	7,164	2,743	2,975	5,433	832	448	1,207	-	29,754
Net Book Value	57,530	25,326	1,152	1,249	569	1,623	68	46	20	-	87,584

WHITIREIA

Valuation

Land

Land is valued at fair value using market based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the 'unencumbered' land value for campus land where there is a designation against the land or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative impact on the value of land where the owner is unable to use the land more intensely.

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

The most recent valuation of land was performed by a registered independent valuer, CW Nyberg and Hamish Merriman of Darroch Ltd, and the valuation is effective as at 31 December 2017.

Buildings

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

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

- The replacement asset is based on the reproduction cost of the specific assets with adjustments where appropriate for obsolescence due to over design or surplus capacity;
- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information;
- Estimating the remaining useful life of assets; and
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

The most recent valuation of buildings was performed by a registered independent valuer, Darroch Ltd, and the valuation is effective as at 31 December 2017.

Restrictions on title

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

WHITIREIA

11 INTANGIBLE ASSETS

GROUP \$000	2019		2018	
	Software	Total	Software	Total
Gross Carrying Amount				
Balance as at 1 January	5,010	5,010	4,982	4,982
Additions	2	2	28	28
Disposals	-	-	-	-
Reclassifications	-	-	-	-
Balance at 31 December 2018	5,012	5,012	5,010	5,010
Accumulated Amortisation				
Balance as at 1 January	4,572	4,572	4,280	4,280
Amortisation Expense	284	284	292	292
Disposals	-	-	-	-
Reclassifications	-	-	-	-
Balance as at 31 December	4,856	4,856	4,572	4,572
Net Book Value	156	156	438	438

Parent \$000				
	Software	Total	Software	Total
Gross Carrying Amount				
Balance as at 1 January	5,010	5,010	4,982	4,982
Additions	2	2	28	28
Disposals	-	-	-	-
Reclassifications	-	-	-	-
Balance as at 31 December	5,012	5,012	5,010	5,010
Accumulated Amortisation				
Balance as at 1 January	4,572	4,572	4,280	4,280
Amortisation Expense	284	284	292	292
Disposals	-	-	-	-
Reclassifications	-	-	-	-
Balance as at 31 December	4,856	4,856	4,572	4,572
Net Book Value	156	156	438	438

There are no restrictions over the title of intangible assets.
No intangible assets are pledged as security for liabilities.

WHITIREIA

12 ASSETS HELD FOR SALE

	Group		Parent	
	2019 Actual \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
Opening balance as at 1 January (fair value)	2,550	325	2,550	325
Net gain from fair value adjustment	-	-	-	-
Disposals during the year	(2,550)	(325)	(2,550)	(325)
Additions during the year	-	2,550	-	2,550
	-	2,550	-	2,550

During the year Whitireia classified two properties as held for sale and determined the fair value based on the sale and purchase agreements. The control and title of the buildings has passed to the purchaser during the 2019 financial year.

13 CREDITORS AND OTHER PAYABLES

	Group		Parent	
	2019 Actual \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
Trade payables	2,127	2,079	2,132	2,079
TEC Funding	2,323	1,379	2,410	1,379
Other payables and accruals	1,543	889	1,489	758
GST	709	138	758	138
Related party payable (note 21)	1,742	2,981	1,743	3,277
	8,445	7,466	8,533	7,631

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of creditors and other payables approximates their fair value.

14 SPECIAL ACCOUNTS

	Group		Parent	
	2019 Actual \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
Whitireia International Homestay Trust	2	4	2	4
Activities account	1	-	1	-
Other accounts	58	1	58	1
	61	5	61	5

Special accounts represents funds held by Whitireia on behalf of others and funds provided to Whitireia by various organisations for specific projects.

WHITIREIA

15 REVENUE RECEIVED IN ADVANCE

	Group		Parent	
	2019 Actual \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
Student revenue in advance	7,563	8,991	7,543	8,991
Straight line rent adjustment	8,748	8,748	8,748	8,748
Other revenue in advance	28	1,765	28	1,765
Total revenue received in advance	16,339	19,504	16,319	19,504

16 EMPLOYEE ENTITLEMENTS

	Group		Parent	
	2019 Actual \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
Payroll paid in advance	-	(125)	-	(125)
Accrued leave	1,691	2,161	1,691	2,161
Sick leave	114	171	114	171
Long service leave	2	11	2	11
Retirement leave	66	109	66	109
Total current portion	1,873	2,327	1,873	2,327

Non-current provision

Long service leave	27	39	27	40
Retirement leave	114	138	114	137
Total non-current portion	141	177	141	177
Total employee entitlements	2,014	2,504	2,014	2,504

A provision is recognised for post employment benefits payable to employees. Employees are entitled to annual leave pay, and certain long serving employees entitled to long service leave and retirement leave. Annual leave and sick leave entitlements expected to be settled within 12 months of the balance date are measured at the current rates of pay and classified as current liabilities.

Entitlements related to long service leave and retirement leave have been calculated at the present value of future cash flows determined on an actuarial basis and classified as non-current liabilities. Two key assumptions used in calculating this liability include the discount rate and salary inflation factors. The discount rate used was 1.73% for Long Service Leave (2018: 1.86%) and 1.23% for Retirement Leave (2018: 1.86%). The salary inflation factor was 1% (2018: 1%). Any changes in these assumptions will impact on the carrying amount of the liability.

Expected future payments are discounted using forward discount rates as provided by the Treasury. The salary inflation factor has been determined after considering historical salary inflation patterns and referencing the Treasury time series of Fiscal and Economic Indicators.

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 leave would be \$1,000 higher/lower and the long service leave would be \$1,000 higher/lower.

If the discount rate used were to increase or decrease by 1% from that used, with all other factors held constant, the carrying amount of the retirement leave would be \$1,000 higher/lower while the long service leave would be \$1,000 higher/lower.

WHITIREIA

17 PROVISIONS

	Group		Parent	
	2019 Actual \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
Current provision				
Lease inducements	113	112	113	112
Onerous leases	1,410	642	1,410	642
Contract settlement provision	91	91	91	91
	1,614	845	1,614	845
Non-current provision				
Lease inducements	261	375	261	375
Onerous leases	-	1,540	-	1,540
Contract settlement provision	339	430	339	430
	600	2,345	600	2,345
Total provisions	2,214	3,190	2,214	3,190

Group and parent	Balance at start of year \$000	Provisions made \$000	Provisions realised \$000	Write-off \$000	Balance at end of year \$000
2019					
Lease inducements	487	-	(113)	-	374
Onerous leases	2,182	700	(1,472)	-	1,410
Contract settlement provision	521	-	(91)	-	430
Total	3,190	700	(1,676)	-	2,214
2018					
Lease inducements	1,379	-	(373)	(519)	487
Onerous leases	-	2,182	-	-	2,182
Contract settlement provision	612	-	(91)	-	521
Total	1,991	2,182	(464)	(519)	3,190

Lease inducements

In respect of leased property, Whitireia and the Group entered into a number of agreements to lease properties where an initial inducement was made by the lessor. These inducements included rent holidays, contributions to fitout and cash incentives. These amounts have been recognised as a provision in the financial statements to be amortised over the lease term (Refer note 20).

Contract settlement

During 2014, Whitireia and the Group entered into a contract for the supply of copying services. In terms of this contract a payment was received from the supplier in order to enable Whitireia and the Group to exit its current supply agreement. This amount has been accounted for as a provision to be amortised over the period of the agreement.

Onerous leases

Whitireia has entered into a number of non-cancellable lease agreements in the ordinary course of its business. Where the unavoidable costs of meeting the obligations under these lease agreements exceed the associated expected future net benefits, an onerous contract provision is recognised. The calculation of these provisions involve the use of estimates. The key onerous provisions at balance date related to the non-cancellable lease agreements where the onerous provision is calculated by taking the unavoidable costs that will be incurred under the contract and deducting any estimated rental income by sub-letting the premises. A provision was provided for the following properties: Level 3, Waverley Street, Auckland; and Milne Drive, Paraparaumu.

WHITIREIA

18 EQUITY

	Group		Parent	
	2019 Actual \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
General funds				
Balance at 1 January	34,292	39,390	33,633	38,822
Deficit for the year	(9,334)	(17,098)	(8,861)	(17,189)
Crown capital injection	8,000	12,000	8,000	12,000
Balance at 31 December	32,958	34,292	32,772	33,633
Property revaluation reserve				
Balance at 1 January	23,262	23,262	23,262	23,262
Land and buildings net revaluation surplus	-	-	-	-
Balance at 31 December	23,262	23,262	23,262	23,262
Restricted reserves				
Balance at 1 January	12	12	-	-
Balance at 31 December	12	12	-	-
Total equity	56,232	57,566	56,034	56,895

Capital management

Whitireia 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.

Whitireia manages its revenues, expenses, assets, liabilities and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Whitireia's equity is largely managed as a by-product of managing revenues, expenses, assets, liabilities and general financial dealings.

The objective of managing Whitireia's equity is to ensure that it effectively and efficiently achieves the goals and objectives for which it has been established, while remaining a going concern.

Crown capital injection

During 2018, the Crown and Whitireia signed a capital injection agreement for the provision of financial support in order for Whitireia to meet its short-term cash flow needs and operational commitments. The Cabinet made a decision to provide a capital injection of \$15 million for Whitireia to continue to operate and manage its cash flow shortfall during 2018 and 2019. Whitireia received the first two instalments of the capital injection totalling \$12 million in 2018. The third instalment of \$3 million was received in May 2019 and an additional \$5 million was received in November 2019.

WHITIREIA

19 FINANCIAL INSTRUMENTS

	Note	Group		Parent	
		2019 Actual \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
Loans and receivables					
Cash and cash equivalents	6	8,889	5,392	8,858	5,344
Debtors and other receivables	7	5,979	7,875	6,272	7,799
Financial assets in the nature of investments	9	392	382	-	-
Total loans and receivables		15,260	13,649	15,130	13,143
Financial liabilities measured at amortised cost					
Creditors and other payables	13	(8,445)	(7,466)	(8,533)	(7,631)
Loans and borrowings		(13,944)	(13,949)	(13,944)	(13,949)
Total financial liabilities measured at amortised cost		(22,389)	(21,415)	(22,477)	(21,580)

Credit Risk

With the exception of Student Fees the group trades only with recognised, creditworthy third parties.

Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. With respect to the credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents and other debtors, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

There are no significant concentrations of credit risk within the Group.

Credit quality of financial assets

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		Parent	
	2019 Actual \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
Counterparties with credit ratings				
Cash at bank and term deposits				
AA-	8,889	5,392	8,858	5,344
Total cash at bank and term deposits	8,889	5,392	8,858	5,344
Debtors and other receivables				
Existing counterparty	5,979	7,785	6,272	7,790
	5,979	7,785	6,272	7,790

WHITIREIA

Interest rate risk

The tables below illustrate the potential effect on the surplus or deficit and equity for reasonably possible market movements, with all other variables held constant, based on financial instrument exposures at balance date.

Group	2019		2018	
	-50 bps Surplus and other equity	+150 bps Surplus and other equity	-50 bps Surplus and other equity	+150 bps Surplus and other equity
Financial Assets				
Cash and cash equivalents	(44)	133	(27)	81
Financial assets in the nature of investments	(2)	6	-	-
Loans and borrowings	70	(209)	70	(209)
	23	(70)	43	(128)

Parent

Financial Assets				
Cash and cash equivalents	(44)	133	(27)	80
Financial assets in the nature of investments	-	-	(2)	-
Loans and borrowings	70	(209)	70	(209)
	25	(76)	41	(129)

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

Liquidity Risk

Liquidity risk is the risk that Whitireia and the Group will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Whitireia and the Group aims to maintain flexibility in funding by arranging committed credit lines when required.

Refer to note 19 which describes details of a capital injection agreement between the Crown and Whitireia to meet the operating and short term liquidity requirements.

Whitireia has approval from the Secretary for Education for a credit line of up to \$14 million. Whitireia has a credit line in place with ANZ which is adjusted as required to meet Whitireia's liquidity requirements and reserves policy. As at 31 December 2019 the value of the credit line facility was \$13.94 million. (2018: \$13.99 million).

Interest rate on the borrowing was 3.27% (2018: 3.67%). This is on a call facility and has no contractual maturity date. There is no intention for this debt to be withdrawn at the date of the authorisation of the financial statements.

The table below analyses financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. There are no financial instruments held at fair value.

WHITIREIA

	Carrying Amount \$000	Contactual Cashflow \$000	Less than 6 months \$000	6-12 Months \$000	1-2 Years \$000
Group 2019					
Trade and other payables	8,445	8,445	8,445	-	-
Loans and borrowings	13,944	13,944	13,944	-	-
Total	22,389	22,389	22,389	-	-
Parent 2019					
Trade and other payables	8,533	8,533	8,533	-	-
Loans and borrowings	13,944	13,944	13,944	-	-
Total	22,477	22,477	22,477	-	-
Group 2018					
Trade and other payables	7,466	7,466	7,466	-	-
Total	7,466	7,466	7,466	-	-
Parent 2018					
Trade and other payables	7,631	7,631	7,631	-	-
Total	7,631	7,631	7,631	-	-

WHITIREIA

20 COMMITMENTS AND CONTINGENCIES

Operating lease commitments - Whitireia and the Group as lessee

Whitireia and the Group have entered into commercial leases on buildings where it is not in the best interest of Whitireia and the Group to purchase these assets. These leases have an average life of between one and twenty one years. 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		Parent	
	2019 Actual \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
Operating Commitments				
Due within one year	4,339	3,950	4,339	3,950
Due after one year but less than five years	13,797	15,679	13,797	15,679
Due after five years	40,600	39,091	40,600	39,091
	58,736	58,720	58,736	58,720

WelTec and Whitireia have entered into a joint lease for premises at 82-92 Cuba Street and 65 Dixon Street, Wellington. The two institutions are jointly and severally liable for the lease costs and 66% of the lease commitment has been included in the operating commitments.

CAPITAL COMMITMENTS

As at 31 December 2019, Whitireia had no capital commitments.

Contingent Liability

WelTec and Whitireia were party to a joint venture which provided certain students studying specific courses with assurances that may give rise to the requirement to refund fees. As at 31 December 2019 management has determined that the likelihood of claims being made to the Institutes, under this scheme, is less likely than probable and that an estimate of any future liability can not be accurately measured. The same circumstance applied in 2018. Management will continue to review this assumption on a regular basis.

Whitireia and the Group have no other contingent liabilities as at 31 December 2019. (Nil:2018)

WHITIREIA

21 RELATED PARTY DISCLOSURE

Outstanding balances at 31 December 2019 and 2018 are unsecured and settlement occurs in cash.

Subsidiary	Parent	
	2019 Actual \$000	2018 Actual \$000
Whitireia New Zealand Ltd		
Services provided by the Polytechnic	-	706
Unsecured receivable payable to the Polytechnic	307	-
Unsecured loans payable by the Polytechnic	-	295

Whitireia Foundation

Receivable for services rendered to Whitireia	-	16
Payable to Whitireia Foundation	1	-

Joint Ventures

Computer Power Plus Joint Venture

Services provided to WNZL	-	4,076
Services provided by the Polytechnic	-	300

W2 Joint Venture

Services provided to the Polytechnic	-	1,026
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Entities Under Common Control

Wellington Institute of Technology (WelTec)		
Receivable for services provided by WelTec	-	1,334
Revenue in advance for services provided by Whitireia	-	1,337
Payable to WelTec	1,767	2,981

WelTec

Whitireia and WelTec are related parties as a consequence of joint governance and leadership. The general nature of the trading between Whitireia and WelTec is shared employee and operating costs, including shared premises and premises related costs. Whitireia was contracted to deliver Trades Academy delivery for WelTec during 2019. The transactions are at cost and include transactions with key management personnel. Key management personnel includes the Council, Commissioner and executive management. Whitireia and WelTec has a Joint Leadership Team (JLT) (consisting of the CEO and six Directors). The costs of the Council, Commissioner and JLT are shared between Whitireia and WelTec on a 50/50% basis.

Crown / Government

The Government influences Whitireia as well as provider of significant source of revenue, as disclosed in note 2.

In conducting its activities, Whitireia is required to pay various taxes and levies (such as GST, PAYE, and ACC levies) to the Crown and entities related to the Crown. The payment of these taxes and levies is based on the standard terms and conditions that apply to all tax and levy payers. Whitireia is exempt from paying income tax and FBT.

Whitireia purchases goods and services from entities related to the Crown and it also provides services to entities related to the Crown.

The purchase and provision of goods and services to government related entities for the year ended 31 December 2019 are immaterial compared to the total revenue and expenditure of Whitireia and have all been conducted on an arms' length basis. These purchases included the purchase of electricity from Meridian, air travel from Air New Zealand, postal services from NZ Post and procurement services from the Ministry of Economic Development.

WHITIREIA

Transactions with key management personnel

Financial details of key management personnel remuneration are disclosed below. Key management personnel includes the Council, Commissioner and executive management. WelTec and Whitireia has a Joint Leadership Team (JLT) (consisting of the Chief Executive and six Directors). The Council, Commissioner and JLT are shared between WelTec and Whitireia on a 50/50% basis.

On 11 October 2018, the combined Council was disestablished and a Commissioner was appointed by the Crown. Consequently the cost of Council members are for the period from 1 January 2018 to October 2018.

	Group		Parent	
	2019 Actual \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
Joint Leadership Team (7 FTE x 50%) (2018: 8 FTE x 50%)	808	843	808	843
Commissioner - Dr Neil Barns	44	15	44	15

Council members (paid jointly by WelTec and Whitireia - 50% of fees recognised by WelTec)

Greg Campbell (Chairperson)	-	17	-	17
Roger Sowry (Prior Chairperson)	-	-	-	-
Vaughan Renner (Deputy Chairperson)	-	10	-	10
Deborah Hume	-	8	-	8
Nancy McIntosh - Ward	-	8	-	8
Antony Royal	-	8	-	8
Kabini Sanga	-	8	-	8
Fran Wilde	-	8	-	8
Jackie Lloyd	-	8	-	8
Total Council Fees	-	75	-	75

22 EVENTS AFTER BALANCE DATE

On 1 August 2019, Education Minister Chris Hipkins announced the Government's decisions on the Reform of Vocational Education (RoVE) proposals. One of the seven key changes is to create a new kind of organisation that will provide work-based, off-the-job, and online vocational learning and training across New Zealand.

With a working name of the New Zealand Institute of Skills & Technology (NZIST), the Institute will bring together the existing 16 Institutes of Technology and Polytechnics.

On 24 February 2020 the Education (Vocational Education and Training Reform) Amendment Bill received Royal Assent which took effect on 1 April 2020 at which time all assets, liabilities, and obligations of the Whitireia Community Polytechnic passed to the Whitireia Community Polytechnic Limited, a wholly owned subsidiary of the New Zealand Institute of Skills and Technology. At this same time Whitireia had a change in leadership with a new chief executive and the governance structure shifted from the model of a commissioner to a board of directors.

Whilst the disestablishment basis has been adopted for the preparation of the 31 December 2018 financial statements the carrying values of assets and liabilities have not been adjusted to reflect the realisation basis as the assets of Whitireia will continue to be used by Whitireia Community for the same purpose as currently applied and the liabilities of Whitireia will be met in the normal course of business by Whitireia Community. Assets and liabilities have been assessed in consideration of the best available information at the date of the approval of the financial statements, 18 September 2020.

On 20 March 2020, New Zealand closed all borders and entry ports to all non-residents. On 21 March 2020, Prime Minister Jacinda Ardern announced the introduction of a country-wide alert level system made up of four levels, with 1 being the least risk of infection and 4 the highest. At the time of the announcement, New Zealand was at level 2. On 23 March 2020 New Zealand shifted to alert level 3, and on 25 March 2020 to alert level 4. Under alert level 4 people were instructed to stay at home (in their bubble) other than for essential personal movement. All businesses, including educational facilities, were closed except for essential services. Whilst the restrictions were progressively lifted in May 2020 there have been ongoing movement restrictions and the borders remain closed to non-residents of New Zealand.

COVID-19 (novel coronavirus) and the associated travel restrictions will impact the tertiary sector in New Zealand for so long as New Zealand's borders remain shut to international students. The impact of COVID-19 is not limited to reduced international student numbers, as the disruption within New Zealand and to Whitireia's operations has contributed to reduced domestic student numbers to date. In recognition of the financial impact of COVID-19, on 31 March 2020 the Tertiary Education Commission communicated that the Minister of Education confirmed there will be no requirement to recover any Investment Plan funding because of either, poor Education Performance Indicators (EPIs), or under-delivery during the 2020 year. Alongside this, Whitireia is implementing strategies to reduce the overall impact of COVID-19 such as remote learning, and will continue to work closely with NZIST and other subsidiaries across the sector.

23 EXPLANATIONS OF MAJOR VARIANCES AGAINST BUDGET

Statement of Financial Performance

Whitireia Polytechnic

Revenue for Whitireia was \$3.8m below budget due to deteriorating domestic and international student enrolments. The total expenditure was \$52.7m compared to a budget of \$53.1m due to reduced personnel and other operating costs against budget. Whitireia's operating result was a deficit of \$8.1m against a budget deficit of \$4.6m. Non-operating cost incurred was \$0.35m above budget due to an increase in change costs and onerous lease costs.

Statement of Financial Position

Cash balance at 31 December 2019 was \$8.9m against a budget of \$1.6m. This was a result of the Crown capital injection of \$8.0m.

WHITIREIA

STATEMENT OF COMPLIANCE AND RESPONSIBILITY

FOR THE YEAR ENDED 31 DECEMBER 2019

STATEMENT OF COMPLIANCE

The Commissioner and management of Whitireia Community Polytechnic confirm that all the statutory requirements in relation to this annual report, as outlined in the Education Act 1989, have been met, with the exception that as at the time of reporting these financial statements, Whitireia was in breach of its statutory reporting deadline of 30 April 2020.

Signed by



Justin Lester
Chair

18 December 2020

STATEMENT OF RESPONSIBILITY

The Council and management accept responsibility for the preparation of the annual financial statements and judgements used in them, and hereby adopt the financial statements as presented. They also accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting and service performance reporting.

In the Council and management's opinion, the annual financial statements for the year ended 31 December 2019 fairly reflect the financial position, financial performance and service performance achievements of the Whitireia Community Polytechnic and group.



Mark Oldershaw
Chief Executive

18 December 2020

WHITIREIA

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WELTEC COMPULSORY STUDENT SERVICES FEE 2019

The provision of the services from the Compulsory Student Service Fee in 2019 was negotiated through conversations with a range of students and student groups at WelTec. It was primarily a roll over from 2018 with input from students and management within Learner Support and Services. Information on the 2018 income and expenditure was shared with all students through the WelTec learning management platform and students were encouraged to have conversations about how they would like this fund to be spent.

Formal consultation was undertaken with the Student Connection (WelTec's student council) and more informal discussions were held with individual students and groups of students. The Student Connection advised that they were happy with the proposal, but with the aim of combining both Whitireia and WelTec's student councils, we needed to ensure funds were available to support this. The budget was set, altered to reflect student numbers and adhered to for the year with a total deficit of \$4,000.

The Fee

The compulsory student services fee charged by WelTec for Equivalent Full Time Students in 2019 was \$320 GST inclusive. There was no change to the fee from 2018. The following statement of income and expenditure reflects the activity which WelTec in consultation and partnership with student representatives has completed in 2019 utilising in part funding provided by Compulsory Student Services Fees and supplemented by institution funds when required:

	Advocacy and legal advice \$000	Careers information advice and guidance \$000	Counselling services and pastoral care \$000	Employment information \$000	Financial support and advice \$000	Health services \$000	Media \$000	Childcare services \$000	Clubs and societies \$000	Orientation, sports and recreation and cultural activities \$000	Total \$000
2019 Income	107	42	265	6	51	58	20	3	10	115	677
2019 Expenditure	80	45	270	6	53	20	15	5	12	175	681
Surplus / (Deficit)	27	(3)	(5)	0	(2)	38	5	(2)	(2)	(60)	(4)

SERVICE PROVISION

Advocacy and legal advice

Ensuring that the student voice is heard across all institution activities was a priority in 2019 so the advocacy service was reprioritised to also support student voice representatives in each class and provide support to the student council. This proved successful with an effective student council participating in a range of institution committees and advisory boards. The student council also had regular meetings with the Heads of Schools and regular meetings with the services at WelTec (Campus Services, IT Services, Enrolment team) where they were able to discuss issues, challenges and ideas. Feedback from both the Student Council, the Heads of Schools and the Service Managers was positive with some changes agreed.

WelTec (in collaboration with Whitireia) continued to work with the New Zealand Union of Students Associations (NZUSA) to provide independent advocacy and support. NZUSA provided training and support for student voice representatives and the student council in dealing with issues that arose and policy and processes.

Early intervention and concern settlements were provided by the Student Advocate from July 2018 using both the Students Rights and Responsibilities guidelines and the Concerns and Complaints policy. This was primarily for low level and procedural support. More in-depth complaints were referred to NZUSA for independent advocacy.

Careers information and guidance and employment advice

Careers and employment support were provided through a range of services across WelTec including; pre-enrolment advice to help individual students select the best programme of study, in class career development workshops and preparation for work. Learner support and services team members provided CV and interview workshops throughout the year as well as running an employability week.

A careers advisor was on campus two days a week to help students clarify career aspirations and prepare for the workplace. We also created a dedicated careers space within our Learning

Commons area.

The WelTec driver licencing scheme continued in 2019 to support students into work. This is a subsidised scheme that provides student with support for licence tests and access to driver training.

A renewed relationship with Student Job Search (SJS) provided short-term employment opportunities. Outcomes for students gaining part-time and permanent work continued to grow through this service.

Counselling and pastoral care services

Vitae Counselling, a nationwide provider, continued to provide independent, confidential support both on and off campus to students through an annually reviewed contract. This covered students on all campuses including Auckland. They also provided supervision for pastoral care staff to ensure appropriate and safe responses to student issues. A one day a week on-site counsellor was provided at the WelTec Petone Campus and at the Te Auaha Campus for those students who preferred on campus support.

During 2019 we were successful in attracting Piki to our campuses to offer services for students from 18-24. This onsite, on demand service continues to grow.

Pastoral support was provided for students by mentors in the Learning Commons, Tamaiti Whangai and Pacific teams who were responsible for 1-1 appointments, in-class, after hours and off-campus support, facilitating financial assistance and providing advice and welfare services.

Finance advice and support

The Engagement Advisors (Finance) continued to work on a 1-1 basis with students offering StudyLink and RealMe assistance, as well as budgeting information and advice while supporting students to address other challenges in their lives and empower them to have better control over their own finances.

Students were offered emergency financial assistance in hardship situations, including emergency accommodation and health-related care, as appropriate. In 2019 this process was streamlined and towards the end of 2019 a new procedure was adopted allowing Learner Support Staff to action on the spot hardship assistance.

Health services

2019 health funds were used to promote mental wellness through a range of activities in support of external campaigns supporting wellbeing such as suicide prevention and health activities around Mental Health Awareness week. We continued to act as a conduit for students to access a range of health support services within the community. We employed an Engagement Advisor (Health and Wellbeing) who worked across

all Wellington campuses providing a triage to health service providers, and a health and wellbeing presence on campus. This position was approved late 2019, with implementation occurring prior to Trimester 1 2020. With our healthy eating campaign, we used this as an opportunity to provide healthy option breakfasts across campuses, for any students who wished to use this service.

Media

All student-led events were supported by Marketing and student services in creating posters and other student communications, including Moodle and Facebook. The number of digital screens for providing information to students continued to increase for wider coverage across campuses. The plan to upgrade the full media system was delayed until 2020. A student wall planner was produced to both support students with planning their time as well as promoting the relevant support and services to them.

Childcare

WelTec offers an Early Learning Centre (Te Whare Ako) childcare facility for tamariki of students based at the Petone campus. We have supported this centre by providing specific hardship fund for childcare fees and have supplied some high-quality toys and equipment.

Orientation, sports and recreation, cultural activities, clubs and societies

The Student Events and Communications Coordinator ensured that activities were run throughout the year in many areas, such as sporting events (badminton, cricket, rugby etc), events (e.g. Amazing Race, Earth Day, Mental Health Awareness) language weeks (Te Wiki o Te Reo Māori, Samoan etc), international cultural celebrations (e.g. Chinese language week, Diwali).

Sporting equipment was made available for student use on campus, including basketball hoops, volleyball nets and table tennis tables and students participated in University and Tertiary Sport NZ events where possible. A large investment was made into sporting equipment, including new branded uniforms for student groups. The fund was also used to assist teams to be able to attend national and regional events.

Students had the opportunity to engage in orientation activities across all campuses and this was used to engage students in our many student groups such as Leap volunteers and Rainbow Rendezvous.

WHITIREIA COMPULSORY STUDENT SERVICES FEE 2019

The provision of the services from the Compulsory Student Service Fee in 2019 was primarily a roll over from 2018 with additional input from students and Learner Support and Services Manager. Information on the 2018 income and expenditure and a draft proposal for 2019 was shared with all students through the Whitireia learning management platform and students were encouraged to have conversations about how they would like this fund to be spent.

Formal consultation was undertaken with the Student Council with in-depth discussions around the make-up and size of the services provided. The Student Council focussed on the development of a sustainable student council, support for student voice representatives and funds to lead events for students. Changes were made to the amounts in the proposal based on these requests with additional funds being allocated to the Student Council for the above activities. The budget was set, altered to reflect student numbers and adhered to for the year with a total deficit of \$26,000.

The Fee

The compulsory student services fee charged by Whitireia for Equivalent Full Time Students in 2019 was \$320 GST inclusive. There was no change to the fee from 2018. The following statement of income and expenditure reflects the activity which Whitireia in consultation and partnership with student representatives has completed in 2019 utilising in part funding provided by Compulsory Student Services Fees and supplemented by institute funds when required:

	Advocacy and legal advice \$000	Careers information advice and guidance \$000	Counselling services and pastoral care \$000	Employment information \$000	Financial support and advice \$000	Health services \$000	Media \$000	Childcare services \$000	Clubs and societies \$000	Orientation, sports and recreation and cultural activities \$000	Total \$000
2019 Income	107	41	264	6	51	57	20	4	10	115	675
2019 Expenditure	85	40	244	5	38	85	15	2	12	175	701
Surplus / (Deficit)	22	1	20	1	13	(28)	5	2	(2)	(60)	(26)

SERVICE PROVISION

Advocacy and legal advice

In 2019 the advocacy service was reprioritised to also support student voice representatives in each class and provide support to the student council. This saw a small number of students participating in a range of institution committees and advisory boards. The student council also had some meetings with the Heads of Schools.

Whitireia (in collaboration with WellTec) continued to work with the NZUSA to provide independent advocacy and support. NZUSA provided training and support for student voice representatives and the student council in dealing with issues that arose and policy and processes.

Early intervention and concern settlements were provided by the Student Advocate using both the Students Rights and Responsibilities guidelines and the Concerns and Complaints policy. This was primarily for low level and procedural support. More in-depth complaints were referred to NZUSA for independent advocacy.

Careers information and guidance and employment advice

Careers and employment support was provided through a range of service across Whitireia including; pre-enrolment advice to help students select the best programme of study for the individual, in class career development workshops and preparation for work. Learner support and services team members provided CV and interview workshops throughout the year as well as running an employability week.

A careers advisor was available throughout the year and was on the Porirua site two days a week to help students clarify career aspirations and prepare for the workplace.

The Whitireia driver licencing scheme continued in 2019 to support students into work. This is a subsidised scheme that provides student with support for licence tests and access to driver training.

The relationship with SJS was renewed and provided short-term employment opportunities. Outcomes for students gaining

part-time and permanent work continue to grow through this service.

Counselling and pastoral care services

Vitae Counselling, a nationwide provider, continued to provide independent, confidential support both on and off campus to students through an annually reviewed contract. This covered students on all campuses including Auckland, and supervision for pastoral care staff to ensure appropriate and safe responses to student issues. A one day a week on-site counsellor was provided at the Whitireia Porirua Campus and at the Te Auaha Campus for those students who preferred on campus support.

During 2019 we were successful in attracting Piki to our campuses to offer services for students from 18-24. This onsite, on demand service continues to grow.

Pastoral support was provided for students by mentors, Pou Whakamanawa, and Pacific teams who were responsible for 1-1 appointments, in-class, after hours and off-campus support, facilitating financial assistance and providing advice and welfare services.

Finance advice and support

The Engagement Advisors (Finance) continued to work on a 1-1 basis with students offering StudyLink and RealMe assistance, as well as budgeting information and advice while supporting students to address other challenges in their lives and empower them to have better control over their own finances.

Students were offered emergency financial assistance in hardship situations, including emergency accommodation and health-related care, as appropriate. In 2019 this process was streamlined and towards the end of 2019 a new procedure was adopted allowing Learner Support Staff to action on the spot hardship assistance

Health services

The Health Centre at the Porirua Campus was closed during 2019, and the few students who had enquired about healthcare were put in touch with a local provider. We continued to access health care records for students on demand and employed an Engagement Advisor (Health and Wellbeing) who worked across all Wellington campuses providing a triage to health service providers, and a health and wellbeing presence on campus.

2019 health funds were used to promote mental wellness through a range of activities in support of external campaigns

supporting wellbeing, such as suicide prevention and health activities around Mental Health Awareness week.

With our healthy eating campaign, we used this as an opportunity to provide healthy option breakfasts across campuses, for any students who wished to use this service.

Media

All student-led events were supported by Marketing and student services in creating posters and other student communications, including Moodle and Facebook. The plan to upgrade the full media system with some new screen purchases, and media software was delayed until 2020. A student wall planner was produced to both support students with time management as well as to promote the range of support and services available including student voice and external mental health providers.

Childcare

Whitireia offers a Childcare Centre for tamariki of students based at the Porirua campus. We have supported this centre by providing specific hardship fund for childcare fees and have supplied some high-quality toys and equipment.

Orientation, sports and recreation, cultural activities, clubs and societies

The Student Events and Communications Coordinator ensured that activities were run throughout the year in many areas, such as sporting events (badminton, cricket, rugby etc), events (e.g. Amazing Race, Earth Day, Mental Health Awareness) language weeks (Te Wiki o Te Reo Māori, Samoan etc), international cultural celebrations (e.g. Chinese language week, Diwali).

Sporting equipment was made available for student use on campus, including basketball hoops, volleyball nets and table tennis tables and students participated in University and Tertiary Sport NZ events where possible. A large investment was made into sporting equipment, including new branded uniforms for student groups. The fund was also used to assist teams to be able to attend national and regional events.

Students had the opportunity to engage in orientation activities across all campuses and this was used to engage students in our many student groups such as Leap volunteers and Rainbow Rendezvous.

TE WHARE AKO FINANCIAL SUMMARY

Te Whare Ako is a Business Unit within WelTec providing early childhood education services. WelTec holds a separate licence from the Ministry of Education for the provision of these services. This financial summary does not reflect occupancy costs or depreciation on buildings and equipment used by the unit.

	2019 Actual \$000	2018 Actual \$000
Income		
Government grants	346	411
Childcare fees	145	169
ISS subsidy	52	27
Other fees	2	1
	545	608
Expenses		
Employee benefits	490	548
Other direct costs	26	31
	516	579
Trading contribution	29	29

WHITIREIA COMMUNITY POLYTECHNIC CHILDCARE CENTRE FINANCIAL SUMMARY

The Childcare Centre is run as a separate trading entity within the Polytechnic. It operates under licence from the Ministry of Education to provide childcare primarily for staff and students at the Polytechnic. This financial summary does not reflect occupancy costs or depreciation on buildings and equipment used by the unit.

	2019 Actual \$000	2018 Actual \$000
Income		
Government grants	230	266
Childcare fees	113	119
ISS subsidy	4	12
Other fees	-	-
	347	397
Expenses		
Employee benefits	374	370
Other direct costs	20	34
	394	404
Trading contribution	(47)	(7)

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INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF WELLINGTON 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 Wellington Institute of Technology (the Polytechnic) and group. The Auditor-General has appointed me, Stuart Mutch, using the staff and resources of Ernst & Young, to carry out the audit of the financial statements and statement of service performance of the Polytechnic and group on his behalf.

Opinion

We have audited:

- the financial statements of the Polytechnic and group on pages 56 to 87, that comprise the statement of financial position as at 31 December 2019, the statement of comprehensive revenue and expenses, 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 relating to the Polytechnic and group on pages 26 to 49 including the Investment Plan Performance Commitments of the Polytechnic and group on pages 46 to 49.

In our opinion:

- the financial statements of the Polytechnic and group on pages 56 to 87, 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 Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the statement of service performance relating to the Polytechnic and group on pages 26 to 49, including the Investment Plan Performance Commitments of the Polytechnic and group on pages 46 to 49 presents fairly, in all material respects, the Polytechnic and group's service performance achievements measured against the proposed outcomes described in the investment plan for the year ended 31 December 2019.

Our audit was completed on 18 December 2020. This is the date at which our opinion is expressed.



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The basis for our opinion is explained below, and we draw your attention to the matters below. In addition, we outline the responsibilities of the Board of Wellington Institute of Technology Limited and our responsibilities relating to the financial statements and the statement of service performance, we comment on other information, and we explain our independence.

Emphasis of Matters

Without modifying our opinion, we draw attention to the following disclosures.

The financial statements have been appropriately prepared on a disestablishment basis

Notes 1 and 30 on pages 62 to 63 and 87 outline that the financial statements have been prepared on a disestablishment basis. We consider the disestablishment basis to be appropriate because the Polytechnic ceased as an entity and its assets and liabilities were transferred to Wellington Institute of Technology Limited on 1 April 2020 as a result of the reform of the institutes of technology and polytechnics sector.

The Polytechnic is experiencing ongoing financial difficulties

Note 1 on page 62 and 63 summarises the Polytechnic's financial performance difficulties, and the possible impact this may have on the future viability of vocational training to be provided by Wellington Institute of Technology Limited.

Impact of COVID-19

Note 30 on page 87 outlines the impact of COVID-19 on the Polytechnic.

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements and the statement of service performance

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

The Board is also responsible on behalf of the Polytechnic and group for preparing a statement of service performance that is fairly presented.

The Board 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.



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In preparing the financial statements and the statement of service performance, the Board is responsible on behalf of the Polytechnic and group for assessing the Polytechnic and group's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board intends to liquidate the Polytechnic and group or to cease operations, or has no realistic alternative but to do so.

The Board'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 Polytechnic and group's Commissioner approved budget and Investment plan.

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 Polytechnic and group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We conclude on the appropriateness of the use of the disestablishment basis by the Board.
- 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.



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- 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 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 Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages 4 to 23 and 132 to 149, 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 Polytechnic 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 (Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the Polytechnic or any of its subsidiaries or with Wellington Institute of Technology Limited.

A handwritten signature in blue ink, appearing to read 'Stuart Mutch', with a long horizontal stroke extending to the right.

Stuart Mutch
Ernst & Young
On behalf of the Auditor-General
Wellington, New Zealand



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF WHITIREIA COMMUNITY POLYTECHNIC AND GROUP'S FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2019

The Auditor-General is the auditor of Whitireia Community Polytechnic (the Polytechnic) and group. The Auditor-General has appointed me, Stuart Mutch, using the staff and resources of Ernst & Young, to carry out the audit of the financial statements and statement of service performance of the Polytechnic and group on his behalf.

Opinion

We have audited:

- the financial statements of the Polytechnic and group on pages 92 to 127, that comprise the statement of financial position as at 31 December 2019, the statement of comprehensive revenue and expenses, 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 relating to the Polytechnic and group on pages 26 to 45 and 50 to 53 including the Investment Plan Performance Commitments of the Polytechnic and group on pages 50 to 53.

In our opinion:

- the financial statements of the Polytechnic and group on pages 92 to 127, 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 Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the statement of service performance relating to the Polytechnic and group on pages 26 to 45 and 50 to 53, including the Investment Plan Performance Commitments of the Polytechnic and group on pages 50 to 53 presents fairly, in all material respects, the Polytechnic and group's service performance achievements measured against the proposed outcomes described in the investment plan for the year ended 31 December 2019.

Our audit was completed on 18 December 2020. This is the date at which our opinion is expressed.



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The basis for our opinion is explained below, and we draw your attention to the matters below. In addition, we outline the responsibilities of the Board of Whitireia Community Polytechnic Limited and our responsibilities relating to the financial statements and the statement of service performance, we comment on other information, and we explain our independence.

Emphasis of Matters

Without modifying our opinion, we draw attention to the following disclosures.

The financial statements have been appropriately prepared on a disestablishment basis

Notes 1 and 22 on pages 98 and 127 outline that the financial statements have been prepared on a disestablishment basis. We consider the disestablishment basis to be appropriate because the Polytechnic ceased as an entity and its assets and liabilities were transferred to Whitireia Community Polytechnic Limited on 1 April 2020 as a result of the reform of the institutes of technology and polytechnics sector.

The Polytechnic is experiencing ongoing financial difficulties

Note 1 on page 98 summarises the Polytechnic's financial performance difficulties, and the possible impact this may have on the future viability of vocational training to be provided by Whitireia Community Polytechnic Limited.

Impact of COVID-19

Note 22 on page 127 outlines the impact of COVID-19 on the Polytechnic.

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements and the statement of service performance

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

The Board is also responsible on behalf of the Polytechnic and group for preparing a statement of service performance that is fairly presented.

The Board 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.



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In preparing the financial statements and the statement of service performance, the Board is responsible on behalf of the Polytechnic and group for assessing the Polytechnic and group's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board intends to liquidate the Polytechnic and group or to cease operations, or has no realistic alternative but to do so.

The Board'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 Polytechnic and group's Commissioner approved budget and Investment plan.

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 Polytechnic and group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We conclude on the appropriateness of the use of the disestablishment basis by the Board.
- 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.



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- 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 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 Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages 4 to 23 and 132 to 149, 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 Polytechnic 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 (Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the Polytechnic or any of its subsidiaries or with Whitireia Community Polytechnic Limited.

A handwritten signature in blue ink, appearing to read 'Stuart Mutch', with a long horizontal stroke extending to the right.

Stuart Mutch
Ernst & Young
On behalf of the Auditor-General
Wellington, New Zealand

ACRONYMS

ACE	Adult and Community Education
APER	Annual Programme self-Evaluation Report
ASM	Academic Staff Member
BERL	Business and Economic Research Limited
CCDHB	Capital and Coast District Health Board
CE	Chief Executive
CV	Curriculum Vitae
DAST	Dyslexia Adult Screening Test
DHB	District Health Board
E2e	Education to Employment
EEO	Equal Employment Opportunities
EFTS	Equivalent Full-Time Student
EPis	Educational Performance Indicators
ERI	External Research Income
FIS	First Impressions Survey
FMHS	Forensic Mental Health Services
FTE	Full-Time Equivalent
GDP	Gross Domestic Product
GEOS	Graduate Employment Outcomes Survey
IACAP	International Association of Computing and Philosophy
ICT	Information and Communications Technology
IT	Information Technology
ITO	Industry Training Organisation
ITP	Institute of Technology and Polytechnic
JLT	Joint Leadership Team
LEAP	Leadership, Employability, Action, Participation

LGBTQIA+	Lesbian, Gay, Bisexual, Trans, Queer, Intersex, Asexual, +
LLN	Language Literacy and Numeracy
LNAAT	Literacy and Numeracy for Adults Assessment Tool
LSF	Living Standards Framework
LSS	Learning Support and Services
MPTT	Māori and Pasifika Trades Training
NCEA	National Certificate of Educational Achievement
NEET	Not in Education, Employment or Training
NZCSL	New Zealand Certificate in Skills for Living (for Supported Learners)
NZ GAAP	New Zealand Generally Accepted Accounting Principles
NZIST	New Zealand Institute of Skills and Technology
NZQA	New Zealand Qualifications Authority
NZQF	New Zealand Qualifications Framework
PASM	Principal Academic Staff Member
PES	Programme Experience Survey
PBRF	Performance-Based Research Fund
PTE	Private Training Establishment
ROVE	Review of Vocational Education
SAC	Student Achievement Component
SDR	Single Data Return
SES	Student Experience Survey
STIs	Sexually Transmitted Infections
TEC	Tertiary Education Commission
TES	Tertiary Education Strategy
WINZ	Work and Income New Zealand

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