

# 2018

## Annual Report



**Wintec**  
WAIKATO INSTITUTE OF TECHNOLOGY  
Te Kuratini o Waikato

## **Our Mission**

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

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

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# 14,268

students studied at Wintec in 2018

# 776 STAFF

# 10

year relationship  
celebrated between  
Wintec and Chengdu  
University

# 75%

Successful course completions for  
Māori learners (Level 3 and above)

# 45%

of our students are aged

## UNDER 25

## AWARDED

### Bronze Standard

WorkWell accreditation



# 30 MASTERS

QUALIFICATION COMPLETIONS

## ACHIEVED

# 100.8%

OF OUR CORE FUNDING ALLOCATION

# \$6.3 million group surplus

APPROVED TO OPEN  
NZ'S

# 1ST NEW NEW

## PHYSIO SCHOOL

IN

# 45

## YEARS

## LAUNCHED TWO

# NEW DEGREES

## IN

## MEDIA ARTS

# 91%

graduate  
satisfaction

# 26%

of our students are Māori

# 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 and financially sustainable organisation**

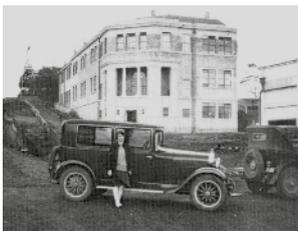
Our aim is to be recognised as a financially well-performing, modern organisation, which delivers financial, social and environmental benefits for our customers and wider communities.

## **Our research and commercialisation deliver real world solutions**

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

## **The Connect Programme – our organisational change programme**

Wintec is a well-developed organisation, and we have an ambitious direction of travel. A great deal of innovation and connectedness is required to achieve our objectives. To succeed we will continue to use project management and change management disciplines developed through the Connect Programme. Connect strengthens our capability and capacity to ensure we deliver on our strategic goals. Using a centralised approach, our change programme is as much about how we work together, as it is about what we are working on.



## 1924

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

## 1968

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

## 1985

Horticulture teaching begins at Hamilton Gardens.

## 1987

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

## 1990

Satellite campuses open in Te Kuiti and Thames.

## 1990s

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

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

## 1992

First degree is offered (Bachelor of Business).

## 1994

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

## 1999

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

## 2000

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

## 2001

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

## 2007

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

## 2009

Wintec wins three national tertiary education awards for its global role (particularly its partnership in China), innovation support services (for its creative industries business incubator SODA Inc.) and relevant learning (for its Employer Partnership Groups). Wintec receives government funding to develop an agritechnology educational centre in the Waikato.

## 2010

Wintec opens a hub at its Avalon campus, a central studying and social space for students, staff and visitors. Wintec House, the historical corner brick building on the city campus re-opens after a \$17m refurbishment.

## 2011

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

# 94 Years of innovation and growth



## 2012

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

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

## 2013

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

The first Wintec student ball is held at Wintec House.

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

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

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

## 2014

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

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

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

## 2015

Jinhua Polytechnic Wintec International College in China opens.

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

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

## 2016

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

Rotokauri student hub and campus is redesigned and refurbished.

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

## 2017

Wintec wins the Global Operator Award in the 2017 Westpac Waikato Business Awards.

New Bachelor of Design and Bachelor of Communication degrees are developed to prepare students for a rapidly changing workplace.

Wintec joins the Global Design Factory Network and establishes New Zealand's first and only Design Factory, Design Factory NZ.

Ako: Teaching and Learning Directions provides a framework to embed principles and practices into Wintec's future teaching delivery.

## 2018

Wintec gains approval to open a physiotherapy school and deliver the Bachelor of Physiotherapy and Bachelor of Physiotherapy (Honours).

Development of new Bachelor of Music and Performing Arts and Bachelor of Contemporary Art degrees are approved for 2019 enrolment.

Wintec is the first technical institute in New Zealand to be awarded for being an Equal Opportunity Employer at the YWCA Equal Pay Awards.

Wintec celebrates a 10-year collaborative relationship with Chengdu University.

Soda Inc. wins the Not for Profit Award at the Waikato Business Awards.

Tōia Mai, an interactive waka sculpture developed as a Wintec project, is gifted to Hamilton city and sited on Hamilton's Ferrybank.

The Qindao Training Centre, a collaboration between Wintec and Qindao Training College, opens in China.

Wintec opens a second international college in Guizhou, China.

# CHAIR'S AND ACTING CHIEF EXECUTIVE'S REPORTS

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# Chair's Report

It's been a solid performing year for Wintec in somewhat challenging times.

This year we saw the sector go through some extensive consultation about its future, through the Institute of Technology and Polytechnics (ITPs) Roadmap process run by the Tertiary Education Commission. (In 2019, this resulted in the Minister of Education announcing major reform in the sector, which is currently underway). 2018 was also a year that saw significant bailouts for a small number of ITPs, reflecting an increasingly difficult operating environment for the sector.

Wintec, in a fiscally constrained environment, posted a core operating loss of \$0.63 million (excluding abnormal items, impairment and revaluations), and a group surplus of \$6.3 million after abnormal items, impairment and revaluations.

In 2018, the Council commissioned work into unresolved matters relating to Wintec's Chief Executive Mark Flowers. This included an independent peer review by QC Victoria Casey of a previous report, followed by the appointment of Simon Mount QC to undertake an independent inquiry, as well as additional assurance work carried out by Audit New Zealand to look into travel expenses, redundancy and severance payments.

The matters now have clear outcomes, which I publicly announced in early 2019, and the required follow-up actions are now being worked through.

I applaud all staff, at all levels of the organisation, for their professionalism during these somewhat distracting times. They continued to put their energy and focus into getting the best results for our students and stakeholders.

I was impressed with how thorough and well prepared Wintec was in taking part in the External Evaluation Review (EER) by the New Zealand Qualifications Authority (NZQA), particularly with the openness and responsiveness to all aspects of this extensive review.

There is a multitude of great work occurring across the organisation to enhance education for our students and respond to the needs of industry. A great example of this was Wintec receiving accreditation for its physiotherapy school, which was a great achievement. There are many more examples in the highlights throughout this report.

It is our role in governance to oversee the direction of the organisation and ensure robust strategic and operational plans are in place and implemented for Wintec to remain a highly effective and sustainable institution.

There has been a tremendous amount of work around initiatives and policies, at both a governance and operational level, to continue to build on creating a safe workplace culture.



I've been impressed with the commitment and quality of work shown by all involved in developing strategies and implementing actions for the many new people and culture, and health, safety and wellbeing initiatives.

Our Chief Executive Mark Flowers tendered his resignation late in the year and has now retired from his role. On behalf of the Council and Wintec, I'd like to acknowledge Mark's 16 years at the helm of the organisation and his committed service.

The Council would like to thank and acknowledge David Christiansen for stepping in as Acting Chief Executive in Mark's absence and subsequently continuing in this role leading Wintec. David and the executive team have done a great job leading the organisation, and keeping the many moving parts of a large and complex operation going in a difficult environment.

We also had some governance changes through the year. I'd like to make mention of outgoing Deputy Chair Steve Howse who was a great contributor to the Wintec Council over his four years with us. His manner, critical thinking and great work ethic stood out to me in the time I worked with him, and for others who have governed with him over the years. Niwa Nuri became our Deputy Chair in May 2018.

We welcomed a new member, Kiri Goulter, who replaced Steve as a ministerial appointment to the Council for a four-year term. Kiri is an accomplished executive having held leadership and governance roles primarily in the tourism and economic development sectors. She brings diverse skills and knowledge to our Council.

Waikato Institute of Directors (IoD) Emerging Director, Carla Muller, who was successful in gaining a 12-month director development position from the IoD, also joined our Council in 2018. It is great to support emerging directors in this way and we are enjoying being part of Carla's development, as well as hearing the fresh perspective she brings to the table.

Graduation was one of my highlights of the year. I enjoyed celebrating the success of hundreds of students through the ceremonies we hold annually. It is a perfect time to truly connect with what it means to be part of a quality educational institution, which is delivering skilled graduates ready to go out into the workplace and help drive the regional and national economy.

Wintec is a great organisation to be part of and I'd like to thank fellow Council members, Acting Chief Executive David Christiansen, the senior executive team, all staff, and Wintec's many stakeholders in industry and business, iwi and the wider community who all contribute to our organisation's success and the success of its students and graduates.



**Barry Harris**  
Chair



*Acting Chief Executive, David Christiansen and Chair, Barry Harris.*

## Acting Chief Executive's Report

Overall we navigated a challenging year well. On reflection, 2018 was a year full of considerable highlights reflecting a sustained focus on performance and outcomes despite the environment we were operating in.

We maintained our student volumes and focussed our efforts on improving learner outcomes and ensuring our graduates are well-trained. It was pleasing to achieve 100.8 percent of our core funding allocation in 2018 in an environment where many have faced declining enrolments. We also agreed our 2019-20 Investment Plan with the Tertiary Education Commission during the year and a key focus within that was around enhancing our student support model and lifting the achievement of Māori and Pasifika learners in particular.

Our staff have been instrumental in putting the needs of learners first, developing new and innovative ways of teaching and learning, as well as strengthening the relevant connections with employers and industry to meet the needs of the future workforce. The significant achievement of Wintec being given the green light to run New Zealand's newest physiotherapy school is testament to this.

Our group surplus was \$6.3 million. This includes one-off adjustments, such as impairment, asset revaluations and costs associated with restructuring. Removing these one-off items reduces our result to a small operating loss of \$0.99 million which reflects the balance between tight financial management and not compromising long-term capability.

The sector continues to experience a declining domestic market and in real terms no change in price. This continues to drive declining profitability in our domestic market, which we have partially offset with international activity, in particular offshore consultancy

and continued growth in international onshore student volumes.

Strengthening our bicultural foundations and commitment to Te Tiriti, while also delivering improved outcomes to our Māori learners, who comprise a significant, and relatively youthful part of the region's population, continues to be vitally important to our success and this is reflected in many of this year's outcomes. Initiatives to support and improve Māori outcomes saw an increase in successful course completions at Level 3 and above for our Māori learners from 70 percent in 2017 to 75 percent. We also continued to grow and develop our very successful Māori and Pasifika Trades Training (MPPT) initiative – one of the biggest in the country. We intend to continue on this journey into 2019 and complement it with an increased focus on our Pasifika learners more generally.

We again increased year on year, our international student enrolments. Our 2018 international student numbers totalled 1,091 Equivalent Full-Time Students (EFTS), compared to 1,064 EFTS in 2017, and we experienced a market change with more students coming to us from India.

Internationalisation is key to Wintec's strategies, as it brings benefits not only to our students and employers, but also to our city, and the wider region. We have students studying with us from nearly 60 countries and, combined with our commercial international initiatives, this reflects our growing capability to respond to the opportunities in international education.



It was really pleasing and satisfying this year to celebrate 10 years of partnership with Chengdu University in China. This partnership was formed when Wintec first started to embark on growing and expanding its international education business – it is great that a decade on, we still have an excellent ongoing relationship with Chengdu.

We continued to refine and modernise our programme portfolio, launching two new degrees in Media Arts, while we also developed six new, and 12 modernised, programmes aligned to our Ako: Teaching and Learning Directions. I'd like to acknowledge the excellent support provided here by LearningWorks, our subsidiary company, who are experts in providing product development curriculum and content design, and training services to many entities across New Zealand. Through the EdDevelopment House collaboration with LearningWorks on product development, we continue to create new, innovative programmes to benefit learners and employers.

Our other domestic subsidiary Soda Inc. continues to be an excellent business incubator in the region and nationally, this year winning the Not for Profit Award in the Westpac Waikato Business Awards. The award was well-deserved and congratulations to all of team Soda. At the end of this busy year, the whole of Wintec took part in the External Evaluation Review by the New Zealand Qualifications Authority (with the last one conducted four years ago). I'd like to thank all staff for their preparedness around this extensive review. These processes inevitably provide insight into further avenues for improvement which we will follow up. These actions again build on the focus we had this year – which is refining our strategies and innovations for supporting learner success, in particular Māori and Pasifika learners; as well as strengthening our response to student feedback, better responding to employer

needs, and increasing consistency around our teaching and learning.

I'd like to thank staff for their hard work during this year – there have been challenges along the way, but I've been impressed with the focus, dedication and passion everyone is giving to improving student outcomes and experiences, and responding to the needs of our region and its employers. There is a lot of innovation amongst our staff, and this ensures we are one of the leading ITPs in the country.

Thank you to the executive team for your drive, leadership and tenacity throughout this year and to the Wintec Council for supporting and enabling us, through sound governance, to continue to be a progressive, sustainable and innovative organisation.

To our employers and industry partners, our international and regional communities, thank you for your input and collaboration which helps us remain relevant now and into the future.

I'm really looking forward to 2019, where we will be engaging fully in the sector reforms, amplifying our efforts around learner success, particularly with Māori and Pasifika students, and continuing to build on our culture of diversity and inclusion. Our aim is to ensure we continue to support this region, its economy, employers and communities through the provision of excellently-trained work-ready graduates.



**David Christiansen**  
Acting Chief Executive



# Members of Council

## Members of the Waikato Institute of Technology Council as at 31 December 2018:

Member		Appointed by	Current term ends
Barry Harris	Council Chair	Minister for Tertiary Education	30/04/2021
Niwa Nuri	Deputy Chair	Minister for Tertiary Education	30/04/2020
Desmond Brennan		Wintec Council	30/04/2021
Margaret Devlin	Chair (People and Culture Committee)	Minister for Tertiary Education	30/04/2021
Kiri Goulter		Minister for Tertiary Education	30/04/2022
Sandra Gusscott		Wintec Council	30/04/2019
Aaron Rink		Wintec Council	30/04/2019
Ping S'ng	Chair (Finance and Risk Committee)	Wintec Council	31/05/2021

Winner of the Institute of Directors' Waikato Branch Emerging Director Award 2018, Carla Muller received a one year governance internship on the Wintec Council from 1 October 2018.

## Members who left the Council during the year:

Stephen Howse	Deputy Chair	Minister for Tertiary Education	30/04/2018
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## Committees of the Council

In February 2018, the Council agreed that the the Executive, and Wellbeing and Infrastructure committees would be discontinued and a new committee was established – the People and Culture Committee.

### People and Culture Committee\*

Functions include:

- Provide advice and guidance on the strategic direction of Wintec's overall employee objectives and the policies designed to achieve them.
- Consider relevant policies and systems related to people and culture, and health and safety, where appropriate, recommend changes to the Chief Executive or Council, and monitor their implementation.
- Help identify developments and drivers which are relevant to Wintec's success to help inform its strategic people priorities.
- Monitor relevant Wintec performance indicators.
- Conduct an annual review of the Chief Executive's performance and remuneration and report recommendations to the Council; and make recommendations regarding the Chief Executive's performance objectives for each year.

Members are: Margaret Devlin (Chair), Aaron Rink, Sandra Gusscott, Mark Flowers\*\* (Chief Executive).

### Finance and Risk Committee\*

Functions include ensuring 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), Desmond Brennan, Kiri Goulter, Niwa Nuri, Mark Flowers\*\* (Chief Executive).

\*Barry Harris, as Council Chair, is an ex-officio member of the People and Culture and Finance and Risk committees.

\*\*David Christiansen replaced Mark Flowers during the year.



*The Wintec Council*

*From left, standing: Carla Muller, Kiri Goulter, Desmond Brennan, Aaron Rink, Niwa Nuri, Sandra Gusscott.*

*From left, seated: Ping S'ng, Margaret Devlin, Barry Harris.*

# HIGHLIGHTS

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# A New Era of Teaching and Learning

## New physiotherapy school opens at Wintec

Wintec launched New Zealand's first new school of physiotherapy in 45 years.

Wintec now delivers physiotherapy with the qualifications of Bachelor of Physiotherapy and Bachelor of Physiotherapy (Honours).

Enrolment opened in October and there was high interest for the limited places on offer for 2019.

Wintec Acting Chief Executive David Christiansen says the new programmes were developed to meet the needs of the region and its people.

“There's no doubt about the need for a third physiotherapy school in New Zealand and for this to be located in the Waikato region.”

The Wintec programme was developed in consultation with communities and local providers and will support increased numbers of Māori and Pasifika students to qualify as physiotherapists.

Physiotherapy Board Chair, Janice Mueller said the accreditation process is rigorous.

“It has been a robust process and Wintec has met our requirements. As New Zealand's population and health needs grow, the need for our profession also increases, having a third school of physiotherapy helps deliver to that need.”

Wintec is the largest health and social practice education provider in the Midland Health region and joins AUT and Otago University as New Zealand's only accredited physiotherapy degree providers.

## Spark Festival hits 20 years and attracts record numbers

Wintec's Spark International Festival of Creativity and Design attracted more speakers and a larger audience than ever in its twentieth year and has become a new classroom for creatives.

Spark drew 22 speakers from New Zealand and across the globe in 2018. A number of Wintec graduates also returned to inspire Spark attendees and share some advice on working in the creative sector.

An estimated 3,000 students, creative industry people and members of the public attended 39 events during Spark, including 18 student-only workshops.

“Putting industry experts in front of our students and communities creates authentic learning experiences,” said Megan Lyon, Spark Festival Director. “Spark has become a new classroom for creatives.”

The successful festival will be rebranded in 2019 to

Ramp Festival to join Ramp Gallery and Ramp Talks as a cohesive event brand for Wintec's School of Media Arts. The 2019 Ramp Festival is planned for 5-8 August 2019.

## Wintec launches globally-recognised cyber security training

Wintec students now have the option to get Fortinet Network Security Academy (FNSA) certification alongside their degrees in Applied Information Technology.

Wintec became the first educational institution in New Zealand to offer the Fortinet cyber security programme, where action-orientated cyber security experts are trained in state-of-the-art lab environments.

Senior Regional Director Australia, New Zealand and the Pacific Islands at Fortinet, Jon McGettigan says a global shortage of cyber security professionals is impacting New Zealand as organisations compete for talent in response to an increasing number of cyber attacks.

“We are partnering with organisations in the local market to help fill the pipeline of cyber security experts. Wintec is one of New Zealand's largest and leading institutes of technology and has a reputation for training excellence.”

Industry Engagement Director at Wintec, Klaus Reiter said a recent industry survey put cyber security at the top of the list of essential skills for a career in IT.

“This is a great platform to provide our students with advanced IT skills and certification to boost their employment prospects, while gaining recognition in the industry within an elite group of security professionals.”

Students will be prepared at international FNSA sites for success in a career in network security, obtaining both the theoretical lectures and hands-on laboratory practice needed to achieve a Fortinet certification.

## New degrees set the stage for careers in the creative sector

New Music and Performing Arts, and Contemporary Art degrees complete a suite of four new degrees designed to take Wintec students into the future world of work in the creative sector.

The two new, specialised degrees join the Bachelor of Design and Bachelor of Communication degrees, started in 2018 at Wintec's School of Media Arts.

Head of Wintec School of Media Arts, Sam Cunnane says the new suite of creative degrees will set the stage for future careers in the arts, design, communication, music and performing arts sectors.

“We’re not offering your usual tertiary programme. This is a response to the needs of a changing world and the demands of a future workplace that requires people who can work together, think creatively and solve problems.”

The new Bachelor of Music and Performing Arts degree includes theatre, audio production, composition and performance. For Wintec Music Team Manager and Theatre Director, David Sidwell, it’s a dream come true.

“Staying true to Wintec’s philosophy of real-world learning, the degree will be taught away from the classroom and on the stage.

“There is nothing like this degree on offer in the North Island,” says David.

The new Bachelor of Contemporary Art degree will see students spending most of their time in the studio bringing their ideas to life.

“From the start, students will be connecting with specialists and mentors, problem solving and learning about the professional and cultural context their work operates in,” says Sam.

“These programmes will have students become super literate in new media, social technologies, and the demands of a globally connected, fast moving, adaptable world.”

## **Education is changing, and Wintec is changing with it**

Wintec’s teaching spaces are integral to the journey we are on as innovative educators.

In 2017, Ako: Teaching and Learning Directions were launched to guide Wintec’s teaching delivery in response to the changing needs of people and the workforce. New ways of teaching and learning also mean the traditional ways of delivery must change and our learning spaces need to comply.

Wintec’s Project Greenhouse was launched in 2018 to develop concepts for current and future learning spaces to enable effective learning under the new “directions”. More than 200 staff, students and an external design team collaborated on this project. The group considered global trends and took a generic approach to teaching and learning spaces across all disciplines.

This process was shared through wall walks, where students, staff and design partners worked together to contribute ideas and feedback, and a video about the project.

The next phase of the project involved a similar user engagement process, but in the context of an actual build/design project. In this phase, 20 students from seven schools, and more than 60 Wintec staff applied Wintec’s Ako: Teaching and Learning Directions, learnings from Project Greenhouse, and the needs or requirements of known disciplines to the design for any future new building at Wintec.

Prototype rooms were a key part of the process and these rooms are now integrated into Wintec’s existing learning spaces.



*Wintec is the first tertiary institute in New Zealand to provide the globally-recognised Fortinet cyber security training programme.*



*Project Greenhouse applied modern teaching practice to redesign learning spaces at Wintec.*



*The new music and performing arts degrees are a dream come true for Wintec's David Sidwell.*



*The four-day Spark festival welcomed creative visionaries from New Zealand and around the globe to Wintec.*

## Our People

### NZ music icon Hollie Smith part of Wintec music school

Internationally acclaimed New Zealand singer/songwriter Hollie Smith, described as “the reigning queen of Aotearoa soul”, joined Wintec’s School of Media Arts to mentor and teach music students.

“I hope that taking what I’ve learnt and sharing that with students is going to be gratifying for all of us. We can all learn from others and I’m really looking forward to that aspect of this experience,” said Hollie who was appointed as Musician in Residence.

David Sidwell, Team Manager of Wintec’s music department, says it is an outstanding opportunity for both students and staff to work alongside and be mentored by a New Zealand music legend.

“Hollie Smith is a high calibre musician, a prolific singer/songwriter known for her powerhouse vocals and she has an enviable working knowledge of the local and international music scene.

“The fact she has achieved number one hits brings credibility to her role, reaffirming the quality of teaching and learning here at Wintec.”

### Dr Hare Puke Māori Leadership Scholarship awarded

Wintec’s prestigious Dr Hare Puke Māori Leadership Scholarship was awarded to not one, but two worthy recipients - Wintec staff Maria Ranga (Waikato-Tainui) and Allannah Ashwell (Ngāti Porou, Ngāti Awa, Ngāti Pūkeko and Kāti Mamoe).

Maria, who has worked as Wintec’s Māori Counsellor for 13 years, provides students with support and advice, helping them to successfully complete their studies.

She says she is excited to be a recipient of the Dr Hare Puke Māori Leadership Scholarship.

“I knew Hare Puke as a very wise, proud, noble and highly educated man so to receive a scholarship in his name is an honour.”

Maria will use the scholarship to help her postgraduate research which will explore and identify different methods of healing for Māori women who have been sexually abused.

Fellow recipient Allannah Ashwell has worked in Wintec’s Centre for Health and Social Practice for three years. In her role, she supports Māori curriculum development and implementation as well as teaching te reo Māori me ōna tikanga.

Allannah was still finalising the scope of her postgraduate research on receiving the award, but said she hopes to contribute to current literature surrounding applications of mātauranga Māori (Māori knowledge and understanding) within the hauora (health and wellbeing) space.

“I would love my research to increase awareness and access to traditional Māori perspectives and tools that can be used to assist hauora (or wellness). I would love to add value to the experiences of Māori students studying within the centre, by developing and implementing meaningful and culturally-responsive content within our programmes,” said Allannah.

Wintec established the Hare Puke Māori Leadership Scholarship in 2008 to recognise and honour its late kaumātua, Dr Hare Puke. The scholarship has a value of \$15,000 per year and one additional week of professional development leave.



*Acclaimed New Zealand singer/songwriter Hollie Smith is Musician in Residence at Wintec.*



*Wintec staff Maria Ranga and Allannah Ashwell were awarded the Dr Hare Puke Māori Leadership Scholarship.*

## Awards and Accolades

### Soda Inc. wins Not for Profit Award

Soda Inc., a Wintec company, won the Not for Profit Award in the Westpac Waikato Business Awards.

Soda is a business incubator that helps founders and entrepreneurs establish and grow their start-up businesses.

Soda Inc. Chief Executive, Erin Wansbrough said Soda was proud to celebrate business success from across the greater Waikato region.

“We want to extend a big thank you to all of our supporters, our cornerstone partners - Wintec and Callaghan Innovation. We share this honour with you, as it is through your generosity that we are able to support the courageous Kiwis who dare to start a business, on their terms.”

Soda Inc. was also a finalist for the Supreme Award.

Wintec, a long-time supporter and sponsor of the Waikato Business Awards, was also part of the excitement, sponsoring the Strategy, Planning, and Governance Award which was won by Montana Group.

### Four exceptional leaders named as Wintec honorary award recipients

Four Waikato leaders in the areas of innovation, business, arts and health will receive honorary awards from Wintec for their longstanding contribution to their respective fields.

Le'aupepe Elisapeta Peta (Peta) Karalus, a health professional with a relentless passion for helping the Pasifika community, will receive an Honorary Fellowship. Sir James Wallace, an arts patron behind one of New Zealand's most important art collections, and Dallas Fisher, businessman and entrepreneur extraordinaire will receive honorary degrees. David Sidwell, one of New Zealand's most highly acclaimed musical directors will receive an institutional medal.

Wintec awards 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, scholarship and research, or enhancing New Zealand society.

The four new honoraries will be conferred during 2019.

### Passion for trees sees Wintec staff member win arboriculture award

Wintec staff member Rob Graham was awarded the Ronald Flook Award, recognising his extraordinary services to the arboriculture industry.

Rob has taught arboriculture to more than 500 students

at Wintec for an impressive 22 years. As Programme Coordinator for Wintec's arboriculture programme, Rob teaches students the art and science of planting, caring for and maintaining trees.

“Teaching is a huge part of my life and to be recognised for my work is a great honour and a humbling experience,” says Rob.

“I am astonished to see the achievements our graduates have made on the international stage – from multiple world tree climbing champions to technical leaders in research and development, and managers of the urban forest. As a teacher I have merely opened the door for them to stride through and make their claim on the world.”

The Ronald Flook Award was established in 1993 to recognise high standards of practice and excellence across the field of arboriculture.

### Wintec awarded for being an equal pay employer

Wintec is the first institute of technology in New Zealand to be awarded for its commitment to equal pay opportunities.

Wintec was acknowledged at the YWCA Equal Pay Awards with a Best Practice Compact award.

The award recognises Wintec's dedication to creating equal pay opportunities for all employees, regardless of gender.

“We are really proud that Wintec is the first New Zealand ITP to receive this award which acknowledges our commitment to being a fair employer,” says Katrina Van de Ven, Wintec's Executive Director, People and Culture.

“We have worked hard, along with great support and input at a governance level, to ensure Wintec follows best practice in terms of remuneration and treating all staff equally.

“Gender equality starts with having the right strategy, targets, policies and initiatives in place – all of which Wintec has been proactive in achieving.”

As well as having a diversity and inclusion strategy and demonstrating a commitment to reducing its gender pay gap, Wintec has implemented a number of forward-thinking initiatives such as flexible working conditions and career breaks for employees. These help to create an environment where everyone is rewarded fairly for their work.

Staff wellness is also a priority. In 2017 Wintec partnered with the WorkWell accreditation programme. Wintec has now achieved WorkWell Bronze recognition and is on track to achieve Silver status in 2019.



Soda Inc., a Wintec company, won the Not for Profit Award in the Westpac Waikato Business Awards.



Wintec staff member Rob Graham was awarded the Ronald Flook Award, recognising his extraordinary services to the arboriculture industry.



Four Waikato leaders will receive honorary awards from Wintec for their longstanding contribution to their respective fields. Left to right: Peta Karalus, Sir James Wallace, Dallas Fisher and David Sidwell.



Wintec is the first institute of technology in New Zealand to be awarded for its commitment to equal pay opportunities. Wintec's Sarah Hooker and Katrina Van de Ven with Wintec Council member, Sandra Gusscott receiving the award.

## Student Success

### Students broaden their horizons in China

Six Wintec students experienced a trip of a lifetime when they flew to China last year as part of the prestigious Prime Minister's Scholarships for Asia in 2018.

The students were among 180 New Zealanders who travelled to destinations including Korea, China, India and Singapore to study, carry out research or undertake an internship.

Wintec Business, Information Technology and Enterprise students Jordan Finlay, Aaron Froggatt, Keir Bullot and Phillippa Kahotea headed to Jinhua Polytechnic in Jinhua city in China's Zhejiang province for 19 weeks.

Fellow scholarship recipients, Shannon MacMillan and Cody Steens from Wintec's School of Media Arts, also headed to China, but to Chengdu University.

Bachelor of Media Arts and Design Factory NZ graduate Cody Steens was based in Chengdu for one year to complete a Postgraduate Graphic Design programme. He plans to return to Wintec to study a master's degree.

"For me there are two main benefits of this scholarship: the first is learning one of the most spoken languages in the world and secondly, getting an understanding of another culture's design to help me better understand and improve my design skills as a whole."

### Students create the YOW factor for Youth Orchestra Waikato

Orchestra Central, the umbrella organisation for orchestral music in Waikato and Bay of Plenty, launched a dynamic new brand developed by Wintec Media Arts students.

The communications and design students came up with a new brand strategy for the United Youth Orchestra. On the students' recommendation, The United Youth Orchestra is now called Youth Orchestra Waikato (YOW) and has a fun, cool logo.

Chief Executive, Orchestra Central, Susan Trodden says the final design really "hit the brief" and the clever elements in the logo tell a great story.

"We felt the students really understood what we were aiming for and the new 'YOW' brand fits well within the Orchestra Central family and as a standalone brand. The proof was in the pudding – our musicians are saying the 'YOW' anagram makes people smile and our 'YOWsers' are wearing the logo with pride!"

Head of Wintec School of Media Arts, Sam Cunnane says giving students opportunities to apply their skills

on real projects is a key part of equipping them for the world of work we are preparing them for.

"Our communication and design students will be working across a range of sectors and it's important we give them a real experience of that. It's also essential they learn the problem solving and collaborative skills that will enable them to thrive."

The new logo has been successfully implemented on Youth Orchestra Waikato's website and social media platforms. The students' poster designs have also been used for the orchestra's events.

### Celebrating Wintec's outstanding adult learners

Captivating, passionate, motivated and enthusiastic are just a few of the words used to describe the 2018 Wintec Adult Learner Award recipients.

The annual event celebrating our top adult learners, aged 25 and above, took place during the national Festival of Adult Learning Ahurei Ākonga, He Tangata Mātauranga 2018, in September.

Six awards valued at \$1,000 each are given out to adult students who show enthusiasm and commitment to their study; support and encourage others in learning activities; share their skills, knowledge, and abilities; and challenge themselves and others with new ideas.

The 2018 winners were: Angela Gray-Williams (Midwifery), Kris Moore (Engineering), Ling (Grace) Tong (English Language), Merlin Nawalowalo (Arboriculture), Juanita Te Tau Grace Searancke (Early Childhood Teaching) and Hao Zhang (Engineering).

Wintec Executive Dean, Gaye Barton said the awards were a significant event on the annual calendar.

"Choosing to undertake tertiary study later in life isn't always easy and often involves overcoming significant obstacles and balancing priorities. The awards celebrate these students, the efforts they go through, and the academic achievements and social contributions they make."

### Cystic fibrosis survivor wins Wintec's Gordon Chesterman scholarship

A cystic fibrosis survivor with a passion for information technology is the Wintec Gordon Chesterman scholarship recipient for 2018.

Damien Bell, a second year Wintec student is studying a Bachelor of Information Technology. The 35 year-old from Te Awamutu was diagnosed at birth with cystic fibrosis, an inherited life-threatening disorder that damages the lungs and digestive system.

“Receiving the Gordon Chesterman Scholarship means I can now pursue my studies and continue to show others that chronic disease is not a setback. With hard work, dedication and support, anything can be achieved. It is also a great help financially for my family.”

In his 18 months of studying, Damien has heard from former students now working in industry, which he says affirms he’s on the right path with studying IT at Wintec. He has also had the opportunity to be involved with the Design Factory NZ.

Former Wintec Chair, Gordon Chesterman, said he was impressed with Damien’s passion for the IT industry as well as his significant contribution to the community through his volunteering work.

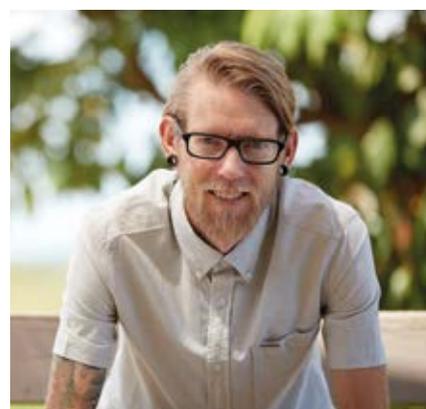
The scholarship, worth up to \$15,000, is awarded on the basis of academic merit, personal character and community involvement. Students enrolled in Wintec’s School of Media Arts, Centre for Business and Enterprise, or Centre for Information Technology are eligible to apply.



Wintec Adult Learner Awards 2018 winners from left to right: Hao Zhang, Kris Moore, Angela Gray-Williams, Grace Tong, Merlin Nawalowalo, Juanita Searancke.



Youth Orchestra Waikato poster design by Wintec Media Arts students



Wintec Bachelor of Information Technology student and Gordon Chesterman Scholarship recipient for 2018, Damien Bell.

## Going Global

### New nursing education promises a better future for Kiribati people

The Pacific nation of Kiribati is often described as the poster child of climate change, and as the tides continue to rise on its people, a team from Wintec worked to upskill nurses to future-proof their careers.

Their aim was to prepare a sustainable nursing workforce to meet the growing demand for healthcare in Kiribati and, as relocation will be a reality for the people of Kiribati, enable nurses to pathway into careers in New Zealand, Australia and elsewhere in the Pacific.

Wintec nursing educators, Glennis Birks and Sue Lichtwark, and Programme Manager, Nick Borthwick worked with Associate Professor David Lindsay from James Cook University (JCU) in Queensland and Tareti Ruaia Ioane, the Deputy Director of the School of Nursing and Health at the Kiribati Institute of Technology (KIT) on this initiative.

Together they researched and recommended ways to achieve a new nursing education curriculum. The team was funded by the New Zealand Ministry of Foreign Affairs and Trade (MFAT) under the New Zealand Aid Programme.

“By benchmarking nursing education to international standards, we are strengthening their ability to help their own people,” says Glennis.

“Our work has been welcomed, as Kiribati is facing extreme challenges with a growing population and health, economic and employment issues.”

Nick Borthwick said, “this is the first health-related aid activity that Wintec has been involved in and it has been a success”.

“Losing arable land to the sea has created many problems for the people of Kiribati who are also paying the price of the western world’s over-consumption and associated health issues.”

Sue Lichtwark says the three major problems creating demand for better health care in Kiribati are sanitation, rubbish disposal and nutrition.

“Their health issues are predominantly non-communicable diseases like diabetes, heart disease and stroke and this is placing demands on healthcare. A reviewed curriculum will help address this.”

### A decade of cross-collaboration with Chengdu University

Wintec and Chengdu University have worked together for a decade and in 2018 we celebrated this significant 10-year relationship. It also coincided with the 40th

anniversary of the establishment of Chengdu University in China.

Since 2008, the two educators have created valuable learning opportunities and experiences for students and staff.

President of Chengdu University Wang Qingyu says the relationship is one of cooperation that has benefited many students and staff and built lasting friendships.

“We recognise Wintec is one of our most important and closest partners and the 10-year cooperation with Wintec is one of the highlights of our 40-year celebrations.

“Together we have more than 1,500 postgraduate and undergraduate students who have benefitted from our cooperation over the past 10 years.”

Wintec and Chengdu share several undergraduate and postgraduate pathways, with Chengdu students able to begin their study at Chengdu before arriving in Hamilton to complete a Bachelor of Communication, Bachelor of Design or Master of Arts at Wintec.

To celebrate the milestone, Wintec Executive Dean, Gaye Barton and Media Arts staff Sam Cunnane and Jordan Foster travelled to Chengdu in December to deliver lectures as part of Chengdu University’s International Week.

Gaye Barton says “there is always a sense of family when I visit Chengdu and walk into our New Zealand room where I am so warmly greeted by our students, and by the wonderful Chengdu staff who have been caring for our students for the past 10 years.”

### Celebrating diversity during International Week

International students were made to feel particularly welcome in the Waikato, when Wintec partnered with the University of Waikato, Hamilton City Council and Waikato District Police to deliver a city-wide International Week in September.

During International Week, Wintec’s CultureFest brought together staff, students and community members to enjoy an evening of delicious ethnic food and colourful cultural performances.

Wintec’s Director of Internationalisation, Jason Matangi says in an increasingly virtual world, CultureFest brings people together and promotes inclusion.

“CultureFest is an opportunity for students to showcase their cultures and celebrate their diversity.”

Other city-wide events included a formal reception, a film festival, the University of Waikato International Day and the popular Noho Marae, a marae experience at the

Tūrangaewae Marae, the home of the Kīngitanga or Māori King movement in Ngāruawāhia.

“Hosting a series of events in this way sends international students a strong and welcoming signal – that we appreciate their choice of Hamilton as a place to learn, and we want them to feel part of our community while they are here with us,” says Hamilton Mayor, Andrew King.

This collaboration is the first of its kind between the four Hamilton organisations. The programme of events has a strong regional focus.

International Week is part of the International Student Wellbeing Strategy launched in June which aims to better support international students in New Zealand.

### Internationalisation continues to grow

An ongoing focus is to progress existing partnerships and seek new opportunities around the globe. Wintec operates offshore delivering education and training programmes in the Kingdom of Saudi Arabia, China and Thailand. Every year we welcome around 1,700 international students to our campuses. These students contribute to a diverse and lively cross-cultural campus and provide revenue to support the development of Wintec.

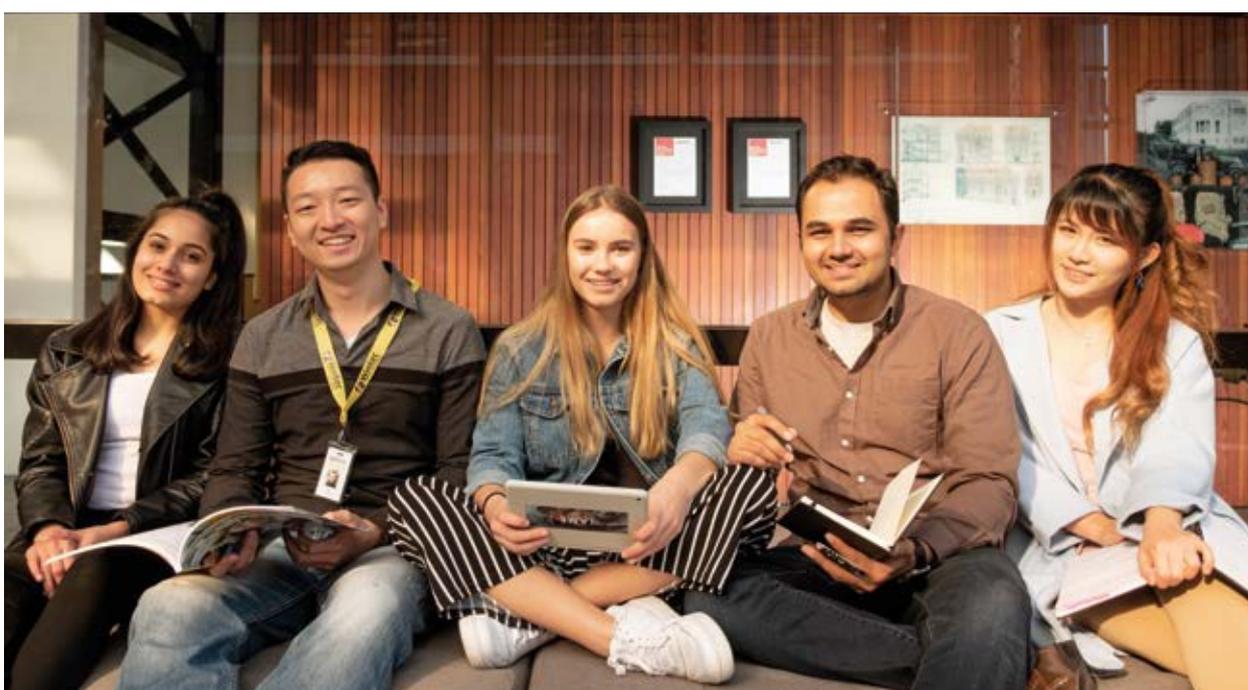
Wintec has experienced a year on year growth in international Equivalent Full-Time Students (EFTS) from 1,064 in 2017 to 1,091 in 2018.

The Ministry for Foreign Affairs and Trade approved Wintec as a destination for international tertiary scholarship students. Through this programme, scholars can study in New Zealand at one of eight universities or three institutes of technology. Wintec has joined the Southern Institute of Technology (SIT) and Unitec Institute of Technology as a destination for scholarship applicants. Selection can take six to 10 months from the time scholarship applications close.

Wintec was also appointed by MFAT as a preferred supplier for energy sector development projects. As the sole Technical and Vocational Education and Training provider, this means there is potential for direct contracting and partnering with other panel members. As a result, Wintec is now included in two scopes of work for Kenya.

The Qingdao Training Centre, a collaboration between Wintec and Qingdao Technical College, opened to provide capability development training offshore in China.

Wintec also opened a second international college in Guizhou, China. The new college offers courses in construction management, interior design and accounting management.



*Wintec partnered with the University of Waikato, Hamilton Police and Hamilton City Council to deliver an International Week to celebrate inclusion and diversity for students and the community.*

## Partnerships and Projects

### Wintec gifts waka sculpture to the people

As its black shroud fell to the ground, Hamilton's new interactive waka sculpture, Tōia Mai was revealed at its launch last year. Wintec student Juliann Smith who painted the artist's concepts for the sculpture, was the first person to walk inside Tōia Mai as its soundtracks were activated.

"It's stunning. Inside you can hear tui, it's beautiful."

The sculpture was created at Wintec by artist and academic, Joe Citizen, staff, students and industry partners. Joe envisaged the sculpture for his PhD project as it encompassed many of the disciplines and values related to his research.

"Tōia mai means to work together and this project is "for the people, by the people", the result of many hands and minds coming together," says Joe.

The multidisciplinary project involved students and staff from across Wintec including media arts, engineering, trades and IT who worked with industry partners, project partner Longveld, community partners and individuals, and Hamilton City Council to complete the project.

The sculpture, from its site on Hamilton's Ferrybank reserve, tells the Matariki story through an Internet of Things network using data and environmental sensors. Wintec students will continue to learn from and develop the interactive components, and as technology changes, so too, will Tōia Mai.

### WorldSkills showcases young talent at Wintec Rotokauri campus

The WorldSkills New Zealand National Competition drew competitors in their individual skill categories, to compete for the ultimate prize – a place in the New Zealand Skills Team, who compete in Kazan, Russia in 2019.

Wintec hosted the 2018 National Competition at our Rotokauri campus, where top trades apprentices and trainees duelled it out in categories ranging from Automotive Technology, to Plumbing and Heating, and Mobile Robotics.

Places on the New Zealand Skills team are highly sought after and successful competitors will attend the 45<sup>th</sup> WorldSkills International Competition in Kazan in August 2019.

Two new categories, Mobile Robotics and Cloud Computing, were featured for the first time in WorldSkills New Zealand competitions.

WorldSkills New Zealand is dedicated to encouraging young people to excel in vocational skills. The independent, not-profit, charitable trust was founded in 1986 and Wintec is a WorldSkills partner.

### Budding chefs handle the heat

The heat was on at the biggest culinary competition in New Zealand when 500 secondary and tertiary students took over Wintec's Centre for Hospitality kitchens during the 2018 Waikato Culinary Fare.

Students from Hamilton Girls' High School took out the top school award and a record four golds with distinction were handed out to entrants in the intermediate school cupcake class.

Wintec Centre for Hospitality Team Manager Peter Radojkovich says each year the competition attracts more secondary school entries.

Wintec's kitchens were buzzing with competition fever as our future chefs iced cupcakes, got creative with hamburger and pizza combinations and grappled with the mystery box challenge. Putting their nerves aside, they demonstrated their finely-tuned knife skills and restaurant-standard table setting.

Waikato Culinary Fare, managed by Wintec and Cater Plus is now in its 14<sup>th</sup> year.

Peter says the longevity of Waikato Culinary Fare is due to the support it gets from schools, industry professionals and sponsors.

"Culinary Fare is a credible springboard for our talented chefs and a benchmark for students. It unites people and creates opportunity, and it continues to grow because of the fantastic support we get from everyone involved."



*Wintec sculpture project, Tōia Mai stands proudly on the banks of the Waikato River at the launch event.*



*A plumbing competitor in the WorldSkills New Zealand National Competition at Wintec.*



*Hannah Love, a Wintec cookery student competing at Waikato Culinary Fare.*

# Māori Achievement

## Sharing aroha during Matariki

There were lots of smiles, laughter and singing at Wintec's Te Kōpū Mānia o Kirikiriroa marae kitchen as a group of volunteers prepared dinner for the men and women dining at Hamilton's night shelters during Matariki.

The team of Wintec staff volunteers delivered dinner to around 40 people at Hamilton's night shelters, sung waiata and blessed the food in the true spirit of Matariki.

Night Shelter Manager Peter Humphrey confirmed he got "fantastic feedback from the guests at both shelters" and thanked the Wintec team for "giving our guests a taste of Matariki".

The dinner was part of a series of events at Wintec for Matariki, also known as the season of food (kai) and a time to share with each other. Wintec's theme for Matariki 2018 was 'mō te pouaru, te pani me te rawakore', which translates to caring for those in need.

## Wintec academic joins top 100 Māori health leaders

Wintec academic and clinical psychologist Andre McLachlan was named one of the top 100 Māori leaders, joining a list which recognises people who are doing extraordinary work in their everyday lives.

Māori are often under-represented amongst those who contribute to the health of New Zealanders. The online resource, 100 Māori Leaders, created by Te Rau Matatini responds to the need to build the capacity of the Māori health force by honouring its leaders and motivating aspiring Māori healthcare professionals.

Andre joins other Māori health leaders including Eugene Davis, who delivers postgraduate programmes at Wintec. Other well-known Māori health professionals on the list are Moe Milne, Mike King and Witi Ashby.

He says he is extremely honoured to have been included in this group.

"I have looked up to many of these leaders during my own development and I was fortunate to have worked with and been mentored by several of them in the last 25 years, through my work with Māori health and social services in the Waikato."

Wintec Centre for Health and Social Practice Director, Dr Angela Beaton says Andre and Eugene are catalysts for positive change and student achievement and success, particularly for Māori students.

"The recognition of these two Wintec educators links strongly to the work Wintec is doing to encourage more Māori students into health careers and become our future Māori leaders."

## Working together brings opportunity for Māori and Pasifika students

Māori and Pasifika student achievement is going from strength to strength at Wintec and some of this success is the result of staff finding new ways for education and industry to work together.

Kaleo Benavides is a Māori and Pasifika Trade Training (MPTT) work broker, who works with a team of seven staff at Wintec to assist with employer opportunities for students under the government-led training initiative.

Marco Guimaraes is a Wintec Hospitality Tutor who teaches food and beverage students and arranges work-based learning for them.

"We need to get students industry-ready so we can guarantee they get a job," says Marco.

"We're working to place our Māori and Pasifika students in employment when they qualify," says Kaleo

They are working towards the same goal, to gain real-world experiences for students through work-based learning and work placement.

Kaleo says the MPTT programme encourages young Māori and Pasifika students to take up a trade and it's best known to help meet some of the emerging shortages in construction and infrastructure trades. However, it also applies to a wide range of trades like hairdressing and hospitality.

"Māori and Pasifika success is a team effort, we see how we can get students into placement, so we can create success through education and industry working together."

In 2018, 35 students enrolled at Wintec under the MPTT programme to study food and beverage, and hospitality qualifications.

Marco says work experience enables these learners to develop skills for sustainable employment and achieve better employment outcomes.

The number of Māori and Pasifika students is growing steadily at Wintec and in 2018, 26 percent of Wintec students identified as Māori and 5 percent as Pasifika.



*Wintec academic and Clinical Psychologist Andre McLachlan was named one of the top 100 Māori leaders.*



*Cultural experiences are very popular with international students. Wintec's student induction includes a pōwhiri at Wintec's Te Kōpū Mānia o Kirikiriroa marae.*

# Innovation

## Wintec takes ‘sell out’ mental health workshops across NZ to support student wellbeing

Concerned about the rise in mental health issues among international students, a team from Wintec took their Mental Health First Aid workshops across New Zealand this year, and they now have a waiting list.

Wintec International Student Services Manager Louise Faulkner has seen many cases of mental health issues in her role as International Student Services Manager at Wintec and says some are not as easy to spot and it can take years of experience to identify the signs.

“Our team is very good at spotting the signs of mental health,” she said. “A pilot workshop on Mental Health First Aid reinforced what we were doing well, and also gave us a framework to develop ongoing training.”

That framework is demonstrated in the series of Mental Health First Aid workshops delivered by Wintec Academic Sarah Christensen, who draws on her many years of experience in mental health nursing and her tutoring role at Wintec’s Centre for Health and Social Practice.

“The Wintec Mental Health First Aid course teaches participants skills to provide initial help to people experiencing depressive, anxiety, psychotic, substance use disorders and associated crises,” says Sarah.

Wintec secured funding from the International Student Wellbeing Strategy and partnered with ISANA NZ to roadshow the workshops with other tertiary education providers. In 2018, Mental Health First Aid courses were delivered in Auckland, Hamilton, Dunedin, Christchurch and Wellington.

The first workshop sold out in two days, and high interest resulted in a waiting list for future workshops.

Close to 100 Wintec staff members have now completed the programme.

## Wintec students get a 24/7 voice

Wintec students worked with staff to co-design a new 24/7 feedback and response platform.

Student Voice 24/7 gives students a way to give feedback on any aspect of their Wintec experience and be responded to within a day.

Students wanted to provide more frequent feedback if the process was simple and they received a timely response.

Wintec Quality and Academic Director Karen Jones says: “Student Voice 24/7 is an exciting development and allows students to directly inform our decision making. While students are anonymous in the system, their comments and Wintec’s answers are available to all.”

Student Voice 24/7 plugs in to the Wintec student learning management platform (Moodle). Students submit feedback anonymously and receive a response within one working day. Then their feedback and Wintec’s response are made available for students and staff to see.

Learning practices, facilities, parking and information technology have been hot topics for feedback since the system launched in February 2018.

“We’ve seen a 50 percent reduction in formal complaints in 2018. This ‘early resolution’ approach is considered successful and enables us to make proportionate changes to the student experience in a timely way.” says Karen.

“We’re confident our Student Voice 24/7 systems are improving the quality of Wintec’s student experience.”

Student Voice 24/7 is part of a wider approach to find early solutions to problems students may face. Wintec students continue to share their experiences with staff through student forum meetings, feedback structures, student representatives and a formal complaints system. Wintec also tests student views through weekly student polls.



*International student wellbeing is a priority at Wintec.*



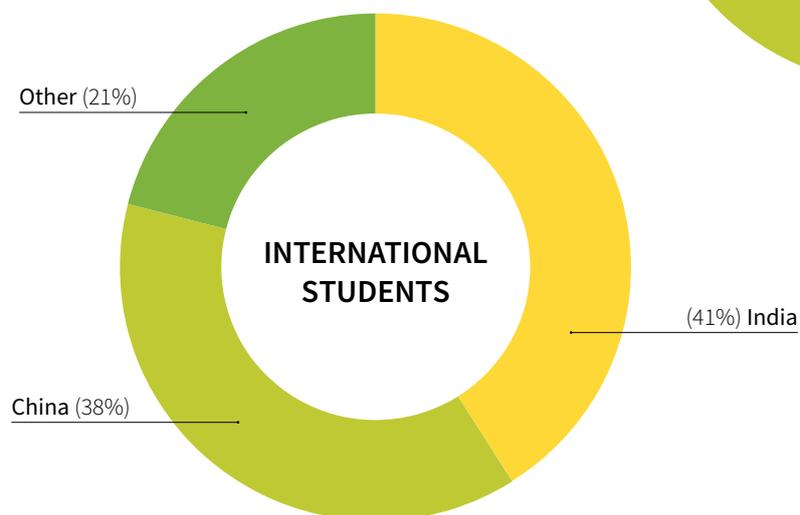
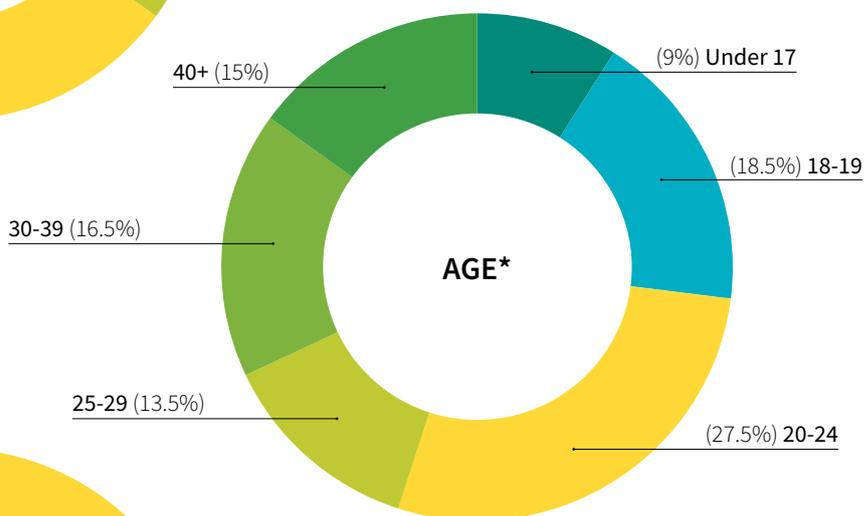
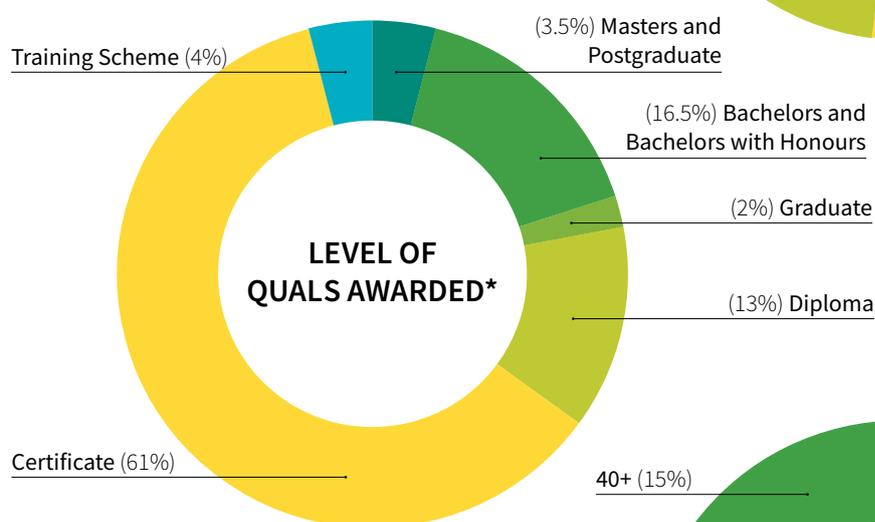
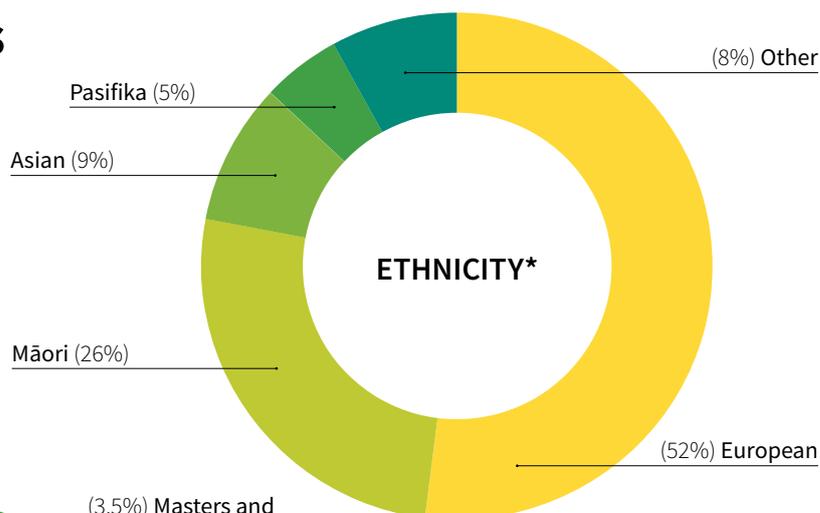
*Wintec students worked with staff to co-design a new 24/7 feedback and response platform.*

# STUDENT STATISTICS

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# Student Statistics 2018 Summary

*\*Student Achievement Component, Level 1 and 2 On Plan Process Funding, Plan Process Level 1 and 2 under 25, Level 1 and 2 Competitive Process Pilot Funding, Training Level 3 and 4, Māori and Pasifika Trades Training Level 1 and 2, Māori and Pasifika Trades Training Level 3 and 4, Trades Academy, Youth Guarantee, Secondary-Tertiary Partnerships Dual Pathway initiative funding only.*



Percentage figures may be rounded.

**INTERNATIONAL EFTS BY COUNTRY**

	2014	2015	2016	2017	2018
India	217	316	331	372	445
China	391	425	463	457	404
Republic of South Korea	17	12	12	37	47
Nepal	13	20	13	20	32
Sri Lanka	5	13	21	25	20
Kenya	1	6	12	15	14
Fiji	13	11	8	8	12
Brazil	2	9	12	8	10
Philippines	13	14	22	13	10
Other	68	73	92	89	84
<b>Total</b>	<b>810</b>	<b>931</b>	<b>1,009</b>	<b>1,064</b>	<b>1,078</b>

The top 9 countries ranked according to the highest EFTS in 2018. All remaining countries are grouped as "other".

**TEC FUNDED\* EFTS BY LEVEL OF STUDY**

	2013	2014	2015	2016	2017	2018
Levels 1-2	10%	10%	11%	12%	8%	6%
Levels 3-4	27%	28%	30%	33%	34%	38%
Levels 5-6	17%	17%	14%	14%	15%	16%
Levels 7+	46%	44%	43%	41%	43%	41%

\*Student Achievement Component, Level 1 and 2 On Plan Process Funding, Plan Process Level 1 and 2 under 25, Level 1 and 2 Competitive Process Funding, Level 3 and 4 Competitive Process Pilot Funding, Māori and Pasifika Trades Training Level 1 and 2, Māori and Pasifika Trades Training Level 3 and 4, Trades Academy, Youth Guarantee, Secondary-Tertiary Partnerships Dual Pathway initiative funding only.



**TEC FUNDED\* EFTS BY ETHNICITY**

	2014		2015		2016		2017		2018	
European	54%	2,710	53%	2,572	52%	2,541	52%	2,344	52%	2,290
Māori	25%	1,269	25%	1,215	27%	1,296	26%	1,174	26%	1,143
Asian	8%	419	9%	427	9%	422	9%	407	9%	418
Pasifika	4%	225	5%	248	5%	252	5%	228	5%	244
Other	8%	389	8%	385	8%	376	8%	345	8%	348
<b>Total</b>	<b>5,013</b>		<b>4,847</b>		<b>4,888</b>		<b>4,498</b>		<b>4,443</b>	

\*Student Achievement Component, Level 1 and 2 On Plan Process Funding, Plan Process Level 1 and 2 under 25, Level 1 and 2 Competitive Process Funding, Level 3 and 4 Competitive Process Pilot Funding, Māori and Pasifika Trades Training Level 1 and 2, Māori and Pasifika Trades Training Level 3 and 4, Trades Academy, Youth Guarantee, Secondary-Tertiary Partnerships Dual Pathway initiative funding only.

Percentage figures may be rounded.

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

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

**TEC FUNDED\* EFTS FOR YOUTH\*\* (UNDER 25) AND OLDER STUDENTS**

	2014		2015		2016		2017		2018	
Youth (Under 25)	3,055	61%	2,884	59%	2,889	60%	2,534	56%	2,449	55%
25 and older	1,958	39%	1,963	41%	1,999	40%	1,964	44%	1,994	45%
<b>Total</b>	<b>5,013</b>		<b>4,847</b>		<b>4,888</b>		<b>4,498</b>		<b>5,047</b>	

\*Student Achievement Component, Level 1 and 2 On Plan Process Funding, Plan Process Level 1 and 2 under 25, Level 1 and 2 Competitive Process Funding, Level 3 and 4 Competitive Process Pilot Funding, Māori and Pasifika Trades Training Level 1 and 2, Māori and Pasifika Trades Training Level 3 and 4, Trades Academy, Youth Guarantee, Secondary-Tertiary Partnerships Dual Pathway initiative funding only.

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

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



**TOTAL EQUIVALENT FULL TIME STUDENTS (EFTS) BY SOURCE OF FUNDING**

	2014	2015	2016	2017	2018
Adult and Community Education	111	107	108	105	109
Student Achievement Component	4,710	4,501	4,550	4,189	4,217
Youth Guarantee and Trades Academy	303	346	337	309	226
<b>Total TEC funded</b>	<b>5,124</b>	<b>4,954</b>	<b>4,995</b>	<b>4,603</b>	<b>4,551</b>
International	810	930	1,009	1,064	1,078
Industry Training Organisation	876	812	714	691	719
Other	263	286	243	120	109
<b>Total non TEC funded</b>	<b>1,949</b>	<b>2,028</b>	<b>1,967</b>	<b>1,875</b>	<b>1,905</b>
<b>Grand total</b>	<b>7,073</b>	<b>6,982</b>	<b>6,962</b>	<b>6,478</b>	<b>6,456</b>

Student Achievement Component (SAC) includes the following funding sources:

- Level 1 and 2 Competitive Process Funding
- Level 1 and 2 On Plan Process Funding
- Level 1 and 2 On Plan Process Funding under 25
- Māori Pasifika Trades Training Level 1 and 2
- Māori Pasifika Trades Training Level 3 and 4
- SAC Level 3 and 4 Competitive Process Funding
- TEC (SAC) Funding

Youth Guarantee and Trades Academy funding includes the Secondary-Tertiary Partnerships Dual Pathway initiative.

International includes international full fee paying students only. Some international students are TEC funded and included in the TEC funded category.

**TEC FUNDED\* QUALIFICATION COMPLETIONS BY YEAR**

	2014	2015	2016	2017	2018
Masters	14	13	12	15	30
Postgraduate Level	58	50	53	84	69
Bachelors with Honours	10	16	9	21	19
Bachelor Degree Level	504	464	496	438	448
Graduate Level	49	44	59	48	57
Diploma Level	359	328	305	355	367
Certificate Level	1,964	2,127	2,146	1,933	1,756
Training Scheme Level	23	88	19	12	117
<b>Total</b>	<b>2,981</b>	<b>3,130</b>	<b>3,099</b>	<b>2,906</b>	<b>2,863</b>

This represents the number of qualifications completed for each year.

Figures for qualifications are draft only as of 22 February, 2018. Further qualifications have been awarded for the 2018 year.

\*Student Achievement Component, Level 1 and 2 On Plan Process Funding, Plan Process Level 1 and 2 under 25, Level 1 and 2 Competitive Process Funding, Level 3 and 4 Competitive Process Pilot Funding, Māori and Pasifika Trades Training Level 1 and 2, Māori and Pasifika Trades Training Level 3 and 4, Trades Academy, Youth Guarantee, Secondary-Tertiary Partnerships Dual Pathway initiative funding only.

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





## TEC FUNDED\* EFTS BY AGE GROUP

	2014	2015	2016	2017	2018
17 Years and Under	412	413	436	395	398
18 - 19 Years	1,161	1,022	1,047	892	824
20 - 24 Years	1,482	1,449	1,406	1,246	1,226
25 - 29 Years	587	583	612	622	595
30 - 34 Years	394	356	375	380	409
35 - 39 Years	285	312	324	300	326
40 - 44 Years	266	261	239	232	231
45 - 49 Years	203	200	197	186	189
50 - 54 Years	142	157	140	131	137
55 - 59 Years	54	63	72	79	67
60 - 64 Years	20	25	29	27	32
65 Years and Over	7	5	10	6	8
<b>Total</b>	<b>5,013</b>	<b>4,847</b>	<b>4,888</b>	<b>4,498</b>	<b>4,443</b>

\*Student Achievement Component, Level 1 and 2 On Plan Process Funding, Plan Process Level 1 and 2 under 25, Level 1 and 2 Competitive Process Funding, Level 3 and 4 Competitive Process Pilot Funding, Māori and Pasifika Trades Training Level 1 and 2, Māori and Pasifika Trades Training Level 3 and 4, Trades Academy, Youth Guarantee, Secondary-Tertiary Partnerships Dual Pathway initiative funding only.

*In 2018, Wintec's total headcount of students (not EFTS) was 14,268, with 12,554 domestic students and 1,709 international students.*



## Compulsory Student Services Levy Disclosure

	Advocacy and legal advice	Careers advice and guidance and disabilities	Health service, and pastoral care	Counselling	Employment information	Financial support and advice	Media	Childcare services	Clubs and societies	Sports recreation and cultural	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Compulsory Student Service Fees	-	770,627	616,335	102,722	-	-	-	-	-	-	1,489,684
Other	-	98,408	291,543	-	-	-	-	-	-	-	389,951
<b>Total Revenue</b>	-	<b>869,035</b>	<b>907,877</b>	<b>102,722</b>	-	-	-	-	-	-	<b>1,879,635</b>
Expenses	-	1,153,452	590,906	126,039	-	-	-	-	-	-	1,870,398
<b>Total Expenses</b>	-	<b>1,153,452</b>	<b>590,906</b>	<b>126,039</b>	-	-	-	-	-	-	<b>1,870,398</b>
<b>Surplus/(deficit)</b>	-	<b>(284,417)</b>	<b>316,971</b>	<b>(23,317)</b>	-	-	-	-	-	-	<b>9,237</b>

### Compulsory Student Services Levy (CSSL)

The compulsory student services levy per equivalent full-time student for the year ended 2018 is \$435.00.

The compulsory student services levy 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.

All CSSL income and expenditure is separately accounted for in Wintec's accounting system.

#### Careers advice and guidance

We provide support to students to assist their transition into employment. Support includes curriculum vitae (CV) workshops, interview practice and career guidance.

#### Health service, counselling and pastoral care

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

We also 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 kaiāwhina 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 practises and promotes manaakitanga and whanaungatanga to all students at Wintec. Its aim is to empower taurua 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.

# DIVERSITY AND INCLUSION

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## Diversity and Inclusion

In 2018, our diversity and inclusion vision was progressed through:

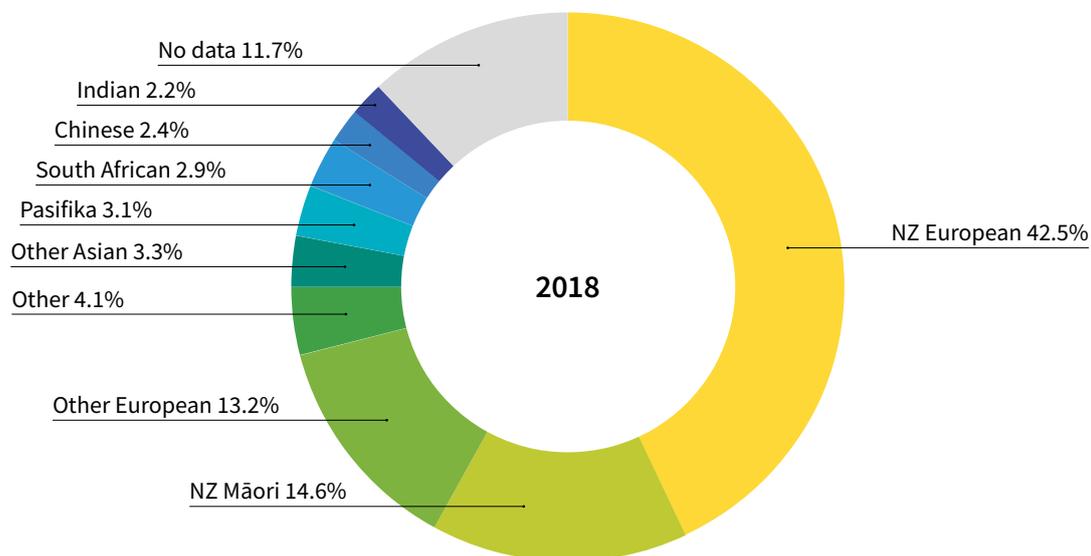
- Developing and delivering a series of Mental Health First Aid workshops to teach staff to provide initial help to students and other people experiencing mental health issues. These workshops have been extended to other tertiary providers, with a particular focus on support for international students.
- Modernising our Diversity and Inclusion policy (formerly Equal Education Opportunities (EEO) policy) and developing a new Anti-Bullying and Harassment policy.
- Continuing our Emotional Intelligence programme for leaders, including development of inter cultural communication and unconscious bias decision-making.
- The second annual CultureFest – an international event open to staff and students, showcasing the many cultures at Wintec through entertainment and food.
- Continuing our involvement with local providers of supported employment services.
- Being a member of Diversity Works NZ (formerly EEO Trust) – a not-for-profit organisation that provides diversity information to employers and raises awareness of diversity and inclusion issues in New Zealand workplaces. As a member we aim to recruit, reward and develop staff on the basis of merit, recognising that effectively managing New Zealand's diverse population can lead to increased creativity, engagement and productivity.

Additionally, awards included:

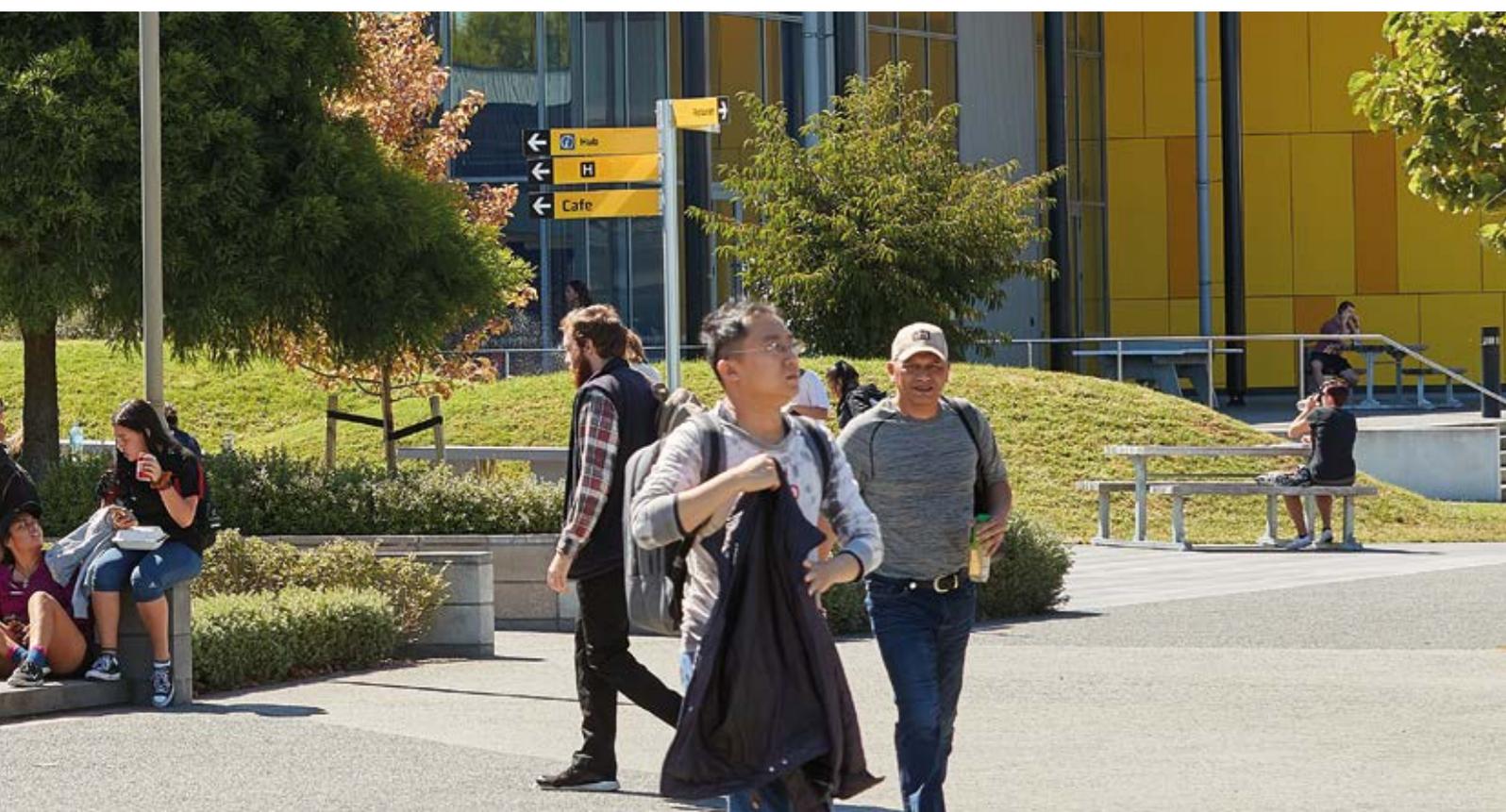
- Receiving a Best Practice Compact Award at the YWCA Equal Pay Awards, the first New Zealand ITP to be recognised. The award demonstrates an organisation's commitment to equal pay, gender diversity and recognises our dedication to creating equal pay opportunities for all staff, regardless of gender.
- Entering the Diversity Awards NZ. Our entry in the Cultural Celebration category focussed on three key initiatives to empower Māori: Te Taiuhu, a cultural competency module for staff; He Manukura Māori, a programme to support Māori women into leadership; and the Dr Hare Puke Māori Leadership Scholarship for staff.



## Ethnicity of Staff (Permanent and Fixed Term)



Ethnicity	%	Number	Female	Male	Ethnicity	%	Number	Female	Male
◆ NZ European	42.5	333	210	123	◆ Pasifika	3.1	24	12	12
◆ NZ Māori	14.6	114	80	34	◆ South African	2.9	23	9	14
◆ Other European	13.2	103	68	35	◆ Chinese	2.4	19	11	8
◆ Other	4.1	32	15	17	◆ Indian	2.2	17	8	9
◆ Other Asian	3.3	26	14	12	◆ No data	11.7	92	52	40



## 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 2018, Student Learning Services continued to offer a high level of advocacy, information and support to students who disclosed impairments. Seven staff provided 2,568 hours of note-taker services to help improve the participation, retention, completion and progression of students who required these services. The disabilities team also supported students by issuing 90 mobility parking permits, providing arrangements for 72 exams where a reader/writer was required, as well as providing equipment to aid their ability to study at Wintec, including dictaphones, ergonomic chairs, trolley bags, mobility scooters and lumbar cushions. Additionally, peer support services were provided where required.

The Learning Advisors within Student Learning Services and Te Kete Kōnae have a continued focus on supporting students to become independent and capable learners. They do this through traditional one-on-one and small group sessions, also by embedding support within targeted programmes across Wintec. By being present in classes Learning Advisors have more opportunities to support greater numbers of students, they develop meaningful relationships with students and tutors, and can more efficiently identify students who may need extra support. Through creating a culture that normalises support, we are working

towards mitigating the stigma attached to asking for help.

In 2018, Learning Advisors across Student Learning Services and Te Kete Kōnae provided support to 2,624 and 384 individual students respectively, with some students potentially accessing both services. Levels of satisfaction of the support services are consistently high: 97.3 percent for Te Kete Kōnae, 94.6 percent for Student Learning Services and 97.3 percent for Disability Services. Completion rates equalling those of the wider student body were also recorded. Services included writing and study skills courses, workshops, peer tutoring, one-on-one learning support, and the embedding of academic and pastoral support services within priority programmes of study across the faculty.

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



# FINANCIAL PERFORMANCE

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# Independent Auditor's Report

To the readers of Waikato Institute of Technology and group's financial statements and statement of service performance for the year ended 31 December 2018

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

## OPINION

We have audited:

- the financial statements of the Institute and group on pages 49 to 93, that comprise the statement of financial position as at 31 December 2018, 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 94 to 105.

In our opinion:

- the financial statements of the Institute and group on pages 49 to 93:
  - present fairly, in all material respects:
    - the financial position as at 31 December 2018; and
    - the financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the statement of service performance of the Institute and group on pages 94 to 105 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 2018.

Our audit was completed on 30 April 2019. This is the date at which our opinion is expressed.

The basis for our opinion is explained below and we draw your attention to uncertainties about the proposed merger of all polytechnics and institutes of technology. In addition, we outline the responsibilities of the Council and our responsibilities relating to the financial statements and the statement of service performance, we comment on other information, and we explain our independence.

## Uncertainties about the proposed merger of all polytechnics and institutes of technology

Without modifying our opinion, we considered the adequacy of the disclosures made in note 21 on page 86 that outline the Government's proposal to merge the activities of all polytechnics and institutes of technology. Should the merger proceed, it could have a significant impact on the future of the Institute and group. However, a final decision on the proposal is yet to be made. We consider these disclosures to be adequate.

## BASIS FOR OUR OPINION

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

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

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

## Responsibilities of the Council for the financial statements and the statement of service performance

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

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

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

In preparing the financial statements and the statement of service performance, the Council is responsible on behalf of the Institute and group for assessing the Institute and group's ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the

Council intends to liquidate the Institute and group or to cease operations, or has no realistic alternative but to do so.

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

### **Responsibilities of the auditor for the audit of the financial statements and the statement of service performance**

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements and statement of service performance.

For the budget information reported in the financial statements and the statement of service performance, our procedures were limited to checking that the information agreed to the Institute and group's approved budget for the financial statements, and the investment plan for the statement of service performance.

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

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

- We identify and assess the risks of material misstatement of the financial statements and the statement of service performance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute and group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute and group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the statement of service performance or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institute and group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the statement of service performance, including the disclosures, and whether the financial statements and the statement of service performance represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements and the statement of service performance of the entities or business activities within the group to express an opinion on the consolidated financial statements and the consolidated statement of service performance. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any

significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

#### **Other information**

The Council is responsible for the other information.

The other information comprises the information included on pages 1 to 44 and 106 to 124, but does not include the financial statements and the statement of service performance, and our auditor's report thereon.

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

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

#### **Independence**

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

In addition to the audit, we have carried out engagements in the areas of additional assurance work to review the expenses incurred by members of the executive team for overseas travel in 2009, 2010, 2013 and 2017, and review of all redundancy and severance payments made to former employees of Wintec from 2013 to 2017, which are compatible with those independence requirements. We have also performed a review of the Performance Based Research Fund – External Research Income declaration for the year ended 31 December 2018. Other than the audit and these engagements, we have no relationship with or interests in the Institute or any of its subsidiaries.



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



# Statement of Responsibility

for the year ended 31 December 2018

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

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

In the Council and management's opinion, these financial statements and statement of service performance fairly reflect the financial position and operations of the Waikato Institute of Technology and the Group for the year ended 31 December 2018.

Signed by:



**Barry Harris**  
Chair



**David Christiansen**  
Acting Chief Executive



**Paul Holloway**  
Chief Financial Officer

# Statement of Comprehensive Revenue and Expense

for the year ended 31 December 2018

	Notes	Group			Institute		
		Actual 2018 \$'000	Budget 2018 \$'000	Actual 2017 \$'000	Actual 2018 \$'000	Budget 2018 \$'000	Actual 2017 \$'000
<b>Revenue</b>							
Government grants	2(a)	55,451	46,861	51,195	45,373	46,861	46,086
Student tuition fees	2(b)	33,476	34,435	34,385	33,476	34,435	34,385
Other revenue	2(c)	19,716	32,387	19,576	16,035	18,692	16,628
<b>Total revenue</b>		<b>108,643</b>	<b>113,683</b>	<b>105,156</b>	<b>94,884</b>	<b>99,988</b>	<b>97,099</b>
<b>Expense</b>							
Employee expense	3	(67,142)	(66,168)	(61,257)	(57,431)	(57,158)	(56,324)
Depreciation and amortisation expense	11, 12	(7,326)	(9,773)	(7,984)	(6,263)	(8,250)	(7,051)
Other expense	5	(34,211)	(34,777)	(32,733)	(31,513)	(32,578)	(31,416)
Finance expense	4	(956)	(920)	(695)	(955)	(920)	(687)
Impairment of assets		-	-	-	(935)	-	-
Impairment of assets reversal		-	-	-	1,581	-	-
Property and buildings revaluations		-	-	-	-	-	-
<b>Total expense</b>		<b>(109,634)</b>	<b>(111,638)</b>	<b>(102,669)</b>	<b>(95,515)</b>	<b>(98,906)</b>	<b>(95,478)</b>
Share of associates surplus/(deficit)		-	-	(252)	-	-	-
<b>Surplus/(deficit)</b>		<b>(991)</b>	<b>2,045</b>	<b>2,236</b>	<b>(631)</b>	<b>1,082</b>	<b>1,621</b>
Total surplus attributable to: Waikato Institute of Technology		(991)	2,045	2,228	(631)	1,082	1,621
Non-controlling interest		-	-	8	-	-	-
<b>Other comprehensive revenue/(expense)</b>							
Property and building revaluations	11	7,324	-	-	7,324	-	-
Profit on purchase of subsidiary		-	-	-	-	-	-
Impairment of assets		-	-	-	-	-	-
<b>Total other comprehensive revenue/(expense)</b>		<b>7,324</b>	<b>-</b>	<b>-</b>	<b>7,324</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive revenue/(expense)</b>		<b>6,333</b>	<b>2,045</b>	<b>2,236</b>	<b>6,693</b>	<b>1,082</b>	<b>1,621</b>
Total comprehensive revenue attributable to: Waikato Institute of Technology		6,333	2,045	2,228	6,693	1,082	1,621
Non-controlling interest		-	-	8	-	-	-

Explanation of major variances against budget are provided in note 23.

The accompanying notes form part of these financial statements.

# Statement of Financial Position

as at 31 December 2018

	Notes	Group			Institute		
		Actual 2018 \$'000	Budget 2018 \$'000	Actual 2017 \$'000	Actual 2018 \$'000	Budget 2018 \$'000	Actual 2017 \$'000
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents	6	3,133	4,020	3,125	305	1,045	361
Receivables	7	21,071	16,630	18,504	19,298	16,095	17,401
Inventories	8	284	284	284	284	284	284
Prepayments		1,414	232	381	1,174	232	159
<b>Total current assets</b>		<b>25,902</b>	<b>21,166</b>	<b>22,294</b>	<b>21,061</b>	<b>17,656</b>	<b>18,206</b>
<b>Non-current assets</b>							
Investment in associates	10	-	-	-	-	-	-
Related party loan		-	1,495	-	-	1,495	500
Other financial assets	9	654	1,593	634	6,244	-	5,579
Property, plant and equipment	11	166,285	188,200	158,446	165,326	188,452	157,158
Intangible assets	12	23,214	-	15,448	20,149	-	11,649
<b>Total non-current assets</b>		<b>190,153</b>	<b>191,288</b>	<b>174,528</b>	<b>191,718</b>	<b>189,947</b>	<b>174,886</b>
<b>Total assets</b>		<b>216,055</b>	<b>212,454</b>	<b>196,822</b>	<b>212,779</b>	<b>207,603</b>	<b>193,091</b>
<b>Liabilities</b>							
<b>Current liabilities</b>							
Payables	13	8,563	6,714	8,524	6,515	6,000	6,512
Employee entitlements	14	3,663	3,500	4,521	3,284	3,500	4,193
Revenue in advance	15	21,838	22,207	20,878	21,527	22,207	19,609
Interest-bearing loans and borrowings	16	279	-	4,951	279	-	4,951
<b>Total current liabilities</b>		<b>34,343</b>	<b>32,421</b>	<b>38,874</b>	<b>31,605</b>	<b>31,707</b>	<b>35,265</b>

	Notes	Group			Institute		
		Actual 2018 \$'000	Budget 2018 \$'000	Actual 2017 \$'000	Actual 2018 \$'000	Budget 2018 \$'000	Actual 2017 \$'000
<b>Non-current liabilities</b>							
Interest-bearing loans and borrowings	16	30,113	32,752	13,385	30,113	30,500	13,385
Provisions		-	-	-	-	-	-
Employee entitlements	14	899	250	197	126	250	197
<b>Total non-current liabilities</b>		<b>31,012</b>	<b>33,002</b>	<b>13,582</b>	<b>30,239</b>	<b>30,750</b>	<b>13,582</b>
<b>Total liabilities</b>		<b>65,355</b>	<b>65,423</b>	<b>52,456</b>	<b>61,844</b>	<b>62,457</b>	<b>48,847</b>
<b>Total net assets</b>		<b>150,700</b>	<b>147,031</b>	<b>144,367</b>	<b>150,936</b>	<b>145,146</b>	<b>144,244</b>

**Equity**

General funds		110,479	111,910	111,501	111,164	110,025	111,827
Restricted reserves		654	623	623	654	623	623
Property revaluation reserve		39,118	34,498	31,794	39,118	34,498	31,794
<b>Total equity attributable to the Institute</b>		<b>150,251</b>	<b>147,031</b>	<b>143,918</b>	<b>150,936</b>	<b>145,146</b>	<b>144,244</b>
Non-controlling interest		449	-	449	-	-	-
<b>Total equity</b>	17	<b>150,700</b>	<b>147,031</b>	<b>144,367</b>	<b>150,936</b>	<b>145,146</b>	<b>144,244</b>

Explanation of major variances against budget are provided in note 23.

*The accompanying notes form part of these financial statements.*

These financial statements were approved for signing by the Council on 30/04/2019.



**David Christiansen**  
Chief Executive



**Paul Holloway**  
Chief Financial Officer

# Statement of Changes in Equity

for the year ended 31 December 2018

	Group			Institute		
	Actual 2018 \$'000	Budget 2018 \$'000	Actual 2017 \$'000	Actual 2018 \$'000	Budget 2018 \$'000	Actual 2017 \$'000
<b>Balance at 1 January</b>	144,367	144,986	142,131	144,244	144,064	142,623
<b>Comprehensive revenue</b>						
Surplus/(deficit)	(991)	2,045	2,236	(631)	1,082	1,621
Other comprehensive revenue	7,324	-	-	7,324	-	-
<b>Total comprehensive revenue</b>	<b>6,333</b>	<b>2,045</b>	<b>2,236</b>	<b>6,693</b>	<b>1,082</b>	<b>1,621</b>
<b>Balance before non-comprehensive revenue at 31 December</b>	<b>150,700</b>	<b>147,031</b>	<b>144,367</b>	<b>150,936</b>	<b>145,146</b>	<b>144,244</b>
<b>Non-comprehensive revenue items</b>						
Restricted reserves transfers	-	-	-	-	-	-
Capital contributions from owners	-	-	-	-	-	-
Suspensory loans from the Crown	-	-	-	-	-	-
<b>Total non-comprehensive revenue items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at 31 December</b>	<b>150,700</b>	<b>147,031</b>	<b>144,367</b>	<b>150,936</b>	<b>145,146</b>	<b>144,244</b>
<b>Total comprehensive revenue for the year</b>	<b>6,333</b>	<b>2,045</b>	<b>2,236</b>	<b>6,693</b>	<b>1,082</b>	<b>1,621</b>
<i>Total comprehensive revenue attributable to:</i>						
The Waikato Institute of Technology	6,333	2,045	2,228	6,693	1,082	1,621
Non-controlling interest	-	-	8	-	-	-

Explanation of major variances against budget are provided in note 23.

*The accompanying notes form part of these financial statements.*

# Statement of Cash Flows

for the year ended 31 December 2018

	Group			Institute		
	Actual 2018 \$'000	Budget 2018 \$'000	Actual 2017 \$'000	Actual 2018 \$'000	Budget 2018 \$'000	Actual 2017 \$'000
<b>Cash flows from operating activities</b>						
Receipt of government grants	55,451	46,382	52,930	45,373	46,382	47,821
Receipt of student tuition fees	32,888	46,999	31,488	34,768	36,690	31,488
Interest revenue received	312	450	88	312	378	26
Dividend income	-	-	-	-	-	-
Receipt of other revenue	20,056	20,705	17,758	16,622	16,840	15,536
Payments to employees	(67,298)	(64,192)	(61,386)	(58,411)	(55,688)	(56,501)
Payments to suppliers	(37,276)	(38,193)	(32,673)	(34,325)	(33,931)	(32,497)
Interest paid	(956)	-	(695)	(955)	-	(687)
Goods and services tax (net)	561	105	97	290	-	94
<b>Net cash flows from operating activities</b>	<b>3,738</b>	<b>12,256</b>	<b>7,607</b>	<b>3,674</b>	<b>10,671</b>	<b>5,280</b>
<b>Cash flows from investing activities</b>						
Purchase of property, plant and equipment	(5,664)	(25,933)	(4,641)	(5,664)	(25,933)	(3,188)
Purchase of intangible assets	(10,122)	-	(7,685)	(10,122)	-	(4,258)
Acquisition of investments	-	-	(470)	-	-	(4,584)
Receipts from sale of investments	-	-	-	-	-	-
Proceeds from sale of property, plant and equipment	-	-	6,810	-	-	6,810
<b>Net cash flows used in investing activities</b>	<b>(15,786)</b>	<b>(25,933)</b>	<b>(5,986)</b>	<b>(15,786)</b>	<b>(25,933)</b>	<b>(5,220)</b>
<b>Cash flows from financing activities</b>						
Capital contributions received from the Crown	-	-	-	-	-	-
Proceeds from borrowings	16,756	15,000	5,885	16,756	15,000	5,885
Repayment of borrowings	-	-	(5,000)	-	-	(5,000)
Payment of finance leases	-	-	-	-	-	-
<b>Net cash flows from financing activities</b>	<b>16,756</b>	<b>15,000</b>	<b>885</b>	<b>16,756</b>	<b>15,000</b>	<b>885</b>
Net increase/(decrease) in cash and cash equivalents	4,708	1,323	2,506	4,644	(262)	945
Cash and cash equivalents at the beginning of the period	(1,826)	1,961	(4,332)	(4,590)	182	(5,535)
<b>Cash and cash equivalents at the end of the period</b>	<b>2,882</b>	<b>3,284</b>	<b>(1,826)</b>	<b>54</b>	<b>(80)</b>	<b>(4,590)</b>

Cash is offset by the overdraft per borrowings note 16. Explanation of major variances against budget are provided in note 23. *The accompanying notes form part of these financial statements.*

# Statement of Cash Flows

for the year ended 31 December 2018

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

	Group		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Net surplus/(deficit)</b>	(991)	2,236	(631)	1,620
<b>Add/(less) non-cash items</b>				
Share of associates and joint venture surplus/(deficit)	-	252	-	-
Depreciation and amortisation expense	7,326	7,984	6,263	7,051
(Gains)/losses on fair value of investment property	-	-	-	-
Increase/(decrease) in non-current employee entitlements	702	(43)	(71)	(43)
Property and building revaluations	-	-	-	-
Impairment of fixed assets	-	-	935	-
Fair value impairment	-	-	(1,581)	-
<b>Total non-cash items</b>	<b>8,028</b>	<b>8,193</b>	<b>5,546</b>	<b>7,008</b>
<b>Add/(less) items classified as investing or financing activities</b>				
(Gains)/losses on disposal of property, plant and equipment	-	(942)	-	(942)
(Gains)/losses on disposal of investments classified as fair value through other comprehensive income	-	-	-	-
<b>Total items classified as investing or financing activities</b>	<b>-</b>	<b>(942)</b>	<b>-</b>	<b>(942)</b>
<b>Add/(less) movements in working capital items</b>				
(Increase)/decrease in receivables	(2,555)	(2,249)	(1,886)	(1,236)
(Increase)/decrease in prepayments	(1,033)	(208)	(1,015)	14
Increase/(decrease) in payables	187	2,100	151	734
Increase/(decrease) in revenue received in advance	960	(1,437)	1,918	(1,784)
Increase/(decrease) in provisions	-	-	-	-
Increase/(decrease) in current employee entitlements	(858)	(86)	(909)	(134)
Increase/(decrease) in related party loans	-	-	500	-
<b>Net movements in working capital items</b>	<b>(3,299)</b>	<b>(1,880)</b>	<b>(1,241)</b>	<b>(2,406)</b>
<b>Net cash flow from operating activities</b>	<b>3,738</b>	<b>7,607</b>	<b>3,674</b>	<b>5,280</b>

The accompanying notes form part of these financial statements.

# Notes to the Financial Statements

for the year ended 31 December 2018

## 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 the Group consist of Waikato Institute of Technology (Wintec) and its subsidiaries, Soda Inc. Limited, LearningWorks Limited, LearningWorks International Limited, Prima Group Limited, Ligar Polymers Limited, Polytechnics Institute of New Zealand (PINZ), Wintec KSA, MondragonWintec KSA, the Wintec Foundation Trust, our associates Ligar GP Ltd, Ligar Limited Partnership, Motortrain Limited. These entities are all incorporated in New Zealand with the exception of MondragonWintec KSA and Wintec KSA which are incorporated in Saudi Arabia. Refer to note 24 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 the Group is to provide educational and research services for the benefit of the community, it does not operate to make a financial return.

The Institute has designated itself and the Group as public benefit entities (PBEs) for financial reporting purposes. The financial statements of the Institute and the Group for the year ended 31 December 2018 were authorised for issue in accordance with a resolution of the Council on 30 April 2018.

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

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

These financial standards comply with PBE accounting standards.

### Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values other than the council member remuneration disclosures and the related party disclosures in note 19 are rounded to the nearest thousand dollars (\$'000). Council member remuneration and related party transaction disclosures are rounded to the nearest dollar.

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

PBE IFRS 9 Financial Instruments replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement and is effective for financial years beginning on or after 1 January 2021, with earlier adoption permitted. The main changes under the standard relevant to the Institute are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which might result in the earlier recognition of impairment losses.

The Financial Statements of the Government will early adopt PBE IFRS 9 for the 30 June 2019 financial year. The Institute intends to early adopt PBE IFRS 9 for the 31 December 2019 financial year to be consistent with the Crown's accounting policies for financial instruments. The Institute has not yet assessed in detail the impact of the new standard.

#### *PBE IPSAS 34 - 38*

PBE IPSAS 34 - 38 replace the existing standards for interests in other entities (PBE IPSAS 6 - 8). The new standards are effective for annual periods beginning on or after 1 January 2019. The Institute will apply these new standards in preparing the 31 December 2019 financial statements.

#### *PBE FRS 48 Service Performance Reporting*

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for annual periods beginning on or after 1 January 2021. The Institute is required to prepare its performance information in accordance with generally accepted accounting practice (GAAP) from 31 December 2019 year-ends. The Institute is considering whether it will early adopt PBE FRS 48 for the 31 December 2019 year end rather than apply the existing performance information requirements of PBE IPSAS 1. The Institute has not yet determined how application of PBE FRS 48 will affect its statement of service performance.

*Amendments to PBE IPSAS 2 Statement of Cash Flows*

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

**SIGNIFICANT ACCOUNTING POLICIES****Basis of consolidation**

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

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

**Subsidiaries**

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

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

**Associates**

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

received from an associate reduce the carrying amount of the investment in the Group financial statements.

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

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

**Joint venture**

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

**Revenue**

Revenue is measured at fair value.

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

**Student Achievement Component (SAC) funding**

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

**Fees-free**

The Institute considers fees-free revenue is non-exchange revenue and recognises revenue when the course withdrawal date for an eligible student has passed. The Institute has presented funding received for fees-free as part of student fees. This is on the basis that receipts from TEC are for payment on behalf of the student as specified in the relevant funding mechanism

**Student tuition fees**

Domestic student tuition fees are subsidised by government funding (SAC) and are considered non-exchange. Revenue is recognised when the course

withdrawal date has passed, which is when the student is no longer entitled to a refund for withdrawing from the course.

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

#### ***Performance-Based Research Fund (PBRF)***

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

#### ***Research revenue***

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

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

For an exchange research contract, revenue is recognised on a percentage completion basis. The percentage of completion is measured by reference to the actual research expenditure incurred as a proportion 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 Revenue and Expense on a straight-line basis over the lease term.

##### ***Cash and equivalents***

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

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

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

##### ***Receivables***

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

##### ***Investments and other financial assets***

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

**Recognition and de-recognition**

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

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

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

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

**Financial assets at fair value through surplus or deficit**

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

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

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

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

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

**Financial assets at fair value through other comprehensive revenue and expense**

Financial assets at fair value through other comprehensive revenue and expense are those that are designated as fair value through other comprehensive revenue and expense or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the investment within 12 months of balance date. The Institute and Group designate in this category:

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

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

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

**Impairment of financial assets**

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

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

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

**Financial assets at fair value through other comprehensive revenue and expense**

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

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial

asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

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

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

### **Inventories**

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

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

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

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

### **Property, plant and equipment**

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

- Land
- Buildings
- Computer hardware
- Furniture and equipment
- Library collection
- Motor vehicles
- Infrastructure.

The measurement basis used for determining the gross carrying amount for each class of assets is as follows:

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

### **Revaluation**

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

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

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

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

### **Additions**

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

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

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

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

### **Disposals**

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

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

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

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

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

#### Held for sale

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

#### Intangible assets and goodwill

##### Computer software

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

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

Staff training costs are recognised as an expense when incurred.

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

##### Course development costs

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

materials up to date.

#### Intellectual Property Development

Research costs are recognised as an expense in the surplus or deficit in the year in which they are incurred.

#### Amortisation

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

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

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

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

#### Goodwill

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

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

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

An impairment loss recognised for goodwill is not reversed.

#### Impairment

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

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

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

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

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

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

### **Payables**

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

### **Interest-bearing loans and borrowing**

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

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

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

### **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; and
- restricted reserves.
- share capital
- non-controlling interests

### *Property revaluation reserves*

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

### *Restricted reserves*

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

### *Non-controlling interests*

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

## Goods and services tax

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

## Income Tax

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

## Budget figures

The budget figures are those approved by the Council on 23 November 2017. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

## Key judgements, estimates and assumptions

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

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

### *Impairment of non-financial assets*

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

### *Classification of assets and liabilities as held for sale*

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

### *Estimation of useful lives of assets*

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment) 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 11 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 and non-controlling interests. Equity

is represented by net assets.

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

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

The objective of managing the Institute'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 2018

## 2 REVENUE

	Group		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000

### (a) Government grants

#### *Non-exchange revenue*

Student Achievement Component (SAC) funding	38,778	38,206	38,778	38,206
Other international funding	10,078	5,109	-	-
Other grants	6,595	7,880	6,595	7,880
<b>Total government grants non-exchange revenue</b>	<b>55,451</b>	<b>51,195</b>	<b>45,373</b>	<b>46,086</b>

### (b) Student tuition fees

#### *Non-exchange revenue*

Fees from domestic students	16,004	17,625	16,004	17,625
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#### *Exchange revenue*

Fees from international students	17,472	16,760	17,472	16,760
<b>Total tuition fees from non-exchange and exchange revenue</b>	<b>33,476</b>	<b>34,385</b>	<b>33,476</b>	<b>34,385</b>

### (c) Other exchange revenue

Childcare operations	826	812	826	812
Student services levy	1,490	1,205	1,490	1,205
Gain on disposal of property, plant and equipment	-	942	-	942
Interest earned on bank deposits	458	88	428	26
Revenue from other operating activities	16,942	16,529	13,291	13,643
<b>Total other exchange revenue</b>	<b>19,716</b>	<b>19,576</b>	<b>16,035</b>	<b>16,628</b>

# Notes to the Financial Statements

for the year ended 31 December 2018

## 3 EMPLOYEE EXPENSE

	Group		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Employee benefits expense</b>				
Wages and salaries	(66,276)	(59,897)	(56,812)	(55,081)
Defined contribution plan employer contributions	(1,724)	(1,446)	(1,528)	(1,377)
(Increase)/decrease in employee entitlements	858	86	909	134
<b>Total employee benefits expense</b>	<b>(67,142)</b>	<b>(61,257)</b>	<b>(57,431)</b>	<b>(56,324)</b>

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

## 4 FINANCE EXPENSE

	Group		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Bank loans and overdrafts	(951)	(693)	(957)	(685)
Debt collection fees	2	(2)	2	(2)
Other finance costs	(7)	-	-	-
<b>Total finance expense</b>	<b>(956)</b>	<b>(695)</b>	<b>(955)</b>	<b>(687)</b>

# Notes to the Financial Statements

for the year ended 31 December 2018

## 5 OTHER EXPENSE

	Group		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Fees to Audit New Zealand for the audit of financial statements	(165)	(161)	(165)	(161)
Fees to Audit New Zealand for audit of subsidiaries	-	(125)	-	(125)
Fees to Audit New Zealand for other assurance work	(136)	-	(136)	-
Loss on disposal of property, plant and equipment	-	-	-	-
Donations and koha	(6)	(5)	(6)	(5)
Impairment of receivables	(19)	(21)	(19)	(21)
Aggregate research and development costs	(1,021)	(967)	(1,021)	(967)
Operating lease payments	(2,430)	(2,071)	(1,911)	(1,768)
Occupancy costs	(4,591)	(4,098)	(3,968)	(3,299)
Administration costs	(12,617)	(12,649)	(9,592)	(10,508)
Other costs	(13,226)	(12,636)	(14,694)	(14,562)
<b>Total other expense</b>	<b>(34,211)</b>	<b>(32,733)</b>	<b>(31,513)</b>	<b>(31,416)</b>

The other assurance services provided by Audit New Zealand to Wintec related to a review of overseas travel by senior staff for a number of years. A report has been received. Audit New Zealand also completed a review of the Performance Based Research Funding (PBRF - ERI).

# Notes to the Financial Statements

for the year ended 31 December 2018

## 6 CASH AND CASH EQUIVALENTS

	Group		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Cash at bank and in hand	3,133	3,125	305	361
Call deposits	-	-	-	-
Term deposits with maturities less than 3 months at acquisition	-	-	-	-
<b>Total cash and cash equivalents</b>	<b>3,133</b>	<b>3,125</b>	<b>305</b>	<b>361</b>

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

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

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

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

	Notes	Group		Institute	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Cash at bank and on hand		3,133	3,125	305	361
Short-term deposits		-	-	-	-
Bank overdrafts	16	(251)	(4,951)	(251)	(4,951)
<b>Total cash and cash equivalents including overdrafts</b>		<b>2,882</b>	<b>(1,826)</b>	<b>54</b>	<b>(4,590)</b>

### Financial assets recognised subject to restrictions:

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

# Notes to the Financial Statements

for the year ended 31 December 2018

## 7 RECEIVABLES

	Group		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Student fees receivables</b>				
Non exchange student receivables	10,690	10,847	10,690	10,847
Exchange student fees receivables	1,836	883	1,836	883
Less provision for impairment	-	-	-	-
<b>Net student fee receivables</b>	<b>12,526</b>	<b>11,730</b>	<b>12,526</b>	<b>11,730</b>
<b>Other receivables</b>				
Related party receivables	-	-	3,284	1,225
Other receivables	8,565	6,774	3,489	4,446
Less provision for impairment	(20)	-	-	-
<b>Total other exchange receivables</b>	<b>21,071</b>	<b>18,504</b>	<b>19,298</b>	<b>17,401</b>

### 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 be paid in two instalments. Student fee receivables are non-interest bearing and are generally paid in full by course commencement date. Therefore, their carrying value approximates their fair value.

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

The ageing profile of receivables as at 31 December 2018 and 2017 are detailed below:

	2018			2017		
	Gross \$'000	Impairment \$'000	Net \$'000	Gross \$'000	Impairment \$'000	Net \$'000
Not past due	10,838	-	10,838	10,840	-	10,840
Past due 1-30 days	4,564	-	4,564	3,219	-	3,219
Past due 31-60 days	643	-	643	804	-	804
Past due 61-90 days	277	-	277	68	-	68
Past due over 90 days	2,976	-	2,976	2,470	-	2,470
<b>Total</b>	<b>19,298</b>	<b>-</b>	<b>19,298</b>	<b>17,401</b>	<b>-</b>	<b>17,401</b>

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

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

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

# Notes to the Financial Statements

for the year ended 31 December 2018

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

	Group		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
At 1 January	-	-	-	-
Additional provisions made during year	(20)	-	-	-
Provisions reversed during the year	-	-	-	-
Receivables written-off during the year	-	-	-	-
<b>Total impairment of receivables</b>	<b>(20)</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

## 8 INVENTORIES

	Group		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Commercial inventories	284	284	284	284
<b>Total inventories</b>	<b>284</b>	<b>284</b>	<b>284</b>	<b>284</b>

No inventories are pledged as security for liabilities (2017 \$nil).

## 9 OTHER FINANCIAL ASSETS

	Group		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Special funds investments (term deposits) with maturities greater than 3 months	654	634	654	634
Shares in subsidiaries (cost)	-	-	5,590	4,945
<b>Total other financial assets</b>	<b>654</b>	<b>634</b>	<b>6,244</b>	<b>5,579</b>

*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
- we cannot determine the fair value

There is currently no intention to dispose of these assets.

*Impairment* - Wintec considered the value of its investment in LearningWorks and noted that the business model has matured with a history of repeat business with industry training organisations and non-ITPs (Institutes of Technology and Polytechnics) which has shown significant changes with have a favourable effect on the entity and is expected to continue.

Indicators exist that demonstrate that the investment is no longer impaired and a full reversal of the previous impairments are supported by future cash flow forecasts. The discount factor used in determining the current value in use was 22.5%.

Wintec's investment in its LearningWorks subsidiary is held at cost and is a cash-generating asset. In 2015 the asset was impaired by \$1.581m, that impairment has now been reversed. Wintec also wrote down their investment in MondragonWintec KSA of \$935k to the net book value of assets at balance date, there are no other impairment provisions for other financial assets (2017:nil).

# Notes to the Financial Statements

for the year ended 31 December 2018

## 10 INVESTMENT IN ASSOCIATES

	Group	Group
	2018	2017
	\$'000	\$'000
Investment in Ligar Limited Partnership (cost)	673	673
Equity accounted carrying amount	-	-

### Group's share of summarised financial information of associate

Assets	553	465
Liabilities	(939)	(626)
Revenues	90	30
<b>Surplus/(deficit)</b>	<b>(417)</b>	<b>(673)</b>

Group's Interest	26.77%	26.77%
Share of associate's contingent liabilities	-	-
Contingent liabilities that arise because of several liability	-	-

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

	Group	Group
	2017	2016
	\$'000	\$'000
<b>Investment in associate</b>		
Opening balance	673	673
Investment	-	-
Share of retained surplus/(deficit)	(1,225)	(808)
<b>Closing balance</b>	<b>-</b>	<b>-</b>
Represented by:		
Share of increase in net assets of associate (carrying value)	-	-

The investment of \$673k in Ligar Limited Partnership has been written down to \$0 in the Group and the remaining deficit of \$552k 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.

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

Ligar Limited Partnership has a balance date of 30 September to align with its major stakeholder.

# Notes to the Financial Statements

for the year ended 31 December 2018

## 11 PROPERTY, PLANT AND EQUIPMENT

### Valuation

The most recent valuations of land and buildings was performed by an independent registered valuer, Telfer Young (Waikato) Limited. The valuation is effective as at 31 December 2018. The most recent valuation for infrastructure assets was performed by Klu'd up. The valuation is effective as at 31 December 2018.

### Land

Land is valued at fair value using market-based evidence based on its highest and best use with comparable land values.

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 have operational use of the land for the foreseeable future and will substantially receive the full benefits of outright ownership.

### Buildings

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

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

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

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

### Infrastructure

Infrastructure assets such as roads, car parks, footpaths, underground utilities (for example, water supply and sewerage treatment systems), and site drainage have been independently valued at depreciated replacement cost. The valuations have been performed

in accordance with the New Zealand Asset Valuation and Depreciation Guidelines issued by NAMS Group. The significant assumptions applied in 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 off property where the value of the property exceeds an amount determined by the Minister.

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

### Work in progress

The total amount of property, plant and equipment in the course of construction is \$13.10m (2017: \$5.570m).

Work in progress relates to the following asset classes:

	Actual 2018 \$'000	Actual 2017 \$'000
<b>Property, plant and equipment</b>		
Buildings	2,593	2,366
Furniture and equipment	968	254
Library	173	209
<b>Intangible assets</b>		
Computer software	7,026	2,741
Qualifications	2,347	-
	<b>13,107</b>	<b>5,570</b>

# Notes to the Financial Statements

for the year ended 31 December 2018

## 11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Cost 01/01/2018	Accumulated Depreciation 01/01/2018	Carrying Amount 01/01/2018	Additions	Disposals at cost	Depreciation on disposal	Impairment/ Depreciation Charge	Revaluation Surplus	Reclassification of assets between classes cost	Reclassification of assets between classes depreciation	Cost 31/12/2018	Accumulated Depreciation 31/12/2018	Carrying Amount 31/12/2018
2018	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>													
Land	21,575	-	21,575	-	-	-	-	2,393	-	-	23,968	-	23,968
Buildings	108,799	(2,670)	106,129	3,453	-	-	(2,553)	5,108	1,099	(317)	112,919	-	112,919
Infrastructure	15,936	(1,720)	14,216	-	-	-	(426)	(177)	(45)	-	13,568	-	13,568
Computer hardware	12,086	(8,071)	4,015	874	-	-	(931)	-	(3)	-	12,957	(9,002)	3,955
Furniture and equipment	18,646	(9,315)	9,331	253	-	-	(939)	-	(1,051)	317	17,848	(9,937)	7,911
Motor vehicles	315	(269)	46	-	-	-	(17)	-	-	-	315	(287)	28
Library collection	4,103	(3,798)	305	-	-	-	(103)	-	-	-	4,103	(3,901)	202
Work in progress	2,829	-	2,829	5,485	(4,580)	-	-	-	-	-	3,734	-	3,734
<b>Total Group</b>	<b>184,289</b>	<b>(25,843)</b>	<b>158,446</b>	<b>10,065</b>	<b>(4,580)</b>	<b>-</b>	<b>(4,969)</b>	<b>7,324*</b>	<b>-</b>	<b>-</b>	<b>189,412</b>	<b>(23,127)</b>	<b>166,285</b>
<b>Institute</b>													
Land	21,575	-	21,575	-	-	-	-	2,393	-	-	23,968	-	23,968
Buildings	108,799	(2,670)	106,129	3,453	-	-	(2,553)	5,108	1,099	(317)	112,919	-	112,919
Infrastructure	15,936	(1,720)	14,216	-	-	-	(426)	(177)	(45)	-	13,568	-	13,568
Computer hardware	11,186	(7,923)	3,263	874	-	-	(762)	-	(3)	-	12,057	(8,685)	3,372
Furniture and equipment	17,984	(9,181)	8,803	253	-	-	(780)	-	(1,051)	317	17,186	(9,644)	7,542
Motor vehicles	307	(269)	38	-	-	-	(18)	-	-	-	307	(287)	21
Library collection	4,103	(3,798)	305	-	-	-	(103)	-	-	-	4,103	(3,901)	202
Work in progress	2,829	-	2,829	5,485	(4,580)	-	-	-	-	-	3,734	-	3,734
<b>Total Institute</b>	<b>182,719</b>	<b>(25,561)</b>	<b>157,158</b>	<b>10,065</b>	<b>(4,580)</b>	<b>-</b>	<b>(4,642)</b>	<b>7,324*</b>	<b>-</b>	<b>-</b>	<b>187,842</b>	<b>(22,517)</b>	<b>165,326</b>

\*The revaluation surplus for buildings and infrastructure assets includes the reversal of the accumulated depreciation.

	Cost 01/01/2017	Accumulated Depreciation 01/01/2017	Carrying Amount 01/01/2017	Additions	Disposals at cost	Depreciation on disposal	Impairment/ Depreciation Charge	Revaluation Surplus	Reclassification of assets between classes cost	Reclassification of assets between classes depreciation	Cost 31/12/2017	Accumulated Depreciation 31/12/2017	Carrying Amount 31/12/2017
<b>2017</b>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>													
Land	27,443	-	27,443	-	(5,868)	-	-	-	-	-	21,575	-	21,575
Buildings	105,702	-	105,702	3,097	-	-	(2,670)	-	-	-	108,799	(2,670)	106,129
Infrastructure	15,904	(1,318)	14,586	32	-	-	(402)	-	-	-	15,936	(1,720)	14,216
Computer hardware	10,954	(6,776)	4,178	1,132	-	-	(1,295)	-	-	-	12,086	(8,071)	4,015
Furniture and equipment	17,033	(8,236)	8,797	1,613	-	-	(1,079)	-	-	-	18,646	(9,315)	9,331
Motor vehicles	315	(252)	63	-	-	-	(17)	-	-	-	315	(269)	46
Library collection	3,975	(3,678)	297	128	-	-	(120)	-	-	-	4,103	(3,798)	305
Work in progress	4,510	-	4,510	2,576	(4,257)	-	-	-	-	-	2,829	-	2,829
<b>Total Group</b>	<b>185,836</b>	<b>(20,260)</b>	<b>165,576</b>	<b>8,578</b>	<b>(10,125)</b>	<b>-</b>	<b>(5,583)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>184,289</b>	<b>(25,843)</b>	<b>158,446</b>
<b>Institute</b>													
Land	27,443	-	27,443	-	(5,868)	-	-	-	-	-	21,575	-	21,575
Buildings	105,702	-	105,702	3,097	-	-	(2,670)	-	-	-	108,799	(2,670)	106,129
Infrastructure	15,904	(1,318)	14,586	32	-	-	(402)	-	-	-	15,936	(1,720)	14,216
Computer hardware	10,890	(6,750)	4,140	296	-	-	(1,173)	-	-	-	11,186	(7,923)	3,263
Furniture and equipment	16,988	(8,217)	8,771	996	-	-	(964)	-	-	-	17,984	(9,181)	8,803
Motor vehicles	307	(252)	55	-	-	-	(17)	-	-	-	307	(269)	38
Library collection	3,975	(3,678)	297	128	-	-	(120)	-	-	-	4,103	(3,798)	305
Work in progress	4,510	-	4,510	2,576	(4,257)	-	-	-	-	-	2,829	-	2,829
<b>Total Institute</b>	<b>185,719</b>	<b>(20,215)</b>	<b>165,504</b>	<b>7,125</b>	<b>(10,125)</b>	<b>-</b>	<b>(5,346)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>182,719</b>	<b>(25,561)</b>	<b>157,158</b>

# Notes to the Financial Statements

for the year ended 31 December 2018

## 12 INTANGIBLE ASSETS

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

The total amount of intangible assets under development is \$9.373m (2017: \$2.741m).

	Cost 01/01/2018	Accumulated amortisation 01/01/2018	Carrying amount 01/01/2018	Additions	Impairment at cost	Impairment amortisation on disposals	Amortisation	Disposal	Cost 31/12/2018	Accumulated amortisation 31/12/2018	Carrying amount 31/12/2018
<b>2018</b>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>											
Computer software	20,748	(11,729)	9,019	3,490	-	-	(1,630)	-	24,238	(13,359)	10,879
Work in progress	2,741	-	2,741	10,122	-	-	-	(3,490)	9,373	-	9,373
Purchased goodwill	407	(407)	-	-	-	-	-	-	407	(407)	-
Identifiable intangible assets	2,690	-	2,690	-	-	-	-	-	2,690	-	2,690
Qualifications	1,246	(248)	998	-	-	-	(726)	-	1,246	(974)	272
<b>Total Group</b>	<b>27,832</b>	<b>(12,384)</b>	<b>15,448</b>	<b>13,612</b>	<b>-</b>	<b>-</b>	<b>(2,356)</b>	<b>(3,490)</b>	<b>37,954</b>	<b>(14,740)</b>	<b>23,214</b>
<b>Institute</b>											
Computer software	20,514	(11,606)	8,908	3,490	-	-	(1,622)	-	24,004	(13,228)	10,776
Work in progress	2,741	-	2,741	10,122	-	-	-	(3,490)	9,373	-	9,373
Purchased goodwill	-	-	-	-	-	-	-	-	-	-	-
<b>Total Institute</b>	<b>23,255</b>	<b>(11,606)</b>	<b>11,649</b>	<b>13,612</b>	<b>-</b>	<b>-</b>	<b>(1,622)</b>	<b>(3,490)</b>	<b>33,377</b>	<b>(13,228)</b>	<b>20,149</b>

	Cost 01/01/2017	Accumulated amortisation 01/01/2017	Carrying amount 01/01/2017	Additions	Impairment at cost	Impairment amortisation on disposals	Amortisation	Disposal	Cost 31/12/2017	Accumulated amortisation 31/12/2017	Carrying amount 31/12/2017
<b>2017</b>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>											
Computer software	19,004	(9,983)	9,021	1,744	-	-	(1,746)	-	20,748	(11,729)	9,019
Work in progress	227	-	227	4,258	-	-	-	(1,744)	2,741	-	2,741
Purchased goodwill	407	-	407	-	-	-	(407)	-	407	(407)	-
Identifiable intangible assets	-	-	-	2,690	-	-	-	-	2,690	-	2,690
Qualifications	-	-	-	1,246	-	-	(248)	-	1,246	(248)	998
<b>Total Group</b>	<b>19,638</b>	<b>(9,983)</b>	<b>9,655</b>	<b>9,938</b>	<b>-</b>	<b>-</b>	<b>(2,401)</b>	<b>(1,744)</b>	<b>27,832</b>	<b>(12,384)</b>	<b>15,448</b>
<b>Institute</b>											
Computer software	18,770	(9,901)	8,869	1,744	-	-	(1,705)	-	20,514	(11,606)	8,908
Work in progress	227	-	227	4,258	-	-	-	(1,744)	2,741	-	2,741
Purchased goodwill	-	-	-	-	-	-	-	-	-	-	-
<b>Total Institute</b>	<b>18,997</b>	<b>(9,901)</b>	<b>9,096</b>	<b>6,002</b>	<b>-</b>	<b>-</b>	<b>(1,705)</b>	<b>(1,744)</b>	<b>23,255</b>	<b>(11,606)</b>	<b>11,649</b>

# Notes to the Financial Statements

for the year ended 31 December 2018

## 13 PAYABLES

	Group		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Payables under exchange transactions</b>				
Creditors	1,628	2,347	2,863	2,522
Accrued expenses	5,672	5,475	2,738	3,366
<b>Total payables under exchange transactions</b>	<b>7,300</b>	<b>7,822</b>	<b>5,601</b>	<b>5,888</b>
<b>Payables under non-exchange transactions</b>				
Taxes payable	1,263	702	914	624
<b>Total payables</b>	<b>8,563</b>	<b>8,524</b>	<b>6,515</b>	<b>6,512</b>

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 2018

## 14 EMPLOYEE ENTITLEMENTS

	Group		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Current portion</b>				
Accrued pay	1,408	2,512	1,163	2,312
Annual leave	2,254	2,009	2,121	1,881
<b>Total current portion</b>	<b>3,663</b>	<b>4,521</b>	<b>3,284</b>	<b>4,193</b>
<b>Non-current portion</b>				
Long service leave	792	70	20	70
Retirement gratuities	106	127	106	127
<b>Total non-current portion</b>	<b>899</b>	<b>197</b>	<b>126</b>	<b>197</b>
<b>Total employee entitlements</b>	<b>4,561</b>	<b>4,718</b>	<b>3,411</b>	<b>4,390</b>

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 \$1,352 higher/lower (2017: \$1,448).

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 \$1,445 higher/lower (2017: \$1,507).

## 15 REVENUE IN ADVANCE

	Group		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Tuition fees non-exchange	13,335	10,371	13,335	10,371
Tuition fees exchange	8,181	9,057	8,181	9,057
Other exchanges revenue received in advance	322	1,450	11	181
<b>Total deferred revenue</b>	<b>21,838</b>	<b>20,878</b>	<b>21,527</b>	<b>19,609</b>

Revenue in advance 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 2018

## 16 BORROWINGS

	Group		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Current</b>				
Bank overdraft	251	4,951	251	4,951
Secured loans	28	-	28	-
<b>Total current portion</b>	<b>279</b>	<b>4,951</b>	<b>279</b>	<b>4,951</b>
<b>Non-current</b>				
Secured loans	30,113	13,385	30,113	13,385
<b>Total non-current portion</b>	<b>30,113</b>	<b>13,385</b>	<b>30,113</b>	<b>13,385</b>
<b>Total borrowings</b>	<b>30,392</b>	<b>18,336</b>	<b>30,392</b>	<b>18,336</b>

### 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 total current borrowings including the bank overdraft is \$30.392m as at 31 December 2018 (2017: \$18.336m).

### 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 \$8.5m.

### Bank covenants

- As at 30 June and 31 December: Term debt/(term debt + equity)  $\leq$  20%
- As at 30 June and 31 December: EBITA/gross interest  $\geq$  3.00x
- Non BNZ debt in excess of \$250,000

### TEC conditions of consent

- net surplus ratio of at least 2.5%.
- cash ratio of at least 111%.
- interest cover ratio of no less than 2.5 times.
- debt equity (gearing) ratio of 20% or less until 2019 and 15% or less for 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

Wintec did not meet some of the TEC conditions and in accordance with the TEC we have advised them of the breach 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 the Group have no finance leases.

# Notes to the Financial Statements

for the year ended 31 December 2018

## 17 EQUITY

	Group		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>General funds</b>				
Balance at 1 January	111,501	106,570	111,826	107,502
Surplus/(deficit) for the year	(991)	2,227	(631)	1,621
Transfer from revaluation reserve on disposal	-	2,704	-	2,704
Transfers to restricted reserves	(31)	-	(31)	-
<b>Balance at 31 December</b>	<b>110,479</b>	<b>111,501</b>	<b>111,164</b>	<b>111,827</b>
<b>Property revaluation reserves</b>				
Balance at 1 January	31,794	34,498	31,794	34,498
Land net revaluation gains/(losses)	2,393	-	2,393	-
Buildings net revaluation gains/(losses)	5,108	-	5,108	-
Infrastructure net revaluation gains/(losses)	(177)	-	(177)	-
Transfer to general funds on disposal of land	-	(2,704)	-	(2,704)
<b>Balance at 31 December</b>	<b>39,118</b>	<b>31,794</b>	<b>39,118</b>	<b>31,794</b>
<b>Restricted reserves</b>				
Balance at 1 January	623	623	623	623
Appropriation of net surplus	31	-	31	-
Application of trusts and bequests	-	-	-	-
<b>Balance at 31 December</b>	<b>654</b>	<b>623</b>	<b>654</b>	<b>623</b>
<b>Non-controlling interest</b>				
Balance at 1 January	449	441	-	-
Capital contributions from owners	-	-	-	-
Surplus/(deficit) for the year	-	8	-	-
<b>Balance at 31 December</b>	<b>449</b>	<b>449</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>150,700</b>	<b>144,367</b>	<b>150,936</b>	<b>144,244</b>
Property revaluation reserves consists of:				
Land	30,906	28,513	30,906	28,513
Infrastructure	1,640	1,817	1,640	1,817
Buildings	6,572	1,464	6,572	1,464
<b>Total property revaluation reserves</b>	<b>39,118</b>	<b>31,794</b>	<b>39,118</b>	<b>31,794</b>

### Restricted reserves

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 2018

## 18 COMMITMENTS AND CONTINGENCIES

### Operating lease commitments

#### Institute and Group as lessees

The Institute has entered into commercial 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	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Within one year	1,562	1,754	1,460	1,653
After one year but not more than five years	3,518	3,473	3,138	3,085
More than five years	8,653	9,120	8,258	8,820
<b>Total non-cancellable operating leases</b>	<b>13,733</b>	<b>14,347</b>	<b>12,856</b>	<b>13,558</b>

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 48 months. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Group		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Within one year	-	99	-	99
After one year but not more than five years	-	-	-	-
More than five years	-	-	-	-
<b>Total non-cancellable operating leases</b>	<b>-</b>	<b>99</b>	<b>-</b>	<b>99</b>

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. (2017: nil).

**Capital commitments**

At 31 December 2018 the Institute has \$nil commitments (2017: \$nil).

**Contingent assets**

The Institute and Group have no contingent assets (2017: \$nil)

**Contingent liabilities**

Wintec entered into an operation and maintenance agreement with the Colleges of Excellence in the Kingdom of Saudi Arabia on 8 April 2014. Under this agreement, Wintec was required to provide a performance bond which was done under a counter guarantee between the Bank of New Zealand and Banque Saudi Fransi. Should Wintec not perform its obligations, Wintec may be required to pay an amount out of the performance bond up to a maximum value of 2.75% of the value of the operation and maintenance contract. The amount of that bond as at 31 December 2018 covered under the bank counter guarantee, was \$7m (2017: \$7m). As at 29 April 2019 the value of the bond was reduced to \$2.1m, the bond ceases on 1st September 2019.

In 2017 the Institute was aware of potential payments to be made for employment-related matters. Financial exposure was unable to be quantified at this point in time.

The Institute and Group have no other contingent liabilities for 2018.

**Employee settlement payments**

During the year ended 31 December 2018, 7 (2017: 15) employees received compensation and other benefits in relation to cessation totalling \$116,622 (2017: \$436,299). This includes redundancy payments, retirement payments and other severance payments.

# Notes to the Financial Statements

for the year ended 31 December 2018

## 19 RELATED PARTY DISCLOSURE

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

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

### Key management personnel compensation

	Group		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Council members</b>				
Full-time equivalent members	1	1	1	1
Remuneration	160	160	160	160
<b>Executive management team, including the Chief Executive</b>				
Full-time equivalent members	13	13	11	11
Remuneration	3,019	2,778	2,644	2,507
Total full-time equivalent members	14	14	12	12
<b>Total key management personnel compensation</b>	<b>3,179</b>	<b>2,938</b>	<b>2,804</b>	<b>2,667</b>

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:

<b>Council member</b>	<b>Actual 2018 \$</b>	<b>Actual 2017 \$</b>
Brennan, Desmond	17,120	17,120
Cave-Palmer, Mary (Chair)	-	11,984
Devlin, Margaret	17,120	9,273
Goulter, Kiri**	11,413	-
Gusscott, Sandra	17,120	17,120
Harris, Barry	35,952	23,968
Howse, Steve (Deputy Chair)*	7,133	21,400
Moana-Tuwhangai, Maxine	-	7,847
Nuri, Niwa (Deputy Chair)	19,973	9,273
Rink, Aaron	17,120	17,120
Roa, Pam	-	7,847
S'ng, Ping	17,120	17,120
<b>Total councillors' fees</b>	<b>160,071</b>	<b>160,072</b>

\*term ended 30 April 2018    \*\*term commenced 30 April 2018

# Notes to the Financial Statements

for the year ended 31 December 2018

## 20 CHILDCARE SUMMARY

	Actual 2018 \$'000	Budget 2018 \$'000	Actual 2017 \$'000
<b>Revenue</b>			
Government grants (children under two)	255	234	243
Government grants (children over two)	80	78	92
Government grants (free Early Childhood Education)	242	213	209
Government grants (provisionally registered teachers)	-	-	-
Government grants (free subsidy)	32	31	36
Incentive grant	-	-	-
Fees Work and Income New Zealand (WINZ)	99	120	133
Other fees	118	103	99
<b>Other trading revenue</b>	<b>826</b>	<b>779</b>	<b>812</b>
<b>Expense</b>			
Staffing	652	723	669
Other costs	69	28	50
<b>Other trading expenses</b>	<b>721</b>	<b>751</b>	<b>719</b>
<b>Trading surplus</b>	<b>105</b>	<b>28</b>	<b>93</b>

### Provisionally registered teachers (PRT) support grant.

There were no PRT grants received in 2018 (2017: nil).

## 21 EVENTS AFTER THE BALANCE SHEET DATE

### Subsequent events - uncertainties about the Government's proposal to merge Polytechnics and Technology Institutes into a single entity

In February 2019, the Government released a proposal which if implemented would merge the activities of all 16 polytechnics and institutes of technology into a single entity responsible for the delivery of tertiary vocational education in New Zealand.

The proposal is subject to public consultation, which was completed on 5 April 2019. It is expected that the Government will make its decision on the merger of all Polytechnics and Institutes of technology after this date.

Should the merger proceed, it could have a significant impact on the future of the Waikato Institute of Technology. However, because the Government is yet to make a decision on the merger, it is not clear what that impact, if any, would be on the Waikato Institute of Technology. As a result, the financial statements continue to be prepared using the going concern basis of accounting.

No other significant events occurred after balance date requiring adjustments to any amount recognised in the financial statements.

# Notes to the Financial Statements

for the year ended 31 December 2018

## 22 FINANCIAL INSTRUMENT CATEGORIES

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

	Group		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Financial assets</b>				
<i>Loans and receivables</i>				
Cash and cash equivalents	3,133	3,125	305	361
Receivables	21,071	18,504	19,298	17,401
<i>Other financial assets</i>				
Term deposits	-	-	-	-
Loans to related parties	-	-	-	-
Special funds investments	654	634	654	634
Other investments	-	-	-	-
<b>Total loans and receivables</b>	<b>24,858</b>	<b>22,263</b>	<b>20,257</b>	<b>18,396</b>
<b>Financial liabilities</b>				
<i>Financial liabilities at amortised cost</i>				
Bank overdraft	251	4,951	251	4,951
Creditors and other payables	8,563	8,524	6,515	6,512
Secured loans	30,141	13,385	30,141	13,385
<b>Total financial liabilities</b>	<b>38,955</b>	<b>26,860</b>	<b>36,907</b>	<b>24,848</b>

# Notes to the Financial Statements

for the year ended 31 December 2018

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

## FINANCIAL INSTRUMENT RISKS

The Institute and the 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 the Group do not hold any financial instruments which are exposed to price risk.

#### *Currency risk*

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

#### *Fair value interest rate risk*

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

#### *Cash flow interest rate risk*

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

### Credit risk

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

The Institute and the 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 the 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 or impaired can be assessed by reference to the Standard and Poor's credit rating (if available) or to historical information about the counterparty default rates (table opposite).

### Liquidity risk

#### *Management of liquidity risk*

Liquidity risk is the risk that the Institute and the Group will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. Flexibility in funding is maintained by keeping committed credit lines available. The Institute and the Group have a maximum amount that can be drawn down against their overdraft facility of \$8.5m (2017: \$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 2018.

	Group		Institute	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000

### Counterparties with credit ratings

#### *Cash at bank and term deposits*

AA	-	-	-	-
AA-	3,787	3,759	959	995
<b>Total cash at bank and term deposits</b>	<b>3,787</b>	<b>3,759</b>	<b>959</b>	<b>995</b>

### Counterparties with credit ratings

#### *Loans to related parties*

Existing counterparty with no defaults in the past	-	-	-	-
Existing counterparty with defaults in the past	-	-	-	-
<b>Total loans to related parties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Debtors and other receivables

Existing counterparty with no defaults in the past	21,071	18,504	19,298	17,401
Existing counterparty with defaults in the past	-	-	-	-
<b>Total debtors and other receivables</b>	<b>21,071</b>	<b>18,504</b>	<b>19,298</b>	<b>17,401</b>

# Notes to the Financial Statements

for the year ended 31 December 2018

## 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
<b>Institute 2018</b>							
Bank overdraft	251	251	251	-	-	-	-
Payables	6,515	6,515	6,515	-	-	-	-
Accrued pay	1,163	1,163	1,163	-	-	-	-
Secured loans	30,141	30,141	-	28	-	-	30,113
<b>Total</b>	<b>38,070</b>	<b>38,070</b>	<b>7,929</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>30,113</b>

## Group 2018

Bank overdraft	251	251	251	-	-	-	-
Payables	8,563	8,563	8,563	-	-	-	-
Accrued pay	1,408	1,408	1,408	-	-	-	-
Secured loans	30,141	30,141	-	28	-	-	30,113
<b>Total</b>	<b>40,363</b>	<b>40,363</b>	<b>10,222</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>30,113</b>

## Institute 2017

Bank overdraft	4,951	4,951	4,951	-	-	-	-
Payables	6,512	6,512	6,512	-	-	-	-
Accrued pay	2,312	2,312	2,312	-	-	-	-
Secured loans	13,385	13,385	-	-	-	13,385	-
<b>Total</b>	<b>27,159</b>	<b>27,159</b>	<b>13,774</b>	<b>-</b>	<b>-</b>	<b>13,385</b>	<b>-</b>

## Group 2017

Bank overdraft	4,951	4,951	4,951	-	-	-	-
Payables	8,524	8,524	8,524	-	-	-	-
Accrued pay	2,512	2,512	2,512	-	-	-	-
Secured loans	13,385	13,385	-	-	-	13,385	-
<b>Total</b>	<b>29,371</b>	<b>29,371</b>	<b>15,986</b>	<b>-</b>	<b>-</b>	<b>13,385</b>	<b>-</b>

*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 2018

## 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
<b>Institute 2018</b>							
Cash and cash equivalents	305	305	305	-	-	-	-
Receivables	19,298	19,298	19,298	-	-	-	-
Government bonds	-	-	-	-	-	-	-
Term deposits	654	654	-	654	-	-	-
<b>Total</b>	<b>20,257</b>	<b>20,257</b>	<b>19,603</b>	<b>654</b>	-	-	-

### Group 2018

Cash and cash equivalents	3,133	3,133	3,133	-	-	-	-
Receivables	21,071	21,071	21,071	-	-	-	-
Government bonds	-	-	-	-	-	-	-
Term deposits	654	654	-	654	-	-	-
<b>Total</b>	<b>24,858</b>	<b>24,858</b>	<b>24,204</b>	<b>654</b>	-	-	-

### Institute 2017

Cash and cash equivalents	361	361	361	-	-	-	-
Receivables	17,401	17,401	17,401	-	-	-	-
Government bonds	-	-	-	-	-	-	-
Term deposits	634	634	-	634	-	-	-
<b>Total</b>	<b>18,396</b>	<b>18,396</b>	<b>17,762</b>	<b>634</b>	-	-	-

### Group 2017

Cash and cash equivalents	3,125	3,125	3,125	-	-	-	-
Receivables	18,504	18,504	18,504	-	-	-	-
Government bonds	-	-	-	-	-	-	-
Term deposits	634	634	-	634	-	-	-
<b>Total</b>	<b>22,263</b>	<b>22,263</b>	<b>21,629</b>	<b>634</b>	-	-	-

# Notes to the Financial Statements

for the year ended 31 December 2018

## SENSITIVITY ANALYSIS

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

	2018 \$'000				2017 \$'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	(5)	-	5	-	(2)	-	2	-
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#### Financial liabilities

Secured loans	70	-	(70)	-	67	-	(67)	-
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<b>Total sensitivity</b>	<b>65</b>	<b>-</b>	<b>(65)</b>	<b>-</b>	<b>65</b>	<b>-</b>	<b>(65)</b>	<b>-</b>
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### Interest rate risk - Group

#### Financial assets

Cash and cash equivalents	(25)	-	25	-	(24)	-	24	-
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#### Financial liabilities

Secured loans	70	-	(70)	-	67	-	(67)	-
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<b>Total sensitivity</b>	<b>45</b>	<b>-</b>	<b>(45)</b>	<b>-</b>	<b>43</b>	<b>-</b>	<b>(43)</b>	<b>-</b>
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#### 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 2018

## 23 PERFORMANCE AGAINST BUDGET

Government Fees: Unfavourable variance due to lower domestic volumes (budgeted for 102% of delivery and achieved 100.8%) Also lower volumes in our Youth Guarantee Provision.

Tuition Fees: Unfavourable variance driven by lower domestic student volumes but partially offset by higher international volumes.

Other Revenue: Unfavourable variance due to lower offshore consultancy and training.

Personnel costs: Unfavourable variance due to staff wage increases partially offset staff efficiencies because of lower student volumes.

Depreciation Costs are favourable to budget due to lower capital spending and review of useful life of assets.

Other expenditure is favourable to budget due to reduced offshore activity and improved operating efficiencies.

Current assets are unfavourable to budget and the prior year due to an increase in international student debt where students enrolled earlier than in the prior year.

Non-current assets are unfavourable to budget and the prior year due additions to property plant and equipment and intangible assets.

Current liabilities are favourable to budget and the prior year mainly due to the reduction in the overdraft.

Non-current liabilities are unfavourable to the prior year due to the increase in borrowings.

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

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

\* 100% owned by Wintec

\*\* 100% owned by Wintec Foundation

\*\*\* owned by LearningWorks Ltd

# STATEMENT OF SERVICE PERFORMANCE

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## Statement of Service Performance

The 2018 Statement of Service Performance (SSP) comprises the set of key performance indicators (KPIs) agreed with TEC and approved as part of the Investment Plan 2017-18.

The Investment Plan is Wintec's funding agreement with the Tertiary Education Commission (TEC). It contains the key performance indicators agreed between Wintec and the TEC for the period of the Investment Plan (2017-2018). 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, and 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, 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. These are reported separately in 2018, outside of the SSP.

### Key terms:

EFTS – Equivalent Full-Time Student/s

EPI – Educational Performance Indicator

FTE – Full-Time Equivalent

ITP – Institute of Technology and Polytechnic

MPTT – Māori and Pasifika Trades Training

PBRF – Performance Based Research Fund

PTE – Private Training Establishment

SAC – Student Achievement Component

SCC – Successful Course Completion

STP – Secondary Tertiary Partnerships

TEC – Tertiary Education Commission

TROQ – Targeted Review of Qualifications

WTA – Waikato Trades Academy

*Note: some indicators are marked 'N/A'. This reflects that either the indicator is new (and therefore there is no comparative data) or that the indicator is no longer measured.*



## Investment Plan 2016-18 Commitments

In March 2014, the Tertiary Education Commission (TEC) confirmed a new Tertiary Education Strategy (TES) for the period 2014-2018. The TES identified six priorities for the tertiary sector during the life of the strategy:

- Delivering skills for industry
- Getting at-risk young people into a career
- Boosting achievement of Māori and Pasifika
- Improving adult literacy and numeracy
- Strengthening research-based institutions
- Growing international linkages.

In preparing our 2017-18 Investment Plan, we assessed Wintec's Strategic Plan against the TES priorities ensuring that our strategies and activities aligned with TEC's expectations. During the period of the Investment Plan, our focus has been on the following areas:

- Lifting achievement of Māori and Pasifika
- Growing international linkages, and further developing on shore and off shore delivery
- Increased connectivity with industry and employers
- Strengthening employment outcomes
- Enhanced use of technology to advance teaching and learning
- Implementing strategies to improve organisational and staff capability.

These are in addition to the performance commitments agreed with TEC, reflected in our Investment Plan, tabulated below.

*Note: The calculation of two of the four Educational Performance Indicators (EPIs) was recently changed by TEC<sup>1</sup>. For the purpose of this report, the old methodology has been used, as that was the methodology in place at the time the targets were set, as part of the 2017-18 Investment Plan process. In the 2019 Annual Report, Wintec will report outcomes against both the old and the new methodology, for comparative purposes, and to inform the reader to the new measures.*

<sup>1</sup> EFTS-weighted Qualification Completion Rate (QCR) has been replaced by cohort-based Qualification Completion Rate (QCR) and Retention with cohort-based 1st Year Retention Rate.





## 2018 Educational Performance (All Students)

Objectives (SAC)	Measures			
	2016 Actual	2017 Actual	2018 Planned	2018 Actual
<b>Course completion</b>				
Level 1-2	69%	n/a <sup>†</sup>	n/a	n/a
Level 3 and above	79%	79%	80%	81%**
Level 4 and above	80%	81%	80%	83%
<b>Qualification completion</b>				
Level 1 to 2	55%	n/a*	n/a	n/a
Level 3 and above	71%	71%	71%	69%**
Level 4 and above	73%	74%	71%	73%**
<b>Progression</b>				
Level 1 to 2, to a higher level	55%	n/a*	n/a	n/a
Level 1 to 3, to a higher level	47%	54%	55%	52%
<b>Retention</b>				
Level 1 to 2	56%	n/a*	n/a	n/a
Level 3 and above	69%	70%	72%	71%
<b>Percentage of agreed TEC SAC funding achieved</b>				
Percentage of agreed TEC SAC funding achieved	98.8%	98.6%	102%	100.8%**
<b>Delivery of provision targeted to meet Youth Guarantee (YG) priorities</b>				
Delivery of provision targeted to meet Youth Guarantee (YG) priorities	89%	100%	100%	54%

<sup>†</sup>No longer measured by TEC.

\*\*Note these figures are as at 28 February 2019, to be confirmed once TEC have released final data.

### Key points:

As at 31 January 2019, a total of 4,025 EFTS were reached, resulting in the achievement of 100.8% of our funding allocation.

Overall, successful course completion for all SAC funded students has remained steady year on year, with a slight increase at Level 3 and above, and Level 4 and above on 2017 levels. This increase can be attributed to programmes across six of our centres, with notable increases in Enrolled Nursing (Nēhi Whakauru), New Zealand Diploma in Engineering v2, Paetahi Tumu Kōrero Bachelor of Counselling, Diploma in Beauty Body and Spa Therapies (Level 5).

At 71%, student retention is consistent with previous years; slightly above the 2017 result (70%), albeit slightly below the target set for 2018 (72%).

The decline in Youth Guarantee (YG) delivery continues

(from 174 EFTS in 2016 to 129 EFTS in 2017) with only 49 EFTS delivered through this mechanism in 2018.

This reflects a nationwide trend where restrictive entry requirements limit the intake of potential students. Most YG provision is at Levels 1 and 2, with only limited provision at Level 3. And, as many school leavers have already obtained NCEA Level 2, they are not eligible for YG funding. In addition, the introduction of fees-free education at Levels 3 and above, may have further reduced the appeal of YG funding for eligible students.



## Māori Educational Performance

Objectives (SAC)	Measures			
	2016 Actual	2017 Actual	2018 Planned	2018 Actual
<b>Course completion</b>				
Level 3 and above	71%	70%	75%	75%
Level 4 and above	72%	73%	76%	77%
<b>Qualification completion</b>				
Level 3 and above	56%	55%	63%	58%
Level 4 and above	58%	56%	63%	63%
<b>Progression</b>				
Level 1 to 3, to a higher level	45%	43%	52%	35%
<b>Retention</b>				
Level 3 and above	62%	61%	66%	62%
<b>Participation</b>				
Level 1-2*	2%	n/a	n/a	n/a
Level 3 and above	24%	24%	24%	25%
Level 4 and above	21%	20%	22%	18%

\* no longer measured by TEC

### Key points:

With approximately 25% of our learners participating at Level 3 and above identifying as Māori, we have created a supportive environment that nurtures Māori ways of knowing and being in order to improve outcomes. Dedicated activities supporting Māori learners include:

- Te Ngāwhā Whakatupu - the capability framework – launched in 2014 and designed to guide staff to build Māori cultural competency.
- Kaiāwhina Network – front-line Māori student support roles, providing support and guidance to Māori students; assists them to understand issues that may be affecting their learning and ensures they connect with the most appropriate support at Wintec or within the community.
- Te Kete Kōnae (TKK) - utilises Māori best practice to engage with students on their journey of learning at Wintec. Typically, this focuses not only on the academic aspects, but also acknowledges the physical, spiritual and whānau dynamics of the student or staff member. TKK also supports the establishment of peer support structures within the Māori student community.

In 2018, these initiatives have contributed to an increase in successful course completion at Level 3 and above, from 70% in 2017 to 75%, and at Level 4 and above from 73% in 2017 to 77%. These results demonstrate our ongoing commitment to lifting achievement for priority

learners. Of particular note, programme cohorts with 10 or more students that have had an increase of 10% or more from 2017 to 2018 are:

- Applied Science 3
- Certificate in Cookery (Level 4)
- Animal Care (Level 3)
- Certificate in Management (Level 4)
- Certificate in Trade Technology (Level 3)
- Diploma in Beauty Body and Spa Therapies (Level 5)
- Certificate in Massage (Level 4).

As at 28 February 2019, successful qualification completion rate at Level 4 and above for this cohort is on target (63%), representing an increase of 7% on 2017 levels (56%). Successful qualification completion rates for Māori at Level 7 degree (e.g. completing within six years) has improved from 38% in 2017 to 43% in 2018. Standout programmes in this group include:

- Bachelor of Media Arts
- Bachelor of Nursing.

These are particularly pleasing results and reflect our ongoing commitment to higher achievement rates for this cohort.

## Pasifika Educational Performance

Objectives (SAC)	Measures			
	2016 Actual	2017 Actual	2018 Planned	2018 Actual
<b>Course completion</b>				
Level 3 and above	71%	72%	74%	71%
Level 4 and above	72%	76%	74%	71%
<b>Qualification completion</b>				
Level 3 and above	62%	58%	60%	56%
Level 4 and above	63%	61%	60%	58%
<b>Progression</b>				
Level 1 to 3, to a higher level	38%	41%	45%	60%
<b>Retention</b>				
Level 3 and above	67%	63%	66%	67%
<b>Participation</b>				
Level 1-2*	0.4%	n/a	n/a	n/a
Level 3 and above	6%	7%	5%	7%
Level 4 and above	6%	6%	5%	5%

\* no longer measured by TEC

### Key points:

On average Wintec enrolls 1,000 Pasifika students per year, equating to almost 400 EFTS (approximately 7% of our overall student population). Support for and recruitment of Pasifika learners spans across many areas within Wintec. This includes:

- Māori and Pasifika Trades Training
- Network of Pasifika staff
- Te Kete Kōnae
- Links with PTEs and external stakeholders

Specifically, Te Kete Kōnae (TKK) utilises Pasifika best practice to engage with students on their journey and provides access to a dedicated Pasifika learning adviser. In addition, the Pasifika Club, led by the Pasifika Learning Adviser, provides a valuable networking and support structure for Pasifika learners on campus, including regular lunch clubs and social events. It is also proactive in recruitment and retention practises directed at Pasifika learner needs.

In 2018, the successful course completion rate at Level 3 and above and Level 4 and above reached 71%, which is below the target set (74%) and a decline on the results achieved in 2017 (72% for Level 3 and above, and 76% for Level 4 and above). Notwithstanding this slight decline, successful course completion rates for Pasifika remain relatively consistent year on year. It is also worth noting that the small cohort size results in greater fluctuations from year to year for this group.

A particular standout programme for this cohort is the Bachelor of Applied Management, which saw a 10% increase in successful course completions on 2017. It is worth noting, however, that this is a relatively small cohort and therefore subject to greater fluctuations year on year.

## Learners Aged under 25 Educational Performance

Objectives (SAC)	Measures			
	2016 Actual	2017 Actual	2018 Planned	2018 Actual
<b>Course completion</b>				
Level 3 and above	78%	77%	79%	78%
Level 4 and above	80%	80%	80%	82%
<b>Qualification completion</b>				
Level 3 and above	64%	66%	65%	61%*
Level 4 and above	66%	69%	65%	66%*
<b>Participation</b>				
Level 3 and above	53%	52%	54%	52%
Level 4 and above	48%	45%	50%	40%

\*Note these figures are as at 28 February 2019, to be confirmed once TEC have released final data.

Participation rates for this cohort at Level 3 and above is consistent with 2017 results, at 52%. It is disappointing to note a decrease year on year in Level 4 and above since 2016 (48% in 2016, 45% in 2017, and 40% in 2018), however there is no clear evidence at this stage to suggest whether this may be the result of the impact of Fees Free on the tertiary sector.

## Educational Outcomes

Objectives	Measures			
	2016 Actual	2017 Actual	2018 Planned	2018 Actual
Student satisfaction	91%	92%	90%	90%
Graduate satisfaction	93%	91%	90%	91%
Employer and industry satisfaction*	84%	82%	n/a	n/a
Employer Engagement Group (EEG) satisfaction**	77%	75%	85%	79%

\* The 2016 survey results were based on the question: Overall, of the Wintec graduates you have employed, how satisfied are you with their work readiness in terms of technical skills and knowledge?

The 2017 survey results were based on the above question and the following: How satisfied are you with: How Wintec works with your business/organisation to deliver the appropriate courses and qualifications?

\*\* This measure cannot be directly compared to previous years as this new indicator combines both employer and EEG satisfaction (these were reported separately in past years).

### Key points:

A new student survey framework was introduced in 2018 enabling students to provide feedback at key points in their journey. EvaluationKIT software allows students convenient access to their surveys through a pop-up window in our student learning management system (Moodle).

Annual surveys are used to gauge customer satisfaction

and engagement with key stakeholder groups.

### Student satisfaction

In 2018 Wintec implemented a new customer insights framework, Student Voice, which includes surveying students at key interaction points of their journey via EvaluationKit software.

This software enables students to respond to surveys through a pop-up in the Moodle platform.

Once surveys are closed the results are made immediately available to staff through a series of customised reports.

This framework allows Wintec to respond to student feedback in a timely manner; and demonstrate that Wintec is listening and utilising student feedback to directly inform decision making.

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 6,123 students were surveyed and 2,419 responses received. The margin of error for the survey is +/- 1.6 percent.

Our student satisfaction levels were over 90 percent for quality of teaching, programme content, programme facilities, learning environment and overall programme satisfaction. Positive trends from 2016-2018 were recorded for satisfaction with programme management and organisation, as well as quality of teaching.

Improvements in overall programme satisfaction were noted for the following teaching centres: Centre for Business Enterprise and Centre for Information Technology (7.3 percent)<sup>1</sup> and Centre for Sport Science and Human Performance (5.4 percent).

Students commented favourably on the skills gained through the hands-on and practical learning focus of their programmes as well as Wintec's modern learning facilities. They also valued their knowledgeable tutors and the support provided to succeed in their studies.

#### 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 2018 a total of 3,009 graduates were surveyed and 1,018 responses were received. The margin of error for the survey is +/- 2.5 percent.

Graduate satisfaction levels above 90 percent were recorded for five of the seven indicators measured in the survey: quality of teaching, programme content, development of skills and knowledge, career prospects and overall programme satisfaction. The highest level of satisfaction (93.1 percent) was with the development of skills and knowledge which reflects Wintec's role as a provider of vocational and professional education. Respondents commented favourably on how the acquisition of knowledge and practical skills (often gained through work placements) prepared them for the workplace. Graduates also highly valued the quality of teaching and support provided by their 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. A total of 405 were surveyed and 108 responses received. This measure cannot be directly compared to previous years as this new indicator combines both employer and EEG satisfaction (which were reported separately in past years). While the measure is below target this cannot be regarded as significant as it is within the margin of error for the survey (+/- 8.1 percent). Favourable feedback was received from employers regarding the industry readiness of graduates in terms of their knowledge and practical skills gained through field based training. They also valued the willingness to learn and work ethic of the graduates they had employed.

<sup>1</sup> The data from these centres is combined to allow comparison with the former Centre for Business, Information Technology and Enterprise.



## International EFTS

Objectives	Measures			
	2016 Actual	2017 Actual	2018 Planned	2018 Actual
The number of international EFTS	1,009	1,064	1,150*	1,091**
International fees revenue (\$m)	15.1	16.8	17.9	17.472

\* 2018 Business Plan stretch target.

\*\*Includes recognised exchange schemes, and research based postgraduate programmes.

### Key points:

We achieved a total of 1,091 international EFTS in 2018, which shows a steady increase year on year, although below the target set. Of that total, 1,078 of EFTS are full fee paying students, with the balance comprised of students in recognised exchange schemes, and research based postgraduate programmes.

Notwithstanding the growth in EFTS from the India market, the China market has declined by over 53 EFTS year on year. This is consistent with a reported decline

of new international students from China across all New Zealand education sectors in 2018, with a 25% drop in first time student visas (FSVs) in the ITP sector. Feedback from Education New Zealand and the market indicate that perceptions of negative government policies around housing, investment and immigration contributed to uncertainty in the international student market.

A decline in EFTS from Saudi Arabia is due to the maturation of the scholarship pipeline.



## Wintec Research

Objectives	Measures			
	2016 Actual	2017 Actual	2018 Planned	2018 Actual
PBRF research revenue	\$585,000	\$658,331	\$650,000	\$673,722
External research income earned	\$398,000	\$917,000	\$900,000*	\$697,174
Number of research degrees completed	36	21	30	39

### Research degrees

The number of research degrees completed increased from 21 in 2017 to 39 in 2018. An increase in research degree enrolments in the Master of Arts and the Master of Science (Sport and Exercise Science) is of note, and we expect that this will continue to lead to increased completions in the coming years.

### Revenue

Revenue achieved via PBRF in 2018 is slightly above the target set (\$673,722 against a target of \$650,000). This may be quantified as follows:

1. Research Outputs Generated – Quality (\$275,671).
2. Research Degree Completions (\$342,129).
3. External Research Income (\$55,972).

In addition, we received \$697,174 in external research revenue, through a variety of sources, including Train the Trainer, Imprinted Polymer Research (Ligar), and Applied Innovation Services. This was below the target set of \$900,000 and has prompted an internal review for early 2019 to identify how performance may be improved.

### Māori research and rangahau

In 2018 we undertook to implement Te Pae Haumako (Rangahau and Māori Research at Wintec), publishing a

strategy and engagement document in September 2018.

Rangahau encapsulates Kaupapa Māori theory, methodology, and Māori ways of knowing, being and doing at the forefront of Rangahau activities.

Māori research is differentiated to include research that is undertaken using Western paradigms, methodologies, methods and incorporates Māori researchers or non-Māori researchers conducting research with a Māori target audience and as participants.

By and large, the major themes of the strategy are based on rangahau and Māori research activities that align to the following themes:

1. Culturally relevant teaching and learning environment.
2. Culturally responsive ako facilitators.
3. Culturally accountable relationships.

The initial building phase in 2018 involved a comprehensive approach to staff and student development, leading to the fostering of strong rangahau relationships with industry and community and to the assertion of kaupapa Māori space within Wintec, and enables us to continue to grow rangahau capacity and capability in future years.

## 2018 Business Plan Context

Wintec's 2018 Business Plan is structured around our five strategic goals, under which sit a number of themes and outcomes, assigned to the executive portfolio, and reported to Council during 2018. A summary of the goals, outcomes and themes are summarised below.

### **Our graduates are highly sought after by employers**

- Teaching and learning
- Industry engagement
- Student and employer engagement (annual surveys)

### **We help build the economy and strengthen communities**

- Partnerships
- Māori and Pasifika
- Employer and community engagement

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

- EFTS
- Diversification
- Investment in future growth – partnerships

### **We are a modern and financially sustainable organisation**

- Financial performance
- International revenue and contribution margin
- Organisational and staff capability
- Product portfolio management
- Compliance

### **Our research and commercialisation deliver real-world solutions**

- Integration of research, commercialisation and innovation activity, with students, staff and industry
- Research income, cost contribution margin
- Māori research and rangahau
- Future growth



## Strategic Goal: Our graduates are highly sought after by employers

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

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

We offer a broad portfolio of over 150 programmes, from Level 1 English for Speakers of Other Languages (ESOL) and Level 2 foundation and pre-trades programmes, to Level 8 and 9 postgraduate diplomas

and masters-level qualifications. Delivered through a variety of teaching and learning modes that reflect real workplace environments, these programmes have been developed in response to regional demand, to meet the needs of students and employers.

Our students learn the technical skills required for their roles, as well as ‘new work skills’, and achieve literacy, fluency and mastery as they advance from foundation programmes to higher levels of study. This approach provides Wintec graduates with the best opportunity to be active participants in a rapidly changing technological, media and communications landscape, and an increasingly globalised (and mobilised) workforce.

### Outputs planned for in 2018

#### TEACHING AND LEARNING

Develop new programmes to meet regional and industry need, delivered in ways that replicate real working environments, and provide opportunities for students and staff to partner with industry.

#### YEAR'S PROGRESS

Completing our suite of creative programmes, the Bachelor of Music and Performing Arts, and Bachelor of Contemporary Art were launched in 2018, responding to the needs of a changing world and the demands of a future workplace that requires people who can work together, think creatively and solve problems.

Both degrees include a substantial workplace-based component, to ensure students graduate with a strong understanding of freelance and business skills. Opportunities for collaborative projects with industry experts is another point of difference in a move to support and extend classroom-based learning.

Commencing in February 2019, these programmes will see students becoming proficient in new media, social technologies, and the demands of a globally connected, fast moving and adaptable world.

#### *Bachelor of Physiotherapy*

In late 2018, the New Zealand Physiotherapy Board granted approval to Wintec to deliver physiotherapy and accredited the degree qualifications of the Bachelor of Physiotherapy and Bachelor of Physiotherapy (Honours). As the first new physiotherapy school to be opened in 45 years (there are now three), this is a significant achievement.

Developed in consultation with communities and local providers, the programme will support increased numbers of Māori and Pasifika students to enter the programme and qualify as physiotherapists.

With the addition of physiotherapy, this extends the range of health and social practice programmes Wintec offers, which includes nursing, midwifery, social practice, occupational therapy and sport and exercise science, strengthening our role in responding to the dynamic growth of Waikato by helping develop the future health workforce for our region.

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Ensure all new and refurbished products are developed and/or modernised to align with Ako: Teaching and Learning Directions (A:TLD). This is an ongoing programme of portfolio revitalisation for Wintec.

In 2018, 6 new and 12 modernised products (redevelopments) commenced curriculum and/or content design, to bring them up to date with our teaching and learning methodology – Ako: Teaching and Learning Directions (A:TLD).

The core principles of A:TLD are:

- learner-centred teaching to promote authentic experiences.
- inquiry-based learning and teaching which ensures learner engagement.
- authentic learning experiences which ensure work-readiness of graduates.

Teaching and learning coaches work alongside faculty and product development teams to:

- support development teams to embed A:TLD into new and re-developed programmes.
- provide professional development resources and activities to support all staff to embed A:TLD into their teaching.
- support Centre Directors and Team Managers to implement capability development programmes for teaching staff.

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## INDUSTRY ENGAGEMENT

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Embed industry teaching partnerships in 80% of our programmes, connecting students and staff with industry specialists, and provide real world experiences and opportunities for collaborative ventures.

87% of our programmes now have embedded industry teaching partnerships.

Industry teaching partnerships occur when industry representatives outside Wintec are invited to contribute to the student learning experience, whether directly or indirectly. This includes industry experts teaching, assessing, mentoring students and Wintec staff, presenting as guest speakers, sponsoring Design Factory NZ projects, conducting joint research, supervising researchers and supervising students in work placements.

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**Wintec**  
WAKATOHI INSTITUTE OF TECHNOLOGY  
Te Kaitiaki Takekōwhiri





## 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.

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Achieve 85% Employer and Engagement Group (EEG) satisfaction.

Satisfaction is measured according to the results received by employers and EEGs through an annual survey that measures overall satisfaction with Wintec graduates in relation to their work readiness in terms of technical skills and knowledge, and their satisfaction with the EEG.

Slightly below target - 79% achieved.

However, it should be noted that this measure cannot be directly compared to previous years as this new indicator combines both employer and EEG satisfaction (these were reported separately in past years).

The results in 2018 demonstrate favourable feedback from employers regarding the industry readiness of graduates in terms of their knowledge and practical skills gained through field-based training. They also valued the willingness to learn and work ethic of the graduates they had employed.

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Achieve 90% student satisfaction.

Satisfaction is measured through annual surveys, and student responses to a series of questions relating to their overall satisfaction with the Wintec experience.

Target achieved - 90% student satisfaction.

A new student survey framework was introduced in 2018 enabling students to provide feedback at key points in their journey. EvaluationKIT software allows students convenient access to their surveys through a pop-up window in our online teaching platform – Moodle. This framework allows Wintec to respond to student feedback in a more timely manner, and to demonstrate the value of student feedback as part of Wintec's evidence-based decision-making approach.

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Achieve 90% graduate satisfaction.

All Wintec graduates who have successfully completed a formal qualification, are surveyed approximately six months after completing their studies. Satisfaction is measured in terms of graduate responses to a series of questions relating to overall programme satisfaction.

Target achieved - 91% graduate satisfaction.

Of particular note the 2018 survey results demonstrate that the highest level of satisfaction (93%) was with the acquisition of knowledge and practical skills (often gained through work placements) in preparation for the workplace. This directly reflects Wintec's role as a provider of vocational and professional education.

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## Strategic Goal: We help build the economy and strengthen communities

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

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

Our profile and influence enable us to contribute to national and regional economic performance, innovation and capability, and international initiatives

off shore. We ensure that we build and maintain regional networks of provision and community partnerships that improve social outcomes and greater equity of access to education. This includes engaging iwi in curriculum development, initiatives to provide pastoral support for Māori students, and continuing to foster collaborative partnerships with other providers with the view of growing the whole education business for the Waikato region.

### Outputs planned for in 2018

#### EMPLOYER AND COMMUNITY ENGAGEMENT

Review Wintec’s regional delivery plan to scope additional learning hubs in Northern Waikato, pushing into the top of traditional Tainui catchment and Thames/Coromandel/South Waikato. This will reinforce our commitment to regional economic development and existing relationships with industry, iwi and community partners.

Engage with Communities of Learning in the Waikato, extending the Design Thinking for Educators programme as a professional development tool.

#### YEAR’S PROGRESS

Research and co-design with regional stakeholders identified areas of skill shortages, a desire for a partnership approach to fill skill shortages, the need for more accessible community-based learning, and the opportunity to facilitate community development through design thinking, applied research and entrepreneurship. Activities in 2019 will trial new forms of partnership product development, community development and scope increased accessibility to community-based learning.

The relationship between Wintec and the member schools of the Community of Learning; He Waka Eke Noa continues to make good progress. In July, Wintec staff conducted two workshops; one in design thinking, and the other in digital storytelling.

#### *Design Thinking*

This workshop invited teachers to experiment with design thinking processes and consider ‘how might we inspire students to engage in compelling ways and be active creators of their pathway? This workshop was designed to link into the Community of Learning strategy around recognising powerful partnerships to strengthen connections and transitions with community partners.

*Digital Storytelling*

Participants discussed what digital storytelling means, and how the process of digital storytelling can empower students. Examples of digital storytelling were presented as well as how the process links to enhancing cultural responsiveness (which is a strategic focus on the Community of Learning). The session also looked at links with assessment, ePortfolios and the new digital technologies curriculum.

Extend collaboration with Waikato-Tainui with training proposals for agribusiness, logistics, engineering and trades, linked to tribal economics or social projects.

Initially, Wintec intended to partner with Waikato-Tainui to offer Māori and Pasifika Trades Training (MPTT) construction and logistics in 2019, through “triple iii” funding. Although this initiative has not gone ahead as planned, we continue to pursue further collaborations with Waikato-Tainui. Wintec has collaborated with Ngāti Hauā, to deliver entry level horticulture in Morrinsville from 2019.

**PARTNERSHIPS**

Extend partnership opportunities with Waikato secondary schools, supporting the government’s Better Public Service targets for lifting NCEA achievement. In doing so, we focus on the development and delivery of products that primarily fall into one of two categories:

1. Secondary Tertiary Partnership (STP) programmes that support practical learners from the senior secondary school system including those with a history of limited achievement and/or engagement.
2. Foundation education that supports the transitions from school and/or unemployment to tertiary education, which, for some, is made difficult by the number of multiple qualifications on offer and the lack of understanding of pre-requisites for entry.

Target achieved.

Wintec was invited to partner with Rototuna Senior High School to establish a series of co-designed six-week pathway programmes focused on learning experiences. This initiative provided an opportunity for Wintec tutors and school teachers to work side by side to learn and develop ideas with and from each other. The following areas were delivered in 2018:

- Innovation and entrepreneurship (design thinking)
- Creative industries
- Sports, health and wellbeing.

Wintec and Fraser High School partnered on a co-design project to develop the new Future You Careers Tool. Partnering the project team with youth, a series of workshops were held to ensure future students led the development priorities and features of the new tool. Fraser High School was selected as the most appropriate partner with the student profile closely matching the Wintec student profile.

## Strategic Goal: We are a leader in international education, on and off shore

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

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

International education is the fifth largest export industry in New Zealand and currently generates export revenue in excess of \$4.5 billion and supports over 33,000 jobs. International education is vital to New Zealand's economy and Waikato features in the top five regions for international education performance.

As is the case for other ITPs, Wintec's onshore international EFTS are dominated by the China and India markets, which account for approximately 78% of all international EFTS. While these markets will continue to provide the largest proportion of students, we are seeking to further our relationships and growth opportunities in South East Asia, South America and the Middle East.

We see our organisation as a truly global operator, offering high quality international programmes and services, and preparing all graduates for employment in increasingly globalised workplaces, both here and internationally. As such, we continue to be actively engaged with the global environment, recognising that this is the environment in which tertiary providers, employers and our graduates will increasingly interact.

Our international student customer experience is a key market differentiator for Wintec, and includes:

- customised curriculum and student support to meet student demand;
- capability development initiatives to support our staff to build competency in teaching international students, and
- ensuring our qualifications are built to suit the international market.

International commercial initiatives focus on using the knowledge, expertise and connections that Wintec has developed over 90 years of operations in New

Zealand to strategically enter new markets using either commercial need, or developmental aid funded entry points. This occurs in two parts:

*Consultancy* – commercial solutions for needs analysis, competency assessment, workforce planning, and skills development at company, sector and government levels.

*Development services* – contextualising, designing and implementing development programmes in emerging economies funded by both governments and International Finance Institutions, and leveraging these activities to secure commercial and core education services opportunities.

In addition to the above, there were 23 international delegations to Wintec during 2018, not including those who visited for short courses or professional development training. Delegations were hosted from Chile, China, Denmark, Korea, Saudi Arabia, Thailand, and USA.

The revenue gained from our international activities make a significant contribution to our financial sustainability and enable us to continue our growth agenda.

## Outputs planned for in 2018

EFTS	YEAR'S PROGRESS
Increase in the number of international on shore EFTS.	<p>Target not achieved.</p> <p>1,091 EFTS delivered against a target of 1,150 EFTS; an increase of 27 EFTS on 2017 levels (1,064 EFTS).</p>
Improve the conversion rates of new international applications by 2.5%.	<p>Target not achieved, however new applications grew by 30% overall with a 52% increase from India. Notwithstanding this, the higher volume of lower conversion applications from India drove down the overall conversion rate, which declined by 10%.</p> <p>We are currently reviewing systems and processes to address this.</p>

## DIVERSIFICATION

Grow new enrolments (EFTS) from outside India and China - increase of 25% (30 EFTS) on 2017 levels.	<ul style="list-style-type: none"> <li>• In 2018 Korea became Wintec's third largest market with 48.33 EFTS. This was an increase of 19.2% on the previous year.</li> <li>• South American EFTS increased by almost 30% to 25.13 EFTS.</li> <li>• These markets helped to offset the (expected) decline of 20 EFTS in Saudi scholarship students, which mirrors the national and global trend.</li> </ul>
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## INVESTMENT IN FUTURE GROWTH - PARTNERSHIPS

Expand the number of international pathways, and new enrolments from new pathways.	<p>Target achieved.</p> <p>10 new Transfer of Credit (TOC) agreements were agreed in China and Fiji to drive future pipeline growth. These agreements are in the fields of Media Arts, Hospitality, Health, IT and Business.</p> <p>In 2018, a total of 14 new EFTS were generated from new pathways, predominantly from China.</p>
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## Strategic Goal: We are a modern and financially sustainable organisation

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

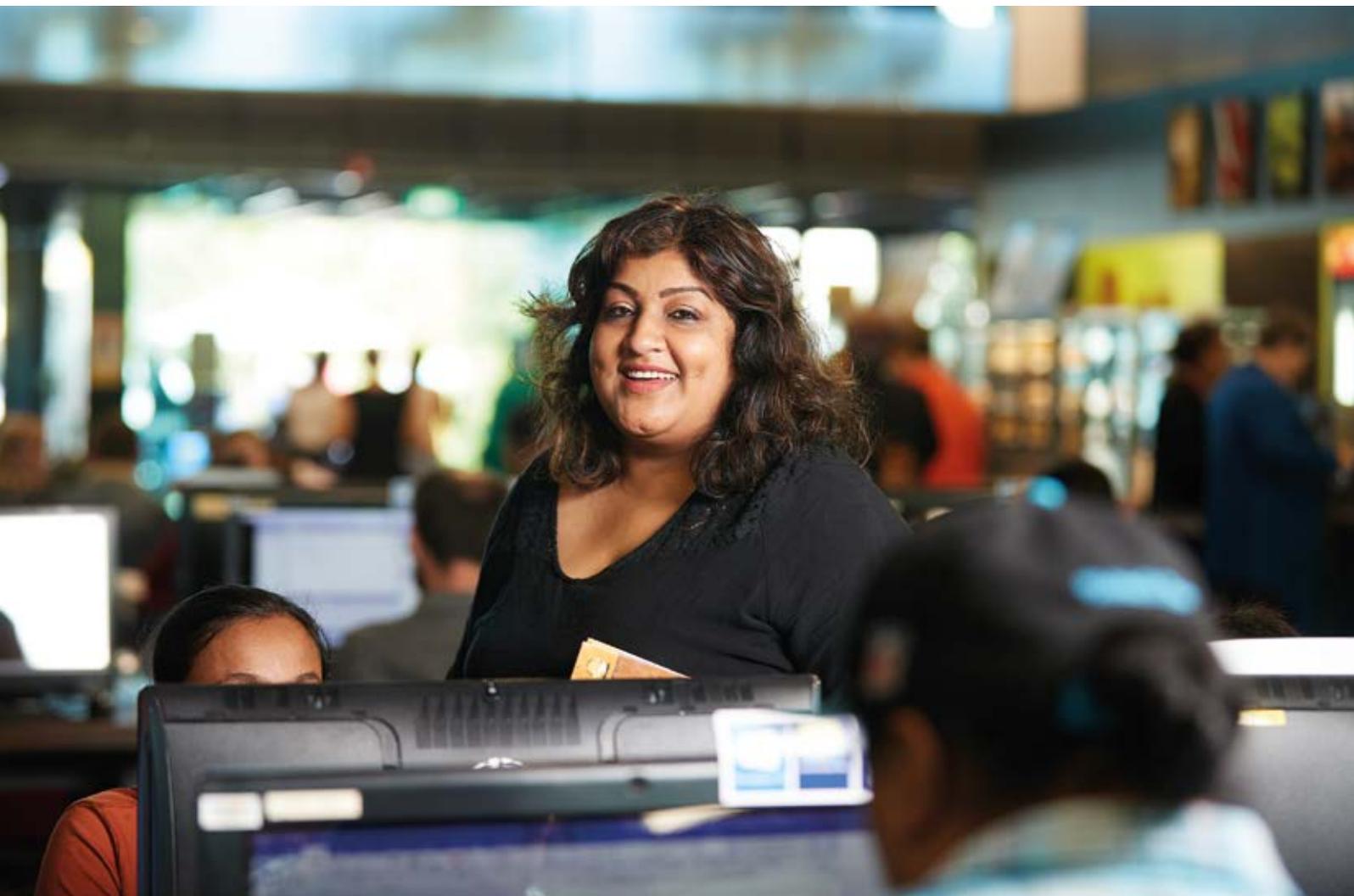
Our high-performing workforce demonstrates passion for education and the business of education. New learning technologies and environments complement our teaching and learning practices to build our students' understanding of the work skills and workplaces of today and the future. We continually work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

We systematically gather and analyse relevant data to provide the basis for ongoing improvement that will have a positive impact on customers and stakeholders. This evidence-based decision making involves all levels of the organisation in the process of self assessment,

leading to:

- systematic needs assessment;
- measurable outcomes for learners, employers and the wider community;
- sound processes and practices that achieve the desired outcomes;
- evidence-based decision making that informs strategic and business planning, and
- actual improvements

We take a whole of organisation approach to workforce planning, future-proofing Wintec to ensure we have the capability to respond quickly to changing demands.



## Outputs planned for in 2018

FINANCIAL PERFORMANCE	YEAR'S PROGRESS
Achieve 102% TEC SAC level 3+ funding.	Slightly below target.  A total of 4,025 EFTS were reached; equivalent to 100.8% of our funding allocation.
Increase conversion of new domestic applications by 3%.	Target not achieved.  As at 14 January 2019, the conversion rate for TEC (SAC) and Youth Guarantee funded students was 58.6% (down from 63.6% in 2017). The impact of this reduced conversion rate was mitigated by a higher number of true applications (5.3% greater than the previous year).
<b>INTERNATIONAL REVENUE AND CONTRIBUTION MARGIN</b>	
Achieve international fees revenue of \$17.9m.	\$17.5m
Increase revenue from international commercial activity. Target \$7.6M from all non-fee sources.	Target not achieved.  \$6m.
<b>ORGANISATIONAL AND STAFF CAPABILITY</b>	
Enhance quality of leadership and management capability.	Approximately 80 managers are now trained in Emotional Intelligence Capability, having participated in the Wintec leadership insights programme.
Deliver new programmes and increase niche provision in Māori and Pasifika Trades Training (MPTT).	Target achieved.  In 2018, in response to growing industry demand, MPTT delivered Automotive Engineering as a niche provision for MPTT students (32 EFTS).
Expand our customer voice initiatives to improve the customer experience.	We launched a new online student survey system (EvaluationKit) aimed at capturing the student voice at three points each semester. Together with Student Voice, we now have a comprehensive customer insight tool, enabling us to measure customer satisfaction and resolve student complaints in a more timely manner. With more than 6,100 Student Voice site users, and 190 student posts, this initiative has resulted in a 50% reduction in student complaints on 2017 levels.

Build our staff capability to support the implementation of Ako: Teaching and Learning Directions, providing directed coaching from a dedicated team of teaching and learning coaches.

In 2018, three teaching and learning coaches were appointed to support the implementation of Ako: Teaching and Learning Directions. Coaches work alongside faculty to develop capability in the new teaching and learning approaches. Staff are also supported by a range of resources (including an enhanced teacher toolkit), and targeted capability development in assessment practices. This is a transformative approach, creating excellent teachers, work-ready graduates and better learning experiences and outcomes for students. Staff are also supported through EVOLVE; an e-learning platform delivering modules for tutors on what Ako means for them.

## PRODUCT PORTFOLIO MANAGEMENT

Implement a 24 month review cycle of our product portfolio, evaluating contribution margin, EPIs, enrolment performance, staff : student ratio (SSR) and strategic relevance.

Pilot undertaken in 2018. A new review cycle to be implemented institution-wide first quarter 2019.

## COMPLIANCE

Monitor the implementation of Wintec’s health and safety framework to ensure legislative compliance.

Achieved WorkWell ‘bronze standard’ accreditation in 2018. Application for ‘silver’ to be submitted in 2019. This achievement demonstrates our commitment to workplace wellbeing, having built the foundations necessary for an effective workplace wellbeing programme.

Organisation-wide participation in NZQA’s 2018 External Evaluation and Review (EER).

Putting quality at the heart of Wintec, the 2018 EER was conducted and completed in October. The NZQA led panel conducted a site visit over a period of six days, meeting with 26 industry representatives, 75 current and former Wintec students, and 115 Wintec staff. The report and recommended rating is being collated by NZQA, with the final result to be made known in early 2019.

Continued monitoring and self assessment of internal policies and procedures.

During 2018 we conducted a review of 12 organisational policies, with an additional 38 reviews to be completed by year end 2019.

13 teaching hours audits were completed, with 86% compliance.

777 modules were reviewed for copyright, with 98% compliance.



## **Strategic Goal: Our research and commercialisation deliver real-world solutions**

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

Our approach to research and innovation is globally connected and helps people to develop the skills to be naturally innovative and able to function across multiple disciplines to generate new value as responsible global citizens. This leads to 'real world' impact that grows thriving communities and develops the economy.



## Outputs planned for in 2018

RESEARCH INCOME	YEAR'S PROGRESS
Achieve \$650,000 PBRF revenue.	Target exceeded. \$673,722 PBRF revenue achieved.
30 research degree completions.	Target exceeded. 39 research degree completions in 2018. This is a good result, and as there has been a steady increase in enrolments in postgraduate research degrees, we expect there to be a further increase in research degree completions in 2019 and beyond.
<b>MĀORI RESEARCH AND RANGAHAU</b>	
Implement Te Pae Haumako (Rangahau and Māori research at Wintec).	Our new Te Pae Haumako strategy document was published in September. The establishment of Te Pae Haumako provides a platform for a genuine, kaupapa Māori based rangahau and Māori research culture at Wintec, and provides a reference point for rangahau and Māori research activities moving in to the future. This will focus primarily on rangahau and Māori research activities that align to the following themes: <ol style="list-style-type: none"> <li>1. Culturally relevant teaching and learning environment.</li> <li>2. Culturally responsive ako facilitators.</li> <li>3. Culturally accountable relationships.</li> </ol>
<b>FUTURE GROWTH OPPORTUNITIES</b>	
Commence new multi-year collaborations in at least two countries outside New Zealand.	Target achieved. New collaborations in Finland, Samoa and Fiji commenced in 2018. Finland: collaborative venture over a period of three years. Fiji: exercise for rural community development. Samoa: proposal to work with the National Science Institution of Samoa to deliver the Master of Applied Innovation in Samoa (currently pending funding approval by the Samoan government).

# ACKNOWLEDGEMENTS

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# Wintec gratefully acknowledges our many partners and supporters across the region, New Zealand and around the world.

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.

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'āute Pasifika Trust, Education Action, Kershaw Training Enterprises, Morrinsville Training Centre, Valley Education and Training Enterprises, Waikato Institute for Leisure and Sports, Varda, Aposotolic Training Centre (Vision College), Waikato Institute of Education (WIE), Kiwi Institute of Teaching and Education (KIWI).

The estate of Mabel June Till for the bequest of \$19,000 for The Olive Hamilton Award Fund for Nurses.

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

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

Our Waikato and regional Trades Academy secondary partners.

Longveld, ACLX and MechEng for their support and collaboration on the Matariki Waka project. Brian Perry Charitable Trust, Trust Waikato, DV Bryant Trust, Aware Group and WEL Trust for their donations and grants to this project.

Our industry research partners including Beef and Lamb New Zealand, Ligar Polymers, Fundi Hols, Trust Waikato, Wel Trust, DV Bryant Trust, Waikato Regional Council and the University of Waikato.

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

AgResearch for the Agritec Centre at their Tokanui farm, Cambridge High School, Child Matters, Co-members of the Engineering Secondary Tertiary Partnership Consortium,

Community Living Trust, Community Waikato, Competenz, DairyNZ, Primary ITO and Dairy Training Ltd, Department of Corrections, Department of Labour, Education New Zealand, Engineering Education-to-Employment (E2E), Gallagher Group, Habitat for Humanity, Hamilton City Council, Hamilton City Netball Centre, Hyundai NZ, KaosPilot, K'āute Pasifika, LearningWorks, Midlands Hockey, Milwaulkee, Ministry of Education, Ministry of Foreign Affairs and Trade, Ministry of Social Development, Modern Transport Group, New Zealand Outdoor Instructors Association, New Zealand Trade and Enterprise, Ngā Miro Health, Ngāruawāhia High School, Otorohanga District Development Board, Pasifika community groups, Perpetual Guardian Trust, Perry Outdoor Education Trust, Plumbing World, Smart Enviromental, Soda Inc., South Waikato and Thames Coromandel District Councils for their support of our satellite campuses, Sport Waikato, St Paul's Collegiate School, St Peter's School Cambridge, The Ethic Committee, Te Waka, Tertiary Education Commission, Teng Tools, Tihoi Venture School – St Paul's Collegiate and Waikato Chamber of Commerce, Waikato District Council and WECA (Waikato Engineering Careers Association).

## Our international partners in China including:

Beihua University, Beijing Contemporary Music Academy, Beijing Fengtai Vocational High School, Beijing Polytechnic, Beijing Sports University, Changchun University of Science and Technology, Changsha Social Work College, Changsha University, Chengdu University, Chengdu University of Information Technology, Guizhou Light Industry Vocational Technical College, Hebei Sports University, Hunan Industry Polytechnic, Institute of Vocational Education of Beijing Academy of Educational Sciences, Jilin Engineering Normal University, Jinhua Polytechnic, Mianyang Polytechnic, Pingdingshan University, Qilu University of Technology, Qingdao Technical College, Qiqihar Medical University, Sanjiang University, Shaanxi Polytechnic Institute, Shandong University of Technology, Shandong Jiaotong University, Shenzhen Bao'an Central Hospital, Shenzhen Continuing Medical Education Centre, Shenzhen Medical School, Shenzhen People's Hospital, Tianjin Academy of Fine Arts, Tianjin Light Industry Vocational Technical College, Tianjin University of Technology and Education, Tianjin Administrative Institute, University of Jinan, Wuhan No.1 Commercial School, Wuxi Institute of Technology, Xi'an Aeronautical Polytechnic Institute

Our Guangdong and Beijing Vocational School Cluster partners: Beijing Information Management School, Donguan Science and Technology School, Guangdong Commercial

Vocational School, Guangdong Finance and Economics Vocational School, Guangdong Foreign Trade School, Nanhai Information Technology School, Shenzhen Bolun Vocational and Technical School, Shenzhen No.1 Vocational School of Technology and Shenzhen No.2 Vocational School of Technology.

**Our international partners at:**

Australia Pacific Technical College, Butter and Olive College of Pastry and Culinary Arts (Malaysia), Changwon National University (South Korea), DUOC UC (Chile), Fiji National University (Fiji), Gachon University (South Korea), Gyeongju University (South Korea), Hanbat National University (South Korea), Inha University (South Korea), K J Somaiya Institute of Management Studies and Research (India), Kyung-Hee University (South Korea), Matsue College of Technology (Japan), Institute of National Colleges of Technology (Japan), Praboromarajchanok Institute (Thailand), Rajamangala University of Technology Krungthep (Thailand), Semyund AMATA Corporation (Thailand), Semyung University (South Korea), Shimane University (Japan), Teikyo University (Japan), Thakur Institute of Management Studies and Research (India), The University of the South Pacific, Universitas Gadjah Mada (Indonesia) and University Santo Tomás (Chile).

**Our international partners:**

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Te Kuratini o Waikato