



Whitireia
NEW ZEALAND



ANNUAL REPORT 2015





Vision

Whitireia will lead and illuminate its communities through tertiary education.

Ko te manu e kai i te miro, nōna te ngahere. Engari, ko te manu e kai ana i te mātauranga, nōna te ao.

The one who partakes of the flora and fauna that will be their domain. The one who engages in education, opportunities are boundless.





Values

Manaaki

Encouraging cooperation in learning and resource sharing to promote individual confidence and group harmony through a positive and supportive learning environment

Identity

Creating a learning environment where all people feel they belong because their uniqueness is valued and promoted

Equity

Achieving more equal outcomes by providing significant learning and education success for those who have previously lacked such opportunities

Responsiveness

Being flexible, creative and open to change, to better meet individual, industry and community learning needs

Success

Being an effective organisation with a clear sense of purpose, striving for excellence and creating an environment where all have the right to succeed

Integrity

Maintaining the highest ethical standards and permitting public scrutiny to ensure the maintenance of those standards

Accountability


Monitoring and reporting on the maintenance of education quality standards and on the responsible use of public resources





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2015 SNAPSHOT

OF THE WHITIREIA GROUP

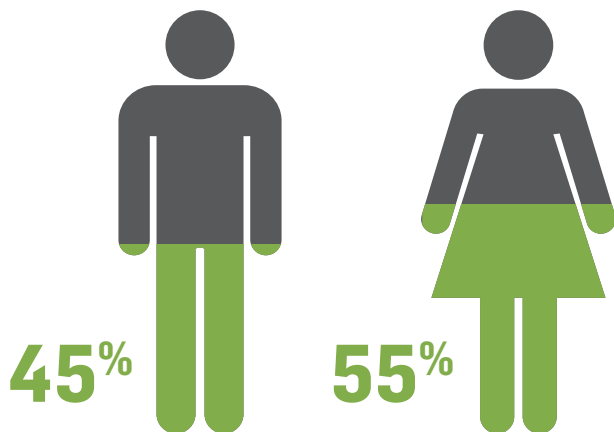
8,090

STUDENTS ENROLLED

4,733

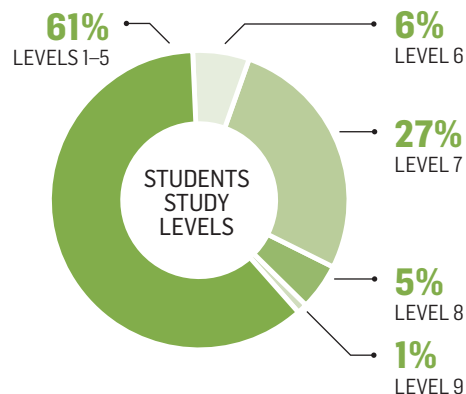
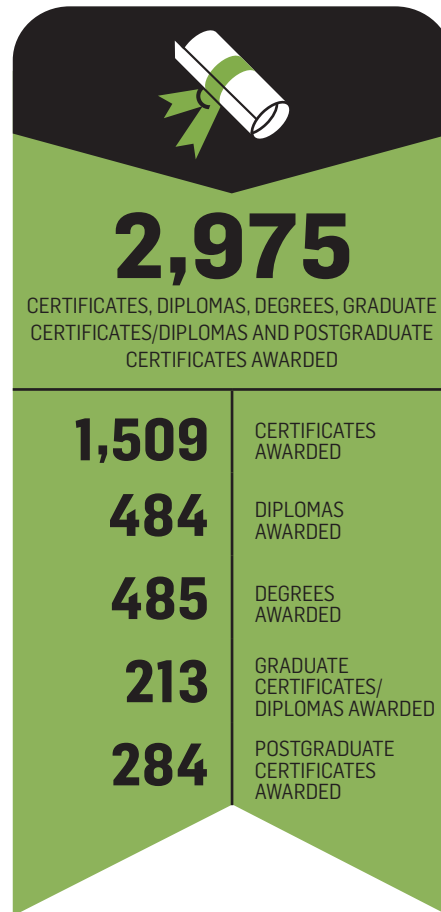
EQUIVALENT
FULL-TIME
STUDENTS

 **139** PROGRAMMES OFFERED



1,139 STUDENTS

ENROLLED DIRECTLY FROM SECONDARY SCHOOL



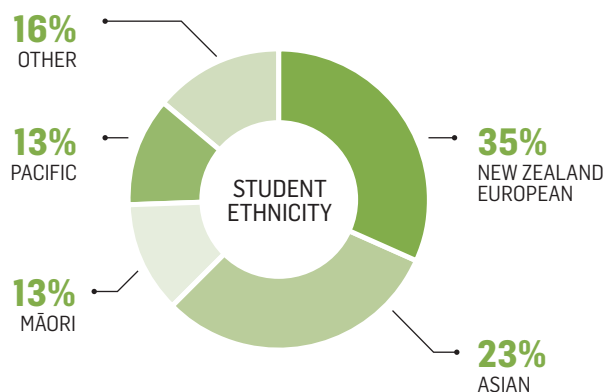
272 ACADEMIC STAFF
214 EXECUTIVE AND SUPPORT STAFF

HIGHEST SECONDARY SCHOOL QUALIFICATION STUDENTS ENTERED THEIR STUDY WITH

14 OR MORE CREDITS AT ANY LEVEL	4%
NCEA LEVEL 1 OR SCHOOL CERTIFICATE	9%
NCEA LEVEL 2 OR SIXTH FORM CERTIFICATE	16%
NCEA LEVEL 3, BURSARY OR SCHOLARSHIP	10%
NO FORMAL SECONDARY SCHOOL QUALIFICATION	16%
OTHER	2%
OVERSEAS QUALIFICATION	31%
UNIVERSITY ENTRANCE	7%
UNKNOWN	5%



41 FOUNDATION
SCHOLARSHIPS AWARDED



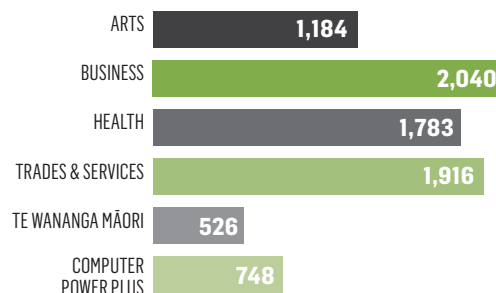
8 SECONDARY SCHOOL LEAVER
FEE SCHOLARSHIPS AWARDED



1,643 YEAR 10
STUDENTS

PARTICIPATED IN TERTIARY EXPLORATION SESSIONS

STUDENT NUMBERS BY FACULTY



AGE DEMOGRAPHIC OF STUDENTS	15 OR LESS	47	1%
	16-30	5,805	72%
	31-45	1,483	18%
	46-60	676	8%
	61 PLUS	79	1%

2,340 STUDENTS FROM
63 SCHOOLS PARTICIPATED IN
TERTIARY STUDY EXPERIENCES

Council Chair Report



COUNCIL CHAIR
HON ROGER SOWRY ONZM

Tēnā koutou katoa

The year 2015 was one of notable change for Whitireia Community Polytechnic. Long serving Chief Executive Don Campbell retired after nine years in the role.

Don was very successful in growing the institution, not just in size, but in quality and reputation as well. The Porirua campus experienced a significant increase in new buildings and site improvements, the Kāpiti and Wellington campuses have been relocated and the Auckland campus completely refurbished. Under Don's leadership, Whitireia has consistently rated at the top of national measures for educational success for Institutes of Technology and Polytechnics. Don was movingly farewelled at both staff and community functions during 2015 and the Council wishes Don well in his future endeavours.

The appointment of new Chief Executive Chris Gosling as joint Chief Executive of Whitireia Community Polytechnic (Whitireia) and Wellington Institute of Technology (WelTec) represents another significant step forward in the strategic partnership between the two institutions. Previously Deputy Chief Executive Operations of Whitireia, Chris was formally welcomed with a pōwhiri at Takapūwāhia marae on 1 May 2015.

Several other major partnership initiatives were advanced during the year. The development agreement for the new combined creative industries campus on the corner of Cuba and Dixon Streets, Wellington City, was completed and construction work was begun. The contract for the fit out of the centre was let to architects CGM+ Foster and fit out design approved. After extensive consultation, the overall strategy for the centre was approved and reflects a bold ambition for a world class, industry linked, community engaged centre which will be truly unique in New Zealand. A whakawatea blessing ceremony, led by Te Atiawa, was held on site prior to demolition and building work starting. A ground breaking ceremony was held on 17 August with Wellington's Deputy Mayor Justin Lester, members of the creative technologies and arts community, and central government representatives attending.

Whitireia and WelTec's shared services entity W² continued to develop and, significantly, led the negotiation of the engagement of a prime property contractor. This partner-centric approach to construction is the first of its kind in the tertiary education sector, and challenges the standard design bid build approach common in the wider construction sector. The successful preferred supplier will work closely with Whitireia and WelTec in delivering the 10 year capital plan

In Auckland the partnership was demonstrated by a decision to relocate WelTec staff and students into the much larger Whitireia campus at 450 Queen Street, with the former WelTec campus being retained for teaching only. This was an excellent example of the student benefits of the partnership with staff and students gaining access to much better facilities and services.

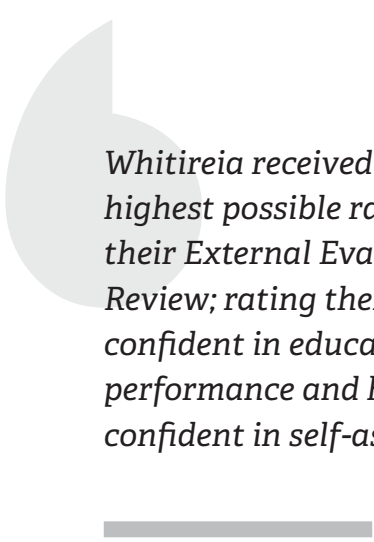
The Whitireia suite of Master's level programmes was extended further with approval and accreditation for the Master of Professional Practice which has been developed and will be delivered jointly with WelTec.

In partnership with WelTec and also with Victoria University, Whitireia was successful in a joint bid to establish an ICT Graduate School in Wellington from 2016. This was an excellent example of Wellington's major tertiary providers collaborating with industry to extend much needed training provision in the IT sector.

Council returned to a full complement of eight members with the appointment of Jacqueline Lloyd who brings extensive experience as a Director.

The Council and, in particular, the Risk and Audit Committee put a particular focus on health and safety matters in 2015. Committee members inspected a number of facilities to familiarise themselves with health and safety standards being applied and requested improved and integrated reporting from management.

At the end of the year, the independent Chair of the Combined Academic Board, Dr Peter Coolbear stood down, to be replaced by the new Chief Executive. I would like to put on record Council's appreciation of the major contribution made by Peter as Chair in guiding the academic development of the two institutions since the Combined Academic Board was established for both Whitireia and WelTec.



Whitireia received the highest possible ratings in their External Evaluation Review; rating them highly confident in educational performance and highly confident in self-assessment.

In 2015 Whitireia received the final report from the New Zealand Qualifications Authority (NZQA) on the External Evaluation and Review (EER) process undertaken by NZQA in 2014. I am delighted to be able to report that Whitireia received the highest possible ratings with an NZQA assessment of highly confident in educational performance and highly confident in self-assessment. This result rates Whitireia as a Category 1 provider.

Perhaps unsurprisingly given this rating, Whitireia performed very well in 2015 for student attraction and success. Whitireia achieved its Tertiary Education Commission (TEC) funding target for programmes at Level 3 and above and saw a 25% increase in enrolments by international students. Importantly, provisional Education Performance Indicator course completion results for 2015 are consistent with prior year's results which continue to place Whitireia at the top of New Zealand institutions for this important indicator.

The achievement of targeted student numbers and careful management of expenditure resulted in Whitireia showing a very healthy operating surplus of \$3.3m. This is the best result since 2010, against a backdrop of continued constraints on government funding, this reflects positively on management and the governance by the Council.

Whitireia performed well in 2015 in a challenging environment. I would like to sincerely thank my Council colleagues, outgoing Chief Executive Don Campbell, new Chief Executive Chris Gosling and the entire management and staff of Whitireia for this great result.

Nō reira, kei te mihi atu ki a koutou



Chief Executive Report

**Ka tangi te tītī, ka tangi te kākā, ka tangi hoki ahau.
Tihei mauri ora!**


It is a privilege to present this, my first annual report as Chief Executive of Whitireia Community Polytechnic.

In doing so, I would like to first acknowledge the outstanding contribution of outgoing Chief Executive Don Campbell. Don retired in 2015 after nine years of service as Chief Executive. Whitireia went from strength to strength under Don's leadership. The Porirua campus was substantially transformed with modern fit-for-purpose facilities (including our outstanding nursing and health facilities) progressively replacing relocatable classrooms that dated back to the 1980's. Don was actively engaged in the growth of international students and represented the sector on a number of national bodies. The Auckland campus was substantially refurbished to provide high quality facilities to Auckland based students. Likewise, a new Kāpiti campus was developed to better serve that district. Academically Don oversaw the growth of postgraduate provision including the first Whitireia Masters programmes – a clear acknowledgement of the quality and reputation of the institution. I wish Don all the very best for his retirement.

2015 was very successful for Whitireia. Most importantly, those measures that indicate our success in providing relevant, quality education and training were excellent.

In the majority of programmes in 2015 we met or exceeded our enrolment targets and achieved over 100% of Level 3 and above TEC funding. Level 1 and 2 enrolments proved more challenging with inflexible funding rules limiting the ability to divert funding from low demand programmes to higher demand areas.

Whitireia had a highly successful year in 2015 for international student recruitment, numbers were up 25% on the previous year, with significant growth in the number of students from India. This growth was reflected at both the Auckland and Porirua campuses. International students are a hugely important part of New Zealand tertiary education provision. They provide 'an international' flavour for our New Zealand students who,



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CHIEF EXECUTIVE
CHRIS GOSLING

in an increasingly globalised world, benefit from exposure to students from a range of nationalities. They provide scale to our institutions which is vital to ensuring a good range of provision and ongoing financial sustainability. Once graduated and returned to their home country or elsewhere in the world they provide a powerful group of 'friends' of New Zealand which has incalculable benefit for tourism and international business development. Those who remain in New Zealand following graduation, fill critical skill gaps and support economic growth.

Strong enrolments at Level 3 and above were matched by excellent course completion and other Educational Performance Indicator results. Provisional results show that Whitireia course completions in 2015 remained at a similar high level to 2014 and indicate that Whitireia will, once again, be a top performer amongst all New Zealand institutes in this important success measure.


Likewise, Whitireia is provisionally very highly placed in qualification completion and in student retention.

This educational success was reinforced in 2015 by the final report of NZQA on the EER completed late in 2014. An EER is completed on all polytechnics and private trainers once every four years to provide assurance of the quality of education and self-assessment of the entity.

I am delighted to report that Whitireia received the highest possible rating of highly confident in educational performance and highly confident in self-assessment. This ranks Whitireia as a Category 1 provider and is a total credit to the teaching and support staff of the institution.

Strong revenue growth and controls on expenditure resulted in an excellent financial result for Whitireia which enables further investment in education for our students. The operating surplus of \$3.3m represents 5% of revenue – well above the TEC target of 3%. This was the best financial result for Whitireia in several years.

While growth in the number of international students is welcomed for its educational and sustainability benefits, reliance on this source of students has risks. Changes in international demand, New Zealand immigration and regulatory settings and currency levels can all impact on international student numbers. In 2015, Whitireia remained the second largest polytechnic provider for international students in New Zealand, however substantial work was also undertaken to ensure that the fundamentals of our cost structure – and particularly delivery to New Zealand



\$3.3m
OPERATING SURPLUS

100%
**OF ENROLMENT TARGETS WERE
ACHIEVED FOR LEVEL 3 AND ABOVE**

25%
GROWTH IN
INTERNATIONAL STUDENT ENROLMENTS

domestic students was financially viable and sustainable in the long-term. This has involved a substantive review of programme and service delivery costs.

Since its initial development in 1986 the partnership with Ngāti Toa Rangatira has been the cornerstone of our operation. This relationship continued strongly in 2015. The Polytechnic benefited from the support and advice of Rūnanga Chair Taku Parai as a member of the management team and the support of Ngāti Toa in initiatives such as the Māori and Pasifika Trades Training scheme was greatly valued. Whitireia was delighted to again host the annual celebration of the signing of te Tiriti o Waitangi by Ngāti Toa.

The Māori and Pasifika Trades Training scheme was also well supported by the Fellowship of Samoan Ministers - one of a number of ongoing positive links with our Pacific communities.

Our strong relationship with secondary schools was further enhanced with the provision of Trades Academy programmes in partnership with WelTec. The Trades Academy enables secondary school students to study two days a week at Whitireia on programmes which contribute to their NCEA studies and provide a great bridge to tertiary study. In addition to successfully completing NCEA Level 2, many students then proceed to higher level programmes at Whitireia.

Like much of New Zealand, Whitireia was heavily focused on health and safety matters in 2015, in anticipation of new legislation. In partnership with WelTec a full review of all policies, procedures and reporting was started along with increased activities to promote health and safety consciousness amongst all staff. Along with WelTec, Whitireia has identified training in health and safety as being a key responsibility and opportunity in ensuring that all our graduates are work ready and effectively contributing to New Zealand's economic and social wellbeing.

There was exciting progress in 2015 on the development of the new Whitireia and WelTec creative industries campus in central Wellington. As reported by the Council Chair, this initiative will change the face education and training for creative arts and technology not just in Wellington but nationally. The centre is well on track to open for the 2018 academic year.


There continued to be a strong focus on partnerships and engagement with our community and stakeholders.

Just a few examples included: completing a 10 year agreement with Wellington Free Ambulance under which Whitireia delivers the Bachelor of Health Science (Paramedic) programme in conjunction with Wellington Free Ambulance; trades students building a house for use by Tawa Plunket; collaborative research with Capital Coast District Health Board and Compass Health exploring the training needs of primary healthcare nurses in the Porirua region as part of the social sector trial; collaboration with Ngāti Toa on IT projects to develop applications that will promote and support the learning of te reo; and participation by performing arts students in a wide range of commercial theatre and public events.

The growth in the research capability of Whitireia staff continued. As a significant provider of postgraduate and degree level study, it is critical that Whitireia maintains a strong research culture. At all levels, teaching staff were encouraged and supported to engage in applied research activities. A highly successful research symposium was held at the Porirua campus in conjunction with WelTec and The Open Polytechnic of New Zealand at which Whitireia staff (along with those from many other polytechnics) presented findings from recent research activities.

In recent years, in response to government priorities and policies, Whitireia has served increasing numbers of younger students (e.g. Trades Academy and Youth Guarantee) or others who have been disengaged with formal learning. Over the same period the whole polytechnic sector has noted an increase in the number of students presenting with a range of mental health issues. This has increased the challenge for our teaching and student support staff and I would like to particularly acknowledge the work of those staff in supporting all students towards success. It is notable that there is limited, if any, additional funding provided by government to respond to these increased student needs.

With my appointment in May 2015, a range of initiatives were put in place to restructure management reflecting the creation of a single Chief Executive across Whitireia and WelTec. The move by the Council to a single Chief Executive signals another important development in the strategic partnership between Whitireia and WelTec. As can be observed from above, many of the major initiatives during 2015 were undertaken as part of the partnership and benefited from the regional and/or national perspective that the partnership brings. Other major



*A highlight of the year
was student graduations.
It is clear that their study
at Whitireia has been a life
changing experience.*

partnership initiatives included: significant development of the shared IT infrastructure; creation of a shared facilities management team; joint development of the Master of Professional Practice programme; shared use of Auckland campuses; and development of a Students First website to provide prospective students with information on study options across both institutions. At the same time, the Council affirmed the commitment to supporting two strong and independent tertiary education institutions, and to retaining the distinctive culture, style, identity and integrity of each.

As always, a highlight of the year for me was student graduations. Each graduating student has their own story and for many it is clear that their study at Whitireia has been a life changing experience. It was a privilege in 2015 to be able to contribute to those students' journeys.

As a new Chief Executive I was very grateful for the positive welcome and support I have received from Whitireia staff and from Council Chair Roger Sowry and all Council members. The year 2016 promises to be one of challenge and change and I am confident that with the skills and commitment of Council and staff it will be a further year of success.

Ngā mihi maioha ki a koutou katoa

Combined Council



(L-R back)

Hon Fran Wilde CNZM, QSO, JP, Chris Gosling (Chief Executive), Antony Royal, Dr Kabini Sanga

(L-R front)

Jacqueline Lloyd, Vaughan Renner (Deputy Chair), Hon Roger Sowry ONZM (Council Chair), Dr Deborah Hume, Nancy McIntosh-Ward

Hon Roger Sowry ONZM

Council Chair

Hon Roger Sowry ONZM was a Member of Parliament from 1990 to 2005, firstly representing the Kāpiti electorate, then as a National list MP. Roger retired from Parliament in 2005 moving to become Chief Executive of Arthritis New Zealand. He is a member of the Electricity Authority and is a member of the Institute of Directors.

Vaughan Renner

Deputy Chair

Vaughan has an MBA and science and engineering qualifications. He is self-employed and has strong commercial, strategic planning and IT skills. Vaughan has a background in governance (currently including Westlake Governance Limited, Business Central, Business NZ, and Standards New Zealand). He is a member of the Institute of Directors. He was appointed Deputy Chair of The Open Polytechnic of New Zealand in 2014.

Nancy McIntosh-Ward

Nancy McIntosh-Ward holds an MBA and is a Chartered Accountant. She is the former Chief Executive of the Karori Sanctuary Trust and has extensive financial, management, commercial, governance, tertiary education and marketing experience. She is currently a consultant specialising in strategy development to delivery. Nancy is a member of the Institute of Directors.

Dr Kabini Sanga

Dr Kabini Sanga is an Associate Professor of Education in the Faculty of Education at Victoria University of Wellington. He holds a Doctor of Philosophy from the University of Saskatchewan, Canada. He did his early university education at the University of South Pacific, Fiji. He has held a number of senior roles in education, including being the Director of the Institute of Education of the University of the South Pacific; the Director and Chief Executive Officer of the Solomon Islands College of Education, and the Chief Education Officer, Solomon Islands Ministry of Education.

Dr Deborah Hume

Dr Deborah Hume has led strategic risk-management consultancies that worked with public and private organisations and has most recently been responsible for Wellington's Metro train operations (Tranz Metro) and New Zealand's long-distance passenger train services (Scenic Journeys) for KiwiRail. She has a PhD in Biology from Queen's University in Canada and is a member of the Institute of Directors and Global Women.

Hon Fran Wilde CNZM, QSO, JP

Hon Fran Wilde was previously an MP and Cabinet Minister, as well as Mayor of Wellington. In business she was Chief Executive Officer of the NZ Trade Development Board and chair and/or director on the boards of a number of listed, state owned and privately held companies. Fran has also run her own consultancy business and has played a key role in Wellington and national philanthropic and arts organisations. She is a Chartered Fellow of the Institute of Directors and holds an honorary doctorate in law from Victoria University of Wellington from which she earlier graduated with a Bachelor of Arts.

Antony Royal

Antony has strong community involvement and a background in the ICT industry. He holds a degree in Electrical and Electronics Engineering from Auckland University, has spent many years in the ICT industry and currently holds a number of governance positions.

He also chairs Te Mana o Kupe Trust, which was established to support the cluster of 13 schools in Porirua East whose focus is to deliver greater educational achievement by engaging tamariki, teachers and whanau through the use of technology.

Previous roles have included Global Infrastructure Manager and Web Initiatives Manager for the New Zealand Dairy Board (Fonterra), implementation of Financial Management Systems for a number of different government departments, and positions on a number of advisory boards. Antony has been involved in many projects that involve technology and better educational outcomes.

Jacqueline (Jackie) Lloyd

Jackie is Deputy Chair of New Zealand Post Group, a trustee of the Lion Foundation and Wellington Museums Trust, Chair of the State Services Commission Audit and Risk Committee and a business advisor. She previously served as Global Human Resources Director for the New Zealand Dairy Board and NZMP Fonterra, and subsequently as a Consultant and New Zealand Country Manager for Hewitt Associates and The Gallup Organisation. Jackie has a Bachelor of Arts in Psychology and a Bachelor of Commerce in Marketing and Manpower, she is a member of the Human Resources Institute of New Zealand and a Chartered Member of the Institute of Directors.

Executive

Don Campbell

(retired May 2015)

Chief Executive

MBS (HONS), BA (Economics), Dip Tchg, FNZIM

Don Campbell has over 30 years' experience in the ITP sector, 16 of these as Chief Executive of Whitireia Community Polytechnic from 2006, and previously Tai Poutani Polytechnic from 2000 to 2006.

Don is a member of the Education New Zealand Stakeholder Advisory Group and a Fellow of the New Zealand Institute of Management. He has served on the Board of the Institutes of Technology and Polytechnics of New Zealand, the Business Central Board, and the Board of Polytechnics International New Zealand (PINZ).

Chris Gosling

Deputy Chief Executive (Operations)

(resigned from this position April 2015)

Chief Executive of Whitireia Community Polytechnic and Wellington Institute of Technology
(appointed May 2015)

BA (Political Science & Government), Nat Dip Accounting

Chris Gosling is Chief Executive of Whitireia Community Polytechnic and Wellington Institute of Technology. He was previously Deputy Chief Executive (Operations) at Whitireia Community Polytechnic, a position he held for three years. He has worked in the Middle East setting up and operating a polytechnic in

the Kingdom of Bahrain. Chris is the former Corporate Services Director at the Nelson Marlborough Institute of Technology (NMIT). This role followed several years in finance and senior management roles in local government in New Zealand.

He is a Chartered Accountant with membership of Chartered Accountants Australia and New Zealand and a Board member of the Wellington Chamber of Commerce.

Lawrence Arps

Deputy Chief Executive (Academic)

MEd Admin, BEd

Lawrence Arps has been in the tertiary sector since 1994 when he began tutoring Audio Engineering and Music. In 2000 he was appointed Academic Manager of Tai Poutini Polytechnic and led quality development during the institutions period of rapid growth and diversification. Lawrence was made Deputy Chief Executive in 2008.

In 2010 he came to Whitireia as Acting Deputy Chief Executive (Operations) and oversaw the refurbishment of the Auckland campus and the redevelopment of the Porirua campus; plan and design of the first of the new buildings. In 2012 he was appointed as Deputy Chief Executive (Academic).

Joining the Artna Society Board in 2011, he was given the role of Chair in 2012 and has provided leadership in the refocusing of the Artna Students Management System.

Mark Raisin

Acting Deputy Chief Executive (Operations)

(from May 2015)

BBS

Mark Raisin has responsibility for the full range of corporate service functions including finance, human resources, business information, international, marketing and enrolments, facilities and shared services. Mark has been at Whitireia for 11 years and has been Chief Financial Officer since 2008. Prior to Whitireia, Mark worked at Massey University in various administration roles.

Taku Parai

BA (First Class Hons)

Taku Parai is of Ngāti Toa, Ngāti Raukawa, Te Atiawa and Ngāti Tahu descent. He is the Māori Service Manager for Compass Health and is the Pou Arahi for Whitireia. He is the current Chairman of the Te Rūnanga O Ngāti Toa Rangatira, Chairman of Whakapuaka 1B Block, Cultural Advisor to the Porirua City Council and a member of the Whitireia Executive team.

Combined Academic Board

Members for Whitireia and WelTec

Dr Peter Coolbear
Chairperson

Chris Gosling
Chief Executive

Whitireia

Don Campbell
Chief Executive (retired May 2015)

Lawrence Arps
Deputy Chief Executive (Academic)

Helen Gardiner
Dean, Faculty of Trades and Services

Gerry McCullough
Dean, Faculty of Business

Jeanette Grace
Dean, Te Wānanga Māori

Glenys Williams
*Academic Quality Manager
(in attendance)*

WelTec

Dr Linda Sissons
Chief Executive (retired May 2015)

Nicola Meek
Acting Academic Director

Julia Hennessy
Executive Dean

Dylan Mama
Student Representative

Hinemoa Priest
Kaiwhakahaere Māori

Sue Mills
Faculty Academic Manager

Catherine Law
Student Representative

Chris Norton
*Academic Services
(in attendance)*

Highlights

SIX

ACADEMIC STAFF
AWARDED MASTER'S

FACULTY OF HEALTH DEAN

APPOINTED

TO EXPERT ADVISORY GROUP TO
ADVISE THE MINISTER
OF HEALTH ON THE NEW ZEALAND HEALTH

STRATEGY

PARTNERSHIP WITH LAERDAL
MEDICAL NZ RECOGNISED



CARPENTRY TUTOR SAM DEAN TRAVELLED TO THE 2015
WORKSKILLS INTERNATIONAL COMPETITION AS A
CARPENTRY MENTOR FOR THE NEW ZEALAND TEAM

**THIRD ANNUAL JOINT
RESEARCH SYMPOSIUM**
HELD, THIS YEAR IN ASSOCIATION WITH
THE OPEN POLYTECHNIC

NZQA EER RANKS
WHITIREIA AS HIGHLY CONFIDENT
IN EDUCATION PERFORMANCE
AND SELF-ASSESSMENT

20TH ANNIVERSARY
OF THE CAPITAL AND COAST DISTRICT HEALTH BOARD /
WHITIREIA MENTAL HEALTH NURSING
NEW GRADUATE PROGRAMME CELEBRATED



+ **SEAN THOMPSON,**
PARAMEDIC LECTURER
ELECTED CHAIR OF
PARAMEDICS AUSTRALASIA (NZ)

CHRIS GOSLING
APPOINTED
CHIEF EXECUTIVE

RANKED NUMBER 1 
FOR COURSE COMPLETIONS



**TRADES ACADEMY OFFERED IN PARTNERSHIP
WITH WELTEC FOR THE FIRST TIME**
TO SECONDARY SCHOOL STUDENTS IN THE WELLINGTON REGION

NEW 10 YEAR

PARTNERSHIP AGREEMENT
SIGNED WITH WELLINGTON
FREE AMBULANCE

FACULTY OF HEALTH DEAN
APPOINTED TO
NURSING COUNCIL OF NEW ZEALAND

DON CAMPBELL,
CHIEF EXECUTIVE RETIRES
AFTER NINE YEARS AT THE HELM



MANDY HAGER,
CREATIVE WRITING TUTOR
WINS 2015
MARGARET MAHY BOOK OF THE YEAR AWARD

TOTAL RESEARCH OUTPUTS
INCREASED FROM 274 IN 2014
TO 350 IN 2015

INTERNATIONAL STUDENT
NUMBERS UP BY

25%



NEW ZEALAND FILM
AND TELEVISION SCHOOL,
FINALIST
IN THE WELLINGTON
GOLD AWARDS

ACCREDITATION GAINED
FOR THE MASTER OF
PROFESSIONAL PRACTICE



Student life at Whitireia

Profile

The Whitireia group provided quality education to a total of 4,733 equivalent full-time students or 8,090 individual students in 2015.

Whitireia Community Polytechnic delivered 4,182 EFTS or 7,033 students in 2015. The makeup of the EFTS provision is as follows:

**Student Achievement
Component (SAC) EFTS
including Levels 1-2, MPTT***

60%

*Māori and Pasifika Trades Training

International EFTS

32%

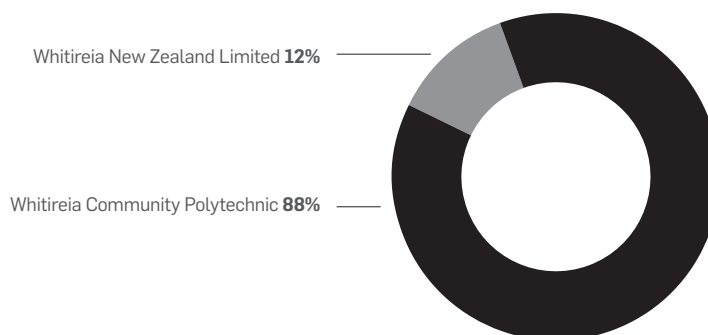
Youth Guarantee EFTS

4%

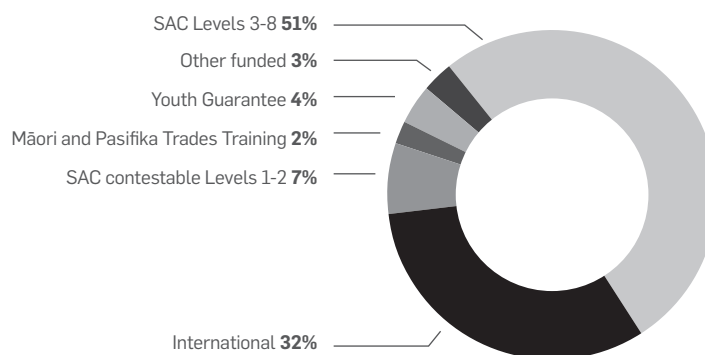
Other funded EFTS

4%

Whitireia group EFTS



Whitireia Community Polytechnic EFTS



Whitireia New Zealand Limited contributed 551 EFTS or 1,057 students within four operating divisions: Computer Power Plus, New Zealand Film and Television School, New Zealand Radio Training School and a range of performing arts programmes.

Educational Performance

The main goal of the Whitireia Strategic Plan is 'to improve educational outcomes and success for students'. As this Annual Report shows, Whitireia successfully achieved this goal in 2015. The following commentary provides more information about important aspects of the Polytechnic's overall performance.

Student participation

In 2015 the Whitireia group provided education opportunities to 8,090 individual students and 4,733 EFTS. These students studied mainly at Whitireia campuses in Porirua, Wellington, Kāpiti, Auckland and Christchurch.

The Whitireia group has a diverse student population with students from many ethnic groups and nationalities. In summary:

New Zealand European

35%

Māori

13%

Pacific

13%

Asian

23%

Other

16%

International students

The Whitireia group has a high proportion of international students. In 2015, there were 1,439 international EFTS, this made up 30% of the total EFTS. These students studied at Whitireia Community Polytechnic (1,359 EFTS) and Whitireia New Zealand Limited (80 EFTS).

Whitireia provides a wide range of student support, pastoral care and English language programmes for international students, contributing to high levels of success. In 2015, full fee paying international students at Whitireia Community Polytechnic achieved a successful course completion rate of 82%.

Youth Guarantee students

In 2015, Whitireia provided education opportunities to 187 Youth Guarantee EFTS. The purpose of this TEC funded provision is to enable young people, (where the school environment was unable to meet their needs), in to tertiary education to gain an entry level vocational qualification. The benefits for this targeted group are they gain work ready skills that can lead into apprenticeships without having any education debt. Youth Guarantee achieved successful course completion results of 75% and qualification completion results of 71%.

Community engagement

In 2015, staff were actively involved in professional and industry organisations, such as the Nursing Council of New Zealand. Whitireia provides support to enable the Learning Shop to meet the needs of youth in the Porirua area. These links assist Whitireia in providing tertiary education that meets the needs of students, families, employers, industry and communities.

In addition to a very active Schools Liaison team and Pacific Community Liaison team, Whitireia has a strategic consultation committee, Te Komiti Poutokomanawa, with Ngāti Toa Rangatira.

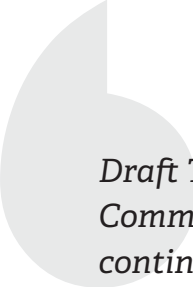
Whitireia and WelTec engage closely with industry to ensure academic delivery continues to meet the skills industry require, in order to grow their businesses.

Achievements

Whitireia strives to meet the needs of students, community, employers, industry and government expectations.

TEC publish course and qualification completion performance results with rankings of the tertiary sector. Around July / August 2016 TEC will publish the 2015 performance results. The draft results as at 6 February 2016 continue to highlight Whitireia as a high performing Institute of Technology and Polytechnic (ITP).

Whitireia is highly encouraged with the provisional draft rankings and look forward to receiving the final results in July.



*Draft Tertiary Education
Commission results
continue to highlight
Whitireia as a high
performing Institute of
Technology and Polytechnic.*

SAC Course Completion

Year	Course completion result	TEC ITP ranking
2015 provisional results as at 6 February 2016	84%	1st
2014	84%	1st
2013	84%	1st
2012	83%	3rd
2011	80%	7th

SAC Qualification Completion

Year	Qualification completion result	TEC ITP ranking
2015 provisional results as at 6 February 2016	86%	2nd
2014	80%	3rd
2013	82%	3rd
2012	78%	3rd
2011	68%	5th

Meeting the needs of students and graduates

Whitireia annually surveys students and graduates to gain feedback on meeting their needs, while studying at Whitireia.

In the 2015 Student Satisfaction Survey, 80% of the students surveyed expressed an overall satisfaction with their programme of study.

The 2015 Graduate Survey highlighted that 96% of graduates, if given the opportunity, would study at Whitireia again.

Student Services

Whitireia continues to develop holistic student support activities in partnership with the faculties. In order to achieve this holistic model the Student Support Services team have worked together to develop a shared vision and policies and processes that ensure the 'loop is closed' for all students who access support.

This support model includes those services funded directly by Whitireia and the compulsory student services fee (CSSF) contribution from the students.

Partnership with the students

Whitireia continues to develop the consultation process with students to ensure that they have the opportunity to influence how the CSSF is used. This consultation process included preparation of a draft paper that identified how the fund was spent in 2014 and what it would cost to maintain these services in 2015. The Student Support Services Manager then met with students on all campuses and collated the feedback for decision making. The two main issues that students raised was equity of service delivery across all campuses and how better we could communicate with the student body.

In response to the students requests a timetable of visits from all Student Support Service staff was setup and a review of all student common room facilities was undertaken. As a result of this, the student common rooms were enhanced.

A digital media network is now being trialled that both puts information on the screen on campus and also links with social media.

The 2015 fee was set at \$190 per equivalent full-time student. The fee was not charged to non-fee paying students such as Youth Guarantee or students under 25 enrolling in Level 1-2 programmes. Distance students only paid 50% of the fee.

Whitireia continues to develop the consultation process with students to ensure they have the opportunity to influence how the compulsory student services fee is used.



Service provision

Advocacy and legal advice

Advice and first level advocacy is provided to students through the Student Hub. This service provides confidential advice and support on matters of academic appeals, harassment, complaints and information on Whitireia policies. Where more independent advice is required Whitireia contracts the New Zealand Union of Student Associations to provide legal and advocacy support.

Careers information and guidance

Whitireia is committed to ensuring students are assisted in making career development choices from the initial enquiry to alumni. The Whitireia Career Consultant works with students through their study lifecycle with support and advice on study choice and career pathways.

Counselling services

As Whitireia has a number of campuses and many students studying by distance, it was important that counselling services were available to help students with any personal or academic issues that may impact on their success. To achieve this, Whitireia has contracted a nationwide provider to provide free and confidential counselling services to all students regardless of location.

The 2014 trial of on-campus counselling services was successful and this service was continued in 2015.

Employment advice

In 2015 Whitireia employed a temporary job broker to support students into employment. The value of this role was soon realised and the position was made permanent. Whitireia is also now an associate member of Student Job Search (SJS) since the SJS changed their rules to allow institutes without student associations to join. This service is being heavily promoted to the students.

Finance advice and support

Providing students with advice on how to manage their limited budgets while they are studying is a focus of the financial advice service. This service also provides assistance to students who have financial barriers that impact on their learning and ability to succeed.

Health services

Whitireia has a health service that provides primary healthcare to students through doctor and nursing services. The aim of the service is to promote wellness and provide advice on issues such as sexual health, smoking cessation and eating well. Additional services such as physiotherapy are also provided.

Sports, recreation and cultural activities

A range of events, activities and sports is supported through the Student Hub in partnership with students. A number of sports teams participate in competitions in the local community and weekly lunchtime sports events are run on campus. Activities are regularly scheduled that are designed to inform and support students. These include orientation events, wellness activities and fun events to connect students to their place of learning.

Student common rooms and recreational equipment such as pool tables and table tennis tables, televisions and spaces to relax are provided across all campuses.

Clubs and societies

The Student Hub promotes and supports any social, academic and cultural clubs in partnership with students. In 2015 this included a Christian group, cultural groups and student leadership activities and meetings.

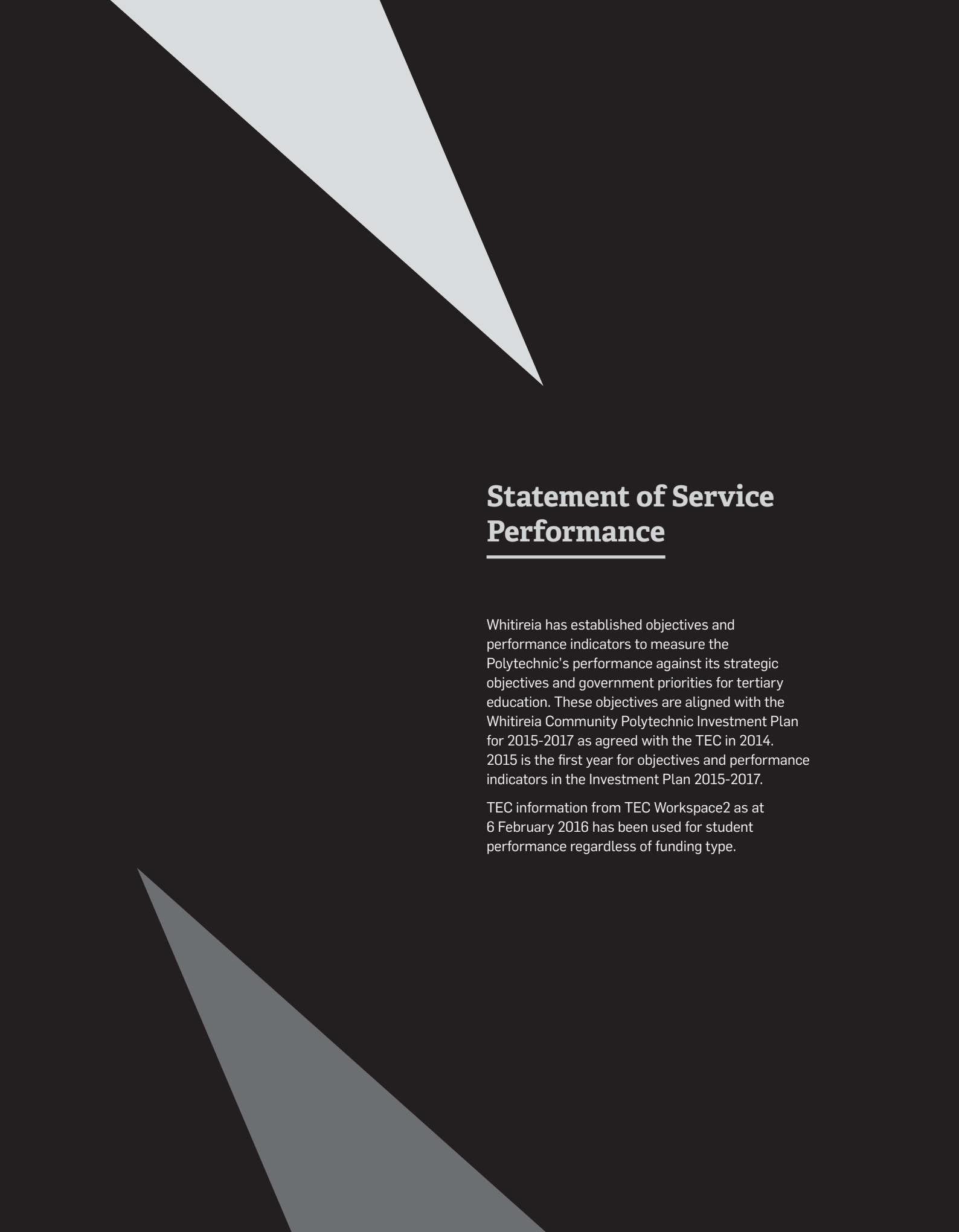
Refer to page 93 for a financial breakdown of the CSSF across these activity groups.



Student life at Whitireia







Statement of Service Performance

Whitireia has established objectives and performance indicators to measure the Polytechnic's performance against its strategic objectives and government priorities for tertiary education. These objectives are aligned with the Whitireia Community Polytechnic Investment Plan for 2015-2017 as agreed with the TEC in 2014. 2015 is the first year for objectives and performance indicators in the Investment Plan 2015-2017.

TEC information from TEC Workspace2 as at 6 February 2016 has been used for student performance regardless of funding type.

Economic Development Contribution

Employer Satisfaction

	Target 2015	Achieved
Relevant qualifications	90%	Employer Survey was not undertaken in 2015
Work readiness of Whitireia graduates	94%	

Student Graduate Destinations

	Target 2015	Achieved
Student Achievement Component & Youth Guarantee		
Proportion of graduates gaining employment or going on to further study	80%	46% have gained employment

The survey was conducted prior to graduation thus the majority of graduates had just completed their studies and at the time were actively looking for employment.

Research

	Target 2015	Achieved
% of FTE degree and postgraduate teaching staff engaged in active research projects	85%	78%
Number of quality assured research outputs	180	192

International Student Contribution

	Target 2015	Achieved
International		
International EFTS	1,050	1,359

International student numbers exceeded target as a result of the investment Whitireia has put in towards nurturing international relationships and the reputation Whitireia has as a highly respected provider of tertiary education.

Economic Impact

	Target 2015	Achieved
Direct and indirect economic impact of Whitireia on the Wellington region	Published report	These were planned 2015 / 2016 Investment Plan outputs. Reports will be published in 2016

Diversified Revenue Growth

	Target 2015	Achieved
% of revenue from non TEC funded related activities	55%	57%

SAC Levels 1-2 Performance Commitments

SAC Levels 1-2 performance commitments		Target 2015	Achieved
Participation			
The proportion of SAC eligible EFTS who are:	Māori	27%	35%
	Pacific	27%	22%
Educational performance			
Course completion	All students Levels 1-2	80%	76%
Qualification completion	All students Levels 1-2	77%	72%
Retention	All students Levels 1-2	72%	73%
Progression	All students Levels 1-2 to a higher level	35%	38%

At SAC Levels 1-2 the participation of Māori exceeded the target set by 8%, moving from 27% target to 35%. Pacific participation unfortunately fell below the target at 22%.

The educational performance of all students at Levels 1-2 including all of the priority groups have been below targets set, however there is a greater retention and progression percentage which indicates that the mechanisms of support to students are preventing students from leaving tertiary study.

SAC Levels 3-9 Performance Commitments

SAC Levels 3-9 performance commitments		Target 2015	Achieved
Participation: the proportion of SAC eligible EFTS who are:			
Under 25	Level 3 and above	50%	49%
	Level 4 and above	49%	48%
Māori	Level 3 and above	21%	21%
	Level 4 and above	21%	20%
Pacific	Level 3 and above	20%	20%
	Level 4 and above	18%	20%

The participation rates the three priority groups have either achieved or are 1% short of achieving the 2015 target. Pacific students have indeed exceeded the 2015 target by 2% and at Level 4 and above which is a good indication of Pacific student's engagement in preparation for higher levels of tertiary study.

SAC Levels 3-9 performance commitments		Target 2015	Achieved
Educational performance			
Course completion: the successful course completion rate (SAC eligible EFTS)			
All SAC students	Level 3 and above	85%	85%
	Level 4 and above	86%	86%
Under 25	Level 3 and above	83%	82%
	Level 4 and above	84%	83%
Māori	Level 3 and above	82%	82%
	Level 4 and above	82%	84%
Pacific	Level 3 and above	82%	79%
	Level 4 and above	82%	79%

In educational performance for SAC Levels 3-9, results for the institution of the student body are in line with expectations with all SAC students in both Level 3 and above and Level 4 and above targets being met. Under 25's and Māori students were within a percentage point of the targets set. Māori students exceeded the target by 2% for Level 4 and above, which is a good indicator of increased preparedness for higher levels of study. Pacific students however were 3% below the targets and further investigation into why this particular group did not have course success will be undertaken.

SAC Levels 3-9 performance commitments		Target 2015	Achieved
Educational performance			
Qualification completion: the qualification completion rate (SAC eligible EFTS) for:			
All SAC students	Level 3 and above	83%	87%
	Level 4 and above	84%	89%
Under 25	Level 3 and above	82%	77%
	Level 4 and above	83%	78%
Māori	Level 3 and above	78%	85%
	Level 4 and above	79%	88%
Pacific	Level 3 and above	73%	74%
	Level 4 and above	70%	74%

In terms of overall qualification completion the data suggests that the strategies employed by Whitireia are leading to positive outcomes for students. As a whole the student body has exceeded the targets by 4% and 5% respectively. The increase in Māori in Level 3 and above and Level 4 and above at 7% and 9% respectively above the target set indicates that Māori are achieving qualifications, but as indicated in the course completion data, may not be achieving courses at their first attempt.

Similarly for Pacific students there has been an increase although more modest for Level 3 and above at 1% but a respectable 4% at Level 4 and above.

Under 25's still present a challenge with this priority group falling 5% below the set target on both metrics.

SAC Levels 3-9 performance commitments		Target 2015	Achieved
Educational performance			
Student retention: the student retention rate (SAC eligible student count) for:			
All students	Level 3 and above	77%	78%
Māori	Level 3 and above	73%	77%
Pacific	Level 4 and above	70%	76%
Student progression: the student progression rate for students (SAC eligible student count) at level 1 to 3 to a higher level:			
All students	Levels 1 to 3, to a higher level	30%	31%
Māori	Levels 1 to 3, to a higher level	34%	33%
Pacific	Levels 1 to 3, to a higher level	30%	36%

Māori and Pacific student retention data indicates a higher retention of students than the targets set. With student progression to a higher qualification the figures are 1% off target for Māori but 6% higher than target for Pacific. This is an encouraging sign for Pacific education.

Student Satisfaction

	Target 2015	Achieved
Student Achievement Component & Youth Guarantee		92% satisfaction
All students	95%	
Māori	95%	
Pacific	95%	
Under 25s	95%	
International		
International	95%	

The 2015 Student Satisfaction Survey responses did not distinguish between the indicators.

Language, Literacy and Numeracy

	Target 2015	Achieved
Student Achievement Component & Youth Guarantee		
The proportion of EFTS assessed as requiring additional literacy and numeracy who are enrolled in Levels 1-3 provision and make literacy and numeracy progress as measured by the Literacy and Numeracy for Adults Assessment Tool	70%	59%

Valued Partnerships

Key Stakeholder Satisfaction

	Target 2015	Achieved
Māori	Report published	These were planned 2015 / 2016 Investment Plan outputs. Reports will be published in 2016.
Pacific	Report published	These were planned 2015 / 2016 Investment Plan outputs. Reports will be published in 2016.
Key government agencies	Report published	These were planned 2015 / 2016 Investment Plan outputs. Reports will be published in 2016.
Regional and local government	Report published	These were planned 2015 / 2016 Investment Plan outputs. Reports will be published in 2016.
Wellington region secondary schools	Report published	These were planned 2015 / 2016 Investment Plan outputs. Reports will be published in 2016.

Progress with Key Students First Priorities

	Target 2015	Achieved
Students First progress	Report published	These were planned 2015 / 2016 Investment Plan outputs. Reports will be published in 2016.

High Performing Organisation

Financial Strength and Sustainability

	Target 2015	Achieved
Financial strength		
Financial surplus % (Operating surplus/ total revenue)	3%	5%
Financial sustainability		
Teaching FTE to EFTS ratio	1:18	1:19

Infrastructure and Systems

	Target 2015	Achieved
Environmental impact	Benchmark	These were planned 2015 / 2016 Investment Plan outputs. Reports will be published in 2016
Staff engagement	Benchmark	77%

Performance Measures Definitions

Performance measures that the Council considers will enable the preparation of a Statement of Service Performance for the purposed of Section 159YD.2 (a) of the Education Act 1989 are listed below.

Students enrolled

Usually expressed as equivalent full-time students (EFTS) for the Polytechnic

Students with SAC EFTS

Students recorded in the SDR with funding codes "01", "25", "26", "27", "28" and "29"

Māori students

Students at the time of enrolment who have identified themselves as Māori

Pacific students

Students at the time of enrolment who have identified themselves as Pacific

Students under 25 years

Students who are aged 24 years or younger on 1 July 2015

Participation

This measures the proportion of EFTS delivered for target groups of students in a calendar year

Formula:

Total EFTS delivered for a group of interest (i.e. Māori) in 2015

X 100

Total EFTS delivered in 2015

Successful course completion rate

Successful course completion relates to courses, papers or modules that lead to a recognised qualification. The rate is an EFTS weighted metric that takes into account the workload of the course and EFTS delivered during the total period of the course enrolment.

Formula:

EFTS delivered for the total number of successfully completed course enrolments ending in 2015

X 100

EFTS delivered for the total number of course enrolments ending in 2015

Qualification Completion Rate

A qualification is completed when a student successfully completes all the requirements for the award of a qualification, such as a degree, diploma or certificate. The rate is an EFTS weighted metric that takes into account the relative size of the different qualifications. The 2015 qualification completion figures given in this report were those at 31 January 2016. These figures are still provisional and are likely to increase as more awards are validated and recorded.

Formula:

$$\frac{\text{(Sum of qualification completions in 2015 multiplied by EFTS value of the qualification)}}{\text{EFTS delivered for the total number of course enrolments ending in 2015}} \times 100$$

Student retention rate

This measure is based on the proportion of individual students (not EFTS) enrolled in one year who either re-enrol in any course in the following year or successfully complete their qualification.

Formula:

$$\frac{\text{Students re-enrolled in 2015 or completed in 2014 or 2015}}{\text{Students with some portion of an enrolment in 2014}} \times 100$$

Student progression

This measures the progression of students who complete a qualification and move on within 12 months to pursue a qualification at a higher level either at Whitireia or another tertiary education provider in New Zealand. This data is supplied by TEC and not finalised until TEC receives the April 2016 SDR from the tertiary education providers. Whitireia expects TEC to provide finalised data in June 2016. For Levels 1-3, the indicator measures student re-enrolment at Levels 4 or above e.g:

Formula:

$$\frac{\text{Number of students enrolled at a higher qualification level within 12 months following the qualification completion}}{\text{Number of students completing a qualification at Levels 1-3 in previous year}} \times 100$$

Levels of study

This refers to Levels 1-10 on the National Qualification Framework. For more information visit NZQA website: <http://www.nzqa.govt.nz/studying-in-new-zealand/nzqf/nzqf-levels>

Percentage of income from non-government sources

Formula:

$$\frac{\text{Income from total non-government sources}}{\text{Total income received}} \times 100$$

Surplus percentage

Formula:

$$\frac{\text{Total revenue}}{\text{Total operational expenses}} \times 100$$

Student Satisfaction Survey

The 2015 survey delivery was online using www.questionpro.com between 27 October and 28 November 2015. Students were encouraged to participate with links on Moodle and Facebook resulting in 291 students participation in the online based survey. Results were imported into a database, analysed and reported back to Faculty Deans, Programme Managers and the Executive Team.

Graduate Satisfaction Survey

The 2015 survey delivery was part of the Application to Graduate form containing the three key questions. The Business Information Centre received 523 completed graduand survey question forms for the 2015 survey. Responses were entered into a database from the Application to Graduate forms, analysed and reported back to Faculty Deans, Programme Managers and the Executive Team in the first quarter of 2016.

Teaching staff to student ratio

Staff members that are identified as teaching staff are expressed as full-time equivalent employees (FTE) to all EFTS reported in the December 2015 SDR.

$$\frac{\text{EFTS}}{\text{FTE}}$$

Language, literacy and numeracy

Whitireia students completed two separate LLN assessments: reading and numeracy. The two files were combined and the students required to conduct a second assessment were used as the dominator. 2015 EFTS consumption from the SDR was matched to the student to enable the EFTS portion of the calculation. Students were then identified if they have achieve a gain in either reading or numeracy on the second assessment will be treated as a gain for this metric.

$$\frac{\text{Students (by EFTS) have achieved a gain in either reading or numeracy}}{\text{Total students (by EFTS) required to complete a second assessment of the Adult Literacy Tool}} \times 100$$

Outcomes Framework

From 2017 tertiary education organisations will be required to report on an outcomes framework which enables readers to view an entity's contribution beyond inputs and outputs.

Whitireia is working with WelTec to develop a shared outcomes framework for reporting. Previously, WelTec have developed a framework which is now in use. This framework will be reviewed to ensure its suitability for both organisations.

TEC's Investment Plan Guidance for 2015 and 2016 focussed on New Zealand continuing to develop a tertiary education system that is more flexible, outward-facing and engaged. It identified the following six priorities for the tertiary system to change its direction or intensity to achieve the outcomes sought by the government along with a focus on increasing the tertiary system's contribution to economic growth.

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

Whitireia adopted these six priorities to guide planning and delivery for 2015-2016.

Delivering skills for industry/ get at-risk young people into a career

An analysis of the social and economic context showed that the Wellington region has:

- A growing population
- An economy that is relatively specialised in knowledge-intensive services
- A workforce that comprises mainly highly skilled occupations

The programmes Whitireia delivers reflect these distinctive characteristics.

In 2015 the Whitireia group awarded 2,975 qualifications across multiple fields. Of note is the strong focus on health, management and commerce.

Subject area	Graduates
Architecture and building	65
Creative arts	424
Education	58
Engineering and related technologies	209
Food, hospitality and personal services	311
Health	486
Information technology	367
Management and commerce	571
Mixed field programmes	307
Society and culture	177
Total	2,975

Employer satisfaction

Whitireia joined WelTec in running their 2016 Employer Satisfaction Survey. While the final report is still to be finalised, at the time of writing, early indications highlight that Whitireia is meeting expectations of employers. Whitireia graduates are presenting themselves with the skills that employers are seeking to help grow their businesses. Employers are strong supporters of Whitireia graduates and have indicated that the attributes the graduates bring with them are highly valued. In particular their ability to work in teams and with clients, capacity to learn new skills and ability to analyse and solve problems. Employers have expressed their desire to continue to employ Whitireia graduates.

Boost achievement of Māori and Pasifika

The Tertiary Education Strategy 2014-2019 emphasised the need to improve the education and employment outcomes for 20-24 year olds, and to boost the achievements of Māori and Pasifika students. Whitireia continues to focus on engaging these priority groups and ensuring that they achieve good educational outcomes.

Course completion

Level	Māori	Pacific	Under 25	Youth 20-24
1-2	74%	65%	70%	71%
3-4	75%	73%	75%	73%
5-6	78%	67%	78%	75%
7+	89%	85%	88%	89%
Total	80%	76%	80%	82%

The educational performance of all students in SAC and Youth Guarantee in Levels 1-2, including all of the priority groups, were below targets set (refer to the Statement of Service Performance section), however there is a greater retention and progression percentage which indicates that the mechanisms of support to students are preventing students from leaving tertiary study.

In course completion, Pacific students in 2015 have struggled in comparison to Māori and youth students. Further investigation into why this particular group did not have course success will be undertaken.

Qualification completion

Level	Māori	Pacific	Under 25	Youth 20-24
1-2	69%	60%	65%	65%
3-4	68%	69%	70%	70%
5-6	64%	27%	61%	65%
7+	107%	84%	86%	114%
Total	82%	72%	75%	94%

In terms of overall qualification completion the data suggests that the strategies employed by Whitireia are leading to positive outcomes for students. While more investigation is required into achievement rates in lower level programmes, the overall performance of Māori and youth aged 20-24 have exceeded expectation in SAC and Youth Guarantee programmes. The increase in Māori in Level 3 and above at 7% above the target indicates that Māori are achieving qualifications, but as indicated by the course completion data, may not be achieving courses at their first attempt.

Similarly for Pasifika students there has been an increase although more modest for Level 3 and above at 1% but a respectable 4% at Level 4 and above.

Improve adult literacy and numeracy

Level 1 and 2 programmes achieved the TEC targets of 95% for beginning of programme (actual 99%) and 90% for end of programme (actual 91%); achievement was overall for the year as the target for end of programme was not achieved in semester 1.

Programmes that used the Adult Literacy and Numeracy Tool (non-mandatory) for the purpose of gathering data on their students' literacy and numeracy needs and assessing improvements achieved 99% initially and 90% at the end.

Strengthen research

2015 was a very successful year in terms of raising research capability, increasing the number and quality of research outputs and hosting well-patronised Research Symposiums in Auckland and Porirua.

Outputs increased by 27% with an increase in peer-reviewed outputs. An internal contestable fund established for the first time in 2015 and administered by the Research and Ethics committee was all allocated and assisted 17 researchers to undertake research, exhibition or presentation that would have otherwise been unobtainable.

The annual Joint Whitireia/WelTec Research Symposium was hosted at Whitireia in 2015 with a 78% increase in abstract submissions including a 40% increase in submissions from Whitireia, 14 submissions from external researchers and financial support from The Open Polytechnic of New Zealand. The Whitireia Auckland Research Symposium had an 80% increase in presentations. The fact that the submissions and interest came from other providers also indicates the widening reach that research at Whitireia is achieving.

Grow international linkages and income

International relationships have developed across the Polytechnic in a variety of approaches including new programmes of study, staff exchanges and students supported to experience study overseas which credits and complements their Whitireia studies. For example, paramedic students undertook clinical placements in Vanuatu as part of the Bachelor of Health Science (Paramedic) programme at Whitireia.

New partner agreements, Memorandum of Agreements and Statement of Intents have met the 5% expected increase.

New Zealand campus international enrolment targets 2015

	2015 EFTS target	2015 actual	% achieved
Auckland	790	992	126%
Wellington	150	206	137%
TOTAL	940	1198	127%

Key market targets 2015

Market	2015 EFTS target	2015 actual	% achieved
China	505	485	96%
India	270	522	193%
South Korea	21	15	71%
Vietnam	16	21	131%
Japan	21	20	95%
Tonga	21	20	95%
Philippines	11	11	100%
Sri Lanka	16	19	119%
Colombia	11	24	218%
Other	48	61	127%
TOTAL	940	1198	127%

2015 international income targets were exceeded. Whitireia achieved 1,198 international EFTS within New Zealand against a budget of 940, some 27% over target.

Economic impact

Whitireia has a significant measurable impact on the regional and national economies as a result of its operational expenditure and the spending of its staff.

In 2015, the operational expenditure for Whitireia was \$63.7m, and it employed 486 full-time equivalent (FTE) staff.

The table on page 45 shows estimates by Business and Economic Research Limited (BERL) of the impact of Whitireia at a regional and national level. The table distinguishes between direct and total impacts, where the estimates of the total impacts reflect the way in which the direct impacts are boosted by multiplier effects.

The direct impacts are multiplied because purchases of goods and services by Whitireia cause the suppliers of the goods and services to increase their own purchases, so requiring the suppliers' own suppliers to increase their purchases, and so on down the supply chain. The direct impacts are further multiplied when the staff of Whitireia, and the staff of the businesses in the supply chain, spend their wages and salaries, so causing shops and consumer service providers to increase their outputs and employment.

The tables on page 45 show that, via the multiplier effects, Whitireia generated a total of just less than \$90m of expenditure in the Wellington regional economy and over \$156m in the national economy in 2015. Similarly, the expenditure generated a total of over \$64m in GDP (i.e. value added) in the regional economy and over \$108m in the national economy. Direct employment is estimated to have generated total employment of 487 FTE jobs regionally and 847 nationally.

Impact on the Wellington regional economy

Impact on:	Direct	Total
Expenditure (2015 \$m)	51.8	87.8
GDP (2015 \$m)	42.4	64.5
Employment (FTE)	385	520

Impact on the Auckland regional economy

Impact on:	Direct	Total
Expenditure (2015 \$m)	11.6	21.6
GDP (2015 \$m)	9.7	16
Employment (FTE)	102	156

Impact on the New Zealand regional economy

Impact on:	Direct	Total
Expenditure (2015 \$m)	63.4	156.6
GDP (2015 \$m)	53.1	108.3
Employment (FTE)	487	847

The estimated impacts are larger at national level than at regional level because, Wellington's regional economy is likely to include only a portion of the supply chain benefitting from expenditure by Whitireia, whereas the national economy is likely to include a much larger portion.

It should also be noted that the table presents conservative estimates of economic impact because they are based only on operational expenditure and staff spending. Broadly speaking, the spending by each out-of-region domestic student and each international student is likely to add between 0.5 and 1.0 jobs to the regional economy, allowing for multiplier effects.





Financial Statements

Statement of Financial Performance

for the year ended 31 December 2015

	Note	Group			Polytechnic	
		Actual 2015 \$'000	Budget 2015 \$'000	Actual restated 2014 \$'000	Actual 2015 \$'000	Actual restated 2014 \$'000
Revenue from non-exchange transactions						
Government grants	2	29,242	29,194	29,008	25,405	25,608
Domestic tuition fees		12,028	13,365	11,578	9,273	8,702
Donations and koha		103	0	98	0	0
Revenue from exchange transactions						
International tuition fees		20,053	16,269	14,698	19,262	14,157
Revenue from other operating activities	2	4,821	6,301	4,770	7,115	6,833
Change in fair value of investment property		0	0	309	0	309
Interest revenue		562	355	335	481	257
Gain on sale of investments		0	0	9	0	9
Total revenue		66,809	65,484	60,805	61,536	55,875
Operating expense						
Personnel costs	3	31,252	30,529	30,793	31,238	30,791
Depreciation expenses	11	3,887	4,153	3,915	3,892	3,920
Amortisation expenses	12	465	351	443	465	443
Course related expenses		2,953	2,932	2,658	2,952	2,658
Occupancy costs		5,262	5,100	5,198	5,262	5,198
Project expenditure		8,717	10,943	8,069	3,681	3,300
Other expenses	4	10,622	9,124	8,499	10,545	8,425
Trading activities		311	639	433	311	433
Total operating expenses		63,469	63,771	60,008	58,346	55,168
Surplus / (deficit) before non-operating items		3,340	1,713	797	3,190	707
Non-operating items						
Share of net profit / (loss) of jointly controlled entities	10	145	293	0	0	0
Non operating income / (expense) items	5	(75)	(255)	(612)	(75)	(612)
Total non-operating items		70	38	(612)	(75)	(612)
Surplus / (deficit) before taxation		3,410	1,751	185	3,115	95
Income tax	20	(30)	23	44	0	0
Surplus / (deficit) after taxation		3,440	1,728	141	3,115	95

The accompanying notes form part of these financial statements

Statement of Comprehensive Income

for the year ended 31 December 2015

	Note	Group			Polytechnic	
		Actual 2015 \$'000	Budget 2015 \$'000	Actual restated 2014 \$'000	Actual 2015 \$'000	Actual restated 2014 \$'000
Surplus / (deficit)		3,440	1,728	141	3,115	95
Other comprehensive income and expense						
Revaluation gain on property, plant and equipment	19	1,520	0	0	1,520	0
Other comprehensive income and expense for the year, net of tax		1,520	0	0	1,520	0
Total comprehensive income		4,960	1,728	141	4,635	95

Statement of Changes in Equity

for the year ended 31 December 2015

	Group			Polytechnic	
	Actual 2015 \$'000	Budget 2015 \$'000	Actual restated 2014 \$'000	Actual 2015 \$'000	Actual restated 2014 \$'000
Balance at 1 January	63,140	61,339	62,999	62,335	62,240
Comprehensive income					
Surplus / (deficit)	3,440	1,728	141	3,115	95
Other comprehensive income	1,520	0	0	1,520	0
Total comprehensive income	4,960	1,728	141	4,635	95
Balance at 31 December	68,100	63,067	63,140	66,970	62,335

The accompanying notes form part of these financial statements

Statement of Financial Position

as at 31 December 2015

	Note	Group			Polytechnic	
		Actual 2015 \$'000	Budget 2015 \$'000	Actual restated 2014 \$'000	Actual 2015 \$'000	Actual restated 2014 \$'000
Assets						
Current assets						
Cash and cash equivalents	6	2,334	8,563	4,030	1,923	3,636
Receivables	7	9,525	7,717	7,292	7,143	4,112
Inventory	8	282	178	271	282	271
Prepayments		713	0	680	713	680
Taxation	20	58	0	10	0	0
Loan to controlled entities	24	0	0	0	0	532
Current portion of financial assets in nature of investments	9	8,372	358	2,367	8,000	2,000
Assets held for sale	13	636	630	636	636	636
Total current assets		21,920	17,446	15,286	18,697	11,867
Non-current assets						
Financial assets in the nature of investments	9	0	0	0	1,346	1,346
Investment in joint controlled entity	10	723	866	577	140	140
Property, plant and equipment	11	68,802	66,275	68,927	68,817	68,948
Intangible assets	12	1,551	1,967	1,726	790	965
Total non-current assets		71,076	69,108	71,230	71,093	71,399
Total assets		92,996	86,554	86,516	89,790	83,266
Liabilities						
Current liabilities						
Payables under exchange transactions	14	5,451	4,878	4,037	3,871	3,191
Special accounts	15	228	298	223	199	223
Revenue received in advance	16	13,125	12,431	12,727	11,865	11,127
Employee entitlements (CL)	17	3,172	2,952	3,084	3,173	3,085
Current provisions	18	426	398	420	426	420
Loan from controlled entity	24	0	0	0	792	0
Total current liabilities		22,402	20,957	20,491	20,326	18,046
Non-current liabilities						
Employee entitlements (NCL)	17	171	172	155	171	155
Provisions	18	2,323	2,358	2,730	2,323	2,730
Total non-current liabilities		2,494	2,530	2,885	2,494	2,885
Total liabilities		24,896	23,487	23,376	22,820	20,931
Net assets		68,100	63,067	63,140	66,970	62,335
Equity						
General reserves	19	49,489	45,596	46,049	48,371	45,256
Property revaluation reserve	19	18,599	17,459	17,079	18,599	17,079
Restricted reserves	19	12	12	12	0	0
Total equity		68,100	63,067	63,140	66,970	62,335

The accompanying notes form part of these financial statements

Statement of Cash Flows

for the year ended 31 December 2015

	Group			Polytechnic	
	Actual 2015 \$'000	Budget 2015 \$'000	Actual restated 2014 \$'000	Actual 2015 \$'000	Actual restated 2014 \$'000
Cash flows from operating activities					
Receipt of government grants	29,167	29,879	29,714	25,405	25,969
Receipt of student tuition fees	30,321	29,066	28,866	26,244	25,967
Receipt of other ancilliary income	4,924	6,951	4,729	7,115	6,694
Interest received	562	320	335	481	257
Net taxation received / (paid)	(18)	0	(38)	0	0
GST net	(254)	0	(234)	(254)	(232)
Payment to employees	(31,148)	(31,075)	(31,314)	(31,133)	(31,301)
Payments to suppliers	(26,713)	(29,633)	(27,122)	(21,040)	(22,752)
Net cash flow from operating activities	6,841	5,508	4,936	6,818	4,602
Cash flow from investing activities					
Purchase of property, plant and equipment	(2,242)	(3,190)	(1,225)	(2,241)	(1,215)
Purchase of intangibles	(290)	(406)	(551)	(290)	(551)
Proceeds from sale of property, plant and equipment	0	621	0	0	0
Sale of financial assets in the nature of investments	0	0	19	0	19
Purchase of financial assets in the nature of investments	(6,005)	2,000	(2,000)	(6,000)	(2,000)
Net cash flow used in investing activities	(8,537)	(975)	(3,757)	(8,531)	(3,747)
Net (decrease) / increase in cash and cash equivalents	(1,696)	4,533	1,179	(1,713)	855
Cash and cash equivalents at the beginning of the period	4,030	4,030	2,851	3,636	2,781
Cash and cash equivalents at the end of the period	2,334	8,563	4,030	1,923	3,636

The GST (net) component of operating activities reflects the net GST paid to and received from the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes, and to be consistent with other primary financial statements.

The accompanying notes form part of these financial statements

Reconciliation from the net surplus / (deficit) to the net cash flow from operations

	Group		Polytechnic	
	Actual 2015 \$'000	Actual restated 2014 \$'000	Actual 2015 \$'000	Actual restated 2014 \$'000
Surplus / (deficit) from the Statement of Comprehensive Income	3,440	141	3,115	95
Adjustment for:				
Depreciation	3,887	4,113	3,892	4,118
Amortisation	465	443	465	443
Loss / (profit) on disposal of assets	0	(9)	0	(9)
Fair value increase in investments	0	(309)	0	(309)
Surplus on joint venture	(145)	0	0	0
Non-cash lease inducement amortisation	0	188	0	188
Movement in bad debt provision	(1)	(156)	(1)	(28)
Total non-cash items	4,206	4,270	4,356	4,403
Add / less movements in working capital items				
Increase in inventories	(11)	(93)	(11)	(92)
Decrease / (increase) in trade and other receivables	(2,233)	1,627	(3,030)	1,156
(Increase) / decrease in prepayments	(33)	(440)	(33)	(440)
(Increase) / decrease in taxation receivable	(48)	6	0	0
Increase / (decrease) in loan from controlled entity	0	0	1,324	(1,854)
Increase / (decrease) in trade and other payables	1,419	(1,788)	656	(545)
(Decrease) / increase in revenue received in advance	398	1,688	738	2,342
Increase / (decrease) in employee entitlements	104	(199)	104	(187)
Decrease in provisions	(401)	(276)	(401)	(276)
Net movement in working capital items	(805)	525	(653)	104
Net cash flow from operating activity	6,841	4,936	6,818	4,602

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of accounting policies for the year ended 31 December 2015

Reporting entity

Whitireia Community Polytechnic (the Polytechnic) is a Tertiary Education Institution (TEI) domiciled in New Zealand and is governed by the Crown Entities Act 2004 and the Education Act 1989.

The Polytechnic and group consists of Whitireia Community Polytechnic and its subsidiaries, Whitireia New Zealand Limited (WNZL) (100% owned) and Whitireia Foundation (100% interest). The group also consists of non-trading subsidiaries Whitireia Enterprises Limited (100% owned), W² Ventures Limited (50% owned), W² Shared Services Limited (50% owned). Whitireia Community Polytechnic also has a 50% interest in two unincorporated joint ventures – Computer Power Plus and W² Shared Services all of which are equity accounted into the group financial statements. All subsidiaries are incorporated and domiciled in New Zealand.

The Polytechnic has consolidated the accounts of the Whitireia Foundation for financial reporting purposes because in substance, the Polytechnic predetermined the objectives of the Foundation at establishment and benefits from the Foundation's complementary activities.

The primary objective of the Polytechnic and group is to provide tertiary education services for the benefit of the community rather than making a financial return.

The financial statements of the Polytechnic and group are for the year ended 31 December 2015. The financial statements were authorised for issue by the Council on 29 April 2016.

Basis of preparation

Statement of compliance

The financial statements of the Polytechnic and group have been prepared in accordance with the requirements of the Crown Entities Act 2004 and the Education Act 1989, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with Public Benefit Entity Reporting Standards (PBE), and other applicable financial reporting standards as appropriate for public benefit entities.

Measurement base

The financial statements have been prepared on a historical cost basis, modified by assets classified as held for sale and land and buildings, or where specifically stated in the policies.

Functional and presentation accuracy

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of the Polytechnic and its subsidiaries is New Zealand Dollars (NZ\$).

Effect of first-time adoption of PBE standards on accounting policies and disclosures

This is the first set of financial statements of the Polytechnic and group that is presented in accordance with PBE standards.

The accounting policies adopted in these financial statements are consistent with those in the previous financial year except for instances when the accounting or reporting requirements of a PBE standard are different to requirements under NZ IFRS (PBE) as outlined below.

The changes to accounting policies and disclosures caused by first time application of PBE accounting standards are as follows:

Receivables from exchange and non-exchange transactions

In the financial statements of the previous financial year, receivables were presented as a single total in the Statement of Financial Position. However, PBE IPSAS 1 requires receivables from non-exchange transactions and receivables from exchange transactions to be presented separately in the Statement of Financial Position. This requirement affected the presentation of both the current and comparative receivables figures.

PBE IPSAS 23: revenue from non-exchange transactions

PBE IPSAS 23 prescribes the financial reporting requirements for revenue arising from non-exchange transactions. There is no equivalent financial reporting standard under NZ IFRS. The application of this standard affected the group's accounting for government grant and domestic fee income. In the previous financial year government grants and domestic student fee income were recognised on a consumption basis once entitlement to the funding was achieved. However, PBE IPSAS 23 requires revenue from non-exchange transactions, such as government grants, to be recognised as revenue as soon as the inflow of resources can be recognised as an asset in the financial statements, unless the inflow of resources meets the definition of and recognition criteria for a liability. Non-exchange income can only be deferred and recognised as a liability if there is a condition attached to the income that requires an entity to use the income as specified or return the cash to the grantor.

Application of PBE IPSAS 23 to government grant funding has resulted in non-student delivery funding being recognised 12 months earlier than reported in 2013 and 2014.

Application of PBE IPSAS 23 to domestic student fee income has resulted in income previously considered 'straddling' income being fully recognised in the year in which the student's study contract became unconditional.

Impact on the Statement of Financial Performance

	Group		Polytechnic	
	1 Jan 2014 \$'000	31 Dec 2014 \$'000	1 Jan 2014 \$'000	31 Dec 2014 \$'000
Increase / (decrease) in domestic tuition fees		(197)		(216)
Increase / (decrease) in government funding		(705)		(361)
(Increase) / decrease in management contract		226		0
Net impact on net profit		(676)		(577)
Impact on net assets / equity				
Increase in opening accumulated comprehensive revenue and expense (as at 1 January 2014)		1,964		1,636
Decrease in 2014 net profit		(676)		(577)
Net impact on net assets / equity		1,288		1,059
Impact on financial position				
Increase / (decrease) in receivables	2,333	1,627	1,227	866
(Increase) / decrease in revenue in advance	603	407	409	193
(Increase) / decrease in payables	(972)	(746)	0	0
Net impact on retained earnings	1,964	1,288	1,636	1,059

Changes in accounting policies

Other than the changes already noted, there have been no other changes in accounting policies during the financial year.

Significant accounting policies

Basis of consolidation

The group financial statements are prepared by adding together like items of assets, liabilities, equity, income, expenses, and cash flows on a line-by-line basis. All significant intragroup balances, transactions, income, and expenses are eliminated on consolidation.

Subsidiaries

The Polytechnic consolidates in the group financial statements all entities where the Polytechnic has the capacity to control the financing and operating policies of an entity so as to obtain benefits from the activities of the entity. This power exists where the Polytechnic controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by the Polytechnic or where the determination of such policies is unable to materially impact the level of potential ownership benefits that arise from the activities of the subsidiary.

Inter-company transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Investments in subsidiaries are carried at cost in the Polytechnic's parent entity financial statements.

Jointly controlled entities

The Polytechnic and group's jointly controlled entities interest is accounted for using the equity method. Investments in jointly controlled entities are initially recognised at cost and the carrying amount is increased or decreased to recognise the appropriate share of the profit or loss of the jointly controlled entity after the date of acquisition. The Polytechnic and group's share of the profit or loss is recognised in the group profit or loss. Distributions received from a jointly controlled entity reduce the carrying amount of the investment in the group financial statements.

If the share of losses of a jointly controlled entity equals or exceeds the interest in the jointly controlled entity, the group discontinues recognising its share of further losses. After the group's interest is reduced to zero, additional losses 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 jointly controlled entity. If the jointly controlled entity subsequently reports profits, the group will resume recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Where the group transacts with a jointly controlled entity, profit or losses are eliminated to the extent of the group's interest in the relevant jointly controlled entity. Investments in a jointly controlled entity are carried at cost in the Polytechnic parent entity financial statements.

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Government grants and research income

Government grants and research income are recognised as revenue upon entitlement unless there is an obligation to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grants are satisfied.

Domestic student tuition fees

Domestic student tuition fees are recognised as revenue upon entitlement unless there is an obligation to return the fees.

International student tuition fees

International student tuition fees are 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 total course days. The balance is recognised as revenue in advance.

Sale of goods

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

Interest and dividends

Interest income is recognised using the effective interest method.

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

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date. The substance of the arrangement depends on whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Group as lessee

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the group. Operating lease payments are recognised as an operating expense in surplus or deficit on a straight-line basis over the lease term.

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

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

Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction.

Trade creditors and debtors denominated in foreign currency are reported at the Statement of Financial Position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from reporting of creditors at rates different from those at which they were initially recorded during the period, are recognised as income or expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined.

Other financial assets (including investment in other entities)

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.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Polytechnic and group has transferred substantially all the risks and rewards of ownership.

There are four categories of financial assets under PBE IPSAS 29. The Polytechnic holds financial assets classified as loans and other receivables. Classification of the financial asset depends on the purpose for which the instruments were acquired.

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 non-current asset because repayment of the receivable is not expected within 12 months of the 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 derecognised are recognised in the surplus or deficit.

Impairment of financial assets

At each balance date, the Polytechnic and group assesses whether there is any objective evidence that a financial asset or group of assets is impaired. Any impairment losses are recognised in 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 Polytechnic 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 the 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 instruments carrying amount.

Inventories

Inventory is measured at cost upon initial recognition. To the extent where inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

After initial recognition, inventories held for resale are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to make the sale, exchange, or distribution.

Property, plant and equipment

Property, plant and equipment consists of the following asset classes: land and buildings, plant and machinery, motor vehicles, computer hardware, furniture, fittings and artwork, library collection, office equipment, teaching equipment, leasehold improvements, communication systems and signage.

Land is measured at fair value, and buildings are measured at fair value less accumulated depreciation and impairment losses. All other asset classes are measured at deemed cost on acquisition less any accumulated depreciation and impairment losses.

Revaluations

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

The carrying values of revalued assets are assessed biannually by independent valuers 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.

Land and buildings revaluation movements are accounted for on a class of asset basis.

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

Additions

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

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

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired 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.

Depreciation

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

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

Class of assets	Life	Rate
Buildings	10 - 50 years	2% - 10% per annum
Plant and machinery	8 - 10 years	10% - 12.5% per annum
Motor vehicles	5 years	20% per annum
Computer hardware	5 years	20% per annum
Furniture and fittings	10 years	10% per annum
Library collection	5 - 8 years	12.5% per annum
Office equipment	5 years	20% per annum
Teaching equipment	5 years	20% per annum
Leasehold improvements	1 - 12 years	8% - 100% per annum
Communication systems	4 years	25% per annum
Signage	4 years	25% per annum

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is the shorter. The unexpired period of the lease includes any rights of renewal where management considers it reasonably certain that these rights be exercised.

For revalued assets, any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the assets.

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

An asset's carrying amount is written down immediately to its recoverable amount, or recoverable service amount, if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount. Please refer to policy on impairment of non-financial assets below.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits or service potential are expected from its use or disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in surplus or deficit.

Upon disposal or derecognition, any revaluation reserve relating to the particular asset being sold is transferred to accumulated comprehensive revenue and expense.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits or service potential embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in surplus or deficit as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on the prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposable proceeds and the carrying amount of the asset and are recognised in surplus or deficit when the asset is derecognised.

Goodwill

Goodwill is initially recognised at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair

value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in surplus or deficit.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquisition are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention and ability to complete and use or sell the asset
- How the asset will generate future economic benefits or service potential
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

Software

The group holds several computer software packages for internal use, including purchased software and software developed in-house by the group.

Purchased software is recognised and measured at the cost incurred to acquire the software. Developed software is recognised and measured during the development stage in accordance with the research and development paragraph above. Costs that are directly associated with the development of the software, including employee costs, are capitalised as an intangible asset. Staff training costs and costs associated with maintaining computer software are recognised as expenses in surplus or deficit when incurred.

Course development costs

Course development costs relate to development of educational courses and are capitalised if purchased wholly from other institutes of learning.

Amortisation

A summary of the policies applied to the group's intangible assets is, as follows:

Class of assets	Life	Amortisation method	Internally generated or acquired
Computer software	3 years	Straight line	Some acquired and some internally generated
Course development costs	3 years	Straight line	Acquired

Impairment of property, plant, equipment and intangible assets

Intangible assets that have an indefinite useful life, or not yet available for use, and goodwill, are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

The value in use for cash-generating assets is the present value of expected future cash flows.

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

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

Impairment related to goodwill cannot be reversed. The reversal of an impairment loss on a revalued asset is credited to other comprehensive income and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount the reversal of an impairment loss is recognised in the surplus or deficit.

Investment properties and assets held for sale

Properties held for sale or leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation. Property held to meet service delivery objectives is classified as property, plant, equipment.

Investment property is measured initially at its cost, including transaction cost.

Subsequent to initial recognition investment properties are measured at fair value as determined annually by an independent valuer.

Gains and losses arising from a change in the fair value of investment properties are recognised in the surplus or deficit.

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Employee entitlements

Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries (including non-monetary benefits), annual leave and accumulating sick leave are recognised in surplus or deficit during the period in which the employee rendered the related services, and are generally expected to be settled within 12 months of the reporting date. The liabilities for these short-term benefits are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at rates paid or payable.

Long service leave and retirement leave

Employees of the group become eligible for long service leave and retirement leave after a certain number of years of employment, depending on their contract. The liability for long service leave and retirement leave is recognised and measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. The group's liability is based on an actuarial valuation. Actuarial gains and losses on the long-term incentives are fully accounted for in the Statement of Financial Performance.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to KiwiSaver and the Government Superannuation Fund are accounted for as defined contribution schemes 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 expenditures 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 as '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 reserves
- Fair value through comprehensive income reserves and
- Restricted reserves

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 Polytechnic. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Property revaluation reserves

This reserve relates to the revaluation of property to fair value.

Goods and Services Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Income Tax

Whitireia Community Polytechnic and Whitireia New Zealand Limited are exempt from income tax, pursuant to section CW 55BA (as amended) of the Income Tax Act 2007. Whitireia Foundation is exempt from income tax, pursuant to sections CW 41 and 42 of the Income Tax Act 2007.

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Financial Performance, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance date where operations result in generating taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Budget figures

The budget figures are those that are approved by the Council at the start of the financial year. These figures do not include any additional expenditure subsequently approved by Council outside of the annual budgeting process. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council in the preparation of the financial statements. Explanation of major variances between actual results and budgeted figures is provided in note 28.

Critical accounting estimates and assumptions

In preparing these financial statements the Polytechnic and group has 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 of future events that are believed to be reasonable under the circumstances.

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

Property revaluations

Note 11 provides information about the estimates and assumptions exercised in the measurement of revalued land and buildings.

Estimated impairment of goodwill

The group tests annually whether goodwill has suffered any impairment, in accordance with the stated accounting policy. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (refer note 12).

Employee entitlements

Refer to accounting policy for critical estimates and judgements for employee entitlements.

Critical judgements in applying accounting policies

Management have exercised the following critical judgements in applying accounting policies for the year ended 31 December 2015:

Crown owned land and buildings

Property in the legal name of the Crown that is occupied by the Polytechnic and group is recognised as an asset in the Statement of Financial Position. The Polytechnic and group consider it has assumed all the normal risks and rewards of ownership of this property despite legal ownership not being transferred and accordingly it would be misleading to exclude these assets from the financial statements.

Distinction between revenue and capital contributions

Most Crown funding received is operational in nature and is provided by the Crown under the authority of an expense appropriation and is recognised as revenue. Where funding is received from the Crown under the authority of a capital appropriation, the Polytechnic and group accounts for the funding as a capital contribution directly in equity.

2. Income

	Group		Polytechnic	
	Actual 2015 \$'000	Actual restated 2014 \$'000	Actual 2015 \$'000	Actual restated 2014 \$'000
i. Government grants				
Student Achievement Component (SAC) funding	28,544	28,553	24,707	25,153
Performance-based research funding	174	175	174	175
Other government grants	524	280	524	280
Total government grants	29,242	29,008	25,405	25,608
ii. Other income				
	Actual 2015 \$'000	Actual 2014 \$'000	Actual 2015 \$'000	Actual 2014 \$'000
Rental revenue	448	392	448	392
Education service contracts	2,523	2,526	4,824	4,601
Bookshop income	247	374	247	374
Other income	1,603	1,478	1,596	1,466
Total other income	4,821	4,770	7,115	6,833

3. Personnel Costs

	Group		Polytechnic	
	Actual 2015 \$'000	Actual 2014 \$'000	Actual 2015 \$'000	Actual 2014 \$'000
Key management compensation				
Short-term employee benefits	738	723	738	723
Councillor fees	80	92	80	91
Staff compensation				
Academic salaries	19,592	18,264	19,592	18,264
General salaries and wages	10,205	11,066	10,191	11,065
Defined contribution plan employer contributions	637	648	637	648
Total personnel costs	31,252	30,793	31,238	30,791

Key management personnel includes the Chief Executive, two executive personnel, and councillors.

Employer contributions to defined contribution plans include contributions to KiwiSaver and the Government Superannuation Fund.

The table below shows total remuneration by remuneration band for group employees as at 31 December 2015.

Employee Remuneration

\$	Group		Polytechnic	
	Actual 2015	Actual 2014	Actual 2015	Actual 2014
100,000 - 109,999	4	3	4	3
110,000 - 119,999	0	2	0	2
120,000 - 129,999	2	3	2	3
130,000 - 139,999	2	2	2	2
140,000 - 149,999	3	2	3	1
150,000 - 159,999	0	1	0	0
170,000 - 179,999	0	1	0	1
180,000 - 189,999	1	1	1	0
200,000 - 209,999	0	1	0	1
250,000 - 259,999	1	0	1	0
300,000 - 309,999	1	0	1	0
340,000 - 349,999	0	1	0	1
	14	17	14	14

Councillors Fees

		Crown Entities Act 2004	
		Actual 2015 \$	Actual 2014 \$
Arthur T		0	5,546
Fortuin G		0	3,697
Sowry R (Chair)		32,000	32,000
Wilkinson R K		0	3,697
Sanga K		16,000	16,000
Sanga K (2013)		0	5,600
McIntosh-Ward N	*	0	0
Royal A		16,000	12,000
Wilde F		16,000	13,029
Hume D	*	0	0
Lloyd J	*	0	0
Renner V	*	0	0
		80,000	91,569

*Fees paid by WelTec as part of the Combined Council.

4. Other Expenses

	Group		Polytechnic	
	Actual 2015 \$'000	Actual restated 2014 \$'000	Actual 2015 \$'000	Actual restated 2014 \$'000
Audit fees - current year	162	154	122	116
Advertising and public relations	535	501	535	501
Bad debts expensed	15	35	15	34
Bank charges	96	95	96	95
Catering	160	193	160	193
Commissions paid	3,454	2,249	3,448	2,249
Consultants and legal	813	219	784	186
Consumables	80	20	80	20
Equipment lease	515	615	515	615
Export education levy	82	63	82	63
Fees and subscriptions	290	212	290	212
Graduation costs	125	116	125	116
Grants and scholarships	3	0	3	0
Immigration Visa fees	43	49	43	49
Information technology	2,575	2,296	2,575	2,296
Insurance	484	547	484	547
International contacts activities	50	44	50	44
Motor vehicle expenses	86	74	86	74
Office costs	210	261	210	261
Postage	49	60	49	60
Professional development fees	136	61	136	61
Repairs and maintenance information technology	42	35	42	35
Sundry expenses	74	52	72	50
Travel and accommodation	507	512	507	512
Whitireia scholarships	36	36	36	36
Total other expenses	10,622	8,499	10,545	8,425

5. Non-operating Expense

	Group		Polytechnic	
	Actual 2015 \$'000	Actual restated 2014 \$'000	Actual 2015 \$'000	Actual restated 2014 \$'000
Redundancies	(33)	(414)	(33)	(414)
Impairment of leasehold improvements	(42)	(198)	(42)	(198)
Total non-operating expenses	(75)	(612)	(75)	(612)

6. Cash and Cash Equivalents

	Group		Polytechnic	
	Actual 2015 \$'000	Actual 2014 \$'000	Actual 2015 \$'000	Actual 2014 \$'000
Cash at bank and in hand	2,277	1,991	1,923	1,636
Term deposits with maturities less than three months	57	2,039	0	2,000
Total cash and cash equivalents	2,334	4,030	1,923	3,636

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

7. Debtors and Other Receivables

	Group		Polytechnic	
	Actual 2015 \$'000	Actual restated 2014 \$'000	Actual 2015 \$'000	Actual restated 2014 \$'000
Student receivables				
Student fee receivables	4,378	3,562	3,863	2,605
Provision for impairment	(21)	(22)	(21)	(22)
Net student fee receivables	4,357	3,540	3,842	2,583
Other receivables				
Other debtors and receivables	5,168	3,752	3,301	1,529
Total debtors and other receivables	9,525	7,292	7,143	4,112

Fair value

Student fees are due before a course commences or are due on enrolment if the course has already begun. Student fee receivables are non-interest bearing and are payable 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.

Impairment

The ageing profile of student fee receivables at year end is detailed below:

	Group			Polytechnic		
	Gross \$'000	Impairment \$'000	Net \$'000	Gross \$'000	Impairment \$'000	Net \$'000
2015						
Not past due	2,177	0	2,177	2,138	0	2,138
Past due 31 - 60 days	1,444	0	1,444	1,000	0	1,000
Past due 61 - 90 days	329	0	329	329	0	329
Past due over 90 days	428	(21)	407	396	(21)	375
Total	4,378	(21)	4,357	3,863	(21)	3,842
2014						
Not past due	2,894	0	2,894	2,009	0	2,009
Past due 31 - 60 days	398	0	398	388	0	388
Past due 61 - 90 days	194	0	194	164	0	164
Past due over 90 days	76	(22)	54	44	(22)	22
Total	3,562	(22)	3,540	2,605	(22)	2,583

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

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

	Group		Polytechnic	
	Actual 2015 \$'000	Actual 2014 \$'000	Actual 2015 \$'000	Actual 2014 \$'000
At 1 January	22	178	22	178
Additional provisions made during the year	17	44	17	44
Receivables written off during the year	(18)	(200)	(18)	(200)
At 31 December	21	22	21	22

8. Inventories

	Group		Polytechnic	
	Actual 2015 \$'000	Actual 2014 \$'000	Actual 2015 \$'000	Actual 2014 \$'000
Inventory held for sale or provision of services at commercial terms				
Work in progress (at cost)	215	137	215	137
Materials and consumables (at cost)	5	5	5	5
Finished goods (at lower of cost and net realisable value)	62	129	62	129
Total inventory at the lower of cost and net realisable value	282	271	282	271

During the year inventories with a cost value of \$216,000 (2014: \$344,000) has been included in trading activity expenditure in the Statement of Financial Performance.

9. Financial Assets in the Nature of Investments

			Group		Polytechnic	
			Actual 2015 \$'000	Actual 2014 \$'000	Actual 2015 \$'000	Actual 2014 \$'000
	<i>Effective interest rate %</i>	<i>Maturity</i>				
Current						
Deposits with bank						
ASB - Foundation	3.50%	2-Dec-2016	243	238	0	0
ASB - Foundation	3.50%	2-Dec-2016	129	129	0	0
ANZ Bank	4.00%	20-Apr-2016	2,000	0	2,000	0
BNZ Bank	3.58%	11-Feb-2016	2,000	0	2,000	0
BNZ Bank	3.66%	12-Aug-2016	2,000	0	2,000	0
Westpac Bank	4.62%	12-Mar-2016	2,000	2,000	2,000	2,000
			8,372	2,367	8,000	2,000
Non-current						
Investments in controlled entity (at cost)			0	0	1,346	1,346
			0	0	1,346	1,346

The deposit with banks classified as current assets are those with original maturing periods of greater than three months and less than twelve months.

The Polytechnic holds a 8.33% shareholding in Skills for NZ Limited. No consideration was made for this shareholding.

The investment in controlled entity is for Whitireia New Zealand Limited (100% owned).

10. Investment in Jointly Controlled Entities

The Polytechnic and WelTec have a 50% interest in two joint ventures, Computer Power Plus (CPP) and W² Shared Services (W²). CPP undertakes academic and support services on contract to Whitireia New Zealand Limited. W² provides shared services to Whitireia and WelTec. The following amounts represent the group's share of the assets, liabilities, income and expenses of the joint venture:

	Group	
	Actual 2015 \$'000	Actual restated 2014 \$'000
Computer Power Plus		
Parent		
Investment in joint venture	140	140
Group		
Investment in joint venture	723	577
Assets		
Current assets	747	780
Non-current assets	187	220
Total assets	934	1,007
Liabilities		
Current liabilities	(211)	(423)
Total liabilities	(211)	(423)
Income	2,471	2,484
Expenses	(2,326)	(2,345)
Profit / loss	145	139
Share of joint venture's contingent liabilities	0	0
Share of joint venture's commitments	1,029	1,100

11. Property, Plant and Equipment

Group	Land & buildings \$'000	Computer hardware \$'000	Furniture, fittings & artwork \$'000	Library collection \$'000	Plant & machinery \$'000	Motor vehicles \$'000	Office equipment \$'000	Teaching equipment \$'000	Leasehold improvements \$'000	Communication systems \$'000	Signage \$'000	Construction in progress \$'000	Total group \$'000
Cost / valuation													
Cost / valuation at 1 January 2015	58,834	6,408	3,017	2,967	997	751	440	3,860	12,124	1,172	209	76	90,855
Additions during the year	257	539	53	205	12	142	0	185	66	27	10	991	2,487
Disposals during the year	0	0	0	0	0	(56)	0	0	0	0	0	0	(56)
Revaluations	(1,379)	0	0	0	0	0	0	0	0	0	0	0	(1,379)
Impairment charged during the year	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer to property held for sale	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost / valuation at 31 December 2015	57,712	6,947	3,070	3,172	1,009	837	440	4,045	12,190	1,199	219	1,067	91,907
Accumulated depreciation													
Accumulated depreciation at 1 January 2015	(1,412)	(5,704)	(1,911)	(2,217)	(778)	(671)	(418)	(2,988)	(4,734)	(953)	(142)	0	(21,928)
Current year depreciation	(1,486)	(409)	(173)	(189)	(59)	(36)	(8)	(357)	(1,227)	(120)	(3)	0	(4,067)
Recognition of accumulated depreciation on assets acquired from subsidiary	0	0	0	0	0	0	0	0	0	0	0	0	0
Disposals during the year	0	0	0	0	0	33	0	0	0	0	0	0	33
Recognition of leasehold inducement reversal	0	0	0	0	0	0	0	0	0	0	0	0	0
Revaluations / impairment	2,898	0	0	0	0	0	0	0	(41)	0	0	0	2,857
Accumulated depreciation at 31 December 2015	0	(6,113)	(2,084)	(2,406)	(837)	(674)	(426)	(3,345)	(6,002)	(1,073)	(145)	0	(23,105)
Net book value	57,712	834	986	766	172	163	14	700	6,188	126	74	1,067	68,802

Property, Plant and Equipment

Group	Land & buildings \$'000	Computer hardware \$'000	Furniture, fittings & artwork \$'000	Library collection \$'000	Plant & machinery \$'000	Motor vehicles \$'000	Office equipment \$'000	Teaching equipment \$'000	Leasehold improvements \$'000	Communication systems \$'000	Signage \$'000	Construction in progress \$'000	Total group \$'000
Cost / valuation													
Cost / valuation at 1 January 2014	58,685	6,362	2,997	2,819	994	758	440	3,536	11,679	1,172	204	67	89,713
Additions during the year	127	86	20	153	3	0	0	342	13	0	5	586	1,335
Disposals during the year	(114)	(40)	0	(5)	0	(7)	0	(28)	0	0	0	0	(194)
Revaluations	0	0	0	0	0	0	0	0	0	0	0	0	0
Impairment charged during the year	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer to property held for sale	1	0	0	0	0	0	0	0	0	0	0	0	1
Transfers	135	0	0	0	0	0	0	10	432	0	0	(577)	0
Cost / valuation at 31 December 2014	58,834	6,408	3,017	2,967	997	751	440	3,860	12,124	1,172	209	76	90,955
Accumulated depreciation													
Accumulated depreciation at 1 January 2014	0	(5,228)	(1,718)	(2,039)	(716)	(635)	(406)	(2,660)	(3,326)	(834)	(141)	0	(17,703)
Current year depreciation	(1,412)	(516)	(193)	(178)	(62)	(41)	(12)	(356)	(1,211)	(119)	(1)	0	(4,101)
Recognition of accumulated depreciation on assets acquired from subsidiary	0	0	0	0	0	0	0	0	0	0	0	0	0
Disposals during the year	0	40	0	0	0	5	0	28	0	0	0	0	73
Recognition of leasehold inducement reversal	0	0	0	0	0	0	0	0	0	0	0	0	0
Revaluations / impairment	0	0	0	0	0	0	0	0	(197)	0	0	0	(197)
Accumulated depreciation at 31 December 2014	(1,412)	(5,704)	(1,911)	(2,217)	(778)	(671)	(418)	(2,988)	(4,734)	(953)	(142)	0	(21,928)
Net book value	57,422	704	1,106	750	219	80	22	872	7,390	219	67	76	68,927

Property, Plant and Equipment

	Land & buildings	Computer hardware	Furniture, fittings & artwork	Library collection	Plant & machinery	Motor vehicles	Office equipment	Teaching equipment	Leasehold improvements	Communication systems	Signage	Construction in progress	Total polytechnic
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Polytechnic													
Cost / valuation													
Cost / valuation at 1 January 2015	58,834	6,416	3,009	2,968	1,049	751	436	3,852	12,125	1,173	209	76	90,898
Additions during the year	257	539	53	205	12	142	0	185	65	27	10	991	2,486
Disposals during the year	0	0	0	0	0	(56)	0	0	0	0	0	0	(56)
Revaluations	(1,379)	0	0	0	0	0	0	0	0	0	0	0	(1,379)
Impairment charged during the year	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer to property held for sale	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost / valuation at 31 December 2015	57,712	6,955	3,062	3,173	1,061	837	436	4,037	12,190	1,200	219	1,067	91,949
Accumulated depreciation													
Accumulated depreciation at 1 January 2015	(1,412)	(5,707)	(1,910)	(2,218)	(801)	(671)	(417)	(2,984)	(4,734)	(954)	(142)	0	(21,950)
Current year depreciation	(1,486)	(409)	(173)	(189)	(64)	(36)	(8)	(357)	(1,227)	(120)	(3)	0	(4,072)
Recognition of accumulated depreciation on assets acquired from subsidiary	0	0	0	0	0	0	0	0	0	0	0	0	0
Disposals during the year	0	0	0	0	0	33	0	0	0	0	0	0	33
Recognition of leasehold inducement reversal	0	0	0	0	0	0	0	0	0	0	0	0	0
Revaluations / impairment	2,898	0	0	0	0	0	0	0	(41)	0	0	0	2,857
Transfer from leasehold impairment	0	0	0	0	0	0	0	0	0	0	0	0	0
Accumulated depreciation at 31 December 2015	0	(6,116)	(2,083)	(2,407)	(865)	(674)	(425)	(3,341)	(6,002)	(1,074)	(145)	0	(23,132)
Net book value	57,712	839	979	766	196	163	11	696	6,188	126	74	1,067	68,817

Property, Plant and Equipment

	Land & buildings	Computer hardware	Furniture, fittings & artwork	Library collection	Plant & machinery	Motor vehicles	Office equipment	Teaching equipment	Leasehold improvements	Communication systems	Signage	Construction in progress	Total polytechnic
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Polytechnic													
Cost / valuation													
Cost / valuation at 1 January 2014	58,685	6,370	2,989	2,820	1,046	758	436	3,528	11,680	1,173	204	67	89,756
Additions during the year	127	86	20	153	3	0	0	342	13	0	5	586	1,335
Disposals during the year	(114)	(40)	0	(5)	0	(7)	0	(28)	0	0	0	0	(194)
Revaluations	0	0	0	0	0	0	0	0	0	0	0	0	0
Impairment charged during the year	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer to property held for sale	1	0	0	0	0	0	0	0	0	0	0	0	1
Transfers	135	0	0	0	0	0	0	10	432	0	0	(577)	0
Cost / valuation at 31 December 2014	58,834	6,416	3,009	2,968	1,049	751	436	3,852	12,125	1,173	209	76	90,898
Accumulated depreciation													
Accumulated depreciation at 1 January 2014	0	(5,231)	(1,717)	(2,040)	(734)	(635)	(405)	(2,656)	(3,326)	(835)	(141)	0	(17,720)
Current year depreciation	(1,412)	(516)	(193)	(178)	(67)	(41)	(12)	(356)	(1,211)	(119)	(1)		(4,106)
Recognition of accumulated depreciation on assets acquired from subsidiary	0	0	0	0	0	0	0	0	0	0	0	0	0
Disposals during the year	0	40	0	0	0	5	0	28	0	0	0	0	73
Recognition of leasehold inducement reversal	0	0	0	0	0	0	0	0	0	0	0	0	0
Revaluations / impairment	0	0	0	0	0	0	0	0	(197)	0	0	0	(197)
Transfer from leasehold impairment	0	0	0	0	0	0	0	0	0	0	0	0	0
Accumulated depreciation at 31 December 2014	(1,412)	(5,707)	(1,910)	(2,218)	(801)	(671)	(417)	(2,984)	(4,734)	(954)	(142)	0	(21,950)
Net book value	57,422	709	1,099	750	248	80	19	868	7,391	219	67	76	68,948

Reconciliation of Depreciation Charges

	Group		Polytechnic	
	Actual 2015 \$'000	Actual 2014 \$'000	Actual 2015 \$'000	Actual 2014 \$'000
Depreciation charge per fixed assets note	4,067	4,101	4,072	4,106
Adjustment for reduction in provision for inducement	(180)	(186)	(180)	(186)
Depreciation charge per Statement of Financial Performance	3,887	3,915	3,892	3,920

Valuation

Land

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

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

The most recent valuation of land was performed by a registered independent valuer, Bayleys Valuations Limited, and the valuation is effective as at 31 December 2015.

Buildings

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

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

- The replacement asset is based on the reproduction cost of the specific assets with adjustments where appropriate for obsolescence due to over design or surplus capacity
- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information
- Estimating the remaining useful life of assets
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset

The most recent valuation of buildings was performed by a registered independent valuer, Bayleys Valuations Limited, and the valuation is effective as at 31 December 2015.

The total fair value of property, including assets held for sale and investment property, valued by Bayleys Valuations Limited at 31 December 2015 totalled \$57,712,000.

Restrictions on title

Under the Education Act 1989, the Polytechnic and group are required to obtain the consent from the Ministry of Education to dispose of 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 land. The Polytechnic and group does not consider it practical to disclose in detail the value of land subject to these restrictions.

The Polytechnic is in the process of applying to have the title of Crown owned land and buildings transferred to the Polytechnic. This process is expected to be completed during 2016.

12. Intangible Assets

	Group				Polytechnic				
	Software \$'000	Course develop- ment \$'000	Goodwill \$'000	Software develop- ment in progress \$'000	Total \$'000	Software \$'000	Course develop- ment \$'000	Software develop- ment in progress \$'000	Total \$'000
Balance at 1 January 2015									
Cost	3,923	21	761	0	4,705	3,923	21	0	3,944
Accumulated amortisation and impairment	(2,979)	0	0	0	(2,979)	(2,979)	0	0	(2,979)
Opening carrying amount	944	21	761	0	1,726	944	21	0	965
Year ended 31 December 2015									
Additions at cost	251	0	0	39	290	251	0	39	290
Amortisation	(465)	0	0	0	(465)	(465)	0	0	(465)
	(214)	0	0	39	(175)	(214)	0	39	(175)
Balance at 31 December 2015									
Cost	4,174	21	761	39	4,995	4,174	21	39	4,234
Accumulated amortisation and impairment	(3,444)	0	0	0	(3,444)	(3,444)	0	0	(3,444)
Closing carrying amount	730	21	761	39	1,551	730	21	39	790
Balance at 1 January 2014									
Cost	3,370	21	761	0	4,152	3,370	21	0	3,391
Accumulated amortisation and impairment	(2,536)	0	0	0	(2,536)	(2,536)	0	0	(2,536)
Opening carrying amount	834	21	761	0	1,616	834	21	0	855
Year ended 31 December 2014									
Additions at cost	553	0	0	0	553	553	0	0	553
Accumulated depreciation in additions	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
Amortisation	(443)	0	0	0	(443)	(443)	0	0	(443)
	110	0	0	0	110	110	0	0	110
Balance at 31 December 2014									
Cost	3,923	21	761	0	4,705	3,923	21	0	3,944
Accumulated amortisation and impairment	(2,979)	0	0	0	(2,979)	(2,979)	0	0	(2,979)
Closing carrying amount	944	21	761	0	1,726	944	21	0	965

There are no restrictions over the title of intangible assets. No intangible assets are pledged as security for liabilities.

Goodwill

Goodwill of \$761,000 (2014: \$761,000) has been allocated to the cash generating unit (CGU) of Whitireia New Zealand Limited. The synergies of the business combination in which the goodwill arose are expected to be realised only by the assets of Whitireia New Zealand Limited.

The recoverable amount of the CGU has been determined based on value in use calculations. These calculations use cash flow projections based on financial budgets approved by the Council and cover a five-year period. Cash flows beyond the five-year period have been extrapolated using an estimated growth rate of 2% (2014: 2%).

Key assumptions used for the goodwill value in use calculation:

- Funding received from the government relating to the level of EFTS funded will remain unchanged for the foreseeable future
- Weighted average growth rate 3.58% (2014: 3.58%)
- Pre-tax discount rate 8% (2014: 8%)

These assumptions have been used for the analysis of the CGU of Whitireia New Zealand Limited. The Polytechnic has determined budgeted gross margin based on past performance and its expectations for the market. The weighted average growth rate used is consistent with the forecasts included in industry reports. The discount rate used is pretax and reflects specific risks relevant to the CGU.

The Polytechnic and group believes that a reasonable possible change in any of the key assumptions would not cause the carrying amount of goodwill to exceed the recoverable amount.

13. Assets Held for Sale

	Group		Polytechnic	
	Actual 2015 \$'000	Actual 2014 \$'000	Actual 2015 \$'000	Actual 2014 \$'000
Opening balance as at 1 January (fair value)	636	327	636	327
Net gain from fair value adjustment	0	309	0	309
Closing balance as at 31 December	636	636	636	636

The Polytechnic was advised during 2014 that Porirua City Council will be acquiring the land at Commerce Crescent under the Public Works Act. The land has been revalued based on the agreed acquisition price.

14. Creditors and Other Payables

	Group		Polytechnic	
	Actual 2015 \$'000	Actual restated 2014 \$'000	Actual 2015 \$'000	Actual 2014 \$'000
Trade payables	978	685	978	685
Other payables and accruals	2,910	2,329	2,197	1,501
GST	696	948	696	951
Amounts owing to related parties	867	75	0	54
Total creditors and other payables	5,451	4,037	3,871	3,191

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of creditors and other payables approximates their fair value.

15. Special Accounts

Special accounts represents funds held by the Polytechnic on behalf of others and funds provided to the Polytechnic by various organisations for specific projects.

	Group		Polytechnic	
	Actual 2015 \$'000	Actual 2014 \$'000	Actual 2015 \$'000	Actual 2014 \$'000
Whitireia International Homestay Trust	107	34	76	34
Activities account	15	14	15	14
Other accounts	106	175	108	175
Total special accounts	228	223	199	223

16. Revenue Received in Advance

	Group		Polytechnic	
	Actual 2015 \$'000	Actual instated 2014 \$'000	Actual 2015 \$'000	Actual instated 2014 \$'000
Student fees received in advance	13,075	12,670	11,815	11,086
Other revenue in advance	50	57	50	41
Total revenue received in advance	13,125	12,727	11,865	11,127

17. Employee Entitlements

	Group		Polytechnic	
	Actual 2015 \$'000	Actual 2014 \$'000	Actual 2015 \$'000	Actual 2014 \$'000
Current portion				
Accrued pay	786	621	786	621
Annual leave	2,298	2,276	2,299	2,277
Sick leave	58	115	58	115
Long service leave	7	40	7	40
Retirement gratuities	23	32	23	32
Total current portion	3,172	3,084	3,173	3,085
Non-current portion				
Long service leave	49	35	49	35
Retirement gratuities	122	120	122	120
Total non-current portion	171	155	171	155
Total employee entitlements	3,343	3,239	3,344	3,240

Employees are entitled to annual leave pay, long service leave pay and retirement gratuities. Annual leave entitlements expected to be settled within 12 months of the balance sheet date are measured at the current rates of pay and classified as current liabilities.

Entitlements related to long service leave and retirement gratuities have been calculated on an actuarial basis. The provision is affected by a number of assumptions including expected length of service, attrition rate, and salary increase.

18. Provisions

	Group		Polytechnic	
	Actual 2015 \$'000	Actual 2014 \$'000	Actual 2015 \$'000	Actual 2014 \$'000
Current portion				
Lease inducements	335	329	335	329
Contract settlement provision	91	91	91	91
	426	420	426	420
Non-current portion				
Lease inducements	1,621	1,937	1,621	1,937
Contract settlement provision	702	793	702	793
	2,323	2,730	2,323	2,730
Total provisions	2,749	3,150	2,749	3,150

	Balance at start of year \$'000	Provisions made \$'000	Provision realised \$'000	Balance at end of year \$'000
Polytechnic and group				
2015				
Lease inducement provision	2,266	25	(335)	1,956
Contract settlement provision	884	0	(91)	793
Total	3,150	25	(426)	2,749
2014				
Lease inducement provision	2,451	150	(335)	2,266
Contract management provision	975	0	(91)	884
Total	3,426	150	(426)	3,150

Lease inducements

In respect of leased property, the Polytechnic and group entered into a number of agreements to lease properties where an initial inducement was made by the lessor. These inducements included rent holidays, contributions to fitout and cash incentives. These amounts have been recognised as a provision in the financial statements to be amortised over the lease term (refer note 23).

Contract settlement

During 2014, the Polytechnic and group entered into a contract for the supply of copying services. In terms of this contract a payment was received from the supplier in order to enable the Polytechnic and group to exit its current supply agreement. This amount has been accounted for as a provision to be amortised over the period of the agreement.

19. Equity

	Group		Polytechnic	
	Actual 2015 \$'000	Actual restated 2014 \$'000	Actual 2015 \$'000	Actual restated 2014 \$'000
General funds				
Balance at 1 January	46,049	45,908	45,256	45,161
Surplus / (deficit) for the year	3,440	141	3,115	95
Balance at 31 December	49,489	46,049	48,371	45,256
Property revaluation reserve				
Balance at 1 January	17,079	17,079	17,079	17,079
Land and buildings net revaluation (loss) / gain	1,520	0	1,520	0
Balance at 31 December	18,599	17,079	18,599	17,079
Restricted reserves				
Balance at 1 January	12	12	0	0
Balance at 31 December	12	12	0	0

20. Taxation

	Group		Polytechnic	
	Actual 2015 \$'000	Actual 2014 \$'000	Actual 2015 \$'000	Actual 2014 \$'000
Component of tax expense				
Current tax expense	(30)	44	0	0
Adjustments in current tax in prior years	0	(3)	0	0
Deferred tax expense / (benefit)	0	3	0	0
	(30)	44	0	0
Relationship between tax and accounting profit				
Net surplus / (deficit) before tax	3,410	860	0	673
Tax at 28%	955	241	0	188
Plus / (less) tax effect of:				
Non-deductable expenditure	(955)	(191)	0	(188)
Prior year adjustment	(30)	(3)	0	0
Timing adjustments	0	(3)	0	0
Tax losses recognised	0	0	0	0
Deferred tax adjustments	0	0	0	0
Tax expense	(30)	44	0	0

Deferred tax asset / (liability)

	Property, plant & equipment	Employee entitle- ments	Other provisions	Tax losses	Total
Balance at 31 December 2013	0	3	0	0	3
Charged to surplus or deficit	0	(3)	0	0	(3)
Charged to other comprehensive income	0	0	0	0	0
Balance at 31 December 2014	0	0	0	0	0
Charged to surplus or deficit	0	0	0	0	0
Charged to other comprehensive income	0	0	0	0	0
Balance at 31 December 2015	0	0	0	0	0

Section 86 of the Taxation (Annual Rates for 2015 – 2016, Research and Development, and Remedial Matters) Act 2016 was enacted on 24 February 2016 and amends section CW 55BA of the Income Tax Act 2007. The amendment provides that income derived from subsidiaries of tertiary education institutions is exempt income. The amendment has retrospective application to the 2008/09 income year.

As a result of this amendment the group will no longer be a tax payer.

The group has a tax receivable in the balance sheet of \$57,992 that represents income tax paid since 1 April 2010.

21. Financial Risk Management Objectives and Policies

The group's principal financial instruments comprise bank deposits, cash and short-term deposits.

The group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

Credit risk

With the exception of student fees the group trades only with recognised, creditworthy third parties.

Receivable balances are monitored on an ongoing basis with the result that the group's exposure to bad debts is not significant.

With respect to the credit risk arising from the other financial assets of the group, which comprise cash and cash equivalents and available-for-sale financial assets, the group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

There are no significant concentrations of credit risk within the group.

Interest rate risk

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

	2015		2014	
	\$'000 -50 bps surplus and other equity	+150 bps surplus and other equity	\$'000 -50 bps surplus and other equity	+150 bps surplus and other equity
Group				
Financial assets				
Cash and cash equivalents	(12)	35	(20)	60
Financial assets in the nature of investments	(42)	126	(12)	36
Total sensitivity	(54)	161	(32)	96
Polytechnic				
Financial assets				
Cash and cash equivalents	(10)	29	(18)	55
Financial assets in the nature of investments	(40)	120	(10)	30
Total sensitivity	(50)	149	(28)	85

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 50 bps is equivalent to a decrease in interest rate of 0.5%.

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates:

	Group		Polytechnic	
	Actual 2015 \$'000	Actual restated 2014 \$'000	Actual 2015 \$'000	Actual restated 2014 \$'000
Counterparties with credit ratings				
<i>Cash at bank and term deposits</i>				
AA -	10,706	6,397	9,923	5,636
Total cash at bank and term deposits	10,706	6,397	9,923	5,636
Debtors and other receivables				
Existing counterparty without defaults in the past	9,525	8,228	7,143	4,521
Total debtors and other receivables	9,525	8,228	7,143	4,521

Liquidity risk

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

In December 2012 the Polytechnic and group received Secretary of Education approval for a credit line for up to \$4m that was put in place during 2014.

In meeting its liquidity requirements, the Polytechnic and group maintains a target level of investments that must mature within specified timeframes.

Categories of financial assets and liabilities

		Group		Polytechnic	
	Note	Actual 2015 \$'000	Actual restated 2014 \$'000	Actual 2015 \$'000	Actual restated 2014 \$'000
Loans and receivables					
Cash and cash equivalents	6	2,334	4,030	1,923	3,636
Student fees and other receivables	7	9,525	7,292	7,143	4,112
Financial assets in the nature of investments	9	8,372	2,367	9,346	3,346
Total loans and receivables		20,231	13,689	18,412	11,094
Financial liabilities measured at amortised cost					
Trade and other payables	14	(5,451)	(4,037)	(3,871)	(3,191)
Total financial liabilities measured at amortised cost		(5,451)	(4,037)	(3,871)	(3,191)

Trade and other payables (note 14) are all due and payable within six months of the balance date.

There are no financial instruments held at fair value.

22. Capital Management

The Polytechnic and group's capital is its equity, which comprises accumulated funds and other reserves. Equity is represented by net assets.

The Polytechnic and group are 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 Polytechnic and group manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments, and general financial dealings to ensure the Polytechnic and group effectively achieves its objectives and purpose, whilst remaining a going concern.

23. Commitments and Contingencies

Operating lease commitments – Polytechnic and group as lessee

The Polytechnic and group has entered into commercial leases on buildings where it is not in the best interest of the Polytechnic and group to purchase these assets. These leases have an average life of between one and eleven years with renewal terms included in the contracts. Renewal terms are included in the commitments where management considers it probable that these will be exercised. 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		Polytechnic	
	Actual 2015 \$'000	Actual 2014 \$'000	Actual 2015 \$'000	Actual 2014 \$'000
Due within one year	3,697	3,723	3,697	3,723
Due after one year and less than five years	19,135	11,628	19,135	11,628
Due after five years	54,666	6,703	54,666	6,703
	77,498	22,054	77,498	22,054

Capital commitments

At 31 December the Polytechnic had the following commitments:

	Polytechnic	
	Actual 2015 \$'000	Actual 2014 \$'000
Porirua campus upgrade	282	0
Auckland campus redevelopment	443	0
Website refresh	54	0
	779	0

During 2015 the Polytechnic and WelTec entered into an agreement to lease premises to be constructed at 82-92 Cuba Street and 65 Dixon Street, Wellington City. Council have approved a capital budget of \$23.2m for leasehold improvements.

Legal claims

During 2015 a former staff member took a personal grievance claim against the Polytechnic. Estimated costs for this, including settlement and defence costs, are \$10,000. (2014: nil).

Other contingent liabilities

The Polytechnic and group has no other contingent liabilities (2014: nil).

Contingent assets

The Polytechnic and group has no contingent assets (2014: nil).

24. Related Party Disclosure

Outstanding balances at 31 December 2015 and 2014 are unsecured and settlement occurs in cash.

	Polytechnic	
	Actual 2015 \$'000	Actual 2014 \$'000
Whitireia New Zealand Limited		
Services provided by the Polytechnic	2,300	2,075
Unsecured loans payable by the Polytechnic	562	103
Computer Power Plus joint venture		
Services provided to the Polytechnic	4,955	4,989
Dividends payable to the Polytechnic	0	139
Unsecured loans payable by Whitireia New Zealand Limited	755	516
W² Shared Services joint venture		
Services provided to the Polytechnic	1,648	1,418
Unsecured loans payable to the Polytechnic	0	496
Unsecured loans payable by the Polytechnic	289	0

Transactions between the Polytechnic and its subsidiary include loans and advances to subsidiary. These loans and advances are unsecured, interest free with no fixed terms of repayment.

For the year ended 31 December 2015, the group has not raised any provisions for doubtful debts relating to amounts owed by related parties as the payment history has been excellent (2014: nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates in. When assessed as required the group raises such a provision.

Crown / Government

The government influences the roles of the Polytechnic as well as significant source of revenue, as disclosed in note 2.

In conducting its activities, the Polytechnic is required to pay various taxes and levies (such as GST, PAYE, and ACC levies) to the Crown and entities related to the Crown. The payment of these taxes and levies is based on the standard terms and conditions that apply to all tax and levy payers. The Polytechnic is exempt from paying income tax and FBT.

The Polytechnic purchases goods and services from entities related to the Crown and it also provides services to entities related to the Crown. The purchase and provision of goods and services to government-related entities for the year ended 31 December 2015 are immaterial compared to the Polytechnic's total revenue and expenditure and have all been conducted on an arms length basis. These purchases included the purchase of electricity from Meridian, air travel from Air New Zealand, and procurement services from the Ministry of Economic Development.

Related party transactions

During the year the Polytechnic purchased services from various organisations that are related to members of Council. These services cost \$9,445 (2014: \$27,022) and were supplied on normal commercial terms. The amounts paid to individual organisations are immaterial to the Polytechnic's total revenue and expenditure.

25. Events After Balance Date

Except as already disclosed, there were no other events that have occurred between 31 December 2015 and the date of this report. (2014: nil)

26. Childcare Centre

		Polytechnic	
		Actual 2015 \$'000	Actual 2014 \$'000
Income			
Operating grants - Ministry of Education (MOE)		211	190
Fees - staff, students, public		21	36
Family assistance - Work and Income New Zealand (WINZ)		50	52
		282	278
Expenses			
Personnel		353	348
Other		36	33
		389	381
Net deficit			
		<i>Note 1</i>	
		(107)	(103)
Statistics			
MOE hours funded	under 2's	7,795	3,180
MOE hours funded	over 2's	4,799	5,992
MOE 20 hours ECE		8,703	3,871
MOE plus 10 hours ECE		3,195	1,782

Comments

The Childcare Centre is run as a separate trading entity within the Polytechnic. It operates under one licence (full / all day – Ministry of Education) to provide childcare for up to 30 children primarily for staff and students at the Polytechnic.

Note 1

The accounts presented above are required to be presented separately for Ministry of Education purposes to support the funding provided. There is no reflection of the portion of occupancy costs or depreciation on buildings and equipment used by the Childcare Centre, which are included in the main accounts of the Polytechnic.

27. Student Services Levy

	Advocacy & legal advice	Careers support & advice	Counselling services	Financial advice & support	Health services	Sports, recreation & cultural activities	2015 total	2014 total
Revenue								
Compulsory student services fees	18,887	75,477	57,919	70,123	100,100	59,808	382,314	297,571
International	11,272	45,044	34,566	41,849	59,739	35,693	228,163	127,928
Other	0	0	0	0	19,786	0	19,786	21,872
Total revenue	30,159	120,521	92,485	111,972	179,625	95,501	630,263	447,371
Expenses	31,019	149,082	70,877	106,497	154,234	146,929	658,638	515,917
Total expenses	31,019	149,082	70,877	106,497	154,234	146,929	658,638	515,917
Deficit	(860)	(28,561)	21,608	5,475	25,391	(51,428)	(28,375)	(68,546)

In 2015 the domestic compulsory student services fee for the Whitireia group, including the Polytechnic's subsidiary Whitireia New Zealand Limited, was \$190 per EFTS (2014: \$144).

For international students the compulsory student services fee is included in the tuition fee. No fee is charged to students enrolled in Youth Guarantee and Levels 1-2 programmes in accordance with TEC funding rules.

Refer to page 26 for details on the services provided to students and consultation with students.

Income and expenditure for these services is separately accounted for by Whitireia Community Polytechnic.

All figures above include GST.

28. Explanations of Major Variances Against Budget

Statement of Financial Performance

A significant increase in international students resulted in group revenue being \$1.6m ahead of budget at \$67.0m and \$5.7m more than 2014. Core government funding targets were achieved with Student Achievement Component Level 3+ above 100%. Targets for Student Achievement Component Levels 1-2 (95%) and Youth Guarantee (97%) were not achieved.

The overall result was an operating surplus for the group of \$3.3m against a budget of \$1.7m.

Statement of Financial Position

The increased surplus resulted in the cash and financial assets increasing \$4.3m to \$10.7m, \$1.8m ahead of budget.

Statement of Compliance and Responsibility

Statement of Compliance

The Council and management of Whitireia Community Polytechnic confirm that all the statutory requirements in relation to this Annual Report, as outlined in the Education Act 1989, have been met.

Statement of Responsibility

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

In the Council and management's opinion, the annual financial statements for the year ended 31 December 2015 fairly reflect the financial position, financial performance and service performance achievements of Whitireia Community Polytechnic and group.

Signed by



Chairperson of Council
29 April 2016



Chief Executive
29 April 2016



Independent Auditor's Report

**To the readers of
Whitireia Community Polytechnic and group's
financial statements and statement of service performance
for the year ended 31 December 2015**

The Auditor-General is the auditor of Whitireia Community Polytechnic (the Polytechnic) and group. The Auditor-General has appointed me, Stuart Mutch, using the staff and resources of Ernst & Young, to carry out the audit of the financial statements and statement of service performance of the Polytechnic and group on her behalf.

Opinion on the financial statements and the statement of service performance

We have audited:

- the financial statements of the Polytechnic and group on pages 48 to 93, that comprise the statement of financial position as at 31 December 2015, the statement of financial performance, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the Polytechnic and group on pages 32 to 38.

In our opinion:

- the financial statements of the Polytechnic and group on pages 48 to 93:
 - present fairly, in all material respects the Polytechnic and group's:
 - financial position as at 31 December 2015; and
 - financial performance and cash flows for the year then ended;
 - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Reporting Standards.
- the statement of service performance of the Polytechnic and group on pages 32 to 38 presents fairly, in all material respects, the Polytechnic and group's service performance achievements measured against the proposed outcomes described in the investment plan for the year ended 31 December 2015.

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

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

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and the statement of service performance are free from material misstatement.

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

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

An audit also involves evaluating:

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

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the statement of service performance.

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

Responsibilities of the Council

The Council is responsible for preparing financial statements that comply with generally accepted accounting practice in New Zealand and present fairly the Polytechnic and group's financial position, financial performance and cash flows.

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

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

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

Responsibilities of the Auditor

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

Independence

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

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

A handwritten signature in black ink, appearing to be 'Stuart Mutch', with a long horizontal line extending to the right.

Stuart Mutch
Ernst & Young
On behalf of the Auditor-General
Wellington, New Zealand



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