

Annual Report 2016



Wintec
WAIKATO INSTITUTE OF TECHNOLOGY
Te Kuratini o Waikato

Our Mission

—

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

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

—



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Acknowledgements

Access this report online at wintec.ac.nz

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Overview



Strategic Direction

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

Our graduates are highly sought after by employers

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

We help build the economy and strengthen communities.

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

We are a leader in international education, on-shore and off-shore

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

We are a modern organisation

Our aim is to be recognised as a financially well-performing, modern organisation, which delivers

financial, social and environmental benefits for our customers and the wider communities.

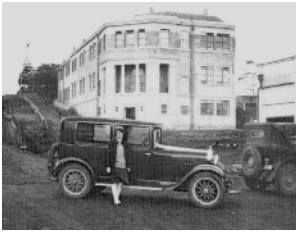
Our research and commercialisation deliver real world solutions

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

The Connect Programme – our organisational change programme

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

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



1924

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

1968

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

1985

Horticulture teaching begins at Hamilton Gardens.

1987

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

1990

Satellite campuses open in Te Kuiti and Thames.

1990s

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

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

1992

First degree, Bachelor of Business, is offered.

1994

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

1999

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

2000

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

2001

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

2007

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

92 Years of Innovation and Growth



2009

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

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

2010

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

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

2011

Wintec Alumni Circle formed.

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

2012

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

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

2013

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

The first Wintec student ball is held at Wintec House.

Wintec wins the Supreme Award at the 2013 Microsoft Tertiary ICT Innovation Awards.

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

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

2014

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

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

Wintec opens three colleges in Saudi Arabia in a joint venture with Spanish partner Mondragon Educación Internacional.

2015

Jinhua Polytechnic Wintec International College in China opens.

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

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

2016

International student numbers reach an all-time high. Nearly 1800 students enrolled in 2016, equating to 1009 equivalent full-time students.

Rotokauri student hub and campus is redesigned and refurbished.

A new programme is developed in collaboration with Waikato-Tainui to increase fluency in te reo Māori.

A black and white photograph of two men sitting on a metal bench outdoors. The man on the left is holding a laptop and looking at the screen, while the man on the right looks on. They are both wearing jackets and casual attire. The background shows a modern building with large windows and some tall grasses. The overall tone is professional and collaborative.

Chair's and Chief Executive's Reports

Chair's Report

Our Group surplus for the year was \$3.5 million or 3.5%.

After asset revaluations and one-off items such as restructuring, the core operating surplus was 2.2%. This is a sound result given our continued investment in upgrading our teaching spaces, technology and products. Such investment is essential to ensure that we remain viable and successful well into the future.

Our financial investment is complemented by our ongoing investment in relationships. Through strong relationships with our regional, national and global communities, we ensure that our students are able to acquire skills that are relevant for today's workforce and that will enable them to contribute to the economic and social strength of their communities in the future.

In 2016 we celebrated the success of 1100 students who graduated from Wintec's Schools of Engineering, Trades, Science and Primary Industry, Health and Social Practice, Teaching and Learning, Media Arts, Sports Science and Human Performance, Beauty Therapy, Hairdressing, Hospitality, Foundation Studies and Languages, and Business, Information Technology and Enterprise.

We are proud of the way our students face the challenges, commitment and sheer effort involved in achieving their qualifications. It is a privilege to help students gain the skills, knowledge and confidence to start or progress their careers. We also acknowledge with thanks the vital support we and they receive from family, friends and employers.

During the year we were delighted to confer an honorary fellowship on Clint Baddeley - a Waikato leader in local government for many years, a long-serving Wintec Council member, and a strong community advocate. We were equally pleased to recognise the achievements of many students and staff at numerous events throughout the year.

More than a quarter of our students identify as Māori and Māori achievement is a strategic focus for us. We are proud to have one of the highest levels of Māori participation in higher levels of study in the tertiary education sector. Initiatives included: partnering with

Waikato-Tainui to increase fluency in te reo Māori, progressing our Māori and Pasifika Trades Training programme to help students to gain employment, and celebrating Matariki with the launch of a book which was written and designed by our students and which featured 12 inspirational stories of Māori achievement at Wintec.

Wintec has increasingly embraced internationalisation over a number of years and it will continue to do so. In this era of globalisation most Wintec graduates will be working with international companies, either in New Zealand or overseas, at some stage in their careers. We believe that cultural diversity enhances the experience of all of our students and we promote strategies and initiatives that foster a positive multi-cultural environment.

“Success requires the performance and dedication of many people.”

Our international student numbers are at an all-time high. The numbers studying with us in Hamilton increased by 7% on the previous year to 1009 Equivalent Full Time students (EFTs). Off-shore, we settled into our second year of operation with the Jinhua Polytechnic Wintec International College, explored new opportunities in Mauritius, Thailand, and Malaysia, and enjoyed the third year of our joint venture operating three educational colleges in the Kingdom of Saudi Arabia.

The work of our international and off-shore teams is at times ground-breaking for export education. We appreciate the ongoing support and endorsement of many of these initiatives by government agencies such as Education New Zealand, and international agencies and institutions.

Wintec is in an environment where substantial change is always on the agenda. We embrace that and strive to remain adaptable and flexible. At all levels, it is

Mark Flowers, Chief Executive and
Mary Cave-Palmer, Chair.



important to keep on our toes and be clear about our vision and direction.

At a governance level, there were no additions or farewells for our Wintec Council in 2016. It was a year of consolidation and professional development. Our Council is committed to sound governance policies and practices. We are determined to remain well-equipped to govern Wintec, one of New Zealand's leading institutes of technology.

This year two Council members visited some of our operations in China, including Chengdu University of Information Technology and Jinhua Polytechnic Wintec International College. They met key stakeholders, saw Wintec staff in action overseas, and observed first-hand the different cultural norms, business models and pathways for education delivery.

Wintec's future success depends on how well we all embrace cultural diversity, seek innovation and efficiency, diversify our thinking and our revenue streams, modernise our products, services and buildings, and ensure quality and integrity underpin all our relationships.

On behalf of the Wintec Council I'd like to thank our chief executive Mark Flowers for his unrelenting drive to keep Wintec innovative and relevant. I'd also like to acknowledge his talented executive team, the academic and support staff, government agencies, community groups and businesses, employers, families, students and all those who contribute to keeping Wintec grounded and forward-looking. Together we celebrate Wintec's achievements in 2016 and together we face the future with confidence.



Mary Cave-Palmer
Chair



Chief Executive's Report

2016 has been another year of development and change for Wintec.

Our achievements are the product of the wonderful commitment of our staff to our vision and ambitions. These include strengthening and developing our employer and industry links; modernisation through our change programme, new and improved programmes and infrastructure; progress of commercial initiatives; and driving internationalisation both here and overseas.

We maintained overall student numbers and educational quality, and posted a solid financial result in a funding environment which is somewhat constrained at the domestic level.

Our net surplus for the Group was \$3.5 million or 3.5% of total revenue. This includes one-off adjustments, such as asset sales or revaluations, which we exclude when we consider our core operational activity.

In 2016 we continued our drive for long-term sustainability under a difficult operating environment. We achieved this through a combination of revenue diversification, with our other revenue streams increasing by \$1.3 million (or 8%) in 2016 and through the continued investment in our modernisation programme. This includes buildings and information technology, but also product development and staff capability.

The impact was a reduction in our Group surplus to \$2.2 million or 2.2% of revenue. It is a sound result given the level of investment that has been undertaken by Wintec.

It was a great year for our subsidiaries Soda Inc. and LearningWorks, with both organisations progressing well strategically, financially and commercially. It is great to see an increasing alignment and an exchange of ideas with both organisations. While they operate separately, they are an important part of Wintec's overall strategy.

Soda Inc. builds on business partnerships, nurtures business incubation and further explores the overlaps between business, education and innovation. Soda's move to premises in Wintec House has been a great success and this has helped them triple the number of businesses and clients who are taking up co-working spaces at Soda. Other highlights included more innovation programmes, sourcing of new funding and successful exits from the shareholding of incubation client companies. Sadly, at the end of 2016, Soda Inc's chief executive Claire McGowan resigned from her role to relocate to Christchurch. I'd like to thank Claire for her great leadership of Soda Inc. over the last two years, and the development of the Soda team.

For LearningWorks the fit with our overall strategy is reforming the business of education, addressing capability and delivery needs, identifying business opportunities for online teaching materials and contracting with other education providers. We enjoyed a stronger alignment with LearningWorks this year through the work of EDevelopment House, which sees new programmes and qualifications co-designed between Wintec and LearningWorks.

At a sector level, I've continued to be involved in the many discussions around the need to improve the perceptions of ITPs (Institutions of Technology and Polytechnics). While we've gone some way to raising the profile of our distinct value, which is how professional, vocational and technical skills strengthen our economy, this remains an important issue for the ITP sector.

Showcasing more success stories to our stakeholders—parents, employers, and the government—is critical. Throughout this report, you'll see many examples of success which reinforce our relevance, and demonstrate the contribution to our future workforce. Behind the scenes, there are vital relationships with employers and industry that underpin the relevance of ITP education. At Wintec, an example of this is our strong relationship with the Waikato District Health Board, where we interact on many levels around education of the health workforce now and for the future, as well as developing programmes and initiatives which match future health provision.

Some other highlights included six of our media arts students being awarded the prestigious Prime Minister's scholarships to study overseas; Wintec again hosting the national WorldSkills competition; and winning an award from Microsoft for excellence in technology delivery.

Internationalisation is central to Wintec's strategies and it brings benefits, not only to students and employers, but to the city and the region. Our international student numbers are buoyant with around 1,800 students (1,009 EFTS) from nearly 60 countries studying with us in Hamilton. Combine that with our commercial international initiatives, educational delivery in countries off-shore, our "train the trainer" courses, and it simply reinforces that, in an era of globalisation, we are prepared for and responsive to the changing needs and opportunities of education.

The enormous impact of technology and globalisation often makes it hard to predict what the careers and jobs of the future will look like. However, there are vital skills that we know will be needed in the future no matter

what the job, and we are developing our programmes to incorporate these skills, plus looking at ways to change our delivery mix with more online delivery, combined with face-to-face teaching.

We are well and truly committed to modernising Wintec while maintaining a focus on quality, industry relevance and internationalisation. Change is a constant for us in this rapidly developing educational environment. The need to be more adaptable and flexible in our approach, and to maintain relevance, is key for our future success.

I'd like to acknowledge and thank our staff who have continued to upskill themselves to deliver more relevant content and programmes, all in a more modern way; as well as the many staff who have taught or advised in educational institutions around the world, particularly in China.

Our progress over the past 10 years and more is thanks to those staff, who are open to challenges and innovation. I was impressed at our annual Wintec staff awards by the record number of nominations from staff recognising their colleagues' excellent work, and how that speaks strongly of a culture of innovation and excellence.

“We are well and truly committed to modernising Wintec while maintaining a focus on quality, industry relevance and internationalisation.”

I'd also like to particularly thank the talented and hard-working executive team; without them our change programme would not even be possible.

We've made great gains in 2016. For the future, we need to continue to be open to ideas, to take some risks, and really ensure we are looking ahead to ensure we remain relevant for many years to come.

I'd also like to thank our many employer and organisational partners. They provide excellent feedback and ideas which adds much value to this organisation and our students.



Mark Flowers
Chief Executive

Members of Council

MEMBERS OF THE WAIKATO INSTITUTE OF TECHNOLOGY COUNCIL AS AT 31 DECEMBER 2016:

Member		Appointed by	Current term ends
Mary Cave-Palmer	Council Chair	Minister for Tertiary Education	30/04/2017
Desmond Brennan		Wintec Council	30/04/2018
Sandra Gusscott		Wintec Council	30/04/2019
Stephen Howse	Deputy Chair	Minister for Tertiary Education	30/04/2018
Maxine Moana-Tuwangai		Minister for Tertiary Education	30/04/2017
Aaron Rink	Chair - Wellbeing and Infrastructure Committee	Wintec Council	30/04/2018
Pam Roa		Minister for Tertiary Education	30/04/2017
Ping S'ng	Chair - Finance and Risk Committee	Wintec Council	30/05/2017

No members left the Council in 2016.

COMMITTEES OF THE COUNCIL

Executive Committee of Council

Functions include acting on behalf of the Council on any urgent matters that need addressing in between Council meetings.

This committee, minus the Chief Executive, also oversees the performance appraisal of the Chief Executive, and the negotiation of the Chief Executive's remuneration package and contract.

Members are: Mary Cave-Palmer (Chair), Stephen Howse (Deputy Chair), Aaron Rink, Ping S'ng, Mark Flowers (Chief Executive).

Wellbeing and Infrastructure Committee*

Functions include consideration of matters affecting the campus development project, capital asset management plans, information technology strategy and management plans; safety and wellbeing.

Members are: Aaron Rink (Chair), Sandra Gusscott, Pam Roa (Deputy Chair), Mark Flowers (Chief Executive).

Note: this committee's name changed on 8 December, 2015 from the Building and Assets Committee to the Wellbeing and Infrastructure Committee.

Finance and Risk Committee*

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

Members are: Ping S'ng (Chair), Maxine Moana-Tuwangai (Deputy Chair), Desmond Brennan, Stephen Howse, Mark Flowers (Chief Executive).

**Mary Cave-Palmer, as Council Chair, is an ex-officio member of the Wellbeing and Infrastructure (formerly known as the Building and Assets) and Finance and Risk committees.*



The Wintec Council

From left, standing: Sandra Gusscott, Stephen Howse, Aaron Rink, Ping S'ng.

From left, seated: Maxine Moana-Tuwhangai, Pam Roa, Mary Cave-Palmer, Desmond Brennan.



Highlights

Wintec success

Celebrating student success

Our annual graduation week saw more than 1,100 students take to the stage to receive their qualification in front of friends and family.

There were 2,200 students eligible to graduate in 2016 with qualifications in the creative industries, health, information technology, languages, primary industries, science, education, business, sport and exercise science, hospitality, trades and engineering.

The week is held in conjunction with separate Special Awards events, which acknowledge top performing students. These celebrate the achievements and excellence of our graduates. They are an opportunity to share success with our students, their families, friends, staff, industry and community representatives.

Wintec's childcare scores top marks

Kidz@Wintec, Wintec's onsite childcare centre, achieved the highest possible rating from the Education Review Office (ERO) audit last year.

The review focused on how well placed Kidz@Wintec is to promote positive learning for children. The review has stated the centre is 'very well placed', the highest rating achievable. The reviews of assessment, planning and staff appraisal show significant improvements in all areas and the centre has a positive ERO reporting history.

Kidz@Wintec provides all-day education and care for the children of Wintec's staff and students.

Each year around 80 children attend Kidz@Wintec.

Positive gains in safety and wellbeing

Significant progress has been made since implementing our new Safety and Wellbeing strategy this year.

The willingness to engage with, and understand health and safety systems and processes from staff, students and visitors has increased.

Highlights in regards to safety include the launch of a new Health and Safety induction for students and visitors in the Engineering and Trades building featuring augmented reality technology, Wintec hosting the first ITP health and safety forum involving health and safety representatives from across the sector, implementing a new Drug and Alcohol policy and 30 staff completing co-ordinated incident management training.

All these initiatives work towards the strategy's vision of creating a safe, sustainable and innovative safety and wellbeing culture.

Wintec venues contribute to events vibe in Hamilton

A record number of people are experiencing Wintec's venue spaces. More than 47,500 people attended around 1,278 events held at its city campus venues in 2016. They ranged from banquet dinners, awards

evenings, weddings and conferences to school balls, meetings and business workshops.

Since opening in 2010, the popularity of Wintec's venues has grown to make it one of the top providers in the region for quality venues and events. The versatility of these high quality spaces, the central location and a dedicated events team with a focus on customer satisfaction has contributed to their popularity.

The Atrium, located within Wintec House, an award-winning heritage building, is Wintec's flagship space holding up to 500 people cocktail style. The Long Room, also located in Wintec House, and two events rooms within the Bill Gallagher Centre hold between 50 and 150 people.

High profile events, awards and scholarships

Wintec wins technology excellence award

Wintec won a Microsoft award for Excellence in Technology Delivery for business intelligence solutions at the 2016 Microsoft Tertiary ICT conference.

The award recognises the value of business intelligence reporting solutions in improving processes, services and efficiency.

Through the reporting programme, Wintec identified opportunities for growth and diversification in international markets and improvements in internal functions.

The Microsoft Tertiary ICT Excellence Awards judges said they were impressed with Wintec's ability to obtain genuine stakeholder engagement throughout the project and for delivery of real, quantifiable benefits for the institution.

In the past four years, Wintec has won five Microsoft Excellence awards for the delivery of innovative technology solutions.

Wintec students experience China on Prime Minister's Scholarships

Six Wintec Media Arts students travelled to China on the prestigious Prime Minister's Scholarships for Asia.

Students Eliza Webster, Adam Edwards, Mason Holloway, Rosie Stanaway, Christopher Singh and Peter Mark Stevenson – who study a combination of fine arts (painting and sculpture) and photography at Wintec – spent five months at Chengdu University where they studied Media Arts and Chinese Language.

The students returned with an invaluable experience of Chinese culture, a new international perspective and global connections.

The Wintec students were part of a wider group of 124 tertiary students from New Zealand who went to educational institutes across Asia.

Student overcomes adversity to win top exercise award

A stay in a mental health facility after a particularly tough battle with depression and anxiety became a catalyst for change in Shane Way's life.

Fast forward four years and the 27-year-old has completed a Certificate in Fitness Industry Training, a Certificate in Massage Therapy, a bachelor degree at Wintec and has won Student of the Year at the 2016 Exercise Industry Awards, beating nine other finalists from across the country.

Shane says his time at Wintec has "been an amazing experience where I've learnt so much and grown immensely as a person."

Shane's ambition and achievements have now led to a job in the fitness industry as a personal trainer.

Extraordinary community effort wins award

Tash Monk's commitment, drive and energy was recognised with a Community Partnership Award from the Department of Corrections.

The award recognised the Wintec Student Enrolment and Information Centre staff member's efforts in helping to organise the first Community Corrections Expo at our Rotokauri campus last year. More than 180 offenders serving community sentences attended the employment, training and education expo where participants could learn more about what options were available to them.

Wintec honorary fellowship for industrious Waikato personality

One of our longest-serving council members, Clint Baddeley, received an honorary fellowship for his substantial contribution to the New Zealand manufacturing industry, to Wintec and to local community organisations.

A fitter and welder by trade, Clint worked in the gas and freezing industries in Hamilton and in the cement industry in his hometown of Raglan for many years, before embarking on a long career as industrial relations advocate for the Engineering, Printing and Manufacturing Union (EPMU).

Alongside this, Clint took on a number of governance roles including 18 years on the Wintec Council, 10 of which he spent as deputy chair. He also spent the last decade as chair of Wintec's Building and Assets Committee where he played a key role in the governance of Wintec's \$90m campus modernisation programme. He retired from the Wintec Council in May 2015.

In 2016, he retired after serving four terms as Waikato District Councillor for the Raglan Ward. In that time, Clint was Deputy Mayor of Waikato District Council from 2007 – 2010.

Clint was chair of Waikato's largest philanthropic trust, Trust Waikato, and a board member for Community

Waikato and the Waikato River Trust. He is well known in the Raglan community as an active advocate and volunteer, and is on the board of WorldSkills New Zealand.

Wintec awards fellowships, degrees and medals to people who have made a significant contribution to Wintec, the region or the nation. This may be through innovation in industry or business, scholarship and research or enhancing New Zealand society.

Myanmar refugee wins Wintec's Gordon Chesterman scholarship

Myanmar refugee and Wintec Bachelor of Applied Information Technology student, Phyu Phyu Lwin Kyaw, was awarded the 2016 Gordon Chesterman Scholarship.

Phyu Phyu, 27, fled to Malaysia in 2008 leaving behind her widowed mother, before being resettled in New Zealand in 2013. She spoke just some English when she arrived in New Zealand and says this, along with being away from her family, was one of her biggest challenges. To help her improve her communication, she enrolled in Wintec's English language programme and now speaks fluent English.

Phyu Phyu had already completed a Bachelor of Computer Science in her home country and was keen to pursue that field of study. In 2015, she enrolled in Wintec's Bachelor of Applied IT.

The scholarship, worth up to \$15,000, is in recognition of the significant contribution made by former Wintec chair, Gordon Chesterman. It is awarded on the basis of academic merit, personal character and community involvement. All students enrolled in Wintec's School of Media Arts or Centre for Business, IT and Enterprise are eligible to apply.

Life-changing chance to study in Poland

Genima Riini winged her way to Poland last year after being awarded a scholarship under the European Union's Erasmus student exchange programme.

Over four-months, Genima, 32, studied business at Kozminski University in the Polish capital of Warsaw. Credits from her study have been transferred back to her Bachelor of Applied Management at Wintec.

Wintec has around 15 international exchange partners but this is the first time a student scholarship has been awarded under the Erasmus+ Scholarship through the partnership Wintec has with Kozminski University.

The Erasmus+ Scholarship, funded by the European Union, provides students, trainees, teachers and volunteers around the world with the opportunity to study at higher education institutes in Europe for minimal cost.



Top: Media Arts students who spent five months at Chengdu University in China.

Bottom: Shane Way receiving the Student of the Year award at the 2016 Exercise Industry Awards.



Top: The redeveloped student hub at Rotokauri.

Left: He Reo Aratau Certificate student.

Right: International students in the student hub at Wintec's city campus.

New projects and programmes meet the needs of a changing world

Programmes from Agriculture to IT offer opportunities to upskill

Developing new programmes and products is essential to ensure that our students are successful and we meet the needs of employers and industry now, and into the future. Providing training for those already in the workforce ensures people and industry have relevant skills and creates opportunities for career progression.

Wintec created three new and diverse programmes in 2016 to offer ways for people already in the workforce to upskill.

The Master of Professional Practice offers advanced knowledge and skills to practitioners in health or social practice environments; the Master of Applied Information Technology recognises the need to upskill people already in IT roles to become trained specialists; and the New Zealand Certificate in Agriculture offers a qualification that allows workers to progress in the dairying industry.

Advanced training addresses the skills shortage evident in developing industries. For example, the Master of Applied Information Technology will generate highly trained specialists in a rapidly-growing industry where there are jobs but a lack of trained applicants.

New programme to boost fluency in te reo Māori

A partnership with Waikato-Tainui is the driving force behind a new programme to increase fluency in te reo Māori.

He Reo Aratau Certificate in Te Reo and Tikanga Māori (Waikato-Tainui), a 12-month training scheme developed by Waikato-Tainui, is now delivered at Wintec. The programme is part of the tribe's 25-year strategy to increase fluency for tribal members from 31% to more than 80% (or 50,000 speakers) by 2050.

Māori achievement is a strategic priority at Wintec and keeping te reo Māori alive, encouraging understanding of tikanga and connectedness with marae are important parts of that.

Twenty-five percent of Wintec's students are Māori. Higher-level study participation by Māori continues to grow. The percentage of Māori studying at degree level is 22.6%, up from 13% five years ago.

Campus developments

Rotokauri campus transformed

A successful \$3.6 million redevelopment of the Rotokauri hub has produced larger, more vibrant, flexible and user-friendly spaces for students at our Rotokauri campus in Hamilton.

The project went through an extensive student consultation process in 2015 to ensure the design would create an environment to respond to students' needs.

Developed to be ready for 2017, the hub is an exciting one-stop shop for students, where they have more choices on the types of spaces they can use for learning and interacting.

The student hub was extended and reconfigured and now has new "activity zones" to allow for private and collaborative study areas, as well as social and recreational spaces. The newly landscaped quad development provides an outdoor space designed for social, recreational and study activities.

International growth

International students choose Wintec

Numbers of international students studying at Wintec continue to grow. In 2016 numbers of international students increased by 7% from the previous year. This represents around 1,800 international students (1,009 full-time equivalent students) in 2016, compared with 1,596 (940 fulltime equivalent students) in 2015.

Wintec celebrates diversity and is committed to expanding its international markets. Students from around 60 different countries studied here in 2016.

Internationalisation is integral to our identity as an organisation. To attract off-shore student enrolment we must ensure our offer exceeds expectation.

Our global connections continue to grow

Wintec continues to expand off-shore, setting up global connections for our students, staff and employers. An ongoing focus is to develop existing partnerships and seek new opportunities around the world.

In China, Jinhua Polytechnic Wintec International College is now into its second year with 420 students and 10 staff employed by Wintec. The students are studying English and information technology.

Wintec is exploring new opportunities in Mauritius, Thailand, Malaysia, Kingdom of Saudi Arabia and South America. International commercial initiatives include New Zealand support for training in the Indonesian geothermal sector; Wintec secured a contract for the activity design phase. We are also exploring new geothermal opportunities in Japan and East Africa.

Wintec supports China with leadership development

Wintec organised and hosted the first China New Zealand Vocational Education Leadership Training (VELT) delegation to New Zealand.

Sixteen presidents and vice presidents from Vocational Technical Colleges across China took part in a two-week leadership development programme at Wintec and Waiariki Bay of Plenty Polytechnic in Rotorua.

These overseas training programmes play an important part in the development of professional and vocational education in China and are part of the Chinese government's decision to accelerate the modernisation of its professional and vocational education and training.

The Chinese education leaders studied the New Zealand system and had a particular interest in how New Zealand's vocational education sector engages with and adapts itself to meet the needs of industry and the wider community.

VELT's goal is to foster a deeper relationship between the two countries and develop increased levels of delivery by New Zealand Institutes of Technology and Polytechnics (ITPs) in China.

Ultimately, the vision is to establish model institutes of technology in China and to assist the Chinese to educate and train their future workforce. The VELT programme fits with China's desire to transform its economy from a low-cost exporter to a consumer-led, high-value economy.

Research team goes off-shore

Wintec organised the fourth Annual Joint Research Symposium, held at Qingdao Technical College in China.

The Wintec delegation presented research on quality-assured model programmes.

Officials from China were joined by 42 Chinese and six New Zealand education institutions at the symposium.

International and national partnerships create access to a wide network of experts as well as opportunities for our researchers and postgraduate students, and our industry and community partners. Wintec has developed global research connections in Sweden, England, Spain, Czech Republic, Australia, South Korea and Thailand, in addition to its existing links to China.

Our subsidiaries

Student business start-ups get a lift from Soda Inc.

Three groups of Wintec students took part in a pilot scheme with Soda Inc., the Wintec-owned business start-up incubator.

The students each had an existing business or a business idea that they worked to develop during a 12-session part-time incubation programme called "Soda Lift".

Through the Soda Lift programme, the student teams worked with an experienced business growth advisor who mentored and coached them to develop their opportunity. A number of the students had their work on the Soda Inc. programme credited back to a relevant Wintec qualification.

Soda Inc and Wintec aim to create more opportunities for students as a result of the success of this pilot scheme.

LearningWorks reforms the business of education

The positive collaboration between LearningWorks and Wintec has continued with the establishment of EDevelopment House and the delivery of learning and training solutions for businesses in the education and government sectors.

LearningWorks enjoyed a progressive year as a key provider with commercial customers such as the Office of the Privacy Commission, MITO, CareerForce, Competenz, MBIE, Waikato Regional Council, Hamilton City Council and the NZ Fire Service to name a few.

A highlight was the encouraging Education Evaluation Review (EER) of LearningWorks by the New Zealand Qualifications Authority.

LearningWorks has positioned itself as a leader in reforming the business of education through addressing capability and delivery needs, and responding to the business opportunities around online educational delivery and curriculum development.

Partnerships connect and create opportunities for real-world learning

Top young apprentices battle it out at WorldSkills

The WorldSkills 2016 National Competition saw New Zealand's top young apprentices battle it out to be the best in their field to win a place on the Tool Blacks team.

Wintec hosted the successful WorldSkills national competition at the Rotokauri campus in late September.

During the two-day competition, florists, carpenters, plumbers, mechanics, hairdressers, chefs and more took on a range of 'real-world' projects. The action-packed competition aims to encourage young people to excel in vocational skills.

WorldSkills is an international competition that brings together young people from 75 countries around the world. Competitors are the best of the best in their respective skill areas and they have one common goal; to win titles for themselves, their countries and their vocations. Wintec is a WorldSkills partner and supporter.

New Wave project celebrates Hamilton's ethnic diversity

Wintec tutors and students at Wintec's School of Media Arts partnered with the Waikato Migrant Resource Centre to create The New Wave, an interactive, multimedia exhibition that looked at the changing demographic face of Hamilton city at Waikato Museum last year.

The project used photography, moving image, videography, text, sound and digital design. Visitors could listen to recordings of migrants telling their stories; explore three interactive websites to view



Top: Wintec students participating in the Soda Lift programme.
Bottom: An apprentice in competition mode at the 2016 WorldSkills national competition.



Top: Wintec student Matthew Mallot with Hayden Paddon.
Middle, left: David Dew and Kodi Hesketh from Te Awamutu College at EVelocity.
Middle, right: Alana McDonald recreated the sounds of kiwiana.
Bottom: Our book He Huinga Whetū, he Huinga Kōrero, A Gathering of Stars, a Gathering of Stories.



stories, photographs and video, and view a large touchscreen display to look at the demographic makeup of their suburb. A book on the project retailed at the museum.

The New Wave project involved students and a mix of researchers, technicians and specialists from all areas of the School of Media Arts. More than 16,000 people visited the gallery in the six weeks the show was open to the public.

Future engineers get head-start at high school

Wintec has teamed up with Waikato secondary schools to address the national shortage of engineers by moving more young people towards a career in the industry.

Last year, around 30 year 12 and 13 students from Hamilton's Fairfield College and Fraser High School spent two days per week of the school year taking part in Wintec engineering courses. On the other three days, their maths and physics school subjects were specifically adapted for engineering. Wintec also worked with the schools to incorporate projects into the curriculum to teach theory through hands-on application.

The programme is the first of its kind in New Zealand and aims to provide secondary school students the necessary criteria to enter into and succeed in Wintec's New Zealand Diploma in Engineering.

Wintec also partnered with the first Evolocivity schools' programme in the Waikato region, where secondary school students are challenged to design and build electric vehicles. Over the year, students built an electric bike or kart powered by a supplied electric motor kit. School teams then competed at the Waikato Evolocivity launch event held at Wintec's Engineering and Trades facility.

Evolocivity is a charity dedicated to educating Kiwis on the environmental and economic benefits of electric vehicles and growing youth interest in engineering and technology.

The two initiatives fit with Wintec's focus on secondary/tertiary partnerships which help pathway youth to careers in engineering or related trades.

Wintec duo work with top rally driver

Two Wintec automotive students received a helping hand from World Rally Championship driver Hayden Paddon that fuelled a passion for a career in rallying.

Matthew Mallett and Tony Pavich and their Wintec tutors spent time as part of Paddon's crew at rallies in Otago and Whangarei last year, gaining invaluable experience as part of Hyundai's Pinnacle mentoring programme.

The duo have both loved motorsport since they were young, so jumped at the opportunity when asked to apply for it by their tutors, and both were ecstatic when they found out they'd been selected.

Both students have come away from their rally experience 'bitten by the motorsport bug' and are now exploring further opportunities in the field.

Wintec trades tutor Brendon Clarke said the pair's experiences had "opened up some real doors for them".

Founded in 2005 as a way of helping New Zealand's elite sportspeople hone their abilities and compete at the highest level, the Pinnacle mentoring programme recognises the passions of those who seek to excel in a wide range of disciplines including art, science, business, sport, politics and leadership.

In addition, Wintec and Hyundai have signed a Memorandum of Understanding which resulted in two vehicles and diagnostic equipment for the students at the Centre for Trades to work on.

Stand-out student projects

New book celebrates our stars for Matariki

A new book celebrating inspiring Māori from across the Waikato was launched at Wintec's marae, Te Kōpū Mānia o Kirikiriroa as part of its Matariki celebrations.

The book, titled He Huinga Whetū, he Huinga Kōrero, A Gathering of Stars, a Gathering of Stories, is the work of Wintec's journalism, photography and graphic design students. It includes 12 heart-warming stories of Māori graduates and staff who have achieved something special, despite many having faced significant obstacles along the way.

The book, written in English and te reo Māori, was an opportunity for students to work on a real-world project where they had the chance to get their work published. Thirty-seven students contributed to the project.

Mashup of Poi E turns heads

No instruments were used when Media Arts student Alana McDonald recreated the sounds of kiwiana in a video which went viral in December 2016, with over 46,000 views, 650 likes, 87 comments and 699 shares on Wintec's Facebook page.

Creating a video was a challenge for Alana, a music student who credits the support of tutors and classmates, and the 'talent' enlisted from her family as essential ingredients to success.

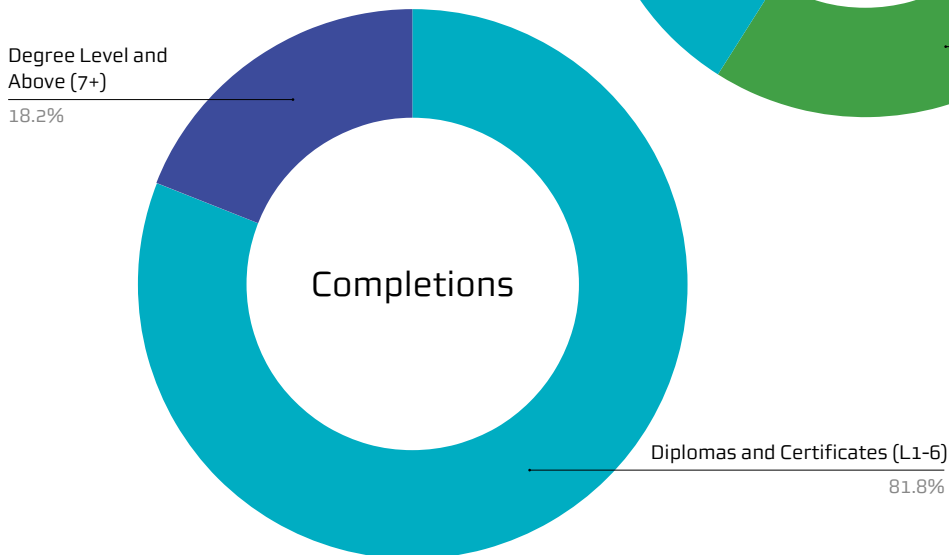
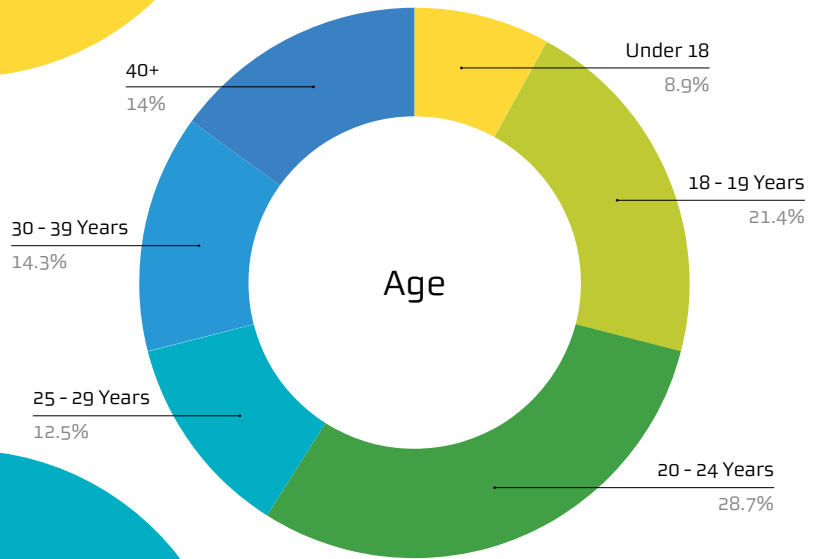
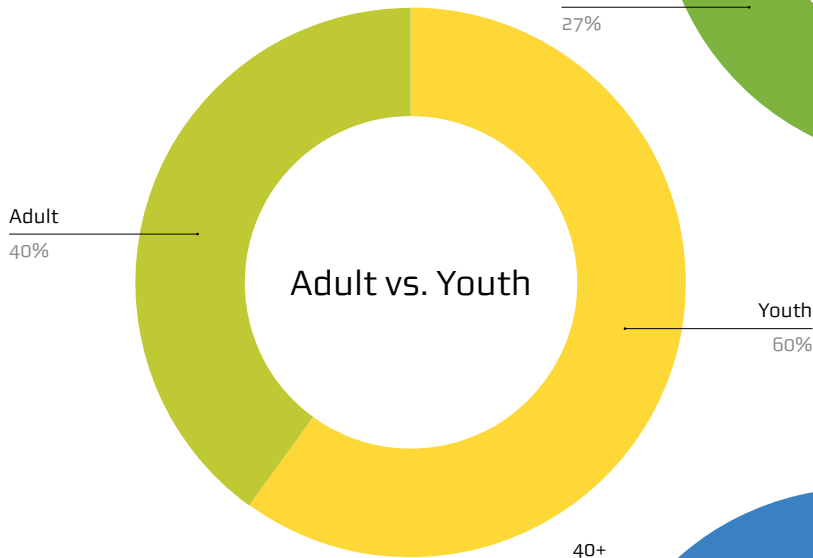
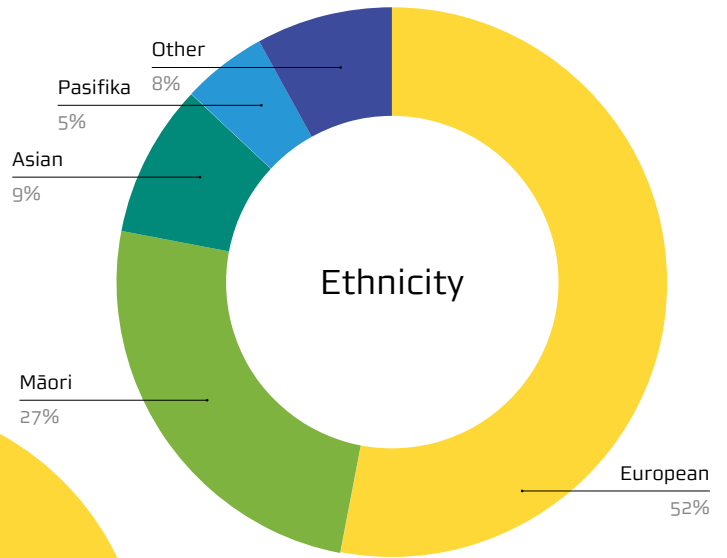
Wintec supported the project by securing legal permissions from the iconic brands featured including Marmite, Weetbix, Red Band gumboots, No.8 wire, L&P and Pineapple Lumps, and of course the legal owners of the much-loved tune Poi E originally made famous by the Patea Māori Club.



Student Statistics

Student Statistics 2016 Summary*

*Student Achievement Component, Level 1 and 2 On Plan Process Funding, Plan Process L1 & 2 under 25, Level 1 and 2 Competitive Process Funding, Māori and Pasifika Trades Training L3 and 4, Trades Academy and Youth Guarantee funding only.



TEC funded* EFTS by level of study

	2012	2013	2014	2015	2016
Level 1-2	10%	10%	10%	11%	12%
Levels 3-4	27%	27%	28%	30%	33%
Levels 5-6	17%	17%	17%	14%	14%
Levels 7+	47%	46%	44%	43%	41%

*Student Achievement Component, Level 1 and 2 On Plan Process Funding, Plan Process L1 & 2 under 25, Level 1 and 2 Competitive Process Funding, Māori and Pasifika Trades Training L3 and 4, Māori and Pasifika Trades Training L1 and 2, Trades Academy and Youth Guarantee funding only.



12%

Level 1-2



33%

Level 3-4



14%

Level 5-6



41%

Level 7+

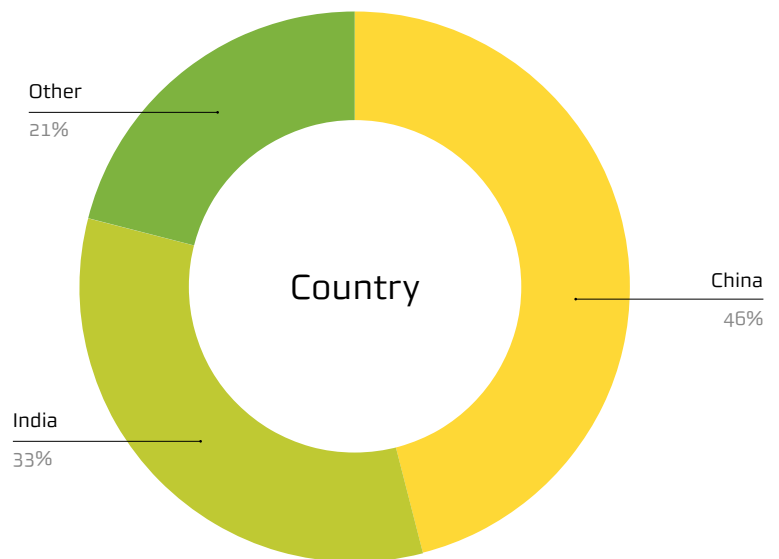




International EFTS by country

	2012	2013	2014	2015	2016
China	321	345	391	425	464
India	133	178	217	316	331
Saudi Arabia	75	58	83	44	31
Philippines	12	13	13	14	22
Sri Lanka	2	3	5	13	21
Nepal	11	8	13	20	13
Kenya	1	1	1	6	12
Republic of South Korea	28	31	17	12	12
Brazil	2	0	2	9	12
Other	77	70	68	73	91
Total	662	707	810	932	1009

Top 9 countries ranked according to EFTS in 2016.





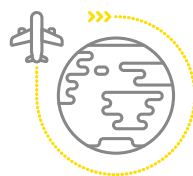
Total Equivalent Full Time Students (EFTS) by source of funding

	2012	2013	2014	2015	2016
Adult and Community Education (ACE)	104	108	111	107	108
Student Achievement Component	5,009	4,819	4,710	4,501	4,550
Youth Guarantee and Trades Academy	116	229	303	346	337
Total TEC funded	5,229	5,155	5,124	4,954	4,995
International	661	707	810	930	1,009
Industry Training Organisation	586	764	876	812	714
Other	226	246	263	286	243
Total non TEC funded	1,473	1,717	1,949	2,028	1,967
Grand total	6,702	6,872	7,073	6,982	6,962

In 2016 Wintec's total headcount of students (not EFTS) was 23,375 students, with 21,613 domestic students and 1,762 international students.



21,613
Domestic Students



1,762
International Students

TEC funded* EFTS by ethnicity

	2011		2012		2013		2014		2015		2016	
European	58%	2,941	57%	2,922	56%	2,829	54%	2,710	53%	2,572	52%	2,541
Māori	24%	1,216	23%	1,197	24%	1,235	25%	1,269	25%	1,215	26%	1,296
Asian	7%	378	8%	407	8%	399	8%	419	9%	427	9%	422
Pasifika	4%	214	5%	240	4%	222	4%	225	5%	248	5%	252
Other	6%	308	7%	360	7%	363	8%	389	8%	385	8%	376
Total		5,057		5,125		5,047		5,013		4,847		4,888

Notes:

*Student Achievement Component, Level 1 and 2 On Plan Process Funding, Plan Process L1 & 2 under 25, Level 1 and 2 Competitive Process Funding, Māori and Pasifika Trades Training L1 and 2, Māori and Pasifika Trades Training L3 and 4, Trades Academy and Youth Guarantee funding only.

Percentage figures may be rounded.

A student may select up to three ethnicities. Only their primary ethnicity has been included in this table.

Those in the "other" category include students entered as non-declared, other and unknown.

TEC funded* EFTS by age group

	2011	2012	2013	2014	2015	2016
17 Years and Under	333	320	395	412	413	436
18 - 19 Years	1,302	1,283	1,194	1,161	1,022	1,047
20 - 24 Years	1,561	1,612	1,559	1,482	1,449	1,407
25 - 29 Years	568	593	574	587	583	612
30 - 34 Years	340	367	367	394	356	375
35 - 39 Years	312	274	276	285	312	324
40 - 44 Years	248	277	255	266	261	239
45 - 49 Years	192	195	218	203	200	197
50 - 54 Years	119	119	121	142	157	140
55 - 59 Years	53	53	57	54	63	72
60 - 64 Years	21	25	28	20	25	29
65 Years and Over	8	8	3	7	5	10
Total	5,057	5,125	5,047	5,013	4,847	4,888

*Student Achievement Component, Level 1 and 2 On Plan Process Funding, Plan Process L1 & 2 under 25, Level 1 and 2 Competitive Process Funding, Māori and Pasifika Trades Training L3 and 4, Trades Academy and Youth Guarantee funding only.

TEC funded* EFTS for Youth** (under 25) and older students

	2011		2012		2013		2014		2015		2016	
Youth (Under 25)	63%	3,197	63%	3,214	62%	3,147	61%	3,055	59%	2,884	60%	2,889
25 and older	37%	1,861	37%	1,911	38%	1,900	39%	1,958	41%	1,963	40%	1,999
Total		5,057		5,125		5,047		5,013		4,847		4,888

Notes:

*Student Achievement Component, Level 1 and 2 On Plan Process Funding, Plan Process L1 & 2 under 25, Level 1 and 2 Competitive Process Funding, Māori and Pasifika Trades Training L3 and 4, Māori and Pasifika Trades Training L1 and 2, Trades Academy and Youth Guarantee funding only.

**TEC have identified youth (students under the age of 25) as a priority group.

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

TEC funded* qualification completions by year

	2011	2012	2013	2014	2015	2016
Masters	9	20	14	14	13	12
Postgraduate Level	31	57	64	57	50	50
Bachelors with Honours	12	14	19	10	16	8
Bachelor Degree Level	447	560	623	504	464	485
Graduate Level	82	59	62	49	44	57
Diploma Level	314	333	367	299	274	248
Certificate Level	1,980	1,904	1,955	2,024	2,175	2,176
Training Scheme Level	42	10	10	23	88	11
Total	2,917	2,957	3,114	2,980	3,124	3,047

Notes:

This represents the number of qualifications completed for each year.

Figures for qualifications are draft only as of 3 February, 2017. Further qualifications may be awarded for the 2016 year.

*Student Achievement Component, Level 1 and 2 On Plan Process Funding, Plan Process L1 & 2 under 25, Level 1 and 2 Competitive Process Funding, Māori and Pasifika Trades Training L3 and 4, Trades Academy and Youth Guarantee funding only.

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

Compulsory Student Services Levy Disclosure

To ensure Wintec has included a description of the services funded out of the compulsory student services (CSS) fee and a statement of the fee revenue and expenditure for each type of student service in its annual report.

	Advocacy and legal advice	Careers advice and disabilities	Health service, counselling and pastoral care	Employment information	Financial support and advice	Media	Childcare service	Clubs and societies	Sports and cultural services	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Compulsory Student Service Fees	-	617,683	579,926	-	-	-	-	-	-	1,197,609
Other	-	132,389	276,289	-	-	-	-	-	-	408,678
Total Revenue	-	750,072	856,215	-	-	-	-	-	-	1,606,287
Expenses	-	1,046,790	654,976	-	-	-	-	-	-	1,701,766
Total Expenses	-	1,046,790	654,976	-	-	-	-	-	-	1,701,766
Surplus/(deficit)	-	(296,718)	201,239	-	-	-	-	-	-	(95,479)

Careers advice and guidance

Wintec provides support to students to assist their transition into employment. Support includes Curriculum Vitae (CV) workshops, interview practice and career guidance.

Health service, counselling and pastoral care

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

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

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

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

Te Kete Kōnae

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

It practices and promotes manaakitanga and

whanaungatanga to all students at Wintec. Its aim is to empower taura Māori and Pasifika to get the best out of their time studying.

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

Student Learning Services

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

Kidz@Wintec

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



Equal Opportunities

Equal Opportunities

Wintec continues to maintain a focus on the review and improvement of our Equal Employment Opportunities (EEO) and Equal Education Opportunities (EEdO) activities and performance.

Wintec's Equal Employment Opportunity policy states our commitment to giving all potential employees equal opportunities in relation to working at Wintec.

Our EEO programme supports our commitment to redressing underrepresentation and issues affecting particular groups; in particular women, Māori, Pasifika, other ethnic minorities, people with disabilities and older age groups.

In 2016, our EEO vision was progressed through:

- Extending the Te Taihū course to allow more staff to complete this programme, which aims to build capability in tikanga and te reo through teaching and learning in a bi-cultural context.
- Introducing new events and initiatives during Te Wiki o Te Reo Māori – Māori Language Week, including a new waiata for Wintec and a popular Māori quiz night.
- Development of He Manukura Māori – a mentoring-based leadership programme for Māori women at Wintec.
- Culture Fest – a new international event open to staff and students, showcasing the many cultures at Wintec through entertainment and food.
- Continuing our involvement with local providers of supported employment services.
- Being a member of the Equal Employment Opportunities (EEO) Trust – a not-for-profit organisation that provides EEO information to employers and raises awareness of diversity issues in New Zealand workplaces. As a member of the EEO trust we aim to recruit, reward and develop staff on the basis of merit, recognising that effectively managing New Zealand's diverse population can lead to increased creativity, engagement and productivity.

Our Values

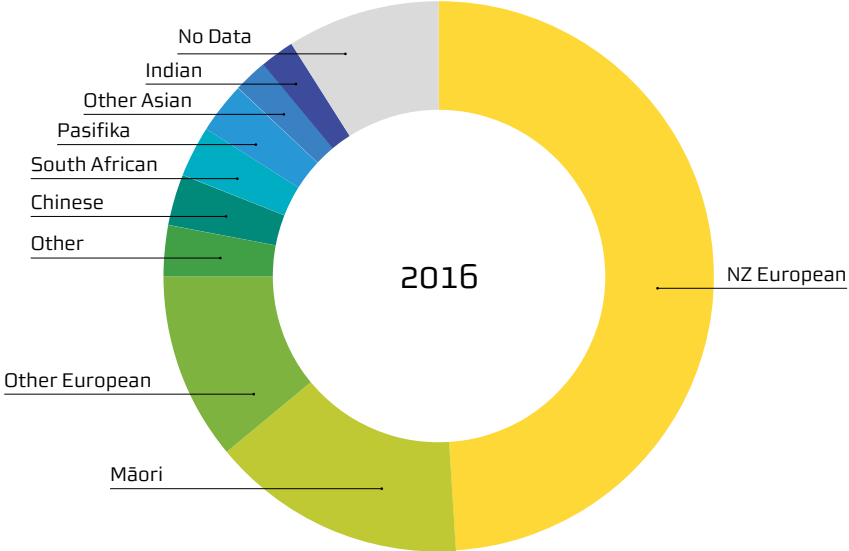
Our values define our professional relationships, attitude and the way we do things at Wintec.

Our staff try to live the values every day and at our annual staff awards we formally recognise staff who demonstrate these values.

Our values are Working Together (mahi tahi), Challenge and Innovation (whakaaro whānui), Valuing People (whakamana i te tangata), Customer Focus (manaaki tangata), Taking Ownership (kia tika) and Improvement and Opportunity (kia tupu, kia hua).



Ethnicity of Staff



	%	Number	Female	Male		%	Number	Female	Male
● NZ European	48.5	362	225	137	● South African	2.8	21	9	12
● NZ Māori	14.5	108	79	29	● Pasifika	2.5	19	11	8
● Other European	10.6	79	43	36	● Other Asian	1.7	13	6	7
● Other	3.4	25	11	14	● Indian	1.6	12	5	7
● Chinese	3.1	23	12	11	● No data	11.3	84	49	35



Equal Education Opportunities

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

In 2016, Student Learning Services continued to offer a high-level of advocacy, information and support to students who disclosed impairments. Fifteen staff provided 4,506 hours of note-taker services to help improve the participation, retention, completion and progression of students who required these services. The Disabilities team also supported students with equipment to aid their ability to study at Wintec, including Dictaphones, ergonomic chairs, trolley bags, mobility scooters, lumbar cushions and more. Additionally, peer support services were provided where required.

The Learning Advisors within Student Learning Services and Te Kete Kōnae have continued the emphasis on general learning support towards the provision of proactive student capability-building services. This is to assist students to become independent learners throughout the course of their studies and in the workplace. The Learning Advisors have also worked to embed learning support in targeted programmes, enabling advisors to reach greater numbers of students across Wintec.

This shift has resulted in Student Learning Services and Te Kete Kōnae providing learning support and proactive academic capability-building services; Student Learning Services to 2,640 individual students, Te Kete Kōnae to 1,020 students in 2016, with some students potentially accessing both services. This is consistent with previous years.

Levels of satisfaction of the support services are consistently high; 97% for Te Kete Kōnae, 90% for Student Learning Services and 90% for Disability Services. Completion rates equalling those of the wider student body were also recorded. Services included writing and study skills courses, workshops, peer tutoring, one-on-one learning support, and the embedding of academic and pastoral support services within priority programmes of study across faculty.

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



A black and white photograph of a man with a beard and a black t-shirt, focused on his work in a studio. He is leaning over a table, using a small tool to work on a piece of art. In the background, another person is visible, working on a framed piece of art. The scene is dimly lit, creating a moody atmosphere.

Financial Performance

Independent Auditor's Report

To the readers of Waikato Institute of Technology and group's financial statements and statement of service performance for the year ended 31 December 2016.

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

OPINION

We have audited:

- the financial statements of the Polytechnic and group on pages 41 to 80, that comprise the statement of financial position as at 31 December 2016, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the Polytechnic and group on pages 81 to 97.

In our opinion:

- the financial statements of the Polytechnic and group on pages 41 to 80:
 - present fairly, in all material respects:
 - the financial position as at 31 December 2016; and
 - the financial performance and cash flows for the year then ended;
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- the statement of service performance of the Polytechnic and group on pages 81 to 97 presents fairly, in all material respects, the Polytechnic and group's service performance achievements measured against the proposed outcomes described in the investment plan for the year ended 31 December 2016.

Our audit was completed on 28 April 2017. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities relating to the financial statements and the statement of service performance, we comment on other information, and we explain our independence.

BASIS FOR OUR OPINION

We carried out our audit in accordance with the Auditor General's Auditing Standards, which incorporate the

Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

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

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

RESPONSIBILITIES OF THE COUNCIL FOR THE FINANCIAL STATEMENTS AND THE STATEMENT OF SERVICE PERFORMANCE

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

The Council is also responsible on behalf of the Polytechnic and group for preparing a statement of service performance that is fairly presented.

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

In preparing the financial statements and the statement of service performance, the Council is responsible on behalf of the Polytechnic and group for assessing the Polytechnic 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 the Polytechnic and group or to cease operations, or has no realistic alternative but to do so.

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

RESPONSIBILITIES OF THE AUDITOR FOR THE AUDIT OF THE FINANCIAL STATEMENTS AND THE STATEMENT OF SERVICE PERFORMANCE

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with

the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements and statement of service performance.

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

- the Polytechnic and group's Council approved budget for the financial statements; and
- the investment plan for the statement of service performance.

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

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

- We identify and assess the risks of material misstatement of the financial statements and the statement of service performance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Polytechnic and group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 the Polytechnic 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 and the statement of service performance or, 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 the Polytechnic and group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the statement

of service performance, including the disclosures, and whether the financial statements and the statement of service performance represent the underlying transactions and events in a manner that achieves fair presentation.

- We obtain sufficient appropriate audit evidence regarding the financial statements and the statement of service performance of the entities or business activities within the group to express an opinion on the consolidated financial statements and the consolidated statement of service performance. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Our responsibilities arise from the Public Audit Act 2001.

OTHER INFORMATION

The Council is responsible for the other information. The other information comprises the information included on pages 1 to 40, and 98 to 100, but does not include the financial statements and the statement of service performance, and our auditor's report thereon.

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

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

INDEPENDENCE

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

Other than the audit, we have no relationship with or interests in the Polytechnic or any of its subsidiaries.



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

Statement of Responsibility

For the year ended 31 December 2016.

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

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

In the Council and management's opinion, these financial statements and statement of service performance fairly reflect the financial position and operations of the Waikato Institute of Technology and Group for the year ended 31 December 2016.

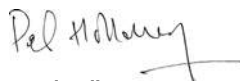
Signed by:



Mary Cave-Palmer
Chair



Mark Flowers
Chief Executive



Paul Holloway
Chief Financial Officer

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2016.

	Notes	Group			Institute		
		Actual 2016 \$'000	Budget 2016 \$'000	Actual 2015 \$'000	Actual 2016 \$'000	Budget 2016 \$'000	Actual 2015 \$'000
Revenue							
Government grants	2(a)	48,188	45,677	46,365	48,188	47,178	46,365
Student tuition fees	2(b)	33,073	32,610	31,594	33,073	32,610	31,593
Other exchange revenue	2(c)	17,416	20,346	16,074	14,201	15,113	13,625
Property and buildings revaluations	12	2,405	-	-	2,405	-	-
Total revenue		101,082	98,633	94,033	97,867	94,901	91,583
Expense							
Personnel expense	3	(58,848)	(58,249)	(56,319)	(55,571)	(55,126)	(53,437)
Depreciation and amortisation expense	12, 13	(6,794)	(7,634)	(7,519)	(6,775)	(7,409)	(7,496)
Impairment of assets		-	-	(1,016)	-	-	(2,598)
Other expenses	5	(30,541)	(31,832)	(31,154)	(30,872)	(29,946)	(31,055)
Finance expense	4	(989)	(1,229)	(1,234)	(1,011)	(1,211)	(1,203)
Total expense		(97,172)	(98,944)	(97,242)	(94,229)	(93,692)	(95,789)
Share of associates and joint venture surplus/(deficit)	10, 11	(421)	-	(50)	-	-	-
Surplus/(deficit)		3,489	(311)	(3,259)	3,638	1,209	(4,207)
<i>Total surplus attributable to:</i>							
The Waikato Institute of Technology		3,465	(311)	(3,292)	3,638	1,209	(4,207)
Non-controlling interest		24	-	33	-	-	-
Other comprehensive revenue/(expense)							
Property and building revaluations	12	12,573	-	-	12,573	-	-
Total other comprehensive revenue/(expense)		12,573	-	-	12,573	-	-
Total comprehensive revenue/(expense)		16,062	(311)	(3,259)	16,211	1,209	(4,207)
<i>Total comprehensive revenue attributable to:</i>							
The Waikato Institute of Technology		16,038	(311)	(3,292)	16,211	1,209	(4,207)
Non-controlling interest		24	-	33	-	-	-

Explanation of major variances against budget are provided in note 25.
The accompanying notes form part of these financial statements.

Statement of Financial Position

as at 31 December 2016

	Notes	Group			Institute		
		Actual 2016 \$'000	Budget 2016 \$'000	Actual 2015 \$'000	Actual 2016 \$'000	Budget 2016 \$'000	Actual 2015 \$'000
Assets							
Current assets							
Cash and cash equivalents	6	1,862	1,053	1,951	659	-	992
Receivables	7	16,256	15,486	20,410	16,164	14,855	20,161
Inventories	8	284	284	284	284	284	284
Prepayments		173	-	232	173	-	232
Assets held for sale	14	-	-	4,667	-	-	4,667
Total current assets		18,575	16,823	27,544	17,280	15,139	26,336
Non-current assets							
Investment in associates	10	252	-	-	-	-	-
Financial assets	9	164	862	161	995	443	992
Related party term loan		-	-	-	500	-	-
Property, plant and equipment	12	165,576	162,458	149,463	165,504	162,440	149,412
Intangible assets	13	9,655	971	8,578	9,096	-	7,901
Total non-current assets		175,650	164,291	158,202	176,095	162,883	158,305
Total assets		194,222	181,114	185,746	193,375	178,022	184,641
Liabilities							
Current liabilities							
Payables	15	6,235	6,629	4,955	6,098	6,000	4,676
Employee entitlements	16	4,607	3,827	3,894	4,327	3,740	3,697
Provisions		-	814	-	-	-	-
Deferred revenue	17	22,315	21,824	25,745	21,393	21,781	24,772
Interest-bearing loans and borrowings	18	6,194	1,868	4,294	6,194	1,868	4,294
Total current liabilities		39,351	34,962	38,888	38,012	33,389	37,439

	Notes	Group			Institute		
		Actual 2016 \$'000	Budget 2016 \$'000	Actual 2015 \$'000	Actual 2016 \$'000	Budget 2016 \$'000	Actual 2015 \$'000
Non-current liabilities							
Interest-bearing loans and borrowings	18	12,500	19,850	20,500	12,500	19,460	20,500
Provisions		-	-	-	-	-	-
Employee entitlements	16	240	-	289	240	-	289
Total non-current liabilities		12,740	19,850	20,789	12,740	19,460	20,789
Total liabilities		52,094	54,812	59,677	50,752	52,849	58,228
Net assets		142,131	126,302	126,069	142,623	125,173	126,413

Equity

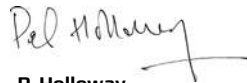
General funds		106,569	103,820	103,590	107,502	102,691	104,351
Restricted reserves		623	137	137	623	137	137
Property revaluation reserve		34,498	22,345	21,925	34,498	22,345	21,925
Total equity attributable to the Institute		141,690	126,302	125,652	142,623	125,173	126,413
Non-controlling interest		441	-	417	-	-	-
Total equity	19	142,131	126,302	126,069	142,623	125,173	126,413

Explanation of major variances against budget are provided in note 25.
The accompanying notes form part of these financial statements.

These financial statements were approved for signing by the Council on 28/04/2017.



M. Flowers
Chief Executive



P. Holloway
Chief Financial Officer

Statement of Changes in Equity

for the year ended 31 December 2016

	Group			Institute		
	Actual 2016 \$'000	Budget 2016 \$'000	Actual 2015 \$'000	Actual 2016 \$'000	Budget 2016 \$'000	Actual 2015 \$'000
Balance at 1 January	126,069	126,612	129,588	126,413	123,964	130,359
Comprehensive revenue						
Surplus/(deficit)	3,489	(311)	(3,259)	3,638	1,209	(4,207)
Other comprehensive revenue	12,573	-	-	12,573	-	-
Total comprehensive revenue	16,062	(311)	(3,259)	16,211	1,209	(4,207)
Balance before non-comprehensive revenue at 31 December	142,131	126,301	126,328	142,623	125,173	126,153
Non-comprehensive revenue items						
Restricted reserves transfers	-	-	-	-	-	-
Transfer of equity from Group to Institute	-	-	(260)	-	-	260
Suspensory loans from the Crown	-	-	-	-	-	-
Total non-comprehensive revenue items	-	-	(260)	-	-	260
Balance at 31 December	142,131	126,301	126,069	142,623	125,173	126,413
Total comprehensive revenue for the year	16,062	(311)	(3,259)	16,211	1,209	(4,207)
<i>Total comprehensive revenue attributable to:</i>						
The Waikato Institute of Technology	16,038	(311)	(3,292)	16,211	1,209	(4,207)
Non-controlling interest	24	-	33	-	-	-

Explanation of major variances against budget are provided in note 25.

The accompanying notes form part of these financial statements.

Statement of Cash Flows

for the year ended 31 December 2016

	Group			Institute		
	Actual 2016 \$'000	Budget 2016 \$'000	Actual 2015 \$'000	Actual 2016 \$'000	Budget 2016 \$'000	Actual 2015 \$'000
Cash flows from operating activities						
Receipt of government grants	48,265	50,434	46,363	48,265	50,434	46,363
Receipt of student tuition fees	36,621	34,992	34,763	36,621	34,992	33,939
Interest revenue received	57	50	69	46	40	47
Receipt from other revenue	14,181	16,410	13,963	10,371	11,038	14,267
Payments to employees	(58,184)	(56,345)	(56,096)	(54,990)	(53,666)	(53,191)
Payments to suppliers	(29,185)	(34,343)	(29,655)	(29,376)	(31,917)	(29,921)
Interest paid	(989)	(470)	(1,234)	(1,011)	(470)	(1,203)
Goods and services tax (net)	(346)	-	(261)	(345)	-	(120)
Net cash flows from operating activities	10,420	10,728	7,912	9,581	10,451	10,181
Cash flows from investing activities						
Purchase of property, plant and equipment	(6,650)	(8,607)	(6,174)	(6,612)	(8,607)	(6,169)
Purchase of intangible assets	(2,526)	(3,750)	(2,251)	(2,526)	(3,750)	(2,251)
Acquisition of investments	(676)	(93)	(50)	(3)	(93)	(1,658)
Receipts from sale of investments	-	-	-	-	-	-
Proceeds from sale of property, plant and equipment	5,443	863	1,176	5,327	1,394	736
Net cash flows used in investing activities	(4,409)	(11,587)	(7,299)	(3,814)	(11,056)	(9,342)
Cash flows from financing activities						
Capital contributions received from the Crown	-	-	-	-	-	-
Suspensory loans from the Crown	-	-	-	-	-	-
Proceeds from borrowings	-	5,000	2,000	-	5,000	2,000
Repayment of borrowings	(8,000)	-	(80)	(8,000)	-	(80)
Payment of finance leases	-	-	-	-	-	-
Net cash flows from financing activities	(8,000)	5,000	1,920	(8,000)	5,000	1,920
Net increase/(decrease) in cash and cash equivalents	(1,989)	4,141	2,533	(2,233)	4,396	2,759
Cash and cash equivalents at the beginning of the period	(2,343)	(4,956)	(4,876)	(3,302)	(6,264)	(6,061)
Cash and cash equivalents at the end of the period	(4,332)	(815)	(2,343)	(5,535)	(1,868)	(3,302)

Cash is offset by the overdraft per borrowings note 18. Explanation of major variances against budget are provided in note 25. The accompanying notes form part of these financial statements.

Statement of Cash Flows

for the year ended 31 December 2016

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

	Group		Institute	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Net surplus/(deficit)	3,465	(3,292)	3,638	(4,207)
Add/(less) non-cash items				
Share of associates and joint venture surplus/(deficit)	445	33	-	-
Depreciation and amortisation expense	6,794	7,519	6,775	7,496
Intangible asset write-off	-	1,017	-	1,017
Increase/(decrease) in non-current employee entitlements	(49)	9	(49)	9
Property and building revaluations	(2,405)	-	(2,405)	-
Impairment of fixed assets	-	1,285	-	1,285
Impairment of financial assets	-	50	-	1,581
Total non-cash items	4,785	9,913	4,321	11,388
Add/(less) items classified as investing or financing activities				
(Gains)/losses on disposal of property, plant and equipment	(277)	688	(277)	688
Total items classified as investing or financing activities	(277)	688	(277)	688
Add/(less) movements in working capital items				
(Increase)/decrease in inventories	-	-	-	-
(Increase)/decrease in receivables	4,154	(2,650)	3,997	(2,094)
(Increase)/decrease in prepayments	59	(124)	59	128
Increase/(decrease) in payables	951	(612)	1,092	(826)
Increase/(decrease) in revenue received in advance	(3,430)	3,775	(3,379)	3,617
Increase/(decrease) in provisions	-	-	-	-
Increase/(decrease) in current employee entitlements	713	214	630	237
Increase/(decrease) in related party loans	-	-	(500)	1,250
Net movements in working capital items	2,447	603	1,899	2,312
Net cash flow from operating activities	10,420	7,912	9,581	10,181

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

for the year ended 31 December 2016

1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

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

The Institute and Group consist of Waikato Institute of Technology (Wintec) and its subsidiaries, Soda Inc. Limited, LearningWorks Limited, LearningWorks International Limited, Prima Group Limited, Ligar Polymers Limited, Polytechnics Institute New Zealand (PINZ) and the Wintec Foundation Trust, our associates Ligar GP Ltd, Ligar Limited Partnership, Motortrain Limited, and our joint venture MondragonWintec SA. These entities are all incorporated in New Zealand with the exception of our joint venture which is incorporated in Saudi Arabia. Refer to note 26 for further details of all entities included in the Group.

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

The primary objective of the Institute and Group is to provide educational and research services for the benefit of the community. It does not operate to make a financial return.

The Institute has designated itself and the Group as public benefit entities (PBEs) for financial reporting purposes. The financial statements of the Institute and Group for the year ended 31 December 2016 were authorised for issue in accordance with a resolution of the Council on 28 April 2017.

BASIS OF PREPARATION

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

Statement of compliance

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

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

These financial standards comply with PBE accounting standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values other than the council member remuneration disclosures and the related party disclosures in note 21 are rounded to the nearest thousand dollars (\$'000). Council member remuneration and related party

transaction disclosures are rounded to the nearest dollar.

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

There are no standards issued and not yet effective that are relevant to the Institute or Group.

SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

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

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Institute as at balance date and the results of all subsidiaries for the year then ended.

Subsidiaries

Subsidiaries are all those entities over which the Group has power to govern the financial and operating policies of the entity, generally a company with a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

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

Associates

The Institute's investments in associates are carried at cost in the Institute's parent financial statements and accounted for on an equity basis in the consolidated accounts. An associate is an entity over which the Institute has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the Group's share of the surplus or deficit of the associate after the date of acquisition. The Group's share of the surplus or deficit of the associate is recognised in the Group surplus or deficit. Distributions received from an associate reduce the carrying amount of the investment in the Group financial statements.

If the share of deficits of an associate equals or exceeds an interest in the associate, 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 associate. If the associate subsequently reports surpluses, the Group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of the deficits not recognised.

Where the Group transacts with an associate, surplus or deficits are eliminated to the extent of the Group's interest in the relevant associate.

Joint Venture

The Institute's jointly controlled entity interest is accounted for using the equity basis in the consolidated accounts. The investment in the joint venture is initially recognised at cost and the carrying amount is increased or decreased to recognise the Group's share of the surplus or deficit of the joint venture after the date of acquisition. The Group's share of the surplus or deficit of the joint venture is recognised in the Group surplus or deficit. Distributions received from a joint venture reduce the carrying amount of the investment in the Group financial statements.

Revenue

Revenue is measured at fair value.

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

Student Achievement Component (SAC) funding

SAC funding is the Institute's main source of operational funding from the Tertiary Education Commission (TEC). The Institute considers SAC funding to be non-exchange revenue and recognises SAC funding as revenue when the course withdrawal date has passed, based on the number of eligible students enrolled in the course at that date and the value of the course.

Student tuition fees

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

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

Performance-Based Research Fund (PBRF)

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

Research revenue

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

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

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

For a non-exchange research contract, the total funding receivable under the contract is recognised as revenue immediately, unless there are substantive conditions in the contract. If there are substantive conditions, revenue is recognised when the conditions are satisfied.

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

Other grants received

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

Sale of materials

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

Interest and dividends

Interest income is recognised using the effective interest method.

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

Borrowing costs

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

Leases

Operating leases

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

basis as the lease income.

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

Cash and equivalents

Cash in the balance sheet comprises cash at bank and in hand and short-term deposits with an original maturity of three months or less.

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

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

Receivables

Receivables are recorded at their face value, less any provision for impairment.

Investments and other financial assets

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

Recognition and de-recognition

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

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

- Fair value through surplus or deficit;
- Loans and receivables; and
- Fair value through other comprehensive revenue and expense.

Classification of the financial asset depends on the purpose for which the instruments were acquired.

Financial assets at fair value through surplus or deficit

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

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

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

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in

an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. Related party receivables that are repayable on demand are classified as a current asset because repayment of the receivable is expected within 12 months of balance date.

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

Financial assets at fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated as fair value through other comprehensive revenue and expense or are not classified in any of the other categories above.

They are included in non-current assets unless management intends to dispose of the investment within 12 months of balance date. The Institute and Group designate in this category:

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

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

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

Impairment of financial assets

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

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

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

Financial assets at fair value through other comprehensive revenue and expense

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment. For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, 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 the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

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

Inventories

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

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

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

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

Property, plant and equipment

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

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

The measurement basis used for determining the gross

carrying amount for each class of assets is as follows:

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

Revaluation

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

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

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

The net revaluation results are credited or debited to other comprehensive revenue and expense and accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Institute and Group and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

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

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

Disposals

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

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

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

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

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

Held for sale

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

Intangible assets and goodwill

Computer software

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

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

Staff training costs are recognised as an expense when incurred.

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

Course development costs

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

Intellectual Property Development

Research costs are recognised as an expense in the surplus

or deficit in the year in which they are incurred.

Amortisation

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

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

Intangible Assets	Method	Useful life Internally	Internally generated/acquired
Computer software	Straight line	Finite 2 - 10 years	Internally generated Separately acquired
Goodwill	Cost less impairment	Indefinite	Separately acquired

Capitalised intellectual property development costs are still work in progress. The useful life of completed projects will be established at project completion.

Goodwill

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

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

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

An impairment loss recognised for goodwill is not reversed.

Impairment

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

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

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

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

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In

assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

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

Payables

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

Interest-bearing loans and borrowing

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

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

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

Employee entitlements

Short-term employee entitlements

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

Long-term employee entitlements

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

actuarial basis. The calculations are based on: likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and the present value of the estimated future cash flows.

Presentation of employee entitlements

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

Superannuation schemes

Defined contribution schemes

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

Provisions

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

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

Equity

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

- general funds;
- property revaluation reserve;
- restricted reserves; and
- non-controlling interests

Property revaluation reserves

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

Restricted reserves

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

Non-controlling interest

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

Goods and services tax

All items in the financial statements are stated exclusive of goods and services tax (GST), except receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the Statement of Cash Flows. Commitments and contingencies are disclosed exclusive of GST.

Income Tax

The Institute and Group is exempt from income tax. Accordingly, no provision has been made for income tax.

Budget figures

The budget figures are those approved by the Council on 17 November 2015. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

Key judgements, estimates and assumptions

In preparing these financial statements, the Institute and Group have made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of non-financial assets

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

Classification of assets and liabilities as held for sale

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

Estimation of useful lives of assets

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

Property revaluations

Note 12 provides information about the estimates and assumptions exercised in the measurement of revalued land, buildings and infrastructure.

Capital management

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

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

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

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

Notes to the Financial Statements

for the year ended 31 December 2016

2 REVENUE

	Group		Institute	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
(a) Government grants				
<i>Non-exchange revenue</i>				
Student Achievement Component (SAC) Funding	39,923	39,054	39,923	39,054
Other grants	8,265	7,311	8,265	7,311
Total government grants non-exchange revenue	48,188	46,365	48,188	46,365
(b) Student tuition fees				
<i>Non-exchange revenue</i>				
Fees from domestic students	17,925	17,873	17,925	17,871
<i>Exchange revenue</i>				
Fees from international students	15,148	13,721	15,148	13,721
Total tuition fees from non-exchange and exchange revenue	33,073	31,594	33,073	31,593
(c) Other exchange revenue				
Childcare operations	804	774	804	774
Student services levy	1,198	1,091	1,198	1,091
Gain on disposal of property, plant and equipment	277	-	277	-
Interest earned on bank deposits	57	69	46	47
Revenue from other operating activities	15,080	14,140	11,876	11,713
Total other exchange revenue	17,416	16,074	14,201	13,625

Notes to the Financial Statements

for the year ended 31 December 2016

3 PERSONNEL EXPENSE

	Group		Institute	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Employee benefits expense				
Wages and salaries	(56,759)	(54,823)	(53,638)	(51,982)
Defined contribution plan employer contributions	(1,376)	(1,282)	(1,303)	(1,218)
(Increase)/decrease in employee entitlements	(713)	(214)	(630)	(237)
Total employee benefits expense	(58,848)	(56,319)	(55,571)	(53,437)

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

4 FINANCE EXPENSE

	Group		Institute	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Bank loans and overdrafts	(989)	(1,229)	(1,011)	(1,203)
Debt collection fees	-	-	-	-
Other finance costs	-	(5)	-	-
Total finance expense	(989)	(1,234)	(1,011)	(1,203)

Notes to the Financial Statements

for the year ended 31 December 2016

5 OTHER EXPENSE

	Group		Institute	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Fees to Audit New Zealand for the audit of financial statements	(192)	(162)	(157)	(152)
Fees to Audit New Zealand for other services	-	-	-	-
Fees for internal audit services not provided by Audit New Zealand	-	(31)	-	(31)
Loss on disposal of property, plant and equipment	-	(684)	-	(684)
Donations and koha	(16)	(307)	(16)	(7)
Impairment of receivables	(10)	(32)	(10)	(9)
Aggregate research and development costs	(855)	(759)	(855)	(760)
Operating lease payments	(1,805)	(1,792)	(1,714)	(1,680)
Occupancy costs	(3,241)	(3,276)	(3,219)	(3,257)
Administration costs	(10,751)	(10,596)	(9,833)	(9,612)
Other costs	(13,670)	(13,518)	(15,068)	(14,864)
Total other expense	(30,541)	(31,154)	(30,872)	(31,055)

Notes to the Financial Statements

for the year ended 31 December 2016

6 CASH AND CASH EQUIVALENTS

	Group		Institute	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Cash at bank and in hand	1,862	1,951	659	992
Call deposits	-	-	-	-
Term deposits with maturities less than 3 months at acquisition	-	-	-	-
Total cash and cash equivalents	1,862	1,951	659	992

Cash at bank and on hand earns interest at floating rates based on daily bank deposit rates.

The carrying value of cash at bank, call deposits, and term deposits with maturities less than 3 months approximates their fair value.

Reconciliation of cash for the purpose of the statement of cash flows.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following as at 31 December.

	Notes	Group		Institute	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Cash at bank and on hand		1,862	1,951	659	992
Short-term deposits		-	-	-	-
Bank overdrafts	18	(6,194)	(4,294)	(6,194)	(4,294)
Total cash and cash equivalents including overdrafts		(4,332)	(2,343)	(5,535)	(3,302)

Financial assets recognised subject to restrictions.

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

Notes to the Financial Statements

for the year ended 31 December 2016

7 RECEIVABLES

	Group		Institute	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Student fees receivables				
Non exchange student receivables	8,573	10,914	8,573	10,914
Exchange student fees receivables	2,122	5,513	2,122	5,543
Less provision for impairment	-	-	-	-
Net student fee receivables	10,695	16,427	10,695	16,457
Other exchange receivables				
Related party receivables	423	782	805	1,359
Other receivables	5,138	3,224	4,664	2,345
Less provision for impairment	-	(23)	-	-
Total other exchange receivables	16,256	20,410	16,164	20,161

Fair Value

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

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

The ageing profile of receivables as at 31 December 2016 and 2015 are detailed below:

	2016			2015		
	Gross \$'000	Impairment \$'000	Net \$'000	Gross \$'000	Impairment \$'000	Net \$'000
Not past due	11,458	-	11,458	15,226	-	15,226
Past due 1-30 days	1,396	-	1,396	1,875	-	1,875
Past due 31-60 days	901	-	901	1,192	-	1,192
Past due 61-90 days	81	-	81	1,260	-	1,260
Past due over 90 days	2,328	-	2,328	608	-	608
Total	16,164	-	16,164	20,161	-	20,161

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

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

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

Notes to the Financial Statements

for the year ended 31 December 2016

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

	Group		Institute	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
At 1 January	-	-	-	-
Additional provisions made during year	-	23	-	-
Provisions reversed during the year	-	-	-	-
Receivables written-off during the year	-	-	-	-
Total impairment of receivables	-	23	-	-

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

8 INVENTORIES

	Group		Institute	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Commercial inventories expensed	284	284	284	284
Total inventories	284	284	284	284

No inventories are pledged as security for liabilities (2015 \$nil).

9 OTHER FINANCIAL ASSETS

	Group		Institute	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Special funds investments (term deposits) with maturities greater than 3 months	164	161	164	161
Investment in subsidiaries (cost)	-	-	831	831
Total other financial assets	164	161	995	992

Special Trust Funds

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

Loans to subsidiaries

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

Unlisted shares are held in non-commercial entities and are carried at cost because either:

- the fair value of the investment cannot be reliably determined using a standardised valuation technique; or
- due to cost being materially different to fair value

There is currently no intention to dispose of these assets.

Impairment

There were no impairment provisions for other financial assets in 2016. In 2015 Wintec impaired the LearningWorks asset from \$2.25m to \$0.669m. None of the other financial assets are either past due or impaired.

Notes to the Financial Statements

for the year ended 31 December 2016

10 INVESTMENT IN ASSOCIATES

	Group
	2016 \$'000
Investment in Ligar Limited Partnership (cost)	673
Equity accounted carrying amount	252

Group's share of summarised financial information of associate

Assets	438
Liabilities	213
Revenues	98
Surplus/(deficit)	(421)
Group's Interest	26.77%
Share of associate's contingent liabilities incurred jointly with other investors	-
Contingent liabilities that arise because of several liability	-

	Group
	2016 \$'000

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

Investment in associate

Opening balance	375
Investment	298
Share of retained surplus/(deficit)	(421)
Closing balance	252

Represented by:

Share of increase in net assets of associate (carrying value)	252
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Ligar GP Limited is an associate, however it has been dormant since inception so there are no values to equity account for in the group financial statements, and no cost value to recognise in the Institute's financial statements.

Notes to the Financial Statements

for the year ended 31 December 2016

11 INVESTMENT IN JOINTLY CONTROLLED ENTITY

The Institute has a 28% interest with a joint venture, MondragonWintec Saudi Arabia (MSWA), teaching tertiary level students at three colleges in Saudi Arabia. The following represent the group's share of the assets, liabilities, revenue and expenses of the joint venture.

	2016 \$'000	2015* \$'000
Institute		
Investment in MondragonWintec	50	50
Group		
Assets		
Current assets	1,894	1,170
Non-current assets	853	930
Total assets	2,747	2,100
Liabilities		
Current liabilities	1,548	709
Non-current liabilities	2,130	2,462
Total liabilities	3,678	3,171
Revenue	2,632	3,248
Expenses	2,492	4,372
Net surplus/(deficit)	140	(1,125)
Impairment of asset in the group	-	50
Deficit noted	(935)	(1,075)
The Investment of \$50,000 in Mondragon Saudi Arabia (MSWA), has been written down to \$0 in the group and the remaining deficit of \$935K will be noted and carried forward to be written down against future surpluses, until the balance is positive and then will be reflected in the financial statements.		
Institute's capital commitments in relation to the joint venture	-	-
Share of joint ventures commitments	-	-
Institute's contingent liabilities incurred in relation to the joint venture	(\$USD) 911k	(\$USD) 911k
Share of joint venture's contingent liabilities	-	-
Other ventures' contingent liabilities the Institute is liable for	-	-
The Institute's contingent asset arising in relation to the joint venture	-	-
Share of joint ventures' contingent assets	-	-

* The 2015 comparative figures have been restated using the audited financial statements for Mondragon. This information only became available after the 2015 Institute and Group financial statements were completed. The effect was a \$4k reduction in the deficit noted.

Notes to the Financial Statements

for the year ended 31 December 2016

12 PROPERTY, PLANT AND EQUIPMENT

	Cost 01/01/2016	Accumulated depreciation 01/01/2016	Carrying amount 01/01/2016	Additions	Disposals at cost	Depreciation on disposals	Impairment/ depreciation charge	Reversal of depreciation charge	Revaluation surplus*	Reclassification of assets between classes cost	Reclassification of assets between classes depreciation	Cost 31/12/2016	Accumulated depreciation 31/12/2016	Carrying amount 31/12/2016
2016	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group														
Land	16,334	-	16,334	-	-	-	-	-	11,109	-	-	27,443	-	27,443
Buildings	107,733	(2,866)	104,867	838	(4,242)	375	(2,603)	4,799	3,869	(2,495)	295	105,702	0	105,702
Infrastructure	14,292	(857)	13,435	82	-	-	(400)	-	-	1,530	(61)	15,904	(1,318)	14,587
Computer hardware	9,695	(5,474)	4,221	1,259	-	-	(1,302)	-	-	-	-	10,954	(6,776)	4,178
Furniture & equipment	16,503	(7,095)	9,408	432	(867)	-	(907)	-	-	965	(234)	17,033	(8,236)	8,797
Motor vehicles	307	(235)	72	8	-	-	(17)	-	-	-	-	315	(252)	63
Library collection	4,252	(3,489)	763	82	(359)	43	(232)	-	-	-	-	3,975	(3,678)	297
Work in progress	363	-	363	4,510	(363)	-	-	-	-	-	-	4,510	-	4,510
Total Group	169,479	(20,016)	149,463	7,211	(5,831)	418	(5,461)	4,799	14,978	-	-	185,836	(20,260)	165,576
Institute														
Land	16,334	-	16,334	-	-	-	-	-	11,109	-	-	27,443	-	27,443
Buildings	107,733	(2,866)	104,867	838	(4,242)	375	(2,603)	4,799	3,869	(2,495)	295	105,702	-	105,702
Infrastructure	14,292	(857)	13,435	82	-	-	(400)	-	-	1,530	(61)	15,904	(1,318)	14,586
Computer hardware	9,661	(5,460)	4,201	1,229	-	-	(1,290)	-	-	-	-	10,890	(6,750)	4,140
Furniture & equipment	16,458	(7,081)	9,377	432	(867)	-	(902)	-	-	965	(234)	16,988	(8,217)	8,771
Motor vehicles	307	(235)	72	-	-	-	(17)	-	-	-	-	307	(252)	55
Library collection	4,252	(3,489)	763	82	(359)	43	(232)	-	-	-	-	3,975	(3,678)	297
Work in progress	363	-	363	4,510	(363)	-	-	-	-	-	-	4,510	-	4,510
Total Institute	169,400	(19,988)	149,412	7,173	(5,831)	418	(5,444)	4,799	14,978	-	-	185,719	(20,215)	165,504

*The gain on the building revaluation effective as at 31 December 2016 totals \$3.869m. \$2.405m of this gain has been recognised in revenue as it offsets a decrease in value recognised in the Surplus/(Deficit) in 2014. The remaining \$1.464m has been recognised in Other Comprehensive Revenue/(Expense).

	Cost 01/01/2015	Accumulated depreciation 01/01/2015	Carrying amount 01/01/2015	Additions	Disposals at cost	Depreciation on disposals	Impairment/ depreciation charge	Revaluation surplus	Cost 31/12/2015	Accumulated depreciation 31/12/2015	Carrying amount 31/12/2015
2015	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

Group

Land	15,619	-	15,619	715	-	-	-	-	16,334	-	16,334
Buildings	107,723	(44)	107,679	481	(471)	48	(2,870)	-	107,733	(2,866)	104,867
Infrastructure	12,461	(451)	12,010	1,831	-	-	(406)	-	14,292	(857)	13,435
Computer hardware	8,852	(4,083)	4,769	843	-	-	(1,391)	-	9,695	(5,474)	4,221
Furniture & equipment	16,194	(6,518)	9,676	944	(635)	334	(910)	-	16,503	(7,095)	9,408
Motor vehicles	353	(306)	47	45	(91)	90	(19)	-	307	(235)	72
Library collection	5,002	(3,599)	1,403	451	(1,201)	594	(484)	-	4,252	(3,489)	763
Work in progress	1,817	-	1,817	363	(1,817)	-	-	-	363	-	363
Total Group	168,021	(15,001)	153,020	5,673	(4,215)	1,066	(6,080)	-	169,479	(20,016)	149,463

Institute

Land	15,619	-	15,619	715	-	-	-	-	16,334	-	16,334
Buildings	107,723	(44)	107,679	481	(471)	48	(2,870)	-	107,733	(2,866)	104,867
Infrastructure	12,461	(451)	12,010	1,831	-	-	(406)	-	14,292	(857)	13,435
Computer hardware	8,823	(4,078)	4,745	838	-	-	(1,382)	-	9,661	(5,460)	4,201
Furniture & equipment	15,717	(6,384)	9,333	944	(203)	203	(899)	-	16,458	(7,081)	9,377
Motor vehicles	353	(306)	47	45	(91)	90	(19)	-	307	(235)	72
Library collection	5,002	(3,599)	1,403	451	(1,201)	594	(484)	-	4,252	(3,489)	763
Work in progress	1,669	-	1,669	363	(1,669)	-	-	-	363	-	363
Total Institute	167,367	(14,862)	152,505	5,668	(3,635)	935	(6,060)	-	169,400	(19,988)	149,413

Notes to the Financial Statements

for the year ended 31 December 2016

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Valuation

The most recent valuations of land and buildings was performed by an independent registered valuer, Telfer Young (Waikato) Limited. The valuation is effective as at 31 December 2016. The last valuation for Infrastructure assets was performed by Klu'd up and was effective at 31 December 2014.

Land

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

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

Buildings

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

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

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

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

Infrastructure

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

Restrictions on title

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

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

Work in progress

The total amount of property, plant, and equipment in the course of construction is \$4.737 million (2015 \$1.570 million).

Work in progress relates to the following asset classes:

	Actual 2016 \$'000	Actual 2015 \$'000
Buildings	4,510	363
Software	227	1,207
Library collection	-	-
	4,737	1,570

Notes to the Financial Statements

for the year ended 31 December 2016

13 INTANGIBLE ASSETS

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

The total amount of intangible assets under development is \$0m for the Enrolment upgrade project as it was completed in the prior year (2015: \$1.2m).

	Cost 01/01/2016	Accumulated amortisation 01/01/2016	Carrying amount 01/01/2016	Additions	Impairment at cost	Impairment amortisation on disposals	Amortisation	Disposal	Cost 31/12/2016	Accumulated amortisation 31/12/2016	Carrying amount 31/12/2016
2016	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated											
Computer software	15,614	(8,650)	6,964	3,506	-	-	(1,333)	(116)	19,004	(9,983)	9,021
Work in progress	1,207	-	1,207	1,253	-	-	-	(2,233)	227	-	227
Purchased goodwill	407	-	407	-	-	-	-	-	407	-	407
Total Consolidated	17,228	(8,650)	8,578	4,759	-	-	(1,333)	(2,349)	19,638	(9,983)	9,655
Parent											
Computer software	15,264	(8,570)	6,694	3,506	-	-	(1,331)	-	18,770	(9,901)	8,869
Work in progress	1,207	-	1,207	1,253	-	-	-	(2,233)	227	-	227
Purchased goodwill	-	-	-	-	-	-	-	-	-	-	-
Total Parent	16,471	(8,570)	7,901	4,759	-	-	(1,331)	(2,233)	18,997	(9,901)	9,096
	Cost 01/01/2015	Accumulated amortisation 01/01/2015	Carrying amount 01/01/2015	Additions	Impairment at cost	Impairment amortisation on disposals	Amortisation	Disposal	Cost 31/12/2015	Accumulated amortisation 31/12/2015	Carrying amount 31/12/2015
2015	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated											
Computer software	15,800	(8,036)	7,764	1,658	(1,844)	826	(1,440)	-	15,614	(8,650)	6,964
Work in progress	614	-	614	1,207	-	-	-	(614)	1,207	-	1,207
Purchased goodwill	407	-	407	-	-	-	-	-	407	-	407
Total Consolidated	16,821	(8,036)	8,785	2,865	(1,844)	826	(1,440)	(614)	17,228	(8,650)	8,578
Parent											
Computer software	15,450	(7,960)	7,490	1,658	(1,844)	826	(1,436)	-	15,264	(8,570)	6,694
Work in progress	614	-	614	1,207	-	-	-	(614)	1,207	-	1,207
Purchased goodwill	-	-	-	-	-	-	-	-	-	-	-
Total Parent	16,064	(7,960)	8,104	2,865	(1,844)	826	(1,436)	(614)	16,471	(8,570)	7,901

Notes to the Financial Statements

for the year ended 31 December 2016

14 ASSETS HELD FOR SALE

Assets held for sale in 2015 included 4.51ha of the Rotokauri campus which the Council had identified as surplus and available for sale. The sale was completed in February 2016. There are no assets held for sale in 2016.

	Group		Institute	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Assets held for sale				
Current assets	-	-	-	-
Non current assets	-	4,667	-	4,667
Total assets held for sale	-	4,667	-	4,667

15 PAYABLES

	Group		Institute	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<i>Payables under exchange transactions</i>				
Creditors	2,095	1,461	3,073	1,465
Accrued expenses	3,535	2,543	2,495	2,336
Total payables under exchange transactions	5,630	4,004	5,568	3,801
<i>Payables under non-exchange transactions</i>				
Taxes payable	605	951	530	875
Total payables	6,235	4,955	6,098	4,676

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

Notes to the Financial Statements

for the year ended 31 December 2016

16 EMPLOYEE ENTITLEMENTS

	Group		Institute	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current portion				
Accrued pay	2,460	2,290	2,297	2,170
Annual leave	2,147	1,604	2,030	1,527
Total current portion	4,607	3,894	4,327	3,697
Non-current portion				
Long service leave	113	133	113	133
Retirement gratuities	127	157	127	157
Total non-current portion	240	289	240	289
Total employee entitlements	4,847	4,183	4,567	3,986

The present value of the retirement gratuities depends on factors that are determined on an actuarial basis. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will affect the amount of the liability. Expected future payments are discounted using forward discount rates derived from the yield curve of New Zealand Government bonds. The discount rates used have maturities that match, as closely as possible, the estimated future cash outflows. The salary inflation factor has been determined after considering historical salary inflation patterns and after obtaining independent advice from an independent actuary.

If the salary inflation factor were to increase or decrease by 1% from that used, with all other factors held constant, the carrying amount of the retirement gratuity liability would be an estimated \$1,300 higher/lower (2015 \$1,580).

If the discount rates used were to increase or decrease by 1% from that used, with all other factors held constant, the carrying amount of the retirement gratuity liability would be an estimated \$1,363 higher/lower (2015 \$1,656).

17 DEFERRED REVENUE

	Group		Institute	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Tuition fees non-exchange	11,795	12,313	11,795	12,313
Tuition fees exchange	9,495	11,114	9,495	11,114
Other exchanges revenue received in advance	1,025	2,318	103	1,345
Total deferred revenue	22,315	25,745	21,393	24,772

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

Notes to the Financial Statements

for the year ended 31 December 2016

18 BORROWINGS

	Group		Institute	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current				
Bank overdraft	6,194	4,294	6,194	4,294
Secured loans				
Total current portion	6,194	4,294	6,194	4,294
Non-current				
Secured loans	12,500	20,500	12,500	20,500
Total non-current portion	12,500	20,500	12,500	20,500
Total borrowings	18,694	24,794	18,694	24,794

Interest Terms for secured loans

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

The Institute's current borrowings including the bank overdraft is \$18,694,000 as at 31 December 2016 (2015 \$24,794,000).

Security

The overdraft and secured loans are secured by a negative pledge agreement between the Bank of New Zealand and the Institute. The maximum amount that can be drawn down against the overdraft facility is \$8,500,000.

Secured loan covenants

The Institute is required to ensure that the following financial covenant ratios for secured loans are achieved during the year:

Bank covenants

- As at 30 June and 31 December: Term Debt/ (Term Debt + Equity) <=20%
- As at 30 June and 31 December: EBITDA/Gross Interest >= 3.00x
- Non BNZ Debt not in excess of \$250,000

TEC conditions of consent

- Net Surplus ratio of at least 2.5%
- Cash Flow ratio of at least 111%
- Debt Equity (Gearing) ratio of 20% or less until 2019 and 15% or less from 2020
- Leverage ratio of no more than 3.0 times until 2018 and 2.5 times from 2019
- Maintain a liquidity ratio of 10% or higher
- Interest Cover ratio of no less than 2.5 times

The Institute and Group have no finance leases.

Notes to the Financial Statements

for the year ended 31 December 2016

19 EQUITY

	Group		Institute	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
General funds				
Balance at 1 January	103,590	107,141	104,350	108,297
Property revaluation reserve transfer on disposal		-	-	-
Surplus/(deficit) for the year	3,465	(3,292)	3,638	(4,207)
Capital transferred to Institute from Group	-	(260)	-	260
Capital contributions from the Crown	-	-	-	-
Transfers to restricted reserves	(486)	-	(486)	-
Balance at 31 December	106,569	103,590	107,502	104,350
Property revaluation reserves				
Balance at 1 January	21,925	21,925	21,925	21,925
Land net revaluation gains/(losses)	11,109	-	11,109	-
Buildings net revaluation gains/(losses)	1,464	-	1,464	-
Infrastructure net revaluation gains/(losses)	-	-	-	-
Balance at 31 December	34,498	21,925	34,498	21,925
Restricted reserves				
Balance at 1 January	137	137	137	137
Appropriation of net surplus	-	-	-	-
Application of trusts and bequests	486	-	486	-
Balance at 31 December	623	137	623	137
Non-controlling interest				
Balance at 1 January	417	384	-	-
Capital contributions from owners	-	-	-	-
Surplus/(deficit) for the year	24	33	-	-
Balance at 31 December	441	417	-	-
Total non-controlling interest	441	417	-	-
Total equity	142,131	126,069	142,623	126,413
Property revaluation reserves consists of:				
Land	31,217	20,108	31,217	20,108
Infrastructure	1,817	1,817	1,817	1,817
Buildings	1,464	-	1,464	-
Total property revaluation reserves	34,498	21,925	34,498	21,925

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

Notes to the Financial Statements

for the year ended 31 December 2016

20 COMMITMENTS

Operating lease commitments

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

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

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

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

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

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

	Group		Institute	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Within one year	1,379	1,483	1,277	1,388
After one year but not more than five years	3,558	4,075	3,164	3,699
More than five years	9,845	17,225	9,450	16,735
Total non-cancellable operating leases	14,782	22,783	13,891	21,819

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

Institute and Group as Lessors

All leases are operating leases. The majority of these leases have a non-cancellable term of 36 months, with the exception of one lease that has a non-cancellable term of 60 months. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Group		Institute	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Within one year	126	50	126	50
After one year but not more than five years	99	100	99	100
More than five years	-	-	-	-
Total non-cancellable operating leases	225	150	225	150

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

Finance lease and hire purchase commitments

The Institute and Group have no finance leases or hire purchase contracts.

Capital commitments

At 31 December 2016 the Institute has \$0m commitments (2015: nil).

Contingent assets

The Institute and Group have no contingent assets (2015: nil).

Contingent liabilities

The Institute and Group do not have any contingent liabilities except those disclosed in note 11. (2015: \$40K in relation to potential payments to a small number of staff).

Redundancy compensation payments

During the year ended 31 December 2016, 11 (2015: 11) employees received compensation and other benefits in relation to cessation totalling \$519,372 (2015: \$426,178).

Notes to the Financial Statements

for the year ended 31 December 2016

21 RELATED PARTY DISCLOSURE

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that are reasonable to expect that the Institute would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with Government agencies (for example, Government departments and Crown entities) are not disclosed as a related party when they are consistent with the normal operating arrangements with TEIs and undertaken on the normal terms and conditions for such transactions.

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

Key management personnel compensation

	Group		Institute	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Council members				
Full time equivalent members	1	1	1	1
Remuneration	160	148	160	148
Executive management team, including the chief executive				
Full time equivalent members	14	14	12	12
Remuneration	2,920	2,748	2,563	2,545
Total full time equivalent members	15	15	13	13
Total key management personnel compensation	3,080	2,896	2,723	2,693

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

Councillors' remuneration

Councillor remuneration paid or payable during the year was:

	Actual 2016 \$	Actual 2015 \$
Council member		
Baddeley, Clint*	-	5,333
Brennan, Desmond**	17,120	10,667
Cave-Palmer, Mary (Chair)	35,952	32,000
Cooper, Bryce*	-	5,333
Gusscott, Sandra**	17,120	10,667
Howse, Stephen (Deputy Chair)	21,400	20,000
Moana-Tuwhangai, Maxine	17,120	16,000
Rink, Aaron	17,120	16,000
Roa, Pam	17,120	16,000
S'ng, Ping	17,120	16,000
Total councillors' fees	160,072	148,000

* resigned 30 April 2015

** commenced 1 May 2015

Notes to the Financial Statements

for the year ended 31 December 2016

22 CHILDCARE SUMMARY

	Actual 2016 \$'000	Budget 2016 \$'000	Actual 2015 \$'000
Revenue			
Government grants (children under two)	235	217	223
Government grants (children over two)	100	90	72
Government grants (free Early Childhood Education)	207	258	241
Government grants (provisionally registered teachers)	-	-	-
Government grants (free subsidy)	30	34	36
Incentive grant	-	-	-
Fees Work and Income New Zealand (WINZ)	126	105	102
Other fees	104	79	101
Other trading revenue	802	783	774
Expenses			
Staffing	629	689	616
Other Costs	51	50	58
Other trading expenses	680	739	674
Trading surplus	122	44	100

Provisionally registered teachers (PRT) support grant.

There were no PRT grants received in 2016 (2015 nil).

Notes to the Financial Statements

for the year ended 31 December 2016

23 EVENTS AFTER THE BALANCE SHEET DATE

There are no events after balance date that require the financial statements to be revised.

24 FINANCIAL INSTRUMENT CATEGORIES

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

	Group		Institute	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assets				
<i>Loans and receivables</i>				
Cash and cash equivalents	1,862	1,951	659	992
Receivables	16,256	20,410	16,164	20,161
Other financial assets				
- Term deposits	-	-	-	-
- Loans to related parties	-	-	-	-
- Special funds investments	164	161	164	161
- Other investments	-	-	831	831
Total loans and receivables	18,282	22,522	17,818	22,145
<i>Fair value through other comprehensive revenue</i>				
Other financial assets				
- Government bonds	-	-	-	-
- Unlisted shares	-	-	-	-
- Listed shares	-	-	-	-
Total other financial assets	-	-	-	-
Financial liabilities				
<i>Financial liabilities at amortised cost</i>				
Bank overdraft	6,194	4,294	6,194	4,294
Payables	6,235	4,955	6,098	4,676
Secured loans	12,500	20,500	12,500	20,500
Total financial liabilities	24,929	29,749	24,792	29,470

Notes to the Financial Statements

for the year ended 31 December 2016

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

Financial instrument risks

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

Market risk

Price risk - Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. The Institute and Group do not hold any financial instruments which are exposed to price risk.

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

Fair value interest rate risk - Fair value interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates of interest create exposure to fair value interest rate risk. The Institute and Group do not actively manage their exposure to fair value interest rate risk.

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

Credit risk

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

The Institute and Group limit the amount of credit risk exposure to any one financial institution for term deposits to no more than 40% of total investments held. The Group invests funds only with registered banks that have a Standard and Poor's credit rating of at least AA for short term and AA- for long-term investments.

The Institute and Group hold 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 (table below).

Liquidity risk

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

The Institute and Group have a maximum amount that can be drawn down against their overdraft facility of \$8.5m (2015 \$8.5m). The Institute and Group manages liquidity risk by continuously monitoring forecast and actual cash flow requirements and matching the maturity profiles of financial assets and liabilities for 2016.

	Group		Institute	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Counterparties with credit ratings				
Cash at bank and term deposits				
AA	-	-	-	-
AA-	1,862	1,951	659	992
Total cash at bank and term deposits	1,862	1,951	659	992
Counterparties with credit ratings				
<i>Loans to related parties</i>				
Existing counterparty with no defaults in the past	-	-	-	-
Existing counterparty with defaults in the past	-	-	-	-
Total debtors and other receivables	-	-	-	-
<i>Debtors and other receivables</i>				
Existing counterparty with no defaults in the past	16,256	20,410	16,164	20,161
Existing counterparty with defaults in the past	-	-	-	-
Total debtors and other receivables	16,256	20,410	16,164	20,161

Notes to the Financial Statements

for the year ended 31 December 2016

CONTRACTUAL MATURITY ANALYSIS OF FINANCIAL LIABILITIES, EXCLUDING DERIVATIVES

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

	Carrying amount \$'000	Contractual cashflows \$'000	<6 months \$'000	6-12 months \$'000	1-2 years \$'000	2-3 years \$'000	>3 years \$'000
Institute 2016							
Bank overdraft	6,194	6,194	6,194	-	-	-	-
Payables	6,098	6,098	6,098	-	-	-	-
Accrued pay	2,297	2,297	2,297	-	-	-	-
Secured loans	12,500	12,500	-	-	-	-	12,500
Total	27,089	27,089	14,589	-	-	-	12,500

Group 2016

Bank overdraft	6,194	6,194	6,194	-	-	-	-
Payables	6,235	6,235	6,235	-	-	-	-
Accrued pay	2,460	2,460	2,460	-	-	-	-
Secured loans	12,500	12,500	-	-	-	-	12,500
Total	27,389	27,389	14,889	-	-	-	12,500

Institute 2015

Bank overdraft	4,294	4,294	4,294	-	-	-	-
Payables	4,676	4,676	4,676	-	-	-	-
Accrued pay	2,170	2,170	2,170	-	-	-	-
Secured loans	20,500	20,500	-	-	-	-	20,500
Total	31,640	31,640	11,140	-	-	-	20,500

Group 2015

Bank overdraft	4,294	4,294	4,294	-	-	-	-
Payables	4,955	4,955	4,955	-	-	-	-
Accrued pay	2,290	2,290	2,290	-	-	-	-
Secured loans	20,500	20,500	-	-	-	-	20,500
Total	32,039	32,039	11,539	-	-	-	20,500

Contractual maturity analysis of derivative financial liabilities.
The Institute and Group do not have derivative financial liabilities.

Notes to the Financial Statements

for the year ended 31 December 2016

CONTRACTUAL MATURITY ANALYSIS OF FINANCIAL ASSETS

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

	Carrying amount \$'000	Contractual cashflows \$'000	<6 months \$'000	6-12 months \$'000	1-2 years \$'000	2-3 years \$'000	>3 years \$'000
Institute 2016							
Cash and cash equivalents	659	659	659	-	-	-	-
Receivables	16,164	16,164	16,164	-	-	-	-
Government bonds	-	-	-	-	-	-	-
Term deposits	-	-	-	-	-	-	-
Total	16,823	16,823	16,823	-	-	-	-
Group 2016							
Cash and cash equivalents	1,862	1,862	1,862	-	-	-	-
Receivables	16,256	16,256	16,256	-	-	-	-
Government bonds	-	-	-	-	-	-	-
Term deposits	-	-	-	-	-	-	-
Total	18,118	18,118	18,118	-	-	-	-
Institute 2015							
Cash and cash equivalents	992	992	992	-	-	-	-
Receivables	20,161	20,161	20,161	-	-	-	-
Government bonds	-	-	-	-	-	-	-
Term deposits	-	-	-	-	-	-	-
Total	21,153	21,153	21,153	-	-	-	-
Group 2015							
Cash and cash equivalents	1,951	1,951	1,951	-	-	-	-
Receivables	20,410	20,410	20,410	-	-	-	-
Government bonds	-	-	-	-	-	-	-
Term deposits	-	-	-	-	-	-	-
Total	22,361	22,361	22,361	-	-	-	-

Notes to the Financial Statements

for the year ended 31 December 2016

SENSITIVITY ANALYSIS

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

	2016 \$'000				2015 \$'000			
	Surplus	-50bps Other equity	Surplus	+50bps Other equity	Surplus	-50bps Other equity	Surplus	+50bps Other equity
Interest rate risk - Institute								
Financial assets								
Cash and cash equivalents	3	-	(3)	-	3	-	(3)	-
Financial liabilities								
Secured loans	93	-	(93)	-	126	-	(126)	-
Total sensitivity	96	-	(96)	-	129	-	(129)	-

Interest rate risk - Group

Financial assets								
Cash and cash equivalents	9	-	(9)	-	25	-	(25)	-
Financial liabilities								
Secured loans	93	-	(93)	-	126	-	(126)	-
Total sensitivity	102	-	(102)	-	151	-	(151)	-

Explanation of interest rate risk sensitivity.

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example a decrease in 50bps is equivalent to a decrease in interest rates of 0.5%.

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

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

Notes to the Financial Statements

for the year ended 31 December 2016

25 INSTITUTE PERFORMANCE AGAINST BUDGET

Revenue

Revenue for the year was \$97.9m, which is \$2.966m favourable to budget and \$6.284m higher than the prior year. The main contributing factors are:

Fees from international students increased from last year due to higher volume of international EFTS.

The reversal of the property and buildings revaluation loss charged to the surplus in 2014 of \$2.4m has now been included as revenue.

Other income decreased from budget due to lower international off-shore activity, lower revenue of \$0.5m for international insurance fees and changes in the revenue accounting treatment.

Expense

Total operating costs for the year were \$94.23m which is \$0.537m unfavourable to budget and \$1.560m favourable to the prior year.

Main operating expenditure variances are as follows:

Total staffing costs were \$55.6m for the year, \$0.445m more than budget, and \$2.134m more when compared to prior year. This is due to increased expenditure on international initiatives, short course delivery (offset by revenue), increased staffing required for higher international students, superannuation and staff leave costs.

Depreciation is \$0.634m less than budget and \$0.721m less than the prior year due to the revaluation of land and buildings in December 2016.

Current assets

Current assets for the year are \$17.280m which is \$2.141m higher than budget and \$9.056m lower than the prior year. The main variances are:

The land held for sale of \$4.667m in the prior year was sold in February 2016 therefore there were no assets held for sale in 2016.

The receivables decrease of \$3.997m against the prior year is due the timing of invoicing students, (a large number of invoices were created in January and February 2017 for the 2017 enrolment year, these were invoiced in November to December in 2015), and better debt collection in 2016.

Current liabilities

Current liabilities amount to \$38.012m against budget of \$33.389m and the prior year of \$37.439m. The main variance of \$4.623m against the budget relates to the increase in the bank overdraft from budget of \$4.326m, this is because we had budgeted for an increase of term loans rather than the bank overdraft.

Cashflow

The cash balance for 2016 is \$5.5m overdrawn against a budget of \$1.9m overdrawn and \$3.3m to the prior year. The unfavourable variance relates to the following:

A decrease in the cash flows from operating activities of around \$1m against budget and the prior year is due to an increase in payments to employees.

An increase in net cash flows from investing activities of \$7.2m against the budget is due to a delay in the campus building programme.

An increase in net cash flows from financing activities of \$13m against the budget is due to a delay in the campus building programme. Also Wintec repaid debt of \$8m during the year.

Notes to the Financial Statements

for the year ended 31 December 2015

26 DETAILS OF HOLDINGS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES ARE SHOWN BELOW

Subsidiary/Associate/Joint Venture	% Ownership	Balance date	Business activity
Wintec			
Soda Inc Ltd*	100%	31/12	Creative industries business incubator
Motortrain Limited	25%	31/12	Developing training materials for motor industry
MondragonWintec Saudi Arabia LLC	28%	31/12	Education
Ligar Limited Partnership***	26.77%	30/09	Research
Ligar Polymers Limited***	50%	31/12	Research
Ligar GP Limited***	26.77%	30/09	Research
Polytechnics International New Zealand (PINZ)*	100%	31/12	Off-shore consultancy
Wintec Foundation	100%	31/12	Charitable Trust
Prima Group Ltd**	100%	31/12	Investment Holding Company
LearningWorks Ltd*	100%	31/12	Developing and delivering training to industry
Prima Innovation Ltd****	100%	31/12	Identifying and commercialising intellectual property
Learning Works International Ltd***	100%	31/12	Developing and delivering training to industry
Wintec Education and Training Associates Ltd****	100%	31/12	Investment Holding Company
Waikato International Ltd*	100%	31/12	Investment Holding Company

* 100% owned by Wintec

** 100% owned by Wintec Foundation

*** owned by LearningWorks Ltd

**** wound up in 2016



Statement of Service Performance

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Statement of Service Performance

The Statement of Service Performance (SSP) comprises the set of key performance indicators (KPIs) for 2016.

It includes:

- Investment Plan KPIs (including the targets for 2016) approved as part of the Investment Plan process, and
- Business Plan KPIs, which are a subset of the total number of KPIs contained in the annual business plan.

The Investment Plan is Wintec's funding agreement with the Tertiary Education Commission (TEC). It contains the key performance indicators agreed between Wintec and TEC for the period of the Investment Plan (2015-2017). The KPIs demonstrate Wintec's progress towards success in:

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

In addition to the Investment Plan, Wintec also has a Strategic Plan. While the audience for the Investment Plan is government, the Strategic Plan is written to engage staff, students, employers, community organisations, international partners and other stakeholders with Wintec's strategic vision and our strategies for achieving success. Under our Strategic Plan, our annual Business Plan contains additional KPIs to complement those from the Investment Plan to ensure that we have a complete set of indicators against which to measure the achievement of our strategic goals.

Key Terms

EFTS	Equivalent Full Time Student/s
EPI	Educational Performance Indicators
FTE	Full Time Equivalent
ITP	Institutes of Technology and Polytechnics
MPTT	Māori Pasifika Trades Training
PBRF	Performance Based Research Fund
PTE	Private Training Establishment
SAC	Student Achievement Component
SCC	Successful Course Completion
TEC	Tertiary Education Commission
TROQ	Targeted Review of Qualifications
WTA	Waikato Trades Academy

Strategic Goal: Our Graduates Are Highly Sought After by Employers

Our students will be successful because they learn industry-relevant skills in innovative ways, in educational settings that reflect the ‘real world’.

Increasing our portfolio of relevant, high-quality programmes will ensure we strengthen our contribution to the economic and social wellbeing of our region, strengthen our national profile for specialist education and training, and enhance our reputation as an internationally-recognised education provider. Our teaching and learning practices, advanced facilities and leading-edge technologies will continue to be complemented by exceptional student support to optimise student choice and success.

Participation and Provision

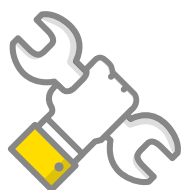
A total of 4550 Student Achievement Component (SAC) funded Equivalent Full Time Students (EFTS) were generated in 2016; an increase of 49 EFTS on 2015 levels. This increase is largely attributed to increased Māori Pasifika Trades Training (MPTT) provision, particularly at Levels 3 and 4.

Māori and Pasifika participation, at Level 4 and above, remains consistent year on year. Increased provision through MPTT (which is designed to ensure students meet present and future skill shortages in specific industries), while maintaining levels of provision overall has resulted in most participation targets being achieved.

Although there has been a slight decrease in the number of students enrolled in programmes at Level 7 and above since 2015, there has been an increase in new enrolments at these levels, particularly in health-related programmes. This is offset by a corresponding decrease in the number of returning students.

We continue to maintain strong relationships with secondary schools through a range of initiatives including Secondary Tertiary Partnerships, and Waikato Trades Academy (WTA). We have maintained our position as the largest trades academy in operation in New Zealand, delivering sector-related credits, in partnership with more than 30 secondary schools, across several of the six vocational pathways.

In August, approximately 60 Year 10 students from six Waikato secondary schools attended a “Youth Summit”, hosted by Wintec at two of our campus sites, and a local Private Training Establishment (PTE). The Youth Summit offered “taster” programmes, providing students and schools the opportunity to experience six of the Vocational Pathways offered via the Waikato Trades Academy.



We're New Zealand's largest trades academy.

PARTICIPATION AND PROVISION

Indicator(s)		2016 Outcome	2016 Target	2015 Outcome
Proportion of SAC eligible EFTS enrolled who are aged under 25	Level 3+	52%	55%	52%
	Level 4+	48%	53%	47%
Proportion of SAC eligible EFTS enrolled who are Māori	Levels 1 - 2	2.1%	3%	2%
	Level 3+	24%	23%	23%
	Level 4+	21%	21%	20%
Proportion of SAC eligible EFTS enrolled who are Pasifika	Levels 1 - 2	0.4%	1%	0.4%
	Level 3+	6%	5%	6%
	Level 4+	6%	5%	5%
Delivery of provision targeted to meet Youth Guarantee (YG) priorities	n/a	89%	100%	100%

Educational Outcomes

The 2015 Educational Performance Indicators (EPIs), published in August 2016, place Wintec near or above the sector median for student course completion, student retention and student progression.

We retained our ranking of first in the sector for progressing our students to higher levels of study. Although one percentage point below the sector median for successful course completions, our ranking is comparable to the majority of ITPs (where 13 ITPs are within two percentage points of the median). Our 2016 provisional EPI results demonstrate that our performance is consistent with our 2015 results, and comparable to other ITPs.

Successful Course Completion

Overall, successful course completion rates have remained consistent year on year, with a slight increase in outcomes at Level 3 and above, and Level 4 and above.

An increase in our Level 1-2 results, from 63% in 2015 to 69% in 2016, is indicative of the success of a range of interventions that were implemented in 2016 to improve outcomes at foundation level. This is particularly the case for programmes delivered by the Centre for Languages, where the course completion rate increased from 64% in 2015 to 81% in 2016.

Successful course completion rates for Māori students remain consistent, year on year, with particular success at Level 7 and above. In and around 2011, course completion rates in degree level programmes and higher were between 78-79%, increasing to 80-81% over 2015/16. Significant increases in Information Technology (from 76% in 2015 to 88% in 2016), Midwifery (from 85% in 2015 to 93% in 2016), and Early Childhood Education (from 73% in 2015 to 80% in 2016) demonstrate our ongoing commitment to lifting Māori performance.

In lower level qualifications, results have increased, dropped and increased again over the last four years, making target setting a challenging exercise. For example, Level 4 certificates (around 200 EFTS per year) had a rate of 62% in 2013, 72% in 2014, 64% in 2015 and 67% in 2016. While there has been an increase in Level 2 course completions (from 57% in 2015 to 62% in 2016), there has been a decrease in course completions at Level 3 (from 66% in 2015 to 60% in 2016).

A slight increase in Pasifika participation (SAC funded EFTS) from 6.5% in 2015 to 6.8% in 2016 is positive. Course completion rates for this cohort are consistent with previous years' results, and reflective of the small cohort. Small fluctuations in the size of this cohort result in a significant impact on outcomes for this group. Wintec remains committed to achieving parity in performance, relative to the total student cohort, and we continue to build on our engagement activities and pastoral support programmes, to address some of these issues.

Qualification Completion

Overall qualification completion rates are expected to increase as results are processed for graduation. Qualification completion rates at Levels 1-2 exceeded the targets set, although outcomes at Levels 3 and 4 or higher, while consistent year on year, have fallen slightly below target. Notwithstanding this, qualification completion rates at Level 7 and above have remained consistent at 78%, and outcomes for programmes at Level 5 have increased to 78%.

Qualification completion rates for Māori and Pasifika have fallen slightly below target. This is traditionally an unreliable indicator, and outcomes are more susceptible to changes in cohort size, rather than underlying performance. Wintec continues to invest resourcing into lifting outcomes, and to "closing the gap" between these cohorts and the rest of the student population.

We developed a Pasifika Engagement Strategy, with a focus on ensuring learner success. Key elements of the strategy focus on improved and regular communications with students, increased community engagement, and regular meetings with key stakeholders (eg, Kāute Pasifika and South Pacific Islands Institute) to promote Pasifika support.

Ongoing, embedded pastoral support is a key part of our approach to supporting Māori students to succeed. As part of our Māori Capability Framework, a targeted professional development programme was implemented to increase staff capability in the teaching of Māori students.

Student Progression

Student progression targets were set in line with previous overall progression targets for Level 1 to 3, and although consistent with previous years' outcomes, the targets were not met. Progression refers to students previously enrolled in programmes at Levels 1 to 3 of the National Qualifications Framework subsequently enrolling in higher level programmes anywhere in New Zealand.

Student Retention

Retention rates for all students (SAC eligible EFTS) have increased on 2015 levels, particularly at Level 1-2 (3% increase on 2015 outcome). Student retention rates for Māori and Pasifika at Level 3 and above have increased slightly on 2015 levels. While these results generally represent a positive shift for these cohorts, they are still lower than those achieved by the overall student population. We recognise there is still work to be done to achieve parity between Māori and non-Māori students. Some ambitious targets for lifting Māori outcomes have been set in the Investment Plan period and we continue to focus on them.

EDUCATIONAL OUTCOMES

Indicator(s)		2016 Outcome	2016 Target	2015 Outcome
Course Completion (SAC Eligible EFTS)				
Successful course completion rate for all students	Levels 1 - 2	69%	72%	63%
	Level 3+	79%	81%	79%
	Level 4+	80%	82%	79%
Successful course completion rate for students aged under 25	Level 3+	78%	79%	77%
	Level 4+	79%	79%	78%
Successful course completion rate for Māori students	Level 3+	71%	75%	71%
	Level 4+	72%	76%	72%
Successful course completion rate for Pasifika students	Level 3+	70%	75%	70%
	Level 4+	71%	75%	69%
Qualification Completion (SAC Eligible EFTS)				
Qualification completion rate for all students	Levels 1 - 2	59%	55%	55%
	Level 3+	70%	73%	71%
	Level 4+	71%	75%	71%
Qualification completion rate for students aged under 25	Level 3+	61%	66%	62%
	Level 4+	63%	66%	63%
Qualification completion rate for Māori students	Level 3+	57%	64%	65%
	Level 4+	58%	64%	65%
Qualification completion rate for Pasifika students	Level 3+	58%	65%	57%
	Level 4+	58%	65%	53%
Student Progression and Retention				
Student progression for all students (SAC eligible student count) at Levels 1-2, to a higher level	All students	55%	59%	50%
Student progression for all students (SAC eligible student count) at Levels 1-3, to a higher level	All students	47%	58%	43%
	Māori	45%	52%	42%
	Pasifika	38%	52%	32%
Student retention rate for all students (SAC eligible EFTS)	Level 1 - 2	56%	62%	53%
	Level 1 - 3, to a higher level*	N/A	N/A	69%
	Level 3 and above	70%	72%	N/A
Student retention rate for all students (SAC eligible EFTS) at Level 3 and above	Māori	62%	63%	64%
	Pasifika	67%	64%	63%

*No longer measured by TEC.

Student and Employer Satisfaction

Effective engagement with employers, industry and our community enables our provision of education to be driven by the needs of the region and ensures our graduates are work-ready with relevant professional and vocational skills.

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

Student Satisfaction

Students in all programmes leading to a formal qualification are surveyed on an annual basis. Questions asked are in relation to their satisfaction with programme content, quality of teaching, programme organisation and management, programme facilities and resources, and overall programme satisfaction. A total of 8,332 students were surveyed and 4285 responses received. The margin of error for the survey is +/- 1.1%.

Student satisfaction levels for quality of teaching, programme content, programme facilities and overall satisfaction reached 91% (consistent with previous years' outcomes). In particular, students commented favourably on the balance of practical and theoretical programme content, online learning complementing in-class delivery, and knowledgeable and supportive teaching staff.

Graduate Destination Survey: Wintec graduates who have successfully completed a Wintec programme that leads to a formal qualification are surveyed approximately six months after completion. The survey includes questions regarding employment, further study and the programme completed. In 2016 a total of 3216 graduates were surveyed and 1040 responses were received. The margin of error for the survey is +/- 2.5%.

Graduate Destination Survey: Satisfaction levels above 90% were recorded for five of the seven indicators measured in the survey: quality of teaching, programme content, improving career prospects, development of skills and

knowledge, and overall programme satisfaction. Of note, students recorded the highest levels of satisfaction with the development of skills and knowledge (95.6%), and commented favourably on how the acquisition of practical skills (often through work placements) prepared them for the workplace. This reflects Wintec's commitment to providing fit-for-purpose vocational and professional education.

Employer and Industry Satisfaction and Employer Engagement Group Satisfaction Survey:

These are measured through an annual online survey of Employer Engagement Group (EEG) members, relevant industry associates, and employers identified through the graduate survey. A total of 474 were surveyed and 122 responses received.

The margin of error shows the level of accuracy that a sample of a given population has. This means that if the survey was repeated 100 times (with the same population), 95% of the time the result would be within +/- 7.7% of the survey result. There is an inverse relationship between margin of error and sample size, i.e. the larger the sample size the smaller the margin of error.

Employers commented favourably on the work-readiness of Wintec graduates in terms of their industry knowledge and practical skills gained through field-based training.

The second measure, Employer Engagement Group satisfaction, is below target. Substantial work is being undertaken in transforming and strengthening industry relationships through these groups and this work will continue throughout 2017.

Indicator(s)	2016 Outcome	2016 Target	2015 Outcome
Student satisfaction	91%	90%	91%
Graduate satisfaction	93%	90%	91%
Employer and industry satisfaction	84%	90%	87%
Employer Engagement Group (EEG) satisfaction	77%	90%	86%





Strategic Goal: We Are a Leader in International Education, On- and Off-Shore

Our expertise in export education and our focus on strengthened local and global alliances will enable us to continue to provide internationally-relevant, quality education services wherever they are needed in the world.

By extending our organisational capability beyond the delivery of internationally quality assured programmes, on-shore and off-shore, to the successful management of off-shore projects and campuses, consultancies and joint venture activities, we will further strengthen our global brand.

International Student Outcomes and Partnerships

Internationalisation is the process through which we ensure we are a key part of New Zealand's diverse, internationally-connected education system, and further strengthen our capability in, and capacity for, export education. We continue to be actively engaged with the global environment with which tertiary providers, employers and our graduates will increasingly interact and we provide education and training that effectively addresses the needs of our customers regardless of their country of origin or their geographical location. Our ongoing commitment to building our capability to deliver programmes to international students, both on- and off-shore, ensures we further strengthen our capacity to compete in the global market. Our internationalisation activities also provide us with alternative revenue options to ensure our financial viability and enable us to pursue opportunities for improvement and innovation.

On-shore

In 2016, international enrolments continued to grow. As in previous years, we set an ambitious growth target of 1,000 EFTS, and achieved 1,009 EFTS, an increase of over 7% against 2015 figures. This also means the cumulative growth since 2013 exceeds 40% - a significant increase in the contribution of on-shore international enrolments to our wider internationalisation goals, our revenue and to the city and region.

International full fee-paying enrolments increased by over 7% in the last year (1,009 EFTS in 2016, 940 EFTS in 2015). These enrolments were from 60 different countries in 2016. While students from China and India are Wintec's key international markets, 21% of International enrolments were outside of these countries, indicating a diverse and expanding international student market.

Off-shore

We consolidated our off-shore activities during the year. Our three vocational colleges in Saudi Arabia continued to develop and further lifted performance, and our major project in China—the Jinhua Polytechnic Wintec International College—successfully enrolled its second intake, increasing total enrolments from around 170 to around 420. We also continued to pursue new opportunities in a range of markets including Saudi Arabia, China, Thailand, Malaysia and Mauritius.

Commercial Initiatives

In 2016 we refocused our international development work to leverage Wintec's experience in key sectors – especially in technical training for renewable energy and plant operations - and to better align with our consultancy activity. We have successfully deepened our relationships with the Ministry of Foreign Affairs and Trade (MFAT) and World Bank and have expanded our activity in the Pacific with both institutional and funding partners. This year we have worked in Indonesia, Thailand, Tonga, Fiji, Solomon Islands, and Bangladesh, and are pursuing new opportunities in China, East Africa, and Japan with much of this work involving current Wintec staff.



23%

Increase in International Students since 2014.

Indicator(s)	2016 Outcome	2016 Target	2015 Outcome
International fees revenue(\$m)	15.1	14.6	13.71
Number of international EFTS	1009	1000*	940
Non-traditional EFTS revenue (short courses, consultancy and funded projects) (\$m)	4.8	5.1	2
Number of students enrolled at Wintec off-shore delivery ventures	1500 (Target was not reached, largely due to a proposed international college in China not gaining approval during 2016. It is not currently clear if the project will gain approval.)	2000	N/A
Establish additional PTE pathways	MOU signed with AWI International Educational Group, and ongoing discussions with Waikato Institute of Education.	2 additional pathways	N/A
Increasing the number of international delivery sites, collaborative ventures and partnerships	Note 1	Note 1.1	N/A
	Note 2	Note 2.1	N/A
	Note 3	Note 3.1	N/A

*Business plan growth target.

Notes

1. A number of additional contracts were pursued. Two opportunities are still under development and we hope to secure at least one during 2017.

1.1 Pursue additional contracts across the Middle East region.

2. An application for an additional International college was submitted but has not yet been approved by the Chinese Authorities. A number of new institutional partnerships were developed, and significant commercial activity associated with that was achieved.

2.1 Explore opportunities to expand on existing activity in China.

3. New opportunities were explored in Malaysia, Thailand, and Indonesia and these opportunities will continue to be developed through 2017. A preliminary market assessment visit to South America was completed. This will be followed up during 2017 as we seek to expand our activities in the region.

3.1 Explore new market opportunities in South East Asia and South America.

Strategic Goal: Our Research and Commercialisation Deliver Real World Solutions

We continue to develop a vibrant and innovative research community with a reputation for high value impact and relevance to 'real world' environments.

Our approach to research and innovation is to be globally-connected. We enable people to develop the skills to become more innovative, and to function across multiple disciplines. This leads to 'real world' impact that grows thriving communities, and develops the economy.

Wintec further clustered its research and innovation capability in 2016, to achieve greater depth of engagement with external stakeholders, and increasingly focus our efforts on high impact outcomes for external customers and stakeholders. All internally funded research projects are now required to have external visibility and engagement.

Significant year on year growth in external research income (non-PBRF research income), almost doubling on 2013 income to \$1.227 million in 2016, is pleasing. This has led us to implement a new research structure, enabling us to further grow and develop our pool of full-time researchers. A new focus on the development of external funding proposals provides the Research and Postgraduate Office with an upgraded service from the "service on request" approach of previous years.

Four of the research vouchers completed in 2016 attracted substantial co-funding. The research voucher scheme is increasingly becoming only one option by which we provide services to external customers. In addition to customer funded contracts, an increase in the number of student internships, the introduction of the new Master of Transdisciplinary Research and Innovation, and the Design Hub (to be piloted in 2017) provide other opportunities for Wintec to engage with external customers. We intend to continue to diversify our offerings to external stakeholders and customers from our research, development and

innovation efforts.

During 2016, we were pleased to host a first cohort of six students from Kyungpook University, South Korea, as international research interns. These students worked on real-world projects, provided by Wintec and supervised by our researchers, over a period of 16 weeks. Two of the interns won awards at their university in Korea for the work they completed while at Wintec. Our intention is to grow the student research internship initiative as an additional revenue stream for Wintec from 2017 onwards.

A significant number of new postgraduate programmes with strong research components were developed and approved by NZQA in 2016. This has further strengthened our internal research focus and capability, and increased our postgraduate activities.

Collectively, these initiatives ensure Wintec is well placed to strengthen our postgraduate profile and build an internationally unique and vibrant research and innovation ecosystem.

Indicator(s)	2016 Outcome	2016 Target	2015 Outcome
Number of research outputs	327	400	369
Output value indicator (OVI)	1.6	0.85	1.67
Percentage of research outputs with industry engagement*	100%	100%	31%
PBRF research revenue	\$585,000	\$585,000	\$636,000
Value of external (non-PBRF) research contracts gained	\$1,227,000	\$994,000	\$470,000
Value of external research income earned	\$398,000	\$500,000	n/a
Research vouchers undertaken with industry	n/a	n/a	48
The number of research degrees completed	36	30	n/a
Implement Te Whanaketanga strategy	Achieved	**	n/a

*Now part of business as usual.

**Establish annual rangahau forum, involving community and industry representatives.

Note: The indicators “number of research outputs” and “output value indicator” should be taken together. Although outcomes suggest that we have not met the target in terms of the number of outputs, the output value indicator demonstrates that we have achieved higher quality outputs, although fewer in number.

Strategic Goal: We Are a Modern and Financially Sustainable Organisation

Our focus on financial sustainability, continued high performance, and modern facilities, technology and infrastructure ensures we continue to deliver financial, social and environmental benefits for customers and the wider community.

Our high-performing workforce demonstrates passion for education and the business of education. New learning technologies and environments complement our teaching and learning practices to build our students' understanding of the work skills and workplaces of today and the future. We continually work to improve our whole organisation for the benefit of our customers.

The provision of relevant, high-quality programmes underpins our contribution to Waikato's economic and social wellbeing, and we continually review and refresh our product portfolio. Our focus is to deliver education and training in ways that complement our students' lifestyles and support workplace learning.

In 2016, and in partnership with our subsidiary Learning Works, we launched EDevelopment House, a new centralised development hub for Wintec products. EDevelopment House brings together experts from our subsidiary, Learning Works, and across Wintec to work together, and apply design thinking, to innovate and produce products through a disciplined project management approach.

In 2016 Wintec continued the development of programmes for delivery in 2017, in response to the Targeted Review of Qualifications (TROQ). These developments were primarily in the areas of First Line Management, Health (Enrolled

Nursing Level 5), Applied Science, Horticulture, Industrial Measurement and Control, Mechanical Engineering, and Automotive Engineering.

As part of our customer experience improvement programme, we introduced a new, smart timetable solution, providing tailored and up-to-date timetable information direct to students' devices. Similarly, our improved online application system provides us with data and trends on prospective students, enabling us to interact with them more effectively, and provide an enhanced, personalised service.

During 2016, we embarked on a redevelopment of our Rotokauri campus student hub, designed to foster student-led experiences, and provide a support space outside of formal teaching. The successful \$3.6M redevelopment provides a wide range of resources to support student learning, and provide flexible and user-friendly options on campus, including technology-enhanced collaborative study spaces, quiet zones for individual study, computer and printing facilities, and a multi-faith room to support our diverse student population.



Indicator(s)	2016 Outcome	2016 Target	2015 Outcome
Non-traditional EFTS revenue (short courses, consultancy and funded projects) (\$m)	4.9	5.1	\$2M
Net cash flow from operations	112%	≥111%	112%
Liquid assets	24%	19%	17%
Debt cover (long term debt / EBITDA)	1.11x	1.9x or less	2.15x
Interest cover	4.43x	2.6x or more	1.71x
Domestic fees revenue (\$m)	17.9	20.4	17.9
ITO and other revenue (\$m)	3.3	3.2	3.3
TEO risk rating against the Financial Monitoring Framework	High	High	no longer measured by TEC
EBITDA (Earnings before Interest, Tax, Depreciation and abnormals) (\$m)	11.2	9.2	n/a
Debt / Debt and Equity	12%	13.4% or less	n/a
EBITDA / Gross Interest	11.4x	≥8.9x	n/a
EFTS: Academic staff FTEs ratio (excluding online EFTS)	17.8:1	>17.1	18.25:1
Increased industry engagement*	Industry Secondment and Industry Teaching Partnership Guidelines drafted, to be implemented in 2017.	Develop and implement a plan to lift industry engagement across those areas where targets are not being met, by year end 2016.	n/a
Investment and Asset Management performance*	2016 actions achieved	Develop Investment and Asset Management improvement and action plan for 2016-18, including procedures, and process to comply with new requirements.	n/a
Improved space utilisation*	20.2%	Achieve 35% audited utilisation of timetabled teaching space.	n/a
Improved building performance technology*	Achieved	Trial new power and water consumption monitoring technologies to determine campus wide efficiency and cost-saving potential.	n/a

*2016 Business Plan targets are reflected here.



Strategic Goal: We Help Build the Economy and Strengthen Communities.

We continue to build our profile and influence to enable us to develop productive, collaborative relationships with industry, local government, international partners, community, and other tertiary education providers to further improve economic and social wellbeing.

We ensure that organisations and businesses have access to the best graduates, and a range of educational services and applied research that make a positive contribution. We continue to take leadership roles in a variety of settings, strengthening relationships that improve outcomes, create efficiencies, and enhance performance.

We have continued our focus on community connections, demonstrated by our strategic alliances with five not-for-profit community organisations: Habitat for Humanity (Central North Island); Community Living, Child Matters, Sport Waikato and Community Waikato. Continued participation in the Hamilton City Council-facilitated leadership groups for Social Wellbeing and Active Communities strategies also provided regular alignment opportunities.

We have maintained our collaborative relationships in the delivery of programmes with partner institutions, including the University of Waikato, Toi Ohomai, Northland Polytechnic, Otago Polytechnic, Western Institute of Technology, Manukau Institute of Technology, Dairy Training Limited and New Zealand Management Academies.

Wintec House is more readily being seen as a 'business hub' for the city with the Waikato Chamber of Commerce, Soda Inc and our venues team (who have close links with many Waikato businesses) all currently located within the building. As part of the Wintec House refurbishment, we expanded our business hub space, providing better connections for us with the business community.

Three groups of Wintec students took part in a pilot scheme with Soda Inc., the Wintec-owned business start-up incubator. The 12-session part-time incubation programme, Soda Lift, provided students with an existing business or business idea the opportunity to work alongside experienced growth advisors, who mentored and coached them to develop their opportunity. The pilot was a success and Soda

Inc. and Wintec aim to create more opportunities like this for students in 2017.

Some examples of strengthening our connections in the community in 2016 include:

- Approximately 200 year 10 students from 8 Waikato region secondary schools participated in "Camembert in the Classroom" held at the New Zealand Cheese School in Putaruru. Developed by our Centre for Science and Primary Industries, and sponsored by Fonterra, the programme provides students the opportunity to explore alternative career pathways in cheese making, the dairy industry, science, and hospitality.
- Wintec hosted a 'build camp' at our Engineering and Trades facility on our Rotokauri campus. Part of EVelocity's schools programme, the event provided students from eight Waikato secondary schools an opportunity to design and build electric vehicles as part of their NCEA studies.
- The WorldSkills New Zealand National Competition, hosted at our Rotokauri campus, brought together top trades apprentices and trainees to compete in categories ranging from automotive technology to plumbing, hairdressing and floristry.
- The launch of a new certificate - He Reo Aratau Certificate in Te Reo and Tikanga Māori (Waikato-Tainui) developed in partnership with Waikato Tainui. The programme is aimed at helping tribal members become fluent in the Waikato-Tainui dialect of te reo Māori, and is part of Waikato-Tainui's 25 year strategy to lift fluency in Waikato te reo and tikanga for tribal members from 31% to more than 80% (or 50,000 speakers) by 2050.

Other examples are referenced throughout the Annual Report, particularly in the "Highlights" section.

Indicator(s)	2016 Outcome	2016 Target	2015 Outcome
Contribute to increased industry productivity and performance by building products delivering targeted workforce development	Achieved	Develop 30 industry-specific short courses and training schemes, across 4 focus sectors	n/a
Contribute to regional workforce capability development	Did not proceed in 2016 due to reprioritisation of resources into Product Development	Conduct regional market modelling and assessment of regional education and training needs and opportunities	n/a
Strengthen ITP partnerships	Achieved	Establish two collaborative agreements with ITP partners for shared provision, facilities or services	n/a
Engagement activities with Waikato-Tainui to drive enhanced collaboration, partnership and provision	1. 578 EFTS delivered in 2016.	1. Increase number of Waikato Tainui EFTS delivered year on year by 10%	n/a
	2. He Reo Aratau Certificate in Te Reo and Tikanga Māori (Waikato Tainui) launched. A three day engineering professional development workshop for secondary school teachers was held in September.	2. Deliver at least two products specifically for Waikato Tainui	n/a
	3. Deferred until 2017.	3. Develop a Māori Sector Strategy statement	n/a
Targeted delivery and expansion of Māori Pasifika Trades Training (MPTT) programmes	Achieved	Extend MPTT delivery into additional regional communities and across different disciplines	88 EFTS



Acknowledgements

Wintec gratefully acknowledges:

Our 300 Employer Engagement Group members for all of their industry and community expertise and support, enabling us to ensure our qualifications and training are current and meet the needs of employers in the region.

The Gallagher Group for its on-going support of our activities.

Wintec acknowledges the international partners we have worked with in 2016.

Our international partners in China including: Beihua University, Beijing Contemporary Music Academy, Beijing Polytechnic, Beijing Sports University, Chengdu University, Chengdu University of Information Technology, Guizhou Light Industry Technical College, Hebei Sports University, Institute of Vocational and Adult Education of Beijing Academy of Educational Sciences, Jiang Men Xin Hui Gang Zhou Vocational and Technical School, Jilin Engineering Normal University, Jinhua Polytechnic, Meizhou Agricultural School and Meizhou Polytechnic School, Mianyang Polytechnic, Qilu University of Technology, Qingdao Technical College, Qiqihar Medical University, Sanjiang University, Shandong University of Technology, Shandong University of Finance and Economics, Shandong Jiaotong University, Shenzhen Bao'an Central Hospital, Shenzhen Continuing Medical Education Centre, Shenzhen Medical School, Shenzhen People's Hospital, Tianjin Light Industry Technical College, Tianjin University of Technology and Education, Tianjin Administrative Institute (TAI), Zhuhai Polytechnic Vocational School, University of Jinan, Wuxi Institute of Technology as well as our Guangdong and Beijing Cluster partners: Shenzhen No.1 Vocational School of Technology, Shenzhen No.2 Vocational School of Technology, Shenzhen Bolun Vocational and Technical School, Shaanxi Polytechnic Institute, Changsha University, DongGuan Science and Technology School, Nanhai Information Technology School, Guangdong Foreign Trade School, Guangdong Finance and Economics Vocational School, Guangdong Commercial Vocational School, Beijing Information Management School.

Our international partners at: Universitas Gadjah Mada (Indonesia), Lourde College of Nursing (India), Gyeongju University (South Korea), Shimane University (Japan), DUOC UC (Chile), Semyung University (South Korea), Matsue College of Technology; Institute of National Colleges of Technology (Japan), Thakur Institute of Management Studies and Research (India), De La Salle – College of Saint Benilde (Philippines), Praboromarajchanok Institute (Thailand), Semyund AMATA Corporation (Thailand), Butter and Olive College of Pastry and Culinary Arts (Malaysia), Rajamangala University of Technology Krungthep (Thailand), Ministry of Education, HR, Tertiary Education and Scientific Research (Mauritius).

Our international partners who provided student exchange

and study abroad opportunities in South Korea, France, Austria, Finland, Sweden, Canada, China, Denmark, the Netherlands, Chile, and Poland. Our on-going support from the Saudi Arabian Cultural Mission (SACM) and Technical and Vocational Training Corporation (TVTC). All of the support from our international Education Advisors.

Our joint venture partner Mondragon Educacion Internacional.

The continuing support from Ag Research for the Agritec Centre at their Tokanui farm.

WECA [Waikato Engineering Careers Association] for their continued support for engineering and trades at Wintec.

The Animal Ethics Committee members for their continued support of Wintec.

DairyNZ, Primary ITO and Dairy Training Ltd for their ongoing commitment to the agribusiness management project.

The Waikato Chamber of Commerce for their support and partnership in the business hub located at Wintec.

The Department of Corrections, Ministry of Social Development, Competenz, Smart Environmental, Otorohanga District Development Board and Otorohanga, Waitomo, South Waikato and Thames Coromandel District Councils for their support of our satellite campuses.

Habitat for Humanity, Community Living Trust, Child Matters and Sport Waikato as our strategic community partners for their ongoing engagement with Wintec.

Soda Inc. and its stakeholders and partners for their contribution to innovation and entrepreneurship in the Waikato region.

LearningWorks, its staff and clients who we regularly collaborate with.

Waikato-based private training establishments (PTEs) who work with us to pathway students into Wintec: NZMA, Vision College, Fairview Educational Services, Responsive Trade Education, South Pacific Institute, K'aute Pasifika Trust, Education Action, Kershaw Training Enterprises, Morrinsville Training Centre, Valley Education and Training Enterprises, Waikato Institute for Leisure and Sports, Waikato School of Hairdressing, Waikato Institute of Education, Salvation Army Employment Plus.

The many partnerships which include scholarships, internships, inter-agency support, and employment

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

Department of Labour, Ministry of Social Development, New Zealand Trade and Enterprise, and Education New Zealand for their support with a host of regional and international initiatives and planning and development advice. The Ministry of Education, Tertiary Education Commission, Ministry of Education and Engineering Education-to-Employment (E2E).

Our Metro ITP partners: Unitec Institute of Technology, Manukau Institute of Technology, Wellington Institute of Technology and Otago Polytechnic.

Other ITP and Tertiary partners: Tairāwhiti Polytechnic, Nelson Marlborough Institute of Technology and University of Waikato. Also Te Wananga o Aotearoa, in particular for their pastoral and cultural support for the Māori Pasifika Trades Training initiative.

Western Institute of Technology (WITT), NorthTec, Waikato Means Business, The Waikato Plan and Co-members of the Engineering Secondary Tertiary Partnership Consortium.

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

Waikato-Tainui and Tainui Group Holdings for their invaluable advice and collaboration on our Māori Pasifika Trades Training initiative.

Hamilton City Council, for collaboration on multiple projects.

All of our internship hosts, and the multitude of other industry partners who worked with Media Arts in 2016.

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

The many suppliers of goods and services to Wintec.

Pasifika community groups in the region for their support of Pasifika initiatives and Pasifika students in general.

Social service agencies and organisations who support our programmes and offer fieldwork place practicum and work experience to our students.

Our Waikato and regional Trades Academy secondary school partners.

Mighty River Power and Contact Energy for their support and engagement in teaching the electrical apprentice intake.

Our industry research partners including Beef and Lamb New Zealand, Waikato River Authority, Ligar Polymers, Fundi Holdings, Waikato DHB, Hospice Waikato, Gallagher Group, Community Waikato.

The Coromandel Independent Living Trust.

WorldSkills New Zealand through the hosting of WorldSkills Oceania and our ongoing partnership.

The estate of Mabel June Till for the bequest of \$485,000 for The Olive Hamilton Award Fund for Nurses. This fund financially assists our top nursing students with course fees and post-graduate costs.



