



Wintec
WAIKATO INSTITUTE OF TECHNOLOGY
Te Kuratini o Waikato

Annual Report 2015

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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WINTEC HOUSE

Overview

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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

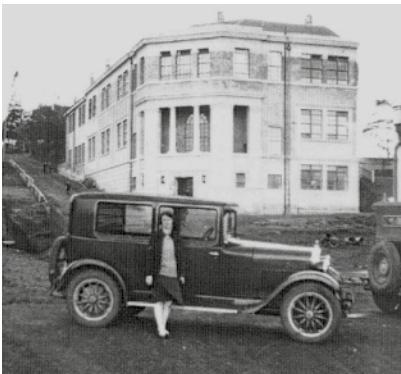
Wintec is a well-developed organisation, and we have an ambitious direction of travel. A great deal of innovation and connectedness is required to achieve our objectives. To succeed we will continue to use project management and change management disciplines developed through the Connect Programme.

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.

91 Years of Innovation and Growth

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.



1990

Satellite campuses open in Te Kuiti and Thames.

1987

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



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).



2007

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



2001

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



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 agritechology 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.

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.



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.



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.

A photograph of two female technicians in a workshop. The technician on the left is leaning over a large engine block, with her hands resting on it. She is wearing safety glasses and a dark work shirt. The technician on the right is standing and looking at the engine, also wearing safety glasses and a dark work shirt. The background shows a workshop environment with various tools and equipment. The entire image has a yellow tint.

Chair's and Chief Executive's Report

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Chair's Report

In 2015 Wintec continued to build stronger links with our regional, national and global communities.

Through these links we ensure our students are acquiring skills that are relevant for today's workforce and that will enable them to contribute to the future economic and social strength of their communities.

We celebrated success throughout the year with many events that recognised the achievements of our students and staff.

In addition to awarding degrees and diplomas to 1,800 graduates, we conferred honorary awards on five Waikato leaders. Anthea Simcock, Peter Stark, Maureen Speedy, Richard Hill and David Fredericksen were all recognised for their contribution to the community in their various sectors.

Wintec received a national award from the New Zealand Business Excellence Foundation for our commitment to business excellence and another from Microsoft Corporation for our information technology innovation.

Māori achievement at Wintec continued to grow, particularly at the higher levels of study.

Some Wintec students became the first residents in a new accommodation complex, Wintec Apartments, located on our city campus in the heart of Hamilton. These modern apartments, the result of a collaboration between Wintec and the Wintec Student Residence Trust, are part of our on-going campus modernisation programme. We also provided new carparking facilities at our Rotokauri campus this year.

Internationally we grew our connections with communities through education. The number of equivalent full-time international students studying with us in New Zealand grew from 821 to 940. We settled in to the first year of our joint venture operating three vocational colleges in the Kingdom of Saudi Arabia. We extended our operations in China and became the first educational institution from New Zealand to collaborate with a Chinese institute (Jinhua Polytechnic) to open an international college in China.

We see many benefits in embracing internationalisation at Wintec. Most Wintec graduates will go on to work in New Zealand organisations with links to international trade, or in international organisations based in New Zealand or overseas. They will be more work-ready

having learned how to study and work in multicultural teams, and they will understand the high value that is placed on relevant education throughout the world. Our staff understand that international markets are competitive. They have become skilled at ensuring Wintec's programmes of learning are modern and appropriate for students from different cultures. International secondment opportunities for staff are sought after, as are international scholarships and study tours for students.

The high-quality work delivered by Wintec in delivering international educational programmes and in establishing relationships with international institutions and government agencies was recognised during the year by Minister Steven Joyce. At Education New Zealand's international education conference in Hamilton he publicly acknowledged Wintec as a top-performing Institute of Technology for its ground-breaking efforts in progressing export education.

Such accolades are particularly pleasing in the context of a difficult operating environment in that we continue to face cost pressures and government funding has not been adjusted for Consumer Price Index increases for four years now. We manage by continually seeking efficiencies and diversifying our revenue streams while at the same time maintaining the high quality of our products and services. With these goals in mind we have kept our momentum in progressing modernisation and internationalisation and, at the same time, we have ensured that our investments and assets are fit for purpose and valued accordingly.

We are committed to our strategy of ensuring future viability. Upgrading and replacing buildings, and investing in new markets offshore are consistent with that strategy, however they inevitably affect our cash flow and our operating result in the shorter term. Nevertheless, careful financial management ensured we stayed within our banking covenants and that our core operating result was close to budget. Changes to Public Sector Accounting Standards, our ongoing investments in modernisation and internationalisation, and one-off adjustments of \$3.5m to our asset base meant that we incurred an overall deficit of \$3.3m across the Wintec Group.

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



There were a number of changes to our Wintec Council during the year. Clint Baddeley and Bryce Cooper both stepped down from Council after a combined total of 30 years of service. We gratefully acknowledge their contributions to Wintec's governance during more than a decade of significant change.

After a robust recruitment process to fill the vacancies left by Clint and Bryce, we were pleased to welcome Sandra Gusscott and Desmond Brennan to the Council. Their induction included briefings on topics such as our statutory framework, Wintec subsidiaries, learning and development, product development, and safety and well-being.

Aaron Rink stepped down from the board of the Wintec Students Residence Trust after eight years. He has supported it through many changes and successes including the new student accommodation on our City campus. Pam Roa has replaced Aaron as the council representative on this Trust.

We farewelled Sarah Morton-Johnson, who attended our meetings for a year as the winner of the Institute of Directors (IOD) Emerging Director Award. We were pleased to have had the opportunity to encourage a talented, aspiring director, to show support for the IOD, and to demonstrate our belief in the value of experiential learning.

Four members of our Council visited some of Wintec's operations in the Kingdom of Saudi Arabia and China

to see Wintec at work in other countries, to meet key stakeholders and to observe first-hand the different cultural norms, business models and pathways for education delivery. It was wonderful to see our Wintec staff rising to the challenges in overseas environments, and relishing the opportunities to adapt their skills in a different context. It demonstrated that our organisation doesn't just "talk the talk" about being committed to internationalisation - we actually "walk the walk" in this regard.

The Wintec Council is committed to providing sound governance of Wintec. While we believe this is a vital role, we know that Wintec's success depends on the performance of many people in many different roles. Obviously our chief executive, Mark Flowers, his senior leadership team, and his academic and support staff are critical, but so too are the government agencies, businesses and community groups, employers, families and students who all help to make Wintec the progressive, forward-looking organisation it is today. Thank you all for your contribution to Wintec's achievements in 2015. We look forward to continuing to work together to ensure Wintec continues to thrive in 2016 and beyond.



Mary Cave-Palmer
Chair

“...we ensure our students are acquiring skills that are relevant for today's workforce and that will enable them to contribute to the future economic and social strength of their communities.”



Mark Flowers with students from Jinhua Polytechnic Wintec International College.

Chief Executive's Report

It's been a year of both consolidation and expansion as we've made steady progress modernising Wintec and readying it for the future.

We've continued with major modifications to our courses; our change programme; our building programme; strengthening links with employers; establishing leading edge technology; and becoming a multi-cultural learning institution.

Likewise, Māori achievement remains an important priority for us and we saw good progress in Māori student outcomes in 2015.

All this brings benefits not only to students and employers, but also wider benefits to the city and the region.

We've maintained overall student numbers and educational quality, and posted a solid financial result in a constrained domestic funding environment.

Our expansion came in the form of off-shore education delivery projects in Saudi Arabia and China; another year-on-year increase in the numbers of international students studying with us; and the development of more secondary and tertiary education partnerships aligned to future workforce needs in industry sectors such as engineering and trades.

In 2015 we continued our investment in offshore activity and our campus modernisation with the latter requiring us to critically review our entire asset base to ensure it is fit for purpose. As a consequence we have

written down our assets by \$3.5m, which has had an adverse effect on our year-end financial position at both at an Institute and Group level.

Removal of these one-off events and abnormal items would mean that our year-end result as an Institute would be a \$0.9m surplus (1.0% of our revenue) and a Group surplus of \$0.3m. While this is not at the Tertiary Education Commission (TEC) recommended level of a 3% surplus, it does represent a sound result given the level of investment that has been undertaken by Wintec in 2015 and over the last five years to ensure we have a modern, sustainable campus with a diversified domestic and international revenue stream.

Continually responding to and understanding the needs of students, employers and the wider community is critical. We introduced a number of initiatives this year which demonstrated our customer focus; examples included improving our response time and support to students applying to enrol with us; and responding to an industry need with our specialised exercise rehabilitation clinic for elderly people run by students and staff from our Centre for Sport Science and Human Performance.

As we know, technology is changing how we deliver education, particularly with more on-line delivery, combined with traditional face-to-face teaching.

Furthermore, we are part of an age of globalisation and education itself is becoming global. This is reflected in our delivery of programmes off-shore as well as in our increasingly diverse student body.

These, and other changes, must become part of what we are and how we operate. Keeping relevant and connected with industry, employer and community needs is also a key part of an education professional's role, and we've demonstrated this through the many Employer Engagement Group activities occurring across our organisation.

One of our fundamental goals is to ensure our students are in a strong position to be successful in their careers. The enormous impact of technology and globalisation businesses and enterprises in the media, health care and many other areas makes it increasingly difficult to see what careers and jobs of the future may look like. However, there are key skills that we know will be needed in the future no matter what the job. Therefore, we are developing our programmes to incorporate these skills, enabling our students to be innovative, self-reliant, flexible and able to add value to whatever they do.

At a sector level, this year we've been heavily involved with driving the Institutes of Technology and Polytechnics (ITPs) "Perceptions and Branding" project. It's time to "turn up the volume" in demonstrating to all our stakeholders, including parents, employers, and the government, the distinct value of ITPs. Our degrees have the same quality and value as others in the sector, and professional, vocational and technical skills are essential to strengthening our economy. Too often ITPs are seen as the "poor relation". It is our challenge to change these perceptions through more targeted education and showcasing results to our many stakeholders.

I'm also proud that Wintec has been an active member of the Engineering: Education to Employment national initiative, which aims to increase the number of people studying engineering, in particular, in the national Diploma of Engineering and Bachelor of Engineering Technology. Wintec is piloting a programme involving secondary schools as part of this programme. We are committed to making a difference, not just at a regional level, but nationally.

We're renowned for keeping our campuses modern and fit-for-purpose, and this year was no different.

“...we are part of an age of globalisation and education itself is becoming global. This is reflected in our delivery of programmes off-shore as well as in our increasingly diverse student body.”

I'd like to acknowledge our staff who have embraced new technology and upskilled 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 around Wintec programmes in educational institutions all over the world, particularly in China and Saudi Arabia. I was delighted to celebrate the opening of the Jinhua Polytechnic Wintec International College with some Wintec staff in China. Our staff, who are highly regarded for their expertise and professionalism, are teaching on English and information technology courses to more than 170 Chinese students enrolled in the Jinhua-based college.

Our expansion over more than a decade, whether it be in teaching, internationalisation, technology or buildings, is thanks to fantastic staff who are open to innovation and challenges. I've enjoyed leading the organisation through this significant time of change and improvement, and look forward to more opportunities that will be presented to us in the future. We are certainly not standing still.

We celebrated student accommodation on our city campus for the first time with the opening of the Wintec Apartments; our city's business incubator and Wintec's subsidiary Soda Inc. relocated to Wintec House, along with the Waikato Chamber of Commerce; making it a vibrant business hub in the heart of Hamilton. At our Rotokauri campus we built a new carpark, improved outdoor landscaping and enjoyed more utilisation of our state-of-the-art Engineering and Trades building through TechGym, which opened up the facility to the public, and planning got under way for our Rotokauri hub expansion to improve student service facilities and study areas.

We've made really good progress in 2015, and look forward to maintaining and indeed accelerating this in 2016.



Mark Flowers
Chief Executive

Members of Council

MEMBERS OF THE WAIKATO INSTITUTE OF TECHNOLOGY COUNCIL AS AT 31 DECEMBER 2015:

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
Steven Howse	Deputy Chair	Minister for Tertiary Education	30/04/2018
Maxine Moana-Tuwhangai		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

Members who left the Council during the year:

Clint Baddeley		Wintec Council	30/04/2015
Bryce Cooper		Wintec Council	30/04/2015

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), Steven Howse, 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 well-being.

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-Tuwhangai (Deputy Chair), Desmond Brennan, Steven 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, Aaron Rink, Ping S'ng, Maxine Moana-Tuwahangi.

From left, seated: Desmond Brennan, Steven Howse, Mary Cave-Palmer, Pam Roa.





Highlights

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High Profile Awards, Events and Scholarships

Wintec's Engineering and Trades Building Awards

Our state-of-the-art Engineering and Trades facility won the Award of Excellence in the Education and Arts category at the New Zealand Property Council Awards and was awarded the Education Project category win and the gold medal at the New Zealand Commercial Project Awards. The winners, which were selected by the New Zealand Property Council and Registered Master Builders Association respectively, represent the best of New Zealand's commercial property sector.

We also received the Education Sector Award and the Resene Colour Award at the 2015 New Zealand Institute of Architects Waikato/Bay of Plenty Architecture Awards.

Business Excellence Recognition

Wintec received a 'Recognition of Commitment to Business Excellence' Award at the New Zealand Business Excellence Awards.

The New Zealand Business Excellence Foundation recognised Wintec for its commitment to the business excellence journey, in particular commending it for its quality processes and systems which were

(ATEM) annual awards held in Australia. It was the only award given to a New Zealand institution, and the only research award granted by ATEM in 2015. The award recognises the improved approach to research management and practice at Wintec, and our enhanced focus on the interface with industry.

Gordon Chesterman Scholarship

Centre for Business, Information Technology and Enterprise student Helen Hansen was awarded the 2015 Gordon Chesterman Scholarship. Helen is an adult student, a mother of three, and is studying for the Diploma in Information and Communications Technology (Level 5) Systems Support and Administration. Helen is committed to her studies, boosted further by the scholarship, and is keen to establish a career in the IT industry after her time at Wintec.

This scholarship, worth up to \$5,000 each year for a maximum of three years, is in recognition of the significant contribution made by former Wintec Chair Gordon Chesterman. He was Chair of the council for more than 10 years, is Hamilton's deputy mayor, and is a strong advocate for the arts and business community.

First Sino-NZ Forum Hosted in New Zealand

More than 25 speakers from tertiary institutions and

“The award recognises the improved approach to research management and practice at Wintec, and our enhanced focus on the interface with industry.”

evaluated against international standards of world-class performance. They also noted gains Wintec had made since receiving the New Zealand Business Achievement Award in 2012.

Public Sector Young Professional Award

Wintec staff member Rachel Tremewan took home the 2015 Young Professional of the Year award at the Institute of Public Administration New Zealand's Public Sector Excellence Awards. Rachel received this for her work with our Waikato Trades Academy. The award recognises excellent performance by a young professional within the New Zealand public sector.

During her time as manager of the Waikato Trades Academy, Rachel used the Government's youth guarantee policy to double the student numbers from 2013 to 2015 and developed three new vocational pathway programmes for senior secondary school students.

Research Award

We received a research management award at the Australasian Tertiary Education Management

organisations around New Zealand and China shared their knowledge around the development, quality assurance, and delivery of education programmes in China at the Modern Vocational Education Development Forum hosted by Wintec in Hamilton.

The two-day forum saw around 70 people attend from all around New Zealand and Qingdao and Tianjin in China. It was the first time this forum has been hosted in New Zealand as part of the New Zealand – China Vocational Education and Training Model programme. Previous symposiums have been held in Qingdao (2013) and Tianjin (2014) in China.

A key theme of the forum was the identification of common "quality standards" that New Zealand institutions and qualifications authorities could use during the development, implementation, delivery and evaluation of joint model programmes and their engagement with technical and vocational education and training (TVET).

Modernising Our Campuses

Student accommodation is now available on our city campus. A new student apartment building, Wintec Apartments, houses 71 students in state-of-the-art self-catered apartments.

Wintec Apartments is a result of the Wintec Student Residence Trust Board and Wintec working together to transform a former teaching block into student accommodation on the campus. Having student accommodation in the heart of Hamilton city builds on the vibrancy of student life on the campus, and is part of our on-going campus modernisation programme.

At the Rotokauri campus a new carpark was built, which features improved parking, easier access to the campus and increased lighting, signage and security.

Our Subsidiaries

Soda Inc.

Wintec's business incubator Soda Inc. relocated into Wintec House. Moving to fit-for-purpose offices in the heart of Hamilton city has seen Soda Inc.'s clients, staff and mentors enjoy the vibe of the Wintec city campus, have closer interactions with our students and staff, and continue to boost and encourage business and economic growth in the region and beyond.

Soda Inc. shares office space with the Waikato Chamber of Commerce and Wintec Venues on the top floor of our heritage building. One of the many highlights for Soda Inc. this year included running the popular Innes 48 competition, which is New Zealand's largest annual business start-up competition.

LearningWorks

Building on its growing reputation for quality development and delivery of learning and training solutions for businesses, LearningWorks enjoyed a progressive year. It secured more contracts with education providers, including Wintec and Industry Training Organisations (ITOs), as well as with health sector agencies, government departments and commercial organisations in New Zealand and overseas.

TechGym Opens on Campus

Wintec's \$25m Engineering and Trades facility became available for Waikato residents to use outside of business hours with the launch of TechGym. People from all walks of life now spend time in the facility building, sharing ideas, upskilling and bringing their projects, prototypes or hobbies to life.

Anyone can sign up as a member and have access to the state-of-the-art workshop which includes specialist tools, equipment and instructors. Since opening in October 2015, TechGym now has 85 members and includes a number of corporate clients and employers.

Leaders in Youth Education

Our strong relationships with secondary schools in the region continue to grow. Our Waikato Trades Academy is now the largest of its kind in New Zealand, with more than 560 students involved in the academy over five sites in Hamilton, Kopu, Thames and Pukekohe. In partnership with more than 30 secondary schools in the greater Waikato region, we deliver sector-related credits in four of the six vocational pathway NCEA programmes. Secondary students are taught by our tutors throughout the year and exposed to project-based learning in a tertiary education setting.

All of our Youth Guarantee places were filled in 2015. These are a range of programmes offered fee-free through this initiative to assist learners achieve qualifications at levels 2 and 3 on the New Zealand Qualifications Framework.

We are committed to seeing more young people attracted to and retained in tertiary education.

Jinhua Polytechnic Wintec International College Opens

We celebrated the opening of the Jinhua Polytechnic Wintec International College, a collaboration between Wintec and Jinhua Polytechnic in China.

Around 170 Chinese students are enrolled in the college. They are undertaking English language and information technology courses, and some of these are taught by Wintec staff. The international college status is significant, and we understand we are the first New Zealand education institution to be part of this type of partnership in China.

Wintec chief executive Mark Flowers, our English language teachers, and some executive members attended the official opening of the college in Jinhua, Eastern China. The opening included presentations from college officials, staff and students.

This off-shore education delivery project in China is significant in progressing our growing reputation in off-shore education. We also continued to teach programmes in our three colleges in the Kingdom of Saudi Arabia through a joint venture with our Spanish partner Mondragon Educación Internacional.



Top: Students in the new Wintec Apartments.

Bottom: TechGym members in the Engineering and Trades Facility.



Top: Graduation smiles.

Left, top: Mark Flowers and Fairfield College Principal Richard Crawford sign a MOU for the new Engineering pilot programme.

Left, bottom: Honorary award winners with Mark Flowers and Mary Cave-Palmer.

Right: A hairdressing student at the Ocenia WorldSkills Competition.

Wintec Wins Big at Microsoft ICT Awards

Wintec won two awards at the 2015 Microsoft Tertiary Information Communication Technology (ICT) Innovation Awards. The awards are an annual event showcasing ICT technology excellence, innovation and advancements within the New Zealand tertiary education sector.

Our new online domestic enrolment portal received the Microsoft Award for Excellence in Technology for Learning, Research or Students. This system provides a simpler online experience for students applying to enrol at Wintec, as well as providing our sales and enrolment staff with the ability to track applications in real time. It also enabled our staff to offer assistance to students through the live online chat option.

The technology that underpins the new enrolment portal took out the Microsoft Award for Excellence in Technology Delivery. The technology involves a data transport system that allows our cloud and other on-premise business applications to share data in real time.

Waikato Visionaries Receive Wintec Honours

Waikato leaders in the fields of hospitality, architecture, manufacturing and health received honorary medals from Wintec for their longstanding contribution to the region.

Peter Stark, general manager of Montana Catering, Richard Hill, co-founder of Chow:Hill Architects, David Fredericksen, founder and chair of Convex Plastics and Maureen Speedy, nurse manager for the Waikato Family Centre received Waikato Institute of Technology honorary medals at a special community ceremony at Wintec's flagship venue The Atrium.

Anthea Simcock, founder and chief executive of child protection trust, Child Matters, who received an honorary Bachelor of Applied Social Science (Social Work) earlier in the year, was also recognised at this event attended by more than 150 people.

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

Celebrating Success

Around 1,800 students graduated in 2015 with qualifications in the creative industries, health, information technology, languages, primary industries,

science, education, business, sport and exercise science, hospitality, trades and engineering.

Graduation week 2015 started with students graduating at our marae Te Kōpū Mānia o Kirikiriroa, followed by five further graduation ceremonies. The week is held in conjunction with Special Awards events which acknowledge our top-performing students. These celebratory events are attended by students, their family, friends, staff, employers, industry and community representatives.

WorldSkills Oceania Competition a Success

Wintec hosted the inaugural WorldSkills Oceania competition at the Rotokauri campus. During the competition, dubbed the 'Olympics of the Trades', 100 top apprentices from around the world competed to be the best in their field. Twenty-three New Zealand participants were part of the four-day event and in total New Zealand won eight gold, eight silver and two bronze medals.

The trades being contested ranged from aircraft maintenance to various auto and engineering trades, carpentry, joinery, plumbing and heating as well as floristry, hairdressing, restaurant trades and web and graphic design. These events were held in our open plan Engineering and Trades building, as well as our restaurant and hospitality facilities.

Engineering Pilot with Secondary Schools

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.

We've developed a programme, the first of its kind in New Zealand, which will see around 30 (year 12 and 13) students from Hamilton's Fraser High School and Fairfield College spend two days a week taking part in an engineering course at Wintec. During the other three days their maths and physics school subjects will be contextualised towards engineering with the help of Wintec tutors. This pilot will be delivered in 2016.

We engaged with the Techlink Pilot Programme, which is exploring ways to build relationships between ITPs and secondary schools to give students a taste of engineering. It is also part of Wintec's active involvement with the national Engineering: Education to Employment initiative which focuses on increasing engineering graduates and preparing students for study towards the New Zealand Diploma in Engineering.

Prime Minister Scholarships for Our Business Students

Six Wintec business students spent a semester at Shandong University of Technology in China after being awarded the Prime Minister's Scholarships for Asia.

Joshua King, Simon Young, Ezra Hirawani, Kristi Dawson-Smith, Frances Foxx and Ben Gomas were part of a wider group of 160 tertiary education students from across New Zealand who were awarded the prestigious scholarships to study Mandarin and Chinese culture at the University.

Media Arts Students Make an Impression in China

Ten Wintec Media Arts students studying painting, sculpture, design and moving image spent 10 days in Chengdu, China as part of an inaugural student tour.

They were involved in an art project with fine arts students from Chengdu University which produced a series of post cards and photographs around the theme 'Impressions of Chengdu'. The students presented their work in China to the New Zealand Consul-General Alistair Crozier (Chengdu), our chief executive Mark Flowers, and other dignitaries from Chengdu University and Wintec.

Wintec has a long-term relationship with Chengdu University, particularly in the field of Media Arts. It was the first such study tour for our students from New Zealand to China, and more are planned in the future.

Exercise Clinic Addresses Need for Training in Emerging Field

Elderly people living with chronic health conditions are getting a new lease on life thanks to a specialised exercise rehabilitation clinic run by Wintec's Centre for Sport Science and Human Performance staff and students.

The Biokinetic Clinic, which is one of only a handful of its kind in the country, has been developed in response to the need for specialised knowledge in the emerging field of clinical exercise physiology as chronic illness, disease and injury rates among New Zealanders continue to grow.

The clinic focuses on prevention, management and rehabilitation of chronic health conditions such as diabetes, cardiovascular disease, obesity, respiratory disease or chronic pain or injury. This is done by prescribing a personalised exercise programme.

Initially 35 elderly people from the Waikato signed up to the clinic attending two sessions per week. The programmes are developed and delivered by Wintec students from the centre as part of their graduate or postgraduate qualifications, under the supervision of trained staff. The clinic is now attracting a growing interest from potential clients, and community health providers.

Our Teaching and Learning Direction

This year we launched our Teaching and Learning Directions document which provides staff with a high-level view of our learner outcomes and the expectations we have of our academic staff. It describes the over-arching direction in our approach to teaching and learning, from the design and development of programmes through to how they are delivered.

With a faculty made up of more than 350 staff, and 11 schools and centres, this direction enables us all to work towards the same goal and have the right people in place. Key principles include student-centred teaching to promote authentic learning; inquiry-based learning and teaching, ensuring learner engagement; and flexible learning, providing learners with choices in terms of when, where and how learning occurs.

Our International Growth

We again increased year-on-year the numbers of international students studying with us, by 14% on last year. This represents 1,596 international students (940 equivalent full time students) in 2015, compared to 1,353 (821 equivalent full time students) in 2014.

We have students from 63 countries, an increase from 53 in 2014, demonstrating our commitment to diversification and expansion of the international student market. There has been growth in the number from countries in South America, as well as Nepal.

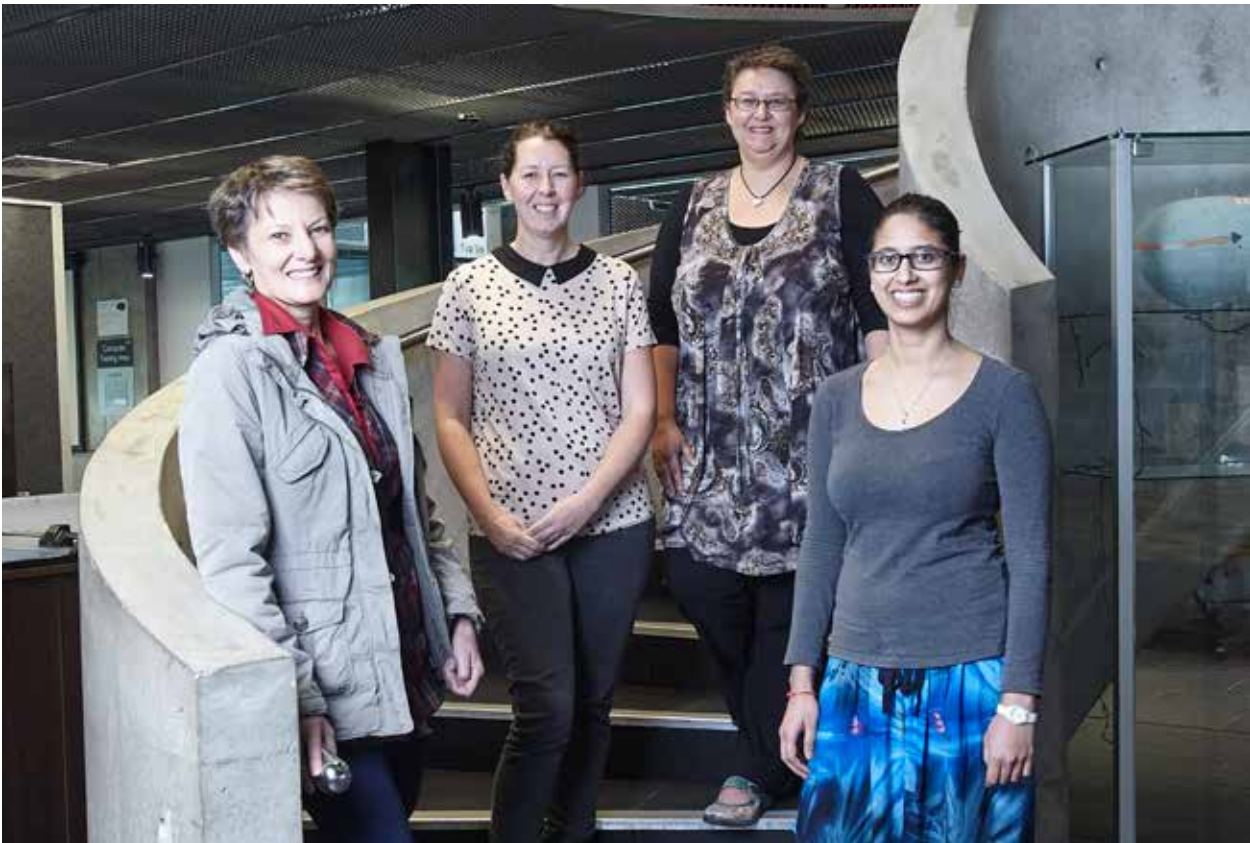
Our reputation in setting up global connections for our students, staff and employers continues to grow. Internationalisation is integral to our identity as an institution.

Our "train the trainer" short courses are proving popular, with increased enrolments particularly from China. We continue to host many international delegations throughout the year and to celebrate our multi-cultural student body by holding international events around the Eid Festival, Chinese Moon Festival and Diwali.



Top: Teaching in our open learning spaces.
Left: Prime Minister's Scholarship recipients.
Right: Chengdu Study Tour students and staff.
Bottom: Student working with a client at the Biokinetic Clinic.





Top: A Wintec nursing student at the Waikato-Tainui Games.

Bottom: Our midwifery students who travelled to Vanuatu.

Life Changing Experience for Midwives in Vanuatu

Four Wintec midwifery students had the experience of a lifetime when they travelled to Vanuatu last year to volunteer at Port Vila Hospital.

Annie Frogley, Kathy Hannah, Shivangi Topiwala and Tertia van der Walt spent two weeks working alongside Ni-Vanuatu midwives in the hospital's maternity ward where they provided labour support including maternal and foetal monitoring and helped delivering babies and providing post-natal care. The time spent in Vanuatu counted towards the more than 2,400 hours of clinical practice that makes up part of the Bachelor of Midwifery degree.

Māori Achieving Higher Qualifications

There has been a considerable increase in higher-level study participation by our Māori students, which is significant given that a quarter of our students identify as Māori.

Five years ago the percentage of Māori students studying for bachelor degrees was 31%; now this has grown to 39%.

Our other highlights around Māori and Pasifika education included increased provision of the Māori and Pasifika Trades Training initiative, which sees students meet present and future skill shortages in specific industries; the launch of our Māori research strategy Te Whanaketanga; staff forums held on Māori best practice in teaching and learning; and high staff participation rates for Te Tauihu, a course that builds capability in tikanga and te reo through teaching and learning in a bi-cultural context and with Māori learners.

Strong Performance

We continued our strong performance as assessed by the government's Educational Performance Indicators (EPIs). In 2014 we again ranked first in the sector for our progression rates for students to higher study, one of the Government's key goals. Sixty percent of students progressing to higher study, up 2% on the previous year, and well above the sector median of 37%. This is our best result since the indicators were introduced.

We are also near or above the sector median for student retention, successful course completion and qualification completion.

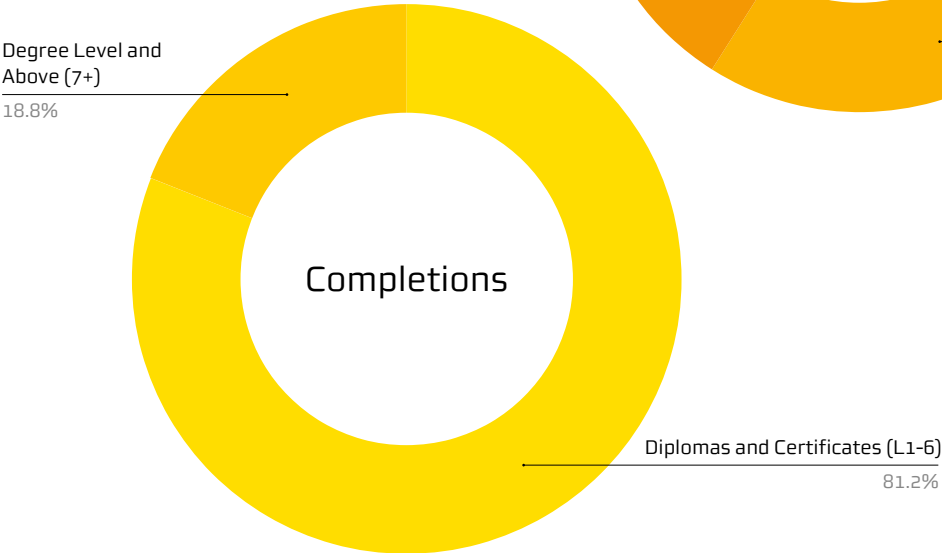
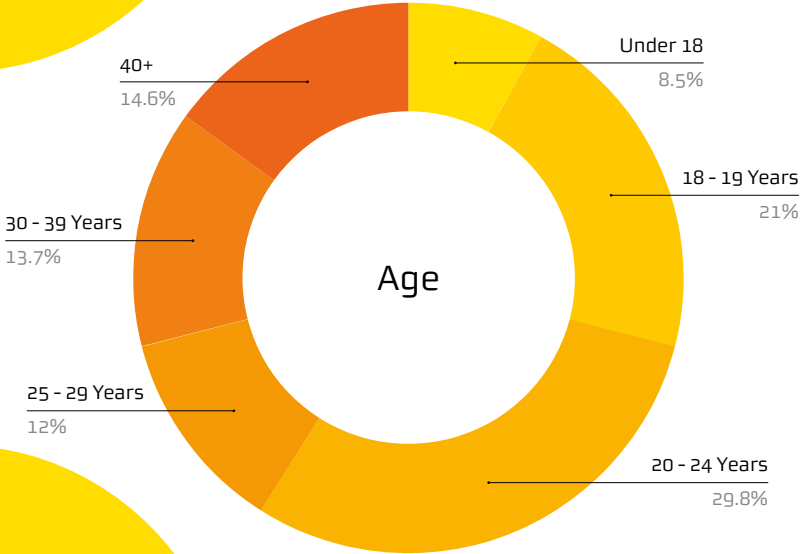
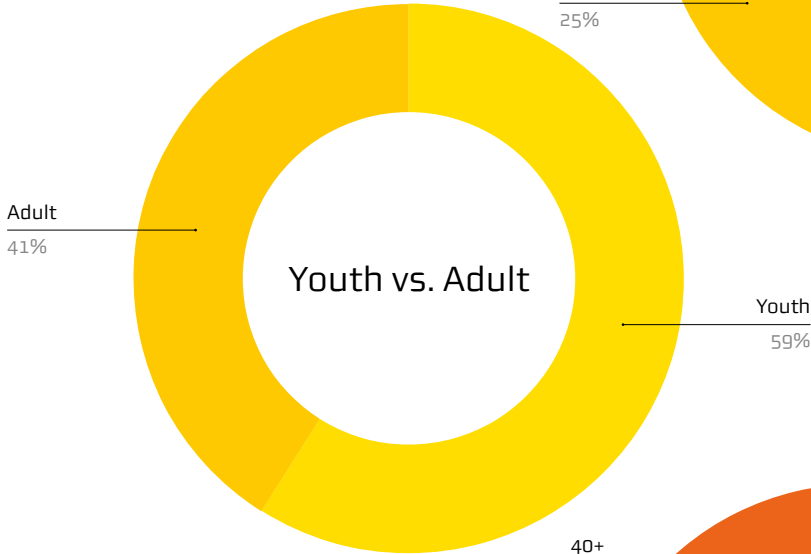
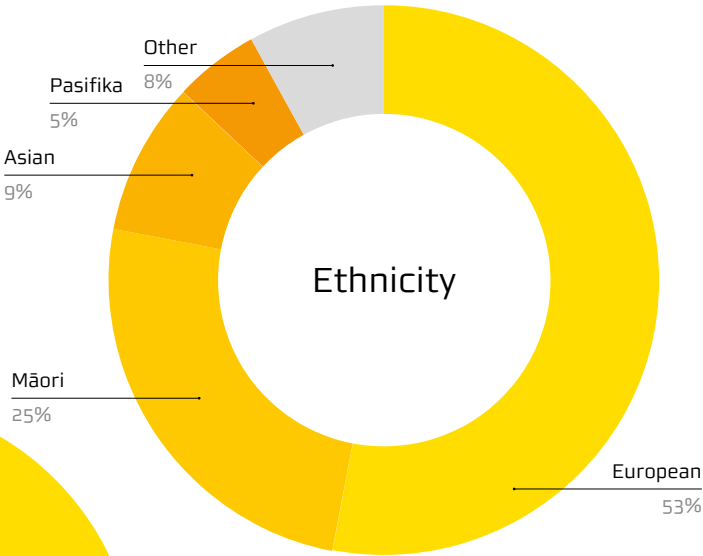
Our 2015 provisional EPI results, still being calculated by the Tertiary Education Commission, show that our educational performance has remained consistent with our results in 2014.



Student Statistics

Student Statistics 2015 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

	2011	2012	2013	2014	2015
Level 1-2	10%	10%	10%	10%	11%
Levels 3-4	27%	27%	27%	28%	30%
Levels 5-6	17%	17%	17%	17%	14%
Levels 7+	46%	47%	46%	44%	43%

*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.



11% Level 1-2



30% Level 3-4



14% Level 5-6



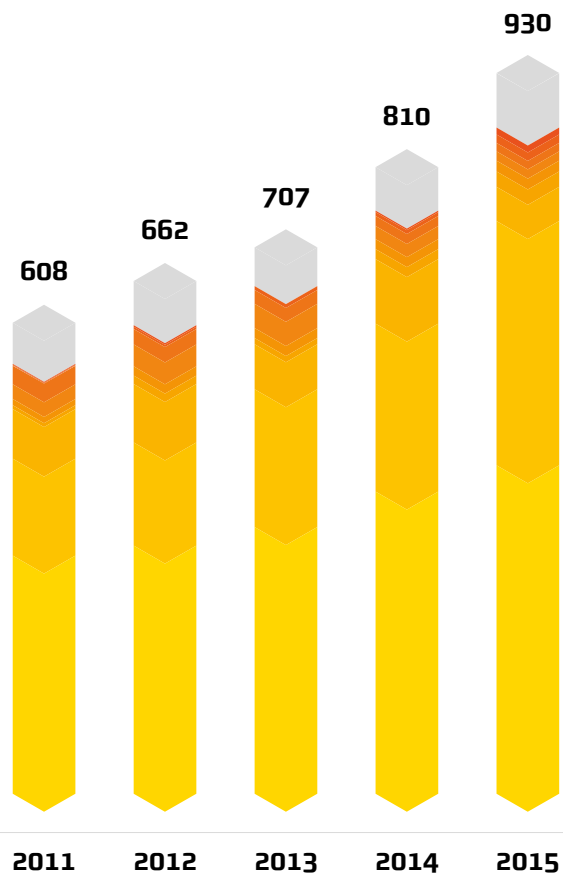
43% Level 7+



International EFTS by country

	2011	2012	2013	2014	2015
● China	308	321	345	391	425
● India	125	133	178	217	316
● Saudi Arabia	64	75	58	83	44
● Nepal	5	11	8	13	20
● Philippines	8	12	13	13	14
● Republic of South Korea	19	28	31	17	12
● Fiji	24	20	18	13	11
● Hong Kong	1	3	5	5	11
● Brazil	1	2	0	2	9
● Other	53	57	50	56	70
Total	608	662	707	810	930

Top 9 countries ranked according to EFTS in 2015.

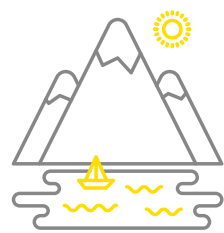




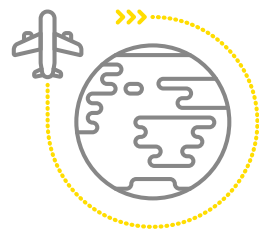
Total Equivalent Full Time Students (EFTS) by source of funding

	2011	2012	2013	2014	2015
Adult and Community Education (ACE)	105	104	108	111	107
Student Achievement Component	4,945	5,009	4,819	4,710	4,501
Youth Guarantee and Trades Academy	112	116	229	303	346
Total TEC funded	5,162	5,229	5,155	5,124	4,954
International	608	661	707	810	930
Industry Training Organisation	781	586	764	876	812
Other	235	226	246	263	286
Total non TEC funded	1,623	1,473	1,717	1,949	2,028
Grand total	6,786	6,702	6,872	7,073	6,982

In 2015 Wintec's total headcount of students (not EFTS) was 23,653 students, with 22,075 domestic students and 1,578 international students.



22,075
Domestic Students



1,578
International Students

TEC funded* EFTS by ethnicity

	2010		2011		2012		2013		2014		2015	
European	59%	2,914	58%	2,941	57%	2,922	56%	2,829	54%	2,710	53%	2,572
Māori	24%	1,184	24%	1,216	23%	1,197	24%	1,235	25%	1,269	25%	1,215
Asian	8%	381	7%	378	8%	407	8%	399	8%	419	9%	427
Pasifika	4%	199	4%	214	5%	240	4%	222	4%	225	5%	248
Other	6%	300	6%	308	7%	360	7%	363	8%	389	8%	385
Total		4,978		5,057		5,125		5,047		5,013		4,847

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, 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 not declared, other and unknown.

TEC funded* EFTS by age group

	2010	2011	2012	2013	2014	2015
17 Years and Under	358	333	320	395	412	413
18 - 19 Years	1,265	1,302	1,283	1,194	1,161	1,022
20 - 24 Years	1,420	1,561	1,612	1,559	1,482	1,449
25 - 29 Years	557	568	593	574	587	583
30 - 34 Years	316	340	367	367	394	356
35 - 39 Years	314	312	274	276	285	312
40 - 44 Years	266	248	277	255	266	261
45 - 49 Years	217	192	195	218	203	200
50 - 54 Years	124	119	119	121	142	157
55 - 59 Years	78	53	53	57	54	63
60 - 64 Years	31	21	25	28	20	25
65 Years and Over	33	8	8	3	7	5
Total	4,978	5,057	5,125	5,047	5,013	4,847

*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

	2010		2011		2012		2013		2014		2015	
Youth (Under 25)	61%	3,042	63%	3,197	63%	3,214	62%	3,147	61%	3,055	59%	2,884
25 and older	39%	1,935	37%	1,861	37%	1,911	38%	1,900	39%	1,958	41%	1,963
Total		4,978		5,057		5,125		5,047		5,013		4,847

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, 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

	2010	2011	2012	2013	2014	2015**
Masters	11	9	20	14	14	13
Postgraduate Level	40	31	57	64	57	50
Bachelors with Honours	23	12	14	19	10	16
Bachelor Degree Level	351	447	560	623	504	464
Graduate Level	49	82	59	62	49	44
Diploma Level	307	314	333	367	299	274
Certificate Level	2,115	1,980	1,904	1,955	2,024	2,175
Training Scheme Level	457	42	10	10	23	88
Total	3,353	2,917	2,957	3,114	2,980	3,124

Notes:

This represents the number of qualifications completed for each 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.

**Figures for qualifications are draft only as of 22 April, 2016. Further qualifications may be awarded for the 2015 year.

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	-	565,718	525,227	-	-	-	-	-	-	1,090,945
Other	-	-	209,454	-	-	-	-	-	-	209,454
Total Revenue	-	565,718	734,681	-	-	-	-	-	-	1,300,399
Expenses	-	902,024	671,615	-	-	-	-	-	-	1,573,639
Total Expenses	-	902,024	671,615	-	-	-	-	-	-	1,573,639
Surplus/(deficit)	-	(336,306)	63,066	-	-	-	-	-	-	(273,240)

Careers advice and guidance

Wintec provides support to students to assist their transition into employment. Support includes 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 (EEO) 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 2015 our EEO vision was progressed through:

- Developing our Valuing People programme to identify and address initiatives relating to diversity within Wintec, specifically relating to wellbeing, flexibility, aging, ethnicity, bullying and harassment, and gender.
- Development of a training module within Moodle to cover discrimination, bullying and harassment and Wintec's complaints procedure. This is to ensure all staff are aware of our EEO responsibilities and the process to work through if issues or concerns arise.
- Further embedding of Te Ngawha Whakatupu, Wintec's Māori Capability Framework with the development of Te Tauihu. A module within our Certificate in Adult Teaching in Education aims to build capability in Tikanga and Te Reo through teaching and learning in a bi-cultural context and with Māori learners.
- 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 employees on the basis of merit, recognising that effectively managing New Zealand's diverse population can lead to increased creativity, engagement and productivity.

Our Values

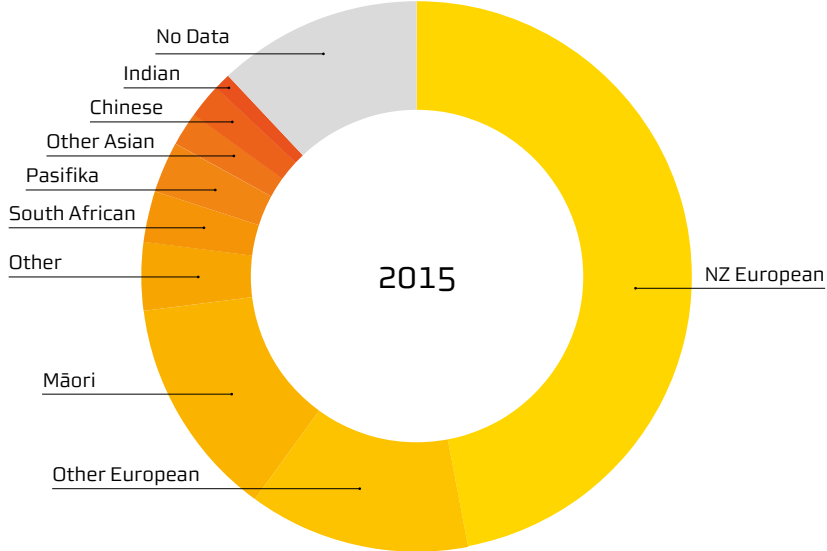
Our values define our professional relationships, attitude and the way we do things at Wintec.

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	46.6	353	216	137	● Pasifika	2.5	19	11	8
● Other European	13.2	100	59	41	● Other Asian	2.1	16	7	9
● NZ Māori	12.7	96	69	27	● Chinese	2	15	7	8
● Other	4.5	34	17	17	● Indian	1.5	11	4	7
● South African	3.2	24	9	15	● No data	11.9	90	56	34



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 2015, Student Learning Services continued to offer a high level of advocacy, information and support to students who disclosed impairments. Forty-nine staff provided 3,794.15 hours of note-taker, reader-writer and peer tutor services to help improve participation, retention, completion and progression of 156 students who required these services. Additionally, a number of students from the Waikato Trades Academy received group peer tutor sessions.

The Learning Advisors within Student Learning Services and Te Kete Kōnae have continued the emphasis of 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 at Wintec.

This shift has resulted in Student Learning Services and Te Kete Kōnae providing learning support and proactive academic capability-building services to 2,619 students in 2015. This is consistent with previous years.

Levels of satisfaction of the support services are consistently high; 96% for Te Kete Kōnae, 95% 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 support services within programmes of study across faculty.

Targeted support was offered to Māori and Pasifika students, as well as many international and New Zealand resident students for who English is not their first language. A series of workshops was also developed between the School of Education and Student Learning Services for our engineering staff around working with these students who have non-English speaking backgrounds.





Financial Performance

Independent Auditor's Report

To the readers of Waikato Institute of Technology (Wintec) and group's financial statements and statement of service performance for the year ended 31 December 2015.

The Auditor General is the auditor of Wintec (the Institute) and group. The Auditor General has appointed me, Clarence Susan, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of service performance of the Institute and group on her behalf.

OPINION ON THE FINANCIAL STATEMENTS AND THE STATEMENT OF SERVICE PERFORMANCE

We have audited:

- the financial statements of the Institute and group on pages 40 to 82, that comprise the statement of financial position as at 31 December 2015, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the Institute and group on pages 83 to 99.

In our opinion:

- the financial statements of the Institute and group on pages 40 to 82:
 - present fairly, in all material respects the Institute and group's:
 - financial position as at 31 December 2015; and
 - financial performance and cash flows for the year then ended;
 - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Reporting Standards.
- the statement of service performance of the Institute and group on pages 83 to 99 presents fairly, in all material respects, the Institute and group's service performance achievements measured against the proposed outcomes described in the investment plan for the year ended 31 December 2015.

Our audit was completed on 29 April 2016. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and explain our independence.

BASIS OF OPINION

We carried out our audit in accordance with the Auditor General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements

and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and the statement of service performance are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and the statement of service performance, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Institute and group's financial statements and statement of service performance in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute and group's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of the disclosures in the financial statements and the statement of service performance; and
- the overall presentation of the financial statements and the statement of service performance.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the statement of service performance. Also we did not evaluate the security and controls over the electronic publication of the financial statements and the statement of service performance.

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

RESPONSIBILITIES OF THE COUNCIL

The Council is responsible for preparing financial statements that comply with generally accepted accounting practice in New Zealand and Public Benefit Entity Reporting Standards

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

and present fairly the Institute and group's financial position, financial performance and cash flows.

The Council is also responsible for preparing a statement of service performance that presents fairly the Institute and group's service performance achievements measured against the proposed outcomes adopted in the investment plan.

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

The Council is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements and statement of service performance that are free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the financial statements and the statement of service performance, whether in printed or electronic form.

RESPONSIBILITIES OF THE AUDITOR

We are responsible for expressing an independent opinion on the financial statements and the statement of service performance and reporting that opinion to you based on our audit. Our responsibility arises from the Public Audit Act 2001.

INDEPENDENCE

When carrying out the audit, we followed the independence requirements of the Auditor General, which incorporate the independence requirements of the External Reporting Board.

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



Clarence Susan

Audit New Zealand
On behalf of the Auditor General
Tauranga, New Zealand

Statement of Responsibility

For the year ended 31 December 2015.

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 controls 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 2015.

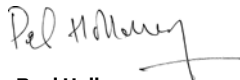
Signed by:



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 2015.

	Notes	Group			Institute		
		Actual 2015 \$'000	Budget 2015 \$'000	Actual 2014 \$'000	Actual 2015 \$'000	Budget 2015 \$'000	Actual 2014 \$'000
Revenue							
Government grants	3(a)	46,365	47,015	48,891	46,365	47,015	48,891
Student tuition fees	3(b)	31,594	31,248	30,350	31,593	31,248	30,656
Other revenue	3(c)	16,074	22,520	16,678	13,625	15,460	11,798
Total revenue		94,033	100,783	95,919	91,583	93,723	91,345
Expenditure							
Personnel costs	4	(56,319)	(57,251)	(54,761)	(53,437)	(52,118)	(51,471)
Depreciation and amortisation expense	12, 13	(7,519)	(8,962)	(6,952)	(7,496)	(8,010)	(6,845)
Impairment of assets		(1,016)	-	-	(2,598)	-	-
Other expenses	6	(31,154)	(32,543)	(30,334)	(31,055)	(29,634)	(28,256)
Finance costs	5	(1,234)	(1,526)	(1,291)	(1,203)	(1,523)	(1,221)
Property and buildings revaluations		-	-	(2,405)	-	-	(2,405)
Total expenditure		(97,243)	(100,282)	(95,743)	(95,789)	(91,285)	(90,197)
Share of joint venture surplus/(deficit)	11	(50)	-	-	-	-	-
Surplus/(deficit)		(3,259)	505	177	(4,207)	2,438	1,148
<i>Total surplus attributable to:</i>							
The Waikato Institute of Technology		(3,292)	505	(207)	(4,207)	2,438	1,148
Non-controlling interest		33	-	384	-	-	-
Other comprehensive revenue							
Property and building revaluations		-	-	1,014	-	-	1,014
Profit on purchase of subsidiary		-	-	472	-	-	-
Total other comprehensive revenue/ (expense)		-	-	1,486	-	-	1,014
Total comprehensive revenue/ (expense)		(3,259)	505	1,663	(4,207)	2,438	2,162
<i>Total comprehensive income attributable to:</i>							
The Waikato Institute of Technology		(3,292)	505	1,279	(4,207)	2,438	2,162
Non-controlling interest		33	-	384	-	-	-

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 2015

	Notes	Group			Institute		
		Actual 2015 \$'000	Budget 2015 \$'000	Actual 2014 \$'000	Actual 2015 \$'000	Budget 2015 \$'000	Actual 2014 \$'000
Assets							
Current assets							
Cash and cash equivalents	7	1,951	6,483	1,336	992	4,386	152
Receivables	8	20,410	13,369	18,020	20,161	12,641	18,326
Inventories	9	284	284	284	284	284	284
Related party loans		-	-	-	-	-	1,250
Prepayments		232	-	108	232	-	104
Assets held for sale	14	4,667	-	4,667	4,667	-	4,667
Total current assets		27,544	20,136	24,415	26,336	17,311	24,784
Non-current assets							
Financial assets	10	161	1500	155	992	1500	655
Property, plant and equipment	12	149,463	161,726	153,021	149,412	158,120	152,507
Intangible assets	13	8,578	7,121	8,785	7,901	7,032	8,103
Total non-current assets		158,202	170,347	161,961	158,305	166,652	161,265
Total assets		185,746	190,483	186,376	184,641	183,963	186,049
Liabilities							
Current liabilities							
Payables	15	4,955	9,993	6,066	4,676	9,080	6,003
Employee entitlements	16	3,894	4,903	3,680	3,697	4,903	3,460
Provisions		-	-	-	-	-	-
Deferred revenue	17	25,745	13,063	21,970	24,772	13,063	21,155
Interest-bearing loans and borrowings	18	4,294	-	6,292	4,294	-	6,292
Total current liabilities		38,888	27,959	38,008	37,439	27,046	36,910

	Notes	Group			Institute		
		Actual 2015 \$'000	Budget 2015 \$'000	Actual 2014 \$'000	Actual 2015 \$'000	Budget 2015 \$'000	Actual 2014 \$'000
Non-current liabilities							
Interest-bearing loans and borrowings	18	20,500	28,368	18,500	20,500	25,000	18,500
Provisions		-	-	-	-	-	-
Employee entitlements	16	289	-	280	289	-	280
Total non-current liabilities		20,789	28,368	18,780	20,789	25,000	18,780
Total liabilities		59,677	56,327	56,788	58,228	52,046	55,690
Net assets		126,069	134,156	129,588	126,413	131,917	130,359
Equity							
General funds		103,590	113,107	107,141	104,351	110,868	108,298
Restricted reserves		137	137	137	137	137	137
Property revaluation reserve		21,925	20,912	21,925	21,925	20,912	21,925
Total equity attributable to the Institute		125,652	134,156	129,204	126,413	131,917	130,360
Non-controlling interest		417	-	384	-	-	-
Total equity	19	126,069	134,156	129,588	126,413	131,917	130,360

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 29/04/2016.



M. Flowers
Chief Executive



P. Holloway
Chief Financial Officer

Statement of Changes in Equity

for the year ended 31 December 2015

	Group			Institute		
	Actual 2015 \$'000	Budget 2015 \$'000	Actual 2014 \$'000	Actual 2015 \$'000	Budget 2015 \$'000	Actual 2014 \$'000
Balance at 1 January (previously reported)	127,608	133,651	127,926	128,378	129,479	128,198
Changes in accounting treatment	1,980	-	-	1,980	-	-
Balance at 1 January restated	129,588	133,651	127,926	130,359	129,479	128,198
Comprehensive revenue						
Surplus/(deficit)	(3,259)	505	177	(4,207)	2,438	1,148
Other comprehensive revenue	-	-	1,486	-	-	1,014
Total comprehensive revenue	(3,259)	505	1,663	(4,207)	2,438	2,162
Balance before non-comprehensive revenue at 31 December	126,329	134,156	129,588	126,152	131,917	130,360
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	126,069	134,156	129,588	126,412	131,917	130,360
Total comprehensive revenue for the year	(3,259)	505	1,663	(4,207)	2,438	2,162
<i>Total comprehensive revenue attributable to:</i>						
The Waikato Institute of Technology	(3,292)	505	1,279	(4,207)	2,438	2,162
Non-controlling interest	33	-	384	-	-	-

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 2015

	Group			Institute		
	Actual 2015 \$'000	Budget 2015 \$'000	Actual 2014 \$'000	Actual 2015 \$'000	Budget 2015 \$'000	Actual 2014 \$'000
Cash flows from operating activities						
Receipt of government grants	46,363	49,892	47,331	46,363	49,892	47,331
Receipt of student tuition fees	34,763	33,622	31,799	33,939	33,622	32,127
Interest revenue received	69	100	157	47	-	106
Receipt from research revenue	-	-	269	-	-	269
Receipt from other revenue	13,963	21,799	16,254	14,267	11,608	10,833
Payments to employees	(56,096)	(57,015)	(54,498)	(53,191)	(50,649)	(51,233)
Payments to suppliers	(29,655)	(35,867)	(29,736)	(29,921)	(32,696)	(28,107)
Interest paid	(1,234)	(1,523)	(1,289)	(1,203)	(1,523)	(1,221)
Goods and services tax (net)	(261)	-	124	(120)	-	304
Net cash flows from operating activities	7,912	11,008	10,411	10,181	10,254	10,409
Cash flows from investing activities						
Purchase of property, plant and equipment	(6,174)	(13,417)	(19,142)	(6,169)	(11,070)	(18,686)
Purchase of intangible assets	(2,251)	-	(2,358)	(2,251)	-	(2,350)
Acquisition of investments	(50)	(1,000)	(506)	(1,658)	(1,000)	(506)
Receipts from sale of investments	-	-	-	-	-	-
Proceeds from sale of property, plant and equipment	1,176	6,480	132	736	6,480	117
Net cash flows used in investing activities	(7,299)	(7,937)	(21,874)	(9,342)	(5,590)	(21,425)
Cash flows from financing activities						
Capital contributions received from the Crown	-	-	-	-	-	-
Suspensory loans from the Crown	-	-	-	-	-	-
Proceeds from borrowings	2,000	8,368	7,500	2,000	5,000	7,500
Repayment of borrowings	(80)	-	(80)	(80)	-	(80)
Payment of finance leases	-	-	-	-	-	-
Net cash flows from financing activities	1,920	8,368	7,420	1,920	5,000	7,420
Net increase/(decrease) in cash and cash equivalents	2,533	11,439	(4,043)	2,759	9,664	(3,596)
Cash and cash equivalents at the beginning of the period	(4,876)	(4,956)	(833)	(6,061)	(5,277)	(2,464)
Cash and cash equivalents at the end of the period	(2,343)	6,483	(4,876)	(3,302)	4,387	(6,060)

Cash is offset by the overdraft per borrowing 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 2015

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

	Group		Institute	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Net surplus/(deficit)	(3,292)	177	(4,207)	1,148
Add/(less) non-cash items				
Non-controlling interest surplus/(deficit)	33	384	-	-
Depreciation and amortisation expense	7,519	6,922	7,496	6,846
Intangible asset write-off	1,017	-	1,017	-
(Gains)/losses on fair value of investment property	-	472	-	-
Increase/(decrease) in non-current employee entitlements	9	(8)	9	(8)
Bad debts	-	-	-	-
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	9,913	10,175	11,388	9,243
Add/(less) items classified as investing or financing activities				
(Gains)/losses on disposal of property, plant and equipment	688	(83)	688	(83)
(Gains)/losses on disposal of investments classified as fair value through comprehensive revenue	-	-	-	-
Total items classified as investing or financing activities	688	(83)	688	(83)
Add/(less) movements in working capital items				
(Increase)/decrease in inventories	-	-	-	-
(Increase)/decrease in receivables	(2,650)	(3,211)	(2,094)	(3,036)
(Increase)/decrease in prepayments	(124)	-	128	(104)
Increase/(decrease) in payables	(612)	(112)	(826)	453
Increase/(decrease) in deferred revenue	3,775	3,194	3,617	2,542
Increase/(decrease) in provisions	-	-	-	-
Increase/(decrease) in current employee entitlements	214	271	237	246
Increase/(decrease) in related party loans	-	-	1,250	-
Net movements in working capital items	603	142	2,312	101
Net cash flow from operating activities	7,912	10,411	10,181	10,409

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

for the year ended 31 December 2015

1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

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

The Institute and Group consist of the Waikato Institute of Technology (Wintec) and its subsidiaries, SODA Inc. Limited, LearningWorks Limited, PINZ and the Wintec Foundation Trust, our associate Ligar Polymers Ltd, 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 27 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 tertiary education services for the benefit of the communities. 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 2015 were authorised for issue in accordance with a resolution of the Council on 29 April 2016.

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 Tier 1 PBE accounting standards.

These financial standards comply with PBE accounting standards.

These financial statements are the first financial statements presented in accordance with the new PBE accounting standards. The material adjustments arising on transition to the new PBE standards are explained in note 26.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000).

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

Not-for-profit enhancements

In May 2013, the External Reporting Board issued a new suite of PBE accounting standards for application by public sector entities for reporting periods beginning on or after 1 July 2014. The Institute and Group has applied these standards in preparing the 31 December 2015 financial statements.

In October 2014, the PBE suite of accounting standards was adopted to incorporate requirements and guidance for the not-for-profit sector. These updated standards apply to PBEs with reporting periods beginning on or after 1 April 2015. The Institute and Group will apply these updated standards in preparing its 31 December 2016 financial statements and it expects there will be minimal or no change in applying these updated standards.

Disclosure initiative

PBE IPSAS 1 Presentation of Financial Statements has recently been updated to address perceived impediments to preparers exercising their judgements in preparing financial statements.

These amendments apply to the Institute and Group in preparing the 31 December 2016 financial statements. The Institute and Group will be considering these amendments and relooking at how its financial statements are presented in preparing the 31 December 2016 financial statements.

Other amendments

While there are other amendments issued and not yet effective, the Institute and Group does not consider these to be relevant and therefore no information has been disclosed about these amendments.

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 Institute'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 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 whether 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.

The Institute's investments in associates are carried at cost in the Institute's 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 an associate 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:

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

Research revenue

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

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

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

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

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

Other grants received

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

Sale of materials

Revenue is recognised when the significant risks and

rewards of ownership have passed to the buyer and can be reliably measured.

Interest and dividends

Interest income is recognised using the effective interest method.

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

Borrowing costs

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

Leases

Operating leases

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

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income 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 Cash Flow Statement, 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 income.

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 income

Financial assets at fair value through other comprehensive income are those that are designated as fair value through other comprehensive income 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 income, 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 income 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 as a 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 income

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 income, 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 income 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 FIFO 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 consists of the following asset classes:

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

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 income 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 income 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 income.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to 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 and heritage collections, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

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 - 84 years
Fit out	1 - 19 years
Services	1 - 22 years
Infrastructure	10 - 15 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 Income.

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 Income 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 income to the extent the impairment loss does not exceed the amount in the revaluation reserve in equity for that same class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

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, annual leave earned but not yet taken at balance date. A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date; to the extent it will be used by staff to cover those future absences. A liability and an expense are recognised for bonuses and at risk components where contractually obliged or where there is a past practice that has created a constructive obligation.

Long-term employee entitlements

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

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

Presentation of employee entitlements

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

Superannuation schemes

Defined contribution schemes

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

Provisions

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

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

Equity

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

- general funds
- property revaluation reserve
- restricted reserves
- share capital

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.

Goods and services tax

All items in the financial statements are stated exclusive of goods and services tax (GST), except for debtors and other receivables and creditors and other payables, which are presented on a GST-inclusive basis. Where GST is not

recoverable as input tax then it is recognised as part of the related asset or expense.

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

The net GST paid to, or received from the IRD, including 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.

Cost allocation

The cost of service for each significant activity of the Institute and Group has been derived using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific activity.

Direct costs are charged directly to significant activities.

Budget figures

The budget figures are those approved by the Council on 9 December 2014. 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, other than goodwill where a provision has been made, and therefore no other provisions have 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), lease terms (for leased equipment) and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Property 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 and restricted reserves. 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 is largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

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

Notes to the Financial Statements

for the year ended 31 December 2015

2 SUMMARY COST OF SERVICES - INSTITUTE

	Actual 2015 \$'000	Budget 2015 \$'000	Actual 2014 \$'000
Revenue			
Centre for Teaching and Learning	2,583	2,703	3,320
School of Media Arts	6,706	7,040	7,178
Centre for Languages	4,023	3,966	3,922
Centre for Foundation Studies	6,021	6,518	6,226
Centre for Business, Information Technology and Enterprise	14,515	13,072	12,217
Centre for Trades	10,899	11,377	9,295
Centre for Health and Social Practice	18,637	19,469	20,080
Centre for Science and Primary Industries	7,080	8,741	8,081
Centre for Beauty Therapy, Hairdressing and Hospitality	4,384	4,137	4,535
Centre for Engineering and Industrial Design	4,944	4,958	4,466
Centre for Sport Science and Human Performance	3,074	3,794	3,577
Total revenue for services	82,866	85,775	82,897
Other revenue	8,717	7,948	8,448
Total revenue	91,583	93,723	91,345
Expenses			
Centre for Teaching and Learning	2,438	2,585	2,289
School of Media Arts	3,582	3,582	3,681
Centre for Languages	2,116	2,294	2,253
Centre for Foundation Studies	3,177	3,673	3,244
Centre for Business, Information Technology and Enterprise	5,452	4,660	4,471
Centre for Trades	7,650	6,757	6,945
Centre for Health and Social Practice	6,196	7,347	7,615
Centre for Science and Primary Industries	4,424	4,327	3,664
Centre for Beauty Therapy, Hairdressing and Hospitality	2,577	2,509	2,639
Centre for Engineering and Industrial Design	1,898	1,970	2,115
Centre for Sport Science and Human Performance	1,153	1,264	1,283
Total cost of services	40,663	40,968	40,199
Finance costs	1,203	1,523	1,221
Other costs	53,923	48,793	48,777
Total expenses	95,789	91,285	90,197

Notes to the Financial Statements

for the year ended 31 December 2015

3 REVENUE

	Group		Institute	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
(a) Government grants				
<i>Non-exchange revenue</i>				
Student Achievement Component (SAC) Funding	39,054	42,668	39,054	42,668
Other grants	7,311	6,224	7,311	6,224
Total government grants non-exchange revenue	46,365	48,891	46,365	48,891
(b) Student tuition fees				
<i>Non-exchange revenue</i>				
Fees from domestic students	17,873	18,910	17,871	19,110
<i>Exchange revenue</i>				
Fees from international students	13,721	11,440	13,721	11,546
Total tuition fees from non-exchange and exchange revenue	31,594	30,350	31,593	30,656
(c) Other exchange revenue				
Childcare operations	774	789	774	789
Student services levy	1,091	741	1,091	742
Gain on disposal of property, plant and equipment	-	83	-	83
Interest earned on bank deposits	69	134	47	107
Revenue from other operating activities	14,140	14,931	11,713	10,077
Total other exchange revenue	16,074	16,678	13,625	11,798

Notes to the Financial Statements

for the year ended 31 December 2015

4 PERSONNEL COSTS

	Group		Institute	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Employee benefits expense				
Wages and salaries	(54,823)	(53,237)	(51,982)	(50,053)
Defined contribution plan employer contributions	(1,282)	(1,253)	(1,218)	(1,172)
(Increase)/decrease in employee entitlements	(214)	(271)	(237)	(246)
Total employee benefits expense	(56,319)	(54,761)	(53,437)	(51,471)

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

5 FINANCE COSTS

	Group		Institute	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Bank loans and overdrafts	(1,229)	(1,289)	(1,203)	(1,221)
Debt collection fees	-	-	-	-
Other finance costs	(5)	(2)	-	-
Total finance costs	(1,234)	(1,291)	(1,203)	(1,221)

6 OTHER EXPENSES

	Group		Institute	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Fees to Audit New Zealand for the audit of financial statements	(162)	(184)	(152)	(138)
Fees to Audit New Zealand for other services	-	-	-	-
Fees for internal audit services not provided by Audit New Zealand	(31)	(50)	(31)	(50)
Loss on disposal of property, plant and equipment	(684)	-	(684)	-
Donations and koha	(307)	(10)	(7)	(10)
Impairment of receivables	(32)	(14)	(9)	366
Aggregate research and development costs	(759)	(835)	(760)	(841)
Operating lease payments	(1,792)	(1,922)	(1,680)	(1,717)
Occupancy costs	(3,276)	(3,145)	(3,257)	(3,106)
Administration costs	(10,596)	(12,008)	(9,612)	(8,380)
Other costs	(13,518)	(12,166)	(14,864)	(14,381)
Total other costs	(31,154)	(30,334)	(31,055)	(28,256)

Notes to the Financial Statements

for the year ended 31 December 2015

7 CASH AND CASH EQUIVALENTS

	Group		Institute	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Cash at bank and in hand	1,951	1,336	992	152
Call deposits	-	-	-	-
Term deposits with maturities less than 3 months at acquisition	-	-	-	-
Total cash and cash equivalents	1,951	1,336	992	152

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 cash flow statement.

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

	Notes	Group		Institute	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Cash at bank and on hand		1,951	1,336	992	152
Short-term deposits		-	-	-	-
Bank overdrafts	18	(4,294)	(6,212)	(4,294)	(6,212)
Total cash and cash equivalents including overdrafts		(2,343)	(4,876)	(3,302)	(6,060)

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 10.

Notes to the Financial Statements

for the year ended 31 December 2015

8 RECEIVABLES

	Group		Institute	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Student fees receivables				
Non exchange student receivables	10,914	9,122	10,914	9,122
Exchange student fees receivables	5,513	7,285	5,543	6,492
Less:provision for impairment	-	-	-	-
Net student fee receivables	16,427	16,407	16,457	15,614
Other exchange receivables				
Related party receivables	782	701	1,359	2,082
Other receivables	3,224	912	2,345	631
Less provision for impairment	(23)	-	-	-
Total receivables	20,410	18,020	20,161	18,326

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 2015 and 2014 are detailed below:

	2015			2014		
	Gross \$'000	Impairment \$'000	Net \$'000	Gross \$'000	Impairment \$'000	Net \$'000
Not past due	15,226	-	15,226	11,083	-	11,083
Past due 1-30 days	1,875	-	1,875	3,865	-	3,865
Past due 31-60 days	1,192	-	1,192	1,939	-	1,939
Past due 61-90 days	1,260	-	1,260	788	-	788
Past due over 90 days	608	-	608	651	-	651
Total	20,161	-	20,161	18,326	-	18,326

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.

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

	Group and Institute			
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
At 1 January	-	380	-	380
Additional provisions made during year	23	-	-	-
Provisions reversed during the year	-	(380)	-	(380)
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.

9 INVENTORIES

	Group		Institute	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Commercial inventories expensed	284	284	284	284
Total inventories	284	284	284	284

No inventories are pledged as security for liabilities (2014 \$nil).

Notes to the Financial Statements

for the year ended 31 December 2015

10 OTHER FINANCIAL ASSETS

	Group		Institute	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Special funds investments (term deposits) with maturities greater than 3 months and the remaining duration less than 12 months	161	155	161	155
Investment in subsidiaries (cost)	-	-	831	500
Total other financial assets	161	155	992	655

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, other than for the shares held in Learning Works Limited. Wintec impaired the LearningWorks investment 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 2015

11 INVESTMENT IN JOINTLY CONTROLLED ENTITY

The Institute has a 28% interest with a joint venture, MondragonWintec Saudi Arabia (MWSA) 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.

	2015 \$'000	2014 \$'000
Institute		
Investment in MondragonWintec	50	-
Group		
Assets		
Current assets	1,086	-
Non-current assets	926	-
Total assets	2,012	-
Liabilities		
Current liabilities	653	-
Non-current liabilities	2,434	-
Total liabilities	3,087	-
Revenue	3,248	-
Expenses	4,377	-
Net surplus/(deficit)	(1,129)	-
Impairment of asset in the group	50	-
Deficit noted	(1,079)	-
The investment of \$50,000 in Mondragon Saudi Arabia (MWSA) has been written down to \$0 in the Group and the remaining deficit of \$1.079m 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) 911	-
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	-	-

Notes to the Financial Statements

for the year ended 31 December 2015

12 PROPERTY, PLANT AND EQUIPMENT

	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
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
Infrastructure	12,461	(451)	12,010	1,831	-	-	(406)	-	14,292	(857)	13,435
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
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
Infrastructure	12,461	(451)	12,010	1,831	-	-	(406)	-	14,292	(857)	13,435
Work in progress	1,669	-	1,669	363	(1,669)	-	-	-	363	-	363
Total Institute	167,367	(14,862)	152,507	5,668	(3,635)	935	(6,060)	-	169,400	(19,988)	149,412

	Cost 01/01/2014	Accumulated depreciation 01/01/2014	Carrying amount 01/01/2014	Additions	Disposals at cost	Depreciation on disposals	Impairment/ depreciation charge	Revaluation surplus	Cost 31/12/2014	Accumulated depreciation 31/12/2014	Carrying amount 31/12/2014
2014	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group											
Land	17,315	-	17,315	235	(2,730)	-	-	799	15,619	-	15,619
Buildings	108,066	(5,560)	102,506	24,565	(2,135)	164	(3,221)	(2,191)	120,185	(495)	119,690
Computer hardware	6,751	(2,972)	3,777	2,101	-	-	(1,106)	-	8,852	(4,083)	4,769
Furniture & equipment	9,042	(6,015)	3,027	7,152	-	-	(478)	-	16,194	(6,518)	9,676
Motor vehicles	317	(292)	26	35	-	-	(14)	-	353	(306)	47
Library collection	4,433	(3,050)	1,383	570	-	-	(548)	-	5,002	(3,599)	1,403
Work in progress	19,830	-	19,830	(18,013)	-	-	-	-	1,817	-	1,817
Total Group	165,754	(17,889)	147,864	16,645	(4,865)	164	(5,368)	(1,392)	168,022	(15,001)	153,021
Institute											
Land	17,315	-	17,315	235	(2,730)	-	-	799	15,619	-	15,619
Buildings	108,067	(5,559)	102,507	24,565	(2,135)	164	(3,221)	(2,191)	120,185	(495)	119,690
Computer hardware	6,751	(2,972)	3,779	2,072	-	-	(1,106)	-	8,823	(4,078)	4,745
Furniture & equipment	8,813	(5,906)	2,907	6,904	-	-	(478)	-	15,717	(6,384)	9,333
Motor vehicles	317	(292)	26	35	-	-	(14)	-	353	(306)	47
Library collection	4,431	(3,050)	1,381	570	-	-	(548)	-	5,002	(3,599)	1,403
Work in progress	19,830	-	19,830	(18,161)	-	-	-	-	1,669	-	1,669
Total Institute	165,524	(17,779)	147,745	16,219	(4,865)	164	(5,368)	(1,392)	167,368	(14,862)	152,507

Notes to the Financial Statements

for the year ended 31 December 2015

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Valuation

The most recent valuations of land, buildings and infrastructure were performed by an independent registered valuer, Telfer Young (Waikato) Limited, and an independent valuer, Klu'd up. The valuations are effective as 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.
- For the Institute's earthquake-prone buildings that are expected to be strengthened, the estimated earthquake strengthening costs have been deducted off the depreciated replacement cost.
- 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. These valuations include adjustments for estimated building strengthening costs for earthquake prone buildings and associated lost rental during the time to undertake the strengthening work.

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 are 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 do 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 \$1.570m (2014 \$1.669m).

Work in progress relates to the following asset classes:

	Actual 2015 \$'000	Actual 2014 \$'000
Buildings	363	1,669
Software	1,207	-
Library collection	-	-
	1,570	1,669

Notes to the Financial Statements

for the year ended 31 December 2015

13 INTANGIBLE ASSETS

	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
Group											
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 Group	16,821	(8,036)	8,785	2,865	(1,844)	826	(1,440)	(614)	17,228	(8,650)	8,578
Institute											
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 Institute	16,064	(7,960)	8,104	2,865	(1,844)	826	(1,436)	(614)	16,471	(8,570)	7,901
	Cost 01/01/2014	Accumulated amortisation 01/01/2014	Carrying amount 01/01/2014	Additions	Impairment at cost	Impairment amortisation on disposals	Amortisation	Disposal	Cost 31/12/2014	Accumulated amortisation 31/12/2014	Carrying amount 31/12/2014
2014	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group											
Computer software	13,714	(6,482)	7,232	2,183	-	-	(1,555)	(95)	15,802	(8,037)	7,765
Work in progress	-	-	-	614	-	-	-	-	614	-	614
Purchased goodwill	847	-	847	-	-	-	-	(440)	407	-	407
Total Group	14,561	(6,482)	8,079	2,797	-	-	(1,555)	(535)	16,823	(8,037)	8,786
Institute											
Computer software	13,714	(6,482)	7,232	1,736	-	-	(1,478)	-	15,450	(7,960)	7,490
Work in progress	-	-	-	614	-	-	-	-	614	-	614
Purchased goodwill	-	-	-	-	-	-	-	-	-	-	-
Total Institute	13,714	(6,482)	7,232	2,350	-	-	(1,478)	-	16,064	(7,960)	8,104

Work in progress

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 \$1.2m for the enrolment upgrade project. (2014: \$0.614m). Internally generated additions for 2015 are \$1.146m (2014:\$0.695m).

Notes to the Financial Statements

for the year ended 31 December 2015

14 ASSETS HELD FOR SALE

Assets held for sale under non-current assets include 4.51ha of the Rotokauri campus which the Council has identified as surplus and available for sale. The sale was completed in February 2016.

	Group		Institute	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Assets held for sale				
Current assets	-	-	-	-
Non current assets	4,667	4,667	4,667	4,667
Total assets held for sale	4,667	4,667	4,667	4,667

15 PAYABLES

	Group		Institute	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<i>Payables under exchange transactions</i>				
Creditors	1,461	783	1,465	1,804
Accrued expenses	2,543	4,071	2,336	3,204
Amounts due to subsidiaries	-	-	-	-
Total payables under exchange transactions	4,004	4,854	3,801	5,008
<i>Payables under non-exchange transactions</i>				
Taxes payable	951	1,212	875	995
Total payables	4,955	6,066	4,676	6,003

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 2015

16 EMPLOYEE ENTITLEMENTS

	Group		Institute	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Current portion				
Accrued pay	2,290	2,119	2,170	1,996
Annual leave	1,604	1,561	1,527	1,464
Total current portion	3,894	3,680	3,697	3,460
Non-current portion				
Long service leave	133	122	133	122
Retirement gratuities	157	158	157	158
Total non-current portion	289	280	289	280
Total employee entitlements	4,183	3,960	3,986	3,740

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 \$1,580 higher/lower (2014 \$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 \$1,656 higher/lower (2014 \$100).

17 DEFERRED REVENUE

	Group		Institute	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Tuition fees non-exchange	12,313	15,544	12,313	15,544
Tuition fees exchange	11,114	4,352	11,114	4,352
Other exchanges revenue received in advance	2,318	2,074	1,345	1,259
Total deferred revenue	25,745	21,970	24,772	21,155

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 2015

18 BORROWINGS

	Group		Institute	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Current				
Bank overdraft	4,294	6,212	4,294	6,212
Secured loans		80		80
Total current portion	4,294	6,292	4,294	6,292
Non-current				
Secured loans	20,500	18,500	20,500	18,500
Total non-current portion	20,500	18,500	20,500	18,500
Total borrowings	24,794	24,792	24,794	24,792

Interest Terms for secured loans

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

The Institute's current borrowings including the bank overdraft is \$24,794,000 as at 31 December 2015 (2014 \$24,792,000).

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 >= 4.00x (2014:3.00x)
- Non BNZ Debt not in excess of \$400,000 (EECA)
- Wintec met all bank covenants

TEC conditions of consent

- Net Surplus ratio of at least 2.5% from 2016
- 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 at least 3.5 times from 2016

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

The Institute and Group have no finance leases.

Notes to the Financial Statements

for the year ended 31 December 2015

19 EQUITY

	Group		Institute	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
General funds				
Balance at 1 January	107,141	107,000	108,297	107,150
Property revaluation reserve transfer on disposal	-	-	-	-
Surplus/(deficit) for the year	(3,292)	(207)	(4,207)	1148
Capital transferred to Institute from Group	(260)	(124)	260	-
Capital contributions from the Crown	-	-	-	-
Profit on purchase of PINZ	-	472	-	-
Transfers to restricted reserves	-	-	-	-
Balance at 31 December	103,589	107,141	104,350	108,298
Property revaluation reserves				
Balance at 1 January	21,925	20,911	21,925	20,911
Land net revaluation gains/(losses)	-	800	-	800
Buildings net revaluation gains/(losses)	-	(1,603)	-	(1,603)
Infrastructure net revaluation gains/(losses)	-	1,817	-	1,817
Balance at 31 December	21,925	21,925	21,925	21,925
Restricted reserves				
Balance at 1 January	137	137	137	137
Appropriation of net surplus	-	6	-	6
Application of trusts and bequests	-	(6)	-	(6)
Balance at 31 December	137	137	137	137
Non-controlling interest				
Balance at 1 January	384	(124)	-	-
Capital contributions from owners	-	124	-	-
Surplus/(deficit) for the year	33	384	-	-
Balance at 31 December	417	384	-	-
Total non-controlling interest	417	384	-	-
Total equity	126,069	129,588	126,413	130,360
Property revaluation reserves consists of:				
Land	20,108	20,108	20,108	20,108
Infrastructure	1,817	1,817	1,817	1,817
Buildings				
Total property revaluation reserves	21,925	21,925	21,925	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 2015

20 COMMITMENTS

Operating lease commitments

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

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

These leases have an average life of between four and 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	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Within one year	1,483	1,635	1,388	1,552
After one year but not more than five years	4,075	4,676	3,699	4,344
More than five years	17,225	15,473	16,735	15,473
Total non-cancellable operating leases	22,783	21,784	21,819	21,369

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

Institute and Group as Lessors

All leases are operating leases. The majority of these leases have a non-cancellable term of 36 months, with the exception of two leases that have a non-cancellable term of 72 months. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Group		Institute	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Within one year	50	275	50	275
After one year but not more than five years	100	281	100	281
More than five years	-	394	-	394
Total non-cancellable operating leases	150	950	150	950

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 2015 the Institute has no commitments (2014: \$0.233m).

Contingent assets

The Institute and Group have no contingent assets (2014: nil).

Contingent liabilities

The Institute and Group are aware of potential payments to a small number of staff. The estimated maximum sum is about \$40,000 (2014: \$80,000).

Redundancy compensation payments

During the year ended 31 December 2015, 11 (2014: 10) employees received compensation and other benefits in relation to cessation totalling \$426,178 (2014: \$314,998).

Notes to the Financial Statements

for the year ended 31 December 2015

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 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	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Council members				
Full time equivalent members	1	1	1	1
Remuneration	148	148	148	148
Executive management team, including the chief executive				
Full time equivalent members	14	14	12	12
Remuneration	2,748	2,384	2,545	1,946
Total full time equivalent members	15	15	13	13
Total key management personnel compensation	2,896	2,532	2,693	2,094

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

Councillors' remuneration

Councillor remuneration paid or payable during the year was:

Council member	Actual 2015 \$	Actual 2014 \$
Baddeley, Clint*	5,333	16,000
Brennan, Desmond**	10,667	-
Cave-Palmer, Mary (Chair)	32,000	32,000
Cooper, Bryce*	5,333	16,000
Gusscott, Sandra**	10,667	-
Howse, Steven	20,000	13,333
Moana-Tuwhangai, Maxine	16,000	16,000
Rink, Aaron	16,000	16,000
Roa, Pam	16,000	16,000
S'ng, Ping	16,000	16,000
Tucker, Steve***	-	6,667
Total councillors' fees	148,000	148,000

* resigned 30 April 2015

** commenced 1 May 2015

*** resigned April 2014

Notes to the Financial Statements

for the year ended 31 December 2015

22 CHILDCARE SUMMARY

	Actual 2015 \$'000	Budget 2015 \$'000	Actual 2014 \$'000
Revenue			
Government grants (children under two)	223	196	193
Government grants (children over two)	72	103	85
Government grants (free Early Childhood Education)	241	253	248
Government grants (provisionally registered teachers)	-	-	-
Government grants (free subsidy)	36	34	40
Incentive grant	-	-	-
Fees Work and Income New Zealand (WINZ)	102	140	132
Other fees	101	106	91
Other trading revenue	774	831	789
Expenses			
Staffing	616	677	661
Other Costs	58	51	54
Other trading expenses	674	728	715
Trading surplus	100	103	74

Provisionally registered teachers (PRT) support grant.

There were no PRT grants received in 2015 (2014 nil).

Notes to the Financial Statements

for the year ended 31 December 2015

23 EVENTS AFTER THE BALANCE SHEET DATE

In February 2016 the assets held for sale (refer note 14) were sold and the proceeds from the sale were received.

24 EVENTS AFTER THE BALANCE SHEET DATE

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

	Group		Institute	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial assets				
<i>Loans and receivables</i>				
Cash and cash equivalents	1,951	1,336	992	152
Receivables	20,410	18,020	20,161	18,326
Other financial assets				
- Term deposits	-	-	-	-
- Loans to related parties	-	-	-	1,250
- Special funds investments	161	155	161	155
- Other investments	-	-	831	500
Total loans and receivables	22,522	19,511	22,145	20,383
<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	4,294	6,212	4,294	6,212
Payables	4,955	6,066	4,676	6,003
Secured loans	20,500	18,580	20,500	18,580
Total financial liabilities	29,749	30,858	29,470	30,795

Notes to the Financial Statements

for the year ended 31 December 2015

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.

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.

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.

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 (2014 \$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 2015.

	Group		Institute	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Counterparties with credit ratings				
Cash at bank and term deposits				
AA	-	-	-	-
AA-	1,951	1,336	992	152
Total cash at bank and term deposits	1,951	1,336	992	152
Counterparties with credit ratings				
<i>Loans to related parties</i>				
Existing counterparty with no defaults in the past	-	-	-	1,250
Existing counterparty with defaults in the past	-	-	-	-
Total debtors and other receivables	-	-	-	1,250
<i>Debtors and other receivables</i>				
Existing counterparty with no defaults in the past	20,410	18,020	20,161	18,326
Existing counterparty with defaults in the past	-	-	-	-
Total debtors and other receivables	20,410	18,020	20,161	18,326

Notes to the Financial Statements

for the year ended 31 December 2015

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 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

Institute 2014

Bank overdraft	6,212	6,212	6,212	-	-	-	-
Payables	5,008	5,008	5,008	-	-	-	-
Accrued pay	1,996	1,996	1,996	-	-	-	-
Secured loans	18,580	18,580	-	80	-	-	18,500
Total	31,796	31,796	13,216	80	-	-	18,500

Group 2014

Bank overdraft	6,212	6,212	6,212	-	-	-	-
Payables	4,884	4,884	4,884	-	-	-	-
Accrued pay	2,119	2,119	2,119	-	-	-	-
Secured loans	18,500	18,500	-	80	-	-	18,420
Total	31,715	31,715	13,215	80	-	-	18,420

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 2015

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 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	-	-	-	-
Institute 2014							
Cash and cash equivalents	152	152	152	-	-	-	-
Receivables	18,326	18,326	18,326	-	-	-	-
Government bonds	-	-	-	-	-	-	-
Term deposits	-	-	-	-	-	-	-
Total	18,478	18,478	18,478	-	-	-	-
Group 2014							
Cash and cash equivalents	1,336	1,336	1,336	-	-	-	-
Receivables	18,020	18,020	18,020	-	-	-	-
Government bonds	-	-	-	-	-	-	-
Term deposits	-	-	-	-	-	-	-
Total	19,356	19,356	19,356	-	-	-	-

Notes to the Financial Statements

for the year ended 31 December 2015

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.

	2015 \$'000				2014 \$'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)	-	1	-	(1)	-
Financial liabilities								
Secured loans	126	-	(126)	-	124	-	(124)	-
Total sensitivity	129	-	(129)	-	125	-	(125)	-

Interest rate risk - Group

Financial assets								
Cash and cash equivalents	25	-	(25)	-	9	-	(9)	-
Financial liabilities								
Secured loans	126	-	(126)	-	124	-	(124)	-
Total sensitivity	151	-	(151)	-	133	-	(133)	-

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 2015

25 INSTITUTE PERFORMANCE AGAINST BUDGET

Revenue

Revenue for the year was \$91.6m, which is \$2.1m unfavourable to budget and \$0.238m higher than the prior year. The main contributing factors are:

Actual Student Achievement Component (SAC) Funding was lower than budgeted due to the repayment back to the TEC (because we didn't reach 99% of our EFTs target) and the net IPSAS reduction of \$0.346m (due to a change in accounting treatment).

Fees from domestic students were lower than budget due to lower domestic EFTS numbers.

Fees from international students increased from budget due to higher volume of international students.

Other income decreased from budget mostly due to lower international offshore revenue, and lower revenue for international insurance fees. The latter is due to different accounting treatment (full income and expenditure budgeted but only the net result is treated as income).

Operating costs

Total operating costs for the period ending 31 December were \$95.8m which is \$4.5m unfavourable to budget and \$5.6m more than the prior year. The main operating expenditure variances are as follows:

Personnel costs increased from budget and prior year due to an increase in the number of permanent staff and the inclusion of the PINZ staff.

Other expenses increased from budget and prior year due to the unplanned write-off and write-down of assets this year of \$3.9m.

Staffing costs

Total staffing costs were \$53.4m for the year, \$1.3m more than budget, and \$2m more when compared to the prior year. This is due to increased expenditure on international initiatives, short course delivery (offset by revenue), increased staffing required for higher numbers of international students, superannuation, and the inclusion of PINZ staff (who were previously accounted for in the Group.)

Current liabilities

Current liabilities amount to \$37.4m against budget of \$27.0m and the prior year of \$36.9m. The increase relates to an increase in deferred revenue due to an increase in student volumes and course prices.

Cashflow

Cash and cash equivalents were \$3.3m overdrawn against a budget of \$4.4m positive and \$6.1m overdrawn in the prior year. The decrease from budget was mainly due to the proceeds from the land sale of \$5.2m budgeted for at the end of July 2015 and not received until February 2016.

Notes to the Financial Statements

for the year ended 31 December 2015

26 ADJUSTMENTS TO THE COMPARATIVE YEAR FINANCIAL STATEMENTS

Reclassification Adjustments

The Institute and Group has reclassified interest revenue to "other revenue" in the statement of financial performance. Interest revenue was previously presented as a separate line item in the statement of financial performance. The effect of this adjustment has been to increase "other revenue" for the Institute by \$0.106m (2014 \$0.106m) and the Group by \$0.157m (2014 \$0.157m).

		NZ IFRS (PBE)	Adjustments	PBE accounting standards
	Notes	2014 \$'000	\$'000	2014 \$'000
Institute				
Statement of financial position				
<i>Current assets</i>				
Receivables	8	16,590	1,736	18,326
<i>Current liabilities</i>				
Deferred revenue	17	21,399	(244)	22,155
<i>Equity</i>				
General funds		106,316	1,980	108,298
Statement of comprehensive revenue and expense				
<i>Revenue</i>				
Government grants	3(a)	47,155	1,736	48,891
Tuition fees (from domestic students)	3(b)	30,413	244	30,656
Statement of changes in equity				
Balance at 1 January		128,198	-	128,198
Total comprehensive revenue and expense		182	1,980	2,162
Balance at 31 December		128,378	1,980	130,360

		NZ IFRS (PBE)	Adjustments	PBE accounting standards
	Notes	2014 \$'000	\$'000	2014 \$'000
Group				
Statement of financial position				
<i>Current assets</i>				
Receivables	8	16,284	1,736	18,020
<i>Current liabilities</i>				
Deferred revenue	17	22,214	(244)	21,970
<i>Equity</i>				
General funds		105,162	1,980	107,141
Statement of comprehensive revenue and expense				
<i>Revenue</i>				
Government grants	3(a)	47,155	1,736	48,891
Tuition fees (from domestic students)	3(b)	30,103	224	303,50
Research revenue				
Statement of changes in equity				
Balance at 1 January		127,926	-	127,926
Total comprehensive revenue and expense		(1,804)	1,980	176
Balance at 31 December		127,608	1,980	129,588

Tuition fees (from domestic students)

The Institute previously accounted for domestic student fees on a percentage completion basis. A deferred revenue liability was therefore previously recognised at balance date for the courses that spanned the balance date. Under the new PBE accounting standards (PBE IPSAS 23), the Institute considers domestic student fees to be non-exchange revenue and that the return of funding condition expires when the course withdrawal date passes. Therefore, domestic tuition fees are recognised as revenue in full when the course withdrawal date passes. The previously recognised deferred revenue liability of \$1,736,000 at 31 December 2014 has been derecognised and additional tuition fee revenue of \$244,000 has been recognised for the year ended 31 December 2014.

Notes to the Financial Statements

for the year ended 31 December 2015

27 DETAILS OF HOLDINGS IN SUBSIDIARIES AND 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 Polymers Limited***	50%	31/12	Research
Ligar GP Limited***	25%	31/12	Research
PINZ*	100%	31/12	Offshore 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
BR Training Ltd****	100%	31/12	Delivering training to industry

*100% owned by Wintec

**100% owned by Wintec Foundation

*** owned by LearningWorks Ltd

****merged with LearningWorks in 2015



Statement of Service Performance



Students at the Wintec Student Apartments social space.

Statement of Service Performance

The Statement of Service Performance (SSP) comprises the set of key performance indicators (KPIs) for 2015.

It includes:

- Investment Plan KPIs (including the targets for 2015) 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
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 are successful because they learn industry-relevant skills in innovative ways, in innovative settings that reflect “the real world”.

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

Participation and Provision

All allocated places in the Secondary-Tertiary Partnerships have been met. Wintec continues to maintain strong relationships with secondary schools, with oversubscription to the Waikato Trades Academy becoming a common scenario. Additionally, all Youth Guarantee places were also filled. A range of programmes are offered fee-free through this initiative, to assist learners to achieve qualifications at Levels 2 and 3 on the New Zealand Qualifications Framework.

A total of 4,501 Student Achievement Component (SAC) funded Equivalent Full Time Students (EFTS) were

generated in 2015. This is a decrease of 209 EFTS on 2014 levels. This decline is largely attributed to more provision in Youth Guarantee, as well as the conclusion of a collaboration agreement with Nelson Marlborough Institute of Technology (NMIT).

Overall there has been a decline in the number of students enrolled in degree level programmes (Level 7) due to a decrease in the number of first year enrolments, particularly programmes in the areas of health and social practice.

The target of 51% of Wintec’s provision being at Level 4 and above for Under 25s was not met due to decreased enrolments in the Certificate of University Preparation (CUP) and the cancellation of some programmes.

Participation rates of Māori and Pasifika students remain consistent with previous years. Increased provision through the Māori and Pasifika Trades Training fund (which is designed to ensure students meet present and future skill shortages in specific industries), while maintaining levels of provision. This has seen the participation targets, in most parts, achieved.



100%

of Secondary-Tertiary Partnership and Youth Guarantee places filled.

PARTICIPATION AND PROVISION

Indicator(s)		2015 Outcome	2015 Target	2014 Outcome	2013 Outcome
Proportion of SAC eligible EFTS delivered at Level 4+	Total	—	—	84%	84%
Proportion of SAC eligible EFTS enrolled who are aged under 25	Level 1-3*	—	—	9%	10%
	Level 3+**	52%	53%	N/A	N/A
	Level 4+	47%	51%	50%	50%
Proportion of SAC eligible EFTS enrolled who are Māori	Level 1-3*	—	—	5%	5%
	Levels 1 - 2	2%	3%	N/A	N/A
	Level 3+**	23%	23%	N/A	N/A
	Level 4+	20%	20%	20%	19%
Proportion of SAC eligible EFTS enrolled who are Pasifika	Level 1-3*	—	—	1%	1%
	Levels 1 - 2	0.4%	1%	N/A	N/A
	Level 3+**	6%	5%	N/A	N/A
	Level 4+	5%	5%	5%	5%
Percentage of SAC funded TEC students in employment or further study 6 months after completion		—	—	89%	89%
Percentage of region's school leavers from preceding year attending Wintec in preceding or current year		—	—	18%	17%
Delivery of provision targeted to meet Youth Guarantee (YG) priorities		100%	100%	100%	WTA (98%) YG (106%)

Key

*	Removed from 2015-17 Investment Plan, and therefore not reported.
**	New Performance Commitment in 2015-17 Investment Plan.
N/A	Not required by TEC prior to 2015, and therefore not reported on.
—	Indicator discontinued by TEC as part of the 2015-17 Investment Plan round.
Gray	Indicator discontinued by Wintec and not included in the 2015 Statement of Service Performance.
Regular	Indicator we are required to report on, which is a combination of new and existing Investment Plan indicators, and a small set of 2015 Business Plan KPIs.

Educational Outcomes

The 2014 Educational Performance Indicators (EPIs), published in July 2015, demonstrated that Wintec is near or above the sector median for student retention and student progression.

We retained our ranking of first in the sector for progressing our students to higher levels of study, while at the same time recording our best result since the indicators were introduced. Although slightly 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).

In 2014 our qualification completion results decreased, this was not unexpected due to the makeup of our student cohort, the qualifications in which the larger majority are enrolled, and not able to complete (i.e. in the third year of their degree) compared to previous years. This negatively impacted on our results against this indicator.

Our 2015 provisional EPI results show that our educational performance has remained consistent with our results in 2014, and comparable to other ITPs.

Successful Course Completion

Overall, successful course completion rates have remained steady year on year, although the Level 3 and above, and Level 4 and above targets were narrowly missed.

The Level 1 and 2 target was set to demonstrate a considerable improvement in results at the foundation level. Unfortunately actual results declined by 4% compared to the previous year, with Certificates in English Language and Trades showing the greatest decline. The post Targeted Review of Qualifications (TROQ) environment has introduced a new series of English Language qualifications that have proven to be much more difficult for students to succeed in. This may be attributed to the amount of time students required to achieve the graduate outcomes, compared with the number of teaching hours available. We recognise this as an issue for our students, and are implementing a range of interventions to ensure improved success.

Successful course completion targets for Under 25s have been achieved. This is attributed to a large proportion of younger students studying at higher levels of study and achieving consistently high results. This can be seen in the results at Level 7 (degree level programmes) which have remained steady at 83-84% for a number of years.

While successful course completion targets for Māori students were not reached, there has been considerable improvement in higher level study participation, demonstrating “closing the gap” between Māori and non-Māori. In and around 2011, Bachelor degrees were 78-79%, while in 2014/15 the figures have improved to 80-81%. In lower level qualifications, results have dropped, increased and dropped again over the last three years, making target setting a difficult exercise. For example, Level 4 certificates

(around 200 EFTS per year) had a rate of 64% in 2012, 62% in 2013, 72% in 2014, and 64% in 2015.

Course completion and qualification rates for our Pasifika cohort are consistent with previous years’ results, and reflective of the small cohort (approximately 6.5% of Wintec’s student population). Small fluctuations in the absolute number result in a significant impact on percentage outcomes for this group. Wintec remains committed to achieving parity in performance, relative to the total student cohort, and will review the Pasifika Engagement Strategy in 2016, to address some of these issues.

Qualification Completion

Overall qualification completion rates are expected to increase to 70% as qualifications are processed for completion. As in 2014, we had a smaller cohort in the third year at degree level who were eligible to graduate. This, combined with the methodology used to calculate this indicator, has resulted in an increase to our overall outcome.

Qualification completions for Māori at Level 4 and above have increased on 2014 levels and exceeded the target set. Increases are predominantly in programmes at Level 6 and above.

This is traditionally an unreliable indicator, and outcomes are more markedly impacted by changes in enrolment cohort sizes, rather than underlying performance.

Student Progression

Student progression targets were set in line with previous overall progression targets for Levels 1-4, although they were not met. Provisional 2015 EPI results indicate that our progression rates are higher than those achieved by other ITPs, which is consistent with our performance in 2014.

Student Retention

Student retention has dropped slightly, and can be attributed to a small number of programmes where the issues have now been identified and resolved.

While these results generally represent a positive shift for Māori, 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 outcomes. 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)		2015 Outcome	2015 Target	2014 Outcome	2013 Outcome
Course Completion (SAC Eligible EFTS)					
Successful course completion rate for all students	Total	—	—	78%	78%
	Level 1-3*	—	—	69%	70%
	Levels 1 - 2**	63%	71%	N/A	N/A
	Level 3+**	79%	80%	N/A	N/A
	Level 4+	79%	81%	80%	79%
Successful course completion rate for students aged under 25	Level 1-3*	—	—	66%	67%
	Level 3+**	77%	77%	N/A	N/A
	Level 4+	78%	77%	78%	77%
Successful course completion rate for Māori students	Level 1-3*	—	—	62%	63%
	Level 3+**	71%	74%	N/A	N/A
	Level 4+	72%	75%	75%	72%
Successful course completion rate for Pasifika students	Level 1-3*	—	—	61%	71%
	Level 3+**	70%	73%	N/A	N/A
	Level 4+	69%	73%	70%	70%
Qualification Completion (SAC Eligible EFTS)					
Qualification completion rate for all students	Total*	—	—	69%	78%
	Level 1-3*	—	—	57%	58%
	Levels 1 - 2**	55%	55%	N/A	N/A
	Level 3+**	71%	72%	N/A	N/A
	Level 4+	71%	74%	72%	82%
Qualification completion rate for students aged under 25	Level 1-3*	—	—	49%	53%
	Level 3+**	62%	65%	N/A	N/A
	Level 4+	63%	65%	63%	72%
Qualification completion rate for Māori students	Level 1-3*	—	—	48%	51%
	Level 3+**	65%	63%	N/A	N/A
	Level 4+	65%	63%	62%	63%
Qualification completion rate for Māori students	Level 1-3*	—	—	49%	63%
	Level 3+**	57%	63%	N/A	N/A
	Level 4+	53%	63%	48%	60%
Student Progression and Retention					
Student progression for all students (SAC eligible student count) at Levels 1-3*		—	—	70%	70%
Student progression for all students (SAC eligible student count) at Levels 1-3, to a higher level	Level 1 - 2, to a higher level**	50%	58%	N/A	N/A

	Level 1 - 3, to a higher level**	43%	56%	N/A	N/A
Student retention rate for all students (SAC eligible EFTS)*		—	—	70%	70%
Student retention rate for all students (SAC eligible EFTS)	Level 1 - 2, to a higher level**	53%	60%	N/A	N/A
	Level 1 - 3, to a higher level**	69%	71%	N/A	N/A

Key

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**	New Performance Commitment in 2015-17 Investment Plan.
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Regular	Indicator we are required to report on, which is a combination of new and existing Investment Plan indicators, and a small set of 2015 Business Plan KPIs.

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 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. Students are asked questions regarding their satisfaction with various elements of their programme of study (e.g. programme content, quality of teaching, programme organisation and management, programme facilities and resources, and overall satisfaction). A total of 7252 students were surveyed and 3650 responses received. The margin of error for the survey is +/- 1.1%.

Our student satisfaction levels remained over 90 percent for quality of teaching, programme content and overall satisfaction. Favourable feedback was received from students regarding the industry-relevant and practical focus of Wintec programmes as well as the knowledgeable and supportive teaching staff. They also appreciated the flexible delivery options and the role of Moodle in complementing in-class delivery.

Graduate Destination Survey

Wintec graduates are surveyed approximately six months after they complete their studies. All graduates who have successfully completed a Wintec programme that leads to a formal qualification the previous year are included in the survey which includes questions regarding employment, further study and the programme recently completed. In 2015 a total of 2912 graduates were surveyed and 906 responses were received. The margin of error for the survey is +/- 2.7%.

Satisfaction levels above 90 percent 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. The highest level of satisfaction (94.7%) was with the development of skills and knowledge which reflects Wintec’s role as a provider of vocational and professional education. Favourable feedback was received from graduates regarding how industry-relevant knowledge and acquisition of practical skills prepared them for the workplace. Respondents also highly valued the quality of teaching and support provided by tutors.

Employer and Industry Satisfaction and Employer Engagement Group Satisfaction Survey

These are measured through an annual online survey of our Employer Engagement Group (EEG) members, relevant industry associates as well as employers identified through the graduate survey.

Employer Satisfaction

While employer satisfaction is below target, this cannot be regarded as significant as it is within the margin of error for the survey. Employers commented favourably on the work-readiness of Wintec graduates in terms of their practical skills and workplace knowledge.

Indicator(s)	2015 Outcome	2015 Target	2014 Outcome	2013 Outcome
Student satisfaction	91%	90%	91%	91%
Graduate satisfaction	91%	90%	92%	90%
Employer and industry satisfaction	87%	90%	85%	88%
Employer Partnership Group (EPG) satisfaction	86%	90%	83%	88%



91% Student Satisfaction

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

Our expertise in export education and our local and global alliances enable us to deliver internationally relevant, quality education services wherever they are needed in the world.

Our capability extends beyond the delivery of internationally quality assured programmes, here and abroad, to the successful management of major off-shore consultancy and joint venture activities.

International education is an important enabler in strengthening economic, cultural and social links. Businesses and employers are increasingly operating in this global market and seek skilled, internationalised work-forces. Wintec's reputation and profile as a globally connected and internationally-respected tertiary provider is essential to our future within New Zealand and around the world. We have developed significant capability in successfully delivering programmes to international students, both on-shore and off-shore, and our progress towards our goals in 2015 further strengthens our capacity to compete in the global market.

International Student Outcomes and Partnerships

Our reputation and profile as a globally connected and internationally-respected tertiary provider are essential to our future. Internationalisation provides our staff and students with the experiences, attributes and skills to be successful in a global context. It also provides us with alternative revenue options to ensure our financial viability and enables us to pursue opportunities for improvement and innovation.

On-shore

In 2015, international enrolments continued to grow. As in previous years, we set an ambitious growth target of 920 EFTS, and achieved a 14% increase on 2014 levels. This increase is consistent with our results in previous years, and demonstrates year-on-year international enrolment improvements since 2008.

International full fee-paying enrolments were received from 63 different countries in 2015, compared to 53 countries in 2014, demonstrating our commitment to further diversification and expansion of the international student market. In 2015, 84% of international EFTS were from the three key markets of China, India and Saudi Arabia.

Off-shore

Realising our off-shore education delivery projects in Jinhua, China was significant in progressing our reputation around off-shore. The Jinhua Polytechnic Wintec International College opened in September with 170 Chinese students enrolled in the College. The students are undertaking English language and information technology courses, and some of these are taught by Wintec staff.

We also continued to teach and deliver programmes in our three colleges in Saudi Arabia, through the joint venture we have with our Spanish partner Mondragon Educación Internacional (MEI).

Commercial Initiatives

During 2015 we completed the integration of the acquired Polytechnics International New Zealand Ltd (PINZ) capability and focused this on areas that better leverage our expertise for international development work. Further expansion of our energy and manufacturing sectors consultancy business ensured we achieved our revenue targets and broadened our collaborative partnerships. In addition a number of new, potentially significant commercial relationships were secured in both current and new markets, which will be further developed in 2016.



14%

Increase in International EFTS

Indicator(s)	2015 Outcome	2015 Target	2014 Outcome	2013 Outcome
International fees revenue(\$m)	13.71	12.4	11.5	10.0
Number of international EFTS	940	920	821	713
Increase the number of international strategic partners	—	—	4 new strategic partnerships established	12 agreements signed
Establishment of off-shore delivery	One new pathway established with partners in place Jinhua, China	Two new active pathway by year end 2015	N/A	N/A
Non-traditional EFTS revenue (short courses, consultancy and funded projects) (\$m)	2	1	N/A	N/A

Key

N/A	Not required by TEC prior to 2015, and therefore not reported on.
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Gray	Indicator discontinued by Wintec and not included in the 2015 Statement of Service Performance.
Regular	Indicator we are required to report on, which is a combination of new and existing Investment Plan indicators, and a small set of 2015 Business Plan KPIs.

Strategic Goal: Our Research and Commercialisation Deliver Real World Solutions

Our research and commercialisation activity drives productivity in our region. We have a strong reputation for providing practical solutions to industry-identified problems and for leading knowledge and technology transfer between ourselves and industry.

Our research facilities attract commercial and industry partners and our applied research strengthens our reputation for quality research-informed vocational teaching.

In 2015 Wintec continued to focus on building research and innovation (R & I) capability, aligned with our organisational strategic goals. This focus is demonstrated in that we now have a modern R & I capability that:

- supports our educational programmes to remain cutting edge and relevant to the changing requirements of customers, ensuring our students are work-ready for employment in a changing environment
- focuses directly on the R & I requirements of communities and industries as a professional service.

The 48 research vouchers undertaken with industry in 2015 exceeded the target of 30, which is a pleasing result. This is indicative of the reputation of our Research Facilities and our research staff who have delivered high quality research outputs that which met industry needs.

An increase in our Output Value Indicator (OVI) demonstrates the maturing of our faculty research capability, producing more substantial research outputs for the time spent.

Although the total number of research outputs in 2015 (369) did not reach the target set (400), when compared with the increased OVI, it is a positive result.

In 2015, we sought and gained approval from NZQA to deliver two new transdisciplinary postgraduate programmes, the first of their kind in New Zealand. This programme will commence in 2016 and will be run out of the new Centre for Transdisciplinary Research and Innovation.

The Postgraduate Certificate in Transdisciplinary Research and the Master of Transdisciplinary Research and Innovation were developed to respond to a growing need for a transdisciplinary approach to research. The programmes will focus on problem solving by taking into account academic knowledge across different fields, industry expertise, business context and cultural and social considerations.

We were privileged to receive a research management award at the Australasian Tertiary Education Management (ATEM) annual awards held in Australia. It was the only award given to a New Zealand institution, and the only research award granted by ATEM in 2015. The award recognises the improved approach to research management and practice at Wintec, and our enhanced focus on industry interfaces.

Indicator(s)	2015 Outcome	2015 Target	2014 Outcome	2013 Outcome
Number of research outputs	369	400	370	421
Output value indicator	1.67	0.78	0.95	0.72
Percentage of Research, Development and Transfer activity undertaken in collaboration with industry/community	31%	65%	20%	57%
PBRF research revenue	\$636,000	\$560,000	\$564,819	\$521,107
Value of external (non-PBRF) research contracts gained	\$470,000	\$400,000	\$281,862	\$655,201
Research vouchers undertaken with industry	48	30	53	29

Note: the indicators “number of research outputs” and “output value indicator” should be taken together. Although outcomes suggest that we have not met 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 Organisation

We are recognised as a financially well-performing, modern organisation, which delivers financial, social and environmental benefits for customers and the wider community.

Our high-performing workforce is passionate about education and the business of education. New learning technologies and environments complement our innovative teaching and learning practices to build our students' understanding of the work skills and workplaces of today and the future. We are continually improving our teaching and learning practices, infrastructure, and products and services for the benefit of our customers.

Being a modern organisation incorporates a number of factors including up-to-date technology, modern procedures and processes, on-going management training, quality facilities, buildings and infrastructure. We've referenced many of these factors throughout the Annual Report, particularly in our Chair's and Chief Executive's reports, and the highlights section.

Teaching and Learning and Capability Development

Having relevant, high quality programmes underpins our contribution to the economic and social wellbeing of our region, and it is important we continually refresh these. We aim to deliver our programmes and courses in ways that complement our students' lifestyles and support workplace learning.

In 2014 we reviewed our end-to-end product development and management framework, and our mix of products and services. In 2015 we embedded the new framework, and our portfolio approach to the range of products and services we offer. This approach ensures we continue to offer a range

of high-quality programmes through a variety of delivery modes, to meet the needs of students and employers.

With the use of Sector Strategy Statements, TEC data, our own analysis, and engagement with employers, we have built a comprehensive picture of the range of skills and attributes our graduates require to be work-ready.

In 2015 Wintec has completed development of programmes for delivery in 2016 that meet the requirements of the newly listed (post-TROQ) New Zealand qualifications for Hospitality, Information Technology, Business, Tourism, Animal Technology, Architectural Technology and Industrial Measurement and Control.

Wintec is currently in the process of developing programmes to meet the requirements of the newly listed New Zealand qualifications for Landscape, Process Control and Automation, Horticulture, Arboriculture, Vet Nursing and Business (Level 4).

Building our capability and capacity in blended learning, project-based learning and work-based learning continues to be a key focus. Our Teaching and Learning Directions document was approved by the Academic Board in 2015 as the primary document for teaching and learning at Wintec. The document outlines our learner outcomes and the expectations we have of our academic staff. It provides our overarching direction and guides us in our approach to teaching and learning, from the design and development of programmes through to delivery.



Indicator(s)	2015 Outcome	2015 Target	2014 Outcome	2013 Outcome
Operating surplus before revaluations, land sales and asset disposals/write downs and restructure costs**	0.9%	1.3%	2.1%	3%
TEO risk rating against the Financial Monitoring Framework	no longer measured by TEC	Medium	no longer measured by TEC	Low
ETFS: Academic staff FTE ratio (excluding online EFTS)	18.25:1	>17:1	17.27:1	17.14:1
Capital Asset Management System (CAMS)	Action plan developed	CAMS*	Ongoing	Ongoing
Percentage of agreed TEC SAC funding	97.5%	100%	98.4%	98.9%
Domestic fees revenue (\$m)	17.9	21.1	19.1	19.7
ITO revenue (\$m)	3.3	2.8	2.8	2.6
Net cashflow from operations	112%	111%+	111%	111%
Liquidity ratio	17%	12%+	7.4%	14.3%
Debt cover**	2.15x	< 2.5x	1.9x	1.3x
Interest cover**	1.71x	> 2.5x	2.4x	3.5x

Outcomes reflect Wintec Institute.

* Complete CAMS self assessment; complete external CAMS audit; develop action plan for 2016-18.

** These measures are calculated after excluding the following:

Impairment of assets	\$2,598
Write down of assets	\$2,016
Restructure costs	\$450
Total one off adjustments	\$5,064
Institute deficit	\$4,207
Operating surplus	\$857



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

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

We ensure that the organisations and businesses in our region, and nationally, benefit from the best possible graduates, and from educational services and applied research that make a positive difference. We take leadership roles in a variety of settings, developing relationships that improve outcomes, create efficiencies, and enhance performance.

In 2015 the Waikato Trades Academy (WTA) became the largest Trades Academy operating in New Zealand, with more than 560 students involved in the WTA across five delivery sites (Thames, Kopu, Rotokauri and Hamilton city campuses, and Pukekohe High School). We deliver sector-related credits in four of the six vocational pathway NCEA programmes, in partnership with more than 30 secondary schools in the greater Waikato area.

In 2015, an integrated engineering programme was developed, which will involve approximately 30 year 12 and 13 students from Hamilton's Fairfield College and Fraser High School. Targetted for delivery in 2016, students will spend two days per week of the school year taking part in engineering courses aligned to the mechanical and civil engineering vocational pathways, with the opportunity to progress into the NZ Diploma in Engineering. This is a pilot programme designed in response to Wintec's involvement in the Techlink and Engineering : Education to Employment initiatives.

In 2015 we formed a partnership with Waikato Tainui to commence development of He Reo Aratau Certificate in Te Reo & Tikanga Māori (Waikato Tainui) (Level 3). The programme was approved for listing by the New Zealand Qualifications Authority (NZQA) at the end of 2015 with

development in 2016. The programme delivers on a key performance indicator in the Waikato Tainui Education Strategy, which is focussed on te reo Māori o Waikato Tainui, at whānau and marae level. This was an excellent opportunity for Wintec to strengthen the relationship with Waikato Tainui.

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, Bay of Plenty Polytechnic, Northland Polytechnic, Otago Polytechnic, Western Institute of Technology, Manukau Institute of Technology, Dairy Training Limited and New Zealand Management Academies.

Wintec is the lead organisation responsible for the implementation of the Waikato Regional Labour Market Strategy – a key priority of the “Waikato Means Business” economic development strategy. The strategy is being implemented by a programme of projects and initiatives focused on increasing levels of literacy, numeracy and educational attainment among youth; promoting clear pathways for youth and potential employees into jobs and careers; and working with the business community to identify the skills they need now and in the future.

88 EFTS 
Māori and Pasifika Trades Training

Indicator(s)	2015 Outcome	2015 Target	2014 Outcome	2013 Outcome
Education and training delivered collaboratively with other tertiary providers within a network of provision	—	—	568	549 EFTS
Delivery of provision targeting refugee, migrant and English as an Additional Language communities	—	—	133%	139%
Delivery of community education targeting foundation, literacy and numeracy development	—	—	103%	100% (108 EFTS)
Engagement activities with industry, local government, community and other tertiary providers to drive increased provision	Expansion**	Strengthen***	N/A	N/A
Formal engagement with Waikato iwi to drive enhanced collaboration and increased provision towards Māori	38%	Maintain levels of Māori students engaged in Waikato Trades Academy programs at 30%.	N/A	N/A
Targeted delivery and expansion of Māori and Pasifika Trades Training (MPTT) programmes	88 EFTS	120 EFTS	N/A	N/A

Key

*	Outcomes reflect Wintec Institute.
**	Expansion of employer sponsored classes, and ongoing planning for further increases in 2016.
***	Strengthen our partnerships with employers, offering one employer sponsored class in 2015, and develop a plan to increase classes for 2016.
N/A	Not required by TEC prior to 2015, and therefore not reported on.
—	Indicator discontinued by TEC as part of the 2015-17 Investment Plan round.
Gray	Indicator discontinued by Wintec and not included in the 2015 Statement of Service Performance.
Regular	Indicator we are required to report on, which is a combination of new and existing Investment Plan indicators, and a small set of 2015 Business Plan KPIs.

A photograph of two women wearing hijabs, sitting and talking. The woman on the left is wearing a patterned hijab and a matching patterned dress. The woman on the right is wearing a dark hijab, glasses, and a dark dress. The background is a wall with large letters, including 'WV' and 'WINT'. The entire image has a yellow tint.

Acknowledgements

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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.

Our international partners in China including Chengdu University, Jinhua Polytechnic, Shandong University of Technology, Shandong University of Finance and Economics, Qingdao Technical College, Tianjin University of Technology and Education, Shenzhen Medical School, Beijing Contemporary Music Academy, Tianjin Administrative Institute (CTAI), Shenzhen Continuing Medical Centre, Beijing Polytechnic, Mianyang Polytechnic and University of Jinan as well as our Guangdong Cluster partners: Shenzhen No 1 Vocational College, Shenzhen No. 2 Vocational and Technical School, BoLun Vocational & Technical School, Changsha University, Nanhai Information Technology School, Guangdong Commercial Technical School, Dong Guan Science and Technology School, Jiang Men Xin Hui Gang Zhou Vocational and Technical School, Meizhou Agricultural School & Meizhou Polytechnic School, Zhuhai Polytechnic Vocational School.

Our international partners at Lourde College of Nursing, DUOC UC (Chile), Gyeongju University (South Korea), Semyung University (South Korea), Matsue College of Technology (Institute of National Colleges of Technology, Japan), Praboramajchanok Institute (Thailand), Qiqihar Medical University, Semyund AMATA Corporation (Thailand) and Shimane University (Japan).

Our international partners who provided student exchange 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 Educación Internacional.

The continuing support from AgResearch 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 continuing support of Wintec.

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

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

Department of Corrections (Springhill and Waikeria Prisons), Hauraki Coromandel Development Group, NZITO, Otorohanga District Council & Otorohanga District Development Board for their support of our business development and regional engagement initiatives.

The Otorohanga, Waitomo and Thames Coromandel District Councils for their support of our satellite campuses.

Hamilton City Council for its participation in a range of projects.

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 Waikato region.

LearningWorks and 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, Waikato Migrant Resource Centre, the NZ Police 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.

Fairfax Ltd, for enabling our students to complete journalism internships.

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

Our 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 Trades Training initiative.

Waikato, Hawkes Bay, Lakes, Bay of Plenty and Taranaki District Health Boards for their assistance in delivery of education relating to nursing, midwifery and social work in their regions.

DHBs, private hospitals, birthing facilities, community midwives and a wide range of health and social service providers for their support of student placement experience.

Waikato-Tainui and Tainui Group Holdings for their support with awards, scholarships and grants, their sponsorship of Spark, Wintec's annual international festival of media arts and design, and their invaluable advice and collaboration on our Māori Trades Training initiative.

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

The many suppliers of goods and services to Wintec.

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

The many social service agencies and organisations who support our programmes and offer fieldwork practicum and work experience to our students.

All 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 Plus Group, Stainless Design, Agresearch, ScopeOil, Ligar Polymers, Fisher and Paykel, Gallagher, IBM and Google.

Agriculture Industry Training Organisation (AGITO), Competenz Industry Training, Electrical Supply Industry Training Organisation (ESITO), Motor Industry Training Organisation (MITO), Hairdressing Industry Training Organisation (HITO) and The Skills Organisation.

The Coromandel Independent Living Trust.

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



Wintec's dean, Gaye Barton, welcomes students during a pōwhiri for new staff and students.

