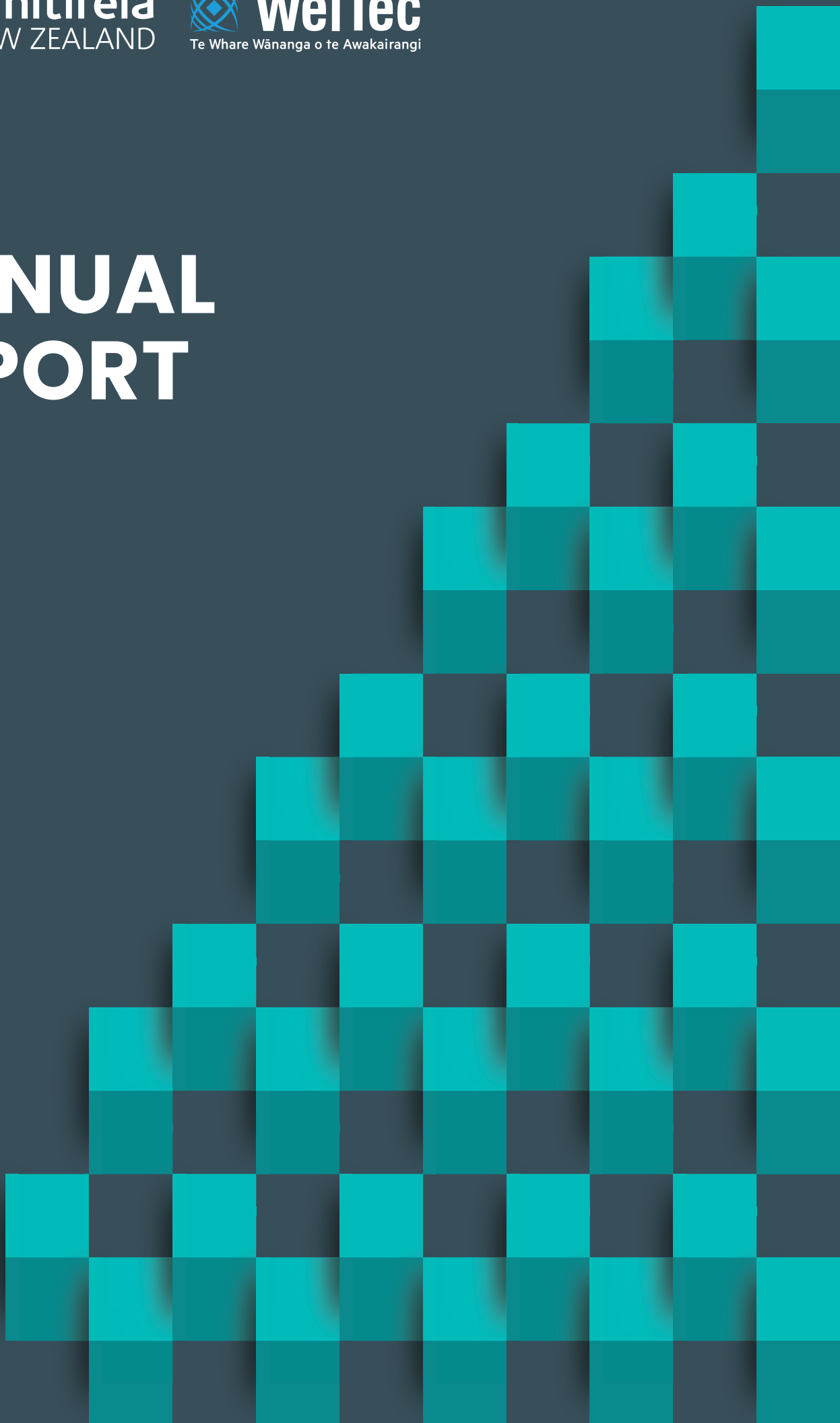
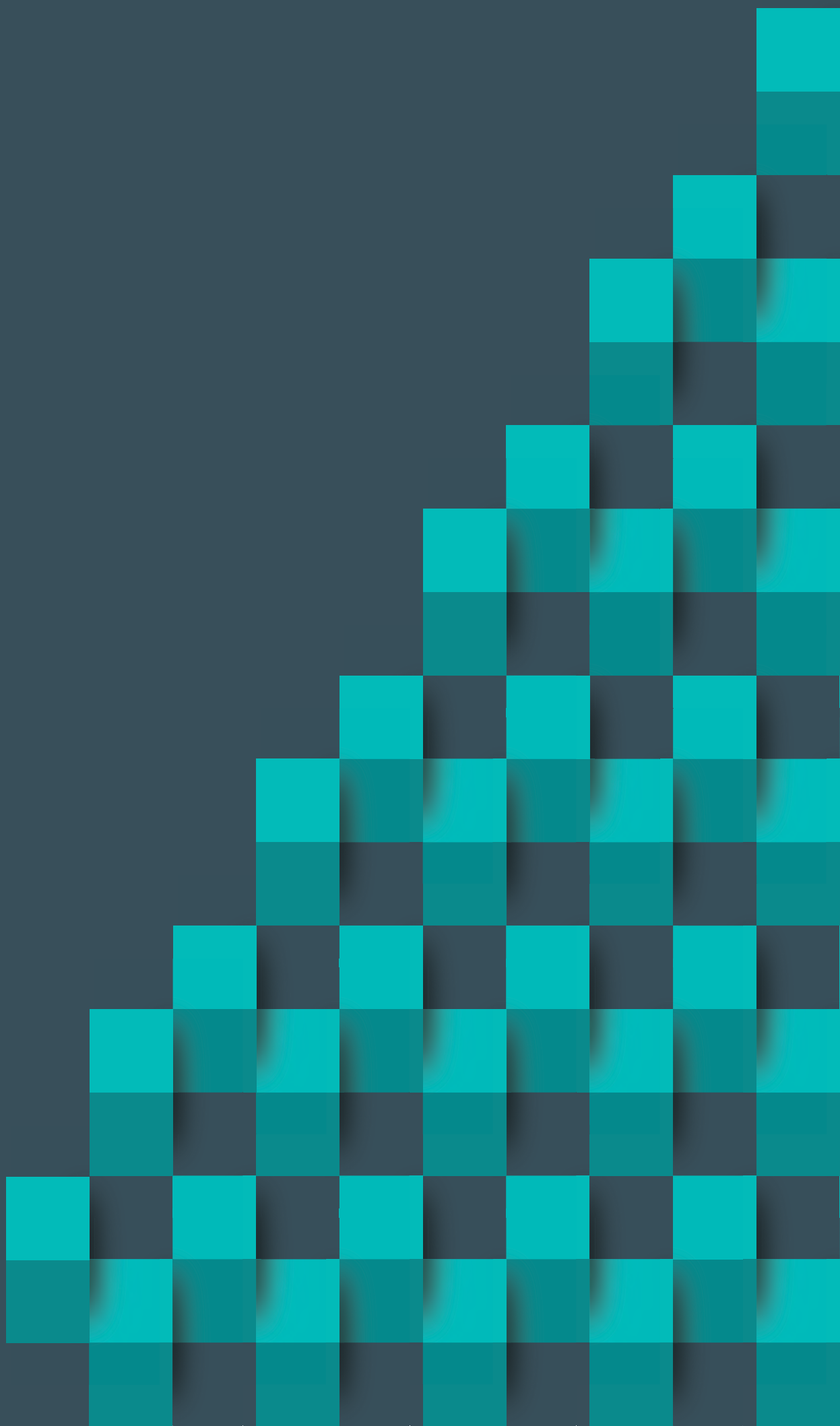


ANNUAL REPORT

2021





WelTec & Whitireia

2021 ANNUAL REPORT



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Vision

WHAKAKITENGA

Te ako ngātahi. Te whakaahua kētanga o te tangata.
Learning together. Transforming lives.

Distinctiveness

AHUREITANGA

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

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

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

WelTec and Whitireia whānau strive to 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.

We are proud and strong stewards of our Whitireia and WelTec's whakapapa!

We enrich and empower our communities across Wellington and the wider region!

We produce skilled graduates who are confident, capable, courageous, and resilient; and improve social and economic wellbeing.

We are accessible, flexible, and responsive!

We work to achieve equitable outcomes for Māori.

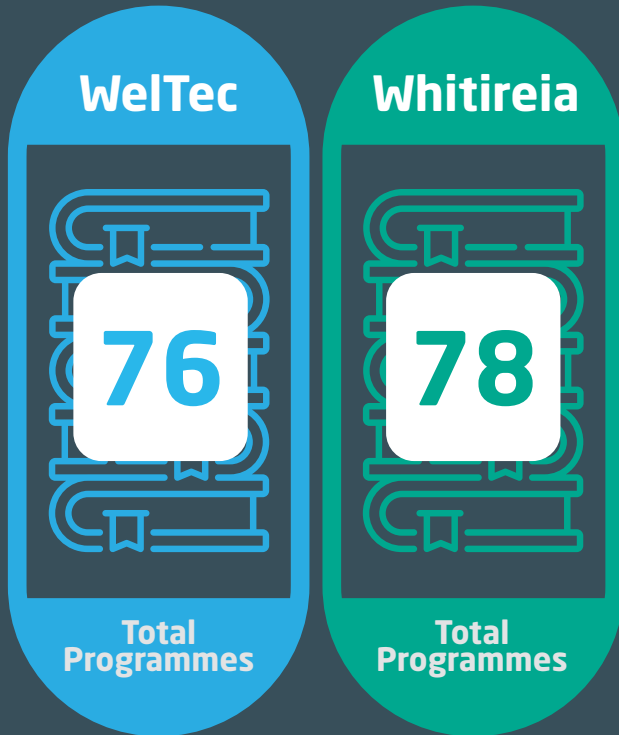
Whānau, hapu and iwi trust us!

Key Statistics

WelTec

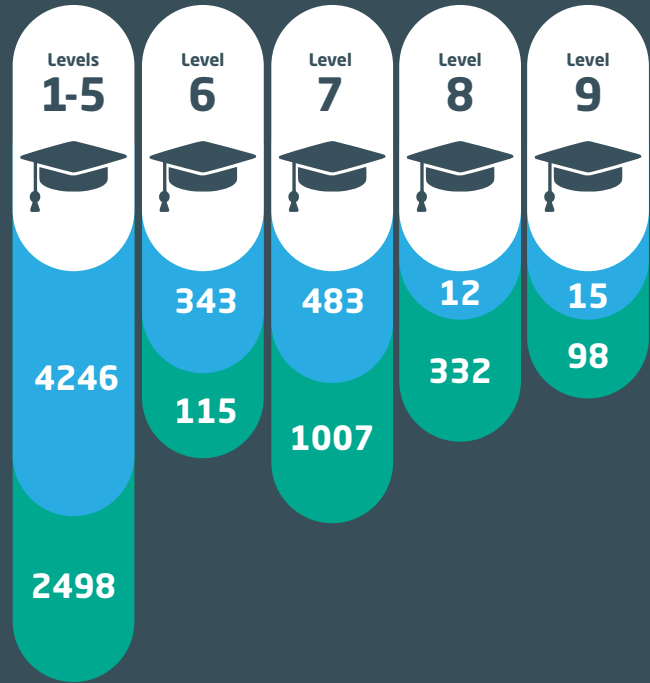
Whitireia

Total number of Programmes¹

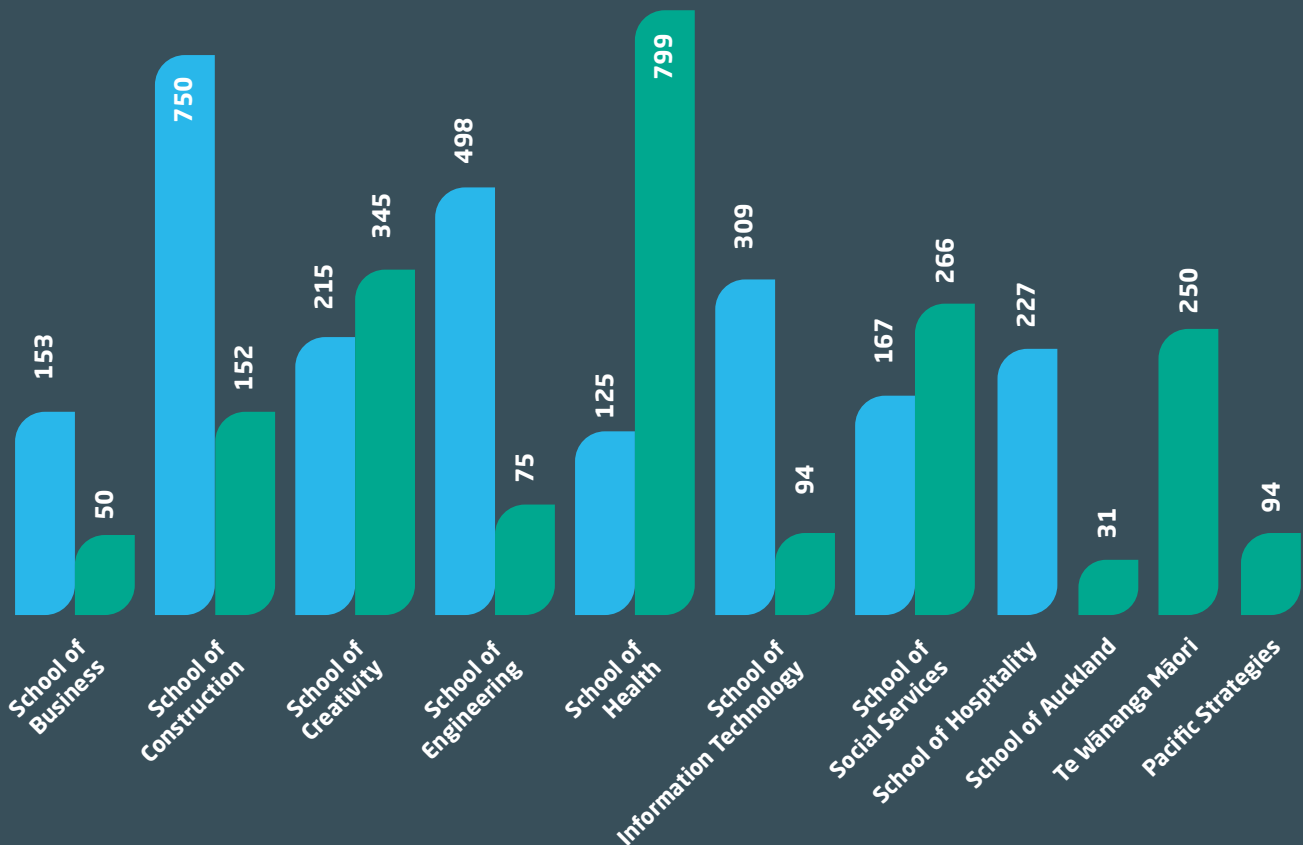


Ākonga by Qualification Level

(ākonga can have multiple contracts for study)

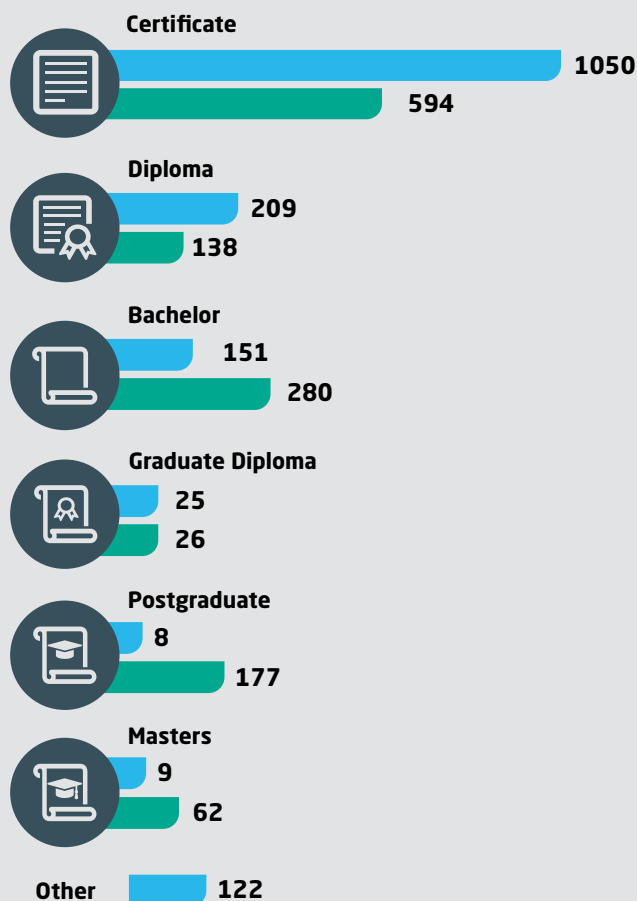


Total EFTS Headcount and EFTS by School

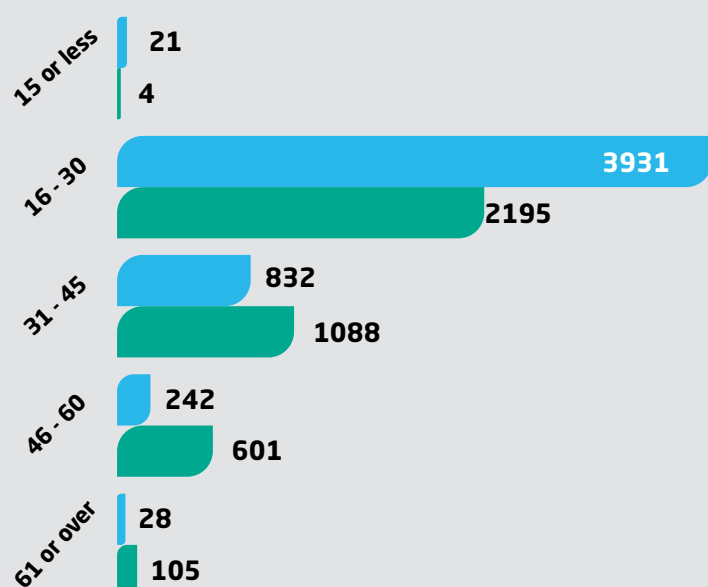


¹ Distinct MOE Programme Code used where offering is active and either starts or finishes in 2021.

Number of Qualifications Awarded

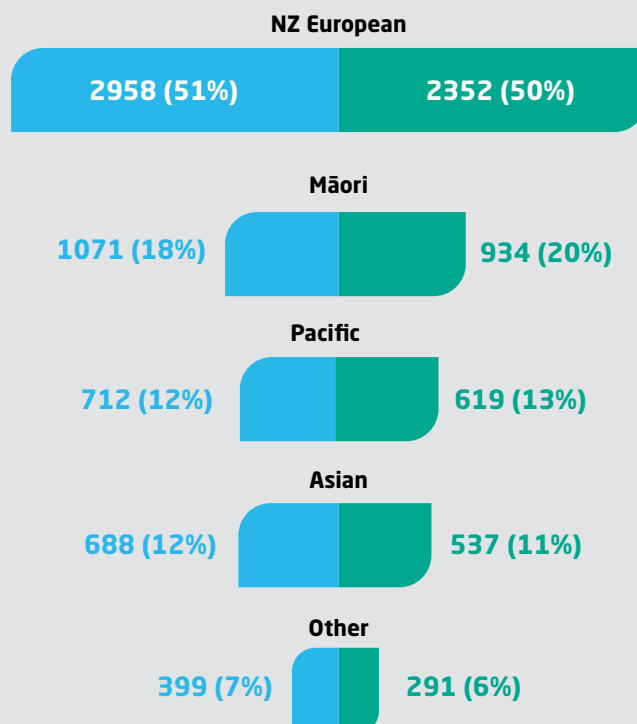


Ākonga Age Profile

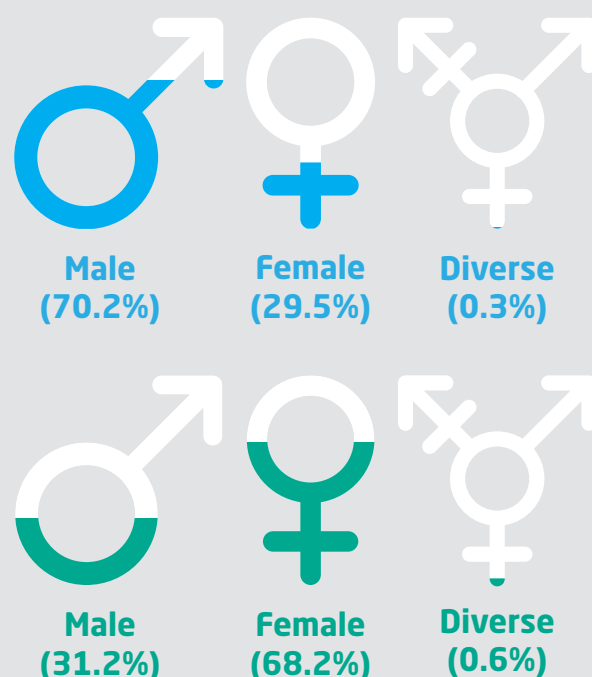


Ākonga Ethnicity

(ākonga can identify as up to three ethnicities)



Percentage of Ākonga by Gender



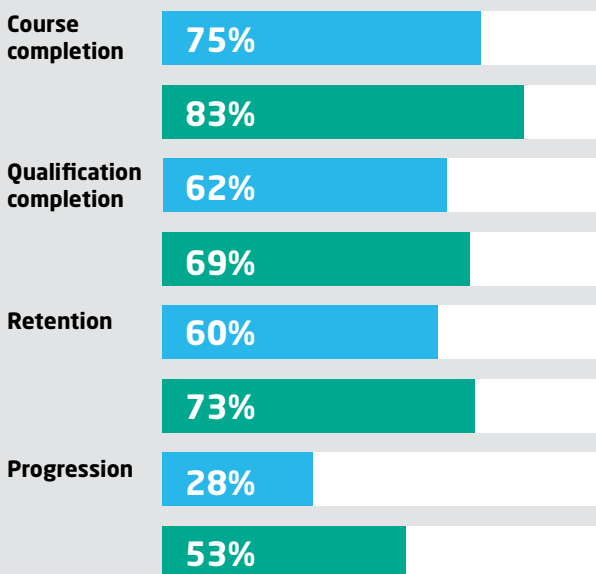
EFTS Funding Type

WelTec

Whitireia

Student Achievement Component SAC Level 3 and Above Results²

SAC Level 3+	1830	1686
ITO off job training	156	-
International	142	85
MPTT Level 3-4	91	51
Trades Academy	91	47
SAC L1-2	62	68
STAR funded student	35	-
Youth Guarantee	27	22
Domestic full fee paying students	11	13
ICT Graduate School	1	-
ACE	-	135
Other	-	51
Total*	2446	2157
All SAC*	1985	1805

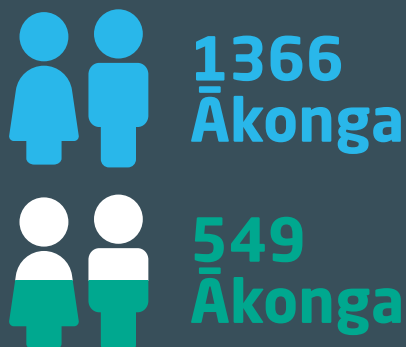


*Difference due to EFTS rounding.

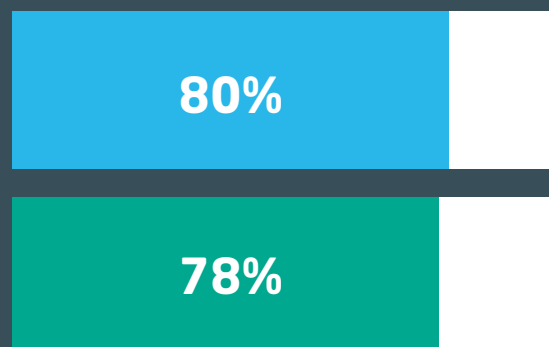
Learner Home Location

Overseas	2	21
Auckland / Northland	29	397
Central / Upper North Island	208	284
Kāpiti / Manawatu	508	416
Wairarapa	133	62
Porirua	562	810
Upper Hutt	543	154
Lower Hutt	1438	461
Wellington	1442	978
South Island	189	410

New ākonga from Secondary School



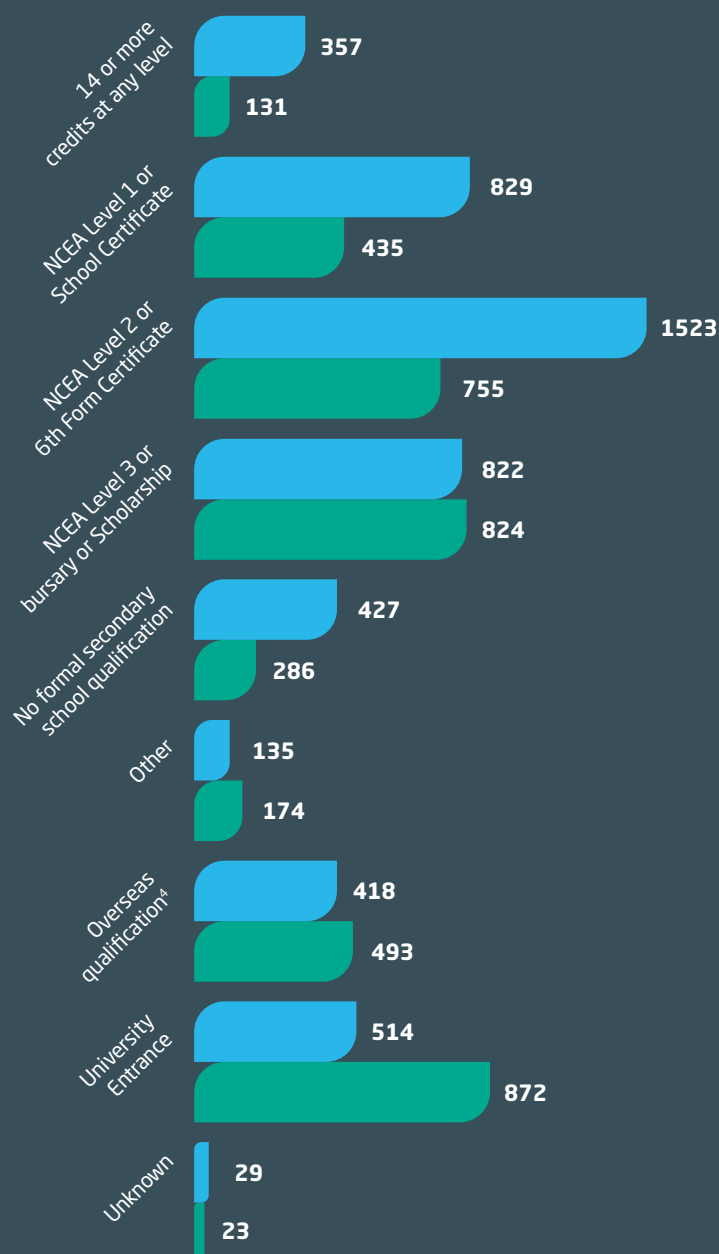
Proportion of graduates in employment and/or further study



Highest Secondary School Qualification

WelTec

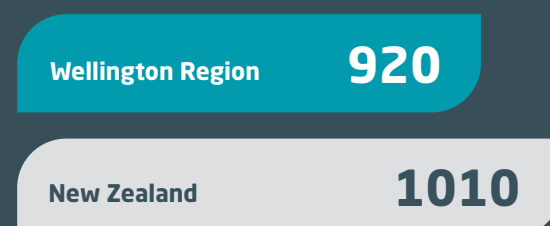
Whitireia



WelTec and Whitireia contribution to Gross Domestic Product (GDP)³



WelTec and Whitireia contribution to the economy: (FTEs)



³ Business and Economic Research Ltd

⁴ Includes International Baccalaureate & Cambridge Exams



Justin Lester - Board Chair



Mark Oldershaw - Chief Executive

BOARD CHAIR AND CHIEF EXECUTIVE'S FOREWORD

The 2021 Annual Report for Wellington Institute of Technology Limited (WelTec) and Whitireia Community Polytechnic Limited (Whitireia) provides an overview of the year, reporting achievements against our educational, financial, and administrative plans.

2021 was another year filled with challenges, successes, and achievements. Thanks to the hard work of our kaimahi (staff) and ākonga (learners) we were able to continue to teach and learn through the changing COVID-19 levels and build on the processes and systems implemented in 2020. The number of ākonga enrolled in 2021 (9,047) was higher than in 2020 (8,840), and we have strived to maintain active and vibrant campuses whilst working within the constraints of a pandemic environment. Graduation ceremonies were held in April and May for ākonga who graduated in 2019 and 2020.

In March 2021, we farewelled and thanked outgoing Board member Ranei Wineera-Parai (Ngāti Toa Rangatira) and welcomed Tupara Morrison (Ngāti Whakaeue). In October 2021, we welcomed Chas Taurima (Ngāti Toa Rangatira, Ngāti Koata, Ngāti Rongomaiwahine, Moriori).

The focus for the Board is to operate seamlessly together with Te Pūkenga, making sure our kaimahi and ākonga are supported through this transitioning phase. In June 2021, we hosted Te Pūkenga leadership team and Te Pūkenga Kōtuitui Kōrero sessions were held to provide updates on the mahi undertaken to date. Interactive breakout sessions gave kaimahi the opportunity to contribute to the service concepts for the proposed Operating Model and get involved in the mahi to ensure ākonga are at the centre of the model. In October 2021, the proposed Operating Model was presented and kaimahi and ākonga took the opportunity to provide feedback on it to Te Pūkenga. Kaimahi have also been involved in working groups, including enrolment, assessment and attrition rates and Te Pūkenga Interim Staff Advisory Committee.

We continue to embed our 2021/2022 Strategic Framework. One of our key focus areas is *We work to achieve equitable outcomes for Māori. Whānau, hapu and iwi trust us.* Our project to embed Te Pae Tawhiti Framework sits across all focus areas, and we have led the way with the establishment of Kaihautū roles as part of embedding the Framework. Fourteen current Māori kaimahi were identified as Kaihautū and became active members of the Senior Management Forum. Seven Kaihautū led workstreams were identified. These were:

- Address design insensitivities in spaces and cultural spaces for ākonga and Kaimahi
- Consultation with Mana Whenua to enhance people and capability processes
- Stronger responsive practices are enabled by Tangata Whenua and Tangata Tiriti
- Mana Whenua and/or Māori community views are sought and reflected in programme portfolio and development
- Increase the consistency of positive and supporting activity for Māori learner success across our institutions
- Grow the breadth of programmes that can access the dedicated Māori learner support
- Mana Whenua and/or Māori communities are involved in the evaluation of programme delivery and monitoring.

On 8 November 2021, Ngāti Toa Rangatira performed a blessing on new shared spaces at Whitireia. The presence of Ngāti Toa Rangatira on the Porirua campus is an evolution in a long-standing relationship which reaches back to the very beginning of Whitireia as an education institution. The whenua (land) our campus resides on holds special significance for

Ngāti Toa Rangatira. The sharing of our spaces acknowledges this and signals our continued commitment to value and share the whenua, and to partner within meaningful ways. One of the major pou (pillars) in Whitireia and WelTec's strategic framework is to improve outcomes and opportunities for ākonga Māori. Our iwi partnerships are critical to achieving this and we value the support both Te Rūnanganui o Te Āti Awa and Ngāti Toa Rangatira provide us.

We continue to work with all our stakeholders to promote and provide vocational education that is fit for purpose in our region. With Hutt City Council we co-hosted the business community to map out a pathway to fill jobs and train people over the next ten years. The jobs forum was kicked off by Hutt City Council after discussions with WelTec and Whitireia about the need for a skilled local workforce. Our aim is to ensure we can provide appropriate skilled, work-ready graduates at a time when the labour market is very tight. This forum is a way to ensure that what ākonga learn with us must be absolutely relevant to the workforce. To do this we need to work with our communities to understand future skill needs.

A Targeted Evaluation was undertaken by the New Zealand Qualifications Authority (NZQA) during the year with the results of this evaluation released in December 2021. The Targeted Evaluation considered three focus areas: Learner support, Learning assessment design and practice to assure education quality, and the areas of strength nominated by WelTec and Whitireia – Māori and Pasifika Trades Training (MPTT) and the Bachelor of Nursing Māori. The Summary finding of the evaluation found:

Overall, educational performance in the focus areas of learner support and assessment was found to be generally effective. There are consistent and sustained efforts to engage with and support all learners to stay enrolled and engaged with their learning, and to succeed on their programme.

In addition ... the daily mahi of supporting learners, delivering engaging programmes and services, and strengthening the quality assurance of learner assessment was evident to the evaluators.

The areas of strength ... are indeed notable, and positively reflect the organisational direction and intent ... an ability to work proactively with multiple stakeholders; to develop enduring mana-enhancing relationships; and to provide outcomes which are valued by stakeholders and graduates and important to the wider region.

Significant work was undertaken in 2021 to consolidate the way our programme portfolio is produced, with the development of a single mix of provision and budget for future years. The process focussed on what is delivered at campuses first, taking a real view of what we do where, and a simplified enrolment process for prospective ākonga and their whānau.

Seismic assessments of buildings, undertaken as part of our capital asset management programme, led to teaching and learning being moved out of one building in Petone, to other parts of the campus. Although this was disruptive, it was also a catalyst for us to look at how we use our campuses differently in the future, and the opportunities this could bring, as we continue to provide valued vocational education in our region.

INSTITUTIONAL HIGHLIGHTS

Avalon Studios

We held a blessing for the New Zealand Diploma in Screen Production (Level 5) at its new facilities at Avalon Film and Television. From 2021, ākonga enrolled in the screen production programme at Whitireia attended all classes at the Avalon Studios in Lower Hutt. The move to Avalon Studios sees ākonga immersed in a professional, commercial screen production facility while they learn. Approval was gained for the New Zealand Diploma in Screen Production (Level 6) to be taught at Avalon Studios from 2022. Avalon Studios CEO Gary Watkins said "We are excited to have the Whitireia screen production programme on our site. For an enthusiastic student, there is nothing like being in a creative, operational and professional environment where you can study in a working facility alongside accomplished practitioners to start your career."

New partnership with Te Herenga Waka - Victoria University of Wellington

A Memorandum of Understanding was signed with Te Herenga Waka - Victoria University of Wellington, which will continue to strengthen the relationship between our institutes, particularly in providing expanded academic pathways for ākonga. From January 2022, Te Herenga Waka will deliver some of their creative and design programmes from Te Kāhui Auaha. Welcoming Te Herenga Waka to join us at Te Kāhui Auaha is a significant step in building on our existing connections with the University, and strengthening Whitireia, WelTec and Te Herenga Waka at the centre of creative arts education in Wellington.

Celebrating Māori and Pasifika Trades Training ākonga

In 2021, Wellington Māori and Pasifika Trades Training Consortium supported 170 ākonga. We acknowledged the tremendous mahi of our Māori and Pasifika Trades Training (MPTT) ākonga at two special celebrations. Due to COVID-19 precautions, these celebrations were held separately by each institute. Selimoa (Seli) Kamoto a graduate of the New Zealand Certificate in Electrical Engineering Theory spoke about his journey and shared his experience of being part of an incredibly supportive learning environment and sense of community that the MPTT programme provided. Further information about Seli's journey is included later in the report.



Time capsule 1999 opening – 18 May 2021

Mobile app for ākonga

In June 2021 a mobile app was rolled out to improve communication with ākonga. The MyDay app enabled ākonga to view announcements, news and events, access WelTec and Whitireia Office365 accounts and emails, connect with library services, timetables, Moodle and other important information.

New website

The consolidation of our WelTec and Whitireia websites onto a single platform was achieved in October 2021. All our shared study programmes, enrolments, current ākonga and institution information were placed together on the one platform. This new platform made it easier for ākonga, prospective ākonga and stakeholders to connect with us, and find relevant information.

HaveYourSay kaimahi survey

The HaveYourSay kaimahi survey completed in September 2021 while in lockdown saw a 7.5 percent increase in kaimahi participation from the April 2021 survey. Several areas saw improvements between the April and September survey results, including Recognition from managers, Wellbeing, Future for Me, Feel Informed and Leadership. These results highlighted the resilience of our kaimahi during this challenging period.

eCampus

A contract was signed to allow WelTec and Whitireia to offer ākonga online learning opportunities with eCampus NZ. Providing study that fits learners' practical, real-life needs, has always been at the heart of our approach to vocational education and with eCampus, ākonga can start their study anytime from anywhere. From November 2021 WelTec and Whitireia offered the New Zealand Certificate in Computing (Intermediate User) (Level 3) and New Zealand Certificate in Project Management (Level 4), through eCampus NZ.

Good results in educational performance

Both our institutions achieved good results in the interim Educational Performance Indicators (EPIs) published after the December 2021 single data return (SDR) was submitted to the Tertiary Education Commission (TEC). Whitireia achieved 73% in retention, an increase of 11 percentage points over 2020. WelTec maintained the same Course completion rate for SAC Level 3 and above, as 2020 at 75% and Whitireia achieved 83%. Some of Whitireia and WelTec's programmes were impacted by COVID-19, resulting in delayed end-dates. Not all course completions had therefore been finalised by the December SDR submission date, and it is expected that course completions will rise. Given the circumstances of a pandemic environment, these were good results and reflected the commitment undertaken by kaimahi and ākonga during this time.

Release of Whitireia time capsules

On 18 May 2021 past and present kaimahi gathered to open time capsules that were sealed and placed on the wall of the Porirua campus kaimahi room by Whitireia kaimahi back in 1999. Dr Te Taku Parai opened the proceedings followed by speeches from the Chief Executive (CE), Mark Oldershaw, the then CE of Whitireia Deirdre Dale, and Porirua City Mayor Anita Baker. Dr Te Taku Parai and Mark Oldershaw then ceremonially removed the first capsule from the wall. A karakia and waiata were sung before the rest of the capsules were opened and placed on harakeke mats woven by a current kaimahi for the event. Stones collected from Titahi Bay beach by another current kaimahi member were used to keep the contents in place on the mats. The event was a wonderful way for everyone to get together, reminisce, share stories and kai.



Assisting with delivering kai packages

ĀKONGA AND TUTOR HIGHLIGHTS FOR THE 2021 YEAR

Inaugural Māori and Pacific publishing scholarship

Luke Finnigan was awarded the inaugural Māori and Pacific scholarship from publisher Penguin Random House NZ. The scholarship in collaboration with Whitireia provided funding for Luke to study the Graduate Diploma in Publishing and to travel to Auckland twice a year for hands-on experience in Aotearoa New Zealand's biggest local and international publishing house. Luke said his time at Whitireia provided him invaluable insight into the publishing industry: "It's been hectic! But it's been enlightening. I've seen where Māori and Pasifika are at in the New Zealand publishing sector; how people see it and where we want it to go. It's been a really important part in my time here."

WelTec ākonga placed third in the world's largest digital culinary competition

WelTec cookery ākonga, Jess Hoskins, placed third in the 7th annual Young Chef Olympiad 2021 (YCO) - a global culinary event. Jess competed against ākonga from 49 other countries, over six continents and 24 time zones, and was assessed by a panel of 30 esteemed chefs from around the world, including Michelin star chefs Chris Galvin and Brian Turner. The international culinary competition was usually held in India, however, due to COVID-19 border closures, the competition had to change its format to be completely virtually run. This made it the world's largest ever, virtual culinary competition. Due to the competition being judged virtually, there were very strict technical criteria. Competitors required a four-camera setup, which included a front-facing laptop camera, a camera focused on the entire table, a camera capturing the dish from the top, and a mobile camera for judges to be able to take a closer look at the dish.

Whitireia nursing ākonga undergo immunisation training

With the rollout of the COVID-19 vaccine, in 2021 Whitireia embedded immunisation training as a focus in our nursing programme. Cohorts from Bachelor of Nursing Māori and

Bachelor of Nursing Pacific underwent training through the Immunisation Advisory Centre (IMAC). "Completing this immunisation training allow these nursing ākonga to be part of the workforce that seeks to administer vaccines and provide education to our community. The ākonga are increasing their knowledge of vaccines, such as MMR, Influenza, and COVID-19, as well as learning the clinical skills that sit alongside that", said Whitireia Māori nursing tutor Verna Whitford.

Assisting our community

In September 2021 the Tamaiti Whāngai team joined up with Te Rūnanganui o Te Āti Awa and Ngāti Toa Rangatira to deliver essential kai boxes to ākonga and their whānau during the lockdown. Twenty-five kai boxes were delivered to grateful ākonga and their whānau across the Lower Hutt and Porirua areas. Kaimahi also worked with iwi to deliver additional boxes to members of the wider community in need.

Excellence Awards and recognitions

Our Kaimahi Excellence Awards were implemented in 2021 to recognise and celebrate the outstanding achievements of our kaimahi to WelTec and Whitireia. The categories for these awards align with our strategic areas of: Excellence in Leadership; Excellence in Health, Safety and Wellbeing; Excellence in Provision of Service; Demonstrable Te Tiriti o Waitangi Partnerships; and Demonstrated inclusivity and equity for Māori.

Our Mātaiwhetū rewards and recognition programme was launched in February 2021. This programme came from a wellbeing initiative and gives kaimahi the opportunity to nominate colleagues in recognition of achieving a significant goal or objective in relation to exceptional team contribution or cross-team collaboration, efficiency in process and practice, championing a team/Institutional initiative, excellent customer service, completion of a project, demonstration of innovative problem-solving skills, performing services over and above normal work duties, development of improved processes and procedures, attainment of outstanding result, and consistent production of high quality work.

ACKNOWLEDGEMENTS

Our strength as institutions, and the contribution we can make to the future of our ākonga, and our country entirely comes down to our kaimahi. Their dedication, determination, resilience, sheer ability, and talents made the difference in this pandemic environment. We cannot thank them enough for their continued hard work and their devotion to their ākonga.

NGĀ MIHI NUI KI A KOUTOU

JUSTIN LESTER
Board Chair

MARK OLDERSHAW
Chief Executive



Jamie Smiler received the award for Sustained Teacher

ACADEMIC

**Mā te kahukura ka rere te manu
Mā ngā huruhuru nei
Ka rere koe
Rere runga rawa e
Ka tae atu koe ki te taumata
Whakatau mai rā e**

A key focus for WelTec and Whitireia in 2021 was the preparation and build up to a formal NZQA Targeted Evaluation in August 2021. The Targeted Evaluation approach taken from NZQA for Institutes of Technology and Polytechnics (ITPs) differed from previous External Evaluation and Review in that it selected areas of educational importance in ensuring a successful transition to Te Pūkenga. The focus areas for NZQA were 1) Learner support and 2) Learning assessment design and practice in two selected areas of strength which we nominated: 1) Bachelor of Nursing Māori and 2) MPTT.

Overall, the Targeted Evaluation was successful. NZQA noted that our performance in their chosen focus areas was generally effective and that our areas of strength were notable reflecting the organisational direction and intent of our respective institutions.

Continuing on from the work of 2020, the Teaching Innovation and Research team held two hui during 2021 for kaimahi in the Teaching and Learning Directorate. Kaimahi came together and engaged in both professional development and the sharing of good practice. The first hui, Te Hui Raumati occurred over the summer trimester and focused on assessment practices which put the ākonga at the centre. Feedback from this hui was positive and kaimahi requested more hui that enabled

discussion across and within programmes. The second hui, Te Hui Matariki occurred in July 2021 with a focus on moderation practice. The Teaching Innovation and Research team took a different approach to Te Hui Matariki, all plenary speeches were pre-recorded and were woven into discussion-based activities. This enabled the event to be held both live with kaimahi at our Whitireia campus and be packaged for further professional development within schools and teams. As a result, we were able to offer this hui to a wider group of kaimahi at Whitireia and Te Kāhui Auaha.

WelTec and Whitireia worked with eCampus throughout 2021 to increase the number of online offerings in the Wellington region. By the end of 2021, we gained NZQA approval for the eCampus portfolio of programmes and began piloting two courses in the Wellington region: the New Zealand Certificate in Project Management (Level 4) and the New Zealand Certificate in Computing (Level 3).

As a part of the portfolio planning process for 2022, we decided to look at alternative ways of delivering foundation education to ākonga. The Tūāpapa team were formed from previous foundation kaiako and began planning for short gap-filling modules and online learning bites for ākonga wanting to begin their study journey with us in 2022. The intention of this project was to enable ākonga to meet the requirements of their chosen course of study without having to commit, often a year, to meeting gaps through whole programmes of study (and often losing their fees-free entitlement in foundation education).

In programme development, 2021 was another busy year with two new programmes approved: the New Zealand Certificate in Hospitality (Level 3) and the New Zealand Diploma in Screen Production (Level 6). Kaimahi were actively involved across Te Pūkenga's unified programme work particularly in nursing, social work, animal care, business and construction trades. Bachelor of

Nursing Māori also went through a five-year review cycle with much of the review substantiating the value of the programme for our mana whenua partners (in partner Ngāti Toa Rangatira), Porirua community and our ākonga.

Also confirming its space as taonga in the Porirua community, the Bachelor of Nursing Pacific played an important role in supporting vaccination in the community and featured on the Prime Minister's social media platforms.

We finished 2021 with a celebration of the excellent kaiako we have with the WelTec and Whitireia Teaching Awards. Business Tutor Jamie Smiler received the award for the Sustained Teacher and Construction Tutor Mike Porteners receiving the award for Emerging Teacher.

RESEARCH AND INNOVATION

The work started in 2020 to increase the visibility and transparency of processes and support, paid off in 2021. The Contestable Research Grant supported over 70 applications for projects, conference presentations and development activities in 2021. While the ability to travel internationally was not a reality in 2021, the international conference circuit returned to a new normality of virtual zoom hui. As a result, we had several papers accepted at the International Congress of Qualitative Inquiry (ICQI) which saw kaimahi zooming into the United States in the early hours of the morning. The ICQI saw kaimahi from Pacific Strategy and Te Wānanga Māori invited to the Indigenous Inquiries Circle; an international network of indigenous researchers.

A key highlight for the Research Office in 2021 was the opportunity to partner with The Open Polytechnic to deliver the national ITP Research Symposium in December. Again, done in a virtual world, meant that we could really open our doors up for attendees. Over 200 people attended the symposium zooming into over 70 presentations. We were honoured with keynotes from Dr Mereana Selby (Tumuaki, Te Wānanga o Raukawa) and Jehan Casinader (Storyteller and award-winning journalist).

2021 highlights:

- A further edition of the *Whitireia Journal of Nursing and Health* with articles from kaimahi.
- A revised and updated edition of *Psychopharmacology: A Handbook for New Zealand Health Practitioners*.
- Cyril Peter received his PhD in 2021. His research covered a very timely and important topic for the business sector in Aotearoa – the security readiness of our hotel sector. Cyril also sat as Associate Editor (Oceania) on the *International Journal of Safety and Security in Tourism/Hospitality* and sat on the Editorial Board for the *Journal of Management Sciences*.
- Kaylie Dan presented research at two international online conferences on human resource management.
- Lily Wisker was appointed editorial manager for the *Journal of Hospitality and Tourism Management*.
- Gareth McGhie continued to make a massive contribution to the creative sector in Wellington with six exhibitions of his work over 2021.
- Paula van Beek presented on her project exploring blending stage and screen together at two international conferences as well as at local ITP symposia. Paula also ran Artists Development workshops on Digital theatre for the local

theatre BATS and sat as a peer reviewer on the *Journal of Artistic Research*.

- Andrew Hopgood was an invited speaker to NZ Drug Foundation Symposium held at Parliament and was interviewed on the Breakfast show about responses to methamphetamine.
- Kaimahi from Health and Social Services had a prolific year in oral presentations, both within the network and at ICQI.
- Kaimahi from the Bachelor of Social Work published three articles in the *Aotearoa New Zealand Social Work Journal*.
- Belinda Westenra presented at the Annual International Research Conference 2021: Global Developments in Paramedic Research as well as having an article published in the *Journal of Primary Health Care*.
- De'arna Sculley presented virtually at the Indigenous Wellbeing Conference in Cairns, Australia.
- Kenneth MacIver had an article published in the *Journal of Search and Rescue*. Kenneth continued to sit as an expert paramedic advisor for the Health and Disability Commissioner.
- Tania Mullane presented at ICQI.
- Te Wānanga Māori kaimahi presented at ICQI.
- Sam Hauwaho continued to have a massive impact with his rangahau, completing two whakairo.
- Kaimahi from our Information Technology programmes presented at the annual Citrenz ITx conference.
- Thi Thu Trang Do presented on using novel heterogeneous ensemble in heart disease classification at the International Conference on Biomedical and Health Informatics as well as publishing two journal articles in international journals.
- Manish Singh presented at the Computing and Information Research and Education New Zealand.
- Diana Strode was invited to be a track chair for the Australasian Conference on Information Systems and as an Associate Editor at the European Conference of Information Systems and completed an invited chapter to a book on agile software development.



Mike Porteners winner of the Emerging Teacher Award 2021.

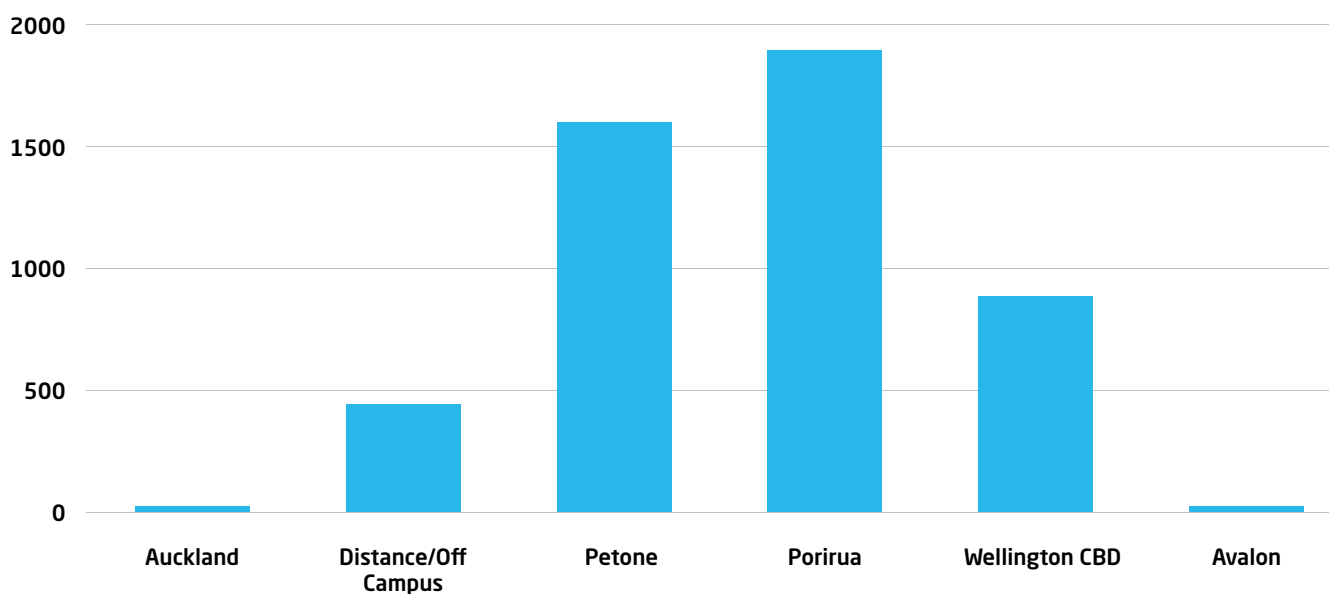
EQUAL EDUCATION OPPORTUNITIES

In 2021, Whitireia and WelTec's Learner Support Services Team (LSS), Tamaiti Whāngai, Te Wānanga Māori, and the Pacific Strategy Team worked collaboratively to support ākonga across all campuses to provide equitable and inclusive support services, eliminating potential barriers impacting on ākonga success.

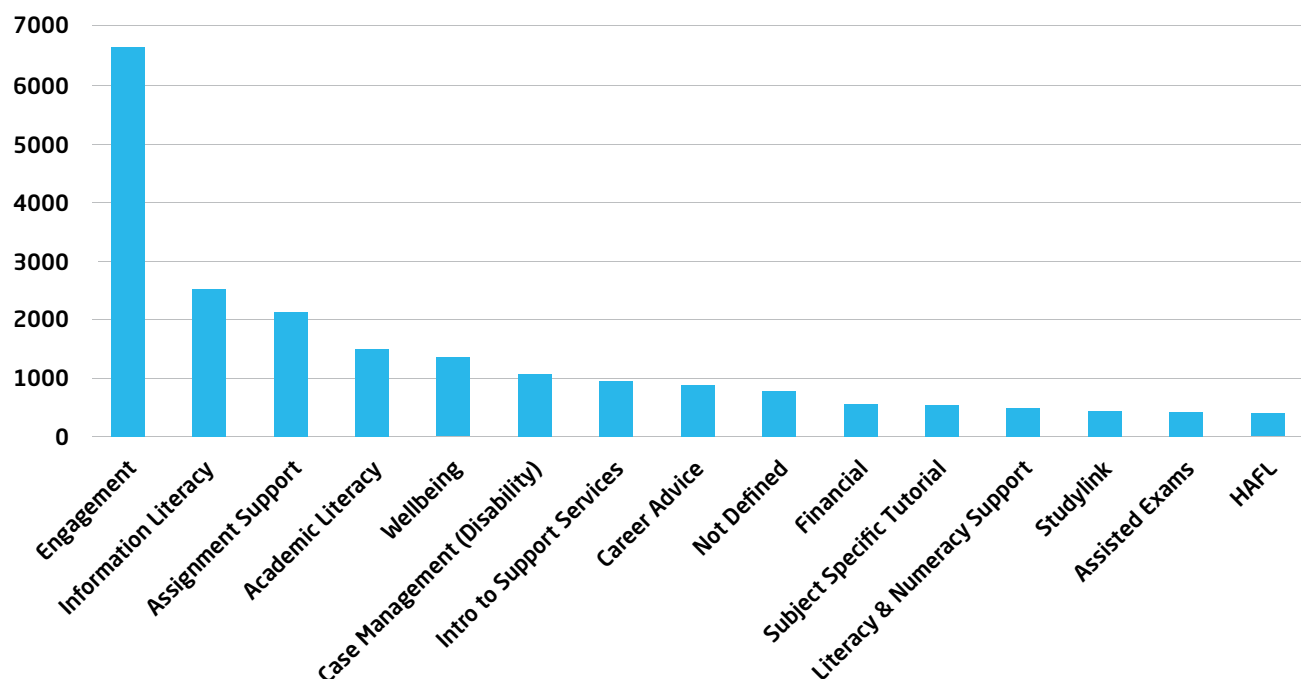
The teams worked towards the common goals of identifying and eliminating a variety of challenges to both academic progress and ākonga wellbeing. A range of academic, disability, and engagement services were offered to enhance ākonga experiences as they navigated their learning journeys with WelTec and Whitireia.

A total of 4,932 ākonga were documented as having worked with support kaimahi through 24,976 unique interactions. Members of the LSS, Tamaiti Whāngai, Te Wānanga Māori, and the Pacific Strategy Team were based across all campuses; though, Auckland ākonga had access to online support from Wellington-based kaimahi. The chart below highlights the campuses where these interactions occurred.

2021 Ākonga Support Provision by Campus



Interaction Identified by Theme: Top 15 Themes for 2021



SPECIFIC LEARNING DIFFICULTIES AND DISABILITIES

In 2021, ākonga declared 1,549 disabilities and/or specific learning difficulties (SLDs). Throughout the year, the disability team conducted 372 initial disability interviews. This was a marked increase on 2020 data, which saw 1,045 SLD disclosures and 207 disability interviews.

2021 was another year of adaptation due to continued COVID-19 related lockdowns, which again altered the way the team approached disability support. Historically, the bulk of SLD support is delivered face to face; however, the team relied on Zoom, Teams, telephone, text, and email to connect.

The demand for in-house dyslexia screening continued to grow in 2021, this resulted in an additional kaimahi member being upskilled to support with administering the screenings. Dyslexia Adult Screening Tests (DAST) doubled with 88 assessments being completed. In 2021, there was a subsequent rise in the need for assisted exam support. The team supported 421 exams across all campuses and online, which again is a marked increase when compared to the 170 completed in 2020.

Disability (nonspecific) a term used when the detail of a disability is not identified (i.e., Asperger's, ADHD) was the most frequently disclosed SLD, followed by Mental Health, Medical (ongoing issues such as dialysis), and Specific Learning Difficulties (including Dyslexia, Dyspraxia, and Dyscalculia). These four areas make up some of the main disabilities that the team works with and some of which are often in co-existence with each other.

Overview of Disabilities Disclosed in 2021

There continues to be an increased demand in the need for pastoral support for ākonga wellbeing. Some ākonga needs are complex and demand an increased amount of time and kaimahi ability to support. Pastoral support for ākonga has included referrals to external support agencies such as Audiologist, Educational Psychologist, and Counselling. Further, kaimahi have been on hand to support ākonga at these appointments where necessary, to ensure that they attend and are provided with the support strategies they require.

Throughout the year additional assistive technology was purchased which was then consistently loaned out to ākonga. The most popular loans included items such as the C-Pen ReaderPen™, the Neo SmartPen™, and dictaphones. We also purchased a new dyslexia screening tool, the Wechsler Individual Achievement Test (WIAT). Some ākonga were supported with funding applications to purchase their own equipment.



Academic support

ACADEMIC SUPPORT

In 2021, the working relationship between the Academic and Disability Advisors continued to thrive. The decision was made to merge the teams to allow them to work even closer together. This meant that ākonga were benefiting from a cooperative support system (academic, pastoral, exam, etc). Learning Advisors (academic support) supported 3,030 ākonga through 9,874 interactions and Disability Advisors and exam support kaimahi supported 416 ākonga through 1,920 interactions.

The team once again facilitated academic workshops, both on-campus and online. The workshops included exam preparation, academic writing, APA referencing, and subject-specific sessions including bioscience and anatomy and physiology. The team conducted 155 Personal Education Plans (PEPs) predominantly with ākonga studying Level 2 to Level 4 courses. This was a marked increase on the 44 conducted in 2020. The PEP process is designed to identify academic support and development needs, encourage goal setting, and the creation of transition plans. The process is part of an early intervention strategy that aims to engage with ākonga at the earliest opportunity to support them in reducing barriers to study.

Health and Social Services continued to be the most frequent users of academic services in 2021. Health commanded 31% of the Learning Advisors' time and social services registered at 17%. Construction was third but the usage in this area dropped from 17% in 2020 to 13% in 2021.

LIBRARY SERVICES AND SUPPORT

In 2021, the WelTec and Whitireia libraries provided ākonga and kaimahi with assistance and access to a broad range of print and digital information resources to support their learning and research activities for all teaching programmes across both institutions. Library kaimahi provided groups and individuals with information literacy sessions both in-class and online as determined by COVID-19 restrictions. An extensive digital resources collection to support the information needs of ākonga while studying remotely is available anytime, anywhere. Online subject and information skills guides were created to assist ākonga to find information and research for their assessments while studying and can be used on all devices, including mobile technologies.

Libraries and learning spaces were central to ākonga and campus experiences, as they provided access to the physical library collection, study and social spaces, computer, and printing equipment and face-to-face support for kaiako.

In 2021:

- The library team provided information, academic literacy, and assignment support to 1,442 ākonga through 2,284 interactions. Most of these interactions were in-class sessions.
- The library team responded to 1,174 library-related queries from ākonga and kaimahi either in person, via phone, or by email. These queries were mainly related to using and accessing the library collection.

The library collections (digital and print) were used extensively by ākonga and kaimahi in support of their teaching, studies, and research:

- There were 9,674 issues of print titles from our collections.
- There were 169,060 uses of e-resources from the library's digital collections.



Pōwhiri - Porirua

ĀKONGA EVENTS AND ACTIVITIES

2021 commenced with a successful semester one orientation programme which saw several Pōwhiri and Mihi Whakatau being delivered across our campuses, which were followed by introductory workshops and cultural welcomes. On-campus expos were held to promote both the internal and external support services available to ākonga.

A limited programme of on-campus events was scheduled for the first half of the year, albeit scaled down and mindful of COVID-19 restrictions. Events included Health & Wellbeing week, Resilience week, Employability week, and Matariki. Equally, we acknowledged Wellington pride and several Pacific language weeks with a flag-raising ceremony, accompanied by online videos, social media commentary, and in some cases shared kai.

Semester two saw Wellington move back into COVID-19 Level 4 lockdown. In response, the support teams once again increased their online presence and delivered several online events to engage with ākonga. Ākonga across both WelTec and Whitireia were also supported with COVID-19 related hardship claims through the allocation of the Hardship for Learners fund (HAFL). Online events continued and included a 'best homemade breakfast' competition, online colouring competitions, quizzes, Kahoot competitions, yoga, and introductory workshops were offered online. Maintaining events online provided visibility for the support teams, ākonga groups, and our services.

During the latter part of the year, some of our in-house support returned to campus. We utilised an adapted booking system to safely welcome ākonga back into our shared study spaces and the team managed to engage with ākonga through Stress-less week as they started to return to campus to sit exams. In place

of large-scale events, our treats trolley was regularly wheeled around the study spaces and provided ākonga with refreshments such as juice, water, and healthy snacks. Throughout the year, period poverty, Pataka Kai, and breakfasts were made available. Cafe vouchers and competition prizes were also shared.

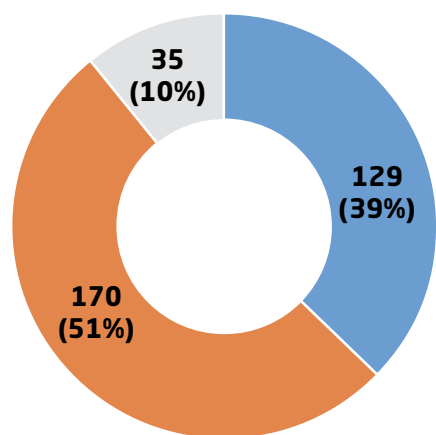
The LEAP Leadership Award celebration was delivered online in 2021. To celebrate ākonga success virtual certificates were awarded, and prizes and goodie bags were delivered to campus pick-up locations. Guests throughout the year included the Mayor of Lower Hutt, Te Wānanga Māori kaimahi, and a young entrepreneur from People's Coffee.

The WelTec Tamaiti Whāngai Māori support team also worked alongside Te Rūnanganui o Te Āti Awa during the 2021 COVID-19 lockdown period to assist ākonga Māori to remain engaged with their studies. The support from Te Āti Awa included: provision of laptops, delivery of hygiene and kai parcels, and Pak n Save vouchers. Regular contact via Zoom, Teams, email, and phone from Tamaiti Whāngai kaimahi ensured ākonga were kept informed, supported, participating in their studies, and retained. At Whitireia, Ngāti Toa Rangatira Whānau Ora Services liaised with Te Wānanga Māori to ensure technical and household support requirements were in place for ākonga Māori. The Pacific Strategy Team referred ākonga and their whānau to our Pacific providers and community groups for a range of assistance including housing, educational resources, finance and food. A new Wai Ora health service was established at the end of 2021, which will be officially launched in 2022. The service was specifically designed to deliver primary mental health support/ counselling, make referrals to external counselling, and facilitate mauri animating activities to ākonga Māori and Pacific across all of our campuses.

OUR PEOPLE

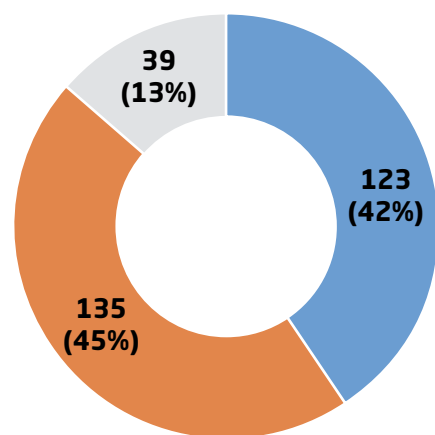
FULL-TIME EMPLOYEES

WelTec FTE 2021



Academic Corporate Management

Whitireia FTE 2021



Academic Corporate Management

ETHNICITY OF 2021 EMPLOYEES

When recruiting people at WelTec and Whitireia ethnicity is self-identified. Diversity is valued and we benefit from the knowledge and perspectives of a workforce that includes New Zealand European, Māori, Pacific, and Asian origin. It was disappointing to see we had a slight decrease in Māori kaimahi across both institutions compared with 2020. We have now engaged with

Kaihautū to work on processes to address how we can attract more Māori kaimahi. It was encouraging however to see a percentage increase in Pacific kaimahi in some areas. Corporate kaimahi – 2% increase at WelTec and 4% increase at Whitireia. Academic kaimahi 2% increase at Whitireia and Management kaimahi 1% increase at Whitireia.

Ethnicity (%)	NZ European		Māori		Pacific		Asian		Other		Unknown	
Corporate	19%	30%	4%	8%	4%	6%	3%	5%	0%	2%	10%	9%
Academic	24%	31%	3%	5%	1%	4%	3%	5%	2%	2%	13%	12%
Management	10%	11%	1%	1%	1%	2%	1%	1%	0%	0%	2%	3%

Note: The percentages presented within the above table total more than 100% due to kaimahi identifying across multiple ethnicities.

WelTec Whitireia

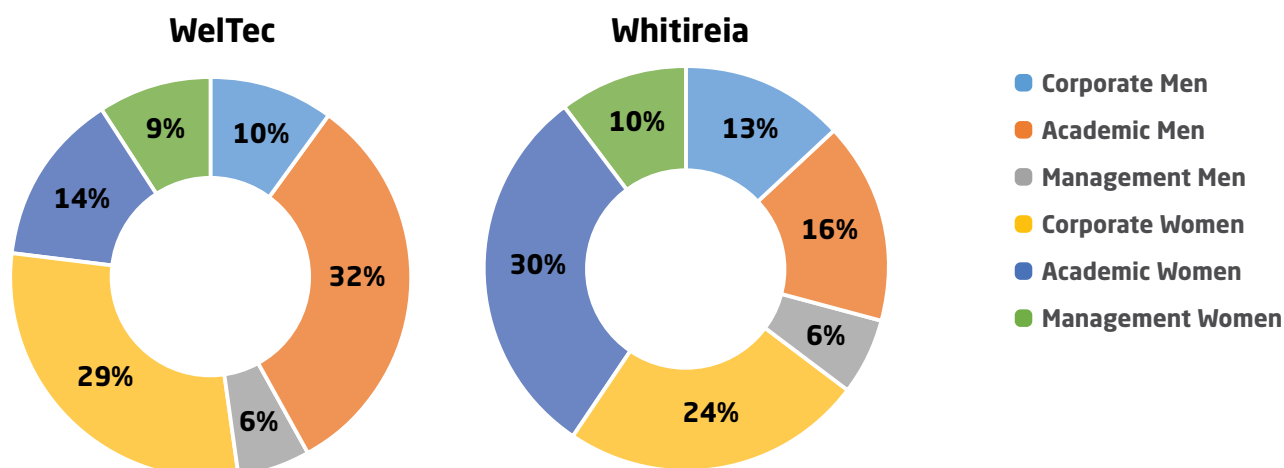
EQUAL EMPLOYMENT OPPORTUNITIES

In 2021, 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 kaimahi.

Women represented over half of our employees in both institutions – 52% WelTec and 65% at Whitireia; and were represented at all levels and roles in our institutions. We have seen an increased percentage of women in Academic roles

at both institutions during 2021. Though there has been no increase in women in Management roles over the period, the Joint Leadership Team (JLT) has a strong women representation (4 of the 7 team are women).

We also record "Other gender" but numbers are so small to be statistically significant.



HEALTH AND SAFETY

The 2021 Health and Safety Strategy prioritised the elimination of physical, biological and psychological harm to kaimahi, ākonga, contractors and visitors. The plan was implemented and has contributed to no serious harm injuries on all campuses for 2021.

The WelTec and Whitireia Board Chair and Chief Executive signed the Health and Safety Policy in December 2020, and it was complemented by the release of the Health and Safety video in March 2021. This showcased our Health and Safety Representatives (HSR) across all campuses. Engagement with operational kaimahi was prioritised and has been the strength of our health and safety culture in 2021. Accompanied by the Health and Safety video we released the public facing WelTec and Whitireia website reporting functionality for easier access for contractors and ākonga to report near miss, incidents, environment but also positive events.

WelTec and Whitireia have had an increase in HSRs to 37 across all campuses. Our HSRs are well-established and set a great example of kaimahi participation and were the strength of our kaimahi engagement programme. HSRs provide kaimahi with a formal, visible way to engage, consult and promote health and safety.

WelTec and Whitireia received a Te Puni Kōkiri grant in partnership with CoLiberate for 200 ākonga and kaimahi to complete Mental Health "Ngā Papa Kōrero" First Aid responder training. We now have 100 trained Mental Health responders across our campuses with a further 100 to be completed in 2022.

Te Rūnanga o Toa Rangatira and Te Āti Awa engagement has been beneficial to the Wellington wider region, resulting in improved, stronger, competent and well-supervised health and safety communities. Te Rūnanga o Toa Rangatira, WelTec and Whitireia teams have worked closely together in 2021 growing and supporting each other, complemented by a Te Āti Awa whānau member who is a highly experienced health and safety WorkSafe inspector and who mentored the WelTec and Whitireia Health, Safety and Sustainability (HSS) Manager.

On 9 June 2021 it was a privilege for WelTec and Whitireia kaimahi to be at Takapūwāhia Marae on a spectacular sunny day. The visit was primarily to form introductions and, moving forward, to strengthen Health and Safety networks in our community which included WorkSafe, Site Safe, Health and Safety Association of New Zealand (HASANZ) and the New Zealand Police representatives. Our Health and Safety team has a strategic goal to build a safe community where we all support each other.

WELLBEING

WelTec and Whitireia are committed to providing wellbeing initiatives that support kaimahi. The institutions are guided by Te Whare Tapa Whā model which values four cornerstones of health: Tinana (physical wellbeing), Hinengaro (mental wellbeing), Wairua (spiritual wellbeing) and Whānau (family wellbeing).

During 2021, we enabled opportunities for kaimahi to connect with one another with events such as walking for wellness at lunchtimes, yoga on campus (and remotely when all kaimahi were required to work from home) and face mask making activity sessions.

WelTec and Whitireia also instigated three new initiatives in 2021 to support kaimahi wellbeing and to recognise kaimahi effort and achievements. These have been well received by kaimahi as proven by the levels of engagement. These initiatives were:

Wellbeing Allowance

From 1 June 2021, kaimahi could apply for a wellbeing allowance towards a wellbeing activity of their choice. This allowance was used towards gym and other sporting memberships, footwear and clothing for sporting activities and health practitioner's services to name just a few.

Mātaiwhetū Rewards

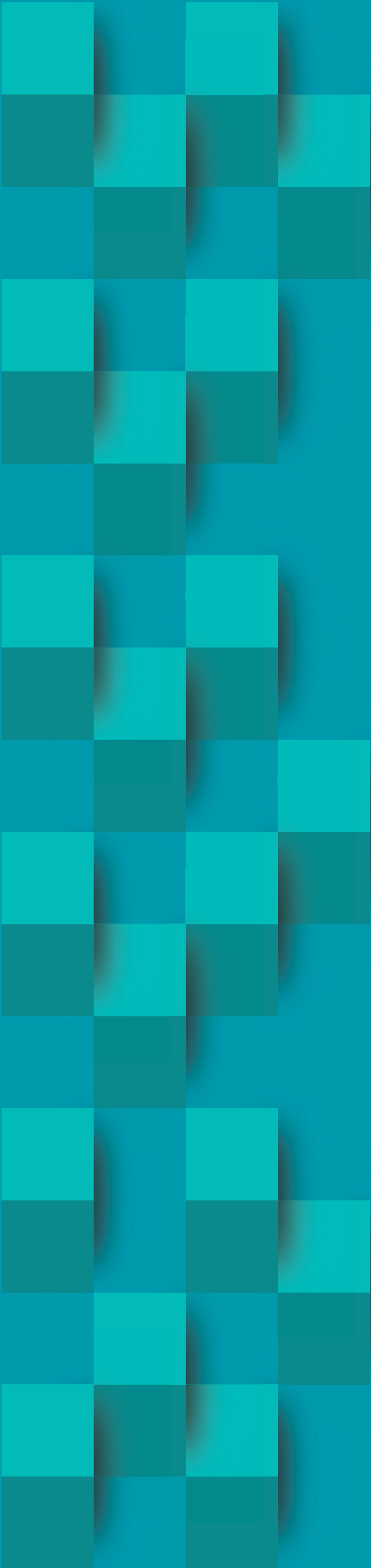
The Mātaiwhetū Rewards programme was established to recognise individuals and teams who demonstrated a high level of dedication or carry out outstanding mahi. Kaimahi were encouraged to nominate those who stood out for them, and successful nominees received a small reward and an acknowledgement note. Nominations were processed monthly and over 130 kaimahi/teams were recognised this way in 2021. In addition, stand-out applications were recognised by a Chief Executive's Certificate.

Kaimahi Excellence Awards

The Kaimahi Excellence Awards were launched in 2021 with five categories that align with our strategic framework and annual business plan. The categories for 2021 were:

- Excellence in Leadership
- Excellence in Health, Safety and Wellbeing
- Excellence in Provision of Service
- Demonstrable Te Tiriti o Waitangi Partnerships
- Demonstrated inclusivity and equity for Māori

We received 31 nominations over all categories and the winners of each category received a \$1,000 voucher of their choice.



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 2021-2022 within the context of the Treasury's Living Standards Framework (LSF)⁵. 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 ākonga to increase their contribution to society by providing high quality, relevant programmes and services that meet the needs of ākonga, industry, community, and iwi. This also means enabling our ākonga 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 ākonga come to us from diverse community groups, and include school leavers, Māori and Pacific, Not in Education, Employment or Training (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 ākonga, 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 high quality 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 ākonga 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 ākonga research skills can develop their potential to contribute to natural capital development through environmental research projects, and ensuring that ākonga 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 2021, 2,851 qualifications were awarded to ākonga who studied with WelTec and Whitireia. Most of these ākonga are now utilising their knowledge and skills in employment or further study. The 2021 WelTec and Whitireia graduate outcome surveys showed that 93% of responding graduates were in employment, and/or further education or training and/or actively looking for employment. Of those respondents that were in employment, 67% were in fields related to their qualification; 10% were not in qualification-related employment and 23% indicated that they were actively looking for qualification-related work.

Graduate enrolment in further study showed a drop over 2020, with 35% (compared to 44%) of respondents in further study. The proportion of graduates in employment who were also in part- or full-time study decreased to 21% (41.3%).

We directly placed 464 WelTec ākonga in apprenticeships in 2021, supporting them to learn hands-on skills to become practitioners in their chosen trade. This was an increase of 132 ākonga compared to 2020 (332). The knowledge and training gained during apprenticeships greatly enhanced the employability prospects of our ākonga. We also provided education and training to 836 people who were unemployed or on a benefit (NEETs), enabling them to participate in society and earn a living for themselves.

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

⁵ 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 Living Standards Framework: Background and Future Work*. Retrieved from <https://www.treasury.govt.nz/sites/default/files/2018-12/lsf-background-future-work.pdf>

WelTec	2019	2020	2021					
	All	All	All	Not Māori or Pacific	Māori	Pacific	Under 25	International
My ability to work independently has improved	95%	96%	93%	92%	91%	94%	91%	100%
My ability to work effectively with others has improved	95%	94%	93%	92%	96%	98%	93%	97%
My communication skills have improved	95%	94%	91%	90%	90%	94%	91%	97%
My numeracy/maths skills have improved	85%	84%	75%	69%	78%	91%	69%	94%
My general computer/IT skills have developed	87%	86%	81%	79%	80%	90%	73%	89%
The content and outcomes were relevant for me	NA	96%	97%	97%	95%	98%	96%	97%

Note: The number of responses from WelTec was 528 (22.1% response rate, 3.8% margin of error).

Whitireia	2019	2020	2021					
	All	All	All	Not Māori or Pacific	Māori	Pacific	Under 25	International
My ability to work independently has improved	96%	98%	94%	94%	97%	95%	97%	94%
My ability to work effectively with others has improved	96%	96%	94%	93%	99%	95%	95%	94%
My communication skills have improved	97%	97%	94%	93%	95%	94%	94%	100%
My numeracy/maths skills have improved	84%	84%	72%	67%	70%	82%	69%	93%
My general computer/IT skills have developed	90%	89%	84%	80%	88%	92%	75%	94%
The content and outcomes were relevant for me	NA	98%	97%	97%	99%	97%	98%	100%

Note: The number of responses from Whitireia was 466 (23.0% response rate, 4.0% margin of error).

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

- 96% agreed or agreed strongly that they had acquired the skills and knowledge required for their position
- 97% agreed or agreed strongly that their qualification had prepared them for work or further study (i.e. work ready)

Feedback from employers indicated they were happy with our graduates. The collection methodology for this survey evolved over 2021, with a shortened format and tightly focussed on the graduate outcomes. This resulted in a significantly lower number of employer responses while the process was being bedded in. The Employer Satisfaction table shows that between 2020 and 2021, the percentage of employers who agreed with the below statements for both WelTec and Whitireia remained largely similar.

EMPLOYER SATISFACTION WITH WELTEC AND WHITIREIA GRADUATES

Broad Statements

	WelTec		Whitireia	
	2020	2021	2020	2021
Graduates have the skills and knowledge I expect from this qualification.	86%	88%	92%	100%
Graduates are well prepared for work (i.e. work-ready).	71%	86%	85%	100%
Graduates have the skills necessary for my future workforce requirements.	86%	81%	92%	89%
Net Promoter score – likelihood to recommend study at WelTec or Whitireia to friends or colleagues	71	77	69	100

Successful outcomes for MPTT

MPTT scholarships provided financial and learning support to ākonga Māori and Pacific studying trade programmes in 2021. MPTT was in its eighth year of operation in 2021, and had a successful year engaging with 170 ākonga Māori and Pacific in pre-trades training (up to NZQA Level 4). Programmes offered in 2021 were in the areas of: construction, plumbing and gas fitting, electrical engineering, automotive and mechanical engineering, collision repair and automotive refinishing, makeup and skincare, hairdressing, and baking.

MPTT continued to attract Māori and Pacific men and women to the trades and was a successful pathway for learners who may not have thrived in other forms of education. Thirty-one women participated in 2021, which was 18% of the total MPTT cohort. This is a decrease from 2020 when 42 women participated (24%). While numbers have decreased slightly over the last few years, the percentage of women in the MPTT cohort has remained relatively stable, except for 2018 when 30% of the cohort were women.

Just under 11% of this cohort were unemployed or on a benefit before starting their MPTT programme. MPTT connected ākonga 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 ākonga was the wrap-around pastoral and cultural support provided by Tamaiti Whāngai, Ngāti Toa, Te Āti Awa, and Pacific Church leaders. Culturally responsive support from MPTT kaimahi ensured that any challenges faced by MPTT ākonga in 2021 were able to be addressed.

MPTT scholarships also included a tools grants of \$750 given to all ākonga at the start of their study to assist with the costs of tools for their trade. Two job brokers worked with ākonga and their whānau, acting as a link between ākonga and local industries to place ākonga into apprenticeships or employment. MPTT ākonga 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, Curriculum Vitae (CV) writing skills, and interview skills.

MPTT has made a huge difference to the lives of ākonga like Selimoa (Seli) Kamoti. Seli was born in Tonga and moved to New Zealand as a young child. In 2021 Seli completed the New Zealand Certificate in Electrical Engineering Theory (Level 3). Prior to studying to be an electrician, Seli was living in Tonga. In 2015, Seli wanted a career in aviation, so studied to be a



Selimoa (Seli) Kamoti

pilot at Air Hawkes Bay. After graduating in 2017 with an Advance Diploma in Aviation, Seli was employed by Real Tonga to fly in Tonga. Seli found himself back in New Zealand when COVID-19 hit, quickly taking out pretty much all the aviation jobs available. It was then that he decided to look for a job in the trades. Choosing to be a sparky was a pretty easy decision, before studying aviation, Seli was pretty interested in being an electrician because he knew how useful it would be, how many different avenues he could move into and how many other trades/skills he could pick up along the way being in that environment.

At a celebration in November 2021, Seli acknowledged the support that MPTT and the Tamaiti Whāngai team provided. "Thank you for the tools supplied for the course and thank you for the support during the COVID-19 lockdown. You guys really came through at such an uncertain time. You were able to provide certainty for us via food package deliveries, and financial assistance, that eased the burden while in lockdown and for that I will always be grateful. It's such a testament to the MPTT and Tamaiti Whāngai initiative, showing that during hard times, coming together to help each other is what's important - looking after our community and our people ... and that's a light I'll hold and take with me everywhere I go."



Dalvir Singh, School of Information Technology

Ākonga success profile

Dalvir Singh, School of Information Technology

Dalvir Singh is another of our successful graduates at WelTec and Whitireia. Always a tinkerer while growing up in Chandigarh, India, Dalvir recalls watching the movie Iron Man as a child and being amazed at the capabilities of the computers on-screen. Ever since then Dalvir wanted a career in IT and software development. In order to gain the necessary qualifications to live his dream, Dalvir's Wellington-based brother convinced him to move from India to Wellington, to study at WelTec and Whitireia.

WelTec and Whitireia encourages ākonga to learn by solving real-life problems, which is why 60 percent of the programme is practical. The programme is also heavily collaborative with industry, leading to greater employment outcomes for ākonga. Professional analysts from Wellington-based national IT Quality Assurance provider Qual IT lent their expertise to guest lectures and WelTec and Whitireia provided useful advice to Qual IT that helped develop their graduate employment programme.

Dalvir Singh graduated with a Bachelor of Information Technology in 2021 and later transitioned into employment as a Junior Test Analyst at Qual IT. Dalvir is currently working on test techniques and studying small business requirements.

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.

Supported Living for Supported Learners

Twenty-six ākonga graduated from the Skills for Living for Supported Learners programme offered by WelTec at both campuses in Petone and Porirua in 2021. This programme equipped the ākonga (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 ākonga to gain confidence to meet their aspirations, support their life goals and participate and contribute as a productive citizen of Aotearoa New Zealand.

Building cultural capital and celebrations

Cultural capital can be thought of as knowledge that helps us understand and embrace different cultures and contributes to social equality and is an important part of overall social capital. Throughout the 2021 year, we organised many events that contributed to, and celebrated, cultural capital in our communities. Both 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.

Whitireia Performing Arts

Whitireia Performing Arts continued to uphold the values of their forefathers by keeping their culture and language alive through song and dance. A way to connect with the past and share with the future generations. In July 2021, our Whitireia Performing Arts presented Anamata. Yesterday creates Tomorrow! A new show that celebrated the ākonga, the community, and the future ahead performing Kapa Haka, Cook Island Ura, Siva Samoan and Contemporary Pacific dance.

In November 2021, the performing arts group presented MAU, a fusion of contemporary Māori and Pacific dance. Mau collectively reflects views of holding firmly to our ancestral connections, values and never losing sight of where we come from. Mau acknowledges the importance of those who have come before us, who we represent and our place in the world.



Pōwaiwai

EXAMPLES OF MĀORI CULTURAL ACTIVITIES AND EVENTS THROUGHOUT 2021 INCLUDED:

Matariki celebrations

We highlighted the importance of Matariki, the Māori New Year in July 2021. Our Board member Kura Moeahu shared the significance of the nine stars of Matariki and the importance of being united, and how we can recognise and celebrate this special time of year. A karakia was shared with kaimahi to be able to use to celebrate Matariki in our homes.

Commemoration of Ngāti Toa Te Tiriti o Waitangi signing

Te Tiriti Commemoration of the signing of Te Tiriti o Waitangi held at Porirua campus on 18 June 2021 was well attended by kaimahi, iwi and stakeholders. The key speaker at this occasion was Dr Te Taku Parai. All participants welcomed the dawn from the Whitireia maunga.

First-year Whitireia Māori nursing ākonga connect with community

First-year nursing ākonga in the Bachelor of Nursing Māori programme made a real difference and gained clinical experience within their community through hands-on training in different community situations, with an overview of Kaupapa Māori. In 2021 ākonga have worked with social housing providers, the Māori Cancer Community Authority, Mahi Toa, and the Iwi Chairs Forum. During community placements ākonga performed blood pressure checks and connected with members of the community. As a result, ākonga understand the health issues facing the community and show them that healthcare workers are approachable.

Pōwaiwai pre-graduation ceremony for Bachelor of Nursing Māori ākonga

In November 2021, a Pōwaiwai was held for the Bachelor of Nursing year 3 ākonga following exams, to celebrate the end of their nursing studies at Whitireia. This ceremony symbolically returned ākonga to their whānau who gave them into the care of the institution at the start of their studies. This ceremony was a celebration of their journey and celebrated the completion of the circle. The event was attended by former ākonga, graduating ākonga and their whānau, kaimahi and special guest Lorraine Hetaraka (Chief Nurse – Ministry of Health).



Jean Mitaera - Chief Advisor of Pacific Strategy, Rosalie Maiava-Zajkowski and Dr Aliitasi Su'a-Tavila

EXAMPLES OF PACIFIC CULTURAL ACTIVITIES AND EVENTS FROM 2021 INCLUDED:

FalaRazzi - Pacific celebration of WelTec and Whitireia graduands

A significant calendar event for WelTec and Whitireia was FalaRazzi. It provided a space and time where Pacific whānau and communities celebrate the academic achievements of their graduands in Pacific fashion. Traditionally it is celebrated the evening before the first of our institutions Graduation Ceremonies. FalaRazzi, hosted by the Pacific Strategy Team, is supported by kaimahi and Pacific ākonga from all parts of the organisation. Chief Executive (CE) Mark Oldershaw kicked off the 2021 celebration with a welcome which was followed by entertainment and speeches from ākonga, community leaders and whānau.

Pacific language weeks

WelTec and Whitireia continued to celebrate the languages and cultures of their ākonga Pacific. While the flag raising ceremonies from time to time were compromised by COVID-19 and bad weather, our relationship with Porirua City Council (PCC) continued to be a feature of Pacific language weeks for the whole of community. There was a stronger 'online' delivery to ensure that all ākonga and kaimahi had access to the range of activities and language tips.

Cry of the Stolen People - Installation

Our Pacific Artists in Residence, Moses Viliamu and Jack Kirifi, hosted a second audio-visual installation of Cry of the Stolen People at the Atrium, Whitireia campus. The installation tells the story of blackbirding from a Tokelau perspective. The artists, who are both Tokelau, were keen to host this installation for their Tokelau community who were aware of the installation but had not been part of the earlier debut installation. Supported by their whānau and kaimahi, the artists brought together an audience of their church and cultural community onto campus to enjoy an evening of artistic interpretation of a part of the history of Tokelau.

Fakamavae

The Bachelor of Nursing Pacific programme celebrated the journey and achievements of its year 3 ākonga at the conclusion of the 2021 academic year. Fakamavae was an opportunity for year 1 and 2 ākonga to applaud their colleagues and for year 3 ākonga to reflect on the support they had received from their whānau, ākonga and kaimahi. The event was live streamed to enable whānau from across the Pacific and Aotearoa to be a part of the festivities and to give their personal congratulations to their whānau member. It was a wonderful occasion that proved the combination of technology and Pacific ingenuity can connect people when most desired.



Beach clean-up on Petone Foreshore

SUPPORTING NATURAL CAPITAL

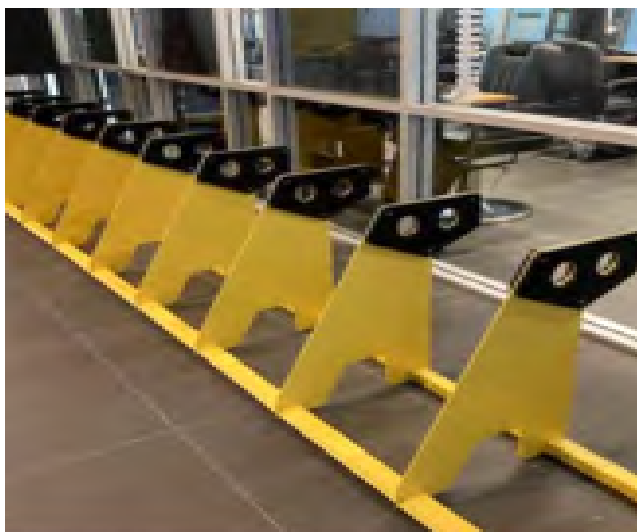
Community sustainability

Beach Clean-up

Level 7 Business Sustainability ākonga participated in a beach clean-up along the Petone foreshore. This was celebrated and supported by the HSS team providing kai for the event. Ākonga are learning about Business Sustainability and the importance of considering not only the financial sustainability of a business but also the environmental, social and cultural impacts of doing business.

New bike racks at Te Kāhui Auaha

Te Kāhui Auaha had a new updated bike stand specifically made to accommodate kaimahi and ākonga with new E-bike technology. This was to support kaimahi and ākonga and encourage riding bikes in the city. An education programme was completed in December 2021.



Bike racks at Te Kāhui Auaha

New EV chargers at Porirua campus

WelTec and Whitireia have taken a significant step on our journey towards sustainability with four new electric vehicle (EV) fast charging stations installed at the Porirua campus. The chargers were made available for our campus and wider community and is a way that we can support the move to cleaner, more efficient technology that reduces road transport emissions.

Sustainability perceptions

In response to our intention to enhance environmental sustainability, we deployed sustainability questions in our First Impressions Survey (FIS) conducted shortly after commencement of studies and the year-end Student Experience Survey (SES).

This time gap again allowed us to capture changes in ākonga perceptions of our sustainability performance over the year. Initially ākonga were asked how important environmental sustainability was to them and how much they felt the institutions cared about environmental sustainability. The surprise this year was that even though the rating of how important environmental sustainability was to ākonga, it dropped by 20%, almost certainly a result of the pandemic. Ākonga still rated their initial perceptions of our level of environmental care as highly as in previous years. Later they were asked whether they agreed we had demonstrated caring about environmental sustainability across the year. The results again showed a drop over the time of studying, but the final gap was only slightly wider than the margins of error, meaning ākonga were generally only slightly less impressed by our environmental performance at the end.

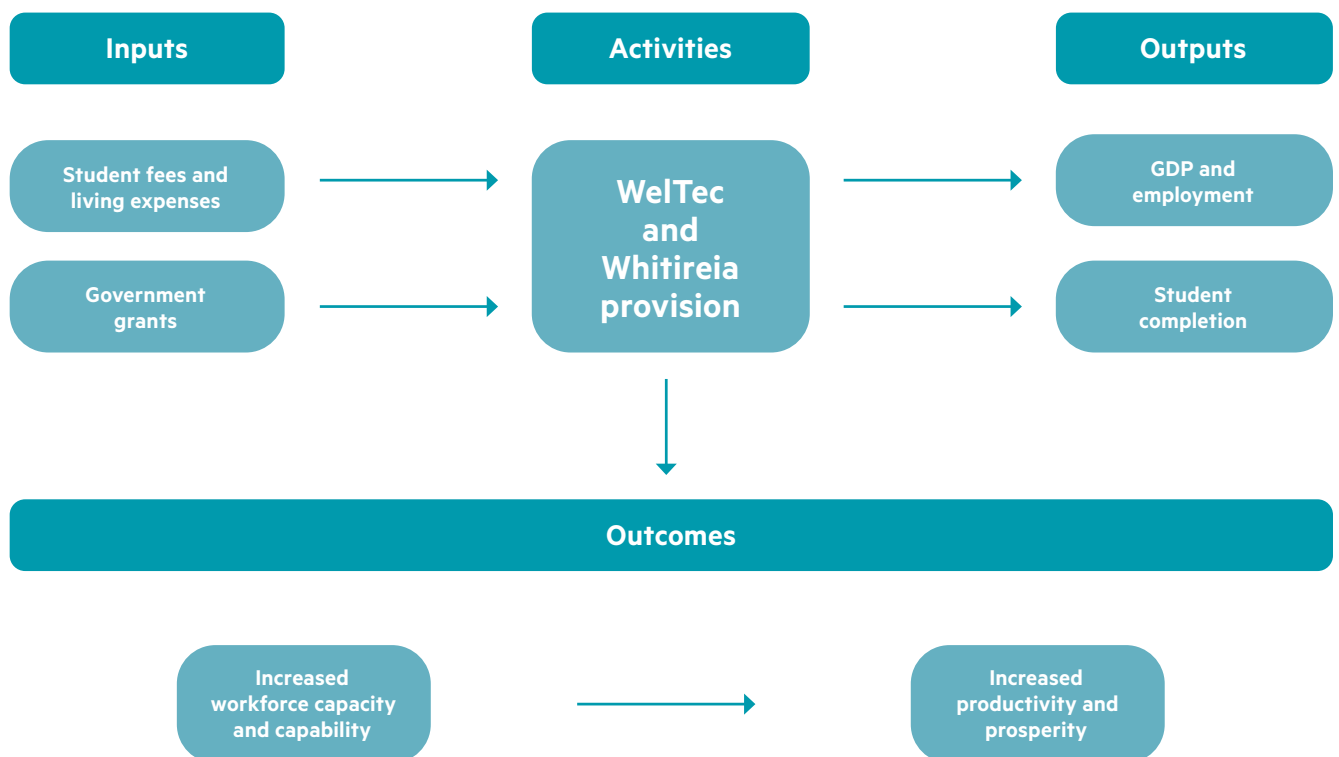
DEVELOPING FINANCIAL/PHYSICAL CAPITAL

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, 844 ākonga completed a qualification in construction or engineering in 2021, who are now able to use their skills to contribute to physical capital building in the community. The continued Targeted Training and Apprenticeship Fund (TTAF) supported this increase in graduates from 2020 (587). There continued to be strong interest within our community for trades training.

WelTec and Whitireia also made a significant contribution to the strength and prosperity of our local economies. Our operations generated Gross Domestic Product (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 ākonga/graduates were also significant contributors to financial capital; 177 learners completed one of our Information Technology (IT) qualifications in 2021.

The chart below illustrates how WelTec and Whitireia contributed 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 2021 show that despite falling revenues, WelTec and Whitireia remained important contributors to the economies of Wellington and to New Zealand. The following BERL estimates for expenditure, Gross Domestic Product (GDP), and employment include estimations of multiplier effects (often known as

flow-on effects). Allowing for multiplier effects, WelTec and Whitireia combined operations in 2021 generated \$127 million of GDP, and just over 1,000 full-time equivalent (FTE) jobs at the national level. This did not include the impact of living expenditure of international ākonga.

Combined WelTec and Whitireia impacts on New Zealand economy



Expenditure

**\$170
Million**



GDP

**\$127
Million**



Employment

**1010
FTEs**

In terms of their operational expenditure WelTec and Whitireia are similar in size. Again, allowing for multiplier effects, WelTec's operations in 2021 generated the equivalent of just under 540 full-time jobs at national level. WelTec's contribution to national

GDP was just under \$66 million. With a similar level of operating expenditure, the impact on the national economy by Whitireia was broadly the same as WelTec. However, it generated slightly fewer FTEs, due to lower direct employment in 2021.

WelTec total impact on New Zealand



Expenditure

**\$88
Million**



GDP

**\$66
Million**



Employment

**539
FTEs**

Whitireia total impact on New Zealand



Expenditure

**\$82
Million**



GDP

**\$61
Million**



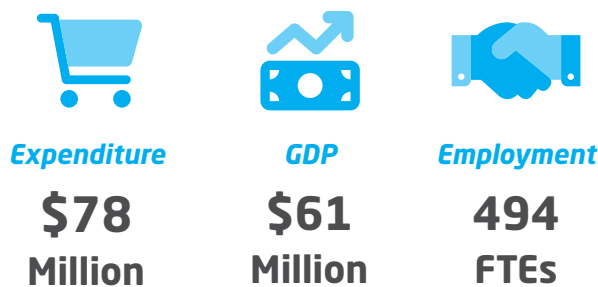
Employment

**472
FTEs**

WelTec's operations were confined almost entirely to the Wellington Region itself. With the multiplier effects, its operational expenditure in 2021 in the region generated over 490 FTEs. This excluded the impact of living expenditure by out of region ākonga. Whitireia had lower operational expenditure

and fewer kaimahi than WelTec in the Wellington Region. Nonetheless it had a sizeable impact on the regional economy. This also excluded the impact of living expenditure by out of region ākonga.

WelTec total impact on Wellington regional economy



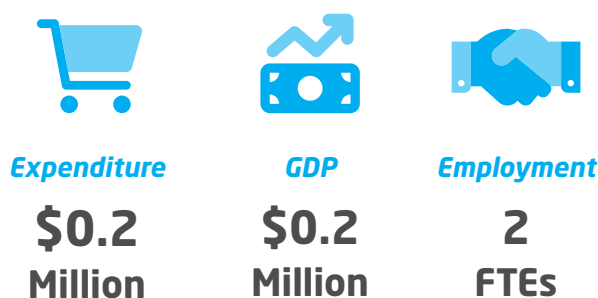
Whitireia total impact on Wellington regional economy



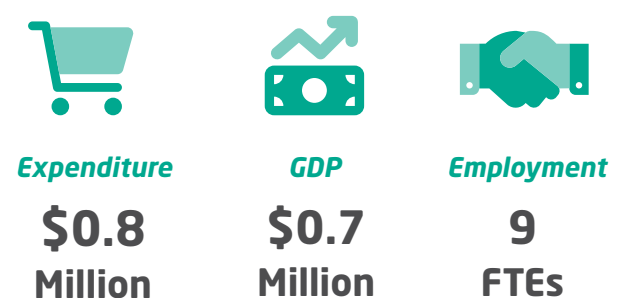
As noted above, WelTec's operations were focused on the Wellington Region. Its impacts on the Auckland Region economy were, consequently, very small, even allowing for multiplier

effects. Whitireia had slightly more of an Auckland presence than WelTec in 2021, but a reduced presence compared to previous years (9 FTE in 2021 compared to 59 FTE in 2020).

WelTec total impact on Auckland regional economy



Whitireia total impact on Auckland regional economy



BUSINESS PLAN PERFORMANCE – OVERVIEW 2021

INTRODUCTION

The 2021 WelTec and Whitireia Business Plan was linked to both the WelTec and Whitireia Strategy 2021-2022 and the 2021 Investment Plan.

During 2021, WelTec and Whitireia continued to experience a significant impact on both domestic and international education

due to COVID-19 alert levels and corresponding restrictions experienced throughout the year.

Despite the challenging conditions presented by the pandemic, WelTec and Whitireia have continued to focus on putting ākonga needs at the core of educational delivery, providing high quality services to help them become work-ready graduates.

Outcome: We are proud and strong stewards of our institutions' whakapapa.

Projects planned for 2021	Activities Planned for 2021	Year's Progress
Establish Te Pūkenga as 'lead brand' in current WelTec and Whitireia provision	Work with Te Pūkenga to pilot a lead brand refresh across WelTec and Whitireia.	Limited momentum from Te Pūkenga (due to the extended-release timeframe of the Operating Model) resulted in this project not proceeding in 2021. However, in place of this substantive project, time has been taken to assess the readiness of the WelTec and Whitireia identity for the 'co-brand to lead brand' transition proposed to take place during 2022/23. One outcome of this assessment was the creation of two tohu, KAITIAKITANGA and ĀKONGA. Both tohu share a similar spirit, enabling WelTec and Whitireia to articulate a vision and promise for the future; aligned to Te Pae Tawhiti framework (specifically Ākonga Māori – Ora).
NZQA Targeted Review using Te Pae Tawhiti framework	Undertake a formal evaluative targeted review covering both WelTec and Whitireia with NZQA.	The Targeted Evaluation was undertaken by NZQA in August 2021 and the report released in December. Overall, the Targeted Evaluation was successful, with NZQA noting that our performance in their focus areas was generally effective and that our areas of strength were notable reflecting the organisational direction and intent of our respective institutions.
Margin analysis and school costings project	Develop a financial framework to support the growth of our full fee education products, incorporating the identification of contribution analysis at a 'programme' level across schools.	Refinement of kaimahi allocations and location level information were made for 2021 full year actual contribution analysis.
Te Whare Tapa Wha Staff Wellbeing	Develop a framework that supports the wellbeing of our kaimahi by being: • Connected • Empowered • Recognised • Valued • Safe	There was a good response to the WelTec and Whitireia Kaimahi Excellence Awards the first time these were promoted. Mātaiwhetū rewards were completed for 2021. Positive feedback was received throughout the year on this recognition process. Positive reporting by kaimahi showed they were grateful for the mental health courses provided: Ngā Papa Kōrero mental health first responder training continues. Due to COVID-19 Te Puni Kōkiri has advised that the courses can continue through to June 2022. A St John's mental health first aid course was held at Whitireia in October 2021 due to kaimahi demand. WelTec and Whitireia had an increase in Health and Safety Representatives (HSRs) to 37 across all campuses. There was an 11% increase in the percentage of kaimahi reporting a positive improvement in wellbeing.

Outcome: We enrich and empower our communities across Wellington and the wider region.

Projects planned for 2021	Activities Planned for 2021	Year's Progress
Key Contributor to Regional Economic and Social Development	Active participation in key regional forums and working groups, including close liaison with interim Regional Skills Leadership Group (iRSLG) and Workforce Development Council (WDC) development. Stakeholder Engagement Strategy, focusing on building enhanced reputation, trust and transparency with targeted employers, community groups (including Pacific communities), schools, providers/Industry Training Organisations (ITOs) and influencers. Active contributor to advancing the value of high-quality vocational education in the wider Wellington region.	Regional Skills Leadership Group (RSLG) was established in 2021 with permanent appointments. Liaison with MBIE as group leads and key Government officials remained strong. Connections to focus areas continued to improve. Active participation remained from Chief Executive (CE) in Wellington Regional Economic Development Agency (WREDA), Wellington International Student Governance Group (WISGP), Porirua Employment and Skills Working Group, Porirua Visitor Strategy Working Group, Business Central Board. The Stakeholder Engagement Strategy was put on hold due to competing priorities, but consideration will be given to picking this up in 2022. Media release targets were consistently met. News articles were released externally and shared across owned channels including website, social channels and e-newsletters. All engagement activity was reported regularly in a Media Report presented as part of the Board Reports.
Campus Utilisation Plan	Project to identify current utilisation of campus facilities and work with Te Pūkenga following identification of sector operating model to ensure best use of facilities to meet future regional/national need. Develop a robust 10-year CAM Plan in association with Te Pūkenga to best meet regional and national training needs.	The facilities utilisation project was placed on hold due to the increase in COVID-19 Alert Levels. A "normal" utilisation profile was not possible to determine until all kaimahi and ākonga were able to return on-site. Capital Intentions were submitted to Te Pūkenga as part of the 2022 Budget in September 2021. The Budget was approved by the Board and Te Pūkenga, with forecasted out-year requirements.
Campus Design Strategy	Alongside CAM workstream, develop a 10-year Campus Design (Identity) Strategy identifying best location for delivery of offerings with local needs, ensuring 'fit for purpose', technology and space requirements, industry partnerships, opportunities for national centres of excellence and other relevant considerations.	DesignGroup Stapleton Elliott were engaged to complete the development of a 10-year campus development plan. Data gathering meetings were held and initial space requirements modelled based on Equivalent Full-Time Students (EFTS)/ākonga numbers per programme/course. The Master plan for Petone and Porirua was completed at the end of 2021. This is a living document that will inform engagement with Te Pūkenga on network Capital Asset Management Infrastructure Committee (CAMIC) priorities in the medium term.

Outcome: We produce skilled graduates who are confident, capable, courageous and resilient; and improve social and economic wellbeing.

Projects planned for 2021	Activities Planned for 2021	Year's Progress
Enhanced Enrolment and Ākonga Support	Continued improvements and rationalisation of the enrolment processes to ensure greater synergy and consistency between WelTec and Whitireia and a specific focus on the improvement in connectivity between application and the start of teaching. Identify needs and implement resourcing to enhance ākonga support for blended/online learning.	Following the Chief Executive's led Enrolments Review in early 2021, barriers for prospective ākonga were identified in the enrolment process. Subsequent to that review a number of changes were made. The use of the National Student Index (NSI) number is now used instead of requiring formal and verified ID documents and this has had an immediate and positive impact on the enrolment process. Programme timetabling for 2022 was available by October 2021, which was much earlier than previously. It meant that prospective ākonga were able to make informed decisions on their 2022 study programmes. The Prospectus (electronic and hard copy) became available to stakeholders much earlier in the year during 2021. This is a key document for our contributing secondary schools and there was positive stakeholder feedback on this much earlier timing. The use of our BI reporting systems has improved and the link between Registry and our internal Schools has also been strengthened to ensure both are fully involved in ensuring enquiries and enrolments are dealt with efficiently. The ākonga First Impressions Survey (FIS), identified Information and Communications Technology (ICT) and Moodle as big skill gaps for some ākonga. Learner Support Services (LSS) and The Research and Innovations team delivered ākonga facing workshops to address the lack of knowledge related to using the systems. Further eLearning packages were delivered using Mahara, Turn-It-In and other online tools to address this gap. Additional tools for supporting blended/online learning are being produced by LSS including support videos and LibGuides – which are online versions of our support resources that ākonga can access 24/7.
Improving Pathways for Ākonga into Work	Pilot new programme delivery of a work based learning model, incorporating the principles of the review of vocational education, ideally in partnership with an ITO, that allows for more seamless transitions between work and learning and tests requirements for similar delivery in the future	LSS worked towards improving pathways to work in 2021 through hosting seven Careers Super Fairs in collaboration with nine other ITP's. 574 ākonga engaged in the fairs, where they had the opportunity to speak directly with industry representatives. The WelTec and Whitireia Careers Hub website had over 2,000 unique ākonga visits with over 130 jobs being applied for via the website. A second initiative for 2021 was growing opportunities for work for our disability ākonga, with the LSS team working together with the Ministry of Social Development kaimahi to pilot workshops and prepare individuals for interviews, internships, and employment. This resulted in their representative supporting seven of our disability ākonga through their process. The internships via this route were predominantly within Business and IT.

Outcome: We are accessible, flexible and responsive.

Projects planned for 2021	Activities Planned for 2021	Year's Progress
Blended Educational Product Offerings	Further exploration of the eCampus relationship opportunities partnering with eCampus ITP users	Approval was gained from NZQA for the entire eCampus portfolio, but initially two programmes were chosen to pilot within Whitireia. Enrolments opened for these two eCampus pilots, for both 2021 and 2022 intakes. By the end of 2021, there were six enrolments for eCampus courses starting late in 2021 and seven applications for 2022 courses.
Collaborative Educational Product Offerings	Strategic and responsive approach to collaborative programme development opportunities in association with Te Pūkenga.	Te Pūkenga-led development around partnership arrangements and collaborative programme design continued across the network. WelTec and Whitireia remained active participants in many forums and areas of specialisation. The 2022 portfolio was developed to include the new Level 3 Plumbing, Gasfitting and Drainlaying programme developed by the Skills ITO with approval for delivery across Te Pūkenga network. Wintec shared resources for the delivery of this programme. Work started towards accreditation for the Level 3 programme of study into Electrical Pre-Trades using the Unitec programme. Kaimahi were actively involved in all of the unification work with Te Pūkenga.

Outcome: We work to achieve equitable outcomes for Māori. Whānau, hapu and iwi trust us.

Projects planned for 2021	Activities Planned for 2021	Year's Progress
Embedding Te Pae Tawhiti Framework	Action Plan following Te Pae Tawhiti self-evaluation framework completion to lift awareness and capability across WelTec and Whitireia; including: • Te reo normalisation • Institutional kawa development and implementation • Te Pae Tawhiti embedded as WelTec and Whitireia evaluative framework	Te Kawenata Tuapapa provided the overarching framework for the new foundation education delivery beginning in 2022. The Annual Programme Evaluation Report and Te Pae Tawhiti integration were completed. 14 current Māori kaimahi were identified as Kaihautū and elevated to Senior Management status. Kaihautū led workstreams were initiated. A Kaihautū secondment to People and Capability in an advisory role. Kaihautū appointed – Tame Ngaheke – Te Āti Awa. The Teaching and Learning Directorate in conjunction with Te Roopu Whakaruruhau supported the establishment of a Komiti Mātauranga Māori, this will include the ability to influence programme development and portfolio decisions. Te Kawenata Rangahau was established to ensure the creation of a Rangahau Māori Hub, Rangahau co-ordinator, increased Kaimahi Māori participation in Rangahau activities, internships for ākonga Māori and other strategies to ensure matauranga Māori is influencing programme development. An overarching Research Project was developed to hold a suite of Kaihautū Rangahau Projects. The first Kaihautū Rangahau project was submitted to the Research and Ethics Committee in 2021. Collaborative agreements with iwi for delivery were implemented. Ngāti Toa Rangatira moved onsite at Whitireia and are in collaboration to deliver Ākonga Māori Support from 2022. The Diploma in Māori and Pacific Performing Arts Programme transitioned from Te Auaha - School of Creativity to Te Wānanga Māori for 2022 delivery.

INVESTMENT PLAN

PERFORMANCE COMMITMENTS

In 2021, 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 these are 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-Pasifika Educational Performance

Objectives		Measures			
		2019 Actual	2020 Actual	2021 Planned	2021 Actual
SAC					
Non-Māori and non-Pasifika⁶					
First year retention⁷	Level 4 to 7 (non-degree)	64%	72%	54%	67%
	Level 7 degree	75%	69%	77%	61%
Expected Graduates⁸					
	The number of graduates at Level 1 to 3	395	299	395	435
Course Completion⁹					
	Level 1 to 10	81%	79%	85%	79%
Progression¹⁰					
	Level 1 to 3, to a higher level	36%	39%	42%	35%
Participation¹¹					
	Level 1 to 3	56%	56%	56%	55%
	Level 4 to 7 (non-degree)	68%	67%	70%	70%
	Level 7 degree	76%	82%	76%	78%
	Level 8 to 10	73%	93%	70%	91%

WelTec delayed the start of several programmes due to the impact of COVID-19. This resulted in delayed end dates for some programmes and course completions for 2021 will not be finalised until after the April SDR 2022. Course completions are therefore expected to increase after the April SDR 2022.

First year retention rates in 2021 have decreased when compared to 2020 but have achieved our target in 2021. There was a greater margin of error in 2020 as a result of the enrolment numbers. In 2020, 84 out of 116 ākonga were retained in level 4-7 (non-degree), while in 2021, 95 out of 142 ākonga were retained. For level 7 degree 80 ākonga out of 132 were retained in 2021 compared to 79 ākonga out of 115 in 2020.

Progression and participation are on par with previous years.

⁶ Percentage of non-Priority Group EFTS as a percent of the total EFTS of the designated group

⁷ This indicator shows the proportion of learners that complete a qualification or re-enrol at the same tertiary provider in the following year.

⁸ This indicator shows the number of learners in SAC Group funding who graduated in a reporting year. This indicator was brought in 2019, and replaced the qualification completion rate indicator used in prior years.

⁹ This indicator shows the proportion of courses enrolled in that are successfully completed

¹⁰ This indicator shows the proportion of learners who progress to study at a higher level after completing a qualification at levels 1 to 3.

¹¹ Participation is calculated based on the proportion of these EFTS to all SAC EFTS at each institution.

WelTec Māori Educational Performance

Objectives		Measures			
		2019 Actual	2020 Actual	2021 Planned	2021 Actual
SAC					
Māori¹²					
First year retention	Level 4 to 7 (non-degree)	40%	63%	41%	65%
	Level 7 degree	52%	54%	73%	22%
Expected Graduates	The number of graduates at Level 1 to 3	193	137	150	199
Course Completion	Level 1 to 10	71%	64%	76%	70%
Progression	Level 1 to 3, to a higher level	30%	27%	37%	31%
Participation	Level 1 to 3	32%	29%	30%	30%
	Level 4 to 7 (non-degree)	21%	22%	20%	18%
	Level 7 degree	15%	11%	15%	14%
	Level 8 to 10	19%	5%	15%	-

Māori ākonga first year retention for level 4 to 7 (non-degree) increased by 2% to 65% compared to 63% in 2020.

Course completion increased by 6% to 70% compared to 2020 (64%). Course completions will not be finalised until after the April SDR 2022 and are expected to increase at this time.

Participation rates increased for level 1 to 3 by 1% to 30% compared to 2020 (29%) and Level 7 degree increased by 3% to 14% compared to 2020 (11%).

For progression, the target rate of 37% was set early in 2018 (before 2018 figures had been finalised and 2019 was not known). The 37% target was set to align with the 2016 and 2017 actual rates of 38% and 35% achieved. Actual rates for 2021 are more aligned to 2018 and 2019 actuals of 30%.

WelTec Pasifika Educational Performance

Objectives		Measures			
		2019 Actual	2020 Actual	2021 Planned	2021 Actual
SAC					
Pasifika¹³					
First year retention	Level 4 to 7 (non-degree)	50%	53%	45%	51%
	Level 7 degree	58%	75%	62%	42%
Expected Graduates	The number of graduates at Level 1 to 3	110	101	84	131
Course Completion	Level 1 to 10	75%	67%	72%	64%
Progression	Level 1 to 3, to a higher level	36%	35%	37%	35%
Participation	Level 1 to 3	17%	20%	17%	21%
	Level 4 to 7 (non-degree)	13%	15%	11%	15%
	Level 7 degree	12%	11%	10%	12%
	Level 8 to 10	8%	2%	15%	9%

Participation rates and progression for Pasifika ākonga increased or were on par with 2020.

Course completions will not be finalised however, until after the April SDR 2022 and are expected to increase at this time.

¹² Percentage of Priority Group EFTS as a percent of the total EFTS of the designated group.

¹³ Percentage of Priority Group EFTS as a percent of the total EFTS of the designated group.

WellTec Research

Objectives	Measures			
	2019 Actual	2020 Actual	2021 Planned	2021 Actual
The amount of External Research income earned	\$224,230	\$23,570	\$30,000	\$13,570
The number of Research Degrees completed	7	3	2	0

In 2021 we applied for fewer grants due to COVID-19 restrictions.

In 2021 we stopped dual offers of Post Graduate programmes between WellTec and Whitireia.

WellTec EFTS Achievement

Objectives	Measures			
	2019 Actual	2020 Actual	2021 Planned	2021 Actual
SAC Level 1 to 2	78.05	72.27	75.50	62.17
SAC Level 3 and above including MPTT	1990.91	1651.30	1976.10	1920.89
Youth Guarantee	89.78	48.14	45.20	27.20
ICT Graduate School	1.47	1.53	-	1.47
Secondary School based delivery	146.60	113.29	155.88	125.28
Industry Training Organisation (ITO)	288.19	131.89	169.80	155.58
Adult and Community Education (ACE)	11.42	-	-	-
Full Fee and Contracts	14.68	11.84	7.50	10.89
International	429.84	374.51	450	142.17
Total WellTec Delivery	3050.94	2404.77	2879.98	2445.65

2021 saw a higher number of ākonga compared to 2020, although numbers were still lower than planned due to the impact of COVID-19. The significant drop in international ākonga was caused by no ākonga entering borders due to closures after COVID-19.

The School of Construction saw the biggest increase in EFTS in 2021, with 750 EFTS compared to 577 EFTS in 2020, an increase of 173 EFTS.

Overall actual EFTS did not achieve planned delivery in 2021.

* Actuals rounded to two decimal points¹⁴.

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



Whitireia non-Māori and non-Pasifika Educational Performance

Objectives		Measures			
		2019 Actual	2020 Actual	2021 Planned	2021 Actual
SAC					
Non-Māori and non-Pasifika¹⁵					
First year retention¹⁶	Level 4 to 7 (non-degree)	79%	48%	66%	85%
	Level 7 degree	68%	65%	72%	72%
Expected Graduates¹⁷	The number of graduates at Level 1 to 3	167	117	229	239
Course Completion¹⁸	Level 1 to 10	89%	87%	87%	86%
Progression¹⁹	Level 1 to 3, to a higher level	50%	57%	28%	56%
Participation²⁰	Level 1 to 3	38%	42%	47%	50%
	Level 4 to 7 (non-degree)	57%	60%	56%	61%
	Level 7 degree	64%	60%	62%	60%
	Level 8 to 10	64%	63%	65%	65%

Whitireia delayed the start of several programmes due to the impact of COVID-19. This resulted in delayed end dates for some programmes and course completions for 2021 will not be finalised until after the April SDR 2022. Course completions are therefore expected to increase after the April SDR 2022.

First year retention rate in 2021 has increased in both measures compared in 2020 and achieved targets for 2021.

Participation rates increased or were on par with 2020.

For progression, 2021 target rate of 28% was set early in 2018 (before figures had been finalised and 2019 was not known). The 28% target was set to align with the 2017 actual rates of 27% achieved. Actual rates for 2021 are more aligned to 2018, 2019 and 2020 actuals.

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

¹⁶ This indicator shows the proportion of learners that complete a qualification or re-enrol at the same tertiary provider in the following year.

¹⁷ This indicator shows the number of learners in SAC Group funding who graduated in a reporting year. This indicator was brought in 2019, and replaced the qualification completion rate indicator used in prior years.

¹⁸ This indicator shows the proportion of courses enrolled in that are successfully completed

¹⁹ This indicator shows the proportion of learners who progress to study at a higher level after completing a qualification at levels 1 to 3.

²⁰ Participation is calculated based on the proportion of these EFTS to all SAC EFTS at each institution.

Whitireia Māori Educational Performance

Objectives		Measures			
		2019 Actual	2020 Actual	2021 Planned	2021 Actual
SAC					
Māori²¹					
First year retention	Level 4 to 7 (non-degree)	50%	48%	52%	82%
	Level 7 degree	59%	63%	72%	60%
Expected Graduates	The number of graduates at Level 1 to 3	137	88	134	79
Course Completion	Level 1 to 10	77%	78%	83%	77%
Progression	Level 1 to 3, to a higher level	49%	46%	28%	47%
Participation	Level 1 to 3	40%	32%	30%	27%
	Level 4 to 7 (non-degree)	28%	27%	26%	25%
	Level 7 degree	21%	24%	20%	22%
	Level 8 to 10	13%	17%	15%	15%

First year retention rate for level 4 to 7 (non-degree) has increased. There is however a greater margin of error for this measure in 2021 as a result of lower enrolments in 2021. In 2020, 10 out of 21 ākonga were retained, while in 2021 9 out of 11 ākonga were retained.

Course completions will not be finalised until after the April SDR 2022 and are expected to increase at this time.

For progression, the 2021 target rate of 28% was set early in 2018 (before figures had been finalised and 2019 was not known). The 28% target was set to align with the 2017 actual rates of 27% achieved. Actual rates for 2021 are more aligned to 2018, 2019 and 2020 actuals.

Whitireia Pasifika Educational Performance

Objectives		Measures			
		2019 Actual	2020 Actual	2021 Planned	2021 Actual
SAC					
Pasifika²²					
First year retention	Level 4 to 7 (non-degree)	-	60%	47%	89%
	Level 7 degree	63%	68%	74%	82%
Expected Graduates	The number of graduates at Level 1 to 3	101	71	112	84
Course Completion	Level 1 to 10	77%	78%	82%	74%
Progression	Level 1 to 3, to a higher level	53%	44%	28%	49%
Participation	Level 1 to 3	31%	31%	24%	30%
	Level 4 to 7 (non-degree)	17%	15%	18%	18%
	Level 7 degree	18%	20%	19%	21%
	Level 8 to 10	23%	22%	20%	24%

Course completions will not be finalised until after the April SDR 2022 and are expected to increase at this time.

For progression, the 2021 target rate of 28% was set early in 2018 (before figures had been finalised and 2019 was not known). The 28% target was set to align with the 2017 actual rates of 27% achieved. Actual rates for 2021 are more aligned to 2018, 2019 and 2020 actuals. Progression increased by 5% to 49% compared to 44% in 2020.

²¹ Percentage of Priority Group EFTS as a percent of the total EFTS of the designated group.

²² Percentage of Priority Group EFTS as a percent of the total EFTS of the designated group.

Whitireia Research

Objectives	Measures			
	2019 Actual	2020 Actual	2021 Planned	2021 Actual
The amount of External Research income earned	\$2,926	\$1,000	\$30,000	\$23,284
The number of Research Degrees completed	17	10	15	8

The total value of external research earned in 2021 was below target but significantly more than previous years. Our planned and approved grants were extended to 2022.

Whitireia EFTS Achievement

Objectives	Measures			
	2019 Actual	2020 Actual	2021 Planned	2021 Actual
SAC Level 1 to 2	88.82	57.40	44.00	68.00
SAC Level 3 and above including MPTT	1918.61	1643.67	1965.50	1736.84
Youth Guarantee	61.37	45.01	60.00	21.51
ICT Graduate School	3.19	0.44	-	-
Secondary School based delivery	50.80	58.90	57.05	47.41
Adult and Community Education (ACE)	91.13	120.0	135.87	134.75
Full Fee and Contracts	51.03	7.49	58.00	63.60
International	496.43	265.04	439	85.19
Total Whitireia EFTS	2761.38	2253.24	2759.42	2157.30

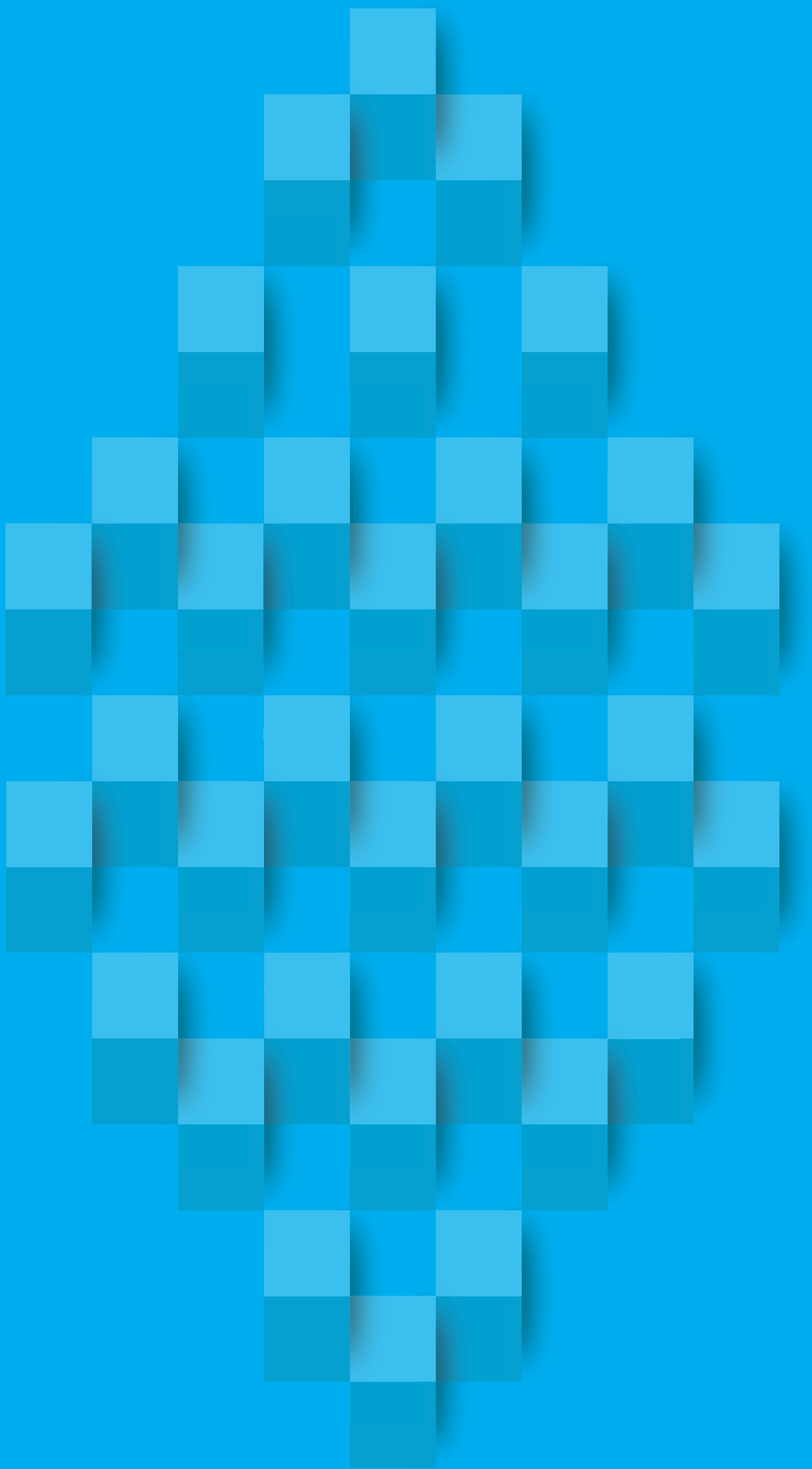
2021 saw lower numbers of ākonga enrolling than planned due to the continued impact of COVID-19 in 2021, although SAC L3+ increased by 93 EFTS compared to 2020. International ākonga had a significant drop in EFTS caused by no ākonga entering borders due to closures after COVID-19

ACE provision in Te Reo was strong and continued to exceed previous years' delivery.

Overall actual EFTS did not achieve the planned delivery.

* Actuals rounded to two decimal points²³

²³ The totals in the EFTS achievement tables for Whitireia contain rounding errors (up to 0.02 EFTS) for some years only.



Financial Statements

WelTec

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STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

FOR THE YEAR ENDED 31 DECEMBER 2021

All in \$000s	NOTE	ACTUAL 2021	BUDGET 2021	ACTUAL 2020
REVENUE				
Government funding	2	24,612	23,817	1,822
Tuition fees and departmental revenue	2	11,397	12,175	7,403
Other revenue	2	7,670	7,381	8,104
Total revenue		43,679	43,373	17,329
EXPENDITURE				
Employee expenses	3	27,530	26,326	19,747
Depreciation expense	8	3,604	3,305	2,443
Amortisation expense	9	515	512	526
Administration and other expenses	3	16,066	17,046	12,006
Total expenditure		47,715	47,189	34,722
Surplus/(deficit)		(4,036)	(3,816)	(17,393)
Other comprehensive revenue and expense				
<i>Items that will not be reclassified to surplus/(deficit)</i>				
Revaluation of land and buildings	17	10,624	-	9,326
Total items that will not be reclassified to surplus/(deficit)		10,624	-	9,326
Total comprehensive revenue and expense		6,588	(3,816)	(8,067)

Explanations of major variances against budget are provided in Note 18.

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

All in \$000s	NOTE	ACTUAL 2021	BUDGET 2021	ACTUAL 2020
ASSETS				
Current assets				
Cash and cash equivalents	4	2,809	5,865	5,914
Student fees and other receivables	5	11,203	4,194	7,880
Prepayments		719	1	469
Inventory	6	641	433	546
Assets held for sale	7	9,143	-	1,224
Total current assets		24,515	10,493	16,033
Non-current assets				
Property, plant and equipment	8	83,477	63,655	83,554
Intangible assets	9	6,971	7,451	7,569
Assets under construction - property, plant and equipment	8	-	-	172
Total non-current assets		90,448	71,106	91,295
Total assets		114,963	81,599	107,328
LIABILITIES				
Current liabilities				
Trade and other payables	11	2,440	3,153	2,412
Employee entitlements	12	2,707	2,165	2,517
Revenue received in advance	13	7,950	5,327	6,617
Provisions - current	14	992	-	1,156
Total current liabilities		14,089	10,645	12,702
Non-current liabilities				
Employee entitlements	12	26	225	-
Provisions - non-current	14	7,094	983	7,460
Total non-current liabilities		7,120	1,208	7,460
Total liabilities		21,209	11,853	20,162
Net assets		93,754	69,746	87,166
EQUITY				
General funds	17	34,865	32,664	38,400
Property revaluation reserve	17	58,889	37,082	48,766
Total equity		93,754	69,746	87,166

Explanations of major variances against budget are provided in Note 18.

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

All in \$000s	NOTE	ACTUAL 2021	BUDGET 2021	ACTUAL 2020
Opening balance		87,166	73,562	95,233
Other comprehensive revenue and expense				
Surplus/(deficit)	17	(4,036)	(3,816)	(17,393)
Other comprehensive revenue	17	10,624	-	9,326
Total comprehensive revenue and expense		6,588	(3,816)	(8,067)
Balance at 31 December		93,754	69,746	87,166

Explanations of major variances against budget are provided in Note 18.

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

All in \$000s	NOTE	ACTUAL 2021	BUDGET 2021	ACTUAL 2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from government grants		24,677	27,389	14,312
Receipts from student fees		11,231	14,750	6,395
Receipt of interest		20	5	5
Receipt of other revenue		8,110	8,310	11,095
Goods and services tax (net)		735	-	(83)
Payments to employees		(27,167)	(28,670)	(19,660)
Payments to suppliers		(17,165)	(21,152)	(15,673)
Net cash flow from operating activities		441	632	(3,610)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment		489	2,500	453
Purchase of Te Pūkenga term deposit	5,22	(3,000)	-	-
Purchase of property, plant and equipment		(1,024)	(1,250)	(436)
Purchase of intangible assets		(11)	(100)	(14)
Net cash flow used in investing activities		(3,546)	1,150	3
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds/Distributions from other financial activities		-	(1,600)	-
Net cash flows from financing activities		-	(1,600)	-
Net (decrease)/increase in cash and cash equivalents		(3,105)	182	(3,607)
Cash and cash equivalents at beginning of the period		5,914	5,683	9,521
Cash and cash equivalents at end of the year	4	2,809	5,865	5,914

Explanations of major variances against budget are provided in Note 18.

The accompanying notes form part of these financial statements.

WELTEC

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

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
Surplus/(deficit)		(4,036)	(17,393)
Add/(less) non cash items:			
Depreciation and amortisation expense		4,119	2,969
Bad debt provision movement		(613)	384
Add/(less) items classified as investing or financing activities:			
Net loss/(gain) on disposal of property, plant and equipment		(24)	(433)
Add/(less) movements in working capital:			
(Increase)/decrease in accounts receivable and other receivables		809	13,129
(Increase)/decrease in inventories		(95)	(454)
(Increase)/decrease in prepayments		(249)	24
(Increase)/decrease in other financial assets		-	426
Increase/(decrease) in employee entitlements		363	(270)
Increase/(decrease) in trade and other payables		(703)	(1,537)
Increase/(decrease) in provisions		(527)	(231)
Increase/(decrease) in fees in advance		1,397	(224)
Net cash from operating activities		441	(3,610)

Explanations of major variances against budget are provided in Note 18.

The accompanying notes form part of these financial statements.

WELTEC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

Wellington Institute of Technology Limited (WelTec or the Institute) is a Crown entity subsidiary that is domiciled and operates in New Zealand. The Institute was established on 1 April 2020 and its immediate controlling entity is Te Pūkenga — New Zealand Institute of Skills and Technology, and the ultimate controlling entity is the New Zealand Crown. The relevant legislation governing the Institute's operations includes the Education and Training Act 2020, the Crown Entities Act 2004, and the Companies Act 1993.

The financial statements are presented on a consolidated Group basis. 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.

WelTec and the Group provide educational and research services for the benefit of the community, it does not operate to make a financial return. WelTec has designated itself and the Group as public benefit entities (PBE's) for the purposes of complying with generally accepted accounting practice.

The financial statements of WelTec and the Group are for the 12 months ended 31 December 2021, and were authorised for issue by the Board on 29 April 2022.

Entity	Owning Entity	Ownership Interest	Effective Ownership	Method of Accounting	Status at balance date
Wellington Institute of Technology Limited	Te Pūkenga New Zealand Institute of Skills and Technology	100% Owned	Parent	Full Consolidation	Active
WelTec Enterprises Limited	Wellington Institute of Technology Limited	100% Owned	Subsidiary	Full Consolidation	Active
WelTec Student Accommodation Limited	Wellington Institute of Technology Limited	100% Owned	Subsidiary	Full Consolidation	Active
LCB Management Limited	WelTec Enterprises Limited	50% Interest	Joint Venture	Equity Accounting	Active

BASIS OF PREPARATION

The financial statements have been prepared on a disestablishment basis, as the Education and Training Act 2020 (the Act) states that each Te Pūkenga subsidiary continues in existence until the close of 31 December 2022. Under the Act, Te Pūkenga may dissolve WelTec at or before this date and transfer some or all the rights, assets, and liabilities to Te Pūkenga or another Te Pūkenga subsidiary.

Because the vocational education will continue to be provided after the transfer, no changes were made to the carrying value of assets and liabilities as a result of the disestablishment basis of accounting.

Reporting period

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

Underlying financial performance

WelTec and the Group have incurred deficits over the past 5 years. The continuing viability of WelTec 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. Asset sales have supplemented operational cash inflows during this period, with further sales budgeted to occur in 2022.

Statement of compliance

The financial statements of WelTec and the Group have been prepared in accordance with the requirements of the Companies Act 1993, Crown Entities Act 2004 and the Education and Training Act 2020, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

WelTec's parent Te Pūkenga is a Tier 1 Public Benefit Entity (PBE). As such the financial statements have been prepared in accordance with and comply with PBE Standards.

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 measurements as provided for within the accounting policies.

Presentation currency and rounding

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

Standards issued and adopted early

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

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

As a result of the adoption of PBE IPSAS 41, the Institute has adopted consequential amendments to PBE IPSAS 1 Presentation of Financial Statements, which require impairment of financial assets to be presented in a separate line item in the statement of comprehensive revenue and expense. This requirement has had no impact on the statement of comprehensive revenue and expense for the year ended 31 December 2021.

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

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

Transition

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

Standards issued and not yet effective and not early adopted

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

PBE FRS 48 Service Performance Reporting: PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2022. WelTec has not yet determined how application of PBE FRS 48 will affect its statement of service performance.

PBE IPSAS 13 Accounting for Leases: PBE IPSAS 13 Accounting for Leases is effective for reporting periods beginning on or after 1 January 2022 with early adoption permitted in the financial year starting 1 January 2020. WelTec has chosen not to early adopt this standard and intends to adopt the standard for the 31 December 2022 financial year. WelTec has not yet assessed in data the impact of the new standard.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outline below.

Budget figures

The budget figures for WelTec and Group were approved by the Board and Te Pūkenga. These budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements. The approved budget was for the 12 months ending December 2021.

Critical accounting estimates and assumptions

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

- (a.) Student fees and other receivables - refer to Note 5 which provides information about the estimates and assumptions exercised in the provisioning for doubtful debts.
- (b.) Land and buildings valuation - refer to Note 8 which provides information about the estimates and assumptions including useful lives exercised in the measurement of revalued land and buildings. Utilisation in relation to whether any optimisation adjustment required is also a factor.
- (c.) Retirement leave - refer to Note 12 which provides information about the estimates and assumptions exercised in the measurement of retirement leave.
- (d.) Onerous leases - refer to Note 14 which provides information about the estimates and assumptions exercised in the provisioning of onerous leases.

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Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

- (a.) 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 17.

Foreign currency transactions

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

Goods and services tax

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

Income tax

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

2. REVENUE

ACCOUNTING POLICY

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

Student Achievement Component funding

Student Achievement Component (SAC) funding is the Institute's main source of operational funding from the Tertiary Education Commission (TEC). The Institute considers SAC funding to be non-exchange revenue and normally recognises SAC funding as revenue when the course withdrawal date has passed, based on the number of eligible students enrolled in the course at that date and the value of the course. However, for the 2020 year, the predecessor ITP has recognised all the funding for 2020. This was because, in response to the COVID-19 pandemic, the TEC confirmed at the end of March 2020 that it will not seek repayment of 2020 investment plan funding, which includes SAC funding. As a result all 2020 funding was recognised in March 2020.

Tuition fees

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

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

Fees-free revenue

The Institute considers that fees-free revenue is non-exchange revenue and would normally recognise revenue when the course withdrawal date for an eligible student has passed. The Institute would present funding received as part of tuition fees. This is on the basis that receipts from the TEC are for payment on behalf of the student as specified in the relevant funding mechanism. However, for the 2020 year, the predecessor ITP has recognised all the 2020 fees-free funding because, in response to the COVID-19 pandemic, the TEC confirmed that it will not seek repayment of 2020 fees-free funding.

Performance-based research fund

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

Research revenue

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

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

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Other grants received

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

Donations, trust funds, endowments, bequests, and pledges

Donations, trust funds, endowments, and bequests for the benefit of WelTec are recognised as an asset and revenue when the right to receive the funding or asset has been established, unless there

is an obligation in substance to return the funds if conditions are not met. If there is such an obligation, they are initially recorded as revenue in advance and then recognised as revenue when the conditions are satisfied. Pledges are not recognised as assets or revenue until the pledged item is received.

Sales of goods

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

Interest and dividends

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

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
GOVERNMENT FUNDING CLASSIFIED AS NON-EXCHANGE TRANSACTIONS			
Student disability grant		206	-
Youth guarantee funding		735	104
Māori and Pacific Islands grant		52	-
Student Achievement Component (SAC) funding		19,992	-
Performance based research funding		239	-
Other government funding		3,388	1,718
Total government funding classified as non-exchange transactions		24,612	1,822
TUITION FEES AND DEPARTMENTAL REVENUE CLASSIFIED AS EXCHANGE TRANSACTIONS			
Tuition fees - international students		2,225	4,919
Departmental revenue (non base revenue and recoveries)		88	127
Other tuition fees classed as exchange transactions		147	98
Total tuition fees and departmental revenue classified as exchange transactions		2,460	5,144
TUITION FEES AND DEPARTMENTAL REVENUE CLASSIFIED AS NON-EXCHANGE TRANSACTIONS			
Tuition fees - domestic students		1,543	1,835
Departmental revenue (non base revenue and recoveries)		954	386
Other tuition fees classed as non-exchange transactions		74	38
Fees free funding		1,848	-
Targeted training and apprenticeship funding (TTAF)		4,518	-
Total tuition fees and departmental revenue classified as non-exchange transactions		8,937	2,259
Total tuition fees and departmental revenue		11,397	7,403

WELTEC

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
OTHER REVENUE CLASSIFIED AS EXCHANGE TRANSACTIONS			
Other revenue		6,938	7,423
Gain on disposal of property, plant and equipment		25	433
Interest revenue		23	5
Research revenue		41	14
Student service fees		137	50
Total other revenue classified as exchange transactions		7,164	7,925

OTHER REVENUE CLASSIFIED AS NON-EXCHANGE TRANSACTIONS			
Student service fees		506	179
Total other revenue classified as non-exchange transactions		506	179
Total other revenue		7,670	8,104

Total revenue		43,679	17,329
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REVENUE CLASSIFICATION			
Exchange revenue		9,624	13,069
Non-exchange revenue		34,055	4,260
Total revenue		43,679	17,329

3. EXPENDITURE

ACCOUNTING POLICY

Scholarships

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

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
EMPLOYEE EXPENSES			
Wages and salaries		25,724	20,173
Defined contribution plan employer contributions		676	475
Board fees	22	72	49
Increase/(decrease) in employee benefit liabilities		90	(1,616)
Other employee expenses		513	279
Restructuring expenses		455	387
Total employee benefits expense		27,530	19,747

Within the 2020 Annual Report restructuring expenses were reported within Administration and other expenditure. These have been re-classified as Employee expenses in 2021.

DEPRECIATION AND AMORTISATION EXPENSES			
Depreciation	8	3,604	2,443
Amortisation	9	515	526
Total depreciation and amortisation		4,119	2,969

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All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
ADMINISTRATION AND OTHER EXPENDITURE			
Auditors' remuneration			
Fees to Ernst & Young for the audit of financial statements		197	182
Total auditors' remuneration		197	182
GENERAL COSTS			
Administrative, materials and consumables expenses		922	759
Bad and doubtful debts - written off	5	-	11
Course delivery expenses		3,439	1,823
Loss on impairment of intangibles		39	-
Marketing expenses		660	-
Net increase/(decrease) bad and doubtful debts provision	5	(383)	384
Occupancy expenses		54	-
Operating lease payments		4,255	3,541
Other expenditure		6,809	5,221
Professional services		48	-
Research & development expense		17	67
Scholarships		9	18
Total general costs		15,869	11,824
Total other expenditure		16,066	12,006
Total expenditure		47,715	34,722

4. CASH AND CASH EQUIVALENTS

ACCOUNTING POLICY

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

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
Cash at bank and on hand		2,809	4,323
Call deposits		-	1,591
Term deposits with maturities of 3 months or less at acquisition		-	-
Total cash and cash equivalents		2,809	5,914
Weighted average effective interest rate		0.7%	0.05%

5. STUDENT FEES AND OTHER RECEIVABLES

ACCOUNTING POLICY

Short-term receivables are recognised initially at fair value (the amount due) and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

At the end of each reporting period an assessment is made of whether there is objective evidence that short-term receivables is impaired. They are impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the receivable (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows from the receivable that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant

financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of the loss is measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the receivable's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in surplus or deficit.

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
STUDENT FEE RECEIVABLES			
Student fee receivables		3,108	3,037
Less: allowance for credit losses		(128)	(679)
Net student fee receivables		2,980	2,358
OTHER RECEIVABLES			
Other receivables		700	1,357
Less: allowance for credit losses		(186)	(247)
Net other receivables		514	1,110
RELATED PARTY RECEIVABLES			
Related party receivables	22	4,463	1,498
Less: allowance for credit losses		-	-
Net related party receivables		4,463	1,498
TEC RECEIVABLES			
TEC receivables		3,246	2,914
Less: allowance for credit losses		-	-
Net TEC receivables		3,246	2,914
Total receivables		11,203	7,880
CLASSIFICATION			
Receivables classified as exchange transactions		5,040	2,608
Receivables classified as non-exchange transactions		6,163	5,272
Total receivables		11,203	7,880

WELTEC

	2021				
	Not past due	Past due 1 - 30 days	Past due 30 - 60 days	Past due 61 - 90 days	Past due over 90 days
STUDENT FEE RECEIVABLES					
Expected credit loss (%)	0.70%	0.00%	9.30%	0.00%	48.90%
Gross carrying amount ('000)	2,877	-	13	-	218
Total lifetime expected credit loss (\$'000)	20	-	1	-	107
OTHER RECEIVABLES					
Expected credit loss (%)	0.00%	6.70%	8.00%	25.00%	70.00%
Gross carrying amount ('000)	-	179	279	39	203
Total lifetime expected credit loss (\$'000)	-	12	22	10	142
RELATED PARTY RECEIVABLES					
Expected credit loss (%)	0.00%	0.00%	0.00%	0.00%	0.00%
Gross carrying amount ('000)	3,000	571	-	-	892
Total lifetime expected credit loss (\$'000)	-	-	-	-	-
TEC RECEIVABLES					
Expected credit loss (%)	0.00%	0.00%	0.00%	0.00%	0.00%
Gross carrying amount ('000)	3,246	-	-	-	-
Total lifetime expected credit loss (\$'000)	-	-	-	-	-
Total lifetime expected credit loss	20	12	23	10	249

	2021			2020		
	Gross	Impairment	Net	Gross	Impairment	Net
All in \$000s						
IMPAIRMENT						
<i>Ageing profile for receivables at year end</i>						
Not past due	9,123	(20)	9,103	7,229	(45)	7,184
Past due 1 - 30 days	750	(12)	738	-	-	-
Past due 30 - 60 days	292	(23)	269	426	(30)	396
Past due 61 - 90 days	39	(10)	29	276	(33)	243
Past due over 90 days	1,313	(249)	1,064	876	(819)	57
Total impairment	11,517	(314)	11,203	8,807	(927)	7,880

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
MOVEMENTS IN THE PROVISION FOR IMPAIRMENT OF RECEIVABLES			
Balance brought forward		(927)	(542)
Additional provisions made during the year		383	(384)
Provisions adjustments during the year		230	10
Receivables written-off during the year		-	(11)
At 31 December		(314)	(927)

6. INVENTORY

ACCOUNTING POLICY

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

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

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

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

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
Building stock		641	546
Total inventory carrying value		641	546

7. ASSETS HELD FOR SALE

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
Property held for sale		9,143	1,224
Total assets held for sale		9,143	1,224
<i>consists of:</i>			
Land		9,143	1,224
Total net assets held for sale		9,143	1,224

NON-CURRENT ASSETS HELD FOR SALE

A non-current asset is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The asset is measured at the lower of its carrying amount and fair value less costs to sell.

Write-downs of the asset are recognised in the surplus or deficit. Any increases in fair value (less costs to sell) are recognised in the surplus or deficit up to the level of any impairment losses that have previously been recognised. A non-current asset is not depreciated or amortised while classified as held for sale.

8. PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

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

Revaluation

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

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

Additions

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

Disposals

Under the Education and Training Act 2020, WelTec and Group are required to obtain authority to act from Te Pūkenga and the consent from the Secretary for Education to dispose or sell off property where the value of the property exceeds an amount determined by the Minister. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to general funds within equity.

Depreciation

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

- Buildings (including components) 25 to 100 years 1% to 4%
- Infrastructure 10 to 50 years 2% to 10%
- Leasehold improvements are depreciated over the shorter of the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.
- Computer hardware 5 years 20%
- Furniture and equipment 2 to 13 years 7.7% to 50%
- Motor vehicles 4 years 25%
- Library collection 10 years 10%

Impairment of property, plant and equipment

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

Value in use for non-cash-generating assets

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

Value in use for cash-generating assets

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

Restrictions on title

Under the Education and Training Act 2020, WelTec is required to notify Te Pūkenga who then obtain consent from the Secretary for Education to dispose of land and buildings. For plant and equipment, there is an asset disposal limit formula, which provides a limit up to which a TEI may dispose of plant and equipment without seeking consent from the Secretary for Education. Detailed information on the asset disposal rules can be found on the Tertiary Education Commission website. There are also various restrictions in the form of historic designations, reserve and endowment encumbrances attached to land. WelTec does not consider it practical to disclose in detail the value of land subject to these restrictions.

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All in \$000s	Land	Infrastructure	Buildings	Leasehold improvements	Furniture and equipment	Computer hardware	Motor vehicles	Library collection	Total
Property, plant and equipment									
Cost or fair value - brought forward	26,057	-	47,003	7,098	6,466	9,950	385	2,730	99,689
Accumulated depreciation - brought forward	-	-	(2,733)	(3,601)	(5,475)	(9,724)	(133)	(2,486)	(24,152)
Net carrying value - 1 April 2020	26,057	-	44,270	3,497	991	226	252	244	75,537
Additions	-	-	127	-	98	104	-	32	361
Reclassifications	(695)	695	-	795	31	-	(33)	-	793
Net revaluation	6,873	65	(1,944)	-	-	-	-	-	4,994
Disposals	-	-	-	-	(82)	(8)	-	-	(90)
Depreciation on disposals	-	-	-	-	62	8	-	-	70
Reverse accumulated depreciation - revaluation write back	-	-	4,332	-	-	-	-	-	4,332
Impairment losses expensed	-	-	-	-	(8)	-	8	-	-
Depreciation	-	-	(1,599)	(387)	(229)	(122)	(35)	(71)	(2,443)
Cost or fair value	32,235	760	45,186	7,893	6,513	10,046	352	2,762	105,747
Accumulated depreciation	-	-	-	(3,988)	(5,650)	(9,838)	(160)	(2,557)	(22,193)
Net carrying value - 31 December 2020	32,235	760	45,186	3,905	863	208	192	205	83,554
Assets under construction									
Opening value - 1 April 2020	-	-	85	-	34	-	-	-	119
Additions	-	-	-	-	172	-	-	-	172
Capitalisations	-	-	(85)	-	(34)	-	-	-	(119)
Closing value - 31 December 2020	-	-	-	-	172	-	-	-	172

An independent valuation of the land and buildings was performed by CBRE Limited, registered independent valuers as at 31 December 2021. 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.

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

9. INTANGIBLE ASSETS

ACCOUNTING POLICY

Software acquisition and development

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

Course-related software and websites

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

Courses purchased from other organisations

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

Internally developed courses

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

- (a.) The course material is identifiable and the use and redistribution of course material is controlled by the Group through legal or other means.
- (b.) It is probable that the courses will generate future economic benefits or service potential attributable to the course and the cost can be reliably measured. This is the case when:
 - (i.) it is technically feasible to complete the development so that the course or programme will be available for use and/or sale;
 - (ii.) management intends to complete the development of the course or programme and use or sell it;
 - (iii.) there is an ability to use or sell the course or programme;
 - (iv.) it can be demonstrated how the course or programme will generate probable future economic benefits or service potential;
 - (v.) there are adequate technical, financial and other resources available to complete development of the course or programme and to use or sell the course or programme; and
 - (vi.) the expenditure attributable to the course or programme development can be reliably measured.

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

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

Intellectual property development

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

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

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

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life.

Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in the surplus or deficit.

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

- Computer software 3 to 6 years 16.7% to 33.3%.

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

Impairment of intangible assets

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

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INTANGIBLES

All in \$000s	Computer software	Course development	Other intangible assets	Total
Cost or fair value - brought forward	4,397	2,050	8,568	15,015
Accumulated depreciation - brought forward	(4,190)	(2,037)	(1,219)	(7,446)
Net carrying value - 1 January 2021	207	13	7,349	7,569
Additions	89	-	-	89
Disposals	(291)	(81)	-	(372)
Amortisation on disposals	119	81	-	200
Amortisation	(85)	(13)	(417)	(515)
Cost or fair value	4,195	1,969	8,568	14,733
Accumulated amortisation	(4,156)	(1,969)	(1,636)	(7,761)
Net carrying value - 31 December 2021	39	-	6,932	6,971

INTANGIBLES

All in \$000s	Computer software	Course development	Other intangible assets	Total
Cost or fair value - brought forward	4,383	2,050	9,352	15,785
Accumulated amortisation - brought forward	(3,996)	(2,027)	(897)	(6,920)
Net carrying value - 1 April 2020	387	23	8,455	8,865
Additions	14	-	-	14
Reclassifications	-	-	(784)	(784)
Disposals	-	-	-	-
Amortisation on disposals	-	-	-	-
Amortisation	(194)	(10)	(322)	(526)
Cost or fair value	4,397	2,050	8,568	15,015
Accumulated amortisation	(4,190)	(2,037)	(1,219)	(7,446)
Net carrying value - 31 December 2020	207	13	7,349	7,569

10. INVESTMENT IN ASSOCIATES

ACCOUNTING POLICY

Associate

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

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Joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the agreed sharing of control of an arrangement by way of a binding arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint ventures are measured at cost in the parent financial statement. Investments in associates and joint ventures are accounted for in the Group financial statements using the equity method of accounting.

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

or deficit. Distributions received from the investee reduce the carrying amount of the investment in the Group financial statements.

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

Details of holdings in subsidiaries and associations are shown in the table below:

SUBSIDIARY/ASSOCIATE/JOINT VENTURE	Ownership (%)	Balance date	Business Activity
LCB Management Limited	50	12/31/2021	General Partner, Le Cordon Bleu New Zealand Institute Limited Partnership

WelTec does not hold more than 50% of the voting shares and cannot exercise control, nor does it control, either directly or indirectly, appointments to the governance board.

On this basis LCB Management Limited has not been consolidated into the WelTec Group financial statements and is treated as an Associate.

11. TRADE AND OTHER PAYABLES

ACCOUNTING POLICY

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

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
PAYABLES UNDER EXCHANGE TRANSACTIONS			
Trade payables		1,481	2,340
Related party payables	22	162	39
Other payables		34	5
Total payables under exchange transactions		1,677	2,384

PAYABLES UNDER NON-EXCHANGE TRANSACTIONS			
Net GST payable/(receivable)		763	28
Total payables under non-exchange transactions		763	28
Total trade and other payables		2,440	2,412

12. EMPLOYEE BENEFIT LIABILITIES

ACCOUNTING POLICY

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

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

Long-term employee entitlements

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

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

Presentation of employee entitlements

Sick leave, annual leave, vested long service leave are classified as a current liability. Non-vested long service leave and retirement gratuities 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

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

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
EMPLOYEE ENTITLEMENTS			
Accrued pay		298	196
Annual leave		2,244	2,145
Sick leave		31	120
Long service leave		29	14
Retirement leave		85	42
Restructuring provision		46	-
Total Employee benefit liabilities		2,733	2,517
Current portion		2,707	2,517
Non-current portion		26	-
Total employee benefit liabilities		2,733	2,517

13. REVENUE RECEIVED IN ADVANCE

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
REVENUE RECEIVED IN ADVANCE			
Government grants		65	-
Students' fees		7,834	6,577
Other revenue received in advance		51	40
Total revenue received in advance		7,950	6,617
Current portion		7,950	6,617
Non-current portion		-	-
Total revenue received in advance		7,950	6,617

14. PROVISIONS

ACCOUNTING POLICY

A provision is recognised for future expenditure of uncertain amount or timing when:

- there is a present obligation (either legal or constructive) as a result of a past event;
- it is probable that an outflow of future economic benefits or service potential will be required to settle the obligation;
- a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using market yields on Government bonds at balance date with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Restructuring

A provision for restructuring is recognised when either a decision document detailing a formal plan for the restructuring has been announced publicly to those affected, or implementation of it has already started.

	2021			
	1 January 2021			31 December 2021
	Opening Balance	Increase to provision	Charged against provision	Closing Balance
All in \$000s				
PROVISION				
WelTec Contribution to 82-92 Cuba Street and 65 Dixon Street Wellington (Te Auaha) - Incentive	752	-	(41)	711
82-92 Cuba Street and 65 Dixon Street Wellington (Te Auaha) - Straight line Lease costs	724	113	-	837
Onerous Lease - 222 Willis Street	5,347	504	(1,114)	4,737
222 Willis Street Straight Line Lease cost provision	1,793	-	8	1,801
Total provisions	8,616	617	(1,147)	8,086

	2020			
	1 January 2020			31 December 2020
	Opening Balance	Increase to provision	Charged against provision	Closing Balance
All in \$000s				
PROVISION				
WelTec Contribution to 82-92 Cuba Street and 65 Dixon Street Wellington (Te Auaha) - Incentive	784	-	(32)	752
82-92 Cuba Street and 65 Dixon Street Wellington (Te Auaha) - Straight line Lease costs	543	181	-	724
Onerous Lease - 222 Willis Street	5,795	-	(448)	5,347
222 Willis Street Straight Line Lease cost provision	1,724	69	-	1,793
Total provisions	8,846	250	(480)	8,616

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
CURRENT PORTION			
WelTec Contribution to 82-92 Cuba Street and 65 Dixon Street Wellington (Te Auaha) - Incentive		42	42
222 Willis Street Straight Line Lease cost provision		55	-
Onerous Lease - 222 Willis Street		895	1,114
Total current portion		992	1,156

WELTEC

NON CURRENT PORTION			
WelTec Contribution to 82-92 Cuba Street and 65 Dixon Street Wellington (Te Auaha) - Incentive		668	709
82-92 Cuba Street and 65 Dixon Street Wellington (Te Auaha) - Straight line Lease costs		837	724
222 Willis Street Straight Line Lease cost provision		1,746	1,793
Onerous Lease - 222 Willis Street		3,843	4,234
Total non-current portion		7,094	7,460
Total provisions		8,086	8,616

15. OTHER FINANCIAL ASSETS AND LIABILITIES

ACCOUNTING POLICY

Financial assets are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue unless they are carried at fair value through surplus or deficit, in which case the transaction costs are recognised in the surplus or deficit.

Term deposits and loans to subsidiaries

Term deposits and loans to subsidiaries are initially measured at fair value. Receipts from these instruments consist of solely payments of principal and interest. They are subsequently measured at amortised cost using the effective interest method.

Managed fund

The managed fund is a portfolio of financial assets that are actively traded with the intention of making profits. Therefore, the managed fund is classified as fair value through surplus or deficit. After initial recognition, the managed fund is measured at fair value, with gains and losses recognised in the surplus or deficit.

Fair value

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

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

Impairment of financial assets held at amortised cost

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

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

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

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

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

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

WELTEC

Write-off

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

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

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
FINANCIAL INSTRUMENT CATEGORIES			
The accounting policies for financial instruments have been applied to the line items below:			
FINANCIAL ASSETS - LOANS AND RECEIVABLES AT AMORTISED COST			
Cash and cash equivalents		2,809	5,914
Student fees and other receivables		11,203	7,880
Total loans and receivables		14,012	13,794
FINANCIAL LIABILITIES			
Financial liabilities measured at amortised cost			
Creditors and other payables		2,440	2,412
Total financial liabilities measured at amortised cost		2,440	2,412

Financial instruments risks

The Institute's activities expose it to a variety of financial risks, including market risk, credit risk, and liquidity risk.

The Institute has policies to manage these risks and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

Contractual maturity analysis of financial liabilities

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

	Carrying amount	Contractual cashflow	Less than 6 months	6-12 months	1-2 years	2-3 years	More than 3 years
2021							
Trade and other payables	2,440	2,440	2,440	-	-	-	-
Total financial liabilities at amortised cost	2,440	2,440	2,440	-	-	-	-
2020							
Trade and other payables	2,412	2,412	2,412	-	-	-	-
Total financial liabilities at amortised cost	2,412	2,412	2,412	-	-	-	-

WELTEC

MARKET RISK

Price risk

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

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Institute and the Group are exposed

to currency risk. The Institute and the Group manage currency risks by entering forward foreign exchange contracts and through diversifying investments across different currencies.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates of interest create exposure to fair value interest rate risk. The Institute does not actively manage its exposure to fair value interest rate risk.

The following table sets out the carrying amount, by maturity, of the financial instruments that are exposed to interest rate risk.

	2021				2020			
	<1 year	>1 year - <2 years	>2 years	Total	<1 year	>1 year - <2 years	>2 years	Total
Cash & cash equivalents	2,809	-	-	2,809	5,914	-	-	5,914
Weighted average effective interest rate	0.7%	0.0%	0.0%		0.05%	0.0%	0.0%	

Cash flow interest rate risk

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

Credit risk

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

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

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
The credit quality of financial assets that are neither past due nor			
impaired can be assessed by reference to Standard and Poor's			
credit ratings (if available) or to historical information about			
counterparty default rates:			
COUNTERPARTIES WITH CREDIT RATINGS			
Cash and cash equivalents and term deposits:			
AA-		2,809	5,914
Total cash and cash equivalents		2,809	5,914

WELTEC

Trade and other receivables

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

Liquidity risk

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

keeping committed credit lines available. The Institute and the Group manages liquidity risk by continuously monitoring forecast and actual cash flow requirements. The table below analyses financial liabilities (excluding derivatives) into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate of the instrument at balance date. The amounts disclosed are the undiscounted contractual cash flows.

Sensitivity analysis

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

	+100BPS		-100BPS	
	Surplus	Equity	Surplus	Equity
INTEREST RATE RISK 31 DECEMBER 2021				
Financial assets				
Cash and cash equivalents	28	28	(28)	(28)
Total sensitivity to interest rate risk	28	28	(28)	(28)

	+100BPS		-100BPS	
	Surplus	Equity	Surplus	Equity
INTEREST RATE RISK 31 DECEMBER 2020				
Financial assets				
Cash and cash equivalents	59	59	(59)	(59)
Total sensitivity to interest rate risk	59	59	(59)	(59)

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

Fair value estimation and fair value hierarchy

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

Fair value hierarchy disclosures

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

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

All in \$000s	Total	Quoted market price	Observable inputs	Significant non-observable inputs
FAIR VALUE OF FINANCIAL INSTRUMENTS 31 DECEMBER 2021				
Financial assets				
Cash and cash equivalents	2,809	2,809	-	-
Total Fair Value of Financial Instruments	2,809	2,809	-	-

WELTEC

All in \$000s	Total	Quoted market price	Observable inputs	Significant non-observable inputs
FAIR VALUE OF FINANCIAL INSTRUMENTS 31 DECEMBER 2020				
Financial assets				
Cash and cash equivalents	5,914	5,914	-	-
Total Fair Value of Financial Instruments	5,914	5,914	-	-

16. CAPITAL MANAGEMENT

WelTec and the Group's capital is its equity, which comprises accumulated funds and reserves. Equity is represented by net assets. WelTec is subject to the financial management and accountability provisions of the Crown Entities Act 2004 and the Education and Training Act 2020, which impose restrictions in relation to borrowings, acquisition of securities, issuing

guarantees and indemnities, and the use of derivatives and is compliant with these requirements. WelTec manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments and general financial dealings to ensure that WelTec effectively achieves its objectives and purpose, while remaining a going concern.

17. EQUITY

ACCOUNTING POLICY

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

- general funds;
- property revaluation reserves.

Share capital

On 1 April 2020, WelTec issued 100 shares to Te Pūkenga in accordance with clause 20(1)(c) of Schedule 1 to the Education

and Training Act 2020. Each share carries one vote and an equal share in dividends and distribution of the Institute's surplus assets.

Property revaluation reserves

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

Fair value through other comprehensive revenue and expense reserve

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

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
GENERAL FUNDS			
Opening balance		38,400	52,691
Opening balance adjustment		-	3,195
Transfer from revaluation reserves on sale of assets held for sale		501	(93)
Surplus/(deficit) for the year before other comprehensive revenue and expenditure		(4,036)	(17,393)
Balance as at 31 December		34,865	38,400

PROPERTY REVALUATION RESERVES			
Opening balance		48,766	42,542
Opening balance adjustment		-	(3,195)
Transfer to equity on sale of assets held for sale		(501)	93
Land net revaluations gain		13,055	6,873
Infrastructure revaluation gain		48	65
Buildings net revaluations gain		(2,479)	2,388
Total net revaluations gain		10,624	9,326
Balance as at 31 December		58,889	48,766

Total equity		93,754	87,166
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18. MAJOR BUDGET VARIATIONS

Explanations for major comprehensive revenue and expense budget variances from the 2021 WelTec budget are detailed in the below table.

All in \$000s	ACTUAL 2021	BUDGET 2021	VARIANCE
STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE			
Surplus/(deficit)	(4,036)	(3,816)	(220)
REVENUE VARIANCES			
Government funding	24,612	23,817	795
Student fees & departmental revenue	11,397	12,175	(778)
Other revenue	7,670	7,381	289
EXPENDITURE VARIANCES			
Employee benefit expenses	27,530	26,326	(1,204)
Depreciation and amortisation	4,119	3,817	(302)
Administration and other expenses	16,066	17,046	980
OTHER COMPREHENSIVE REVENUE AND EXPENSE			
Other comprehensive revenue and expense	10,624	-	10,624
Total comprehensive revenue and expense	97,982	86,746	11,236

Explanations for major statement of financial position budget variances from the 2021 WelTec budget are detailed in the below table.

All in \$000s	ACTUAL 2021	BUDGET 2021	VARIANCE
STATEMENT OF FINANCIAL POSITION			
Current assets	24,515	10,493	14,022
Non-current assets	90,448	71,106	19,342
Current liabilities	14,089	10,645	3,444
Non-current liabilities	7,120	1,208	5,912
Equity	93,754	69,746	24,008

Explanations for major statement of cash flows budget variances from the 2021 WelTec budget are detailed in the below table.

All in \$000s	ACTUAL 2021	BUDGET 2021	VARIANCE
STATEMENT OF CASH FLOWS			
Cash flow from operating activities	441	632	(191)
Cash flow used in investing activities	(3,546)	1,150	(4,696)
Cash flow from financing activities	-	(1,600)	1,600
Net (decrease)/increase in cash and cash equivalents	(3,105)	182	(3,287)
Cash and cash equivalents at beginning of the year	5,914	5,683	231
Total cash and cash equivalents at end of the year	2,809	5,865	(3,056)

WELTEC

Explanation of major budget variations:

The 2021 deficit of \$4.036m was unfavourable to budget by \$0.220m. Domestic demand increased over 2020 levels with SAC L3+ funding achieving budgeted levels. Student fees & departmental revenue finished unfavourable to budget due to the continued border closure limiting the number of international students we could attract to those already living in New Zealand. Employee benefit expenses finished \$1.204m unfavourable to budget with staff re-deployed across Whitireia and WelTec to meet student demand, and an increase in annual leave entitlements. Reductions were made within Administration and other expenses with lower software licence spend, student travel reductions, refinement of marketing activities and the release of doubtful debts provision.

Other comprehensive revenue and expense of \$7.374m reflects the unbudgeted revaluation of land and buildings in 2021. We had undertaken a revaluation of land and buildings in 2020, but with the on-going increase in property values across New Zealand and a desire to align revaluation dates across Te Pūkenga ITP network the decision was made to undertake a revaluation again in 2021. The combined impact of 2020 and 2021 revaluations are the reason Equity and Non-current assets

within the Statement of financial position are favourable to budget. Current assets favourable result reflects the transfer of the Udy Street, Petone property to assets held for sale, and a TEC receivable balance at 31 December 2021. Liabilities are higher than budget with favourable revenue received in advance, higher employee entitlements and the provision for 222 Willis Street onerous lease increasing in 2020 after the 2021 Budget was completed.

The Statement of cash flows highlights that operating activities are net cash inflows with the actual result \$0.191m unfavourable to budget. We did not progress all the planned asset sales in 2021, consequently proceeds from sale of property, plant and equipment did not reach budgeted levels. WelTec placed funds on term deposit with Te Pūkenga during 2021 with \$3m invested as at 31 December 2021. The combination of lower asset sales and unbudgeted term deposit investments resulted in a \$4.696m unfavourable variance within investing activities. The cash flow from financing activities included in the budget was an inter-company transfer allowance for WelTec Student Accommodation Limited. The requirement was processed through operating activities during 2021.

19. CAPITAL EXPENDITURE PROJECT PERFORMANCE TO BUDGET

All in \$000s	ACTUAL 2021	BUDGET 2021	VARIANCE 2021	ACTUAL 2020	BUDGET 2020	VARIANCE 2020
ANNUAL ALLOCATIONS (RENEWALS)						
Facilities annual replacements	691	600	(91)	146	400	254
Information technology allocation	308	350	42	147	500	353
Library annual allocation	43	100	57	33	81	48
Academic departments	211	300	89	82	145	63
Total capital expenditure	1,253	1,350	97	408	1,126	718

Explanation of major budget variations:

Facilities investment has finished 2021 higher than budget. This reflects unbudgeted works undertaken on the Petone campus to accommodate programme delivery and staff formerly housed within B Block which was emptied of all use following receipt of a detailed seismic assessment. Delays in the supply

of information technology equipment were experienced in the final quarter of 2021 with equipment ordered but not received by balance date contributing to the favourable variance within both the Information technology and Academic departments allocations.

20. OPERATING LEASES

ACCOUNTING POLICY

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset

to the lessee. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

WELTEC

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
LEASES AS LESSEE			
Non-cancellable operating lease rentals are payable as follows:			
Not later than one year		4,640	4,577
Later than one year and not later than five years		16,565	17,328
Later than five years		24,273	27,442
Total leases as lessee		45,478	49,347

21. COMMITMENTS AND CONTINGENCIES

WelTec has the following commitments at balance date:

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
CAPITAL COMMITMENTS			
Capital commitments denote approved capital expenditure contracted for at year-end not yet incurred.			
APPROVED AND COMMITTED			
Buildings		30	-
Other plant, property and equipment		188	48
Total capital commitments		218	48

WelTec has no contingent assets at balance date.

WelTec has no contingent liabilities at balance date.

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 2021 no claims had been accepted. Management has determined that the likelihood of claims being made to the companies in the future is remote.

22. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL

ACCOUNTING POLICY

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

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

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

INTER-GROUP RELATED PARTY TRANSACTIONS

Whitireia Community Polytechnic Limited

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 2021. The transactions are at cost and include transactions with key management personnel. Key management personnel includes the Board and executive management. Whitireia and WelTec has a Joint Leadership Team (JLT) (consisting of the Chief Executive and six Directors). The costs of the Board and JLT are shared between Whitireia and WelTec on a 50/50% basis.

WELTEC

TRANSACTIONS

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
Shared costs recovery		7,129	5,852
Total inter-group revenue		7,129	5,852
Salaries		8,837	7,388
Operating costs		1,969	1,949
Leases & use of campus		1,467	1,844
TEC funding		943	978
Total inter-group expenditure		13,216	12,159

TRANSACTIONS

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
Account receivable balance		571	
Intercompany balance		892	1,495
Total inter-group receivable	5	1,463	1,495
Accounts payable balance	11	162	39
Total inter-group payable		162	39

Te Auaha Trust

Te Auaha Trust was established as a charitable trust to hold funds for the benefit of WelTec and Whitireia delivery at Te Auaha campus in central Wellington. The Trust was formally closed during 2021.

TRANSACTIONS

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
Scholarships to students		-	3
Total inter-group revenue		-	3
Scholarship		-	3
Total inter-group receivable		-	3

Te Pūkenga - New Zealand Institute of Skill and Technology

Te Pūkenga is the controlling entity of WelTec.

TRANSACTIONS

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
Staff secondments		28	-
Interest received		12	-
Interest accrued		4	-
Total inter-group revenue		44	-
Term Deposit	5	3,000	-
Total inter-group cash equivalent		3,000	-

WELTEC

Manukau Institute of Technology Limited

100% owned subsidiary of Te Pūkenga.

TRANSACTIONS

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
Teaching & Learning		42	-
Total inter-group revenue		42	-
Accounts receivable balance		48	-
Total inter-group receivable		48	-

Open Polytechnic of New Zealand Limited

100% owned subsidiary of Te Pūkenga.

TRANSACTIONS

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
Teaching & Learning		38	35
Total inter-group revenue		38	35
Purchase of laptop computers		-	29
Total inter-group expenditure		-	29

Otago Polytechnic Limited

100% owned subsidiary of Te Pūkenga.

TRANSACTIONS

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
Teaching & Learning		366	539
Total inter-group revenue		366	539

Southern Institute of Technology Limited

100% owned subsidiary of Te Pūkenga.

TRANSACTIONS

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
Teaching & Learning		1	-
Total inter-group expenditure		1	-

Te Pūkenga Work Based Learning Limited

100% owned subsidiary of Te Pūkenga.

TRANSACTIONS

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
Teaching & Learning		106	-
Total inter-group revenue		106	-

WELTEC

UCOL Limited

100% owned subsidiary of Te Pūkenga.

TRANSACTIONS

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
Sale of PPE		-	17
Total inter-group revenue		-	17

**KEY MANAGEMENT PERSONNEL RELATED
PARTY TRANSACTIONS**

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
KEY MANAGEMENT PERSONNEL COMPENSATION			
<i>Board members</i>			
8 Board members split 50% with Whitireia		4.0	3.5
WelTec share of remuneration	3	72	49
<i>Chief Executive and Leadership Team</i>			
7 Joint Leadership Team members split 50% with Whitireia		3.5	3.5
WelTec share of remuneration		707	546
Total full-time equivalent members		7.5	7.0
Total key management personnel remuneration		779	595

All in \$000s	ACTUAL 2021	Duration Months	Period Covered
BOARD MEMBER REMUNERATION			
J Lester (Chair)	17	12	01 January 2021 to 31 December 2021
L Meade (Deputy-Chair)	12	12	01 January 2021 to 31 December 2021
C Barlow-Groome	8	12	01 January 2021 to 31 December 2021
K Grant	8	12	01 January 2021 to 31 December 2021
S Hope	8	12	01 January 2021 to 31 December 2021
K Moeahu	8	12	01 January 2021 to 31 December 2021
T Morrison	6	9	26 March 2021 to 31 December 2021
C Taurima	3	3	05 October 2021 to 31 December 2021
R Wineera-Paral	2	3	01 January 2021 to 26 March 2021
Total Board members remuneration	72		

All in \$000s	ACTUAL 2020	Duration Months	Period Covered
BOARD MEMBER REMUNERATION			
J Lester (Chair)	13	9	01 April 2020 to 31 December 2020
L Meade (Deputy-Chair)	6	9	01 April 2020 to 31 December 2020
C Barlow-Groome	6	9	01 April 2020 to 31 December 2020
K Grant	6	9	01 April 2020 to 31 December 2020
S Hope	6	9	01 April 2020 to 31 December 2020
K Moeahu	6	9	01 April 2020 to 31 December 2020
R Wineera-Paral	6	9	01 April 2020 to 31 December 2020
Total Board members remuneration	49		

23. CONSOLIDATION

ACCOUNTING POLICY

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

Subsidiaries

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

24. COVID-19

On 11 March 2020, the World Health Organisation declared the outbreak of COVID-19 a pandemic, and two weeks later the New Zealand Government declared a State of National Emergency.

New Zealand was in lockdown at Alert Level 4 for the period 26 March to 27 April 2020 and then remained in lockdown at Alert Level 3 until 13 May 2020. In 2021, various regions in New Zealand have been subject to lockdown restrictions at various levels. During these periods, WelTec has periodically closed some or all delivery sites to comply with COVID-19 restrictions.

Most kaimahi moved to a “work from home” model, and teaching was changed to remote delivery. When New Zealand moved to lower Alert Levels, ākonga were able to attend classes on-site or continue to access classes remotely. The effect on our operations is reflected in these financial statements based on the information available to the date these financial statements were approved.

The main impacts on the financial statements due to COVID-19 are explained below:

Revenue	Drop of revenue due to lower international ākonga enrolments. Domestic enrolment increases have partially offset this revenue impact, helped by Government initiatives such as Targeted Training & Apprenticeship Fund (TTAF).
Students	As with revenue, international ākonga numbers were down in 2020 and 2021 compared to 2019. This loss was partially offset by higher domestic enrolments in 2021.
Suppliers	COVID-19 has had a substantial effect on supply of construction materials with the cost increasing substantially over 2020, and materials have been purchased and stored when available as opposed to purchasing on a just in time basis. Lead times for ICT equipment have lengthened requiring the maintenance of existing equipment to be extended.
Employees	Teaching kaimahi had to develop online delivery methods when ākonga were home based. The majority of non-teaching kaimahi were able to carry out their duties with minimal disruption to productivity.
Liquidity	WelTec has held sufficient working capital reserves to meet day to day cash requirements.
Property Asset fair value assessment	Generally, property and land valuations have followed trends witnessed in the wider market by increasing in 2021, in some case markedly. The proportion to which these increases can be directly attributable to COVID-19 is uncertain.

25. EVENTS AFTER BALANCE DATE

No events have occurred after balance date that would have a material impact on the financial statements as presented.

STATEMENT OF COMPLIANCE AND RESPONSIBILITY

STATEMENT OF COMPLIANCE

The Board and management of WelTec confirm that all the statutory requirements in relation to this annual report, as outlined in the Education and Training Act 2020, have been met.

Signed by



Justin Lester
Chair

29 April 2022

STATEMENT OF RESPONSIBILITY

The Board and management accept responsibility for the preparation of the 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 Board and management's opinion, the financial statements for the twelve months ended 31 December 2021 fairly reflect the financial position, financial performance and service performance achievements of WelTec.



Mark Oldershaw
Chief Executive

29 April 2022

Financial Statements

Whitireia

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WHITIREIA

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

FOR THE YEAR ENDED 31 DECEMBER 2021

All in \$000s	NOTE	ACTUAL 2021	BUDGET 2021	ACTUAL 2020
REVENUE				
Government funding	2	20,203	22,216	336
Tuition fees and departmental revenue	2	11,004	13,010	4,992
Other revenue	2	5,025	4,191	2,989
Total revenue		36,232	39,417	8,317
EXPENDITURE				
Employee expenses	3	23,148	23,786	19,884
Depreciation expense	7	4,212	4,311	3,490
Amortisation expense	8	15	23	75
Finance Costs	3	278	464	264
Administration and other expenses	3	14,168	15,367	15,347
Total expenditure		41,821	43,951	39,060
Surplus/(deficit)		(5,589)	(4,534)	(30,743)
Other comprehensive revenue and expense				
Items that will not be reclassified to surplus/(deficit)				
Revaluation of land and buildings	16	10,186	-	7,440
Total items that will not be reclassified to surplus/(deficit)		10,186	-	7,440
Total comprehensive revenue and expense		4,597	(4,534)	(23,303)

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

The accompanying notes form part of these financial statements.

WHITIREIA

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

All in \$000s	NOTE	ACTUAL 2021	BUDGET 2021	ACTUAL 2020
ASSETS				
Current assets				
Cash and cash equivalents	4	1,456	(1,546)	1,961
Student fees and other receivables	5	6,273	5,253	5,369
Prepayments		975	612	724
Inventory	6	312	166	226
Total current assets		9,016	4,485	8,280
Non-current assets				
Property, plant and equipment	7	97,989	76,237	91,420
Intangible assets	8	203	91	58
Assets under construction - property, plant and equipment	7	158	-	65
Total non-current assets		98,350	76,328	91,543
Total assets		107,366	80,813	99,823
LIABILITIES				
Current liabilities				
Trade and other payables	9	3,575	3,909	4,233
Employee entitlements	10	2,340	2,866	2,085
Revenue received in advance	11	7,276	4,449	6,030
Borrowings	13	1,000	13,935	13,936
Provisions - current	12	1,925	1,590	2,094
Total current liabilities		16,116	26,749	28,378
Non-current liabilities				
Employee entitlements	10	29	-	68
Borrowings	13	17,000	-	-
Provisions - non-current	12	10,278	9,177	12,031
Total non-current liabilities		27,307	9,177	12,099
Total liabilities		43,423	35,926	40,477
Net assets		63,943	44,887	59,346
EQUITY				
General funds	16	20,731	21,625	26,321
Property revaluation reserve	16	43,212	23,262	33,025
Total equity		63,943	44,887	59,346

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

The accompanying notes form part of these financial statements.

WHITIREIA

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

All in \$000s	NOTE	ACTUAL 2021	BUDGET 2021	ACTUAL 2020
Opening balance		59,346	49,421	82,649
Other comprehensive revenue and expense				
Surplus/(deficit)	16	(5,589)	(4,534)	(30,743)
Other comprehensive revenue	16	10,186	-	7,440
Total comprehensive revenue and expense		4,597	(4,534)	(23,303)
Balance at 31 December		63,943	44,887	59,346

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

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

All in \$000s	NOTE	ACTUAL 2021	BUDGET 2021	ACTUAL 2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from government grants		21,613	25,618	14,205
Receipts from student fees		10,121	15,701	3,378
Receipt of dividends		27	3,547	-
Receipt of interest		10	49	-
Receipt of other revenue		4,895	-	5,847
Goods and services tax (net)		247	(215)	(55)
Payments to employees		(23,327)	(24,354)	(17,524)
Payments to suppliers		(16,942)	(21,715)	(17,834)
Interest paid		(278)	(464)	(264)
Net cash flow from operating activities		(3,634)	(1,833)	(12,247)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment		7	-	-
Purchase of property, plant and equipment		(762)	(880)	(279)
Purchase of intangible assets		(180)	(170)	-
Net cash flow used in investing activities		(935)	(1,050)	(279)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings	13	18,000	-	-
Repayment of borrowings		(13,936)	-	(9)
Net cash flows from financing activities		4,064	-	(9)
Net (decrease)/increase in cash and cash equivalents		(505)	(2,883)	(12,535)
Cash and cash equivalents at beginning of the period		1,961	1,337	14,496
Cash and cash equivalents at end of the year	4	1,456	(1,546)	1,961

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

The accompanying notes form part of these financial statements.

WHITIREIA

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

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
Surplus/(deficit)		(5,589)	(30,743)
Add/(less) non cash items:			
Depreciation and amortisation expense		4,227	3,565
Bad debt provision movement		(158)	94
Other losses/(gains)		-	1
Add/(less) items classified as investing or financing activities:			
Net loss/(gain) on disposal of property, plant and equipment		86	731
Add/(less) movements in working capital:			
(Increase)/decrease in accounts receivable and other receivables		(746)	14,467
(Increase)/decrease in inventories		(85)	(149)
(Increase)/decrease in prepayments		(249)	(177)
Increase/(decrease) in employee entitlements		215	46
Increase/(decrease) in trade and other payables		(659)	(394)
Increase/(decrease) in provisions		(1,921)	2,145
Increase/(decrease) in fees in advance		1,245	(1,834)
Net cash from operating activities		(3,634)	(12,247)

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

The accompanying notes form part of these financial statements.

WHITIREIA

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

Whitireia Community Polytechnic Limited (Whitireia or the Institute) is a Crown entity subsidiary that is domiciled and operates in New Zealand. The Institute was established on 1 April 2020 and its immediate controlling entity is Te Pūkenga — New Zealand Institute of Skills and Technology, and the ultimate controlling entity is the New Zealand Crown. The relevant legislation governing the Institute's operations includes the Education and Training Act 2020, the Crown Entities Act 2004, and the Companies Act 1993.

The financial statements are presented on a consolidated Group basis. The structure of Whitireia 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.

Whitireia and the Group provide educational and research services for the benefit of the community, it does not operate to make a financial return. Whitireia has designated itself and the Group as public benefit entities (PBE's) for the purposes of complying with generally accepted accounting practice.

The financial statements of Whitireia and the Group are for the 12 months ended 31 December 2021, and were authorised for issue by the Board on 29 April 2022.

Entity	Owning Entity	Ownership Interest	Effective Ownership	Method of Accounting	Status at balance date
Whitireia Community Polytechnic Limited	Te Pūkenga New Zealand Institute of Skills and Technology	100% Owned	Parent	Full Consolidation	Active
Whitireia New Zealand Limited	Whitireia Community Polytechnic Limited	100% Owned	Subsidiary	Full Consolidation	Dormant
Whitireia Foundation	Whitireia Community Polytechnic Limited	100% Interest	Subsidiary	Full Consolidation	Active

BASIS OF PREPARATION

The financial statements have been prepared on a disestablishment basis, as the Education and Training Act 2020 (the Act) states that each Te Pūkenga subsidiary continues in existence until the close of 31 December 2022. Under the Act, Te Pūkenga may dissolve Whitireia at or before this date and transfer some or all the rights, assets, and liabilities to Te Pūkenga or another Te Pūkenga subsidiary.

Because the vocational education will continue to be provided after the transfer, no changes were made to the carrying value of assets and liabilities as a result of the disestablishment basis of accounting.

Reporting period

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

Underlying financial performance

Whitireia and the Group have incurred deficits since 2016. 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 Whitireia have appropriate lines of credit to ensure debts can be met as and when they are due. Whitireia currently has in place an approved borrowing facility of \$19 million as outlined in note 13.

Statement of compliance

The financial statements of Whitireia and the Group have been prepared in accordance with the requirements of the Companies Act 1993, Crown Entities Act 2004 and the Education and Training Act 2020, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

Whitireia parent Te Pūkenga is a Tier 1 Public Benefit Entity (PBE). As such the financial statements have been prepared in accordance with and comply with PBE Standards.

WHITIREIA

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 measurements as provided for within the accounting policies.

Presentation currency and rounding

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

Standards issued and adopted early

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

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

As a result of the adoption of PBE IPSAS 41, the Institute has adopted consequential amendments to PBE IPSAS 1 Presentation of Financial Statements, which require impairment of financial assets to be presented in a separate line item in the statement of comprehensive revenue and expense. This requirement has had no impact on the statement of comprehensive revenue and expense for the year ended 31 December 2021.

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

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

Transition

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

Standards issued and not yet effective and not early adopted

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

PBE FRS 48 Service Performance Reporting: PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2022. Whitireia has not yet determined how application of PBE FRS 48 will affect its statement of service performance.

PBE IPSAS 13 Accounting for Leases: PBE IPSAS 13 Accounting for Leases is effective for reporting periods beginning on or after 1 January 2022 with early adoption permitted in the financial year starting 1 January 2020. Whitireia has chosen not to early adopt this standard and intends to adopt the standard for the 31 December 2022 financial year. Whitireia has not yet assessed in data the impact of the new standard.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outline below.

Budget figures

The budget figures for Whitireia and Group were approved by the Board and Te Pūkenga in the final quarter of 2020. These budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements. The approved budget was for the 12 months ending 31 December 2021.

Critical accounting estimates and assumptions

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

- (a.) Student fees and other receivables - refer to Note 5 which provides information about the estimates and assumptions exercised in the provisioning for doubtful debts.
- (b.) Land and buildings valuation - refer to Note 7 which provides information about the estimates and assumptions including useful lives exercised in the measurement of revalued land and buildings. Utilisation in relation to whether any optimisation adjustment required is also a factor.
- (c.) Retirement leave - refer to Note 10 which provides information about the estimates and assumptions exercised in the measurement of retirement leave.
- (d.) Onerous leases - refer to Note 12 which provides information about the estimates and assumptions exercised in the provisioning of onerous leases.

WHITIREIA

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

- (a.) 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 any equity injections recognised in equity is disclosed in Note 16.

Foreign currency transactions

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

Goods and services tax

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

Income tax

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

2. REVENUE

ACCOUNTING POLICY

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

Student Achievement Component funding

Student Achievement Component (SAC) funding is the Institute's main source of operational funding from the Tertiary Education Commission (TEC). The Institute considers SAC funding to be non-exchange revenue and would normally recognise SAC funding as revenue when the course withdrawal date has passed, based on the number of eligible students enrolled in the course at that date and the value of the course. For 2021 Te Pūkenga has advised that any under-delivery of SAC funding will be recovered for redistribution across Te Pūkenga Group. Whitireia has under-delivered SAC L3+ and a recovery of \$1.4 million has been provided for as revenue received in advance as disclosed in Note 11. However, for the 2020 year, the predecessor ITP has recognised all the funding for 2020. This was because, in response to the COVID-19 pandemic, the TEC confirmed at the end of March 2020 that it will not seek repayment of 2020 investment plan funding, which includes SAC funding, if there is under-delivery in the 2020 year. As a result all 2020 SAC funding was recognised in March 2020.

Tuition fees

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

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

Fees-free revenue

The Institute considers that fees-free revenue is non-exchange revenue and would normally recognise revenue when the course withdrawal date for an eligible student has passed. The Institute would present funding received as part of tuition fees. This is on the basis that receipts from the TEC are for payment on behalf of the student as specified in the relevant funding mechanism. In 2021 not all received funds has been utilised, and a recovery of \$20 thousand has been provided for. However, for the 2020 year, the predecessor ITP has recognised all the 2020 fees-free funding because, in response to the COVID-19 pandemic, the TEC confirmed that it will not seek repayment of 2020 fees-free funding.

Performance-based research fund

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

WHITIREIA

Research revenue

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

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

Other grants received

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

Donations, trust funds, endowments, bequests, and pledges

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

Sales of goods

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

Interest and dividends

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

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
GOVERNMENT FUNDING CLASSIFIED AS NON-EXCHANGE TRANSACTIONS			
Student disability grant		145	-
Youth guarantee funding		924	-
Other government grants		721	-
Māori and Pacific Islands grant		158	-
Student Achievement Component (SAC) funding		17,477	-
Performance based research funding		365	(2)
Other government funding		413	338
Total government funding classified as non-exchange transactions		20,203	336
TUITION FEES AND DEPARTMENTAL REVENUE CLASSIFIED AS EXCHANGE TRANSACTIONS			
Tuition fees - international students		1,520	3,839
Departmental revenue (non base revenue and recoveries)		-	1
Other tuition fees classed as exchange transactions		48	30
Total tuition fees and departmental revenue classified as exchange transactions		1,568	3,870

WHITIREIA

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
TUITION FEES AND DEPARTMENTAL REVENUE CLASSIFIED AS NON-EXCHANGE TRANSACTIONS			
Tuition fees - domestic students		5,705	1,099
Departmental revenue (non base revenue and recoveries)		14	-
Other tuition fees classed as non-exchange transactions		69	23
Fees free funding		1,889	-
Targeted training and apprenticeship funding (TTAF)		1,759	-
Total tuition fees and departmental revenue classified as non-exchange transactions		9,436	1,122
Total tuition fees and departmental revenue		11,004	4,992
OTHER REVENUE CLASSIFIED AS EXCHANGE TRANSACTIONS			
Other revenue		4,413	2,713
Gain on disposal of property, plant and equipment		2	22
Interest revenue		10	34
Dividend revenue		28	2
Research revenue		36	1
Student service fees		74	48
Total other revenue classified as exchange transactions		4,563	2,820
OTHER REVENUE CLASSIFIED AS NON-EXCHANGE TRANSACTIONS			
Student service fees		462	169
Total other revenue classified as non-exchange transactions		462	169
Total other revenue		5,025	2,989
Total revenue		36,232	8,317
REVENUE CLASSIFICATION			
Exchange revenue		6,131	6,690
Non-exchange revenue		30,101	1,627
Total revenue		36,232	8,317

3. EXPENDITURE

ACCOUNTING POLICY

Scholarships

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

WHITIREIA

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
EMPLOYEE EXPENSES			
Wages and salaries		21,682	17,994
Defined contribution plan employer contributions		543	431
Board fees	21	72	49
Increase/(decrease) in employee benefit liabilities		278	(42)
Other employee expenses		532	434
Restructuring expenses		41	1,018
Total employee benefits expense		23,148	19,884

Within the 2020 Annual Report restructuring expenses were reported within Administration and other expenditure. These have been re-classified as Employee expenses in 2021.

DEPRECIATION AND AMORTISATION EXPENSES			
Depreciation	7	4,212	3,490
Amortisation	8	15	75
Total depreciation and amortisation		4,227	3,565

FINANCE COSTS			
Finance costs		278	264
Total finance costs		278	264

ADMINISTRATION AND OTHER EXPENDITURE			
Auditors' remuneration			
Fees to Ernst & Young for the audit of financial statements		210	225
Total auditors' remuneration		210	225

GENERAL COSTS			
Administrative, materials and consumables expenses		876	10
Bad and doubtful debts - written off	5	1	2
Course delivery expenses		4,583	3,684
Discontinued operations		-	3,463
Loss on disposal of property, plant and equipment		89	730
Marketing expenses		670	624
Net increase/(decrease) bad and doubtful debts provision	5	(99)	137
Occupancy expenses		55	73
Operating lease payments		2,541	2,802
Other expenditure		5,012	3,355
Professional services		79	55
Research & development expense		30	78
Scholarships		121	109
Total general costs		13,958	15,122
Total other expenditure		14,168	15,347

Total expenditure		41,821	39,060
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WHITIREIA

4. CASH AND CASH EQUIVALENTS

ACCOUNTING POLICY

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

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
Cash at bank and on hand		954	1,517
Call deposits		32	17
Term deposits with maturities of 3 months or less at acquisition		470	427
Total cash and cash equivalents		1,456	1,961
Weighted average effective interest rate		0.08%	0.08%

5. STUDENT FEES AND OTHER RECEIVABLES

ACCOUNTING POLICY

Short-term receivables are recognised initially at fair value (the amount due) and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

At the end of each reporting period an assessment is made of whether there is objective evidence that short-term receivables is impaired. They are impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the receivable (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows from the receivable that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or

other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of the loss is measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the receivable's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in surplus or deficit.

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
STUDENT FEE RECEIVABLES			
Student fee receivables		5,434	5,022
Less: allowance for credit losses		(120)	(278)
Net student fee receivables		5,314	4,744
OTHER RECEIVABLES			
Other receivables		303	207
Less: allowance for credit losses		-	-
Net other receivables		303	207

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All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
RELATED PARTY RECEIVABLES			
Related party receivables	21	162	39
Less: allowance for credit losses		-	-
Net related party receivables		162	39

TEC RECEIVABLES			
TEC receivables		494	379
Less: allowance for credit losses		-	-
Net TEC receivables		494	379

Total Net receivables		6,273	5,369
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CLASSIFICATION			
Receivables classified as exchange transactions		469	246
Receivables classified as non-exchange transactions		5,804	5,123
Total receivables		6,273	5,369

	2021				
	Not past due	Past due 1 - 30 days	Past due 30 - 60 days	Past due 61 - 90 days	Past due over 90 days
STUDENT FEE RECEIVABLES					
Expected credit loss (%)	0.37%	0.37%	1.32%	0.87%	42.39%
Gross carrying amount ('000)	5,180	2	14	3	235
Total lifetime expected credit loss (\$'000)	20	-	-	-	100

OTHER RECEIVABLES					
Expected credit loss (%)	0.00%	0.00%	0.00%	0.00%	0.89%
Gross carrying amount ('000)	-	256	41	-	6
Total lifetime expected credit loss (\$'000)	-	-	-	-	-

RELATED PARTY RECEIVABLES					
Expected credit loss (%)	0.00%	0.00%	0.00%	0.00%	0.00%
Gross carrying amount ('000)	-	162	-	-	-
Total lifetime expected credit loss (\$'000)	-	-	-	-	-

TEC RECEIVABLES					
Expected credit loss (%)	0.00%	0.00%	0.00%	0.00%	0.00%
Gross carrying amount ('000)	-	494	-	-	-
Total lifetime expected credit loss (\$'000)	-	-	-	-	-

Total lifetime expected credit loss	20	-	-	-	100
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All in \$000s	2021			2020		
	Gross	Impairment	Net	Gross	Impairment	Net
IMPAIRMENT						
<i>Ageing profile for receivables at year end</i>						
Not past due	5,180	(20)	5,160	379	-	379
Past due 1 - 30 days	914	-	914	3,787	-	3,787
Past due 30 - 60 days	55	-	55	183	-	183
Past due 61 - 90 days	3	-	3	902	-	902
Past due over 90 days	241	(100)	141	396	(278)	118
Total impairment	6,393	(120)	6,273	5,647	(278)	5,369

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
Movements in the provision for impairment of receivables			
Balance brought forward		(278)	(184)
Additional provisions made during the year		99	(137)
Provisions adjustments during the year		58	45
Receivables written-off during the year		1	(2)
At 31 December		(120)	(278)

6. INVENTORY

ACCOUNTING POLICY

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

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

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

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

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
Building stock		312	226
Total inventory carrying value		312	226

7. PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

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

Revaluation

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

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

Additions

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to 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 through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition. Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Whitireia and the Group and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred. Additions over \$2,000 in value are capitalised. Amounts under this are expensed.

Disposals

Under the Education and Training Act 2020, Whitireia and Group are required to obtain authority to act from Te Pūkenga and the consent from the Secretary for Education to dispose or sell off property where the value of the property exceeds an amount determined by the Minister. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to general funds within equity.

Depreciation

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

- Buildings (including components) 25 to 100 years 1% to 4%
- Infrastructure 10 to 50 years 2% to 10%
- Leasehold improvements are depreciated over the shorter of the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.
- Computer hardware 5 years 20%
- Furniture and equipment 2 to 13 years 7.7% to 50%
- Motor vehicles 4 years 25%
- Library collection 10 years 10%

Impairment of property, plant and equipment

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

Value in use for non-cash-generating assets

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

Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the

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

Restrictions on title

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

For plant and equipment, there is an asset disposal limit formula,

which provides a limit up to which a TEI may dispose of plant and equipment without seeking consent from the Secretary for Education. Detailed information on the asset disposal rules can be found on the Tertiary Education Commission website. There are also various restrictions in the form of historic designations, reserve and endowment encumbrances attached to land. Whitireia does not consider it practical to disclose in detail the value of land subject to these restrictions.

	Land	Infrastructure	Buildings	Leasehold improvements	Furniture and equipment	Computer hardware	Motor vehicles	Library collection	Total
PROPERTY, PLANT AND EQUIPMENT									
Cost or fair value - brought forward	20,450	3,089	42,218	26,944	12,919	8,441	842	3,668	118,571
Accumulated depreciation - brought forward	-	-	-	(4,071)	(11,043)	(7,925)	(837)	(3,275)	(27,151)
Net carrying value - 1 January 2021	20,450	3,089	42,218	22,873	1,876	516	5	393	91,420

Additions	-	99	123	-	83	294	-	69	668
Net revaluation	6,825	175	1,248	-	-	-	-	-	8,248
Disposals	-	-	-	(25)	(1,250)	(355)	(10)	-	(1,640)

Depreciation on disposals	-	-	-	25	1,212	320	10	-	1,567
Reverse accumulated depreciation - revaluation write back	-	101	1,837	-	-	-	-	-	1,938
Depreciation	-	(101)	(1,837)	(1,289)	(601)	(276)	(5)	(103)	(4,212)

Cost or fair value	27,275	3,363	43,589	26,919	11,752	8,380	832	3,737	125,847
Accumulated depreciation	-	-	-	(5,335)	(10,432)	(7,881)	(832)	(3,378)	(27,858)
Net carrying value - 31 December 2021	27,275	3,363	43,589	21,584	1,320	499	-	359	97,989

ASSETS UNDER CONSTRUCTION									
Opening value - 1 January 2021	-	-	-	-	27	-	-	38	65

Additions	-	-	-	147	11	-	-	-	158
Capitalisations	-	-	-	-	(27)	-	-	(38)	(65)

Closing value - 31 December 2021	-	-	-	147	11	-	-	-	158
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PROPERTY, PLANT AND EQUIPMENT									
Cost or fair value - brought forward	18,975	-	44,812	31,997	12,823	8,376	900	3,638	121,521
Accumulated depreciation - brought forward	-	-	(4,104)	(7,135)	(10,584)	(7,662)	(881)	(3,176)	(33,542)
Net carrying value - 1 April 2020	18,975	-	40,708	24,862	2,239	714	19	462	87,979

Additions	-	-	-	21	117	71	-	30	239
Reclassifications	-	2,925	(2,909)	185	9	-	(8)	-	202
Net revaluation	1,475	164	315	-	-	-	-	-	1,954
Disposals	-	-	-	(5,259)	(30)	(6)	(50)	-	(5,345)

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	Land	Infrastructure	Buildings	Leasehold improvements	Furniture and equipment	Computer hardware	Motor vehicles	Library collection	Total
Depreciation on disposals	-	-	-	-	17	6	50	-	73
Reverse accumulated depreciation – reclassification	-	-	-	22	(6)	9	6	-	31
Reverse accumulated depreciation – revaluation write back	-	288	5,198	4,291	-	-	-	-	9,777
Depreciation	-	(288)	(1,094)	(1,249)	(470)	(278)	(12)	(99)	(3,490)
Cost or fair value	20,450	3,089	42,218	26,944	12,919	8,441	842	3,668	118,571
Accumulated depreciation	-	-	-	(4,071)	(11,043)	(7,925)	(837)	(3,275)	(27,151)
Net carrying value - 31 December 2020	20,450	3,089	42,218	22,873	1,876	516	5	393	91,420
ASSETS UNDER CONSTRUCTION									
Opening value - 1 April 2020	-	45	-	-	-	-	-	-	45
Additions	-	-	-	-	27	-	-	38	65
Capitalisations	-	(45)	-	-	-	-	-	-	(45)
Closing value - 31 December 2020	-	-	-	-	27	-	-	38	65

An independent valuation of the land and buildings was performed by CBRE Limited, registered independent valuers as at 31 December 2021. 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.

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

8. INTANGIBLE ASSETS

ACCOUNTING POLICY

Software acquisition and development

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

Course-related software and websites

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

Courses purchased from other organisations

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

Internally developed courses

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

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

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

- (iii.) it is technically feasible to complete the development so that the course or programme will be available for use and/or sale;
- (iv.) management intends to complete the development of the course or programme and use or sell it;
- (v.) there is an ability to use or sell the course or programme;
- (vi.) it can be demonstrated how the course or programme will generate probable future economic benefits or service potential;
- (vii.) there are adequate technical, financial and other resources available to complete development of the course or programme and to use or sell the course or programme; and
- (viii.) the expenditure attributable to the course or programme development can be reliably measured.

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

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

Intellectual property development

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

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

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

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life.

Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in the surplus or deficit.

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

- Computer software 3 to 6 years 16.7% to 33.3%.

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

Impairment of intangible assets

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

	Computer software	Other intangible assets	Total
INTANGIBLES			
Cost or fair value - brought forward	4,138	912	5,050
Accumulated amortisation - brought forward	(4,100)	(892)	(4,992)
Net carrying value - 1 January 2021	38	20	58
Additions	181	-	181
Disposals	(751)	(223)	(974)
Amortisation on disposals	750	203	953
Amortisation	(15)	-	(15)
Cost or fair value	3,568	689	4,257
Accumulated amortisation	(3,365)	(689)	(4,054)
Net Carrying Value - 31 December 2021	203	-	203

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	Computer software	Other intangible assets	Total
INTANGIBLES			
Cost or fair value - brought forward	4,101	912	5,013
Accumulated amortisation - brought forward	(4,025)	(892)	(4,917)
Net carrying value - 1 April 2020	76	20	96
Additions	37	-	37
Amortisation	(75)	-	(75)
Cost or fair value	4,138	912	5,050
Accumulated amortisation	(4,100)	(892)	(4,992)
Net carrying value - 31 December 2020	38	20	58

9. TRADE AND OTHER PAYABLES

ACCOUNTING POLICY

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

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
PAYABLES UNDER EXCHANGE TRANSACTIONS			
Trade payables		1,416	2,288
Related party payables	21	1,463	1,495
Other payables		1	2
Total payables under exchange transactions		2,880	3,785
PAYABLES UNDER NON-EXCHANGE TRANSACTIONS			
Net GST payable/(receivable)		695	448
Total payables under non-exchange transactions		695	448
Total trade and other payables		3,575	4,233

10. EMPLOYEE BENEFIT LIABILITIES

ACCOUNTING POLICY

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

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

Long-term employee entitlements

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

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

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Presentation of employee entitlements

Sick leave, annual leave, vested long service leave are classified as a current liability. Non-vested long service leave and retirement gratuities 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

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

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
EMPLOYEE ENTITLEMENTS			
Accrued pay		243	153
Annual leave		1,937	1,761
Sick leave		62	78
Long service leave		10	7
Retirement leave		117	154
Total Employee benefit liabilities		2,369	2,153
Current portion		2,340	2,085
Non-current portion		29	68
Total employee benefit liabilities		2,369	2,153

11. REVENUE RECEIVED IN ADVANCE

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
REVENUE RECEIVED IN ADVANCE			
Government grants		1,430	310
Students' fees		5,809	5,690
Other revenue received in advance		37	30
Total revenue received in advance		7,276	6,030
Current portion		7,276	6,030
Non-current portion		-	-
Total revenue received in advance		7,276	6,030

12. PROVISIONS

ACCOUNTING POLICY

A provision is recognised for future expenditure of uncertain amount or timing when:

- there is a present obligation (either legal or constructive) as a result of a past event;
- it is probable that an outflow of future economic benefits or service potential will be required to settle the obligation;

- a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using market yields on Government bonds at balance date with terms to maturity that match, as closely as possible, the estimated future cash outflows.

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	2021			
	1 January 2021			31 December 2021
	Opening Balance	Increase to provision	Charged against provision	Closing Balance
All in \$000s				
PROVISION				
Contract settlement - Fuji Xero	340	-	(91)	249
Onerous leases - 450 Queen Street, Auckland	3,411	-	(1,393)	2,018
WelTec contribution to 82-92 Cuba Street and 65 Dixon Street Wellington (Te Auaha) - Fit out	7,393	-	(461)	6,932
82-92 Cuba Street and 65 Dixon Street Wellington (Te Auaha) - Straight line lease costs	1,258	367	-	1,625
82-92 Cuba Street and 65 Dixon Street Wellington (Te Auaha) - lease Incentive	1,460	-	(81)	1,379
Lease inducement	263	-	(263)	-
Total provisions	14,125	367	(2,289)	12,203

	2020			
	1 January 2020			31 December 2020
	Opening Balance	Increase to provision	Charged against provision	Closing Balance
All in \$000s				
PROVISION				
Contract settlement - Fuji Xero	430	-	(90)	340
Onerous leases - 450 Queen Street, Auckland	1,539	3,411	(1,539)	3,411
WelTec contribution to 82-92 Cuba Street and 65 Dixon Street Wellington (Te Auaha) - Fit out	7,808	-	(415)	7,393
82-92 Cuba Street and 65 Dixon Street Wellington (Te Auaha) - Straight line lease costs	904	354	-	1,258
82-92 Cuba Street and 65 Dixon Street Wellington (Te Auaha) - lease Incentive	1,522	-	(62)	1,460
Lease inducement	376	-	(113)	263
Total provisions	12,579	3,765	(2,219)	14,125

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All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
CURRENT PORTION			
Contract settlement - Fuji Xero		91	91
Onerous leases - 450 Queen Street, Auckland		1,341	1,393
WelTec contribution to 82-92 Cuba Street and 65 Dixon Street Wellington (Te Auaha) - Fit out		412	415
82-92 Cuba Street and 65 Dixon Street Wellington (Te Auaha) - Lease incentive		81	82
Lease inducement		-	113
Total current portion		1,925	2,094
NON CURRENT PORTION			
Contract settlement - Fuji Xero		158	249
Onerous leases - 450 Queen Street, Auckland		677	2,018
WelTec contribution to 82-92 Cuba Street and 65 Dixon Street Wellington (Te Auaha) - Fit out		6,520	6,978
82-92 Cuba Street and 65 Dixon Street Wellington (Te Auaha) - Straight line lease costs		1,625	1,258
82-92 Cuba Street and 65 Dixon Street Wellington (Te Auaha) - Lease incentive		1,298	1,378
Lease inducement		-	150
Total non-current portion		10,278	12,031
Total provisions		12,203	14,125

13. BORROWINGS

ACCOUNTING POLICY

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to

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

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
BORROWINGS			
Current portion		1,000	13,936
Non-current portion		17,000	-
Total	21	18,000	13,936
Weighted average effective interest rate		1.4%	2.8%

BORROWINGS

On 1 April 2021 Te Pūkenga established a Group Treasury Policy providing the framework and scope within which treasury related risks are governed by Te Pūkenga ("Parent") and its wholly owned Subsidiaries ("Group"). The Parent finance function manages its own treasury activities along with the Group liquidity and debt management requirements which includes the intra-group funding arrangement. The Subsidiaries are responsible for their own treasury activities including day-to-day cash management, working capital, treasury investment and risk management. Te

Pūkenga is the borrowing entity of the Group with the ability to borrow both externally and hold intra-group borrowing and lending activity managed by the Parent. The former consent to borrow of WelTec (\$5 million) and Whitireia (\$14 million) have been consolidated to the benefit of Whitireia by Te Pūkenga. On 31 December 2021 the intra loan portfolio between Te Pūkenga and Whitireia was \$18 million, comprised of \$14 million @ 1.24%, \$1 million @ 1.4%, \$1 million @ 1.939% and \$2 million @ 1.98%.

14. OTHER FINANCIAL ASSETS AND LIABILITIES

ACCOUNTING POLICY

Financial assets are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue unless they are carried at fair value through surplus or deficit, in which case the transaction costs are recognised in the surplus or deficit.

Term deposits and loans to subsidiaries

Term deposits and loans to subsidiaries are initially measured at fair value. Receipts from these instruments consist of solely payments of principal and interest. They are subsequently measured at amortised cost using the effective interest method.

Managed fund

The managed fund is a portfolio of financial assets that are actively traded with the intention of making profits. Therefore, the managed fund is classified as fair value through surplus or deficit. After initial recognition, the managed fund is measured at fair value, with gains and losses recognised in the surplus or deficit.

Fair value

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

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

Impairment of financial assets held at amortised cost

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

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

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

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

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

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

WHITIREIA

Write-off

The unrecoverable portion of a financial asset is written off when the Group has no reasonable expectations of recovering all or some of a financial asset. For student fees, the Group has a policy of writing off the gross carrying amount when the receivable is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group

individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery.

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

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
FINANCIAL INSTRUMENT CATEGORIES			
The accounting policies for financial instruments have been applied to the line items below:			
FINANCIAL ASSETS - LOANS AND RECEIVABLES AT AMORTISED COST			
Cash and cash equivalents		1,456	1,961
Student fees and other receivables		6,273	5,369
Total loans and receivables		7,729	7,330
FINANCIAL LIABILITIES			
Financial liabilities measured at amortised cost			
Creditors and other payables		3,575	4,233
Borrowing		18,000	-
Total financial liabilities measured at amortised cost		21,575	4,233

Financial instruments risks

The Institute's activities expose it to a variety of financial risks, including market risk, credit risk, and liquidity risk.

The Institute has policies to manage these risks and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

Contractual maturity analysis of financial liabilities

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

	Carrying amount	Contractual cashflow	Less than 6 months	6-12 months	1-2 years	2-3 years	More than 3 years
2021							
Trade and other payables	3,575	3,575	3,566	9	-	-	-
Borrowings	18,000	18,000	1,000	-	17,000	-	-
Total financial liabilities at amortised cost	21,575	21,575	4,566	9	17,000	-	-
2020							
Trade and other payables	4,233	4,233	4,233	-	-	-	-
Borrowings	13,936	13,936	13,936	-	-	-	-
Total financial liabilities at amortised cost	18,169	18,169	18,169	-	-	-	-

MARKET RISK**Price risk**

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

Foreign exchange risk

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

WHITIREIA

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates of interest

create exposure to fair value interest rate risk. The Institute does not actively manage its exposure to fair value interest rate risk.

The following table sets out the carrying amount, by maturity, of the financial instruments that are exposed to interest rate risk.

	2021				2020			
	<1 year	>1 year - <2 years	>2 years	Total	<1 year	>1 year - <2 years	>2 years	Total
Cash & cash equivalents	986	-	470	1,456	1,534	-	427	1,961
Weighted average effective interest rate	0.08%	0.0%	6.28%		0.08%	0.0%	1.8%	

Cash flow interest rate risk

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

Due to the timing of its cash inflows and outflows, surplus cash is invested into term deposits and bonds, which give rise to credit risk. The Institute invests funds consistent with Te Pūkenga Treasury policy. The Institute holds no collateral or other credit enhancements for financial instruments that give rise to credit risk. 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.

Credit risk

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

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
The credit quality of financial assets that are neither past due nor			
impaired can be assessed by reference to Standard and Poor's			
credit ratings (if available) or to historical information about			
counterparty default rates:			
COUNTERPARTIES WITH CREDIT RATINGS			
Cash and cash equivalents and term deposits:			
AA-		986	1,534
Unrated		470	427
Total cash and cash equivalents		1,456	1,961

WHITIREIA

Trade and other receivables

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

Liquidity risk

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

Group manages liquidity risk by continuously monitoring forecast and actual cash flow requirements. The table below analyses financial liabilities (excluding derivatives) into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate of the instrument at balance date. The amounts disclosed are the undiscounted contractual cash flows.

Sensitivity analysis

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

	+100BPS		-100BPS	
	Surplus	Equity	Surplus	Equity
INTEREST RATE RISK 31 DECEMBER 2021				
Financial assets				
Cash and cash equivalents	10	10	(10)	(10)
Financial liabilities				
Borrowings	180	180	(180)	(180)
Total sensitivity to interest rate risk	190	190	(190)	(190)
INTEREST RATE RISK 31 DECEMBER 2020				
Financial assets				
Cash and cash equivalents	19	19	(19)	(19)
Financial liabilities				
Borrowings	139	139	(139)	(139)
Total sensitivity to interest rate risk	158	158	(158)	(158)

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

Fair value estimation and fair value hierarchy

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

Fair value hierarchy disclosures

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

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

WHITIREIA

All in \$000s	Total	Quoted market price	Observable inputs	Significant non-observable inputs
FAIR VALUE OF FINANCIAL INSTRUMENTS 31 DECEMBER 2021				
Financial assets				
Cash and cash equivalents	1,456	1,456	-	-
Financial liabilities				
Borrowings	18,000	18,000	-	-
Total Fair Value of Financial Instruments	19,456	19,456	-	-
FAIR VALUE OF FINANCIAL INSTRUMENTS 31 DECEMBER 2020				
Financial assets				
Cash and cash equivalents	1,961	1,961	-	-
Financial liabilities				
Borrowings	13,936	13,936	-	-
Total Fair Value of Financial Instruments	15,897	15,897	-	-

15. CAPITAL MANAGEMENT

Whitireia and the Group's capital is its equity, which comprises accumulated funds and reserves. Equity is represented by net assets. Whitireia is subject to the financial management and accountability provisions of the Crown Entities Act 2004 and the Education and Training Act 2020, which impose restrictions

in relation to borrowings, acquisition of securities, issuing guarantees and indemnities, and the use of derivatives and is compliant with these requirements. Whitireia manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments and general financial dealings to ensure that Whitireia effectively achieves its objectives and purpose, while remaining a going concern.

16. EQUITY

ACCOUNTING POLICY

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

- general funds;
- property revaluation reserves.

Share capital

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

Property revaluation reserves

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

Fair value through other comprehensive revenue and expense reserve

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

WHITIREIA

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
GENERAL FUNDS			
Opening balance		26,320	57,064
Surplus/(deficit) for the year before other comprehensive revenue and expenditure		(5,589)	(30,743)
Balance as at 31 December		20,731	26,321
PROPERTY REVALUATION RESERVES			
Opening balance		33,026	25,585
Land net revaluations gain		6,825	1,475
Infrastructure revaluation gain		276	452
Buildings net revaluations gain		3,085	5,513
Total net revaluations gain		10,186	7,440
Balance as at 31 December		43,212	33,025
Total equity		63,943	59,346

17. MAJOR BUDGET VARIATIONS

Explanations for major comprehensive revenue and expense budget variances from the 2021 Whitireia budget are detailed in the below table.

All in \$000s	ACTUAL 2021	BUDGET 2021	VARIANCE
STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE			
Surplus/(deficit)	(5,589)	(4,534)	(1,055)
REVENUE VARIANCES			
Government funding	20,203	22,216	(2,013)
Student fees & departmental revenue	11,004	13,010	(2,006)
Other revenue	5,025	4,191	834
EXPENDITURE VARIANCES			
Employee benefit expenses	23,148	23,786	638
Depreciation and amortisation	4,227	4,334	107
Interest expense	278	464	186
Administration and other expenses	14,168	15,367	1,199
OTHER COMPREHENSIVE REVENUE AND EXPENSE			
Other comprehensive revenue and expense	10,186	-	10,186
Total comprehensive revenue and expense	82,650	78,834	3,816

WHITIREIA

Explanations for major statement of financial position budget variances from the 2021 Whitireia budget are detailed in the below table.

All in \$000s	ACTUAL 2021	BUDGET 2021	VARIANCE
STATEMENT OF FINANCIAL POSITION			
Current assets	9,016	4,485	4,531
Non-current assets	98,350	76,328	22,022
Current liabilities	16,116	26,749	(10,633)
Non-current liabilities	27,307	9,177	18,130
Equity	63,943	44,887	19,056

Explanations for major statement of cash flows budget variances from the 2021 Whitireia budget are detailed in the below table.

All in \$000s	ACTUAL 2021	BUDGET 2021	VARIANCE
STATEMENT OF CASH FLOWS			
Cash flow from operating activities	(3,634)	(1,833)	(1,801)
Cash flow used in investing activities	(935)	(1,050)	115
Cash flow from financing activities	4,064	-	4,064
Net (decrease)/increase in cash and cash equivalents	(505)	(2,883)	2,378
Cash and cash equivalents at beginning of the year	1,961	1,337	624
Total cash and cash equivalents at end of the year	1,456	(1,546)	3,002

EXPLANATION OF MAJOR BUDGET VARIATIONS:

The 2021 deficit of \$5.589m was unfavourable to budget by \$1.055m. Although domestic demand did increase over 2020 levels we did not reach our 2021 budgeted student levels. This unfavourable variance was compounded by the continued border closure limiting the number of international students we could attract to those already living in New Zealand. Expenditure was tightly managed with employees re-deployed across Whitireia and WelTec to meet student demand and reductions were made within Administration and other expenses in line with our student numbers. Interest expense savings were achieved through the utilisation of Te Pūkenga Group's Treasury function.

Other comprehensive revenue and expense of \$10.186m reflects the unbudgeted revaluation of land and buildings in 2021. We had undertaken a revaluation of land and buildings in 2020, but with the on-going increase in property values across New Zealand and a desire to align revaluation dates across Te Pūkenga ITP network the decision was made to undertake a revaluation again in 2021. The combined impact of 2020 and 2021 revaluations are the reason Equity and Non-current assets within the statement of financial position are favourable to budget. Liabilities are higher than budget due to an increase in borrowings required to maintain liquidity and favourable revenue received in advance balances.

The statement of cash flows highlights that operating activities will continue to be net cash outflows, however 2021 was a \$3.104m improvement over the 2020 full year actual result. Borrowings from Te Pūkenga were drawn down to repay the BNZ line of credit during 2021 with further draw downs in the final quarter of the year resulting in net cash flows from financing activities exceeding budget by \$4.064m.

WHITIREIA

18. CAPITAL EXPENDITURE PROJECT PERFORMANCE TO BUDGET

All in \$000s	ACTUAL 2021	BUDGET 2021	VARIANCE 2021	ACTUAL 2020	BUDGET 2020	VARIANCE 2020
ANNUAL ALLOCATIONS (RENEWALS)						
Facilities annual replacements	372	300	(72)	21	300	279
Information technology allocation	469	550	81	71	450	379
Library annual allocation	66	100	34	68	147	79
Academic departments	100	100	-	144	207	63
Total capital expenditure	1,007	1,050	43	304	1,104	800

EXPLANATION OF MAJOR BUDGET VARIATIONS:

In the final quarter of 2021 Whitireia and Te Rūnanga o Toa Rangatira finalised a licence to occupy providing additional space within the Porirua campus for Te Rūnanga o Toa Rangatira expanding operation. Alterations within other buildings to accommodate functions previously occupying the licence to occupy space were required. This development was not factored

into the original 2021 Budget. Revisions to accommodate additional streams of Trades delivery to meet local demand were also made over and above the 2021 Budget. Re-prioritisation of expenditure across information technology and Library allocations were made to fund these campus alterations.

19. OPERATING LEASES

ACCOUNTING POLICY

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset

to the lessee. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
LEASES AS LESSEE			
Non-cancellable operating lease rentals are payable as follows:			
Not later than one year		3,884	3,837
Later than one year and not later than five years		10,924	12,154
Later than five years		35,812	38,394
Total Leases as Lessee		50,620	54,385

Operating leases as the lessee comprise of buildings.

	2021	2020
LEASES AS LESSOR		
The Future Minimum Lease Payments Under Non-Cancellable Leases are as follows:		
Not Later Than One Year	251	-
Total Leases as Lessor	251	-

20. COMMITMENTS AND CONTINGENCIES

Whitireia has the following commitments at balance date:

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
CAPITAL COMMITMENTS			
Capital commitments denote approved capital expenditure contracted for at year-end not yet incurred.			
APPROVED AND COMMITTED			
Buildings		10	-
Other plant, property and equipment		86	65
Intangible assets		-	-
Total capital commitments		96	65

Whitireia and WelTec 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 2021 no claims had been accepted. Management has determined that the likelihood of claims being made to the companies in the future is remote.

21. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL

ACCOUNTING POLICY

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

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

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

INTER-GROUP RELATED PARTY TRANSACTIONS

Wellington Institute of Technology Limited (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 2021. The transactions are at cost and include transactions with key management personnel. Key management personnel includes the Board and executive management. Whitireia and WelTec has a Joint Leadership Team (JLT) (consisting of the Chief Executive and six Directors). The costs of the Board and JLT are shared between Whitireia and WelTec on a 50/50% basis.

WHITIREIA

TRANSACTIONS

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
Salaries		8,837	7,388
Operating costs		1,969	1,949
Leases & use of campus		1,467	1,844
TEC funding		943	978
Total inter-group revenue		13,216	12,159
Shared costs recovery		7,129	5,852
Total inter-group expenditure		7,129	5,852
Accounts receivable balance	5	162	39
Total inter-group receivable		162	39
Intercompany balance owing		892	1,495
Accounts Payable balance		571	-
Total inter-group payable	9	1,463	1,495

Te Auaha Trust

Registered Charitable Trust that holds funds for the benefit of WelTec and whitireia delivery at Te Auaha campus in central Wellington. The Trust was closed in 2021.

TRANSACTIONS

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
Scholarships to students		23	-
Total inter-group revenue		23	-

Te Pūkenga

Te Pūkenga is the controlling entity of Whitireia.

TRANSACTIONS

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
Staff secondments		7	
Space cost recovery		2	
Total inter-group revenue		9	-
Interest		103	-
Total inter-group expenditure		103	-
Loan	13	18,000	-
Interest		13	
Total inter-group payable		18,013	-

WHITIREIA

Open Polytechnic of New Zealand Limited

100% owned subsidiary of Te Pūkenga.

TRANSACTIONS

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
Hardware		11	-
Total inter-group expenditure		11	-
Hardware		13	-
Total inter-group payable		13	-

Otago Polytechnic Limited

100% owned subsidiary of Te Pūkenga.

TRANSACTIONS

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
Venue hire		19	-
Total inter-group expenditure		19	-
Accounts Receivable		1	-
Total inter-group receivable		1	-

Key management personnel related party transactions

All in \$000s	NOTE	ACTUAL 2021	ACTUAL 2020
KEY MANAGEMENT PERSONNEL COMPENSATION			
<i>Board members</i>			
8 Board members split 50% with WelTec		4	3.5
Whitireia share of remuneration	3	72	49
<i>Chief Executive and Leadership Team</i>			
7 Joint Leadership Team members split 50% with WelTec		3.5	3.5
Whitireia share of remuneration		707	546
Total full-time equivalent members		7.5	7
Total key management personnel remuneration		779	595

WHITIREIA

All in \$000s	ACTUAL 2021	Duration Months	Period Covered
BOARD MEMBER REMUNERATION			
J Lester (Chair)	17	12	01 January 2021 to 31 December 2021
L Meade (Deputy-Chair)	12	12	01 January 2021 to 31 December 2021
C Barlow-Groome	8	12	01 January 2021 to 31 December 2021
K Grant	8	12	01 January 2021 to 31 December 2021
S Hope	8	12	01 January 2021 to 31 December 2021
K Moeahu	8	12	01 January 2021 to 31 December 2021
T Morrison	6	9	26 March 2021 to 31 December 2021
C Taurima	3	3	05 October 2021 to 31 December 2021
R Wineera-Paral	2	3	01 January 2021 to 26 March 2021
Total Board members remuneration	72		

All in \$000s	ACTUAL 2020	Duration Months	Period Covered
BOARD MEMBER REMUNERATION			
J Lester (Chair)	13	9	01 April 2020 to 31 December 2020
L Meade (Deputy-Chair)	6	9	01 April 2020 to 31 December 2020
C Barlow-Groome	6	9	01 April 2020 to 31 December 2020
K Grant	6	9	01 April 2020 to 31 December 2020
S Hope	6	9	01 April 2020 to 31 December 2020
K Moeahu	6	9	01 April 2020 to 31 December 2020
R Wineera-Paral	6	9	01 April 2020 to 31 December 2020
Total Board members remuneration	49		

22. CONSOLIDATION

ACCOUNTING POLICY

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

Subsidiaries

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

23. COVID-19

On 11 March 2020, the World Health Organisation declared the outbreak of COVID-19 a pandemic, and two weeks later the New Zealand Government declared a State of National Emergency.

New Zealand was in lockdown at Alert Level 4 for the period 26 March to 27 April 2020 and then remained in lockdown at Alert Level 3 until 13 May 2020. In 2021, various regions in New Zealand have been subject to lockdown restrictions at various levels. During these periods, Whitireia has periodically closed some or all delivery sites to comply with COVID-19 restrictions.

Most kaimahi moved to a "work from home" model, and teaching was changed to remote delivery. When New Zealand moved to lower Alert Levels, ākonga were able to attend classes on-site or continue to access classes remotely. The effect on our operations is reflected in these financial statements based on the information available to the date these financial statements were approved.

The main impacts on the financial statements due to COVID-19 are explained below:

WHITIREIA

Revenue	Drop of revenue due to lower international ākonga enrolments. Domestic enrolment increases have partially offset this revenue impact, helped by Government initiatives such as Targeted Training & Apprenticeship Fund (TTAF).
Ākonga	As with revenue, international ākonga numbers were down in 2020 and 2021 compared to 2019. This loss was partially offset by higher domestic enrolments in 2021.
Suppliers	COVID-19 has had a substantial effect on supply of construction materials with the cost increasing substantially over 2020, and materials have been purchased and stored when available as opposed to purchasing on a just in time basis. Lead times for ICT equipment have lengthened requiring the maintenance of existing equipment to be extended.
Employees	Teaching kaimahi had to develop online delivery methods when ākonga were home based. The majority of non-teaching kaimahi were able to carry out their duties with minimal disruption to productivity.
Liquidity	Whitireia has held sufficient working capital reserves to meet day to day cash requirements.
Property Asset fair value assessment	Generally, property and land valuations have followed trends witnessed in the wider market by increasing in 2021, in some case markedly. The proportion to which these increases can be directly attributable to COVID-19 is uncertain.

24. EVENTS AFTER BALANCE DATE

No events have occurred after balance date that would have a material impact on the financial statements as presented.

STATEMENT OF COMPLIANCE AND RESPONSIBILITY

FOR THE YEAR ENDED 31 DECEMBER 2021

STATEMENT OF COMPLIANCE

The Board and management of Whitireia confirm that all the statutory requirements in relation to this annual report, as outlined in the Education and Training Act 2020, have been met.

Signed by



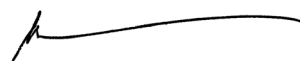
Justin Lester
Chair

29 April 2022

STATEMENT OF RESPONSIBILITY

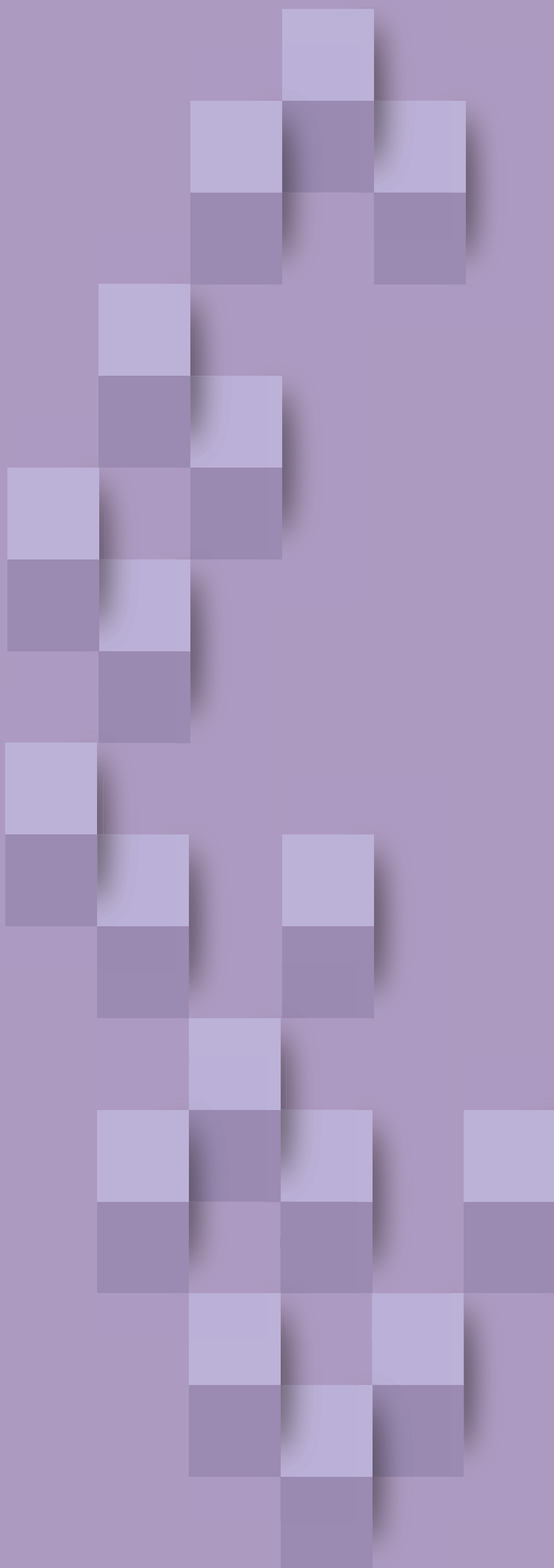
The Board and management accept responsibility for the preparation of the financial statements and judgements used in them, and hereby adopt the financial statements as presented. They also accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable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

In the Board and management's opinion, the financial statements for the twelve months ended 31 December 2021 fairly reflect the financial position, financial performance and service performance achievements of Whitireia.



Mark Oldershaw
Chief Executive

29 April 2022



Other Financial Information

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WELTEC COMPULSORY STUDENT SERVICES FEE 2021

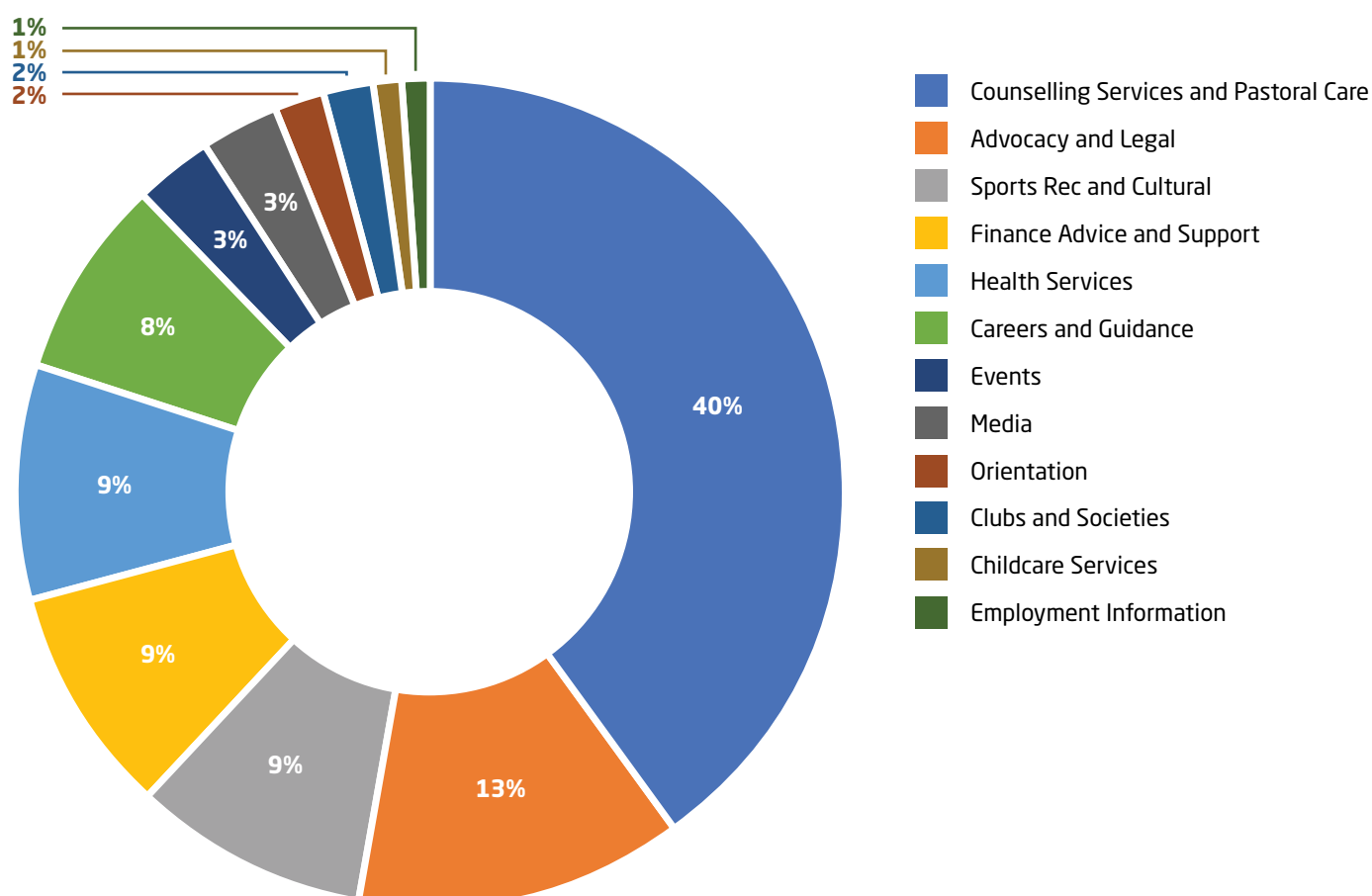
THE FEE

The compulsory student services fee charged by WelTec for Equivalent Full-Time Students in 2021 was \$320 GST inclusive. There was no change to the fee from 2020. The following statement of income and expenditure reflects the activity which WelTec, in consultation and partnership with student representatives, completed in 2021, utilising in part funding provided by Compulsory Student Services Fees and supplemented by institution funds when required.

THE SERVICE

The provision of the services from the Compulsory Student Service Fee in 2021 was discussed in a range of conversations with students and a formal consultation process was undertaken with the Student Connection (WelTec student council). Student Connection was happy with the proposed spend, with an agreement to split funds between both WelTec and Whitireia ākonga.

PERCENTAGE SPEND OF CSSF AGREED WITH STUDENT CONNECTION (2021)



WELTEC FINANCIAL SUMMARY 2021

Anticipated income

Actual income

Totals spend

Underspend

\$572,636

\$642,488

\$609,644

\$32,844

The 2021 Budget for compulsory student services fees was \$573k. Our Student Connection agreed with the ratio of spending to consume this funding across the expenditure categories. Our actual income received was \$642k which allowed some re-alignment of activity during the year with \$33k unspent at balance date. The underspend was due to the cancellation of several events during COVID-19 lockdown, and the use of the Hardship for Learners Fund (HAFL) which is external funding for ākonga struggling through COVID-19 related hardship.

All in \$000s	Advocacy & legal advice	Careers information advice & guidance	Counselling services & pastoral care	Employment information	Financial support & advice	Health services	Media	Childcare services	Clubs and societies	Orientation, sports, recreation & cultural activities	Total
2021 Income	98	33	233	17	59	50	20	2	6	124	642
2021 Expenditure	95	25	215	22	65	56	25	0	7	99	609
Surplus / (Deficit)	3	8	18	(5)	(6)	(6)	(5)	2	(1)	25	33



WHITIREIA COMPULSORY STUDENT SERVICES FEE 2021

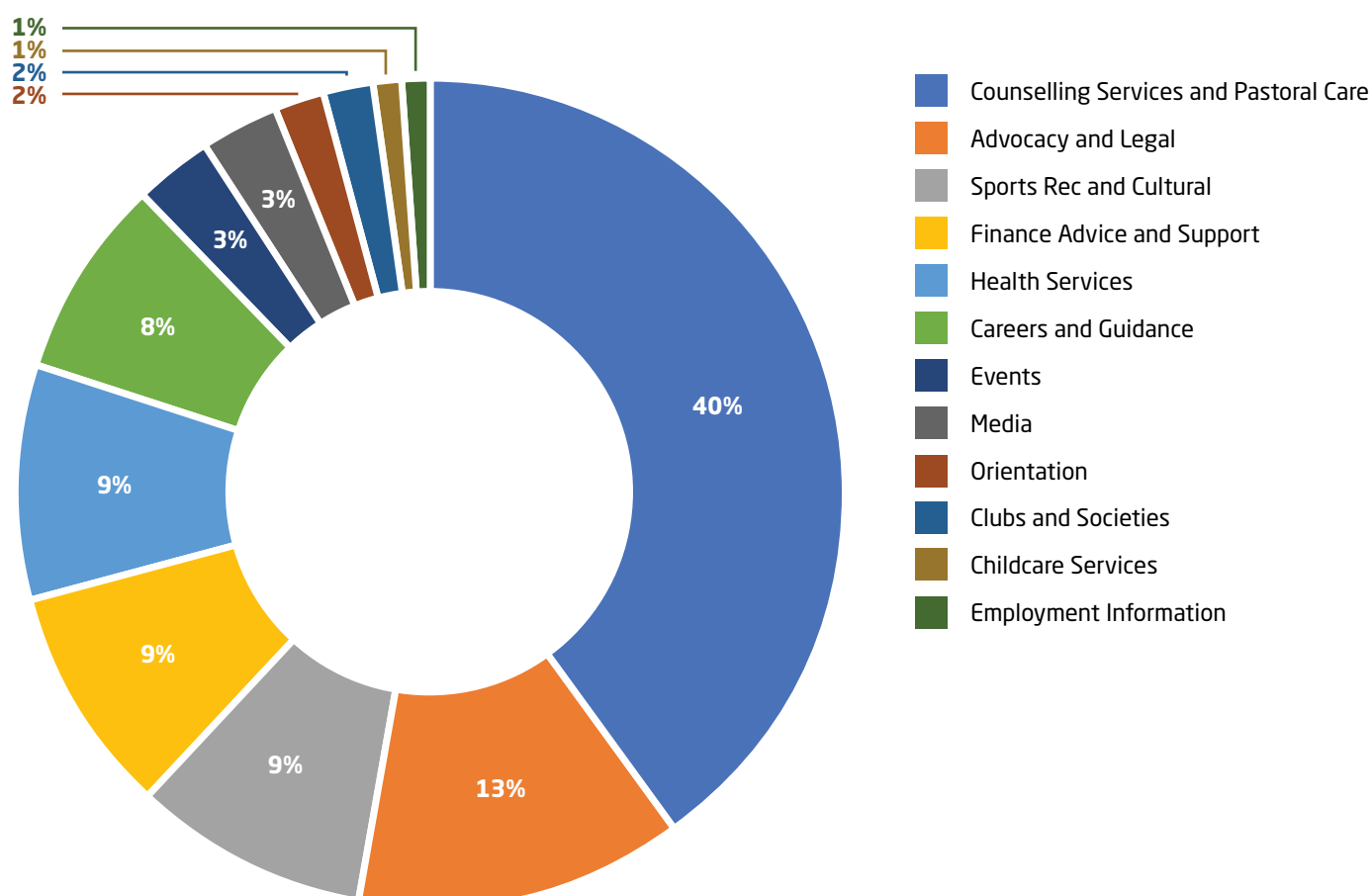
THE FEE

The compulsory student services fee charged by Whitireia for Equivalent Full-Time Students in 2021 was \$320 GST inclusive. There was no change to the fee from 2020. The following statement of income and expenditure reflects the activity which Whitireia, in consultation and partnership with student representatives completed in 2021, utilising in part funding provided by the Compulsory Student Services Fees and supplemented by institution funds when required.

THE SERVICE

The provision of the services from the Compulsory Student Service Fee in 2021 was discussed in a range of conversations with students and a formal consultation process was undertaken with the Student Connection (the Whitireia student council). Student Connection was happy with the proposed spend, with an agreement to split funds between both Whitireia and WelTec ākonga.

PERCENTAGE SPEND OF CSSF AGREED WITH STUDENT CONNECTION (2021)



WHITIREIA FINANCIAL SUMMARY 2021

Anticipated income

\$480,017

Actual income

\$536,142

Totals spend

\$584,941

Overspend of

\$48,858

The 2021 Budget for compulsory student services fees was \$480k. Our Student Connection agreed with the ratio of spending to consume this funding across the expenditure categories. Our actual income received was \$536k which allowed some re-alignment however Whitireia finished 2021 with an overspend of \$49k due to an increase in hardship claims which required additional financial support and additional external counselling and advocacy support costs.

All in \$000s	Advocacy & legal advice	Careers information advice & guidance	Counselling services & pastoral care	Employment information	Financial support and advice	Health services	Media	Childcare services	Clubs and societies	Orientation, sports, recreation & cultural activities	Total
2021 Income	85	27	206	7	45	45	26	0	5	90	536
2021 Expenditure	85	19	216	22	53	48	40	0	7	95	585
Surplus / (Deficit)	0	8	(10)	(15)	(8)	(3)	(14)	0	(2)	(5)	(49)

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.

All in \$000s	2021 ACTUAL	2020 ACTUAL
INCOME		
Government Grants	421	392
Childcare Fees	139	106
ISS subsidy	37	25
Other Fees	0	2
Total Income	597	525
EXPENSES		
Employee Benefits	525	534
Other direct costs	18	18
Total Expenses	543	552
Trading contribution	54	(27)

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 kaimahi and ākonga at the Polytechnic. This financial summary does not reflect occupancy costs or depreciation on buildings and equipment used by the unit.

All in \$000s	2021 ACTUAL	2020 ACTUAL
INCOME		
Government Grants	298	329
Childcare Fees	69	47
ISS subsidy	61	51
Other Fees	0	2
Total Income	428	429
EXPENSES		
Employee Benefits	461	390
Other direct costs	13	20
Total Expenses	474	410
Trading contribution	(46)	19



Independent Auditor's Reports

WelTec

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Whitireia

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INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF THE WELLINGTON INSTITUTE OF TECHNOLOGY LIMITED AND GROUP'S FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2021

The Auditor-General is the auditor of the Wellington Institute of Technology Limited (the "company") and its subsidiaries (together the "group"). The Auditor-General has appointed me, Grant Taylor, using the staff and resources of Ernst & Young, to carry out the audit of the financial statements of the group, and the statement of service performance of the company, on his behalf.

Opinion

We have audited:

- the financial statements of the group on pages 48 to 80, that comprise the statement of financial position as at 31 December 2021, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the company on pages 26 to 45.

In our opinion:

- the financial statements of the group on pages 48 to 80, which have been prepared on a disestablishment basis:
 - present fairly, in all material respects:
 - the financial position as at 31 December 2021; and
 - the financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the statement of service performance on pages 26 to 45:
 - presents fairly, in all material respects, the company's service performance achievements as compared with the forecast outcomes included in the investment plan for the year ended 31 December 2021; and
 - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 29 April 2022. This is the date at which our opinion is expressed.

The basis for our opinion is explained below and we draw attention to other matters. In addition, we outline the responsibilities of the Board of Directors 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 matter – The financial statements have been prepared on a disestablishment basis

Without modifying our opinion, we draw attention to note 1 on page 52, which outlines that under the Education and Training Act 2020, the group will cease to exist by 31 December 2022. The group therefore prepared its financial statements on a disestablishment basis. There have been no changes to the recorded values of assets and liabilities as the operations of the group will be transferred to Te Pūkenga or one of its subsidiaries at their carrying value.

Basis for our opinion

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

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

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

Responsibilities of the Board of Directors for the financial statements and the statement of service performance

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

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

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

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

Responsibilities of the auditor for the audit of the financial statements 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 group's 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 group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the group's framework for reporting its performance.
- We conclude on the appropriateness of the use of disestablishment basis by the Board of Directors.
- We evaluate the overall presentation, structure and content of the financial statements and the statement of service performance, including the disclosures, and whether the financial statements and the statement of service performance represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements and the statement of service performance of the entities or business activities within the group to express an opinion on the 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 of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.



Other information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 1 to 23, 84 to 125, and 136 to 137 to 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 group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the group.

A handwritten signature in blue ink, appearing to read 'Grant Taylor', is positioned above the printed name.

Grant Taylor
Ernst & Young
Chartered Accountants

*On behalf of the Auditor-General
Wellington, New Zealand*



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF THE WHITIREIA COMMUNITY POLYTECHNIC LIMITED AND GROUP'S FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2021

The Auditor-General is the auditor of the Whitireia Community Polytechnic Limited (the "company") and its subsidiaries (together the "group"). The Auditor-General has appointed me, Grant Taylor, using the staff and resources of Ernst & Young, to carry out the audit of the financial statements of the group, and the statement of service performance of the company, on his behalf.

Opinion

We have audited:

- the financial statements of the group on pages 84 to 117, that comprise the statement of financial position as at 31 December 2021, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the company on pages 26 to 45.

In our opinion:

- the financial statements of the group on pages 84 to 117, which have been prepared on a disestablishment basis:
 - present fairly, in all material respects:
 - the financial position as at 31 December 2021; and
 - the financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the statement of service performance on pages 26 to 45:
 - presents fairly, in all material respects, the company's service performance achievements as compared with the forecast outcomes included in the investment plan for the year ended 31 December 2021; and
 - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 29 April 2022. This is the date at which our opinion is expressed.

The basis for our opinion is explained below and we draw attention to other matters. In addition, we outline the responsibilities of the Board of Directors 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 matter – The financial statements have been prepared on a disestablishment basis

Without modifying our opinion, we draw attention to note 1 on page 88, which outlines that under the Education and Training Act 2020, the group will cease to exist by 31 December 2022. The group therefore prepared its financial statements on a disestablishment basis. There have been no changes to the recorded values of assets and liabilities as the operations of the group will be transferred to Te Pūkenga or one of its subsidiaries at their carrying value.

Basis for our opinion

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

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

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

Responsibilities of the Board of Directors for the financial statements and the statement of service performance

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

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

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

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

Responsibilities of the auditor for the audit of the financial statements 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 group's 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 group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the group's framework for reporting its performance.
- We conclude on the appropriateness of the use of disestablishment basis by the Board of Directors.
- We evaluate the overall presentation, structure and content of the financial statements and the statement of service performance, including the disclosures, and whether the financial statements and the statement of service performance represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements and the statement of service performance of the entities or business activities within the group to express an opinion on the 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 of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.



Other information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 1 to 23, 48 to 81, 120 to 125, and 136 to 137 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 group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the group.

A handwritten signature in blue ink, appearing to read 'Grant Taylor', is written over a faint, circular blue stamp.

Grant Taylor
Ernst & Young
Chartered Accountants

*On behalf of the Auditor-General
Wellington, New Zealand*

ACRONYMS

ACE	Adult and Community Education
APA	American Psychological Association
BERL	Business and Economic Research Limited
BI	Business Information
BPS	Basis Points
CAMIC	Capital Asset Management Infrastructure Committee
CE	Chief Executive
CV	Curriculum Vitae
DAST	Dyslexia Adult Screening Tests
EEO	Equal Employment Opportunities
EFTS	Equivalent Full-Time Student
ECL	Expected Credit Losses
EPIs	Educational Performance Indicators
EV	Electric Vehicle
FIFO	First In, First Out
FIS	First Impressions Survey
FTE	Full-Time Equivalent
FVOCRE	Fair Value Through Other Comprehensive Revenue and Expense
FVTSD	Fair Value Through Surplus or Deficit
GDP	Gross Domestic Product
HAFL	Hardship for Learners
HASNZ	Health and Safety Association of New Zealand
HSR	Health and Safety Representatives
HSS	Health, Safety and Sustainability
ICQI	International Congress of Qualitative Inquiry
ICT	Information and Communications Technology
IMAC	Immunisation Advisory Centre
IRSLG	Interim Regional Skills Leadership Group
ISS	Income Support Services
IT	Information Technology

ITO	Industry Training Organisation
ITP	Institutes of Technology and Polytechnics
JLT	Joint Leadership Team
KNZB	Keep New Zealand Beautiful
LSF	Living Standards Framework
LSS	Learner Support Services
MMR	Measles, Mumps, and Rubella
MPTT	Māori and Pasifika Trades Training
NEETS	Not in Education, Employment or Training
NSI	National Student Index
NZ GAAP	New Zealand Generally Accepted Accounting Principles
NZQA	New Zealand Qualifications Authority
PBE	Public Benefit Entities
PBRF	Performance-Based Research Fund
PCC	Porirua City Council
PEP	Personal Education Plan
PhD	Doctor of Philosophy
RSLG	Regional Skills Leadership Group
SAC	Student Achievement Component
SDR	Single Data Return
SES	Student Experience Survey
SLD	Specific Learning Disability
TEC	Tertiary Education Commission
TES	Tertiary Education Strategy
TTAF	Targeted Training and Apprenticeship Fund
YCO	Youth Chef Olympiad
WDC	Workforce Development Council
WREDA	Wellington Regional Economic Development Agency
WIAT	Wechsler Individual Achievement Test
WISGP	Wellington International Student Governance Group

ANNUAL REPORT

2021

