2020
Te Pūrongo ā-Tau Annual Report

Te Pūkenga – New Zealand Institute of Skills and Technology

Te Pūkenga

Te Pūkenga

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He maire au ka pūkengatia

Through the expertise passed to me,
I stand tall and strong like the Maire tree.

This is a new way of learning.

A collaborative way of learning. Because while we are separate strands, we are stronger together. So we support one another to achieve, exchanging knowledge and sharing skills so we can lift others up.

Whether it's on the job or on campus, in the lab or online, this is learning that works around you. We are proudly a part of our regions, supported by national resources and collective credibility. Wherever you're starting from, we're here to help you navigate your own path.

The learning we receive today is how we will shape our future. So we make sure it's relevant and in tune with where the world is heading. Weaving together head, hands and heart to share skills and knowledge in practical and purposeful ways.

This is a new way of learning that recognises the value of all people, and enables everyone to realise their value. For the good of all Aotearoa New Zealand. For now and for generations to come.

E tipu hei tohu tātai kura tāngata.
Learn with purpose.

Te Pūkenga

Tō Mātou Tirohanga Roa | Our Vision

He akoranga whaihua – kia waihanga i te ao o āpōpō
Learning with purpose, creating our futures.

Tō Mātou Pūtake | Our Purpose

Te Pūkenga provides excellent and quality education opportunities that support learners, employers and communities gain the skills, knowledge and capabilities Aotearoa needs now and for the future. Learners and their whānau are at the centre of all we do.

Ā Mātou Uara | Our Values

Manaaki. Aroha. Tiaki.
We reach out and welcome in.

Mahi Tahi. Whanaungatanga.
Tatai hono. Mahi tohungatanga.
We learn and achieve together.

Kia tupu, kia hua.
Tu horomata. Tohungatanga.
We strengthen and grow the whole person.

Ka māwhiti ki Te Pūkenga
Te Pūkenga at a glance

153,900
Learners

50,292
SAC EFTS

42
Main campuses

$2b
Physical assets

36,300
Graduates

22%
Level 1-3

57%
Level 4-7
(non-degree)
learners

21%
Degree and Postgrad

79%
of all courses completed

69%
Māori completed courses

67%
First-year retention rate

Full-time Equivalent Employees
Subsidiaries 7,956
Parent 13.5

15%
Decline in International Students

Key areas of provision
(by learner)

11%
Engineering

12%
Society and Culture

11%
Architecture and Building

17%
Management and Commerce

16%
Health

6%
Creative Arts

Te Pūronga a te Heamana me te Kaiwhakahaere Mātāmua
Chair and Chief Executive's Report

Te Pūronga a te Heamana me te Kaiwhakahaere Mātāmua
Chair and Chief Executive's Report

The past year, 2020, saw the coming together of sixteen Institutes of Technology and Polytechnics as wholly-owned subsidiary companies of Te Pūkenga.

The formation of Te Pūkenga created the country's largest tertiary education provider and, globally, the 35th largest provider of vocational education.

This new organisation is at the centre of a once-in-a-generation opportunity to design a vocational education and training system that is simple to understand and navigate, and responsive to the needs of learners and employers. Importantly, the system needs to ensure equitable access and outcomes for all learners and particularly Māori and is flexible enough to change as the future develops – to help New Zealand thrive in the future.

Te Pūkenga was officially established on 1 April 2020 and was born into what we all now know as a tumultuous period across the world. As an early marker of the strength of the network, particularly during the April to July 2020 period, we worked closely with subsidiaries to manage the impact of the COVID-19 pandemic.

These impacts for learners and staff required facilitating new ways of working, managing the consequences of a sharp decline in international learner enrolments and responding to the increased demand from New Zealanders seeking to train and upskill.

Despite our fortunate position here in New Zealand, we were, like almost every organisation around us, forced to re-navigate our pathways ahead. We would particularly like to acknowledge the mahi from teams across the network and the resilience that has been demonstrated to support staff, learners, whānau and our wider communities through these unprecedented challenges.

As the year progressed, we were able to re-focus on setting in place the key strategies, plans and activities on our journey to transform vocational education in New Zealand. Already, there have been some significant achievements, on many fronts.

Governance systems have been put in place, led by a new national Te Pūkenga Council, appointed by the Minister of Education. This team, along with our network of subsidiary boards, will ultimately be responsible for overseeing the greatest transformation in New Zealand education for over 30 years, and we thank them for their commitment, vision and support over this year.

The Council and management team of Te Pūkenga has prioritised maintaining a relentless focus on equity, accessibility, consistency and excellence – that our network is transformed into a connected, integrated community that delivers on New Zealanders' aspirations as employers, learners and whānau. We acknowledge the ongoing work and support of our subsidiary boards and chief executives, in working with us to achieve these aspirations.

Much of this mahi has been structured around formal expectations outlined by the Minister of Education, setting out new priorities for New Zealand's vocational education environment, as mandated in the Education and Training Act 2020.

This last year saw great achievements from our governance and leadership teams to confirm a vision, purpose, educational priorities and an underpinning set of values. These, along with a range of robust planning systems and processes that underpin reporting frameworks and performance expectations, will be the foundation stones of our organisational development throughout transition and beyond.

The establishment of key leadership and governance groups have also contributed valuable mahi to our development. With sixteen subsidiary boards across the country and a national academic board, Te Poari Akoranga, governance and leadership are now well established and continue to give rigour and focus to the development of Te Pūkenga.

Across the entire organisation and wider network, we are empowered by the opportunities we face to create a new type of learning model that not only reflects the needs of Māori learners, but that enhances educational and aspirational possibilities for all New Zealand Māori learners, whānau, iwi, hapū and communities.

A formal framework, Te Pae Tawhiti Te Tiriti Excellence Framework, has been put in place to ensure that we are connected with and responsive to the needs of iwi and hapū across Aotearoa.

The past year has seen the whānau of Te Pūkenga staff grow at a rapid pace as we welcome on board new leaders, visionaries and experts in their

field who will guide the organisation through this complex period of transition and growth. We would like to welcome and thank those new colleagues who have joined us on our journey, as they continue to pull together the supporting teams, strategies and myriad of broad-ranging activities that will help us create a strong and valued organisation.

We are now firmly focused on building a new vocational education system. The work to date in terms of mapping that transition pathway and taking the first steps to innovative vocational education solutions for all New Zealanders is progressing well.

Our transition work will ramp up considerably during the rest of 2021 but a significant amount has already been achieved during the last year. Considerable work is well underway to define and formalise our new Operating Model through which we will transform teaching and learning and create a cohesive, sustainable vocational education system that improves wellbeing for all New Zealanders and supports a growing economy that works for everyone.

Detailed research and active engagement with input from across our network is helping us take a fully informed, well rounded and considered approach to how we achieve our key goal of putting Ākonga at the Centre. A focus on integrating the needs of learners, employers and industry alike is driving the development of an operating model that will be the vehicle for a new way of approaching vocational training in Aotearoa, whether it be in the classroom, online, on the job or a flexible combination of all possibilities.

It is important to acknowledge that our work to establish Te Pūkenga throughout the last year, and looking to the future, is not being done in isolation. We have established strong connections with the Tertiary Education Commission and with the Reform of Vocational Education (RoVE) team.

Maintaining these strong connections is essential and we must all work in sync and deliver on our individual commitments, to ensure those of the collective are also met. If one part fails, we all do.

We should also acknowledge that the scope, scale and complexity of the reforms is unprecedented. Our work to transform vocational education will impact on individuals, whānau and communities, the length and breadth of Aotearoa and is being driven to meet an ambitious and challenging timeframe.

The interdependencies between the different parts of the system are crucial and the work we are collectively progressing as part of the broader RoVE programme all needs to remain aligned and be headed in the direction required by the legislation and the Minister's Letter of Expectations.

Our ambition is to transform the lives of the 240,000 people, many businesses, whānau and communities participating, in some way, in vocational education. It is a journey we know will be challenging and that will be watched keenly. The transition to a fully functioning, cohesive and integrated national institute is a major undertaking and a challenge we relish.

As Chair and Chief Executive of Te Pūkenga, we are proud to present our first Annual Report, to celebrate the initial progress and achievements of our team and those working across the network - and to acknowledge the many challenges that undoubtedly lie ahead - as we begin to build this exciting new organisation for New Zealand.

Murray Strong
Chair

Stephen Town
Chief Executive

Te Kaunihera | Members of Council

Members of Te Pūkenga Council appointed by the Minister of Education

Member		Start date	Current term ends*
Murray Strong	Council member (Chair)	1 April 2020	31 March 2024
Kim Ngārimu	Council member (Deputy Chair)	1 April 2020	31 March 2023
Tania Hodges	Council member	1 April 2020	31 March 2023
Sam Huggard	Council member	1 April 2020	31 March 2024
Maryann Geddes	Council member	1 April 2020	31 March 2023
Peter Winder	Council member	1 April 2020	31 March 2023
Kathy Grant	Council member	1 April 2020	31 March 2023
John Brockies	Council member	18 June 2020	31 March 2024

Ngā Komiti a te Kaunihera
Committees of the Council

Appointment and Remuneration Committee

The objective of the Committee is to oversee the effective management of (1) the appointment and remuneration of the Chief Executive and their direct reports, (2) some aspects of the appointment of the tier 2 employees; and (3) the appointment, removal and replacement of directors of the wholly-owned subsidiaries of Te Pūkenga and fees for those directors.

Members are: Maryann Geddes (Committee Chair), Murray Strong, Kim Ngārimu.

Risk and Audit Committee

The objective of the Committee is to assist the Council in fulfilling its financial and compliance responsibilities through oversight of:

- the internal control environment;
- the risk management framework;
- the internal and external audit functions;
- the Annual Report and financial statements;
- Group audit, risk and compliance issues; and
- the Group Treasury Policy and treasury activities.

Members are: Peter Winder (Committee Chair), Sam Huggard, Murray Strong, Kathy Grant.

Capital Asset Management and Infrastructure Committee

The objective of the Committee is to assist the Council in fulfilling its strategic, financial and compliance responsibilities through oversight of the capital assets and infrastructure of Te Pūkenga and its subsidiaries (the Group).

The management of property (including operating leases), plant, equipment, investments, vehicles, IT infrastructure, strategic databases, brands and intellectual property falls within the scope of consideration. The management of monetary assets and liabilities such as working capital, cash and loans falls outside the scope of operation.

The Committee will consider the following aspects of capital asset management:

- Corporate Planning
- Asset information management
- Levels of Service
- Lifecycle management strategy (including risk management)
- Financial forecasts
- Business cases
- Implementation governance
- Engagement with tangata whenua

Member are: Kathy Grant (Committee Chair), Peter Winder, Tania Hodges, Murray Strong.

Health, Safety and Wellbeing Committee

The objective of the Committee is to assist the Council to provide leadership and policy in discharging its health, safety and wellbeing management governance responsibilities by:

- guiding the strategic direction, culture and expectations in relation to best practice health, safety and wellbeing including Te Ao Māori concepts of hauora such as te taha wairua (spiritual wellbeing), te taha hinengaro (mental and emotional wellbeing), te taha tinana (physical wellbeing), and te taha whānau (family and social wellbeing);
- ensuring that these give effect to Te Tiriti o Waitangi and embed and uphold it in all that Te Pūkenga does;
- monitoring the implementation, effectiveness and consistency of health and safety systems, including hazard and risk management and worker and participation engagement, including in respect of each subsidiary company of Te Pūkenga (subsidiary);
- reviewing performance of the health, safety and wellbeing systems and policies and recommending to the Council any necessary changes; and
- providing guidance to subsidiaries in relation to health, safety and wellbeing legislative and organisational compliance.

Members are: Sam Huggard (Committee Chair), Murray Strong, Kim Ngārimu, Maryann Geddes.

Te Poari Akoranga

As required by the Education and Training Act 2020, Te Pūkenga —New Zealand Institute of Skills and Technology's Council must establish an academic board consisting of its chief executive and members of the staff and students of Te Pūkenga—New Zealand Institute of Skills and Technology or an Te Pūkenga — New Zealand Institute of Skills and Technology subsidiary to — (a) advise it on matters relating to work-based learning, courses of study or training, awards, and other academic matters; and (b) exercise powers delegated to it by the council.

Members are: Angela Beaton (Committee Co-Chair), Deborah Young, Glynnis Brook, Greg Durkin, Jeanette Grace, Kelly Hynes, Kieran Hewitson, Lorna Gillespie, Luana TeHira, Natalie Waran, Neil Carroll, Nita Hutchinson, Oonagh McGirr, Shane Edwards (Committee Co-Chair), Stephen Town, Sue Smart.

Rōpū Kaiarataki | Leadership Team

Stephen Town, Chief Executive

Stephen has held executive positions for over 20 years in tertiary education, local government, and transport. Previous roles include leading Tauranga City Council, Regional Director of the NZTA Northland/Auckland and Chief Executive of Auckland Council. His first chief executive role was at Wanganui Regional Community Polytechnic in 1994, making him the youngest CE in New Zealand at the time.

Ana Morrison, DCE Partnerships and Equity

Ana (Ngāti Whakaue, Ngāti Tūwharetoa) was Executive Director Strategic Partnerships & Māori Success at Toi Ohomai and is an experienced leader in both public and private sectors. She is an influential advocate for Tiriti excellence, equitable outcomes for Māori, and Aotearoa Inc.

Dr Angela Beaton, DCE Delivery and Academic

Angela was previously GM National Women's Health, Auckland DHB, and is an academic leader and researcher with experience in the public sector, education, health, and research organisations. She has delivered large scale, academic innovations, collaborating with learners, industry, researchers, communities, iwi, Pacific leaders and education providers.

Merran Davis, DCE Transformation and Transition

Merran has diverse public and private sector experience in teaching, research, leadership, complex collaboration, technology commercialisation, consulting and governance. Merran was Interim CE of Unitec, leading the institution's turnaround in performance based on deep respect for people, shared values and Te Tiriti o Waitangi.

Tania Winslade, DCE Learner Journey and Experience

Tania (Ko Ngāti Awa te iwi. Ko Te Patuwai te hapū) joined from an executive leadership role at Auckland Council. She has worked as an international commercial lawyer and in international development. Previous roles focused on supporting Māori and all New Zealanders to thrive, including in public law and policy, economic development, governance, and people and organisational performance.

Vaughan Payne, DCE Operations

Vaughan is from the Bay of Plenty iwi of Whakatōhea (Mataatua) and Ngāi Tai (Tainui) and has led national system improvements in planning and freshwater management and has worked in the public and private sectors. He was previously CE of Waikato Regional Council, working to unlock the region's growth potential while looking after its environment and people well.

Warwick Quinn, DCE Employer Journey and Experience

Warwick was the CE of BCITO, Motor Trade Association and Registered Master Builders Association. He has held the role of GM Regulatory in LINZ, and statutory positions of Valuer-General and Chief Crown Property Officer. He has worked in local authorities, multi-national property companies and banks.

He tiro whakamuri
A year in review

Te whakaahua o te tau
Snapshot of the year

This Annual Report covers a period of unprecedented challenges for New Zealand and precedes the development of key accountability documents for Te Pūkenga.

The non-financial performance data in this report has been developed within this operating context and reflects our key pieces of work from when we opened our virtual doors on 1 April 2020 through to the end of the 2020 calendar year.

Developing accountability arrangements

This Annual Report covers only a portion of the 2020 calendar year and recognises that each subsidiary retained its accountability documents. Each subsidiary retained the obligation during 2020 to measure performance against the relevant statement of intent, statement of performance expectations, investment plan and reporting framework as part of their annual reports.

A key focus of Te Pūkenga during the period of this Annual Report has been agreeing on the key accountability documents for the network as a whole. It was not until the early months of 2021 that Te Pūkenga had a complete and finalised set of accountability documents.

We received our Letter of Expectations from the Minister of Education on 22 July 2020, which set our focus for the remainder of our accountability documents. Our Investment Plan for the 2021 calendar year was agreed by the Tertiary Education Commission in October 2020 and we submitted our transitional Statement of Intent and Statement of Performance Expectations to the Minister of Education for comment in December 2020. Our Te Pūkenga transitional Statement of Intent and Statement of Performance Expectations were submitted as final to the Minister of Education on 4 February 2021.

The unprecedented nature of the pandemic

The period covered by this Annual Report encompassed a period of major change as the country endured the impact of the COVID-19 pandemic.

The establishment of Te Pūkenga overlapped with the nationwide level four lockdown period, the most extensive restrictions on freedom of movement, commercial activity, and educational delivery in the nation's history.

The most extensive restrictions related to the level four lockdown between 25 March 2020 and 27 April 2020, and the level three lockdown ran until 13 May 2020. These lockdowns effectively precluded almost all forms of on-campus and on-job teaching, learning and assessment, and demanded a rapid expansion of online learning options for learners.

In line with guidance from the Secretary for Education's direction, we prioritised the well-being of staff and students as we managed the enormous disruption to the operating model of our subsidiaries.

Responding to the pandemic

We established both regional and sector-led working groups. These groups developed approaches to address the needs of all of those involved in the vocational education and training system, including international students.

So much collaboration is happening across our broad network to minimise the impacts of COVID-19 on learner success. This mahi is critical for New Zealand's future and shows that together as a unified group, we are capable of developing scalable innovative and adaptive solutions.

We coordinated investment of the Government's tertiary student support packages across the network, ensuring learners could access the technology they needed to continue learning online and supported our subsidiaries as they engaged with learners to identify and address other barriers to learning.

The COVID-19 pandemic has transformed the landscape for international education in New Zealand, and internationally. The immediate effects included a marked decline in international student enrolments and increased demand for pastoral and academic support.

Delivering vocational education and training across Aotearoa New Zealand

In 2020, Te Pūkenga delivered education and training to around 150,000 learners at over 150 campuses and delivery sites across the entirety of New Zealand.

We offered high-quality programmes of teaching and learning at all levels on the New Zealand Qualifications Framework (NZQF). The majority of our teaching and learning was delivered in non-degree vocational education and training at levels four to seven on the NZQF (57%).

Programmes in health (16%), engineering (11%), architecture and building (11%), society and culture (12%) and management and commerce (17%) account for around two-thirds of our provision.

Our campus network assets, valued at $2 billion, provide the infrastructure for the more than 7,900 academic and professional staff throughout Te Pūkenga who deliver on-job, off-job and distance education.

With nearly 60% of all vocational learning undertaken in the workplace, Te Pūkenga recognises that employers play a vital teaching role within the wider vocational education and training ecosystem. We want to support and partner with employers so they can do the best job they can when they train their apprentices and trainees. Towards the end of 2020, Te Pūkenga commenced work to better understand employer needs and this mahi will continue in 2021.

Each year, our 36,000 graduates meet the skill needs of businesses throughout New Zealand, reflecting the overall high level of educational achievement, such as a course completion rate for the whole network of 79%.

Our learner population is reflective of the ethnic diversity in society in New Zealand as a whole, with the share by main ethnic groupings as follows: European (56%), Māori (20%), Asian (10%), Pasifika (8%), and Middle Eastern Latin American and African (2%).

Te whakatū i te whakahaere hou
Establishing a new organisation

Governance and management

Te Pūkenga was established as a single entity on 1 April 2020 in accordance with the Education and Training Act 2020. The new Tertiary Education Institution comprised the sixteen Institutes of Technology and Polytechnics as subsidiary companies, each wholly-owned by Te Pūkenga.

Te Pūkenga Council was appointed by the Minister of Education. It comprised Murray Strong (Chair), Kim Ngārimu (Deputy Chair), Tania Hodges, Sam Huggard, Maryann Geddes, Kathy Grant and Peter Winder. The members bring senior experience from the public and private sectors. John Brockies, was a subsequent appointment to the Council on 18 June 2020.

We will do all we can over the next couple of years to lead the sector in reimagining vocational education and training. As the country's largest provider of tertiary education, our network transformation must meet the unique needs of all our learners, employers, industry and communities.

The establishment during 2020 of Te Poari Akoranga, the academic board of Te Pūkenga, provides strategic academic direction and leadership. With the establishment of Te Poari Akoranga the development of a national infrastructure to ensure quality, compliance and consistency of teaching and learning has commenced.

Appointments were made to the sixteen subsidiary boards ensuring that New Zealand regions have a strong voice in determining vocational education priorities for communities around the country. Each Board comprises between four and eight members, with at least half residing in the region that the subsidiary primarily serves.

Stephen Town was welcomed as inaugural Chief Executive on 6 July 2020 building on Chris Collins' work as interim Chief Executive, and the first executive leadership team was appointed between August and November 2020.

We moved into the organisation's new head office in Hamilton in August 2020, just one year after the Reform of Vocational Education decisions were announced.

On 29 September 2020, the Minister of Education announced Te Pūkenga as our permanent and 'forever name'.

The name Te Pūkenga describes the gaining and mastery of valuable skills through passing knowledge from person to person. The learner receives knowledge and in time becomes an expert in those skills. This embodies the spirit of Te Pūkenga for New Zealand.

The Chief Executive and Chair completed a roadshow of visits to all sixteen subsidiaries during September and October 2020, reflecting how critical regular kanohi ki te kanohi engagement is for our future success.

Setting our direction

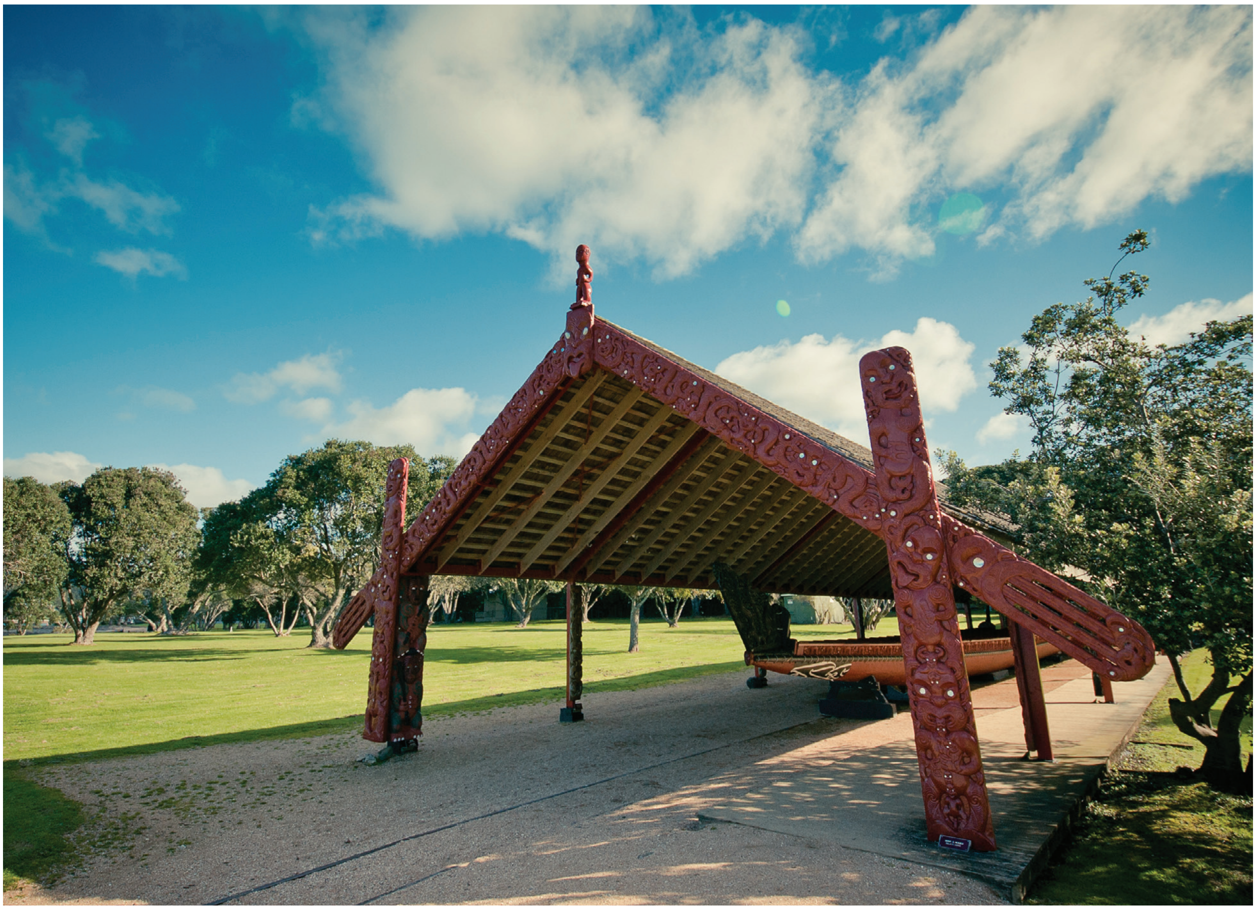
The functions and Charter of Te Pūkenga are defined in the Education and Training Act 2020. We are also accountable for responding to the Government's long-term strategic direction and current and medium-term priorities for tertiary education.

At their heart, the Minister of Education's expectations challenge us to ask "what will this actually mean for students, trainees, apprentices and employers and their communities?"

The new Tertiary Education Strategy, Ka Hikitia Ka Hāpaitia The Māori Education Strategy, and Action Plan for Pacific Education 2020-2030 were released during 2020 informing our strategic planning process.

Te Pūkenga also received our first letter of expectations from the Minister of Education, a key priority-setting mechanism mandated through the Education and Training Act 2020. These expectations challenged us to support the Government's goals for building a productive, sustainable and inclusive economy and improving the wellbeing of all New Zealanders, and our long-term vision for the education system.

Council confirmed a vision, purpose, educational priorities and an underpinning set of values to guide our governance, management and operating practice informed by this context. These guiding principles were reflected in our first suite of key accountability documents such as our inaugural Investment Plan, transitional Statement of Performance Expectations, and transitional Statement of Intent.



Partnership with Māori

We have an unwavering focus on Māori equity. The formation of Te Pūkenga created the largest Māori education provider and puts us among the largest providers to indigenous communities globally. This privileged status reflects both a sense of potential but also creates an urgent challenge for our network.

We are focused on ensuring our services work well and respond with excellence to the needs of Māori learners and their whānau, and the aspirations of iwi and hapū throughout Aotearoa. This objective is driven from our legislative mandate, our Charter, regulatory guidance, and from the will of our governing Council and leadership.

Collectively, we have a unique opportunity to truly rebalance the scales and ensure more equitable outcomes are achieved in the vocational education sector for Māori learners, employers, whānau, iwi, hapū and communities. We are united and committed to that goal.

Our overlapping expectations and obligations require Te Pūkenga to ensure that governance, management, and operations give effect to Te Tiriti o Waitangi, recognise that Māori are key leaders in regional social, environmental, and economic development, and respond to the needs of and improve outcomes for Māori learners, whānau, hapū and iwi, and employers.

We launched our Te Pae Tawhiti Te Tiriti Excellence Framework (working draft) in September 2020. The framework is a self-reflective tool for the whole organisation to ensure our services work well and respond with excellence to the needs of Māori learners and their whānau, and the aspirations of iwi and hapū communities throughout Aotearoa.

‘We have a unique opportunity to truly rebalance the scales and ensure more equitable outcomes’

To support the implementation of Te Pae Tawhiti, Te Pūkenga has assigned a team of kaitautoko. Led by our kaitautoko, Te Pūkenga has started working with the wider whānau across our network to use our Te Tiriti o Waitangi excellence framework to guide us in our work.

Our commitment to partnering with iwi and hapū communities is reflected in the approach to developing a new operating model (see below).

Transforming vocational education

We finalised the seven reports of the Mobilising the New World programme of work. These reports were the product of seven working groups comprising people from across the sector. The working groups were established by the IST Establishment Board to consider the future of vocational education once Te Pūkenga came into existence. These reports were endorsed by Te Pūkenga Council in May 2020 to be published for public comment.

The reports were then published on our website for public feedback and presented at a Zoom meeting made available to all subsidiary and TITO staff for their feedback. The feedback was presented to Te Pūkenga Council in August 2020 and help inform the development of our Operating Model.

We are putting Ākonga at the centre of our thinking about the future of vocational education. Extensive qualitative research (see 'Starting with our learners') is being used to identify the critical barriers and enablers to learner success.

All this work will contribute to our Operating Model co-design process in 2021, as well as the broader mahi needed to improve the learner journey and experience.

The results of this research will help us understand how to better support engagement in vocational learning from the earliest point of thinking about it, through to finding a job once a qualification has been achieved.

Our future will look very different to our current state. We have a once-in-a-generation opportunity to reimagine vocational education and training.

We published our Transition Pathway roadmap and programmes overview which describes the steps we are taking to transform the sixteen subsidiaries into a national network and give effect to our collective aspirations for vocational education.

We engaged EY and EY Tahi to help us build our new operating model to determine what Te Pūkenga does, who it's done for, how it gets done and where it will get done.

We have made good progress in understanding what is required to support the transition of the work-based training and support arranged by the transitional Industry Training Organisations (TITOs) into our Te Pūkenga network and agreed on a transition schedule with these organisations.

In September 2020 we welcomed the first Centres of Vocational Excellence (CoVE) for the Construction and Primary Sectors. These centres will help drive innovation and excellence in vocational education, by strengthening links with industry and communities.

By driving innovation and excellence in vocational education, the CoVEs signal a new way of approaching training – collaborating with a group from across a sector to grow excellent vocational provision and share high-quality curriculum and programme design.

Building our systems

We are making sure Te Pūkenga has the right infrastructure to support learners' success with work underway on our Information Systems Strategic Plan and Capital Asset Management strategy.

We rolled out an extensive suite of employment, human resource and governance policies giving staff and our partners clarity about our expectations.

Starting with our learners

Our first priority under our Letter of Expectations is “putting learners at the centre of everything [we] do, especially as it relates to developing an organisation-wide learner success approach.”

We started off by traveling across Aotearoa to hear directly from our learners across our network. As part of the Ākonga at the Centre research project, a small team from Te Pūkenga worked alongside our wider staff network to meet with learners to understand the enablers and barriers to their success.

This research included 75 engagement sessions in total across 15 locations, from Whangarei through to Invercargill, including wide sessions (nearly half the sessions) in social spaces. Learners, apprentices, staff, community, employers and whānau shared their experiences. This generated 4,000 responses which were analysed to identify 170 common enablers and barriers.

Also included in the research were 45 focus groups with campus, online and work-based learners currently underserved by the system. This also included the staff who support them, with 3,000 narratives generated.

1,500 of those narratives were from Māori learners and Māori staff who supported them. This research was then analysed by Māori researchers from our network.

The research generated over 270 insights and 61 opportunity statements and will feed into, and guide, our future operating model.

Taking a Te Tiriti excellence approach, we used human centred design methodology woven together with a critical bicultural framework. This approach received ethics approval.

We are grateful for the support from our Learner-Centred Staff Forum which included 38 staff representatives from across our subsidiaries and ITO network. Without their help we could not have carried out this research.

This mahi will inform the ongoing work that needs to be done to continuously improve the experience for our learners and ensure their success. Deeper analysis of distinctive Pasifika, disabled and work-based learners is also in progress.

Some of the things we heard from our learners and staff include:

- ‘Our people want someone in front of them. Having our staff in the schools, community and making connections and relationships is key. Whānau transformation, the confidence of our people, is important.’ *(Māori staff supporting Māori learner)*
- ‘Knowing I have support gives me more confidence’ *(disabled learner)*
- ‘I had to remind myself of why I was here when dealing with the difference’ *(Pacific campus/online learner)*
- ‘Continued pastoral support helps keep the momentum for learners’ *(staff supporting work-based learner)*
- ‘It is so good to be encouraged and accepted for who we are’ *(International/Refugee campus/online learner)*
- ‘Mental health is a real issue and it’s hard on a tutor to have to deal with’ *(staff supporting disabled learner)*
- ‘Whakawhānaungatanga is not nurtured. It’s not being fully supported on an institutional level’ *(Māori staff supporting Māori learner)*
- ‘Every single tutor makes an attempt at Te reo and I love that’ *(Māori campus/online learner)*
- ‘Everybody’s different. Support needs to be wraparound involving the staff, other students, family’ *(staff supporting disabled learner)*
- ‘Housing and addictions are some of the issues learners are dealing with’ *(staff supporting campus/online learner)*
- ‘For Māori students recognising the tertiary journey will be really supporting them to discover their identity. We need to make time to do this alongside study.’ *(Māori staff supporting Māori learner)*
- ‘So many diverse students coming in, pastoral care needs to change’ *(staff supporting campus/online learner)*
- ‘Success for me is about achieving, but also about having a sense of belonging, being part of a healthy whānau, participating with each other and having the sense of identity and belonging’ *(Māori campus/online learner)*
- ‘Apprentices can work and earn money and come from all walks of life, support family, etc, which is quite an enabler’ *(staff supporting work-based learner)*
- ‘Being able to use real life examples and continued support from people who have done the same study as me’ *(work-based learner)*
- ‘I did the one-day intro course so when I started it was OK because I had met people before’ *(campus/online learner)*
- ‘Better earlier info on the pathway, so not so much waiting when kids know what they want’ *(prospective learner)*

People and culture

Te Pūkenga has completed a full suite of policies and procedures reflecting our commitment to our responsibilities as a good employer, in accordance with the Crown Entities Act 2004. The Act ensures equal employment opportunities and the essential need for a safe and welcoming work environment for our people.

The recruitment of the Executive Team, for example, reflects our genuine commitment to this, with the appointment of four of the seven members being female, and three of the seven members being Māori.

This year also saw the initial development of the Staff Advisory Committee that will provide representation for our diverse and dispersed workforce throughout Aotearoa. A staff workshop and survey was undertaken, to inform our approach and the Committee's framework.

Pending the final formation of the Staff Advisory Committee during 2021, Te Pūkenga recognises the role of the unions in our network. Regular engagement and inclusion within co-design sessions continue to support a good exchange of information and collaboration.

Our journey of transformation will be lengthy, and the leadership teams recognise the importance of understanding how staff are feeling throughout the changes. A staff survey, Aromātai Kaimahi was undertaken in November with greater response levels than our benchmark figures anticipated. The survey found positive responses to the following questions related to desire for change:

- I believe there is a future for me at Te Pūkenga
- I understand the need for changes taking place
- People in my subsidiary are open to new ways of working
- Our subsidiary is embracing change

The key opportunities for improvement identified a number of initiatives in support of ongoing communications and inclusion with the change programme. Work will be developed in 2021 to support progress with these initiatives and overall staff engagement in the transformation programme. The survey will be repeated bi-annually enabling monitoring of our progress.

Raraunga whakatutukitanga
Performance data summary

Raraunga whakatutukitanga
Performance data summary

Context

For the 2021 academic/financial year, Te Pūkenga will report against its transitional Statement of Intent and Statement of Performance expectations.

As noted above, these formal reporting mechanisms were not in place for the 2020 academic/financial year, given that Te Pūkenga was established part way through that year. The reporting in this Annual Report for the 2020 academic/financial year is therefore based on two sets of performance measures relating to establishment activities and educational performance outcomes.

The set of establishment activity measures are bespoke performance indicators that reflect the focus of Te Pūkenga on establishing the new organisation between April and December 2020. These measures are based on the key activities identified by the Council and management of Te Pūkenga as we put in place the structures, systems, and processes required to deliver our Transition Pathway.

The education performance measures relate to the education and training delivered by the network subsidiaries. The measures used are educational performance indicators developed by the Tertiary Education Commission to help tertiary education organisations manage and monitor their performance information through the relevant annual reports.

The results presented in this report aggregates the measured performance of the network as a whole. Each subsidiary will present disaggregated performance information through the relevant annual reports.

Section 306(4) of the Education and Training Act 2020 states that the Annual Report should include:

- an account of the extent to which the council has eliminated unnecessary barriers to the progress of students
- an account of the extent to which the council has avoided the creation of unnecessary barriers to the progress of students, and
- an account of the extent to which the council has developed programmes to attract students from groups in the community that are under-represented in the institution's student body, or disadvantaged in terms of their ability to attend the institution.

Each of the subsidiaries will report on the extent to which they have addressed these issues at a subsidiary level in the separate reports that they are required to provide under section 306 of the Education and Training Act 2020. While Te Pūkenga does not yet have any students, addressing these issues is at the core of what Te Pūkenga has been established to do. In particular, in accordance with our Te Pūkenga Charter set out in Schedule 13 of the Education and Training Act 2020, Te Pūkenga is required, amongst other things, to:

- hold inclusivity and equity as core principles, recognising and valuing the diversity of all of its learners, and providing the unique types of support different learners need to succeed
- meet the needs of all of its learners, in particular those who are underserved by the education system including (without limitation) Māori, Pacific and disabled learners
- promote equitable access to learning opportunities for learners across all regions
- have culturally responsive delivery approaches, whether on campus, in the workplace, online, or otherwise.

The steps that Te Pūkenga has taken to meet these obligations at a group level are described in the commentary on the organisation's performance, particularly the sections 'Responding to the pandemic', 'Setting our direction', 'Partnership with Māori', and 'Transforming vocational education'.

Performance of Te Pūkenga information on page 24 is provided for the nine months from 1 April 2020 to 31 December 2020, while network education performance information on page 27 is for 12 months from 1 January 2020 to 31 December 2020. Comparatives for the previous 12 months ending 31 December 2019 are for the predecessor organisations.

Ngā whakapaunga pūtea
Appropriation Reporting

Scope of Appropriation

This appropriation is limited to operating funding for establishing a single national vocational education institution.

The following table shows Te Pūkenga appropriation:

All in $000s	to 30 June 2020	
	Budget	Actual
Vocational education		
Establishment of a single National Vocational Education Institution	11,100	11,100
Total appropriation	**11,100**	**11,100**

What is Intended to be Achieved with the Appropriation

This appropriation is intended to establish Te Pūkenga as a leading provider of off-job, work-based and online learning.

How Performance will be Assessed and End of Year Reporting Requirements

	to 30 June 2020	
Assessment of Performance	Budget	Actual
The New Zealand Institute of Skills and Technology meets the terms and conditions of its initial funding letter	Achieved	Achieved

Further details on the performance of Te Pūkenga are provided on page 24 and 25.

Statement of the cost of outputs

The Crown Entities Act 2004 requires that Te Pūkenga group performance reporting complies with generally accepted accounting practice in New Zealand (GAAP) and disclose actual revenue and expenses incurred, compared to budget, for each output class.

Te Pūkenga activities contribute to one broad class of outputs: Teaching and learning.

	2020	2020
All in $000s	Budget	Actual
Outputs		
Teaching and Learning		
Revenue	406,589	362,390
Expenditure	857,031	836,591

These figures are for the period 1 April 2020 to 31 December 2020. as reflected in the Statement of Comprehensive Revenue and Expense page 33.

Tauākī tutukitanga ratonga
Statement of Service Performance

Performance of Te Pūkenga

The measures in this Annual Report relate to key establishment activities completed in 2020 and comprise mainly of activities completed. The tables below outline the measures, forecasts/targets, and results achieved by year-end. Commentary is provided in relation to each measure in the preceding narrative where appropriate.

The key work Te Pūkenga was engaged in over the reporting period covered by this Annual Report related to the establishment of a new organisation, including development of accountability documents, and prioritising the wellbeing of our staff and students in our subsidiary network through COVID-19 levels three and four. The COVID-19 pandemic and associated lockdowns resulted in delays in progress on the implementation of the transition plan. These were largely brought about by delays in recruitment of critical staff.

As outlined above the measures in this Annual Report predate the agreement of the transitional Statement of Intent and transitional Statement of Performance Expectations for Te Pūkenga, which will take effect from the 2021 calendar year.

Future Annual Reports will present measures linked to the Statement of Intent and Statement of Performance Expectations, as well taking account of work underway to develop a comprehensive performance framework that recognises the transformation change in vocational education and training that we are seeking.

Activity	Forecast and result	More information/ source
Whātui Mahi Tahi | Network Collaboration		
Te Pūkenga Council operating	**Forecast:** Achieved First meeting on or about 1 April 2020 **Result:** Achieved First Te Pūkenga Council meeting held on 1 April 2020	See Establishing a new organisation Council minutes of meeting of 1 April 2020
Network subsidiary Boards appointed	**Forecast:** Achieved Appointments ratified by Te Pūkenga Council **Result:** Achieved Appointments ratified by Te Pūkenga Council at meeting on 1 April 2020	See Establishing a new organisation Council minutes of meeting of 1 April 2020
Chief Executive appointed	**Forecast:** Achieved Appointment effective 1 April 2020 **Result:** Achieved Interim appointment effective from 1 April 2020 with permanent Chief Executive in place from 6 July 2020	See Establishing a new organisation Council minutes of meeting of 1 April 2020
Permanent head office operating	**Forecast:** Achieved Appropriate office space identified at one of the subsidiary campuses **Result:** Achieved Te Pūkenga moved into head office space at the Wintec Hamilton campus in August 2020	See Establishing a new organisation Public announcement
Permanent name approved	**Forecast:** Achieved New name approved by Minister of Education and in use **Result:** Achieved Minister of Education announced the new name of Te Pūkenga – New Zealand Institute of Skills and Technology on 29 September 2020	See Establishing a new organisation Public announcement

Activity	Forecast and result	More information/ source
Mana Ōrite | Māori Partnership & Equity		
Te Pae Tawhiti Te Tiriti Excellence Framework agreed and in use	**Forecast:** Underway Develop a Te Tiriti o Waitangi Excellence Framework by end 2021 **Result:** Achieved Te Pae Tawhiti Te Tiriti Excellence Framework launched in December 2020	See Partnership with Māori Te Pae Tawhiti is our Te Tiriti o Waitangi Excellence Framework published and in use
Ko te Ākonga te Putake | Ākonga at the Centre		
Mobilising the New World reports endorsed by Council	**Forecast:** Achieved Te Pūkenga Council endorses the Mobilising the New World reports for public feedback **Result:** Achieved Mobilising the New World reports endorsed by Council at its May 2020 meeting; feedback from the public and subsidiary and TITO staff provided to Council at its August 2020 meeting	See Transforming vocational education Interim reports and summary of feedback reviewed by Council
Mana Tiaki, Manu Mātai | Governance & Accountability Framework		
Learner, staff and whānau voice informs transformation planning	**Forecast:** Underway Ongoing gathering of staff, learner, and whānau voice to inform transformation planning **Result:** Underway Aromātai Kaimahi annual staff survey launched on 9 November 2020 and Ākonga at the centre national research project started on 2 November 2020	See Transforming vocational education Aromātai Kaimahi staff survey administered Ākonga at the Centre national research project started
Transition pathway roadmap defined	**Forecast:** Achieved Overview of the roadmap and programmes developed **Result:** Achieved Transition pathway published on our website 16 November 2020	See Transforming vocational education Transition Pathway published
Vision, purpose, educational priorities and an underpinning set of values agreed	**Forecast:** Achieved Organisational vision, purpose, and values developed and agreed Council **Result:** Achieved Agreed vision, purpose, priorities and values published on our website on 16 December 2020	See Setting our direction Vision, purpose and priorities published
Investment Plan submitted	**Forecast:** Achieved Investment Plan submitted to TEC for review in August 2020 **Result:** Achieved Investment Plan 2021 reviewed by TEC in August 2020	See Setting our direction Mahere Haumi - Investment Plan 2021 published
Transitional Statement of Performance Expectations 2021 and Transitional Statement of Intent 2021-2024 submitted to Minister of Education	**Forecast:** Achieved First statement of intent and performance expectations submitted to the Minister of Education by the end of 2020 **Result:** Achieved Interim Transitional Statement of Intent and Transitional Statement of Performance Expectations submitted to the Minister of Education on 7 December 2020	See Setting our direction Transitional Statement of Intent 2021-24 published Transitional Statement of Performance Expectations 2021 published

Activity	Forecast and result	More information/ source
Whakaumu i te ako | Operating Model		
Operating Model partner confirmed	**Forecast:** Achieved Partner selected to start development of the Operating Model **Result:** Achieved EY and EY Tahi selected and confirmed as partners for Operating Model work in early November 2020	See Transforming vocational education Public announcement
Hāngai ki te Kaitukumahi | Employer Aligned Ahumahi, Ahuako | Transitional ITOs		
Transition schedule for transitional ITOs agreed	**Forecast:** Achieved Transition schedule for TITOs agreed **Result:** Achieved All ITOs had submitted their proposed transition plans to TEC by 18 August 2020 and Council agreed to seek approval for a Work-based Learning Subsidiary	See Transforming vocational education Public announcement
Tātai Rawa | Capital Asset Strategy		
Draft Capital Asset Strategy developed	**Forecast:** Underway Development of the Capital Asset Strategy underway, with partner for this work confirmed **Result:** Underway Partner for Capital Asset Strategy work confirmed in August 2020	See Building our systems Capital Asset Management Committee minutes
He Tukunga Auaha | Academic Delivery Innovation		
Common Academic Statute and draft guidelines developed	**Forecast:** Achieved **Result:** Achieved Circulated for discussion and tabling at May 2021 Te Poari Akoranga meeting.	Te Poari Akoranga minutes

Ngā tohu tutukitanga mātauranga kōtuinga
Network education performance indicators

Education performance indicators

The educational performance indicators presented in Table 1 provide a guide to the outcomes achieved by learners enrolled with the subsidiaries of Te Pūkenga.

Student educational outcomes remain strong overall, albeit with a slight decline in qualification and course completions in 2020 compared to 2019. Pleasingly the rate of retention among first-year learners and progression from levels 1-4 increased modestly. These changes were generally in line with wider sector trends and likely reflected the unprecedented impact of the COVID-19 pandemic on learners and the teaching and learning arrangements.

Table 1: Educational Performance Indicators for domestic learners enrolled with Te Pūkenga subsidiaries, 2019 and 2020

EPI	2020	2019
Qualification completion rate	53.7%	54.7%
First-year retention rate	66.9%	65.9%
Course completion rate	78.9%	81.2%
Progression rate from levels 1-4	35.4%	34.9%

Source: TEC administrative data
Notes: All domestic learners.

Qualification completions shows the proportion of students that complete a qualification in a given year. It demonstrates how successful Tertiary Education Organisation (TEO) are in helping their students to complete qualifications. It also gives a good indication of longer-term educational performance, as many qualifications will take several years for students to complete.

First-year retention shows the proportion of first-year students in a given year that complete a qualification or re-enrol with the same TEO in the following year. These data indicate how well students are engaged and supported by a tertiary provider.

Course completion shows the proportion of courses that were completed successfully in a given year. It is a short-term indication of how successful TEOs are in helping their students to complete courses.

Progression shows the proportion of students that continue studying at a higher level after completing a qualification at levels 1–4. It also demonstrates how TEOs help successful students move on to higher levels of tertiary education.

Reporting on educational outcomes in future Annual Reports will reflect the measures presented in the Transitional Statement of Performance Expectations 2021 and work underway to develop fit-for-purpose key performance indicators for Te Pūkenga for the future.

The measures presented in Table 1 are consistent with the highest-level measures used by the Tertiary Education Commission to monitor the performance of the subsidiaries before the establishment of Te Pūkenga.

Reporting against selected measures from the Transitional Statement of Performance Expectations 2021 provides insights into the scale and persistent pattern of inequitable outcomes for Māori and Pasifika learners across the former ITP sector.

These inequities remain a feature of the performance of Te Pūkenga in its first year of operation. The difference between the course completion rate of Māori learners and non-Māori, non-Pasifika learners worsened slightly between 2019 and 2020, from 10.0 per cent to 11.6 per cent. Similarly, the difference for Pasifika learners worsened from 10.3 per cent to 10.7 per cent over the same period (see Table 2).

Table 2: Transitional Statement of Performance Expectations measures

Learner achievement	2020	2019
Disparity in educational performance indicators for Student Achievement Component-funded domestic Māori equivalent full-time learners*	-11.6%	-10.0%
Disparity in educational performance indicators for Student Achievement Component-funded domestic Pacific equivalent full-time learners*	-10.7%	-10.3%

Source: TEC administrative data

These results highlight the importance of our focus on ensuring our services work well and respond with excellence to the needs of Māori and our demonstrated commitment to putting Ākonga at the Centre of our thinking about the future of vocational education described elsewhere in this report.

The impact of the COVID-19 pandemic differed across the network with each subsidiary focusing on the needs of the learners and staff in their community ensuring that learners were able to complete programmes of study while at the same time ensuring the well-being of both learners and staff.

Equivalent Full-Time Learners

The following table provides a summary of full time learner numbers funded through SAC funding analysed by funding level:

Table 3: Equivalent Full-Time Learners

SAC funded domestic equivalent full-time learners	2019	2020
Unknown	55	26
Level 1	838	635
Level 2	1,805	1,595
Level 3	10,128	10,461
Level 4	9,304	10,045
Level 5	5,476	5,578
Level 6	4,244	4,099
Level 7	17,452	16,912
Level 8	571	495
Level 9	447	416
Level 10	26	30
Total	**50,346**	**50,292**

International EFTs		
Total	10,870	9,297

Source: TEC administrative data

The following table provides a summary of course completion rates analysed by ethnicity:

Table 4: Course completion

Course completion rate Level 4-7 (NON DEGREE)	2019	2020
Māori	71.4%	67.0%
Non-Māori and non-Pasifika	81.4%	79.7%
Pasifika	68.8%	65.6%

Course completion rate Level 7 and above	2019	2020
Māori	84.9%	82.2%
Non-Māori and non-Pasifika	89.4%	89.8%
Pasifika	81.6%	79.9%

Source: TEC administrative data

2020 Education performance indicators in Tables 1 - 4 above are subject to change as providers submit final results and completions in the April 2021 Single Data Return (SDR) to the Tertiary Education Commission.

Ngā whakatutukitanga ā-pūtea
Financial Performance

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Te Pūkenga – New Zealand Institute of Skills and Technology (Te Pūkenga) and group's financial statements for the period ended 31 December 2020, and statement of service performance for the year ended 31 December 2020, and the appropriation statement of Te Pūkenga for the period ended 30 June 2020

The Auditor-General is the auditor of Te Pūkenga – New Zealand Institute of Skills and Technology (Te Pūkenga) and group. The Auditor-General has appointed me, Scott Tobin, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of service performance of Te Pūkenga and group and the appropriation statement of Te Pūkenga on his behalf.

Opinion
We have audited:

- the financial statements of Te Pūkenga and group on pages 33 to 88, that comprise the statement of financial position as at 31 December 2020, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the period ended on that date and the notes to the financial statements that include accounting policies and other explanatory information;
- the statement of service performance of Te Pūkenga and group for the year ended 31 December 2020 on pages 22 to 28; and
- the appropriation statement of Te Pūkenga for the period ended 30 June 2020 on page 23.

In our opinion:

- the financial statements of Te Pūkenga and group on pages 33 to 88:
  - present fairly, in all material respects:
    - the financial position as at 31 December 2020; and
    - the financial performance and cash flows for the period then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- the statement of service performance of Te Pūkenga and group on pages 22 to 28:
  - presents fairly, in all material respects, Te Pūkenga and group's service performance achievements as compared with the measures selected and disclosed for the year ended 31 December 2020; and
  - complies with generally accepted accounting practice in New Zealand.
- the appropriation statement of Te Pūkenga on page 23 presents fairly, in all material respects, for the period ended 30 June 2020:
  - what has been achieved with the appropriation; and
  - the actual expenses incurred compared to the appropriated expenses.

Our audit was completed on 30 April 2021. 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 Council and our responsibilities relating to the financial statements, the statement of service performance and the appropriation statement, and we comment on other information, and we explain our independence.

Emphasis of matters
Without modifying our opinion, we draw your attention to the following disclosures.

Bases for identifying and reporting on service performance information
Page 22 of the annual report outlines that Te Pūkenga was established part way through the 2020 academic year. Te Pūkenga therefore did not have formal performance reporting mechanisms in place, against which performance could be reported. Given this context, page 22 provides the bases applied to identify and report on the performance measures for the establishment activities of Te Pūkenga and the educational performance outcomes of Te Pūkenga and group, for the year ended 31 December 2020.

Impact of Covid-19
Note 30 on page 88 of the financial statements, and pages 24 to 28 of the statement of service performance, outline the impact of Covid-19 on Te Pūkenga and group for the period ended 31 December 2020.

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

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

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

Responsibilities of the Council for the financial statements, the statement of service performance and the appropriation statement

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

The Council is also responsible on behalf of Te Pūkenga and group for preparing a statement of service performance and an appropriation statement that are fairly presented and that complies with generally accepted accounting practice in New Zealand.

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

In preparing the financial statements, statement of service performance and the appropriation statement, the Council is responsible on behalf of Te Pūkenga and group for assessing Te Pūkenga and group's ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Council intends to liquidate Te Pūkenga and group or to cease operations, or has no realistic alternative but to do so.

The Council's responsibilities arise from the Education and Training Act 2020, the Crown Entities Act 2004 and the Public Finance Act 1989.

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

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

For the budget information reported in the financial statements, statement of service performance and the appropriation statement, our procedures were limited to checking that the information agreed to:

- Te Pūkenga and group's approved budget for the financial statements;
- the relevant sources of information for the statement of service performance; and
- the Estimates of Appropriation – Vote Tertiary Education for the appropriation statement.

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

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, the statement of service performance and the appropriation statement, 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 Te Pūkenga and group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Te Pūkenga and group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, the statement of service performance and the appropriation statement, and if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Te Pūkenga and group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, the statement of service performance and the appropriation statement, including the disclosures, and whether the financial statements, the statement of service performance and the appropriation statement represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements and statement of service performance of the entities or business activities within the group to express an opinion on the consolidated financial statements and the consolidated statement of service performance. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Council is responsible for the other information. The other information comprises the information included on pages 4 to 20, 32 and 90 to 95, but does not include the financial statements, the statement of service performance and the appropriation statement, and our auditor's report thereon.

Our opinion on the financial statements, the statement of service performance and the appropriation statement, 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, the statement of service performance and the appropriation statement, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements, the statement of service performance and the appropriation statement 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 Te Pūkenga and group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit, we performed assurance engagements on the group's Performance-Based Research Fund External Research Income. These engagements are compatible with those independence requirements. Other than the audit and these engagements, we have no relationship with, or interests in, Te Pūkenga or any of its subsidiaries.

Scott Tobin
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

Statement of Responsibility

Te Pūkenga Council is responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance about the integrity and reliability of reporting. The Council is responsible for the preparation of the statements of performance, an appropriation statement under section 19A of the Public Finance Act 1989, and financial statements for Te Pūkenga and the group and for the judgements made within them.

In the Council's opinion:

- The Statement of Performance fairly reflects the performance of the Parent for 1 April 2020 to 31 December 2020
- The Statement of Performance fairly reflects the performance of the group for 1 January 2020 to 31 December 2020
- The Financial Statements fairly reflect the financial position and operations of the Parent and the group for 1 April 2020 to 31 December 2020.

Signed by:

Murray Strong
Chair

30 April 2021

Stephen Town
Chief Executive

30 April 2021

Phillip Jacques
Interim Director, Finance

30 April 2021

Statement of Comprehensive Revenue and Expense

for the nine months ended 31 December 2020

		Group		Parent	
All in $000s	Note	Actual 2020	Budget 2020	Actual 2020	Budget 2020
Revenue					
Government funding	2	67,603	63,431	39,893	11,100
Tuition fees and departmental revenue	2	215,731	259,250	0	0
Other revenue	2	79,056	83,908	21	41
Total revenue		**362,390**	**406,589**	**39,914**	**11,141**
Expenditure					
Employee expenses	3	505,550	490,967	3,668	4,149
Depreciation expense	10	65,493	73,179	3	118
Amortisation expense	11	18,774	16,013	0	0
Interest expense	3	3,816	3,730	0	0
Administration and other expenses	3	242,958	273,142	11,525	13,020
Total expenditure		**836,591**	**857,031**	**15,196**	**17,287**
Share of associate / joint venture		623	179	0	0
Surplus/(deficit)		**(473,578)**	**(450,263)**	**24,718**	**(6,146)**
Other comprehensive revenue and expense					
Items that will not be reclassified to surplus/(deficit)					
Revaluation of land and buildings	21	105,767	8,999	0	0
Total items that will not be reclassified to surplus/(deficit)		**105,767**	**8,999**	**0**	**0**
Items that may be reclassified to surplus/(deficit)					
Change in value of equity investments classified as available-for-sale financial assets		(273)	0	0	0
Total items that may be reclassified to surplus/(deficit)		**(273)**	**0**	**0**	**0**
Total other comprehensive revenue and expense		**105,494**	**8,999**	**0**	**0**
Total comprehensive revenue and expense		**(368,084)**	**(441,264)**	**24,718**	**(6,146)**
Total comprehensive revenue and expense for the period attributable to:					
Owners of the controlling entity		(368,084)	(441,264)	24,718	(6,146)
Total		**(368,084)**	**(441,264)**	**24,718**	**(6,146)**

Explanations of major variances against budget are provided in Note 22.
The accompanying notes form part of these financial statements.

Statement of Financial Position

as at 31 December 2020

		Group			Parent	
All in $000s	Note	Opening 2020	Actual 2020	Budget 2020	Actual 2020	Budget 2020
ASSETS						
Current assets						
Cash and cash equivalents	4	163,881	132,320	56,443	35,291	2,633
Student fees and other receivables	5	500,336	114,422	83,370	1,917	0
Prepayments		16,983	16,978	13,563	2,788	0
Inventory	6	6,866	6,045	6,676	0	0
Assets held for sale	7	2,780	7,336	0	0	0
Other financial assets	19	245,768	186,372	167,272	2,000	0
Total current assets		**936,614**	**463,473**	**327,324**	**41,996**	**2,633**
Non-current assets						
Property, plant and equipment	10	2,010,307	2,122,668	2,042,656	89	0
Intangible assets	11	79,381	72,935	86,660	0	2,382
Assets under construction - property, plant and equipment	10	45,997	41,449	5,686	0	0
Assets under construction - intangibles	11	11,528	12,662	1,474	0	0
Investment in subsidiary / associate	12	2,760	1,820	4,387	0	0
Investment property	13	3,750	3,925	3,280	0	0
Term receivables		4,262	289	4,246	0	0
Other financial assets - non-current	19	11,633	8,717	13,360	0	0
Total non-current assets		**2,169,619**	**2,264,465**	**2,161,749**	**89**	**2,382**
Total assets		**3,106,232**	**2,727,938**	**2,489,073**	**42,085**	**5,015**
LIABILITIES						
Current liabilities						
Trade and other payables	14	116,907	78,747	93,515	1,544	1,161
Employee entitlements	15	42,471	50,835	40,555	291	0
Revenue received in advance	16	181,896	128,584	138,938	5,532	0
Borrowings	17	49,628	56,461	62,035	0	0
Finance leases	18	1,926	2,457	2,238	0	0
Provisions - current	9	1,458	4,710	2,422	0	0
Total current liabilities		**394,286**	**321,794**	**339,703**	**7,367**	**1,161**

		Group			Parent	
All in $000s	Note	Opening 2020	Actual 2020	Budget 2020	Actual 2020	Budget 2020
Non-current liabilities						
Employee entitlements	15	2,892	3,711	5,997	0	0
Revenue received in advance	16	16,832	0	9,338	0	0
Borrowings	17	29,112	65,090	65,167	0	0
Finance leases	18	26,489	39,001	27,409	0	0
Derivative financial instruments	8	788	399	1,141	0	0
Provisions - non-current	9	10,331	21,812	3,129	0	0
Total non-current liabilities		**86,444**	**130,013**	**112,181**	**0**	**0**
Total liabilities		**480,730**	**451,807**	**451,884**	**7,367**	**1,161**
Net assets		**2,625,502**	**2,276,131**	**2,037,189**	**34,718**	**3,854**
EQUITY						
General funds	21	1,709,397	1,254,242	1,236,803	34,718	3,854
Property revaluation reserve	21	802,345	908,112	795,062	0	0
Trust, endowments and bequests	21	3,502	3,524	2,981	0	0
Restricted reserves	21	110,258	110,253	2,343	0	0
Total equity attributable to Te Pūkenga		**2,625,502**	**2,276,131**	**2,037,189**	**34,718**	**3,854**
Non-controlling interest		0	0	0	0	0
Total equity		**2,625,502**	**2,276,131**	**2,037,189**	**34,718**	**3,854**

Explanations of major variances against budget are provided in Note 22.
The accompanying notes form part of these financial statements.

Statement of Changes in Equity

for the nine months ended 31 December 2020

		Group		Parent	
All in $000s	Note	Actual 2020	Budget 2020	Actual 2020	Budget 2020
Balance at 1 April		2,625,502	2,468,453	0	0
Other comprehensive revenue and expense					
Surplus/(deficit)	21	(473,578)	(450,263)	24,718	(6,146)
Other comprehensive revenue	21	105,494	8,999	0	0
Total		**(368,084)**	**(441,264)**	**24,718**	**(6,146)**
Non comprehensive revenue and expense items					
Other contributions from the Crown		19,280	10,000	10,000	10,000
Distribution to the Crown	21	(568)	0	0	0
Total non-comprehensive revenue		**18,712**	**10,000**	**10,000**	**10,000**
Balance at 31 December		**2,276,131**	**2,037,189**	**34,718**	**3,854**

Explanations of major variances against budget are provided in Note 22.
The accompanying notes form part of these financial statements.

Statement of Cash Flows

for the nine months ended 31 December 2020

		Group		Parent	
All in $000s	Note	Actual 2020	Budget 2020	Actual 2020	Budget 2020
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Government grants		453,934	433,034	43,550	11,100
Receipts from student fees		149,628	224,825	0	0
Receipt of dividends		42	15	0	0
Receipt of interest		4,668	3,989	16	41
Receipt of other revenue		65,817	93,329	0	0
Goods and services tax (net)		(47)	(4,682)	(135)	(174)
Payments to employees		(502,747)	(494,819)	(3,377)	(3,119)
Payments to suppliers		(237,430)	(286,672)	(12,671)	(12,715)
Dividends paid		0	0	0	0
Interest paid		(1,768)	(2,178)	0	0
Net cash flow from operating activities		**(67,903)**	**(33,159)**	**27,383**	**(4,867)**
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		958	11,600	0	0
Proceeds from sale or maturity of investments		273,651	62,027	0	0
Purchase of property, plant and equipment		(58,868)	(81,232)	(92)	(2,500)
Purchase of investments		(210,131)	(26,226)	(2,000)	0
Purchase of intangible assets		(12,538)	(31,032)	0	0
Net cash flow used in investing activities		**(6,928)**	**(64,863)**	**(2,092)**	**(2,500)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		87,729	24,385	0	0
Proceeds from capital contributions from the Crown		10,000	10,000	10,000	10,000
Proceeds from suspensory loans from the Crown		(9)	0	0	0
Repayment of borrowings		(51,944)	(2,730)	0	0
Distributions to the Crown		0	0	0	0
Repayment of finance leases		(2,503)	(3,057)	0	0
Proceeds/Distributions to other financial activities		(3)	(909)	0	0
Net cash flows from financing activities		**43,270**	**27,689**	**10,000**	**10,000**
Net (decrease)/increase in cash and cash equivalents		**(31,561)**	**(70,333)**	**35,291**	**2,633**
Cash and cash equivalents at beginning of the period		**163,881**	**126,776**	**0**	**0**
Cash and cash equivalents at end of the year	4	**132,320**	**56,443**	**35,291**	**2,633**

Explanations of major variances against budget are provided in Note 22.
The accompanying notes form part of these financial statements.

Reconciliation from Net Surplus / (Deficit) to Net Cash Flow from Operating Activities

for the nine months ended 31 December 2020

		Group	Parent
All in $000s	Note	Actual 2020	Actual 2020
Surplus/(deficit)		(473,578)	24,718
Add/(less) non cash items:			
Depreciation and amortisation expense		84,267	3
Bad debt provision movement		1,001	0
Other losses/(gains)		4,419	0
Add/(less) items classified as investing or financing activities:			
Net loss/(gain) on disposal of property, plant and equipment		2,350	0
Add/(less) movements in working capital:			
(Increase)/decrease in accounts receivable and other receivables		384,020	(1,917)
(Increase)/decrease in inventories		821	0
(Increase)/decrease in prepayments		(2,881)	(2,788)
(Increase)/decrease in other financial assets		471	0
Increase/(decrease) in employee entitlements		9,183	291
Increase/(decrease) in trade and other payables		(17,015)	1,544
Increase/(decrease) in provisions		2,038	0
Increase/(decrease) in fees in advance		(62,999)	5,532
Net cash from operating activities		**(67,903)**	**27,383**

Explanations of major variances against budget are provided in Note 22.
The accompanying notes form part of these financial statements.

Note Index

Notes to the Financial Statements

for the nine months ended 31 December 2020

1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

Te Pūkenga - New Zealand Institute of Skills and Technology (Te Pūkenga) is a Tertiary Education Institution (TEI) that is domiciled and operates in New Zealand. Te Pūkenga came into existence on 1 April 2020. The relevant legislation governing operations includes the Crown Entities Act 2004 and the Education and Training Act 2020.

The financial statements are presented on a consolidated group basis. The group consists of Te Pūkenga and its wholly-owned subsidiaries

- Ara Institute of Canterbury Limited
- Eastern Institute of Technology Limited
- Manukau Institute of Technology Limited
- Nelson Marlborough Institute of Technology Limited
- Northland Polytechnic Limited
- Open Polytechnic of New Zealand Limited
- Otago Polytechnic Limited
- Southern Institute of Technology Limited
- Tai Poutini Polytechnic Limited
- Toi Ohomai Institute of Technology Limited
- TANZ-E Campus Limited
- Unitec New Zealand Limited
- Universal College of Learning Limited
- Waikato Institute of Technology Limited
- Wellington Institute of Technology Limited
- Western Institute of Technology Taranaki Limited
- Whitireia Community Polytechnic Limited

Te Pūkenga and the group provides educational and research services for the benefit of the community. It does not operate to make a financial return.
Te Pūkenga 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 Te Pūkenga and the group are for the period ended 31 December 2020, and were authorised for issue by the Council on 30 April 2021.

BASIS OF PREPARATION

The Education and Training Act 2020 (schedule 1, clause 21) states that all Te Pūkenga subsidiaries will continue in existence until 31 December 2022. Thereafter the rights, assets, and liabilities of each subsidiary will be transferred to Te Pūkenga. There are mechanisms in the legislation to vary this date.

Despite these provisions, the financial statements have been prepared on a going concern basis, as the disestablishment is more than 12 months after the date the financial statements are issued, and because the operational delivery of the functions of each subsidiary will continue through Te Pūkenga after 31 December 2022. Consequently, there have been no changes to the recognition and measurement, or presentation of information in these financial statements.

Reporting period

Te Pūkenga came into existence on 1 April 2020. Therefore, the reporting period for the financial statements is for the nine months from 1 April 2020 to 31 December 2020.

Statement of compliance

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

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

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values, other than the Council member remuneration disclosures and the related party transaction disclosures in Note 26, are rounded to the nearest thousand dollars ($000). Council member remuneration and related party transaction disclosures are rounded to the nearest dollar.

Standards issued and not yet effective and not early adopted

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

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

PBE FRS 48 Service Performance Reporting:
PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2021. Te Pūkenga 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 2021 with early adoption permitted in the financial year starting 1 January 2020. Te Pūkenga has chosen not to early adopt this standard and intends to adopt the standard for the 31 December 2021 financial year. Te Pūkenga has not yet assessed in data the impact of the new standard.

Standards and amendments issued that have been early adopted and which are relevant to Te Pūkenga are:

PBE IPSAS 40 PBE Combinations was issued in 1 July 2019 and is effective for annual financial statements covering periods beginning on or after 1 January 2021. Te Pūkenga and the subsidiaries of Te Pūkenga early adopted PBE IPSAS 40 and applied the standard for vesting of the predecessor Institutes of Technology and Polytechnics (ITP) assets and liabilities on 1 April 2020.

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 Te Pūkenga and the group have been derived from the budget approved by the Subsidiary Boards at the start of the 2020 financial year. Those 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 ITP approved budget was for the full 2020 year but, to be consistent with the nine-month reporting period, the month-by-month budget from April to December 2020 has been used for the nine-month period for the statement of comprehensive revenue and expense and the statement of cash flows. The student achievement component (SAC) and fees-free funding was recognised by the predecessor ITP. Therefore, no budget amount has been included in the statement of comprehensive revenue and expense.

Critical accounting estimates and assumptions

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

Employee entitlements

Entitlements, which are payable beyond twelve months are calculated on an actuarial basis. The calculations are based on the likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement (being the probability rate) and contractual entitlements information; and the present value of the estimated future cash flows. Discount rates of 1% - 5% and inflation factors of 1% - 1.7% were applied in the actuarial calculations.

Impairment of assets

The group assesses impairment of all assets at each reporting date by evaluating conditions specific to the group and to the assets that may lead to impairment. If an impairment trigger exists, such as a change in the use of the asset, particular regional price volatility, natural disasters or physical damage to an asset, the asset is revalued. It was noted that no triggers for impairment have been found and thus no provisions have been made.

Course development costs

The group has applied judgment as to the future economic benefit of capitalised course development costs. While Te Pūkenga as a group is conducting a full review of its operating model, including current courses offered, no decision has been made that will affect ongoing use of courses and thus future economic benefit. Course development costs have only been impaired where courses are no longer offered.

Leases

Ara Ltd and the Canterbury District Health Board (CDHB) collectively, the Tenants, have entered a lease with HREF Health Precinct Limited (HREF), the landlord for the building known as Manawa (276 Antigua Street). This lease commenced on 16 July 2018. The lease is a long-term agreement where each tenant is responsible for 50% of the lease obligations. Ara and the Group have carefully considered the accounting treatment of the lease. It has been determined that Ara and the Group have substantially all of the risks and rewards of ownership and thus, have classified the lease as a Finance lease. Ara and the Group have recognised their portion (50%) of the lease.

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

Te Pūkenga and the group are exempt from Income Tax. Accordingly, no provision has been made for Income Tax.

Notes to the Financial Statements

for the nine months ended 31 December 2020

2. REVENUE

ACCOUNTING POLICY

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

Student Achievement Component funding

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

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. As a consequence, the Institute has not recognised any fees-free funding during the nine-month period.

Performance-based research fund

Te Pūkenga 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. Te Pūkenga 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.

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

Sales of goods

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

Accommodation services

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

Interest and dividends

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

All in $000s	Note	Group Actual 2020	Parent Actual 2020
Government funding classified as non-exchange transactions			
Student disability grant		50	0
Literacy funding		274	0
Youth guarantee funding		1,509	0
Other Government grants		35,087	39,893
Māori and Pacific Islands grant		1,060	0
Student Achievement Component (SAC) funding		16,565	0
Performance based research funding		3,060	0
Other Government funding		9,998	0
Total		**67,603**	**39,893**
Tuition fees and departmental revenue classified as exchange transactions			
Tuition fees - international students		118,521	0
Departmental revenue (non base revenue and recoveries)		10,848	0
Other tuition fees classed as exchange transactions		4,100	0
Total		**133,469**	**0**
Tuition fees and departmental revenue classified as non-exchange transactions			
Tuition fees - domestic students		62,081	0
Departmental revenue (non base revenue and recoveries)		386	0
Other tuition fees classed as non-exchange transactions		(3,164)	0
Fees free funding		8,454	0
Targeted training and apprenticeship funding (TTAF)		14,505	0
Total		**82,262**	**0**
Total tuition fees and departmental revenue		**215,731**	**0**
Other revenue classified as exchange transactions			
Other revenue		60,561	0
Gain on disposal of property, plant and equipment		1,000	0
Net gain on interest rate swaps - classified as held for trading		327	0
Interest revenue		5,112	21
Dividend revenue		43	0
Research revenue		1,427	0
Rental revenue from investment property		1,367	0
Student service fees		2,046	0
Total		**71,883**	**21**

Notes to the Financial Statements

for the nine months ended 31 December 2020

2. REVENUE (CONTINUED)

		Group	Parent
All in $000s	Note	Actual 2020	Actual 2020
Other revenue classified as non-exchange transactions			
Other revenue		2,341	0
Interest revenue		105	0
Dividend revenue		1	0
Research revenue		763	0
Rental revenue from investment property		440	0
Student service fees		3,523	0
Total		**7,173**	**0**
Total other revenue		**79,056**	**21**
Total revenue		**362,390**	**39,914**

Revenue classification			
Exchange revenue		205,352	21
Non-exchange revenue		157,038	39,893
Total revenue		**362,390**	**39,914**

3. EXPENDITURE

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

		Group	Parent
All in $000s	Note	Actual 2020	Actual 2020
Employee benefits expenses			
Wages and salaries		460,635	1,964
Defined contribution plan employer contributions		10,726	0
Councillors and board fees		2,085	348
Increase/(decrease) in employee benefit liabilities		6,652	291
Other employee expenses		21,168	1,065
Restructuring expenses		4,284	0
Total		**505,550**	**3,668**

All in $000s	Note	Group Actual 2020	Parent Actual 2020
Depreciation and amortisation expenses			
Depreciation	10	65,493	3
Amortisation	11	18,774	0
Total		**84,267**	**3**

All in $000s	Note	Group Actual 2020	Parent Actual 2020
Interest expense			
Interest expense		3,816	0
Total		**3,816**	**0**

All in $000s	Note	Group Actual 2020	Parent Actual 2020
Administration and other expenditure			
Auditors' remuneration			
Fees to Audit New Zealand for the audit of financial statements		2,118	120
Fees to Audit New Zealand for other services (Unitec & Wintec)		15	0
Fees to Ernst & Young for the audit of financial statements (Open Polytechnic, Weltec & Whitireia)		530	0
Fees to Deloitte for the audit of financial statements (OEDT, subsidiary of ARA)		18	0
Fees to BDO for the audit of financial statements (OPAIC, subsidiary of Otago Polytechnic)		6	0
Total		**2,687**	**120**

All in $000s	Note	Group Actual 2020	Parent Actual 2020
General costs			
Operating lease payments		15,771	0
Bad and doubtful debts - written off	5	1,972	0
Net increase/(decrease) bad and doubtful debts provision	5	334	0
Course delivery expenses		56,530	0
Donations & koha		187	0
Research & development expense		825	0
Loss on disposal of property, plant and equipment		3,653	0
Administrative, materials and consumables expenses		43,587	315
Scholarships		2,156	0
Discontinued operations		3,463	0
Litigation settlements		10	0
Impairment of assets	10, 11	918	0
Other expenditure		110,411	11,090
Inventory write-downs	6	454	0
Total		**240,271**	**11,405**
Total administration and other expenditure		**242,958**	**11,525**
Total expenditure		**836,591**	**15,196**

Notes to the Financial Statements

for the nine months ended 31 December 2020

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.

Unencumbered cash reserves and ring fencing
Te Pūkenga Council developed, tested and approved a ring fencing policy to reflect the Government's intentions to see unencumbered cash reserves retained within the region in which they were generated. These unencumbered cash reserves would be consolidated through the central balance sheet of Te Pūkenga, but would only be able to be drawn upon for projects and capital expenditure in the relevant region that have been approved by Te Pūkenga Council. The use of ring-fenced amounts is restricted to particular uses, which may include major capital expenditure projects, routine/minor capital expenditure, operating investments (e.g. funding the establishment of a new capability) or operating losses of the regional operation. The unencumbered cash reserves may include term deposits with maturities greater than 3 months at acquisition which are not classified as cash and cash equivalents.

		Group	Parent
All in $000s	**Note**	**Actual 2020**	**Actual 2020**
Cash at bank and on hand		38,379	325
Call deposits		44,514	14,966
Term deposits with maturities of 3 months or less at acquisition		49,427	20,000
Total cash and cash equivalents		**132,320**	**35,291**
Weighted average effective interest rate		0.8%	0.2%
Unencumbered cash reserves at 1 April 2020			
Ara Institute of Canterbury Limited		29,672	0
Eastern Institute of Technology Limited		14,673	0
Nelson Marlborough Institute of Technology Limited		11,702	0
Northland Polytechnic Limited		4,691	0
Open Polytechnic of New Zealand Limited		3,168	0
Southern Institute of Technology Limited		15,175	0
Toi Ohomai Institute of Technology Limited		440	0
Less distributions approved by Te Pūkenga Council		0	0
Unencumbered cash reserves at 31 December 2020		**79,521**	**0**

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 are 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.

		Group	Parent
All in $000s	Note	Actual 2020	Actual 2020
Receivables classified as exchange transactions			
Student fees and sundry receivables		15,505	0
Other receivables		9,424	1,917
Total receivables classified as exchange transactions		**24,929**	**1,917**
Receivables classified as non-exchange transactions			
Student fees and sundry receivables		62,777	0
Other non-exchange receivables		32,522	0
Total receivables classified as non-exchange transactions		**95,299**	**0**
Total student fees and other receivables (excluding impairment)		**120,228**	**1,917**
Less provision for impairment of receivables		(5,806)	0
Total student fees and other receivables		**114,422**	**1,917**

Notes to the Financial Statements

for the nine months ended 31 December 2020

5. STUDENT FEES AND OTHER RECEIVABLES (CONTINUED)

	Group			Parent		
All in $000s	Gross	Impairment	Net	Gross	Impairment	Net
Impairment						
Ageing profile for receivables at year end						
Not past due	91,241	0	91,241	1,917	0	1,917
Past due 1 - 30 days	13,890	(160)	13,730	0	0	0
Past due 31 - 60 days	3,481	(97)	3,384	0	0	0
Past due 61 - 90 days	3,450	(576)	2,874	0	0	0
Past due over 90 days	8,166	(4,973)	3,193	0	0	0
Total impairment	**120,228**	**(5,806)**	**114,422**	**1,917**	**0**	**1,917**

		Group	Parent
All in $000s	Note	Actual 2020	Actual 2020
Movements in the provision for impairment of receivables			
At 1 April 2020		(6,140)	0
Additional provisions made during the year		(2,184)	0
Provisions adjustments during the year		546	0
Receivables written-off during the year		1,972	0
At 31 December 2020		**(5,806)**	**0**

6. INVENTORY

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

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

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

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

		Group	Parent
All in $000s	Note	Actual 2020	Actual 2020
Building stock		2,719	0
Other inventory		3,326	0
Total inventory carrying value		**6,045**	**0**
Inventories recognised as an expense		426	0
Inventories write-down recognised as an expense		96	0
Less reversal of inventories write-down recognised as an expense		(68)	0
Total inventory expense		**454**	**0**

7. ASSETS HELD FOR SALE

		Group	Parent
All in $000s	Note	Actual 2020	Actual 2020
Property held for sale		7,336	0
Total assets held for sale		**7,336**	**0**
consists of:			
Land		6,623	0
Buildings		713	0
Total assets held for sale		**7,336**	**0**
Total net assets held for sale		**7,336**	**0**

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.

Notes to the Financial Statements

for the nine months ended 31 December 2020

8. DERIVATIVE FINANCIAL INSTRUMENTS

ACCOUNTING POLICY

Derivative financial instruments are used to manage exposure to foreign exchange and interest rate risks arising from financing activities. In accordance with its treasury policy, Te Pūkenga does not hold or issue derivative financial instruments for trading purposes. Te Pūkenga and the group have elected not to apply hedge accounting. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date with the resulting gain or loss recognised in the surplus or deficit. A forward foreign exchange derivative is classified as current if the contract is due for settlement within 12 months of balance date. Otherwise, the full fair value of forward foreign exchange derivatives is classified as non-current. The portion of the fair value of an interest rate derivative that is expected to be realised or settled within 12 months of the balance date is classified as current, with the remaining portion of the derivative classified as non-current.

		Group	Parent
All in $000s	**Note**	**Actual 2020**	**Actual 2020**
Non-current liability portion			
Interest rate swaps		399	0
Total non-current liability portion		**399**	**0**
Total derivative instruments		**399**	**0**

The notional principal amounts of outstanding interest rate swap contracts totalled $7,000,000.
The fixed interest rates of interest rate swaps vary from 1.81% to 3.11%

9. 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. The increase in the provision due to the passage of time is recognised as an interest expense and is included in “finance costs”.

Restructuring

A provision for restructuring is recognised when either an approved detailed formal plan for the restructuring has been announced publicly to those affected, or implementation of it has already started.

	Group					Parent				
All in $000s	Opening Balance 1 April 2020	Increase to provision	Charged against provision	Unused amounts reversed	Closing Balance 31 Dec 2020	Opening Balance 1 April 2020	Increase to provision	Charged against provision	Unused amounts reversed	Closing Balance 31 Dec 2020
Provision										
Onerous lease provision	9,169	4,728	(480)	0	13,417	0	0	0	0	0
Lease make good provision	750	16	0	0	766	0	0	0	0	0
Other provision	1,870	10,474	0	(5)	12,339	0	0	0	0	0
Total Provisions	**11,789**	**15,218**	**(480)**	**(5)**	**26,522**	**0**	**0**	**0**	**0**	**0**

		Group	Parent
All in $000s	Note	Actual 2020	Actual 2020
Current portion			
Onerous lease provision		2,865	0
Lease make good provision		0	0
Other provision		1,845	0
Total current portion		**4,710**	**0**
Non current portion			
Onerous lease provision		10,552	0
Lease make good provision		50	0
Other provision		11,210	0
Total non-current portion		**21,812**	**0**
Total provisions		**26,522**	**0**

Notes to the Financial Statements

for the nine months ended 31 December 2020

10. PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

Property, plant, and equipment consists of nine asset classes: land, buildings, infrastructure, leasehold improvements, computer hardware, furniture and equipment, motor vehicles, library collection, and heritage collections. 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 Te Pūkenga 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 Te Pūkenga and the group and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred. Additions over $2,000 in value are capitalised. Amounts under this are expensed.

Disposals

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

Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment other than land and heritage collections, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Heritage collections are not depreciated because they are maintained such that they have indefinite or sufficiently long useful lives that any depreciation is considered to be negligible. 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 3 to 10 years 10% to 33.3%
- 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%

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.

Impairment of property, plant and equipment

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

Value in use for non-cash-generating assets

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

Value in use for cash-generating assets

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

Restrictions on title

Under the Education and Training Act 2020, the 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. Te Pūkenga does not consider it practical to disclose in detail the value of land subject to these restrictions.

	Group										
	1 April 2020			2020					31 Dec 2020		
All in $000s	Cost or fair value	Accumulated depreciation	Net carrying value	Additions	Reclassifications	Revaluation	Net book value of disposals	Depreciation	Cost or fair value	Accumulated depreciation	Net carrying value
Property, plant and equipment											
Land	379,591	0	379,591	2	(5,272)	89,850	(1,650)	0	462,521	0	462,521
Infrastructure	68,987	(1,552)	67,435	1,429	4,301	3,526	(236)	(3,411)	74,463	(1,419)	73,044
Buildings	1,465,103	(60,303)	1,404,800	51,514	(537)	12,391	(2,040)	(32,394)	1,512,779	(79,045)	1,433,734
Leasehold improvements	49,275	(15,269)	34,006	49	228	0	(5,374)	(2,626)	39,778	(13,495)	26,283
Furniture and equipment	221,843	(151,253)	70,590	15,475	1,918	0	(2,975)	(11,878)	231,218	(158,088)	73,130
Computer hardware	161,126	(125,476)	35,650	13,697	577	0	(1,442)	(11,312)	169,503	(132,333)	37,170
Motor vehicles	20,995	(16,071)	4,924	1,412	(19)	0	(37)	(1,494)	22,211	(17,425)	4,786
Heritage collection	2,646	(54)	2,592	14	0	0	0	(30)	2,660	(84)	2,576
Library collection	57,414	(46,695)	10,719	1,081	(47)	0	19	(2,348)	58,200	(48,776)	9,424
Total	**2,426,980**	**(416,673)**	**2,010,307**	**84,673**	**1,149**	**105,767**	**(13,735)**	**(65,493)**	**2,573,333**	**(450,665)**	**2,122,668**

	Parent										
	1 April 2020			2020					31 Dec 2020		
All in $000s	Cost or fair value	Accumulated depreciation	Net carrying value	Additions	Reclassifications	Revaluation	Net book value of disposals	Depreciation	Cost or fair value	Accumulated depreciation	Net carrying value
Property, plant and equipment											
Land	0	0	0	0	0	0	0	0	0	0	0
Infrastructure	0	0	0	0	0	0	0	0	0	0	0
Buildings	0	0	0	0	0	0	0	0	0	0	0
Furniture and equipment	0	0	0	12	0	0	0	(1)	12	(1)	11
Computer hardware	0	0	0	80	0	0	0	(2)	80	(2)	78
Total	**0**	**0**	**0**	**92**	**0**	**0**	**0**	**(3)**	**92**	**(3)**	**89**

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for the nine months ended 31 December 2020

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Group			
	1 April 2020	2020		31 Dec 2020
All in $000s	Opening Value	Additions	Capitalisations	Closing Value
Assets under construction				
Infrastructure	50	67	(50)	67
Buildings	39,745	37,917	(43,698)	33,964
Furniture and equipment	4,421	7,586	(7,122)	4,885
Computer hardware	1,565	4,745	(3,920)	2,390
Library collection	216	322	(395)	143
Total	**45,997**	**50,637**	**(55,185)**	**41,449**

	Parent			
	1 April 2020	2020		31 Dec 2020
All in $000s	Opening Value	Additions	Capitalisations	Closing Value
Assets under construction				
Infrastructure	0	0	0	0
Buildings	0	0	0	0
Furniture and equipment	0	0	0	0
Computer hardware	0	0	0	0
Total	**0**	**0**	**0**	**0**

All in $000s	Group				
	Depreciation on disposals	Impairment losses recognised	Impairment losses reversed	Depreciation	Total depreciation
Depreciation					
Infrastructure	18	0	0	(3,411)	(3,393)
Buildings	1,261	1,590	0	(32,394)	(29,543)
Leasehold improvements	4,400	0	0	(2,626)	1,774
Furniture and equipment	5,043	0	0	(11,878)	(6,835)
Computer hardware	4,455	0	0	(11,312)	(6,857)
Motor vehicles	140	0	0	(1,494)	(1,354)
Heritage collection	0	0	0	(30)	(30)
Library collection	267	0	0	(2,348)	(2,081)
Total depreciation	**15,584**	**1,590**	**0**	**(65,493)**	**(48,319)**

All in $000s	Parent				
	Depreciation on disposals	Impairment losses recognised	Impairment losses reversed	Depreciation	Total depreciation
Depreciation					
Infrastructure	0	0	0	0	0
Buildings	0	0	0	0	0
Furniture and equipment	0	0	0	(1)	(1)
Computer hardware	0	0	0	(2)	(2)
Total depreciation	**0**	**0**	**0**	**(3)**	**(3)**

Each subsidiary undertakes asset revaluations using independent registered valuers on a 3 – 5 year cycle. The timing of these valuation cycles varies from subsidiary to subsidiary. In accordance with these cycles six subsidiaries (Open Polytechnic Limited, Otago Polytechnic Limited, Tai Poutini Polytechnic Limited, Wellington Institute of Technology Limited, Unitec New Zealand Limited and Whitireia Community Polytechnic Limited) conducted asset revaluations on all properties (land and buildings) using independent registered valuers as at 31 December 2020. Revaluation involves determining the fair value of these properties. The assessment of the fair value of the land is based on reliable market transactions and sales evidence. The fair value of the buildings is based on optimised depreciated replacement cost. The fair value of land and building assets not revalued at balance date are assessed annually to ensure that they do not differ materially from their carrying value.

Notes to the Financial Statements

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11. 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 Te Pūkenga 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.

Goodwill

Te Pūkenga will recognise goodwill where there is an excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed. This difference reflects the goodwill to be recognised by Te Pūkenga. If the consideration transferred is lower than the net fair value of the interest in the identifiable assets acquired and liabilities assumed, the difference will be recognised immediately in the surplus or deficit.

All in $000s	Group											
	1 April 2020			2020						31 Dec 2020		
	Cost or fair value	Accumulated amortisation	Net carrying value	Additions / reclassification	Impairment	Revaluation	Disposals cost	Disposal amortisation	Amortisation	Cost or fair value	Accumulated amortisation	Net carrying value
Intangible assets												
Computer software	142,948	(95,799)	47,149	11,597	0	38	(4,312)	3,343	(12,066)	153,614	(107,865)	45,749
Goodwill	1,327	(407)	920	0	(920)	0	0	0	0	407	(407)	0
Course development	52,454	(34,675)	17,779	2,667	0	264	(3,924)	86	(3,936)	51,547	(38,611)	12,936
Other intangible assets	16,951	(5,358)	11,593	2,087	0	0	0	0	(806)	19,038	(6,164)	12,874
Lease assets	3,271	(1,331)	1,940	1,403	0	0	(2,398)	2,397	(1,966)	4,673	(3,297)	1,376
Total	**216,951**	**(137,570)**	**79,381**	**17,754**	**(920)**	**302**	**(10,634)**	**5,826**	**(18,774)**	**229,279**	**(156,344)**	**72,935**

All in $000s	Parent											
	1 April 2020			2020						31 Dec 2020		
	Cost or fair value	Accumulated amortisation	Net carrying value	Additions / reclassification	Impairment	Revaluation	Disposals cost	Disposal amortisation	Amortisation	Cost or fair value	Accumulated amortisation	Net carrying value
Intangible assets												
Computer software	0	0	0	0	0	0	0	0	0	0	0	0
Goodwill	0	0	0	0	0	0	0	0	0	0	0	0
Course development	0	0	0	0	0	0	0	0	0	0	0	0
Other intangible assets	0	0	0	0	0	0	0	0	0	0	0	0
Lease assets	0	0	0	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Goodwill

After initial recognition, goodwill is measured at cost less accumulated impairment losses. An impairment loss recognised for goodwill is not reversed. Goodwill is tested for impairment on an annual basis taking into consideration any changes to the business activities and environment in which Te Pūkenga operates.

Leased assets

At the commencement of the lease term, Te Pūkenga shall recognise assets acquired under finance leases as assets, and the associated lease obligations as liabilities in the statement of financial position. Although the legal form of a lease agreement is that the lessee may acquire no legal title to the leased asset, in the case of finance leases the substance and financial reality are that the lessee acquires the economic benefits or service potential of the use of the lease asset for the major part of its economic life in return for entering into an obligation to pay for that right, an amount approximating, at the inception of the lease, the fair value of the asset and the related finance charge. A finance lease gives rise to a depreciation expense for depreciable assets as well as a finance expense. The depreciation policy for depreciable leased assets shall be consistent with that for the depreciable assets that are owned. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the assets shall be fully depreciated over the shorter of the lease term or its useful life.

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11. INTANGIBLE ASSETS (CONTINUED)

	Group			
	1 April 2020	2020		31 Dec 2020
All in $000s	Cost	Additions	Capitalisations	Net Carrying Value
Intangible assets under construction				
Computer software	4,526	3,299	(4,408)	3,417
Course development	7,002	2,932	(689)	9,245
Other intangible assets	0	0	0	0
Total	**11,528**	**6,231**	**(5,097)**	**12,662**

	Parent			
	1 April 2020	2020		31 Dec 2020
All in $000s	Cost	Additions	Capitalisations	Net Carrying Value
Intangible assets under construction				
Computer software	0	0	0	0
Course development	0	0	0	0
Other intangible assets	0	0	0	0
Total	**0**	**0**	**0**	**0**

All in $000s	Group				
	Amortisation on disposals	Impairment losses recognised	Impairment losses reversed	Amortisation	Total amortisation
Amortisation					
Computer software	874	0	0	(12,066)	(11,192)
Goodwill	0	(920)	0	0	(920)
Course development	0	(1,674)	0	(3,936)	(5,610)
Other intangible assets	0	86	0	(806)	(720)
Lease assets	0	0	0	(1,966)	(1,966)
Total	**874**	**(2,508)**	**0**	**(18,774)**	**(20,408)**

All in $000s	Parent				
	Amortisation on disposals	Impairment losses recognised	Impairment losses reversed	Amortisation	Total amortisation
Amortisation					
Computer software	0	0	0	0	0
Goodwill	0	0	0	0	0
Course development	0	0	0	0	0
Other intangible assets	0	0	0	0	0
Lease assets	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**

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12. INVESTMENT IN ASSOCIATES

ACCOUNTING POLICY
Associate
An associate is an entity over which Te Pūkenga 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.

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 associates are shown in the table below:

	Ownership %	Balance date	Business Activity
Subsidiary/Associate/Joint venture			
Ara Institute of Canterbury Limited	100	31/12/20	Tertiary Vocational Education Provider
Eastern Institute of Technology Limited	100	31/12/20	Tertiary Vocational Education Provider
Manukau Institute of Technology Limited	100	31/12/20	Tertiary Vocational Education Provider
Nelson Marlborough Institute of Technology Limited	100	31/12/20	Tertiary Vocational Education Provider
Northland Polytechnic Limited	100	31/12/20	Tertiary Vocational Education Provider
Open Polytechnic of New Zealand Limited	100	31/12/20	Tertiary Vocational Education Provider
Otago Polytechnic Limited	100	31/12/20	Tertiary Vocational Education Provider
Southern Institute of Technology Limited	100	31/12/20	Tertiary Vocational Education Provider
Tai Poutini Polytechnic Limited	100	31/12/20	Tertiary Vocational Education Provider
Toi Ohomai Institute of Technology Limited	100	31/12/20	Tertiary Vocational Education Provider
Unitec New Zealand Limited	100	31/12/20	Tertiary Vocational Education Provider
Universal College of Learning Limited	100	31/12/20	Tertiary Vocational Education Provider
Waikato Institute of Technology Limited	100	31/12/20	Tertiary Vocational Education Provider
Wellington Institute of Technology Limited	100	31/12/20	Tertiary Vocational Education Provider
Western Institute of Technology Taranaki Limited	100	31/12/20	Tertiary Vocational Education Provider
Whitireia Community Polytechnic Limited	100	31/12/20	Tertiary Vocational Education Provider
OPAIC Limited Partnership	50	31/12/20	Tertiary Vocational Education Provider
TANZ-E Campus Limited	100	31/12/20	Tertiary Vocational Education Provider

Unpaid share capital
On 1 April 2020 Te Pūkenga was issued with 100 shares in each subsidiary 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 subsidiary's surplus assets. No call has been made for payment.

Ara Institute of Canterbury Limited
Eastern Institute of Technology Limited
Manukau Institute of Technology Limited
Nelson Marlborough Institute of Technology Limited
Northland Polytechnic Limited
Open Polytechnic of New Zealand Limited
Otago Polytechnic Limited
Southern Institute of Technology Limited
Tai Poutini Polytechnic Limited
Toi Ohomai Institute of Technology Limited
Unitec New Zealand Limited
Universal College of Learning Limited
Waikato Institute of Technology Limited
Wellington Institute of Technology Limited
Western Institute of Technology Taranaki Limited
Whitireia Community Polytechnic Limited

13. INVESTMENT PROPERTY

ACCOUNTING POLICY
Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation. Property held to meet service delivery objectives is classified as property, plant, and equipment. Investment property is measured initially at its cost, including transaction costs. After initial recognition, investment property is measured at fair value as determined annually by an independent valuer. Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

	Group					
	1 April 2020		2020			31 Dec 2020
All in $000s	Opening Value	Additions	Reclassifications	Revaluation	Disposals	Closing Value
Investment property						
OEDT - ARA	3,160	0	0	135	0	3,295
ARA Foundation	460	0	0	40	0	500
Tokoroa Investment Property - Toi Ohomai	130	0	0	0	0	130
Total investment property	**3,750**	0	**0**	**175**	**0**	**3,925**

The valuation of investment property for Ōtautahi Education Development Trust (OEDT) as at 31 December 2020 was performed by an independent registered valuer, Telfer Young, on 31 December 2020. Telfer Young are experienced valuers with extensive market knowledge in the types and location of investment property owned by the Group.

The valuation of investment property for Ara Foundation as at 31 December 2020 was performed by an independent registered valuer, Colliers International Valuation (ChCh) Limited, on 04 January 2021. Colliers International Valuation (ChCH) Limited are experienced valuers with extensive market knowledge in the types and location of investment property owned by the Group.

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14. 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.

		Group	Parent
All in $000s	Note	Actual 2020	Actual 2020
Payables under exchange transactions			
Trade payables		38,289	1,586
Other payables		22,405	93
Total		**60,694**	**1,679**
Payables under non-exchange transactions			
Other payables		4,657	0
Net GST payable/(receivable)		13,396	(135)
Total payables		**18,053**	**(135)**
Total trade and other payables		**78,747**	**1,544**

15. 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 expenses in the surplus or deficit when incurred.

		Group	Parent
All in $000s	**Note**	**Actual 2020**	**Actual 2020**
Employee benefit liabilities			
Accrued pay		6,719	161
Annual leave		38,946	130
Sick leave		1,438	0
Long service leave		2,244	0
Retirement leave		2,068	0
Restructuring provision		1,419	0
Other employee entitlements		1,712	0
Total		**54,546**	**291**
Current portion		50,835	291
Non-current portion		3,711	0
Total employee benefit liabilities		**54,546**	**291**

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16. REVENUE RECEIVED IN ADVANCE

		Group	Parent
All in $000s	Note	Actual 2020	Actual 2020
Revenue received in advance			
Government funding		13,983	5,532
Tuition fees		107,360	0
Other revenue received in advance		7,241	0
Total		**128,584**	**5,532**
Current portion		128,584	5,532
Non-current portion		0	0
Total revenue received in advance		**128,584**	**5,532**

17. 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 Te Pūkenga or the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

Borrowings	Note	Required	Headroom
Current portion		56,461	0
Non-current portion		65,090	0
Total		**121,551**	**0**
Weighted average effective interest rate		1.5%	0.0%

Te Pūkenga is in the process of implementing a centralised treasury management system. The purpose of this system is to enable the group to offset cash balances against borrowing balances, more effectively managing cash resources across the group. The parent does not have any borrowing facilities with any banking institutions. Currently subsidiaries have their own banking facilities and borrowing arrangements with their various banking partners providing funding for capital projects and liquidity. Certain covenants are required to be met in relation to these facilities.

		Ara	Otago	UCOL	Unitec	WITT	Wintec	Whitireia
Lender name		ANZ Bank New Zealand Limited	Westpac	Ministry of Education	Crown	Crown	Bank of New Zealand Limited	ANZ Bank New Zealand Limited
Facility description		$13,000,000 for the Otauatahi Education Development Trust subsidiary	$17,000,000 Multi Option Credit Facility	$3,556,600 Capital Injection repayable on demand zero % interest	$50,000,000 10-year concessionary Loan	$5,196,000 Interest free Crown loan	$28,615,000 Customised average rate Interest only loan	$14,000,000 Flexible line of credit
Maturity date of facility		31-Aug-22	31-Dec-25	on demand	31-Aug-28	Repayable in equal instalments over a five year period 2020 to 2024	20-Jan-22	on demand
Date of Ministry of Education consent to borrow			11-Oct-16	n/a	22-Aug-18	22-Dec-09	15-Dec-20	25-Sep-20
Borrowing paydown as at 31 Dec 2020		$420,000	0	0	0	$1,039,200	$1,842,400	$13,935,588
Covenants					Quarterly reporting in lieu of covenants			Quarterly reporting in lieu of covenants
Maximum total debt to total debt plus equity ratio	Actual	32.55%	12.80%				17%	
	Required	50%	20%				20%	
	Headroom	17.45%	7.20%				3%	
Minimum interest cover ratio	Actual	3.34	28.21					
	Required	1.5	3.00					
	Headroom	1.84	25.21					
Cash Flow from Operations Ratio	Actual		107.5%					
	Required		111%					
	Headroom		3.50%					
Leverage Ratio - (Net Debt/EBITDA)	Actual		1.41					
	Required		3.50					
	Headroom		2.09					
Net Surplus Ratio (before unusual items)	Actual		5.70%					
	Required		2.50%					
	Headroom		3.20%					
Liquidity Ratio	Actual		0.90%					
	Required		8.00%					
	Headroom		7.10%					

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18. FINANCE LEASES

ACCOUNTING POLICY

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty as to whether Te Pūkenga and the group will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

		Group	Parent
All in $000s	Note	Actual 2020	Actual 2020
Finance leases			
Current portion		2,457	0
Non-current portion		39,001	0
Total		**41,458**	**0**
Weighted average effective interest rate		5.1%	0.0%

Finance leases as lessee **Non-cancellable minimum finance lease payments are payable as follows:**			
Not later than one year		4,503	0
Later than one year and not later than five years		11,378	0
Later than five years		58,122	0
Total minimum lease payments as lessee		**74,003**	**0**

Future finance charges		32,545	0
Present value of minimum lease payments		41,458	0

Present value of minimum lease payments payable			
Not later than one year		2,148	0
Later than one year and not later than five years		5,987	0
Later than five years		33,323	0
Total		**41,458**	**0**

19. OTHER FINANCIAL ASSETS AND LIABILITIES

ACCOUNTING POLICY

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

Term deposits and loans to subsidiaries

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

New Zealand Government bonds

Government bonds are classified as available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories of financial asset. They are included in non-current assets unless the bonds mature or are intended to be disposed of within 12 months of the end of the reporting period.

Bonds are recognised initially at fair value plus transaction costs. Subsequent to initial recognition bonds are carried at fair value with changes in their fair value recognised in other comprehensive revenue and expense.

At the end of each reporting period an assessment is made of whether there is objective evidence that investments in bonds are impaired. Evidence of impairment may include indications that the debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payment 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.

If any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in surplus or deficit – is removed from equity and recognised in surplus or deficit.

If, in a subsequent period, the fair value increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in surplus or deficit, the impairment loss is reversed through surplus or deficit.

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 held for trading. After initial recognition, the managed fund is measured at fair value, with gains and losses recognised in the surplus or deficit.

Unlisted Shares

Investments in unlisted shares are classified as available-for-sale financial assets. They are included in non-current assets unless it is intended that the investments will be disposed of within 12 months of the end of the reporting period.

Unlisted shares are recognised initially at fair value (plus transaction costs). Subsequent to initial recognition they are carried at fair value with change in their fair value recognised in other comprehensive revenue and expense.

At the end of each reporting period an assessment is made of whether there is objective evidence that they are impaired. A significant or prolonged decline in the fair value of the shares below their original cost is considered evidence that they are impaired. If any such evidence exists, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in surplus or deficit – is removed from equity and recognised in surplus or deficit. Impairment losses recognised in surplus or deficit are not reversed through 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.

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19. OTHER FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

		Group	Parent
All in $000s	Note	Actual 2020	Actual 2020
Financial instrument categories			
The accounting policies for financial instruments have been applied to the line items below:			
Financial assets			
Financial assets - loans and receivables at amortised cost			
Cash and cash equivalents		132,320	35,291
Term Deposits with maturities greater than 3 months at acquisition		186,372	0
Investments in debt instruments		2,146	2,000
Tuition fees and other receivables		114,422	1,917
Total loans and receivables		**435,260**	**39,208**
Financial assets - held for trading at fair value through surplus or deficit			
Managed investment portfolio		6,571	0
Total held for trading		**6,571**	**0**
Financial liabilities			
Financial liabilities measured at amortised cost			
Creditors and other payables		78,747	1,544
Finance leases		41,458	0
Borrowing		121,551	0
Total financial liabilities measured at amortised cost		**241,756**	**1,544**
Financial liabilities measured at fair value			
Derivative financial instruments		399	0
Total financial liabilities measured at fair value		**399**	**0**

Financial instruments risks
Te Pūkenga and the group's activities expose it to a variety of financial risks, including market risk, credit risk, and liquidity risk.

Te Pūkenga and the group 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.

	Group						
All in $000s	Carrying amount	Contractual cashflow	Less than 6 months	6-12 months	1-2 years	2-3 years	More than 3 years
Financial liabilities at amortised cost							
Trade and other payables	78,747	78,747	78,747	0	0	0	0
Borrowings	121,551	124,667	34,241	1,513	39,211	10,631	39,071
Finance leases	41,458	74,003	2,282	2,221	3,959	3,751	61,790
Total	**241,756**	**277,417**	**115,270**	**3,734**	**43,170**	**14,382**	**100,861**
Derivative financial instruments	399	399	399	0	0	0	0
Total	**399**	**399**	**399**	**0**	**0**	**0**	**0**

	Parent						
All in $000s	Carrying amount	Contractual cashflow	Less than 6 months	6-12 months	1-2 years	2-3 years	More than 3 years
Financial liabilities at amortised cost							
Trade and other payables	1,544	1,544	1,544	0	0	0	0
Borrowings	0	0	0	0	0	0	0
Finance leases	0	0	0	0	0	0	0
Total	**1,544**	**1,544**	**1,544**	**0**	**0**	**0**	**0**
Derivative financial instruments	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**

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19. OTHER FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

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. Te Pūkenga 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. Te Pūkenga and the group is exposed to currency risk. Te Pūkenga and the group manages currency risks by entering forward foreign exchange contracts and through diversifying investments across different currencies.

Fair value interest rate risk

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

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

	Group			
All in $000s	<1 year	>1 year - <2 years	>2 years	Total
Cash & cash equivalents	132,320	0	0	132,320
Term deposits	186,372	0	0	186,372
Investments	8,717	0	0	8,717
Weighted average effective interest rate	3.0%	0%	0%	

	Parent			
All in $000s	<1 year	>1 year - <2 years	>2 years	Total
Cash & cash equivalents	35,291	0	0	35,291
Term deposits	0	0	0	0
Investments	2,000	0	0	2,000
Weighted average effective interest rate	0.06%	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. Te Pūkenga has a treasury management policy designed to ensure debt levels are sustainable and servicing costs are minimised. Interest rate swaps are utilised to manage interest rate risk.

Credit risk
Credit risk is the risk that a third party will default on its obligation to Te Pūkenga and the group, causing it to incur a loss. In the normal course of business, Te Pūkenga and the group is exposed to credit risk from cash and term deposits with banks, receivables, Government bonds, loans to subsidiaries, derivative financial instrument assets, and bonds within the managed fund investment. For each of these, the maximum credit exposure is best represented by the carrying amount in the statement of financial position. Due to the timing of its cash inflows and outflows, surplus cash is invested into term deposits and bonds, which give rise to credit risk. Te Pūkenga and the group limits the amount of credit exposure to any one financial institute for term deposits to no more than 25% of total investments held. Te Pūkenga and the group invests funds only with registered banks that have a Standard and Poor's credit rating of at least A2 for short-term investments and A for long-term investments. Te Pūkenga and the group has experienced no defaults of interest or principal payments for term deposits. Te Pūkenga and the group 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.

		Group	Parent
All in $000s	Note	Actual 2020	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-		318,143	35,291
A		0	0
Counterparties without credit ratings			
Existing counterparty with no defaults in the past		549	0
Investments:			
Existing counterparty with no defaults in the past		8,717	2,000
Existing counterparty with defaults in the past		0	0
Total		**327,409**	**37,291**
Debtors and other receivables			
Existing counterparty with no defaults in the past		114,422	1,917
Total debtors and other receivables		**114,422**	**1,917**

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19. OTHER FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

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

	Group				Parent			
	+100BPS		-100BPS		+100BPS		-100BPS	
All in $000s	Surplus	Equity	Surplus	Equity	Surplus	Equity	Surplus	Equity
Financial assets								
Cash and cash equivalents	994	0	(548)	0	412	0	(62)	0
Short term deposits for terms of 3 months or less	941	0	(933)	0	0	0	0	0
Investments	133	0	(133)	0	0	0	0	0
Listed shares	0	11	0	(11)	0	0	0	0
Financial liabilities								
Derivative financial instruments	(4)	0	4	0	0	0	0	0
Borrowings	(541)	0	541	0	0	0	0	0
Total sensitivity to interest rate risk	**1,523**	**11**	**(1,069)**	**(11)**	**412**	**0**	**(62)**	**0**

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.*

Notes to the Financial Statements

for the nine months ended 31 December 2020

19. OTHER FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

	Group			
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	132,320	132,320	0	0
Short term deposits	186,372	186,372	0	0
Investments	8,531	8,531	0	0
Listed Shares	186	186	0	0
Financial liabilities				
Derivative financial instruments	399	0	0	399
Borrowings	121,551	121,551	0	0
Total	**449,359**	**448,960**	**0**	**399**

	Parent			
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	35,291	35,291	0	0
Short term deposits	0	0	0	0
Investments	2,000	0	0	2,000
Listed Shares	0	0	0	0
Financial liabilities				
Derivative financial instruments	0	0	0	0
Borrowings	0	0	0	0
Total	**37,291**	**32,291**	**0**	**2,000**

20. CAPITAL MANAGEMENT

Te Pūkenga and the group's capital is its equity, which comprises accumulated funds and reserves. Equity is represented by net assets. Te Pūkenga 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. Te Pūkenga manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments and general financial dealings to ensure the that Te Pūkenga effectively achieves its objectives and purpose, while remaining a going concern.

21. EQUITY

ACCOUNTING POLICY

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

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

Property revaluation reserves

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

Fair value through other comprehensive revenue and expense reserve

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

Trusts and bequests reserve

The trusts and bequests reserve are a component of equity which has been created by Te Pūkenga.

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

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for the nine months ended 31 December 2020

21. EQUITY (CONTINUED)

		Group	Parent
All in $000s	Note	Actual 2020	Actual 2020
General funds			
At 1 April		0	0
Opening balance adjustment		1,709,397	0
Distribution to the Crown		(568)	0
Surplus/(deficit) for the year before other comprehensive revenue and expenditure		(473,578)	24,718
Less surplus/deficit attributable to other equity classes/reserves		(16)	0
Other comprehensive revenue and expense		(273)	0
Capital contributions from the Crown		19,280	10,000
Balance as at 31 December		**1,254,242**	**34,718**
Property revaluation reserves			
Equity introduced at 1 April		802,345	0
Land net revaluations gain		89,850	0
Infrastructure revaluations gain		3,526	0
Buildings net revaluations gain		12,391	0
Total net revaluations gain		**105,767**	**0**
Balance as at 31 December		**908,112**	**0**

		Group	Parent
All in $000s	Note	Actual 2020	Actual 2020
Trusts and bequests			
Opening balance		3,502	0
Interest received		87	0
Less grants awarded		(65)	0
Total		**3,524**	**0**
Represented by:			
Ara Institute of Canterbury Limited		847	0
Nelson Marlborough Institute of Technology Limited		1,059	0
Waikato Institute of Technology Limited		654	0
Others		964	0
Total		**3,524**	**0**
Restricted reserves			
Opening balance		110,258	0
Distributions from restricted reserves		(5)	0
Total restricted reserves		**110,253**	**0**
Represented by:			
Unencumbered cash reserves as described in note 4		79,521	0
Hardship - Northtec		73	0
Polytechnic equity - Open Polytechnic		2,245	0
Award funds - Southern Institute of Technology		119	0
South Westland Community Activities Trust - Tai Poutini Polytechnic		13	0
Earthquake Insurance reserves - ARA		28,282	0
Total restricted reserves		**110,253**	**0**
Fair value through other comprehensive revenue and expense reserve			
Equity introduced at 1 April		**0**	**0**
Gains on valuations (excluding property)		**0**	**0**
Other gains/(losses)		**0**	**0**
Balance as at 31 December		**0**	**0**
Total equity		**2,276,131**	**34,718**

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22. MAJOR BUDGET VARIATIONS

Explanations for major comprehensive revenue and expense budget variations from the 2020 Te Pūkenga budget are detailed below in this table:

		Group		
All in $000s	Note	Actual 2020	Budget 2020	Variance
Statement of comprehensive revenue and expense				
Surplus/(deficit)		(473,578)	(450,263)	(23,315)
Revenue variances				
Government funding		67,603	63,431	4,172
Student fees & departmental revenue		215,731	259,250	(43,519)
Other revenue		79,056	83,908	(4,852)
Expenditure variances				
Employee benefit expenses		505,550	490,967	14,583
Depreciation and amortisation		84,267	89,192	(4,925)
Interest expense		3,816	3,730	86
Administration and other expenses		242,958	273,142	(30,184)
Share of associate / joint venture		623	179	444
Other comprehensive revenue and expense				
Other comprehensive revenue and expense		105,494	8,999	96,495
Total comprehensive revenue and expense		**(368,084)**	**(441,264)**	**73,180**

Explanations for major statement of financial position budget variations from the 2020 Te Pūkenga budget are detailed below in this table:

Statement of financial position				
Current assets		463,473	327,324	136,149
Non-current assets		2,264,465	2,161,749	102,716
Current liabilities		321,794	339,703	(17,909)
Non-current liabilities		130,013	112,181	17,832
Equity		2,276,131	2,037,189	238,942

Explanations for major statement of cash flows budget variations from the 2020 Te Pūkenga budget are detailed below in this table:

Statement of cash flows				
Cash flow from operating activities		(67,903)	(33,159)	(34,744)
Cash flow used in investing activities		(6,928)	(64,863)	57,935
Cash flows from financing activities		43,270	27,689	15,581
Net (decrease)/increase in cash and cash equivalents		(31,561)	(70,333)	38,772
Cash and cash equivalents at beginning of the year		163,881	126,776	37,105
Total cash and cash equivalents at end of the year		**132,320**	**56,443**	**75,877**

Explanation of major budget variations:

Key variances in revenue related primarily to the effects of the COVID-19 pandemic resulting in national border closures and resultant loss of revenue from International student fees and closure of campuses during the COVID-19 lockdowns. Additional government funding was received to support students through the Technology Access Fund for Learners (TAFL) and the Hardship Fund for Learners (HFL) that was unbudgeted. With campus closures operating expenditure was less than budgeted. Cash flows were improved over budget largely due to COVID-19 pandemic induced delays in capital projects and associated expenditure and this led to higher current assets than budgeted.Increase in non-current assets were due to revaluations and made up a significant portion of the increase in equity.

Explanations for major comprehensive revenue and expense budget variations from the 2020 Te Pūkenga budget are detailed below in this table:

		Parent		
All in $000s	Note	Actual 2020	Budget 2020	Variance
Statement of comprehensive revenue and expense				
Surplus/(deficit)		24,718	(6,146)	30,864
Revenue variances				
Government funding		39,893	11,100	28,793
Tuition fees and departmental revenue		0	0	0
Other revenue		21	41	(20)
Expenditure variances				
Employee benefit expenses		3,668	4,149	(481)
Depreciation and amortisation		3	118	(115)
Interest expense		0	0	0
Administration and other expenses		11,525	13,020	(1,495)
Other comprehensive revenue and expense				
Other comprehensive revenue and expense		0	0	0
Total comprehensive revenue and expense		**24,718**	**(6,146)**	**30,864**

Explanations for major statement of financial position budget variations from the 2020 Te Pūkenga budget are detailed below in this table:

Statement of financial position				
Current assets		41,996	2,633	39,363
Non-current assets		89	2,382	(2,293)
Current liabilities		7,367	1,161	6,206
Non-current liabilities		0	0	0
Equity		34,718	3,854	30,864

Explanations for major statement of cash flows budget variations from the 2020 Te Pūkenga budget are detailed below in this table:

Statement of cash flows				
Cash flow from operating activities		27,383	(4,867)	32,250
Cash flow used in investing activities		(2,092)	(2,500)	408
Cash flows from financing activities		10,000	10,000	0
Net (decrease)/increase in cash and cash equivalents		35,291	2,633	32,658
Cash and cash equivalents at beginning of the year		0	0	0
Total cash and cash equivalents at end of the year		**35,291**	**2,633**	**32,658**

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for the nine months ended 31 December 2020

22. MAJOR BUDGET VARIATIONS (CONTINUED)

Explanation of major budget variations:
Final funding negotiated with Government was more than that budgeted, and this combined with unbudgeted funding streams for Centre of Vocational Excellence (CoVE) and TAFL and HFL funding resulted in better than expected revenue and cash flows. COVID-19 pandemic caused delays in the establishment of Te Pūkenga operations which delayed staff recruitment and associated costs and the implementation of a variety of projects resulted in a significant increase in surplus over that budgeted and improved cash flows.

23. CAPITAL EXPENDITURE PROJECT PERFORMANCE TO BUDGET

The below table provides a summary of capital expenditure allocations and major capital projects for the nine months 1 April 2020 to 31 December 2020.

		Group		
All in $000s	Note	Actual 2020	Budget 2020	Variance
Annual allocations (renewals)				
Facilities annual replacements		30,086	25,808	4,278
Furniture annual allocation		1,574	1,520	54
Information technology allocation		21,954	25,327	(3,373)
Vehicle replacement		1,439	1,941	(502)
Library annual allocation		776	861	(85)
Academic departments		3,306	4,871	(1,565)
Other allocation		8,045	27,350	(19,305)
Total annual allocation		**67,180**	**87,678**	**(20,498)**
Major projects				
Southern Institute of Technology Limited - St John's Creative Art Centre		3,455	18,340	(14,885)
Unitec New Zealand Limited - Building 048 extension project		770	12,110	(11,340)
Other projects		23,436	25,529	(2,093)
Total major projects		**27,661**	**55,979**	**(28,318)**
Total capital expenditure		**94,841**	**143,657**	**(48,816)**

The underspend on annual capital allocations across the group was largely due to delays brought on by the COVID-19 pandemic and associated lockdowns. Major building projects were delayed due to the inability to continue onsite work and the delays in construction caused by COVID-19 induced supply chain issues.

24. OPERATING LEASES

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

		Group	Parent
All in $000s	Note	Actual 2020	Actual 2020
Leases as lessee			
Non-cancellable operating lease rentals are payable as follows:			
Not later than one year		20,426	0
Later than one year and not later than five years		56,182	0
Later than five years		137,466	0
Total leases as lessee		**214,074**	**0**
Leases as lessor			
Te Pūkenga leases its property purchased for strategic purpose pending future use by Te Pūkenga under operating leases.			
The future minimum lease payments under non-cancellable leases are as follows:			
Not later than one year		3,265	0
Later than one year and not later than five years		4,496	0
Later than five years		1,245	0
Total leases as lessor		**9,006**	**0**

Operating leases as the lessee comprise of buildings, photocopiers and other equipment.

Notes to the Financial Statements

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25. COMMITMENTS AND CONTINGENCIES

		Group	Parent
All in $000s	Note	Actual 2020	Actual 2020
Te Pūkenga has the following commitments at balance date:			
Capital commitments			
Capital commitments denote approved capital expenditure contracted for at year-end not yet incurred.			
Approved and committed			
Buildings		24,380	0
Other plant, property and equipment		1,553	0
Intangible assets		295	0
Total capital commitments		**26,228**	**0**

Te Pūkenga has the following contingent liabilities at balance date:			
Contingent liabilities			
Otago Polytechnic - enforceable undertaking		(167)	0
Waikato Institute of Technology Limited - export guarantee		(2,026)	0
Total contingent liabilities		**(2,193)**	**0**

26. 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 Te Pūkenga 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.

	Parent and Group
All in $000s	**Actual 2020**
Key management personnel related party transactions	
Council members	
Number of Council members	8
Remuneration	348
Chief Executive and Deputy Chief Executives	
Full-time equivalent members*	3
Remuneration	1,271
Total full-time equivalent members	**11**
Total key management personnel remuneration	**1,619**

**There are nine members of the senior management team considered to be key management personnel. These members were employed throughout the period to 31 December 2020 resulting in a full time equivalent figure of three.*

Notes to the Financial Statements

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27. 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 Te Pūkenga obtains control of the entity and ceases when Te Pūkenga loses control of the entity.

Subsidiaries

Te Pūkenga consolidates in the group financial statements those entities it controls. Control exists where Te Pūkenga 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 Te Pūkenga. Investments in subsidiaries are measured at cost in the parent financial statements.

28. RECONCILIATION OF OPENING EQUITY

On the 1st of April 2020 the existing Institute's of Technology and Polytechnics (ITP's) became Subsidiaries of the newly formed Te Pūkenga. The following table shows the consolidated changes in equity resulting from the transition from the individual institution entities to Te Pūkenga on 1 April 2020.

		Group		
All in $000s	Note	Actual 31 March 2020	Adjustments	Actual 1 April 2020
ASSETS				
Current assets				
Cash and cash equivalents		162,924	957	163,881
Student fees and other receivables		501,343	(1,007)	500,336
Prepayments		16,983	0	16,983
Inventory		6,866	0	6,866
Assets held for sale		2,780	0	2,780
Other financial assets		246,725	(957)	245,768
Total current assets		**937,621**	**(1,007)**	**936,614**
Non-current assets				
Property, plant and equipment		2,010,307	0	2,010,307
Intangible assets		86,440	(7,059)	79,381
Assets under construction - property, plant and equipment		45,997	0	45,997
Assets under construction - intangibles		11,528	0	11,528
Investment in subsidiary / associate		2,760	0	2,760
Investment property		3,750	0	3,750
Term receivables		4,262	0	4,262
Other financial assets - non-current		11,633	0	11,633
Total non-current assets		**2,176,677**	**(7,059)**	**2,169,618**
Total assets		**3,114,298**	**(8,066)**	**3,106,232**

Notes to the Financial Statements

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28. RECONCILIATION OF OPENING EQUITY (CONTINUED)

		Group		
All in $000s	Note	Actual 31 March 2020	Adjustments	Actual 1 April 2020
LIABILITIES				
Current liabilities				
Trade and other payables		116,907	0	116,907
Employee entitlements		42,471	0	42,471
Revenue received in advance		181,896	0	181,896
Borrowings		49,628	0	49,628
Finance leases		1,926	0	1,926
Provisions - current		1,458	0	1,458
Total current liabilities		**394,286**	**0**	**394,286**
Non-current liabilities				
Employee entitlements		2,892	0	2,892
Revenue received in advance		16,832	0	16,832
Borrowings		29,112	0	29,112
Finance leases		26,489	0	26,489
Derivative financial instruments		788	0	788
Provisions - non-current		10,331	0	10,331
Total non-current liabilities		**86,444**	**0**	**86,444**
Total liabilities		**480,730**	**0**	**480,730**
Net assets		**$2,633,568**	**(8,066)**	**2,625,502**
EQUITY				
General funds		1,796,535	(87,138)	1,709,397
Property revaluation reserve		802,345	0	802,345
Trust, endowments and bequests		3,502	0	3,502
Restricted reserves		30,737	79,521	110,258
Total equity attributable to Te Pūkenga		**2,633,119**	**(7,617)**	**2,625,502**
Non-controlling interest		**449**	**(449)**	**0**
Total equity		**2,633,568**	**(8,066)**	**2,625,502**

The key reconciling item in the table above related to redefining the treatment of course development costs to provide greater consistency in accounting treatment across the group. Changes also related to changes in revenue recognition and the classification of equity reserves adopted by the group on its formation on 1 April 2020. Unencumbered cash reserves (see Note 4) are included in Restricted reserves.

29. COMPARISON OF GROUP REVENUE AND EXPENSES

The comparison below is provided for information only. This shows a calendar year performance of Te Pūkenga group consolidated results. The values in the first column represent the 3 months 1 January 2020 to 31 March 2020 before establishment and the second column shows 1 April to 31 December 2020 after the establishment of Te Pūkenga. The third column represents the effective 12 month period ending 31 December 2020 as compared to the fourth column which shows the 12 month period ending 31 December 2019.

	Actual		Total	Last year
All in $000s	3 months 1 Jan 2020 - 31 Mar 2020	9 months 1 Apr 2020 - 31 Dec 2020	12 months	2019
Revenue				
Government grants	562,538	67,603	630,141	545,838
Tuition fees	156,090	215,731	371,821	399,570
Other revenue	31,746	79,056	110,802	121,717
Total revenue	**750,374**	**362,390**	**1,112,764**	**1,067,125**
Expenditure				
Personnel & employee benefit costs	148,440	505,550	653,990	594,232
Depreciation and amortisation expenses	27,552	84,267	111,819	104,034
Administration and other expenses	98,863	246,774	345,637	341,567
Total expense	**274,855**	**836,591**	**1,111,446**	**1,039,833**
Share of associates/joint venture	(438)	623	185	211
Surplus/(deficit)	**475,081**	**(473,578)**	**1,503**	**27,504**
Comparison of Cash Flows				
Net cash inflow from operating activities	129,828	(67,903)	61,925	85,645
Net cash outflow used in investing activities	(54,577)	(6,928)	(61,505)	(47,079)
Net cash flows from financing activities	(19,601)	43,270	23,669	(552)
Net (decrease)/increase in cash & cash equivalents	**55,650**	**(31,561)**	**24,089**	**38,014**
Cash & cash equivalents at beginning of the period	108,231	163,881	108,231	70,217
Cash and cash equivalents at end of period	**163,881**	**132,320**	**132,320**	**108,231**

The financial statements of the predecessor ITPs for the period 1 January 2020 through to 31 March 2020 and for 2019 can be found on the individual ITPs websites.

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30. 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.

From this, the country was in lockdown at Alert Level 4 for the period 26 March to 27 April and then remained in lockdown at Alert Level 3 until 13 May.

During this period, Te Pūkenga closed all delivery sites and brought forward the mid-semester break to align with the new timing of the school holidays in New Zealand.

Most staff moved to a “work from home” model, and teaching was changed to online delivery after the mid-semester break.

After 13 May, when New Zealand moved to lower Alert Levels, students 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 Te Pūkenga financial statements due to COVID-19 are explained below:

Revenue	Drop of revenue due to lower international student enrolments. Domestic enrolment increases have partially offset this revenue impact, along with Government initiatives such as Targeted Training & Apprenticeship Fund (TTAF). Level 3 and 4 lockdowns contributed to reduced revenue in areas such as Childcare facilities and cafes.
Students	As with revenue, international student numbers were down in 2020 but this loss was partially offset by higher domestic enrolments.
Suppliers	The majority of suppliers to Te Pūkenga group are based in New Zealand, so the COVID-19 effect on supply was minimal.
Employees	Teaching staff had to develop online delivery methods when students were home based. The majority of non-teaching staff were able to carry out their duties with minimal disruption to productivity.
Liquidity	The majority of the ITPs have held sufficient working capital reserves to meet day to day cash requirements, however new debt instruments have been drawn down where required. For the group as a whole, COVID-19 has had limited effect on going concern status. However, it is noted that some subsidiaries that were experiencing going concern challenges prior to COVID-19 continue to do so.
Property Asset fair value assessment	Generally, property and land valuations have followed trends witnessed in the wider market by increasing in 2020, in some case markedly. The proportion to which these increases can be directly attributable to COVID-19 is uncertain.

31. EVENTS AFTER BALANCE DATE

ACCOUNTING POLICY

Te Pūkenga is implementing a group treasury strategy and will enter into group-wide debt financing and transactional banking arrangements, as part of its establishment of a central treasury function. These arrangements are expected to take effect in May 2021.

The Crown assets in Tairāwhiti will transfer ownership to the Eastern Institute of Technology Ltd in 2021 from the Crown. It is also likely that the Crown assets in Hawkes Bay will also transfer to the Institute in 2021.

Otago Polytechnic entered into a contract for $22.5m with Naylor Love Dunedin Limited on 1 April 2021 for the construction of the new Trades Training Facility at the Forth Street Campus. Otago Polytechnic Limited will be receiving a grant of $10m in funding for this project from Crown Infrastructure Partners. This is one of the government shovel ready project initiatives.

Wintec Ltd has entered a sale and purchase agreement for their Ward Street Land which settled on 31 March 2021 for $2.124m.

Unitec New Zealand Limited identified an asbestos issue while renovating a small room on the Mt Albert Campus in March 2021. The decision was to close all of the buildings as a precautionary measure following test results. Testing was completed, it is anticipated that the remediation plan will take 12 weeks to complete. The estimated remediation cost is up to $3.3 million.

Ētahi pārongo atu
Other Information

Remuneration - council and board member

The below council and board member remuneration values are for Te Pūkenga and the group for the nine months ending 31 December 2020.

Name	Te Pūkenga	Ara Institute of Canterbury Limited	Eastern Institute of Technology Limited	Manukau Institute of Technology Limited	Nelson Marlborough Institute of Technology Limited	Northland Polytechnic Limited	Open Polytechnic of New Zealand Limited	Otago Polytechnic Limited	Southern Institute of Technology Limited
Allison, Paul								14,010	
Allison, Tony								31,319	
Anderson, Nicole						12,559			
Arseneau, Therese		31,000					14,000		
Atmore, Verne									
Bain, Murray		15,000				15,698			15,567
Barlow-Groome, Caitlin									
Broad, Alison									31,138
Brockie, Robin									
Brockies, John	28,208					2,294			
Butler, Ross									
Cairns, Monique				15,000					
Caldwell, Robert									
Cartwright, Jane		15,000							
Cleaver, Mark									
Collier, Hilton			28,000						
Collins, Mike								14,158	
Comer, Leith									
Cooney, Catherine									
Copeland, Janet									15,567
Coutts, Karen								14,114	
Crawford, Michael									
Crowley, Cassandra									
Devlin, Margaret									
Donald, Murray									19,458
Edgar, Judene					12,653				
Edwards, Kara									
Evans, Ripeka						25,118			
Fleming, Daniel									
French-Wright, Lyal									
Geddes, Maryann	40,078	15,000						14,158	15,567
Gibson, Bev									
Goulter, Kiri									
Grant, Antonina					12,559				
Grant, Kathleen	40,168				12,559				
Hape, Chrissie			18,000						
He, Xiao Peng (Jerry)							14,000		
Hina, Katarina									
Hodges, Tania	39,580								
Hope, Sue									
Huggard, Sam	39,580								
Jalil, Ziena				15,000					
Johnston, Tracy			14,000		15,816				
Jordan, Barry									15,567
Kaio, Aimee									15,567

Tai Poutini Polytechnic Limited	TANZ-E Campus	Toi Ohomai Institute of Technology Limited	Unitec New Zealand Limited	Universal College of Learning Limited	Waikato Institute of Technology Limited	Wellington Institute of Technology Limited	Western Institute of Technology Taranaki Limited	Whitireia Community Polytechnic Limited	Total
									14,010
									31,319
									12,559
									45,000
				14,732					**14,732**
									46,265
						6,262		5,582	**11,844**
									31,138
							25,000		**25,000**
									30,502
	18,000								**18,000**
			15,000						**30,000**
15,000									**15,000**
									15,000
				12,559					**12,559**
									28,000
									14,158
		14,000							**14,000**
		28,000							**28,000**
									15,567
									14,114
					12,951				**12,951**
							13,110		**13,110**
					16,189				**16,189**
									19,458
									12,653
12,000									**12,000**
		18,000							**43,118**
							13,110		**13,110**
				9,983			13,110		**23,093**
									84,803
							16,000		**16,000**
					12,951				**12,951**
									12,559
						5,582		6,102	**64,411**
									18,000
									14,000
				11,786					**11,786**
		14,000			12,951				**66,531**
						5,582		6,262	**11,844**
11,000							13,110		**63,690**
			15,000						**30,000**
									29,816
				12,559					**28,126**
									15,567

Remuneration - council and board member

(CONTINUED)

The below council and board member remuneration values are for Te Pūkenga and the group.

Name	Te Pūkenga	Ara Institute of Canterbury Limited	Eastern Institute of Technology Limited	Manukau Institute of Technology Limited	Nelson Marlborough Institute of Technology Limited	Northland Polytechnic Limited	Open Polytechnic of New Zealand Limited	Otago Polytechnic Limited	Southern Institute of Technology Limited
Kara, Erena						12,559			
Keene, Matthew						12,559			
Keoghan, Rebecca									
La Hood, Adam								14,158	
Lamont, Nettles		15,000							
Lesa, Fale (Andrew)				15,000					
Leslie, Andrea		15,000							
Lester, Justin								14,010	
Littlewood, Charlotte									
Mahara, Raewyn									
Maharey, Steve									
McKelvie, Ross			14,000						
McLeod-Lundy, Breccan							14,000		
Meade, Linda									
Moeahu, Kura									
Newton, Charles					12,653				
Ngārimu, Mereana	50,098		14,000			12,559			
Nuri, Niwa									
Parussini, Peter				15,000					
Potiki, Megan								18,967	
Reid, Robert				15,000					
Renata, Steven				15,000					
Renner, Vaughan							28,000		
Rewi, Darren									15,567
Rooney, Renee									
Smith, Patrick					12,653				
Stephenson, Lorraine									
Stewart, Linda									
Storey, Pamela									
Strong, Murray	70,681						14,000		
Sutherland, Sue							14,000		
Tahana, Ngaroma									
Taite, Melanie		19,000							
Thompson, Bryn		15,090							
Travers, Geraldine			14,000						
Tuuta, Colleen									
Vaughan, Karen							14,000		
Wehner, Daryl					25,305				
Wilson, Joanie					12,803				
Winder, Peter	39,610			30,000					
Wineera-Parai, Ranei									
Yates, Bronwyn						12,659			
Total	**348,003**	**140,090**	**102,000**	**120,000**	**117,001**	**106,005**	**112,000**	**134,894**	**143,998**

Tai Poutini Polytechnic Limited	TANZ-E Campus	Toi Ohomai Institute of Technology Limited	Unitec New Zealand Limited	Universal College of Learning Limited	Waikato Institute of Technology Limited	Wellington Institute of Technology Limited	Western Institute of Technology Taranaki Limited	Whitireia Community Polytechnic Limited	Total
									12,559
									12,559
24,000									**24,000**
									14,158
									15,000
			15,000						**30,000**
									15,000
						12,555		12,555	**39,120**
							13,110		**13,110**
					12,951				**12,951**
				23,572					**23,572**
									14,000
									14,000
						6,102		5,582	**11,684**
						6,262		6,472	**12,734**
									12,653
									76,657
		14,000			25,906				**39,906**
			15,000						**30,000**
									18,967
			15,000						**30,000**
			15,000						**30,000**
									28,000
									15,567
12,000									**12,000**
									12,653
				11,786					**11,786**
				12,559					**12,559**
					12,951				**12,951**
13,000									**97,681**
									14,000
		14,000							**14,000**
									19,000
									15,090
									14,000
							13,110		**13,110**
									14,000
									25,305
									12,803
			30,000						**99,610**
						6,262		6,442	**12,704**
									12,659
87,000	**18,000**	**102,000**	**120,000**	**109,536**	**106,850**	**48,607**	**119,660**	**48,997**	**2,084,641**

Remuneration - employee

Te Pūkenga and the group have employees, not including directors, who received total remuneration greater than $100,000 for the nine month period ending 31 December 2020. The employee counts are shown in the table below:

Total remuneration paid or payable	Te Pūkenga	Ara Institute of Canterbury Limited	Eastern Institute of Technology Limited	Manukau Institute of Technology Limited	Nelson Marlborough Institute of Technology Limited	Northland Polytechnic Limited	Open Polytechnic of New Zealand Limited	Otago Polytechnic Limited	Southern Institute of Technology Limited	Tai Poutini Polytechnic Limited	Toi Ohomai Institute of Technology Limited	Universal College of Learning Limited	Unitec New Zealand Limited	Wellington Institute of Technology Limite	Whitireia Community Polytechnic Limited	Waikato Institute of Technology Limited	Western Institute of Technology Taranaki Limited	TANZ-E Campus
$100,000 - $109,999	0	6	6	15	3	2	9	16	4	2	4	10	11	0	0	12	2	2
$110,000 - $119,999	0	9	1	4	0	4	5	3	2	0	5	3	12	0	0	7	0	0
$120,000 - $129,999	1	2	1	2	0	0	3	4	1	0	4	2	5	0	0	2	2	0
$130,000 - $139,999	1	1	2	2	1	0	1	2	0	0	0	2	1	0	0	2	0	1
$140,000 - $149,999	1	0	1	4	1	0	1	3	0	0	0	5	4	1	1	0	0	0
$150,000 - $159,999	0	1	1	1	0	0	2	1	0	0	0	1	4	0	0	3	0	0
$160,000 - $169,999	0	0	1	1	0	1	2	0	1	0	5	0	2	0	0	0	0	0
$170,000 - $179,999	0	0	0	0	0	0	2	3	0	0	0	1	3	0	0	1	0	0
$180,000 - $189,999	0	1	0	0	1	0	0	0	0	0	2	0	0	0	0	1	0	0
$190,000 - $199,999	1	1	1	0	0	0	0	0	1	0	0	1	0	0	0	1	1	0
$200,000 - $209,999	0	1	0	0	0	0	0	2	0	0	1	1	0	0	0	0	0	0
$210,000 - $219,999	0	0	0	1	0	0	0	0	0	0	0	2	0	0	0	0	0	0
$220,000 - $229,999	0	0	0	1	0	0	0	0	0	0	0	0	1	0	0	0	0	0
$230,000 - $239,999	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
$240,000 - $249,999	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	1	0	0
$250,000 - $259,999	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0
$260,000 - $269,999	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
$270,000 - $279,999	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0
$280,000 - $289,999	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
$290,000 - $299,999	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
$300,000 - $309,999	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
$310,000 - $319,999	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
$320,000 - $329,999	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0
$330,000 - $339,999	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
$340,000 - $349,999	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**6**	**23**	**14**	**34**	**6**	**7**	**26**	**34**	**9**	**2**	**22**	**28**	**45**	**1**	**1**	**30**	**5**	**3**

Cessation payments

The table below shows the total value of compensation or other benefits paid or payable to persons who ceased to be members, committee members or employees during the 9 month period 1 April 2020 to 31 December 2020 in relation to that cessation and the number of persons to whom all or part of that total was paid or payable.

	Number of staff	$
Subsidiary/Associate/Joint venture		
Ara Institute of Canterbury Limited	6	114,737
Eastern Institute of Technology Limited	9	301,735
Manukau Institute of Technology Limited	18	730,741
Nelson Marlborough Institute of Technology Limited	4	103,319
Northland Polytechnic Limited	17	305,121
Open Polytechnic of New Zealand Limited	5	110,000
Otago Polytechnic Limited	18	818,000
Southern Institute of Technology Limited	3	23,022
Toi Ohomai Institute of Technology Limited	17	307,722
Universal College of Learning Limited	2	372,276
Unitec New Zealand Limited	85	757,684
Wellington Institute of Technology Limited	7	165,653
Whitireia Community Polytechnic Limited	36	1,018,046
Waikato Institute of Technology Limited	4	96,875
Western Institute of Technology Taranaki Limited	6	123,479
Total	**237**	**5,348,410**

Te Pūkenga

Ngā āpitihanga whaikoha mai Contributing subsidiaries

The financial results included in this Annual Report are presented as aggregated totals of the network as a whole. Each subsidiary will present disaggregated performance information within their own individual Annual Reports.

A full list of the subsidiaries within the network and website address for further information is as follows.

Ara Institute of Canterbury Limited
www.ara.ac.nz

Eastern Institute of Technology Limited
www.eit.ac.nz

Manukau Institute of Technology Limited
www.manukau.ac.nz

Nelson Marlborough Institute of Technology Limited
www.nmit.ac.nz

Northland Polytechnic Limited
www.northtec.ac.nz

Open Polytechnic of New Zealand Limited
www.openpolytechnic.ac.nz

Otago Polytechnic Limited
www.op.ac.nz

Southern Institute of Technology Limited
www.sit.ac.nz

Tai Poutini Polytechnic Limited
www.tpp.ac.nz

Toi Ohomai Institute of Technology Limited
www.toiohomai.ac.nz

Unitec New Zealand Limited
www.unitec.ac.nz

Universal College of Learning Limited
www.ucol.ac.nz

Waikato Institute of Technology Limited
www.wintec.ac.nz

Wellington Institute of Technology Limited
www.weltec.ac.nz

Western Institute of Technology Taranaki Limited
www.witt.ac.nz

Whitireia Community Polytechnic Limited
www.whitireia.ac.nz

Te Pūkenga